

NEWS RELEASE

Budget 2006 Concentrates on B.C.'s Children

VICTORIA — Enhanced services for children and expanded skills training programs lead a range of new measures designed to keep British Columbia growing with confidence, Finance Minister Carole Taylor announced with the release of *Balanced Budget 2006*.

“Every budget is an opportunity for our province to take another step forward,” said Taylor. “The first budget in our renewed mandate focused on seniors. Today, I’m pleased to take another step forward with a budget designed to improve services for children.”

Balanced Budget 2006 provides an additional \$421 million to help ensure the well-being of vulnerable children, to enhance services for children with special needs, and to better support caregivers and family members caring for children and youth at risk.

This funding will provide more social workers and other front line staff, improve supports for families at risk, and strengthen the child protection system. It will also enhance capacity to assist children and youth with mental health disorders and reduce waitlists for services that help children and youth with special needs and their families.

“To highlight just a few of the improvements, this means an additional 3,000 children will benefit from infant development programs, another 5,200 will see improved access to therapy programs, and another 1,100 children with special needs will receive support services in regular childcare settings,” said Taylor.

“We have always said that the power of a strong economy is that it allows us to focus new spending on our priorities — in this case, children. But a robust economy also comes with new challenges. Namely, how can we best meet the growing demand for skilled workers?”

Balanced Budget 2006 provides an additional \$400 million to increase training and skills development, expand post-secondary education, and help more people connect with opportunities and achieve their potential.

Of this amount, the government will set aside \$90 million for a new tax credit program that will be designed in consultation with industry representatives from around the province. The program will engage business in partnership with government to find creative new solutions that expand training opportunities in traditional construction trades as well as in emerging industries. This is complemented by additional funding for the Industry Training Authority to increase apprenticeship training through public and private training institutions.

To help more people connect with opportunities and achieve their potential, there is increased funding for ESL training, computer training and computer access centres in First Nations communities, and new opportunities for youth to get hands-on experience in construction, mining, and environmental remediation.

“Another challenge created by a strong economy is the impact of soaring real estate values, especially for families and seniors on fixed incomes,” said Taylor. “Today, I’m pleased to announce several improvements to the Home Owner Grant Program that will help keep home ownership affordable.”

Balanced Budget 2006 provides \$309 million in property tax reductions for B.C. homeowners through the Home Owner Grant Program. This is delivered through three improvements. First, the basic grant will increase by 22 per cent to \$570 — the first increase in the grant amount since 1993 — and the grant for seniors, veterans and disabled people will increase to \$845 from \$745. Second, as announced in January, the threshold at which homeowners qualify for the full grant will increase to \$780,000 in assessed property value. Third, eligibility for the grant will be extended to include more people with disabilities.

“If we want our economy to remain strong, it’s important to keep attracting people and investment to British Columbia,” said Taylor. “In part, that’s accomplished by investing in services for people. But it’s also important to keep our taxes competitive for business and fair for individuals.”

The budget outlines additional tax reductions that benefit individuals and business. These measures include providing a PST exemption for services to maintain or modify software, increasing the vehicle surtax threshold, and extending the BC Mining Flow-through Share Tax Credit. Including the cost of the Home Owner Grant improvements, these tax reductions total \$733 million, two-thirds of which will benefit individuals with the balance targeted to business.

Balanced Budget 2006 also commits up to \$6 billion out to 2009/10 to support the province’s Negotiating Framework for public sector compensation. This includes up to \$1 billion in incentives to reach agreements in 2005/06.

“It’s important to remember that the single largest dollar item in this budget — by far — is our commitment to public sector compensation increases,” added Taylor. “As we announced in November, half of all our available fiscal room out to 2009/10 is allocated for compensation increases. That’s a lot of money, but we believe we’ve set a fair balance between spending on employees and spending for our children, for health, education and all the other programs and services British Columbians rely on.”

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1 backgrounder attached.

For the Finance Minister’s speech and more about details on the *Balanced Budget 2006*, visit www.gov.bc.ca/bcbudget online.

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