

Choices and Priorities: B.C. Budget Consultations

WHAT IS YOUR VISION?

This is an exciting time for British Columbia. There are some important challenges, goals and opportunities ahead – but we cannot afford to do everything at once. We have choices to make. We want to know what is important to you, so we can work to meet your priorities.



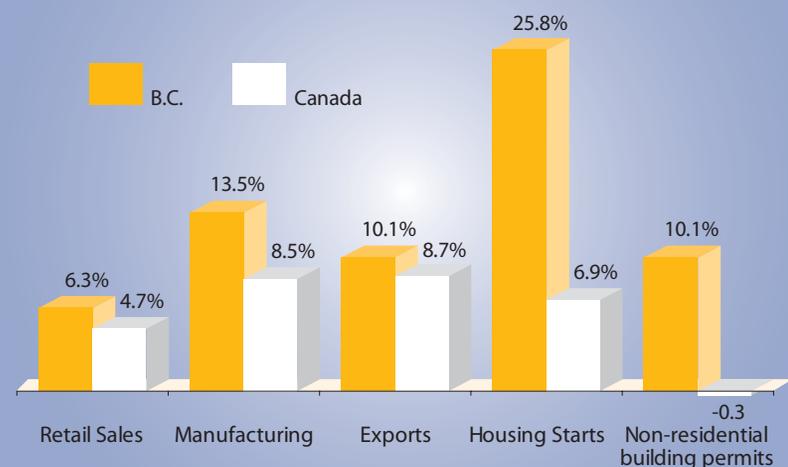
HARD WORK IS PAYING OFF

Just four years ago, B.C. was ranked among the lowest in Canada for economic growth. The provincial government faced a large and growing deficit because it was spending more than it could afford.

British Columbia set out a plan to turn things around. We followed the plan and regained our place as an economic leader. B.C. began to outperform the Canadian average across key sectors of the economy. With renewed economic strength comes new opportunities to invest in health care, education and other priority programs and services.

B.C. – an Economic Leader

2004 Annual percent change



Source: Statistics Canada, CMHC



INVESTING IN YOUR PRIORITIES



BUILDING NEW INFRASTRUCTURE

British Columbia is growing. That means we need to invest in new infrastructure – and upgrade our existing stock – to meet the needs of British Columbians and keep our economy growing.

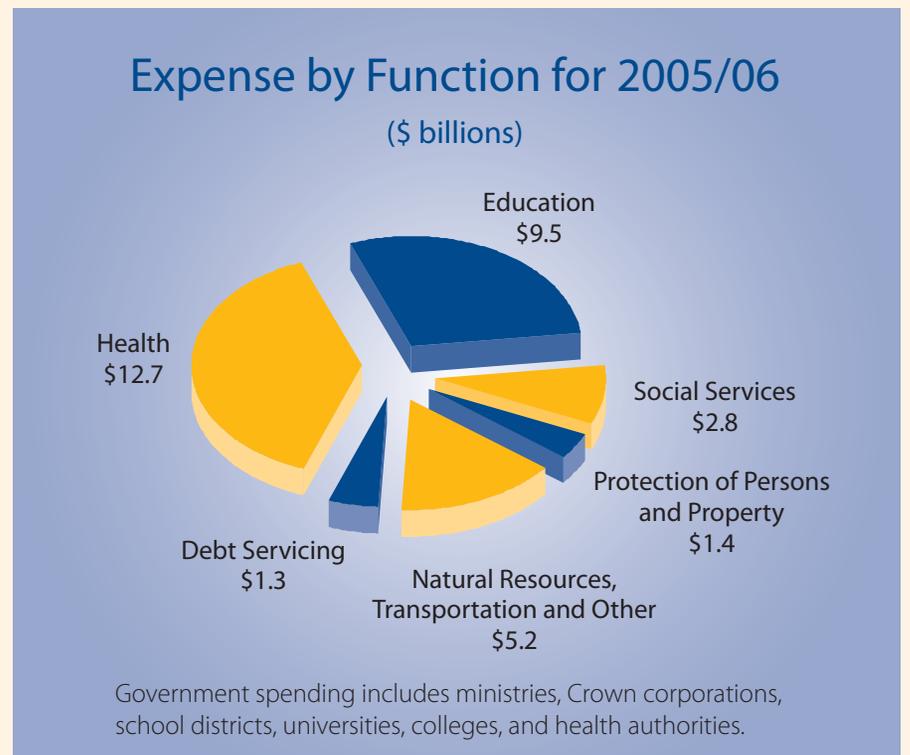
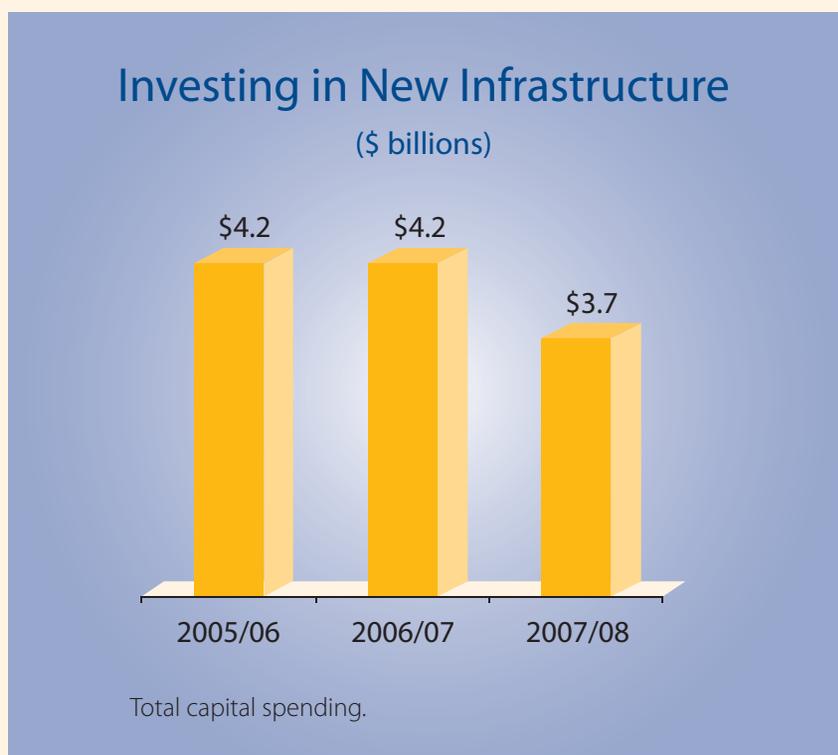
Important investments in roads, schools, universities, colleges, and health care facilities worth more than \$12.1 billion are planned over the next three years.

Infrastructure investments are funded through new borrowing. The surplus is used to reduce this new borrowing. When the surplus is larger, the province needs to borrow less and can put more toward debt reduction. With a smaller surplus, the province may need to borrow more.

OUR BALANCED BUDGET PLAN

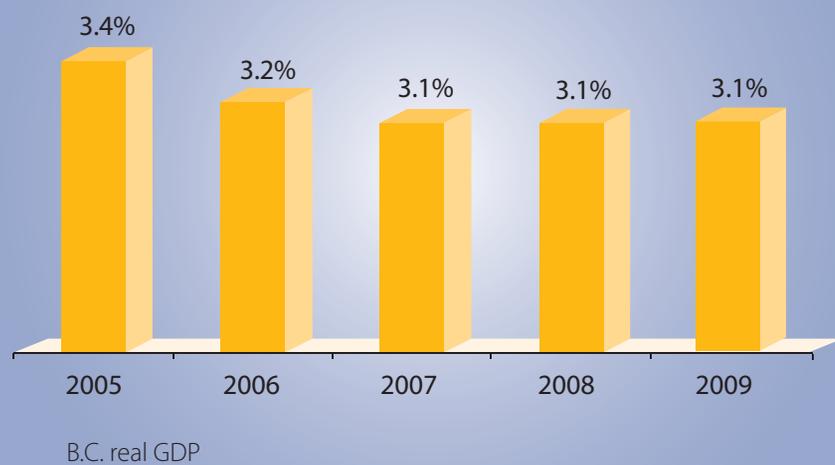
A strong foundation for the future starts with a balanced budget. As detailed in the September Budget Update, the surplus is now forecast to reach \$1.3 billion this year.

Looking to the years ahead, the fiscal plan surpluses are now estimated at \$600 million next year and \$400 million in 2007/08. These surpluses have been allocated to reduce new borrowing for infrastructure investments and help keep debt affordable.



B.C.'s Economic Outlook

Annual per cent change



RISKS AND CHALLENGES

There are always risks and challenges to keeping British Columbia's budget balanced. International events can lead to economic slowdowns. Revenues could drop unexpectedly. Natural disasters like forest fires, earthquakes and floods can create large unforeseen expenses.

That's why the government sets aside a forecast allowance and a contingency fund each year to protect the balanced budget from unexpected events. The forecast allowance also covers potential wage and benefit increases arising from the next round of public sector bargaining.

The government has set aside forecast allowances of \$300 million this year, \$600 million next year, and \$900 million in 2007/08.

At the end of the budget year, if these allowances are not needed, they are used to reduce borrowing and debt.

Even with this prudent approach, it will take ongoing effort and vigilance to ensure the province stays on track and keeps the budget balanced. The budget choices we make today must remain affordable and sustainable in the years ahead.

OPPORTUNITIES AND CHOICES AHEAD

On February 21, 2006, the province will table a balanced budget with an updated plan to keep it balanced. It will add fiscal year 2008/09 to its rolling three-year plan. In addition to the current fiscal plan surpluses, the government anticipates that revenue will increase by \$600 million in 2008/09. These resources could be available to reinvest in areas that meet British Columbians' priorities.

What choices would you make with the available revenue? What opportunities do you see ahead?

British Columbia cannot afford to do everything at once.

Prudent decisions will continue to play a key role in making B.C. the best place on Earth to live, work and raise a family.

IT'S YOUR PROVINCE

What is most important to you? Reinvesting in services and programs? Reducing taxes? Paying down debt?

The Select Standing Committee on Finance and Government Services, which includes both government and opposition Members of the Legislative Assembly, will hold public meetings to seek the views of British Columbians. The committee will present a report on its consultations by November 15, 2005.

You can provide your views by:

- > appearing before the committee at one of its public meetings. The committee's public meeting schedule is available at www.leg.bc.ca/budgetconsultations
- > sending a written submission, letter, e-mail, or the attached questionnaire, or
- > filling out the questionnaire at www.leg.bc.ca/budgetconsultations

You can send your written submission, letter, e-mail or questionnaire to:

Mail: **Select Standing Committee on Finance and Government Services**
Room 224
Parliament Buildings
Victoria, B.C. V8V 1X4

Phone: 250 356-2933 (collect) or 1-877-428-8337 (toll-free)

Fax: 250 356-8172

E-mail: FinanceCommittee@leg.bc.ca

Website: www.leg.bc.ca/budgetconsultations

YOUR OPINION IS IMPORTANT

The books are balanced and it is important to keep them balanced.

Since the provincial budget affects us all, we are asking for your input

– to see how you think your tax dollars should be invested in the years ahead.

