

# Budget 2015 Consultation

## Successive Balanced Budgets

Last year, British Columbia posted its first surplus since 2008, and this year we have forecast balanced budgets in all three years of the current fiscal plan. Despite successive forecast surpluses, we must continue to exercise fiscal discipline and maintain the commitment to B.C. taxpayers that we will not spend more money than we collect.

We want your input and ideas on how government can improve program delivery and services within this balanced budget. This consultation is your chance to tell government about your priorities for Balanced Budget 2015.

## Fiscal discipline supports triple-A credit rating

A balanced budget helps keep B.C.'s debt affordable, particularly compared to other jurisdictions. Following Budget 2014, all four major credit rating agencies affirmed B.C.'s high credit ratings. Our triple-A rating saves B.C. taxpayers millions of dollars a year on the government's cost of borrowing.

## Declining debt ratio

### DEBT-TO-GDP RATIO



As a result of government's debt-management strategy, the taxpayer-supported debt-to-GDP ratio peaked at 18.2% in 2013-14 and will progressively decline to 17.8% in 2016-17.

## B.C. is open for business

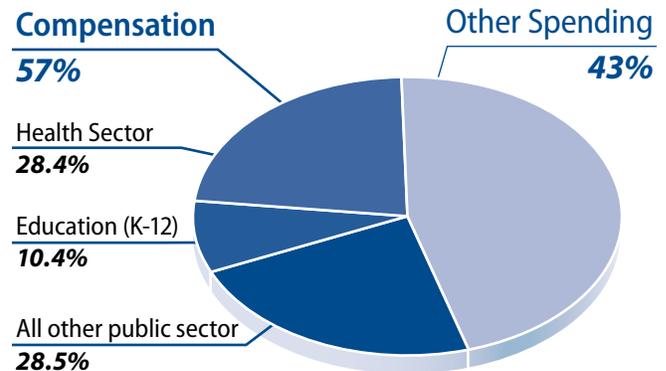
Keeping business tax low is essential for a competitive tax environment that attracts investment, creates jobs and moves B.C.'s economy forward. We have some of the lowest corporate income tax rates in Canada. Combined with federal tax reductions, the general corporate income tax in B.C. is among the lowest of the G7 nations.

## Preparing for the jobs of tomorrow

By 2022 we expect one million job openings in British Columbia, driven by LNG and other key sectors of our growing economy. Through the Skills for Jobs Blueprint we are responding by re-engineering our education and training system to give young people a clear and seamless path right from school through to the workplace. Our goal is to ensure British Columbians are first in line for future jobs, and this year we're targeting over \$160 million to do just that.

## Labour stability a key priority

### 57% OF THE PROVINCIAL BUDGET GOES TO PUBLIC-SECTOR COMPENSATION



The B.C. public sector employs approximately 390,000 people – about 80% are unionized employees working in the public service, including Crown corporations and agencies, K-12, post-secondary, health and community social services sectors. About half of B.C.'s public-sector employees are now covered by tentative or ratified agreements under the Economic Stability Mandate.

## Low taxes

When all taxes are considered, British Columbians generally have one of the lowest overall tax burdens in Canada.

### 2014 BREAKDOWN OF TOTAL BC TAX: \$6,739



### TWO-INCOME FAMILY OF 4 \$60,000 INCOME

2014 comparison of provincial taxes by province



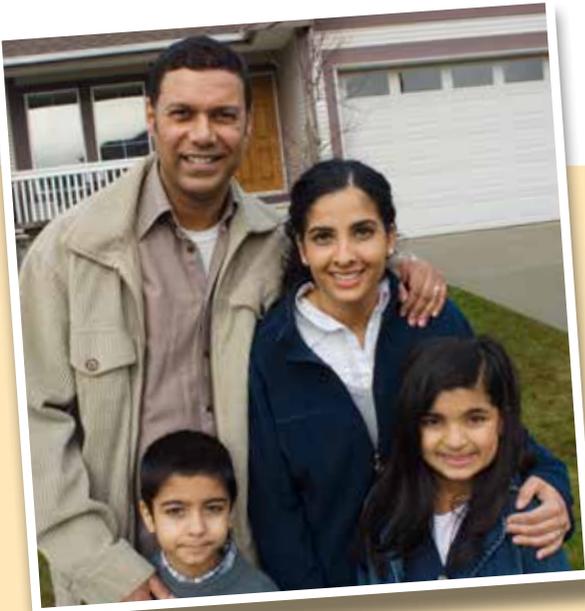
## B.C. has top health outcomes

By 2016-17, total health-care spending will reach \$19.5 billion, or more than 40% of all government spending. B.C. continues to achieve key health outcomes that lead the country while maintaining the second-lowest rate of health spending per capita. According to the most recent data, B.C. ranks best in Canada in terms of life expectancy, cancer mortality and mortality related to heart disease.

## The knowledge economy

In 2014-15, the Learning Improvement Fund increases to \$75 million annually from \$60 million in 2013-14. This fund adds resources for vulnerable learners and is allocated in consultation with educators to target funding to where it will be most effective. Total block funding to school districts for K-12 education remains at record levels – \$4.7 billion for 2014-15.

In 2013-14, B.C. taxpayers put a record \$1.9 billion into post-secondary education. B.C. undergraduate students pay the fourth-lowest tuition in Canada and pay less than one-third of the actual cost of their post-secondary education – the rest comes from taxpayers.



## Budget consultation questions

Submit your feedback and respond to the questionnaire online at [www.leg.bc.ca/cmt/finance](http://www.leg.bc.ca/cmt/finance)

Now that B.C. has returned to balanced budgets, government will aim to strike a balance between keeping costs affordable for families, providing new services and reducing taxpayer-supported debt.

### Instructions:

Please rank the answers to the following questions in order of importance; 1 is your first choice and 5 is your last choice.

#### 1. What is the best way to maintain a balanced budget:

- a. Reduce spending
- b. Increase revenue through taxes
- c. Maintain current balance

#### 2. What program and spending areas are most important to you:

- a. Health care
- b. K-12 and post-secondary education
- c. Income assistance and community social services
- d. Natural resources and economic development
- e. Developing infrastructure

#### 3. If demand for public services grows government should:

- a. Raise taxes
- b. Remove barriers and provide support to boost economic opportunities
- c. Increase user fees and licences
- d. No need to find more revenue because the budget is balanced

#### 4. Taxpayer-supported infrastructure spending on hospitals, schools, post-secondary facilities, transit and roads will total \$11.4 billion over three years, financed by \$7.2 billion in provincial borrowing with the remainder funded by partners such as the federal government. Budget surpluses are used to reduce new borrowing needs. Which statement do you agree with the most:

- a. It is important to build needed infrastructure, regardless of how much we need to borrow.
- b. It is important to build needed infrastructure, but we need to limit our borrowing and keep debt affordable.
- c. The government should not borrow any money; instead I am willing to pay higher taxes to build needed infrastructure.
- d. The government should not borrow any money; instead I am willing to postpone or cancel needed infrastructure.
- e. The government should not borrow any money; instead it should cut programs and services to fund needed infrastructure.

## Budget 2014 Fiscal Plan Update

| (\$ millions)                               | 2014/15      | 2015/16      | 2016/17      |
|---|--------------|--------------|--------------|
| Revenue                                     | 45,315       | 46,057       | 47,447       |
| Expense                                     | (44,849)     | (45,604)     | (46,655)     |
| Forecast allowance                          | (200)        | (225)        | (325)        |
| Surplus                                     | 266          | 228          | 467          |
| Taxpayer-supported capital spending         | 4,198        | 3,895        | 3,339        |
| Total taxpayer-supported debt               | 42,290       | 44,177       | 45,140       |
| <b>Taxpayer-supported debt-to-GDP ratio</b> | <b>18.1%</b> | <b>18.1%</b> | <b>17.8%</b> |
| <b>Economic Forecast:</b>                   |              |              |              |
| Real GDP Growth                             | 1.9%         | 2.3%         | 2.5%         |

### How do you submit your ideas?

The Select Standing Committee on Finance and Government Services holds public consultations around the province in September and October. You can provide your feedback by:

- Participating at one of the public consultations.
- Completing an online survey
- Making a written submission

Visit [www.leg.bc.ca/cmt/finance](http://www.leg.bc.ca/cmt/finance) for locations and details.

Please send your submission (including contact information) by Friday, October 17, 2014, to:

Select Standing Committee on Finance  
and Government Services  
Room 224, Parliament Buildings  
Victoria, British Columbia  
V8V 1X4 Canada

Phone: 1 877 428-8337 (toll-free)  
Phone: 250 356-2933 (collect)  
Fax: 250 356-8172

Visit [www.leg.bc.ca/cmt/finance](http://www.leg.bc.ca/cmt/finance) to submit your feedback and respond to the questionnaire.

### Public consultation locations and dates:

|               |          |                |          |  |         |
|---------------|----------|----------------|----------|--|---------|
| Victoria      | Sept. 15 | Cranbrook      | Sept. 29 | Dawson Creek, Quesnel, Smithers<br>(video-conference sessions) | Oct. 8  |
| Prince Rupert | Sept. 16 | Castlegar      | Sept. 29 | Surrey   | Oct. 14 |
| Terrace       | Sept. 16 | Kelowna        | Sept. 30 | Mission  | Oct. 15 |
| Fort St. John | Sept. 17 | Kamloops       | Sept. 30 | Delta  | Oct. 15 |
| Prince George | Sept. 17 | Williams Lake  | Oct. 1   |  |         |
| Vancouver     | Sept. 18 | Campbell River | Oct. 1   |  |         |
| Whistler      | Sept. 22 | Courtenay      | Oct. 2   |  |         |



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Visit [www2.gov.bc.ca/govtogetherbc](http://www2.gov.bc.ca/govtogetherbc).

