

Open Cabinet



Fiscal and Economic Update

Ministry of Finance

December 10, 2003

Balanced budget plan on track



(Deficit) surplus

\$ millions



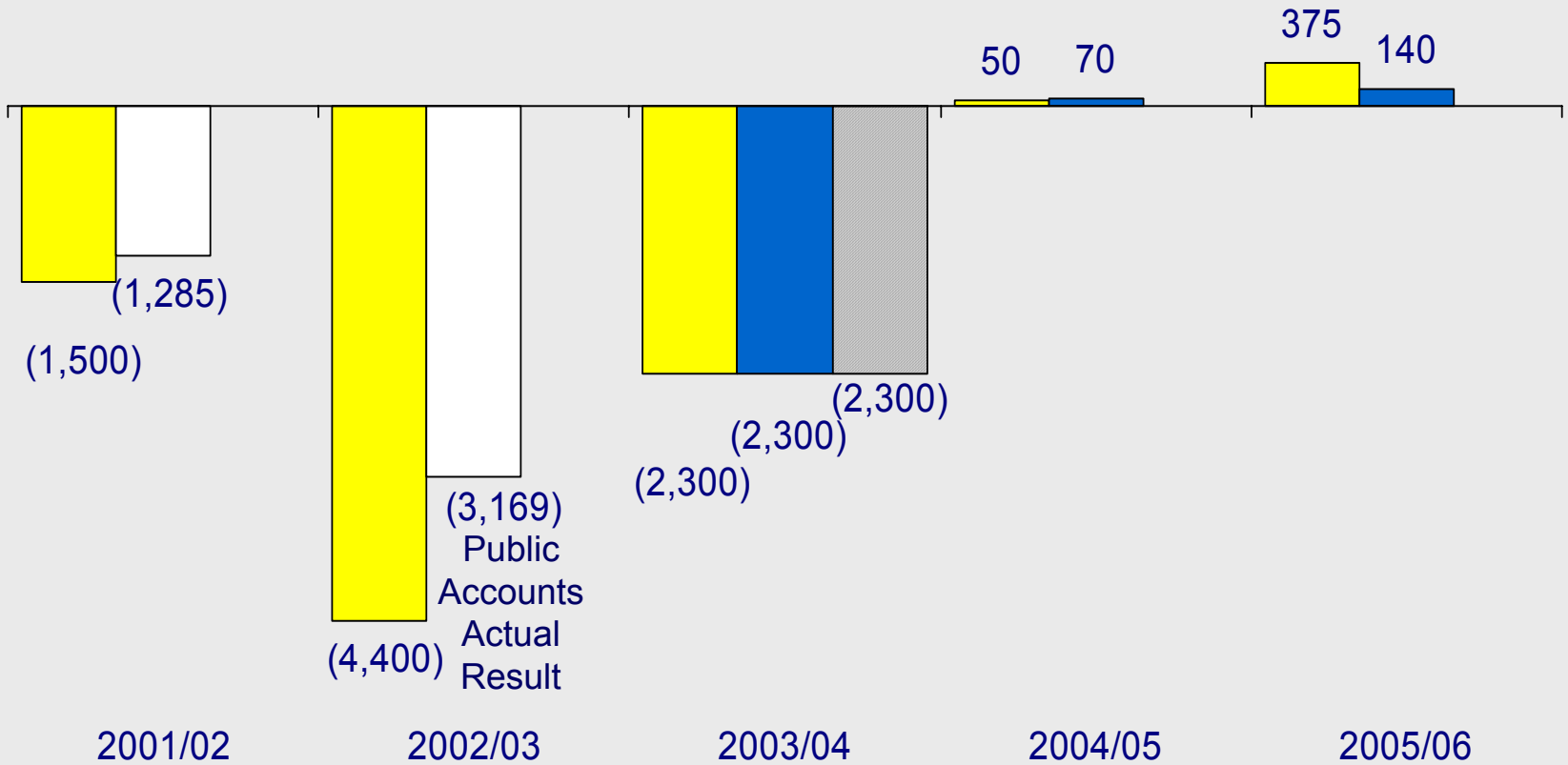
Budget Forecast



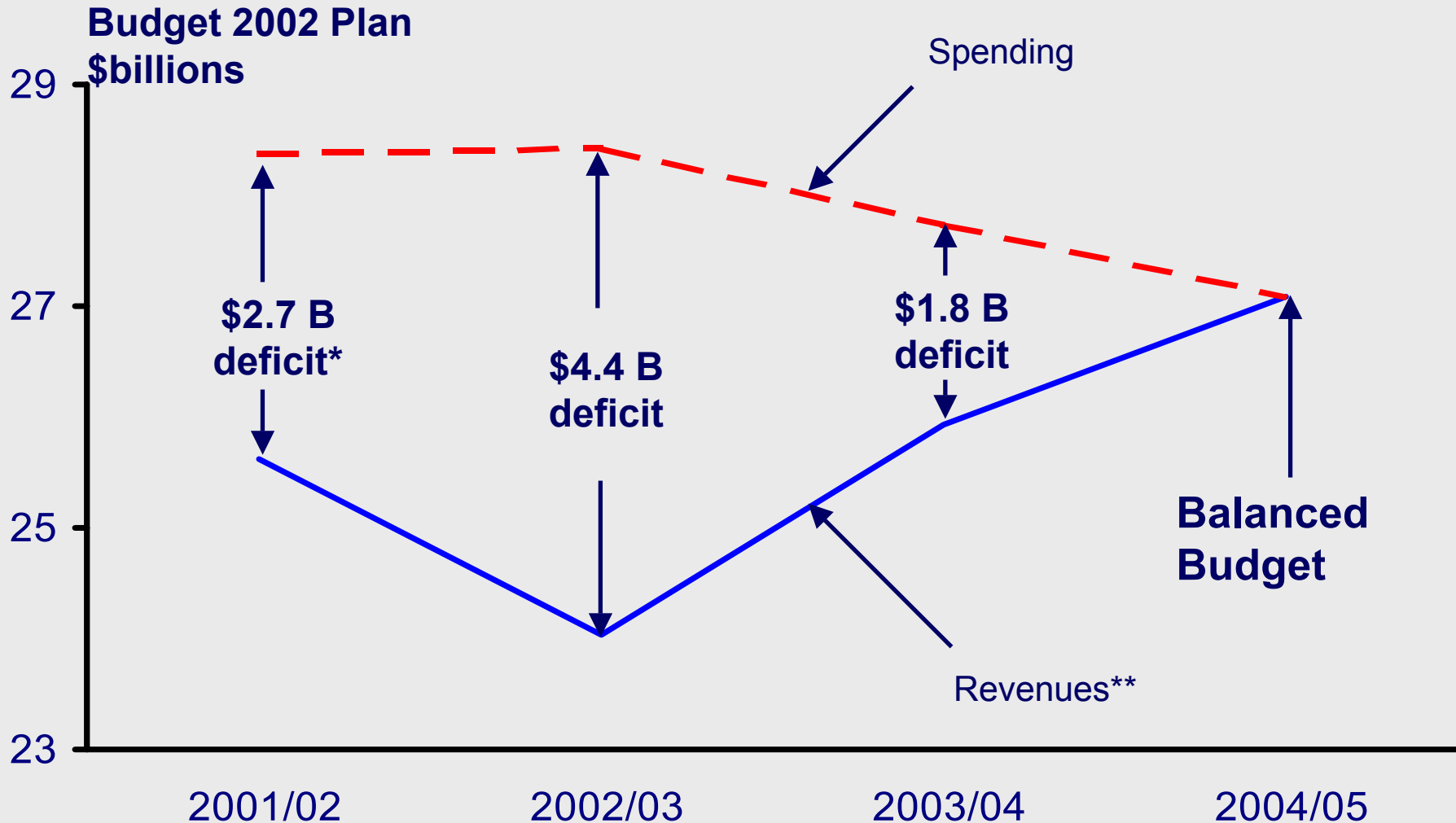
1st Quarterly Report



2nd Quarterly Report



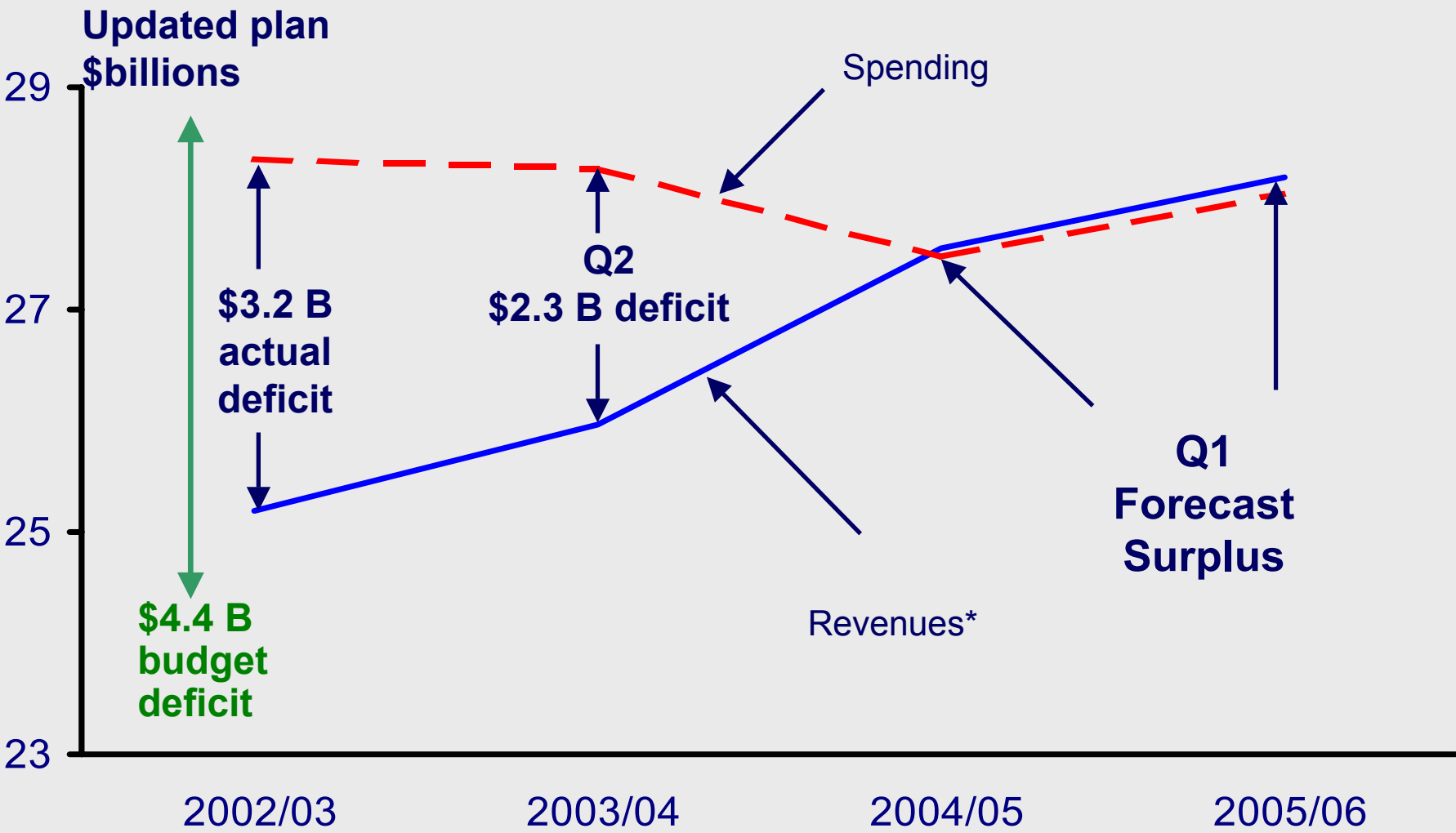
Restoring sound fiscal management



* 2001/02 excluded one-time pension adjustment

** 2002/03 included a \$750M forecast allowance

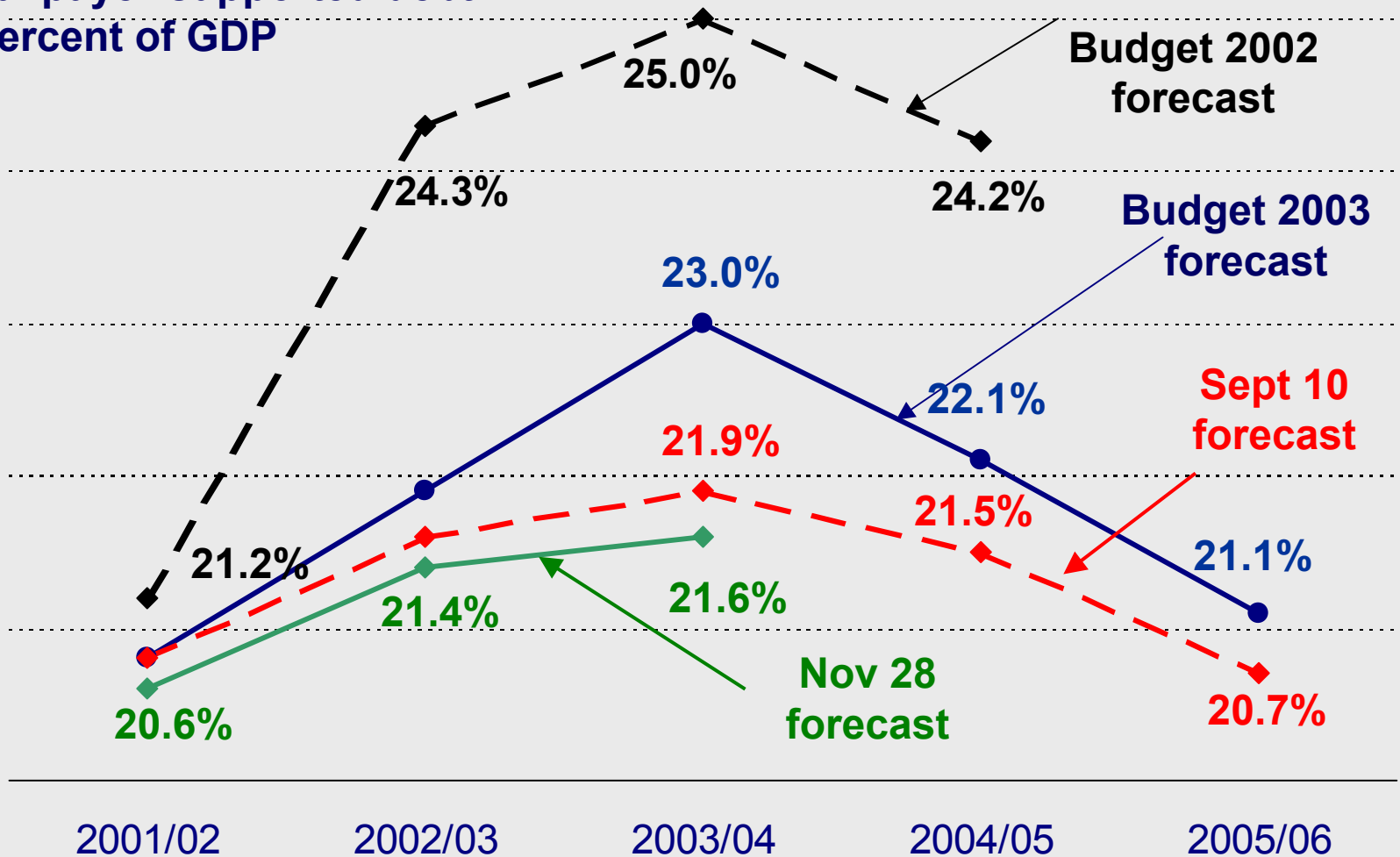
.... despite challenges



* 2003/04 includes a \$450M forecast allowance

Taxpayer-supported debt to GDP ratio down

Taxpayer-supported debt
Percent of GDP

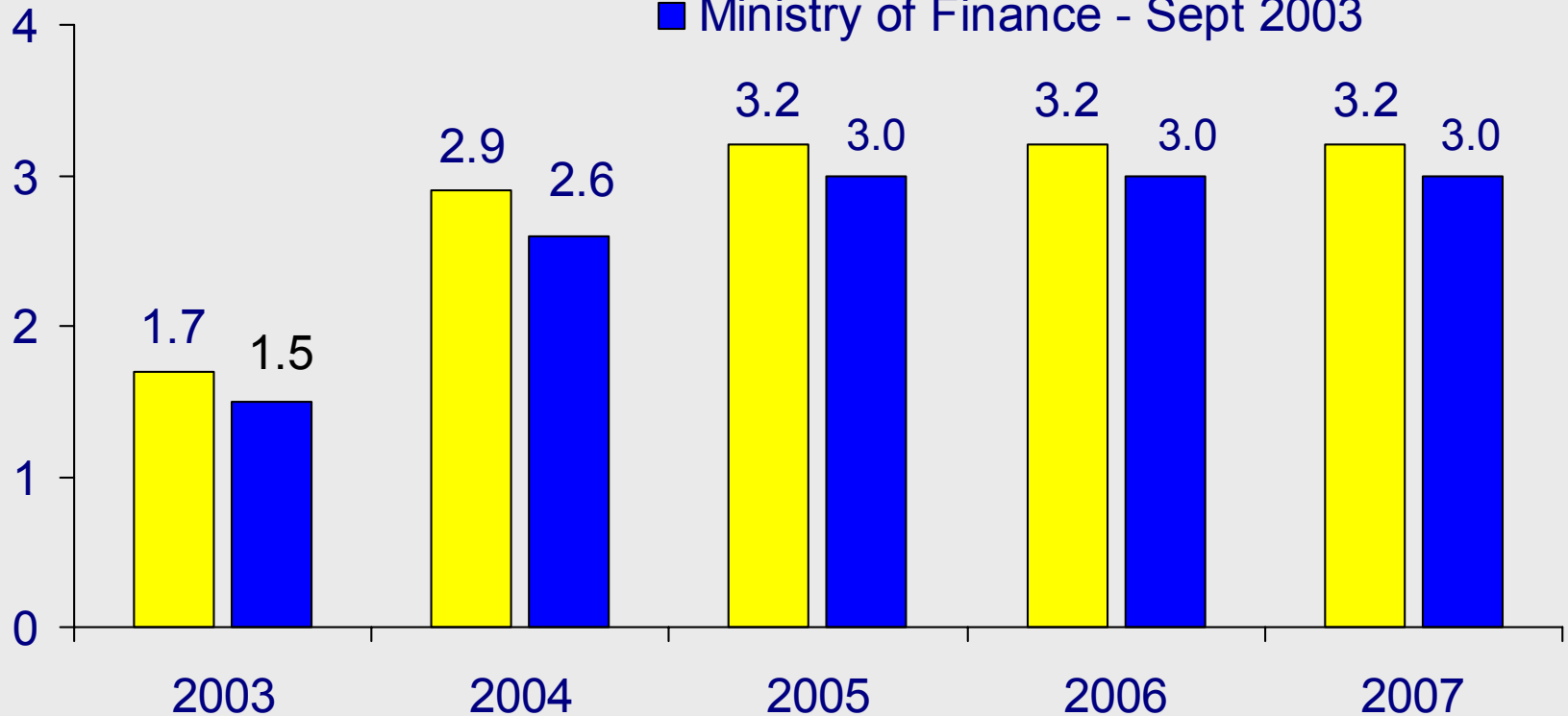


Economic recovery expected to continue

Annual per cent change
B.C. Real GDP

■ Economic Forecast Council - Dec 2003

■ Ministry of Finance - Sept 2003



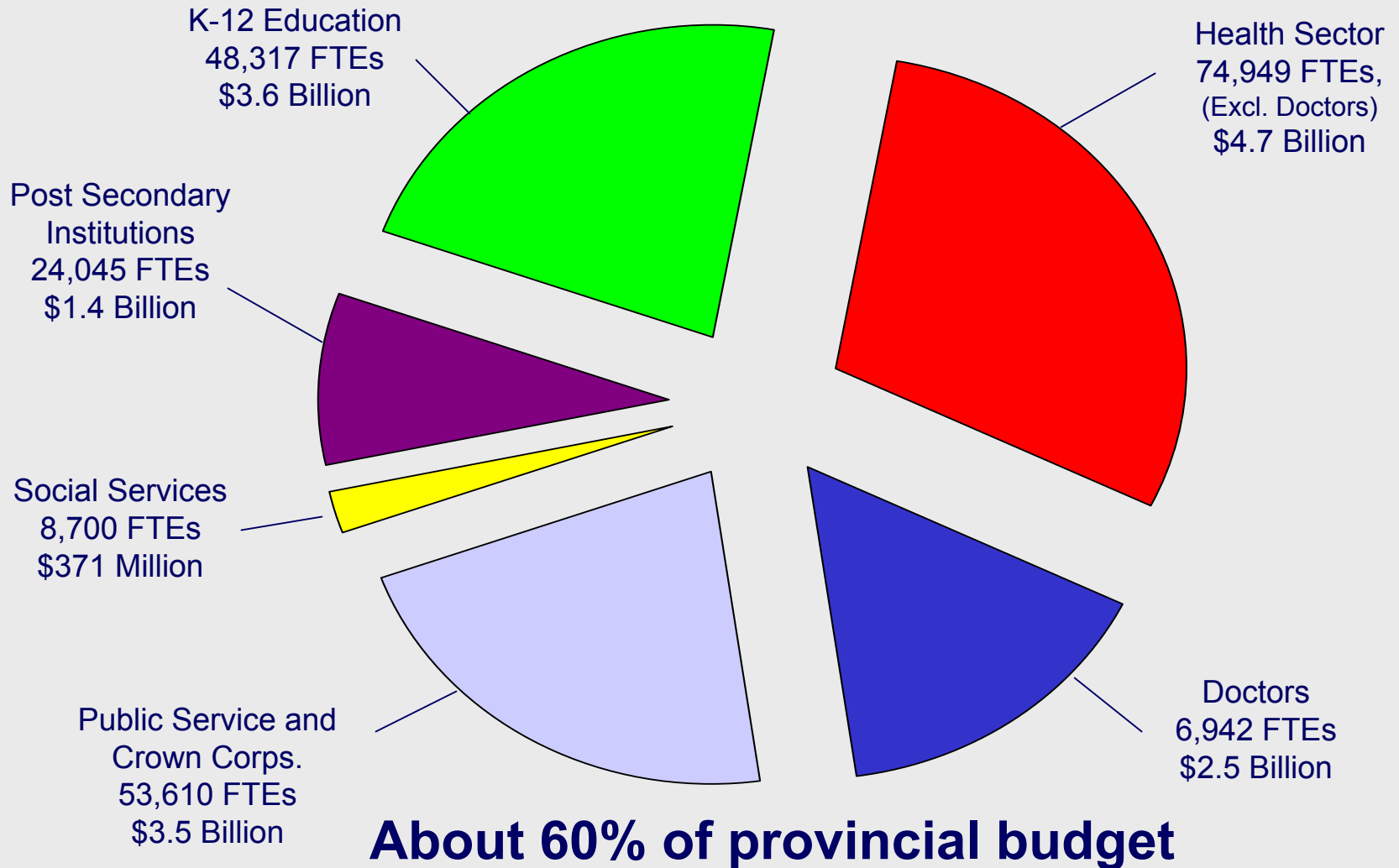
Achieving a sustainable balanced budget



Key Assumptions:

- ✓ **Restoring Sound Fiscal Management**
 - spending under control
 - 0 - 0 - 0 bargaining mandate
- ✓ **Revitalizing the Economy**
 - Competitive taxes, deregulation, sector strategies
- ✓ **Putting Patients, Students and People in Need First**
 - About 70 percent of ministry budgets on health and education
 - Healthcare spending up by \$2 billion

\$16 billion public sector compensation



Mandate for 2002/03 to 2005/06



- **0%-0%-0%**

- *Includes Market Increases*

- **23 Settlements to date**

- Public Service
 - 11 University support
 - UVIC faculty
 - 2 College faculty/support
 - Midwives
 - 7 Crowns