

B.C. budget promises \$421 million for children



B.C. Finance Minister Carole Taylor unveils the budget, Tuesday.

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VICTORIA — British Columbia's "little ones" were the focus of a budget Tuesday that was dominated by spending on children but which also provided tax relief for homeowners and more money to train workers as the province faces a shortage of skilled labour.

The province will spend \$421 million over the next four years to help vulnerable children and families by offering more counselling, hiring more social workers and increasing support for foster parents and families who are caring for children under kinship agreements, Finance Minister Carole Taylor said in her budget speech.

B.C.'s continued strong economy, which has helped produce a \$600 million budget surplus for 2006-07 and 30-year low unemployment numbers, also allowed the government to spend \$400 million to boost apprenticeship and job-training programs.

It is increasing the homeowner grant for those who are eligible by \$100, the first time the grant has been increased in 13 years, Taylor said.

The province will spend a total of \$33.9 billion in the 2006-07 fiscal year, an increase of \$1.2 billion.

Labour negotiations with B.C. public sector unions are also a large part of the budget as the government set aside almost \$6 billion over the next four years to settle contracts with public-sector unions. The money was announced last year as negotiations continue with almost 200,000 public workers, including health workers, teachers, nurses and doctors who are seeking new contracts this year.

The unions are looking for wage increases and job security after years of job and wage cuts, imposed contracts and illegal strikes.

"We believe that this is very generous," said Taylor, adding that \$1 of every \$2 spent in B.C.'s budget goes to pay public sector workers.

Taylor's budget speech was child focused, but didn't mention the ongoing difficulties the Liberal government has faced over its admitted failure to properly review the deaths of 713 children and the recommendations last week of a B.C. coroner's jury into the death of a 19-month-old girl.

The jury hearing evidence at a 10-day inquest into the September 2002 beating death of toddler Sherry Charlie recommended Premier Gordon Campbell reinstate the children's commission, a position his government cut in 2002.

"It extremely obvious that Sherry Charlie had a huge impact on this budget," said Craig Meredith, executive director of the Federation of Child and Family Services of B.C.

Child and family organizations across British Columbia believe the budget sends a message it is getting serious about children's issues, he said. "It's (about) our little ones," said Taylor. "We are looking at children in a holistic way."

Part of the government's children's program includes a \$30 million Family Independence Fund that will provide grants to families to buy lifts, ramps and specialized vehicles to keep their children at home, she said.

Taylor said the extra budget dollars means 5,200 more children with special needs are eligible for therapy programs and 3,050 more infants and their families will receive development program services.

She said the government is adding \$2 million to its \$7 million strategy -- a first in Canada -- to attack the growing problem of crystal meth use.

"Crystal meth is one of those nasty, nasty worries that we all have," said Taylor.

She said the government will spend \$400 million over the next four years to train more workers and help immigrants jump into the job market. B.C.'s booming economy has resulted in British Columbia's lowest unemployment rate in 30 years.

"It's really a nice problem to have to say you've got jobs looking for people," Taylor said.

Businesses will be offered \$90 million in tax credits over the next three years to encourage skills training, she said. The money allows British Columbia to increase the number of registered apprenticeships to 35,000 in 2007-08 from 14,000 in 2003.

B.C. labour unions have predicted that past government job program cuts to apprenticeship programs will result in future job shortages. A shortage of skilled workers has also been cited as one of the reasons for increased costs of the 2010 Winter Olympics in Vancouver.

Jim Sinclair, president of the B.C. Federation of Labour, said the government has been going the wrong way on skills development.

"They fired over 100 people in the apprenticeship programs, laid off all the counsellors around the province and the number of apprentices has gone down dramatically," he added.

Taylor said the labour negotiations facing the government is a major piece of the budget. She said 90 per cent of the province's public workers are negotiating new contracts this year.

The government has offered what it can afford and believes the \$6 billion on the table is fair, Taylor said.

Sinclair said what the government has offered the unions barely keeps up with the rate of inflation.

The increase to the homeowners grant was one of the few tax cuts contained in the budget.

Eligible homeowners will now receive up to a \$570 grant, an increase of 22 per cent from the previous \$470.

Many taxpayers, including some business groups, were hoping Taylor would announce a reduction in the provincial sales tax, which remains at seven per cent.

Taylor said she considered cutting the sales tax, but decided the timing wasn't right.

A spokesman for the Fraser Institute, a right-wing think-tank, said the budget hardly touches taxes.

"For the average British Columbian you have to be extremely disappointed with this budget. It's a complete lack of vision for increasing prosperity and growing incomes," said Neils Veldhuis, the institute's fiscal studies director.

"There's no mention of personal income tax cuts," he said. "There's no mention of business tax cuts."

The budget forecasts economic growth of 3.3 per cent in 2006.

The debt is forecast at \$34.8 billion in 2006 and is forecast to rise by \$5 billion to \$39.8 billion by 2008-09.

Last September, the government used \$1.7 billion of its surplus to pay down some of the debt.

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