



MINISTRY OF FINANCE AND CORPORATE RELATIONS

For immediate release
July 2, 1996

15/96

REVISED PROJECTION SHOWS REVENUE SHORTFALL IN 1995/96

VICTORIA — A revised forecast for the 1995/96 fiscal year projects a deficit of approximately \$235 million for last year, Finance Minister Andrew Petter said today, in releasing the forecast.

The forecast shows actual revenue of \$19.92 billion and spending of \$20.155 billion, for a deficit of \$235 million.

The deficit for last year is largely due to a shortfall in forestry revenue of \$255 million from the revised April forecast.

The forecast released today was prepared by the finance ministry and is based on a review of preliminary calculations made during the preparation of the 1995/96 *Public Accounts*. As such, these preliminary numbers could change again when the *Public Accounts* for last year are published later this fall.

Petter noted the revised forecast dealt with last year's budget and said that the 1996/97 budget will achieve a surplus.

"We are fully committed to a budget that cuts taxes, protects health care and education and produces a surplus," Petter said.

This year's budget presented last week features new initiatives to review government programs and freeze and review capital spending in order to respond to British Columbians' concerns about the cost of government and the size of government debt.

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Enclosure

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1995/96 PRELIMINARY ACTUAL RESULTS
CONSOLIDATED REVENUE FUND — BUDGETARY TRANSACTIONS

1995/96			
Revenue Summary	Estimates ¹ \$	Revised Forecast ^{1,2} \$	Preliminary Actual ^{1,3} \$
Taxation	12,753,000,000	12,600,000,000	12,604,000,000
Forests	1,522,000,000	1,603,000,000	1,348,000,000
Other Natural Resources	929,000,000	684,000,000	678,000,000
Fees and Licences/Other	1,741,000,000	1,831,000,000	1,863,000,000
Contributions from Government Enterprises	970,000,000	981,000,000	978,000,000
Contributions from Federal Government	<u>2,343,000,000</u>	<u>2,431,000,000</u>	<u>2,449,000,000</u>
	<u>20,258,000,000</u>	<u>20,130,000,000</u>	<u>19,920,000,000</u>
Expenditure Summary			
Ministries/Other	19,165,000,000	19,135,000,000	19,178,000,000
Management of Public Funds and Debt	<u>979,000,000</u>	<u>979,000,000</u>	<u>977,000,000</u>
	<u>20,144,000,000</u>	<u>20,114,000,000</u>	<u>20,155,000,000</u>
Surplus (Deficit)	<u>114,000,000</u>	<u>16,000,000</u>	<u>(235,000,000)</u>

NOTES

¹ To conform to the 1996/97 *Estimates* presentation, the estimates, revised forecast and preliminary actual amounts for 1995/96 have been restated to reflect the transfer of the Motor Vehicle Branch and a portion of motor vehicle licence revenue to the Insurance Corporation of British Columbia. The effect of this restatement is to reduce both revenue and expenditure by \$42,000,000 in the 1995/96 estimates, revised forecast and preliminary actual amounts. The restatement does not affect the surplus.

² Per 1996 Budget and 1996/97 Estimates, April 1996.

³ Per draft 1995/96 Public Accounts, June 1996.