

March 2020

BUDGET

**2020
2021**

YOUR FUTURE YOUR BUDGET

BUDGET

SPEECH

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by Eric Girard, Minister of Finance,
on March 10, 2020.



Budget 2020-2021
Budget Speech

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INTRODUCTION

Mr. President,

I am very proud to be tabling the Coalition Avenir Québec government's second budget today.

☐ **Commitments met**

In October 2018, Quebecers showed their trust in our team by electing a majority government.

Since then, we have worked hard to deliver on our commitments.

- We've put money back in the pockets of Quebecers by introducing a new family allowance, by abolishing the additional contribution for childcare, by initiating the process of establishing a single school tax rate and by introducing a new senior assistance tax credit.
- We've reinvested heavily in education and health, giving priority to our children's success and exemplary treatment of our seniors.
- We've raised our level of wealth so that we can achieve our ambitions.

☐ **Impressive results**

The management approach taken by the government is yielding impressive results on both the economic and financial sides.

- Wages are rising faster than inflation.
- The budget is balanced.
- The objective for reducing the gross debt/GDP ratio has been achieved.
- The employment rate has risen to record highs.
- The unemployment rate is at a historic low.
- The Québec economy is performing remarkably well.

❑ **Maintenance of a balanced budget**

These impressive results are due in part to our economic policy.

We owe these results above all to our workers and our entrepreneurs, who are contributing more than ever to our growing prosperity.

We are ending fiscal 2019-2020 with a \$1.9-billion surplus and expect to keep the budget balanced in fiscal 2020-2021, after depositing \$2.7 billion in the Generations Fund.

❑ **Ambitious goals**

As of our first budget, we set ambitious goals for ourselves to show our willingness to take on the challenge of creating wealth and developing the economy.

We want to:

- increase Québec's potential economic growth to 2%,
- close the existing wealth gap with Ontario,
- raise the graduation rate of Québec students,
- improve the accessibility and quality of health services.

And we want to continue reducing our debt level while improving public services as a whole.

The climate emergency poses another challenge, that of reducing greenhouse gas emissions.

❑ **Challenges to be met head on**

The government has chosen to meet the challenges of wealth creation and greenhouse gas emission reduction head on.

Fighting climate change provides an opportunity to transform and propel the Québec economy forward so that it can serve tomorrow's markets and transition to a green economy.

Through our second budget, we will create more wealth by building a green economy, focusing on electrification.

At the same time, we will continue our efforts to provide Quebecers with quality services that meet their needs.

❑ **Confidence in the future**

This budget reflects our confidence in the future.

The spread of the coronavirus is raising global concerns about its health implications and its potential impact on economic growth.

We are in a position to face these concerns. Our strong public finances and economic fundamentals make Québec resilient to economic uncertainties.

We have confidence in the future.

We believe in a wealthier Québec, where investment will take us to new heights.

We believe in a greener Québec.

We believe in a confident, open and creative Québec that provides quality services.

❑ ***Your future, your budget***

With this budget:

- we are going to build a green economy,
- we are going to increase our wealth,
- we are going to improve services and meet the needs of Quebecers.

Today, I want to say to all Quebecers: this is *your* budget, the budget for *your* future.

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As is the custom, I am tabling today the budgetary policy for fiscal 2020-2021.

I am asking for the National Assembly's consent to table the following documents:

- the tables presenting the preliminary results of the consolidated budgetary transactions for 2019-2020,
- the forecasts for the 2020-2021 financial framework.

I am also tabling the March 2020 Budget Plan and the companion documents, which are an integral part of the budget.

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1. BUILDING A GREEN ECONOMY

The Premier made the announcement a few weeks ago. With its second budget, the government is breaking ground on a major, ten-year undertaking.

We want to build a green economy by initiating an ambitious project involving electrification, greenhouse gas emission reduction, and climate change adaptation.

My colleague the Minister of the Environment and the Fight Against Climate Change will be releasing the electrification and climate change framework policy soon. The policy is Québec's roadmap for achieving the aggressive targets we have set ourselves.

GETTING BACK ON TRACK

Before we can embrace the future, we need to look at the past.

According to the most recent inventory, Québec's greenhouse gas emissions decreased by 9% between 1990 and 2017. They have stopped decreasing in the last few years.

We need to take a robust approach in order to get back on track.

☐ Doing our part

This is especially important in light not only of scientific analyses, but also the evident climate disruptions. In thirty years, will our children and our children's children be able to play hockey on an outdoor rink? One has to wonder.

Obviously, Québec cannot reverse climate change on its own. However, we must do our part, and the government will oversee this collective effort. Quebecers know that we need to act now and they want us to act here.

Québec holds an exemplary position in North America, with lower greenhouse gas emissions per capita than all of the other Canadian provinces and all 50 U.S. states. We need to maintain that position.

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A MAJOR UNDERTAKING

The goal of the major undertaking we are initiating in this budget is to reduce the emissions projected for 2030 by 29 million tonnes of CO₂ equivalent in order to achieve Québec's target of reducing greenhouse gas emissions by 37.5% relative to 1990.

We will do that through the carbon market, the cap-and-trade system for greenhouse gas emission allowances, which covers nearly 80% of Québec's total greenhouse gas emissions.

However, the carbon market is not a guarantee that greenhouse gas reductions will be achieved in Québec, and some sectors of the economy are not covered by the system.

We need to go further, and we will do that with the electrification and climate change framework policy.

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A \$6.2-BILLION FINANCIAL FRAMEWORK

To get back on track, I am announcing that the first implementation plan for the framework policy will receive \$6.2 billion by March 2026.

The government will reinvest all of the revenues from the carbon market anticipated for that period, that is, \$4.1 billion, in the implementation of the new policy.

We are increasing that sum considerably by allocating an additional \$2.1 billion in budget appropriations to the implementation plan for the framework policy.

On an annual basis, this is twice the financial effort of the 2013-2020 Climate Change Action Plan. We are increasing the average annual funding allocated to the fight against climate change from roughly \$500 million to over \$1 billion.

Doubling the financial effort for fighting climate change, now that's what I call building a green economy!

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GIVING PRIORITY TO ELECTRIFICATION

We are mobilizing these impressive means primarily to electrify the economy, giving priority to transportation.

❑ A logical priority

Giving priority to electrification is logical.

Thanks to our hydroelectricity, we are lucky to have an abundant, clean source of electric power that is competitively priced. This is an undeniable asset in a time of climate change.

We intend to take full advantage of this asset to increase our wealth while also fighting climate change.

By 2030, the transportation sector alone will account for an estimated 57% of the potential for greenhouse gas emission reduction across our economy. Therefore, roughly 70% of the resources allocated to the first implementation plan for the framework policy will be earmarked for the transportation sector.

❑ Vehicles

That is why I am announcing that nearly \$1.4 billion over six years is going to the Roulez vert program.

This sum will support the electrification of vehicles thanks to rebates granted on the acquisition of electric vehicles and the installation of charging stations. With this budget, the Roulez vert program is being funded over the entire period covered by the financial framework for the first time.

❑ **Public transit**

The government is simultaneously planning to invest heavily in public transit, with the same goal of electrifying the economy and reducing greenhouse gas emissions.

Public transit investments totalling \$15.8 billion are included in the 2020-2030 Québec Infrastructure Plan.

We intend to carry out structuring public transit projects in six cities and regions. These projects will offer an electric mode of transport in Québec, Gatineau, Montréal, Laval, Longueuil and Montérégie.

The Québec government will invite several of its partners to contribute to the projects' funding.

The major transportation electrification undertaking that we are initiating is an excellent growth and development opportunity for all of the industries concerned.

For tramway and light train projects, the government will use the leeway afforded in trade agreements to support the development of Québec's rail industry.

❑ **Heating**

Our action to electrify the economy will not be limited to the transportation sector.

For residential buildings, I am announcing the continuation of the Chauffez vert program. The purpose of this program is to encourage owners of homes with fossil fuel heating systems to replace them with systems that run on electricity or another form of renewable energy.

Funding in the amount of \$150 million will make it possible to continue the program activities until March 31, 2026.

❑ The industrial sector

Building a green economy also entails decarbonization of the industrial sector.

The financial framework for the first policy framework implementation plan provides nearly \$1.3 billion by March 31, 2026 for that purpose.

I want to take this opportunity to announce that funding will continue for the ÉcoPerformance program. The purpose of the program is to reduce greenhouse gas emissions by funding conversion and energy efficiency projects.

❑ A starting point

The policy that my colleague will be tabling soon is a starting point. It will be followed by an implementation plan that will be reviewed annually. This will allow us to examine and evaluate the outcome of our actions on a regular basis and make the adjustments needed to achieve our targets.

While significant, the effort made by the government alone will not be enough to meet the reduction target. Everyone must join the challenge. Businesses, municipalities, the federal government and citizens alike must lend a hand.

❑ The carbon market: an invitation

Québec also has a duty to help reduce greenhouse gas emissions beyond its borders.

We can do that by exporting our clean energy. And we can also do it with California and our linked carbon markets.

Mr. President, I would like to invite all Canadian provinces to join Québec and California in the carbon market. Unlike a carbon tax, the carbon market guarantees a reduction in greenhouse gases because it incorporates a cap-and-trade system for greenhouse gas emission allowances. The carbon exchange will be more effective and we will have more partners.

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2. INCREASING OUR WEALTH

As the same time as we tackle the climate change challenge, we are continuing the efforts initiated at the beginning of our mandate to address the challenge of creating wealth.

AN AMBITIOUS PROJECT

The economic project led by the government is an ambitious one.

Our goal is to eliminate the existing wealth gap between Québec and its main partners and neighbours. We want to increase our wealth by raising Québec's potential annual economic growth to 2% and thereby reinforce our financial autonomy within Canada.

❑ Very encouraging results

The initial results for the last year and a half are highly encouraging in this regard.

In 2019, Québec's real GDP rose by 2.8%, whereas the GDP for Canada as a whole grew by just 1.6%. Such a gap in Québec's favour has not been seen since 2009.

Quebecers have directly benefited from this growth in wealth.

In 2019, wages and salaries rose by nearly 6% and Quebecers' standard of living jumped by 1.6%.

As a result, the standard of living gap between Québec and Ontario narrowed from 15.5% in 2018 to 13.6% in 2019.

Since October 2018, under the leadership of our Premier, we have been caught up to Ontario, we have reduced our reliance on equalization, we are ahead of our debt reduction targets, and we are one of Canada's economic growth engines. That's quite a turnaround we've made.

❑ **An economy in excellent health**

We owe these remarkable results to our strong financial position and our solid economic fundamentals.

Over the last ten years, Québec's economic growth has been driven primarily by the increase in the employment rate, that is, the rise in number of people in the labour market.

In 2019, productivity finally picked up.

Another extremely encouraging indicator is the 2% growth in business investment in 2019, whereas it declined in Canada as a whole.

■ **Necessary degree of caution**

There is need for caution, of course. Québec's economic activity is directly influenced by the economic situation of its main trading partners. Québec remains particularly vulnerable to changes in the economic conditions of its two largest trading partners: Canada and the United States.

■ **Our public finances: a genuine bulwark**

Our public finances are strong and they are healthy. They serve as a bulwark.

Québec has a lower level of debt now than it did before the 2008-2009 recession. The government's credit rating has improved, allowing us to reinvest in services. In 2019-2020, the budgetary surplus is \$1.9 billion and a balanced budget is forecast for the period covered by the financial framework.

Its strong economy and sound public finances make Québec resilient to any economic upheavals that might occur.

❑ A winning formula

Last year, when we tabled our first budget, I pledged to adopt a winning formula for all Quebecers.

The winning formula? More education, more private investment, more workers and less debt equals greater wealth.

We implemented this winning formula and the everyone's efforts are being rewarded.

We are staying the course with our second budget, continuing to focus on increasing the individual and collective wealth of Quebecers.

- We are putting money back in the pockets of Quebecers through continued reduction in school taxes.
- We are investing in education and culture.
- We are supporting businesses and workers.
- And we are boosting the economic development of Québec's regions by supporting, in particular, tourism and agriculture.

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PUTTING MONEY BACK IN THE POCKETS OF QUEBECERS: THE SCHOOL TAX

Increasing Québec's wealth means first and foremost increasing the wealth of Quebecers by putting money back in their pockets.

Starting in fall 2018, we introduced the new family allowance as well as a new refundable senior assistance tax credit.

We have since eliminated the additional contribution for childcare and started the process of establishing a single school tax rate.

□ \$1.2 billion more by 2025

We are staying the course with a further reduction in school tax rates as of July 1, 2020.

This additional reduction will lower school taxes again this year as well as reduce rate inequities between regions.

This new reduction will put \$182 million back in Quebecers' pockets as of 2020-2021, that is, \$1.2 billion over the period 2020-2025.

All told, the decisions taken since fall 2018 will put nearly \$12 billion back in the pockets of Quebecers over six years.

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EDUCATION AND CULTURE

Future growth in our individual and collective wealth inevitably hinges on better education.

□ **Within five years, \$1.5 billion more for education**

Back in the days when my father was studying at the Séminaire de Chicoutimi, there was a commonly cited adage to stress the importance of education.

“Education is the path to prosperity,” people said. That still holds true today.

Mr. President, education is the first component of the winning formula that we are implementing. To secure this component, all of us stand behind our colleague the Minister of Education and Higher Education.

I'm very happy to announce that growth in overall education and higher education spending will reach 4.5% in 2020-2021.

The government plans to inject another \$1.5 billion into education by 2024-2025, including \$260 million as of 2020-2021.

■ **Over \$800 million for school retention and educational success**

Over \$800 million will be invested to foster student retention and improve educational success among young people. Among other things, this funding will enable more professionals and teachers to be hired.

■ **Implementation of kindergarten for 4 year-olds**

The government is continuing to roll out 4-year-old kindergarten. Our target is 2 600 kindergarten classes for 4 year-olds by 2023-2024.

Additional investments of \$137 million over five years will make it possible to provide facilities, support the acquisition of quality educational materials and hire specialist teachers.

■ **Higher education**

The government is also investing in higher education in order to increase the graduation rate and create niches of expertise, particularly in the fields of artificial intelligence and technological innovation.

The government is earmarking \$550 million by 2024-2025 to that end.

☐ **Culture**

Culture contributes directly to Québec's development and outreach.

■ **A source of pride, a factor in economic development**

Culture is central to Québec's identity. It is a source of pride for the Québec nation.

Culture is also an important factor in economic and social development. It creates wealth and jobs, and a vibrant culture influences and stimulates other sectors of activity.

■ **\$400 million over six years**

These are all good reasons to strengthen culture so as to promote the sector's achievements and support its development.

I am announcing additional investments of just over \$400 million over six years to promote Québec culture, including \$80 million as of 2020-2021.

These sums will support creative endeavours and entrepreneurship in order to facilitate production, dissemination and outreach of Québec culture.

The focus will be placed on the dissemination and export of Québec cultural products and services.

I am announcing that the tax credits for the production of sound recordings and the production of shows will be enhanced to better support Québec's music industry artisans.

Through this budget, the government is providing stronger support for culture. My colleague the Minister of Culture and Communications has played a key role in crafting these measures.

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BUSINESSES AND WORKERS

Québec's economy is performing remarkably well, in large thanks to our dynamic businesses and the know-how of our workers.

☐ Just over \$1 billion by 2024-2025

Businesses can improve their productivity and competitiveness even more. We will support them in their efforts.

By 2024-2025, the government will allocate just over \$1 billion more to a series of initiatives for those purposes.

Improving the productivity of our businesses is one way to address the challenge of Québec's labour shortage. It is key to eliminating the wealth gap that exists with Ontario.

☐ A new tax credit for investment and innovation, the C3i

We are spurring business investment by introducing a new tax credit for investment and innovation, called the C3i.

Businesses from all sectors will be able to claim a tax credit equal to 10%, 15% or 20% of eligible investments for manufacturing and processing equipment, computer hardware and management software.

This tax measure represents \$526 million in financial support over five years.

I am also announcing the introduction of the synergy capital tax credit, which will encourage established businesses to invest in the share capital of innovative Québec SMBs. Our aim is to foster business networking that will give our start-ups the means needed to become established and flourish.

❑ Over \$300 million for innovation and its commercialization

We are supporting innovation and its commercialization by injecting \$334 million by 2024-2025.

I am announcing the introduction of the incentive deduction for the commercialization of innovations for the purpose of encouraging businesses from all sectors of the economy to commercialize Québec innovations in Québec.

Thanks to this initiative, businesses developing and commercializing Québec intellectual property in Québec will benefit from the most competitive tax rate in North America.

I am therefore also announcing \$118 million in additional resources by 2024-2025 to support the life sciences sector.

❑ An action plan for foreign investment and export growth

We are boosting business growth by helping businesses reach new markets.

My colleague the Minister of Economy and Innovation will be releasing the action plan for foreign investment and export growth soon. The plan will receive \$110 million in funding by 2024-2025.

❑ Labour market integration and retention

As well as supporting businesses, we are encouraging labour market integration and retention.

Last year, as part of our first budget, I announced measures totalling more than \$1.7 billion over five years to increase labour market participation.

We are providing additional means through an injection of \$213 million by 2024-2025 to foster labour market integration and retention.

Among other things, these funds will support the integration of immigrants in the various regions of Québec and improve the francization process, as well as assist people with a severely limited capacity for employment.

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REGIONAL DEVELOPMENT

❑ \$900 million for regional development, \$650 million for natural resource development

Increasing the wealth of Québec and Quebecers means increasing the wealth of all the regions.

Our determination to support regional growth was evident when the most recent fiscal pact was signed.

Québec's economic development hinges on developing the potential of each of its regions. They offer an extraordinary diversity of activities, creativity and opportunities.

The government intends to support, revitalize and boost the regions' development.

I am proud to announce that by 2024-2025 we will allocate another \$900 million for regional development.

In addition to that sum, nearly \$650 million will be earmarked for natural resource development.

❑ Renewal of the Government Social Economy Action Plan

We are earmarking \$170 million for renewal of the Government Social Economy Action Plan and the support given to regional county municipalities to support businesses in their territory.

My colleague the Minister for Regional Economic Development will announce the details of the action plan soon as well as the resources made available to the regional country municipalities.

❑ Tourism industry growth strategy

Tourism can leverage the vitality, beauty and assets of our regions.

I am announcing \$316 million by 2024-2025 to support the tourism sector.

My colleague the Minister of Tourism will soon release the 2020-2025 tourism industry growth strategy setting out the government's planned initiatives for developing Québec's tourism sector.

❑ Sustainable development of the agricultural sector

The agricultural sector plays a key role in the development of the regions and territories. In addition, it has excellent potential for growth due to increased consumer interest in a healthy diet, purchasing local products and organic production.

The government intends to capitalize on this favourable context for development and growth.

I am announcing that we are earmarking \$295 million in additional funding over six years for development of the agricultural sector.

These funds will make it possible to implement the sustainable agricultural plan under the purview of my colleague the Minister of Agriculture, Fisheries and Food. Initiatives will be undertaken to foster responsible antibiotic use in animal production, reduce the risks associated with pesticide use and ensure animal welfare.

❑ Development of critical and strategic minerals

Natural resource development is an important lever for economic prosperity for several Québec regions.

The large-scale electrification project we are launching will drive demand for minerals such as lithium.

For that reason, I am announcing that the government is earmarking \$97 million over the next five years for the development of critical and strategic minerals as well as public land.

❑ **Developing the St. Lawrence River**

Québec was born and developed through the St. Lawrence River.

My colleague the Minister for Transport will soon release the government's new maritime vision for Québec, the goal of which is to make the St. Lawrence River a high-performance, intelligent economic corridor, reappropriate the river and take advantage of its potential.

I am announcing that the government is earmarking \$172 million by 2024-2025 for that purpose.

❑ **Support for the forest sector**

The forest sector contributes to the vitality of several of Québec's regions. In addition, forestry activities help fight climate change due to forests' natural capacity to absorb greenhouse gases.

I am announcing that the government is providing \$116 million in additional funding by 2024-2025 to support the forest sector. In the near future, my colleague the Minister of Forests, Wildlife and Parks will announce the various measures to be funded through these new resources.

❑ **Maintaining and upgrading local road networks**

Mr. President, during the budgetary process, all of my fellow caucus members stressed the importance of local road networks in every one of Québec's regions. Adequate maintenance of local roads is necessary for facilitating the mobility of citizens and increasing their safety.

I am announcing that we are enhancing its support for municipalities by \$680 million over five years for maintenance and upgrading of local road networks.

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3. IMPROVING SERVICES AND MEETING THE NEEDS OF QUEBECERS

As I just pointed out, this budget constitutes a major undertaking we are setting out on to build a green economy.

It is a budget for wealth creation and economic development.

It is also a budget for health, family assistance, and support for the most vulnerable. Through this budget, we are improving services and meeting the needs of Quebecers.

☐ **Stellar results in wealth distribution**

Québec has the best wealth distribution in North America, primarily thanks to transfer and taxation programs. Québec has a lower level of income inequality after tax and transfers than the rest of Canada.

With this budget, we are ensuring that Québec maintains its stellar position in matters of wealth distribution, by investing in public services and by improving assistance for the most vulnerable.

- We are investing in the accessibility and quality of health services.
- We are providing stronger support for families.
- We are providing greater assistance to the most vulnerable.
- We are supporting Indigenous communities.

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INCREASING THE ACCESSIBILITY AND QUALITY OF HEALTH SERVICES

❑ \$1.1 billion as of 2020-2021

Health is the Québec government's biggest portfolio and a core priority.

Today, I am announcing a 5.3% increase in health spending in 2020-2021.

That means that the government is investing \$1.1 billion in health in 2020-2021 and another \$5.4 billion over the next five years.

❑ Improving access to health and social services

These additional resources will primarily go towards improving access to health and social services.

I am announcing that as of 2020-2021 we are investing \$490 million more in improving primary care services, access to specialized medicine and new cancer treatments.

The government is earmarking nearly \$3 billion over the next five years for that purpose.

We are going to increase the number of patient-care attendants and expand the professional activities that pharmacists and specialized nurse practitioners are permitted to perform.

My colleague the Minister of Health and Social Services will announce the details of the various initiatives soon.

❑ **New resources for seniors**

Last year, we invested heavily in support for seniors and the people who care for them. My colleague the Minister Responsible for Seniors and Informal Caregivers has directed her legendary energy to ensuring that the investments would be rapidly translated into concrete action for senior care.

I am announcing that this budget enhances our investments for seniors by \$624 million by 2025, including \$190 million as of 2020-2021.

Of the total amount, \$384 million will be earmarked by 2025 to improve home care. This is in addition to the \$1.5 billion allocated to home care in the last budget.

❑ **\$950 million within five years for youth in difficulty**

The government attaches particular importance to youth health services.

Over the next five years, the government will invest an additional \$950 million in enhancing health services for youth in difficulty.

■ **More youth protection workers**

In 2019, the tragic death of a young girl in Granby made all Quebecers aware of the unacceptable child abuse or neglect that takes place.

I am announcing that the government will invest \$450 million by 2025 to hire more youth protection workers.

This amount is in addition to the resources announced in last year's budget, thanks to which nearly 400 more youth protection workers were hired.

■ **Early screening for developmental disorders**

We pledged to screen children aged 5 and under for developmental disorders. We delivered on that promise thanks to the investments announced in last year's budget.

I am announcing that the government is earmarking an additional \$200 million over the next five years to continue rolling out the Agir tôt program.

□ **Improving the services for people with disabilities or a mental illness**

We pledged to improve the services provided to people with disabilities.

I am announcing that another \$250 million by 2025 is being earmarked for care and services for people with disabilities.

These further investments will go towards implementing new models of residential and long-term care for people with disabilities.

□ **Delivering tailored mental health services**

The government is investing in new mental health initiatives.

I am announcing additional resources amounting to just over \$260 million by 2025 to deliver tailored mental health services.

This funding will go towards the provision of local services geared to people living with a mental illness.

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PROVIDING STRONGER SUPPORT TO FAMILIES

Since fall 2018, we have put considerable sums back in the pockets of Quebecers, and families have been the primary beneficiaries.

The government intends to strengthen the support for families by improving the services provided to them.

6 000 subsidized childcare spaces

I am announcing the addition of 6 000 subsidized childcare spaces through the creation of 2 500 new spaces and the conversion of 3 500 nonsubsidized spaces to subsidized spaces.

These spaces will be in addition to the 235 000 subsidized childcare spaces already used by Québec families as well as the 15 000 spaces previously announced, whose creation will be stepped up.

All told, we are providing additional investments totalling \$450 million over the next five years for the family policy.

These investments will also make it possible to better support family community organizations, whose primary purpose is to support development in children in need.

I am very happy to announce \$10 million in additional assistance as of 2020-2021, that is, \$50 million by 2025, to support family community organizations.

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GREATER ASSISTANCE FOR THE MOST VULNERABLE

❑ \$1.6 billion more within five years for the most vulnerable

A number of Quebecers are experiencing hardship and need greater support from society.

With this budget, we are strengthening the assistance the Québec government gives to the most vulnerable. We are earmarking close to \$1.6 billion over the next five years for that purpose.

❑ A new tax credit for caregivers

I am very happy to announce the introduction of a new refundable tax credit for caregivers that is more generous, simpler and can be claimed by a greater number of people than the current tax credit.

This measure delivers on the government's commitment to double the tax assistance provided under the current tax credit. Caregivers will receive \$532 million more in tax assistance over the next five years through the new tax credit.

My colleague the Minister Responsible for Seniors and Informal Caregivers will release Québec's first policy on caregivers in the near future.

Furthermore, I am announcing additional funding in the amount of \$126 million by 2025 to provide better support to parents of adult children with disabilities.

❑ Housing assistance

The government is providing stronger housing assistance through a \$150-million enhancement to the AccèsLogis Québec program over the next five years. This enhancement is in addition to the \$260 million announced last year.

These additional resources will enable construction of the housing units announced but not yet built.

☐ **Crime victims compensation plan**

The government will invest just over \$150 million by 2025 to reform the crime victims compensation plan with the aim of improving assistance services, better meeting the diverse needs of crime victims and redefining the criteria and type of financial assistance provided.

☐ **Providing better support to women who are victims of domestic violence**

We intend to give better support to women who are victims of domestic violence.

I am announcing that we will provide \$181 million in additional funding over the next five years to provide better support to women who are victims of domestic violence.

This additional funding will make it possible to enhance and extend the Government Action Plan on Domestic Violence, which was to end in 2023.

These sums will also help improve access to emergency housing resources.

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SUPPORT FOR INDIGENOUS COMMUNITIES

The Grand Alliance signed this past February between the Premier and the Grand Chief of the Grand Council of the Crees paves the way for an ambitious infrastructure program allowing the Cree Nation to fully participate in the development of northern Québec.

□ **Priority initiatives with and for Indigenous communities**

Furthermore, the government carefully read the findings of the Public Inquiry Commission on relations between Indigenous Peoples and certain public services in Québec and the National Inquiry into Missing and Murdered Indigenous Women and Girls.

I am announcing an initial investment of \$219 million over the next five years to implement priority initiatives in respect of Indigenous communities.

These new resources will go towards, among other things, fostering educational success, raising awareness about Indigenous realities among public service representatives and supporting the well-being of Indigenous women and girls.

The measures to be implemented will be determined with and for Indigenous communities.

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CONCLUSION

Mr. President, I began this speech by expressing how proud I was to be tabling the Coalition Avenir Québec government's second budget under the leadership of our Premier.

With this budget:

- we are going to build a green economy,
- we will increase our individual and collective wealth,
- we will improve public services and meet the needs of Quebecers.

For increasing wealth, the same as for fighting climate change, we are setting ambitious goals:

- a 37.5% reduction in greenhouse gas emissions by 2030,
- an increase in the Québec economy's potential annual GDP growth to 2%.

We have every intention of achieving those goals, just as we have succeeded in reducing our debt level.

☐ **Debt reduction: objective achieved**

As at March 31, 2020, Québec's gross debt will stand at just under \$200 billion, which is equivalent to 43% of our GDP.

The objective of reducing the gross debt to 45% of GDP has thus been achieved, six years ahead of schedule.

The objective of reducing the debt representing accumulated deficits to 17% of GDP should be achieved in 2022-2023, three years ahead of schedule.

These are remarkable results that will enable us to invest in our infrastructure, among other things.

I am announcing that investments under the 2020-2030 Québec Infrastructure Plan will top \$130 billion, that is, \$15 billion more than last year. These investments will make it possible to reduce the asset maintenance deficit and invest in public transit, the priority goals of my colleague the Chair of the Conseil du trésor.

❑ **Your future: two challenges to meet**

Reducing the debt and keeping the budget balanced has given us fiscal room to manoeuvre.

We are able to ensure funding for the government's missions, ease the tax burden on Quebecers, invest in public infrastructure and protect ourselves against the risks of an economic slowdown, all while maintaining a strong and dynamic economy.

I say "bravo" to all Quebecers!

We are going to tackle the challenges of creating wealth and fighting climate change to achieve our ambitious goals of financial independence and greenhouse gas emission reduction.

❑ **Confidence in the future**

I said it at the start of this speech.

This budget reflects our confidence in the future.

With this budget, we are taking action to ensure that Quebecers reap the rewards of a wealthier, greener and more educated society, a healthy society that has confidence in its abilities, is open and is creative.

Sound public finances and solid economic fundamentals make us resilient to any shocks in the international economic situation. They serve as a bulwark against uncertainties in the global environment.

Québec has everything it needs to build a green economy, a prosperous and fair society, with a government that meets the needs of its citizens.

That is the meaning behind this budget. It is a budget for Quebecers and for their future.

* * *

Mr. President,

I propose that the National Assembly approve the government's budgetary policy.

Thank you.

☺ • ☺

TABLE 1

Québec government
Summary of budgetary transactions
Preliminary results for 2019-2020
(millions of dollars)

	2019-2020
REVENUE	
Own-source revenue	92 846
Federal transfers	25 097
Total	117 943
EXPENDITURE	
Portfolio expenditures	-104 962
Debt service	-7 845
Total	-112 807
Estimated losses on the CSeries investment	-603
SURPLUS	4 533
BALANCED BUDGET ACT	
Deposits of dedicated revenues in the Generations Fund	-2 633
BUDGETARY BALANCE⁽¹⁾	1 900

(1) Balance within the meaning of the *Balanced Budget Act*.

TABLE 2

Québec government
Summary of budgetary transactions
Forecasts for 2020-2021
(millions of dollars)

	2020-2021
REVENUE	
Own-source revenue	95 603
Federal transfers	25 692
Total	121 295
EXPENDITURE	
Portfolio expenditures	-110 300
Debt service	-8 266
Total	-118 566
SURPLUS	2 729
BALANCED BUDGET ACT	
Deposits of dedicated revenues in the Generations Fund	-2 729
BUDGETARY BALANCE⁽¹⁾	—

(1) Balance within the meaning of the *Balanced Budget Act*.

TABLE 3

**Québec government
Revenue
Forecasts for 2020-2021**
(millions of dollars)

	2020-2021
OWN-SOURCE REVENUE	
Income and property taxes	
Personal income tax	35 435
Contributions for health services	6 896
Corporate taxes	8 530
School property tax	1 349
	52 210
Consumption taxes	
Sales taxes ^{(1),(2)}	19 019
Fuel	2 308
Tobacco products	943
Alcoholic beverages ⁽³⁾	643
Cannabis ⁽⁴⁾	48
	22 961
Revenue from government enterprises	
Hydro-Québec	2 275
Loto-Québec	1 372
Société des alcools du Québec	1 222
Investissement Québec	131
Société québécoise du cannabis	50
Other	-236
	4 814
Duties and permits	4 643
Miscellaneous revenue	10 975
TOTAL OWN-SOURCE REVENUE	95 603
FEDERAL TRANSFERS	
Equalization	13 253
Health transfers	6 768
Transfers for post-secondary education and other social programs	1 581
Other programs	4 090
TOTAL FEDERAL TRANSFERS	25 692
TOTAL REVENUE	121 295

(1) Sales taxes, within the meaning of the Public Accounts, include the QST, the tax on insurance premiums, the tax on lodging and the specific tax on new tires.

(2) For presentation purposes, revenue from pari-mutuel is included in sales taxes.

(3) Revenue from the specific tax on alcoholic beverages includes the annual amount of \$500 million dedicated to the Generations Fund.

(4) Québec's component of the excise duty on the sale of cannabis.

TABLE 4

**Québec government
Expenditure
Forecasts for 2020-2021**
(millions of dollars)

	2020-2021
PORTFOLIO EXPENDITURES	
Program spending of the General Fund ⁽¹⁾	86 191
Other expenditure ⁽²⁾	24 109
Total	110 300
DEBT SERVICE	
General Fund	5 859
Other sectors ⁽²⁾	2 407
Total	8 266
TOTAL EXPENDITURE	118 566

(1) Program spending includes transfers intended for consolidated entities.

(2) The other expenditure and the debt service of other sectors include consolidation adjustments.

TABLE 5

**Québec government
Expenditure
Forecasts for 2020-2021**
(millions of dollars)

	2020-2021
PORTFOLIO EXPENDITURES	
Affaires municipales et Habitation	3 078
Agriculture, Pêcheries et Alimentation	1 066
Conseil du trésor et Administration gouvernementale	2 858
Conseil exécutif	533
Culture et Communications	1 444
Économie et Innovation	2 759
Éducation et Enseignement supérieur	25 734
Énergie et Ressources naturelles	748
Environnement et Lutte contre les changements climatiques	1 646
Famille	6 936
Finances	3 434
Forêts, Faune et Parcs	1 074
Immigration, Francisation et Intégration	581
Justice	1 274
National Assembly	138
Persons Appointed by the National Assembly	110
Relations internationales et Francophonie	132
Santé et Services sociaux	47 760
Sécurité publique	2 122
Tourisme	399
Transports	5 370
Travail, Emploi et Solidarité sociale	5 304
Inter-portfolio eliminations ⁽¹⁾	-4 200
Total	110 300
DEBT SERVICE	8 266
TOTAL EXPENDITURE	118 566

Note: Totals may not add due to rounding.

(1) Inter-portfolio eliminations result mainly from the elimination of reciprocal transactions between entities in different portfolios.

TABLE 6

Québec government
Non-budgetary transactions
Forecasts for 2020-2021
(millions of dollars)

	2020-2021
INVESTMENTS, LOANS AND ADVANCES	-2 737
CAPITAL EXPENDITURES	
Investments	-8 070
Amortization	4 374
Less: PPP investments	230
Total	-3 466
RETIREMENT PLANS AND OTHER EMPLOYEE FUTURE BENEFITS	3 383
OTHER ACCOUNTS	-932
TOTAL NON-BUDGETARY TRANSACTIONS	-3 752

Note: A negative entry indicates a financial requirement and a positive entry, a source of financing.

