

BUDGET 2022-2023

YOUR GOVERNMENT

BUDGET SPEECH

March 2022

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by Eric Girard, Minister of Finance, on
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Budget 2022-2023
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Introduction.....	3
Building the future and supporting growth.....	7
1. Coping with the rising cost of living.....	9
2. Restoring the health and social services system	11
3. Investing in education and higher education.....	15
4. Stimulating economic growth	19
5. Continuing efforts relating to the environment.....	27
6. Strengthening community action and supporting communities.....	29
7. Continuing to reduce the debt burden gradually.....	33
Conclusion	35

INTRODUCTION

Mr. President,

It is my honour today to table the Québec budget, this government's fourth budget.

I am very proud to present this budget, which we have once again prepared under very special circumstances.

▣ Recovering from two years of pandemic

We have just spent two years in a pandemic. Since March 2020, the disease has caused more than 14 000 deaths among our fellow Quebecers, and the deaths of more than 6 million people around the world. Let us remember those who left us too soon.

Our fight against COVID-19 has disrupted our daily lives, changed our habits and caused many of us to become isolated. People have had to rethink their lifestyles and companies have had to rethink their ways of doing business. Our public institutions have provided services in spite of everything. One thinks immediately of the schools that have remained open for the sake of the children. Quebecers have adapted to their new pandemic reality and risen to the challenge of resilience.

The pandemic has also had a significant impact on public finances, which is unavoidable when many sectors of the economy are slowing down. Our strong support for the public and businesses has also led the government to significantly increase spending.

In this context, I think it is fair to say that Québec has persevered. Our people rose to the challenge of fighting the pandemic, despite all the restrictions this required.

And that same perseverance will carry us through the turbulence facing the global economy. The budget I am tabling today is being presented in a context of great uncertainty: we do not know how the pandemic may evolve, inflation is currently high, and central banks are tightening their monetary policy. Added to this is the tense geopolitical context, marked by the Russian invasion of Ukraine.

❑ **A strong and resilient economy**

We are seeing our economy quickly recover what it lost during the pandemic.

- Our economic growth in 2021 was stronger compared to the rest of Canada.
- Québec's real GDP grew by 6.3% after shrinking 5.5% in 2020.
- The labour market is back to where it was before the pandemic, at full employment.
- In February, Québec's unemployment rate was 4.5%, the lowest in Canada.

It is thanks to the perseverance of Quebecers and the support of governments that we are in such a strong economic position today. We can all be proud of the results of our efforts.

❑ **The Québec economy will remain robust in 2022-2023**

Overall, we predict that the Québec economy will remain robust in 2022-2023.

Despite a slow start to the year due to the health measures imposed to combat the Omicron variant, growth will continue: economic activity is expected to reach 2.7% in 2022 and return to 2% in 2023.

A number of factors are contributing to the strength of the Québec economy:

- strong domestic demand;
- a return to growth in business investment.

Economic growth will also be able to count on the measures implemented by the government to:

- increase the skill level of the labour force;
- boost business productivity.

❑ **Maintaining sound management of public finances**

Sound management of public finances is essential in the face of economic uncertainty.

Since 2018, the government has made sound management of public finances a priority.

Thus, despite the last two difficult years and massive government interventions in the economy, public finances are under control.

For 2021-2022, the deficit will be \$7.4 billion after contributions to the Generations Fund, a decrease of \$4.9 billion compared to last year's forecast. It is important to note that we will reach a balanced budget, in the accounting sense, without any contribution to the Generations Fund, as early as 2023-2024.

I am announcing that the structural deficit is now below \$3 billion, down from \$6.5 billion just one year ago—a decrease of more than 50%. This is excellent news that allows us to face the future with confidence.

I am also confirming the government's intention to return to a balanced budget by 2027-2028, thanks to the economic recovery and the government's judicious allocation of expenditures.

We have managed our public finances while accelerating investments in health, education, the economy and the environment. No services to the population or priority missions had to be cut back on to achieve this.

❑ **A major challenge: Coping with the rising cost of living**

In 2022-2023, our goal is to continue helping Quebecers, in particular to cope with the rising cost of living.

We expect inflationary pressures to persist through the first half of this year. The increase in prices has an impact on households, particularly those with lower incomes.

That's why, to help Quebecers cope with the rising cost of living, I am announcing a one-time support payment of \$500 to adults with an income of \$100 000 or less. An eligible couple may thus benefit from assistance amounting to \$1 000.

As such, 6.4 million Quebecers will thus be better protected against the impact of the rising cost of living. This measure represents an expenditure of nearly \$3.2 billion.

The amount will be paid automatically by Revenu Québec to all eligible adults, based on the information in their 2021 income tax returns.

Eligible adults will receive this \$500, regardless of whether they are students, workers, retirees or beneficiaries of last-resort financial assistance programs.

In 2018, the Premier made Quebecers' wallets a priority for our government. Since then, close to \$3 billion a year has been returned to Quebecers, in addition to the extraordinary allowance in January and the \$500 we are announcing today.

Mr. Premier, I think we can say that we have fulfilled our commitment! Mission accomplished!

* * *

Mr. President,

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 2021-2022;
- the forecasts for the 2022-2023 financial framework.

I am also tabling the March 2022 Budget Plan and the companion documents, which are an integral part of the budget.

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BUILDING THE FUTURE AND SUPPORTING GROWTH

Our objective is to support growth in order to better build Québec's future, and the initiatives in this budget will contribute to this.

Including its action to cope with the rising cost of living, this budget is investing \$22 billion by 2026-2027. These initiatives are supported by a prudent financial framework and robust financial forecasts.

This will allow us to help Quebecers and contribute to collective prosperity.



1. COPING WITH THE RISING COST OF LIVING

Mr. President, in addition to the immediate \$500 assistance to more than 6.4 million Quebecers, the government wants to promote access to quality, affordable housing.

☐ **Facilitating access to affordable, quality housing**

The rising cost of rent and low vacancy rates for private rental housing are making it harder to find affordable housing.

In addition, investments are needed to keep the current housing stock in good condition.

I am announcing \$634 million to facilitate access to quality, affordable housing.

This involves:

- completing the delivery of nearly 3 500 AccèsLogis units;
- building 1 000 additional units under the Québec affordable housing program;
- helping lower income Quebecers pay their rent, as well as assisting municipalities that provide services to households awaiting a residence.

The budget also seeks to improve the quality of housing in Québec. In this case, the objectives are:

- renovating low rental housing stock;
- improving the housing of Quebecers through various Société d'habitation du Québec programs, in particular the Residential Adaptation Assistance Program, and the Rénovation Québec and RénoRégion programs.



2. RESTORING THE HEALTH AND SOCIAL SERVICES SYSTEM

Mr. President, one of the main benefits of sound finances is the ability to provide Quebecers with quality health care and social services.

The public health crisis has profoundly changed the way care is delivered to our citizens. All the players who make up our health care system have demonstrated agility and innovation. Our health and social services institutions have adapted quickly to new realities.

I would like to acknowledge the tremendous work done by the current Minister of Higher Education, the Minister of Health and Social Services, the Minister Responsible for Seniors and Informal Caregivers and the Minister for Health and Social Services, who helped us through the crisis. I also want to pay tribute to all the health care personnel who have treated and supported the people affected by COVID-19. We know that the last few months have been difficult and that you are still here to care for Quebecers. On behalf of all Quebecers, we thank you for what you have accomplished.

This budget supports the government's efforts to achieve two key objectives: restoring the health care system and improving care and services for the public.

I am announcing that we will invest nearly \$9 billion over five years in the health care sector.

□ Restoring the health and social services system

My colleague, the Minister of Health and Social Services, will therefore work to restore our health care system by adapting it to the post pandemic reality. We want to make care and services more fluid, accessible, compassionate and effective.

■ Acting on four foundations of the health and social services system

The plan will address four foundations of the health and social services system:

- human resources, because they are at the core of public health care and services;
- access to data, to improve our performance and the way services to the population are organized;
- information technology, which will provide tools to help health professionals and managers improve services;
- infrastructure, which will be modernized through new buildings or hospital renovations.

■ **\$5.2 billion over five years to restore the health and social services system**

The budget I am tabling today provides for an investment of \$5.2 billion over five years to restore the health and social services system, including:

- \$3.4 billion to improve the management and delivery of work by health care staff;
- \$1.0 billion to provide more integrated, patient-focused services within health care facilities;
- close to \$789 million to modernize the health care system.

□ **Enhancing health care and services for the public**

As the health care system is restored, the government will continue its efforts to enhance care and services for the public. We are particularly sensitive to the needs of seniors, informal caregivers and youth in difficulty.

In addition, we will continue to take action to improve frontline services and access to family doctors and health professionals. And we remain concerned about emergency room wait times.

We will invest \$3.7 billion to enhance health care and services for the public.

□ **Continuing the shift toward home support**

Among all the measures dealing with services to the public, I wish to underscore the fact that the government is continuing the major shift toward home support that was begun in 2018.

We want seniors, and people with disabilities, to be able to maintain their autonomy and stay in their homes for as long as possible.

■ **\$785 million over five years for home support**

In this budget, amounts have been earmarked for the hiring of health and social services professionals and assistants, so that more hours of home support services can be provided.

Elderly people want to remain in their house or apartment for as long as possible. An additional amount of \$785 million is provided to strengthen home support services by 2026-2027.

I want to remind you that since 2018, the government has invested close to \$3 billion in home care.

❑ Improving health and social services infrastructure

The pressure exerted by the COVID-19 pandemic on the health and social services network's infrastructure has underscored the need to strengthen and modernize the existing infrastructure.

The 2022-2032 Québec Infrastructure Plan provides \$22.8 billion in investments for the health and social services sector.

Maintaining existing infrastructure will account for 47% of these investments, while 53% will be devoted to new infrastructure.

Among the new infrastructure will be seniors' homes, which we plan to build in most regions of Québec.

❑ Increasing the Canada Health Transfer

Lastly, I reiterate the message that all provinces have been telling the federal government for the past two years: the Canada Health Transfer must be increased, unconditionally, to 35% of provincial and territorial health spending. And thereafter, it must be maintained at that level.

For Québec, this increase would represent about \$6 billion per year.

80 • 03

3. INVESTING IN EDUCATION AND HIGHER EDUCATION

Mr. President, health care, along with education and higher education, are priorities for our government.

We want to give Québec a modernized, more efficient and more innovative education system—a system that will support the educational success of all Quebecers, from early childhood to adulthood.

We want educational childcare services, schools, colleges and universities to be environments that are conducive to development, learning and success.

☐ **Increasing the number of Quebecers with the skills sought by employers**

Education is more important than ever before, in a labour shortage context, where we need to increase the number of Quebecers in the labour force equipped with the skills employers are seeking.

Québec must therefore encourage individuals to qualify and requalify. This will be made possible by better access to high quality educational services and improved student retention.

☐ **Investment of more than \$2.8 billion over five years**

I am therefore announcing an investment in education and higher education of more than \$2.8 billion over five years with:

- over \$1.5 billion to support student success and retention;
- close to \$1.3 billion to improve access to and graduation from higher education.

☐ **Supporting student success and retention**

When we talk about supporting student success and retention, it means that we want to give every student the means to reach their full potential.

This means creating conditions that are conducive to success, particularly for those who have special needs or are more vulnerable.

Nearly \$830 million will be invested over five years to empower every student to achieve their full potential.

One way to support students on their path to success is to broaden the tutoring program launched last year in the context of the pandemic.

This budget is investing \$315 million by 2026-2027 to broaden this program.

We also want to ensure that we attract and retain school staff.

The education system is facing a labour shortage, and the pandemic has highlighted the key role played by teachers in student success.

This means, among other things, attracting experienced workers and stepping up continuous education for staff.

An amount of \$204 million over five years will be devoted to attracting and retaining school staff.

The government also plans to increase investments in continuing education by \$55 million by 2026-2027.

Supporting student success and retention also calls for getting Quebecers moving—especially the young.

Physical activity and sports are important for better physical and psychological health, an essential element for school success.

My colleague, the Minister for Education, will shortly be announcing the details of a sports and physical activity action plan to get Quebecers moving.

This budget is setting aside \$250 million over five years to stimulate the practice of sports among youth.

□ Improving access and the graduation rate in higher education

In addition to supporting student success and retention, we want to improve access to higher education and the graduation rate. For us, this means making higher education more accessible by supporting students financially, which means increased financial support and reduced debt.

Students who do not have financial concerns are more likely to pursue higher education and help meet current and future needs for qualified workers.

This budget contains new financial support measures for students totalling \$342 million over five years.

In particular, the government is extending the plan to eliminate interest on student loans for one more year.

Supporting students throughout their journey is also a way to improve access to higher education and the graduation rate.

Students will have access to more support services, in particular an enhanced mental health service offering.

Measures will also make it possible to better meet the needs of Indigenous students.

This budget provides initiatives totalling \$278 million to support students.

Increasing the number of graduates in higher education is linked to several success factors. Among these factors is the opportunity for a larger number of students to attend CEGEPS and universities, either in person or online.

To achieve this, the government will promote regional mobility and support distance education. We will also invest in the development of continuing education programs, in order to better respond to the needs of the labour market.

We will also continue along the route marked out by the Opération main-d'œuvre action plan, and we will foster access to spaces and computing resources to accommodate future students.

In this budget, the government is investing \$634 million over five years to increase the number of higher education graduates.

❑ Matching donations to college foundations

Foundations associated with the college network act as a lever to fund projects, support research or grant entrance scholarships.

The government wants to launch a program for college level educational institutions similar to the one that exists at the university level. College foundations will thus be able to contribute more to the vitality of the college community and to have a minimal administrative structure to step up their solicitation activities.

The government is therefore investing \$45 million by 2026-2027 to implement a college foundation gift matching program.



4. STIMULATING ECONOMIC GROWTH

Mr. President, let us now talk about economic growth.

Our economic vision for Québec is to increase our collective prosperity. This is what we proposed to Quebecers last November when we presented our *Update on Québec's Economic and Financial Situation*.

We want to stimulate the components of economic growth throughout Québec. One of the goals of the efforts we have been making in this direction since 2018 is to eliminate the wealth gap with Ontario by 2036.

And our efforts have paid off!

This gap, as measured by GDP per capita, fell from 16.4% in 2018 to 13.6% in 2022.

Our objective is to reduce it to 10% by 2026 and eliminate it by 2036.

☐ Four avenues for economic growth

In this budget, we are investing in four major areas of economic growth:

- increasing the Québec economy's productivity;
- supporting regional economic development;
- strengthening the integration of immigrants into the workforce;
- supporting the recovery and promoting Québec's culture and the cultural sector.

To achieve these objectives, the government is including in this budget initiatives totalling close to \$4.2 billion by 2026-2027.

☐ Increasing the Québec economy's productivity

We firmly believe that a more productive economy will create more wealth and thereby contribute to our prosperity.

Productivity is the main lever for increasing Québec's wealth and closing the standard of living gap with Ontario.

☒ Innovation and research

One way to obtain better productivity from the economy is to support innovation and research. To achieve this, we must be both strategic and judicious in our support of certain key sectors.

- **The Québec Research and Innovation Strategy**

The Québec Research and Innovation Strategy is the foundation of our innovation project, one of the five major priority projects unveiled by the Premier last fall. This strategy will help consolidate Québec's excellence in research and science. It will make it easier for businesses to access the support offered by key players in research and innovation.

In this budget, the government plans to devote an additional \$1.3 billion over five years to implement the new Québec Research and Innovation Strategy.

- **Renewing the Québec Life Sciences Strategy**

The pandemic has confirmed the strategic character of the life sciences sector for Québec's economy.

We must strengthen the life sciences ecosystem and develop infrastructure that will attract and support businesses in this sector. We must also develop talents and human capital adapted to the sector's emerging needs.

The government is setting aside an additional \$110 million over three years to renew the Québec Life Sciences Strategy.

- **Supporting the development of critical and strategic minerals and innovation in the mining sector**

We all know the importance of certain critical and strategic minerals in the manufacturing of many goods, such as electric car batteries. The Québec Plan for the Development of Critical and Strategic Minerals 2020-2025 will help make Québec a leader in the processing and recycling of these minerals.

An investment of \$15 million over three years will enhance the piloting and demonstration of processes for developing these minerals.

- **Strengthening support for foundations and research bodies**

Lastly, still on the subject of research and innovation, this budget will inject \$53.5 million to strengthen support for foundations and research bodies whose work fuels reflection and discussion on subjects of public interest.

This support for foundations and research organizations will make it possible to recognize three great Quebecers who have marked their era.

One such foundation is the Fondation René-Lévesque, named after one of the most influential politicians in modern Québec history.

The government wishes to commemorate René Lévesque's 100th birthday by supporting this foundation, which works to promote the tremendous legacy of this great Quebecer.

The government will also support the launch of the Jacques Parizeau research chair in economic policy, to be located at HEC Montréal.

Its mission will be to inform the debate on economic policy in Québec using econometric modelling and massive data.

The third great Quebecer to be honoured will be former Canadian Prime Minister Brian Mulroney, whose major contribution to public life will be honoured at Université Laval with Carrefour international, an innovation hub in teaching and pluridisciplinary research on international issues.

Université Laval would like to mark Mr. Mulroney's major achievements including the conclusion of the North American Free Trade Agreement, the signing of an acid rain agreement with the United States, his opposition to the apartheid regime and his contribution as one of the main architects of the Sommet de la Francophonie.

■ **Continuing the digital shift**

Beside research and innovation, continuing the digital shift is another way to inject productivity into the Québec economy.

The goal is to integrate digital technologies into organizational practices in order to stimulate economic growth in Québec and make public administration more efficient.

■ **Completing mobile coverage**

The government wants to improve mobile coverage in Québec in order to:

- address safety issues on Québec's roads and connectivity issues over the entire province;
- contribute to setting up the prerequisites for hyperconnectivity.

The government is planning an investment of \$50 million to carry out needs mapping and initial coverage work. This is thus an initial phase which, when completed, will provide mobile coverage over the entire Québec road network.

■ **Stimulating investment in new technologies, entrepreneurship and exports**

To increase our productivity, we need to invest in new technologies.

Our entrepreneurs will also have to create innovative businesses.

In addition, Québec businesses will have to intensify their presence on export markets in order to accelerate their development.

■ **\$156 million for Québec businesses**

A year ago, we doubled the tax credit relating to the investment and innovation, or the C3i, in order to encourage businesses to invest in new technologies and modernize their equipment.

The C3i applies to eligible expenses for the acquisition of manufacturing and processing equipment, computer equipment and management software.

Today, I am announcing that we are extending this enhancement for one year, for goods acquired before January 1, 2024. This budget provides \$156 million to help Québec businesses boost their investments in new technologies.

□ **Supporting regional economic development**

The growth of Québec's economic potential depends on the active contributions of all its regions and on the vitality of their strategic activity sectors.

■ **\$1.5 billion for regional development**

The government is providing close to \$1.5 billion over six years in this budget to support regional economic development. We want this investment to:

- contribute to prosperity in the regions;
- continue to grow the bio-food sector;
- foster the development of forestry and the protection of wildlife capital;
- prepare the tourism sector for recovery.

■ **Contributing to prosperity in the regions**

Transportation services and infrastructure are an important driver of economic development in the regions.

■ **Regional air transportation**

Air transportation is a key element contributing to the vitality of regional communities.

In addition, interregional air connections are essential for the supply and mobility of remote and island communities.

The government therefore intends to continue to support regional air transportation and is setting aside \$255 million over five years for this purpose. Our intention is to encourage the development of accessible regional services.

- **Extending emergency assistance for regional air transportation**

During the pandemic, the government assisted regional air carriers and airport administrations that were hard hit by the decline in clients due to the health situation.

The government is therefore extending its emergency support for regional air transportation. We have provided an additional \$21 million for the current fiscal year, \$16 million for carriers and \$5 million for airport administrations.

- **Continuing to grow the bio-food sector**

Another aspect of regional development is the vitality of the bio-food industry. This sector generates substantial economic spinoffs and plays an essential role in both Québec's food autonomy and regional development.

In this budget, the government is setting aside \$627 million to support the growth of the bio-food sector.

- **Supporting the development of forestry**

The forest sector also contributes to the vitality of many regions in Québec. The government wants to stimulate its development while ensuring the conservation and protection of Québec's wildlife capital.

To achieve this, the government is providing \$163 million over five years in this budget.

In particular, we want to encourage innovation and modernization of the forest industry.

In this regard, I would like to point out that the Innovation Bois program financially supports innovative projects from all sectors of the forest products industry. So far, the program has supported nearly 220 projects, whose investments total over \$1 billion.

In this budget, the government is providing an additional \$75 million to keep forestry companies moving forward with innovation and other initiatives.

■ **Preparing the tourism sector for recovery**

Tourism is one of the sectors most deeply affected by the consequences of the COVID-19 pandemic. The government took action to support and foster the recovery of this vital sector for the economy of Québec's regions.

To continue supporting the recovery of the tourism sector, this budget provides \$304 million over six years.

We will also offer additional support to encourage the recovery of tourism. We will help promote Québec as a tourist destination, and we will encourage the practice of outdoor activities and recreation.

□ **Strengthening the integration of immigrants into the workforce**

In the context of the current labour shortage, it is important to strengthen the integration of immigrants into the workforce.

The government is therefore providing a total of \$290 million over five years in this budget to foster job integration for immigrants.

■ **Promoting French learning**

Proficiency in French greatly enhances the economic and cultural integration of immigrants into our communities. This is especially true for those who live far from urban centres. The government is therefore providing \$198 million to encourage French learning.

■ **Fostering the attraction of immigrants to rural areas**

Attracting and retaining immigrants in certain regions is one way to respond to the labour shortages these regions are facing.

With this in mind, the government is providing \$80 million over four years to reduce the tuition fees charged to foreign college and university students.

■ **Expediting the processing of immigration applications**

The number of immigration applications has increased significantly in recent years.

The government wants to expedite the processing of these immigration applications, and nearly \$12 million is provided over five years for this purpose.

❑ **Supporting the recovery and promoting Québec's culture and the cultural sector**

Culture is another sector that has been deeply affected by the pandemic. Since spring 2020, cultural life in Québec has slowed, and it is only recently that activities have started to regain some normalcy.

■ **\$258 million for the cultural sector**

The government will therefore invest over \$257 million in the cultural sector. This assistance will:

- continue to support the cultural sector to offset the effects of COVID-19;
- make the Québec cultural sector shine;
- preserve and promote our cultural heritage.

▪ **Offsetting the effects of COVID-19**

Despite the end of most public health measures, the situation remains precarious for businesses, organizations and artisans in the cultural sector.

In this context, the government is providing \$72 million in 2022-2023 to extend certain measures implemented in support of the sector, particularly for the broadcasting of shows and the maintenance of audiovisual production capacities.

▪ **Increasing support for SODEC and CALQ**

In order to support the cultural fields most affected by the pandemic in the recovery of their activities, the government plans to provide \$137 million over the next three years, including:

- \$58.6 million for Société de développement des entreprises culturelles (SODEC) programs;
- \$78 million for the financial assistance programs of the Conseil des arts et des lettres du Québec (CALQ).

▪ **Supporting Québec culture**

Quebecers' cultural habits have been affected by the closure of cultural venues over the past two years, and digital platforms are increasingly popular in Québec's cultural consumption.

The government wants to encourage the Québec public to choose Québec culture so that it shines here, as elsewhere, and has earmarked \$15 million to achieve this.

- **Making the tax credit for a major cultural donation permanent**

When we talk about financial support for culture, we must not forget the decisive role that patrons can play—those people who, through their donations, make an important difference for many cultural organizations.

For example, the cultural community has benefited from the tax credit introduced in 2013 that applies to a first major cultural donation. This tax credit will now be permanent.

- **Preserving and promoting our cultural heritage**

The government is also providing \$28 million to ensure the preservation and promotion of our cultural heritage.



5. CONTINUING EFFORTS RELATING TO THE ENVIRONMENT

Mr. President, a Québec experiencing strong economic growth is also a Québec that must take care of the environment.

Protecting the environment, for everyone's benefit, is a priority for the government.

☐ **2030 Plan for a Green Economy**

In fall 2020, the government launched the 2030 Plan for a Green Economy. Historic investments of \$6.7 billion over five years were announced to implement the Plan.

☒ **2022-2027 implementation plan**

The Minister of the Environment and the Fight against Climate Change will soon unveil the 2022-2027 implementation plan for the 2030 Plan for a Green Economy.

I am announcing that total investments will be increased by \$1 billion for this new implementation plan.

With this addition, \$7.6 billion will be devoted to concrete actions to reduce greenhouse gas emissions and combat climate change.

By increasing efforts to combat climate change, this enhanced plan will accelerate Québec's transition to a lower carbon economy.

☐ **\$357 million in Budget 2022-2023**

In the budget I am presenting to you today, in addition to the \$1 billion for the 2030 Plan for a Green Economy, the government is providing \$357 million to continue our work on the environment:

- \$152 million to stimulate the energy transition;
- \$143 million to support sustainable practices;
- \$61 million to reclaim asbestos contaminated environments and rehabilitate land.

■ Stimulating energy transition

With regard to the energy transition, the government has engaged in a transition that will foster the use of various renewable energies.

In the years to come, green hydrogen and bioenergy will play an expanding role in the decarbonization of certain industrial sectors.

We have a range of resources and competitively priced renewable electricity. Québec therefore has everything it needs to develop these energy transition industries on its territory.

In this budget, the government has earmarked \$152 million for its commitment to the energy transition:

- \$100 million to roll out the first green hydrogen and bioenergy strategy;
- \$52 million to redesign the tax credits for the production of biofuels.



6. STRENGTHENING COMMUNITY ACTION AND SUPPORTING COMMUNITIES

Mr. President, I would now like to turn to community action and supporting communities.

Community organizations play a crucial role for the public. They have the capacity to reach more vulnerable clientele, such as women who are victims of domestic violence.

Community organizations offer services that complement and enhance those of the public network. It is therefore crucial for the government to do more to recognize these organizations' contributions and give them the means to strengthen their actions to help more Quebecers.

❑ \$2.2 billion to strengthen community action

In this budget, the government is providing \$2.2 billion to strengthen community action and implement measures for communities. By taking this route, we want to:

- offer unprecedented support to organizations working in the community;
- meet the needs of certain communities, in particular, by implementing various measures and government strategies.

❑ Nearly \$1.1 billion for the 2022-2027 government action plan for the community action field

The new 2022-2027 government action plan for the community action field is central to the support we are giving to community organizations. Unprecedented investments of nearly \$1.1 billion over five years are provided to support this new plan:

- \$888 million to enhance and expand support for the overall mission of community organizations;
- nearly \$187 million will be invested to strengthen community action through specific measures.

❑ Unprecedented increase in support

Our support for community organizations is increasing at an unprecedented rate.

Since 2018-2019, excluding emergency assistance, we have increased their funding by 36%, from \$1.2 billion to \$1.6 billion in 2021-2022.

In the coming fiscal year, that support will increase by close to \$200 million to \$1.8 billion.

❑ **\$1.1 billion to support communities**

In addition to supporting community organizations, the government wants to focus on certain groups and communities, including vulnerable people, women and families.

To this end, an additional \$1.1 billion is being provided to enhance support for various communities.

Women who are victims of domestic violence, families and young people, Indigenous communities, people who need easier access to the justice system and other people in situations of vulnerability will benefit from our investments and the measures we are putting in place.

When combined with funding announced elsewhere in this budget, including for the implementation of the new 2022-2027 government action plan in the community action field, investments to support communities total over \$1.5 billion.

❑ **\$433 million to promote gender equality and counter sexual and domestic violence**

As part of our support for communities, we want to respond to concerns related to sexual and domestic violence and support gender equality.

Many actions have been implemented in recent years, but there is still work to be done for society to be completely egalitarian.

Furthermore, the femicides committed in Québec and reports of sexual violence underscore the importance of continuing to combat violence against women.

To this end, the government is reiterating its support, announcing an additional investment of \$433 million over five years.

Since 2019, including today's announcement, more than \$950 million will be invested to address sexual and domestic violence.

❑ **Supporting case processing by the Court of Québec**

The government is continuing its efforts to make justice more accessible.

In Budget 2022-2023, the government is setting aside \$26 million over five years to support the processing of cases at the Court of Québec, for youth protection in particular.

❑ Improving assistance and services for families and youth

Our support for communities also includes assistance and services for families and youth, who represent the future of Québec.

It is therefore important to provide adequate support, particularly to promote the development of young people.

■ \$256 million to help families and youth

To improve assistance and services for families and youth, the government is announcing funding totalling \$256 million in this budget to:

- improve the quality of the educational childcare services network;
- provide support to families with special needs and improve targeted services for them;
- support young people.

The financial impact of these measures is \$109 million, in light of amounts announced elsewhere in this budget, such as the implementation of the 2022-2027 government action plan in the community action field.

❑ Support for public transportation services

Supporting a community means, among other things, facilitating the daily life of community members by providing choices in the conduct of their activities.

In this regard, public transit services are alternatives to the use of private cars. Accordingly, they help reduce greenhouse gas emissions and traffic.

The government thus intends to provide more support for public transit services in Québec municipalities, through an investment of \$293 million.

❑ Protecting, strengthening and promoting the French language

The French language is the foundation of Québec's identity. Protecting it is our responsibility. The government is acting now to strengthen the status of French. Helping promote the French language across Canada is also important.

In this context, the government will invest a total of \$25 million over five years.

❑ Continuing to support Indigenous communities

Our goal is to develop and maintain nation to nation relations with Indigenous communities. With this in mind, the government is continuing its actions to support their economic and social development initiatives and cultural reaffirmation efforts.

To this end, this budget is providing a total of \$285 million over five years:

- \$100 million to consolidate government actions for the social and cultural development of Indigenous communities;
- \$185 million to support economic, social and community initiatives for Indigenous peoples.

80 • 03

7. CONTINUING TO REDUCE THE DEBT BURDEN GRADUALLY

Mr. President, all these measures to help Quebecers and to support various initiatives and economic growth would be much more difficult to implement if we did not keep control of Québec's debt.

Reducing the debt creates a climate of confidence conducive to private investment and higher productivity, thereby contributing to economic growth.

Lastly, lower debt allows Québec to ensure stable funding for the government's chief missions, such as health and education.

The Québec Infrastructure Plan is a powerful driver of development and economic growth.

Because the weight of our debt is well under control, I am today announcing that the 2022-2032 Québec Infrastructure Plan will be increased to \$142.5 billion.

The government also plans to keep making deposits in the Generations Fund to help to reduce the debt and thus to improve intergenerational fairness.

As at March 31, 2022, Québec's gross debt will stand at 43.1% of GDP.

The government therefore intends to propose changes to the *Act to reduce the debt* to set a new reduction objective for the next 10 to 15 years in the 2023-2024 budget.



CONCLUSION

In conclusion, Mr. President,

Since our government was formed in 2018, Québec and the world have faced a great deal of upheaval.

Our Premier's leadership has inspired us, and together we have weathered the storm.

When we look at the home stretch of the mandate that Quebecers entrusted to us, we can congratulate ourselves on our fiscal solidity, the strength of our economy and the significant amounts we have put back in the wallets of Quebecers.

Public finances are sound and adequate funding for the government's chief missions is anticipated in the long term.

The path to a balanced budget has been laid, with absolutely no austerity. The government is continuing to reduce the debt burden gradually.

Economic growth is strong. Quebecers are working, with an employment rate verging on full.

Although there is uncertainty, Quebecers will persevere! During the pandemic, they have proved that they know how to face obstacles and that they are resilient. Our society will advance in the coming years with the same perseverance. And when necessary, I am convinced that Quebecers and Québec businesses will be able to adapt to find ways to succeed.

So it is therefore with optimism that I am tabling Québec's budget today.

This is the budget of your government.

This is your budget.

* * *

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 2021-2022
(millions of dollars)

	2021-2022
REVENUE	
Own-source revenue	105 914
Federal transfers	29 547
Total	135 461
EXPENDITURE	
Portfolio expenditures ⁽¹⁾	-121 874
Debt service	-8 441
Total	-130 315
COVID-19 support and recovery measures	-9 043
SURPLUS (DEFICIT)	-3 897
BALANCED BUDGET ACT	
Deposits of dedicated revenues in the Generations Fund	-3 457
BUDGETARY BALANCE BEFORE USE OF THE STABILIZATION RESERVE	-7 354
Use of the stabilization reserve	1 221
BUDGETARY BALANCE⁽²⁾	-6 133

(1) COVID-19 support and recovery measures are not included in portfolio expenditures.

(2) Budgetary balance within the meaning of the *Balanced Budget Act*, after use of the stabilization reserve.

TABLE 2

Québec government
Summary of budgetary transactions
Forecasts for 2022-2023
(millions of dollars)

	2022-2023
REVENUE	
Own-source revenue	109 691
Federal transfers	28 790
Total	138 481
EXPENDITURE	
Portfolio expenditures ⁽¹⁾	-127 789
Debt service	-8 842
Total	-136 631
COVID-19 support and recovery measures	-2 355
Provision for economic risks and other support and recovery measures	-2 500
SURPLUS (DEFICIT)	-3 005
BALANCED BUDGET ACT	
Deposits of dedicated revenues in the Generations Fund	-3 445
BUDGETARY BALANCE⁽²⁾	-6 450

(1) COVID-19 support and recovery measures are not included in portfolio expenditures.

(2) Budgetary balance within the meaning of the *Balanced Budget Act*.

TABLE 3

**Québec government
Revenue
Forecasts for 2022-2023**
(millions of dollars)

	2022-2023
OWN-SOURCE REVENUE	
Income and property taxes	
Personal income tax	41 147
Contributions for health services	7 299
Corporate taxes	10 882
School property tax	1 178
	60 506
Consumption taxes	
Sales taxes ⁽¹⁾	22 940
Fuel	2 141
Tobacco products	899
Alcoholic beverages ⁽²⁾	637
Cannabis ⁽³⁾	89
	26 706
Revenue from government enterprises	
Hydro-Québec	2 525
Loto-Québec	1 383
Société des alcools du Québec	1 360
Investissement Québec	256
Société québécoise du cannabis	94
Other	10
	5 628
Duties and permits	5 171
Miscellaneous revenue	11 680
TOTAL OWN-SOURCE REVENUE	109 691
FEDERAL TRANSFERS	
Equalization	13 666
Health transfers	7 078
Transfers for post-secondary education and other social programs	1 531
Other programs	6 515
TOTAL FEDERAL TRANSFERS	28 790
TOTAL REVENUE	138 481

(1) Sales taxes, within the meaning of the Public Accounts, include, in particular, the QST, the tax on insurance premiums, the tax on lodging and the specific duty on new tires. For presentation purposes, revenue from pari-mutuel is included in sales taxes.

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

(3) Québec's component of the excise duty on cannabis sales.

TABLE 4

**Québec government
Expenditure
Forecasts for 2022-2023**
(millions of dollars)

	2022-2023
PORTFOLIO EXPENDITURES	
Portfolio expenditures ⁽¹⁾	127 789
COVID-19 support and recovery measures	2 355
TOTAL PORTFOLIO EXPENDITURES	130 144
DEBT SERVICE	8 842
TOTAL EXPENDITURE	138 986

(1) COVID-19 support and recovery measures are not included in portfolio expenditures.

TABLE 5

Québec government
Expenditure by portfolio
Forecasts for 2022-2023
(millions of dollars)

	2022-2023
PORTFOLIO EXPENDITURES	
Affaires municipales et Habitation	3 884
Agriculture, Pêcheries et Alimentation	1 358
National Assembly	167
Conseil du trésor et Administration gouvernementale	4 752
Conseil exécutif	953
Culture et Communications	1 773
Cybersécurité et Numérique	663
Économie et Innovation	3 617
Éducation	19 120
Énergie et Ressources naturelles	830
Enseignement supérieur	10 141
Environnement et Lutte contre les changements climatiques	1 935
Famille	7 909
Finances	4 415
Forêts, Faune et Parcs	1 115
Immigration, Francisation et Intégration	666
Justice	1 501
Persons appointed by the National Assembly	238
Relations internationales et Francophonie	137
Santé et Services sociaux	55 842
Sécurité publique	2 305
Tourisme	487
Transports	6 481
Travail, Emploi et Solidarité sociale	5 535
Inter-portfolio eliminations ⁽¹⁾	-5 680
TOTAL	130 144
DEBT SERVICE	8 842
TOTAL EXPENDITURE	138 986

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.

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