

March 2018

**BUDGET
SPEECH
2018-2019**

THE QUÉBEC
**ECONOMIC
PLAN**

Delivered before the National Assembly by Carlos Leitão,
Minister of Finance, on March 27, 2018.



Budget 2018-2019
Budget Speech 2018-2019

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QUALITY OF LIFE AND MOBILITY

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INTRODUCTION

Mr. President,

Four years ago, I tabled our government's first budget, a budget marked by a difficult economic and financial situation and demanding challenges.

Four years on, it is worth pointing out how far we have come. Our public finances are strong and in balance, now and into the future. Economic growth is robust thanks to renewed confidence. Québec has gained considerable ground and is now a major hub of growth in Canada.

I am very proud to be tabling today a budget for improving quality of life and mobility.

Our current economic and financial situation provides a solid foundation on which to build the future and make Québec stronger.

We are going to make a difference by improving the quality of life for all Quebecers.

We are going to make travel more efficient and time-saving by investing in mobility.

Sound economic and fiscal health that enables us to invest in the future

We are ending 2017-2018 in fiscal balance.

I am announcing that Budget 2018-2019 is the fourth consecutive balanced budget.

Québec's economy is growing again and creating a lot of jobs.

GDP growth accelerated from 1.4% in 2016 to 3% in 2017. Québec has not seen such strong growth in nearly 20 years. Québec's robust economy is one of the drivers of employment growth in Canada.

In four years, 222 600 jobs have been created in Québec. We are on track to meet the objective we set ourselves in 2014 to create 250 000 jobs over a five-years period, and we will meet it one year earlier than scheduled.

The purchasing power of workers is increasing. Average hourly wage growth rose from 2.2% in 2015 to 2.9% in 2017, one of the highest increases in Canada.

□ **Strong resurgence in investment**

Business investment rose for the second year in a row, increasing by 5% in real terms. Investments in equipment and machinery alone jumped by more than 9%.

Nothing illustrates renewed confidence in the economy better than the strong resurgence in investment.

Thanks to healthy public finances and robust economic growth, we are able to take significant steps to improve Quebecers' quality of life and their mobility.

■ **Our economic and fiscal health benefits Quebecers first and foremost**

Quebecers are the first to benefit from our remarkably healthy economic and fiscal position.

- Since April 2014, health funding has risen by \$5.9 billion and funding for education has increased by \$2.4 billion.
- Again since 2014, and including the measures announced in this budget, we have reduced the tax burden on individuals by \$3 billion over a full year.

❑ Québec is repaying its debt

With this budget, Québec is repaying its debt. As at March 31, 2018, the debt will represent 49.6% of GDP, a substantial decrease from the peak of 54.3% reached in 2015.

I am proud to confirm today that we are entering a new phase in reducing indebtedness and are seeing to it that Quebecers genuinely reap the benefits.

Starting in 2018-2019, we are going to repay the debt at a rate of \$2 billion per year, using the Generations Fund, that is, \$10 billion over the next five years.

While doing that, we are going to continue following the winning strategy of making deposits in the Generations Fund, which was created in 2006 following a recommendation by the Liberal Party of Québec's Youth Commission. The fund will continue to be dedicated exclusively to repaying the debt.

By saving on debt service, we free up more funding for public services. By maintaining deposits in the Generations Fund, we continue to reduce the debt burden while giving ourselves the means to increase infrastructure investments.

❑ Québec is investing in its infrastructure

Growth in the Generations Fund gives us leeway to increase infrastructure investments while continuing to reduce the ratio of gross debt to GDP.

I am announcing that investments under the 2018-2028 Québec Infrastructure Plan will increase by \$9.3 billion relative to the 2017-2027 plan and total \$100.4 billion.

This increase means that, for the next ten years, the government will inject \$10 billion a year into Québec's infrastructure. Quebecers will thus enjoy quality infrastructure in the education and health and social services sectors, the road network and public transit.

Québec has gotten its debt under control again. Now it can plan for modernizing its infrastructure in the medium term and enter a new era of major strategic projects in sustainable mobility.

□ A “virtuous circle”

Responsible management of public finances and renewed economic strength enable Québec to initiate a genuine “virtuous circle” of growth.

- Sound public finances and the reduction in the debt burden reinforce confidence, spur private investment and enable us to invest in infrastructure.
- Increased investments drive economic growth and job creation.
- Employment growth increases collective wealth and gives the government the means to invest more in improving quality of life while continuing to reduce the debt burden.

The “virtuous circle” has thus begun.

All Quebecers can reap the benefits.

* * *

❑ **Ensuring tax fairness**

Under the rule of law, compliance with democratically established tax rules is one of the fundamental principles for society to function.

It is question of governance, as fully collected tax revenues underpin the public services that benefit all citizens. It is also a question of fairness among taxpayers, ensuring that everyone pays their fair share.

I am proud to announce today that we are strengthening tax fairness by bringing collection of the sales tax in line with the new economy and by stepping up the fight against tax havens.

■ **Collection of the sales tax**

This is a commitment I made before the Committee on Public Finance last November.

I am announcing that we will require sales tax to be collected on services and incorporeal property sold from abroad.

I am also announcing that for all property and services from elsewhere in Canada, the Québec government will require suppliers that do not have a physical or significant presence in Québec to collect the sales tax.

I am counting on the cooperation of the other parties to ensure that both of these legislative measures, on which there is consensus among Quebecers, are passed by the National Assembly rapidly.

With respect to corporeal property from abroad, we have secured commitments from the Canada Border Services Agency that the collection of sales tax at the borders will be more effective. In the coming weeks, a pilot project will be implemented to improve the parcel processing capacity of Canada Post's sorting centre in Montréal.

■ **Combatting the use of tax havens**

Furthermore, we are continuing to implement the various measures announced in November as part of the Tax Fairness Action Plan by stepping up the government's actions to prevent the inappropriate use of tax havens.

We have obtained genuine access to international financial and tax information from the Canada Revenue Agency. This information will be processed by the special unit set up within Revenu Québec to combat international schemes, including those relating to the use of tax havens.

□ Supporting the taxi industry

It is again with a view to fairness that we are supporting the taxi industry.

The changing economy and rapid spread of digital technologies pose a major challenge for the taxi industry. The industry is going through a period of change that is a source of legitimate concern to holders of a taxi driver's permit and their families.

Last December, the government created a working group to examine, in conjunction with industry representatives, the economic impacts of the changes taking place and determine the type of financial assistance that could support this transition.

The government wants to continue the discussions with the industry within the working group to find solutions for modernizing the tax industry, which is currently going through significant change due, among other reasons, to new technologies.

To support the taxi industry, the government is taking immediate action and committing to compensate taxi owners for the loss in value of their permits. Amounts have already been earmarked for that purpose.

Furthermore, we hope to gain a better understanding of what impacts the new service offers and practices in the industry will have in the short and medium terms. For that purpose, we will be proposing that the period for conducting pilot projects be extended by one year.

I am also announcing a temporary enhancement of the tax credit for holders of a taxi driver's permit.

We are committing to continue working with the industry to monitor these impacts over the long run.

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❑ **\$3.7 billion for new measures as of 2018-2019**

As part of the November 2017 update, I announced a number of initiatives to be implemented as part of Budget 2018-2019.

In addition to those initiatives, which amount to \$1.7 billion, today we are injecting \$2 billion into measures that will also take effect in 2018-2019.

Thanks to Québec's strong economic performance, the government is allocating a total of \$3.7 billion to new initiatives to improve the quality of life for Quebecers and facilitate mobility.

❑ **A budget for improving quality of life and mobility for all Quebecers**

We are going to make a difference in the quality of life and mobility of families by focusing on three levers.

First, we are improving quality of life by ensuring quality services, primarily in education and health.

— We are providing more means to ensure quality education and educational success from childhood through to university.

— We are allocating new funds to improve the health and social services offering and facilitate access to those services.

Second, we are taking action to improve quality of life for all Quebecers by giving them more quality time, by investing in their mobility and by providing better support to those in need.

Third, we are improving quality of life by raising the standard of living for everyone thanks to a stronger, more sustainable economy in all of Québec's regions.

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I am tabling today the budgetary policy for fiscal 2018-2019.

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 2017-2018;

— the forecasts for the 2018-2019 financial framework.

I am also tabling the March 2018 Québec Economic Plan and the companion documents, which are an integral part of the budget.

☪ • ☪

1. ENSURING QUALITY SERVICES IN EDUCATION AND HEALTH

As I just announced, this budget will improve quality of life for all Quebecers by ensuring better access to quality services and infrastructure.

Restored fiscal health and good economic performance enable us to improve and strengthen the funding of public services.

— In 2017-2018, we were able to increase program spending by 4.6%.

— For 2018-2019, program spending is set to grow by 5.2%.

There will be new funds for all public services, especially education and health.

* * *

EDUCATION: 5% GROWTH IN FUNDING IN 2018-2019, NEARLY \$900 MILLION MORE OVER A FULL YEAR SINCE MARCH 2016

My colleague the Minister of Education, Recreation and Sport just published a highly inspiring essay on education and its role in the development of Québec society. The Minister rightly stresses that, and I quote, “when education is valued, society at large shines and wins”.

The education file is headed by a minister for whom the priority of student success is not an empty promise. It is a priority for the government and all Quebecers as well.

Let’s give ourselves the tools to develop top talent.

In 2014, we committed to increasing spending on education by 3.5% per year.

That commitment will be upheld. Thanks to the investments made since March 2016, once the budget was balanced again, spending on education will have grown at an average rate of 4.3% from 2016-2017 to 2018-2019. The target for spending growth will be maintained at 3.5% for the coming years.

☐ Since March 2016: nearly \$900 million over a full year

I am announcing that the government is increasing the appropriations allocated to education and higher education by 5% in 2018-2019.

Today, we are raising the funding for education and higher education by just over \$1.1 billion over the next five years.

All told, since March 2016 we have added nearly \$900 million over a full year to the funding for new measures in education and higher education.

☐ Educational success

We are investing in educational success by providing new means to support and assist students throughout their learning path.

In September 2018, nearly 3 100 people will have been hired to provide direct services to elementary and secondary school students and 1 000 professionals to teach and support higher education students.

Within four years, a total of 10 200 people will have been hired to assist students and help them succeed in school. That number will include nearly 500 speech-language pathologists, remedial teachers and other professionals to support elementary and secondary school students.

❑ Funding for higher education institutions

Higher education institutions need better core funding. We have given ourselves the means to meet these expectations.

I am announcing a funding increase for CEGEPs and universities.

We are enhancing the general funding for CEGEPs to improve the quality of training, foster graduation and give stronger support to students.

We are also enhancing the funding for universities by investing in educational success, research, innovation and creation in all fields of knowledge.

Montréal has been recognized as one of the best university cities in the world. With the new funding for higher education, we are giving it the means to remain so.

❑ Digital action plan in education and higher education

We are investing in the implementation of the digital plan to make better technologies available to students.

In so doing, we will accelerate the digital transformation of Québec's education system by introducing innovative practices and supporting students' use of leading-edge learning methods.

❑ **New investments in infrastructure**

These extra appropriations are in addition to new infrastructure investments. Ensuring students' quality of life is to ensure that education infrastructure provides healthy, safe, accessible environments conducive to learning and development.

The 2018-2028 Québec Infrastructure Plan provides for total investments of over \$16 billion in education and higher education infrastructure.

- Over \$9 billion will be allocated to preschool, elementary and secondary educational institutions.
- Nearly \$7 billion will be injected into higher education infrastructure.

These investments will make it possible to, among other things:

- add classrooms to meet needs;
- build gymnasiums and sports facilities;
- build the planned Maison du loisir et du sport in Montréal;
- consolidate the facilities of the Université du Québec en Outaouais on a single campus.

Renovation work begun on educational institutions will be stepped up. The new funds will also go toward implementing digital technologies across the education system in order to bring schools into the 21st century.

We will make the entire education and higher education system a model of success.

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HEALTH: 5% GROWTH IN FUNDING IN 2018-2019, NEARLY \$1.6 BILLION MORE OVER A FULL YEAR SINCE MARCH 2016

Improving the quality of public services obviously means improving the quality of health services, but it also means ensuring faster and easier access to such services.

Health and social services funding is shared between the health institutions and the Régie de l'assurance maladie du Québec.

❑ Medical compensation's smaller share of funding

The budget allocated to the Régie de l'assurance maladie du Québec, which funds physician compensation and the cost of the Public Prescription Drug Insurance Plan, will increase by 1.5% in 2018-2019.

The agreements with physicians have been settled: the bulk of the spending increase comes from an increase in services.

In 2018-2019, the share of medical compensation in program spending on health and social services will decrease and will continue to decrease in the coming years.

That means that most of the increase in health funding will go toward increasing services and appropriations in favour of other health professionals, including, in particular, nurses and patient-care attendants.

❑ Funding services is a priority

In fact, the increased funding for health and social services will benefit mainly health institutions and, therefore, the services delivered directly to the public.

I am announcing that the government is increasing the funds allocated to the health and social services network by 5.3% in 2018-2019, that is, the funds allocated to health institutions to improve the services delivered to the public.

This is the highest increase in six years.

As of 2018-2019, additional resources will be made available to lighten the workload of nurses and other health professionals.

In recognition of the changing needs, as of 2018-2019 we will inject \$300 million a year into ensuring that Quebecers in every region have similar access to frontline and specialized services.

❑ **4.6% spending increase in 2018-2019**

I am announcing that, in 2018-2019, the government is raising program spending on health and social services by 4.6%.

In 2014, we committed to increasing spending on health and social services by 4% per year.

That commitment will be upheld thanks to the funds freed up for health in 2018-2019. From 2016-2017 to 2018-2019, once fiscal balance was restored, spending on health and social services will have grown at an average rate of 4%. The target for spending growth will be maintained at 4% for the coming years.

All told, since March 2016 we have added \$1.6 billion over a full year to health funding.

❑ **Higher health funding**

The additional funds for health and social services will be used to increase funding for health institutions.

- They will make it possible to reduce hospital wait times.
- They will fund an increase in priority health and social services.
- New resources will be allocated in favour of seniors to help them live independently, provide them with more home care and improve the services delivered by residential and long-term care centres.

❑ **We have taken action**

In Québec as elsewhere, health care management is complicated. The system is under growing pressure and faces significant challenges.

Action was needed and we took it.

I would like to commend the outstanding work accomplished by my colleague the Minister of Health and Social Services in reorganizing services and improving the quality of care delivered to Quebecers.

Some people tend to see only the problems. We preferred to focus on solutions in order to move forward and improve our health care system.

❑ **Progress made since 2014**

Thanks to the action taken, Quebecers have better access to health care, particularly with the shorter hospital wait lists.

The quality of care for seniors has improved, be it in institutions or at home.

We have also improved our action in the area of prevention.

The progress made since 2014 can be summed up in a few statistics.

- Nearly 1.1 million more people now have access to a family physician.
- To date, 325 family medicine groups have been set up.
- A total of 1 300 nurses and patient-care attendants have been hired in residential and long-term care centres.
- Currently, 31 super clinics are open 7 days a week, 12 hours a day, which has reduced emergency room overcrowding.

All of these statistics show that the reforms undertaken since 2014 are delivering concrete results for patients and making a difference in the lives of families.

❑ Infrastructure investments

In addition to the new funds allocated to health and social services, the government is increasing the level of infrastructure investment in this sector.

If I may say so, it is Liberal Party of Québec governments that enabled Québec to have three of the most modern university hospitals in the world. As a society, we can be proud of the fact that we have the CHUM and MUHC in Montréal and soon the CHUQ in Québec.

The 2018-2028 Québec Infrastructure Plan includes \$18.7 billion in investments in the health and social services network.

These investments will directly improve the quality of life of every care recipient. They will give Quebecers access to modern, effective infrastructure in all regions of Québec.

Fifteen major projects in several regions of Québec are currently under study.

One of those projects, as you may recall, is the modernization of the health and research facilities of Hôpital Maisonneuve-Rosemont.

I am announcing that the study of the following projects has begun: redevelopment of Lakeshore General Hospital, expansion of the emergency department of Hôpital du Centre-de-la-Mauricie, in Shawinigan, and expansion and redevelopment of the emergency department of Hôpital Pierre-Boucher, in Montérégie.

Furthermore, I am confirming that the project for the new hospital in Vaudreuil-Soulanges is now in the planning stage. The project has been improved to better meet citizens' needs. The project's overall budget now tops \$1 billion.

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2. AFFORDING ALL QUEBECERS MORE QUALITY TIME THANKS TO BETTER ACCESS TO SERVICES AND BETTER SUPPORT

In addition to improving health and education services, this budget will improve the quality of life for all Quebecers by affording them more quality time.

- We are going to give families more quality time.
- We are taking action in favour of mobility by investing heavily in transportation to make travel easier.
- We are strengthening the various support policies for citizens and raising the standard of living for all Quebecers.
- We are investing in culture to make it more accessible.
- We are modernizing the justice system to make it more efficient.

* * *

QUALITY TIME FOR FAMILIES AND SUPPORT FOR SENIORS AND INFORMAL CAREGIVERS: NEARLY \$600 MILLION BY 2022-2023

From now to 2022-2023, we are allocating nearly \$600 million more in funding to give families more quality time and to support informal caregivers and seniors.

□ Improving young families' quality of life

The government is improving the quality of life for young families.

I am announcing an enhancement of the tax assistance granted to families who pay childcare expenses. Families with children attending a non-subsidized childcare service will see more of their childcare expenses covered.

This measure will maintain fairness between childcare services. It will mean that families will not have to choose a service based solely on financial considerations.

■ Family-work-study balance

The government has made family-work-study balance one of its priorities. It is important to give Quebecers more time so that they can better balance their professional and family responsibilities.

■ Improving the Québec Parental Insurance Plan

My colleague the Minister of Employment and Social Solidarity tabled a bill to amend the *Act respecting parental insurance* in order to bring it in line with the diverse needs of parents and today's realities.

The purpose of the bill is to extend the time limit for taking parental leave, make the rules of the plan more flexible and, in some cases, increase the benefit period.

Thanks to the proposed amendments to the parental insurance plan, young parents will be able to spend a longer time with their children, time that cannot be replaced.

Allow me to point out that the Québec Parental Insurance Plan pays nearly \$2 billion a year to over 200 000 parents. Québec is a model for family support in Canada and we will continue to be a model in this area.

▪ **Amending the *Act respecting labour standards***

Again with a view to giving families more quality time, my colleague the Minister responsible for Labour tabled a bill to amend the *Act respecting labour standards*. The aim of the new provisions is to increase family and parental leave and promote work-family balance.

Among other things, the bill broadens the scope of family or parental leave and absences, as well as adds informal caregivers to the list of persons eligible for such leaves and absences.

These legislative amendments will put Québec even more on the vanguard of measures to help families.

□ **Facilitating the purchase of a first home**

Buying a first home can often represent a heavy financial burden for young families.

I am announcing the introduction, as of 2018, of a non-refundable tax credit for first-time home buyers.

We want to facilitate homeownership for first-time buyers. As of this year, eligible first-time home buyers will be able to claim a new tax credit in recognition of the incidental expenses not covered by a mortgage, such as inspection fees, the duties on the transfer of an immovable, notary fees and moving expenses.

Through this tax credit, eligible first-time home buyers will receive up to \$1 376 in tax relief, including the federal tax credit. This measure should benefit 47 000 families.

□ **Extension of RénoVert to March 31, 2019**

In March 2016, I announced the introduction of the RénoVert refundable tax credit for the purpose of encouraging Québec homeowners to renovate their homes in an eco-friendly way.

This tax credit has been very successful. It was to end on March 31 of this year.

I am announcing that the RénoVert refundable tax credit is being extended for another year, to March 31, 2019.

Note that the assistance provided by the RénoVert refundable tax credit is equal to 20% of the portion of qualified home renovation expenditures in excess of \$2 500. The maximum amount of the tax credit is \$10 000.

☐ **Quality of life for seniors and informal caregivers**

We must see to our seniors, their quality of life and that of informal caregivers.

I am announcing that the refundable tax credit for informal caregivers of persons of full age and the refundable tax credit for volunteer respite are being broadened.

■ **Helping seniors live independently longer**

The government is improving seniors' quality of life by enhancing the refundable tax credit for the acquisition or rental of property intended to help seniors live independently longer.

I am announcing that the annual cut-off applicable to the purchase or rental of qualified property is being lowered from \$500 to \$250 as of 2018.

I am announcing that the tax credit will now also cover the acquisition of hearing aids, alert systems for persons with hearing impairments and wheelchairs, as well as other acquisitions intended to help seniors live independently longer.

The enhancements to the tax credit represent total tax assistance of \$40 million over the next five years.

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IMPROVED MOBILITY AND EASIER TRAVEL: INVESTMENTS OF \$13.5 BILLION IN MAJOR STRATEGIC PROJECTS AND \$3.5 BILLION FOR THE SUSTAINABLE MOBILITY POLICY

Improving Quebecers' quality of life also means improving their mobility and facilitating travel.

The major hydroelectric projects carried out in recent decades have shaped modern Québec, demonstrated Quebecers' know-how and allowed all citizens to reap the benefits of significant spinoffs.

Québec is entering a new era of major strategic projects in sustainable mobility, an era marked by the development of modern, efficient transportation systems that will improve everyone's quality of life and shape the future.

□ The first-ever sustainable mobility policy

In the coming weeks, my colleague the Minister of Transport, Sustainable Mobility and Transport Electrification will be releasing Québec's first-ever sustainable mobility policy, a policy that rethinks economic development through innovative, modern and efficient transportation systems.

The sustainable mobility policy covers public transit, active transportation, marine, rail and air transportation, as well as local road networks and motor vehicle transport.

The policy will improve quality of life for all Quebecers, whether they live in a big city, an urban area or in a smaller agglomeration.

The government wants to offer all Quebecers attractive and efficient means of transportation that are environmentally friendly.

❑ **Three major strategic electric transit projects**

The first step toward sustainable mobility was taken with the launching of major electric projects that will shape the future of commuting in Montréal and Québec.

The government already announced its support for two major electric public transit projects for the Montréal metropolitan area: the Réseau express métropolitain and the extension of the Montréal metro blue line.

■ **Strategic transit project in the urban agglomeration of Québec**

I am confirming today that the Québec government is lending its support to a third major project, that is, the strategic transit project announced two weeks ago by the Mayor of Québec and the Premier.

This is an ambitious project and we have supported it from day one.

The urban agglomeration of Québec is one of the province's most dynamic economic regions. However, mobility for citizens is a growing challenge. Establishing a modern and efficient public transit system was imperative if our national capital was to remain dynamic and improve the quality of life of its inhabitants.

The proposed transit network will consist of 23 kilometres of tramway, including 3.5 kilometres underground, and 17 kilometres of trambus. It will improve commuting for the city's inhabitants in a far-reaching and sustainable manner.

Note that the Ville de Lévis will be able to propose a project involving interconnectivity with the urban agglomeration of Québec's strategic network.

Furthermore, the project office is still working on a new link between Québec and Lévis.

■ **Three projects that will transform commuting**

The three major strategic electric projects represent a total investment of \$13.5 billion by the partners:

- \$6.3 billion for the Réseau express métropolitain;
- \$3.9 billion for the extension of the Montréal metro blue line; and
- \$3.3 billion for the strategic transportation network in Québec.

These three projects will change commuting in the Montréal and Québec areas profoundly. They will significantly improve the quality and efficiency of commuting and saving people's travel time. They will contribute directly to Québec's prosperity.

❑ **Québec's future sustainable mobility policy**

The projects in the urban agglomerations of Montréal and Québec signal that the age of sustainable mobility has arrived in Québec. Throughout Québec, investments and initiatives will be undertaken so that citizens in all regions derive concrete benefit from efficient, modern modes of transportation.

The future sustainable mobility policy will enable this to be achieved and the needs in all regions of Québec to be addressed.

In March 2017, I announced an increase of more than \$1.7 billion in public transit funding.

I am announcing that additional funds of \$1.8 billion will be allocated to the new policy over the next five years.

Thus, Québec's sustainable mobility policy will receive an additional \$3.5 billion in its first five years.

■ **Improving access to public transit throughout Québec**

The additional funding announced in this budget is intended, first and foremost, to improve public transit performance and accessibility throughout Québec.

The government is allocating \$845 million by 2022-2023 to increase the public transit supply throughout Québec, maintain assets and develop infrastructure. The additional public transit funds will increase public transit services by 25% within five years.

■ **Support for regional intercity transportation**

The assistance granted will support regional public transit in particular, by giving RCMs the means to improve their service offer.

In all regions of Québec, this assistance is of concrete benefit to citizens, enabling them to travel more rapidly, more comfortably and at a lower cost.

In the Abitibi-Témiscamingue and Nord-du-Québec regions, six intercity bus transportation routes were saved as a result of this assistance. In the Lotbinière RCM, public transit links Laurier-Station to Sainte-Foy. In the Laurentides and the Les Pays-d'en-Haut RCMs, the number of available routes was increased fivefold, leading to a 35% increase in ridership since 2013.

Thanks to the new funds, even more progress will be made in the development of public transit throughout Québec.

❑ **Better planning and innovation**

Another portion of the new funds will be allocated to better trip planning and transportation innovation.

The sustainable mobility policy will be able to rely on the excellence and innovation of Québec engineering to rethink the development of transportation systems. It will make the most of the immense collective wealth at Québec's disposal—competitively priced clean electricity production.

By 2022-2023, we are granting another \$170 million to promote integrated trip planning and support the implementation of intelligent transportation systems. These funds will also enable new technologies to be created in the transportation field.

❑ **\$173 million for regional air transportation**

With the sustainable mobility policy, the government is following up on the Regional Air Transport Summit.

The government is setting aside \$73 million by 2022-2023 to support regional air transportation.

This amount will fund, in particular:

- the enhancement of the Airfare Reduction Program and initiatives to promote Québec as a destination;
- an assistance program for regional air services.

■ **Repair and development of regional airport infrastructure**

The government will also invest \$100 million over the next four years to modernize and develop regional airports. These airports are an important driver of community development.

The investments will make life easier for all residents of the more remote regions, and stimulate economic and tourism development.

❑ **Road network and motor vehicle transport**

The government is allocating nearly \$430 million for the measures respecting cleaner, higher-performance land transportation.

■ **Roads and electric vehicles**

Among these measures, I am announcing an increase of \$250 million over the next five years in the funding granted to municipalities for the maintenance and rehabilitation of local road networks. In total, the amounts allocated to this program will have been doubled compared to 2014.

I am also announcing additional support of \$92 million for the acquisition and use of electric vehicles.

This support will stimulate the development of our electric vehicle fleet. Electric vehicle users will be able to count on expedited development of a network of public charging stations.

■ **Road infrastructure**

The government is investing massively in sustainable mobility while continuing to improve road infrastructure.

For example, investments of nearly \$900 million are earmarked in the Québec Infrastructure Plan for the refurbishment of the Louis-Hippolyte-La Fontaine Tunnel.

In addition, with Budget 2018-2019, I am announcing new investments under the 2018-2028 Québec Infrastructure Plan.

In Montréal and Greater Montréal, the government will invest particularly amounts for:

- the reconstruction of the Île-aux-Tourtes Bridge;
- the extension of Autoroute 19 in Laval.

In the city of Québec, the government will invest in, among other things, the expansion of Autoroute Henri IV.

In the regions, the government will invest in projects such as:

- the Rivière Saguenay bridge between Tadoussac and Baie-Sainte-Catherine;
- the extension of Route 138 in the Basse-Côte-Nord region, which is intended to improve interprovincial mobility on completion.

☐ **A direct impact on economic development and quality of life**

By embarking on a new era of major projects, we wish to make Québec a leader in North America in the development of modern transportation solutions. Carrying out major projects will directly improve the quality of life of all Quebecers.

The first sustainable mobility policy will also be an important driver of economic growth in all regions of Québec. It will give us means of transportation concomitant with the size of Québec.

This change is starting now.

* * *

BETTER SUPPORT AND A BETTER STANDARD OF LIVING

With this budget, we are improving everyone's quality of life by strengthening support for citizens while putting more money in the pockets of every Quebecker.

☐ Better support for those in need

Quality of life is the possibility for everyone to live in affordable, suitable housing that meets their needs.

■ Access to affordable housing

The government will allocate \$431 million in additional funding to facilitate access to affordable, quality housing.

These resources will be used, in particular, to build 3 000 new social housing units. They will also go toward a rent supplement for a portion of the tenants of the new units.

By 2023, 1 000 additional housing units will be reserved for seniors.

■ Aboriginal communities

A large share of the funds allocated for access to affordable housing will go to housing assistance for Nunavik.

The government is also providing an additional \$48 million for Aboriginal communities by 2022-2023, to ensure better living conditions for them.

■ Gender equality

Gender equality is of particular importance to the government.

My colleague the Minister responsible for the Status of Women will soon release a framework bill making gender equality in fact a right. The purpose of this framework bill is to make gender equality a reality through the planning and implementation of concrete initiatives integrated into a set of government strategies.

The budget grants substantial additional funds to foster gender equality and combat domestic violence.

I am announcing that the government is increasing by \$96 million, by 2022-2023, the funds allocated to the promotion of gender equality, including \$61 million to combat domestic violence. Part of these amounts will be used to address the reality of domestic and family violence in Aboriginal communities.

☐ **English-speaking Quebecers**

On November 24, 2017, the government announced the creation of the Secrétariat aux relations avec les Québécois d'expression anglaise, presided over by my colleague the Minister responsible for Relations with English-Speaking Quebecers.

I am announcing that, over the next five years, \$24.5 million will be allocated for initiatives of the Secrétariat.

These amounts will be used, in particular, to support bodies that work with English-speaking Quebecers. They will go toward ensuring the vitality of these communities.

They will also enhance the employability of young English-speaking Quebecers. We want them to remain in Québec and achieve their full potential here.

☐ **A better standard of living for Quebecers**

This budget puts more money in the pockets of Quebecers.

■ **Enhancement of the tax shield**

Families that increase their work income may see a significant reduction in their socio-fiscal transfers. To compensate for these losses, the government introduced the tax shield in 2016.

I am announcing an enhancement of the tax shield, thanks to an increase from \$3 000 to \$4 000 in eligible income per adult.

A couple with two children in which each spouse's work income increases by \$4 000 to reach \$50 000 will receive, thanks to the tax shield, additional income of \$1 325.

■ **School tax reform**

The proposed school tax reform tabled by my colleague the Minister of Education, Recreation and Sports will also put more money in the pockets of the citizens concerned.

First, we solved a major problem by eliminating disparities in school tax rates within given regions that were causing transfers between school boards in those same regions. At the same time, we eased taxpayers' tax burden, but we did not do so to the detriment of education funding but, rather, by fully compensating for the financial losses sustained by the school boards further to the decline in their revenues.

❑ Since 2015, stronger support, a lighter tax burden

Since 2015, the government has increased socio-fiscal transfers and reduced the tax burden. In so doing, it has raised the standard of living of all Quebecers, regardless of their level of income.

In fall 2017, the publication of the Government Action Plan to Foster Economic Inclusion and Social Participation 2017-2023 confirmed the efforts made since 2014 to combat poverty and redistribute wealth.

Québec's wealth is greater when it is shared.

For the past four years, the government has lowered the tax burden on individuals by \$3 billion over a full year. The government has reduced the tax payable by all individuals, in particular by eliminating the health contribution, raising the basic personal amount, decreasing the bottom tax rate and enhancing the measures to encourage labour force participation.

Families' standard of living is also higher, due to a stonger economy and the increase in income and purchasing power.

Since 2015, Quebecers have had more money in their pockets.

* * *

QUÉBEC IS INVESTING IN ITS CULTURE: \$539 MILLION OVER THE NEXT FIVE YEARS

Improving quality of life for everyone also means making culture more open and accessible. It also means supporting Québec culture and those who make it.

Culture is a source of pride in Québec, as well as a driver of activity and development. Thanks to its culture, Québec reaches well beyond its borders, showing its vitality and creativity. The cultural sector is an important creator of jobs and growth in all regions of Québec.

□ New cultural policy

Over the next five years, Québec will invest \$539 million in culture, the artistic community and cultural organizations.

In 2018-2019, program spending at the Ministère de la Culture et des Communications will reach close to \$800 million, an increase of 11% over the previous year. In fact, it will be the department's most substantial rise in program spending in almost 20 years.

My colleague the Minister of Culture and Communications will soon release Québec's new cultural policy, the second in the history of Québec.

■ \$100 million for CALQ and SODEC

The policy will provide another \$100 million for the Conseil des arts et des lettres du Québec and the Société de développement des entreprises culturelles over the next five years.

This means \$100 million over the next five years to support artists and cultural organizations.

■ Free visits to museums one Sunday a month

We want to facilitate access to culture for all citizens, everywhere in Québec, and open up museums, those remarkable purveyors of culture, to everyone.

The government is allocating \$5 million to museums in all regions of Québec, so that they can offer free visits one Sunday a month.

❑ **\$77 million for cultural institutions**

I am announcing \$77 million in support for cultural institutions.

Additional funds are also being allocated to the Musée national des beaux-arts du Québec, the Montreal Museum of Fine Arts, the symphony orchestras in Montréal and the city of Québec, and the Orchestre Métropolitain.

❑ **Digital transformation of print media**

I am announcing further support for the digital transformation of print media companies. By 2022-2023, an additional \$65 million will be allocated to the tax credit to support the digital transformation of print media companies.

❑ **Development of cultural businesses**

As business partner, the Société de développement des entreprises culturelles plays a key role in the various stages of growth of businesses in all regions of Québec, through the financing it provides in the form of loans and loan guarantees.

I am announcing that the borrowing capacity of the Société de développement des entreprises culturelles is doubled, through an increase in its borrowing plan from \$30 million to \$60 million.

SODEC will therefore have at its disposal more flexibility in supporting the development of cultural businesses.

* * *

\$500 MILLION BY 2022-2023 TO FACILITATE QUEBECERS' ACCESS TO THE JUSTICE SYSTEM

With this budget, we are also investing in the modernization of the justice system.

□ Plan to modernize the justice system

Québec has a solid justice system grounded in clearly defined laws and a competent, dedicated judiciary.

Citizens must be able to access judicial services easily as well as be able to defend their rights easily.

The existing judicial system has some shortcomings in this regard that must be overcome.

■ Changing how things are done in the justice system

In a few weeks, my colleague the Minister of Justice will unveil the plan to modernize the justice system.

I am announcing that we will invest \$500 million by 2022-2023 to modernize the Québec justice system.

No proceedings will be stayed because of unreasonable delays.

Citizens will pay less and processes will be streamlined.

We will introduce innovative practices and make widespread use of new technologies.

The government is investing in the modernization of the justice system and the updating of the procedures in place, to make the Québec justice system more accessible, efficient and user-friendly.

We are taking steps so that Quebecers have greater confidence in their justice system.

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3. INCREASING EVERYONE’S STANDARD OF LIVING THROUGH A STRONG, SUSTAINABLE ECONOMY IN ALL REGIONS

We are also improving the quality of life of Quebecers by raising their standard of living, thanks to a strong economy in all regions. The growth of our economy is the key to our prosperity now and in the future.

Since the start of the current mandate, wealth creation and distribution have underpinned the various actions we have taken. The results speak for themselves: Québec’s growth is the strongest it has been in 20 years, and all Quebecers have seen a significant improvement in their standard of living.

With this budget, we are taking Québec to new heights.

- We are investing in the workforce, its training, its matching with existing and future market needs, and its integration.
- We are reducing the tax burden on SMBs.
- We are supporting business innovation and investment, as well as digital transformation.
- We are supporting economic development in all regions.

* * *

NATIONAL WORKFORCE STRATEGY: OVER \$800 MILLION BY 2022-2023

The Québec labour market has never been this strong.

- From January to December 2017, the Québec economy created 94 100 jobs, and we are close to meeting our commitment to create 250 000 jobs over a five-year period announced in 2014.
- In December 2017, the unemployment rate stood at 5%, the lowest monthly rate ever on a comparable basis.

Since 2014, the unemployment rate has fallen in all regions of Québec.

In the coming years, the increase in our standard of living will depend in large part on Québec's ability to adapt to the needs of both workers and employers.

□ A strategy to support economic development

In a few weeks, the government will table the 2018-2023 national workforce strategy.

By 2022-2023, the government will allocate over \$800 million more to various measures under the strategy. These measures follow up on the Rendez-vous national sur la main-d'œuvre, held by the government in February 2017.

The measures will raise to \$2 billion the amounts that have been allocated since the start of the mandate to address the challenges of the labour market.

Over the next five years, the government will invest to better understand current and future workforce needs. Substantial resources will be allocated to matching available training to labour market needs, and to continuing education, greater employment integration and retention, and workplace adaptation.

The new measures will aim, in particular, to improve completion rates and on-the-job training, facilitate the integration of immigrants into the labour market and facilitate lifelong learning.

I am announcing the enhancement of the tax credit for experienced workers.

I am also announcing the enhancement of the tax credit for on-the-job training periods available to employers to help them assume the costs related to taking on trainees.

Lastly, I am announcing a new tax credit for SMBs that allow their employees to take time away from their job for professional development.

❑ **Integration of immigrants into the labour market**

As part of the national workforce strategy, the government will invest substantial amounts in better integrating immigrants into the labour market.

As you know, the integration of immigrants is a subject close to my heart.

Forty years ago, my family and I were warmly welcomed by Quebecers. I owe Québec a lot, and I want to give back to Québec and Quebecers what they have given me.

■ **The major role of immigrants in the changing labour market**

Immigration is a source of wealth and growth for Québec.

Immigration already plays a major role in the changing labour market, enabling needs to be met that, for demographic reasons, can no longer be fulfilled by Québec-born and Canadian-born citizens.

In fact, immigrants have filled half the jobs created in Québec since 2006.

■ **Québec must be able to rely on all its talent**

Given the demographic outlook and strong economic growth, the labour shortage affecting almost all of Québec is increasingly raising concerns. Immigration will enable this shortage to be addressed, at least in part.

Immigration is therefore one of the means of continuing our economic development. To deprive ourselves of the contribution of immigrants would be to limit economic and social growth, especially in the regions.

We must step up our efforts and implement further measures to facilitate the labour market integration of immigrants. With the national workforce strategy, the government is taking the right path—an inclusive path that will benefit all Quebecers.

The Québec I love, the one that welcomed me, is an open, inclusive Québec.

A united Québec is a stronger Québec.

* * *

REDUCTION IN THE TAX BURDEN ON SMBs: \$2.2 BILLION BY 2022-2023

SMBs play a vital role in both the growth of economic activity and job creation.

☐ Good news for workers

As I have already indicated, the labour market situation holds good news for workers.

- Wages are on the rise.
- Working conditions are improving.

A number of measures announced by the government will benefit workers directly.

This is the case with:

- the increase in the minimum wage;
- our proposed enhancements to the Québec Parental Insurance Plan and the *Act respecting labour standards*;
- the enhancement of the Québec Pension Plan.

❑ **Increasing the competitiveness of SMBs**

The government is aware of the impact of these measures on businesses, particularly on the competitiveness of SMBs.

To make SMBs more competitive, I am announcing tax relief of \$2.2 billion by 2022-2023.

■ **Payroll tax reduction**

I am announcing a new reduction of the payroll tax, in the form of lower Health Services Fund contribution rates.

This reduction represents tax relief of \$1.2 billion by 2022-2023.

■ **Income tax reduction**

I am announcing a gradual income tax reduction, from 8% to 4%, by 2022-2023 for SMBs in the service and construction sectors so that, on full implementation of the reduction, their rates will be the same as those of SMBs in the primary and manufacturing sectors.

This reduction represents tax relief of \$1 billion by 2022-2023.

■ **Since 2014-2015: a reduction of the tax burden of up to 50%, a tax reduction for SMBs of more than \$900 million over a full year**

These two measures are in addition to the various forms of tax relief for SMBs introduced since the start of our mandate.

Compared with the situation before Budget 2014-2015, the tax measures introduced will represent a reduction of the tax burden on SMBs of up to 50% within five years.

On full implementation, the government will have provided tax relief to SMBs totalling \$900 million per year since Budget 2014-2015.

SUPPORT FOR BUSINESS INNOVATION AND INVESTMENT AND FOR DIGITAL TRANSFORMATION: NEARLY \$2.4 BILLION BY 2022-2023

An economy that performs is an economy that innovates and evolves.

By 2022-2023, the government is allocating additional funding of close to \$2.4 billion to support innovation and digital transformation, as well as the acceleration of business investment.

□ Making a success of digital transformation

Development of the digital economy is one of the primary issues of today and the future, and it affects all sectors of activity. Québec businesses, and Québec as a whole, must make a success of digital transformation, which is why the government launched the Québec Digital Strategy in December 2017.

Initiatives totalling \$900 million, such as making high-speed Internet available throughout Québec, have already been announced.

I am announcing that an additional \$1 billion by 2022-2023 has been earmarked to implement the Québec Digital Strategy, bringing the funding for the strategy to \$1.9 billion.

This new funding will accelerate the rollout of the digital strategy in all sectors.

As I mentioned previously, this extra funding will be used to implement the digital plan in education and higher education, introduce new technologies in the field of justice and integrate digital environments into the cultural sector. It will also support businesses in making their digital shift.

This new funding will support, in particular, the digital transformation of the tourism industry and the construction sector.

The digital economy will be at the very heart of the new Québec we want to build. Digital transformation will make people's lives easier and make businesses more competitive.

❑ **Additional support for innovation**

Our highly competitive environment spurs us to innovate to improve our productivity and thus carve out a place for ourselves on international markets.

By 2022-2023, \$172 million in additional funding will enable both the appropriation and marketing of innovations by Québec businesses.

■ **Supply chains using artificial intelligence**

I am therefore announcing \$60 million by 2019-2020 to support the development of supply chain networks using artificial intelligence.

This development will take place within the SCALE.AI supercluster based in Montréal.

Thanks to the government's support, Québec industrial sectors will be able to take advantage of the latest technological advances to develop intelligent supply chains.

This stimulating, promising project will further consolidate Montréal's and Québec's leadership in the artificial intelligence sector.

❑ **Accelerating business investment**

By 2022-2023, we will allocate an additional \$271 million to the acceleration of business investment.

I am announcing the increase from 35% to 60%, and the extension to March 31, 2020, of the additional capital cost allowance to support acquisition of cutting-edge technologies.

This measure provides support to businesses that acquire cutting-edge technologies, such as computer equipment and manufacturing and processing equipment.

❑ **Creation of regional innovation hubs**

Innovation is mobilizing all regions of Québec.

My colleague the Minister of Economy, Science and Innovation will unveil shortly the government action plan on entrepreneurship.

This action plan will include the creation of regional innovation hubs, for which a call for tenders has already been launched. The government will support the creation and implementation of 18 regional hubs—true places of convergence for creativity and innovation in each region of Québec.

ECONOMIC DEVELOPMENT OF ALL REGIONS

This budget supports the economic development of all regions by:

- funding the government’s future biofood policy;
- supporting sectors of activity that ensure regional prosperity;
- making a considerable effort to protect the environment and ensure the energy transition.

□ Biofood policy

My colleague the Minister of Agriculture, Fisheries and Food will soon release a much-awaited government policy—the biofood policy.

I am announcing that an additional \$349 million will be allocated to this policy by 2022-2023.

The biofood sector plays a major role in the Québec economy. It is present in all regions of Québec and contributes greatly to the occupancy and vitality of territories.

In 2017, the biofood sector represented 8% of Québec’s GDP, accounting for one out of every eight jobs across the Québec economy. In Québec, 500 000 workers earn their livelihood from activities related to the biofood sector.

The future biofood policy will promote healthier, more local food of Québec. In particular, we will support the promotion and development of terroir products. The biofood policy will promote innovation and training, and support investment and implementation of responsible practices.

❑ **Development of all regions**

Over the next five years, the government will allocate additional means of \$724 million to initiatives supporting the economic development of all regions.

My colleagues will soon announce new measures to:

- support regional economic diversification;
- strengthen the forest sector;
- develop wildlife and wildlife habitats;
- assist with the development of the mining sector;
- support the other key sectors of the Québec economy.

This budget also includes measures to continue the rollout of the Maritime Strategy and the Plan Nord.

■ **Québec's Maritime Strategy**

Québec's Maritime Strategy is a large-scale economic project. Initiatives totalling nearly \$2 billion, relative to the first action plan under the strategy, have already been announced.

By 2030, these initiatives will foster the creation of over 30 000 direct jobs, as well as public and private investment of approximately \$9 billion.

■ **Extension of the natural gas network**

Moreover, this budget includes a strategic initiative for the development of several regions. I am referring to the extension of the natural gas network.

I am announcing an additional envelope of \$36.5 million that will be allocated to the carrying out of natural gas distribution projects in various Québec regions, such as the Montérégie, Estrie and Chaudière-Appalaches regions.

An amount of \$2.2 million will be reserved for conducting a study concerning the possible extension of the gas network to the Saguenay–Lac-Saint-Jean region.

❑ **\$662 million for sustainable development**

Development of all regions must be sustainable.

With this budget, the government is confirming environmental protection and energy transition efforts.

I am announcing that, by 2022-2023, an additional budget of \$662 million will be allocated to the environment and the necessary transformation of our energy use.

Part of these amounts will be allocated to the implementation of Transition énergétique Québec's first master plan. This organization was created on April 1, 2017 to step up Québec's energy transition efforts.

I am announcing that, over the next five years, over \$260 million will be allocated to the energy transition and the fight against climate change.

Additional amounts are also set aside for:

- ecosystem protection and sustainable development of territories;
- water management improvement and flood risk mitigation.

My colleague the Minister of Sustainable Development, the Environment and the Fight Against Climate Change will soon release the Québec water strategy. This strategy will mobilize Québec society as a whole with a view to the integrated and sustainable use, protection and management of water.

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CONCLUSION : THE BUDGET OF A STRONGER QUÉBEC THAT BUILDS CONFIDENCE IN THE FUTURE

In conclusion, I am proud to say that it is sound public finances that the Auditor General will soon be examining. This review will be conducted in accordance with the new, general election-related transparency requirements, which we introduced, as promised.

For the fourth consecutive year, I am tabling a balanced budget.

With this budget, the government is also beginning to repay the debt.

☐ A better quality of life for everyone

Like the previous budgets, this budget is a responsible budget and will make a difference in families' lives.

- This budget confirms that the quality and accessibility of services continue and will continue to be central to our priorities, especially in education and health.
- This budget contains concrete initiatives to improve quality of life by giving families more time together, improving mobility through large strategic projects, and providing better support to those in need.
- This budget provides the means to raise the standard of living of all Quebecers, thanks to a stronger economy in all regions and stimulating, well-paid jobs in all sectors of activity.

* * *

❑ Confidence in the future

In 2014, we committed to focus on what really matters, restoring public finances to health and revitalizing the economy, in order to better fund services and ease the tax burden on Quebecers.

I am proud to confirm that we have kept that commitment.

In 2014, I began the custom of ending the budget speech with a proverb from my country of birth.

Mr. President, allow me to remain faithful to that custom, by proposing this year a Portuguese proverb that sums up well these four years of good management and promising results for the future.

In my country of birth, we say *É bom esperar, mas é melhor conseguir*, which means “hope is good, but success is even better.”

During this first mandate, we have shown that we can accomplish great things for Québec and for Quebecers.

We have restored confidence in the future. With this budget, we want to strengthen that confidence and build Québec’s future together.

We have a plan for Québec. This budget launches bold strategic projects. We want to embark on a new era of major projects—sustainable mobility projects that will improve Quebecers’ quality of life and position Québec to fully embrace modernity and progress.

With this plan, we want Québec to create more wealth and that wealth to be better distributed.

We want to build a strong, open, fair Québec.

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Mr. President,

I propose that the National Assembly approve the government’s fiscal policy.

Thank you.

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TABLE 1

Québec government
Summary of consolidated budgetary transactions
Preliminary results for 2017-2018
(millions of dollars)

	2017-2018
CONSOLIDATED REVENUE	
Own-source revenue	84 527
Federal transfers	22 669
Total	107 196
CONSOLIDATED EXPENDITURE	
Mission expenditures	-94 817
Debt service	-9 237
Total	-104 054
Contingency reserve	—
SURPLUS	3 142
BALANCED BUDGET ACT	
Deposits of dedicated revenues in the Generations Fund	-2 292
BUDGETARY BALANCE⁽¹⁾	850

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

TABLE 2

Québec government
Summary of consolidated budgetary transactions
Forecasts for 2018-2019
(millions of dollars)

	2018-2019
CONSOLIDATED REVENUE	
Own-source revenue	85 923
Federal transfers	23 674
Total	109 597
CONSOLIDATED EXPENDITURE	
Mission expenditures	-99 313
Debt service	-9 380
Total	-108 693
Contingency reserve	—
SURPLUS	904
BALANCED BUDGET ACT	
Deposits of dedicated revenues in the Generations Fund	-2 491
Use of the stabilization reserve	1 587
BUDGETARY BALANCE ⁽¹⁾	—

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

TABLE 3

**Québec government
Consolidated revenue
Forecasts for 2018-2019**
(millions of dollars)

	2018-2019
OWN-SOURCE REVENUE	
Income and property taxes	
Personal income tax	30 549
Contributions for health services	6 028
Corporate taxes	8 028
School property tax	1 817
	46 422
Consumption taxes	
Sales taxes	16 967
Fuel	2 321
Tobacco products	993
Alcoholic beverages	640
	20 921
Revenue from government enterprises	
Hydro-Québec	2 075
Loto-Québec	1 236
Société des alcools du Québec	1 112
Other	-91
	4 332
Duties and permits	3 797
Miscellaneous revenue	10 451
TOTAL OWN-SOURCE REVENUE	85 923
FEDERAL TRANSFERS	
Equalization	11 732
Health transfers	6 431
Transfers for post-secondary education and other social programs	1 659
Other programs	3 852
TOTAL FEDERAL TRANSFERS	23 674
TOTAL CONSOLIDATED REVENUE	109 597

TABLE 4

**Québec government
Consolidated expenditure
Forecasts for 2018-2019**
(millions of dollars)

	2018-2019
MISSION EXPENDITURES	
Program spending of the General Fund ⁽¹⁾	-76 869
Other consolidated expenditure ⁽²⁾	-22 444
Total	-99 313
DEBT SERVICE	
General Fund	-7 160
Other sectors ⁽²⁾	-2 220
Total	-9 380
TOTAL CONSOLIDATED EXPENDITURE	-108 693

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

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

TABLE 5

Québec government
Expenditure of the General Fund
Forecasts for 2018-2019
(millions of dollars)

	2018-2019
PROGRAM SPENDING OF THE GENERAL FUND	
Assemblée nationale	139.6
Persons appointed by the National Assembly	188.0
Affaires municipales et Occupation du territoire	1 889.0
Agriculture, Pêcheries et Alimentation	899.2
Conseil du trésor et Administration gouvernementale	1 721.6
Conseil exécutif	463.0
Culture et Communications ⁽¹⁾	726.2
Développement durable, Environnement et Lutte contre les changements climatiques	175.5
Économie, Science et Innovation	1 017.4
Éducation et Enseignement supérieur	19 380.1
Énergie et Ressources naturelles	84.1
Famille	2 657.2
Finances ⁽¹⁾	200.5
Forêts, Faune et Parcs	488.5
Immigration, Diversité et Inclusion	339.0
Justice	1 016.6
Relations internationales et Francophonie	111.6
Santé et Services sociaux	38 540.8
Sécurité publique	1 587.7
Tourisme	185.4
Transports, Mobilité durable et Électrification des transports	698.2
Travail, Emploi et Solidarité sociale	4 360.2
TOTAL PROGRAM SPENDING OF THE GENERAL FUND	76 869.4
DEBT SERVICE	7 160.0
TOTAL EXPENDITURE OF THE GENERAL FUND	84 029.4

(1) Excluding debt service.

TABLE 6

Québec government
Non-budgetary transactions
Forecasts for 2018-2019
(millions of dollars)

	2018-2019
INVESTMENTS, LOANS AND ADVANCES	-2 294
CAPITAL EXPENDITURES	
Investments	-7 505
Amortization	4 309
Less: PPP investments	103
Total	-3 093
RETIREMENT PLANS AND OTHER EMPLOYEE FUTURE BENEFITS	2 879
OTHER ACCOUNTS	-480
TOTAL NON-BUDGETARY TRANSACTIONS	-2 988

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

