



Budget 2019-2020

Quebecers' Priorities at the Heart of the New Québec Government's First Budget

Québec, March 21, 2019. – The *Québec Budget Plan – March 2019*, tabled today by Minister of Finance Eric Girard, fulfils several of the new Québec government's commitments to address Quebecers' concerns. All told, \$5.2 billion will be put back in the pockets of Quebecers within five years, and significant investments in the major education and health networks are announced. These new investments, totalling \$16.2 billion over six years, aim to:

- put money back in the pockets of Quebecers;
- provide quality education and health services;
- increase the potential of the economy;
- act for the environment;
- support communities;
- start work on projects that Quebecers have been waiting to see.

Through the actions taken in the fall 2018 update and Budget 2019-2020, the government will give \$1.1 billion back to Quebecers starting this year, in particular by gradually eliminating the additional contribution for childcare and standardizing school tax rates.¹ These new measures bring the amount that will be put back in Quebecers' pocketbooks within five years to \$5.2 billion.

To honour the commitments made to Quebecers, spending on education and higher education will be increased by 5.1% for the coming year, while spending on health and social services will be raised by 5.4%. These new investments are aimed at providing better quality services and better meeting the needs of the population. They will total \$7.3 billion over five years.

The government also aims to increase Québec's economic potential, in particular by encouraging experienced workers to remain in the labour force, fostering labour market integration of immigrants and increasing business productivity. To that end, Budget 2019-2020 provides for initiatives totalling nearly \$3.7 billion over the next five years.

Significant measures are also being taken to fight climate change, a focal point for the new government. Investments of nearly \$1.3 billion over six years are planned to, among other things, enhance initiatives under the 2013-2020 Climate Change Action Plan, protect the environment and improve management of residual materials.

Investing more in public infrastructure

Due to the large asset maintenance deficit accumulated over the past 15 years, a situation that particularly affects Québec's school system and students, the government is announcing a \$15-billion increase in public infrastructure investments over the next 10 years. This brings the 2019-2029 Québec Infrastructure Plan to a total of \$115.4 billion, which will benefit the education, health and transportation sectors in particular.

¹ Subject to adoption of Bill 3

A balanced budget and maintenance of debt reduction objectives

Québec's financial framework provides for the maintenance of a balanced budget for the next five years without using the stabilization reserve. Deposits in the Generations Fund will stand at \$2.5 billion in 2019-2020 and reach \$2.7 billion the following year.

In addition, the government confirms that the objective to reduce the gross debt to 45% of GDP by 2025-2026 will be achieved five years earlier than expected.

Reducing the debt burden will allow Québec to ensure increased funding for public services and infrastructure, maintain leeway to deal with an eventual economic slowdown and increase Québec's financial autonomy within the federation.

Quotation:

"With our first budget, we are fulfilling our commitments to Quebecers. We are putting money back in their pockets and investing to improve health and education services. We are also supporting economic development to enable us to provide quality public services in the long term. All our choices are guided by the desire to address the concerns of Quebecers while respecting their ability to pay and safeguarding fiscal balance."

Eric Girard, Québec Minister of Finance

Highlights:

- \$5.2 billion within five years put back in the pockets of Quebecers.
- New investments of \$7.3 billion within five years in health and education.
- Initiatives totalling nearly \$3.7 billion over five years to increase Québec's economic potential.
- A balanced budget will be maintained for the five years covered by the financial framework and the objective to reduce the debt burden will be reached five years earlier than expected.
- The increase in infrastructure investments through a \$15-billion increase in the 2019-2029 Québec Infrastructure Plan.

Related link:

Full details of Budget 2019-2020:

http://www.budget.finances.gouv.qc.ca/budget/2019-2020/index_en.asp

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