



## 2007-2008 BUDGET PRESS RELEASE No. 1

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### **2007-2008 Budget: Discipline and transparency**

**Québec, May 24, 2007** – Minister of Finance and Chair of the Conseil du trésor Monique Jérôme-Forget tabled a balanced budget today in the National Assembly. The budget includes income tax reductions for all taxpayers, and primarily the middle class. Focused on the government's fundamental missions, the budget provides for major investments in health and education, and accelerates the debt load reduction process.

Discipline and transparency were the leitmotif of the Minister's presentation. "This budget targets a limited number of priorities. It is the budget of a new government. It is the budget of a government determined to take up the challenges facing us," the Minister declared.

The 2007-2008 Budget lays out six priorities:

- Recognizing the value of work. Income tax will be reduced by \$950 million for all taxpayers, and primarily the middle class. The gap between the tax burden of Quebecers and the Canadian average will thus have been reduced by 70% in the past four years.
- Promoting private investment to create jobs in all regions. The reduction of the tax on capital will be accelerated and the tax will be completely eliminated after December 31, 2010.
- Renovating our schools and hospitals and repairing our roads. A total of \$30 billion will be invested over the next five years to renovate, maintain and develop our infrastructure.
- Making a determined effort to pay down the debt. As of today, \$200 million will be added to the Generations Fund, and electricity exports will soon enable us to raise our contributions by \$400 million a year, to \$1 billion annually.
- Making our administration a model of transparency. An agreement has been concluded with the Auditor General to review the government's accounting practices. This agreement has been tabled in the National Assembly. School boards, CEGEPs and hospitals will soon be included in the government reporting entity. Moreover, as provided for in the *Act respecting the governance of state-owned corporations*, the Auditor General's financial auditing role has been extended to all government agencies and corporations. In the case of the seven largest government corporations with a financial or commercial mission, auditing will henceforward be carried out in association with private-sector firms.
- Continuing to modernize government. The budget refocuses government action on the two main priorities of Quebecers, health and education. Five government services will be turned over to the private sector and 3 800 public service jobs will be eliminated by attrition over three years.

“This disciplined, bold budget is a budget of hope. Permeating it is the conviction that we can take up our most demanding challenges in order to create a better life and leave our children the legacy of a more prosperous future. This budget is in line with the priorities of Quebecers,” concluded Ms. Jérôme-Forget.

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