

TABLES AND CHARTS

Excerpt

BUDGET 2018-2019

March 2018

Initiatives for Quality of Life and Mobility

Initiatives for quality of life and mobility

Initiatives provided for in the March 2018

Québec Economic Plan

(millions of dollars)

2017-2018 to 2022-2023	
Improving quality of life thanks to better services	4 756.0
Improving quality of life thanks to better support for families	
Additional tax assistance for families and seniors	637.6
Additional investments to support families and communities	1 066.5
Improving quality of life by facilitating travel	1 021.0
A strong economy to raise Quebecers' standard of living	5 399.1
School tax reform	3 219.8
TOTAL	16 100.0

2 725.1

Improving quality of life thanks to better services

Initiatives provided for in the March 2018

Québec Economic Plan

(millions of dollars)

2017-2018 to 2022-2023	
Education	
Fostering educational success	1 180.6
Health	
Improving health and social services	3 575.4
TOTAL	4 756.0
Planned infrastructure in education and higher education under the 2018-2028 QIP	16 170.0
Planned infrastructure in health and social services under the 2018-2028 QIP	18 677.0

Improving quality of life thanks to better support for families and seniors

Initiatives provided for in the March 2018

Québec Economic Plan

(millions of dollars)

2017-2018 to 2022-2023	
Additional tax assistance for families and seniors	
Supporting families	299.1
Supporting informal caregivers and seniors	103.2
Fostering labour market participation	63.8
Extension of RénoVert	171.5
TOTAL	637.6
Enhancement of the tax credit for experienced workers ⁽¹⁾	164.4
TOTAL	802.0

(1) The impact of the enhancement of the tax credit for experienced workers is accounted for in the budget documents, in the measures for meeting labour market challenges.

Improving quality of life thanks to better support for families and communities

Initiatives provided for in the March 2018

Québec Economic Plan

(millions of dollars)

	2017-2018 to 2022-2023
Additional investments to support families and communities	
Supporting families and fostering family-work-study balance	81.2
Helping young people achieve their ambitions	26.3
Providing further assistance to Aboriginal people	39.5
Improving quality of life for seniors	53.3
Promoting gender equality and combatting domestic violence and sexual violence	95.8
Modernizing the justice system	392.7
Promoting access to affordable, quality housing	307.4
Supporting community organizations and the Secretariat for Relations with English-speaking Quebecers	70.3
TOTAL	1 066.5
Promoting access to culture ⁽¹⁾	496.8
TOTAL	1 563.3

(1) The impact of the measures for promoting access to culture is accounted for in the budget documents, with the measures to foster the development of the economy.

Improving quality of life by facilitating travel

Initiatives provided for in the March 2018

Québec Economic Plan

(millions of dollars)

	2017-2018 to 2022-2023
Major strategic electric projects	-
For high-performance and accessible public transit all over Québec	499.7
Initiatives relying on planning and innovation	170.0
Toward cleaner and higher-performance land transportation	278.1
Significant investments for regional air transportation	73.2
TOTAL	1 021.0
Promoting the acquisition of electric vehicles ⁽¹⁾	94.1
TOTAL	1 115.1

Taking into account these additional measures, \$1.8 billion in investments is added to the sustainable mobility policy, raising the total to \$3.5 billion in investments over the next five years.

(1) The impact of the measures for promoting the acquisition of electric vehicles is accounted for in the budget documents, in the measures for protecting the environment and fostering the energy transition.

A strong economy to raise Quebecers' standard of living

Initiatives provided for in the March 2018

Québec Economic Plan

(millions of dollars)

	2017-2018 to 2022-2023
Supporting SMBs in all regions of Québec in the transformation of the Québec economy	2 317.5
Supporting appropriation and marketing of innovations by businesses	171.5
Accelerating business investment	271.0
Supporting key sectors of the economy	616.6
Meeting labour market challenges ⁽¹⁾	796.0
Fostering economic development in all regions	417.4
Promoting access to culture ⁽²⁾	496.8
Protecting the environment and fostering the energy transition ⁽³⁾	661.8
Ensuring tax fairness	-349.5
TOTAL	5 399.1

(1) The enhancement of the tax credit for experienced workers is presented with the measures for improving quality of life thanks to better support for families. In the budget documents, it is accounted for in the measures for meeting labour market challenges.

(2) The measures for promoting access to culture are presented with the measures for improving quality of life thanks to better support for families. In the budget documents, they are accounted for with the measures to foster the development of the economy.

(3) The measures for promoting the acquisition of electric vehicles are presented with the measures for improving quality of life by facilitating transportation. In the budget documents, they are accounted for with the measures for protecting the environment and fostering the energy transition.

Significant reduction in the tax burden on SMBs since 2014

Illustration of the impact of the measures to reduce the tax burden on an SMB with a taxable income of \$500 000 and a payroll of \$1 million
(dollars, unless otherwise indicated)

	Before Budget 2014-2015	As at January 1, 2022	
		Primary and manufacturing	Service and construction
Income tax			
Taxable income	500 000	500 000	500 000
Tax rate	8.0%	4.0%	4.0%
<i>Income tax payable</i>	<i>40 000</i>	<i>20 000</i>	<i>20 000</i>
Health Services Fund contribution			
Total company payroll	1 000 000	1 000 000	1 000 000
Health Services Fund contribution rate	2.70%	1.25%	1.65%
<i>Health Services Fund contribution payable</i>	<i>27 000</i>	<i>12 500</i>	<i>16 500</i>
TOTAL TAX BURDEN	67 000	32 500	36 500
Difference	—	-34 500	-30 500
Difference (per cent)	—	-51%	-46%

\$3 billion in tax reductions annually

thanks to the initiatives implemented since 2014

Reduction in Quebecers' tax burden

(millions of dollars)

	2014-2015 to 2017-2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	2022- 2023
New initiatives since March 2017						
March 2018 Québec Economic Plan	—	-105.4	-114.6	-124.8	-136.6	-149.1
November 2017 update of the Québec Economic Plan	-1 083.2	-1 080.3	-1 046.8	-1 075.3	-1 106.9	-1 139.4
Reform of the school tax system	—	-498.7	-679.3	-681.6	-680.5	-679.7
Measures already provided for up to March 2017						
Reduction in the tax burden	-1 762.9	-1 043.0	-1 028.0	-1 033.4	-1 038.8	-1 044.4
Incentive to work	-318.5	-220.9	-221.2	-221.6	-222.0	-222.4
Other measures	-56.8	-33.3	-33.7	-34.4	-34.9	-35.5
TOTAL	-3 221.4	-2 981.6	-3 123.6	-3 171.1	-3 219.7	-3 270.5

Note: Details of these measures are presented on page C.39 of Section C of the March 2018 Québec Economic Plan.

Actions to increase the disposable income of all types of households

Increase in disposable income for average-wage earners – 2018

(in dollars, unless otherwise indicated)

	Couple with two children	Single-parent family with one child	Childless couple	Single individual
Work income	90 000	45 000	90 000	45 000
Disposable income (before enhancements)	70 952	42 711	66 806	33 838
Decrease in the tax burden				
Tax cuts	673	336	673	336
Abolition of the healthcare contribution	400	200	400	200
Subtotal	1 073	536	1 073	536
Family assistance				
\$100 per child for the purchase of school supplies	200	100	–	–
Increase on the ceilings of the refundable tax credit for childcare expenses	300	340	–	–
Subtotal	500	440	–	–
TOTAL GAIN	1 573	976	1 073	536
INCREASED DISPOSABLE INCOME	72 525	43 687	67 879	34 374
Increase (%)	2.2	2.3	1.6	1.6
Increase in the average wage between 2015 and 2018 (%)	7.2	7.2	7.2	7.2

Note: Further explanation of the contents of the table is presented on page 23 of the budget paper *Disposable Income: More Money for Each Quebecer*.

Measures in addition to the initiatives announced in the November 2017 update

New measures provided for in the Québec Economic Plan since March 2017

(millions of dollars)

	2017-2018 to 2022-2023
Initiatives provided for in the March 2018 Québec Economic Plan	16 100.0
Initiatives provided for in the November 2017 update	
Easing of the tax burden on individuals	6 271.9
Reduction of poverty	2 559.7
Investments in educational success and health	1 074.0
Support for regional economies	541.0
Ensuring a higher income in retirement	544.0
Subtotal	10 990.6
TOTAL	27 090.6

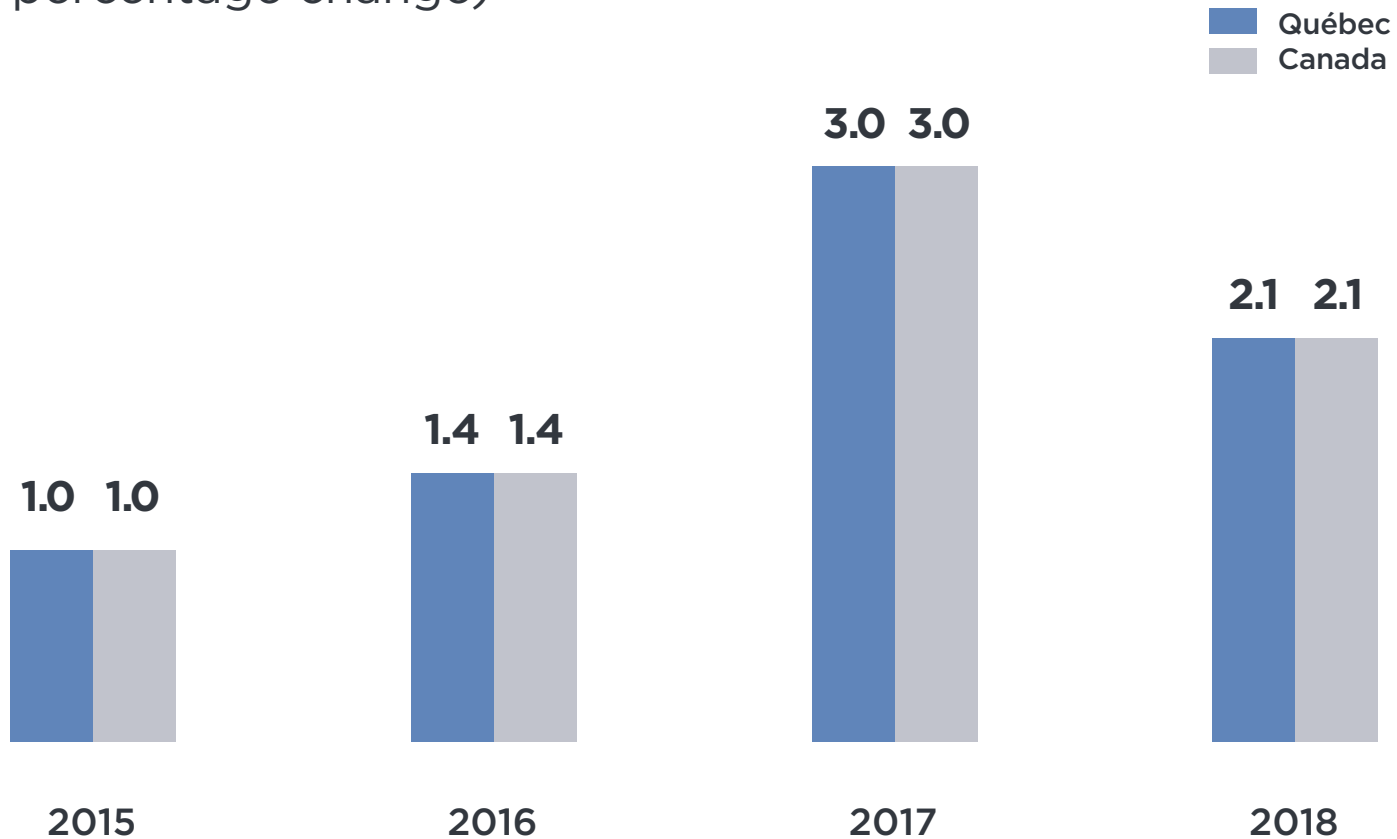
Québec's Economic Outlook and Fiscal Policy Directions

A strong economy

The same economic growth rate as for Canada

Economic growth

(real GDP, percentage change)

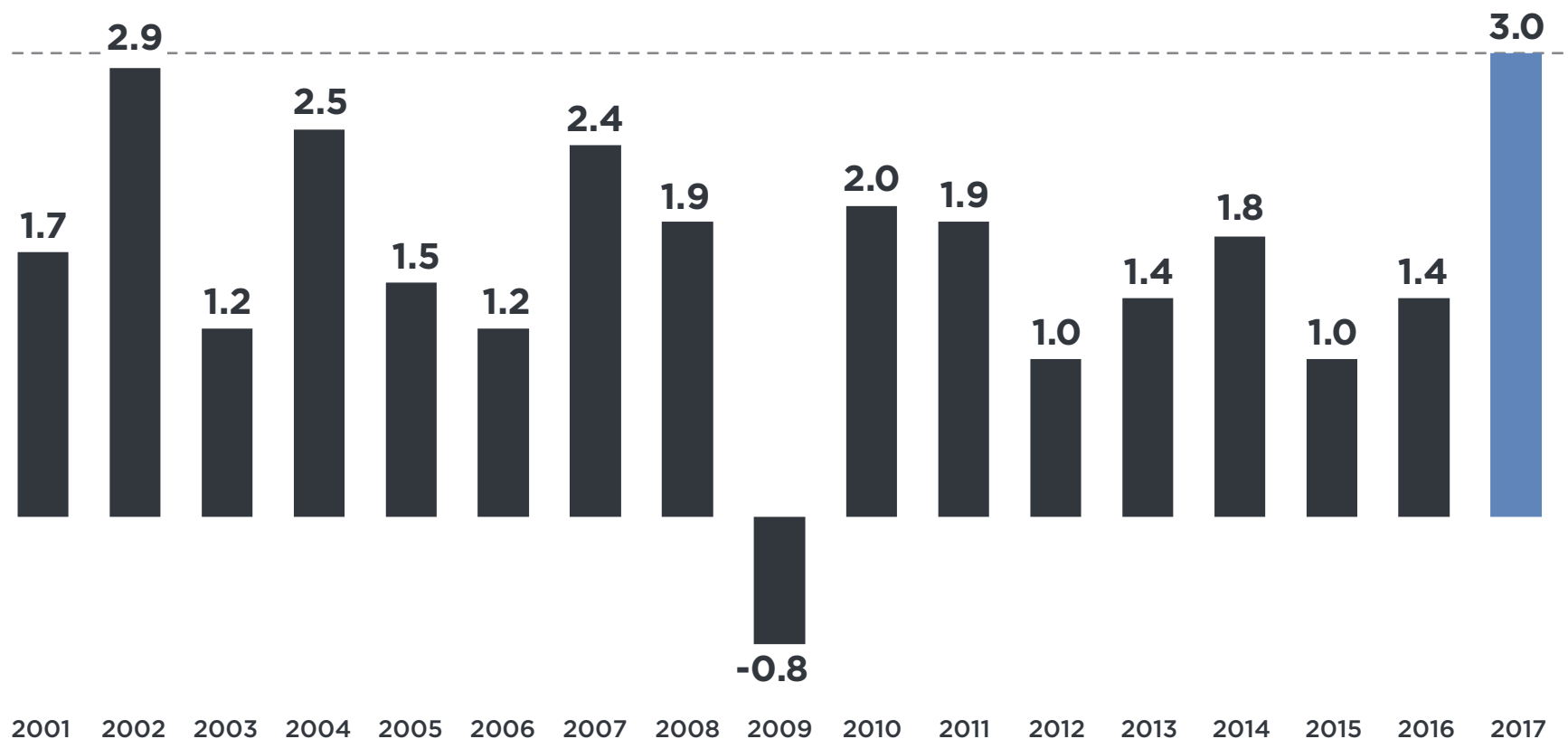


A strong economy

2017: strongest economic growth in nearly 20 years

Economic growth in Québec

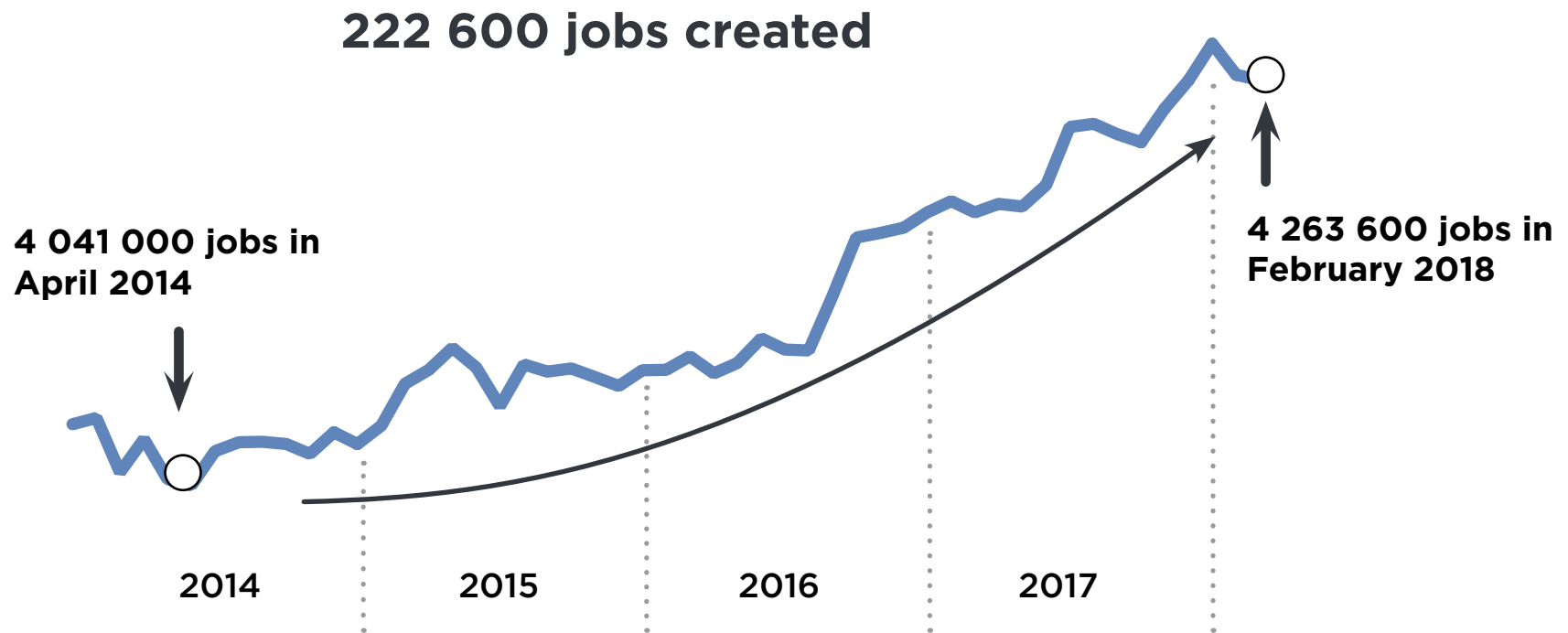
(real GDP, percentage change)



Sources: Institut de la statistique du Québec, Statistics Canada and Ministère des Finances du Québec.

The government is on track to achieve its commitment to create 250 000 jobs in 5 years

Employment trend in Québec (number of jobs)



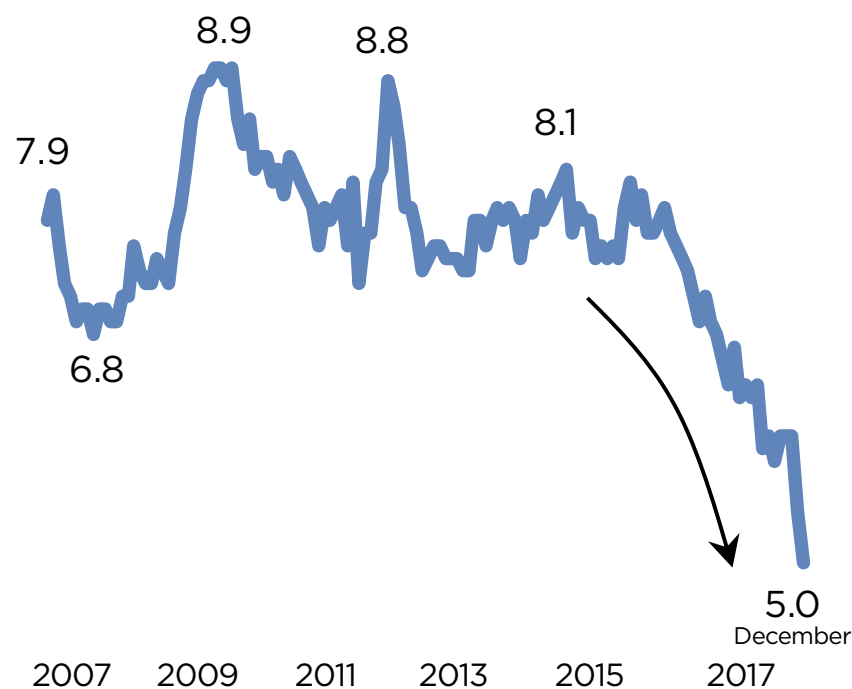
Sources: Statistics Canada and Ministère des Finances du Québec.

2017: a record year for employment

The lowest unemployment rate ever seen in Québec

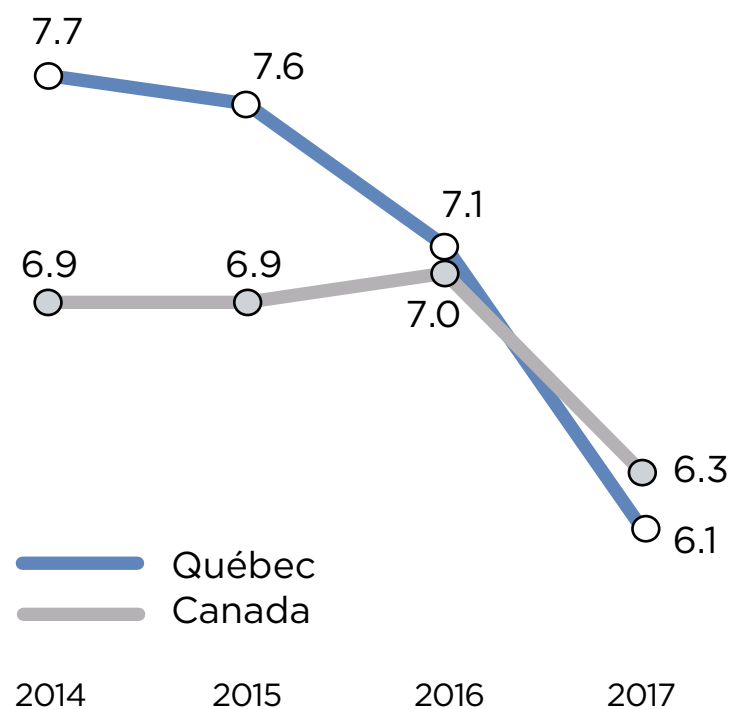
Unemployment rate in Québec

(monthly data, per cent)



Change in unemployment rate in Québec and Canada

(annual data, per cent)



Source: Statistics Canada.

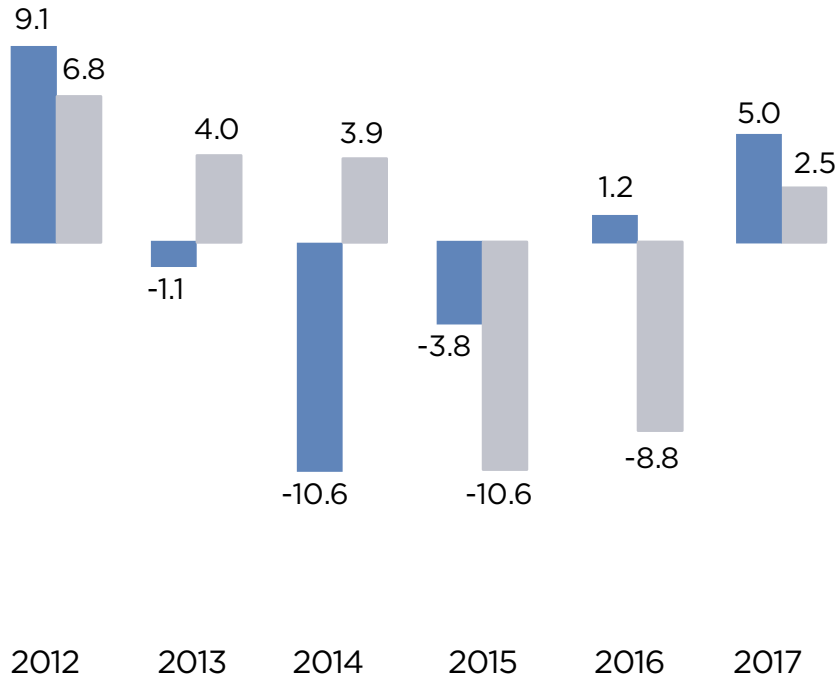
Renewed confidence

Strong resurgence in business investment

Total non-residential business investment

(percentage change, in real terms)

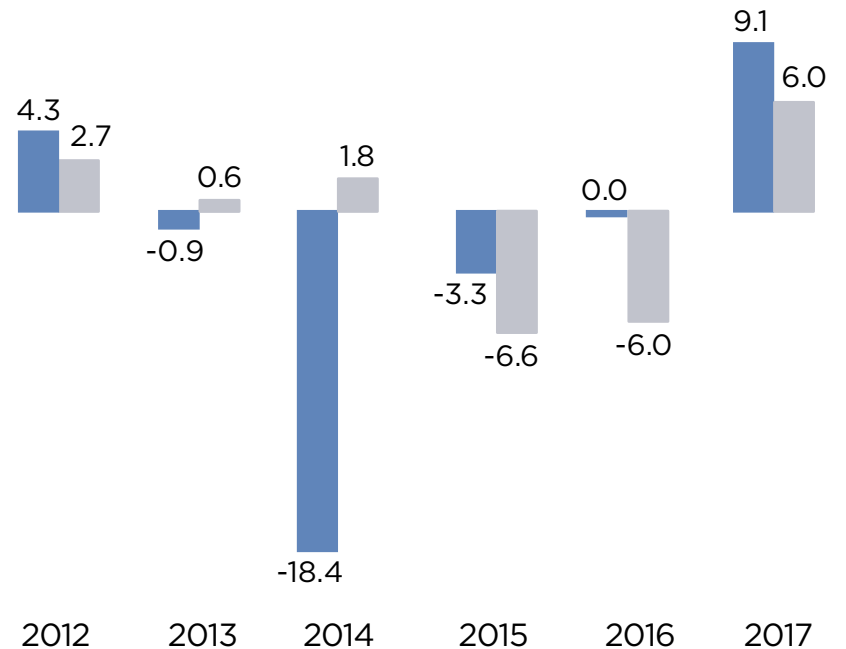
■ Québec ■ Canada



Business investment in machinery and equipment

(percentage change, in real terms)

■ Québec ■ Canada



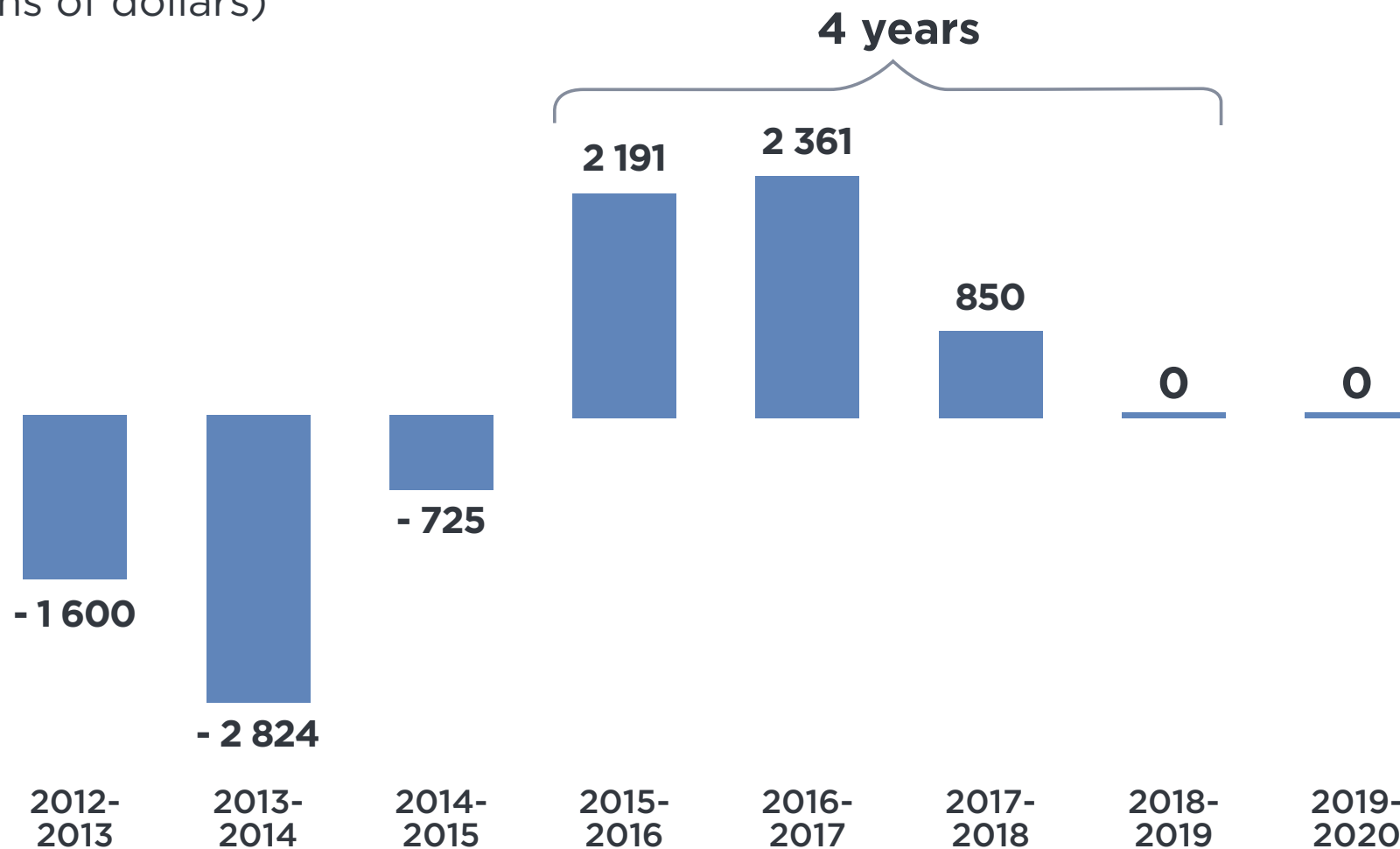
Sources: Institut de la statistique du Québec, Statistics Canada and Ministère des Finances du Québec.

Sound public finances

A balanced budget for the fourth year in a row and for the coming years

Budgetary balance, 2012-2013 to 2019-2020

(millions of dollars)



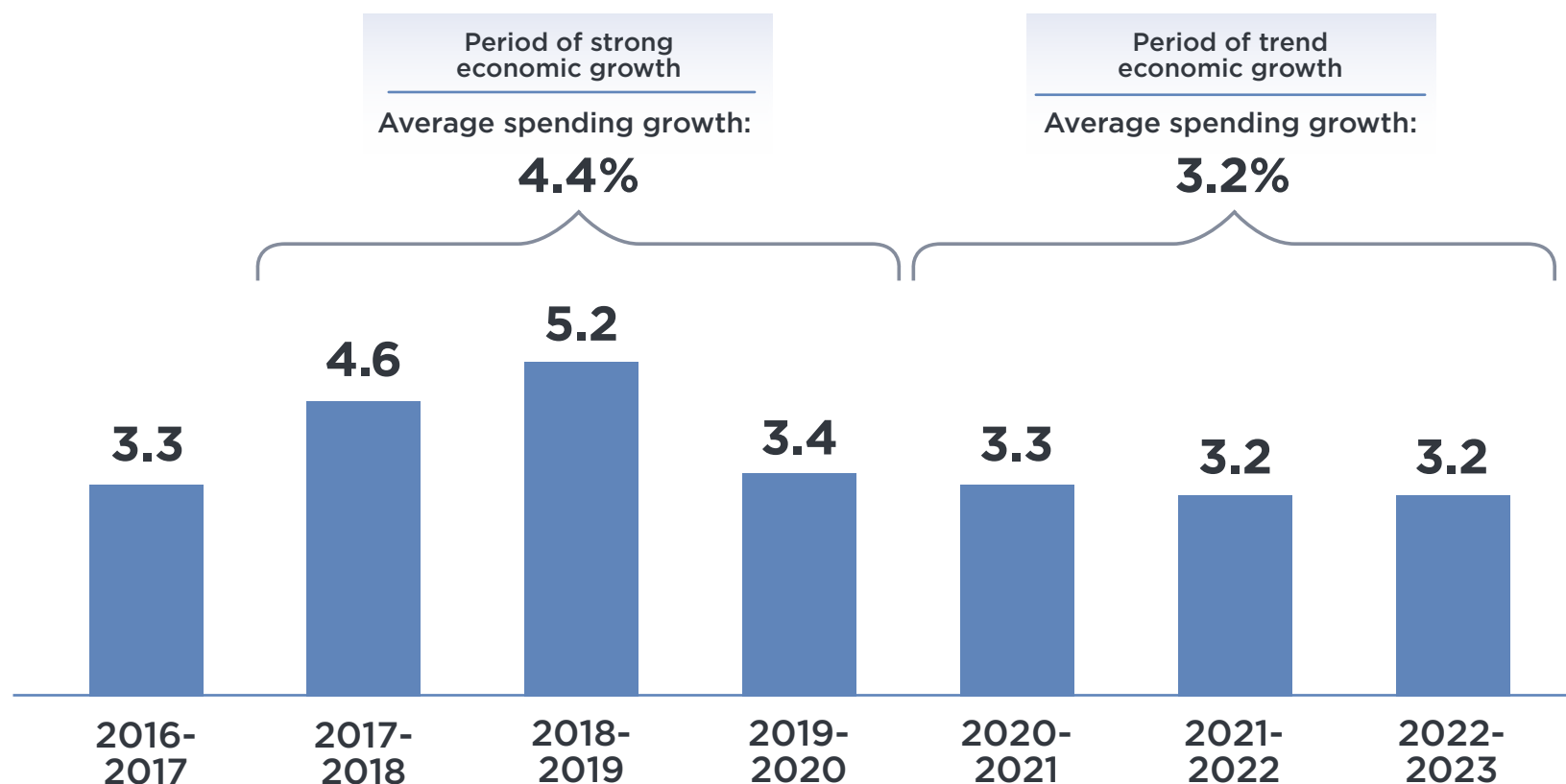
For a better quality of life

Spending growth in line with economic growth

Program spending growth⁽¹⁾

2016-2017 to 2022-2023

(per cent)



(1) Growth before taking into account the impact of the reform of the school tax system.

Improving public services

Program spending, by major portfolio (millions of dollars)

	2017-2018	2018-2019	2019-2020	2020-2021
Santé et Services sociaux	36 869	38 541	40 076	41 662
% change	4.2	4.6	4.0	4.0
Éducation et Enseignement supérieur	18 069	18 881	19 595	20 300
% change	5.4	5.0	3.8	3.6
Other portfolios	17 040	17 870	18 764	19 079
% change	1.1	4.3	5.0	1.7
Contingency Fund	613	1 078	568	571
Subtotal	72 591	76 371	79 003	81 613
% change	4.6	5.2	3.4	3.3
Reform of the school tax system	—	499	679	682
PROGRAM SPENDING	72 591	76 869	79 682	82 294
% change	4.6	5.9	3.7	3.3

Note: Further explanation of the contents of the table is presented on page A.33 of Section A of the March 2018 Québec Economic Plan.

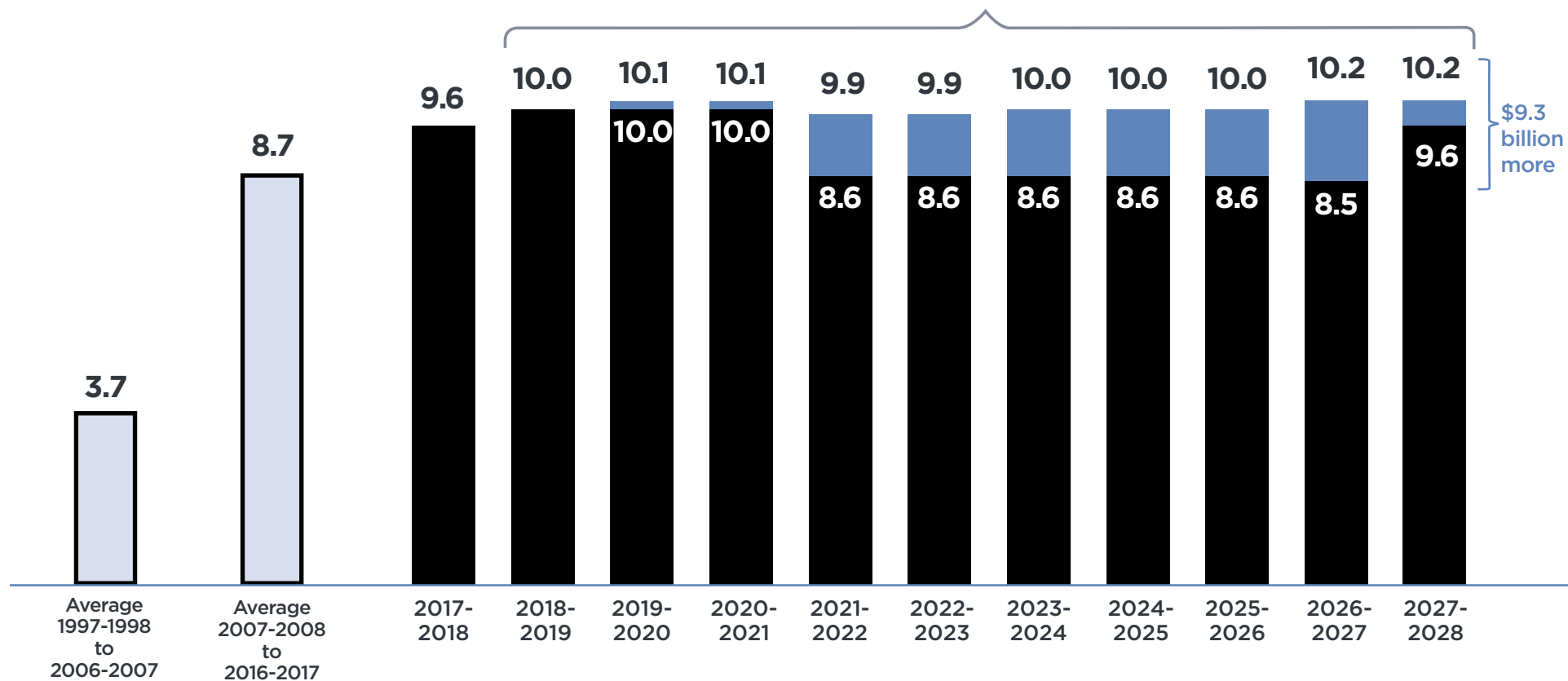
A record level of public infrastructure investment

Average annual investment of \$10 billion by 2028

Investments under the 2018-2028 Québec Infrastructure Plan (billions of dollars)

■ 2018-2028 QIP
■ 2017-2027 QIP
□ Completed

2018-2028 QIP: 100.4

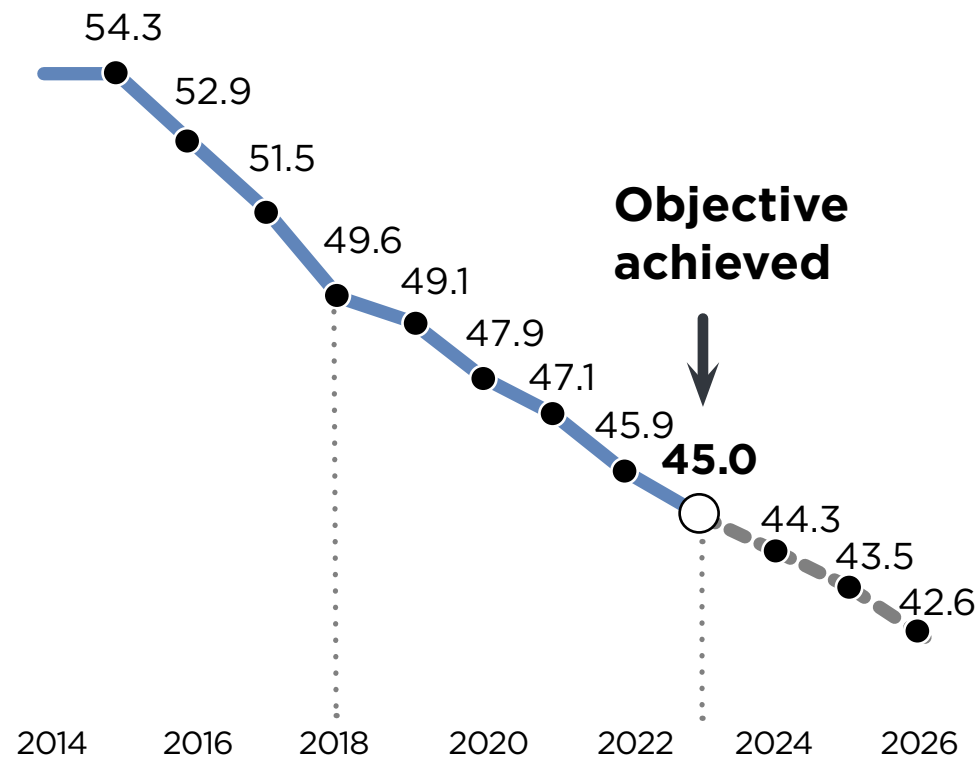


Québec is on track to achieve its debt reduction objectives

The objective of reducing the gross debt to 45% of GDP will be achieved as of 2023

Gross debt as at March 31

(percentage of GDP)



Note: Forecasts up to 2023 and projections thereafter.

Québec is reducing its debt thanks to the Generations Fund

Debt repayment of \$10 billion over 5 years using the Generations Fund

Debt repayment (millions of dollars)

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Book value of the Generations Fund, beginning of year	10 523	12 815	13 306	14 013	15 004	16 269
Dedicated revenues	2 292	2 491	2 707	2 991	3 265	3 502
Use of the Generations Fund to repay maturing borrowings	—	-2 000	-2 000	-2 000	-2 000	-2 000
BOOK VALUE OF THE GENERATIONS FUND, END OF YEAR	12 815	13 306	14 013	15 004	16 269	17 771

Section 2:

“A Generations Fund is established at the Ministère des Finances.
The Fund is dedicated exclusively to repaying the gross debt.”

- *Act to reduce the debt and establish the Generations Fund*