



# DOING MORE, DOING BETTER

This financial framework is responsible. Its goals are sound management of public finances, improved services and more money in the pockets of Quebecers.

# Maintenant.

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**CAQ**  
Faire plus. Faire mieux.



Currently, Québec government expenditures represent 26% of the GDP compared to an average of 20% for Canadian provinces<sup>1</sup>. To this day, healthcare access, education services and the state of our infrastructures do not match this level of spending. A CAQ government will have to do better.

We are committed to fund the key missions of the state in a way that is stable and does not fluctuate from year to year according to the electoral cycle.

## MORE MONEY FOR OUR FAMILIES

In the last fifteen years, Québec families have had to cope with successive tax and fee increases. Their fiscal burden is the heaviest in Canada. This trend must be reversed. The CAQ will give more breathing room to families through five key fiscal measures:

- **School tax: the lowest rate, regardless of region**

Reducing the school tax rate represents 700 million dollars per year in the end and will end injustice between regions.

- **More money for children**

To be just, family allowance must be the same for second and other children as for the first child. In total, this will give 763 million dollars more to families.

- **Child health**

We will support vision care for children under 18, which will give back an extra 36 million dollars to families.

- **Return to a single rate for government-funded daycare**

The despicable additional charge imposed to families for daycare services will be progressively abolished, which will prevent unpleasant surprises at income tax time.

- **Free pre-nursery school for four-years-old**

The CAQ will set up a network of free pre-nursery schools accessible to all four-year-old Québec children.

<sup>1</sup> Panorama des finances publiques du Québec, 2018 edition. Chaire en fiscalité et finances publiques, Université de Sherbrooke.

### A MAJOR PUSH IN EDUCATION

Schools will get increased means of developing our young people's potential. These will allow deployment of a universal network of pre-nursery schools accessible to all four-year-old children. An extra hour per day will also be added to high school programs for sports or cultural activities as well as homework support.

### GOVERNMENT EFFICIENCY

Because taxes paid by all must be managed with discipline, a CAQ government will endeavour to reduce waste and bureaucracy. The tender system for public contracts will be revised to prevent abuse. Government organizations will also be required to follow the same rules. Procurement processes and the management of computer services will be improved. Additionally, the CAQ will rely on attrition to gradually reduce the number of civil servants by a total of 1% over four years - without affecting services.

### TAXPAYER PROTECTION

This financial framework does not include raised fees or taxation. Taxpayers are protected against hidden increases of their fiscal burden. This policy will allow them to plan their budget and avoid the shock of sudden cost increases they have been subject to so often in the last few years, such as has happened to daycare fees.

### QUÉBEC GROWTH AND ECONOMIC POTENTIAL

The pre-electoral report on public finances forecasts Québec economy will only grow by 1.3% in 2021 and 2022. Every effort must be made to increase Québec economic potential to 2% to provide quality services to all Quebecers. A CAQ government will be committed to promote private investments in the province during its first term. This will be achieved through Investissement Québec, by revising business taxation and reducing the administrative burden.

### BUDGET BALANCE

A CAQ government will be committed to respect the Balanced budget act and to maintain payments to the Generations Fund. The stabilization reserve will reach 8.4 billion dollars in 2022-2023, which is sufficient for multi-annual government planning and to balance the budget during economic downturns.

### DEBT REIMBURSEMENT AND GENERATIONS FUND

A CAQ government will also respect the law on debt reduction and its goal of reducing Québec's gross debt to 45% of GDP at the end of the 2025-2026 budget year. In the spirit of prudence after nine years of exceptional financial market growth, debt reimbursement will be accelerated with a 10 billion-dollar payment before March 31, 2019.

**TABLE 1: 2018 Budget situation (M\$)**

2019-2020 to 2022-2023 financial framework, as projected by the Ministry of Finances.

	2019-20	2020-21	2021-22	2022-23
Consolidated own-source revenue	89 521	92 539	95 699	98 916
Federal transfers	24 344	25 034	25 251	25 586
<b>Total consolidated revenue</b>	<b>113 865</b>	<b>117 573</b>	<b>120 950</b>	<b>124 502</b>
Mission expenditures	-101 762	-104 670	-107 301	-110 606
Health and social services	-43 571	-45 398		
Education and culture	-24 655	-25 517		
Debt service	-9 282	-9 341	-9 334	-9 344
<b>Total consolidated expenditure</b>	<b>-111 044</b>	<b>-114 011</b>	<b>-116 635</b>	<b>-119 950</b>
Contingency reserve	-100	-100	-100	-100
<b>Surplus (deficit)</b>	<b>2 721</b>	<b>3 462</b>	<b>4 215</b>	<b>4 452</b>
Generations fund payment	-2 707	-2 991	-3 265	-3 502
Use of stabilization reserve	0	0	0	0
<b>BUDGET BALANCE</b>	<b>14</b>	<b>471</b>	<b>950</b>	<b>950</b>

<b>STABILIZATION RESERVE</b>	2019-20	2020-21	2021-22	2022-23
Opening balance	6 218	6 232	6 703	7 653
Affectation	14	471	950	950
Use	0	0	0	0
<b>END BALANCE</b>	<b>6 232</b>	<b>6 703</b>	<b>7 653</b>	<b>8 603</b>

**TABLE 2: Cost of CAQ commitments (M\$)**

	2019-20	2020-21	2021-22	2022-23
Reduction of school tax rate	175	350	525	700
Family allowance	191	382	572	763
Vision care	0	36	36	36
Elimination of additional child care charge	40	80	120	160
Pre-nursery school for 4-year-olds	62	124	187	249
Additional 1 hour per day in high schools	31	62	124	124
Cultural outing and school libraries	30	30	30	30
Early identification of learning disorders	40	40	40	40
Reimbursement of in-vitro fertility treatments	0	16	16	16
Support for parents of gravely handicapped children	22	22	22	22
Seniors homes	0	0	74	245
Home care services	200	200	200	200
Caregivers support	21	40	74	93
<b>TOTAL</b>	<b>812</b>	<b>1 382</b>	<b>2 020</b>	<b>2 678</b>

### TABLE 3: Budgetary latitude (M\$)

Government spending optimization measures will help families and improve services to the public.

	2019-20	2020-21	2021-22	2022-23
Adjustment of doctor remuneration <sup>2</sup>	—	—	—	—
Improving management of computer services <sup>3</sup>	53	105	158	210
Public service attrition <sup>4</sup>	93	188	285	381
Improved purchasing <sup>5</sup>	148	295	443	590
Program evaluation <sup>6</sup>	150	200	250	300
Increase of government bodies dividends	100	150	250	350
Reduction of debt contingency	100	150	150	150
Debt repayment	195	139	74	0
Acceleration of economic growth <sup>7</sup>	0	0	350	700
<b>TOTAL</b>	<b>838</b>	<b>1 227</b>	<b>1 959</b>	<b>2 681</b>

<sup>2</sup> A CAQ government will enter into negotiations on the basis of a study comparing remuneration of Québec and rest of Canada specialists, cost of living considered. According to CAQ preliminary estimates overpayments amount to \$1G per year.

<sup>3</sup> In the end will help save 8% on IT spending

<sup>4</sup> In the end will reduce personnel by 1%

<sup>5</sup> In the end will allow savings of 10% on goods and services purchases, excluding IT expenditures

<sup>6</sup> Represents 0.3% savings on consolidated government expenditures

<sup>7</sup> Extra 0.5% yearly economic growth forecast for the last 2 years

**TABLE 4: Consolidated financial framework, proposed measures included (M\$)**

	2019-20	2020-21	2021-22	2022-23
Consolidated own-source revenue	89 385	92 219	95 580	99 013
Federal transfers	24 344	25 034	25 251	25 586
Adjustment of payment to Generations Fund	-361	-327	-271	-179
<b>TOTAL CONSOLIDATED REVENUE</b>	<b>113 368</b>	<b>116 926</b>	<b>120 560</b>	<b>124 420</b>
	2,6%	3,1%	3,1%	3,2%
Mission expenditures	-101 795	-104 644	-107 317	-110 700
Health and social services	-43 743	-45 532	-47 398	-49 367
Education and culture	-24 728	-25 632	-26 530	-27 483
Debt service	-9 087	-9 202	-9 260	-9 344
<b>TOTAL CONSOLIDATED EXPENDITURE</b>	<b>-110 882</b>	<b>-113 846</b>	<b>-116 577</b>	<b>-120 044</b>
	2,0%	2,7%	2,4%	3,0%
Contingency reserve	-100	-100	-100	-100
<b>Surplus (deficit)</b>	<b>2 386</b>	<b>2 980</b>	<b>3 883</b>	<b>4 276</b>
Generations fund payment	-2 346	-2 664	-2 994	-3 323
Use of stabilization reserve	0	0	0	0
<b>BUDGET BALANCE</b>	<b>40</b>	<b>316</b>	<b>889</b>	<b>953</b>

<b>STABILIZATION RESERVE</b>	2019-20	2020-21	2021-22	2022-23
Opening balance	6 218	6 258	6 574	7 463
Affectation	40	316	889	953
Use	0	0	0	0
<b>END BALANCE</b>	<b>6 258</b>	<b>6 574</b>	<b>7 463</b>	<b>8 416</b>







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AGENTE OFFICIELLE ROXANNE RINFRET