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# PRINCE EDWARD ISLAND 2018 BUDGET

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# Investing in Islanders

## Introduction

Mister Speaker, it gives me great pleasure and pride to rise today to present an economic and fiscal plan for Prince Edward Island in the coming year.

I say pride, Mr. Speaker, since we only have to look around us and across our province to see the great leadership and success being seen in all parts of our economy and in all regions. Whether on the wharf, in the field, in the plant or at the office, we are witnessing economic and people activity that is driving Prince Edward Island to record levels:

- In July, 2017, Prince Edward Island's population surpassed 152,000, an increase of 1.7 per cent over 2016, the fastest growth amongst provinces.
- Additionally, for the first time since 1967 our median age became younger.
- The number of employed persons on the Island increased 3.1 per cent in 2017, while the unemployment rate decreased 0.9 percentage points to 9.8 per cent, the lowest annual average since 1978.
- Total labour income on the Island grew by 4.4 per cent in 2017, the strongest growth in the region, and faster than the national average.
- Retail sales grew 7.4 per cent in 2017, the fastest growth in the region, and third amongst the provinces.
- The value of new motor vehicles sold increased by 3.0 per cent to reach a new all-time high.
- Housing starts in 2017 were the fastest growth amongst provinces.
- Total overnight stays on the Island increased by 6.5 per cent in 2017 to exceed 1 million stays for the first time.
- Preliminary figures indicate that the landed value of lobster in 2017 was up 17% over 2016 values.

Against ongoing international economic uncertainty, and with economic and fiscal challenges being faced by many provinces in this country, little Prince Edward Island continues to surprise everyone.

Indeed, Mr. Speaker, the independent Atlantic Provinces Economic Council stated it simply a few months ago: “Prince Edward Island is on a tear.” Our economic growth overall; our successful, growing and diverse economic sectors; our population strength; our record-setting exports to all parts of the world; our never before seen revenues in agriculture, fisheries and tourism; and our increase in full-time jobs and wages all are indications of just how well our province is doing.

We know that this success comes directly through the hard efforts of Island business and community leaders and the many workers and families who contribute day-by-day and week-by-week in their workplaces, organizations and communities. It is these efforts that make us a Mighty Island, surprising and surpassing expectations – sometimes even our own.

Our own effort in Government has been to support growth, and to honour the hard work of Islanders by making sure that tax dollars are spent wisely on the issues that matter most to our residents. Budget 2018-2019 makes priority investments in frontline services and addresses the most difficult and important challenges facing the people of this province. Our fiscal plan continues our record of managing public funds well.

Le gouvernement met tout en œuvre pour soutenir la croissance et pour souligner le travail acharné des Insulaires, assurant que les fonds publics soient judicieusement dépensés sur les questions des plus importantes pour nos résidents. Le budget 2018-2019 prévoit des investissements prioritaires dans les services de première ligne et aborde les défis les plus difficiles et importants auxquels les gens de cette province font face. De plus, notre plan financier nous permet de continuer à bien gérer les fonds publics.

More than anything, our plan invests in Islanders. With economic success and strong fiscal management, our plan pays dividends directly and immediately to all people in the province, while investing in needed supports that provide for a sustainable future for our residents.

And, Mr. Speaker, I am happy to say that we will achieve these significant new investments in Islanders while presenting our second straight balanced budget.

### **Building on Economic and Fiscal Success**

Mr. Speaker, since forming Government in May 2015 and introducing our first budget in June of that year, our Government has worked hard to ensure that Islanders can succeed. Under the Premier's leadership, we have managed public funds with the care that Islanders expect, have supported smart growth in all parts of the province and have made consistent investments in important public services.

Our economy is stronger than it ever has been, and growing faster than the region and the country. Islanders are better off and our businesses and communities are growing and diversifying into new areas of activity and are more productive than ever.

More Islanders are working, with more full-time jobs available, including more than 2,500 new full-time jobs in the last year. Total labour income in the province is experiencing the second fastest growth in the country. Our population continues to grow, and we are well on track to meet the goal of a population of 160,000 Islanders by 2022.

Our Government has balanced its books, with the first balanced budget in a decade, allowing for more investments in health, education, children and families in communities throughout PEI. We have provided direct tax relief to 85,000 Islanders and, at this moment, 3,000 fewer Islanders are paying any provincial income tax than in 2015.

Together with our Federal partner, we have made historic investments in infrastructure, including the PEI-New Brunswick Submarine Cable Project, the single largest infrastructure project since the Confederation Bridge, and many important community projects.

Our plan, centered on people, prosperity and engagement, is succeeding for Islanders. We all have reason to be optimistic, given the resourcefulness and ingenuity of our people. However,

we should never be complacent. The continuing commitment of our government is to support and invest in the people of Prince Edward Island and to work together to grow an economic and social prosperity that we all share in – now and in the future.

## **Investing in Islanders**

Mr. Speaker, the core of our 2018-19 budget plan is focused on making investments in and for Islanders in areas that are a priority to them. Specifically, our plan includes:

- Significant new supports for children and youth, with \$17 million additional budget investment in education and early learning, including \$5.7 million in classroom teaching and in class educational assistance, and \$5.6 million for more supports and spaces for early learning and childcare;
- Historic support investments for post-secondary students that will result in \$3.3 million in new funding and achieve free tuition for over 1,000 Island students in our university and colleges;
- A second straight year of record increased investments in healthcare, with \$32.5 million new budgetary allocation, including \$4 million for new investments in mental health supports;
- Significant supports for Island seniors, including the creation of 50 new long-term care beds in this fiscal year with a plan for up to 50 more in the next fiscal year;
- \$17 million investment over two years in affordable housing solutions across the Island;
- Direct tax savings for all Islanders and for Island businesses; and
- Cheaper electricity for all Island households.

## **Advantaging our Children and Youth**

Mr. Speaker, there is no more important investment we can make as a society than in our young people. Supporting our youngest to get a strong start in life, our children to succeed at home and in school, and our youth to thrive is a priority shared by everyone in this province.

Over the last decade, Prince Edward Island has made significant strides in supporting early education. As a result, the Atkinson Centre recently ranked our province as being Canada's leader in early childhood education, recognizing the sustained effort that has been taken to advance better learning and development opportunities for our youngest children.

In this past year, a total of \$1.75 million was invested to create 196 more spaces for children in centres across the province. Our budget commitment this year adds an additional \$5.3 million to support up to 400 childcare spaces and increased support funding for families. This will provide more accessible and affordable childcare and early years spaces for more Island families. Our budget also commits to increasing the wage grid for early educators.

A total of \$6M additional investments will be made in frontline services in our schools. 19 additional classroom teachers will be added this year, bringing to a total of 46 new teachers within the last year. 25 new EAL positions will be created to enhance in-class supports for students and teachers, bringing the total to 66 new EAL positions within the last year. In addition, 32 new Education Assistant positions will be created to support children with special needs.

Funding is being committed to enhance the literacy of Island students in their early grades to ensure they have the base they need to succeed during their middle and later grades. 8 new coaches will be added to provide focused support for early literacy in response to provincial assessments.

Investments will be made to follow through on the commitment on the school psychology strategy. This includes the addition this year of two school psychologists, two assistive technology facilitators, two intervention support teachers, and funding for 50 private psych-ed

services. These efforts will ensure more timely access to psychological assessment and appropriate treatment for our students.

Student Well-being teams began working in the Montague and Westisle Families of Schools in September 2017. These teams include mental health therapists, school health nurses, occupational therapists, counselling consultants and school outreach workers, who provide support to students and families struggling with mental, emotional and physical health challenges. The teams are becoming part of the fabric of the schools, working closely with school staff to support children and families to thrive in their communities. As of March 2018, the teams have had over 1,500 direct connections with students and family members.

Our budget follows through on the commitment to have teams in place in Colonel Gray, Morell, Souris, and Bluefield Families of Schools and École François-Buote, École Saint-Augustin, and École La-Belle-Cloche in September 2018; Three Oaks, Charlottetown Rural, Kinkora, and Kensington Families of Schools and École Évangéline, École Pierre-Chiasson and École-sur-Mer in September 2019.

## **Introducing the Island Advantage**

For Island students completing their secondary studies, Prince Edward Island provides tremendous post-secondary study opportunities. Whether for a degree or a diploma, UPEI and our three colleges – Holland College, Collège de l'Île and Maritime Christian College – provide Island students with a quality education experience and an opportunity to stay close to family, friends and community.

As our economy thrives, we need more of our young people to stay on PEI and be equipped to be our next leaders in all fields. Budget 2018-19 puts in place the most significant supports to encourage our young people to pursue their post-secondary studies here through the Island Advantage.

Every Island student earning their first degree in PEI at UPEI and Maritime Christian College will get an additional \$3,600 under the new Island Advantage bursary. This is in addition to the \$5,200 a student already receives during a four-year degree through the George Coles Bursary, the Island Student Award and the George Coles Graduate Bursary. With the new Island Advantage bursary, Island students at UPEI and Maritime Christian College will now receive \$2,200 for each year of a four-year degree.

Every Island student attending Holland College and Collège de l'Île for their first diploma will get an additional \$1,200 from the new Island Advantage bursary. This is in addition to the \$3,200 to \$4,200 a student already receives through the George Coles Bursary and Island Skills Award during a two-year diploma.

For students that meet the income requirements for the Canada Student Grant, an additional Island Advantage bursary will be available for students attending PEI publicly-funded post-secondary institutions. This bursary will provide additional supports for those students whose financial needs are greater.

When combined with the other supports, over 1,000 qualifying Island students will receive sufficient bursaries to provide them with free tuition.

Additionally, we will actively attract PEI graduates residing elsewhere to move home. Beginning in the 2018-19 academic year, Island students will be eligible for \$3,500 in debt reduction grants per year of study if they reside in PEI within three years post-graduation. This grant is available for students that study in PEI or attend post-secondary institutions outside the province. For years prior to 2018-19, these same graduating students will still be able to receive \$2,000 per year of study.

These investments total \$3.3M per year, the largest single investment in non-repayable assistance for post-secondary students in history on PEI.

To support our university and colleges, the province will be doubling the annual increase in funding to publicly-funded institutions to a 2% increase in operating income. The Province will sign a multi-year funding agreement with the University of Prince Edward Island and seek to

confirm a similar arrangement with Holland College and Collège de l'Île. This predictable, multi-year funding will allow the institutions to better plan for their future operations.

Funding is also being committed for mental health supports for post-secondary students. A new mental health supports fund will provide \$25 per student at UPEI, Holland College and Collège de l'Île, a \$200,000 investment each year.

### **Advancing the Health and Wellness of Islanders**

Mr. Speaker, our Government knows that access to quality healthcare is a top priority for Islanders. Last year, we made the largest increase in health spending in a decade. This year, we are making a sizeable additional investment of \$32 million to support frontline services by our dedicated health professionals, including in primary care and mental health.

We are seeing positive results from the investments we have made through the Mental Health and Addictions Strategy and are committed to doing more to improve access to these services. Building on recently-added resources, including in psychiatry, our budget commits to an additional \$4 million in new supports for mental health and addictions. These funds will allow for the support of acute mental health care needs through enhancements to staffing at the Prince County Hospital and Hillsborough Hospital, including funding a provincial forensic mental health unit. A new Mobile Mental Health Crisis Program will be established this year to support Islanders in need of acute care on a 24/7 basis.

In partnership with the Canadian Mental Health Association, we will provide Islanders with mental health issues with housing supports as they transition back into community life. The provincial Disability Support Program will be expanded to include mental health supports. The Province also will provide support for the creation of a new Psychology Doctorate program to be established at UPEI, providing a much-needed supply of psychologists to PEI.

We will continue to invest in the primary care services for Islanders. This year, we will improve access to community-based care through the addition of nurse practitioners in collaborative

family practices across the Island. We also will support seniors through the addition of nurse practitioners in Health PEI manors and expanding the Seniors' COACH (Caring for Older Adults in Community and at Home) program. We will enhance the drug formulary to support Islanders having greater access to medications at a reasonable cost, including adding new drugs to the formulary and enhancing the Hepatitis C program, providing an additional \$1 million in support. Our Generic Drug Program recently reached 20,000 registered Islanders, and annually is saving Islanders in excess of \$2 million on their drug costs.

Two family physicians will be added in the central part of the province to support Islanders who are having challenges accessing primary care and community mental health care. Additional budget resources will be allocated where demands for physician services have increased, including in orthopedics, ophthalmology, internal medicine and radiology.

The Provincial Seniors Strategy will be completed this year. During this fiscal year, both the Tyne Valley and Riverview Manors are scheduled to open. Budget 2018-19 makes a further commitment to add 50 new private nursing home beds in the Fall of 2018, with up to 50 additional beds in 2019-20. Together, these new spaces will address wait times for Island seniors and their families.

Continued supports will be provided to seniors in their homes. Home Care Services will be enhanced by a partnership with Island EMS to introduce three mobile health care initiatives to improve seniors' access to care at home.

Recognizing the prevalence of concussions in the active lifestyles of Island youth, the Department of Health and Wellness is committing \$210,000 over three years to UPEI to support a Concussion Awareness Program, which will feature classroom education for school aged children, concussion recognition training for Island coaches and officials, and important research on return to play protocols. This investment will be matched by funding available from the Canadian Institutes for Health Research.

Government continues to prepare to serve as the host province for the 2023 Canada Winter Games. In this budget, funding of \$1.25 M is being directed towards completing the formal Bid

Submission to the Canada Games Council, and establishing the 2023 Host Society following the expected formal awarding of the Games to Prince Edward Island later this year.

Prince Edward Island will proceed with the legalization of cannabis, and later in this Legislative sitting will introduce a suite of legislation to comply with the federal initiative. The Province intends to enter into an agreement with the federal government on a coordinated cannabis taxation framework. While we are conservatively projecting estimated sales in this first year of operations to be \$7.5M, we do not expect any net revenue against the associated costs. We also will invest in public education, public health and public safety related to cannabis legalization. This includes a commitment of \$200,000 to provide public information and education that will support informed choice amongst Islanders.

## **Supporting Families**

Mr. Speaker, Government recognizes that all Islanders should share in the benefits of a strong economy. That's why this budget includes significant supports to help Islanders and families with the cost of living.

Over the past three years, we have made significant investments to help those Islanders who need it the most through initiatives such as the generic drug program, reestablishing home renovation programs, and providing tax relief to all Islanders. In fact, combined federal and provincial investments in poverty-related initiatives now total approximately \$40 million each year.

The 2018-2019 budget builds on this progress to further help Islanders requiring assistance with their cost of living.

Food rates will increase by \$420,000 – the fifth consecutive year rates have raised as part of a five-year commitment.

Further, we will add to shelter allowances, increasing the budget by \$500,000 effective June 1.

Ensuring Island children are given every opportunity for a healthy and rewarding future is a fundamental responsibility of all Islanders. This budget will see the creation of 10 new frontline social worker positions to strengthen child protection in response to the *Child Protection Act* review.

These new investments will assist Islanders who are the most vulnerable.

We will build on our successful Community Food Security and Food Education program to help young people and their families learn more about where local food comes from and how it is produced. The goal is to promote good nutrition and healthy food choices on Canada's Food Island.

Mr. Speaker, I also am announcing an increase to the Basic Personal Amount of \$500 for the current taxation year. In addition, to the increase for the current year this budget announces a further increase of \$500 effective 1 January 2019. Mr. Speaker, the amounts for the Spouse and Equivalent-to-Spouse will also increase proportionately. This is the largest announced increase in the Basic Personal Amount in our history and results in approximately 2,200 additional Islanders no longer paying provincial income tax.

### **Building Strong Communities**

Mr. Speaker, one of the great hallmarks of Prince Edward Island is the strength of our communities. In this province, we all know where we are from, and take great pride in our connection to place. Together, we have a great sense of community support and a spirit of collaboration that is helping to drive us forward as a province. Whether welcoming new families into our communities, drawing together on community initiatives or working together in community organizations, we are at our best when we are seeking to grow and improve collectively.

Recognizing the tremendous role of community organization, our Government recently announced significant investments to community groups across the province. This has added capacity to groups such as Community Inclusions, the Adventure Group, the PEI Rape and Sexual Assault Centre, Pat and the Elephant and the Women's Network in their work in the community.

This past year, our Government put in place new funding supports for our municipalities so that public services could be delivered locally without tax increases. Over two years, the province will have transferred an additional \$2.8 million to local municipalities. Working with our federal partner, we continue to make significant infrastructure investments to improve our local infrastructure in highways and bridges, and water and wastewater, among other areas.

Our Regional Economic Advisory Councils have been hard at work identifying the areas of greatest consequence for economic development in their areas. To advance the ability for local and regional initiatives, our Budget plan includes \$2.6 million for the creation of the Rural Growth Initiative, with the aim to help revitalize community infrastructure, increase rural population growth, build resilient economies, and increase the strategic capacity of rural communities.

To assist in population development, we will increase investment by \$200,000 in rural settlement supports to help newcomers better integrate into smaller communities across the province.

Our Cultural Action Plan continues to support creative industries, cultural initiatives and community-based festivals and events. This includes new project funding to organizations and groups that are contributing to the economic and social development of culture in PEI and funding for small and medium-sized community-based festivals that celebrate our unique, diverse and rich PEI culture.

En 2019, pour la première fois, l'Île-du-Prince-Édouard organisera conjointement le Congrès mondial acadien. S'appuyant sur la fierté et le dynamisme de notre patrimoine acadien, le Congrès mondial accueillera des visiteurs de partout dans le monde. Au cours des deux

prochaines années, notre budget appuiera cette importante rencontre internationale de laquelle découleront des activités dans plusieurs communautés de la province.

In 2019, Prince Edward Island for the first time will co-host the World Acadian Congress. Drawing on the proud strength of our Acadian heritage, the World Congress will be an opportunity to welcome visitors from around the world. Our budget provides support over the next two years for this major international gathering which will be hosted in communities across the province.

### **Answering the Housing Challenge**

Mr. Speaker, we continue to hear the concerns being raised in communities across Prince Edward Island about available and affordable housing. Last year, our Government convened a Housing Supply Task Force and initiated a Housing Action Plan to establish both immediate and long-term solutions that answer the housing challenge.

With this Budget plan, and working with both federal and community partners, our Government is committing to a total investment of \$17 million over two years to build and sustain affordable housing supply, provide rent supports and reduce chronic homelessness.

Affordable appropriate housing is one of the most important social infrastructures in our communities. It supports our economic development, population growth and provides the basis for Islanders to be successful. Government is committed to ensure that affordable appropriate housing is available for Islanders most in need.

To that end, during 2017-18 Government invested \$7.1M in housing initiatives including:

- \$1.8M to complete capital renovations at Government's 1,500 family and senior housing properties.
- \$650,000 for five non-government organizations to fund existing supportive housing and to create 18 new units of specialized residential housing.

- Government has implemented the Seniors Independence Initiative to provide Island seniors with over \$1.65M in funding for practical services to support them in maintaining their independence.
- Working with our community partners, Government has created a \$3.0M Community Housing Fund, to be administered by the Canadian Mental Health Association. This fund will bring community partners together to work on long-term housing solutions.

To be well prepared to address long term housing needs, Government has commenced a provincial housing action plan to help determine the current and future housing needs and optimize the delivery of affordable housing and related supports. This plan will be completed in June 2018.

Based on community input from our Housing Action Plan Co-development Team and the Housing Supply Task Force, Government has committed to invest over \$2.0M in 2018-19 on initiatives to increase the supply of affordable housing and maintain current affordable housing. Government will be working with our community partners to ensure those most in need benefit.

- Government, through Health PEI, is partnering with CMHA to create 10 units of transitional housing, an investment of \$2.9M over three years, and \$1.3M in 2018-19.
- Government has issued requests for proposals to create new housing units: \$5.2M has been provided for 50 new seniors units in the Charlottetown and Summerside areas and \$1M for 10 units of transitional housing for victims of family violence and children leaving the child protection system. These units are expected to be completed by March 2019.
- Through our capital budget, Government has invested \$750,000 to ensure over 1,100 seniors housing units continue to be well-maintained and upgraded.

We will continue to work with our partners to provide effective responses to housing challenges and opportunities in the province.

## **Growing Jobs and Business**

With our economy on a tear, now is the time to take advantage and set growth for the future. With opportunities around us, we will work hard with business and employers to ensure sustained growth and job development for our province. All indicators point to Prince Edward Island being a great place to work and succeed in any sector, and our objective is to support that growth in the interest of all Islanders.

Our main effort will be to connect Islanders to job opportunities. We will increase our investment in the successful Graduate Mentorship Program and other student mentorship and employment opportunities to provide younger people an opportunity to quickly get into the workforce. We will invest and expand programs like the Harvest and Prosper program which help employment attachment for Islanders who need to overcome barriers to work.

We will continue to focus on opportunity areas, broadening sector-focused initiatives such as Team Seafood to include the Agriculture sector and renewed funding for Team Construction and Team Youth Trucking to provide the valuable supply of labour, while promoting these sectors to a new generation of workers. We will provide and promote alternative delivery of apprenticeship training to enhance skills, while providing less workforce interruption.

Our plan commits to supporting the ability of small business to grow and thrive, and to re-invest in their enterprise. We will reduce the small business tax rate by .5% in this fiscal year, with a commitment to reducing that further in future years. The dividend tax credit will also be adjusted to preserve the integration between the corporate and personal income tax systems. Our Government also will introduce this year a Small Business Investment Grant that will provide companies with a 15% rebate on direct investments they make to improve their business. These investments, along with our ongoing support to small business, will strengthen the backbone of our economy.

We will, in partnership with the agriculture and food industry, continue to invest in the expansion and diversification of crop and livestock production in Prince Edward Island. Under a new, five-year federal-provincial agreement, the Canadian Agricultural Partnership, a total of

\$164 million will be committed to programs focused on markets and trade; science; research and innovation; risk management; and value-added agriculture and agri-food processing. A new focus will be on environmental sustainability, climate change and public trust.

The fishery and aquaculture sector continues to grow and develop. Earlier this year, the Province entered into a multi-lateral agreement with the federal and regional governments to establish the Atlantic Fisheries Fund. The fund has allocated \$38 million over the next seven years to advance and strengthen the seafood industry in Prince Edward Island through increased innovation, productivity, automation and new product development. The aquaculture industry continues to expand through the development of leading-edge techniques and technologies for farmed mussels, oysters and finfish. The industry now employs more than 2,000 people and contributes \$90 million annually to the provincial economy.

The tourism industry is vital to the economic health of our province. The industry employs over 7,700 full-time-equivalent workers and is responsible for over 6% of our Provincial GDP. Prince Edward Island is well known as a tourism destination and instills a distinct pride of place in all Islanders. We have an abundance of cultural, culinary, coastal attractions, arts and activities to enjoy from tip-to-tip on our Island.

2017 was the fourth consecutive record year for tourism on the Island with all entry points and regions seeing growth year over year. Overall visitation has been growing in excess of 5% annually for the past 3 years to an estimated 1.56 million visitors in 2017. 2017 was also the first time that PEI has eclipsed the one million overnight stays posting a 6.5% growth over 2016. There is excitement and real growth in this economic sector with nearly 300 new licensed accommodation providers entering the market in 2017.

We will continue to invest in tourism development to build on these consecutive years of growth. These investments include a focus on high yield markets, including international, working with private sector to target tourism activity in the spring shoulder season, and a vacation at home initiative to encourage Islanders to get out and see all this great Island has to offer.

PEI is also showing strength in new business development, and our efforts will continue to support start-up and early growth companies. The Start Up Zone has been a successful platform for new initiatives, with 40 companies having been resident and 22 companies having graduated. LaunchPad spaces are busy and 20 new companies have been provided Ignition Funding since 2016. We will work with new, growing and established companies to support export sales initiatives to markets around the globe.

### **The PEI Energy and Environment Advantage**

Mr. Speaker, we have much on Prince Edward Island to take pride in when it comes to clean energy. We are a world leader in wind energy and, along with our innovative approach to waste management and biomass heating, our investments and efforts have resulted in Prince Edward Island being the lowest carbon emitter and the second lowest emitter per capita among Canadian provinces.

We value the environment around us, and regularly have witnessed the direct impacts of major weather and climate-related events. Our Government is taking a coordinated approach on energy and environment, to build a future for our province that is based on the smart investment and choices we have made in these areas. Our Energy Strategy, released last year, provides a map for cleaner and renewable energy and more efficient use among all consumers.

Later this month, we will release a Climate Change Action Plan that will similarly outline the province's path to reducing greenhouse gases (GHG) and reducing the risks and impacts from a changing climate. In partnership with the federal government, the Low Carbon Economy Fund programs will be centered on specific areas of GHG reduction.

PEI will enhance its capacity for carbon sequestration through conversion and afforestation of idle and/or less productive agricultural land. The province will support tree planting and sensitive land retirement, allocating \$160,000 to afforest 285 hectares of private and public land. Not only will these efforts sequester carbon in the soil, but they will improve local wildlife habitat.

Approximately \$402,000 will be allocated to develop and implement a research program to investigate measures to reduce emissions on farms. Areas where mitigation measures need to be explored include nutrient stewardship, conservation cropping, feeding strategies for cattle, performance tracking and cattle sorting improvements; feeding technologies, innovative techniques to improve true feed efficiency, dairy production systems, and food loss in agricultural production and post-harvest handling and storage.

A large part of our efforts will be to engage Islanders directly in reducing carbon emissions and working to make electricity cheaper. Significantly, we are in this plan committing to providing Islanders with a Clean Energy Price Incentive and will rebate the provincial portion of HST on the first block of residential electricity, as well as on lower emitting heat sources, including firewood, pellets and propane. This is a direct savings of \$120 per household each year and provides a clear pricing signal for cleaner energy.

Through efficiencyPEI, we will provide Islanders with the means to make smarter use of their energy and to invest in switching to cleaner energy sources. We also will work with businesses to develop customized energy solutions that work for them. With a shared provincial and federal investment of \$12 million in initiatives this year, we will provide the means for savings of up to \$6 million annually on energy consumption for households and businesses.

We will continue to negotiate with the Federal Government on a carbon plan that makes sense for Prince Edward Island and ensures as much regional coherence as possible. This plan will be confirmed later in 2018.

## Conclusion

Mr. Speaker, I started off speaking about pride and want to end on the same note. We should take pride for everything that is happening in this province – how, on any stage, we are surpassing expectations and showing that we are the Mighty Island.

We should take pride in the way we are both growing our economy and investing back into Islanders. How we are growing opportunities in rural areas as well as in our municipalities. How we are responding to immediate needs and also creating sustainable futures for younger generations. How we are making smart energy choices that protect our environment. How we are investing while not experiencing deficits.

I am both proud and pleased, Mr. Speaker, that we are, with this Budget, providing real support and investments for Islanders:

- Over \$4 million in personal income taxes savings
- \$3 million each year for our post-secondary students and free tuition for over 1,000 of these students
- \$18 million in supports for clean energy, smart consumption and electricity savings
- \$32 million in overall health care services
- \$4 million for mental health services
- \$17 million for affordable housing supports
- \$17 million in additional supports for early learning and education

These are great investments in the people of Prince Edward Island, that will provide benefit immediately and far into the future.

It is this kind of vision and leadership that is needed to serve the people of this province, and we look forward to working with everyone across Prince Edward Island to build even greater success on our Mighty Island.

Thank you.