



PRINCE EDWARD ISLAND BUDGET ADDRESS



2020

Presented by
Darlene Compton
*Minister of Finance and
Chair of Treasury Board*

PRINCE EDWARD ISLAND

Budget Address



Presented by
The Honourable Darlene Compton
Minister of Finance
and Chair of Treasury Board

At the First Session of the Sixty-sixth General Assembly
of Prince Edward Island

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The full texts of the Budget Address, Estimates of Revenue and Expenditure and supporting schedules for 2020-2021 and previous years are available on the Province of Prince Edward Island's website:

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Introduction

Gwe', Bonjour, Good Afternoon.

Mister Speaker, it is my honour to rise today to present the annual operating budget for 2020-2021 for the province of Prince Edward Island.

A year ago, I rose in this Assembly to present our government's first budget. A balanced budget. Four months ago, we were projecting a budget with a small surplus.

So much has changed over the past 14 weeks and the fiscal picture I present today is very different.

More than ever, it is the time for us to believe in each other. Believe in our ability to come together and tackle any challenge. Believe in the value we place in community and supporting the needs of each other. Believe in our resilience, our ingenuity and our commitment.

Our government believes that **NOW IS THE TIME** to reflect; to support; to plan; to deliver; to shape our future; to connect; to invest and to move forward.

The time to remember the main priorities held dear by Islanders. Family. Community. Wellness. Learning. Climate. Resources. Enterprise. Culture.

Our budget reflects all these priorities. At the heart of it all, our focus remains on the people of Prince Edward Island, as we learn to live with the impacts of COVID-19 and recover and grow together.

Now is the time for Government to respond and be responsible. Now is the time to put Islanders first.

At the heart of it all, our focus remains on the people of Prince Edward Island, as we learn to live with the impacts of COVID-19 and recover and grow together.

NOW IS THE TIME TO REFLECT

One year ago, we all sat in this Assembly with great anticipation. We were looking forward to setting a course together that would position Prince Edward Island for greater social and economic opportunity for all Islanders. We did not foresee COVID-19. Indeed, we did not anticipate supply disruptions due to rail blockades as well as many uncertainties on the world stage which affected global markets, pricing, and supply and demand. We did not predict Hurricane Dorian, school security challenges or the malware attack.

Through it all, we adjusted and responded.

No foresight could ever fully prepare us for the COVID-19 pandemic and its aftermath. COVID-19 has impacted us in all respects – emotionally, socially and economically.

In mid-March, Islanders, and all Canadians, found themselves in a state of emergency unlike any other. People were advised to go home and stay home. Businesses were closed. Streets were empty. Our economy had the door slammed shut. Not just for days but for weeks.

Government's focus was, first and foremost, on public health and public safety. We made difficult decisions to protect Islanders. With the leadership and direction of our Premier, Dr. Morrison and Chief of Nursing Dowling and their respective teams, the Island responded quickly. We have been effective in mitigating and containing the pandemic. Because of strong public health measures, we have seen a low number of cases – all of which are now recovered, none of which were the result of community transmission, and none that required hospitalization. While we continue in the recovery phase, we know that planning must continue so that preparations are in place for any second wave or setback.

As only Islanders can do, we will get through this by working together and focusing on one another.

Government's focus was, first and foremost, on public health and public safety. We made difficult decisions to protect Islanders.

NOW IS THE TIME TO SUPPORT

Prince Edward Island entered the COVID-19 pandemic in a strong financial position.

At the end of 2019, Prince Edward Island's economy was outperforming the national average – leading the country in estimated GDP growth. Economic growth was broad-based in 2019 with 19 of 20 industries in both goods and services reporting growth. The sectors that contributed the most were construction, agriculture, forestry and fishery, real estate, and manufacturing.

Our employment growth in 2019 was 2.6% – the second fastest among the provinces – with more Islanders employed full-time last year than ever before. The rate of our population growth was strong, outpacing all other provinces.

Our net debt to GDP ratio had strengthened to levels unseen since prior to the economic crisis in 2008. We were prepared for some rainy days. None of us expected the economic storm brought on by the COVID-19 pandemic.

As we have debated in this Assembly, the COVID-19 pandemic required immediate spending and short-term investments to help bridge the shock experienced by workers, families and businesses. Our Government responded quickly, working with industry, stakeholders, community organizations, the Official Opposition and the Third Party. We did not wait for federal programming. We did not wait to see what our sister provinces were doing. We did not create red tape; we cut it. We were flexible and responded to the needs of Islanders. While providing these supports, we also made investments to ensure our health care system was ready, and remains ready, to respond to COVID-19.

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Overall, we have provided nearly \$200 million in direct and indirect supports,

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Overall, we have provided nearly \$200 million in direct and indirect supports, including:

- over \$45 million in direct supports to individuals and families;
- nearly \$40 million in direct supports to businesses;
- over \$100 million in loans and working capital made available to businesses, including \$50 million for tourism; and
- over \$14 million in additional supports for health care.

Government has committed to payment deferrals for provincial student loans and property tax.

We have been successful in preventing the spread of COVID-19 to this point. However, we need to be prepared for the second wave or any potential setback. For that reason, we have provided for restricted contingency allowances in our budget. Now is the time to be prepared, be ready, and be able to respond in order to continue to protect all Islanders.

NOW IS THE TIME TO PLAN

Now is not the time to shy away from the challenges that lie before us. Now is the time to work together as Islanders to turn our threats into opportunities. Now is the time for Government to be with Islanders and support our collective efforts to both recover and grow.

Mister Speaker, Budget 2020-21 projects a deficit of \$172.7 million – a result of both the economic shock and increased expenditures as a result of COVID-19. This number is large, however, our Government is committed to the people of Prince Edward Island and ensuring our health and well-being in the midst of a once in a century global pandemic.

As we look to the future, we know the world around us has forever changed. Now is the time to chart a new path forward.

The Premier's Council for Recovery and Growth has been established to generate recommendations for both recovery solutions and innovative growth strategies. As difficult as the past few months have been, we have an opportunity to reset. As the Council proceeds with its work, we will draw on the counsel of leaders and sector champions and ensure all Islanders have an opportunity to provide input that will shape our future.

As the Council proceeds with its work, we will draw on the counsel of leaders and sector champions and ensure all Islanders have an opportunity to provide input that will shape our future.

Now is the time to challenge "the way things have always been done", and to reimagine our future. To do this we have to be bold, we need to be brave and we need to be mindful of our greatest gift – one another. If the past few months have taught us anything, it is that by working together you accomplish great things.

As we look to the future, we know the world around us has forever changed. Now is the time to chart a new path forward.

While taking a measured response to the pandemic, with this budget we are also advancing the mandate we have been committed to since last year.

NOW IS THE TIME TO DELIVER

Budget 2020-21 is an important step on the path to recovery from COVID-19. While taking a measured response to the pandemic, with this budget we are also advancing the mandate we have been committed to since last year. We have heard from Islanders and collaborated with all parties in order to frame this budget.

Health, education, environment and the social and economic needs of Islanders remain our core priorities. Many new and some ongoing initiatives will also play a key role in our recovery efforts, including:

- a Small Business Tax Reduction that will bring us to the lowest levels in the region;
- an increase to the Island Advantage Bursary that will make post-secondary education in PEI more affordable;
- a School Lunch Program, offered in partnership with local providers, that will provide healthy food to more Island schoolchildren;
- a Pathway to Net Zero and Sustainable Communities that will set PEI on path to full energy sustainability;
- as well as the creation of:
 - » a Social Sector Community Partners Fund that will provide more secure core support to our key partners and advance special projects;
 - » a Telework Adaptation Fund to incentivize smart work remotely; and,
 - » a Climate Challenge Fund to build better solutions for Prince Edward Island.

Government also intends to accelerate key infrastructure projects as outlined in the capital budget in order to help jumpstart our economy through development and employment.

NOW IS THE TIME TO SHAPE OUR FUTURE

Health Care

Now is the time for government to continue investing in health care priorities for Islanders, including enhanced primary care built on a collaborative model that allows health care professionals to work to their full scope of practice, more accessible mental health and addictions support, and increased investments in seniors care, virtual care and wellness.

Access to Care

Working with a Primary Care Roadmap to transform the delivery of primary health care within the province, we will be investing in collaborative team-based practices to provide continuity of care and access to multiple health professionals, including:

- establishing collaborative health centres in Stratford and Queens East; and,
- strengthening existing team-based collaborative practices such as those in the Souris, Montague, Cornwall, South Shore, Alberton and Tignish areas.

As part of increasing access, we continue to prioritize the recruitment and retention of health care professionals. To that end, we are investing:

- \$315,000 to increase the financial incentives for Graduate Registered Nurses and Graduate Nurse Practitioners;
- \$250,000 to advance our partnership with the Medical Society of Prince Edward Island for “Doctors Recruiting Doctors” initiative;
- \$1.7 million for five new specialists – a cardiologist, nephrologist, hematologist, rheumatologist and urologist – to address wait times and reduce the need for Islanders to travel out of province;

As part of increasing access, we continue to prioritize the recruitment and retention of health care professionals.

- \$1.3 million to reduce orthopedic surgical wait times for Islanders;
- \$850,000 to increase the complement of nurse practitioners, nursing and allied health professionals in each geographic area of the province; and
- additional funds for a new family physician for the East Prince region.

Health Programs

Our budget makes significant investments in diabetes management, the public drug program, dental health, influenza vaccination, and will introduce a new program supporting fertility treatment.

We will invest in supplies and access related to blood glucose test strips and also provide additional support to the Insulin Pump Program, extending benefits to Islanders up to and including age 25 to assist more than 15,000 Islanders that live with diabetes.

We are allocating \$1.4 million to extend coverage for 13 new cancer drugs and supportive treatments under the provincial drug formulary.

And, we are investing \$1.25 million to expand and enhance dental health care benefits to seniors and low-income Islanders.

Now more than ever, we must take the steps we can to protect Islanders. We are investing a further \$435,000 in 2020-21 to expand the provincial influenza immunization program.

During the 2019 general election, we listened to Islanders and made a commitment to those needing access to fertility treatment. We intend to work with Islanders requiring fertility services and develop a grant program that will start this fiscal year. In addition, we are continuing to develop midwifery services.

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We intend to work with Islanders requiring fertility services and develop a grant program that will start this fiscal year.

Seniors and Home-Based Care

Our senior population has been one of the most impacted communities during this pandemic. We have worked diligently to protect them both physically and socially but we know more needs to be done.

Islanders want to remain in their communities for as long as possible, even if they can no longer remain in their homes safely.

Our government is making investments to enhance and expand access to home-based care, including:

- \$400,000 for additional allied health, nursing and other support resources to assist seniors who want to remain home, safely;
- \$417,000 to increase evening home care services delivered by registered nurses in eastern and western regions of the province to align with services currently offered in Charlottetown and Summerside;
- \$361,000 to subsidize necessary essential medical supplies to Provincial Home Care clients; and
- \$300,000 to enhance two programs offered under the provincial Mobile Integrated Health Program.

We are also focused on improving care for Islanders living in long-term and community care homes – both public and private by including an investment of more than \$7 million:

- to support private long-term care homes and community care facilities as they adapt their operations to public health guidelines and practices due to COVID-19;
- to support residents in both public and private long-term care homes who need to travel to medical appointments; and
- by providing expanded allied health staffing and a renewed staff scheduling system in public long-term care homes.

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When it comes to mental health and addictions, access is our priority - whether it be in person, in group therapy, virtually, or by other means.

As a government, we recognize that our community partners play an important role in supporting the delivery of mental health and addictions supports to Islanders.

We are working with the private sector to establish 12 new long-term care beds in the West Prince area that will be operationalized before end of this fiscal year.

Mental Health and Addictions

Given the significant pressures that Islanders have been under, now is the time for us to provide more accessible delivery of mental health and addiction supports. COVID-19 caused us to serve Islanders differently. When it comes to mental health and addictions, access is our priority - whether it be in person, in group therapy, virtually, or by other means.

We are investing \$1.23 million in new psychiatry positions to support acute adult in-patient care and community-based mental health services. We are also continuing our partnership with the Canadian Mental Health Association to extend services available in Kings County.

This fiscal year, we have allocated over \$800,000 to deliver programming through the new Structured Support Home and the Adult Day Treatment Program; services that will provide important support to clients who require complex medical and psychiatric care in a structured living environment.

We are also launching the Mental Health and Addictions Mobile Crisis Response Program this year. This new provincial community-based service will include a toll-free mobile crisis line available to Islanders 24 hours per day, seven days per week, as well as in-person response teams available 12 hours per day, seven days per week.

As a government, we recognize that our community partners play an important role in supporting the delivery of mental health and addictions supports to Islanders. In 2020-21 we are extending our operating grant to Lennon Recovery House as they help Islanders in their recovery from addiction.

Virtual Care

During the pandemic, as we adjusted to physical distancing, Islanders and health care professionals shifted to the valuable benefits of virtual care. It has become clear that Islanders are ready to access medical services through technology. Virtual care is a step forward in modernizing health care delivery and complimenting in-person care when appropri-

ate, often with improved access for patients. In partnership with Health Canada, we are investing \$813,000 to support in the development, expansion, and implementation of virtual care tools.

Wellness

As a government, we have an important role in supporting Islanders in actively making choices to pursue a healthier lifestyle. Put simply, wellness matters. This fiscal year, we will be launching the Live Well PEI initiative to educate and support Islanders in living a healthier life. We will also increase funding for the go!PEI initiative. Knowing that organized activities can be expensive for families, we are also pleased to be offering a Children's Wellness Tax Credit to assist with these costs.

Continued COVID-19 Health Care Response

Our government and our health care system are working together to ensure that we are prepared for the potential of a second wave. This year's budget accounts for approximately \$25.7 million to support the COVID-19 response efforts over the coming months. This funding will support the acquisition of Personal Protective Equipment (PPE), provide the testing required, the operation of cough and fever assessment clinics, and the provision of mental health services to those who need it.

Education

Mister Speaker, now is the time to continue investing in our students, educators and resource supports. The last few months have shown just how resilient our children and youth are. However, we need to be more adaptable and be better prepared for any further disruption. Going forward, effective learning with flexible delivery models will allow our students to reach their goals and provide for greater opportunities.

While we are working toward a full return to school in the fall, we have committed \$8 million to assist in any adaptations required should a second wave or setback occur. This may include enhanced e-learning, staggered classes, community programming or using additional facilities. Working with local service clubs, we will form a partnership with Imagination Library to bring children's books directly to homes of young Islanders by mail each month to support literacy.

Knowing that organized activities can be expensive for families, we are also pleased to be offering a Children's Wellness Tax Credit to assist with these costs.

While we are working toward a full return to school in the fall, we have committed \$8 million to assist in any adaptations required should a second wave or setback occur.

We are also increasing the core budget by a further \$2 million this year to hire an additional 24 teachers and 15 educational assistants to support the needs and skills of a growing school population.

We understand that food insecurity is a concern for many Island families. Earlier this year we began piloting a School Food Lunch program, providing healthy and affordable lunches to students. In the face of COVID-19 and as students were learning from home, we worked with partners to ensure that students in need continued to receive a healthy meal and some snacks each day. Even when schools were closed, 6,000 healthy meals were provided to students across the province, every week. Our government will continue to invest in the health and the well-being of Island students, providing \$1.8 million in funding starting this July to continue the initiative established during COVID-19 and kickstarting the launch of the School Food Program in September.

We are continuing our commitment of investment in French-language education and the vibrant schools and community that exists among our Acadian and francophone population. This year, we celebrate the 300th anniversary of the first settlement of Acadians in Prince Edward Island.

We are committed to helping students continue their education by investing an additional \$700,000 to increase the Island Advantage Bursary in an effort to support Island students in their pursuit of post-secondary studies on Prince Edward Island. Increases to base funding provided to the University of Prince Edward Island and Collège de l'Île will help maintain low tuition fees for students. Funding allocated to Holland College will see valuable initiatives such as the Transitions Program and Adult Education provide the skills and training required for students to positively contribute to our Island workforce.

we must continue to make strategic investments in Island children to give them a strong start and to help lay the foundation for their success into the future.

Early Childhood

We have said clearly that the people of Prince Edward Island are our top priority. Now is the time to focus on their families and to make it easier for them to transition back to the workplace. To do that, we must continue to make strategic investments in Island children to give them a strong start and to help lay the foundation for their success into the future. Every child is important and each child deserves to be treated that way. Now is the time to invest in our future by investing in our young people.

In 2020-21 we are investing \$600,000 to designate 6 additional Early Year Centres, ensuring the delivery of quality child care services that are accessible and responsive to the needs of Island children and families.

We are investing \$700,000 to increase the salary grid for Early Years Centres staff, autism assistants and special needs assistants to acknowledge the significant role of our early educators in caring for our children. Our government is further increasing Early Years Special Needs and Autism Grants to increase caseload capacity. These investments will support growth in the sector and, in turn, lead to more spaces and better access for children and families.

Community Partners

Prince Edward Island's network of community partners plays a vital role in supporting Islanders. Many of these organizations depend on stable operating funds offered through Government. Each year they patiently await this Budget address to ensure their core funding is renewed. These organizations should be focused on the delivery of services and not on keeping their lights on. Starting in 2020-2021, our Government will work with these partners to establish multi-year funding agreements.

We recently implemented the 211 PEI service with the United Way of Prince Edward Island to assist Islanders in finding their way during difficult times.

We also know that our partners, now more than ever, need to lead in new initiatives and projects. To support their valuable work, we are pleased to announce \$1 million to establish the Social Sector Community Partners Fund. We have witnessed innovation in delivery of services over the last few months by community partners. This deserves to be commended and encouraged.

Investing in Housing

Budget 2020-21 allocates \$6.4 million in additional investments in 2020-21 to support new mobile rental vouchers, new rent supplements, housing construction projects, and operating costs for new Government-owned housing builds through the Housing Action Plan as we work toward our goal of creating 1,200 affordable housing units in five years.

We are investing \$700,000 to increase the salary grid for Early Years Centres staff, autism assistants and special needs assistants to acknowledge the significant role of our early educators in caring for our children.

Starting in 2020-2021, our Government will work with these partners to establish multi-year funding agreements.

We are also investing \$1 million to support emergency shelters, supportive housing, and community outreach. Our government is continuing to support expansion projects for various non-profits who provide valuable residential care services to some of our most vulnerable through a \$2.1 million investment in 2020-21.

Supporting Vulnerable Islanders

In December, our government increased food rates for Social Assistance and Assured Income clients at an annualized cost of \$6.4 million. An additional \$8 million in annual investments have been earmarked in 2020-21 to extend supports for Islanders through the AccessAbility Support Program.

We need to ensure that children and our families can grow up in safe and healthy environments. We remain an active partner in expanding access to the Positive Parenting Program and provide additional resources to support those most vulnerable through Child and Family Services. Our government is here for Island children and families and we are increasing funding for the Childcare Subsidy by \$740,000 in 2020-21.

We know that there is more work to be done to find real solutions to tackle poverty among Islanders. We continue to move forward with the Secure Income Pilot to help vulnerable Islanders entering the workforce ensure their basic needs are being met and will continue to be prepared to work with the Federal Government on a Basic Income Guarantee Pilot.

The investments we have made during our short time in government – in affordable housing and emergency shelters, social assistance rates, child care and education, health care – have been a substantive and positive step forward in supporting the most vulnerable Islanders.

Employment Supports for Islanders

We want Islanders to be able to find and keep jobs. We have witnessed abrupt job loss as a result of COVID-19. And while it has been good to see many Islanders begin to return to work, we need to support both employees and employers in weathering downturns in the economy. We will continue to work with our federal counterparts to ensure their programs reflect the needs of Islanders.

An additional \$8 million in annual investments have been earmarked in 2020-21 to extend supports for Islanders through the AccessAbility Support Program.

The investments we have made during our short time in government have been a substantive and positive step forward in supporting the most vulnerable Islanders.

We are also committed to modernizing the Employment Development Agency. Changes have been implemented for 2020 to improve the Jobs for Youth Program and the experience for students, including lowering the minimum age, changing the application deadline and collaborating with WorkPEI to improve online options for employers and job seekers.

Clean Energy and Sustainable Environment

Mister Speaker, as we have faced a global pandemic, Islanders are acutely aware of the growing effects of climate change in our natural environment. Communities and industries are directly impacted and there is a real sense that we must act now to sustain future generations of Islanders.

We have committed to putting a climate lens on the decisions that we make and leading by example as we work toward a greener government.

There is a lot of work underway to mitigate and adapt to our changing climate and its impacts on our province and the region. We will take advantage of every opportunity and leverage every great idea. With that in mind, we are investing \$1 million to establish a Climate Challenge Fund to generate the best ideas from communities, First Nations, academic partners, sectors and businesses that address ways to mitigate and adapt to climate pressures. Our government will move forward with its Pathway to Net Zero and Sustainable Communities initiatives and begin a partnership of work with communities across PEI in a collective effort to become sustainable.

Prince Edward Island's watershed groups and the PEI Watershed Alliance make extensive contributions to environmental quality across the Island. In 2020-21, our government is providing an additional \$250,000 in funding to the Watershed Management Fund that will directly support the work of 24 watershed groups across the province through habitat rehabilitation and enhancement, outreach and education, as well as monitoring and research.

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we are investing \$1 million to establish a Climate Challenge Fund to generate the best ideas from communities, First Nations, academic partners, sectors and businesses that address ways to mitigate and adapt to climate pressures.

Our government has established the \$5 million Active Transportation Fund, that will be used to improve and grow the Prince Edward Island's active transportation network.

Our government has committed to a wide-ranging review of issues of land ownership, land planning and land use in the province to protect and enhance a resource that is finite.

We have experienced an encouraging uptake in the provincial Solar Electric Incentive Program over the past year, which provides financial incentive for Island homeowners, farms and businesses to install solar PV panels. As we look ahead to 2020-21, we are significantly increasing funding allocated to the Solar Electric Incentive Program from \$500,000 to \$2 million. Solar incentives help reduce our overall greenhouse gas emissions by over 500 tonnes annually and create approximately 20 jobs in our province's renewable energy sector.

Our government has established the \$5 million Active Transportation Fund, that will be used to improve and grow the Prince Edward Island's active transportation network. Under this fund, we will build new walking and biking paths, widen paved shoulders, and better connect existing walking and biking trails across the province. By creating this active transportation network, Islanders will be able to conveniently enjoy healthy living opportunities, while also reducing their carbon footprint.

This year, our government is also investing \$500,000 to establish the Telework Adaptation Fund, providing support and incentives to the business and non-profit organizations alike, to find innovative and smart ways for employees to work efficiently from home. This approach will further our collective efforts in reducing greenhouse gas emissions and revitalizing our communities.

Agriculture

Islanders are incredibly passionate about our land. Land has been at the centre of our history and continues to be a primary driver of our economy. Our government has committed to a wide-ranging review of issues of land ownership, land planning and land use in the province to protect and enhance a resource that is finite. This year we are launching an extensive and exhaustive public consultation and legislation review process that will engage Islanders in conversations about land issues and policies to assist in developing a Lands Protection Act 2.0, including a land bank.

We will create a soil health development coordinator position that will allow us to conduct testing and hold workshops on soil health and expand efforts to educate all landowners and land users on appropriate protection and enhancement measures to improve soil health and support a crop study that explores alternative crops for Prince Edward Island.

To increase the viability of Island agriculture and livestock, our government is investing \$50,000 this fiscal year as we work with experts, industry leaders and partners to modernize the Animal Health Act, an important step toward delivering on our vision for a stronger, healthier province. We are also investing \$300,000 to enhance the Pollination Expansion Project in 2020-21. Working with the PEI Beekeepers Association, we will grow our local bee population and overall pollination capacity in our province, which will greatly benefit our agriculture industry.

Aquaculture and Fisheries

Aquaculture has become an important contributor to Prince Edward Island's economy, creating employment and opportunity in communities across the province.

In order to raise public awareness and confidence in this industry, our government is allocating \$50,000 to a public trust program for aquaculture – providing education and awareness about our shellfish industry, its benefits and the delicious food harvested from Island waters and through our Aquaculture Division, we are investing an additional \$46,000 to support improvements to our fish health program.

Our government recognizes the importance of ensuring that commercial shell fishers have access to our rivers and bays across PEI. Currently the province maintains approximately 100 such sites and will invest an additional \$41,000 this fiscal year to repair and maintain these access points.

We will also continue to invest in the Food Island Partnership, which has had great success growing Prince Edward Island's reputation as Canada's Food Island, increasing the number of new food entrepreneurs in the province and increasing our value-added product offering. This work is more important than ever as we work through the COVID-19 pandemic.

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NOW IS THE TIME TO CONNECT

Building Stronger Communities

Mister Speaker, Islanders themselves know best the priorities and needs of our province. Our government is working together with major and smaller internet service providers, communities and businesses to address broadband connectivity inequity across the province. Projects are moving forward under the PEI Broadband Fund, but frankly we need to move faster and farther. We have heard from our communities that we need to invest more and invest faster in broadband. This will provide for our small towns to be sustainable into the future.

Budget 2020-21 commits to the development of a rural transit plan to provide better, safer and more environmentally friendly transportation links across Prince Edward Island.

We will continue to work closely with our municipalities to strengthen local government and services. Equalization grants to Prince Edward Island municipalities will increase by \$253,000. This funding will allow Island communities to continue to deliver basic services to their residents at comparable costs.

This past year, the Vital Signs Report was released by the Community Foundation of Prince Edward Island and Institute of Island Studies, of which our government was a proud funding partner. This report examines our quality of life using well-being indicators to measure and reflect the vitality of communities. Our government is investing \$100,000 in 2020-21 to further the work of this initiative.

All Islanders deserve to live in healthy and safe communities. Our government works closely with communities and law enforcement agencies to ensure appropriate policing services, education and health supports

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are available across our province with a focus on community safety and well-being. Our budget this year includes investments that support alternative justice and reduce the impacts of illegal activity in the province:

- investing over \$900,000 to ensure appropriate drug enforcement resources are available for Prince Edward Island;
- investing in a two-year pilot program to increase the use of restorative justice in adult and youth criminal cases;
- working with Justice Canada and investing \$100,000 to develop an Indigenous Courtwork Program for Prince Edward Island; and
- investing in the Indigenous Justice Program which builds relationships and partnerships with government departments, agencies and other parties involved in the justice system.

Mister Speaker, our relationship with our Indigenous peoples is important to all Prince Edward Island. Budget 2020-21 continues the deep commitment to the Mi'kmaq of PEI and the path to reconciliation that we have embarked on with a commitment of \$500,000 for the advancement of the Framework Agreement being developed with L'nuey and our federal partners. Our budget continues with commitments to the Native Council of PEI and the Aboriginal Women's Association and the important work they undertake in their community.

We also know that as a community we need to do better with education and awareness of race and gender and the systemic discrimination that continues in our society today. We are committed to review legislation, regulations and policies and will work with representatives of the Black, Indigenous, and People of Colour (BIPOC) community, as well as the 2SLGBTQIA+ community, to ensure their representation and voices are included as we chart our path forward.

To assist with increased gender and diversity analysis in government, there will be a new research position created within the Interministerial Women's Secretariat. This resource will increase the capacity for all departments across government to provide this important lens to policy and program initiatives.

We also know that as a community we need to do better with education and awareness of race and the systemic discrimination that continues in our society today.

To Islanders, arts and culture not only help to define who we are as a people and a province, it also contributes to our economic, social, health and educational well-being.

Culture

Prince Edward Island has a vibrant and dynamic arts and culture community. To Islanders, arts and culture not only help to define who we are as a people and a province, it also contributes to our economic, social, health and educational well-being.

Our government appreciates the impacts COVID-19 and the public health measures put in place to protect Islanders is having on our arts and culture community, including performance venues. We are committed to working with organizations and venues so that they can continue to operate during these unprecedented times by increasing direct supports to them.

In 2020-21, our government is also increasing funding for the provincial Art Bank, which will include an earmarked commitment for Indigenous art.

NOW IS THE TIME TO INVEST

Stimulating the Business Sector

Mister Speaker, I would be remiss if I did not reference our resilient business community. This Island has watched businesses “pivot and adapt” to how they do business with various solutions, including e-commerce, curbside delivery, takeout services, and drive-thru access. We know that these adaptations did not compensate for the reduced revenue, but we need to acknowledge the true grit of entrepreneurs who have inspired us all during these challenging times.

We know that our tourism industry has been greatly impacted. Now, more than ever, Prince Edward Island needs a strategic focus and marketing approach to engage Islanders in an effort to stimulate inter-provincial tourism.

Our government is committed to working with industry to develop a new strategic plan with the ability to support growth in the industry. Tourism PEI is currently working with the Tourism PEI Industry Board and the industry’s Strategy Steering Committee on implementing the “COVID:

We need to acknowledge the true grit of entrepreneurs who have inspired us all during these challenging times.

Immediate Action Plan". When our borders begin to open – and, Mister Speaker, we are all cheering on the potential of some regional travel bubble – this plan will be succeeded by a "COVID: Recovery and Re-building Plan", which will be developed in cooperation with industry partners.

Now is the time to support local grocers, businesses, restaurants, artists and accommodation providers as these owners, operators and employees are our neighbours, friends and loved ones. Now, is the time for us to explore everything Prince Edward Island has to offer. It's time for Islanders to create their own PEI Bucket List. Visit that community you've never been to or eat at that restaurant you've always wanted to try.

For the summer of 2020, we will be launching a drive-in festival across the province to showcase local musicians and entertainers while adhering to the direction of our Chief Public Health Office. Mobile drive-ins will move around the province to communities big and small and partner with local vendors and community groups to create a safe and memorable experience to ensure our arts and culture sector is celebrated during a summer we no doubt will never forget.

When the time is right, we look forward to the day we can safely welcome back tourists to our beautiful Island.

Mister Speaker, our economic growth over the years has been because of hard-working Islanders, as well as the strength of our business communities and primary sectors. As a government, we are here to make the necessary investments and to help stimulate, grow and sustain our economy. Part of our approach means leaving more money in the hands of Islanders and businesses through a series of tax and revenue initiatives, including:

- increasing the Basic Personal Income Tax exemption level by \$500 to a new threshold of \$10,500;
- reducing the Small Business Rate by 1% to an overall rate of 2% – the lowest rate in the Atlantic provinces; and
- investing \$1.2 million to extend the Marked Fuel Program to all farm plated vehicles.

Now is the time to continue delivering on our commitments to the business community.

Now, is the time for us to explore everything Prince Edward Island has to offer. It's time for Islanders to create their own PEI Bucket List.

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Now is the time to continue delivering on our commitments to the business community.

As a revenue measure, our government will table legislation during this legislative session to increase the tax per gram on tobacco to 27.52 cents, and the tax on cigars to 75% of the retail price. These increases, which will bring tobacco tax in line with regional averages, will be effective the day following Royal Assent.

NOW IS THE TIME TO MOVE FORWARD

As I conclude Mister Speaker, now is the time to move forward.

We know that this is not where anyone wants to be in terms of a budget bottom line or in the current economic reality for our Island. But we also know this is where we all want to be to respond to the current circumstances.

Many in this Assembly have recently commented on how Prince Edward Island is the best place to be, and I couldn't agree more. We draw our strength from the land and the sea, from community and people. We have been doing that for centuries and we will continue to do so as a province.

As a government, we remain committed to supporting Islanders and communities so that we can all move on from the COVID-19 pandemic – not just recover, but grow. To support one another. To learn. To adapt. And to succeed.

Prince Edward Island has always surprised the country and the world in what we have been able to achieve – using our small size and our unique geography as a strength. We have always outpaced the predictions set for us. And we will again.

As a government, we remain committed to supporting Islanders and communities so that we can all move on from the COVID-19 pandemic – not just recover, but grow.

Our economic and fiscal fundamentals are strong. We can – we will – weather this storm and succeed together. We will be led by our people – our workers and business leaders, our teachers, first responders, health care workers, our children, volunteers and community leaders.

As we move on from the COVID-19 pandemic, providing the supports necessary to recover, we will set our ambitions on how we can thrive as a people, and as a province. We can create a future where every economic and social sector succeeds. Foster a culture of competitiveness where businesses thrive. Build connected communities where people want to be. Offer world-class education where people excel. Become a sustainability leader where all of PEI benefits.

Our plan, Mister Speaker, is certainly focused on short-term recovery in this year. But it also sets in motion an ambition for true growth and sustained success... for many years to come.

And it is Islanders who will take us there.

Wela'lioq. Merci. Thank you.

Our economic and fiscal fundamentals are strong. We can – we will – weather this storm and succeed together.

