Prince Edward Island

Budget Highlights 2010-2011

Securing the Future

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Prince Edward Island

Budget Highlights 2010-2011

Securing the Future

Priorities

- Bringing kindergarten into the public school system.
- Transitioning the early childhood sector for a sustainable future.
- Enhancing the delivery of health care to Islanders.
- Securing our primary industries of agriculture, fisheries and tourism.
- Moving toward fiscal sustainability.

I am pleased to deliver a budget that secures our fundamental commitment to building better education and health systems for all Islanders – while taking decisive action to restore fiscal balance.

Hon. Wesley J. Sheridan
Minister

Budget Summary

	2010-2011 Estimate ($ millions)	2009-2010 Forecast ($ millions)	2009-2010 Estimate ($ millions)
Revenue:			
Provincial Own Sources	800.1	764.9	756.9
Federal Sources	627.3	628.3	615.7
Sinking Fund Earnings	14.9	12.5	14.9
Net Consolidated Surplus of Crown Corporations	18.7	13.7	14.0
Total Revenue	**1,461.0**	**1,419.4**	**1,401.5**
Expenditure:			
Program Expenditures	1,364.7	1,360.0	1,331.4
Interest Charges on Debt	109.9	101.5	114.3
Operating Expenditure	1,474.6	1,461.5	1,445.7
Amortization Expense	48.5	52.8	51.4
Amortization of Capital Revenue	(7.2)	(10.7)	(10.3)
Total Expenditure	**1,515.9**	**1,503.6**	**1,486.8**
Consolidated Deficit	**(54.9)**	**(84.2)**	**(85.3)**

Note: FY2009-2010 has been restated to conform with FY2010-2011 presentation.

Forecast 2009-2010

The 2009-2010 deficit is forecast at $84.2 million.

Revenue is up $17.9 million, primarily from increases of $8 million in Provincial Own Source Revenue and Federal Labour Market Agreements.

Expenditures are $16.8 million higher than the original 2009-2010 budget.

Estimates 2010-2011

The Budget Estimates for 2010-2011 project a consolidated deficit of $54.9 million.

Total Revenue for 2010-2011 is projected to increase by $41.6 million from the 2009-2010 Forecast Revenue. Provincial Own Source Revenues are up by $35.2 million.

Total Expenditure for 2010-2011 is projected to increase $12.3 million over the 2009-2010 Budget Forecast.

Four-Year Fiscal Plan

The Budget is projected to be balanced in four years.

Highlights of the Provincial Economy

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- Economic growth on PEI is estimated at 0.5 percent in 2009.
- PEI regained its peak pre-recession employment level of 71,200.
- Labour income grew 4.4 percent in 2009, representing the fastest rate of growth in the country.
- Non-residential construction increased 38 percent.
- P.E.I. is the only province to record an increase in housing starts.
- Through three quarters of 2009, farm cash receipts increased 6.8 percent.
- Growth is estimated at 2 percent for 2010.

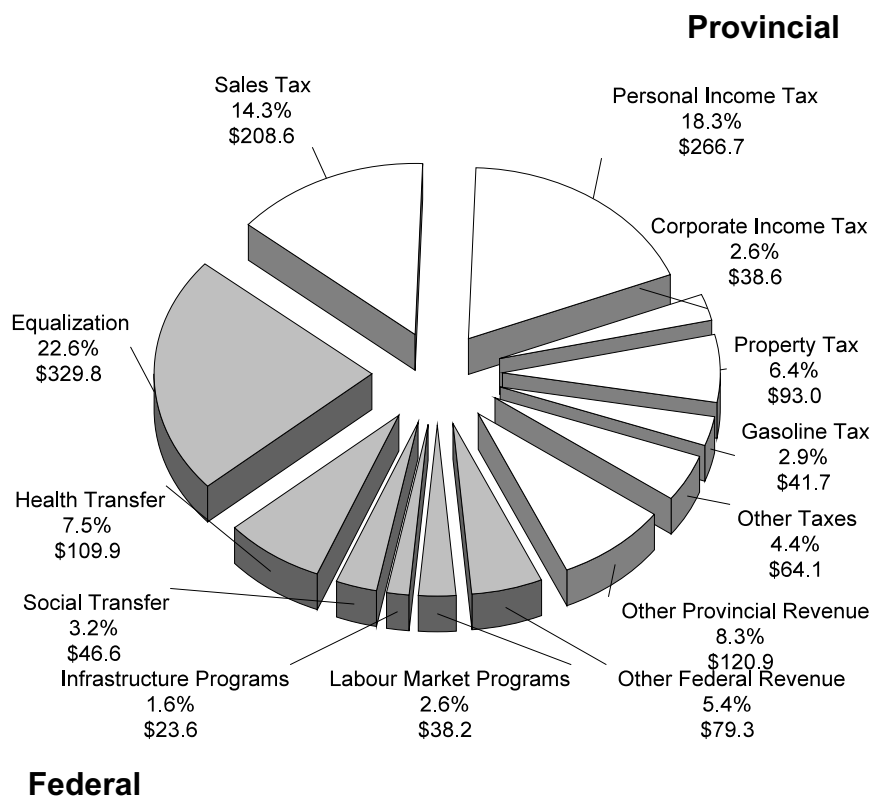
Securing Our Children's Education

- Delivering an additional $13.6 million in education funding.
- Triple the investment in kindergarten from $3.2 million to $10 million.
- Purchase an additional 51 school buses to add 151 to the fleet over three years.
- Investing $2.5 million in new funding for the Early Learning Action Plan.
- Increase teachers by 12% to 1,668 for the 20,900 students in the next school year.
- $525,000 to install electronic whiteboards in every high school classroom.

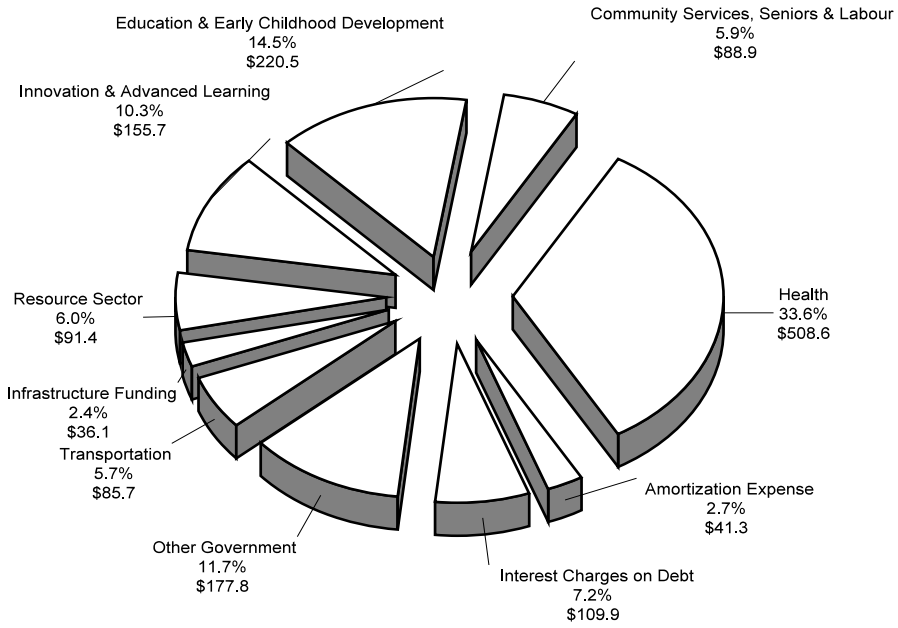
Helping Islanders in Need

- Social assistance shelter rates increase by 2 per cent effective June 1, 2010.
- Funding of $30,000 allocated for the Alzheimer Society.
- An additional $256,000 is allocated for non-government organizations.

Where the Money Comes From
2010-2011 Revenues
($ millions)



Where the Money Goes
2010-2011 Expenditures
($ millions)



Improving Health Care

- Spending increased by $24 million to bring total spending to $508 million.
- Home care funding increased to $13 million.
- Health PEI created in a new governance model.
- Seniors' co-pay for drugs reduced by 25 per cent effective September 1, 2010.
- $400,000 added to enhance ambulance services to Islanders.
- Medical Residency Training Program will be fully operational with 10 residents in Prince Edward Island placements.
- Operational funding of $879,000 is committed to the Cancer Treatment Centre.
- An additional $250,000 is provided for hemodialysis services.
- Government will invest $500,000 to further develop and implement the primary care networks.

Securing our Primary Industries

Fisheries, Aquaculture and Rural Development: An Action Plan

- Continuing low interest loans to fishers.
- Investing $800,000 in new initiatives for lobster market development and product innovation.
- Additional $100,000 for future fishers.

Agriculture in Transition

- Investing $10 million in new funding over four years in cooperation with the Federal Government.
- Renewable Energy Initiative will offer assistance in alternative energy systems.
- Additional $1 million in AgriInsurance.
- Continuing $1 million investment in buffer zones and soil erosion prevention.
- A commitment to provide funding of $65,000 for the 100th anniversary celebrations of the Women's Institute in 2013.

Investing in Innovation and Advanced Learning

- SkillsPEI to deliver $35 million in labour market and training programs.
- The Island Prosperity Strategy (IPS) has invested over $50 million and added 436 new jobs.
- Implementation of the IPS will continue with investments in infrastructure in the BioCommons facility.
- Post secondary education increased by $9.2 million.

Enhancing Justice and Public Safety

- Adding a $3.4 million, 48-bed addition to the Provincial Correctional Centre.
- Established the Office of the Police Commissioner.
- Established the $50,000 Police Training Fund.
- Partnering to provide an additional RCMP officer for the Abegweit First Nations.

Protecting Our Environment

- Program funding in the amount of $1.5 million has been committed to the Office of Energy Efficiency to assist Islanders in making their homes and businesses more energy-efficient.

Municipalities

- Endorsed the Report of the Commission on Land and Local Governance.
- Funding increase of one percent for municipal grants in 2011-2012.

	2008	2009
Population on 1 July (thousands)*	139.5	141.0
Personal Income per capita* ($)	28,899	n.a.
As % of Canadian personal income		*n.a.*
Employment (thousands)*	70.2	69.5
Unemployment Rate - P.E.I. (%)	10.8	12.0
Unemployment Rate - Canada (%)	*6.1*	*8.3*
CPI Annual Change - P.E.I. (%)	3.4	-0.2
CPI Annual Change - Canada (%)	*2.3*	*0.3*
Retail Trade ($ millions)*	1,720.6	1,715.3
New Motor Vehicle Sales (units)*	5,504	5,291
Farm Cash Receipts ($ millions)*	390.3	n.a.
Potato Receipts ($ millions)*	200.9	n.a.
Lobster Landings ($ millions)*	100.7	n.a.
Lobster Landings (lbs - millions)	*21.9*	*22.3*
Housing Starts (units)	712	877
Investment ($ millions)	944.5	887.3
Manufacturing Shipments ($ millions)*	1,376.1	1,324.1
International Export of Goods ($ millions)*	848.6	833
GDP at Basic Prices ($ millions)*	4,624	4,652[f]

* Revised Data
[e] Estimate
[f] Forecast, Conference Board of Canada

n.a. not available

Sources: Statistics Canada; Conference Board of Canada and PEI Department of Fisheries, Aquaculture and Rural Development.