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Export date: Fri Oct 30 5:08:40 2026 / +0000 GMT

Ontario budget watchdog disagrees with Government?s fiscal outlook

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On November 14, the Ontario Government presented the Fall Economic Statement, which provides an update regarding Ontario's finances since the 2016 Budget. In their update, the government continues to claim they will be eliminating the province's deficit by 2017-18 and remain balanced in 2018-19.

However, Ontario's Financial Accountability Officer (FAO) says otherwise. On November 3, the FAO released an update about Ontario's economic and fiscal outlook and warned the government will not be able to eliminate the province's deficit their projected date. Rather, the province is headed for many years of deficits and an uncontrollable increase to the province's debt.

For years, my Progressive Conservative Caucus colleagues and I have said that the government doesn't have a revenue problem, but a spending problem.

This is confirmed by in the FAO's report.

The FAO noted that the government received higher revenues last fiscal year but the government is adding an additional $3.75 billion in spending due to new spending commitments. Coupled with a weaker economic outlook for the province, the FAO believes that unless the government comes up with new ways to raise revenue or cut spending, they will be unable to eliminate the province's deficit.

Instead of balancing the budget, the FAO believes there will be a $2.6 billion deficit in 2017-18. In addition, the FAO expects the deficit to grow to $3.7 billion by 2020-21. As a result, Ontario net debt will increase to a record total of $370 billion by 2020-21.

As the FAO noted, this is more than he had forecasted back in spring. Even after using $800 million from the one-time sale of government assets and $600 million from contingency funds in an attempt to balance the budget by 2017-18, I am concerned the government will raise taxes even further, sell-off more government assets or continue cutting frontline services to achieve their goal.

With the rising cost of hydro, low economic growth and a decline in full-time employment, and an ever grow debt, Ontarians continue to pay the price for this government's 13 years of fiscal manipulation.

It's clear this government doesn't have a plan to get Ontario back on track and make life easier and affordable for Ontarians.