Liberals on track for $4B deficit in 2017 2018: FAO...

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Liberals on track for $4B deficit in 2017 2018: FAO (**>Ont<**-FAO-Deficit)
TORONTO _ **>Ontario<**'s fiscal watchdog says the Liberal government will run a deficit this fiscal year, despite claims it has balanced the budget.

In a new report today, the Financial Accountability Office says the Liberals will run a $4 billion deficit in 2017-2018.

By 2021-2022, the FAO projects the government's budget deficit will grow to $9.8 billion.

The FAO also says the government's new Fair Hydro Plan, which cuts hydro rates by 25 per cent, will add $3.2 billion to the budget deficit by 2021-2022.

The Liberals presented a balanced budget in the spring, a year ahead of the provincial election, and have promised to keep the books in balance through the next couple of years.

Last year, Ontario's auditor general questioned the province's decision to include a pair of public pensions _ the Ontario Public Service Employee's Union Pension Plan and the Ontario Teacher's Pension Plan _ as assets on its balance sheet.

The FAO says in its report that since the government has not adopted the auditor's recommended accounting for both the pension assets, and with the addition of the Fair Hydro Plan, it is becoming more difficult for legislators and the public to assess the government's fiscal projections.

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