>Ontario< deficit will jump to almost $12 billion in 2018: FAO...

From: Command News <fp.news.killornb@commandnews.com>
To: "Killorn, Bill (OPO)" <bill.killorn@ontario.ca>
Date: Wed, 02 May 2018 11:49:59 -0400

Profile: KILLORNB / My Drawer / Ontario Political News - Clip 14 (limit 30)
May 02 2018 11:49:00 - Source: CP [The Canadian Press]

>Ontario< deficit will jump to almost $12 billion in 2018: FAO (**>Ont<**-FAO-Deficit)
TORONTO _ **>Ontario<**'s fiscal watchdog says the province's deficit will jump to almost $12 billion this year as a result of higher spending in the Liberal government's 2018 budget and weak revenue gains.

The Financial Accountability Office also says the government's spending plan will add about $70 billion to the province's net debt, increasing it to almost $400 billion in 2020-21.

The findings come in the FAO's Spring 2018 Economic Outlook, released just a week before a provincial election campaign kicks off.

The Liberal government's spring budget had said the deficit for 2018 would be $6.7 billion, with the books expected to stay in the red for six years.

The FAO report warns that the plan to balance the budget by 2024 involves a dramatic cut in spending growth.

It says the government has provided few specifics about those spending cuts but says it would need to find $15 billion in reductions by 2025, or the equivalent of an eight per cent drop in program spending, to achieve its goal.

J. David Wake, the Temporary Financial Accountability Officer, said the government's plan ``shifts the burden of stabilizing Ontario's public finances from current taxpayers to younger Ontarians and leaves the province with less flexibility to respond to future crises, including recessions."

The report echoes some of the findings from the auditor general who said last week that the government had understated its deficit numbers in the 2018 budget, saying they were off by 75 per cent for 2018-2019, with that jumping to 92 per cent for 2020-2021.

Bonnie Lysyk said the government has not accurately reflected the true cost of its borrowing plan to cut hydro rates by 25 per cent, and also raised questions about how the province accounts for revenues related to two teacher pension plans it includes on the books as assets.

INDEX: ECONOMY ONTARIO POLITICS