

From Queen's Park by Sylvia Jones MPP ? Financial Accountability Officer blasts government's budget planning

According to the government's financial watchdog, the government's current budget is not realistic and will actually require an increase in taxes or cut to program spending by at least \$6.5 billion to achieve their promised debt target.

The Financial Accountability Officer (FAO) is an independent non-partisan officer of the Legislative Assembly, and provides an unbiased assessment of the government's finances. The current FAO is J. David Wake and he is charged with providing independent analysis on the state of the Province's finances, trends in the provincial economy and related matters important to the Legislative Assembly of Ontario.

In his most recent report, the FAO argues that the combined influences of an aging population and the continuation of the trend of slower than expected economic growth in Ontario will mean that Ontario's debt-to-GDP ratio would rise to more than 60 per cent in 30 years.

His analysis also shows that the government is underestimating how much it will need to spend on health care and infrastructure. According to the FAO, health care costs will rise due to an aging population, but the government's planned spending on health care does not reflect this. The FAO also shows that after the election, the government's promised infrastructure spending will fall to half the historical average. The FAO has argued that this infrastructure spending won't cover the needs of Ontario.

A higher debt affects your family, because it means the government will be spending more on interest payments, crowding out the ability of the government to spend money on government programs, like autism therapy, addressing surgery wait-times, or making improvements to local roadways. It also means that in cases of fiscal emergencies like recessions, the government has less flexibility to respond.

In the end, the FAO says that the province's current debt-to-GDP target of 27 per cent by 2029-30, would require raising taxes or cutting spending by at least \$6.5 billion. The FAO says that "without an adjustment to Ontario's fiscal policy," we will see increasing budget deficits and higher levels of debt.

This government's fiscal decisions are putting an unfair burden on future generations. According to the FAO "the burden of stabilizing Ontario's public finances would be increasingly and arguable unfairly shifted from the baby boomer generation to younger Ontarians. Instead of addressing the growing debt today, the government is choosing to place billions of dollars of debt onto future generations.

