

From Queen's Park by Sylvia Jones MPP ? Warning signs to stop Ontario's addiction to spending



Credit rating agency Moody's released a report regarding Ontario's debt burden Feb. 23.

Moody's has stated that the province's debt burden has increased annually since 2009. Moody's report contrasted Ontario's growing debt with Quebec's ability to tackle their debt. Moody's also believes that it is highly unlikely that Ontario will be able to balance its books by 2017/2018.

In the report, Moody's states, "Ontario's persistently large deficits, and its tendency to delay the most significant cost cutting measures towards the latter years of its projected timeline for returning to a balanced budget, increase the risk that the province will be unable to achieve its goal."

This is a warning shot to the government that if they don't get their act together and stop their out of control spending, then there won't be an end to Ontario's growing debt burden.

This isn't the first time Moody's has warned the Liberal government about its economic problems if they don't change their ways in handling it. Back in July, just before the release of the government's budget, Moody's downgraded Ontario's credit rating from stable to negative as a result of very little economic growth and higher deficits.

Moody's is not the only organization to warn this Liberal government about their addiction to spending. The Fraser Institute released a study stating Ontario's debt is rising at a level that is not sustainable. Just like Moody's report, the Fraser Institute's study says if this government continues spending beyond its means, it will lead to future credit rating downgrades.

It's important to note that the Liberal government has a spending problem, not a revenue problem. While Ontario's revenue has increased by \$40 billion in the past 10 years, spending has grown by more than \$50 billion. Moody's, the Fraser Institute and the Auditor General have all raised concerns with the spending habits of the Ontario government. It's time for a serious discussion about where spending should be prioritized to ensure that critical services are there when Ontario residents need them.

Time and again we have seen this government ignore the warning signs. My Progressive Conservative colleagues and I have continued to pressure this government to come to terms with the financial reality of our province. Enough is enough; we need to see some financial responsibility by this Liberal government, before another credit downgrade is on its way.

-30-