

NEWS RELEASE

Pre-election spending increase at Queen's Park tops \$7 billion, highest since 2009 recession

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For immediate release

TORONTO—The Ontario government is ramping up program spending by more than \$7 billion this year, or nearly six per cent—more than three times higher than the average increase in the years following the 2009 recession, finds a new study released today by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Ontario remains heavily indebted, so there are big risks associated with ramping up program spending again, but that’s exactly what the Wynne government is doing,” said Ben Eisen, director of the Fraser Institute’s Ontario Prosperity Initiative and co-author of *Repeating Past Mistakes? Spending Restraint Critical for Ontario’s Fiscal Health*.

The study finds that Ontario government program spending increased by 1.7 per cent (on average) in the years following the recession from 2011/12 to 2016/17, compared to the 5.7 per cent increase planned for this year.

In light of this increase in program spending, it’s worth noting that 11 of the past 14 provincial budgets have been deficits, and Queen’s Park has more than doubled Ontario’s debt to \$302 billion over the past 15 years—dramatically increasing the interest taxpayers have to pay on the debt, which is expected to surpass \$12 billion this year.

Moreover, the province’s debt-to-GDP—a measure of a jurisdiction’s ability to pay back its debt—remains near a record high of 40 per cent, and there’s no concrete plan to reduce it.

“Big spending increases were a primary cause of the deficits and mounting debt that Ontario has been dealing with over the past decade, so it is worrying to see the province taking the very same risks all over again,” Eisen said.

“The upcoming provincial budget should reveal whether the Wynne government plans to further ramp-up spending.”

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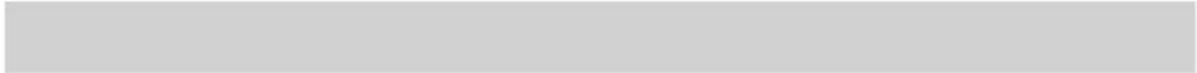
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