

**FOR IMMEDIATE RELEASE:**

*[La version française suit le texte anglais.]*

**GOVERNMENT'S BUDGET PLAN RELIES ON  
REDUCING PROGRAM SPENDING GROWTH TO HISTORIC LOWS**

**TORONTO, May 22, 2019** – The **Financial Accountability Office of Ontario (FAO)** just released its [Spring 2019 Economic and Budget Outlook](#) report.

Based on the FAO's outlook for slower economic and revenue growth, and incorporating the government's spending plans, the FAO projects Ontario's budget deficit would decrease to \$10.8 billion in 2019-20, down modestly from \$11.7 billion in 2018-19. Over the next four years, the budget would be expected to improve rapidly, reaching balance in 2022-23, and a relatively large surplus of \$6.4 billion by 2023-24.

In contrast, the government's 2019 budget projects a more gradual path to a balanced budget in 2023-24, a year later than the FAO's projection. "Importantly, the government's 2019 budget plan includes provisions for measures that have not been formally announced in the budget," says Peter Weltman, Ontario's Financial Accountability Officer.

These unannounced measures would lead to higher deficits and add to Ontario's debt, but the government's plan to significantly hold back spending allows for the achievement of a balanced budget by 2023-24. The 2019 budget limits program spending growth to just 1 per cent per year - the slowest pace since the mid-1990s.

According to the FAO's report, the policy changes announced in the 2019 budget should be sufficient to achieve the government's spending plan over the next two years. However, significant additional measures or program changes would be needed to achieve the budget's spending plan by 2021-22.

"The 2019 budget's fiscal plan takes place in an environment of elevated economic risks and relies heavily on the government's success in limiting spending growth," says Weltman.

Click [here](#) to download the report. Click [here](#) for **LIVE** webcasting of the FAO's 10:00 a.m. press conference.

**About the FAO**

Under the *Financial Accountability Officer Act, 2013*, the Officer provides 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. Visit our website at <http://www.fao-on.org/en/> and follow us on Twitter at <https://twitter.com/InfoFAO>.

-30-

**For further information, please contact:**

**Kismet Baun | (416) 254-9232 | [kbaun@fao-on.org](mailto:kbaun@fao-on.org) | [fao-on.org](http://fao-on.org)**