



2025 Ontario Debt Report: Two decades of debt

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About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation is a federally incorporated, not-for-profit citizen's group dedicated to lower taxes, less waste and accountable government. The CTF was founded in Saskatchewan in 1990 when the Association of Saskatchewan Taxpayers and the Resolution One Association of Alberta joined forces to create a national organization. Today, the CTF has hundreds of thousands of supporters nation-wide.

The CTF maintains a federal office in Ottawa and regional offices in British Columbia, Alberta, Prairie (SK and MB), Ontario, Quebec and Atlantic. Regional offices conduct research and advocacy activities specific to their provinces in addition to acting as regional organizers of Canada-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences and issue regular news releases, commentaries, online postings and publications to advocate on behalf of CTF supporters. CTF representatives speak at functions, make presentations to government, meet with politicians,

and organize petition drives, events and campaigns to mobilize citizens to affect public policy change.

Any Canadian taxpayer committed to the CTF's mission is welcome to join at no cost and receive Action Update emails. Financial supporters can additionally receive the CTF's flagship publication *The Taxpayer* magazine published three times a year.

The CTF is independent of any institutional or partisan affiliations. All CTF staff, board and representatives are prohibited from holding a membership in any political party. In 2023-24 fiscal year, the CTF raised \$6.3 million on the strength of 74,858 donations. Donations to the CTF are not deductible as a charitable contribution. The CTF does not accept foreign funding.

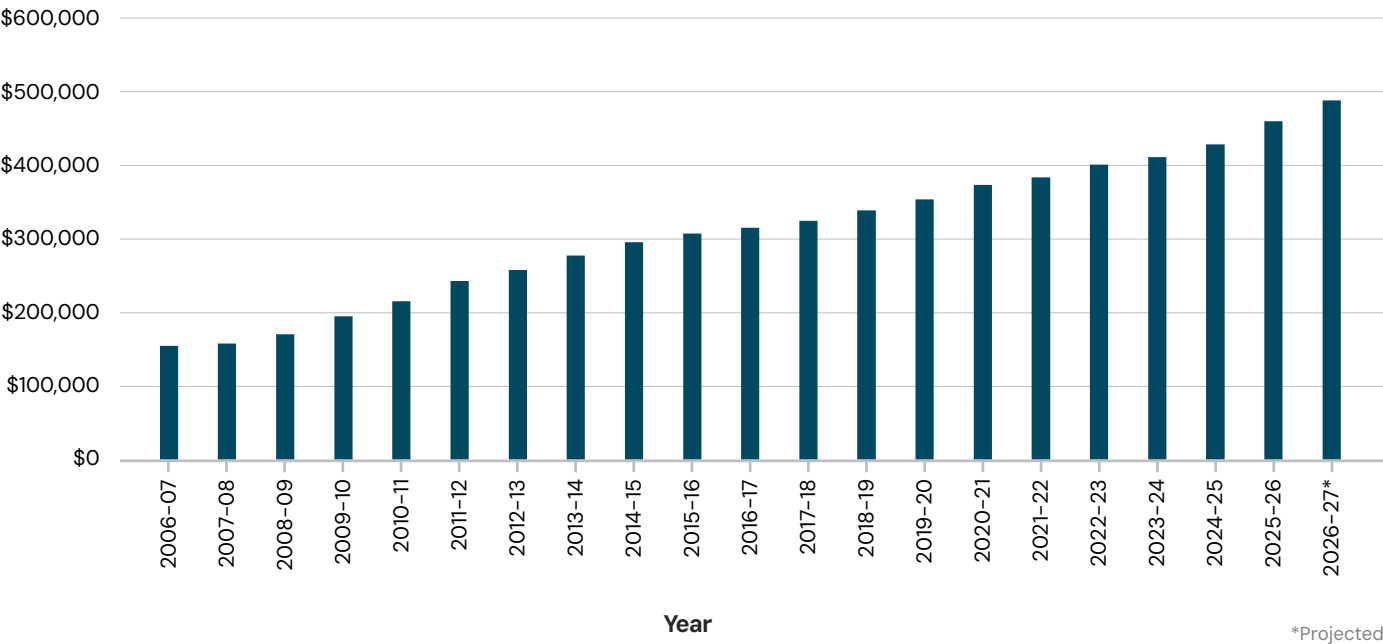


Introduction

The Ontario government has a debt problem and it’s getting worse. Over the past 15 years, successive Ontario governments have nearly doubled the provincial debt, with the debt set to surpass \$500 billion in 2027-28. The massive growth in Ontario’s debt was not inevitable. It is the result of decisions made by politicians to spend billions of dollars more than the government collected in taxes.

This report shows how the debt has soared, how increased government spending is driving the borrowing, and how taxpayers are paying higher debt interest charges as a result.

FIGURE 1
Net Government Debt (millions)



Part 1: Debt

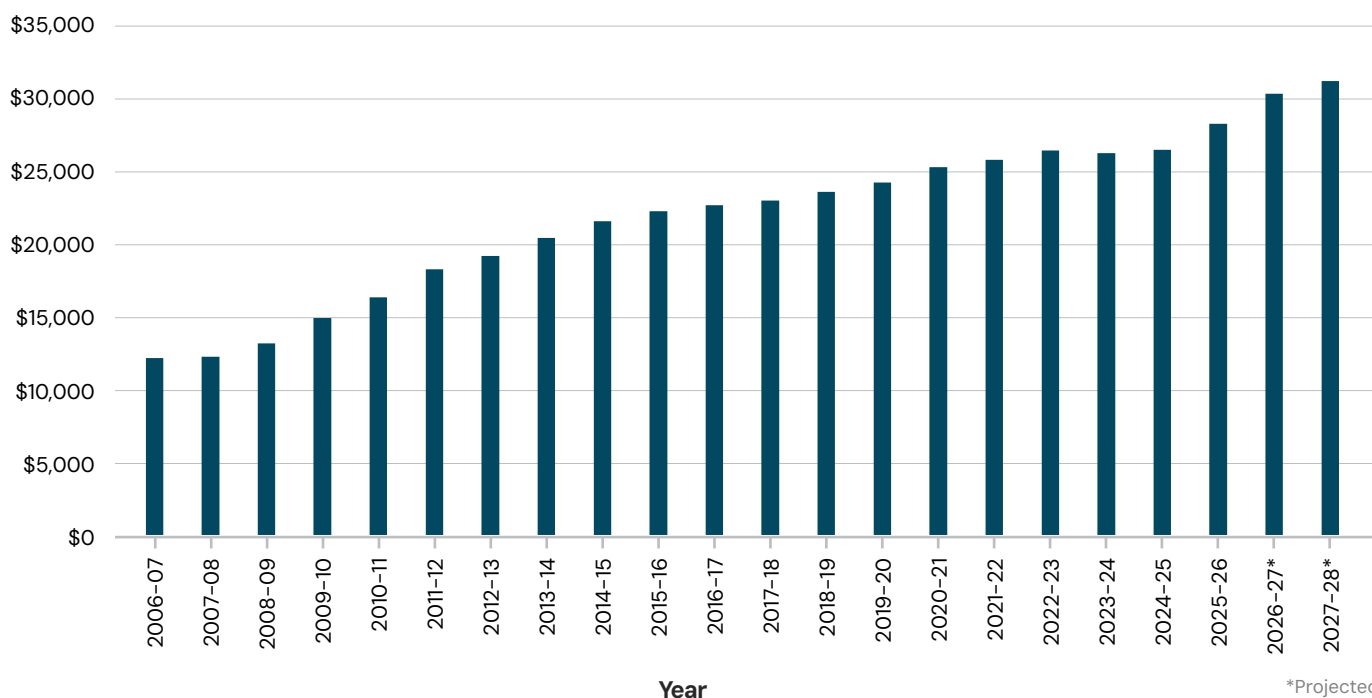
In the past decade, Ontario has been piling on hundreds of billions of dollars to the provincial debt with no signs of stopping. The Ontario government successfully slowed growth of the provincial debt in the late 1990's and early 2000's, but has since abandoned the learned lessons from the provincial debt crisis in the mid 1990's. During the 2008 recession, the Ontario government started borrowing billions and that borrowing became a habit.

Since 2006-07, the Ontario government has increased the province's debt by nearly 200 per cent, rising from \$153.7 billion to \$458.6 billion. If Ontario's government debt had risen at the rate of inflation plus population growth, the debt would be \$276.8 billion.

Ontario's government debt exceeds annual revenue levels. In 2006-07, Ontario's government's debt-to-revenue ratio was 153 per cent. As of today, projected government debt-to-revenue ratio will be 208 per cent, a significant deterioration in just two decades.

FIGURE 2

Total Per-person Debt



Ultimately, Ontario’s debt is a burden on individual Ontarians. Looking at per capita debt makes the numbers more vivid. Each Ontarian’s per capita share of the debt was \$12,139 in 2006–07. Now each Ontarian’s per capita share is \$28,209 in 2025–26. That’s a 132.4 per cent increase. If current trends continue, per-person debt will reach \$31,139 in 2027–28.

Ontario has the third highest per-person debt the provinces, just behind Quebec and Newfoundland and Labrador. For context, Ontario’s per-person government debt is 69 per cent higher than Alberta’s, which is \$16,684.

TABLE 1		
2006–2025	Inflation + Population Growth	▲ 79.9%
	Net Government Debt	▲ 198.4%

Part 2: Spending

Ontario has a debt problem because Ontario politicians have a spending problem. Spending has consistently increased faster than inflation plus population growth. The result is debt.

The Ontario government has been fortunate to grow its revenue by 129.7 per cent, or 6.5 per cent annually over the past 20 years, far higher than the rate of inflation plus population growth of 79.9 per cent. However, successive governments have botched the extra revenue at their disposal by increasing spending at an even steeper pace.

Between 2006-07 and 2005-26, government operating spending has grown 147.2 per cent from \$94.9 billion to \$234.6 billion.

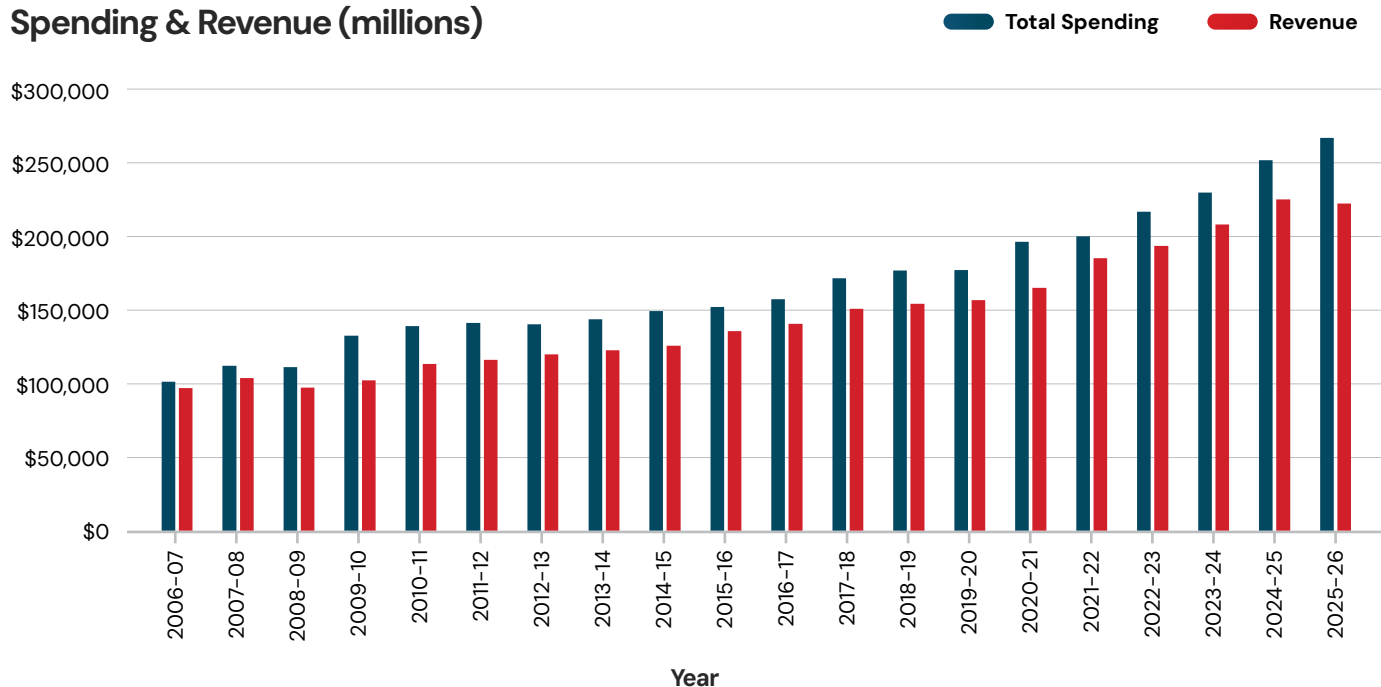
Since the Ontario government separates operating and capital spending in its budgets, measuring the rise in government operating spending does not capture the government's total expenditures. Between 2006-07 and 2025-26, Ontario's total combined operating and capital spending grew from \$101.5 billion to \$268 billion, a 164 per cent increase.

While operating spending has grown rapidly, the government's capital budget grew an extraordinary 402.1 per cent over the past two decades.

Increased operating spending and a massive rise in capital spending is pushing the province's debt higher.

FIGURE 3

Spending & Revenue (millions)



Part 3: Debt Interest

Runaway spending and soaring debt add up to higher interest charges. Interest charges leave less money for core services and tax relief. And Ontario's debt charges are huge.

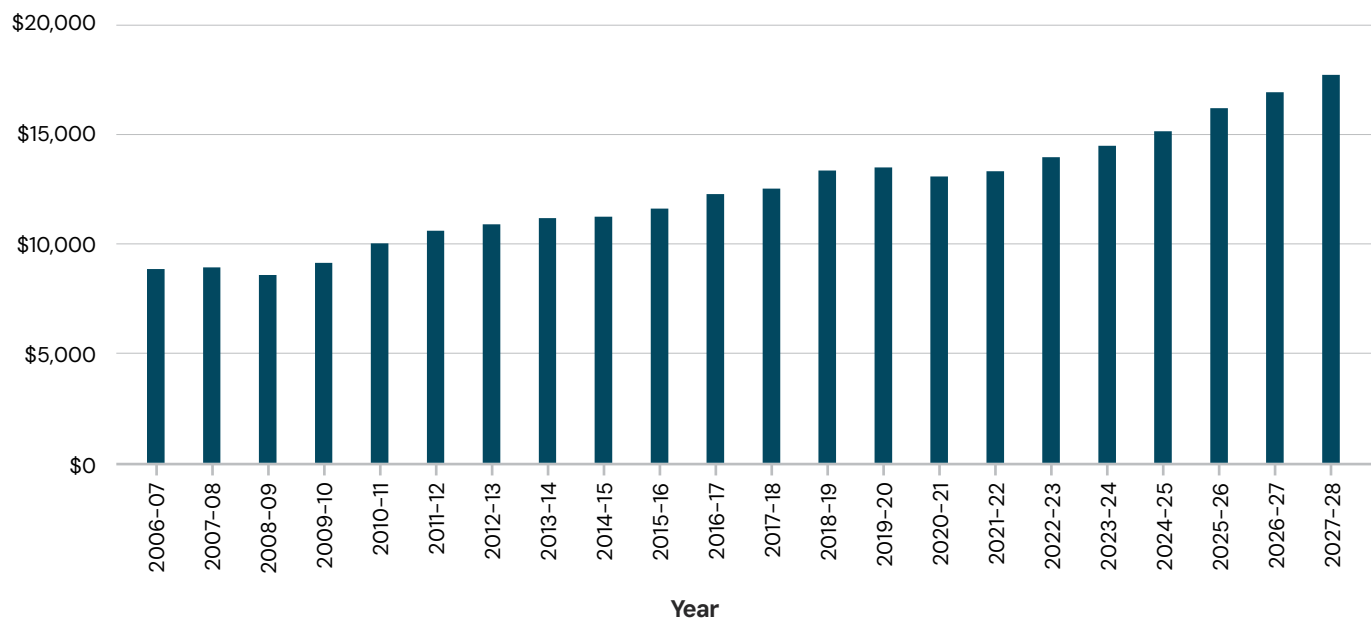
Between 2006–07 and 2025–26, debt interest charges have increased at average annual rate of 3.4 per cent, higher than the period's 2.2 per cent average annual inflation rate. In the same period, total debt interest charges have increased by 83.2 per cent, from \$8.8 billion to \$16.2 billion this fiscal year. That's \$3.2 billion more than the province is spending on Ontario's colleges and universities.

Ontario's interest charges cost about \$697 per person in 2006–07. This year, those interest charges will cost about \$995 per Ontarian. That's a 42.8 per cent increase, despite Ontario's significant population growth.

Interest charges will increase by about 6.1 per cent annually, according to the Ontario Financial Accountability Office estimates for the period of 2023–24 to 2029–30. That's the fastest growing projected expense in the provincial budget. Ontario's debt interest charges will hit \$20.5 billion in 2029–30.

FIGURE 4

Debt Interest (millions)



Conclusion

The Ontario government has spent too much and borrowed too much for decades. Even worse, the Ontario government is planning to spend and borrow even more in the future. Soaring interest charges are the inevitable consequence. That makes it harder for the government to fund core services and increases the risk of unaffordable tax hikes.

Ontario has only two choices: 1) Immediately make tough decisions to trim spending and pay down debt; or, 2) Procrastinate until interest charges force even tougher decisions to make much deeper cuts and pay down a much higher debt.

The math is clear that option one is the right choice.

Methodology

Revenue and operating spending data was collected from the [2025 Fall Economic Statement](#), the [2018 Ontario budget](#) and the [2013 Ontario budget](#).

Infrastructure spending data was collected from the 2025 Fall Economic Statement, and the annual budgets from 2008–2024.

Forecasts were collected from the 2025 Fall Economic Statement, [Statistics Canada's population projections](#) and the Financial Accountability Office.

Inflation data was collected from the [Bank of Canada's Inflation Calculator](#).