

March 9, 2020

Sent by email

Honourable Tom Osborne
Minister of Finance and President of Treasury Board (MHA for Waterford Valley)
P.O. Box 8700, Main Floor
East Block, Confederation Building
St. John's, NL A1B 4J6

Re: Provincial government finances

Dear Minister Osborne,

I write today on behalf of 2,000 members of the Canadian Federation of Independent Business (CFIB) concerning the recent drop in the price of Brent crude oil. As you are well aware, in the last couple of days, the price of Brent crude has fallen at a rate reportedly not seen since the 1991 Gulf War.

If the lower oil price level is maintained in the near future, the effect on the provincial government's finances will be substantial. The reliability of Budget 2020 will depend significantly on the provincial government's ability to predict what the price of Brent crude will be in 2020-21. All things being equal, the provincial government will be borrowing to offset the reduced oil revenues.

In December 2015, when the new provincial government took power, it was announced the 2015-16 deficit would be \$2.7 billion, an increase from the \$1.1 billion announced in Budget 2015. In making the decision to reduce the deficit through tax and fee increases in 2016, the provincial government claimed it was unaware of the real fiscal state of the province because the previous government did not release a fiscal update prior to the 2015 general election.

Given the speculation of a spring general election and the preparation being taken by the provincial government through [Bill 26](#), **CFIB is requesting the provincial government deliver its provincial Budget or fiscal update in April, with a multi-year forecasted budget plan.** We believe it is in the best interest of the residents of Newfoundland and Labrador, which includes small business owners, to have the latest fiscal information available in the event there is a general election this spring.

I look forward to receiving a response. If there are any questions, you may reach me by email at vaughn.hammond@cfib.ca or by phone at 753-7745.

Sincerely,



Vaughn Hammond
Director of Provincial Affairs, Newfoundland and Labrador

Copy: Members of the House of Assembly