

2008-09 First Quarter Report Key Facts & Figures

Overall Results

- \$3.1 billion revenue improvement for the year, mainly due to higher oil, potash and natural gas prices, as well as record Crown land sales.
- Government total debt is forecast to be \$4.7 billion, down almost \$2.2 billion from 2007-08.
- \$327.4 million spending increase, mainly to transfer the federal Carbon Capture funding to CIC (\$240 million).

Debt

- Government will set aside almost \$2.2 billion this fiscal year to reduce government total debt.
- The \$2.2 billion decrease in debt combines the following figures: \$641.4 million from the 2007-08 surplus; \$250 million debt reduction commitment from the 2008-09 budget; plus the \$1.26 billion from the 2008-09 First Quarter surplus.

Revenue Changes

- Non-renewable resource revenues are up \$2.6 billion. This figure includes potash (\$1 billion), Crown land sales (\$799.7 million), oil (\$745.2 million), and natural gas (\$65.6 million).
- Improvements also reflect a \$136 million increase in taxation revenue, including Sales Tax (\$107.5 million), Corporation Capital Tax (\$20 million from the resource surcharge component) and Tobacco Tax (\$8.5 million).
- Transfers from Crown entities are \$18.1 million higher, while other own-source revenue is \$61.3 million higher due to interest earnings.
- Federal transfers are forecast to increase \$306 million, mainly for the Carbon Capture and Storage Demonstration Trust (\$240 million).
- Potash price forecast (Fiscal year) — Budget: \$335.28/tonne — First Quarter: \$718.48/tonne.
- WTI oil price forecast (Fiscal year) — Budget: US\$82.36 — First Quarter: US\$119.78

Spending Increases

- Operating expenses (\$352.4 million from budget) are forecast to be up in four main areas:
 - \$240 million to Crown Investments Corporation for federal carbon capture funding.
 - \$70 million to Health for the nurses' settlement.
 - \$22.6 million to Agriculture for Crop Insurance premiums.
 - \$13 million to First Nations and Métis Relations for transfer to gaming trusts for increase gaming revenue.
- The spending increases are offset by \$25 million in interest savings.

Growth and Financial Security Fund (GFSF)

- At the start of the year, the Growth and Financial Security Fund balance was \$1.6 billion. The GFSF is forecast to receive an additional \$1.5 billion injection — bringing the total to \$3.1 billion — which will be used to keep our economic momentum going and for possible infrastructure investments and tax reductions.