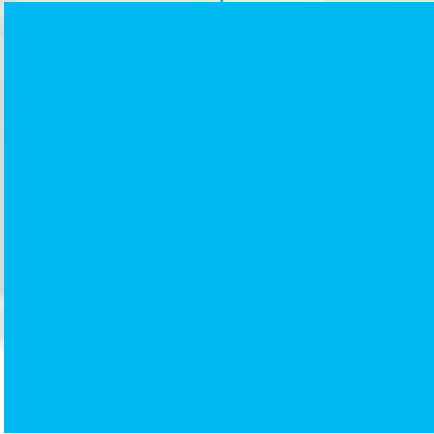


Budget

04-05



Budget Highlights

2004-05 Budget Papers

1. Budget Speech
2. Budget Strategy and Outlook
3. Capital Statement

Budget Highlights

Appropriation Bills

Ministerial Portfolio Statements

The Budget Papers are on sale through Goprint, individually or as a set, phone (07) 3246 3500 and are online at www.budget.qld.gov.au

© Crown copyright
All rights reserved
Queensland Government 2004

Excerpts from this publication may be reproduced, with appropriate acknowledgement, as permitted under the Copyright Act.

Budget Highlights
ISSN 1445-4890 (Print)
ISSN 1445-4904 (On-line)

Contents

Budget at a glance

- Fully funded election commitments and other initiatives.
- Record capital program of more than \$6 billion.
- Fully funded child safety reforms.
- Tax cuts amounting to \$300 million by 2005-06.
- Operating surplus of \$646 million.
- Economic growth of 4¹/₄%.
- Unemployment to remain at lowest rate in more than two decades.

2	... Delivering on our priorities
8	... Delivering services to the regions
10	... Building Queensland's infrastructure
11	... Key capital spending for 2004-05
12	... Keeping taxes competitive
13	... How the money is raised
13	... How the money is spent
14	... Our sound operating position
15	... Strong balance sheet growth
16	... Queensland's economy outperforms rest of nation
18	... Economic forecasts
19	... Sound economic strategy



Delivering on our priorities

Improving health care and strengthening services to the community

- \$90 million is provided over three years to treat additional elective surgery patients and reduce elective surgery waiting lists in Queensland hospitals.
- \$77 million in capital funding over three years to redevelop the Prince Charles Hospital emergency department and provide general hospital services.
- An additional \$220 million over four years to support people with a disability, their families and carers, including \$79.7 million for the Adult Lifestyle Support program, \$34.3 million to provide support for families and children, and \$27.5 million to enhance the viability of non-government disability service providers in Queensland. This is on top of the \$200 million over four years provided in the last Budget.
- \$75 million over five years to improve the quality of life in a number of Queensland communities through the Community Renewal program. The program will expand into nine new areas from Cairns to the Gold Coast and will continue work in 10 existing areas.
- Continued commitment to delivering significant health outcomes for residents in Torres Strait and the Northern Peninsula Area by matching Australian Government funding of \$16.2 million over three years for the Major Infrastructure Program.
- Financing the \$88 million public component of the \$135 million Mater Hospital redevelopment. The redevelopment will provide 112 additional public beds, 11 neonatal cots and two delivery suites.
- \$76.9 million for public rental housing, allowing for the commencement of 320 dwellings and the completion of 285 dwellings.
- \$30 million over three years as part of the Smart State Building Fund initiative to construct boarding housing accommodation and upgrade public housing.
- \$45.7 million in capital grants for 34 discrete Aboriginal and Torres Strait Islander councils to construct new houses and upgrade existing dwellings under the 2004-09 Capital Grants Program.
- \$24.2 million over two years to replace three Royal Flying Doctor Service aircraft operating from Brisbane, Rockhampton and Townsville.
- Additional funding over four years will be provided for cardiac services (\$20 million), cancer care (\$44 million), oral health care (\$13.2 million) and to relieve pressure on public hospital emergency departments (\$37.8 million).

Priorities at a glance

- \$90 million over three years to cut elective surgery waiting lists.
- An additional \$220 million over four years to support people with a disability, their families and carers.
- Full implementation of child safety reforms with funding of approximately \$214 million per annum by 2006-07.
- 350 extra police to achieve target of 9,100 officers by September 2005.



.....delivering on our priorities.....

Protecting our children and enhancing community safety

- Funding of approximately \$214 million per annum by 2006-07 for foster care reforms and enhancing the child protection system. The range of initiatives will include:
 - more than 500 additional staff for the new Department of Child Safety
 - additional staff for the Commissioner for Children and Young People
 - increasing the number of alternative care places to 680 over the next three years
 - more training and recruitment and retention strategies for staff
 - staged increases in payments for foster carers
 - more therapeutic services such as counselling and disability support for children
 - additional officers for Juvenile Aid Bureau
 - enhanced Suspected Child Abuse Neglect Team arrangements.
- \$35.9 million over three years for the Queensland Ambulance Service to employ 240 additional officers to address growth in demand, maintain emergency response times and improve services in rural and remote communities.
- An additional \$10 million over three years to support operational police in the areas of training, equipment, radios and safety equipment.
- 350 additional police to achieve the Government's target of 9,100 officers by September 2005.
- \$10 million over three years to establish 25 Neighbourhood Police Beats throughout Queensland.
- \$10 million capital funding as part of an allocation of \$37.2 million over five years to upgrade the State's correctional facilities.
- \$9.5 million over three years for the Counter Disaster and Rescue Services to provide equipment, vehicles, training and support for State Emergency Service volunteers.
- \$10.5 million over four years, including \$1.4 million in 2004-05, to expand community safety initiatives, including whole-of-Government and community-based crime prevention activities.



.....delivering on our priorities.....

Growing a diverse economy and creating jobs

- An additional \$3 million over three years will be invested in the Strategic Employment Development program, taking total funding for the Breaking the Unemployment Cycle initiative up to \$278 million.
- \$20 million State contribution towards the construction of the \$60 million Queensland Institute of Brain Research facility, located at the University of Queensland, to research diseases of the brain and possible treatments.
- \$9.8 million over four years to adopt the Queensland Biotechnology Strategy, which will include measures to assist in the testing and commercialisation of biotechnology research, and contribute to improved health standards.
- \$11 million over four years in new funding for an Advanced Manufacturing Plan to enhance Queensland's position as the leading State for value-added manufacturing growth.
- \$2 million over four years to develop and implement a wine industry development strategy and promote the industry to national and international markets.
- Continued support for Queensland's film and television industry through one-off funding of \$5 million to the Griffith University Film School and \$4.5 million over three years for the Pacific Film and Television Commission.
- \$3.2 million over four years for a range of programs to help grow Queensland's small business, including the establishment of a technology incubator in Cairns.
- An additional \$33.8 million in funding commitments under the Smart State Research Facilities Fund, including funding for the Centre for Advanced Animal Science, Queensland Preclinical Drug Development Facility and the Medical Engineering Research Facility.
- \$33 million over three years for the State's sugar industry reform package to promote value adding and productivity. Transfer duty relief to assist cane farm amalgamation will further support reform.

Priorities at a glance

- \$278 million to extend the Breaking the Unemployment Cycle initiative for another three years.
- \$20 million towards the Queensland Institute of Brain Research.
- Three-year, \$1 billion *SmartVET* strategy to introduce new training initiatives and expand high priority programs.
- More than \$135 million for the Education and Training Reforms for the Future package.



.....*delivering on our priorities*.....

Realising the Smart State through education, skills and innovation

- Funding for the Education and Training Reforms for the Future package of more than \$135 million in 2004-05, rising to \$231 million in 2005-06 and more than \$307 million in 2006-07. This includes:
 - \$46 million for the continuation of the prep year trials in preparation for full implementation in 2007
 - \$14.2 million to trial reforms to the senior phase of schooling and fund initiatives for youth support and local education
 - \$63.4 million for information and communication technologies.
- \$17.5 million to extend the Cooler Schools program to complete the airconditioning of up to 560 classrooms.
- The Government is planning to employ an extra 589 teachers from semester 1, 2005.
- A further \$14 million in 2004-05 will be allocated for students with disabilities, building on the Government's commitment to provide \$60 million over four years and bringing the 2004-05 funding up to \$32 million.
- \$118 million in new and growth funding to support implementation of the three-year, \$1 billion *SmartVET* strategy. The strategy will introduce a number of new training initiatives and expand high priority programs, delivering 17,800 new training places. This strategy will:
 - address critical skill shortages in industries such as manufacturing, engineering, mining, building and construction
 - provide approximately 11,800 apprenticeship and traineeship training places.
- Through the *SmartVET* strategy \$3.8 million over three years is provided for additional aeroskills training. This supports the strategy to establish Queensland as the aviation hub of the Asia Pacific region.
- \$25 million over three years for the construction of a new Gold Coast Institute of TAFE campus at Coomera.



.....*delivering on our priorities*.....

Protecting the environment for a sustainable future

- \$75 million over five years to end the broadscale clearing of remnant native vegetation in Queensland by 2006, bringing the total State funding for this initiative to \$150 million. This package will include funding to:
 - help landholders build up existing enterprises or establish new enterprises on their land
 - support rural industry groups in promoting best practice sustainable agriculture
 - support landholders willing to manage and maintain native vegetation as part of their operation.
- \$15 million over three years to acquire strategic parcels of land of high conservation value to add to the protected estate, including \$12.5 million in Cape York and the Daintree.
- \$68.6 million to upgrade waste water plants in Brisbane, Toowoomba and Yeppoon to comply with the *Environmental Protection Act 2004*.
- \$8.5 million over three years to enhance planning for and implementation of roads and infrastructure maintenance in national parks.
- \$2.3 million for the continued development of the Great Walks of Queensland, as part of a five-year \$10 million plan.
- \$6 million over three years to upgrade visitor facilities in national parks.
- \$31 million to continue the eradication of fire ants in the State's south east.
- \$3 million in 2004-05, plus capital funding of \$0.5 million, as part of the completion of the Dee River Dams Remediation project.

Priorities at a glance

- \$75 million to end the broadscale clearing of remnant native vegetation by 2006.
- \$12.5 million over three years to acquire land of high conservation value in Cape York and the Daintree.
- Capital spending will be boosted to more than \$6 billion.
- \$200 million over four years for the busway network.



.....delivering on our priorities.....

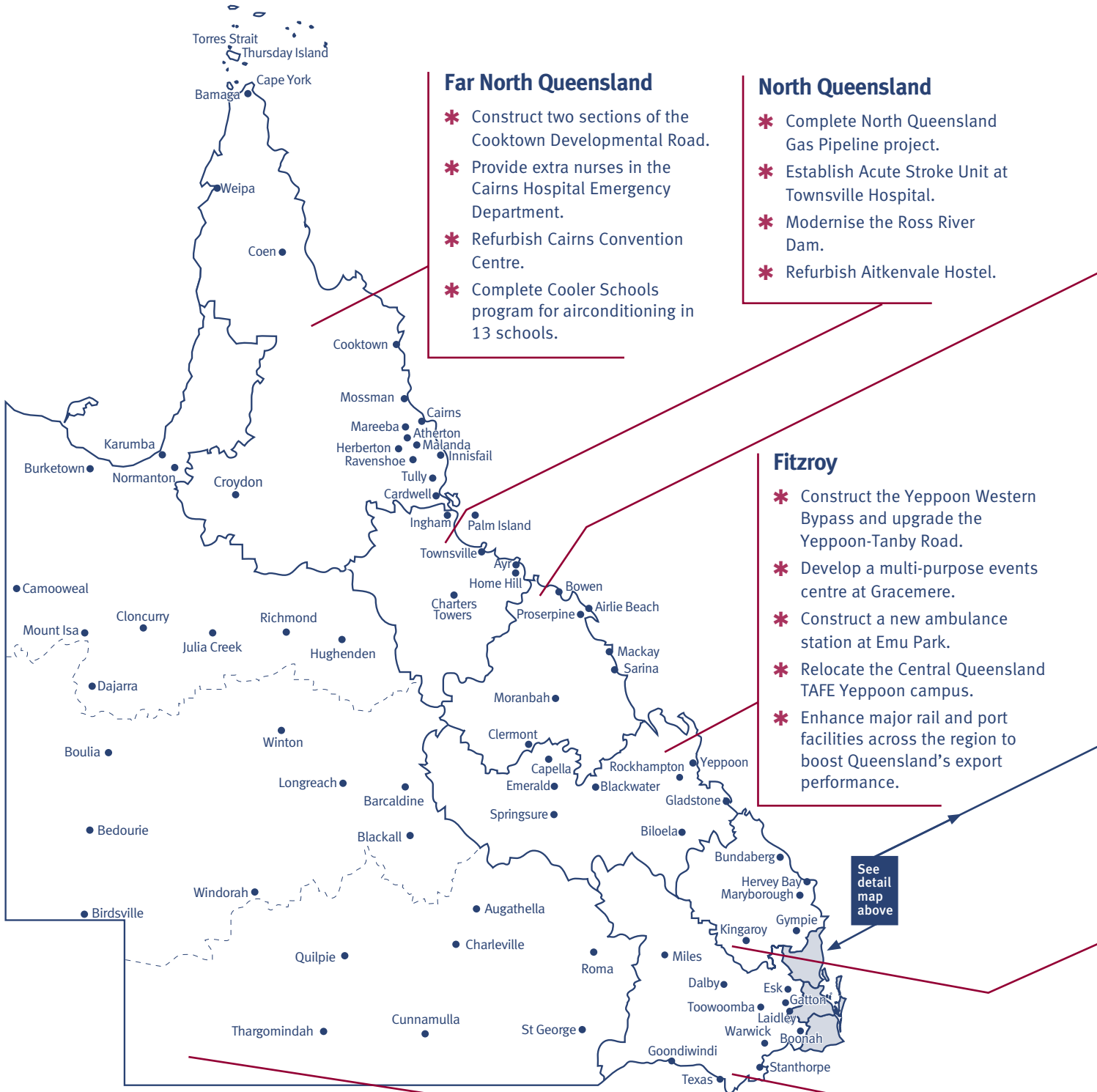
Managing urban growth and building Queensland's regions

- A record capital program of \$6 billion will fund additional infrastructure initiatives, with around 60% of this investment outside the Brisbane Statistical Division.
- \$571 million over four years for the Arterial Roads Infrastructure Package.
- \$22.6 million in 2004-05 to construct the Tugun Bypass along a route west of Coolangatta Airport as part of the total Queensland Government project funding of \$240 million.
- \$19 million as part of total Government funding of \$237 million for Sunshine Motorway improvements.
- \$120 million over four years to construct the first stage of the Centenary Highway extension linking Springfield to Ripley Road.
- \$6.7 million to establish the Office of Urban Management which will coordinate and manage urban growth in South East Queensland.
- More than \$900 million to increase the capacity of Citytrain by 2007-08. This includes the \$400 million provided for in the Smart State Building fund. This will deliver substantial service enhancements to commuters between the Gold Coast, Brisbane and the Sunshine Coast.
- \$27 million as part of the four-year \$200 million bus infrastructure initiatives.
- \$9.5 million in capital and \$1 million in recurrent funding over four years to revitalise the Fitzroy River riverbank in Rockhampton.
- An additional \$3.9 million in 2004-05, increasing to \$6.7 million in 2007-08, to continue to attract and develop major events in Queensland.



Delivering servi

The Government is delivering essential



ces to the regions

infrastructure, community facilities and services State-wide

Mackay-Whitsunday

- * Fund improvements to Mackay Base Hospital.
- * Construct and electrify the Hail Creek mine railway spur.
- * Provide financial support for growers in sugar-producing regions.
- * Complete the agricultural science initiatives at Sarina State School.

South Coast

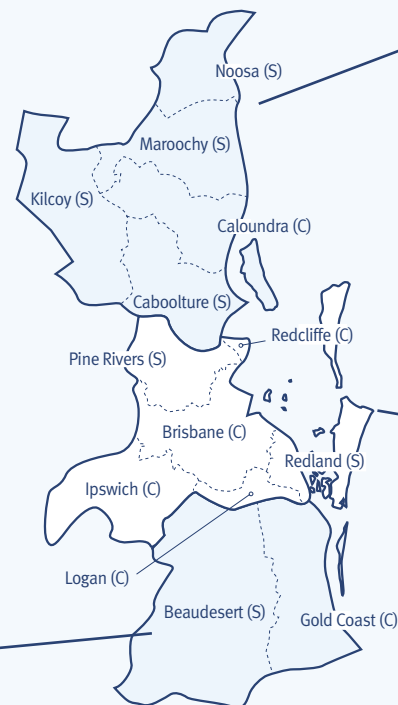
- * Commence Tugun Bypass along route west of Coolangatta Airport.
- * Establish a new TAFE campus at Coomera.
- * Fund upgrade of Logan Hospital emergency department and new birthing facilities at Gold Coast hospital.
- * Construct additional rail track infrastructure between Ormeau and Coomera.
- * Establish a new electricity substation at Varsity Lakes.

Wide Bay-Burnett

- * Continue the Burnett Water Infrastructure Project.
- * Provide for nine new ambulance paramedics.
- * Construct accommodation units in Hervey Bay and Gympie.
- * Upgrade facilities at Hervey Bay Courthouse.
- * Fund upgrades to Kawungan State School, Kepnock State High School, and Agnes Waters State School.

Detail map

(S) Shire (C) City



North Coast

- * Fund improvements to the Sunshine Motorway, including widening between Mooloolaba Road and Pacific Paradise.
- * Provide a new fire-fighting vehicle to service North Coast.
- * Construct a second operating theatre at Caloundra Hospital.
- * Develop a new TAFE campus at Tewantin.
- * Establish a community-based stroke rehabilitation team in North Coast region.

Greater Brisbane

- * Upgrade Citytrain network including a third track between Salisbury and Kuraby.
- * Provide additional funding for busway improvements and arterial roads.
- * Fund upgrades of Prince Charles Hospital and upgrades at Redland, Redcliffe and Mater hospitals.
- * Redevelop fire stations at Roma Street, Mt Gravatt, Taringa, Taigum and Petrie.
- * Establish the world-class Queensland Institute of Brain Research at the University of Queensland.
- * Establish the Office of Urban Management.

Darling Downs & West Moreton

- * Commence Kogan Creek Power Station.
- * Construct the Wetalla Waste Water Treatment Plant near Toowoomba.
- * Construct nursing home facilities in Dalby and Warwick.
- * Fund upgrades to Stanthorpe State High School and Dalby State School.
- * Commence operations at a new Neighbourhood Police Beat and co-locate the ambulance and fire and rescue services at Highfields.

Western Queensland

- * Construct a 40-bed nursing home in Roma.
- * Implement a hearing screening program for new-born babies.
- * Upgrade the Flinders Highway between Hughenden and Cloncurry.
- * Upgrade the Mica Creek Power Station.
- * Continue funding for the Great Artesian Basin Sustainability Initiative.



Investment in core infrastructure is a key feature with a record capital program of more than \$6 billion for 2004-05.

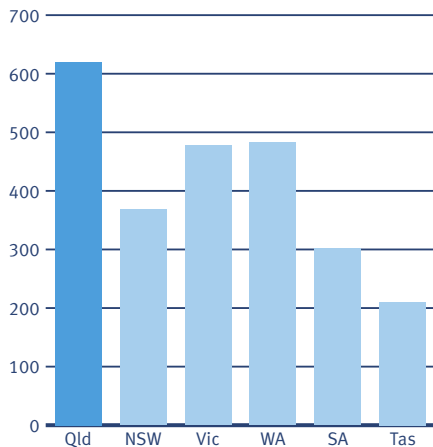
Building Queensland's infrastructure

- Capital outlays are estimated to be more than \$6 billion in 2004-05, representing an increase of 19% (\$957.6 million) on estimated actual 2003-04 capital outlays and the first time the capital works program has exceeded \$6 billion.
- This spending will support some 49,070 full-time jobs.
- A total of 60% of capital will be spent outside the Brisbane Statistical Division.
- The capital outlays of Government-owned corporations constitute approximately 44% of total capital outlays.

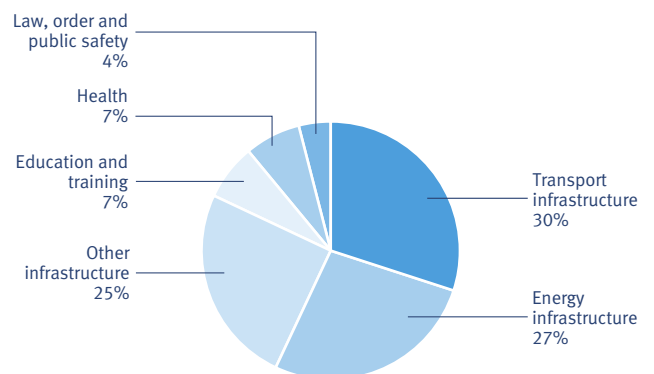
- The three-year \$1.4 billion Smart State Building Fund will commence in 2004-05 to aid future growth and development across the State, particularly in the areas of health, education, roads and transport.
- Capital outlays in 2004-05 will include:
 - \$1.9 billion for transport and main roads
 - \$1.7 billion for energy
 - \$452 million for education and training
 - \$406 million for health.

General Government capital expenditure per capita

(\$, 2004-05)



Capital outlays by purpose, 2004-05





Key capital spending for 2004-05

Transport infrastructure

- Over the next four years the Beattie Government will spend an extra \$1.9 billion on road and rail infrastructure. Key investments include:
 - a new four-year \$571 million Arterial Roads Infrastructure Package
 - \$200 million over four years for busway network infrastructure improvements
 - \$227.9 million will be spent by Queensland Rail to maintain and upgrade track infrastructure on the coal network, including upgrades for the Rolleston Coal project
 - \$167.5 million over three years will be invested to expand the RG Tanna Coal Terminal at Gladstone and a further \$34 million for the Port of Brisbane expansion.

Education and training

- Capital outlays for education and training in 2004-05 is \$451.8 million, an increase of 26% or \$93 million over 2003-04 budgeted outlays. Highlights include:
 - \$29.4 million for the introduction of the prep year in 2007
 - \$8 million to construct a new \$25 million TAFE campus at Coomera.

Health

- The health portfolio capital program is \$406.4 million in 2004-05, an increase of \$123.6 million or 44% over 2003-04 budgeted capital outlays.

- The focus for the health capital works program includes upgrades of emergency departments at Prince Charles, Gympie, Redcliffe, Redland, Robina and Logan Hospitals in addition to the Mater Hospital Reconstruction project.

Child safety

- \$44.4 million is allocated over three years for a new Integrated Client Management System which will be critical in the long-term reforms of the child safety system.

Energy

- Energy Government-owned corporations will spend around \$1.7 billion on energy infrastructure throughout Queensland. This is an increase of \$411 million or 33% over 2003-04 budgeted outlays. 2004-05 highlights include:
 - \$1.2 billion will be spent by Queensland transmission and distribution entities to maintain system performance and reliability in the face of continued strong growth in demand. This is an increase of 40% on 2003-04 Budget.
 - \$219.4 million for the \$1.1 billion Kogan Creek Power Project, \$33.1 million for the Townsville Power Station Gas Pipeline, and \$6 million for the Isis Central Sugar Mill Co-generation Project.



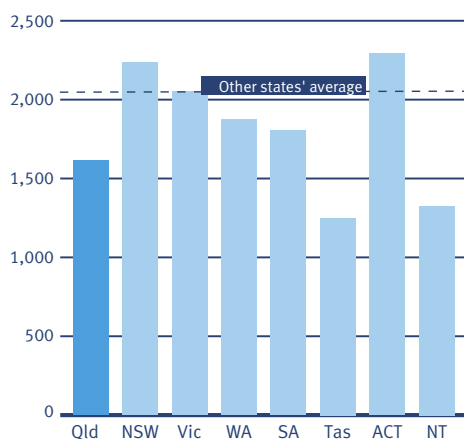
Tax cuts to save Queenslanders \$300 million per annum from 1 July 2005.

Keeping taxes competitive

- Per capita State tax collections in Queensland in 2004-05 are expected to be \$1,614, compared to an average of \$2,056 for the other states and territories.
- The first home transfer duty exemption threshold was increased from \$80,000 to \$250,000 from 1 May 2004. A rebate of up to \$2,500 applies above \$250,000, phasing out at \$500,000.
- The mortgage duty exemption was also increased with no mortgage duty applying to the first \$250,000 of a loan for a home buyer borrowing to purchase or build their first home.

Taxation by State

(\$ per capita, 2004-05)



- From 1 August 2004, the threshold for the principal place of residence transfer duty concession will be increased from \$250,000 to \$300,000, providing a saving of up to \$1,250 to home buyers.
- Debits tax will be abolished from 1 July 2005, at a cost of approximately \$190 million per annum.
- From 1 August 2004, credit card duty (imposed on credit card transactions at the rate of 10 cents per transaction) will be abolished.
- The general insurance duty rate (which includes house and contents policies) will be reduced from 8.5% to 7.5% from 1 August 2004.
- Queenslanders will pay less State tax, on a per capita basis, compared to taxpayers in other states and territories.

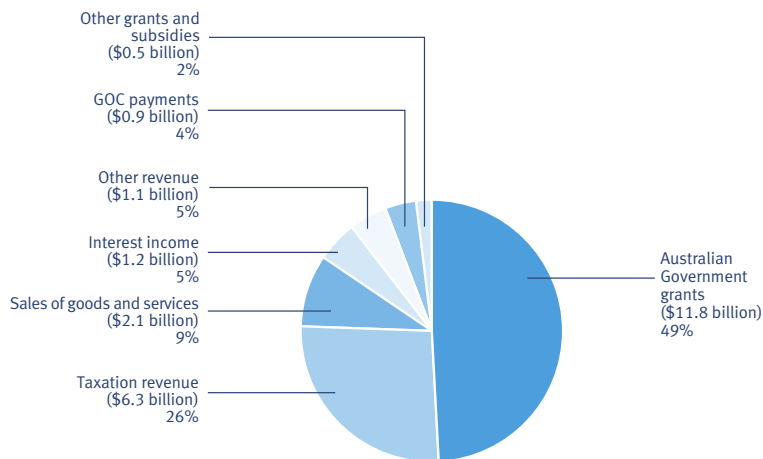


GST revenue grants to Queensland are expected to be \$7.2 billion, an increase of \$593 million on 2003-04.

How the money is raised

- General Government operating revenues are budgeted at \$24 billion in 2004-05. This represents a decrease of \$0.5 billion (2%) on the 2003-04 estimated actual, reflecting very strong investment returns in 2003-04.
- Australian Government payments include GST revenue grants of \$7.2 billion, an increase of \$593 million on the 2003-04 estimated actual, reflecting growth in tax collections and Commonwealth Grants Commission relativities.
- Total specific purpose payments from the Australian Government to Queensland fall short of a full per capita share by \$190 million in 2004-05.

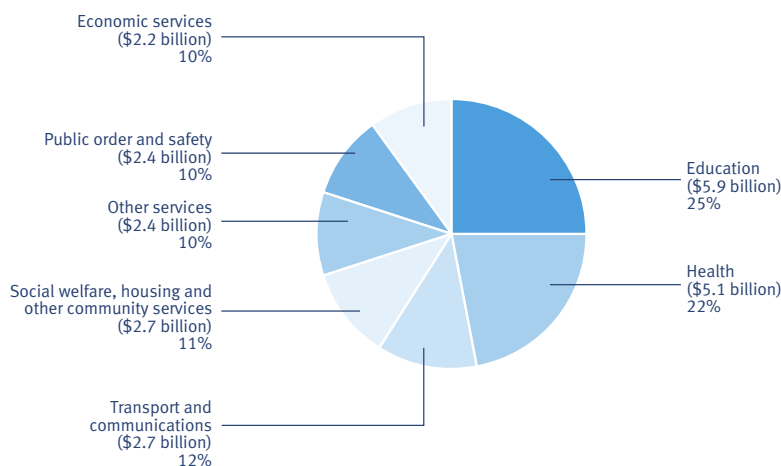
General Government operating revenue, 2004-05



How the money is spent

- General Government operating expenses are budgeted at \$23.3 billion in 2004-05. This represents an increase of \$1.2 billion (5.6%) over the estimated actual for 2003-04.
- Expenditure is forecast to increase on last year's Budget in key priority areas including health (up \$500 million), disabilities (up \$70 million), police (up \$92 million) and education (up almost \$286 million).

General Government expenses by purpose, 2004-05



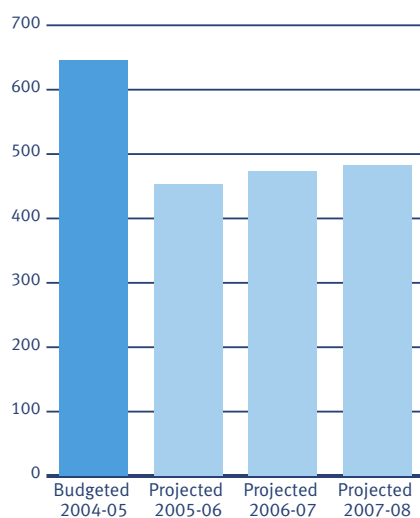
Continuing strong surpluses will support the funding of a significant increase in infrastructure investment over the next four years.

Our sound operating position

- The State is budgeting for a General Government net operating surplus of \$646 million and a cash surplus of \$1.1 billion in 2004-05.
- Strong operating and cash surpluses are forecast to 2007-08.
- Budgeting for operating surpluses provides capacity to manage external risks without impacting on service delivery to the community and supports the funding of a significant increase in infrastructure investment.
- The expected 2003-04 operating result reflects the strength of the property market and the economy, higher taxation revenues, increased investment returns and upward revisions to GST payments by the Australian Government.
- The underlying operating result for 2003-04 (adjusting for comparable superannuation arrangements) is a surplus of approximately \$1.4 billion.

General Government operating surplus (GFS Basis)

(\$ million)



General Government operating position

	Estimated actual 2003-04 (\$ million)	Budget 2004-05 (\$ million)
Revenue	24,506	24,009
Expenses	22,132	23,363
Net operating result	2,374	646
Cash surplus	2,249	1,059

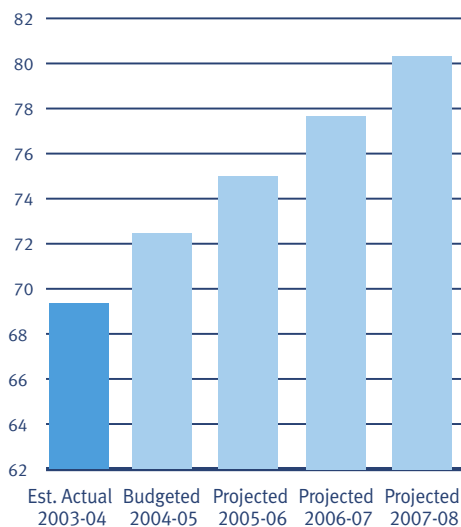
The State's net worth is budgeted to rise by \$3.1 billion in 2004-05.

Strong balance sheet growth

- The State's net worth is budgeted to grow from \$69.4 billion at 30 June 2004, to \$72.5 billion by 30 June 2005 and to more than \$80 billion by 30 June 2008.
- General Government assets at 30 June 2005 are projected to total \$95.3 billion, including financial assets of \$36.8 billion.
- Net worth of Government-owned corporations and trading enterprises will increase from \$12.3 billion to \$16.2 billion by 2007-08.
- General Government net financial assets are projected to total \$14 billion at 30 June 2005, after allowing for liabilities of \$22.8 billion. This reflects the State's continuing strong financial position.
- Net financial assets are projected to increase throughout the forward estimates period, reaching \$15 billion by 30 June 2008.
- Queensland's level of liquidity is well in excess of the other states.

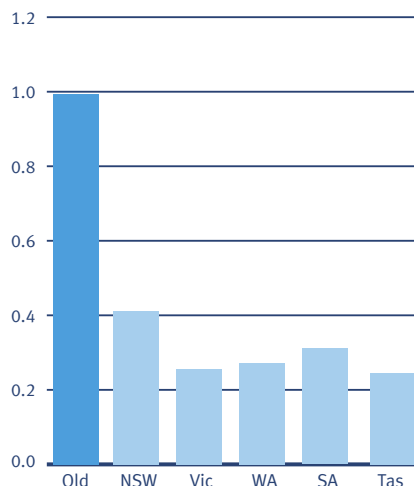
Queensland net worth

(\$ billion)



Financial asset ratio¹

(by State, 2004-05)



¹ Ratio of financial assets (excluding investments in public enterprises) to financial liabilities

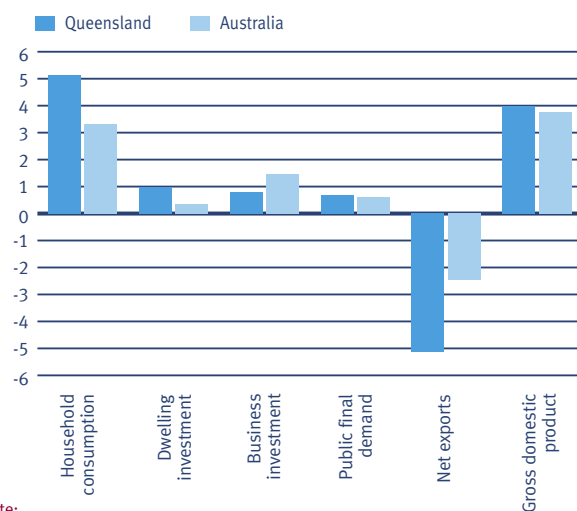


Queensland's economy

Exceptionally strong domestic economy drives growth

- Queensland's economic growth continues to exceed national growth.
- The State's economy is expected to grow by 4% in 2003-04, with strong domestic activity driving overall growth.
- The exceptional performance of the domestic economy has more than offset the impacts of the drought and the higher A\$ on the trade sector.
- All sectors of the domestic economy have contributed to growth in 2003-04, with near record consumption growth and strong growth in dwelling and business investment.

Components of economic growth, 2003-04^(e)
(annual % point contribution)

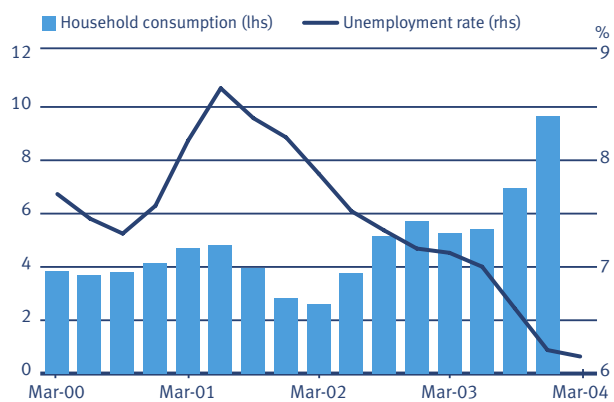


Note:
(e) Estimated actual
Sources: Queensland Treasury, Commonwealth Treasury

Queenslanders enjoy the benefits of growth

- Driven by stronger employment conditions and higher house prices, household consumption has underpinned growth in 2003-04.
- The State's year-average unemployment rate is estimated to fall to 6¹/₄%, the lowest for 22 years, with almost 60,000 new jobs expected to be created in Queensland in 2003-04.
- Queensland's stronger economic and employment growth continues to attract high levels of overseas and interstate migration to the State.

Confidence up and unemployment rate down
(annual % change, trend)



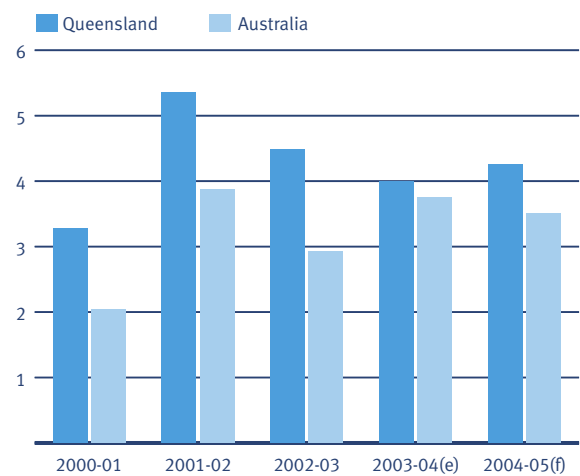
Sources: Queensland Treasury, ABS 6202.0

outperforms rest of nation

Queensland to continue to record higher growth

- Economic growth in Queensland is forecast to strengthen to 4¹/₄% in 2004-05 – stronger than national growth of 3¹/₂%.
- Unemployment is expected to remain at its lowest rate in more than two decades.
- Strong growth in public final demand will be supported by an extensive infrastructure program.
- A forecast recovery of the trade sector and the ongoing strength of the domestic economy will ensure Queensland maintains faster economic and employment growth than nationally.

Economic growth to strengthen in 2004-05 (annual % growth)



Note:
(e) Estimated actual
(f) Forecast
Sources: Queensland Treasury, Commonwealth Treasury

Stronger growth in exports and improved trade performance

- Queensland's net exports are expected to recover substantially in 2004-05, with stronger growth in exports, and import growth returning to a more sustainable level.
- Export growth is forecast to strengthen to 5% in 2004-05, reflecting increased world demand for Queensland goods and services, a lower A\$ and a further recovery in agricultural production.
- Import growth is forecast to moderate in line with an easing in consumption growth, resulting in a substantially smaller deduction from overall growth by net exports in 2004-05.

Exports to recover and import growth to ease (annual % growth)



Note:
(e) Estimated actual
(f) Forecast
Source: Queensland Treasury



Economic forecasts

Outlook for components of growth

	2003-04 ^(e)	2004-05 ^(f)	
Domestic production¹			
Household consumption	8½	4¾	○ Solid growth in household consumption to continue, supported by increased wealth, strong population growth and rising incomes.
Private investment	10¾	4¼	
Dwellings	12½	0	○ Dwelling investment to remain at high levels, after three years of remarkable growth.
Business investment	6½	8½	○ Strengthening global demand and higher commodity prices to underpin continued growth in business investment.
Other buildings and structures	5	10	
Machinery and equipment	7	8	
Public final demand	3	5½	○ Surge in infrastructure spending to boost public final demand growth.
Gross state expenditure	8½	4¾	○ Domestic activity to underpin overall economic growth.
Exports of goods and services	3	5	○ Export growth to strengthen as international economic conditions improve.
Imports of goods and services	15	6	○ Import growth to moderate as consumption growth eases.
Net exports ²	-5¾	-1	
Gross state product	4	4¾	○ Queensland's growth differential with the rest of Australia to widen further.
Other State economic measures			
Population	2¼	2¼	○ Interstate and overseas migration to drive further population growth.
Inflation	3	2½	○ Inflation to moderate slightly as domestic demand growth eases.
Average earnings	3½	4	○ Real incomes to continue to grow.
Employment	3¼	2¼	○ Queensland to remain the jobs centre of Australia.
Unemployment (% , year-average)	6¼	6¼	○ Unemployment to remain at its lowest rate in more than two decades.

Note: Unless otherwise stated, all figures are annual percentage changes.

- (1) Chain volume measure, 2001-02 reference year
- (2) Percentage point contribution to change in gross state product
- (e) Estimated actual
- (f) Forecast

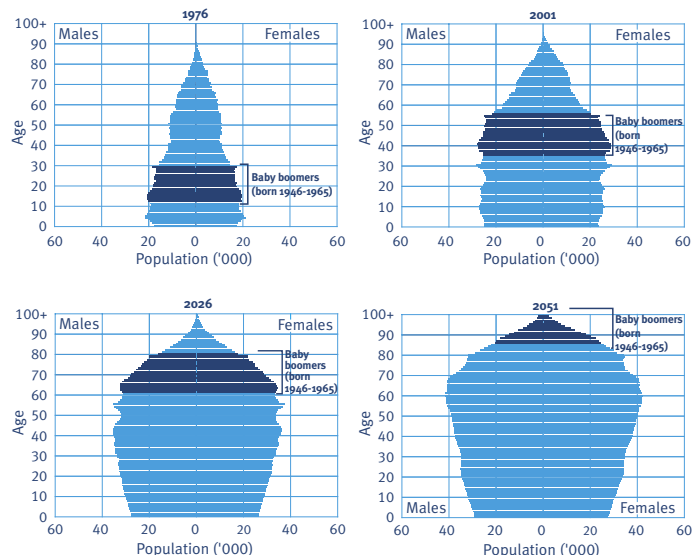
Source: Queensland Treasury

Sound economic strategy

...to respond to demographic change

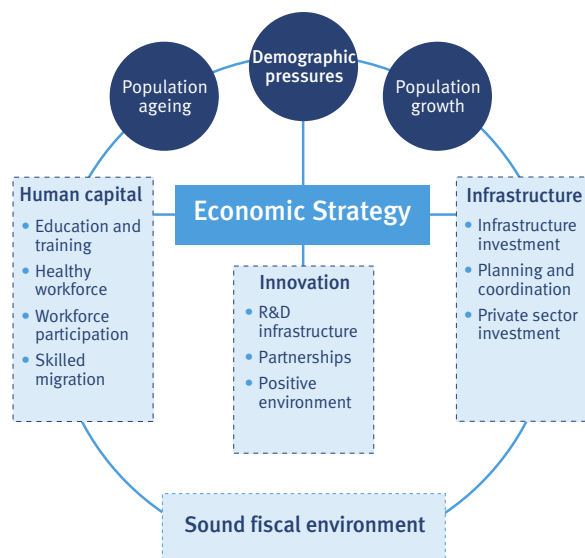
- Queensland will remain Australia's growth state with the State's population projected to increase from 3.8 million to around 5.3 million people in 2026. Queensland's population is also ageing, in line with global and national trends, resulting in a significant shift in the State's age profile.
- The median age of Queenslanders is projected to increase from 35.5 years in 2003, to 40.2 years by 2021, and then to 47.3 years by 2051.
- An ageing population is projected to result in a slower pace of labour force growth with potential implications for growth in the Queensland economy.

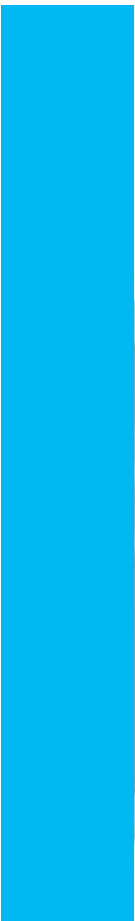
Queensland's population is ageing



...focusing on the key drivers of economic growth

- The Government's economic strategy aims to maintain Queensland's strong economic growth and provide a better quality of life for all Queenslanders.
- Through the economic strategy, the Government will ensure the Queensland economy is well placed to respond to the State's immediate population pressures and the longer-term challenge of population ageing.
- The State's economic strategy targets the key drivers of economic growth – productivity and participation – by fostering innovation and investment in infrastructure and human capital.





Queensland
Government

State Budget 2004-05
Budget Highlights
www.budget.qld.gov.au