

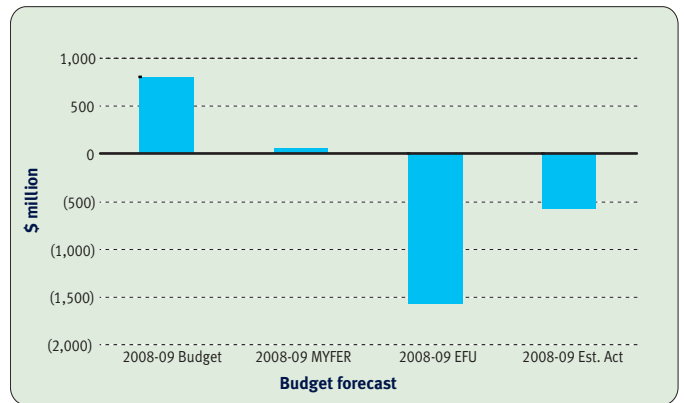


Highlights

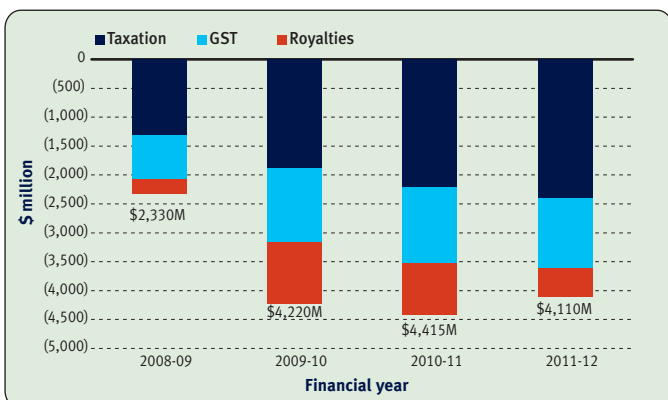
Fiscal outlook

- The sharp downturn in the world economy since the 2008-09 Budget has led to a substantial deterioration in Queensland's fiscal outlook. The downturn has significantly impacted the international and Australian economic environment and caused substantial reductions in governments' revenue across the globe.
- Since the 2008-09 Budget, underlying estimates for taxation, royalties and GST revenue – the key discretionary revenues available to the Queensland Government – have been revised down by \$15 billion over the period 2008-09 to 2011-12.
- This has had a significantly negative impact on Queensland's operating position, with the State forecasting deficits across the Budget and the forward estimate years.
- The General Government net operating balance is expected to be a deficit of \$574 million in 2008-09 compared to a forecast deficit of \$1.573 billion at the time of the *Economic and Fiscal Update* in February 2009 and a \$54 million surplus anticipated in the *Mid Year Fiscal and Economic Review* in December 2008.
- Queensland is budgeting for a General Government net operating deficit of \$1.954 billion in 2009-10 and in the forward estimate years.
- While current economic conditions prevail, the Queensland Government's objective is to continue to invest in infrastructure to sustain jobs. The 2009-10 Budget does this with a projected 2009-10 capital program of \$18.2 billion which is forecast to support 127,000 full-time jobs.
- The Government also recognises the need to ensure the health of the Queensland economy in the medium and longer term, and is cognisant of the part played by sound financial management and fiscal sustainability in supporting this growth. 'Returning the budget to surplus' on pages 18 and 19 sets out how the Government will restore Queensland's traditionally strong financial position, while maintaining services and continuing to deliver its commitments to the community.

General Government operating position 2008–09



Reduction in key revenues since 2008–09 Budget



General Government operating position

