



Anna Bligh MP
Member for South Brisbane



Media statement

Deputy Premier,
Treasurer and
Minister for State Development,
Trade and Innovation

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Bligh plots a surplus chart

Today's \$28.8 billion State Budget has it all – better services, more tax cuts and record capital works spending, Deputy Premier and Treasurer Anna Bligh said today.

Ms Bligh reported this had not jeopardised the State's surplus as she announced the 2005-06 estimated operating surplus was \$2.853 billion

The 2005-06 surplus was \$2.135 billion more than anticipated at the October Mini Budget due to higher investment returns (16% versus 7.5% projected) and higher taxation receipts – mostly payroll tax and transfer duty due to strength of the economy.

The Treasurer outlined the 2006-07 projected operating surplus would be lower due to increased spending on health and infrastructure, but would still be a healthy \$245 million. She also forecast solid operating surpluses to 2009-10.

She detailed that expenditure policy decisions taken since October's Mini Budget amounted to \$754 million in 2006-07. "The record capital works spending exceeds \$10 billion - \$10.136 billion."

Ms Bligh also noted that net debt is the most common measure used to judge the overall strength of a jurisdiction's fiscal position. High net debt imposes a call on future revenues and reduces financial flexibility.

"I am pleased to report that Queensland has net financial assets of \$5,155 per capita, while other states have average net financial liabilities of \$111 per capita," she said.

Key Financial Aggregates

	2004-05 Actual \$ million	2005-06 Est Act \$ million	2006-07 Budget \$ million	2007-08 Projected \$ million	2008-09 Projected \$ million	2009-10 Projected \$ million
Revenue	27,609	29,586	29,070	30,271	31,242	32,456
Expenses	23,683	26,733	28,825	30,024	31,019	32,354
Net Operating Balance	3,926	2,853	245	247	224	102
Cash Surplus/(Deficit)	4,640	3,381	(796)	(786)	(809)	(1,169)
Capital Purchases	2,843	2,914	3,958	4,016	3,961	4,152
Borrowings	6	(842)	1,800	2,686	2,762	3,334
Net worth ¹	96,433	96,388	99,032	101,720	104,516	107,361

Notes:

1. Australian Equivalents to International Financial Reporting Standards were adopted 1 July 2005. A decline in net worth of \$3.792 billion was recorded on adoption of these new standards.

Media contact: Deputy Premier's Office 3224 4379