



**Hon. Andrew Fraser MP**  
Member for Mount Coot-tha

**3 June 2008**

### **Queensland economic growth leads the nation**

The Queensland economy is anticipated to expand by 3¾ per cent in 2007-08, recording a result exceeding national growth for the 12<sup>th</sup> successive year.

Treasurer Andrew Fraser said economic growth was forecast to strengthen in 2008-09 to 4¼ per cent, compared with an anticipated national growth of 2¾ per cent.

Handing down the Bligh Government's \$36.6 billion State Budget today, Mr Fraser announced a projected surplus for 2008-09 of \$809 million, driven by strong coal prices feeding into increased mining royalties.

The underlying surplus will be approximately \$272 million in 2007-08 which is higher than the surplus (\$213 million) forecast at the time of the Mid-Year Budget Review.

"The State's capital program is estimated to be \$17 billion, an increase of 21 per cent – the largest capital program of all the states on a per capita basis," Mr Fraser said.

"Queensland will retain its competitive tax status with per capita state tax estimated at \$2,342 in 2008-09 compared to an average of \$2,616 for the other states and territories.

"To restrict the capital program by not borrowing is an unnecessary impediment to Queensland's economic and social development.

"This borrowing is undertaken in a fiscally responsible manner and is appropriate given the strength of Queensland's balance sheet."

"The net worth of the State is forecast to be \$128.563 billion, an increase of \$5.5 billion over the 2007-08 estimate and is expected to grow to in excess of \$140 billion by 2011-12.

"Queensland's balance sheet remains one of the strongest in the nation with net debt of negative \$5,082 per capita, compared to net debt of \$352 per capita in the other states."

Additionally, Mr Fraser said the state's year-average unemployment rate is estimated to remain at a 34-year low of 3¾ per cent in 2008-09, well below the national rate for the fifth consecutive year.

As previously announced, there will be an estimated net operating deficit of \$995 million in 2007-08 as a result of lower than expected investment returns.

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