1.1 BUDGET STRATEGY AND OVERVIEW

Budget Strategy and Overview

The Government's 2002-03 Budget strategy is the:

- maintenance of a balanced budget over the economic cycle (from 2002-03 to 2005-06);
- adequate provision for long-term liabilities;
- provision of the highest possible standard of government services, and maintenance of service levels having regard to growth and monetary inflation;
- a strategic approach to capital works programs;
- relative conservatism in investment policies;
- maintenance of a low level of debt; and
- retention of a high international credit rating.

A four-year planning horizon recognises the fact that it is not always necessary to deliver surpluses every year without any regard to the broader context of the economy and the community. What is important is that a surplus is delivered over the economic cycle.

This strategy is complemented by the Government's vision "Shaping Canberra's Future", which is at Part 2 of Budget Paper No. 3.

Table 1.1.1 - General Government Sector
2002-03 Budget and Forward Estimates

2001-02 Budget $m		2001-02 Est.Outcome $m	2002-03 Budget $m	Var %	2003-04 Estimate $m	2004-05 Estimate $m	2005-06 Estimate $m
2 043	Revenue	2 188	2 203	1	2 231	2 328	2 402
2 030	Expenses	2 191	2 197	0	2 251	2 315	2 379
12	**Operating Result**	**-2**	**6**	**340**	**-21**	**13**	**23**
	4 Year Aggregate Operating Result						**21**

NB. Tables may not add due to rounding

Highlights of the 2002-03 Budget

- A surplus of $5.7m in 2002-03.
- An aggregate surplus of $21.1m over four years.
- Provision of an additional $86m over 4 years into the Superannuation Provision Account.
- A strong budget that will continue the AAA credit rating for the Territory.
- No new major asset sales.
- No new general government borrowings.
- Government initiatives have been provided under the broad headings of:
  - Education and Training;
  - Health;
  - Planning;
  - Community Engagement and Safety;
  - Sustainability;
  - Economic Growth; and
  - Public Service Capacity.
- The 2002-03 Budget includes initiatives totalling $116m. This includes $87m of recurrent funded initiatives, and $29m of capital funded initiatives.
- The Budget provides for new capital works commitments of $91.2m, with $56.0m cash in 2002-03.