

2.1 BUDGET AND FINANCIAL PROJECTIONS

2009-10 Budget Net Operating Balance and Forward Estimates

The 2009-10 Budget and forward estimates has moved into temporary deficit, largely through external factors impacting on the General Government Sector (GGS) revenue base, including a significant loss of GST revenue due to a decrease in the national GST pool resulting from the decline in consumer confidence and business activity nationally; lower returns on investments due to declines in financial markets; lower interest earnings; and a softening in the local housing market.

The Government's objective is to achieve an operating surplus: temporary deficits must only occur if they are offset by surpluses at other times.

The objective of achieving a GGS Net Operating Surplus is not met in this Budget and its associated forward estimates. It will, however, be met over the longer term. The 2009-10 Budget provides a longer term plan to restore the budget to surplus by 2015-16.

Table 2.1.1 below provides the Net Operating Balance for the 2008-09 estimated outcome, the 2009-10 Budget and the forward estimates.

Table 2.1.1
Budget Operating Surplus / Deficit

	2008-09	2009-10	2010-11	2011-12	2012-13
	\$'m	\$'m	\$'m	\$'m	\$'m
Revenue	3,286.5	3,451.8	3,518.2	3,659.1	3,830.8
Expenses	3,381.8	3,622.8	3,730.7	3,931.5	4,097.9
UPF Net Operating Balance	-95.3	-171.0	-212.5	-272.5	-267.1
Expected Long Term Capital Gains on Superannuation Investments	53.9	88.9	100.0	107.6	114.9
Net Operating Balance	-41.3	-82.2	-112.4	-164.9	-152.2

Note: Numbers may not add due to rounding.

