

1.1 BUDGET STRATEGY AND OVERVIEW

Budget Strategy and Overview

The Government's 2003-04 Budget strategy is the:

- maintenance of a balanced budget over the economic cycle (from 2002-03 to 2005-06) as announced in the 2002-03 Budget;
- 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
2003-04 Budget and Forward Estimates**

2002-03 Budget \$m	2002-03 Est.Outcome \$m	2003-04 Budget \$m	Var %	2004-05 Estimate \$m	2005-06 Estimate \$m	2006-07 Estimate \$m
2 203 Revenue	2 491	2 360	-5	2 400	2 488	2 545
2 197 Expenses	2 430	2 368	-3	2 399	2 477	2 518
6 Operating Result	61	-8	-113	2	11	26
4 Year Aggregate Operating Result					66	

NB. Tables may not add due to rounding

Highlights of the 2003-04 Budget

- An aggregate surplus of \$66m over four years (from 2002-03 to 2005-06).
- A surplus of \$60.6m in 2002-03.
- A deficit of \$7.7m in 2003-04, an improvement of \$13.3m from the estimated deficit last budget.
- A strong budget that will continue the AAA credit rating for the Territory.
- Continuing the budget strategy to achieve a 90% funding level of the superannuation liability by 2039-40.
- An injection of funding into the Superannuation Provision Account of \$367m over the budget and forward estimate period.
- The 2003-04 Budget includes non-capital initiatives totalling \$47.372m. This represents expenditure on January 2003 bushfire initiatives, initiatives funded from the unallocated \$27m 'Commitment to Education' provision and general initiatives. This expenditure is partially funded by revenue initiatives of \$15.734m.
- Capital funded initiatives of \$12.128m.
- New capital works commitments of \$104.7m, with \$58.4m cash in 2003-04.
- A \$50m provision to contribute to the construction of a remand centre in 2004-05.
- A \$40m provision for a convention centre in 2004-05.
- No new major asset sales.
- No new general government borrowings.