

## FOREWORD

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Under my instructions this *Pre-Election Budget Update* is published by the Department of Treasury and Finance in accordance with reporting requirements under the *Financial Management Act 1994* (FMA). This publication meets all requirements of Part 5, Division 6 of the FMA.

The purpose of this *Pre-Election Budget Update* is to update information on the general government sector since the publication of the May 2006 State Budget.

Chapter 1, *Economic Conditions and Outlook* provides an outline of the economic outlook for the world, Australian and Victorian economies. Chapter 2, *Budget Position and Outlook* provides an overview of the projected Budget position for the period 2006-07 to 2009-10. Chapter 3, *Statement of Risks* lists, and where possible quantifies, the risks which could materially alter these Budget projections. Chapter 4, *Estimated Financial Statements and Notes* provides the formal accounting statements, and underpinning notes and assumptions, required by the FMA and presented on the basis of the Australian equivalents to International Financial Reporting Standards (A-IFRS). Appendix A, *Specific Policy Decisions Affecting the Budget Position* outlines specific output and asset investment policy decisions since the May 2006 Budget.

The *Pre-Election Budget Update* is based on Government decisions I was aware of on or before the issue of election writs on 31 October 2006. Government decisions are those policy decisions that have been endorsed by Cabinet.



**Grant Hehir**  
**Secretary**

Department of Treasury and Finance

November 2006

