

# STATE BUDGET

2026-27

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## 2026-27

### **BUDGET PAPER 1: BUDGET OVERVIEW**

A summary publication capturing all highlights from the 2026-27 Budget.

### **BUDGET PAPER 2: BUDGET SPEECH**

A copy of the Treasurer's speech, delivered to Parliament.

### **BUDGET PAPER 3: BUDGET STATEMENT**

A financial report presenting the state government's current and estimated future economic performance, fiscal strategy, budget priorities, expenditure, revenue, assets, liabilities, risks and government business.

### **BUDGET PAPER 4: AGENCY STATEMENTS | VOLUMES 1, 2, 3, 4**

Various financial reports presenting the state government's current and estimated revenue, expenses and performance by agency.

### **BUDGET PAPER 5: BUDGET MEASURES STATEMENT**

A financial report detailing the state government's expenditure, savings and revenue initiatives.

### **ACKNOWLEDGEMENT OF COUNTRY**

We acknowledge Aboriginal people as the state's first peoples, nations and Traditional Owners of South Australian land and waters. We recognise that their unique cultural heritage, customs, spiritual beliefs and relationship with the land are of ongoing importance today, and we pay our respects to Elders past, present and emerging leaders of the future.

### **ACKNOWLEDGEMENTS**

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**Budget Paper 3**

**2026-27**  
***Budget Statement***

**Presented by**  
**the Honourable Tom Koutsantonis MP**  
**Treasurer of South Australia**  
**on the occasion of the Budget for 2026-27**

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Published 4 June 2026  
ISSN 1440-8589

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# ***Chapter 1: Budget context and overview***

## **Budget context**

The 2026-27 Budget positions South Australia to capitalise on significant economic opportunities by lifting productivity, supporting investment and enabling the community to share in the benefits of growth.

It does this through targeted investments in enabling infrastructure and in core services — including housing, education, trade schools and skills pathways — to connect South Australians to the high value jobs and industries of the future.

The budget maintains its steady focus on the state’s key economic sectors, with continued investment to ensure South Australia is well placed to secure emerging opportunities, particularly in the Upper Spencer Gulf. This is complemented by the new Research and Development Productivity Fund, which will support the growth of future industries and drive new opportunities for the state’s economy through targeted research and development activities.

Improving productivity remains an important priority. The government is progressing reforms to reduce the regulatory burden, including commissioning the South Australian Productivity Commission to identify practical red tape reduction opportunities across state and local government. These reforms will help South Australia maintain its position as the best state in which to do business and further enhance the state’s competitiveness.

This budget also delivers the government’s commitments from the 2026 election. Cost of living relief was a key focus of the government’s recent election policies, and this budget enacts those commitments, delivering a substantial package of targeted reforms to ease the financial burden for families, first home buyers, renters, seniors and downsizers.

The cost-of-living package includes initiatives such as fee-free public education from 2027, stamp duty relief for people over 60 who are downsizing, an expansion of the Senior’s Card and nation leading reform for the Patient Assistance Transport Scheme for regional residents.

The government has also acted swiftly over the last three months of 2025-26 to protect South Australians from the increasing cost of fuel arising from the war in the Middle East, agreeing to forego additional GST revenue and instead apply it to reduce the price of fuel by a further 5.7c at the bowser.

These investments in the state’s future are delivered in a fiscally responsible manner. Net operating balance surpluses totalling \$1.4 billion are projected across the forward estimates, extending the three surpluses already delivered since 2022. Net debt remains at sustainable levels while critical infrastructure is delivered. As forecast in recent budgets, net debt is expected to increase through to the early 2030s as generational major projects such as the North-South Corridor — River Torrens to Darlington project and the new Women’s and Children’s Hospital are completed. Importantly, the net debt to revenue ratio at 30 June 2029 is forecast to be lower than previously projected in the 2025-26 Mid-Year Budget Review (MYBR) and 2025-26 Budget, reflecting the government’s commitment to responsible financial management and keeping debt to sustainable levels.

In total, the 2026-27 Budget provides \$4.6 billion over the period 2026-27 to 2029-30, in addition to \$382 million in 2025-26, for new expenditure initiatives and revenue measures that support the government’s key priorities. In addition, support is also being provided by the government for aged care and drought loan schemes, the provision of guarantees under the apartment fast-track fund and securing a long-term domestic gas supply agreement with Santos.

Since the 2025-26 MYBR, GST grant revenue has been revised up by \$225 million in 2025-26 and by \$794 million over the period 2026-27 to 2028-29, largely reflecting the stronger national GST pool and population share forecasts in the Commonwealth Government’s 2026-27 Budget. State taxation revenues have been revised up by \$212 million in 2025-26 since the 2025-26 MYBR and by a further \$884 million over the period 2026-27 to 2028-29, mainly reflecting strength in property prices.

The non-financial public sector (NFPS) investing program totals \$29.1 billion over the period 2026-27 to 2029-30, with \$1.6 billion of new initiatives supported in the 2026-27 Budget over the same period.

This budget introduces additional savings for non-frontline service areas of agencies to continue to drive public sector productivity.

To this end the government will implement a partial freeze on the recruitment of non-frontline positions for all agencies for the next 12 months. The freeze will not apply to front-line areas (such as police, doctors and nurses). Over this period, agencies will be able to fill one in every two vacancies that arise in non-frontline areas enabling agencies to continue to fill positions considered important to operations.

The government is confident it can maintain effective service delivery and policy capability under this model, while easing pressure in a tight labour market and allowing more workers and skills to flow to private industry, where stronger productivity growth will be critical to South Australia's long-term economic performance.

A leaner and more focused public sector will help create the conditions for a more productive private sector economy.

This budget achieves three core principles — it demonstrates the government's continued commitment to fiscal responsibility, it delivers funding to key community services such as health, education and infrastructure and it supports strategic investments that will contribute to a dynamic, productive and efficient economy. These investments will attract private investment, enable businesses to expand and create diverse, high income career opportunities for current and future generations.

## Budget overview

There is expected to be a \$189 million general government net operating balance surplus in 2025-26, with the budget projected to remain in surplus across the forward estimates.

## Delivery of election commitments

The 2026-27 Budget delivers the government's election commitments made as part of the March 2026 South Australian election.

## Housing

The 2026-27 Budget includes significant additional investment in housing, including:

- a \$1.3 billion Rent to Own program, funded in partnership with the Commonwealth Government, to build 2000 affordable homes over eight years. Under the program homes will be leased at 75 per cent of market rent to tenants for up to two years and tenants will be provided the option to buy the property by the end of the lease term
- \$500.0 million from 2026-27 for the government to secure and sell strategic land, such as the Warradale Barracks, for housing development and to fast-track housing supply
- a \$500.0 million apartment fast-track fund that will unlock more apartment developments in the CBD and accelerate the delivery of more homes for South Australians. Through the fund, the government will act as guarantor on up to 50 per cent of dwellings in eligible off-the-plan developments so developers can start construction
- \$110.0 million over four years from 2026-27 to build an additional 200 supported accommodation places to manage more complex South Australian Housing Trust tenants and those with specialised needs
- \$50.0 million in 2026-27 for additional enabling infrastructure on the Playford Alive development to deliver an acceleration of 400 homes exclusively for first home buyers by the end of 2027, assisted by an interest free loan from the Commonwealth Government
- \$30.0 million over five years from 2025-26 to upgrade 300 vacant South Australian Housing Trust homes to reduce public housing vacancy rates and get more families in need into homes sooner
- \$12.2 million in 2026-27 for remote Aboriginal housing to continue the delivery of property and tenancy management services for selected remote Aboriginal communities

- \$7.0 million over four years from 2026-27 to establish a Portable Rental Bonds Scheme to allow renters moving houses to transfer their existing bond over to their new rental property, with the government guaranteeing the bond amount for the original landlord.

In addition, there are a range of initiatives being implemented to support homebuyers, including the creation of an online one-stop shop for HomeStart Finance and HomeSeeker customers looking for assistance to buy their first home, increasing the income eligibility thresholds for HomeStart Finance's Advantage Loan and Starter Loan products, broadening HomeStart Finance's shared equity loan scheme to multi-storey apartment purchases and extending the HomeStart Finance Graduate Loan to include firefighters, police and all technical college graduates.

## Economy

The 2026-27 Budget provides a range of initiatives to support the South Australian economy, including:

- \$319.0 million over two years from 2025-26 for the state government, in partnership with the Commonwealth Government, to continue to support the sale of the Whyalla steelworks by funding its operations during administration
- \$200.0 million in total funding for the new loan scheme for drought affected grain and livestock farmers in South Australia's Murray Mallee, Riverland and Upper North regions. Low interest loans of up to \$250 000 are available
- \$50.0 million over four years to accelerate research and development across South Australia, driving productivity growth, supporting future industries, and strengthening the state's long-term economic competitiveness. The funding will support targeted, high-impact research programs aligned with the state's strategic priorities and areas of established research strength. The initiative will complement the government's existing investments in research and innovation by strengthening collaboration between universities, industry and government, accelerating the translation of research into commercial outcomes, and supporting the adoption of new technologies and practices that improve productivity across the economy
- \$15.0 million over two years, funded in partnership with the Commonwealth Government, to deliver a business case and to develop the necessary planning and design that will define the transport infrastructure solutions to enable access to the LeFevre Peninsula for the increase in workforce expected at the Osborne Naval Defence precinct
- \$12.4 million over four years from 2026-27 to accelerate new exploration in partnership with industry to drive South Australia's next chapter of mineral exploration and discovery.

The government has also secured a strategic reserve of up to 20 million litres of diesel to boost South Australia's fuel security.

In addition, the government has secured a long-term domestic gas supply agreement with Santos, ensuring gas currently sold overseas will instead be used in South Australia, including to help underpin the state's industrial capabilities, including the transformation of the Whyalla steelworks. The budget provides for a prepayment for some of the gas, enabling Santos to invest in the longevity of its Cooper Basin assets, and the future purchase and sale of gas. The South Australian strategic gas reserve will see Santos supply 20 petajoules of gas each year for 10 years from 2030. The strategic reserve will be managed through a newly created SA Gas and Water Trust.

In recognition of the government's support for a range of large scale economic recovery and growth projects across the state, including the Whyalla steelworks, Nyrstar Port Pirie, Northern Water and AUKUS, the provision of new funding under the Business Growth Fund has ceased.

## Health

The 2026-27 Budget includes significant additional investment in health, including:

- \$1.7 billion over five years to address the increasing levels of demand experienced across our public health system, and the higher cost of service delivery across local health networks. Utilisation of public health services is estimated to increase by around 4.9 per cent in 2025-26 compared to the prior year
- a \$250.0 million no interest aged care loan scheme targeting the construction of up to 650 new aged care beds, including a minimum requirement for dementia support beds. This will help free up hospital capacity and acute beds within the public hospital system
- \$28.0 million over four years from 2026-27 to deliver a specialised mental health assessment unit at the Royal Adelaide Hospital. A further two mental health assessment units, located at the Lyell McEwin Hospital and Noarlunga Hospital, will also subsequently be delivered
- \$22.0 million over four years from 2028-29 to deliver a new Emergency Department for Clare Hospital
- \$15.0 million over four years from 2026-27 to support infrastructure upgrades at the Murray Bridge Soldiers' Memorial Hospital, including a new maternity ward and birthing unit redevelopment and a new purpose-built renal unit
- \$13.9 million over four years from 2026-27 for a stronger regional ambulance service including station crews, a new ambulance station at Millicent and ambulance station upgrades in Barmera and Yorketown
- \$10.0 million over four years from 2026-27 to support five GP clinics in establishing specialised women's health clinics.

## Education and skills

The 2026-27 Budget includes significant additional investment in education and skills, including:

- \$210.0 million over six years from 2026-27 to support the redevelopment and upgrade of government school facilities, including the construction of new gymnasiums or halls at various schools
- \$150.0 million over four years from 2026-27 to establish and operate three new technical colleges, including one regional campus in Murray Bridge and two metropolitan campuses in Marden and Gawler
- \$94.7 million over four years from 2026-27 to establish Out of School Hours Care services at 68 government primary schools across the state. Costs will be partially offset by \$49.2 million from Commonwealth Government Child Care subsidies and parental out-of-pocket (gap) fees
- \$76.0 million over four years from 2026-27 to deliver programs designed to reduce the time children and young people spend on devices by offering accessible, engaging alternatives
- \$65.0 million over six years from 2026-27 to support programs aimed at improving student outcomes
- \$29.5 million over eight years from 2025-26 to build the capability and capacity of South Australia's workforce by creating 1000 new pathways for South Australians to enter the construction workforce through apprentice training, industry partnership incentives and scholarships
- \$26.8 million over five years from 2025-26 to build South Australia's AUKUS skills workforce by supporting more than 1000 new university, trade and upskilling opportunities
- \$25.3 million over three years from 2026-27 and operating expenditure of \$250 000 over two years from 2028-29 to construct and operate a new multi-trade vocational training workshop at the TAFE SA Mount Barker campus.

## Transport and infrastructure

In addition to the existing support being provided for generational major projects such as the North-South Corridor — River Torrens to Darlington project and the new Women’s and Children’s Hospital, the 2026-27 Budget includes further investment in transport and infrastructure, including:

- an additional \$90.0 million over five years, including \$4 million beyond the forward estimates, towards safety upgrade works on the South Eastern Freeway, funded in partnership with the Commonwealth Government. This brings the total project cost to \$440.0 million
- \$80.0 million over five years from 2025-26 to upgrade the Adelaide and Hawthorn Road intersection in Mount Barker, including signalisation and widening of the intersection, installation of additional turning lanes, and widening of Adelaide Road
- \$18.0 million over four years from 2026-27 to commence delivery of critical road safety upgrades along the Horrocks Highway. A Commonwealth Government contribution towards this project will be sought on an 80:20 basis which would bring the total project cost to \$90.0 million
- \$16.0 million over three years from 2026-27 to deliver an upgraded roundabout at the Chandlers Hill Road and Happy Valley Drive intersection and a new roundabout at Windebanks Road and Happy Valley Drive
- \$7.0 million over three years from 2026-27 to build a new Park ‘n’ Ride at Torrens Park railway station.

## Cost of living

The 2026-27 Budget provides a range of cost of living initiatives, including:

- \$174.0 million over four years from 2026-27 to enable free public education from the 2027 school year, saving families of non-school card students an average of more than \$8000 per child across 13 years of schooling
- \$77.0 million over five years to provide stamp duty relief of up to \$103 830 for seniors aged 60 years and over who enter into an eligible contract to purchase a new home or vacant land on which to build a new home on or after 25 March 2026
- \$36.1 million over three years from 2026-27, funded by the Commonwealth Government, to enable a further 3500 public and community homes to receive insulation upgrades and replace inefficient appliances
- \$18.5 million over four years from 2026-27 for South Australia’s first in vitro fertilisation (IVF) rebate scheme to make IVF treatment more affordable for thousands of women and families
- \$16 million over four years from 2026-27 to expand and enhance the Patient Assistance Transport Scheme by increasing the nightly accommodation subsidy for eligible individuals from \$44 to \$110, and for those travelling with an approved support person from \$88 per night to \$154 per night. The government will also expand the scheme to include a cumulative travel subsidy for eligible individuals who travel a minimum of 300 kilometres per week for renal or oncology services
- \$8.7 million over four years from 2026-27 to support not-for-profit organisations through higher indexation in 2026-27
- \$8.4 million over four years from 2026-27 to support the expansion of the Seniors Card to all South Australians over the age of 60, and to Aboriginal South Australians aged 50 or older from 1 July 2026
- \$1.0 million in 2026-27 to pause the annual increase for metroCARD public transport fares until at least 1 October 2026.

Further details on all measures included in the 2026-27 Budget can be found in Budget Paper 5: Budget Measures Statement.

## Fiscal targets

The government's fiscal targets are set out in table 1.1. The targets remain unchanged from previous years.

**Table 1.1: Fiscal targets**

<b>Target 1</b>	Achieve a net operating surplus in the general government sector every year.
<b>Target 2</b>	Limit general government operating expenditure growth to trend growth in household income.
<b>Target 3</b>	Achieve a level of net debt that is sustainable over the forward estimates.

Underpinning the three main fiscal targets, the government continues previous commitments that:

- the operations of public corporations that cannot be paid for from their own revenue streams will be funded from the budget (consistent with the government's obligations under the Competition Principles Agreement)
- the defined benefit unfunded superannuation liability will be fully funded by 2034.

Table 1.2 shows the government's fiscal position compared to the fiscal targets over the forward estimates.

**Table 1.2: Fiscal targets outcomes — 2026-27 Budget estimates**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Target 1: net operating balance surplus</b>					
Target	Achieve a net operating surplus every year				
<b>2026-27 Budget estimate (\$m)</b>	<b>189</b>	<b>223</b>	<b>285</b>	<b>348</b>	<b>327</b>
<b>Target 2: operating expense growth</b>					
Target (%)	Average growth limited to trend growth in household income (4% per annum)				
<b>2026-27 Budget estimate (%)</b>					
– Annual (%)	7.8%	3.5%	1.4%	2.9%	3.6%
– Average (%)	Average growth 2025-26 to 2029-30 of 2.8% per annum				
<b>Target 3: achieve a level of net debt that is sustainable over the forward estimates</b>					
	74.2%	85.2%	97.2%	105.2%	111.5%
	(GGS net debt to revenue ratio)				
	101.3%	113.2%	122.5%	132.0%	139.7%
	(NFPS net debt to revenue ratio)				

Target 1 reflects the commitment to funding operating expenditures from operating revenues.

The 2026-27 Budget projects a net operating surplus in the general government (GG) sector in 2025-26 and over the forward estimates.

Target 2 limits the growth in operating expenditure in order to maintain a pattern of sustainable growth having regard to trend household income growth, irrespective of the annual growth in revenues. The average operating expenditure growth over four years is 2.8 per cent. This reflects a constrained approach to expenditure in the context of ongoing service demands placed on the government, with the long-term trend growth in household income at 4 per cent, and inflation estimated to grow at 3% per cent in 2025-26 and average 2¾ per cent over the forward estimates.

Target 3 requires the maintenance of sustainable debt levels that allow for borrowings for investment in key infrastructure without placing undue burden on future generations.

The government has outlined its approach to debt management consistently over successive budgets. The government is increasing net debt and the net debt to revenue ratio over the current period to fund investment in productive infrastructure, underpinned in particular by the delivery of two generational projects in the completion of the North-South Corridor — River Torrens to Darlington project and delivery of the new Women’s and Children’s Hospital.

In light of this, the government is taking a restrained and responsible approach to managing the other elements of its capital program and the broader budget over this ensuing period. The budget is projected to remain in operating surplus and following the completion of these two historically significant projects, it would be expected that the size of the government’s capital program will normalise to a level more consistent with historical experience, and the net debt to revenue ratio will also stabilise.

The GG and NFPS net debt to revenue ratio is lower in all years of the forward estimates to 2028-29 compared to the position outlined in the 2025-26 MYBR.

The government is also on target to fully fund the state’s defined benefit superannuation liability by 2034. Further information on the state’s unfunded superannuation liability can be found in Chapter 4.

## Summary of key fiscal indicators

Table 1.3 sets out the expected budget outcomes for 2025-26 and across the forward estimates for a number of key fiscal indicators.

**Table 1.3: Summary of key budget indicators**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Operating statement</b>					
Net operating balance — GG sector (\$m)	189	223	285	348	327
Net lending — GG sector (\$m)	-2 105	-3 347	-3 952	-2 908	-2 713
<b>Operating revenue and expenses</b>					
Revenue nominal growth — GG sector (%)	7.5	3.6	1.5	3.0	3.5
Expenses nominal growth — GG sector (%)	7.8	3.5	1.4	2.9	3.6
<b>Balance sheet</b>					
Net debt — GG sector (\$m)	24 226	28 842	33 417	37 274	40 853
Net debt to revenue — GG sector (%)	74.2	85.2	97.2	105.2	111.5
Net debt — NFP sector (\$m)	34 687	40 265	44 865	49 295	53 654
Net debt to revenue — NFP sector (%)	101.3	113.2	122.5	132.0	139.7
Unfunded superannuation (\$m)	5 448	4 959	4 423	3 839	3 198

## Operating statement

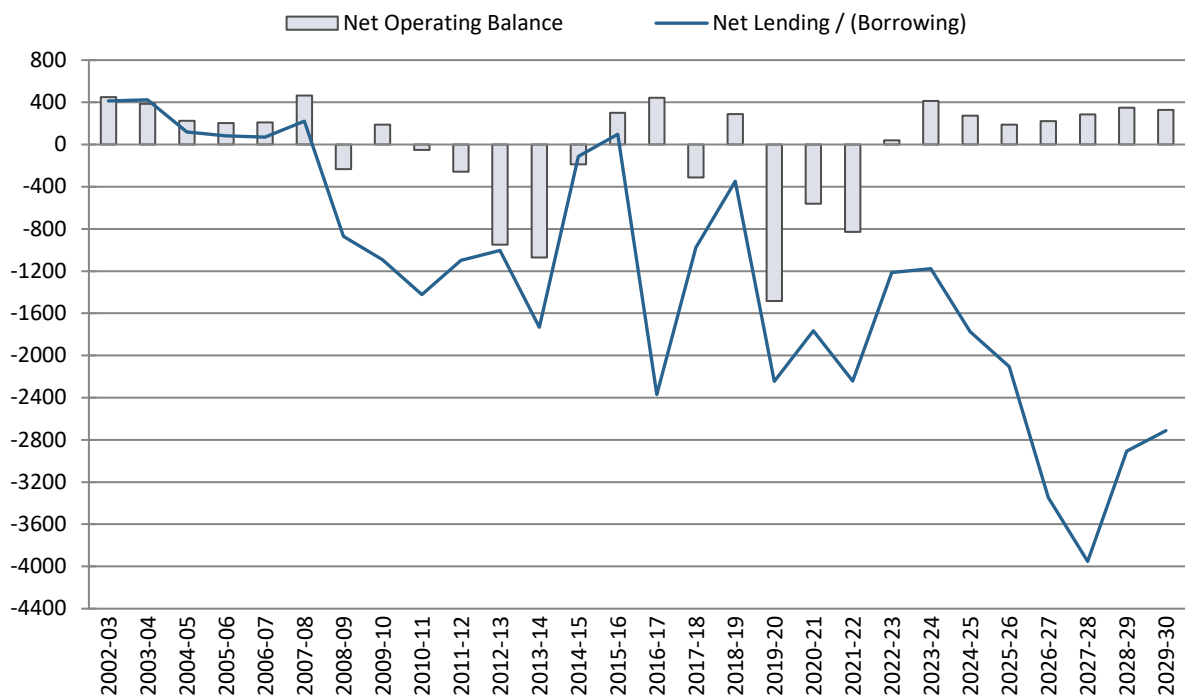
### Net operating balance and net lending

The government recorded a net operating surplus in the past three years, is projected to deliver a surplus in 2025-26, and keep the budget in surplus across all years of the forward estimates.

The general government net lending deficits across the forward estimates reflect the government’s large capital program including expenditure on significant major projects including the North-South Corridor — River Torrens to Darlington project and the new Women’s and Children’s Hospital, as well as other key investments in health, the road network and schools.

Figure 1.1 illustrates the general government sector net operating balance and net lending position from 2002-03 to 2029-30.

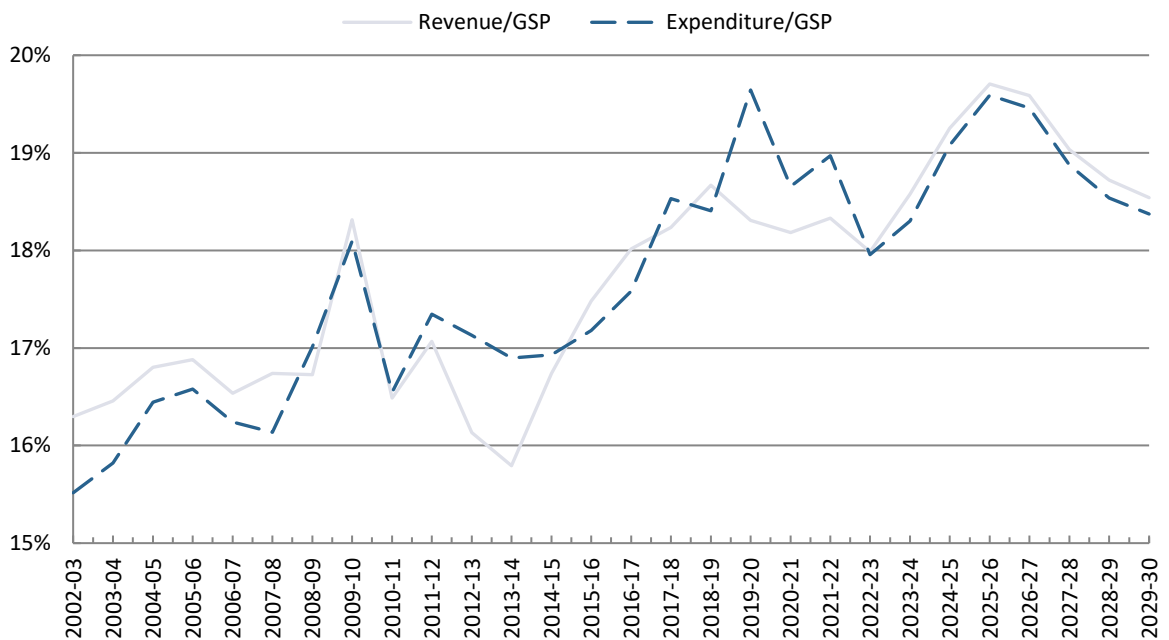
**Figure 1.1: General government sector net operating balance and net lending (\$million)**



**Revenues and expenses**

Figure 1.2 illustrates revenue and expenditure as a percentage of gross state product (GSP) from 2002-03 to 2029-30.

**Figure 1.2: General government sector revenue and expenditure as a percentage of GSP**



Total revenue as a share of the economy is projected to average 19.1 per cent over the period 2025-26 to 2029-30. This compares to an average of 17.4 per cent over the period 2002-03 to 2024-25.

Expenditure as a percentage of GSP is forecast to drop to 18.4 per cent by 2029-30 from a high of 19.6 per cent in 2019-20.

Table 1.4 provides operating statement details for the general government sector. The full suite of accrual statements produced under the Uniform Presentation Framework is provided in Appendix A.

**Table 1.4: General government sector operating statement — 2025-26 to 2029-30 (\$million)**

	2025-26		2026-27	2027-28	2028-29	2029-30
	2025-26 Budget	Estimated Result	Budget	Estimate	Estimate	Estimate
<b>Revenue</b>						
Taxation revenue	7 285	7 583	7 916	8 193	8 476	8 771
Grants						
GST revenue grants	9 529	9 779	10 186	9 958	10 298	10 676
Other grants	8 410	8 752	8 812	9 183	9 423	9 817
Sales of goods and services	3 652	3 806	3 951	4 012	4 139	4 257
Interest income	431	481	671	716	744	780
Dividend and income tax equivalent income	316	437	420	428	327	288
Other	1 746	1 831	1 896	1 885	2 010	2 062
<b>Total revenue</b>	<b>31 369</b>	<b>32 668</b>	<b>33 853</b>	<b>34 375</b>	<b>35 417</b>	<b>36 651</b>
<i>less Expenses</i>						
Employee expenses	11 418	11 930	12 363	12 837	13 218	13 577
Superannuation expenses						
Superannuation interest cost	271	271	241	217	192	164
Other superannuation expenses	1 362	1 397	1 481	1 536	1 582	1 625
Depreciation and amortisation	1 666	1 827	1 865	1 925	1 996	2 066
Interest expenses	1 619	1 504	1 979	2 297	2 632	2 928
Other property expenses	—	—	—	—	—	—
Other operating expenses	10 351	10 491	11 111	10 665	10 846	11 247
Grants	4 503	5 059	4 591	4 613	4 604	4 718
<b>Total expenses</b>	<b>31 190</b>	<b>32 479</b>	<b>33 630</b>	<b>34 091</b>	<b>35 070</b>	<b>36 324</b>
<i>equals Net operating balance</i>	<b>179</b>	<b>189</b>	<b>223</b>	<b>285</b>	<b>348</b>	<b>327</b>
<b>Net Operating Result</b>	<b>179</b>	<b>189</b>	<b>223</b>	<b>285</b>	<b>348</b>	<b>327</b>
<i>plus Other economic flows</i>	264	881	175	98	-133	-141
<i>equals Comprehensive result — total change in net worth</i>	<b>443</b>	<b>1 070</b>	<b>398</b>	<b>382</b>	<b>214</b>	<b>186</b>
<b>Net operating balance</b>	<b>179</b>	<b>189</b>	<b>223</b>	<b>285</b>	<b>348</b>	<b>327</b>

	2025-26		2026-27	2027-28	2028-29	2029-30
	2025-26 Budget	Estimated Result	Budget	Estimate	Estimate	Estimate
<i>less</i> <b>Net acquisition of non-financial assets</b>						
Purchases of non-financial assets	4 629	4 221	5 812	6 252	5 483	5 168
<i>less</i> Sales of non-financial assets	341	116	360	90	232	63
<i>less</i> Depreciation	1 666	1 827	1 865	1 925	1 996	2 066
<i>plus</i> Change in inventories	—	16	-16	—	—	—
<i>plus</i> Other movements in non-financial assets	—	—	—	—	—	—
<i>equals</i> <b>Total net acquisition of non-financial assets</b>	<b>2 622</b>	<b>2 294</b>	<b>3 570</b>	<b>4 237</b>	<b>3 255</b>	<b>3 040</b>
<i>equals</i> <b>Net lending/borrowing</b>	<b>-2 443</b>	<b>-2 105</b>	<b>-3 347</b>	<b>-3 952</b>	<b>-2 908</b>	<b>-2 713</b>
Note: Totals may not add due to rounding.						

The attachment to this chapter summarises the variations since the 2025-26 Budget to the general government net operating balance (table 1.5) and net lending estimates (table 1.6).

The attachment also summarises the variations to revenue, expenses and capital investment expenditure since the 2025-26 MYBR (table 1.7) and provides commentary on those variations.

## Attachment: Variations since the 2025-26 Budget

Table 1.5: General government sector net operating balance — policy and parameter variations since the 2025-26 Budget (\$million)

	2025-26	2026-27	2027-28	2028-29
<b>Estimate at 2025-26 Budget</b>	<b>179</b>	<b>369</b>	<b>458</b>	<b>315</b>
<b>Parameter and other variations to 2025-26 MYBR</b>				
Revenue — taxation	90	92	95	98
Revenue — other	131	281	173	55
Operating expenses	81	-362	-251	-103
<b>Net effect of parameter and other variations</b>	<b>302</b>	<b>11</b>	<b>17</b>	<b>50</b>
<b>Policy measures to 2025-26 MYBR</b>				
Revenue measures — taxation	-1	-1	—	—
Revenue measures — other	-9	-2	—	—
Revenue offsets — taxation	—	—	—	—
Revenue offsets	134	7	3	1
Revenue investing offsets	—	2	—	—
Operating expenses	-525	-200	-83	-78
Operating savings	—	—	—	—
<b>Net effect of policy measures</b>	<b>-401</b>	<b>-194</b>	<b>-81</b>	<b>-77</b>
<b>Estimate at 2025-26 MYBR</b>	<b>80</b>	<b>187</b>	<b>394</b>	<b>287</b>
<b>Parameter and other variations to 2026-27 Budget</b>				
Revenue — taxation	212	285	298	301
Revenue — other	721	825	798	1 144
Operating expenses	-515	-428	-712	-987
<b>Net effect of parameter and other variations</b>	<b>418</b>	<b>682</b>	<b>384</b>	<b>458</b>
<b>Policy measures to 2026-27 Budget</b>				
Revenue measures — taxation	-2	-7	-20	-24
Revenue measures — other	—	-40	-42	-44
Revenue offsets — taxation	—	—	—	—
Revenue offsets	21	232	149	202
Revenue investing offsets	3	13	18	13
Operating expenses	-331	-880	-642	-627
Operating savings	—	37	44	82
<b>Net effect of policy measures</b>	<b>-309</b>	<b>-645</b>	<b>-494</b>	<b>-398</b>
<b>Estimate at 2026-27 Budget</b>	<b>189</b>	<b>223</b>	<b>285</b>	<b>348</b>

Note: Totals may not add due to rounding.

**Table 1.6: General government sector net lending — policy and parameter variations since the 2025-26 Budget (\$million)**

	2025-26	2026-27	2027-28	2028-29
<b>Estimate at 2025-26 Budget</b>	<b>-2 443</b>	<b>-3 502</b>	<b>-3 604</b>	<b>-2 986</b>
<b>Net effect of operating variations to 2025-26 MYBR</b>	<b>-99</b>	<b>-183</b>	<b>-63</b>	<b>-27</b>
<b>Parameter variations to 2025-26 MYBR<sup>(a)</sup></b>				
Investing expenditure	249	-357	-163	-9
Asset sales	51	4	27	—
Depreciation	109	121	114	111
<b>Total parameter investing variations</b>	<b>409</b>	<b>-232</b>	<b>-22</b>	<b>101</b>
<b>Policy measures to the 2025-26 MYBR</b>				
Investing expenditure	-50	-11	-2	-1
Investing savings	—	—	—	—
Asset sales	6	—	—	—
<b>Net effect of policy measures to 2025-26 MYBR</b>	<b>-44</b>	<b>-11</b>	<b>-2</b>	<b>-1</b>
<b>Total investing variations</b>	<b>365</b>	<b>-243</b>	<b>-25</b>	<b>101</b>
<b>Estimate at 2025-26 MYBR</b>	<b>-2 177</b>	<b>-3 928</b>	<b>-3 692</b>	<b>-2 912</b>
<b>Net effect of operating variations to 2026-27 Budget</b>	<b>109</b>	<b>36</b>	<b>-110</b>	<b>60</b>
<b>Parameter variations<sup>(a)</sup></b>				
Investing expenditure	219	354	77	138
Asset sales	-282	291	-1	1
Depreciation	52	5	8	10
Change in inventories	-16	16	—	—
<b>Total parameter investing variations</b>	<b>-27</b>	<b>667</b>	<b>84</b>	<b>149</b>
<b>Policy variations to 2026-27 Budget</b>				
Investing expenditure	-10	-122	-234	-204
Investing savings	—	—	—	—
Asset sales	—	—	—	—
<b>Net effect of policy measures to 2026-27 Budget</b>	<b>-10</b>	<b>-122</b>	<b>-234</b>	<b>-204</b>
<b>Total investing variations</b>	<b>-37</b>	<b>545</b>	<b>-150</b>	<b>-55</b>
<b>Estimate at 2026-27 Budget</b>	<b>-2 105</b>	<b>-3 347</b>	<b>-3 952</b>	<b>-2 908</b>

Note: Totals may not add due to rounding.

(a) Investing variations relate to the movements in net acquisition of non-financial assets.

**Table 1.7: General government sector revenue, expense and capital investment expenditure variations (parameter and other) since the 2025-26 MYBR (\$million)**

	2025-26	2026-27	2027-28	2028-29
<b>Revenue — taxation</b>				
Payroll tax	50	56	62	65
Conveyances	98	92	93	94
Land tax — private	9	57	60	61
Land tax — public	28	29	31	31
Other property tax	2	10	16	17
Insurance taxes	—	—	—	—
Gambling taxes	25	26	26	26
Motor vehicle taxes	—	14	11	8
Other taxes	—	—	—	—
<b>Total taxation revenue</b>	<b>212</b>	<b>285</b>	<b>298</b>	<b>301</b>
<b>Revenue — other</b>				
GST revenue grants	225	322	124	348
Commonwealth specific purpose and national partnership grants				
SPP grants	55	58	72	86
NP grants	199	-235	-73	-33
Other contributions and grants	47	53	28	48
Sales of goods and services	115	204	146	164
Dividends and income tax equivalents	37	77	142	58
Interest income	47	252	294	316
Royalties	27	52	32	52
Other revenue	-29	42	33	107
<b>Total other revenue</b>	<b>721</b>	<b>825</b>	<b>798</b>	<b>1 144</b>
<b>Operating expenses</b>				
Nominal superannuation interest expense	—	4	4	3
Interest expense	86	-131	-197	-224
Depreciation	-52	-5	-8	-10
Carryovers (net of provision for slippage)	3	32	-32	-5
Other variations	-552	-329	-479	-751
<b>Total expenses</b>	<b>-515</b>	<b>-428</b>	<b>-712</b>	<b>-987</b>
<b>Investing variations</b>				
Depreciation	52	5	8	10
Carryovers (net of provision for slippage)	-1	127	-131	7
Other variations	-78	534	207	132
<b>Total investing variations</b>	<b>-27</b>	<b>667</b>	<b>84</b>	<b>149</b>
Note: Totals may not add due to rounding.				

## Variations in revenue estimates (parameter and other)

Since the 2025-26 MYBR, taxation revenues have been revised up in all years mainly due to higher revenue from conveyance duty, land tax and payroll tax.

Payroll tax revenue forecasts have been revised up in all years reflecting stronger than estimated employment growth and year-to-date collections, which flows through to future years.

Conveyance duty revenue has been revised up in all years reflecting stronger than expected growth in residential property prices, which flows through to future years.

Land tax revenue has been revised up in all years. The 2025-26 revision reflects updated information on land tax liabilities, while the revision in 2026-27 reflects a higher forecast for site value growth. These upward revisions flow through to future years as a base effect.

Other property tax revenue revisions reflect estimates for the Emergency Services Levy across the forward estimates to fund expected emergency services expenditure.

Insurance tax revenue is unchanged in all years.

Gambling tax revenue has been revised up in all years due to stronger than expected collections from gaming machines in hotels and clubs, which flows through to future years as a base effect.

Motor vehicle tax revenue is unchanged in 2025-26 and has been revised up from 2026-27. The upward revisions from 2026-27 reflect higher forecast motor vehicle registration fee revenue.

South Australia's GST revenue grants have been revised up in all years largely reflecting the stronger national GST pool and population share forecasts in the Commonwealth Government's 2026-27 Budget.

Commonwealth Government ongoing tied grants for specific purposes have been revised up in all years mainly reflecting higher quality schools funding for non-government schools.

Commonwealth Government national partnership (NP) grants have been revised up in 2025-26 and down in all other years mainly due to revised construction profiles and the anticipated timing of Commonwealth Government revenue for a range of transport infrastructure projects. The revisions also reflect a pull-forward of Commonwealth Government funding from 2026-27 to 2025-26 for Financial Assistance Grants which are passed on to local government.

Other contributions and grants have been revised up in all years primarily reflecting an increase in Commonwealth Government revenue associated with the Pharmaceutical Benefits Scheme and aged care services.

Sales of goods and services revenue has been revised up in all years reflecting higher revenues from land service fees due to strong property market conditions, health service fees due to higher than expected demand across the public health system, higher gambling revenues from the Lotteries Commission and stronger than expected collections of the Point-to-Point Levy. The upward revision in 2026-27 also reflects revenue from the assumed sale of diesel from the South Australian strategic diesel reserve as the conflict in the Middle East is resolved.

Dividend and income tax equivalent revenue has been revised up in all years. The upward revision in 2025-26 mainly reflects higher distributions from Renewal SA and HomeStart Finance, partially offset by lower distributions from SAFA. From 2026-27, upward revisions largely reflect higher distributions from SA Water due to higher connections and extensions, third party works, and contributed assets revenue.

Interest revenue has been revised up in all years mainly reflecting the impact of higher interest rate forecasts.

Royalty estimates have been revised up in all years largely reflecting higher mineral royalties due to stronger forecasts for commodity prices, partially offset by lower petroleum royalties due to lower projected production volumes.

Other revenue has been revised down in 2025-26 and up from 2026-27. The downward revision in 2025-26 is primarily due to a delay in the rollout of new road safety cameras and lower than expected collections from court related fines and penalty fees. Upward revisions from 2026-27 relate to Commonwealth Government funding for NDIS Foundational Supports.

## **Variations in expense and capital investment expenditure estimates (parameter and other)**

### **Operating expenses**

The nominal superannuation interest expense has been revised down by an average of around \$4 million per annum over the period 2026-27 to 2028-29 since the 2025-26 MYBR primarily due to the lower than estimated unfunded superannuation liability.

Interest expenses have decreased in 2025-26 due to the lower debt position and interest rates compared to the forecast in the 2025-26 MYBR. Higher borrowings from 2026-27 contribute to higher interest expenses from 2026-27 compared to the forecast in the 2025-26 MYBR.

Depreciation has been updated to reflect revisions in asset bases and the timing of project completion across a number of agencies.

Carryover expenditure reflects expenditure that was forecast to be undertaken by agencies in 2025-26, which will now be incurred in later years. Operating carryovers from 2025-26 to 2026-27 and future years are \$193 million (which are offset by slippage provisions). The 2026-27 Budget also includes adjustments to the provision for operating slippage over the forward estimates based on the recent average level of carryovers applied to the revised operating expenditure budget in each year.

The significant movements in the 'other variations' category primarily reflect increased expenditure in the government preschool sector, arising from the establishment of preschool expense budgets not previously recognised in the Department of Education's consolidated financial reports, the extension of the National Preschool Reform Agreement, enterprise agreement outcomes including for SA Public Sector Salaried employees, SA Public Sector Weekly Paid employees, and Allied Health Professionals/Allied Health Assistants, as well as funding adjustments for the South Australian Housing Trust, and revisions to centrally held provisions.

### **Investing**

The carryover of investing expenditure in 2026-27 reflects delays in project expenditure in 2025-26. Where appropriate, an estimate of expenditure for these projects has been carried forward into future years. Net investing carryovers from 2025-26 to 2026-27 and future years are \$369 million, offset by slippage provisions. The 2026-27 Budget also includes a provision for project slippage over the forward estimates based on the recent average level of carryovers applied to the revised investing expenditure budget in each year.

The movements in the net capital investment expenditure 'other variations' are primarily a result of the revised timing of the sale of the Hydrogen Jobs Plan generators and the reprofile of capital project expenditure across the forward estimates including revisions to road transport projects.

## Chapter 2: Expenditure

This chapter provides an overview of new expenditure initiatives in the 2026-27 Budget and describes the trends in aggregate general government expenditure over the forward estimates period. Full details of all budget initiatives are provided in the 2026-27 Budget Measures Statement. This chapter also provides a summary of the general government capital program and the major capital projects that are being undertaken.

New general government operating and investing expenditure initiatives in the 2026-27 Budget total \$3.4 billion over the next four years, with a further \$341 million expenditure on new operating and investing initiatives occurring in 2025-26. This includes expenditure to meet the government's election commitments, including significant investments in health, education and skills, transport and infrastructure, the economy, as well as cost of living support and other key government services.

The expenditure initiatives in the 2026-27 Budget are partially offset by \$897 million over four years of revenue offsets, with a further \$24 million of revenue offsets occurring in 2025-26, mainly reflecting initiatives that will be partially funded by the Commonwealth Government. The expenditure initiatives in the 2026-27 Budget are also partially offset by operating expenditure savings measures totalling \$246 million over the four years to 2029-30.

Table 2.1 provides a summary of the new expenditure and savings initiatives across the forward estimates.

**Table 2.1: General government initiatives (\$million)<sup>(a)</sup>**

	2025-26 Estimate	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Operating expenditure initiatives	-331	-880	-642	-627	-528
Revenue offsets	21	232	149	202	264
Operating savings	—	37	44	82	83
<b>Total operating initiatives</b>	<b>-310</b>	<b>-611</b>	<b>-450</b>	<b>-343</b>	<b>-181</b>
Investing expenditure initiatives	-10	-122	-234	-204	-172
Revenue offsets	3	13	18	13	7
Investing savings	—	—	—	—	—
Asset sales	—	—	—	—	—
<b>Total investing initiatives</b>	<b>-7</b>	<b>-110</b>	<b>-216</b>	<b>-191</b>	<b>-165</b>

Note: Totals may not add due to rounding.

(a) Excludes depreciation on investing initiatives.

### New initiatives

New operating expenditure initiatives in the general government sector total \$2.7 billion over the next four years, in addition to \$331 million in 2025-26. The operating initiatives include:

- \$1.7 billion over five years from 2025-26 to address the increasing levels of demand experienced across our public health system, and the higher cost of service delivery across local health networks
- \$350.2 million over five years from 2025-26 to support children and young people in care
- \$319 million over two years from 2025-26 for the state government, in partnership with the Commonwealth Government, to continue to support the sale of the Whyalla steelworks by funding its operations during administration
- \$94.7 million over four years from 2026-27 to establish Out of School Hours Care services at 68 government primary schools across the state
- \$76 million over four years from 2026-27 to deliver programs designed to reduce the time children and young people spend on devices by offering accessible, engaging alternatives

- \$65 million over six years from 2026-27 (including \$6 million beyond the forward estimates) to support programs aimed at improving student outcomes
- \$55.1 million over two years from 2025-26 for a range of grants to various community groups, delivering on the government's election commitments
- \$50 million over four years from 2026-27 to accelerate research and development across South Australia, driving productivity, supporting future industries, and strengthening the state's long-term economic competitiveness
- \$47.8 million over five years from 2025-26 (in addition to investing expenditure of \$8.2 million over two years from 2026-27) for the short-term mass restoration of sand at West Beach and a long-term operational solution for the management of sand within Adelaide's central and northern beach system between West Beach and North Haven
- \$29.5 million over eight years from 2025-26 (including \$3.2 million beyond 2029-30) to build the capability and capacity of South Australia's workforce by creating 1000 new pathways for South Australians to enter the construction workforce through apprenticeship training, industry partnership incentives and scholarships
- \$26.8 million over five years from 2025-26 to build South Australia's AUKUS skills workforce by supporting more than 1000 new university, trade and upskilling opportunities
- \$18.5 million over four years from 2026-27 for South Australia's first in vitro fertilisation (IVF) rebate scheme to make IVF treatment more affordable for thousands of women and families
- \$17.2 million in 2025-26 for additional response costs for large scale bushfire, storm and flood events across the state
- \$16.5 million over four years from 2025-26 to support the operation of 59 temporary beds at Mount Gambier Prison to provide immediate additional prisoner capacity
- \$16 million over four years from 2026-27 to expand and enhance the Patient Assistance Transport Scheme by increasing the nightly accommodation subsidy for eligible individuals. It will also expand the scheme to include a cumulative travel subsidy for eligible individuals who travel a minimum of 300 kilometres per week for renal or oncology services.

A summary of the operating expenditure initiatives by agency is shown in table 2.2. Full details of all operating expenditure initiatives can be found in Budget Paper 5: Budget Measures Statement.

**Table 2.2: New operating initiatives by agency (\$million)<sup>(a)</sup>**

Agency	2025-26 Estimate	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Across Government	-43.1	-347.8	4.1	7.4	0.4
Attorney-General	—	-6.8	-9.2	-8.2	-7.7
Audit Office of South Australia	—	-0.4	-0.4	-0.4	-0.4
Child Protection	-10.2	-97.2	-116.1	-81.1	-46.1
Correctional Services	-0.7	-5.7	-5.9	-6.2	-0.7
Education <sup>(b)</sup>	—	-26.3	-59.4	-76.9	-93.7
Emergency Services — SAFECOM	—	-0.3	-0.5	-0.8	-1.0
Energy and Mining	-4.8	-10.9	-4.4	-4.3	-4.1
Environment and Water	-12.9	-4.7	-9.8	-4.5	-2.8
Green Industries SA	—	-0.9	-0.2	—	—
Health and Wellbeing	-224.0	-338.8	-416.6	-426.3	-345.0
Housing and Urban Development	—	-0.3	-0.3	—	—

Agency	2025-26 Estimate	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Human Services	—	-3.3	-1.8	-1.8	-1.8
Infrastructure and Transport	-1.9	-7.9	-2.8	-4.8	-4.9
Police	—	-3.1	-2.8	-2.8	-2.8
Premier and Cabinet	-0.7	-3.6	-2.1	-2.1	-2.5
Primary Industries and Regions	—	-9.0	-0.2	-0.2	-0.2
State Development	-32.2	-13.2	-13.4	-13.6	-13.8
TAFE SA	-0.5	—	—	-0.1	-0.2
Tourism	—	-0.5	-0.5	-0.5	-0.5
<b>Total operating expenditure</b>	<b>-331.0</b>	<b>-880.3</b>	<b>-642.3</b>	<b>-627.2</b>	<b>-527.8</b>

Note: Totals may not add due to rounding.

(a) Excludes depreciation on investing initiatives.

(b) Includes funding for the Office for Recreation, Sport and Racing for sports vouchers and try and play.

New investing expenditure initiatives in the general government sector total \$732 million over the next four years, in addition to \$10 million in 2025-26. Key initiatives include:

- \$210 million over six years from 2026-27 (including \$103.2 million beyond the forward estimates) to support the redevelopment and upgrade of government-school facilities, including the construction of new gymnasiums or halls at various schools
- \$126 million over four years from 2026-27 (in addition to operating expenditure of \$24 million over three years from 2027-28) to establish and operate three new technical colleges, including one regional campus in Murray Bridge and two metropolitan campuses in Marden and Gawler
- \$100 million over three years from 2026-27 for the delivery of a new state-of-the-art State Gymnastics Centre
- \$90 million over five years from 2026-27 (including \$4 million beyond the forward estimates) toward safety upgrade works on the South Eastern Freeway in partnership with the Commonwealth Government
- \$80 million over five years from 2025-26 to upgrade the Adelaide and Hawthorn Road intersection
- \$48.9 million in 2029-30 (in addition to operating expenditure of \$390 000 in 2029-30) towards the development of a new state-of-the-art Arts and Media Hub to be delivered in partnership with the Australian Broadcasting Corporation (ABC), and will be the new location for the State Theatre Company, State Opera and Country Arts South Australia
- \$28 million over four years from 2026-27 to deliver a specialised mental health assessment unit at the Royal Adelaide Hospital
- \$25.3 million over three years from 2026-27 (in addition to operating expenditure of \$250 000 over two years from 2028-29) to construct and operate a new multi-trade vocational training workshop at the TAFE SA Mount Barker campus
- \$18 million over four years from 2026-27 to commence delivery of critical road safety upgrades along the Horrocks Highway. A Commonwealth Government contribution towards this project will be sought on an 80:20 basis which would bring the total project cost to \$90.0 million
- \$16 million over three years from 2026-27 to deliver an upgraded roundabout at the Chandlers Hill Road and Happy Valley Drive intersection and a new roundabout at Windebanks Road and Happy Valley Drive
- \$15 million over four years from 2026-27 to support infrastructure upgrades at the Murray Bridge Soldiers' Memorial Hospital

- \$15 million over two years from 2026-27 in partnership with the Commonwealth Government to deliver a business case and to develop the necessary planning and design that will define the transport infrastructure solutions to enable access to the LeFevre Peninsula for the increase in workforce expected at the Osborne Naval Defence Precinct.

A summary of investing expenditure initiatives by agency is shown in table 2.3. Full details of all investing expenditure initiatives are provided in Budget Paper 5: Budget Measures Statement.

**Table 2.3: New investing initiatives by agency (\$million)<sup>(a)</sup>**

Agency	2025-26 Estimate	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Across Government	—	-14.7	-7.1	-0.6	—
Attorney-General	—	-1.9	-0.5	—	—
Correctional Services	—	-1.0	-4.3	—	—
Education	—	-21.0	-79.9	-69.5	-62.5
Energy and Mining	—	-0.8	-2.7	—	—
Environment and Water	-7.5	-1.2	—	—	—
Health and Wellbeing	—	-2.7	-10.8	-25.8	-20.8
Infrastructure and Transport	-2.5	-71.3	-116.2	-98.3	-40.0
Police	—	-2.5	-2.5	—	—
Premier and Cabinet	—	—	—	—	-48.9
TAFE SA	—	-5.0	-10.0	-10.3	—
<b>Total investing expenditure</b>	<b>-10.0</b>	<b>-122.0</b>	<b>-233.9</b>	<b>-204.4</b>	<b>-172.1</b>

Note: Totals may not add due to rounding.

(a) Excludes depreciation on investing initiatives.

## Other new initiatives

In addition to the general government initiatives reflected above, the 2026-27 Budget includes a range of housing initiatives that are being delivered through the South Australian Housing Trust, Renewal SA and HomeStart Finance. These initiatives are outlined in Chapter 5.

Support is also being provided by the government for aged care and drought loan schemes, the provision of guarantees under the apartment fast-track fund and securing a long-term domestic gas supply agreement with Santos.

## Savings

The 2026-27 Budget includes new savings measures for non-frontline service areas of agencies to continue to drive public sector productivity. These savings are an important component of ensuring a responsible budget and sustainable debt levels in the context of rising interest rates.

To this end, the government will implement a partial freeze on the recruitment of non-frontline positions for all agencies for the next 12 months. Over this period, agencies will be able to fill one of every two vacancies that arise in non-frontline areas enabling agencies to continue to fill positions considered important to operations. The freeze will not apply to front-line areas (such as police, doctors and nurses) or where agencies identify other alternative savings.

Details of the 2026-27 savings measures by agency are provided in the 2026-27 Budget Measures Statement.

In addition, the government has retained its policy of applying efficiency measures to each year to encourage public services to be delivered as efficiently as possible.

The existing savings in table 2.4 reflect the commencement of previously approved efficiencies and savings measures. Agencies have been developing strategies over time to achieve these savings.

**Table 2.4: General government savings (\$million)**

	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Existing savings commencing from 2026-27	188.1	433.9	587.8	718.8
2026-27 Budget savings	37.4	43.5	81.9	82.9
<b>Total savings</b>	<b>225.5</b>	<b>477.4</b>	<b>669.7</b>	<b>801.7</b>

To continue to assist agencies in the delivery of savings and efficiency measures, a targeted voluntary separation package (TVSP) scheme, which has been in operation since November 2010, remains in place. TVSP payouts are calculated as 10 weeks base plus two weeks per year of service up to a maximum of 52 weeks' pay. TVSPs are available at the discretion of chief executives. Agencies are responsible for managing costs associated with TVSPs and separation payments.

## General government operating expenditure

Forward estimates of general government expenses by type are shown in table 2.5.

**Table 2.5: General government expenditure (\$million)**

	2025-26		2026-27	2027-28	2028-29	2029-30
	2025-26 Budget	Estimated Result	Budget	Estimate	Estimate	Estimate
Employee expenses	11 418	11 930	12 363	12 837	13 218	13 577
Superannuation expenses						
Superannuation interest cost	271	271	241	217	192	164
Other superannuation expenses	1 362	1 397	1 481	1 536	1 582	1 625
Depreciation and amortisation	1 666	1 827	1 865	1 925	1 996	2 066
Interest expenses	1 619	1 504	1 979	2 297	2 632	2 928
Other property expenses	—	—	—	—	—	—
Other operating expenses	10 351	10 491	11 111	10 665	10 846	11 247
Grants	4 503	5 059	4 591	4 613	4 604	4 718
<b>Total expenses</b>	<b>31 190</b>	<b>32 479</b>	<b>33 630</b>	<b>34 091</b>	<b>35 070</b>	<b>36 324</b>
<b>Total expenses % change on previous year</b>						
Total expenses nominal growth (%)		7.8%	3.5%	1.4%	2.9%	3.6%
Total expenses real growth (%)		3.9%	0.0%	-1.1%	0.4%	1.1%

Note: Totals may not add due to rounding.

General government expenses in 2025-26 are estimated to be \$1.3 billion higher than published in the 2025-26 Budget, primarily due to new operating initiatives in the 2025-26 Mid-Year Budget Review (MYBR) and 2026-27 Budget. These initiatives are mainly for Health and Wellbeing to address increased levels of demand and the cost of service delivery, Child Protection to support children and young people in care, Nyrstar strategic response package, algal bloom response, and the Whyalla steelworks.

Operating expenses are budgeted to increase in 2026-27 by \$1.2 billion relative to the 2025-26 estimated result, mainly due to the new operating initiatives announced in the 2026-27 Budget.

Operating expense growth is lower in 2027-28 compared to 2026-27, mainly following completion of payments for the administration of the Whyalla steelworks.

Table 2.6 shows total operating expenses across the forward estimates for selected agencies.

**Table 2.6: Operating expenses — selected agencies (\$million)<sup>(a)</sup>**

	2025-26		2026-27	2027-28	2028-29	2029-30
	2025-26 Budget	Estimated Result	Budget	Estimate	Estimate	Estimate
Attorney-General	333	356	373	366	362	365
Audit Office of South Australia	20	20	21	22	22	23
Child Protection	877	1 009	1 014	991	972	967
Correctional Services	434	462	471	492	494	495
Courts	105	112	116	118	119	122
Defence SA	22	27	20	18	19	15
Education	4 662	4 723	4 838	4 925	5 018	5 212
Electoral Commission	43	48	22	10	11	46
Emergency Services — CFS	108	128	114	115	116	119
Emergency Services — MFS	196	207	225	228	232	234
Emergency Services — SAFECOM	42	54	41	28	26	25
Emergency Services — SES	24	27	26	26	26	27
Energy and Mining	118	154	173	122	111	112
Environment and Water	406	537	421	350	325	330
Environment Protection Authority	37	40	41	43	42	42
Green Industries SA	32	65	62	43	30	32
Health and Wellbeing	9 991	10 732	11 038	11 205	11 439	11 711
Housing and Urban Development	179	211	234	226	230	207
Human Services	597	684	652	674	677	689
Infrastructure and Transport	1 965	2 160	2 168	2 069	2 068	2 095
Legislature	36	56	56	57	58	59
Police	1 269	1 317	1 327	1 363	1 385	1 422
Premier and Cabinet	412	546	382	365	355	356
Primary Industries and Regions	300	374	313	216	180	165
State Development	560	673	567	532	504	485
TAFE SA	382	403	410	394	386	384
Tourism	102	187	104	100	90	88
Treasury and Finance	386	406	381	366	358	359
Other <sup>(b)</sup>	7 550	6 760	8 019	8 626	9 412	10 136
<b>Total operating expenses</b>	<b>31 190</b>	<b>32 479</b>	<b>33 630</b>	<b>34 091</b>	<b>35 070</b>	<b>36 324</b>

Note: Totals may not add due to rounding.

(a) Agency expenses in this table match to expenses included in net cost of services as shown in the Statements of Comprehensive Income in Agency Statements.

(b) Includes other agencies, administered items (including interest paid on borrowings with SAFA), and consolidation adjustments to eliminate intra-government transactions.

The following analysis compares the estimated expenditure by agencies in 2025-26 with the forecasts for 2029-30. The main changes in operating expenses over that period are in the following agencies:

- Child Protection — projected to decrease by \$41.3 million primarily due to funding provided to support children and young people in care tapering down as the department completes service optimisation to ensure that services are being delivered effectively and efficiently

- Correctional Services — projected to increase by \$33.2 million primarily due to policy decisions announced in the 2025-26 Budget, including increasing prisoner capacity by an additional 116 beds, and Alternatives to Custody — Bail Accommodation and Support Program, and operating costs for the 40 bed expansion at the Adelaide Women’s Prison
- Defence — projected to decrease by \$12.3 million, primarily due to the timing of grant programs across the forward estimates
- Education — projected to increase by \$488.5 million, primarily reflecting increased Commonwealth Government and state government funding to government schools as they progress toward full (100 per cent) School Resource Standard funding by 2034 under the Better and Fairer Schools Agreement. Expenditure growth also reflects key 2026-27 Budget policy decisions, including expanding Out of School Hours Care, initiatives to reduce student screen time, quality-focused education reforms, and the establishment of three new technical colleges
- Emergency Services — MFS — projected to increase by \$27.5 million primarily due to finalisation of enterprise agreement negotiations
- Emergency Services — SAFECOM — projected to decrease by \$28.1 million primarily due to the timing of Commonwealth Government funded disaster resilience grant programs
- Energy and Mining — projected to decrease by \$42.6 million primarily due to the winding down of expenditure associated with several time limited projects, including the Firm Energy Reliability Mechanism, Port Bonython Hydrogen Hub and the previous government’s Jobs and Economic Growth Fund
- Environment and Water — projected to decrease by \$207.0 million primarily relating to time-limited projects including a mass restoration of sand at West Beach prior to the commencement of a long-term sand management solution for the Adelaide metropolitan coastline and those completed in conjunction with the Commonwealth Government, including River Murray in South Australia constraints measures, alternative water supply efficiency measures and infrastructure programs which are periodically concluded
- Green Industries SA — projected to decrease by \$33.1 million primarily due to higher expenditure in 2025-26 and 2026-27 for the South Australian advanced soft plastics recycling technology project and recycling modernisation grants program
- Health and Wellbeing — projected to increase by \$979.7 million primarily reflecting the government’s commitment to funding the health system in a sustainable manner over the forward estimates
- Infrastructure and Transport — projected to decrease by \$65.1 million primarily due to additional expenditure in 2025-26 to undertake feasibility investigations for the Northern Water project and grants expenditure including for Whyalla Airport
- Police — projected to increase by \$104.8 million primarily reflecting the recruitment of additional police security officers, sworn police officers, and additional expenditure for road safety initiatives
- Premier and Cabinet — projected to decrease by \$189.9 million primarily due to the timing of grant programs across the forward estimates
- Primary Industries and Regions — projected to decrease by \$209.1 million primarily due to completion of disaster recovery and once-off regional growth projects
- State Development — projected to decrease by \$187.6 million primarily due to higher expenditure in 2025-26 for non-government training provider training subsidies, algal bloom response, Business Growth Fund powering business grants, National Skills Agreement policy initiatives and Whyalla steelworks support
- TAFE SA — projected to decrease by \$19.2 million primarily due to higher expenditure in 2025-26 for two National Centres of Excellence and Commonwealth Government funded programs
- Tourism — projected to decrease by \$99.0 million primarily due to higher expenditure in 2025-26 associated with funding new and existing events and hosting the 2026 Australian Tourism Exchange in 2025-26 and the algal bloom response

- Treasury and Finance — projected to decrease by \$46.5 million primarily due to higher expenditure in 2025-26 and 2026-27 for the finance reform program.

The following sections provide further details on the key components of expenses.

## Employee expenses

**Table 2.7: General government employee expenses**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Employee expenses (\$m)	11 930	12 363	12 837	13 218	13 577
Nominal growth (%)	9.3%	3.6%	3.8%	3.0%	2.7%
Real growth (%)	5.4%	0.1%	1.3%	0.5%	0.2%

Employee expenses in 2025-26 are estimated to be \$512 million higher than estimated in the 2025-26 Budget primarily as a result of additional resources for Health and Wellbeing.

Employee expenses grow in real terms by 0.5 per cent per annum on average over four years, primarily reflecting wage growth negotiated in existing enterprise bargaining agreements as well as modest growth in FTEs providing frontline services.

## Full-time equivalents (FTEs)

FTE estimates for general government sector agencies are based on FTE caps. These caps are established to be consistent with the salaries and wages budget for each agency and are adjusted in line with changes to agency budgets. Actual FTEs are monitored on a regular basis with agencies required to explain any significant variations from budgeted FTE caps.

The estimated aggregate workforce levels in the general government sector are shown in table 2.8.

**Table 2.8: General government sector employment<sup>(a)</sup>**

	Full-time equivalent employees as at 30 June					
	2025 Actual	2026 Estimate	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
As at 2025-26 Budget	95 027	98 689	99 618	100 706	102 387	n.a.
As at 2025-26 MYBR	96 592	98 919	99 764	100 873	102 493	n.a.
<b>As at 2026-27 Budget</b>	<b>96 592</b>	<b>99 879</b>	<b>101 150</b>	<b>102 407</b>	<b>103 750</b>	<b>104 710</b>
<b>FTEs by agency at 2026-27 Budget:</b>						
Health and Wellbeing (excluding SAAS)	39 134	40 469	41 411	42 510	43 704	44 098
South Australian Ambulance Service	2 086	2 275	2 284	2 278	2 301	2 301
Education	26 332	26 920	27 053	26 853	26 954	27 284
Police	6 131	6 268	6 368	6 516	6 632	6 732
Other	22 908	23 946	24 034	24 251	24 159	24 296
<b>Total FTEs as at 2026-27 Budget</b>	<b>96 592</b>	<b>99 879</b>	<b>101 150</b>	<b>102 407</b>	<b>103 750</b>	<b>104 710</b>

Note: Totals may not add due to rounding.

(a) The FTE profiles shown are notional and are based on current funding levels across the forward estimates. Chief executives have the flexibility to deliver government services in the manner that best suits the needs of the business. As a result, the actual level of FTEs over the forward estimates may vary.

Since the 2025-26 MYBR FTE estimates are higher in all years, primarily due to the impact of policy measures announced in the 2026-27 Budget, in particular in Health and Wellbeing.

The estimated FTE impacts of individual measures are outlined in the 2026-27 Budget Measures Statement.

**Table 2.9: Estimated full-time equivalent impacts of 2026-27 Budget measures as at 30 June (FTEs)**

	FTE employees as at 30 June				
	2026 Estimate	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
Expenditure initiatives	288	1 378	1 704	1 749	1 760
Savings measures	—	-187	-217	-404	-409
<b>Total FTE impact of policy decisions</b>	<b>288</b>	<b>1 191</b>	<b>1 487</b>	<b>1 345</b>	<b>1 351</b>

## Enterprise agreements

During 2025-26, enterprise agreement negotiations were finalised for SA Ambulance Service, SA Metropolitan Fire Service, SA Public Sector Salaried employees, SA Health Salaried Medical Officers, SA Public Sector Weekly Paid employees, Parliament House, Allied Health Professionals/Allied Health Assistants, West Beach Trust employees, Assistants to Members of Parliament, and Rail Commissioner Infrastructure and Rail Commissioner Maintenance.

Negotiations are continuing for Nursing/Midwifery, SA Police, SA Health Clinical Academics, SA Health Visiting Medical Specialists, SA Health Visiting Dental Specialists, TAFE SA Education employees, Plumbing, Metal and Building Trades employees, State Theatre Company, ReturnToWork SA, Adelaide Festival Centre (Professional and Administrative) and Adelaide Festival Centre (Performing Arts). At time of writing, a proposed new Forestry SA enterprise agreement is subject to a ballot of applicable employees.

In 2026-27, enterprise bargaining negotiations will commence for SA School and Preschool Staff, SA Public Sector Salaried employees, Tram Operations, Parliament House, SA Water Corporation, HomeStart Finance, Adelaide Venue Management, and Assistants to the Members of the South Australian Parliament.

Expenditure on salaries and wages is the largest expense for the government, representing 37 per cent of general government sector costs in 2026-27. It is essential that wage increases in the public sector are sustainable. The government has budgeted for responsible wage outcomes reflecting the economic circumstances as there is no capacity to meet excessive wage and condition demands. Enterprise bargaining agreements must support efficiency and improved productivity in the delivery of government services.

## Superannuation expenses

**Table 2.10: General government superannuation expenses**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Superannuation expenses (\$m)</b>					
Superannuation interest expense	271	241	217	192	164
Other superannuation expenses	1 397	1 481	1 536	1 582	1 625
Nominal growth (%)	8.7%	3.2%	1.9%	1.2%	0.8%
Real growth (%)	4.8%	-0.3%	-0.6%	-1.3%	-1.6%

The estimated superannuation interest expense represents the increase during the year in the defined benefit superannuation obligations due to it being one year closer to settlement, less the expected earnings on superannuation assets. The superannuation interest expense for each year is calculated based on the unfunded superannuation liability at the end of the preceding financial year and the relevant discount rate used to value the unfunded superannuation liability. Further discussion on that liability can be found in Chapter 4.

The superannuation interest expense for 2025-26 is \$271 million, consistent with the estimate in the 2025-26 MYBR. Expenditure has been revised down by an average of around \$4 million per annum over the period 2026-27 to 2028-29 since the 2025-26 MYBR primarily due to the lower than estimated unfunded superannuation liability.

## Depreciation and amortisation

**Table 2.11: General government depreciation and amortisation expenses (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Depreciation</b>					
Buildings and improvements	838	863	861	871	886
Dwellings	12	11	11	11	11
Plant and equipment	173	183	238	298	352
Vehicles	77	77	76	77	78
Road network	524	525	533	533	533
Rail and bus tracks	123	123	123	123	123
Water, sewer and drainage	21	21	21	21	21
Other	—	—	—	—	—
<b>Total depreciation</b>	<b>1 768</b>	<b>1 804</b>	<b>1 864</b>	<b>1 935</b>	<b>2 004</b>
Amortisation	59	61	61	61	61
<b>Total depreciation and amortisation</b>	<b>1 827</b>	<b>1 865</b>	<b>1 925</b>	<b>1 996</b>	<b>2 066</b>
Nominal growth (%)	7.0%	2.1%	3.2%	3.7%	3.5%
Real growth (%)	3.1%	-1.4%	0.7%	1.1%	1.0%

Note: Totals may not add due to rounding.

The main asset types comprising general government depreciation across the forward estimates are buildings and improvements, plant and equipment, and road network.

Growth in depreciation expense is projected across the forward estimates as projects are completed in line with the program of significant investment in the state's infrastructure. These include additional prison beds, new schools as well as other education infrastructure upgrades, and hospital and health infrastructure upgrades.

## Interest expenses

**Table 2.12: General government interest expenses**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Interest expenses (\$m)	1 504	1 979	2 297	2 632	2 928
Nominal growth (%)	8.9%	31.5%	16.1%	14.6%	11.2%
Real growth (%)	5.0%	27.1%	13.3%	11.8%	8.5%

Interest expenses comprise interest paid by the Treasurer to the South Australian Government Financing Authority (SAFA) on government borrowings and interest expenses of agencies related to finance leases. Over the forward estimates, higher government borrowings and increasing interest rates result in an increase in interest expenses.

The increase in borrowings is a result of the state's significant infrastructure program, including delivering the government's election commitments. The government is committed to maintaining a sustainable budget within the context of rising interest rates and its capacity to meet those payments through revenues.

## Other operating (non-employee) expenses

**Table 2.13: General government other operating (non-employee) expenses**

	2025-26	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
	Estimated Result				
Other operating (non-employee) expenses (\$m)	10 491	11 111	10 665	10 846	11 247
Nominal growth (%)	3.2%	5.9%	-4.0%	1.7%	3.7%
Real growth (%)	-0.5%	2.3%	-6.4%	-0.8%	1.2%

General government other operating (non-employee) expenses for 2026-27 are expected to be \$11.1 billion. This is largely made up of:

- supplies and services (\$5.6 billion) predominantly within Health and Wellbeing (\$2.5 billion), Education (\$727.0 million), Child Protection (\$188.8 million) and Correctional Services (\$151.4 million)
- consultancies and contractors (\$1.6 billion) predominantly within Infrastructure and Transport (\$536.8 million) mainly due to contract arrangements for delivering public transport and road maintenance, Child Protection (\$429.7 million) primarily for the delivery of care services and Health and Wellbeing (\$296.1 million)
- NDIS contributions (\$952.8 million), noting that the state's total NDIS contribution is \$967.4 million. The balance of the state's NDIS contribution is met through the provision of state government services, mainly school transport to NDIS clients
- computer and communications charges (\$500.6 million) predominantly within Health and Wellbeing (\$186.4 million), Education (\$89.4 million) and Treasury and Finance (\$68.7 million)
- repairs and maintenance expenses (\$329.5 million) predominantly within Education (\$138.2 million) and Health and Wellbeing (\$127.5 million).

## Grants

**Table 2.14: General government grant expenses**

	2025-26	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
	Estimated Result				
Grants (\$m)	5 059	4 591	4 613	4 604	4 718
Nominal growth (%)	14.3%	-9.2%	0.5%	-0.2%	2.5%
Real growth (%)	10.1%	-12.3%	-2.0%	-2.6%	0.0%

Grant expenses in 2025-26 are estimated to be \$556 million higher than estimates in the 2025-26 Budget primarily due to the revised timing of payments, including rounds one and two of the Growing Regions Program, as well as payments to Nyrstar for operational support. Policy items included in the 2025-26 MYBR also contribute to higher grant payments, including for the algal bloom response, drought support measures and Port Augusta community and cultural programs.

Grant expenditure is projected to decline annually in real terms from 2025-26 until 2029-30, reflecting completion of payments for items such as Nyrstar support, and fulfilment of election commitments.

Grant expenditure includes payments to:

- non-government schools
- local government
- community service obligation payments to SA Water
- concessions to the community, including the cost of living concession and energy concession
- other non-government organisations for a range of programs.

## General government investing expenditure

The general government four year investing program is \$22.7 billion over the period 2026-27 to 2029-30, with \$4.2 billion estimated for 2025-26. This is slightly higher compared to the 2025-26 MYBR, which had a four year program of \$22.0 billion over the period 2025-26 to 2028-29, mainly reflecting the inclusion of new investing initiatives in the 2026-27 Budget.

The capital expenditure reflects the delivery of the government's infrastructure program that is focused on building key economic and social infrastructure, including significant investment in health, road networks and schools.

**Table 2.15: General government sector capital investment (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Purchases of non-financial assets	4 221	5 812	6 252	5 483	5 168

Figure 2.1 shows that general government capital investment across the forward estimates continues to remain well above the level of depreciation.

**Figure 2.1: General government sector purchases of non-financial assets (\$million)**

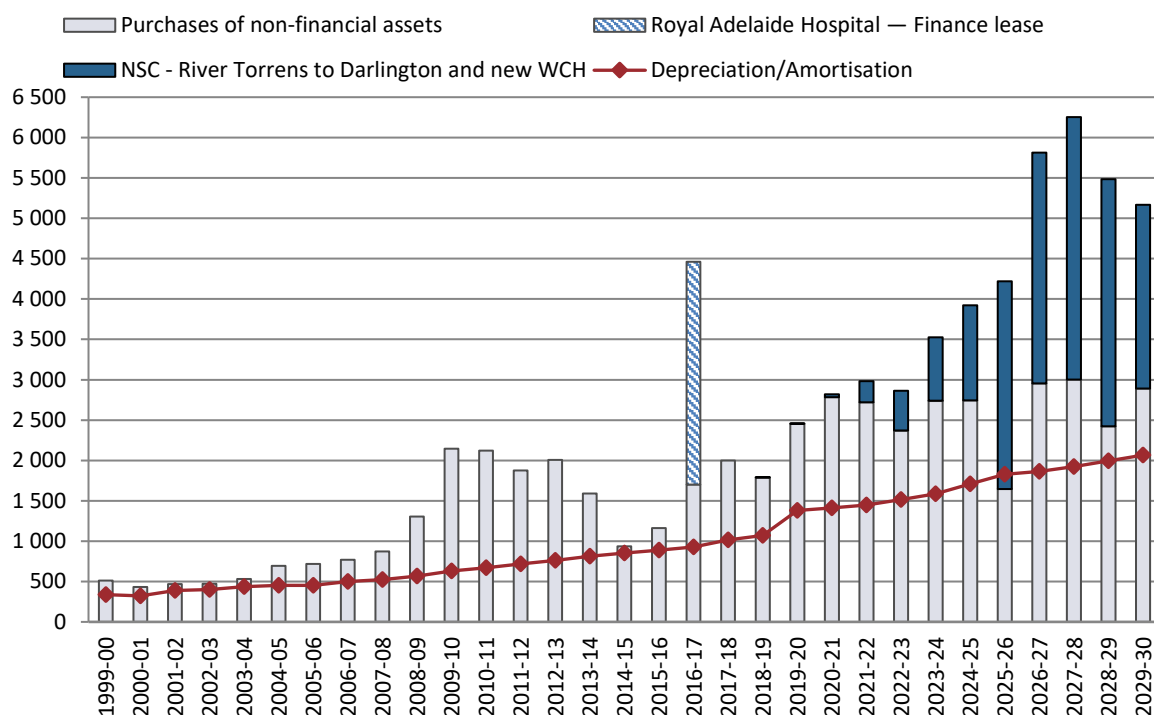


Table 2.16 summarises the investing program for the general government sector by agency. Further detail on agency investing programs is contained in the 2026-27 Agency Statements.

Across the forward estimates (2025-26 to 2029-30) investing expenditure increases as a result of significant projects including the North-South Corridor — River Torrens to Darlington project (\$11.2 billion between 2025-26 to 2029-30), the new Women’s and Children’s Hospital (\$2.9 billion between 2025-26 to 2029-30), High Productivity Vehicle Network – Stage 1 (\$656.3 million between 2026-27 to 2029-30), Flinders Medical Centre Upgrade and Expansion (\$369.7 million between 2025-26 to 2028-29), new Mount Barker Hospital (\$326.2 million between 2025-26 to 2028-29), South Eastern Freeway Upgrade (\$284.9 million between 2025-26 to 2029-30), Marion Road — Anzac Highway to Cross Road project (\$263.8 million between 2025-26 to 2027-28), Curtis Road level crossing removal (\$250.0 million between 2025-26 to 2029-30), Yatala Labour Prison – additional 312 beds (\$195.0 million between 2025-26 to 2027-28), and new State Gymnastics Centre (\$100.0 million between 2026-27 to 2028-29).

Agency investing programs contain budgets for approved major works projects and annual program expenditure. Annual program expenditure is generally provided to agencies to complete minor works or upgrade existing assets.

Typically, the investing program of an agency will decline over the forward estimates as major works are budgeted to be completed. As new projects are approved by the government, the budget of an agency will be increased to include the budgeted cost of those projects.

The general government sector budget holds a contingency provision over the forward estimates for an unallocated component of the government’s investing budget. While agency budgets typically decline over the forward estimates as projects are scheduled to finish, the contingency provision rises as the unallocated component of the overall general government sector budget increases.

**Table 2.16: General government capital investment by agency (\$000s)<sup>(a)</sup>**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Attorney-General	22 127	33 628	127 456	350 714	2 320	2 378
Audit Office of South Australia	270	270	277	284	291	298
Child Protection	16 196	4 529	3 463	9 517	7 449	2 109
Correctional Services	87 192	107 899	152 626	14 830	9 820	10 065
Courts	19 436	18 975	6 961	9 083	7 106	2 164
Defence SA	—	—	—	10 000	10 000	—
Education	242 698	299 301	317 912	266 647	205 666	167 211
Electoral Commission	2 691	8 099	4 106	53	54	184
Emergency Services — CFS	33 877	30 117	29 578	22 856	23 127	23 530
Emergency Services — MFS	18 647	15 697	16 319	17 602	18 497	18 961
Emergency Services — SAFECOM	167	615	326	175	179	183
Emergency Services — SES	10 544	4 272	10 413	5 237	5 319	5 452
Energy and Mining	88 194	242 527	84 941	34 897	2 791	3 117
Environment and Water	71 116	66 222	65 456	14 748	13 284	13 616
Environment Protection Authority	904	1 123	1 013	1 141	760	779
Green Industries SA	—	—	—	—	—	—
Health and Wellbeing	1 037 235	1 053 178	998 187	890 395	863 380	583 211
Housing and Urban Development	2 864	5 070	1 422	1 458	1 495	1 533
Human Services	3 940	3 923	2 139	983	1 008	1 033
Infrastructure and Transport	3 343 359	3 201 593	3 497 248	3 727 036	3 117 246	2 157 710
Legislature	1 113	3 486	1 136	1 164	1 193	1 223
Police	85 317	102 049	83 529	44 031	46 020	31 954
Premier and Cabinet	136 654	169 514	86 417	65 664	38 050	54 288
Primary Industries and Regions	17 840	19 829	35 453	22 339	19 399	6 713
State Development	6 122	4 763	4 673	2 059	809	571
TAFE SA	20 268	20 479	19 688	21 728	22 896	12 322
Tourism	794	794	814	834	855	877
Treasury and Finance	7 268	6 408	7 111	4 187	4 291	4 399
Other <sup>(b)(c)</sup>	-647 379	-1203 091	252 894	711 879	1 060 150	2 062 554
<b>General government capital investment</b>	<b>4 629 454</b>	<b>4 221 269</b>	<b>5 811 558</b>	<b>6 251 541</b>	<b>5 483 455</b>	<b>5 168 435</b>

Note: Totals may not add due to rounding.

(a) Includes administered items.

(b) Includes a capital slippage provision to reflect the tendency, on a whole of government basis, for underspending due to some projects slipping from their current budgeted expenditure profile.

(c) Includes consolidation adjustments to eliminate inter-agency transactions and recognise contributed assets.

# Chapter 3: Revenue

## Overview

This chapter summarises movements in government revenues over the forward estimates and provides an overview of new revenue measures introduced as part of the 2026-27 Budget.

Total general government revenue is expected to reach \$32.7 billion in 2025-26, an improvement of \$1.3 billion compared to estimates made at the time of the 2025-26 Budget, mainly reflecting upward revisions to grants, taxation, and sales of goods and services revenue. The upward revision to grant revenue is mainly driven by revised construction profiles and the anticipated timing of Commonwealth Government revenue for a range of transport infrastructure projects, as well as a pull-forward of Commonwealth funding from 2026-27 to 2025-26 for Financial Assistance Grants which are passed on to local government. The improvement to taxation revenues is primarily due to stronger than expected growth in property prices and employment growth, which have flowed through to higher revenues from conveyance duty and payroll tax respectively.

Total general government revenue is expected to increase to \$33.9 billion in 2026-27, with annual average growth of 2.9 per cent over the four years to 2029-30.

## Initiatives

The government has introduced relief of up to \$103 830 for seniors aged 60 and over who downsize to a property with a smaller land size where they enter into a contract on or after 25 March 2026 for a newly built home, an off-the-plan apartment, or vacant land on which to build a new home.

No stamp duty is payable on the purchase of an eligible new home or off-the-plan apartment valued up to \$2 million, with relief progressively phasing out for properties valued up to \$2.1 million.

For the purchase of vacant land on which a new home will be built, no stamp duty is payable for vacant land valued up to \$1.2 million with relief progressively phasing out for land valued up to \$1.3 million.

An applicant must sell (or must have sold) their principal place of residence within 12 months of purchasing their replacement home.

Non-taxation initiatives include free public education from the 2027 school year, expansion of Seniors Card eligibility to all South Australians over the age of 60 and to Aboriginal South Australians aged 50 or older, and the pausing of metroCARD public transport fares at 2025-26 levels until at least 1 October 2026.

Further information on all revenue measures can be found in Budget Paper 5: Budget Measures Statement.

**Table 3.1: Revenue measures in the 2026-27 Budget (\$million)**

	2025-26 Estimate	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Revenue — taxation measures</b>					
Downsizing stamp duty concession	-2.0	-7.0	-20.0	-24.0	-24.0
<b>Total revenue measures — taxation</b>	<b>-2.0</b>	<b>-7.0</b>	<b>-20.0</b>	<b>-24.0</b>	<b>-24.0</b>
<b>Revenue — non-taxation</b>					
<b>Courts Administration Authority</b>					
Introduction of court mediation fees in the Supreme and District Courts	—	0.2	0.2	0.2	0.2
<b>Department for Education</b>					
School fee removal	—	-40.5	-42.5	-44.5	-46.5

	2025-26 Estimate	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Department for Housing and Urban Development</b>					
Increase in lodgement fees under the <i>Planning Development and Infrastructure Act 2016</i>	—	2.6	2.6	2.7	2.8
<b>Department of Human Services</b>					
Seniors Card — expanded eligibility	—	-1.3	-1.9	-2.0	-2.0
<b>Department for Infrastructure and Transport</b>					
metroCARD pubic transport fare — pause	—	-1.0	—	—	—
<b>Total revenue measures — non-taxation</b>	<b>—</b>	<b>-40.1</b>	<b>-41.6</b>	<b>-43.6</b>	<b>-45.6</b>

Note: Totals may not add due to rounding.

## General government sector revenue

Total general government sector revenues are expected to grow by 3.6 per cent in 2026-27, following expected growth of 7.5 per cent in 2025-26. Lower forecast growth in 2026-27 mainly reflects a return to more normal levels of revenue growth for grant and taxation revenues.

Over the four years to 2029-30, annual average growth in total revenue is estimated to be 2.9 per cent.

**Table 3.2: General government sector revenues (\$million)**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Taxation revenue	7 284.7	7 583.2	7 916.2	8 192.7	8 475.7	8 771.0
Grant revenue	17 939.0	18 530.5	18 998.3	19 141.1	19 720.8	20 493.3
Sales of goods and services	3 652.2	3 805.5	3 951.0	4 012.1	4 138.9	4 257.1
Interest income	431.5	480.5	671.3	716.0	744.5	780.1
Dividend and ITE revenue <sup>(a)</sup>	315.6	437.0	420.3	428.3	327.3	287.6
Other revenue	1 745.8	1 831.1	1 895.8	1 885.1	2 009.9	2 062.0
<b>Total revenue</b>	<b>31 368.7</b>	<b>32 667.9</b>	<b>33 852.8</b>	<b>34 375.3</b>	<b>35 417.1</b>	<b>36 651.0</b>
<b>% change on previous year</b>						
Nominal-terms growth (%)		7.5	3.6	1.5	3.0	3.5
Real-terms growth (%)		3.6	0.1	-0.9	0.5	1.0

Note: Totals may not add due to rounding.  
(a) Income tax equivalent (ITE)

## Taxation

State taxation revenue estimates have been revised up by \$298 million in 2025-26 compared to estimates in the 2025-26 Budget and are expected to grow by around 6.5 per cent relative to 2024-25. The growth is mainly due to strength in conveyance duty and land tax collections reflecting strong growth in property prices over the year.

Growth in total taxation revenue of 4.4 per cent is expected in 2026-27, with annual average growth of around 3.7 per cent over the four years to 2029-30, supported by growth in payroll tax, conveyance duty, land tax and insurance tax revenues that reflects a return to trend growth by the end of the forward estimates.

Taxation estimates are provided in table 3.3.

**Table 3.3: Taxation (\$million)**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Payroll tax</b>	<b>2 048</b>	<b>2 108</b>	<b>2 224</b>	<b>2 344</b>	<b>2 469</b>	<b>2 600</b>
<b>Property taxes</b>						
Land tax — private	655	664	732	755	777	801
Land tax — public	254	282	289	296	302	310
Emergency services levy on fixed property	214	216	225	238	245	250
Regional landscape levies	62	63	64	66	67	69
All other	22	22	16	16	16	16
<b>Total property taxes</b>	<b>1 208</b>	<b>1 247</b>	<b>1 327</b>	<b>1 372</b>	<b>1 408</b>	<b>1 445</b>
Water levies <sup>(a)</sup>	20	20	19	20	21	21
<b>Stamp duties on financial and capital transactions</b>						
Conveyance duty	1 625	1 784	1 834	1 876	1 930	1 987
<b>Total stamp duties on financial and capital transactions</b>	<b>1 625</b>	<b>1 784</b>	<b>1 834</b>	<b>1 876</b>	<b>1 930</b>	<b>1 987</b>
<b>Gambling taxes</b>						
Gaming machines	460	493	499	506	512	519
SA Lotteries	120	120	125	127	130	130
Casino	24	24	25	25	26	26
Betting Operations Tax	63	63	65	67	69	70
Other <sup>(b)</sup>	4	4	4	4	4	4
<b>Total gambling taxes</b>	<b>671</b>	<b>704</b>	<b>718</b>	<b>729</b>	<b>741</b>	<b>749</b>
<b>Insurance taxes</b>						
General insurance	602	609	638	667	697	728
CTP renewal certificate	85	86	87	89	91	93
CTP insurance	42	41	42	43	44	45
Life insurance	5	5	6	6	6	6
<b>Total insurance taxes</b>	<b>734</b>	<b>741</b>	<b>773</b>	<b>805</b>	<b>838</b>	<b>872</b>
<b>Motor vehicle taxes</b>						
Motor vehicle registration fees	624	623	658	675	691	709
Stamp duty on registration transfers	282	284	290	295	301	307
Emergency services levy on mobile property	50	50	51	52	53	53
Lifetime Support Scheme levy	23	23	23	24	25	26
<b>Total motor vehicle taxes</b>	<b>979</b>	<b>980</b>	<b>1 022</b>	<b>1 046</b>	<b>1 070</b>	<b>1 096</b>
<b>Total taxation</b>	<b>7 285</b>	<b>7 583</b>	<b>7 916</b>	<b>8 193</b>	<b>8 476</b>	<b>8 771</b>
<b>Policy adjusted<sup>(c)</sup></b>	<b>n.a.</b>	<b>7 553</b>	<b>7 899</b>	<b>8 189</b>	<b>8 476</b>	<b>8 771</b>

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>% change on previous year</b>						
<b>Total taxation</b>						
Nominal growth		6.5	4.4	3.5	3.5	3.5
Real growth		2.6	0.9	1.0	0.9	1.0
<b>Policy adjusted</b>						
Nominal growth		7.0	4.6	3.7	3.5	3.5
Real growth		3.1	1.0	1.1	1.0	1.0
Note: Totals may not add due to rounding.						
(a) Previously reflected in Regional landscape levies.						
(b) Includes revenue from small lotteries.						
(c) The policy adjusted series shows the underlying growth in tax revenues by adjusting tax estimates to be consistent with 2026-27 policy settings.						

## Payroll tax

The outlook for payroll tax revenue is provided in table 3.4.

**Table 3.4: Payroll tax**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Total payroll tax (\$m)</b>	<b>2 108.0</b>	<b>2 223.7</b>	<b>2 344.3</b>	<b>2 468.6</b>	<b>2 599.6</b>
Nominal growth (%)	7.6	5.5	5.4	5.3	5.3
Real growth (%)	3.7	1.9	2.9	2.7	2.7
<b>Policy adjusted underlying revenue (\$m)</b>	<b>2 108.0</b>	<b>2 223.7</b>	<b>2 344.3</b>	<b>2 468.6</b>	<b>2 599.6</b>
Nominal growth (%)	7.6	5.5	5.4	5.3	5.3
Real growth (%)	3.7	1.9	2.9	2.7	2.7

Payroll tax receipts for 2025-26 have been revised up \$60 million since the 2025-26 Budget, reflecting stronger than expected employment growth and collections experience, with total revenue growth of 7.6 per cent expected in 2025-26.

Payroll tax revenue is expected to grow by around 5.4 per cent per annum on average over the four years to 2029-30, broadly consistent with estimated underlying growth in employment and earnings.

## Property taxes

Property taxes include land tax, the ESL on fixed property, regional landscape levies and other minor taxes.

The outlook for property tax revenue is provided in table 3.5.

**Table 3.5: Property taxes**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Total property taxes (\$m)</b>	<b>1 247.3</b>	<b>1 326.8</b>	<b>1 371.7</b>	<b>1 407.8</b>	<b>1 445.2</b>
Nominal growth (%)	11.4	6.4	3.4	2.6	2.7
Real growth (%)	7.4	2.8	0.9	0.1	0.1
<b>Policy adjusted underlying revenue (\$m)</b>	<b>1 247.3</b>	<b>1 326.8</b>	<b>1 371.7</b>	<b>1 407.8</b>	<b>1 445.2</b>
Nominal growth (%)	11.4	6.4	3.4	2.6	2.7
Real growth (%)	7.4	2.8	0.9	0.1	0.1

**Land tax**

Land tax revenue in 2025-26 has been revised up by \$37 million since the 2025-26 Budget, reflecting updated information on 2025-26 land tax liabilities.

Land tax assessments are based on valuations undertaken by the Valuer-General, which have regard to property market sales experience in the calendar year immediately preceding the relevant financial year.

For 2026-27 land tax assessments, residential site values are estimated to increase by around 16 per cent and non-residential site values by around 10 per cent, reflecting the strength in the property market during 2025. This results in strong growth in forecast private land tax collections of around 10 per cent in 2026-27.

Land tax revenue estimates assume site value growth returning closer to trend levels of around 3 per cent per annum from 2027-28 following higher than average growth in recent years.

The land tax system incorporates a tax-free threshold and marginal rates of tax at various threshold values of aggregate land ownerships. Relevant land tax thresholds for 2026-27 will increase by around 12.4 per cent in line with average increases in site values as determined by the Valuer-General. This will see the general tax-free threshold for land tax increase to \$936 000 and the top tax rate threshold increase to \$3.5 million in 2026-27.

The land tax thresholds to apply in 2026-27 are outlined in table 3.6.

**Table 3.6: Land tax thresholds and rates (\$)**

2025-26 land tax structure general				2026-27 land tax structure general			
Site value		Tax applicable <sup>(a)</sup>		Site value		Tax applicable <sup>(a)</sup>	
0	to 833 000	—	—	0	to 936 000	—	—
833 001	to 1 338 000	0	+ 0.50%	936 001	to 1 504 000	0	+ 0.50%
1 338 001	to 1 946 000	2 525	+ 1.00%	1 504 001	to 2 188 000	2 840	+ 1.00%
1 946 001	to 3 116 000	8 605	+ 2.00%	2 188 001	to 3 504 000	9 680	+ 2.00%
Over 3 116 000		32 005	+ 2.40%	Over 3 504 000		36 000	+ 2.40%

(a) Tax rates apply to the excess above the lower limit of the taxable site value range.

2025-26 land tax structure trust				2026-27 land tax structure trust			
Site value		Tax applicable <sup>(a)</sup>		Site value		Tax applicable <sup>(a)</sup>	
0	to 25 000	—	—	0	to 25 000	—	—
25 001	to 833 000	125	+ 0.50%	25 001	to 936 000	125	+ 0.50%
833 001	to 1 338 000	4 165	+ 1.00%	936 001	to 1 504 000	4 680	+ 1.00%
1 338 001	to 1 946 000	9 215	+ 1.50%	1 504 001	to 2 188 000	10 360	+ 1.50%
1 946 001	to 3 116 000	18 335	+ 2.40%	2 188 001	to 3 504 000	20 620	+ 2.40%
Over 3 116 000		46 415	+ 2.40%	Over 3 504 000		52 204	+ 2.40%

(a) Tax rates apply to the excess above the lower limit of the taxable site value range.

### Emergency services levy — fixed property

The fixed property ESL is levied on the capital value of land and buildings.

The fixed property ESL consists of two components, a fixed charge per property and a variable charge based on the value of a property. A prescribed rate, which is used to calculate the variable charge, is determined annually to ensure there are sufficient funds within the Community Emergency Services Fund to cover approved emergency services expenditure in the coming year. The prescribed rate has been set at 0.0792 cents in the dollar for 2026-27.

The government will provide \$95.5 million in fixed property general remissions in 2026-27. Remissions reduce the effective ESL rates payable by taxpayers, lowering ESL bills. In addition, the government provides remissions to eligible concession recipients.

The ESL bill for a median valued residential property in metropolitan Adelaide (\$930 000) of \$170.50, is around \$6.00 (3.6 per cent) higher in 2026-27 than in 2025-26 based on the effective rates and growth in capital values.

Fixed property ESL rates applying in 2026-27 are summarised in table 3.7.

**Table 3.7: Fixed property ESL rates for 2026-27**

Fixed property	Prescribed rate	Remission rate	Post-remission rate	Effective levy rate paid in Regional Area 4 <sup>(a)</sup>
	Cents per \$ (applied to capital values discounted by land use and area factors)			\$50 plus cents per \$ of non-discounted capital value
Residential	0.0792	0.0468	0.0324	0.0130
Residential — eligible for concession	0.0792	0.0622	0.0170	0.0068
Commercial	0.0792	0.0000	0.0792	0.1059
Industrial	0.0792	0.0000	0.0792	0.1504
Rural and vacant land	0.0792	0.0161	0.0631 <sup>(b)</sup>	0.0189
Special community use	0.0792	0.0046	0.0746	0.0075
Other	0.0792	0.0124	0.0668	0.0334

(a) Incorporates the effect of land use weightings applied to capital values. Effective levy rates for each land use category differ depending on the regional location of the property. Effective levy rates are only shown for Regional Area 4.

Regional Area 4: metropolitan Adelaide (prescribed area factor of 1.0)

Regional Area 1: major country towns (prescribed area factor of 0.8)

Regional Area 2: incorporated areas outside Regional Areas 1 and 4 (prescribed area factor of 0.5)

Regional Area 3: unincorporated areas of the state (prescribed area factor of 0.2, effective area factor of 0.1)

(b) Different post-remission rates apply to Regional Area 4 (0.0632) and Regional Area 1, 2 and 3 (0.0493).

### Regional landscape levies

Regional landscape levies (formerly natural resource management levies) are collected by councils on behalf of eight regional landscape boards and a metropolitan Green Adelaide Board. The levies are paid by landholders to fund the activities of the boards that are responsible for facilitating the sustainable management of the state's landscapes.

Revenue in 2025-26 is expected to be broadly in line with the 2025-26 Budget estimate. Modest growth in revenue from regional landscape levies is expected over the period to 2029-30.

## Stamp duties on financial and capital transactions

Stamp duties on financial and capital transactions reflects revenue collected from conveyance duty, which in South Australia only applies to residential and primary production property sales.

The outlook for stamp duties on financial and capital transactions revenue is provided in table 3.8.

**Table 3.8: Stamp duties on financial and capital transactions**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Total stamp duties on financial and capital transactions (\$m)</b>	<b>1 783.7</b>	<b>1 833.9</b>	<b>1 876.4</b>	<b>1 929.5</b>	<b>1 987.1</b>
Nominal growth (%)	8.2	2.8	2.3	2.8	3.0
Real growth (%)	4.3	-0.7	-0.2	0.3	0.5
<b>Policy adjusted underlying revenue (\$m)</b>	<b>1 753.8</b>	<b>1 816.9</b>	<b>1 872.4</b>	<b>1 929.5</b>	<b>1 987.1</b>
Nominal growth (%)	10.5	3.6	3.1	3.1	3.0
Real growth (%)	6.5	0.1	0.5	0.5	0.5

### Conveyance duty

Conveyance duty revenue in 2025-26 is estimated to be \$158 million higher than forecast in the 2025-26 Budget, reflecting stronger than expected growth in residential property prices.

Overall collections are forecast to increase by 8.2 per cent in 2025-26, mainly reflecting the impact of strong price growth in residential property transfers through 2025-26. This is followed by a more modest revenue growth outlook of around 3 per cent per annum, on average, over the four years to 2029-30. This outlook reflects the expectation that growth in residential transactions and prices return to their respective long-term trends over the forward estimates period.

Following flat growth in 2025-26, residential transactions are expected to decline slightly each year from 2026-27 and return to long-term trend levels by the end of the forward estimates.

The average residential property price is projected to increase by 10 per cent in 2025-26 based on experience through the year. It is assumed that residential property price growth returns to its long-term average of 3 per cent per annum from 2026-27.

### Gambling taxes

Gambling taxes include taxes on gaming machines in hotels and clubs, a tax on the net gambling revenue of SA Lotteries, casino duty and the betting operations tax.

The outlook for gambling tax revenue is provided in table 3.9.

**Table 3.9: Gambling taxes**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Total gambling taxes (\$m)</b>	<b>703.9</b>	<b>717.6</b>	<b>728.9</b>	<b>740.5</b>	<b>749.3</b>
Nominal growth (%)	0.3	2.0	1.6	1.6	1.2
Real growth (%)	-3.4	-1.5	-0.9	-0.9	-1.3
<b>Policy adjusted underlying revenue (\$m)</b>	<b>703.9</b>	<b>717.6</b>	<b>728.9</b>	<b>740.5</b>	<b>749.3</b>
Nominal growth (%)	0.3	2.0	1.6	1.6	1.2
Real growth (%)	-3.4	-1.5	-0.9	-0.9	-1.3

Revenue from gambling taxes in 2025-26 is estimated to be \$33 million higher than forecast in the 2025-26 Budget due to higher than expected collections from gaming machines in hotels and clubs. Low growth in 2025-26 reflects a higher 2024-25 base due to additional revenue from the Adelaide Casino arising from the outcome of the High Court's decision in *SkyCity Adelaide Pty Ltd v Treasurer of South Australia* [2024] HCA 37, which related to the tax payable on loyalty points that have been converted to gambling credits and utilised by patrons.

Over the four years to 2029-30, annual average growth in gambling tax revenue is forecast to be 1.6 per cent. This reflects an expectation that growth in gaming machine tax revenue will grow at modest levels over the forward estimates period.

## Insurance taxes

Taxes on insurance include stamp duty on insurance premiums (including life insurance, general insurance and compulsory third party (CTP) insurance) and a flat stamp duty charge on renewal notices for CTP insurance.

Projected growth rates for insurance tax revenues are provided in table 3.10.

**Table 3.10: Insurance taxes**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Total insurance taxes (\$m)</b>	<b>740.9</b>	<b>772.9</b>	<b>804.7</b>	<b>837.9</b>	<b>872.5</b>
Nominal growth (%)	4.4	4.3	4.1	4.1	4.1
Real growth (%)	0.6	0.8	1.6	1.6	1.6
<b>Policy adjusted underlying revenue (\$m)</b>	<b>740.9</b>	<b>772.9</b>	<b>804.7</b>	<b>837.9</b>	<b>872.5</b>
Nominal growth (%)	4.4	4.3	4.1	4.1	4.1
Real growth (%)	0.6	0.8	1.6	1.6	1.6

Revenue from insurance taxes is estimated to be \$7 million higher in 2025-26 compared to the 2025-26 Budget estimate, largely reflecting an increase in general insurance duty revenue due to higher than estimated growth in premiums.

Growth in insurance duty revenue over the four years to 2029-30 is expected to be around 4.2 per cent per annum on average, mainly reflecting expected growth in general insurance premiums.

## Motor vehicle taxes

Motor vehicle taxes include registration fees, stamp duty on new registrations and ownership transfers, the ESL on mobile property and stamp duty on Lifetime Support Scheme (LSS) levy contributions.

The growth rates for motor vehicle tax revenues are provided in table 3.11.

**Table 3.11: Motor vehicle taxes**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Total motor vehicle taxes (\$m)</b>	<b>979.9</b>	<b>1 021.8</b>	<b>1 046.4</b>	<b>1 070.5</b>	<b>1 096.0</b>
Nominal growth (%)	1.7	4.3	2.4	2.3	2.4
Real growth (%)	-2.0	0.8	-0.1	-0.2	-0.1
<b>Policy adjusted underlying revenue (\$m)</b>	<b>979.9</b>	<b>1 021.8</b>	<b>1 046.4</b>	<b>1 070.5</b>	<b>1 096.0</b>
Nominal growth (%)	1.7	4.3	2.4	2.3	2.4
Real growth (%)	-2.0	0.8	-0.1	-0.2	-0.1

Revenue from motor vehicle taxes in 2025-26 is expected to be broadly in line with the 2025-26 Budget estimate.

Annual average growth in motor vehicle tax revenue is forecast to be 2.8 per cent per annum on average over the four years to 2029-30 and reflects the annual indexation of motor vehicle registration fees, growth in the stock of registered vehicles as well as modest growth in revenue from stamp duty on motor vehicle registration transfers and the LSS levy.

## South Australia's relative tax effort

In terms of tax revenue per capita, South Australia is a relatively low tax jurisdiction — the third lowest in 2025-26 based on state and territory mid-year budget update publications.

Details are provided in table 3.12.

**Table 3.12: Per capita taxation by jurisdiction (\$)<sup>(a)</sup>**

	2024-25 <sup>(b)(c)</sup>	2025-26 <sup>(c)(d)</sup>
Australian Capital Territory <sup>(e)</sup>	5 634	6 170
New South Wales	5 646	6 011
Victoria	5 558	5 903
Western Australia	4 933	5 233
Queensland	4 455	4 808
<b>South Australia</b>	<b>3 653</b>	<b>3 741</b>
Tasmania	3 198	3 441
Northern Territory	3 147	3 047
<b>All states and territories</b>	<b>5 088</b>	<b>5 415</b>

(a) Taxation revenues for South Australia have been adjusted to remove land tax paid by the South Australian Housing Authority.  
(b) Based on published outcomes for all States and Territories.  
(c) Population figures for 2024-25 have been sourced from ABS publications and 2025-26 population estimates reflect Commonwealth Treasury estimates.  
(d) Based on taxation revenue estimates published in 2025-26 Mid Year Budget publications for all states and territories.  
(e) The ACT's revenue base includes general rates (collected by councils in other jurisdictions), which increases its per capita taxation in comparison to other jurisdictions.

Each year the Commonwealth Grants Commission (CGC) releases an assessment of relative tax effort for all states and territories as part of its annual relativity update. The tax effort measure by the CGC provides an indication of how a state's effective level of tax differs to the effective level of all states and territories.

South Australia's total tax effort was below the average of all jurisdictions in 2024-25 and was the fifth lowest of all jurisdictions.

Details of tax effort assessments are provided in table 3.13.

**Table 3.13: Tax effort ratios by jurisdiction**

	2023-24	2024-25
	CGC <sup>(a)</sup>	CGC <sup>(b)</sup>
New South Wales	97.2	99.4
Victoria	113.5	112.4
Queensland	91.9	90.8
Western Australia	93.0	91.5
<b>South Australia</b>	<b>95.1</b>	<b>94.3</b>
Tasmania	85.9	85.1
Australian Capital Territory <sup>(c)</sup>	134.0	137.5
Northern Territory	81.9	82.5

(a) Tax effort ratios derived from the CGC's *GST Relativities 2025-26* publication.

(b) Tax effort ratios derived from the CGC's *2026 Update — GST Relativities for 2026-27* publication.

(c) The Australian Capital Territory is in the process of transitioning more of its tax revenue base to general rates (collected by councils in other jurisdictions) which are included in the calculation of its effort ratios.

## Grant revenue

Table 3.14: Grant revenue (\$million)

	2025-26		2026-27	2027-28	2028-29	2029-30
	2025-26 Budget	Estimated Result	Budget	Estimate	Estimate	Estimate
<b>Grant revenue</b>						
<b>Grants from the Commonwealth</b>						
GST revenue grants <sup>(a)</sup>	9 529.0	9 778.7	10 186.1	9 958.1	10 297.8	10 676.1
Ongoing tied grants	3 396.1	3 226.7	3 667.6	3 897.4	4 164.1	4 477.7
Ongoing tied grants for on-passing	1 708.4	1 762.0	1 852.8	1 951.8	2 050.8	2 152.8
National Partnership grants	2 190.8	2 454.7	2 255.5	2 168.4	2 033.5	2 008.2
National Partnership grants for on-passing	257.9	349.0	89.8	273.6	282.3	281.0
Other Commonwealth grants	673.7	744.7	753.4	704.8	705.5	715.1
<b>Total grants from the Commonwealth</b>	<b>17 755.9</b>	<b>18 315.8</b>	<b>18 805.3</b>	<b>18 954.1</b>	<b>19 534.0</b>	<b>20 310.9</b>
<b>Other contributions and grants</b>	<b>183.2</b>	<b>214.8</b>	<b>193.0</b>	<b>187.0</b>	<b>186.7</b>	<b>182.3</b>
<b>Total grant revenue</b>	<b>17 939.0</b>	<b>18 530.5</b>	<b>18 998.3</b>	<b>19 141.1</b>	<b>19 720.8</b>	<b>20 493.3</b>
<b>% change on previous year</b>						
<b>GST revenue grants</b>						
Nominal growth (%)		5.8	4.2	-2.2	3.4	3.7
Real growth (%)		2.0	0.6	-4.6	0.9	1.1
<b>Total grants from the Commonwealth</b>						
Nominal growth (%)		9.0	2.7	0.8	3.1	4.0
Real growth (%)		5.1	-0.8	-1.7	0.5	1.4
<b>Total grant revenue</b>						
Nominal growth (%)		8.9	2.5	0.8	3.0	3.9
Real growth (%)		4.9	-0.9	-1.7	0.5	1.4
Note: Totals may not add due to rounding.						
(a) This includes estimates of the Commonwealth Government's no worse off guarantee payments to South Australia.						

### GST revenue grants

GST revenue grants are impacted by changes to the national GST pool available for distribution and South Australia's share of the GST pool.

The national GST pool is expected to grow by 6.7 per cent in 2025-26, reflecting strength in consumption expenditure subject to GST and the impact of elevated inflation on prices. Growth in the GST pool is expected to remain strong in 2026-27 before moderating from 2027-28, reflecting the Commonwealth's expectation of a return to long-term average growth levels.

South Australia's GST revenue grants are expected to grow at rates that vary from growth in the national GST pool, reflecting movements in South Australia's projected share of the pool.

Growth in GST revenue grants is expected to be negative in 2027-28 due to an expected decline in South Australia's grant share, reflecting an expected moderation in interstate mining revenues and that South Australia will receive a higher than per capita share of impacting Commonwealth infrastructure grant funding across the forward estimates period (particularly from the North-South Corridor — River Torrens to Darlington project). This is discussed in the next section.

### South Australia's share of GST revenue

GST revenue grants are distributed between states and territories on the basis of horizontal fiscal equalisation (HFE). The CGC is responsible for recommending updated annual GST distribution shares to the Commonwealth Government each year.

The CGC provides its recommendations in the form of GST distribution relativities, which reflect the relationship between a state's GST entitlement under HFE and its population share of total GST grants. For example, a relativity above 1 indicates that a state requires more than its population share of GST grants, due to a lower capacity to raise revenue compared to other states and/or higher costs of providing services and infrastructure to the same standard as other states. The relativities are then adjusted to reflect the new equalisation benchmark and transition arrangements (discussed further below).

In March 2026, the CGC released its *Report on GST Revenue Sharing Relativities — 2026 Update (2026 Update)*, which contains the recommended relativities for the distribution of GST revenue grants to the states in 2026-27.

The CGC recommended a decrease in South Australia's relativity from 1.38876 in 2025-26 to 1.35920 in 2026-27. The decrease in South Australia's relativity, combined with forecast changes in state population shares will result in South Australia receiving around 9.8 per cent of the GST pool in 2026-27, a lower share to that received in 2025-26.

The overall impact represents the combined effect of methodological changes, revisions to data and the updating of assessments to include 2024-25 data. Based on CGC modelling, the decrease in South Australia's relativity equates to a \$253 million decrease in GST revenue compared to using the previous relativities.

The main drivers that contributed to the change in South Australia's relativity were:

- the phasing-out of the assessment for COVID-19 business support and health expenses that were favourable to New South Wales and Victoria due to their higher COVID-19 related expenses
- lower coal and iron ore prices, which increased Queensland's and Western Australia's assessed GST needs and decreased assessed GST needs of the other states
- above-average growth in the value of South Australian property transferred, which increases the state's relative capacity to raise revenue from stamp duties.

The Commonwealth Treasurer applied the CGC's recommended relativities in the 2026-27 Commonwealth Budget.

Based on the new relativity, current population and GST pool estimates for 2026-27, South Australia will receive around \$3.0 billion more GST revenue in 2026-27 (including no worse off guarantee payments) than it would if funding was distributed on a population share basis, which has no regard to the different fiscal needs and capacities of each state.

Beyond 2026-27, South Australia's GST relativity is expected to be influenced by:

- an expected moderation in royalty revenue growth in other jurisdictions, which reduces South Australia's assessed GST requirements
- changes in South Australia's share of Commonwealth Government payments
- relative population growth in South Australia
- the outcomes of the Productivity Commission's Inquiry into GST Reforms due for completion by 31 December 2026.

### Impact of the 2018 equalisation changes and transition arrangements

The key elements of the 2018 GST distribution reforms include:

- a revised equalisation benchmark, with states no longer equalised to the same fiscal capacity, but rather to the fiscal capacity of New South Wales or Victoria (whichever has a higher fiscal capacity in a given year). This provides an advantage to any jurisdiction that has a fiscal capacity above the stronger of New South Wales or Victoria in a given year
- a GST relativity floor funded within the GST pool (through reductions to other states' GST grants if required) from 2022-23, initially set at 0.70 and increased to 0.75 from 2024-25
- an additional Commonwealth Government boost to the GST pool of \$600 million per annum from 2021-22, with an additional \$250 million from 2024-25. These additional payments are being indexed to growth in the GST pool in subsequent years
- a guarantee that no state will be worse off, on a cumulative basis, under the new arrangements compared to the previous full equalisation arrangements, for each year, with any cumulative shortfall funded by the Commonwealth Government. This arrangement was originally scheduled to expire in 2026-27 but was extended, through the Extension of the GST No Worse Off Guarantee Funding Agreement, until 2029-30
- a further Productivity Commission inquiry on HFE, to be completed by December 2026, to examine whether the new GST distribution arrangements are operating efficiently, effectively, and as intended. This review is currently being undertaken with submissions provided by all states and territories.

The 2018 GST distribution reforms are expected to increase Western Australia's GST revenue grants by \$6.7 billion in 2026-27 compared to its grant entitlement under full equalisation (previous system). In this absence of Commonwealth guarantee payments, this would come at the expense of all other jurisdictions as demonstrated in Table 3.15.

**Table 3.15: GST grants under the new and previous arrangements (excluding no worse off payments) 2026-27 (\$million)**

	Previous arrangements	New arrangements <sup>(a)</sup>	Difference
New South Wales	28 704	26 542	-2 162
Victoria	30 144	28 358	-1 786
Queensland	19 577	18 736	-841
Western Australia	2 786	9 506	6 720
<b>South Australia</b>	<b>10 186</b>	<b>9 711</b>	<b>-475</b>
Tasmania	4 184	4 042	-143
Australian Capital Territory	2 246	2 124	-122
Northern Territory	5 273	5 208	-65

Source: SA Treasury and Finance calculation based on information in the CGC's 2026 Update — GST Relativities for 2026-27 Report and the 2026-27 Commonwealth Budget

(a) The impacts above represent the effect of equalising states to the stronger of New South Wales and Victoria, blending old and new system relativities and applying a 0.75 relativity floor. They also include state shares of the GST pool boost but do not include no worse off guarantee payments from the Commonwealth Government.

### Productivity Commission Inquiry on GST Distribution Reforms

When changes to the GST distribution system were legislated by the Commonwealth Government in 2018, there was a requirement for the Productivity Commission (PC) to undertake an inquiry on the operation of the revised system by 31 December 2026.

The Inquiry is now underway and it is considering whether the new reforms are operating efficiently, effectively and as intended.

As part of its inquiry, the PC released its Issues Paper in November 2025 and invited jurisdictions to lodge their initial submissions by 27 February 2026. The Government of South Australia lodged a submission arguing for a return to the full HFE system in place before the 2018 changes commenced in 2021-22.

The submission highlighted that:

- vertical fiscal imbalance in Australia is high compared to other federations and GST as a share of the economy has been declining, both of which highlight the need for a GST distribution system that is equitable across jurisdictions
- the distribution of more GST revenue to Western Australia allows it to deliver a higher standard of services to its residents, provides greater capacity to reduce taxes, retire debt faster than other states/territories and therefore supports a stronger domestic economy at the expense of other jurisdictions' economies — contrary to the principles of HFE and the Federation
- the revised system has not achieved the policy outcomes intended by its proponents — there is greater fiscal/economic inequity, less sustainability for jurisdictions and the Commonwealth, no improvement in revenue certainty and instead of all jurisdictions being better off, only Western Australia is in an improved position
- should the Commonwealth Government decide to retain the current GST distribution arrangements, a permanent extension of the no-worse-off guarantee must be implemented.

On the basis of national equity, the Government of South Australia still strongly supports the previous system of full equalisation, that is, for all jurisdictions to be equalised to the same fiscal capacity.

### **Commonwealth Government payments for specific purposes**

Commonwealth-state funding arrangements are governed by Commonwealth Government legislation and the Intergovernmental Agreement on Federal Financial Relations (the IGA) agreed to by the Council of Australian Governments in December 2008.

Consistent with the new Federation Funding Agreements architecture agreed by National Cabinet in 2020, payments for specific purposes can either be ongoing tied grants (National Agreements) or time-limited National Partnership Payments (NPPs).

National Agreements (NAs) include the National Skills Agreement, the National Health Reform Agreement, Better and Fairer Schools Agreement, the National Mental Health and Suicide Prevention Agreement, the National Agreement on Social Housing and Homelessness Agreement and the National Access to Justice Partnership.

NPPs are time-limited payments to the states that fall under one of five sectoral Federation Funding Agreements (FFAs). The five FFAs cover health, education and skills, infrastructure, environment and a residual agreement that incorporates affordable housing, community services and other services. These payments support the delivery of specific projects or facilitate/reward the implementation of reforms of national importance.

Table 3.16 summarises expected Commonwealth Government payments for specific purposes to South Australia by category.

**Table 3.16: Commonwealth Government payments for specific purposes by category (\$million)<sup>(a)</sup>**

<b>Agreement</b>	<b>2025-26 Budget</b>	<b>2025-26 Estimate</b>	<b>2026-27 Budget</b>	<b>2027-28 Estimate</b>	<b>2028-29 Estimate</b>	<b>2029-30 Estimate</b>
<b>Health</b>						
National Health Reform	2 347.0	2 179.5	2 588.5	2 795.6	3 019.3	3 260.8
National Partnerships	145.9	333.3	178.2	76.9	15.8	12.9
<b>Education and Early Childhood</b>						
Better and Fairer Schools (government schools)	805.4	804.7	831.0	849.1	887.4	954.4
Better and Fairer Schools (non-government schools)	1 708.4	1 762.0	1 852.8	1 951.8	2 050.8	2 152.8
National Partnerships	42.2	67.7	52.6	33.2	37.7	36.3
<b>Skills and Workforce Development</b>						
National Skills Agreement	121.5	120.4	122.7	124.5	126.6	128.7
National Partnerships	62.4	65.3	72.8	54.9	44.8	32.7
<b>Community Services</b>						
National Partnerships	5.0	11.6	1.8	—	—	—
<b>Housing</b>						
National Agreement on Social Housing and Homelessness	122.2	122.2	125.4	128.1	130.8	133.8
National Partnerships	8.0	31.0	149.8	17.0	17.7	—
<b>Infrastructure</b>						
National Partnerships	1 352.0	1 170.1	1 404.6	1 832.3	1 832.9	1 843.9
<b>Environment</b>						
National Partnerships	291.9	395.3	129.0	61.8	12.3	—
<b>Other</b>						
National Partnerships <sup>(a)</sup>	287.8	398.7	278.5	92.6	72.4	82.4
Local government financial assistance	253.5	330.7	78.0	273.4	282.3	281.0
<b>Total Commonwealth Government payments for specific purposes</b>	<b>7 553.1</b>	<b>7 792.4</b>	<b>7 865.8</b>	<b>8 291.2</b>	<b>8 530.7</b>	<b>8 919.7</b>

Note: Totals may not add due to rounding.

(a) Includes payments made under the National Access to Justice Partnership.

### Ongoing tied Commonwealth Government grants

Revenue from ongoing tied Commonwealth Government grants is forecast to grow modestly over the forward estimates reflecting activity and indexation arrangements specified in funding agreements.

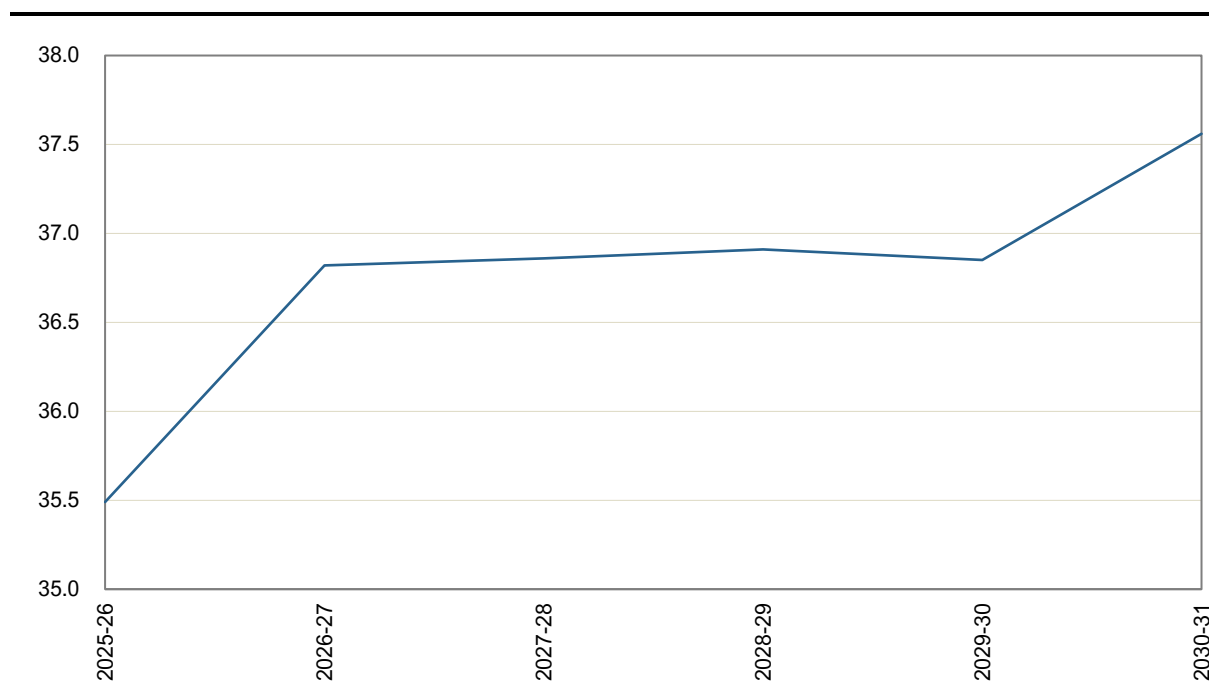
#### *Health and disability funding*

National Health Reform funding is based on public hospital activity and a national efficient price determined by the Independent Health and Aged Care Pricing Authority. Under current arrangements, total funding growth for public hospitals is capped at 6.5 per cent of efficient growth per annum nationally.

In recognition of the fact that public hospital costs have grown by more than the 6.5 per cent per annum cap, in February 2026 National Cabinet agreed to an updated National Health Reform Agreement (NHRA) addendum. The 2026-31 addendum includes:

- \$25 billion in additional Commonwealth funding for public hospitals nationally. This includes \$24.4 billion in additional funding for public hospitals over five years (around \$2 billion for South Australia) compared to a continuation of current funding arrangements, as well as an additional \$600 million in further Commonwealth investment in the public hospital system.
- Commonwealth Contribution Rate (CCR) to incrementally increase to 45 per cent over 10 years, with achievement of 42.5 per cent by 2031, but with funding growth being capped at 10.25 per cent in 2026-27 and 8 per cent thereafter to 2030-31. As a result of the cap, South Australia is only expected to reach a CCR of 37.6 per cent by 2030-31, which is well short of the 42.5 per cent glide path.

**Figure 3.1: Projected Commonwealth Contribution Rate, 2025-26 to 2030-31**



As part of the National Cabinet funding deal, states and territories also agreed to reforms to secure the future of the National Disability Insurance Scheme (NDIS), ensuring the scheme remains sustainable. Agreed reforms include:

- Adjusting state and territory NDIS contribution escalation rates to be in line with actual scheme growth, capped at 8 per cent, from 1 July 2028 with a review point in 2030-31
- Commonwealth and states to work together to target annual NDIS cost increases to 5 to 6 per cent
- \$10 billion over five years nationally, split 50/50 between the Commonwealth and states, towards the establishment of new foundational supports for people with disability outside of the scheme. \$4 billion has been allocated to deliver the Thriving Kids program, the first phase of foundational supports, with the Commonwealth providing \$1.4 billion of its contribution to support new state services for children aged eight and under with developmental delay and/or autism with low to moderate support needs.

### ***Better and Fairer Schools Agreement***

The Commonwealth Government funding model for school education is based on a Schooling Resource Standard (SRS) that provides recurrent funding to government and non-government schools to support the educational needs of students. The model prescribes both the Commonwealth Government and state and territory government recurrent funding contributions as shares of the SRS. The Commonwealth Government may also provide additional funding for capital expenditure, special circumstances and non-government representative bodies.

In January 2025, South Australia entered into the Better and Fairer Schools Agreement (BFSA) which replaced the National School Reform Agreement. Under the ten-year BFSA, the Commonwealth will progressively increase its funding for government schools to 25 per cent of the SRS by 2034, up from 20 per cent. The South Australian Government will contribute 75 per cent, ensuring government schools receive 100 per cent of their SRS funding by 2034.

Ongoing tied Commonwealth Government grants for on-passing is solely comprised of funding for non-government schools.

#### ***National Agreement on Social Housing and Homelessness***

In May 2024, National Cabinet agreed that all states and territories would sign up to a new five-year National Agreement on Social Housing and Homelessness (NASHH), formerly the National Housing and Homelessness Agreement, commencing from 1 July 2024. Upon signing the agreement, states and territories became eligible for a share of \$1 billion in additional Commonwealth funding to support the development of new housing. The new agreement includes the reallocation of Commonwealth funding from other programs to expand homelessness programs with the states and territories to provide a matched contribution for the homelessness component.

#### ***National Skills Agreement***

In October 2023, first ministers agreed on a new National Skills Agreement (NSA) replacing the former National Agreement on Skills and Workforce Development (NASWD). The NSA supports a skills reform agenda that aims to deliver a high quality, responsive and accessible vocational education and training (VET) system that helps individuals to obtain the skills and capabilities they need to obtain well paid, secure jobs. The agreement puts TAFE at the centre of the VET sector and seeks to progress national priorities including Closing the Gap, gender equality, addressing skills shortages and developing Australia's sovereign capability.

#### ***National Partnership grants***

NPPs are time limited agreements to fund specific projects and to facilitate or reward states that deliver nationally significant reforms. Funding can be for both recurrent and capital purposes and may be in the form of direct grants to the state or grants passed on to third parties.

In 2026-27, South Australia will receive an estimated \$2.3 billion in direct NPP funding, representing a decline of around 8 per cent compared to funding in 2025-26. This mainly reflects the timing of funding for major infrastructure projects including the North-South Corridor — River Torrens to Darlington, Marion Road — Anzac Highway to Cross Road and heavy vehicle rest areas. Funding in 2026-27 is also impacted by the conclusion or winding down of funding from the Energy Bill Relief Fund, funding for the Marine Algal Bloom, one-year additional funding associated with the one-year extension of the NHRA in 2025-26, funding under the Commonwealth Government's '100,000 Homes for First Home Buyers' scheme and the profile of funding for the Whyalla Steelworks. NPPs for on-passing reflect the timing of Commonwealth funding for Financial Assistance Grants for local government.

Over the forward estimates period, NPP funding largely reflects the timing of funding for infrastructure projects including North-South Corridor — River Torrens to Darlington, Princes Highway Corridor, Marion Road — Anzac Highway to Cross Road, South Eastern Freeway Upgrade, High Productivity Vehicle Network – Stage 1 and the Flinders Medical Centre Upgrade and Expansion.

#### ***Other Commonwealth grants***

The majority of other Commonwealth grants funding includes payments in respect of the Pharmaceutical Benefits Scheme, Commonwealth Government funding to deliver aged care and transitional care programs as well as services to Department of Veterans' Affairs clients.

## Sales of goods and services

Sales of goods and services revenue in the general government sector includes government fees and charges that are adjusted by the annual indexation factor. Most government fees and charges will be indexed by 3.3 per cent from 1 July 2026.

**Table 3.17: Sales of goods and services (\$million)**

	2025-26		2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
	2025-26 Budget	Estimated Result				
Regulatory fees	1 152.2	1 220.8	1 281.3	1 343.1	1 395.7	1 436.0
Health unit fees	571.7	598.5	624.7	634.3	649.5	664.5
Guarantee fees	161.1	156.4	168.8	178.1	180.0	182.7
TAFE fees	89.4	100.3	98.9	103.6	109.9	112.8
Schools revenue	144.7	158.1	122.2	124.9	127.6	130.6
Metroticket sales	97.7	97.7	101.6	107.5	113.3	116.6
Drivers' licence fees	81.1	81.1	83.6	91.4	99.0	96.9
Other user charges	1 354.2	1 392.5	1 469.9	1 429.2	1 463.9	1 517.0
<b>Total sales of goods and services</b>	<b>3 652.2</b>	<b>3 805.5</b>	<b>3 951.0</b>	<b>4 012.1</b>	<b>4 138.9</b>	<b>4 257.1</b>
<b>% change on previous year</b>						
Nominal-terms growth (%)		2.7	3.8	1.5	3.2	2.9
Real-terms growth (%)		-1.0	0.3	-0.9	0.6	0.3

Note: Totals may not add due to rounding.

Revenue from sales of goods and services in 2025-26 is expected to be \$153 million higher than estimated at the time of the 2025-26 Budget. This is mainly due to higher revenue from regulatory fees, other user charges and health unit fees.

Regulatory fees revenue has been revised up by \$69 million, largely reflecting higher land services fees due to stronger than expected property price growth.

Revenues from health unit fees and other user charges have been revised up in 2025-26 primarily due to increased revenue from services fees and charges reflecting higher than expected demand for services across the public health system including increased demand for SA Ambulance Service transports.

Growth in sales of goods and services over the four years to 2029-30 is expected to be around 2.8 per cent per annum, on average, largely driven by projected increases in revenue from regulatory fees and other user charges, partially offset by lower growth in schools revenue from 2026-27 reflecting the government's election commitment to deliver free public education from the 2027 school year to ease cost of living pressures for parents, caregivers and independent students in government schools.

Lower TAFE SA fees revenue in 2026-27 is mainly due to reduced fee for services income from the Commonwealth-funded Adult Migrant English program, reflecting the agreement's expiry in December 2026.

## Interest income

Interest income is generated from agency cash balances held with financial institutions.

**Table 3.18: Interest income (\$million)**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Total interest income</b>	<b>431.5</b>	<b>480.5</b>	<b>671.3</b>	<b>716.0</b>	<b>744.5</b>	<b>780.1</b>
Nominal-terms growth (%)		-0.2	39.7	6.6	4.0	4.8
Real-terms growth (%)		-3.9	35.0	4.0	1.4	2.2

Note: Interest income is presented on a gross basis, with interest paid on borrowings reflected separately as an expense. This can lead to significant growth between years which is not reflective of underlying movements.

Interest income in 2025-26 is expected to be around \$49 million higher than estimated at the time of the 2025-26 Budget, mainly due to higher than expected interest rates on cash deposits. Strong growth in interest income in 2026-27 largely reflects projected growth in interest rates, with more normal growth in future years.

## Dividend and income tax equivalent income

Dividend and income tax equivalent (ITE) revenue is received from public non-financial corporations (PNFCs) and public financial corporations (PFCs).

**Table 3.19: Dividend and income tax equivalent income (\$million)**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Dividend and ITE income from PNFCs	223.0	332.2	321.1	338.0	239.1	198.7
Dividend and ITE income from PFCs	92.0	104.3	98.5	89.8	87.6	88.3
Other dividend income	0.6	0.6	0.6	0.6	0.6	0.6
<b>Total dividend and ITE revenue</b>	<b>315.6</b>	<b>437.0</b>	<b>420.3</b>	<b>428.3</b>	<b>327.3</b>	<b>287.6</b>
<b>Dividend and ITE from PNFCs comprise</b>						
SA Water	192.2	237.6	289.9	273.0	224.2	183.8
Renewal SA	19.3	83.9	19.1	52.5	2.2	2.2
Other	11.5	10.6	12.2	12.5	12.7	12.7
<b>Subtotal</b>	<b>223.0</b>	<b>332.2</b>	<b>321.1</b>	<b>338.0</b>	<b>239.1</b>	<b>198.7</b>
<b>Dividend and ITE from PFCs comprise</b>						
Motor Accident Commission	2.0	2.1	0.9	0.5	0.5	0.5
HomeStart Finance	55.1	102.2	52.7	44.3	42.1	42.8
SAFA	35.0	—	45.0	45.0	45.0	45.0
<b>Subtotal</b>	<b>92.0</b>	<b>104.3</b>	<b>98.5</b>	<b>89.8</b>	<b>87.6</b>	<b>88.3</b>
<b>% change on previous year</b>						
<b>Total dividend and ITE revenue</b>						
Nominal growth (%)		2.0	2.1	0.9	0.5	0.5
Real growth (%)		55.1	102.2	52.7	44.3	42.1

Note: Totals may not add due to rounding.

In 2025-26, total dividend and ITE income is estimated to be around \$121.5 million higher than the 2025-26 Budget estimate.

Distributions from PNFCs are expected to be \$109.2 million above budget in 2025-26, mainly due to higher than expected dividend and ITE payments from Renewal SA and SA Water.

Higher distributions from Renewal SA primarily reflect higher net sales income at Onkaparinga Heights and distributions associated with higher than expected profit in 2024-25. Higher distributions from SA Water are mainly due to revised profit expectations from higher water sales, connections and extensions and contributed assets revenue.

Distributions from Renewal SA over the forward estimates reflect the maturing of various property development projects including Southwark, Noarlunga Downs and Greater Seaton.

Distributions from SA Water are expected to decline after 2027-28 primarily reflecting movements in expected depreciation and interest expenses, and current projections for lower third party works revenue from 2028-29, noting these projections will continue to be updated as future works programs are finalised and agreed.

SA Water's current regulatory determination period concludes on 30 June 2028. The government has also announced that it intends to de-corporatise SA Water and replace it with the SA Gas and Water Trust. Reflecting the expected timing for the creation of the SA Gas and Water Trust, the budget estimates for SA Water have been prepared consistent with standard parameters that have typically been expected to apply to upcoming regulatory periods and do not attempt to incorporate the estimated impacts of the proposed SA Gas and Water Trust. Final parameters will be defined through the course of finalising the arrangements for the SA Gas and Water Trust.

Distributions from PFCs are expected to be around \$12.3 million higher than the 2025-26 Budget estimate primarily due to shared equity gains from higher than expected house price growth impacting HomeStart Finance's profitability, partially offset by lower distributions from SAFA due to the impact of an increase in provisions established for insurance claims.

The decrease in PFC distributions from 2026-27 reflects increased discharges from initiatives to support refinancing which impacts HomeStart Finance's profitability, partially offset by SAFA dividends returning to normal levels.

Further information on dividends and distributions can be found in Chapter 5.

## Other revenue

Other revenue comprises receipts from a number of sources including mining royalties, various fines and penalties and miscellaneous school related fees.

**Table 3.20: Other revenue (\$million)**

	2025-26		2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
	2025-26 Budget	Estimated Result				
Royalties	456.8	493.9	509.2	468.4	493.1	499.8
Fines and penalties	220.2	176.6	230.1	299.8	307.5	315.4
Schools revenue	46.3	35.3	36.2	37.1	38.0	39.0
Other	1 022.4	1 125.3	1 120.2	1 079.7	1 171.2	1 207.7
<b>Total other revenue</b>	<b>1 745.8</b>	<b>1 831.1</b>	<b>1 895.8</b>	<b>1 885.1</b>	<b>2 009.9</b>	<b>2 062.0</b>
<b>% change on previous year</b>						
Nominal-terms growth (%)		8.1	3.5	-0.6	6.6	2.6
Real-terms growth (%)		4.2	0.0	-3.0	4.0	0.1

Note: Totals may not add due to rounding.

Total revenue from other sources in 2025-26 is expected to be \$85 million higher than the 2025-26 Budget estimate mainly reflecting higher than expected other revenue and royalty collections, partially offset by a decline in revenue from fines and penalties and the impact of a reclassification of schools revenue.

Royalty revenue in 2025-26 is expected to be \$37 million higher than the 2025-26 Budget estimate. This reflects higher mineral royalties due to stronger commodity prices, partially offset by a reduction in petroleum royalties revenue due to lower production volumes. Growth in future years is impacted by forecast movements in production levels for minerals.

Revenue from fines and penalties in 2025-26 is projected to be \$44 million lower than the 2025-26 Budget estimate due to a delay in the rollout of new road safety cameras and lower than expected collections from court related fines and penalty fees. Growth in future years mainly reflects expected revenue from an increase in the number of road safety cameras at high-risk sites.

Schools revenue includes fundraising, canteen revenue, excursion fees, out of school-hours care fees and Commonwealth Grants paid directly to schools. Schools revenue in 2025-26 is expected to be \$11 million lower than the 2025-26 Budget estimate, reflecting the reclassification of revenue from International Education Services, which is now budgeted as 'sales of goods and services'. Schools revenue is estimated to grow modestly over the forward estimates.

Other revenue in 2025-26 is expected to be \$103 million higher than the 2025-26 Budget estimate. The upwards revision in 2025-26 reflects the revenue related to the repayment of the initial implementation and operation costs provided by the government during the period of commencement of the Firm Energy Reliability Mechanism (FERM) scheme, the contributed asset revenue for Lake Hawdon North regulator to the South Eastern Water Conservation Drainage Board and an insurance recovery for assets impacted by the River Murray Flood event. Growth in future years is impacted by the profile of external contributions to commercial projects.

## Annual fee and rate setting

### Fees and charges

The annual indexation factor for fees and charges has been set at 3.3 per cent for 2026-27, which takes into account annual public sector wages growth and the Consumer Price Index. Fees and charges are typically adjusted by the applicable indexation factor and then rounded to an administratively convenient amount. This results in the increase of some fees and charges being smaller or greater than the applicable indexation factor.

Not all fees and charges are increased through the annual adjustment process. Adjustments to certain fees and charges are determined as a consequence of specific policy decisions.

metroCARD fares will be maintained at 2025-26 levels until at least 1 October 2026 to provide cost of living relief as the conflict in the Middle East continues to drive uncertainty in the international fuel market. The government will review when it is appropriate to apply standard indexation in the context of the ongoing conflict in the Middle East.

CTP premiums are set independently by private insurers within a range as determined by the CTP Regulator. The CTP Regulator has determined an increase to the lower bound of the range (around 4.0 per cent) as well as an increase to the upper bound of the range (around 2.3 per cent) in 2026-27.

The Lifetime Support Scheme levy will increase by 3.8 per cent in 2026-27 for passenger vehicles in metropolitan postcodes which reflects increases in the cost of future medical care and support payments under the scheme.

Water and sewerage prices will be set prior to the commencement of the 2026-27 financial year.

Table 3.21 sets out the increases in fees and charges in 2026-27 for major government services. These increases take effect from 1 July 2026.

**Table 3.21: 2026-27 changes to selected agency fees and charges**

	2025-26 \$	2026-27 \$	Change %
<b>Public transport<sup>(a)</sup></b>			
metroCARD single fare — all times and zones	4.55	4.75	4.4
Regular 28-day pass	119.10	123.00	3.3
Student 28-day pass	10.00	10.30	3.0
<b>Motor vehicle charges</b>			
Registration fee — motor vehicles:			
Four cylinders or less	157.00	162.00	3.2
Five or six cylinders	320.00	331.00	3.4
Seven or more cylinders	462.00	477.00	3.2
Registration fee — light commercial vehicles:			
Mass between 1001 kg and 1500 kg	344.00	355.00	3.2
Mass greater than 1500 kg	587.00	606.00	3.2
<b>Drivers' licence renewals</b>			
Five years	275.00	285.00	3.6
Ten years	550.00	570.00	3.6
<b>Speeding fines</b>			
Exceeding the speed limit by:			
Less than 10 km/h	208.00	215.00	3.4
By 10 km/h but less than 20 km/h	469.00	484.00	3.2
By 20 km/h but less than 30 km/h	955.00	987.00	3.4
By 30 km/h but less than 45 km/h	1736.00	1793.00	3.3
By 45 km/h and above	1954.00	2018.00	3.3
<b>Motor vehicle charges<sup>(b)</sup></b>			
Compulsory third party premium — passenger vehicles (metropolitan postcodes):			
Standard premium	264.31 - 287.42 <sup>(c)</sup>	274.73 - 293.91	3.9 / 2.3
Input tax credit entitled premium	279.76 - 304.57 <sup>(c)</sup>	290.87 - 311.46	4.0 / 2.3
Lifetime Support Scheme levy — passenger vehicles (metropolitan postcodes)	147.15	152.79	3.8
(a) metroCARD fares will be maintained at 2025-26 levels until 1 October 2026, and the Government will further review at that point when it is appropriate to apply standard indexation in the context of the evolution of the war in the Middle East and associated flow-on impacts.			
(b) For metropolitan postcodes. CTP premiums are set independently by private insurers within a range as determined by the CTP Regulator.			
(c) For metropolitan postcodes, from 22 November 2025			

# Chapter 4: Managing the state's assets and liabilities

## Overview

The state's assets and liabilities are impacted by the government's commitment to a range of investments over the forward estimates that improve the state's economic and social infrastructure to support South Australia's growing population, strengthen service delivery and drive long-term economic activity. The government's capital investment program continues to support the delivery of major infrastructure projects across the state, including significant investment in health infrastructure, road networks and schools. These investments are designed to meet increasing demand for essential services, and support economic growth and liveability for South Australians.

General government sector net debt is expected to rise from \$24.2 billion at 30 June 2026 to \$40.9 billion at 30 June 2030. The non-financial public sector (NFPS) net debt reflects the combined debt of the general government and the public non-financial corporations (PNFC) sectors. The NFPS net debt is estimated to increase to \$53.7 billion at 30 June 2030, up from \$34.7 billion at 30 June 2026.

The value of land and other fixed assets in the general government sector, including the state's transport, education and health infrastructure is expected to increase from \$80.4 billion at 30 June 2026 to \$94.7 billion at 30 June 2030 reflecting the government's significant investment in new infrastructure for the community. The net worth of the general government sector, which measures the extent to which the value of its assets exceeds its liabilities, increases over this period to reach \$68.3 billion at 30 June 2030.

The state's unfunded superannuation liability is estimated to be \$5.4 billion at 30 June 2026. This is \$384 million lower than the estimate at the time of the 2025-26 Mid-Year Budget Review (MYBR), largely as a result of a higher discount rate to value the liability. The government remains on track to fully fund superannuation liabilities by 2034, with the unfunded liability projected to decline to \$3.2 billion by 30 June 2030.

## General government sector financial position

Table 4.1 summarises key balance sheet indicators for the general government sector.

**Table 4.1: Key balance sheet indicators at 30 June — general government sector**

	2025 Actual	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
<b>Net debt</b>						
\$m	21 652	24 226	28 842	33 417	37 274	40 853
% of total revenue	71.2	74.2	85.2	97.2	105.2	111.5
% of GSP	13.7	14.6	16.7	18.5	19.7	20.7
<b>Net financial liabilities</b>						
\$m	34 896	36 484	40 499	44 834	48 029	50 977
% of total revenue	114.8	111.7	119.6	130.4	135.6	139.1
<b>Net financial worth</b>						
\$m	-12 331	-13 593	-17 093	-20 997	-24 098	-26 967
% of total revenue	-40.6	-41.6	-50.5	-61.1	-68.0	-73.6
<b>Net worth</b>						
\$m	66 002	67 072	67 470	67 852	68 067	68 253
% of total revenue	217.1	205.3	199.3	197.4	192.2	186.2

## Net debt

General government sector net debt is forecast to increase across the forward estimates from \$24.2 billion at 30 June 2026 to \$40.9 billion at 30 June 2030. The increase in general government net debt primarily reflects the projected cash deficits in the general government sector across the forward estimates, totalling \$13.9 billion from 2026-27 to 2029-30. The cash deficits across the forward estimates predominantly reflect the government's substantial investment program. This includes improvements to road infrastructure in partnership with the Commonwealth Government as well as a range of other infrastructure investments including the new Women's and Children's Hospital, Flinders Medical Centre upgrade and expansion and new Mount Barker Hospital.

Although the level of net debt and the cost of that debt is increasing, key projects that are impacting net debt are expected to have significant economic or social benefit to the state and are being delivered in a manner that enables government to continue to deliver net operating surpluses. The projected level of net debt across the forward estimates is maintained at a sustainable debt level that allows for borrowing for investment in key infrastructure without placing undue burden on future generations.

Table 4.2 provides details of the movement in general government net debt across the forward estimates.

**Table 4.2: General government sector net debt at 30 June (\$million)**

	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
<b>Opening general government net debt</b>	<b>21 652</b>	<b>24 226</b>	<b>28 842</b>	<b>33 417</b>	<b>37 274</b>
<b>Increase in net debt</b>					
General government cash surplus (-) / deficit (+)	2 165	3 822	3 558	3 394	3 175
Equity contributions granted	335	464	469	367	356
Lease adjustments — additions, modifications and re-measurements	81	263	522	85	42
<b>Decrease in net debt</b>					
Return of equity	—	—	-16	—	—
<b>Other variations</b>	<b>-6</b>	<b>67</b>	<b>41</b>	<b>11</b>	<b>5</b>
<b>Closing general government net debt</b>	<b>24 226</b>	<b>28 842</b>	<b>33 417</b>	<b>37 274</b>	<b>40 853</b>

Note: Totals may not add due to rounding.

## Unfunded superannuation liability

All public sector employees are covered by some form of superannuation scheme. These schemes include member contributory schemes designed to provide employees with pension or defined lump sum benefits upon retirement.

The provision by the government of defined benefit superannuation schemes for its employees creates a liability for the government to pay future benefits to scheme members in accordance with the terms of the schemes. The main defined benefit schemes were closed to new members in 1994.

Since then, cash contributions from the budget have been made to gradually build up sufficient financial assets to match the future liabilities, with the aim of having fully funded schemes by 2034. Until that is achieved, the difference between assets and liabilities represents an unfunded liability.

The state's unfunded superannuation liability is estimated to be \$5.4 billion as at 30 June 2026, reducing to \$3.2 billion by 30 June 2030.

As at 30 June 2026, the unfunded superannuation liability is estimated to be \$384 million lower than estimated in the 2025-26 MYBR. This decrease is predominantly due to a higher discount rate (4.75%) used compared to that used in the 2025-26 MYBR (4.50%).

Table 4.3 summarises the change in the unfunded superannuation liability since the 2025-26 Budget.

**Table 4.3: Unfunded superannuation liability estimate as at 30 June (\$million)**

	2026	2027	2028	2029	2030
<b>Estimate as at 2025-26 Budget</b>	<b>5 945</b>	<b>5 410</b>	<b>4 824</b>	<b>4 186</b>	<b>3 488</b>
Higher than expected return on investments in 2024-25 (9.3% instead of 7.0%) <sup>(a)</sup>	-173	-186	-199	-212	-227
Recalculation of past service payments <sup>(b)</sup>	—	17	35	55	77
Other	61	66	71	77	80
<b>Estimate as at 2025-26 MYBR</b>	<b>5 833</b>	<b>5 306</b>	<b>4 731</b>	<b>4 105</b>	<b>3 419</b>
Higher than expected CPI increase in 2025-26 (3.3% instead of 2.48%) <sup>(c)</sup>	93	97	102	107	112
Impact of change in discount rate (4.75% instead of 4.50%) <sup>(d)</sup>	-309	-292	-276	-260	-245
Recalculation of past service payments <sup>(b)</sup>	—	23	50	78	110
Triennial Review <sup>(e)</sup>	-169	-176	-184	-191	-198
<b>2026-27 Budget</b>	<b>5 448</b>	<b>4 959</b>	<b>4 423</b>	<b>3 839</b>	<b>3 198</b>

Note: Totals may not add due to rounding.

- (a) The earnings rate for 2024-25 was 9.3 per cent compared with the 7.0 per cent estimate at the time of the 2025-26 Budget.
- (b) Recalculation of amounts required to achieve funding target.
- (c) At the time of 2025-26 Budget CPI was assumed to be 2.48 per cent for 2025-26, but has since increased to 3.3 per cent for the 2026-27 Budget
- (d) At the time of the 2025-26 Budget the discount rate was 4.50 per cent, but has since increased to 4.75 per cent for the 2026-27 Budget.
- (e) Reflects the impact of updated demographic assumptions adopted in the SA Superannuation Scheme triennial review at 30 June 2025, primarily the higher assumed pensioner mortality based on recent experience, which reduced the unfunded liability.

## Earnings

The unfunded superannuation liability as at 30 June 2026 reflects the estimated earnings rate of 7 per cent for 2025-26. This is the same as the long-term assumed earnings rate of 7 per cent.

Across the forward estimates, the unfunded superannuation liability reflects the expected long-term earnings rate of 7 per cent.

Changes in the earnings rate are based on the expected return on superannuation assets invested by Funds SA. Small changes in asset values in debt and equity markets, amongst other assets, will have an impact on the reported liability, with a 1.0 percentage point change in the earnings rate changing the liability by \$73 million.

## Discount rate

The unfunded superannuation liability is estimated at a point in time by discounting projected future superannuation benefit payments. The discount rate reflects the risk-free interest rate and is set on the basis of the Commonwealth Government nominal bond rate that reflects the average maturity of the liability.

A discount rate of 4.75 per cent (effective annual rate) has been used for the 2026-27 Budget, compared with 4.50 per cent used for the 2025-26 Budget.

The discount rate changes in response to the economy and financial market conditions. Small changes in the long-term bond rate have a material impact on the reported liability, with a 1.0 percentage point increase in the bond rate reducing the liability by approximately \$1.1 billion from its current amount.

Table 4.4 sets out the impact different discount rates have on the unfunded superannuation liability.

**Table 4.4: Sensitivity of unfunded superannuation liability to discount rates (\$million)**

Discount Rate (%)	2025-26	2026-27	2027-28	2028-29	2029-30
	Estimated Result	Budget	Estimate	Estimate	Estimate
3.50	6 734	6 173	5 567	4 916	4 208
4.50	5 448	4 959	4 423	3 839	3 198
5.50	4 357	3 926	3 448	2 920	2 335

The unfunded superannuation liability is a long-term liability with significant volatility evident over time, reflecting the short-term variability resulting from some key valuation assumptions, in particular the discount rate and actual investment earnings. While volatility in the past has resulted in multibillion dollar revisions to the value of the liability recorded on the balance sheet, largely outside of government control, there has been no material change in the actual expected payments to beneficiaries underlying the liability.

The government's priority is ensuring that the impact of its budget policy aligns with its medium-term fiscal objectives. It has therefore set a longer-term commitment to fully fund the unfunded superannuation liability by 2034.

#### Funding the liability

A program began in 1994-95 to fully fund all employer superannuation liabilities, with the aim to have the defined benefit schemes fully funded by 2034. The government remains committed to achieving this target.

Table 4.5 shows estimated cash contributions towards the state's unfunded superannuation liability to achieve that commitment.

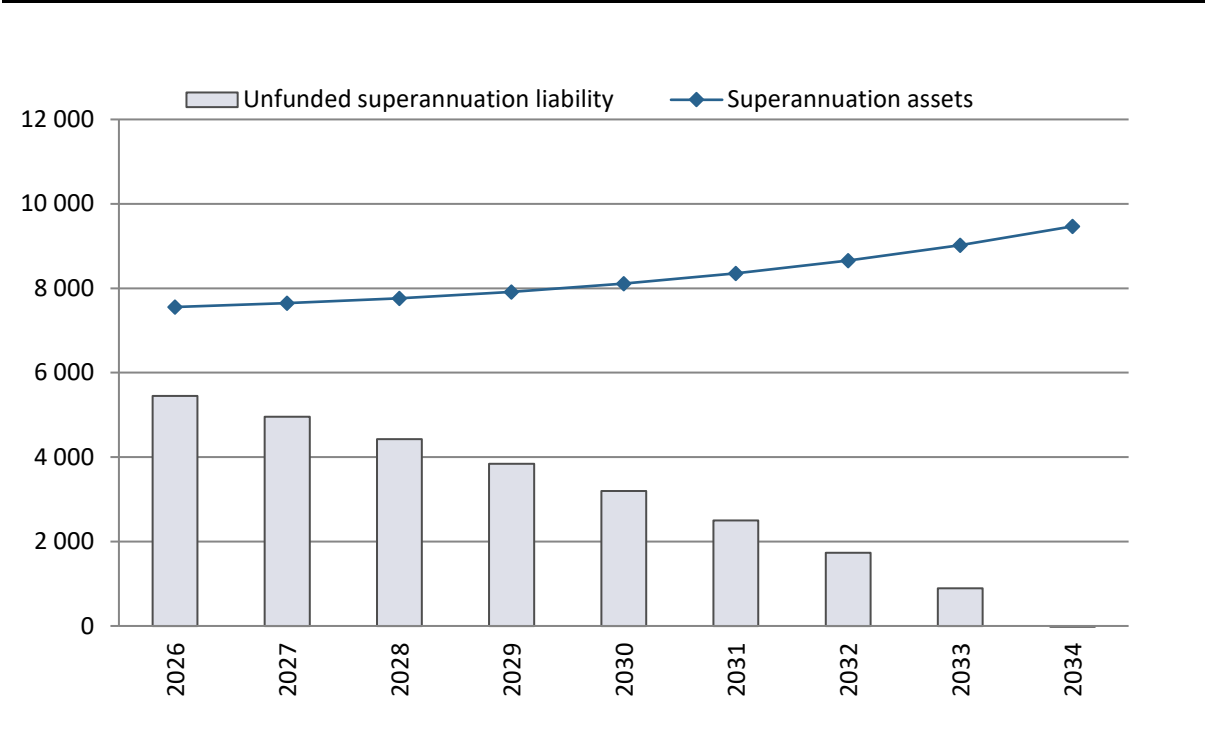
**Table 4.5: Estimates of past service superannuation liability cash payments (\$million)**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Past service payments	592	577	600	625	649	675

Table 4.3 shows that the unfunded superannuation liability is projected to decline across the forward estimates period. This is because of the annual decrease in the defined benefit obligation, as a result of declining membership, along with annual cash payments made as part of the government's target to fully fund all superannuation liabilities by 2034.

Figure 4.1 shows the reduction in the unfunded superannuation liability together with the increase in superannuation assets over the next 10 years.

**Figure 4.1: Unfunded superannuation liability and assets (\$million)**



Superannuation assets are expected to be \$7.6 billion as at 30 June 2026 and are projected to reach \$9.5 billion by 2034, fully offsetting projected superannuation liabilities.

**Net financial liabilities**

Net financial liabilities is a broader measure than net debt as it includes significant liabilities other than borrowings, such as unfunded superannuation and long service leave entitlements, but excludes equity interests in PNFCs and public financial corporations (PFCs).

Net financial liabilities for the general government sector are forecast to increase from \$36.5 billion at 30 June 2026 to \$51.0 billion at 30 June 2030, primarily as a result of the forecast increase in net debt across the forward estimates in the general government sector.

The declining unfunded superannuation liability across the forward estimates has an impact on net financial liabilities. As outlined above, the government is contributing additional funds to the pool of superannuation assets in order to meet its target to fully fund the liability by 2034.

Other employee benefits, including long service leave, are estimated to be \$3.9 billion at 30 June 2026 and are forecast to increase to \$4.3 billion as at 30 June 2029. This is a result of general increases in remuneration levels and accruing entitlements for long service leave.

## Net financial worth

Net financial worth is a broader measure than net financial liabilities as it also incorporates equity interests in PNFCs and PFCs.

General government net financial worth is expected to change from negative \$13.6 billion at 30 June 2026 to negative \$27.0 billion at 30 June 2030. The change in net financial worth primarily reflects the increase in total liabilities in the general government sector.

## Net worth

Net worth is the amount by which the general government sector's total assets (financial and non-financial) exceed total liabilities. General government sector net worth is expected to increase across the forward estimates from \$67.1 billion at 30 June 2026 to \$68.3 billion at 30 June 2030.

Table 4.6 displays movements in net worth attributable to operating transactions and other economic flows (e.g. revaluations).

**Table 4.6: General government sector net worth at 30 June (\$million)**

	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
<b>Net worth at beginning of year</b>	<b>66 002</b>	<b>67 072</b>	<b>67 470</b>	<b>67 852</b>	<b>68 067</b>
<b>Change in net worth from operating transactions</b>					
Net operating balance	189	223	285	348	327
<b>Change in net worth from other economic flows</b>					
Movement in net assets of PFCs <sup>(a)</sup>	162	20	11	4	-3
Movement in net assets of PNFCs <sup>(a)</sup>	-71	131	67	-178	-172
Revaluation of unfunded superannuation liability <sup>(b)</sup>	831	153	153	151	155
Revaluation of long service leave liability	-107	-108	-110	-112	-113
Revaluation of annual leave liability	-17	-17	-18	-18	-18
Revaluation of workers compensation liability	-17	-17	-17	-17	-17
Revaluation of non-financial assets	42	41	41	41	41
Other revaluation adjustments	57	-27	-30	-6	-13
<b>Total other economic flows</b>	<b>881</b>	<b>175</b>	<b>98</b>	<b>-133</b>	<b>-141</b>
<b>Net worth at year end</b>	<b>67 072</b>	<b>67 470</b>	<b>67 852</b>	<b>68 067</b>	<b>68 253</b>

Note: Totals may not add due to rounding.

(a) Net of equity injections from, and the return of equity to, the general government sector. Total also includes the net impact from the principles of tax effect accounting.

(b) 2025-26 change represents the revaluation difference from 30 June 2025 liability.

## Land and other fixed assets

Land and other fixed assets held by general government sector agencies include road and rail networks and land and buildings held mainly by education and health-related agencies.

Table 4.7 shows the projected holdings of land and fixed assets for the general government sector over the forward estimates period, together with the depreciation expense for each year.

**Table 4.7: Land and other fixed assets at 30 June — general government sector (\$million)**

	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
Inventories	128	112	112	112	112
Land	13 828	13 819	13 815	13 807	13 799
Buildings and improvements	19 318	20 804	21 554	22 092	22 319
Water, sewerage and drainage assets	1 654	1 650	1 631	1 612	1 593
Road networks	38 022	40 697	43 759	46 441	49 004
Rail and bus networks	3 812	3 711	3 676	3 698	3 625
Other infrastructure assets	2 196	1 776	2 299	2 383	2 774
Heritage assets	1 440	1 440	1 440	1 440	1 440
Self-generating and regenerating assets	4	4	4	4	4
<b>Total land and other fixed assets (net of provisions for depreciation)</b>	<b>80 402</b>	<b>84 013</b>	<b>88 290</b>	<b>91 587</b>	<b>94 669</b>
<b>Depreciation expense</b>	<b>1 827</b>	<b>1 865</b>	<b>1 925</b>	<b>1 996</b>	<b>2 066</b>

Note: Totals may not add due to rounding.

The total value of land and fixed assets held in the general government sector is expected to grow from \$80.4 billion at 30 June 2026 to \$94.7 billion at 30 June 2030. This increase reflects significant ongoing investment in the state's infrastructure, particularly in the road network assets reflecting continued investment in joint state and Commonwealth road infrastructure projects including the North-South Corridor — River Torrens to Darlington, High Productivity Vehicle Network — Stage 1 and the South Eastern Freeway Upgrade road projects.

The increase in buildings and improvements across the forward estimates primarily reflects the provisions for the new Women's and Children's Hospital, Flinders Medical Centre upgrade and expansion, new Mount Barker Hospital, and delivery of the government's election commitments that grow the capacity of the health system.

The general government investing program is expected to be \$5.8 billion in 2026-27, compared with the 2025-26 estimated result of \$4.2 billion. Strong levels of capital investment continue to increase the state's infrastructure base, enable the state to provide high quality services and improve the state's long-term capacity to grow.

General government infrastructure investment is expected to exceed depreciation in all years over the forward estimates. The depreciation expense reflects the consumption of an asset's service potential. Depreciation totals \$1.8 billion in 2025-26 and rises to \$2.1 billion by 2029-30 as a result of the increase in the state's asset base over the same period.

Figure 4.2 illustrates the general government sector's capital investment across the forward estimates. The investing expenditure from 2019-20 onwards is impacted by the introduction of the accounting standard for leases, AASB 16 *Leases*. Under the accounting standard AASB 16 *Leases*, entering into a new lease results in the creation of a right of use asset, which is classified as a purchase of a non-financial asset (investing expenditure).

**Figure 4.2: General government sector purchases of non-financial assets (\$million)**

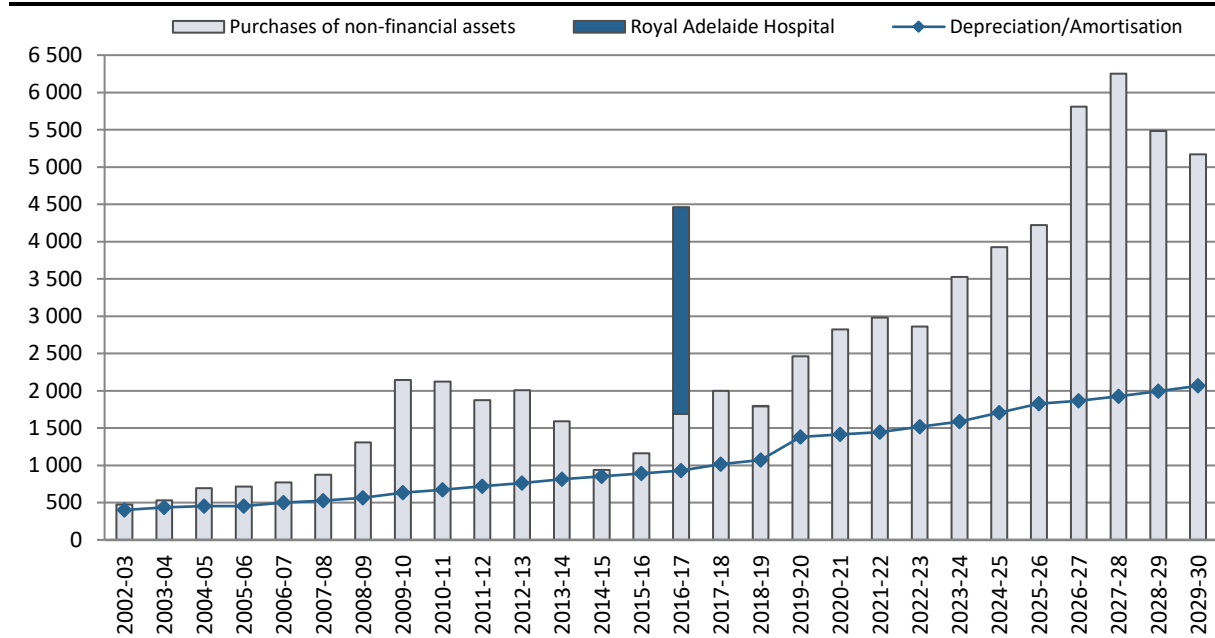


Table 4.8 provides details for the general government sector balance sheet.

**Table 4.8: General government sector balance sheet at 30 June (\$million)**

	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
<b>Assets</b>					
<b>Financial assets</b>					
Cash and deposits	12 687	14 662	15 058	15 661	16 585
Advances paid	264	529	692	755	801
Investments, loans and placements	1 063	1 060	1 055	1 047	1 040
Receivables	2 426	2 605	2 775	2 940	3 106
<b>Equity</b>					
Investments in other public sector	22 892	23 406	23 837	23 930	24 010
Investments — other	131	131	131	131	131
Other financial assets	—	—	—	—	—
<b>Total financial assets</b>	<b>39 462</b>	<b>42 392</b>	<b>43 547</b>	<b>44 463</b>	<b>45 673</b>
<b>Non-financial assets</b>					
Land and other fixed assets	80 402	84 013	88 290	91 587	94 669
Other non-financial assets	262	550	559	578	550
<b>Total non-financial assets</b>	<b>80 664</b>	<b>84 563</b>	<b>88 850</b>	<b>92 165</b>	<b>95 219</b>
<b>Total assets</b>	<b>120 126</b>	<b>126 955</b>	<b>132 396</b>	<b>136 628</b>	<b>140 892</b>

	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
<b>Liabilities</b>					
Deposits held	286	344	456	466	476
Advances received	—	—	—	—	—
Borrowing	37 954	44 748	49 765	54 271	58 803
Superannuation	5 448	4 959	4 423	3 839	3 198
Other employee benefits	3 894	4 058	4 011	4 109	4 266
Payables	1 620	1 624	1 632	1 637	1 644
Other liabilities	3 852	3 752	4 257	4 241	4 252
<b>Total liabilities</b>	<b>53 054</b>	<b>59 485</b>	<b>64 544</b>	<b>68 562</b>	<b>72 639</b>
<b>Net worth</b>					
Net financial worth	-13 593	-17 093	-20 997	-24 098	-26 967
Net financial liabilities	36 484	40 499	44 834	48 029	50 977
Net debt	24 226	28 842	33 417	37 274	40 853

Note: Totals may not add due to rounding.

## Non-financial public sector financial position

The NFPS comprises the general government sector and the PNFC sector.

Table 4.9 summarises key balance sheet indicators for the NFPS.

**Table 4.9: Key balance sheet indicators at 30 June — non-financial public sector**

	2025 Actual	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
<b>Net debt</b>						
\$m	30 868	34 687	40 265	44 865	49 295	53 654
% of total revenue	96.7	101.3	113.2	122.5	132.0	139.7
% of GSP	19.6	20.9	23.3	24.8	26.1	27.1
<b>Net financial liabilities</b>						
\$m	44 825	47 750	52 826	57 369	61 301	65 208
% of total revenue	140.5	139.5	148.6	156.6	164.2	169.8
<b>Net financial worth</b>						
\$m	-43 796	-46 559	-51 615	-56 146	-60 074	-63 984
% of total revenue	-137.3	-136.0	-145.1	-153.3	-160.9	-166.6
<b>Net worth</b>						
\$m	66 002	67 072	67 471	67 853	68 067	68 253
% of total revenue	206.8	195.9	189.7	185.3	182.3	177.7

NFPS net debt is projected to increase from \$34.7 billion at 30 June 2026 to \$53.7 billion at 30 June 2030, which is largely due to the increase in net debt in the general government sector.

PNFC net debt is estimated to be \$10.5 billion at 30 June 2026 and is projected to increase to \$12.8 billion by 30 June 2030. The increase in PNFC net debt is largely due to higher borrowings by SA Water to deliver various capital projects including growth infrastructure, the Eyre Peninsula desalination augmentation, Tea Tree Gully sustainable sewers program, and various other annual capital maintenance and upgrade programs.

The net financial worth position of the NFPS mainly differs to the net financial worth of the general government sector due to:

- the exclusion of equity held by the general government sector in the PNFC sector, which is recognised as a financial asset in the general government sector but is eliminated in the consolidation of the NFPS
- the inclusion of the PNFC sector's net debt.

## Land and other fixed assets

Table 4.10 shows the projected holdings of land and other fixed assets for the NFPS across the forward estimates.

**Table 4.10: Land and other fixed assets at 30 June — non-financial public sector (\$million)**

	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
Inventories	1 259	1 329	948	805	814
Land	24 601	24 687	24 814	24 936	25 059
Buildings and improvements	27 159	28 927	29 821	30 385	30 635
Water, sewerage and drainage assets	14 191	15 291	16 012	16 818	17 687
Road networks	38 023	40 699	43 761	46 442	49 005
Rail and bus networks	3 812	3 711	3 676	3 698	3 625
Other infrastructure assets	2 710	2 283	2 804	2 882	3 270
Heritage assets	1 465	1 465	1 465	1 465	1 465
Self-generating and regenerating assets	123	123	123	123	123
<b>Total land and other fixed assets (net of provisions for depreciation)</b>	<b>113 342</b>	<b>118 515</b>	<b>123 424</b>	<b>127 554</b>	<b>131 684</b>
<b>Depreciation expense</b>	<b>2 409</b>	<b>2 454</b>	<b>2 516</b>	<b>2 638</b>	<b>2 710</b>

Note: Totals may not add due to rounding.

The total value of land and other fixed assets for the NFPS is projected to rise from \$113.3 billion at 30 June 2026 to \$131.7 billion at 30 June 2030, mainly due to investment and revaluations in road network and water-related infrastructure. The increase in buildings and improvements across the forward estimates is primarily due to the investing expenditure in the general government sector.

The higher level of non-financial assets in the NFPS compared with the general government sector reflects the inclusion of assets held by PNFCs. These include assets held by SA Water (water and wastewater infrastructure such as pipelines, water filtration plants and reservoirs) and the South Australian Housing Trust (SAHT).

## Debt Management

The funding and management of the state's debt is undertaken by the South Australian Government Financing Authority (SAFA).

SAFA achieves the state's funding requirements through the issue of securities in the financial markets, including long-term fixed or floating interest rate securities issued in Australia to domestic and offshore investors and through SAFA's short-term issuance programs.

SAFA had constructive access to long-term markets over the year to May 2026. Some challenges in accessing short-term markets were experienced over the year due to the geo-political developments in the Middle East.

SAFA's borrowing rates have fluctuated over the year-to-date. The interest rate on SAFA's five-year bond fluctuated within the range of 4.00 per cent and 5.25 per cent, while the interest rate on SAFA's ten-year bond fluctuated within the range of 4.90 per cent and 5.85 per cent.

The government's debt management objective is to minimise the long-term average interest cost, subject to acceptable levels of refinancing and interest rate risk. SAFA manages its debt within a duration range of four to eight years. There is no discretion to have an interest rate position outside that range. The use of risk limits also controls interest rate risks. These risk limits, based on industry standard measures, serve to limit the exposure of the portfolio to changes in market prices (yields). The debt management framework is reviewed regularly, and such reviews consider any significant changes in the state's debt levels and changing market conditions.

In addition to debt managed under this framework, the general government sector has long-term housing agreement debt with the Commonwealth Government. This debt is managed within the duration of the general government sector debt.

The framework for managing the debt of PNFCs, such as SA Water, is determined by the individual corporations.

## Insurance arrangements

SAFA manages the government's insurance arrangements through five funds specifically established in the authority's accounts.

Premiums received from agencies for insurance cover provided under the government's insurance arrangements for incidents occurring from 1 July 1994 are credited to Insurance Fund 1, which is used to:

- meet loss and claim payments above agreed levels of agency excesses
- provide a reserve to cover future losses and claims
- pay premiums for the government's catastrophe reinsurance program and other insurances deemed necessary and appropriate in connection with the arrangements
- meet the cost of administering the insurance program
- pay service providers for advice and services as required in connection with the insurance program

All government departments and statutory authorities are included in the arrangements, unless specifically exempted by the Treasurer. Premium revenue earned by SAFA from agencies is budgeted at \$91.6 million in 2025-26 (\$86.8 million for 2024-25).

At 31 March 2026, Insurance Fund 1 had:

- total assets of \$903.9 million; and
- total liabilities of \$1.19 billion, including estimated outstanding claim liabilities of \$1.17 billion. Medical malpractice claims accounted for \$511.6 million of the estimated outstanding claim liabilities.

SAFA aims to maintain sufficient assets to meet liabilities. At 31 March 2026, the solvency ratio (total assets over total liabilities expressed as a percentage) was 75.4 per cent for Insurance Fund 1 (77.5 percent for 2024-25).

The reduction in the solvency ratio of Fund 1 from 30 June 2025 to 31 March 2026, is primarily a result of a revision in the estimated outstanding liability for historical abuse claims. Pricing options to return the fund to its target solvency over the forward estimates will be considered in 2026-27.

Two other funds (Insurance Fund 2 and Insurance Fund 3) are retained for other claims, with these being in a break-even position and indemnified by the Treasurer. Insurance Fund 2 accepts claims for incidents occurring prior to 1 July 1994. Insurance Fund 3 is used to manage the premiums and claims for building indemnity insurance.

Insurance Fund 4 was established in 2018 to pay claims against the Government of South Australia under the National Redress Scheme for Institutional Child Sexual Abuse (the Scheme). The sum of \$146.4 million was transferred to this new fund from the Victims of Crime Fund for the purpose of paying claims made under the Scheme. The Scheme formally commenced in South Australia in February 2019. As at 31 March 2026, the balance of Fund 4 (including investment income received) was \$82.68 million. The sum of \$65 million was transferred to the fund from the Victims of Crime Fund in July 2025. A further \$70 million will be transferred to the fund in 2026-27.

Insurance Fund 5 was established in 2024-25 to enable SAFA to administer construction insurance arrangements specific to State Government infrastructure projects. This Fund will support the State in achieving cost-effective risk transfer solutions for construction insurance arrangements.

In 2025, SAFA's combined reinsurance costs for property and liability cover decreased from \$25.4 million to \$23.77 million. The reduction in reinsurance costs reflects SAFA's positive engagement with reinsurers during 2025-26 and a softening of pricing conditions globally.

# Chapter 5: Government businesses

## Overview

This chapter outlines the major developments and performance of government businesses.

Government business is a broad term that captures both public non-financial corporations (government-controlled entities that are engaged mainly in the production of marketable goods and/or services) and public financial corporations (government-controlled entities engaged mainly in financial intermediation or other financial services). A defining feature of a government business is that a significant portion of its operating costs are recovered through user charges. A complete list of government businesses is contained in Appendix D.

The 2026-27 Budget incorporates the government's election commitments and other new measures that impact government businesses, including:

- a Rent to Own program to build 2000 affordable homes over eight years. Under the program homes will be leased at 75 per cent of market rent to tenants for up to two years and tenants will be provided the option to buy the property by the end of the lease term. Funds from the sale of dwellings will be reinvested into the program over the eight-year period, along with a \$133.6 million contribution from the Commonwealth Government made as part of its 100 000 Homes for First Home Buyers program (\$1.3 billion of capital expenditure from 2025-26 to 2033-34)
- a Housing Fast-Track Fund for the government to secure and sell strategic land for housing development (up to \$500 million of capital expenditure from 2026-27)
- additional enabling infrastructure on the Playford Alive development to deliver an acceleration of 400 homes exclusively for first home buyers by the end of 2027, assisted by an interest free loan from the Commonwealth Government as part of its 100 000 Homes for First Home Buyers program (\$50 million of capital expenditure in 2026-27)
- upgrading 300 vacant South Australian Housing Trust (SAHT) homes to reduce public housing vacancy rates and get more families in need into homes sooner (\$30 million from 2025-26 to 2029-30)
- building an additional 200 supported accommodation places to manage more complex SAHT tenants and those with specialised needs (\$110 million from 2026-27 to 2029-30)
- expanding the Social Housing Energy Performance Initiative to enable a further 3500 homes to receive insulation upgrades and replace inefficient appliances to deliver energy and cost saving benefits to tenants in both public and community housing (\$36.1 million from 2026-27 to 2028-29 fully funded by the Commonwealth Government)
- additional funding for remote Aboriginal housing to continue the delivery of property and tenancy management services for selected remote Aboriginal communities following the cessation of Commonwealth Government funding (\$12.2 million in 2026-27)
- increasing the income eligibility thresholds for HomeStart Finance's Advantage Loan and Starter Loan products to \$110 000 in net household income
- broadening HomeStart Finance's shared equity loan scheme to multi-storey apartment purchases
- creating an online one-stop shop for HomeStart Finance and HomeSeeker customers looking for assistance to buy their first home
- extending the HomeStart Finance Graduate Loan to include firefighters, police and all Technical College graduates.

Further detail on these measures can be found in Budget Paper 5: Budget Measures Statement of the 2026-27 Budget.

In March 2026 the government announced that it intends to decorporatise SA Water and replace it with the SA Gas and Water Trust. As part of this change, the government announced that it will streamline the economic regulatory framework that will apply to the new entity, which will be responsible for the State Strategic Gas Reserve, various energy related programs and assets and any completed northern water facility. Legislation to give effect to these changes is expected to be introduced during 2026-27.

Key budget aggregates for the state's government businesses are shown in Table 5.1.

**Table 5.1: Key budget aggregates for government businesses (\$million)**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Public non-financial corporations</b>						
Net contribution to/from government <sup>(a)</sup>	-143.3	-36.0	-246.3	-98.4	-72.5	-115.0
Capital investment	1 701.4	1 899.9	1 838.8	1 462.7	1 507.1	1 556.1
Net debt	10 337.8	10 459.9	11 421.7	11 446.6	12 018.7	12 798.7
<b>Public financial corporations</b>						
Net contribution to/from government <sup>(a)</sup>	82.8	95.2	88.8	79.8	78.7	78.7

(a) Net contribution to/from government comprises income tax equivalents plus dividends less grants, subsidies and operating community service obligations. Positive indicates net contribution to government while negative indicates net contribution from government.

The estimated net contribution from government to public non-financial corporations (PNFCs) in 2025-26 is \$36.0 million which is a \$107.3 million improvement compared to the estimate at the time of the 2025-26 Budget. This is primarily due to revised profit expectations for Renewal SA and SA Water (reflecting higher net sales income at Onkaparinga Heights for Renewal SA, and higher water sales, connections and extensions and contributed assets revenue for SA Water).

Net contributions from government to PNFCs are expected to increase in 2026-27 by \$210.3 million compared to the 2025-26 Estimated Result principally reflecting a higher grant requirement for SAHT mainly due to the winding down of the affordable housing initiative and the associated sales of homes under the program.

The movement in net contributions from government across the forward estimates primarily reflects the impact of funding arrangements for SAHT and profit expectations for Renewal SA and SA Water.

Reflecting the conclusion of SA Water's current regulatory period in 2027-28 and the expected timing for the creation of the SA Gas and Water Trust, budget estimates for SA Water have been prepared consistent with standard parameters that have typically been expected to apply to upcoming regulatory periods and do not attempt to incorporate the estimated impacts of the proposed SA Gas and Water Trust. The budget and financial implications will be determined as part of finalising the arrangements for the SA Gas and Water Trust.

Significant capital investments budgeted in 2025-26 and across the forward estimates largely reflect SA Water's capital program which includes growth infrastructure, Eyre Peninsula desalination augmentation, Tea Tree Gully sustainable sewers program and various other annual capital maintenance and upgrade programs, and various SAHT capital programs (including the public housing modernisation program, Rent to Own program, Housing Australia Future Fund (HAFF) Round 2 and affordable housing initiative).

PNFC net debt is projected to increase across the forward estimates to \$12.8 billion by 30 June 2030 mainly due to higher borrowings by SA Water primarily reflecting projections for SA Water's forward capital works program.

The estimated net contribution to government from public financial corporations (PFCs) in 2025-26 is \$95.2 million which is \$12.4 million higher than the estimate at the time of the 2025-26 Budget. This is principally due to shared equity gains from higher than expected house price growth impacting HomeStart Finance's profitability, partially offset by the impact of increased insurance provisions established for physical and sexual abuse, and medical malpractice claims on the South Australian Government Financing Authority's (SAFA) operating position.

## Financial arrangements and policy framework

Dividend and income tax equivalent payments made by government businesses are recorded as revenues of the general government sector. Government businesses also pay guarantee fees to the government to ensure that their borrowing rates are consistent with what an equivalent rated private enterprise would be subject to.

Community service obligation (CSO) funding provided to government businesses is generally recorded as expenditure of the general government sector. Consistent with competitive neutrality principles, government businesses may also receive funding through an equity contribution for capital related projects or where the business is restructuring its operations over time.

### Competitive neutrality policy

On 29 November 2024 all jurisdictions signed the Intergovernmental Agreement on National Competition Policy (the agreement) to revitalise the Commonwealth Government's National Competition Policy and agree National Competition Principles.

The agreement covers a range of matters including the principle that government and private business should compete on a level playing field.

Among the requirements of the policy are that jurisdictions will ensure that their government businesses are subject to the same taxes (or tax equivalent systems) and regulations that private sector businesses are subject to.

All jurisdictions committed to the principles in the agreement. The ongoing requirements listed under the agreement in relation to competitive neutrality require the imposition of the following on significant government business enterprises:

- full Commonwealth, state and territory, and local government taxes or tax equivalent systems
- debt neutrality fees directed towards offsetting the competitive advantages provided by government guarantees and other forms of beneficial financing
- regulations to which private sector businesses are normally subject to, for example, regulations relating to the protection of the environment and planning approval processes.

### Guarantee fees

Government guarantees on borrowed funds reduce borrowing costs for government businesses. To meet competitive neutrality principles, guarantee fees are charged for this funding cost advantage.

Guarantee fees are determined annually based on estimated credit margins between the cost at which lower-rated entities or entities that have no assigned credit rating could borrow on a stand-alone basis and the cost at which they can borrow through the Government of South Australia.

### Community service obligations

A CSO arises when the government requires a government business to carry out activities that it would not elect to do on a commercial basis, and which the government does not require other businesses to generally undertake, or where the business would only do commercially at higher prices.

CSO payments to government businesses are generally made for non-commercial activities that government businesses are required to undertake and must be transparent and clearly reported.

CSO payments are made to SA Water, Renewal SA, ForestrySA, HomeStart Finance and the Public Trustee. The largest CSO payment is to SA Water to ensure that its water and sewerage prices are applied uniformly across the state. SA Water also receives CSO payments to provide exemptions and concessions for certain classes of customers and to provide services to regional Aboriginal communities.

## **Grants, subsidies and other funding mechanisms**

Grants and subsidies are paid to government businesses to achieve social and policy objectives. The government may also provide an equity contribution to a government business as a mechanism to provide the business with the resources necessary to achieve these outcomes.

Funding for capital expenditure is generally provided by way of equity contribution where there is an expectation that the government will make a reasonable rate of return.

Grants and subsidies are also provided to the Adelaide Venue Management Corporation (AVMC) as a contribution towards interest and guarantee fees paid on its borrowings, as well as for maintenance and asset replacement requirements, and to the Adelaide Festival Centre Trust (AFCT) to assist with the operational costs for the Adelaide Festival Centre and Her Majesty's Theatre and the presentation of a range of festivals, events and programs. The South Australian Motor Sport Board also receives grants which primarily support the Adelaide 500 event.

## Public non-financial corporations

### Net contributions

Table 5.2 summarises net contributions to/from the government for PNFC sector entities, which comprise income tax equivalents, dividends, grants, subsidies and operating CSOs.

**Table 5.2: Net contributions to/from government (\$million)**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Income tax equivalents</b>						
SA Water	57.9	70.8	87.6	82.1	67.5	55.4
Renewal SA	5.8	21.6	5.7	15.8	—	—
South Australian Housing Trust	—	—	—	—	—	—
Other	3.2	3.1	3.2	3.5	3.4	3.5
<b>Total income tax equivalents</b>	<b>66.8</b>	<b>95.5</b>	<b>96.6</b>	<b>101.3</b>	<b>70.9</b>	<b>58.8</b>
<i>plus Dividends</i>						
SA Water	134.4	166.8	202.3	190.9	156.7	128.4
Renewal SA	13.5	62.3	13.4	36.8	2.2	2.2
South Australian Housing Trust	—	—	—	—	—	—
Other	8.3	7.6	8.9	9.0	9.2	9.2
<b>Total dividends</b>	<b>156.1</b>	<b>236.7</b>	<b>224.6</b>	<b>236.6</b>	<b>168.2</b>	<b>139.9</b>
<i>less Grants and subsidies</i>						
SA Water	44.6	28.3	18.5	4.0	2.4	2.4
Renewal SA	0.4	0.8	—	—	—	—
South Australian Housing Trust	58.9	74.3	292.1	184.5	77.4	77.0
Other	63.3	70.2	61.4	61.2	63.0	63.5
<b>Total grants and subsidies</b>	<b>167.2</b>	<b>173.5</b>	<b>372.1</b>	<b>249.7</b>	<b>142.8</b>	<b>142.9</b>
<i>less CSOs</i>						
SA Water	144.7	145.3	146.3	146.7	151.6	153.0
Renewal SA	42.8	37.9	37.2	27.8	4.8	5.0
South Australian Housing Trust	—	—	—	—	—	—
Other	11.6	11.6	11.9	12.2	12.5	12.8
<b>Total CSOs</b>	<b>199.1</b>	<b>194.8</b>	<b>195.3</b>	<b>186.7</b>	<b>168.9</b>	<b>170.8</b>
<i>equals Net contribution to/from government<sup>(a)</sup></i>						
SA Water	2.9	64.1	125.1	122.3	70.3	28.4
Renewal SA	-24.0	45.3	-18.1	24.7	-2.6	-2.8
South Australian Housing Trust	-58.9	-74.3	-292.1	-184.5	-77.4	-77.0
Other	-63.4	-71.1	-61.2	-60.9	-62.9	-63.6
<b>Total net contribution to/from government</b>	<b>-143.3</b>	<b>-36.0</b>	<b>-246.3</b>	<b>-98.4</b>	<b>-72.5</b>	<b>-115.0</b>

Note: Totals may not add due to rounding.  
(a) Positive indicates net contribution to government while negative indicates net contribution from government.

The estimated net contribution from government to public non-financial corporations (PNFCs) in 2025-26 is \$36.0 million which is a \$107.3 million improvement compared to the estimate at the time of the 2025-26 Budget. This is primarily due revised profit expectations from Renewal SA and SA Water.

Net contributions from government to PNFCs are expected to increase in 2026-27 by \$210.3 million compared to the 2025-26 Estimated Result principally reflecting a higher grant requirement for SAHT mainly due to the winding down of the affordable housing initiative sales.

The movement in net contributions from government across the forward estimates primarily reflects the impact of funding arrangements for SAHT and profit expectations for Renewal SA and SA Water. Reflecting the conclusion of SA Water's current regulatory period in 2027-28 and the expected timing for the creation of the SA Gas and Water Trust, budget estimates for SA Water have been prepared consistent with standard parameters and do not attempt to incorporate the estimated impacts of the proposed SA Gas and Water Trust. The budget and financial implications will be determined as part of finalising the arrangements for the SA Gas and Water Trust.

The net contribution from government to other PNFCs primarily reflects grants and subsidies made to the South Australian Motor Sport Board, AFCT and AVMC.

## Capital investment

Table 5.3 summarises purchases of non-financial assets by PNFC entities. Purchases of non-financial assets include investing expenditure and contributed assets.

**Table 5.3: Public non-financial corporations sector purchases of non-financial assets (\$million)**

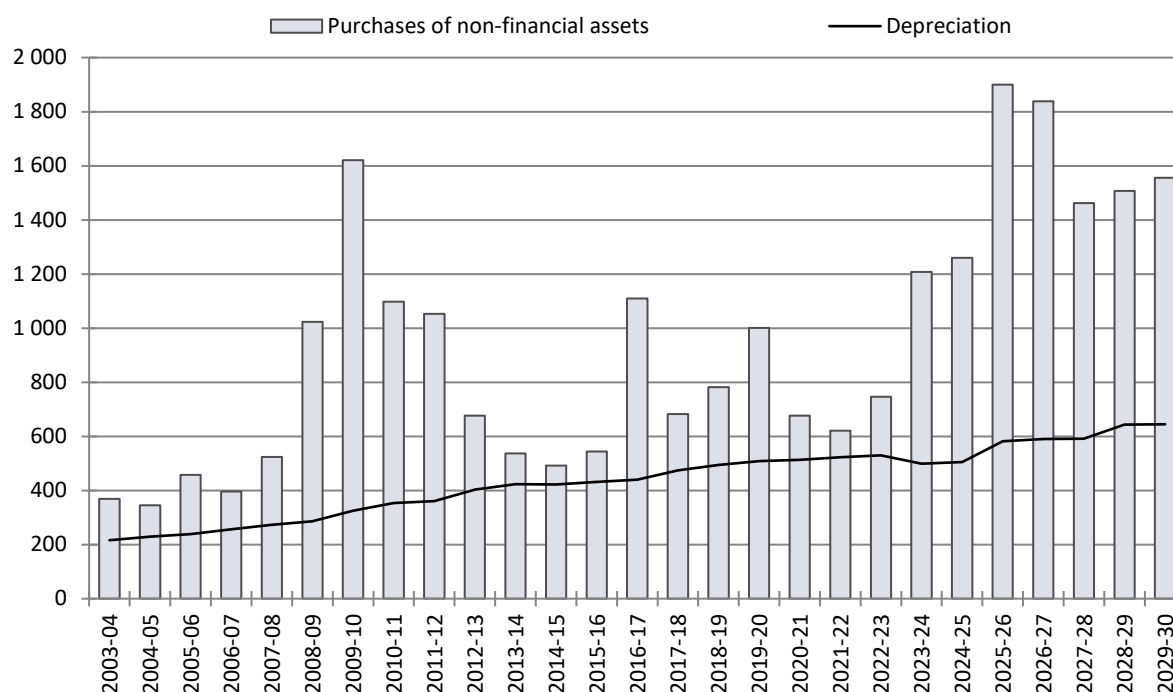
	2025-26		2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
	2025-26 Budget	Estimated Result				
Adelaide Cemeteries Authority	2.8	3.2	5.5	3.2	3.5	4.6
Adelaide Festival Centre Trust	16.4	21.4	—	—	—	—
Adelaide Venue Management Corporation	13.9	18.1	8.3	8.5	8.7	9.0
ForestrySA	0.8	0.8	1.7	1.1	0.8	0.8
Public Trustee	0.4	0.4	0.4	0.9	0.4	0.4
Renewal SA <sup>(a)</sup>	11.9	0.6	9.4	4.3	5.4	0.1
SA Water	1 262.5	1 503.1	1 347.4	984.9	1 117.4	1 180.8
South Australian Housing Trust	384.7	346.6	462.9	456.3	366.8	356.3
South Australian Motor Sport Board	0.4	1.0	0.4	0.4	0.4	0.5
West Beach Trust	7.4	4.8	2.8	3.0	3.6	3.7
<b>Total purchases of non-financial assets</b>	<b>1 701.4</b>	<b>1 899.9</b>	<b>1 838.8</b>	<b>1 462.7</b>	<b>1 507.1</b>	<b>1 556.1</b>
<b>Total sales of non-financial assets</b>	<b>313.4</b>	<b>254.0</b>	<b>128.0</b>	<b>237.8</b>	<b>256.5</b>	<b>222.1</b>
<b>Gross fixed capital formation</b>	<b>1 388.1</b>	<b>1 645.9</b>	<b>1 710.7</b>	<b>1 224.8</b>	<b>1 250.6</b>	<b>1 334.0</b>

Note: Totals may not add due to rounding.

(a) Renewal SA's expenditure on property development projects is classified as inventories and is not included in Table 5.3.

Figure 5.1 shows the actual and estimated purchases of non-financial assets and depreciation in the PNFC sector from 2003-04 to the end of the current forward estimates in 2029-30.

**Figure 5.1: Public non-financial corporations sector purchases of non-financial assets (\$million)**



Total estimated purchases of non-financial assets by the PNFC sector in 2025-26 is \$1.9 billion which is \$198.5 million higher than the estimate at the time of the 2025-26 Budget primarily due to a bring forward of various SA Water capital delivery programs including the Eyre Peninsula desalination augmentation and Tea Tree Gully sustainable sewers program.

Total purchases of non-financial assets by the PNFC sector in 2026-27 are expected to total \$1.8 billion. Significant capital investments in 2026-27 include:

- SA Water's investment program (\$1.3 billion), comprising major projects such as growth infrastructure (including water and wastewater networks at various areas including Salisbury, Angle Vale, Two Wells and Munno Para), Riverlea Park stage two wastewater work, the Eyre Peninsula desalination augmentation, Tea Tree Gully sustainable sewers program, and various other annual capital maintenance and upgrade programs.
- SAHT's investment program (\$462.9 million), comprising the Rent to Own program, HAFF Round 2, social housing accelerator, public housing modernisation program, and capital maintenance programs.

The profile of capital investment over the forward estimates reflects the completion of key projects including the Eyre Peninsula desalination augmentation and the affordable housing initiative, partially offset by increasing expenditure on the Rent to Own program and public housing modernisation program.

The profile of sales of non-financial assets over the forward estimates includes the sale of affordable housing built by SAHT under the Rent to Own program and the affordable housing initiative.

Table 5.4 provides a summary of the capital investment programs that are being undertaken by PNFC sector entities in 2026-27.

Table 5.4: Capital investment programs (\$million)

	Estimated completion quarter	2026-27 Budget	Estimated total cost
<b>SA Water major projects</b>			
Bordertown — new tank arrangements	Jun 2028	15.5	49.9
Concordia — water infrastructure	Jun 2030	26.6	300.0
Electrical infrastructure upgrades	Jun 2028	32.9	145.4
Eyre Peninsula desalination augmentation	Jun 2027	142.2	470.0
Growth infrastructure	n.a.	381.4	n.a.
Port Augusta East wastewater treatment plant upgrade	Jun 2029	11.7	45.5
Riverlea Park stage 2 augmentation	Jun 2028	45.0	72.0
Tea Tree Gully sustainable sewers program	Jun 2028	87.0	399.3
Third party works — north-south corridor — River Torrens to Darlington	Jun 2028	21.1	104.8
Third party works — Women's and Children's Hospital	Jun 2027	17.1	39.4
Other major projects	n.a.	65.4	n.a.
<b>Total SA Water major projects</b>		<b>846.0</b>	<b>n.a.</b>
<b>SA Water annual programs</b>			
Asset renewal	n.a.	16.3	n.a.
Environmental improvement	n.a.	22.4	n.a.
Information technology	n.a.	34.5	n.a.
Mechanical and electrical renewal	n.a.	35.1	n.a.
Network extension	n.a.	78.7	n.a.
Networks growth	n.a.	27.8	n.a.
Pipe network renewal	n.a.	78.2	n.a.
Safety	n.a.	45.5	n.a.
Service reliability management	n.a.	14.8	n.a.
Treatment plant growth	n.a.	39.1	n.a.
Water quality management	n.a.	14.6	n.a.
Water resource sustainability	n.a.	45.0	n.a.
Other annual programs	n.a.	10.8	n.a.
<b>Total SA Water annual programs</b>		<b>462.8</b>	<b>n.a.</b>
<b>Total SA Water contributed assets</b>		<b>38.5</b>	<b>n.a.</b>
<b>Total SA Water</b>		<b>1 347.4</b>	<b>n.a.</b>
<b>South Australian Housing Trust</b>			
200 supported accommodation places	Jun 2030	14.8	86.6
A Better Housing Future	n.a.	26.0	n.a.
Affordable housing initiative	Jun 2028	17.6	322.7
Greater Seaton renewal	Jun 2035	21.5	218.5
Housing Australia Future Fund (HAFF) Round 2	Jun 2028	71.3	134.6

	Estimated completion quarter	2026-27 Budget	Estimated total cost
Neighbourhood renewal project — Woodville Gardens	Jun 2027	11.7	29.8
Public housing capital maintenance	n.a.	17.2	n.a.
Public housing modernisation program	Jun 2030	55.9	322.0
Rent to Own	Jun 2034	126.9	1 328.1
Social housing accelerator	Jun 2028	48.5	83.3
<b>Total South Australian Housing Trust</b>		<b>462.9</b>	<b>n.a.</b>
<b>Other PNFC entities<sup>(a)</sup></b>		<b>28.5</b>	<b>n.a.</b>
<b>Total capital investment</b>		<b>1 838.8</b>	<b>n.a.</b>

Note: Totals may not add due to rounding.

## Net debt

Estimated PNFC sector net debt as at 30 June 2026 is expected to be \$10.5 billion which is \$122.1 million higher than the estimate at the time of the 2025-26 Budget primarily due to a bring forward of various SA Water capital delivery programs including the Eyre Peninsula desalination augmentation and Tea Tree Gully sustainable sewers programs.

Across the forward estimates net debt is impacted by SA Water's regulatory capital program, the delivery of SAHT's Rent to Own program, public housing modernisation program and affordable housing initiative, including revenue from the sale of affordable houses, and Renewal SA's property development projects.

**Table 5.5: Public non-financial corporation sector net debt (\$million)<sup>(a)</sup>**

	Net debt as at 30 June					
	2026 Budget	2026 Estimated Result	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
Adelaide Festival Centre Trust	36.8	31.0	27.0	23.1	19.1	15.1
Adelaide Venue Management Corporation	337.2	328.8	328.9	329.0	329.1	329.2
Renewal SA	904.4	859.9	937.7	510.5	348.6	327.5
SA Water	9 151.1	9 324.6	10 277.7	10 856.6	11 614.5	12 438.6
South Australian Housing Trust	-48.4	-57.8	-110.9	-218.2	-223.2	-226.9
Other	-43.4	-26.6	-38.8	-54.3	-69.4	-84.8
<b>Total PNFC net debt</b>	<b>10 337.8</b>	<b>10 459.9</b>	<b>11 421.7</b>	<b>11 446.6</b>	<b>12 018.7</b>	<b>12 798.7</b>

Note: Totals may not add due to rounding.

(a) Negative net debt implies cash and cash equivalents exceeds borrowings and advances received.

## SA Water

**Table 5.6: Net contributions, capital investment and net debt (\$million)**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Income tax equivalents</b>	57.9	70.8	87.6	82.1	67.5	55.4
<i>plus</i> Dividends	134.4	166.8	202.3	190.9	156.7	128.4
<i>less</i> Grants, subsidies and CSOs	189.3	173.5	164.8	150.6	154.0	155.4
<i>equals</i> <b>Net contribution to/from government<sup>(a)</sup></b>	<b>2.9</b>	<b>64.1</b>	<b>125.1</b>	<b>122.3</b>	<b>70.3</b>	<b>28.4</b>
<b>Equity contribution from government</b>	<b>-12.7</b>	<b>-1.8</b>	<b>—</b>	<b>-12.7</b>	<b>—</b>	<b>—</b>
<b>Capital investment</b>	<b>1 262.5</b>	<b>1 503.1</b>	<b>1 347.4</b>	<b>984.9</b>	<b>1 117.4</b>	<b>1 180.8</b>
<b>Net debt</b>	<b>9 151.1</b>	<b>9 324.6</b>	<b>10 277.7</b>	<b>10 856.6</b>	<b>11 614.5</b>	<b>12 438.6</b>
<b>Debt to asset ratio</b>	<b>66%</b>	<b>69%</b>	<b>70%</b>	<b>70%</b>	<b>71%</b>	<b>73%</b>

Note: Totals may not add due to rounding.

(a) Positive indicates net contribution to government while negative indicates net contribution from government.

SA Water is expected to provide a net contribution to government in 2025-26 of \$64.1 million which is \$61.2 million higher than the estimate at the time of the 2025-26 Budget. This is mainly due to revised profit expectations from higher water sales, connections and extensions and contributed assets revenue.

The movement in estimated net contributions between the 2025-26 Estimated Result and 2027-28 Estimate primarily reflects the current approved price path for SA Water's general water and sewerage charges for the current regulatory period and expected third party works revenue, partially offset by an expected increase in interest expenses. Net contributions to government are expected to decline after 2027-28 primarily reflecting movements in expected depreciation and interest expenses and current projections for lower third party works revenue from 2028-29 noting these projections will continue to be updated as future works programs are finalised and agreed.

Estimated capital investment in 2025-26 is \$1.5 billion which is \$240.6 million higher than the estimate at the time of the 2025-26 Budget mainly due to a bring forward of various capital delivery programs including Eyre Peninsula desalination augmentation and Tea Tree Gully sustainable sewers programs.

SA Water's capital investment over the forward estimates largely reflects expenditure on major projects such as growth infrastructure (including water and wastewater networks at various areas including Salisbury, Angle Vale, Two Wells and Munno Para), Riverlea Park stage two wastewater work, the Eyre Peninsula desalination augmentation, Tea Tree Gully sustainable sewers program, and various other annual capital maintenance and upgrade programs.

SA Water's current regulatory determination period concludes on 30 June 2028. The government has also announced that it intends to decorporatise SA Water and replace it with the SA Gas and Water Trust. As part of the changes the government announced that it will streamline the economic regulatory framework that will apply to the new entity, which will be responsible for the State Strategic Gas Reserve, various energy related programs and assets and any completed northern water facility. Legislation to give effect to these changes is expected to be introduced during 2026-27.

Reflecting the expected timing for the creation of the SA Gas and Water Trust, the budget estimates for SA Water have been prepared consistent with standard parameters that have typically been expected to apply to upcoming regulatory periods and do not attempt to incorporate the estimated impacts of the proposed SA Gas and Water Trust. The budget and financial implications will be determined as part of finalising the arrangements for the SA Gas and Water Trust.

## Renewal SA

**Table 5.7: Net contributions, capital investment and net debt (\$million)**

	2025-26		2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
	2025-26 Budget	Estimated Result				
Income tax equivalents	5.8	21.6	5.7	15.8	—	—
<i>plus</i> Dividends	13.5	62.3	13.4	36.8	2.2	2.2
<i>less</i> Grants, subsidies and CSOs	43.2	38.6	37.2	27.8	4.8	5.0
<i>equals</i> Net contribution to/from government <sup>(a)</sup>	<b>-24.0</b>	<b>45.3</b>	<b>-18.1</b>	<b>24.7</b>	<b>-2.6</b>	<b>-2.8</b>
Equity contribution from government	<b>-8.1</b>	<b>-20.1</b>	<b>-9.6</b>	—	—	—
Capital investment <sup>(b)</sup>	<b>11.9</b>	<b>0.6</b>	<b>9.4</b>	<b>4.3</b>	<b>5.4</b>	<b>0.1</b>
<b>Net debt</b>	<b>904.4</b>	<b>859.9</b>	<b>937.7</b>	<b>510.5</b>	<b>348.6</b>	<b>327.5</b>
<b>Debt to asset ratio</b>	<b>73%</b>	<b>69%</b>	<b>70%</b>	<b>59%</b>	<b>51%</b>	<b>50%</b>

Note: Totals may not add due to rounding.

(a) Positive indicates net contribution to government while negative indicates net contribution from government.

(b) Renewal SA's expenditure on property development projects is classified as inventories and is not included in capital investment.

Renewal SA is the government's urban development agency that leads, supports and drives investment and growth through residential, commercial, industrial and urban renewal projects.

Renewal SA's business operations are heavily influenced by demand for land. Renewal SA is also undertaking the redevelopment of Lot Fourteen, which includes the remediation of the site as well as the redevelopment and leasing of heritage buildings on the site.

Renewal SA, in partnership with the Commonwealth Government and SAHT, is responsible for delivering social and affordable housing under the National Housing Accord. Since the 2023-24 Budget, projects have been progressively approved to support the government's *A Better Housing Future* and the *Housing Roadmap*.

Renewal SA's estimated dividend in 2025-26 is \$62.3 million, \$48.8 million higher than the estimate at the time of the 2025-26 Budget primarily due to higher net sales income at Onkaparinga Heights. This also includes \$11.9 million relating to the previous year's audited profit.

Dividend and income tax equivalent payments expected across the forward estimates reflect forecast profits for Renewal SA and the specific dividend policy that applies to the net income earned on the Adelaide Station Environs Redevelopment (ASER) site. Movements over the forward estimates are due to the maturing of various property development projects including Southwark, Noarlunga Downs and greater Seaton.

Estimated grants, subsidies and CSO payments to Renewal SA in 2025-26 are \$4.6 million lower than the estimate at the time of the 2025-26 Budget mainly due to the deferral of CSOs relating to ASER site repairs in line with scheduled expenditure. Across the forward estimates, Renewal SA is expected to receive CSO payments for operating expenditure associated with various initiatives including Noarlunga Downs development, Southwark, Bowden, the Regional Housing Initiatives Program, Festival Plaza and waterproofing restoration works on the ASER plaza.

Renewal SA also receives equity contributions from the government for capital expenditure on major projects. Equity contributions are expected to be \$20.1 million in 2025-26 and \$9.6 million in 2026-27 primarily reflecting funding requirements for the transfer of Balyana land at Clapham from the Department of Treasury and Finance and capital expenditure at Bowden and Tonsley.

Capital investment across the forward estimates primarily reflects the waterproofing restoration works on the ASER plaza.

Renewal SA's net debt across the forward estimates reflects expectations for property development expenditure and sales revenue associated with its development projects.

The reduction in Renewal SA's net debt after 2026-27 reflects the maturing of various property development projects including Southwark, Noarlunga Downs and greater Seaton, and the expected sale of the Deep Maintenance and Modification Facility at Penfield in 2027-28.

Renewal SA's debt to asset ratio is expected to decrease across the forward estimates due to the profile of its sales program and the maturity of its development projects.

## South Australian Housing Trust

**Table 5.8: Net contributions, capital investment and net debt (\$million)<sup>(a)</sup>**

	2025-26		2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
	2025-26 Budget	Estimated Result				
Income tax equivalents	—	—	—	—	—	—
<i>plus</i> Dividends	—	—	—	—	—	—
<i>less</i> Grants, subsidies and CSOs	58.9	74.3	292.1	184.5	77.4	77.0
<i>equals</i> Net contribution to/from government <sup>(b)</sup>	<b>-58.9</b>	<b>-74.3</b>	<b>-292.1</b>	<b>-184.5</b>	<b>-77.4</b>	<b>-77.0</b>
<b>Equity contribution from government</b>	<b>-353.1</b>	<b>-313.0</b>	<b>-454.2</b>	<b>-456.2</b>	<b>-366.8</b>	<b>-356.3</b>
<b>Capital investment</b>	<b>384.7</b>	<b>346.6</b>	<b>462.9</b>	<b>456.3</b>	<b>366.8</b>	<b>356.3</b>
<b>Net debt<sup>(c)</sup></b>	<b>-48.4</b>	<b>-57.8</b>	<b>-110.9</b>	<b>-218.2</b>	<b>-223.2</b>	<b>-226.9</b>

Note: Totals may not add due to rounding.

- (a) SAHT is subject to the tax equivalent regime, however no income tax equivalent payments are forecast over the forward estimates. SAHT is not required to make dividend payments to the government.
- (b) Positive indicates net contribution to government while negative indicates net contribution from government.
- (c) Negative net debt implies cash and cash equivalents exceed borrowings and advances received.

SAHT provides social housing options to South Australians in need. SAHT is also developing affordable housing options for South Australians.

While SAHT earns revenue from rents paid by tenants it does not fully recover the cost of providing social housing and associated programs to tenants and clients. SAHT receives funding from the Commonwealth Government and the state government to support these objectives.

SAHT receives equity contributions broadly consistent with its budgeted capital works with the balance of funding provided by way of an operating grant. The profile of grants, subsidies and CSOs and equity contributions across the forward estimates reflects this funding arrangement.

Grants, subsidies and CSOs in 2026-27 are \$217.8 million higher than the 2025-26 Estimated Result primarily due to a larger proportion of funding for SAHT's operations being met by sales from the affordable housing initiative in 2025-26 before the program winds down in 2026-27. From 2028-29 grant funding from government decreases as a larger proportion of funding for SAHT's operations is met from sales of affordable homes under the Rent to Own program.

Estimated capital investment in 2025-26 is \$38.1 million lower than the estimate at the time of the 2025-26 Budget mainly due to delays relating to the affordable housing initiative, *A Better Housing Future* and social housing accelerator program. The increase in capital investment between the 2025-26 Estimated Result and 2026-27 Budget includes higher expenditure for the Rent to Own program, the HAFF Round 2 and public housing modernisation program.

Capital investment is expected to decline over the forward estimates consistent with the expected completion of various capital projects SAHT is currently undertaking, including the winding down of the HAFF Round 2, affordable housing initiative and social housing accelerator program, partially offset by continued capital expenditure on the Rent to Own program, public housing modernisation program, the greater Seaton renewal project and the 200 additional supported accommodation places.

SAHT's net debt across the forward estimates reflects expectations for expenditure and sales revenue associated with projects such as the Rent to Own program, affordable housing initiative and public housing modernisation program.

## Public financial corporations

The public financial corporations (PFC) sector includes HomeStart Finance, Lifetime Support Authority, Motor Accident Commission (MAC), Return to Work Corporation of South Australia (ReturnToWorkSA), South Australian Government Financing Authority (SAFA) and Superannuation Funds Management Corporation of South Australia (Funds SA).

PFCs that make contributions to the government are shown in table 5.9.

**Table 5.9: Net contributions to government (\$million)**

	2025-26 Budget	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Income tax equivalents</b>						
HomeStart Finance	16.5	30.7	15.8	13.3	12.6	12.8
Motor Accident Commission	—	—	—	—	—	—
South Australian Government Financing Authority	10.5	—	13.5	13.5	13.5	13.5
<b>Total income tax equivalents</b>	<b>27.0</b>	<b>30.7</b>	<b>29.3</b>	<b>26.8</b>	<b>26.1</b>	<b>26.3</b>
<i>plus Dividends</i>						
HomeStart Finance	38.5	71.6	36.9	31.0	29.5	30.0
Motor Accident Commission	2.0	2.1	0.9	0.5	0.5	0.5
South Australian Government Financing Authority	24.5	—	31.5	31.5	31.5	31.5
<b>Total dividends</b>	<b>65.0</b>	<b>73.6</b>	<b>69.2</b>	<b>63.0</b>	<b>61.5</b>	<b>61.9</b>
<i>less CSOs</i>						
HomeStart Finance	9.2	9.1	9.7	9.9	8.9	9.6
Motor Accident Commission	—	—	—	—	—	—
South Australian Government Financing Authority	—	—	—	—	—	—
<b>Total CSOs</b>	<b>9.2</b>	<b>9.1</b>	<b>9.7</b>	<b>9.9</b>	<b>8.9</b>	<b>9.6</b>
<i>equals Net contribution to government<sup>(a)</sup></i>						
HomeStart Finance	45.8	93.1	43.0	34.3	33.1	33.2
Motor Accident Commission	2.0	2.1	0.9	0.5	0.5	0.5
South Australian Government Financing Authority	35.0	—	45.0	45.0	45.0	45.0
<b>Total net contribution to government</b>	<b>82.8</b>	<b>95.2</b>	<b>88.8</b>	<b>79.8</b>	<b>78.7</b>	<b>78.7</b>

Note: Totals may not add due to rounding.  
(a) Positive indicates net contribution to government while negative indicates net contribution from government.

The estimated net contribution to government from PFCs in 2025-26 is \$95.2 million which is \$12.4 million higher than the estimate at the time of the 2025-26 Budget. This is principally due to shared equity gains from higher than expected house price growth impacting HomeStart Finance's profitability, partially offset by the impact of increased insurance provisions established for physical and sexual abuse, and medical malpractice claims on SAFA's operating position. This is expected to result in no dividend or income tax equivalent payments being made by SAFA in 2025-26.

Net contributions to government from PFCs are expected to decrease by \$6.4 million in 2026-27 compared to the 2025-26 Estimated Result primarily due to increased discharges from initiatives to support refinancing which impacts HomeStart Finance's profitability and SAFA dividends returning to normal levels.

The budgeted dividends from MAC mainly reflect the reinsurance arrangement entered into with Berkshire Hathaway from 1 January 2019. MAC's net contributions decrease over the forward estimates reflecting the reinsurance arrangement.

## Full-time equivalents (FTEs)

**Table 5.10: Public non-financial corporations sector and public financial corporations sector employment**

	Full-time equivalent employees as at 30 June				
	2026 Estimate	2027 Budget	2028 Estimate	2029 Estimate	2030 Estimate
<b>Public non-financial corporations</b>					
Adelaide Festival Centre Trust	231.0	230.0	230.0	230.0	230.0
Adelaide Venue Management Corporation	493.0	473.0	473.0	473.0	473.0
Public Trustee	194.5	190.5	191.5	190.5	190.5
Renewal SA	200.2	176.7	170.7	157.1	153.1
SA Water	2 057.4	2 065.6	2 047.4	2 025.4	2 024.4
South Australian Housing Trust	816.3	799.2	758.8	755.8	755.2
Other	269.6	276.6	277.6	277.6	277.6
<b>Total public non-financial corporations</b>	<b>4 262.0</b>	<b>4 211.6</b>	<b>4 149.0</b>	<b>4 109.4</b>	<b>4 103.8</b>
<b>Public financial corporations</b>					
Funds SA	83.7	83.7	83.7	83.7	83.7
HomeStart Finance	156.2	145.4	142.4	138.3	138.3
Lifetime Support Authority	119.0	122.0	125.0	128.0	131.0
Return to Work Corporation of South Australia	320.0	339.0	342.0	335.0	325.0
South Australian Government Financing Authority	105.6	108.6	108.6	108.6	108.6
<b>Total public financial corporations</b>	<b>784.5</b>	<b>798.7</b>	<b>801.7</b>	<b>793.6</b>	<b>786.6</b>

Note: Totals may not add due to rounding.

The estimated aggregate workforce of the PNFC sector as at 30 June 2026 is 4262 FTEs, of which around 67 per cent relates to positions in SA Water and SAHT.

FTEs in the PNFC sector are estimated to decrease by 3.7 per cent between 30 June 2026 and 30 June 2030 primarily due to a reduction in FTEs in SAHT, Renewal SA and SA Water. This mainly reflects the completion of a range of initiatives including the affordable housing initiative and Renewal SA's development projects as well as FTE reductions as part of the government's 2026-27 Budget savings initiative.

The estimated aggregate workforce of the PFC sector as at 30 June 2026 is 784.5 FTEs. FTEs in the PFC sector are estimated to increase by 0.3 per cent between 30 June 2026 and 30 June 2030 mainly due to an increase in Lifetime Support Authority FTEs in line with the number of people expected to be supported by the scheme.

# Chapter 6: Risk statement

## Overview

This chapter outlines the major fiscal risks that could affect the outlook set out in the 2026-27 Budget and identifies measures the government has adopted to manage these risks. The risks are summarised in three main sections — risks to revenue, risks to expenditure and contingent liabilities.

Budget estimates are made on assumptions and judgements formed in the context of information available at the time of their preparation. In practice, both revenues and expenses will be subject to variation from the estimates contained in the budget, and the size of the potential variation typically increases over the forward estimates period.

Fiscal risks arise from general developments or from specific events that affect the fiscal outlook. They may be positive or negative, and they are generally not in the government's control. Examples include fluctuations in economic activity and financial markets, changes in demand for government services, and changes in Commonwealth Government funding and policy.

The budget estimates include allowances to help manage potential fiscal risks. For example, allowances are made for wage and salary outcomes and capital expenditure contingency provisions. In addition, some sources of risk to the fiscal outlook can, to a certain extent, be managed through established risk management practices such as hedging and insurance.

## Macroeconomic and revenue risks

### Taxation, grants, royalties and fines

State taxation revenues are exposed to variations in both the volume and value of activities that are subject to taxation. Broad based taxes such as payroll tax are influenced by general economic trends, whereas more narrowly based taxes are impacted by particular segments of economic activity. Transactional taxes such as conveyance duty are subject to greater variability, and price and activity trends in the property market can have a larger impact on the short-term volatility of state taxation revenues than the broader economy.

Fluctuations in economic activity within the state increase the risk of state taxation revenues exceeding or falling short of budget forecasts, particularly at turning points in the economic cycle. The performance of the national economy is also a key driver of state government revenues. The pool of GST revenue grants allocated to the states and territories by the Commonwealth Government is directly influenced by national trends in consumer spending and housing construction, as well as population growth in each jurisdiction.

Furthermore, under the current horizontal fiscal equalisation (HFE) system, if South Australia's taxation revenues are constrained relative to other states and territories as a result of economic conditions, the HFE process will provide South Australia with a higher share of GST revenues. This means that in the medium to longer term, total South Australian revenues (the combination of GST revenue grants and own-source revenues) are primarily driven by the national economy. However, the HFE process operates with a lag and therefore fluctuations in state economic activity do have a greater short-term impact on overall revenues.

International economic-related risk factors that may affect South Australia include:

- an escalation or prolonging of the conflict in the Middle East beyond mid-2026, which could lead to higher prices for fuel, fertiliser and plastic products
- reduced growth in domestic demand from more restrictive monetary policy
- geopolitical fragmentation and trade policy uncertainty, including protectionist measures, which may dampen global trade growth and unfavourably shift trade patterns, reducing state income and revenues
- uncertainty surrounding China's economic outlook, reflecting property sector weakness and subdued household consumption, creating implications for Australia through weaker export demand and commodity prices.

Risk factors that could affect the performance of the Australian and South Australian economy include:

- increased freight and shipping costs may reduce the competitiveness of Australian exports, particularly for South Australia's trade exposed agricultural and manufacturing sectors
- sectoral capacity constraints, including materials shortages in construction, could be intensified by the conflict in the Middle East, limiting the ability to deliver key infrastructure projects on time and within budget
- heightened global risk aversion and financial market volatility could leave the risk-sensitive Australian dollar vulnerable to depreciation, and increase the risk that interest rates remain higher for longer or rise further. This could lead to higher global bond yields and risk premiums, increasing borrowing and debt servicing costs for the Australian and South Australian governments
- tighter financial conditions could delay or reduce business investment, weighing on productivity and employment growth, which intensify pressures on South Australian households and the state's budget position
- fertiliser supply disruptions due to the impaired Strait of Hormuz shipping route could generate lagged reductions in agricultural yields, dampening output in South Australia's agricultural sector
- increasingly frequent and severe climate-related natural disasters, which may affect infrastructure, business and agricultural output.

### **State taxation**

Specific revenue risk areas for state tax collections are discussed below.

#### **Payroll tax**

Payroll tax revenue tends to be influenced by broad economic trends, particularly employment levels, hours worked and wages growth.

There is a risk that employment or wages growth will be different to that forecast which would flow through as a variation to forecast payroll tax revenue. In addition, there are risks to revenue estimates associated with the composition of employment growth between firms that are subject to payroll tax and those that are not.

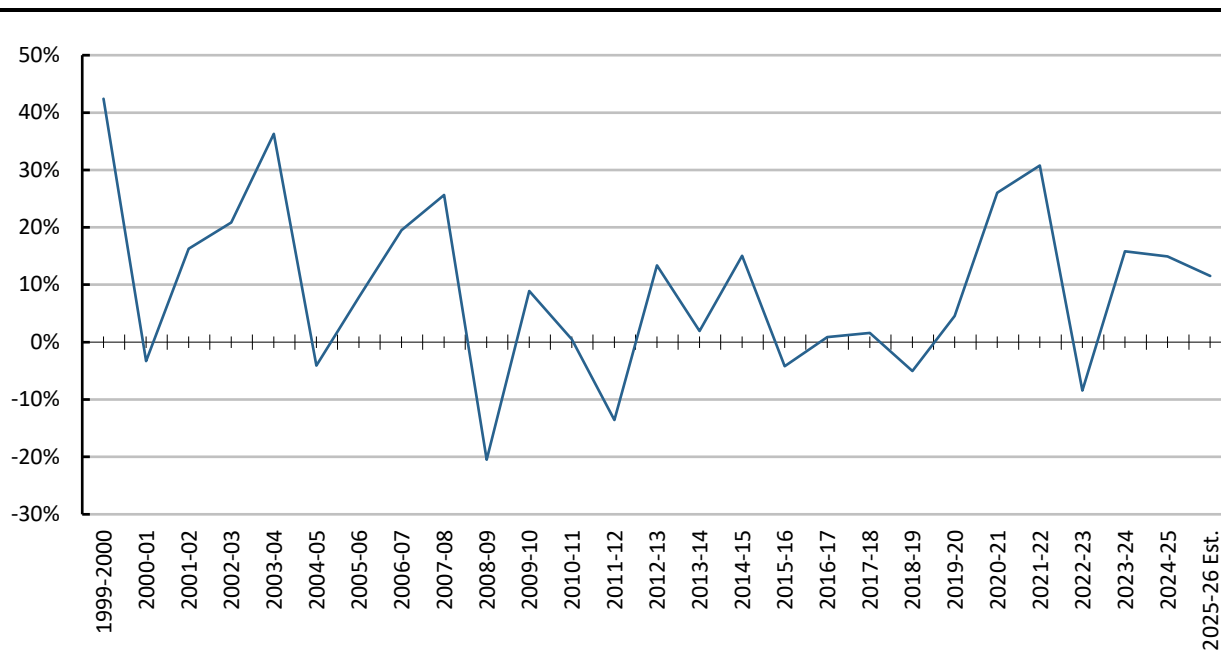
*Impact:* A 1.0 per cent change in taxable payrolls equates to about \$21 million in payroll tax revenue.

#### **Property taxes**

Conveyance duty revenue is affected by variations in the local property market. Trends in property market values and activity levels can be difficult to predict, particularly transaction numbers, which can change significantly from one year to the next. For example, residential transactions in 2021-22 were 47 per cent above 2019-20 transaction levels, but declined by around 19 per cent in 2022-23, contributing to significant volatility in conveyance duty collections. The property market has also experienced very strong growth in values over the last few years. Forward projections of conveyance duty revenue assume that underlying residential property market transactions and prices will return to long-term trend levels/growth.

There is a risk that activity levels and/or property prices will vary from that estimated.

Figure 6.1 shows the annual growth in total conveyance duty revenue since 1999-2000. Over that time, annual growth in total conveyance duty revenue has ranged from around negative 20 per cent to positive 42 per cent. This uncertainty makes forecasting conveyance duty receipts particularly difficult.

**Figure 6.1: Total conveyance duty — annual growth<sup>(a)</sup>**

(a) Excludes impact of policy changes, particularly the phased abolition of non-residential (non-primary production) conveyance duty.

Land tax receipts can also vary from expectations over the forward estimates period. Indexation of land tax thresholds commenced on 1 July 2011 and reduces the impact of bracket creep when property values are increasing.

*Impact:* A 1.0 per cent variation in 2026-27 property values equates to about \$22 million in conveyance duty revenue, while a 1.0 per cent variation in transactions in 2026-27 equates to about \$19 million in conveyance duty revenue.

A 1.0 per cent variation in land values equates to around \$7 million in private land tax revenue in 2026-27 (after indexation of tax brackets for growth in land values).

### Gaming machine revenue

Gaming machine tax revenue collections, can reflect discretionary spending levels which are influenced by a range of factors, including growth in wages and incomes, debt servicing levels, the cost of essential items and perceived future spending needs. Regulatory reforms can also impact on gaming machine taxation revenue collections. The popularity of gaming machines compared to other forms of gambling and other activities more broadly can also impact on revenue collections.

*Impact:* A variance of 1.0 per cent in hotel and club gaming machine expenditure equates to around \$5 million in gambling tax revenue.

### Insurance duty

Insurance premiums can vary significantly over time depending on the capacity of the market and can sometimes be affected by major insurable events around the world. Events such as global pandemics and natural disasters in Australia and offshore may affect the level and type of insurance taken out by policy holders, as well as the price of insurance premiums.

*Impact:* A variance of 1.0 per cent in premium levels equates to around \$7 million in insurance duty revenue.

### Royalties

Mining and petroleum royalty revenue is exposed to external economic conditions. In particular, royalty revenue is affected by exchange rates and changes in international prices particularly for oil, copper, iron ore, uranium and gold. Royalty revenue can also be affected by changes to production levels, including the impact from natural occurrences (e.g. floods), unanticipated mine closures, unplanned operational incidents such as plant fires and failures as well as other unforeseen events.

There is potential for growth in royalty revenue from new mines. The timing of these additional royalty streams is dependent on the timing of discoveries, global economic conditions as well as the time required for development approvals and to develop new mine sites to an operational level. Royalty revenue does not flow until commercial production commences.

*Impact:* A 1.0 cent change in the US dollar/Australian dollar exchange rate has a direct revenue impact of about \$2 million on royalty revenue. A 1.0 per cent change in international prices for copper, iron ore, uranium, gold, oil and petroleum liquids has a direct revenue impact of about \$2 million.

### **Traffic infringement fines**

Revenue collected from traffic infringement fines is sensitive to changes in driver behaviour patterns and the number of detection devices in operation.

*Impact:* A variance of 1.0 per cent in the number of traffic infringement notices equates to around \$2 million per annum in fines revenue.

### **Changes to general purpose payments (GST revenue)**

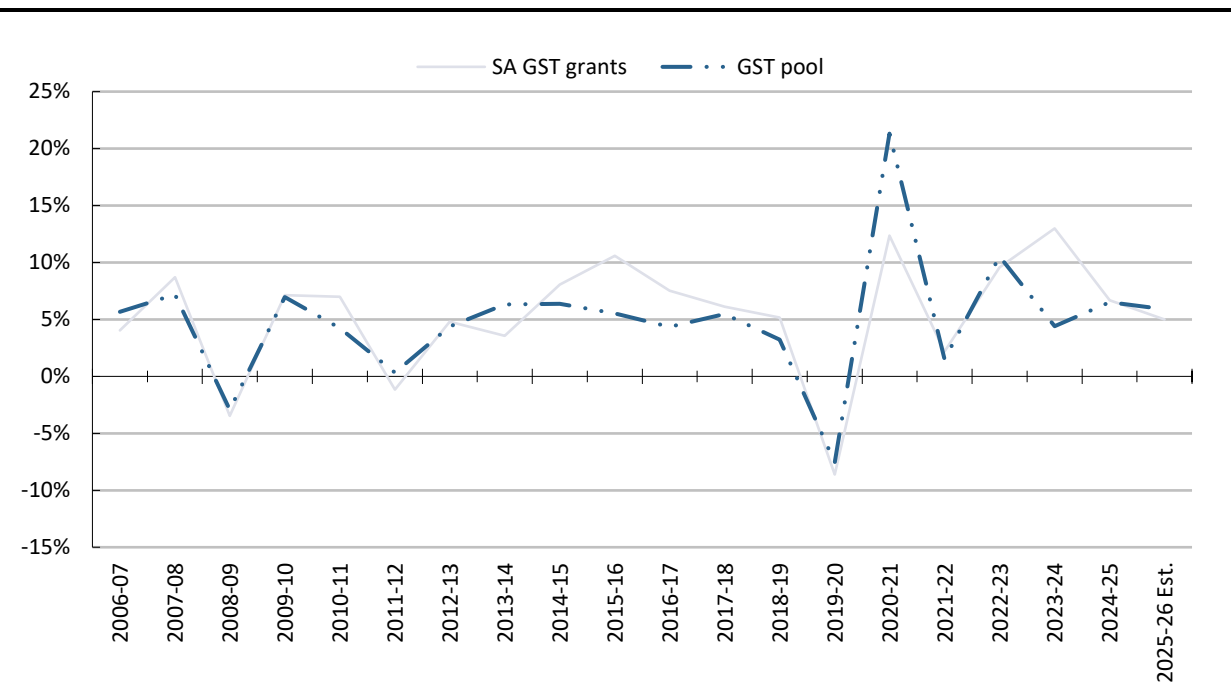
The pool of GST revenue grants allocated to the states and territories is directly influenced by national trends in consumer spending and housing construction.

South Australia's GST revenue grants are driven by the size of the national GST pool and the state's population share. They are also impacted by changes to the state's share of the pool, which is determined by the Commonwealth Grants Commission (CGC) in accordance with current HFE principles. South Australia's forecast GST revenue grants comprise around 30 per cent of total revenues in 2026-27 and therefore the budget is particularly exposed to changes in GST revenue.

Figure 6.2 demonstrates the volatility in annual growth for the GST pool and South Australia's GST revenue grants.

In 2019-20, the national GST pool fell by 7.6 per cent reflecting the impact of COVID-19 on the national economy. National GST collections rebounded strongly in 2020-21, growing by 21.3 per cent reflecting strength in consumer spending. National GST collections have then fluctuated with relatively flat growth in 2021-22, 10.5 per cent growth in 2022-23 followed by lower growth of 4.4 per cent in 2023-24 before returning to more normal growth rates. Forward estimates of the national GST pool are based on forecasts by the Commonwealth Government and assume a return to more longer term growth rates of around 5 per cent per annum across the forward estimates period.

South Australia's estimated GST revenue grants can vary from growth in the national GST pool reflecting changes in the state's share of the pool. For example, while the GST pool increased by 4.4 per cent in 2023-24, South Australia's GST revenue grant increased by a higher rate of 13.0 per cent reflecting an increase in South Australia's GST grant share in 2023-24, largely due to the outcome of the CGC's 2023 Update. In 2026-27, growth in South Australia's GST revenue grant is expected to be lower than forecast growth in the GST pool, reflecting the outcomes of the CGC's 2026 Update, which recommended a decrease in the state's grant share compared to 2025-26.

**Figure 6.2: GST pool and South Australia's GST revenue grants — annual growth**

*Impact:* A 1.0 percentage point change in GST pool growth has a revenue impact for South Australia of about \$100 million per annum.

#### Changes to horizontal fiscal equalisation methodology and data

The purpose of HFE is to provide each state with the fiscal capacity to deliver the same standard of services to its residents as other states. This is also known as full equalisation of fiscal capacities.

In Australia, GST revenue grants are the vehicle used in seeking to achieve HFE. South Australia receives around \$3.0 billion more in GST revenue grants (including no worse off guarantee payments) than it would if funding was distributed on a simple population (equal per capita) basis without consideration of the differing fiscal needs and capacities of each state. This reflects relative greater needs in South Australia and lower revenue raising capacity.

In November 2018, the Federal Parliament passed the *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018*, which gives effect to the Commonwealth Government's response to the Productivity Commission's 2018 Inquiry into HFE. The legislation provides for the introduction of a revised GST distribution system over a 6-year transitional period that commenced in 2021-22. The key arrangements include:

- a shift from full equalisation to partial equalisation, with states' fiscal capacities equalised to the stronger of New South Wales or Victoria rather than the fiscally strongest state
- introduction of a minimum GST relativity of 0.7 in 2021-22 which increased to 0.75 in 2024-25
- a permanent Commonwealth top-up to the GST pool, indexed to growth in the GST pool
- a guarantee that states will receive at least the same amount of GST grants as they would have received (in cumulative terms) over the period to 2029-30 had the equalisation objective not changed (i.e. the no worse-off guarantee)
- a review of the new system to be conducted by the Productivity Commission by December 2026.

While the no worse-off guarantee provides a level of certainty for the states over the period to 2029-30 in regard to the change in GST distribution arrangements, there is a risk that South Australia and non-Western Australian states will be worse off without an extension to the no worse-off guarantee or a return to full equalisation.

In February 2026, South Australia lodged its submission to the Productivity Commission review advocating for a return to full equalisation, or alternatively, a perpetual extension to the no worse-off guarantee.

In 2026-27, it is estimated that South Australia will require \$466 million through the no worse-off guarantee to ensure that total revenue received through the new arrangements is not less than what would have been received through the previous full equalisation approach to the distribution of GST revenue. In contrast, the new arrangements are expected to deliver an additional \$6.6 billion in GST revenue to Western Australia in 2026-27.

Following representations made by South Australia and other impacted states, the Commonwealth Government extended the operation of the no worse-off guarantee from 2026-27 to 2029-30. However, there remains the risk that South Australia will receive less ongoing GST revenue from 2030-31 following the expiry of the no worse-off guarantee.

The ongoing impacts of the new GST distribution arrangements may be influenced by the outcomes of the current Productivity Commission inquiry, which is required by legislation to consider the operation of the 2018 reforms, including the fiscal implications on the states and territories, and whether the reforms are operating as intended. The Inquiry is scheduled to release an interim report in August 2026 and to provide a final report to the Commonwealth Government by 31 December 2026.

Separate to these new arrangements, changes to the methodology and data used by the CGC in calculating GST distribution relativities may significantly impact (both positively and negatively) the state's budget position.

The CGC released its 2025 Review in March 2025, which reviewed the methodology it uses to calculate the relativities used by the Commonwealth Government to distribute GST revenue grants. These methodology reviews are undertaken approximately every five years and can have a large impact on a jurisdiction's share of GST revenue. The outcome of the 2025 Review resulted in a reduction in South Australia's relativity and share of GST revenue. This was primarily driven by the CGC's methods for assessing states' COVID-19 related expenses as well as data revisions relating to natural disaster expenses incurred in other jurisdictions. The outcome of the 2025 Review will generally form the basis of methods used by the CGC until the next review, expected to be completed in 2030.

Between methodology reviews, the CGC updates the GST relativities annually to incorporate changes in state circumstances as reflected by the latest available social, demographic and economic data. While the CGC's desire to improve data and data sources wherever possible is appropriate, this can lead to large changes in annual relativities. The relativities are particularly sensitive to fluctuations in the value of mining output, variations in Commonwealth Government payments between states and differential growth rates in conveyance duty receipts.

*Impact:* A 0.01 change in South Australia's full HFE relativity would result in a change in GST revenue grants of about \$63 million in 2026-27.

### **Commonwealth payments for specific purposes**

Commonwealth state funding arrangements are governed by Commonwealth Government legislation and the Intergovernmental Agreement on Federal Financial Relations (the IGA) agreed to by the former Council of Australian Governments in December 2008.

Payments for specific purposes can either be ongoing tied grants or time limited National Partnership payments (NPPs).

Commonwealth Government legislative arrangements or the IGA prescribe funding under the National Agreement on Foundational Supports (NAFS), National Skills Agreement, National Health Reform Agreement (NHRA), Better and Fairer Schools Agreement, National Mental Health and Suicide Prevention Agreement, Social Housing and Homelessness Agreement and National Access to Justice Partnership. While funding is ongoing, there are risks to states around the level and conditions placed on funding, particularly when agreements are due for renegotiation.

As part of health and disability reform negotiations, the Commonwealth and states and territories signed an addendum to the NHRA in February 2026 that sets out funding arrangements from 1 July 2026 to 30 June 2031. In addition, the NAFS was signed in February 2026 that sets out the framework for the funding and delivery of disability services by states and territories outside of the National Disability Insurance Scheme (NDIS). The roll out of foundational supports will be phased, commencing with supports for children aged 8 years and under with developmental delay and/or autism with low to moderate support needs. This program is referred to as Thriving Kids. The roll out of foundational supports creates potential operational and financial risk to states and territories. States and territories will also be renegotiating a new National Mental Health and Suicide Prevention Agreement and a new Preschool Reform Agreement over the coming year.

NPPs are time limited payments to the states to support the delivery of specified projects or to facilitate or reward the implementation of reforms of national importance. NPPs are allocated to one of five sectoral agreements known as Federation Funding Agreements (FFAs). FFAs cover the areas of health, education and skills, environment, infrastructure and a residual agreement which incorporates affordable housing, community services and all other services. There is an ongoing risk that the Commonwealth Government will cease NPP funding at the expiry of each agreement.

*Impact:* Commonwealth payments for specific purposes account for about 24 per cent of state government revenues in 2026-27. Variations in their level or the conditions applying to these payments impact the budget.

## Changes in profitability of government businesses

As part of their day-to-day operations, government business enterprises — comprising public non-financial corporations (PNFCs) such as SA Water and Renewal SA and public financial corporations (PFCs) such as the South Australian Government Financing Authority (SAFA) — manage a range of commercial risks. Risks that adversely impact upon a government business may affect its ability to pay dividends and make tax equivalent payments, thereby impacting the financial position of the general government sector.

*Impact:* A 1.0 per cent change in contributions to the general government sector from PNFCs and PFCs would impact revenue by approximately \$4 million per annum.

## Expenditure risks

### Hospital expenditure growth

Hospital expenditure is a significant component of annual expenditure and growth can therefore have a substantial impact on the budget.

The government continues to implement a number of strategies designed to ensure that health services and infrastructure are provided for the South Australian community to deliver quality health outcomes efficiently. This includes delivery of the substantial infrastructure program committed to by this government that is increasing the number of beds in the system, as well as expanded use of virtual care services to further increase system capacity.

Changes to Commonwealth Government funding for health also significantly affects the state government's capacity to provide resources to the health system. In February 2026 National Cabinet agreed to an updated NHRA addendum.

The 2026-31 addendum outlines the Commonwealth Government's commitment to activity-based funding arrangements and long-term, system wide structural health reforms, and includes \$24.4 billion in additional funding for public hospitals over five years (around \$2 billion for South Australia). Under the 2026-31 addendum the Commonwealth Contribution Rate (CCR) will increase to 45 per cent over 10 years, with achievement of 42.5 per cent by 2031. However, with the funding growth being capped at 10.25 per cent in 2026-27 and 8 per cent by 2031, South Australia is only expected to reach a CCR of 37.6 per cent by 2030-31.

*Impact:* A 1.0 per cent growth in hospital expenditure above the level incorporated in the 2026-27 Budget would increase expenditure by approximately \$97 million per annum.

## Student enrolment numbers

The budget includes an estimate of expected movements in the number of student enrolments in government and non-government schools.

To the extent that actual enrolment numbers vary from those estimates there will be an impact on the state's financial position. Enrolments are impacted by growth in the school age population as well as shifts between government and non-government education.

*Impact:* A 1.0 per cent growth in government school enrolment numbers above the levels incorporated in the 2026-27 Budget would increase expenditure by approximately \$30 million per annum.

## 3-year-old preschool enrolment numbers

The roll out of universal 3-year-old preschool commenced in 2026. Initially the roll out is predominately in the long day care sector and in rural and remote areas for government operated preschools.

The budget includes an estimate of the number of 3-year-old preschool enrolments across partnered long day care services, government sessional preschools, and integrated hub demonstration sites.

To the extent that actual enrolment numbers vary from those estimated there will be an impact on the state's financial position.

*Impact:* Depending on the mix of enrolments by provider type, a 1.0 per cent increase in 3-year-old enrolment numbers above the levels currently incorporated in the 2026-27 Budget would increase expenditure by an average of approximately \$776 000 per annum over the next four years.

## Growth in children and young people in care

The budget includes provisions for resourcing requirements of children and young people in care, including family based and residential care accommodation. The costs associated with children and young people in care can be impacted by both growth in the number of children and young people entering the child protection system as well as the type of care provided. Resources required for residential care accommodation are generally significantly higher per child or young person than family based foster and kinship care.

*Impact:* Depending on the mix of care types, a 1.0 per cent growth in children and young people in care above the levels incorporated in the 2026-27 Budget would increase expenditure by approximately \$9 million per annum.

## Disability

The state has been in the full NDIS since 2019-20. Under this arrangement the state meets disability support costs through an annual fixed capped contribution (indexed) to the NDIS. Any growth in costs above the cap are met by the Commonwealth Government.

In December 2023, following the NDIS Review, National Cabinet agreed all jurisdictions would work together on NDIS reforms to improve participants' experiences and ensure a financially sustainable scheme.

Accordingly, in January 2026, National Cabinet agreed all jurisdictions would contribute to foundational supports outside of the scheme, with the first cohort being children aged 8 and under with developmental delay and/or autism with low to moderate support needs, as part of the Thriving Kids initiative. It is important that the type of supports available and access under these arrangements are clearly defined to ensure clear and sustainable funding arrangements and effective service delivery. National Cabinet also agreed to increase the growth cap on state and territory NDIS contributions from 4 to 8 per cent per annum from 1 July 2028 (with a review point in 2030-31).

The Department of Human Services (DHS) provides disability services to NDIS participants. Revenue for these services is sourced through NDIS arrangements. It will be important for DHS to continue aligning these services, which include supported accommodation, with NDIA requirements to ensure full cost recovery.

## **Increases in wages and salaries**

Enterprise agreements are in place for major workforce groups for the relevant terms of each agreement, with all associated costs included in the 2026-27 Budget.

The outcomes of future wage negotiations will be crucial in determining whether expenditure in the forward estimates in this budget can be achieved and the level of government services that can be delivered.

Allowances in the forward estimates for enterprise bargaining outcomes cover both salary and non-salary outcomes.

*Impact:* If public sector-wide wage outcomes for new enterprise agreements vary by 1.0 per cent per annum from allowances in the forward estimates, the budget impact is estimated to be around \$343 million in 2029-30.

## **Delivery of efficiency measures**

Agency budgets include a continuation of the previously approved efficiency and savings measures. In addition, the government has implemented new savings measures in the 2026-27 Budget. The new savings measures apply to the non-frontline service areas of agencies to continue to drive public sector productivity.

Efficiency savings apply in some form to the majority of general government agencies and are reviewed in the budget process to ensure they are appropriate having regard to government priorities.

*Impact:* Where savings and efficiency measures are delayed or not achieved there will be an adverse budget impact unless alternative saving measures or offsets can be found.

## **Interest rates**

Changes in interest rates affect the budget position of all sectors through changes in interest payments, both paid and received. The largest impact is through the cost of borrowing.

*Impact:* A 1.0 percentage point move in the average interest rate applying to general government sector net debt would change net interest expense by approximately \$288 million in 2026-27 rising to \$409 million in 2029-30.

A 1.0 percentage point move in interest rates applying to the PNFC sector net debt would change its net interest expense by approximately \$114 million in 2026-27. This could affect prices for services delivered to customers as well as contributions provided by the general government sector to PNFCs.

## **Fluctuation in foreign exchange rates**

Treasurer's Instruction 23 'Management of Foreign Currency Exposures' requires public authorities to recognise and control foreign exchange risks associated with their operations. Foreign exchange risks may arise through procurements involving imported goods and services, the sale of goods and services, or any other financial transaction or exchange of obligations and liabilities, actual, potential or contingent, that involves an exposure to foreign currency.

Public authorities are required to make an assessment of their foreign currency exposures, and where the exposure is likely to exceed \$250 000 they are to implement an appropriate hedging strategy, which could include obtaining forward foreign exchange cover.

*Impact:* Foreign exchange rates could have an impact on the costs of agencies that source capital equipment, supplies and services from overseas. This includes items such as pharmaceuticals, transport equipment and the operations of overseas offices.

## Capital investment

Project estimates include prudent allowances for cost escalations. Large capital programs increase the risk of additional costs. The current high demand for infrastructure related labour and materials also increases the risks of cost escalations for capital programs.

*Impact:* If cost escalations exceed the allowances included in the investment program, there will be an adverse impact on annual net lending outcomes. A 1.0 per cent increase in costs for the general government investment program would increase capital expenditure by approximately \$58 million in 2026-27.

## Superannuation liabilities and expenses

For defined benefit scheme superannuation liabilities (pension or defined benefit lump sum schemes), the budget is exposed to factors affecting the value of the unfunded liability. These factors include:

- volatility in the expected returns on investment funds and the risk-free discount rate
- changes in actuarial assumptions relating to future benefit payments.

*Impact:* Volatility in asset markets poses a risk to the budget. A 1.0 percentage point lower than expected return on superannuation assets invested by Funds SA would increase estimated unfunded superannuation liabilities by around \$73.1 million. An increase in unfunded superannuation liabilities of this magnitude would increase nominal superannuation interest expenses, decreasing the net operating balance by around \$3.5 million per annum.

A fall in the Commonwealth Government bond rate between valuation dates will lead to the use of a lower discount rate for valuation purposes, resulting in an increase in the value of the unfunded liability.

A 1.0 percentage point reduction in the discount rate would increase unfunded superannuation liabilities by \$1.3 billion. However, the impact on the budget net operating balance is the imputed interest on these unfunded liabilities, and the interest rate used to calculate this would also fall by 1.0 percentage point. The net effect on the budget would be an improvement of around \$2.5 million per annum in the net operating balance. An increase in the discount rate of 1.0 percentage point would decrease unfunded superannuation liabilities by around \$1.1 billion and increase the imputed interest and reduce the net operating balance by around \$12.5 million.

## Changes in domestic and overseas share prices

Funds SA, ReturnToWorkSA and the insurance investments of SAFA are exposed to both domestic and international equity markets. Changes in domestic and overseas share prices impact on the investments of these entities.

*Impact:* A variation in domestic and overseas share prices will directly impact the budget through a change in earnings on superannuation assets managed directly or indirectly by Funds SA.

A change in the value of the financial investments of ReturnToWorkSA can impact the budget through the income tax equivalent payment received from ReturnToWorkSA.

A change in the value of SAFA's financial investments may have a direct impact on the budget through a variation in SAFA's income tax equivalent and dividend contributions.

## Insurance

Risks associated with insurance liabilities are managed by SAFA and are described in Chapter 4.

## Contingent liabilities

Contingent liabilities are liabilities, or possible liabilities, that have not been recognised in the government's balance sheet because they:

- arise from past events, and will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the government, or
- are a present obligation that arises from past events but is not recognised because:
  - it is not probable that there will be a cost or other financial impact for the government to settle the obligation, or
  - the amount of the obligation cannot be measured with sufficient reliability.

Full details of the state's material quantifiable and non-quantifiable contingent liabilities are included in the *Consolidated Financial Report for the financial year ended 30 June 2025*. The state's quantifiable contingent liabilities are summarised in table 6.1.

**Table 6.1: Contingent liabilities of the Government of South Australia to entities external to the public sector at 30 June (\$million)**

	2025	2024 <sup>(a)</sup>
Guarantees	978	1 066
Other	453	422
<b>Total</b>	<b>1 431</b>	<b>1 488</b>

Note: Totals may not add due to rounding

(a) Estimates of other contingent liabilities at 30 June 2024, were revised in the Consolidated Financial Report for the year ended 30 June 2025.

Final whole of government data for 2025-26 will be published in the Consolidated Financial Report for the financial year ended 30 June 2026.

The information below provides 30 June 2025 data (unless otherwise specified) for the major individual contingent liabilities.

### Summary of contingent liabilities and other exposures

Significant contingent liabilities and other specific exposures, both quantifiable and non-quantifiable, for the Government of South Australia include the following.

#### Contingent liabilities

- Guarantee of Local Government Finance Authority loans and other liabilities — pursuant to the *Local Government Finance Authority Act 1983*, liabilities incurred or assumed by the Local Government Finance Authority are guaranteed by the Treasurer.

*Exposure:* \$931 million at 30 June 2025 (compared with \$1,020 million at 30 June 2024).

- Alice Springs-Darwin Railway — both the South Australian and Northern Territory governments guarantee the obligations of the AustralAsia Railway Corporation, the joint statutory authority that looks after the government's interests in relation to the Alice Springs-Darwin Railway. The prospect of these contingent liabilities arising is considered to be remote.

*Exposure:* Not quantifiable (unchanged from 30 June 2024).

- Local Government Association (LGA) public liability fund — the Treasurer has indemnified the fund of the LGA Mutual Liability Scheme — a self-managed mutual fund for public liability insurance purposes of the local government sector in South Australia. Any losses that exceed the state government's liability reinsurance program limits and the \$100 million limit for liability risks not covered by the reinsurance program will be subject to separate negotiations between the LGA and the state government.

*Exposure:* \$100 million at 30 June 2025 (unchanged from 30 June 2024).

- Residential bond guarantees — the Bond Guarantee Scheme provides a guarantee to private owners and/or real estate agents in regards to the bond payable by eligible private rental tenants. The South Australian Housing Trust (SAHT) ultimately pays for any bond claims made by owners/agents and the tenant becomes liable to the SAHT for any amount paid. The value of bond guarantees at 30 June 2025 was \$47 million with the value of claims made during 2024-25 at \$3.5 million.

*Exposure:* \$47 million at 30 June 2025 (unchanged from at 30 June 2024).

Other, less material, contingent liabilities are reported in individual agency financial statements, as contained in agency annual reports or published on the Audit Office of South Australia website <[www.audit.sa.gov.au/reports](http://www.audit.sa.gov.au/reports)>

### Other exposures

- Electricity entities — as part of the privatisation of the state's electricity assets, the government provided certain specified undertakings to the lessees. In the extremely remote event that these undertakings are not enforceable and the leasing arrangements are terminated, the state is required to make specified payments to the lessees and would receive the associated electricity infrastructure assets in return.

*Gross exposure:* \$612 million at 30 June 2026 (compared with \$654 million at 30 June 2025).

- Loans, concessional loans and guarantees — the state has issued loan and concessional loans, including those at low interest or include interest-free periods in their terms, to support the government's policy outcomes where appropriate. The budget also includes a number of new initiatives where the government has committed to provide funding through issuing loans including for aged care beds and drought assistance, as well as the provision of guarantees under the apartment fast-track fund. The default risk on the majority of issued loans and provisioned loan schemes is considered to be low, given the loan security pledged by the borrower. Guarantees under the apartment fast-track fund are expected to only be called upon in unlikely event that a dwelling is not sold at the end of a project. Any change to this assumption may give rise to potential exposure to the state.

*Exposure:* Not quantifiable given a number of schemes are still being implemented.

- Non-government School Loans Scheme — pursuant to section 15(1) of the *South Australian Government Financing Authority Act 1982*, liabilities incurred or assumed in performance by the South Australian Government Financing Authority of its functions under the Scheme are guaranteed by the Treasurer.

*Exposure:* \$65 million at 30 June 2025 (compared with \$71 million at 30 June 2024).

- Sovereign steel package — the state and Commonwealth Government have committed to a joint sovereign steel package. The 2026-27 Budget reflects an extension to the state's commitment to support the operations of the Whyalla steelworks including assumptions of the continuation of the Commonwealth Government's contribution and the identification of a new owner of the steelworks. The budget also includes the state's commitment to fund improvements to the steelworks following a successful sales process. Any changes to these assumptions may give rise to unquantifiable potential exposures to the state in certain circumstances.

*Exposure:* Not quantifiable.

- SAHMRI 2 project — the SAHMRI 2 Proton Therapy project was a Commonwealth Government funded project, delivered by the South Australian Health and Medical Research Institute (SAHMRI), to deliver Australia's first proton therapy unit. SAHMRI terminated its contract with the technology supplier in October 2024. In 2025-26, the state entered into a series of commercial arrangements to support the delivery of proton therapy at the Australian Bragg Centre should it be supported by the Commonwealth Government. The 2026-27 Budget reflects these agreements.

*Exposure:* Not quantifiable.

- Natural disaster and extreme weather events — the state can be exposed to extreme weather, natural disasters and other events, such as the recent algal bloom, significant rainfall and underlying drought conditions affecting the state in 2025-26. These can impact the community and cause damage to infrastructure that may require recovery funding. While the state may be eligible for support from the Commonwealth Government under disaster recovery and other funding arrangements, the extent of this funding and total repair and support costs may pose an unpredictable risk to the state's budget.

*Exposure:* Not quantifiable

- Strategic reserves of gas and diesel — the government has entered into commercial arrangements to create reserves of gas and diesel to be used in South Australia. The commercial arrangements give rise to a number of current and future liabilities for the state. The 2026-27 Budget provides for the acquisition of some of the gas and diesel under these agreements and any changes to these arrangements may give rise to potential exposures to the state in certain circumstances.

*Exposure:* Not quantifiable.

# Chapter 7: South Australian economy

## Overview

The South Australian economy has been experiencing solid growth, supported by a strong labour market and construction activity. Strong growth in State Final Demand (SFD) in South Australia has been supported by public investment and consumption, along with strength in new dwelling investment. While Gross State Product (GSP) growth was slightly slower due to detractors from net exports and reduced winter crop production, more favourable growing conditions are now supporting a recovery in GSP growth. The value of South Australia's goods exports has grown, particularly driven by growth in copper exports, supported by growth in export prices. Services exports have also risen strongly. Private new capital expenditure reached a record high, supported by growth in spending on equipment, plant and machinery, and buildings and structures.

Consistent with the strong state economic performance, South Australia's labour market has been performing strongly. Employment growth has continued to outpace growth in the population, driven by full-time employment growth, and supporting historically high participation rates. The unemployment rate has also remained close to historic low levels. Forward indicators of labour demand remain strong, with job vacancies in South Australia growing.

Growth in Adelaide's Consumer Price Index (CPI) began picking up from the September quarter 2025, broadly in line with national inflation. While the economy is facing potential fuel-related headwinds, its broader economic fundamentals provide a solid base to meet these challenges. Recently, growth in inflation has been driven by the increased price of oil due to the conflict in the Middle East. Wages growth in South Australia continues to be in line with national wages growth. Building approvals remain elevated, though there is a risk higher prices and interest rates may dampen construction activity in the short term. Overall, construction activity is supporting economic activity in South Australia, with the construction pipeline at a record high level.

## Economic forecasts

South Australia's economy is expected to be supported in the near term by an ongoing strong labour market, high levels of government investment, construction work in the pipeline, and recovery in the farm sector. GSP is estimated to grow by 2¼ per cent in 2025-26, supported by a stronger winter crop, before moderating to grow by 1¾ per cent in 2026-27 due to the negative impact of higher interest rates and the impact of the conflict in the Middle East on oil prices. GSP is forecast to accelerate over 2027-28 and 2028-29 to an above trend pace as the economy recovers from the oil price shock, before returning to a trend growth rate of 2 per cent per annum in 2029-30. Economic forecasts and projections as set out in table 7.1 take into consideration a range of factors, including global growth forecasts for Australia's major trading partners, winter crop production returning to normal levels, and assume the conflict in the Middle East ends soon. The economic forecasts also take into account the Commonwealth Government's economic assumptions in its 2026-27 Budget and the most recent Reserve Bank of Australia (RBA) CPI forecasts.

**Table 7.1: Key economic indicators — Australia and South Australia real growth rates (per cent per annum, year averages)**

	2024-25 Actual	2025-26 Estimate	2026-27 Forecast	2027-28 Projection	2028-29 Projection	2029-30 Projection
<b>Australia<sup>(a)</sup></b>						
Gross Domestic Product (GDP)	1.3	2¼	1¾	2¼	2½	2½
<b>South Australia</b>						
Gross State Product (GSP)	1.0	2¼	1¾	2	2¼	2
State Final Demand (SFD)	3.0	3¼	1¾	2	2¼	2
Employment	1.4	3¼	1	1	1	1
Adelaide Consumer Price Index (CPI)	2.4	3¼	3½	2½	2½	2½

(a) Australian forecasts from 2026-27 Federal Budget, Budget Strategy and Outlook, Budget Paper No.1 (published 12 May 2026).

## Context

The global economy entered 2026 demonstrating resilience to trade policy developments and geopolitical volatility. However, the economic environment has become more difficult and uncertain following the intensification of conflict within the Middle East and the closure of the Strait of Hormuz. The conflict is creating a more challenging outlook for the global and domestic economy through commodity price volatility and disruptions to supply chains, with the potential to increase prices of fuel and related products and services in the coming months.

Developments in the Middle East further heighten uncertainty, adding to risks from ongoing political instability and protectionist trade policies. Risks to the outlook remain firmly tilted to the downside.

Further intensification of the conflict and more extensive damage to energy infrastructure would cause ongoing disruptions to global energy supply and greater softening in growth, while a quick end to the conflict would likely allow global energy markets to return to balance within a few months and enable inflation to return to the RBA's target by 2026-27.

There are some upside risks to the outlook. Higher commodity prices, including for Australia's mineral and energy resources, are strengthening Australia's terms of trade, providing a partial income buffer to the effect of higher oil prices. Additional upside risks include further progress on trade agreements or the potential that productivity gains from Artificial Intelligence (AI) materialise sooner.

As part of its April 2026 World Economic Outlook, the International Monetary Fund (IMF) revised down forecasts for global economic growth, in part reflecting these downside risks. The IMF estimates the global economy grew by 3.4 per cent in 2025, and forecasts growth softening to 3.1 per cent in 2026, before slightly strengthening to 3.2 per cent in 2027 assuming the conflict in the Middle East is relatively short lived. However, global growth could slow to 2.5 per cent in 2026 and 3.0 per cent in 2027 in the event of a more drawn-out conflict.

The Australian economy also entered 2026 with reasonable growth momentum and a strong labour market, but with elevated inflation. Following a period of slowing price growth, inflation picked up materially in the second half of 2025 to be above the RBA target range, with stronger demand exceeding supply capacity leading to higher prices. In response, the RBA raised the cash rate three times from February 2026 to be 4.35 per cent – the same level as before the RBA began cutting rates in 2025. The prospect of more restrictive monetary policy is expected to provide a more challenging environment for consumption and investment going forward.

The conflict in the Middle East has led to sharply higher fuel prices, although these have moderated more recently. Higher fuel prices will add to already elevated inflation and increase the risk of further tightening of monetary policy.

The labour market has remained robust, despite a slight easing in the middle of 2025. Stronger economic activity has supported employment growth and enabled historically high labour market participation and low unemployment. Measures of labour demand, including job vacancies and job advertisements, underpin a relatively stable outlook for the labour market.

How the risks to the global outlook play out and the potential impact on the national and South Australian economies is unclear. Forecasts assume inflation will return to the RBA's target range by 2026-27, in line with the Commonwealth Budget forecasts. Uncertainty is expected to remain elevated through to 2027.

From a South Australian perspective, continued investment in infrastructure, a robust pipeline of construction projects, and strong and stable employment are supporting growth in the face of the current challenges of the conflict in the Middle East and other ongoing global risks.

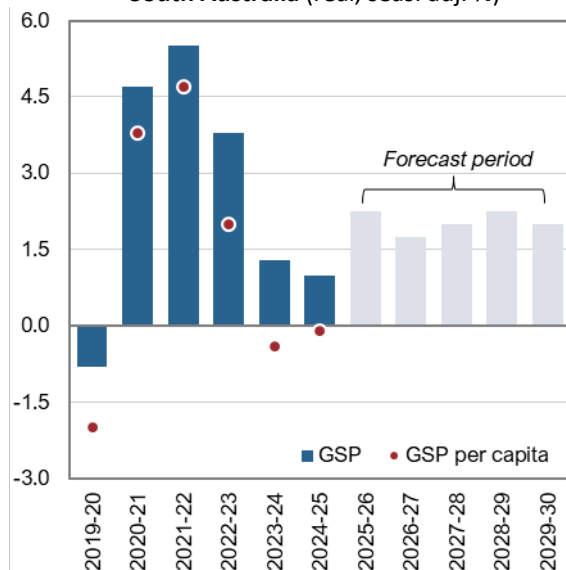
## South Australia's economic performance and outlook

Growth in the South Australian economy is expected to rebound in 2025-26, with GSP growth increasing to 2¼ per cent, supported by recovery in the farm sector due to more favourable spring cropping conditions. Following economic growth of 1.3 per cent in 2023-24, GSP growth in 2024-25 slowed to 1.0 per cent — see figure 7.1. This largely reflects detractions from net exports and reduced winter crop production due to dry conditions, offsetting the positive boost from lower interest rates and slower price inflation in 2024-25.

SFD rose by 3.0 per cent in 2024-25, underpinned by strong public investment (up 15 per cent), public consumption (up 5.7 per cent), and strong investment in new dwellings (up 12 per cent) — see figure 7.2. In contrast, growth in household consumption continued to be softer and new business investment weakened as the effects of high inflation and higher interest rates in 2024 continued to dampen spending during the beginning of 2025. Following subdued real household spending of 0.9 per cent in 2023-24, spending slowed further to 0.7 per cent in 2024-25. Annual growth of 1.6 per cent to the December quarter 2025 shows household consumption is now picking up.

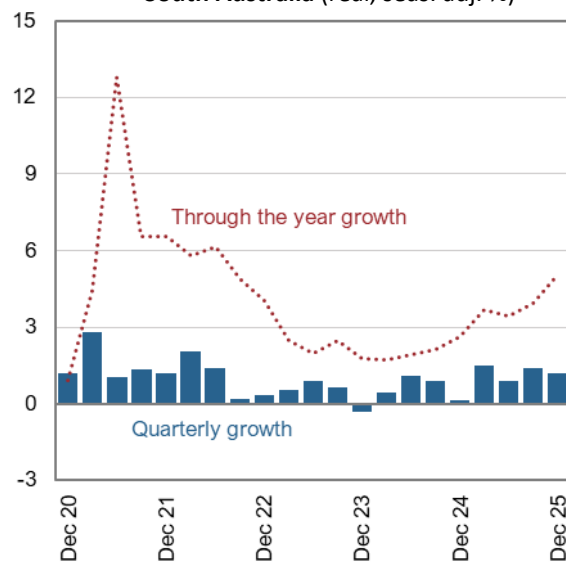
Through the year to the December quarter 2025, SFD rose by an exceptionally strong 5.0 per cent compared to national growth in Domestic Final Demand (DFD) of 2.9 per cent. On a full-year basis, SFD is estimated to grow by 3¼ per cent in 2025-26, supported by strong growth in public investment and consumption, along with household consumption, before falling to 1¾ per cent in 2026-27 due to the impact of the conflict in the Middle East. SFD is then forecast to accelerate over 2027-28 and 2028-29 to an above trend pace as the economy recovers from the price shock, before returning to trend growth of 2 per cent per annum from 2029-30.

**Figure 7.1: Gross State Product annual growth, South Australia (real, seas. adj. %)**



Source: ABS, *Australian National Accounts: State Accounts*, published 20 November 2025.

**Figure 7.2: State Final Demand growth, South Australia (real, seas. adj. %)**

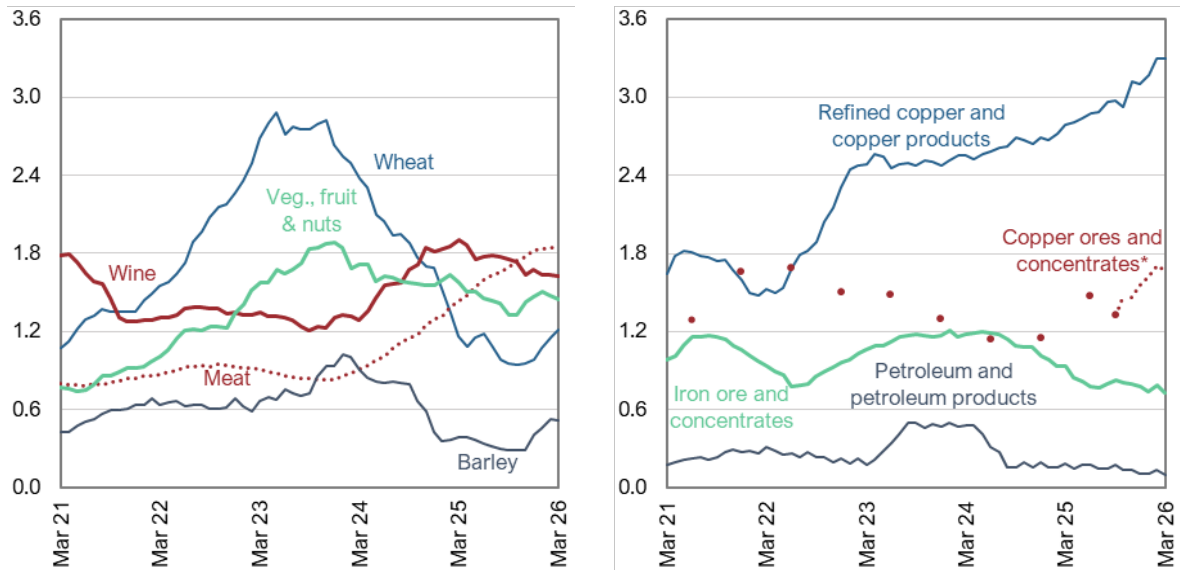


Source: ABS, *Australian National Accounts: National Income, Expenditure and Product*, published 4 March 2026.

The value of South Australia's goods exports in the 12 months to March 2026 was \$18.0 billion, 6.7 per cent higher compared to the same period a year earlier — see figure 7.3. Export growth, including for refined copper and copper products, beef, barley, fish, and oil-seeds and oleaginous fruits, more than offset declines in exports including for wine, iron ore and concentrates, vegetables, petroleum and petroleum products, and lead. The growth in the value of goods exports resulted from an increase in prices. In the 12 months to March 2026, prices rose by 7.9 per cent, outweighing the 1.1 per cent fall in volumes over the same period.

Services exports have risen strongly, with the volume of services exports 10 per cent higher in 2025 than in 2024 and 21 per cent above the pre-COVID level in 2019. International visitors and nights spent in South Australia were higher in 2025 than in 2024, by 1.2 per cent and 8.3 per cent, respectively, with expenditure up by 31 per cent. International student enrolments in 2025 were 3.4 per cent lower than the record high in 2024.

**Figure 7.3: Goods exports, South Australia (\$ billion, moving annual total)**

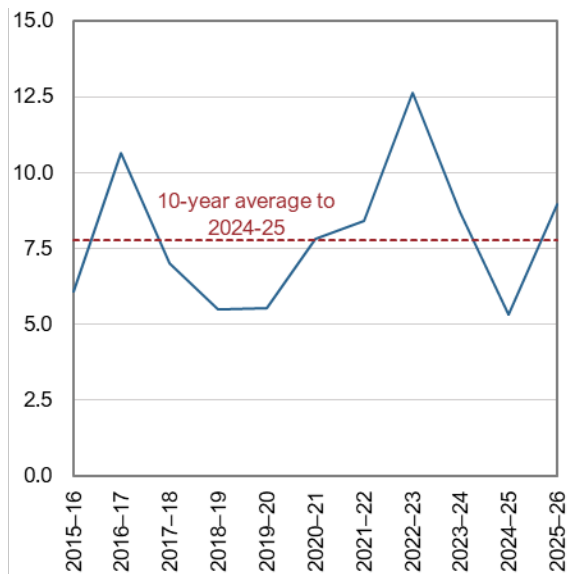


Source: ABS, *International Trade in Goods*, published 7 April 2026. (\*Note: Annual total for copper ores and concentrates only available as six-monthly intervals prior to September 2025.)

The 2025-26 winter crop is estimated by the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) to have increased to 9.0 million tonnes (up 68 per cent compared to 2024-25), reflecting more favourable growing conditions across most cropping regions of South Australia and improved farming practices. If realised, the state’s winter crop will be 15 per cent above the 10-year average to 2024-25 — see figure 7.4. The significantly improved winter crop production is expected to add to real GSP in 2025-26.

Real private new capital expenditure in South Australia was 25 per cent higher in the December quarter 2025 compared to the previous year, to be at a record high level of \$3 billion. This reflected a rise in capital expenditure on both equipment, plant and machinery and buildings and structures (up 23 per cent and 27 per cent respectively) — see figure 7.5.

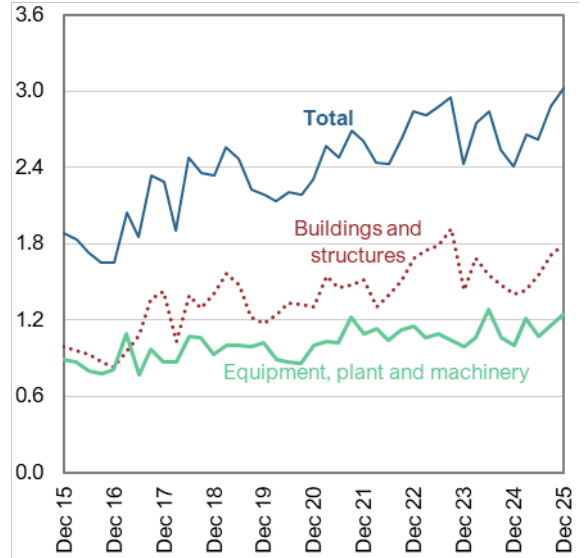
**Figure 7.4: Winter crop production, South Australia (million tonnes)**



Source: ABARES, *Australian Crop Report*, published 2 March 2026.

**Figure 7.5: Private new capital expenditure, South Australia**

(real \$ billion (2023-24), quarterly, seas. adj.)



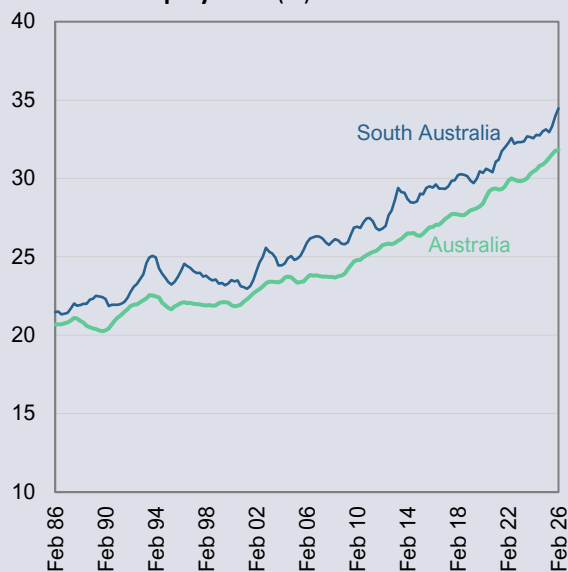
Source: ABS, *Private New Capital Expenditure and Expected Expenditure, Australia*, published 26 February 2026.

**Box 7.1: Boosting Productivity Growth in South Australia**

Government is committed to increasing productivity, which is a key driver of improved living standards. A commonly used measure of productivity is output per capita, which can be broken down into two main components: labour productivity (output per hour worked) and labour utilisation (hours worked per person).

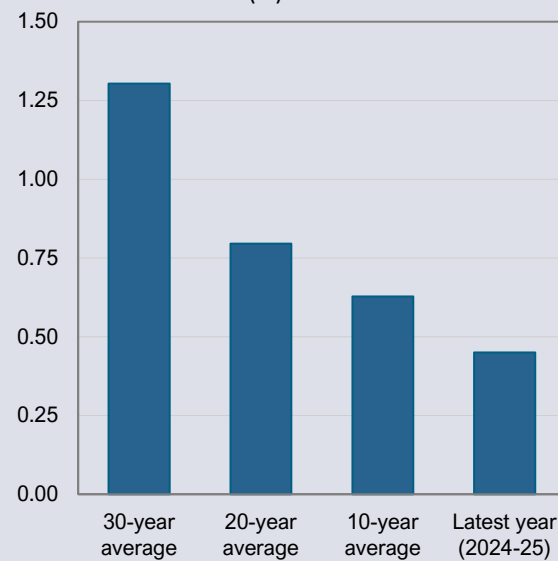
Renewed action to tackle productivity is relevant because productivity has been trending lower in South Australia and nationally over the past 30 years. This partly reflects the growing share of the non-market sector in South Australia’s economy. The ‘non-market sector’ includes sectors like education and health care, where productivity is typically lower than in the ‘market sector’ industries where outputs are directly priced by the market. However, a declining trend in labour productivity growth is also apparent in the market sector (see figure 7.7 below).

**Figure 7.6: Non-market sector share of total employment (%)**



Source: ABS, *Labour Force, Australia, Detailed*, published 23 April 2026.

**Figure 7.7: Market sector productivity in South Australia (%)**



Source: ABS, *Estimates of Industry Multifactor Productivity*, published 6 February 2026.

The government can influence the pace of labour productivity growth through targeted reforms. In South Australia, the transport sector will benefit from ongoing investments in road infrastructure and the recent heavy freight reforms which will improve operational flexibility and improve delivery times. Increased investment in research and development, skills and education is also expected to yield longer-term benefits in the form of a better skilled future workforce and a more innovative economy.

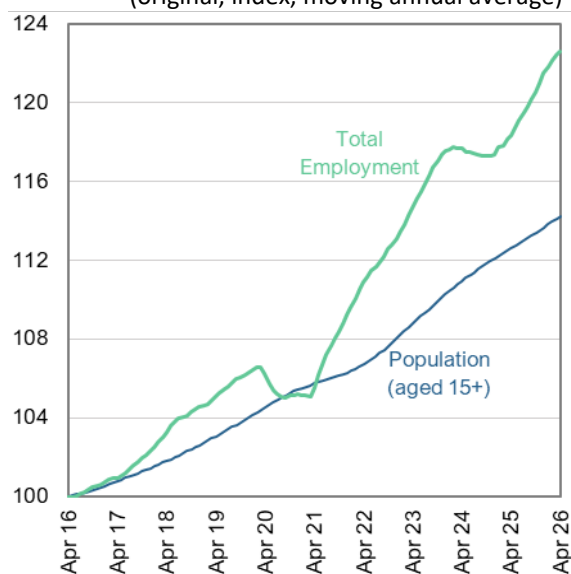
To continue to boost productivity, in this budget the government has announced the establishment of a \$50 million Research and Development Productivity Fund. In addition, the state is working with other jurisdictions to progress a national productivity-enhancing reform agenda through the revitalisation of National Competition Policy. South Australia has also established the nation's first dedicated government office for AI which is intended to deliver measurable outcomes and improvements to government services.

## Labour market and population

Employment in South Australia has grown at a substantially higher rate than the population, contributing to record high participation rates in 2025-26 — see figure 7.8. Employment in South Australia was 2.2 per cent higher through the year to April 2026 (in seasonally adjusted terms), driven by growth in full-time employment which was 2.7 per cent higher over the same period — see figure 7.9. The unemployment rate in April 2026 was 4.2 per cent, remaining close to historic lows. The participation rate remained high compared to historical levels at 64.0 per cent in April 2026 — see figure 7.9.

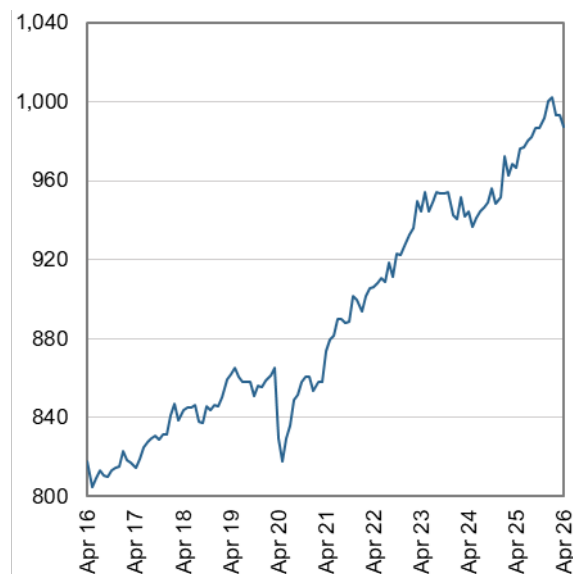
South Australian job vacancies remain high and significantly above pre-COVID levels – 91 per cent higher in March 2026 than the average for the twelve months to February 2020 – with internet vacancies picking up from the beginning of 2026. Employment is estimated to grow by 3¼ per cent in 2025-26 (in full financial year terms), reflecting stronger employment growth than expected at the time of the mid-year budget review, and to return to trend growth of 1 per cent per annum out to 2029-30, consistent with long-standing methodology. While the negative impacts of higher oil prices may offset the underlying growth in the labour market in 2026-27, the conflict is not expected to create significant employment losses.

**Figure 7.8: Employment and population growth, South Australia**  
(original, index, moving annual average)



Source: ABS, *Labour Force, Australia*, published 21 May 2026.

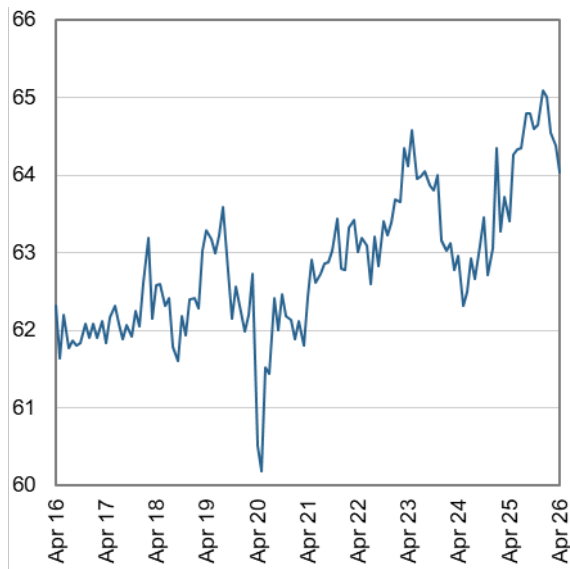
**Figure 7.9: Total employment, South Australia** (seas. adj. thousands)



Source: ABS, *Labour Force, Australia*, published 21 May 2026.

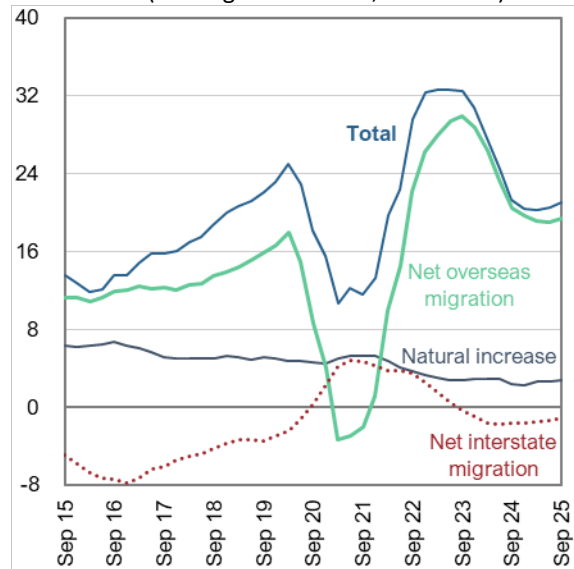
In the year to September 2025, South Australia's estimated resident population grew by 21 100 (1.1 per cent) to be 1.9 million people — see figure 7.10 and box 7.2. This was substantially higher than the state's long run average rate of growth (0.8 per cent per annum, pre-COVID). Contribution to South Australia's population growth in the year was led by net overseas migration (19 400 people), followed by natural increase (2800 people) — see figure 7.11. Net interstate migration (down 1000 people) detracted from population growth but to a much lesser extent than the pre-COVID annual average.

**Figure 7.10: Participation rate, South Australia (seas. adj. %)**



Source: ABS, *Labour Force, Australia*, published 21 May 2026.

**Figure 7.11: Components of population change, South Australia (moving annual total, thousands)**



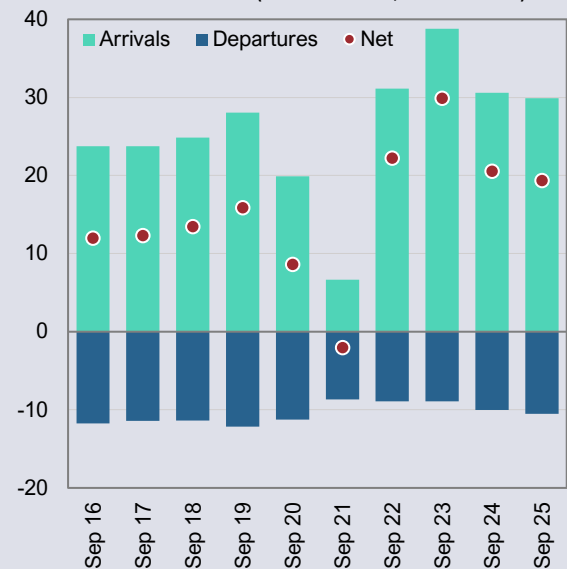
Source: ABS, *National, state and territory population*, published 19 March 2026.

**Box 7.2: Components of population growth**

State population growth is driven by three components: natural increase (births less deaths), net overseas migration and net interstate migration. Net migration is the difference between the number of people who move to South Australia (from interstate or overseas), and those who depart. The net change for these two is relatively small compared to the gross numbers of people who move in to and out of South Australia in any given year. For example, in the year to September 2025, South Australia’s net interstate migration loss (1000) was the difference between 23 500 gross interstate arrivals and 24 500 gross interstate departures.

Net overseas migration is the largest component of South Australia’s population growth, and is largely composed of international students. (Overseas nationals who live in South Australia for 12 months or more during a 16-month period are counted as part of the resident population, regardless of visa status). During the COVID-19 period when Australia’s international border was effectively closed, net overseas migration was negative, as many students returned to their home country after completing their studies but were not being replaced by new arrivals. After the border reopened in February 2022, overseas arrivals were abnormally high for a period. Net overseas migration to South Australia has fallen from the peak of 29 900 (in the year September 2023) to 19 400 (year to September 2025) but remains higher than the average in the decade to December 2019 (12 200).

**Figure 7.12: Gross and net overseas migration, South Australia (annual total, thousands)**



Source: ABS, *National, state and territory population*, published 19 March 2026.

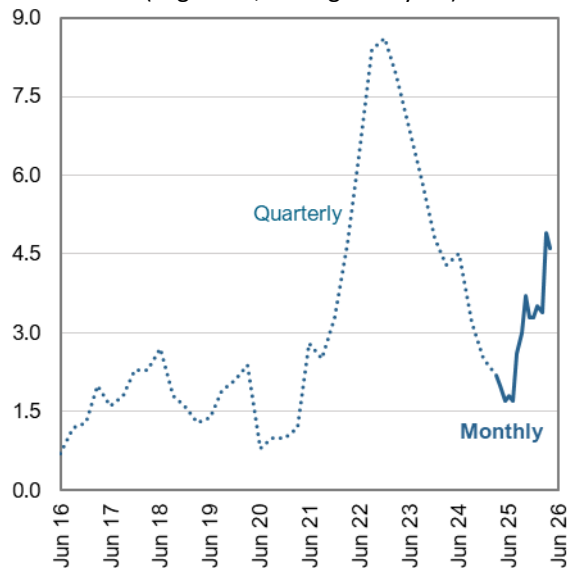
## Prices and wages

Cost of living has continued to be an important economic issue in South Australia, with the conflict in the Middle East adding to pre-existing price pressures. While inflation had been falling to be within the RBA’s target band during the first half of 2025, the emergence of capacity pressures and the cessation of Commonwealth electricity rebates caused inflation to pick up materially from the September quarter 2025.

The Adelaide CPI rose by 0.7 per cent in the month of April 2026 to be 4.6 per cent higher through the year, above the RBA’s target band, in line with national trends — see figure 7.13. Faster annual inflation reflects an increase in the price for automotive fuel — up 19 per cent through the year — along with increases in prices for electricity, new dwellings, medical services, tobacco, and rents. Adelaide’s CPI is estimated to grow by 3¼ per cent in 2025-26 and 3½ per cent in 2026-27 after reaching over 5 per cent in the June quarter 2026, reflecting the impact of higher fuel and food prices due to the conflict — in line with the Commonwealth Government’s forecasts. Growth in Adelaide’s CPI is expected to return to a trend growth rate of 2½ per cent in 2027-28.

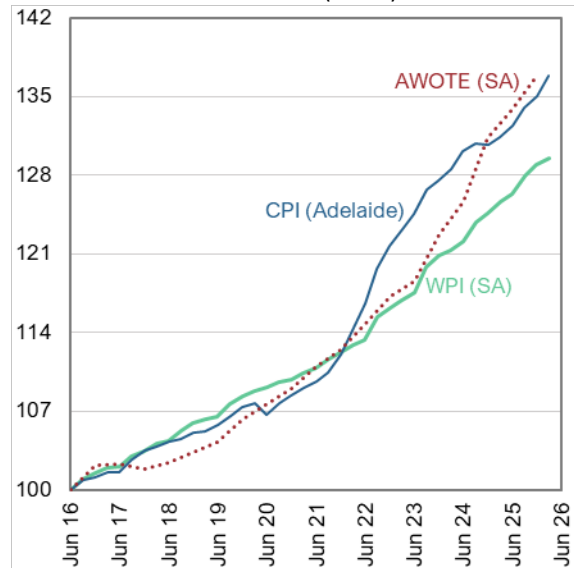
South Australia’s Wage Price Index (WPI) increased 3.3 per cent in 2024-25, slowing to 3.1 per cent to the March quarter 2026 in annual growth terms — below the national increase of 3.2 per cent. Average Weekly Full-Time Ordinary Earnings (AWOTE) increased 4.2 per cent through the year to November 2025 — slightly above the rise in WPI and higher than the 3.8 per cent increase nationally — see figure 7.14. The RBA expects less moderation in wages nationally in 2026 due to tightness within the labour market.

**Figure 7.13: Adelaide CPI growth**  
(% growth, through the year)



Source: ABS, *Consumer Price Index, Australia*, published 27 May 2026.

**Figure 7.14: Wages and prices growth, South Australia (index)**

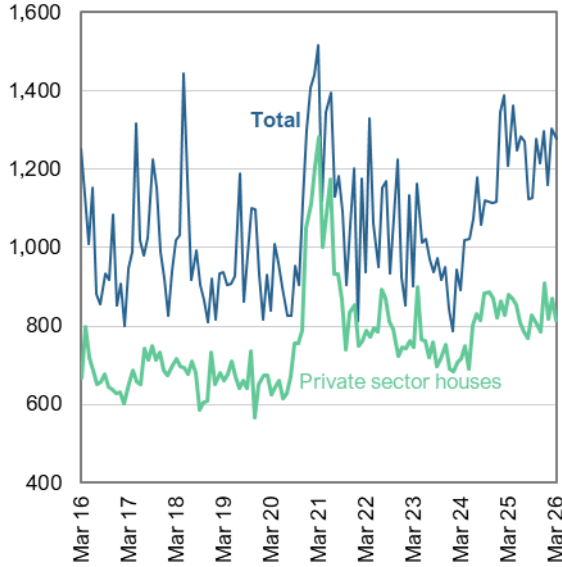


Source: ABS, *Consumer Price Index, Australia*, published 29 April 2026; ABS, *Wage Price Index, Australia*, published 18 February 2026; ABS, *Average Weekly Earnings, Australia*, published 26 February 2026.

## Housing and construction

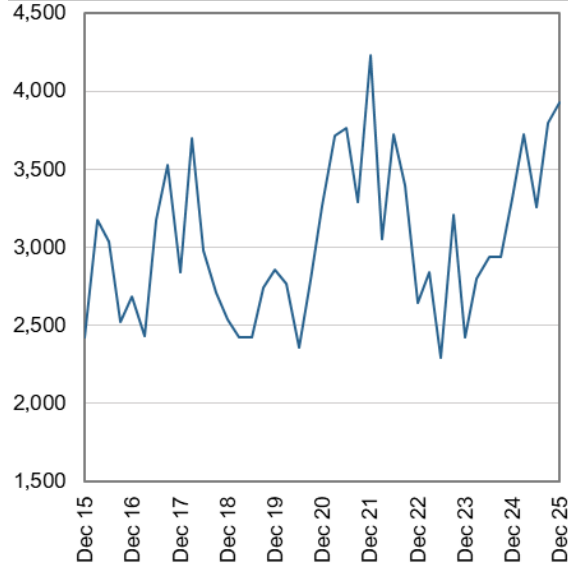
Building approvals have remained at a high level through 2025 and 2026 — see figure 7.15. Dwelling commencements were 18 per cent higher in the December quarter 2025 compared to the previous year — see figure 7.16. Going forward, tighter monetary policy may constrain growth in new housing demand and there is a risk the pass through of higher prices to the consumer decreases affordability.

**Figure 7.15: Dwelling approvals, South Australia (monthly, seas. adj.)**



Source: ABS, *Building Approvals, Australia*, published 30 March 2026.

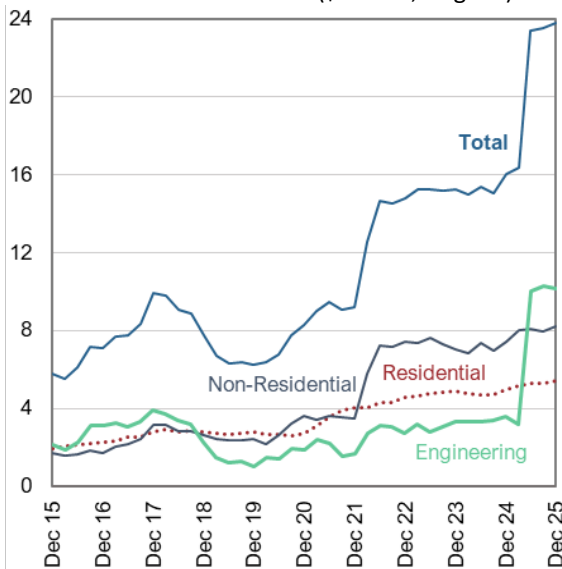
**Figure 7.16: Dwelling commencements, South Australia (quarterly, seas. adj.)**



Source: ABS, *Building Activity, Australia*, published 21 January 2026.

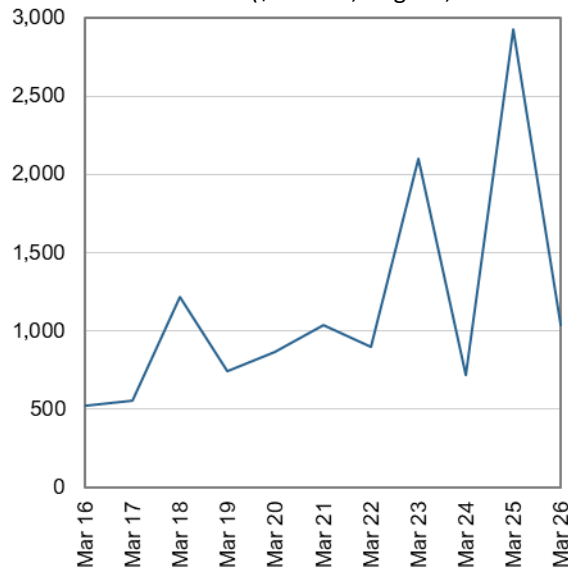
The value of total construction projects in the pipeline was \$23.8 billion in the December quarter 2025 — driven by a record high level of engineering construction — and will provide support for construction activity in the short to longer-term. Labour shortages across different construction trade skills persist and are not expected to ease in the short term, resulting in lengthened timeframes for construction completions and price pressures. The pipeline remains at, or near, record high levels across all three construction sectors — see figure 7.17.

**Figure 7.17: Construction work in the pipeline, South Australia (\$ billion, original)**



Source: ABS, *Building Activity, Australia*, published 21 January 2026.

**Figure 7.18: Commercial building approvals, South Australia (\$ million, original, annual total)**



Source: ABS, *Building Approvals, Australia*, published 30 March 2026.

## Outlook and risks

The duration and extent of the conflict in the Middle East and its impact on the global and national economy is the main near-term uncertainty in South Australia's economic outlook. The conflict is expected to have a disproportionate impact on regional areas due to higher prices for diesel and fertiliser.

State budget forecasts assume a resolution to the conflict in the middle of 2026, with Tapis oil prices averaging between US\$100 and US\$120 per barrel in the June quarter, with an impact on GSP of approximately  $\frac{1}{4}$  of a percentage point in 2026-27, and no significant impact on employment. The conflict in the Middle East is assumed to lead to temporarily higher inflation, peaking above 5 per cent through the year to the June quarter 2026 ( $3\frac{3}{4}$  per cent in full-year terms) though this peak is not expected to be prolonged.

The 2026-27 Commonwealth Budget examined a more severe scenario where oil prices peak as high as US\$200 per barrel in the September quarter 2026, and the price reduction path is slower (due to the time required to repair damaged infrastructure and for shipping to normalise), returning to around US\$80 in the June quarter 2029. Under such a scenario, national CPI could peak at 7 $\frac{1}{4}$  per cent through the year to December quarter 2026. In full-year terms (as state budget forecasts are presented), this would be consistent with annual CPI growth of 6 $\frac{1}{4}$  per cent in 2026-27.

# Chapter 8: Regional South Australia

## Overview

This chapter provides information about the programs, initiatives and investing expenditure in the 2026-27 Budget for regional South Australia.

South Australia's regions play a crucial role in contributing to the future prosperity of the state. Regional South Australia contributes around \$38.8 billion to the state economy, approximately 25 per cent of GSP.

Around 200 000 people are employed in regional South Australia in roles across agriculture, forestry, health, community support services, tourism, retail and construction.

The 2026-27 Budget provides for the South Australia Drought Loan Scheme which supports drought affected grain and livestock farmers in South Australia's Murray Mallee, Riverland and Upper North regions through access to urgent financial assistance through the provision of low-interest loans of up to \$250 000.

Additionally, the 2026-27 Budget provides \$931.5 million in new measures across the forward estimates supporting South Australia's regions. Major initiatives in the 2026-27 Budget include:

- \$319.0 million over two years from 2025-26 for the state government, in partnership with the Commonwealth Government, to continue to support the sale of the Whyalla steelworks by funding its operations during administration
- \$90.0 million (including \$4.0 million beyond the forward estimates), in partnership with the Commonwealth Government, towards safety upgrade works on the South Eastern Freeway
- \$80.0 million for upgrades to the Adelaide and Hawthorn Road intersection, as part of the Mount Barker Transport Improvement initiative
- \$54.5 million for a new technical college in Murray Bridge
- \$29.5 million to establish out of school hours care services in 57 regional government primary schools
- \$27.9 million for the school infrastructure program in regional areas that will deliver:
  - \$8.6 million for Fraser Park Primary School for new learning spaces, classrooms and a studio workshop
  - \$8.0 million towards the redevelopment of Mount Barker High School, in addition to the existing investment of \$9.0 million, to upgrade classrooms, workshops, food technology facilities and outdoor sporting areas
  - \$4.0 million for infrastructure upgrades at Kapunda High School
  - \$3.0 million for autism inclusive places including classrooms, regulatory sensory spaces and playgrounds at Berri Primary School, Bordertown Primary School, Kapunda Primary School, Moonta Area School, Oakbank School and Victor Harbor Primary School.
- \$25.5 million for a new Mount Barker TAFE trades workshop
- \$22.0 million for the construction of a new emergency department at Clare Hospital (\$12.0 million outside of the forward estimates)
- \$21.5 million, funded by the Commonwealth Government, to enable the upgrade and replacement of insulation and inefficient appliances to deliver energy and cost savings for regional tenants in public and community housing
- \$19.5 million for additional ambulance personnel, including two community paramedics in Ceduna, a permanent transfer crew at Murray Bridge and a new 12-person ambulance crew at Yorketown, a new ambulance station at Millicent and facility upgrades at Yorketown and Barmera

- \$19.0 million, delivered in partnership with the Commonwealth Government, towards the construction of affordable homes in regional areas as part of the Rent to Own scheme
- \$18.0 million over four years to commence delivery of critical road safety upgrades along the Horrocks Highway
- \$17.2 million towards additional response costs for large scale bushfire, storm and flood events across the state, including the Deep Creek fire and widespread storms and floods in the north of the state
- \$16.5 million to support the operation of 59 temporary beds at Mount Gambier Prison to provide immediate additional capacity
- \$16.0 million to expand the Patient Assistance Transport Scheme
- \$15.0 million for a new maternity ward, birthing centre and renal clinic redevelopment at the Murray Bridge Soldiers' Memorial Hospital
- \$13.0 million, in partnership with Flinders University, to deliver purpose-built medical education and training facilities in Mount Gambier to increase the number of medical students studying in regional South Australia
- \$12.4 million to drive and accelerate exploration in critical minerals, recognising the importance of the mineral resources industry and new exploration
- \$12.2 million to continue delivering property and tenancy management services for selected remote Aboriginal communities following the cessation of Commonwealth Government funding
- \$11.7 million of additional Commonwealth Government funding for the South Australian Alternative Water Supply Efficiency Measures program.

The government is committed to investing in regional infrastructure, with the total cost of projects either underway or commencing in 2026-27 totalling \$7.2 billion, including the Fleurieu Connections project (\$810.4 million), the High Productivity Vehicle Network — Stage 1 (\$787.5 million), Princes Highway Corridor (\$601.3 million), the Eyre Peninsula desalination augmentation (\$470.0 million), the South Eastern Freeway Upgrade (\$440.0 million), the new Mount Barker Hospital (\$365.4 million), the Freight Highway Upgrade Program (\$325.0 million) and Remote Indigenous Housing (\$243.6 million).

The 2026-27 capital program (as outlined in table 8.6) includes \$482.1 million for regional roads and transport, \$201.7 million for upgrades to regional health services, \$142.2 million for the Eyre Peninsula desalination augmentation, \$119.8 million for regional schools, \$69.4 million for energy and mining projects and \$52.8 million for environmental projects.

## Regional Development Programs

### Regional Development Australia associations

The government has committed to provide \$3.3 million per annum (indexed) from 1 July 2026 to 30 June 2030 to the seven non-metropolitan Regional Development Australia associations (RDAs) to continue meeting their responsibilities, including providing independent advice on critical issues affecting their regions, and promoting awareness of government programs in the community. In consultation with key local stakeholders, each RDA has developed work programs that provide economic opportunities in their region and demonstrate alignment with state priorities. The RDAs also prepare investment pipeline reports providing a comprehensive snapshot of a region's planned, current and completed public and private projects. This data is shared with government to inform infrastructure planning and investment.

The government will also provide \$1.0 million per annum (indexed) from 1 July 2026 to 30 June 2028 for the seven non-metropolitan RDAs to deliver leadership programs in their regions. Increasing leadership capacity is vital in regional South Australia to ensure there is a pipeline of skilled individuals who reflect local demographics and can represent the needs and future aspirations of their communities.

**Country Cabinet**

Country Cabinet meetings continue to be held to ensure that South Australians living in regional areas have an opportunity to engage directly with the decision-makers in government. The Cabinet, and heads of government departments, travel regularly to regions across the state so that local people can discuss the issues impacting their communities.

**Regional Roads and Infrastructure Fund**

The Regional Roads and Infrastructure Fund (RRIF) was established in 2018-19. An estimated \$591.2 million is projected to be paid into the RRIF over the four years from 1 July 2026 to 30 June 2030, based on 30 per cent of anticipated mineral and petroleum royalty revenue over the same period.

In 2026-27, the Department for Infrastructure and Transport will use the RRIF towards various projects including ongoing road maintenance, rehabilitation and reseals, projects on outback roads, and a state contribution towards projects funded in partnership with the Commonwealth Government.

**SA Jetties Renewal Program**

The SA Jetties Renewal Program was initially established as a four-year program from 2023-24 and has been extended to provide \$5.0 million per annum from 2027-28 to address immediate and critical concerns regarding the condition and sustainability of state jetties. The program focuses on restoring and/or ensuring ongoing public access to jetties which provide significant economic, social and environmental benefits for communities.

## Regional economic conditions

### The economic profile of South Australia's regions

The non-metropolitan regions of South Australia include the Far North, Eyre and Western, Yorke and Mid North, Murray and Mallee, and Limestone Coast, as well as the three outer regions of Greater Adelaide (Barossa, Light and Lower North, Adelaide Hills, and Fleurieu and Kangaroo Island).

The economic contribution of South Australia's non-metropolitan regions was \$38.8 billion in 2024-25. This accounted for 25 per cent of GSP compared with its 28 per cent share of state population.

Gross Regional Product (GRP) in the combined non-metropolitan regions of South Australia grew by 3.4 per cent (in nominal, current price terms), below the 5.5 per cent growth recorded in the Adelaide metropolitan area.

The largest South Australian non-metropolitan region in 2024-25 in terms of GRP was the Far North (\$6.4 billion), while the smallest region was Fleurieu and Kangaroo Island (\$3.0 billion). The highest rates of growth in the non-metropolitan regions during the year were in the regions of Far North (7.5 per cent) and Adelaide Hills (4.2 per cent).

**Table 8.1: Gross Regional Product (\$million) — 2024-25**

	Adelaide Metro Area	Total Non-Metro Area	Adelaide Hills	Barossa, Light and Lower North	Fleurieu and Kangaroo Island	Yorke and Mid North	Murray and Mallee	Limestone Coast	Eyre and Western	Far North
Gross Regional Product (2024-25)	119 047	38 841	4 372	4 808	2 971	5 176	5 345	5 590	4 129	6 449
Regional share of GSP (2024-25) <sup>(a)</sup>	75.4%	24.6%	2.8%	3.0%	1.9%	3.3%	3.4%	3.5%	2.6%	4.1%
Growth since 2023-24	5.5%	3.4%	4.2%	3.3%	3.2%	2.2%	1.4%	1.9%	3.1%	7.5%

Source: Based on Industry Gross Value Add from ABS, Australian National Accounts: State Accounts, 2024-25; allocated at the regional level using Employment by Place of Work from Census of Population and Housing, 2021.

Note: Totals may not add due to rounding.

(a) While GSP (as described elsewhere in the state budget) is generally presented in real (chain volume) terms, regional-level GRP can only be derived in nominal (current price) terms. Nominal GRP growth rates in this table are not comparable to real GSP growth rates.

### Population and unemployment

The estimated resident population of South Australia's non-metropolitan regions was 542 356 persons as at 30 June 2025. The non-metropolitan population increased by 4609 persons or 0.9 per cent from a year earlier and accounted for 28.5 per cent of the total state population of 1.9 million. The Adelaide metropolitan area had an estimated resident population of 1.4 million, which was 15 892 persons or 1.2 per cent higher than a year earlier.

The population of the Adelaide Hills recorded the highest percentage growth over the year to 30 June 2025 at 2.1 per cent followed by the Fleurieu and Kangaroo Island and Barossa, Light and Lower North (both at 1.5 per cent).

According to the Department of Employment and Workplace Relations, the unemployment rate for South Australia's metropolitan area averaged 3.9 per cent in the year to December 2025. The non-metropolitan area had a higher unemployment rate, averaging 5.1 per cent.

In the year to December 2025, the average unemployment rate was lowest in the Adelaide Hills (3.0 per cent) and highest in the Far North region (13.9 per cent).

**Table 8.2: Regional population and labour force data<sup>(a)</sup>**

	Estimated Resident Population <sup>(b)</sup>	Unemployment <sup>(c)</sup>	Unemployment Rate <sup>(c)</sup>
	('000)	('000)	(%)
Adelaide metro area	1 360.3	29.0	3.9
Non-metro areas			
Adelaide Hills	88.0	1.5	3.0
Barossa, Light and Lower North	83.4	1.4	3.1
Fleurieu and Kangaroo Island	60.4	0.8	3.1
Yorke and Mid North	79.9	2.6	7.3
Murray and Mallee	74.9	1.8	4.9
Limestone Coast	69.7	1.3	3.3
Eyre and Western	58.6	2.6	8.7
Far North <sup>(d)</sup>	27.4	1.9	13.9
<b>Total non-metro</b>	<b>542.4</b>	<b>13.9</b>	<b>5.1</b>

Source: ABS, Regional Population, 2024-25; Department of Employment and Workplace Relations, Small Area Labour Markets, December quarter 2025.

Note: Totals may not add due to rounding.

- (a) South Australian Government Region boundaries are used consistently in this chapter. Region-level data has been aggregated from the Local Government Area level (as originally published) using a concordance table published at [www.data.sa.gov.au](http://www.data.sa.gov.au).
- (b) Estimated resident population is as at the end of June 2025 noting this does not reflect the labour force civilian population aged 15 and over.
- (c) Unemployment and unemployment rate estimates are averages for the year to December 2025.
- (d) The population, unemployment, and unemployment rate of the Unincorporated Areas of South Australia are allocated to the Far North region.

## Agricultural and mining commodities

Agriculture and mining are important contributors to both regional and state economies but are subject to fluctuations in international conditions and commodity prices. Agriculture is also subject to varying seasonal conditions.

A comparison of the change in the value of production for selected agricultural sectors between 2023-24 and 2024-25 is provided in Table 8.3. In 2024-25, overall production value decreased by 7.0 per cent mainly driven by field crops despite increases in livestock, horticulture and wine grapes.

**Table 8.3: Selected agricultural commodities, South Australia, Production Value, 2023-24 and 2024-25**

	2023-24	2024-25	Change
	\$m	\$m	(%)
Field crops (including hay and seeds)	3 653	2 391	-35%
Horticulture	1 400	1 581	+13%
Livestock	1 987	2 436	+23%
Seafood	414	443	+7%
Wine grapes	512	577	+13%
Wool	434	375	-14%
Dairy	346	336	-3%
Forestry	345	280	-19%
<b>Totals</b>	<b>9 091</b>	<b>8 419</b>	<b>-7%</b>

Sources: Primary Industries Scorecard 2023-24 and Primary Industries Scorecard 2024-25, Department of Primary Industries and Regions, Government of South Australia 2025 and Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) (2024) and Australian forest and wood products statistics.

Despite the challenges presented by dry seasonal conditions, fodder shortages, elevated farm input costs, the algal bloom, cost-of-living pressures and trade policy frictions, South Australian primary producers have shown immense resilience and continued to provide a secure supply of high-quality food and beverage products.

According to ABARES, farm cash incomes for South Australian broadacre farms decreased by 24 per cent to \$314 210 in 2023-24. It is forecast to increase to \$357 000 in 2024-25 and \$559 000 in 2025-26. Average farm cash income for all broadacre farms nationally is estimated to be \$200 280 in 2023-24 and then projected to rebound to \$338 000 in 2024-25 and \$419 000 in 2025-26.

For the 2024-25 season, grain production was estimated to be 5.2 million tonnes, 43.0 per cent below the five-year average, with farm gate value estimated to be around \$2.4 billion reflecting drought conditions in many areas of the state. The 2025-26 season was an average grain production year with grain production reaching 8.9 million tonnes, with an estimated farm gate value of \$3.1 billion.

A comparison of the change in the sales value of production for South Australia's mineral and petroleum commodities between 2023-24 and 2024-25 is provided in Table 8.4. The sales value of mineral and petroleum production increased to a record \$10.7 billion in 2024-25, mainly attributed to price increases in minerals such as copper, gold, and uranium.

**Table 8.4: Selected mineral and petroleum commodities, South Australia, Gross Value of Production (\$million), 2023-24 and 2024-25**

	2023-24 \$m	2024-25 \$m	Change (%)
Minerals	8 879	9 341	5.2
Petroleum	1 456	1 322	-9.2
<b>Totals</b>	<b>10 334</b>	<b>10 663</b>	<b>3.2</b>

Sources: South Australian resource production statistics for 12 months ending 30 June 2024 and 30 June 2025, Department for Energy and Mining.

The value and production levels of minerals is anticipated to rise in the medium term, sustained by the high prices for copper, gold and uranium.

In 2024-25, reported energy and mineral exports were valued at \$7.2 billion, representing 43.0 per cent of South Australia's total goods exports. Copper (both refined and concentrates) is South Australia's largest export commodity, totalling \$4.3 billion in 2024-25.

Exploration expenditure totalled \$357.3 million (\$239.8 million for minerals and \$117.5 million for petroleum), while private mining capital expenditure reached \$2.9 billion, representing 28 per cent of South Australia's private capital expenditure in 2024-25.

The longer-term energy and minerals outlook is even stronger, underpinned by world demand to meet the energy transition, and exploration and mining investment in South Australia.

## South Australia's Regional Economic Drivers

Many of South Australia's economic drivers are industries that form the backbone of regional South Australia, including:

- primary industries
- energy and mining
- regional tourism.

The government supports a range of initiatives that aim to strengthen and build these key sectors.

### Primary industries

South Australia's primary industries — agriculture, aquaculture, fisheries, food, wine and forestry industries and agribusiness — are a vital part of the state's economy, one of our largest export sectors and a major employer.

In 2024-25, primary industries and agribusiness revenue decreased by about 6.0 per cent to reach \$16.3 billion. Overseas exports of agriculture, food, wine and forestry products decreased by 11.0 per cent and totalled \$7.7 billion, accounting for 46 per cent of South Australia's total overseas merchandise exports (\$16.6 billion).

The contribution to GSP, in terms of Industry Gross Value Added, from primary production activity (agriculture, forestry and fishing) was \$5.0 billion, down 14.0 per cent compared with 2023-24. The primary industries sector along with its associated processing sectors supported 68 000 FTE jobs in 2024-25 representing 6.0 per cent of the state's total employment.

Overall, results for the food and wine industry supply chain were slightly down. Combined gross food and wine revenue decreased by 1.0 per cent to reach \$26.2 billion, with decreases in exports of food commodities as the main driver.

Key initiatives to be delivered by the Department of Primary Industries and Regions SA (PIRSA) in 2026-27 to support primary industries and regions include:

- South Australia Drought Loan Scheme — low interest loans of up to \$250 000 for drought affected farming businesses in the Murray Mallee, Riverland and Upper Mid-North, which opened to eligible applicants on 23 March 2026.
- Primary Industries Future Forward Fund — \$8 million to drive innovation, sustainability and resilience of South Australia's primary producers. \$2 million will support the Wood and Fibre Timber Industry Masterplan and the remaining \$6 million will be available for other sectors.
- Drought support package — Support measures in the program for which PIRSA is responsible including rural financial counselling support, pest management assistance and family and business mentors.
- Sustainable Communities Program — delivery of the \$20 million grant program, funded by the Commonwealth Government, to help mitigate the social and economic impacts of the water recovery plan for the Murray-Darling Basin. Grants fund projects that drive economic diversification, innovation and growth, enhance liveability, and bolster community resilience in South Australia's most vulnerable River Murray communities. Investment will be targeted and outcome-focused to meet the unique needs of South Australia's most affected River Murray communities.
- Future Drought Fund — coordinating the delivery of the Regional Drought Resilience Planning Program and the Farm Business Resilience Program, funded in conjunction with the Commonwealth Government's Future Drought Fund.
- South Australian wine industry — continue to support grape growers and winemakers to address current challenges through delivery of programs in partnership with industry organisations.

- Forestry Centre for Excellence — continue to progress the Forestry Centre for Excellence to support long-term forestry research and development capability as part of the Mount Gambier Education, Training and Research Precinct.
- The South Australian Climate Resilience Discovery Farms and Innovator Sites project is engaging with over 40 agribusiness and farming partners across the regions to develop and test innovative solutions to address future climate challenges. In consultation with industry the project has established a network of long-term research trials across South Australia’s pastoral, low, medium, and high rainfall zones. The aims of the long-term trials are to increase the capacity of farmers to prepare for, and respond to, future droughts and climate change through novel solutions.
- South Australian Soils Collaboration Centre — continue to deliver the \$4.8 million project to build and secure the future capacity for soil action in South Australia through the sharing of knowledge, information, experiences and data for the collaborative development of integrated priority programs aligned with the goals of the National Soils Strategy. The project will be completed in 2028.
- Supporting commercial and recreational fisheries and aquaculture to recover from the impacts of the algal bloom through additional stock assessments and the saltwater fish restocking program.
- Developing a stock rebuilding plan for the Southern Zone Abalone Fishery.
- Completing a draft Franklin Harbor aquaculture zone policy and release for consultation.
- Supporting the aquaculture industry in development of a blueprint outlining a vision and priorities to guide innovation, investment and growth.
- South Australian Dog Fence Rebuild — the \$29.0 million project to rebuild 1600 kilometres of the 2110 kilometre dog fence. A total of 1137 kilometres are now complete and 341 kilometres are underway. The final 122 kilometres are expected to be completed during the 2026-27 financial year once local roads re-open after flooding.
- Development of draft regulations for the *Biosecurity Act 2025*. The *Biosecurity Act 2025* is scheduled to commence in mid-2028 and will protect our economy, environment and way of life from pests, diseases and other biosecurity risks by providing South Australia with a modern, flexible and responsive biosecurity framework, including tools to manage risks from pests and diseases and aligning South Australia’s legislative framework with other jurisdictions that will enable effective emergency responses and facilitate market access.

## Energy and mining

Energy and mining is a key economic driver in regional South Australia, with 904 exploration licences as at June 2025, 13 major operational mines and three processing facilities including the Whyalla Steelworks, Olympic Dam copper smelter, and the Port Pirie multi-metals smelter. South Australia has 66.0 per cent of Australia’s copper, 89.0 per cent of Australia’s uranium, 34.0 per cent of Australia’s graphite resources, and 24.0 per cent of Australia’s gold, along with the world’s largest zircon mine at Iluka Jacinth-Ambrosia. South Australia has a diverse range of energy resources and is a global leader in the clean energy transition.

A significant proportion of mineral and petroleum activity, along with large-scale wind, solar and grid-scale energy storage infrastructure projects, occurs in regional areas, where they support jobs and business activities. Key hubs include Whyalla (steel), Port Pirie (lead), the Gawler Craton (iron ore), the Cooper Basin (oil and gas) and the Far North (copper, uranium, gold).

In 2024-25, the energy and mining sector contributed about \$10.9 billion to GSP in nominal terms, representing 6.9 per cent of the South Australian economy. The energy and mining sector supported approximately 43 000 jobs across South Australia in 2024-25, representing 5.0 per cent of the state’s total employment. Revenue from royalties for mineral and petroleum resources totalled \$405.4 million in 2024-25.

In 2024-25, South Australia achieved 75.0 per cent renewable electricity generation (net of imports), up from 69.7 per cent the previous year. This shows progress towards a low emissions future and meeting the 100 per cent net renewable electricity generation target by 2027.

In February 2024, the Government of South Australia brought forward its target of net 100 per cent electricity generated from renewable sources by three years to 2027. Changes to the *Climate Change and Greenhouse Emissions Reduction Act 2007* legislated this target in March 2025.

Renewable energy generation capacity reached a record 11 695 GWh in 2024-25, accounting for 78.4 per cent of South Australia's total energy generation. Wind power remains the largest source of South Australia's energy, contributing 45.3 per cent to total energy generation. Solar generation has grown rapidly and overtook gas in terms of installed capacity and generation in 2024-25.

As part of South Australia's clean energy transition, a fleet of community-scale batteries is being delivered under the emPowering SA program, in partnership with AGL, across metropolitan and regional South Australia. The first battery has been deployed in Port Pirie, with the full fleet expected to deliver around 11.5 MW and 30 MWh of storage capacity to the distribution network. The program will provide reduced energy costs for participating low-income and vulnerable households.

The Moomba Carbon Capture and Storage (CCS) project was brought online in October 2024 and is injecting carbon dioxide into the depleted gas fields of the Cooper Basin. Each year, the Moomba CCS project will permanently store up to 1.7 million tonnes of carbon dioxide processed by the Moomba gas plant — representing a reduction of more than 7.0 per cent to South Australia's emissions. The \$350.0 million Moomba CCS project is the third largest dedicated CCS project in the world by injection capacity.

Construction of the South Australian section of the Project EnergyConnect 900 kilometre long high-voltage interconnector between Robertstown in South Australia and Wagga Wagga, New South Wales and Red Cliffs Victoria was completed in December 2023. When fully commissioned, the project will deliver 800 MW of new transfer capacity into the National Electricity Market. AEMO, ElectraNet and TransGrid are continuing to progress the project which is scheduled to release this capacity by the end of 2027.

In very remote areas that are not connected to the national electricity grid, the Government of South Australia is reducing the reliance on diesel generation through renewable energy upgrades under the Remote Area Energy Supply Scheme. Renewable generation installed at the Umuwa and Oodnadatta power stations is reducing diesel consumption by up to 800 000 litres per year. In addition, a co-funded project between the Government of South Australia and the Australian Renewable Energy Agency (ARENA) is underway to complete renewable upgrades at Pipalyatjara, Yalata and Oak Valley as part of ARENA's Regional Microgrid Program. This \$26.0 million project, scheduled for completion in 2028, will provide clean, reliable energy to the three communities further reducing diesel consumption by up to 700 000 litres per year.

The Northern Water Project currently under development would help realise the potential of one of South Australia's most prospective regions, where large scale renewable energy generation, along with abundant copper and iron ore resources, meet a strong industrial base. By providing a climate independent and reliable source of water, the project would realise the full potential of our state's copper province, where major mines are connected to a central smelter and refining hub. The project is expected to facilitate thousands of additional jobs, and billions in direct and indirect economic benefits to South Australia's economy over the life of the project. The state has now entered a critical pre-delivery period leading up to a Final Investment Decision (FID) on this significant economic enabler for South Australia in 2027.

In February 2025, the Government of South Australia took action to secure the long-term future of the Whyalla steelworks and associated mines by putting the facilities into administration. The Commonwealth and South Australian Governments have committed more than \$2.4 billion as part of a Sovereign Steel Package to help secure the future of the Whyalla steelworks, support local jobs and provide a pathway to Australian made green steel. The governments are working together closely on the sale process and funding negotiations with interested parties.

Key energy and mining initiatives to be delivered and/or progressed in 2026-27 to support economic growth in regional South Australia include:

- supporting the sale of the Whyalla steelworks
- supporting the establishment of the proposed SA Gas and Water Trust which aims to better support housing growth and facilitate major economic development projects across mining, data centres, manufacturing, energy and agriculture in the state's regions

- facilitating BHP proposals to significantly increase South Australia's copper production in the Far North
- leading negotiations with Santos to establish South Australia's Strategic Gas Reserve, securing 20 petajoules of gas per year from 2030 for 10 years to underpin the transition to lower-carbon steelmaking at Whyalla and strengthen the state's industrial growth
- progressing pre-delivery works leading up to a FID for the Northern Water project that aims to provide a new climate independent water supply to meet growing demand from industry and communities
- delivering more renewable energy by progressing Release Areas under the *Hydrogen and Renewable Energy Act 2023* to facilitate consideration of large-scale renewable energy projects. The Minister for Energy and Mining invited applications for Renewable Energy Feasibility Licenses in the Whyalla West and Gawler Ranges East release areas on 30 March 2026
- progressing the delivery of precompetitive geoscience and additional geological data to stimulate exploration and discovery in the Gawler Craton and within the Olympic Domain Copper Province
- facilitating exploration and development of new gas supplies and storage, through acreage releases under the *Energy Resources Act 2000*, beginning with the Otway Basin in the South East
- supporting industry through the Plan for Accelerating Exploration (PACE) program providing co-funded grants that support drilling, geophysics, research programs, groundwater investigations and department led capacity building for Native Title and Traditional Owners with a focus on partnerships, under-explored and prospective provinces of the state
- implementing regional assessment frameworks through the development of regional Statement of Environmental Objectives (SEOs) and exploration Programs for Environment Protection and Rehabilitation (PEPRs) to reduce assessment timeframes without compromising safeguards for the environment, traditional landowners and communities
- commissioning and market integration of Project EnergyConnect Stage 2 which will increase flow from 150 MW between Buronga NSW and Robertstown in South Australia to 800 MW in both directions, scheduled for completed in last quarter of 2026
- progressing the 2025 SA Gas Initiative program which supports a range of innovative gas projects to assist in meeting the mid to long-term energy needs of South Australia, including in regional communities. Over \$17.5 million in grant funding has been allocated to support a range of projects located in the Cooper and Otway Basins.

## Regional Tourism

Tourism is a key driver of the South Australian economy and an important growth opportunity for the state, with regional tourism being a major component.

For the year ending December 2025, South Australia's visitor economy grew to a record \$11.0 billion, up 7.3 per cent on the previous year and above national growth, driven by international and day trip travel. Spend by international visitors increased by 31 per cent to \$1.8 billion. Domestically, spend by intrastate visitors rose 10 per cent to \$3.2 billion, while spend by interstate overnight visitors declined 15 per cent to \$3.3 billion as cost-of-living pressures reduced trip length and spend, compounded by regional impacts from the algal bloom. In contrast, day trip visitor expenditure reached a record \$2.8 billion, up 29 per cent, reflecting continued substitution towards shorter, lower cost travel.

Regional South Australia's visitor expenditure for the year ending December 2025 reached \$4.1 billion, surpassing the \$4.0 billion target set in the Regional Visitor Strategy 2025. Regional spending now contributes 37 per cent of overall visitor spending.

While average monthly overnight visitation across regional South Australia was broadly flat between 2024 and 2025, declines occurred in Kangaroo Island, the Yorke Peninsula, and the Fleurieu Peninsula. These regions were also among those most affected by the algal bloom.

The South Australian Tourism Commission (SATC) works in collaboration with regional tourism stakeholders to grow regional tourism expenditure, increase the number of tourism businesses and products, and foster collaboration and coordination.

The SATC supports the 11 tourism regions for local contact person services with funding to each organisation. These services included public relations activity, support for familiarisation visits, providing advice to regional operators and identifying and implementing projects of agreed strategic significance.

Additionally, the SATC delivered specific consumer marketing initiatives to promote the uniqueness of regional destinations.

To support the growth and development of tourism businesses, the SATC has implemented a series of industry capability programs that guide businesses along their pathway to identifying, developing, and delivering products and experiences that will contribute to the growth of the visitor economy.

The two main programs include the Experience Development Program (EDP) and the Distribution Ready Program (DRP). The EDP helps tourism operators design, refine and bring to market distinctive, bookable visitor experiences that showcase South Australia and align with target markets. Since 2024, 86 businesses from across South Australia have completed the program.

The DRP was developed to assist established tourism businesses to become knowledgeable and ready to work with domestic and international travel trade partners such as agents, wholesalers, and inbound tour operators. The first DRP was delivered in May-June 2025, with nine successful tourism business operators completing the course. The SATC is currently in the process of securing ten tourism business operators to participate in the 2026 DRP.

Additionally, the SATC delivers Tourism 101 sessions in the regions, to any person or business wanting an introduction to tourism. It is designed for new and emerging tourism operators, businesses exploring opportunities in tourism and existing businesses looking to diversify into tourism or already engaging with visitors.

The Experience Nature Tourism Fund is a four-year funding program introduced in 2022 to support the development of new and improved nature-based tourism experiences in and around South Australia's national parks and protected areas. The \$2.0 million program has been fully allocated and supports 63 projects worth almost \$3.5 million in combined project value.

As part of the government's algal bloom response measures in 2025-26, the SATC has led measures to support regional tourism. This includes delivering programs such as the Coast is Calling travel vouchers, the Summer Plan Dining Cashback program, and the Algal Bloom Event Support Fund to drive visitation and spending in impacted coastal regions.

In September 2025, the Mid North and Yorke Tourism Zone was established as the first Destination Tourism Zone, encompassing the Clare Valley, Yorke Peninsula and Southern Flinders regions to drive stronger coordination and outcomes for regional tourism. Further opportunities for Destination Management Zones will be explored in 2026-27.

Destination management plans continue to be developed in 2026 setting out a region's tourism vision, priorities, and actions, focusing on enhancing visitor experiences, supporting local businesses, and ensuring tourism growth is sustainable and delivers benefits to local people, places and the environment. There are 13 plans being developed, with all on track to be completed by 31 December 2026.

To enhance the state's calendar of regional events, the Regional Event Fund supports initiatives that drive increased visitation to tourism areas. In the 2025-26 funding round, a total of 39 new and returning events across the state received support.

## 2026-27 Budget — Initiatives

The 2026-27 Budget includes a number of new initiatives that are specific to regional areas as set out in table 8.5. More details on each initiative are provided in the 2026-27 Budget Measures Statement.

**Table 8.5: 2026-27 Government expenditure on regional initiatives (\$000s)**

	2025-26 Estimate	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate	Total
<b>Across Government</b>						
Bushfire, storm and flood additional response costs	-17 246	—	—	—	—	<b>-17 246</b>
Community grants <sup>(a)</sup>	-250	-2 685	—	—	—	<b>-2 935</b>
Community infrastructure projects <sup>(a)</sup>	—	-2 450	-1 750	-1 050	-750	<b>-6 000</b>
Whyalla steelworks support	-28 000	-291 000	—	—	—	<b>-319 000</b>
<b>Correctional Services</b>						
Mount Gambier Prison immediate additional capacity	-668	-5 015	-5 280	-5 529	—	<b>-16 492</b>
Prison air-conditioning upgrades	—	-1 000	-4 250	—	—	<b>-5 250</b>
<b>Education</b>						
Expanding Out of School Hours Care <sup>(a)</sup>	—	-3 386	-8 017	-8 305	-9 772	<b>-29 480</b>
New technical college — Murray Bridge <sup>(a)</sup>	—	-5 000	-28 750	-15 750	-5 000	<b>-54 500</b>
School infrastructure program <sup>(a)</sup>	—	-5 250	-3 100	-8 000	-11 500	<b>-27 850</b>
<b>Energy and Mining</b>						
Leigh Creek Coalfield — site management	—	-2 037	-1 066	-997	-771	<b>-4 871</b>
Plan for Accelerating Exploration (PACE) partnerships — minerals	—	-3 100	-3 100	-3 100	-3 100	<b>-12 400</b>
Remote Area Energy Supply Scheme — fuel costs	-4 438	—	—	—	—	<b>-4 438</b>
Whyalla transformation, Steel Taskforce and turbine divestment	-313	-6 221	—	—	—	<b>-6 534</b>
<b>Environment and Water</b>						
Feral cat management	—	-400	-400	—	—	<b>- 800</b>
Friends of Parks and Nature <sup>(a)</sup>	—	-600	-600	-600	-600	<b>-2 400</b>
Grants to private landholders — heritage	—	-1 500	-1 500	-1 500	-1 500	<b>-6 000</b>
Landcare funding	—	-250	-250	-250	-250	<b>-1 000</b>
Mundoo Island Station acquisition	-7 500	—	—	—	—	<b>-7 500</b>
Murray-Darling Basin — Joint Programs contribution	-6 140	—	—	—	—	<b>-6 140</b>
Nature based tourism projects	—	-1 200	—	—	—	<b>-1 200</b>
Pastoral Lands Unit	—	-250	-250	-250	-250	<b>-1 000</b>
River restoration	—	-1 500	-1 750	-1 750	—	<b>-5 000</b>
South Australian Alternative Water Supply Efficiency Measures program <sup>(b)</sup>	-6 800	—	-4 900	—	—	<b>-11 700</b>

	2025-26 Estimate	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate	Total
<b>Health and Wellbeing</b>						
Expansion of the Patient Assistance Transport Scheme	—	-3 850	-3 950	-4 050	-4 150	<b>-16 000</b>
Medical School Training Centre in Mount Gambier	—	-10 000	-3 000	—	—	<b>-13 000</b>
Murray Bridge maternity ward, birthing centre and renal clinic	—	-1 000	-2 500	-7 750	-3 750	<b>-15 000</b>
New Emergency Department for Clare Hospital	—	—	—	-3 000	-7 000	<b>-10 000</b>
New Greater Northern Hospital business case	—	-2 000	-1 000	—	—	<b>-3 000</b>
Permanent ambulance crew for Murray Bridge	—	-1 358	-1 391	-1 424	-1 457	<b>-5 630</b>
Regional ambulance station crews and facilities upgrades	—	-1 100	-3 700	-6 000	-3 100	<b>-13 900</b>
Women's health clinics <sup>(a)</sup>	—	-1 000	-1 000	-1 000	-1 000	<b>-4 000</b>
<b>Infrastructure and Transport</b>						
Mount Barker transport improvement — Adelaide and Hawthorn Road intersection	-2 500	-17 500	-15 000	-25 000	-20 000	<b>-80 000</b>
Murray Bridge package — Footy Express bus service	—	-100	-150	-150	-150	<b>-550</b>
Murray Bridge package — Metroticket equivalent fares	—	-1 900	-1 948	-1 996	-2 046	<b>-7 890</b>
Murray Bridge package — more buses for Murray Bridge, more often	—	—	—	-4 691	-1 938	<b>-6 629</b>
Safer Horrocks Highway	—	-800	-2 200	-9 000	-6 000	<b>-18 000</b>
South Eastern Freeway Upgrade — additional funding <sup>(c)</sup>	—	-20 000	-26 000	-26 000	-14 000	<b>-86 000</b>
Thompson Beach road resealing	-916	—	—	—	—	<b>-916</b>
<b>Police</b>						
Two new police stations — Mount Barker and Murray Bridge	—	-2 500	-2 500	—	—	<b>-5 000</b>
<b>Primary Industry and Regions</b>						
A stronger future for McLaren Vale strategy	—	-250	—	—	—	<b>-250</b>
Primary Industries Future Forward Fund	—	-8 000	—	—	—	<b>-8 000</b>
Project 250 wine program expansion	—	-200	-200	-200	-200	<b>-800</b>
<b>South Australian Housing Trust</b>						
300 additional public housing upgrades <sup>(a)</sup>	—	-2 250	-2 250	-2 250	-2 250	<b>-9 000</b>
Expansion of the Social Housing Energy Performance initiative <sup>(a)</sup>	—	-2 000	-4 500	-7 500	-7 500	<b>-21 500</b>
Remote Aboriginal housing operations	—	-12 200	—	—	—	<b>-12 200</b>
Rent to Own <sup>(a)</sup>	—	-13 000	-6 000	—	—	<b>-19 000</b>
<b>TAFE SA</b>						
New Mount Barker TAFE trades workshop	—	-5 000	-10 000	-10 326	-174	<b>-25 500</b>
<b>Total regional initiatives</b>	<b>-74 771</b>	<b>-438 852</b>	<b>-152 252</b>	<b>-157 418</b>	<b>-108 208</b>	<b>-931 501</b>

Note: Totals may not add due to rounding.

(a) The figures quoted represent the estimated regional component of the overall measure.

(b) This initiative is funded wholly by the Commonwealth Government.

(c) The figures represent State and Commonwealth Government funding for the initiative as identified in the Budget Measures Statement.

## Regional Investing Expenditure

The 2026-27 Budget includes a number of capital investment projects that are specific to regional areas. Table 8.6 outlines all new and pre-existing projects with regional expenditure in 2026-27.

**Table 8.6: 2026-27 Government regional capital investment program (\$000s)**

	Expected completion quarter	Proposed expenditure 2026-27	Estimated total cost
<b>General government</b>			
<b>Correctional Services</b>			
<i>Major Projects</i>			
Mount Gambier Prison additional beds	Jun 2027	2 280	20 615
Prison air-conditioning upgrades	Jun 2028	1 000	5 250
<b>Total — Correctional Services</b>		<b>3 280</b>	<b>25 865</b>
<b>Education</b>			
<i>Major projects</i>			
Autism Inclusion upgrades <sup>(a)</sup>	Dec 2029	500	3 000
Berri Primary School	Dec 2029	300	15 000
Early Childhood Education & Care — 3-year-old pre-school <sup>(a)</sup>	Jun 2030	18 528	27 482
Fraser Park Primary School	Sep 2028	350	10 000
Freeling Primary School	Dec 2029	300	15 000
Glenburnie Primary School	Dec 2029	160	8 000
Meningie Area School	Jun 2027	8 833	10 900
Mount Barker High School	Jun 2032	4 820	96 000
Mount Barker new preschool and primary school	Dec 2029	31 600	61 100
Mount Gambier High School	Dec 2027	4 828	6 000
New Technical College — Murray Bridge	Dec 2029	5 000	45 000
Oakbank Area School	Jun 2028	10 900	15 900
Two Wells Primary School	Sep 2028	350	10 000
Upper Sturt Primary School	Jun 2028	3 222	7 000
Yahl Primary School	Sep 2026	2 488	4 100
Small projects	n.a.	16 098	35 702
<i>Annual Programs</i>			
School bus replacement <sup>(a)</sup>	n.a.	11 490	n.a.
<b>Total — Education</b>		<b>119 767</b>	<b>370 183</b>
<b>Emergency Services</b>			
<i>Major projects</i>			
Maitland CFS Facility	Jun 2027	5 167	5 988
Maitland SES Facility	Jun 2027	2 250	2 476
<i>Annual programs</i>			
Capital works, vehicles and equipment — CFS	n.a.	24 128	n.a.
Capital works, vehicles, vessels and rescue equipment — SES <sup>(a)</sup>	n.a.	1 032	n.a.
<b>Total — Emergency Services</b>		<b>32 577</b>	<b>8 464</b>

	Expected completion quarter	Proposed expenditure 2026-27	Estimated total cost
<b>Energy and Mining</b>			
<b>Major projects</b>			
Brukunga Acid Mine Drainage Treatment Plant	Jun 2027	5 648	15 400
Leigh Creek Coalfield — site management	Jun 2027	750	1 295
Northern Water Project <sup>(b)</sup>	Jun 2027	40 689	220 339
Port Bonython Hydrogen Hub <sup>(c)</sup>	Mar 2029	10 380	20 760
Remote Area Energy Supply — First Nations Community Microgrid Program <sup>(d)</sup>	Jun 2028	10 000	26 000
<b>Annual Programs</b>			
Minerals Asset upgrade and replacement	n.a.	290	n.a.
Remote Area Energy Supply — Power Generation and Distribution Equipment <sup>(d)</sup>	n.a.	1 605	n.a.
<b>Total — Energy and Mining</b>		<b>69 362</b>	<b>283 794</b>
<b>Environment and Water</b>			
<b>Major projects</b>			
East End Kangaroo Island Projects	Jun 2027	3 000	6 673
Granite Island Recreation Park — upgrade of visitor facilities	Apr 2027	600	700
Nature Based Tourism Projects	Jun 2027	1 200	1 200
Rebuilding South Australia's Lost Shellfish Reefs Program	Jun 2027	4 146	8 585
River Murray in South Australia Constraints Measures	Jun 2027	29 858	42 597
South Eastern Water Conservation and Drainage Board — critical safety interventions	Jun 2029	175	1 227
State Groundwater and Minerals Data Platform <sup>(a)</sup>	Sep 2026	1 343	4 500
SteamRanger Bridge Remediation	Jun 2029	7 121	8 096
Wetland Habitat Project	Mar 2027	892	1 897
<b>Annual Programs</b>			
Fire Management on Public Land — Enhanced Capabilities	n.a.	2 498	n.a.
Parks renewal investment	n.a.	2 000	n.a.
<b>Total — Environment and Water</b>		<b>52 833</b>	<b>75 475</b>
<b>Health and Wellbeing</b>			
<b>Major projects</b>			
Aged Care Development — Bordertown	Jun 2028	3 250	8 000
Ambulance station boost <sup>(a)</sup>	Dec 2026	8 187	59 462
Country Health SA Sustainment and Compliance	Jun 2028	12 120	107 014
Kangaroo Island Health Service Workforce Accommodation	Sep 2026	910	5 000
Kangaroo Island's Hospital in Kingscote Upgrade	Sep 2026	3 310	12 537
Murray Bridge maternity ward, birthing unit and renal unit	Jun 2030	1 000	15 000
New Mount Barker Hospital	Dec 2027	164 400	365 361
Port Pirie Hospital Emergency Department Upgrade and Clinical Simulation Training Laboratory	Dec 2026	3 000	20 541
Regional ambulance station facility upgrades	Jun 2029	700	7 000
Strathalbyn Aged Care	Dec 2026	887	18 374
Whyalla Hospital — Emergency Department	Jun 2027	3 960	11 295
<b>Total — Health and Wellbeing</b>		<b>201 724</b>	<b>629 584</b>

	Expected completion quarter	Proposed expenditure 2026-27	Estimated total cost
<b>Infrastructure and Transport</b>			
<b>Major projects</b>			
Adelaide and Hawthorn Road Intersection	Jun 2030	17 500	80 000
Adelaide and Regional Rail Network Extensions – Planning <sup>(a)</sup>	Jun 2027	1 000	5 000
Adelaide Hills Productivity and Road Safety Package <sup>(e)</sup>	Jun 2028	36 000	150 000
Betterment of State Road Infrastructure — ex-tropical cyclone Tiffany severe weather event	Jun 2027	9 367	25 000
Bridgewater pedestrian crossing	Jun 2029	200	1 500
Ex-tropical cyclone Tiffany severe weather event — road repairs <sup>(e)</sup>	Jun 2027	12 500	27 570
Fleurieu Connections <sup>(e)</sup>	Dec 2026	2 000	810 373
Freight Highway Upgrade Program	Jun 2033	31 250	325 000
Hahndorf Traffic Improvements <sup>(f)</sup>	Jun 2027	3 563	28 900
Heavy Vehicle Rest Areas	Jun 2028	1 100	5 921
Heavy Vehicle Rest Areas (Safe Local Roads and Infrastructure program)	Jun 2028	4 500	8 560
High Productivity Vehicle Network (SA) — Planning <sup>(e)</sup>	Jun 2027	2 148	17 000
High Productivity Vehicle Network — Stage 1	Jun 2031	13 000	787 500
Main South Road Upgrade — Myponga to Cape Jervis	Jun 2030	21 000	111 800
Mount Barker Roundabout Upgrade	Jun 2027	13 432	40 000
New Road Safety Program	Jun 2027	14 607	168 000
Port Augusta Wharf Upgrade	Jun 2028	2 000	15 000
Port Bonython Jetty Refurbishment <sup>(e)</sup>	Jun 2028	9 000	77 682
Princes Highway Corridor <sup>(e)</sup>	Jun 2029	60 000	601 318
Regional Road Safety Infrastructure	n.a.	1 000	n.a.
River Murray Road Repair Package	Jun 2027	1 200	36 012
Riverland Network Flood Resilience Upgrades — Planning	Jun 2028	7 300	20 000
Road Safety Package — Regional <sup>(e)</sup>	Jun 2027	14 322	160 000
Roads of Strategic Importance Initiative — Cockburn to Burra <sup>(e)</sup>	Jun 2027	10 110	62 500
Roads of Strategic Importance Initiative — Eyre Peninsula Road Upgrades <sup>(e)</sup>	Jun 2027	5 457	67 625
Roads to Recovery	Jun 2030	6 758	47 503
Safer Horrocks Highway	Jun 2030	800	90 000
South Eastern Freeway Upgrade <sup>(e)</sup>	Jun 2031	47 509	440 000
Strzelecki Track <sup>(e)</sup>	Jun 2029	35 000	215 000
Targeted investments to Improve National Supply Chain Resilience <sup>(e)</sup>	Jun 2027	11 218	75 000
Truro Bypass <sup>(e)(f)</sup>	Jun 2028	1 900	18 000
<b>Annual programs</b>			
DIT Annual Program <sup>(a)</sup>	n.a.	80 403	n.a.
Road Safety Maintenance <sup>(a)</sup>	n.a.	5 000	n.a.
<b>Total — Infrastructure and Transport</b>		<b>482 144</b>	<b>4 517 764</b>

	Expected completion quarter	Proposed expenditure 2026-27	Estimated total cost
<b>Police</b>			
<i>Major Projects</i>			
Naracoorte Police Station	Jun 2027	14 594	18 270
Two new Police Stations — Mount Barker and Murray Bridge	Jun 2028	2 500	5 000
<b>Total — Police</b>		<b>17 094</b>	<b>23 270</b>
<b>Premier and Cabinet</b>			
<i>Major Projects</i>			
Country Arts South Australia — regional arts centre upgrades	Jun 2027	410	3 886
<b>Total — Premier and Cabinet</b>		<b>410</b>	<b>3 886</b>
<b>Primary Industries and Regions</b>			
<i>Annual Programs</i>			
Minor Capital Works and Equipment <sup>(a)</sup>	n.a.	4 800	n.a.
<b>Total — Primary Industries and Regions</b>		<b>4 800</b>	
<b>TAFE SA</b>			
<i>Major Projects</i>			
Mount Barker trades workshop	Jun 2029	5 000	25 250
<b>Total — TAFE SA</b>		<b>5 000</b>	<b>25 250</b>
<b>Total — Regional investing expenditure general government sector</b>		<b>988 990</b>	<b>5 963 535</b>
<b>Public non-financial corporations</b>			
<b>ForestrySA</b>			
<i>Annual Programs</i>			
Plant and equipment, roadworks	n.a.	825	n.a.
<b>Total — ForestrySA</b>		<b>825</b>	
<b>SA Water</b>			
<i>Major Projects</i>			
Baroota Dam Safety	Jun 2029	3 837	12 271
Beetalo Trunk Main	Jun 2029	1 000	14 831
Bordertown — new tank arrangements	Jun 2028	15 515	49 861
Ceduna Supply System	Jun 2027	4 537	36 035
Eyre Peninsula Desalination Augmentation	Jun 2027	142 178	470 000
Kangaroo Island Desalination Plant	Jun 2027	357	141 913
Leigh Creek Pipeline and Lagoon Upgrade	Jun 2028	130	3 675
Millicent Wastewater Treatment Plant Upgrade	Jun 2028	685	19 641
Morgan Whyalla Pipeline Replacement	Jun 2028	6 305	61 798
Mount Bold Dam Safety	Jun 2029	6 341	103 382
Port Augusta East Waste Treatment Plant Upgrade	Jun 2029	11 719	45 490
Wirrina Cove Pipe, Pump Station and Tanks	Jun 2028	9 292	40 768
<b>Total — SA Water</b>		<b>201 896</b>	<b>999 665</b>

	Expected completion quarter	Proposed expenditure 2026-27	Estimated total cost
<b>South Australian Housing Trust</b>			
<b>Major Projects</b>			
300 additional public housing upgrades <sup>(a)</sup>	Jun 2030	2 250	9 000
Housing Australia Future Fund Facility Round 2 <sup>(a)</sup>	Jun 2028	3 954	6 083
Remote Indigenous Housing	Jun 2027	2 870	243 641
Rent to Own <sup>(a)</sup>	Dec 2027	13 000	19 000
Social Housing Accelerator — Ceduna Aboriginal Modular Homes	Jun 2027	1 354	2 065
<b>Annual Programs</b>			
Public Housing Capital Maintenance <sup>(a)</sup>	n.a.	5 157	n.a.
<b>Total — South Australian Housing Trust Total</b>		<b>28 585</b>	<b>279 789</b>
<b>Total regional investing expenditure public non-financial corporations</b>		<b>231 306</b>	<b>1 279 454</b>
<b>Total regional investing expenditure non-financial public sector</b>		<b>1 220 296</b>	<b>7 242 989</b>
Note: Totals may not add due to rounding.			
(a) The figures quoted represent the estimated regional component of the overall program.			
(b) Includes the commercial aspects of the project managed by DEM as well as the pre-delivery and procurement aspects of the project managed by the Department for Infrastructure and Transport and by Department of the Premier and Cabinet in 2023-24. The Northern Water feasibility assessment is being jointly funded between the Commonwealth and State governments and industry.			
(c) The estimated completion for the investing component has been adjusted to reflect the end date of the overarching project grant agreement with the Commonwealth Government.			
(d) These projects have received grant funding from the Australian Renewable Energy Agency (ARENA) as part of ARENA's Community Batteries for Household Solar Initiative and Regional Microgrids program.			
(e) The total project cost includes operating expenditure.			
(f) The total project cost includes the cost of remaining works to close out the project, reflecting the Commonwealth Government's 90 day infrastructure review.			

# ***Appendix A: Uniform presentation framework***

## **Introduction**

This appendix contains detailed financial projections for the various sectors of the total public sector defined by the *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015*, published by the Australian Bureau of Statistics (ABS).

The tables in this section satisfy Uniform Presentation Framework (UPF) requirements applicable for all states, territories, and the Commonwealth Government. The tables present budget information for South Australia on the UPF basis, reflecting the fiscal measures and scope outlined below.

The primary objective of the UPF is to ensure that the Commonwealth Government and state and territory governments provide a common 'core' of financial information in their budget papers to enable direct comparisons of each government's budget and financial results.

The calculation of the aggregates is based on reporting standards set out by the Australian Accounting Standards Board — AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, which adopts a harmonised GFS-GAAP reporting basis.

## **UPF Reporting**

Public sector estimates and outcomes are presented on an accrual accounting basis within three primary statements: the operating statement, including other economic flows; the balance sheet; and the cash flow statement. These statements form the core reporting requirements of the UPF and are defined in the Glossary.

## **Fiscal measures**

UPF reporting provides a number of measures for evaluating the soundness of a government's fiscal position and the effect of fiscal policy on economic conditions. These include measures on both a stock and flow basis.

Stock measures (including net worth, net debt, net financial worth and net financial liabilities) highlight the fiscal position of a government at a point in time, providing information on the results of past decisions. Stocks reflect holdings of assets and liabilities.

Flow measures (including the net operating balance, net lending/borrowing (fiscal balance), cash surplus/deficit and change in net worth) show changes in the fiscal position during the reporting period, reflecting the impact of government decisions and actions, and re-measurement impacts during that time. Flows represent the creation, transformation, exchange, transfer or extinction of economic value.

The fiscal measures in the UPF framework are defined in the Glossary.

## **Institutional Sectors**

The coverage of the UPF extends to the entire Australian public sector (excluding local government entities and universities) comprising units which are owned and/or controlled by the Commonwealth Government, state and territory governments. These units (such as government departments, authorities and businesses) are grouped into three institutional sub-sectors — the general government sector, the public non-financial corporations (PNFC) sector and the public financial corporations (PFC) sector. In addition, the UPF also includes tables for the consolidated non-financial public sector (NFPS).

The sectors are defined in the Glossary and a listing of government entities within each sector is included in Appendix D.

## **Budget reporting**

Under the UPF agreement, all governments are required to present as part of their budget documentation an operating statement, balance sheet and cash flow statement for the general government sector, PNFC sector and the NFPS. In addition, information is also presented on taxes and general government sector expenses by function.

This information is presented in tables A.1 through to A.14 in this appendix.

## **Reporting of outcomes**

Outcomes are presented in final budget outcome documents. In addition to the tables presented at budget time, outcome reporting also contains the accrual financial statements for the PFC sector.

Table A.1: General government sector operating statement (\$million)

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Revenue</b>					
Taxation revenue	7 583	7 916	8 193	8 476	8 771
Grants	18 531	18 998	19 141	19 721	20 493
Sales of goods and services	3 806	3 951	4 012	4 139	4 257
Interest income	481	671	716	744	780
Dividend and income tax equivalent income	437	420	428	327	288
Other	1 831	1 896	1 885	2 010	2 062
<b>Total revenue</b>	<b>32 668</b>	<b>33 853</b>	<b>34 375</b>	<b>35 417</b>	<b>36 651</b>
<b>less Expenses</b>					
Employee expenses	11 930	12 363	12 837	13 218	13 577
Superannuation expenses					
Superannuation interest cost	271	241	217	192	164
Other superannuation expenses	1 397	1 481	1 536	1 582	1 625
Depreciation and amortisation	1 827	1 865	1 925	1 996	2 066
Interest expenses	1 504	1 979	2 297	2 632	2 928
Other property expenses	—	—	—	—	—
Other operating expenses	10 491	11 111	10 665	10 846	11 247
Grants	5 059	4 591	4 613	4 604	4 718
<b>Total expenses</b>	<b>32 479</b>	<b>33 630</b>	<b>34 091</b>	<b>35 070</b>	<b>36 324</b>
<b>equals Net operating balance</b>	<b>189</b>	<b>223</b>	<b>285</b>	<b>348</b>	<b>327</b>
plus Other economic flows	881	175	98	-133	-141
<b>equals Comprehensive result — total change in net worth</b>	<b>1 070</b>	<b>398</b>	<b>382</b>	<b>214</b>	<b>186</b>
<b>Fiscal aggregates</b>					
<b>Net operating balance</b>	<b>189</b>	<b>223</b>	<b>285</b>	<b>348</b>	<b>327</b>
<b>less Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	4 221	5 812	6 252	5 483	5 168
less Sales of non-financial assets	116	360	90	232	63
less Depreciation	1 827	1 865	1 925	1 996	2 066
plus Change in inventories	16	-16	—	—	—
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>2 294</b>	<b>3 570</b>	<b>4 237</b>	<b>3 255</b>	<b>3 040</b>
<b>equals Net lending / borrowing</b>	<b>-2 105</b>	<b>-3 347</b>	<b>-3 952</b>	<b>-2 908</b>	<b>-2 713</b>
Note: Totals may not add due to rounding.					

**Table A.2: Public non-financial corporations (public trading enterprises) sector operating statement (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Revenue</b>					
Taxation revenue	—	—	—	—	—
Grants	444	653	539	411	413
Sales of goods and services	2 133	2 193	2 746	2 496	2 310
Interest income	32	33	32	29	25
Dividend and income tax equivalent income	1	1	1	1	1
Other	306	389	403	237	242
<b>Total revenue</b>	<b>2 916</b>	<b>3 268</b>	<b>3 720</b>	<b>3 174</b>	<b>2 992</b>
<b>less Expenses</b>					
Employee expenses	352	352	360	367	373
Superannuation expenses					
Superannuation interest cost	—	—	—	—	—
Other superannuation expenses	46	47	48	49	49
Depreciation and amortisation	582	590	591	643	645
Interest expenses	356	433	498	542	588
Other property expenses	95	97	101	71	59
Other operating expenses	1 651	1 709	2 155	1 836	1 622
Grants	32	32	33	38	28
<b>Total expenses</b>	<b>3 115</b>	<b>3 260</b>	<b>3 787</b>	<b>3 544</b>	<b>3 365</b>
<b>equals Net operating balance</b>	<b>-199</b>	<b>8</b>	<b>-66</b>	<b>-370</b>	<b>-373</b>
plus Other economic flows	265	246	269	260	240
<b>equals Comprehensive result — total change in net worth</b>	<b>65</b>	<b>255</b>	<b>203</b>	<b>-110</b>	<b>-133</b>
<b>Fiscal aggregates</b>					
<b>Net operating balance</b>	<b>-199</b>	<b>8</b>	<b>-66</b>	<b>-370</b>	<b>-373</b>
<b>less Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	1 900	1 839	1 463	1 507	1 556
less Sales of non-financial assets	254	128	238	257	222
less Depreciation	582	590	591	643	645
plus Change in inventories	70	87	-380	-143	10
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>1 133</b>	<b>1 207</b>	<b>254</b>	<b>465</b>	<b>700</b>
<b>equals Net lending / borrowing</b>	<b>-1 332</b>	<b>-1 199</b>	<b>-320</b>	<b>-835</b>	<b>-1 073</b>

Note: Totals may not add due to rounding.

**Table A.3: Non-financial public sector operating statement (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Revenue</b>					
Taxation revenue	7 262	7 585	7 853	8 128	8 415
Grants	18 529	18 998	19 148	19 724	20 497
Sales of goods and services	5 705	5 899	6 505	6 381	6 311
Interest income	500	695	739	765	797
Dividend and income tax equivalent income	106	100	91	89	90
Other	2 129	2 284	2 287	2 246	2 303
<b>Total revenue</b>	<b>34 230</b>	<b>35 560</b>	<b>36 623</b>	<b>37 334</b>	<b>38 413</b>
<b>less Expenses</b>					
Employee expenses	12 258	12 691	13 171	13 557	13 921
Superannuation expenses					
Superannuation interest cost	271	241	217	192	164
Other superannuation expenses	1 443	1 527	1 584	1 631	1 674
Depreciation and amortisation	2 409	2 454	2 516	2 638	2 710
Interest expenses	1 848	2 402	2 786	3 165	3 508
Other property expenses	—	—	—	—	—
Other operating expenses	11 603	12 269	12 253	12 108	12 285
Grants	4 645	3 969	4 115	4 234	4 337
<b>Total expenses</b>	<b>34 476</b>	<b>35 553</b>	<b>36 641</b>	<b>37 525</b>	<b>38 599</b>
<b>equals Net operating balance</b>	<b>-247</b>	<b>7</b>	<b>-18</b>	<b>-191</b>	<b>-186</b>
plus Other economic flows	1 317	391	401	405	372
<b>equals Comprehensive result — total change in net worth</b>	<b>1 071</b>	<b>399</b>	<b>382</b>	<b>214</b>	<b>186</b>
<b>Fiscal aggregates</b>					
<b>Net operating balance</b>	<b>-247</b>	<b>7</b>	<b>-18</b>	<b>-191</b>	<b>-186</b>
<b>less Net acquisition of non-financial assets</b>					
Purchases of non-financial assets	6 111	7 650	7 712	6 985	6 724
less Sales of non-financial assets	348	488	325	484	285
less Depreciation	2 409	2 454	2 516	2 638	2 710
plus Change in inventories	73	70	-380	-143	10
plus Other movements in non-financial assets	—	—	—	—	—
<b>equals Total net acquisition of non-financial assets</b>	<b>3 428</b>	<b>4 778</b>	<b>4 491</b>	<b>3 721</b>	<b>3 740</b>
<b>equals Net lending / borrowing</b>	<b>-3 675</b>	<b>-4 771</b>	<b>-4 510</b>	<b>-3 911</b>	<b>-3 926</b>
Note: Totals may not add due to rounding.					

**Table A.4: General government sector balance sheet (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	12 687	14 662	15 058	15 661	16 585
Advances paid	264	529	692	755	801
Investments, loans and placements	1 063	1 060	1 055	1 047	1 040
Receivables	2 426	2 605	2 775	2 940	3 106
Equity					
Investments in other public sector entities	22 892	23 406	23 837	23 930	24 010
Other equity investments	131	131	131	131	131
Other financial assets	—	—	—	—	—
<b>Total financial assets</b>	<b>39 462</b>	<b>42 392</b>	<b>43 547</b>	<b>44 463</b>	<b>45 673</b>
Non-financial assets					
Land and other fixed assets	80 402	84 013	88 290	91 587	94 669
Other non-financial assets	262	550	559	578	550
<b>Total non-financial assets</b>	<b>80 664</b>	<b>84 563</b>	<b>88 850</b>	<b>92 165</b>	<b>95 219</b>
<b>Total assets</b>	<b>120 126</b>	<b>126 955</b>	<b>132 396</b>	<b>136 628</b>	<b>140 892</b>
<b>Liabilities</b>					
Deposits held	286	344	456	466	476
Advances received	—	—	—	—	—
Borrowing	37 954	44 748	49 765	54 271	58 803
Superannuation	5 448	4 959	4 423	3 839	3 198
Other employee benefits	3 894	4 058	4 011	4 109	4 266
Payables	1 620	1 624	1 632	1 637	1 644
Other liabilities	3 852	3 752	4 257	4 241	4 252
<b>Total liabilities</b>	<b>53 054</b>	<b>59 485</b>	<b>64 544</b>	<b>68 562</b>	<b>72 639</b>
<b>Net worth</b>	<b>67 072</b>	<b>67 470</b>	<b>67 852</b>	<b>68 067</b>	<b>68 253</b>
<b>Fiscal Aggregates</b>					
Net financial worth (a)	-13 593	-17 093	-20 997	-24 098	-26 967
Net financial liabilities	36 484	40 499	44 834	48 029	50 977
Net debt (b)	24 226	28 842	33 417	37 274	40 853

Note: Totals may not add due to rounding.

(a) Net financial worth equals total financial assets minus total liabilities.

(b) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

**Table A.5: Public non-financial corporations (public trading enterprises) sector balance sheet (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	234	299	418	435	455
Advances paid	20	20	20	20	20
Investments, loans and placements	42	39	39	38	36
Receivables	525	588	570	561	539
Equity					
Investments in other public sector entities	—	—	—	—	—
Other equity investments	12	12	12	12	12
Other financial assets	—	—	—	—	—
<b>Total financial assets</b>	<b>832</b>	<b>957</b>	<b>1 059</b>	<b>1 066</b>	<b>1 062</b>
Non-financial assets					
Land and other fixed assets	32 939	34 500	35 131	35 964	37 011
Other non-financial assets	140	134	128	122	116
<b>Total non-financial assets</b>	<b>33 079</b>	<b>34 634</b>	<b>35 259</b>	<b>36 086</b>	<b>37 128</b>
<b>Total assets</b>	<b>33 911</b>	<b>35 591</b>	<b>36 318</b>	<b>37 152</b>	<b>38 189</b>
<b>Liabilities</b>					
Deposits held	—	1	1	2	2
Advances received	—	—	—	—	—
Borrowing	10 755	11 778	11 922	12 510	13 307
Superannuation	—	—	—	—	—
Other employee benefits	117	123	128	133	139
Payables	497	496	494	492	491
Other liabilities	841	999	1 158	1 311	1 465
<b>Total liabilities</b>	<b>12 211</b>	<b>13 397</b>	<b>13 704</b>	<b>14 449</b>	<b>15 403</b>
<b>Net worth</b>	<b>21 700</b>	<b>22 194</b>	<b>22 614</b>	<b>22 703</b>	<b>22 786</b>
<b>Fiscal Aggregates</b>					
Net financial worth (a)	-11 378	-12 440	-12 645	-13 383	-14 341
Net financial liabilities	11 378	12 440	12 645	13 383	14 341
Net debt (b)	10 460	11 422	11 447	12 019	12 799

Note: Totals may not add due to rounding.

(a) Net financial worth equals total financial assets minus total liabilities.

(b) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

**Table A.6: Non-financial public sector balance sheet (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Assets</b>					
Financial assets					
Cash and deposits	12 795	14 776	15 181	15 792	16 724
Advances paid	284	548	711	774	821
Investments, loans and placements	997	1 004	1 014	1 023	1 030
Receivables	2 125	2 215	2 213	2 221	2 218
Equity					
Investments in other public sector entities	1 191	1 212	1 223	1 227	1 224
Other equity investments	142	142	142	142	142
Other financial assets	—	—	—	—	—
<b>Total financial assets</b>	<b>17 534</b>	<b>19 897</b>	<b>20 484</b>	<b>21 180</b>	<b>22 160</b>
Non-financial assets					
Land and other fixed assets	113 342	118 515	123 424	127 554	131 684
Other non-financial assets	289	571	574	587	553
<b>Total non-financial assets</b>	<b>113 631</b>	<b>119 086</b>	<b>123 999</b>	<b>128 141</b>	<b>132 237</b>
<b>Total assets</b>	<b>131 165</b>	<b>138 983</b>	<b>144 483</b>	<b>149 321</b>	<b>154 397</b>
<b>Liabilities</b>					
Deposits held	159	160	160	161	161
Advances received	—	—	—	—	—
Borrowing	48 602	56 434	61 611	66 723	72 068
Superannuation	5 448	4 959	4 423	3 839	3 198
Other employee benefits	4 004	4 173	4 132	4 234	4 397
Payables	2 054	2 056	2 062	2 064	2 070
Other liabilities	3 824	3 731	4 242	4 232	4 250
<b>Total liabilities</b>	<b>64 093</b>	<b>71 512</b>	<b>76 630</b>	<b>81 254</b>	<b>86 144</b>
<b>Net worth</b>	<b>67 072</b>	<b>67 471</b>	<b>67 853</b>	<b>68 067</b>	<b>68 253</b>
<b>Fiscal Aggregates</b>					
Net financial worth (a)	-46 559	-51 615	-56 146	-60 074	-63 984
Net financial liabilities	47 750	52 826	57 369	61 301	65 208
Net debt (b)	34 687	40 265	44 865	49 295	53 654

Note: Totals may not add due to rounding.

(a) Net financial worth equals total financial assets minus total liabilities.

(b) Net debt equals the sum of deposits held, advances received and borrowing, minus the sum of cash and deposits, advances paid, and investments, loans and placements.

Table A.7: General government sector cash flow statement (\$million)

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	7 534	7 885	8 172	8 454	8 748
Receipts from sales of goods and services	3 677	3 820	3 875	3 993	4 113
Grants and subsidies received	18 781	18 870	19 138	19 696	20 489
Interest receipts	445	623	665	695	728
Dividends and income tax equivalents	393	369	377	281	241
Other receipts	1 857	1 940	2 425	2 057	2 106
<b>Total operating receipts</b>	<b>32 687</b>	<b>33 507</b>	<b>34 651</b>	<b>35 176</b>	<b>36 425</b>
<b>Cash payments for operating activities</b>					
Payments to employees	-13 920	-14 361	-15 130	-15 449	-15 808
Purchases of goods and services	-7 592	-8 524	-8 095	-8 204	-8 512
Grants and subsidies paid	-5 055	-4 588	-4 609	-4 600	-4 714
Interest paid	-1 478	-1 911	-2 253	-2 595	-2 894
Other payments	-2 833	-2 745	-2 468	-2 542	-2 629
<b>Total operating payments</b>	<b>-30 879</b>	<b>-32 128</b>	<b>-32 555</b>	<b>-33 389</b>	<b>-34 557</b>
<b>Net cash flows from operating activities</b>	<b>1 808</b>	<b>1 379</b>	<b>2 096</b>	<b>1 787</b>	<b>1 867</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	44	262	10	178	7
Purchases of non-financial assets	-4 016	-5 463	-5 664	-5 360	-5 049
<b>Net cash flows from investments in non-financial assets</b>	<b>-3 973</b>	<b>-5 201</b>	<b>-5 654</b>	<b>-5 181</b>	<b>-5 042</b>
<b>Net cash flows from investments in financial assets for policy purposes (a)</b>	<b>-517</b>	<b>-754</b>	<b>-613</b>	<b>-419</b>	<b>-387</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>	<b>-12</b>
<b>Net cash flow from financing activities</b>					
Advances received (net)	—	—	—	—	—
Borrowing (net)	3 498	6 504	4 467	4 419	4 487
Deposits received (net)	-46	58	112	10	11
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>3 452</b>	<b>6 563</b>	<b>4 579</b>	<b>4 429</b>	<b>4 497</b>
<b>Net increase/(decrease) in cash held</b>	<b>758</b>	<b>1 975</b>	<b>396</b>	<b>603</b>	<b>924</b>
<b>Fiscal Aggregates</b>					
Net cash flows from operating activities	1 808	1 379	2 096	1 787	1 867
Net cash flows from investments in non-financial assets	-3 973	-5 201	-5 654	-5 181	-5 042
Dividends paid	—	—	—	—	—
<b>Cash surplus / (deficit)</b>	<b>-2 165</b>	<b>-3 822</b>	<b>-3 558</b>	<b>-3 394</b>	<b>-3 175</b>

Note: Totals may not add due to rounding.

(a) Includes equity acquisitions and disposals.

**Table A.8: Public non-financial corporations (public trading enterprises) sector cash flow statement (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	—	—	—	—	—
Receipts from sales of goods and services	2 085	2 144	2 701	2 463	2 285
Grants and subsidies received	444	653	539	411	413
Interest receipts	12	8	8	8	8
Dividends and income tax equivalents	1	1	1	1	1
Other receipts	249	336	425	256	264
<b>Total operating receipts</b>	<b>2 790</b>	<b>3 142</b>	<b>3 673</b>	<b>3 139</b>	<b>2 971</b>
<b>Cash payments for operating activities</b>					
Payments to employees	-393	-394	-403	-410	-417
Purchases of goods and services	-1 268	-1 337	-1 301	-1 215	-1 147
Grants and subsidies paid	-32	-32	-33	-38	-28
Interest paid	-477	-566	-637	-679	-726
Other payments	-373	-366	-379	-360	-356
<b>Total operating payments</b>	<b>-2 543</b>	<b>-2 695</b>	<b>-2 753</b>	<b>-2 701</b>	<b>-2 674</b>
<b>Net cash flows from operating activities</b>	<b>248</b>	<b>447</b>	<b>920</b>	<b>437</b>	<b>297</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	253	128	238	257	222
Purchases of non-financial assets	-1 862	-1 800	-1 423	-1 486	-1 534
<b>Net cash flows from investments in non-financial assets</b>	<b>-1 609</b>	<b>-1 672</b>	<b>-1 185</b>	<b>-1 229</b>	<b>-1 312</b>
<b>Net cash flows from investments in financial assets for policy purposes (a)</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>20</b>	<b>26</b>	<b>24</b>	<b>21</b>	<b>19</b>
<b>Net cash flow from financing activities</b>					
Advances received (net)	335	464	453	367	356
Borrowing (net)	1 197	1 023	144	588	797
Deposits received (net)	—	—	—	—	—
Dividends paid	-237	-225	-237	-168	-140
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>1 296</b>	<b>1 263</b>	<b>361</b>	<b>787</b>	<b>1 014</b>
<b>Net increase/(decrease) in cash held</b>	<b>-45</b>	<b>64</b>	<b>120</b>	<b>17</b>	<b>18</b>
<b>Fiscal Aggregates</b>					
Net cash flows from operating activities	248	447	920	437	297
Net cash flows from investments in non-financial assets	-1 609	-1 672	-1 185	-1 229	-1 312
Dividends paid	-237	-225	-237	-168	-140
<b>Cash surplus / (deficit)</b>	<b>-1 598</b>	<b>-1 450</b>	<b>-502</b>	<b>-960</b>	<b>-1 155</b>

Note: Totals may not add due to rounding.

(a) Includes equity acquisitions and disposals.

**Table A.9: Non-financial public sector cash flow statement (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Cash receipts from operating activities</b>					
Taxes received	7 213	7 554	7 832	8 107	8 392
Receipts from sales of goods and services	5 529	5 720	6 324	6 203	6 142
Grants and subsidies received	18 779	18 870	19 145	19 700	20 493
Interest receipts	445	622	664	694	728
Dividends and income tax equivalents	106	100	91	89	90
Other receipts	2 097	2 274	2 849	2 312	2 369
<b>Total operating receipts</b>	<b>34 169</b>	<b>35 140</b>	<b>36 904</b>	<b>37 105</b>	<b>38 213</b>
<b>Cash payments for operating activities</b>					
Payments to employees	-14 290	-14 730	-15 506	-15 831	-16 196
Purchases of goods and services	-8 756	-9 769	-9 303	-9 323	-9 561
Grants and subsidies paid	-4 642	-3 965	-4 111	-4 230	-4 333
Interest paid	-1 822	-2 335	-2 743	-3 128	-3 475
Other payments	-2 823	-2 732	-2 456	-2 530	-2 617
<b>Total operating payments</b>	<b>-32 332</b>	<b>-33 532</b>	<b>-34 119</b>	<b>-35 043</b>	<b>-36 182</b>
<b>Net cash flows from operating activities</b>	<b>1 837</b>	<b>1 608</b>	<b>2 786</b>	<b>2 062</b>	<b>2 032</b>
<b>Net cash flows from investments in non-financial assets</b>					
Sales of non-financial assets	274	390	246	429	229
Purchases of non-financial assets	-5 868	-7 263	-7 085	-6 840	-6 583
<b>Net cash flows from investments in non-financial assets</b>	<b>-5 594</b>	<b>-6 874</b>	<b>-6 839</b>	<b>-6 411</b>	<b>-6 354</b>
<b>Net cash flows from investments in financial assets for policy purposes (a)</b>	<b>-193</b>	<b>-302</b>	<b>-173</b>	<b>-68</b>	<b>-46</b>
<b>Net cash flows from investments in financial assets for liquidity purposes</b>	<b>7</b>	<b>14</b>	<b>11</b>	<b>9</b>	<b>6</b>
<b>Net cash flow from financing activities</b>					
Advances received (net)	—	—	—	—	—
Borrowing (net)	4 708	7 541	4 626	5 025	5 301
Deposits received (net)	—	—	—	—	—
Dividends paid	—	—	—	—	—
Other financing (net)	—	—	—	—	—
<b>Net cash flows from financing activities</b>	<b>4 709</b>	<b>7 542</b>	<b>4 627</b>	<b>5 026</b>	<b>5 301</b>
<b>Net increase/(decrease) in cash held</b>	<b>767</b>	<b>1 988</b>	<b>411</b>	<b>618</b>	<b>940</b>
<b>Fiscal Aggregates</b>					
Net cash flows from operating activities	1 837	1 608	2 786	2 062	2 032
Net cash flows from investments in non-financial assets	-5 594	-6 874	-6 839	-6 411	-6 354
Dividends paid	—	—	—	—	—
<b>Cash surplus / (deficit)</b>	<b>-3 756</b>	<b>-5 266</b>	<b>-4 054</b>	<b>-4 348</b>	<b>-4 322</b>

Note: Totals may not add due to rounding.

(a) Includes equity acquisitions and disposals.

**Table A.10: General government sector taxes (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
<b>Taxes on employers' payroll and labour force</b>	<b>2 108</b>	<b>2 224</b>	<b>2 344</b>	<b>2 469</b>	<b>2 600</b>
<b>Taxes on property</b>					
Land taxes	947	1 022	1 051	1 080	1 110
Other	301	305	320	328	335
<b>Total</b>	<b>1 247</b>	<b>1 327</b>	<b>1 372</b>	<b>1 408</b>	<b>1 445</b>
<b>Taxes on the provision of goods and services</b>					
Excises and levies	—	—	—	—	—
Taxes on gambling	704	718	729	741	749
Taxes on insurance	741	773	805	838	872
Stamp duties on financial and capital transactions	1 784	1 834	1 876	1 930	1 987
<b>Total</b>	<b>3 228</b>	<b>3 324</b>	<b>3 410</b>	<b>3 508</b>	<b>3 609</b>
<b>Taxes on use of goods and performance of activities</b>					
Motor vehicle taxes	980	1 022	1 046	1 070	1 096
Other	20	19	20	21	21
<b>Total</b>	<b>999</b>	<b>1 041</b>	<b>1 067</b>	<b>1 091</b>	<b>1 117</b>
<b>Total taxation revenue</b>	<b>7 583</b>	<b>7 916</b>	<b>8 193</b>	<b>8 476</b>	<b>8 771</b>

Note: Totals may not add due to rounding.

**Table A.11(part a): General government sector grant revenue (\$million)**

	2025-26	2026-27	2027-28	2028-29	2029-30
	Estimated Result	Budget	Estimate	Estimate	Estimate
<b>Current grant revenue</b>					
Current grants from the Commonwealth					
General purpose grants	9 779	10 186	9 958	10 298	10 676
National partnership grants	1 160	619	332	252	211
National partnership grants for on-passing	349	90	274	282	281
Specific purpose grants	3 105	3 542	3 769	4 033	4 344
Specific purpose grants for on-passing	1 762	1 853	1 952	2 051	2 153
Other grants	727	723	690	693	704
<b>Total current grants from the Commonwealth</b>	<b>16 881</b>	<b>17 013</b>	<b>16 975</b>	<b>17 609</b>	<b>18 369</b>
Other contributions and grants	210	188	182	182	177
<b>Total current grant revenue</b>	<b>17 090</b>	<b>17 201</b>	<b>17 157</b>	<b>17 791</b>	<b>18 547</b>
<b>Capital grant revenue</b>					
Capital grants from the Commonwealth					
General purpose grants	—	—	—	—	—
National partnership grants	1 295	1 637	1 836	1 782	1 797
National partnership grants for on-passing	—	—	—	—	—
Specific purpose grants	122	125	128	131	134
Specific purpose grants for on-passing	—	—	—	—	—
Other capital grants	18	30	14	12	11
<b>Total capital grants from the Commonwealth</b>	<b>1 435</b>	<b>1 792</b>	<b>1 979</b>	<b>1 925</b>	<b>1 942</b>
Other contributions and grants	5	5	5	5	5
<b>Total capital grant revenue</b>	<b>1 440</b>	<b>1 797</b>	<b>1 984</b>	<b>1 930</b>	<b>1 947</b>
<b>Total grant revenue</b>	<b>18 531</b>	<b>18 998</b>	<b>19 141</b>	<b>19 721</b>	<b>20 493</b>

**Table A.11(part b): General government sector grant expense (\$million)**

	2025-26	2026-27	2027-28	2028-29	2029-30
	Estimated Result	Budget	Estimate	Estimate	Estimate
<b>Current grant expense</b>					
State/territory government	4	4	3	1	1
Local government	177	134	93	90	93
Local government on-passing	341	73	269	278	277
Private and not-for-profit sector	1 452	1 318	1 261	1 266	1 255
Private and not-for-profit sector on-passing	1 770	1 869	1 956	2 055	2 157
Grants to other sectors of government	382	581	450	325	328
Other	852	542	511	517	534
<b>Total current grant expense</b>	<b>4 977</b>	<b>4 522</b>	<b>4 544</b>	<b>4 533</b>	<b>4 644</b>
<b>Capital grant expense</b>					
State/territory government	—	—	—	—	—
Local government	6	2	1	—	—
Local government on-passing	—	—	—	—	—
Private and not-for-profit sector	75	67	69	71	74
Private and not-for-profit sector on-passing	—	—	—	—	—
<b>Total capital grant expense</b>	<b>82</b>	<b>69</b>	<b>69</b>	<b>71</b>	<b>74</b>
<b>Total grant expense</b>	<b>5 059</b>	<b>4 591</b>	<b>4 613</b>	<b>4 604</b>	<b>4 718</b>

Note: Totals may not add due to rounding.

**Table A.12: General government sector dividend and income tax equivalent income (\$million)**

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Dividend and income tax equivalent income from PNFC sector	332	321	338	239	199
Dividend and income tax equivalent income from PFC sector	104	99	90	88	88
Other dividend income	1	1	1	1	1
<b>Total dividend and income tax equivalent income</b>	<b>437</b>	<b>420</b>	<b>428</b>	<b>327</b>	<b>288</b>

Note: Totals may not add due to rounding.

**Table A.13: General government sector expenses by function (\$million)<sup>(a)</sup>**

	2025-26 Estimated Result	2026-27 Budget	Sustainable Development Goal & Target <sup>(c)</sup>
<b>General public services</b>			
Executive and legislative organs, financial and fiscal affairs, external affairs	510	524	16.6
Foreign economic aid	—	—	
General services	223	227	16.6
Basic research	—	—	
Research and development — general public services	—	—	
Public debt transactions	1 775	2 219	16.6
Transfers of a general character between different levels of government	354	84	16.6
General public services not elsewhere classified	79	64	16.6
<b>Total General public services</b>	<b>2 942</b>	<b>3 118</b>	
<b>Defence<sup>(b)</sup></b>			
	—	—	
<b>Public order and safety</b>			
Police services	1 222	1 276	16.1-16.3
Civil and fire protection services	456	488	13.1
Law courts	495	566	16.3
Prisons	495	503	16.3
Research and development — public order and safety	—	—	
Public order and safety not elsewhere classified	35	32	16
<b>Total Public order and safety</b>	<b>2 703</b>	<b>2 864</b>	
<b>Economic affairs</b>			
General economic, commercial and labour affairs	254	199	8.1
Agriculture, forestry, fishing and hunting	256	202	2.4
Fuel and energy	114	166	7.1, 7.2
Mining, manufacturing and construction	637	548	8
Communication	78	68	9
Other industries	239	286	8.1
Research and development — economic affairs	103	75	9.5
Economic affairs not elsewhere classified	—	—	
<b>Total Economic affairs</b>	<b>1 680</b>	<b>1 544</b>	
<b>Environmental protection</b>			
Waste management	4	4	11.6
Waste water management	1	3	6.3
Pollution abatement	62	51	3.9
Protection of biodiversity and landscape	493	479	15.5
Research and development — environmental protection	—	—	
Environmental protection not elsewhere classified	—	—	
<b>Total Environmental protection</b>	<b>560</b>	<b>536</b>	

	2025-26 Estimated Result	2026-27 Budget	Sustainable Development Goal & Target <sup>(c)</sup>
<b>Housing and community amenities</b>			
Housing development	23	24	11.1
Community development	343	406	11.3
Water supply	169	174	6.4
Street lighting	—	—	
Research and development — housing and community amenities	—	—	
Housing and community amenities not elsewhere classified	—	—	
<b>Total Housing and community amenities</b>	<b>535</b>	<b>604</b>	
<b>Health</b>			
Medical products, appliances and equipment	187	205	3.8
Outpatient services	720	756	3.8
Hospital services	7 027	7 281	3.8
Mental health institutions	68	70	3.4
Community health services	1 034	1 091	3.8
Public health services	832	853	3.8
Research and development — health	117	89	3.b
Health not elsewhere classified	176	196	3.8
<b>Total Health</b>	<b>10 162</b>	<b>10 541</b>	
<b>Recreation, culture and religion</b>			
Recreational and sporting services	793	886	11
Cultural services	304	277	11.4
Broadcasting and publishing services	—	—	
Religious and other community services	—	—	
Research and development — recreation, culture and religion	—	—	
Recreation, culture and religion not elsewhere classified	24	18	11
<b>Total Recreation, culture and religion</b>	<b>1 121</b>	<b>1 181</b>	
<b>Education</b>			
Pre-primary and primary education	3 689	3 965	4.2
Secondary education	2 927	3 065	4
Tertiary education	573	596	4.3
Education not definable by level	9	15	4
Subsidiary services to education	68	68	4
Research and development — education	—	—	
Education not elsewhere classified	17	20	4
<b>Total Education</b>	<b>7 283</b>	<b>7 728</b>	
<b>Social protection</b>			
Sickness and disability	1 160	1 192	10.2
Old age	146	162	10.2
Survivors	—	—	

	2025-26 Estimated Result	2026-27 Budget	Sustainable Development Goal & Target <sup>(c)</sup>
Family and children	1 069	1 102	5.4, 1.4, 1.5
Unemployment	—	—	
Housing	139	214	
Social exclusion not elsewhere classified	645	524	10.2
Research and development — social protection	—	—	
Social protection not elsewhere classified	63	58	1.5
<b>Total Social protection</b>	<b>3 222</b>	<b>3 251</b>	
<b>Transport</b>			
Road transport	1 500	1 526	9.1, 11.2
Bus transport	392	386	11.2
Water transport	59	51	9.1
Railway transport	260	237	11.2
Air transport	17	23	9.1
Multi-mode urban transport	41	37	9.1
Pipeline and other transport	—	—	
Research and development — transport	—	—	
Transport not elsewhere classified	2	1	9.1
<b>Total Transport</b>	<b>2 271</b>	<b>2 262</b>	
<b>Total Expenses</b>	<b>32 479</b>	<b>33 630</b>	

Note: Table may not add due to rounding.

- (a) Expenses by function data is derived from information submitted by government departments and agencies. The processes for deriving this data are subject to ongoing refinements. Consequently the data may be subject to future revisions.
- (b) The ABS defines 'defence' as expenditure on military and civil defence affairs, foreign military aid and defence research. The expenditure of Defence SA is included in 'Economic affairs'.
- (c) This denotes a material alignment of the expenses by function data to a United Nations Sustainable Development Goal (SDG) or SDG target. Where there are no expenses by function, no alignment has been presented. There are a total of 17 SDGs. <https://sdgs.un.org/goals>. Not all SDGs have been aligned with the expenses by function data.

**Table A.14: General government sector capital expenditure by function (\$million)<sup>(a)</sup>**












	2025-26 Estimated Result	2026-27 Budget	Sustainable Development Goal & Target <sup>(c)</sup>
General public services	38	43	16.6
Defence <sup>(b)</sup>	—	—	
Public order and safety	249	507	16.1-16.3, 16.6
Economic affairs	158	238	8.1, 7.1, 7.2, 9
Environmental protection	61	61	15.5
Housing and community amenities	88	79	11.3, 6.4
Health	726	1 271	3.8
Recreation, culture and religion	171	162	11
Education	263	404	4
Social protection	9	8	1.2, 1.4
Transport	2 458	3 037	9.1, 11.2
<b>Total capital expenditure</b>	<b>4 221</b>	<b>5 812</b>	








(a) Expenses by function data is derived from information submitted by government departments and agencies. The processes for deriving this data are subject to ongoing refinements. Consequently the data may be subject to future revisions.

(b) The ABS defines 'defence' as expenditure on military and civil defence affairs, foreign military aid and defence research. The expenditure of Defence SA is included in 'Economic affairs'.

(c) This denotes a material alignment of the expenses by function data to a United Nations Sustainable Development Goal (SDG) or SDG target. Where there are no expenses by function, no alignment has been presented. There are a total of 17 SDGs. <https://sdgs.un.org/goals>. Not all SDGs have been aligned with the expenses by function data.

Table A.15: General government sector by function

	Sustainable Development Goal Definition	Primary SDG	Secondary SDGs
<b>General public services</b>	<b>Goal 16.</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
<b>Public order and safety</b>	<b>Goal 16.</b> Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels		
	<b>Goal 13.</b> Take urgent action to combat climate change and its impacts		
<b>Economic affairs</b>	<b>Goal 8.</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		
	<b>Goal 2.</b> End hunger, achieve food security and improved nutrition and promote sustainable agriculture		
	<b>Goal 9.</b> Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		
<b>Environmental protection</b>	<b>Goal 15.</b> Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss		
	<b>Goal 3.</b> Ensure healthy lives and promote well-being for all at all ages		
<b>Housing and community amenities</b>	<b>Goal 11.</b> Make cities and human settlements inclusive, safe, resilient and sustainable		
	<b>Goal 6.</b> Ensure availability and sustainable management of water and sanitation for all		
<b>Health</b>	<b>Goal 3.</b> Ensure healthy lives and promote well-being for all at all ages		

	Sustainable Development Goal Definition	Primary SDG	Secondary SDGs
Recreation, culture and religion	Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable		
Education	Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		
Social protection	Goal 10. Reduce inequality within and among countries		
	Goal 5. Achieve gender equality and empower all women and girls		
	Goal 1. End poverty in all its forms everywhere		
Transport	Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable		
	Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		

Following a mapping exercise, the information above presents an alignment of the general government sector expenditure using Classification of the Functions of Government — Australia (COFOG-A) codes with the United Nations Sustainable Development Goals (SDGs). The alignment with a primary or secondary SDG does not indicate that all expenditure within the COFOG-A group or division directly aligns to the SDG presented. The alignment against a primary SDG is an alignment of the largest amount of expenditure by function in the COFOG-A division. The alignment against a secondary SDG indicates material expenditure by function in the COFOG-A division.

Whilst noting SDGs are not mutually exclusive, the interlinked nature of an SDG to another has not been considered for this alignment, with the expenditure aligned to the most compatible SDG, as determined qualitatively.

*The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials. <https://sdgs.un.org/goals>*

## ***Appendix B: General government and non-financial public sector financial statistics time series***

The following tables provide historical data on key fiscal aggregates, together with estimates reflected in the 2026-27 Budget. Data provided is sourced for 1998-99 from the *Australian Bureau of Statistics Government Finance Statistics 2007-08* and for 1999-2000 to 2024-25 from the budget outcome publications for South Australia. The estimates for 2025-26 onwards are contained in the 2026-27 Budget papers.

Gross State Product (GSP) and Consumer Price Index (for real-growth calculations) data up to 2024-25, are both sourced from the latest Australian Bureau of Statistics (ABS) publications. Budget economic forecasts are used for the forward estimates.

Except where specified, historical data in this time series has not been back-cast to reflect classification and accounting changes. Therefore, care must be taken in interpreting the data.

## General government

**Table B.1: General government key operating statement aggregates**

	Revenue			Expenses			Net operating balance \$m	Net acquisition of non-financial assets \$m	Net lending \$m
	\$m	% real growth	% GSP	\$m	% real growth	% GSP			
1998-99	7 290		16.5	7 505		17.0	-215	19	-233
1999-2000	7 644	2.3	16.4	7 974	3.6	17.1	-330	140	-471
2000-01	8 108	3.0	16.3	8 406	2.4	16.9	-297	102	-399
2001-02	8 538	2.1	15.8	8 713	0.5	16.1	-174	-50	-124
2002-03	9 346	5.2	16.3	8 898	-1.8	15.5	448	34	414
2003-04	9 955	3.4	16.5	9 570	4.4	15.8	385	-38	424
2004-05	10 592	3.9	16.8	10 368	5.8	16.4	224	105	119
2005-06	11 242	2.9	16.9	11 040	3.3	16.6	202	119	83
2006-07	11 757	1.9	16.5	11 547	1.9	16.2	209	139	71
2007-08	12 879	6.1	16.7	12 414	4.1	16.1	464	242	222
2008-09	13 531	1.9	16.7	13 764	7.5	17.0	-233	639	-872
2009-10 <sup>(a)</sup>	15 534	12.3	18.3	15 347	9.1	18.1	187	1 279	-1 092
2010-11 <sup>(a)</sup>	15 017	-6.3	16.5	15 069	-4.9	16.5	-53	1 370	-1 422
2011-12	15 905	3.2	17.1	16 164	4.5	17.3	-258	839	-1 098
2012-13	15 333	-5.5	16.1	16 282	-1.3	17.1	-948	55	-1 003
2013-14	15 343	-2.4	15.8	16 415	-1.7	16.9	-1 071	661	-1 733
2014-15	16 549	6.2	16.7	16 738	0.4	16.9	-189	-78	-111
2015-16	17 362	4.0	17.5	17 062	1.1	17.2	300	204	96
2016-17	18 480	4.8	18.0	18 037	4.1	17.6	443	2 814	-2 371
2017-18	19 344	2.3	18.2	19 657	6.6	18.5	-313	665	-977
2018-19	20 514	4.4	18.7	20 225	1.3	18.4	289	638	-348
2019-20 <sup>(b)(c)</sup>	20 332	-2.6	18.3	21 817	6.0	19.6	-1 485	759	-2 244
2020-21 <sup>(c)</sup>	21 638	4.9	18.2	22 200	0.3	18.7	-563	1 204	-1 766
2021-22	23 711	5.1	18.3	24 540	6.0	19.0	-829	1 412	-2 242
2022-23	25 408	-0.7	18.0	25 367	-4.2	18.0	41	1 256	-1 215
2023-24	27 933	4.8	18.6	27 520	3.5	18.3	413	1 591	-1 178
2024-25	30 398	6.2	19.3	30 125	6.9	19.1	273	2 049	-1 776
2025-26	32 668	3.6	19.7	32 479	3.9	19.6	189	2 294	-2 105
2026-27	33 853	0.1	19.6	33 630	0.0	19.5	223	3 570	-3 347
2027-28	34 375	-0.9	19.0	34 091	-1.1	18.9	285	4 237	-3 952
2028-29	35 417	0.5	18.7	35 070	0.4	18.5	348	3 255	-2 908
2029-30	36 651	1.0	18.5	36 324	1.1	18.4	327	3 040	-2 713

Note: Totals may not add due to rounding.

- (a) In 2009-10 and 2010-11, revenues, expenses and net acquisition of non-financial assets are impacted by the Commonwealth Government's Nation Building — Economic Stimulus Plan.
- (b) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases*. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.
- (c) In 2019-20 and 2020-21, revenues, expenses, net operating balance and net lending are impacted by the COVID pandemic and COVID stimulus measures.

**Table B.2: General government key balance sheet aggregates at 30 June (\$million)**

	Net debt <sup>(a)</sup>			Unfunded superannuation \$m <sup>(b)</sup>	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
1988	859						
1989	694						
1990	854						
1991	1 817						
1992	4 610						
1993	7 884						
1994	7 113						
1995	5 815						
1996	5 512						
1997	4 983						
1998	4 762						
1999	4 779	65.6	10.8	3 909	9 733	1 894	10 624
2000	1 920	25.1	4.1	3 543	6 911	2 986	12 445
2001	1 246	15.4	2.5	3 249	6 093	4 091	14 816
2002	1 303	15.3	2.4	3 998	6 907	3 559	14 721
2003	666	7.1	1.2	4 445	6 974	3 500	15 288
2004	224	2.3	0.4	5 668	7 858	3 842	15 760
2005	144	1.4	0.2	7 227	9 393	3 853	16 359
2006	-119	-1.1	-0.2	6 146	8 171	5 846	19 703
2007 <sup>(c)</sup>	-24	-0.2	0.0	5 075	7 254	8 110	22 128
2008 <sup>(d)(e)(f)</sup>	-276	-2.1	-0.4	6 468	8 078	7 580	23 741
2009	475	3.5	0.6	8 939	11 562	5 551	24 146
2010	1 402	9.0	1.7	9 478	13 182	6 551	36 231
2011	2 930	19.5	3.2	9 096	14 313	7 299	40 958
2012 <sup>(g)</sup>	4 165	26.2	4.5	13 523	20 332	1 413	37 199
2013	5 227	34.1	5.5	11 085	19 079	1 742	39 363
2014 <sup>(h)</sup>	7 071	46.1	7.3	10 877	20 761	1 056	39 654
2015 <sup>(i)</sup>	3 929	23.7	4.0	11 358	18 296	1 374	40 121
2016 <sup>(i)</sup>	4 393	25.3	4.4	14 029	21 372	-2 049	37 741
2017	6 110	33.1	6.0	11 448	21 614	-1 990	42 433
2018	5 447	28.2	5.1	11 288	22 816	-2 920	43 085
2019	6 068	29.6	5.5	13 836	26 298	-5 845	41 576
2020 <sup>(k)(l)</sup>	10 537	51.8	9.5	12 474	29 229	-12 494	43 710
2021 <sup>(l)</sup>	13 710	63.4	11.5	9 588	28 456	-11 544	47 006
2022	16 439	69.3	12.7	7 065	28 219	-8 548	52 478
2023 <sup>(l)</sup>	17 711	69.7	12.5	7 518	30 880	-10 315	55 920
2024 <sup>(e)</sup>	19 322	69.2	12.9	6 893	32 628	-10 404	61 639
2025	21 652	71.2	13.7	6 601	34 896	-12 331	66 002
2026	24 226	74.2	14.6	5 448	36 484	-13 593	67 072
2027	28 842	85.2	16.7	4 959	40 499	-17 093	67 470
2028	33 417	97.2	18.5	4 423	44 834	-20 997	67 852

	Net debt <sup>(a)</sup>			Unfunded superannuation \$m <sup>(b)</sup>	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
2029	37 274	105.2	19.7	3 839	48 029	-24 098	68 067
2030	40 853	111.5	20.7	3 198	50 977	-26 967	68 253

Note: Totals may not add due to rounding.

- (a) Net debt data for the years before 1999 are sourced from ABS, Government Financial Estimates 2003-04 (catalogue number 5501).
- (b) There is a structural break in the methodology used to calculate superannuation liabilities between June 2003 and June 2004. This accounting change, which involved the adoption of the Commonwealth Government bond rate for valuation purposes in line with AASB 119 *Employee Benefits*, resulted in a significant increase in superannuation liabilities.
- (c) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAICORP on 1 July 2006. The transfer of SAICORP's assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in general government net debt of \$99 million at 1 July 2006 and an increase in net financial liabilities of \$90 million at 1 July 2006.
- (d) There is a structural break in 2008 reflecting the transfer of rail assets from TransAdelaide to the general government sector. This resulted in an increase in net debt and net financial liabilities of \$66 million in 2007-08, and a reduction in net financial worth of \$591 million, with no impact on net worth.
- (e) There is a structural break in 2008 reflecting the transfer of assets from the Adelaide Festival Centre Trust to the general government sector. This resulted in an increase in net debt and net financial liabilities of \$28 million in 2007-08, and a reduction in net financial worth of \$76 million, with no impact on net worth. These assets were transferred back from the general government sector to the Adelaide Festival Centre Trust and Renewal SA in 2023-24. This resulted in a decrease in net debt of \$141 million, and a reduction in net worth of \$195 million for the general government sector.
- (f) There is a structural break in 2008 reflecting the first-time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This had no impact on net debt, however resulted in a reduction in net financial liabilities of \$615 million in 2007-08, and an increase in net financial worth and net worth of \$615 million.
- (g) There is a structural break in 2012 reflecting the transfer of the Rail Commissioner to the general government sector. This resulted in a reduction in net debt of \$6 million, an increase in net financial liabilities of \$37 million, and a reduction in net financial worth of \$144 million in 2011-12, with no impact on net worth.
- (h) There is a structural break in 2014 reflecting the transfer of the Lotteries Commission of South Australia (SA Lotteries) to the general government sector. This resulted in a reduction in net debt of \$46 million, a reduction in net financial liabilities of \$1 million, with no impact on net worth.
- (i) There is a structural break in 2015 reflecting the government's decision to reduce its equity in SA Water. This resulted in a once-off \$2.7 billion return of capital to the Consolidated Account in 2014-15. The restructure resulted in a reduction in distributions paid to government partially offset by increased guarantee fees payable and lower borrowing costs.
- (j) There is a structural break in 2016 reflecting the transfer of the South Australian Motor Sport Board to the general government sector. This resulted in an increase in net financial liabilities of \$3 million, and a reduction in net financial worth of \$12 million in 2015-16, with no impact on net worth. The SA Motor Sport Board recommenced operation in September 2022 as a new public non-financial corporation under the *South Australian Motor Sport Act 1984* to promote motorsport in South Australia including responsibility for holding the Adelaide 500 event each year from 2022.
- (k) There is a structural break in 2020 reflecting the changes to accounting standards for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases*. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.
- (l) In 2019-20 and 2020-21 net debt, net financial liabilities, net financial worth and net worth are impacted by the COVID pandemic and COVID stimulus measures.

**Table B.3: General government sector receipts, payments and surplus (\$million)<sup>(a)</sup>**

	Receipts	Payments	Cash surplus
1979-80	1 891	1 671	220
1980-81	2 065	1 917	148
1981-82	2 210	2 122	87
1982-83	2 664	2 507	156
1983-84	2 988	2 734	255
1984-85	3 380	3 057	324
1985-86	3 634	3 161	474
1986-87	3 956	3 416	540
1987-88	4 307	3 858	449
1988-89	4 630	3 977	653
1989-90	4 973	4 370	603
1990-91	5 260	4 796	463
1991-92	5 387	5 396	-10
1992-93	5 967	5 456	512
1993-94	6 087	6 024	63
1994-95	6 155	6 220	-66
1995-96	6 405	6 164	241
1996-97	6 379	6 282	97
1997-98	6 988	6 724	264
1998-99	7 165	7 041	123
1999-2000	7 676	7 915	-239
2000-01	8 278	8 387	-108
2001-02	8 698	8 748	-50
2002-03	9 522	8 864	658
2003-04	10 023	9 502	522
2004-05	11 252	11 059	193
2005-06	11 480	11 293	187
2006-07	12 090	12 116	-26
2007-08	12 932	12 552	379
2008-09	13 579	14 299	-721
2009-10	15 837	16 991	-1 154
2010-11	15 331	16 851	-1 520
2011-12	16 556	17 594	-1 038
2012-13	16 489	17 655	-1 166
2013-14	15 434	17 232	-1 797
2014-15	16 768	16 652	116
2015-16	17 144	17 357	-213
2016-17	19 338	21 566	-2 228
2017-18	21 384	20 682	702
2018-19 <sup>(b)</sup>	20 570	20 919	-348
2019-20 <sup>(c)</sup>	20 256	22 843	-2 586
2020-21	20 693	23 402	-2 709
2021-22	24 060	26 326	-2 265
2022-23	25 790	26 544	-754

	Receipts	Payments	Cash surplus
2023-24	28 449	29 245	-796
2024-25	30 494	32 376	-1 881
2025-26	32 731	34 895	-2 165
2026-27	33 769	37 591	-3 822
2027-28	34 661	38 219	-3 558
2028-29	35 355	38 749	-3 394
2029-30	36 432	39 606	-3 175

Note: Totals may not add due to rounding.

- (a) There is a break in the series between 1998-99 and 1999-2000. Data for the years before 1999-2000 are sourced from the ABS and are consistent with ABS GFS reporting requirements on a cash basis. Capital receipts and payments, including payments associated with the provision of financial support for state owned financial institutions (which were treated by the ABS then as an 'investment in financial assets for policy purposes') are not included in the series before 1999-2000. After 1998-99, data is derived from an accrual ABS GFS reporting framework, with receipts proxied by receipts from operating activities and sales of non-financial assets, and payments proxied by payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases and similar arrangements. Due to the associated methodological and data-source changes, time series data that encompass measures derived under both cash and accrual accounting should be used with caution.
- (b) There is a structural break in 2018-19 reflecting the derivation of cash surplus. The ABS GFS cash surplus definition has been updated in 2018-19 to align with the previous cash surplus definition under the 2008 UPF to no longer include finance leases.
- (c) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases*. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.

Table B.4: General government sector operating statement (\$million)<sup>(a)</sup>

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<b>Revenue</b>										
Taxation revenue	4 865	5 513	5 866	6 575	7 121	7 583	7 916	8 193	8 476	8 771
Grants	12 150	13 407	14 323	15 445	17 021	18 531	18 998	19 141	19 721	20 493
Sales of goods and services	2 804	2 991	3 062	3 390	3 707	3 806	3 951	4 012	4 139	4 257
Interest income	37	25	341	480	482	481	671	716	744	780
Dividend and income tax equivalent income	250	207	214	435	372	437	420	428	327	288
Other	1 533	1 568	1 602	1 610	1 694	1 831	1 896	1 885	2 010	2 062
<b>Total revenue</b>	<b>21 638</b>	<b>23 711</b>	<b>25 408</b>	<b>27 933</b>	<b>30 398</b>	<b>32 668</b>	<b>33 853</b>	<b>34 375</b>	<b>35 417</b>	<b>36 651</b>
<b>less Expenses</b>										
Employee expenses	8 989	9 405	9 735	10 201	10 911	11 930	12 363	12 837	13 218	13 577
Superannuation expenses										
Superannuation interest cost	183	188	269	306	297	271	241	217	192	164
Other superannuation expenses	858	921	1 016	1 119	1 237	1 397	1 481	1 536	1 582	1 625
Depreciation and amortisation	1 414	1 447	1 516	1 586	1 708	1 827	1 865	1 925	1 996	2 066
Interest expenses	442	505	975	1 225	1 381	1 504	1 979	2 297	2 632	2 928
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	7 303	8 256	8 496	9 227	10 164	10 491	11 111	10 665	10 846	11 247
Grants	3 011	3 818	3 361	3 857	4 427	5 059	4 591	4 613	4 604	4 718
<b>Total expenses</b>	<b>22 200</b>	<b>24 540</b>	<b>25 367</b>	<b>27 520</b>	<b>30 125</b>	<b>32 479</b>	<b>33 630</b>	<b>34 091</b>	<b>35 070</b>	<b>36 324</b>
<i>equals</i> Net operating balance	-563	-829	41	413	273	189	223	285	348	327
<i>plus</i> Other economic flows	3 858	6 128	3 402	5 454	4 036	881	175	98	-133	-141
<i>equals</i> Comprehensive result — total change in net worth <sup>(b)</sup>	3 296	5 299	3 443	5 867	4 309	1 070	398	382	214	186
<b>Net operating balance</b>	<b>-563</b>	<b>-829</b>	<b>41</b>	<b>413</b>	<b>273</b>	<b>189</b>	<b>223</b>	<b>285</b>	<b>348</b>	<b>327</b>
<i>less</i> Net acquisition of non-financial assets										
Purchases of non-financial assets	2 821	2 981	2 861	3 525	3 924	4 221	5 812	6 252	5 483	5 168
<i>less</i> Sales of non-financial assets	200	124	90	340	168	116	360	90	232	63

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<i>less</i> Depreciation	1 414	1 447	1 516	1 586	1 708	1 827	1 865	1 925	1 996	2 066
<i>plus</i> Change in inventories	-4	2	—	-9	1	16	-16	—	—	—
<i>plus</i> Other movements in non-financial assets	—	—	—	—	—	—	—	—	—	—
<b><i>equals</i> Total net acquisition of non-financial assets</b>	<b>1 204</b>	<b>1 412</b>	<b>1 256</b>	<b>1 591</b>	<b>2 049</b>	<b>2 294</b>	<b>3 570</b>	<b>4 237</b>	<b>3 255</b>	<b>3 040</b>
<b><i>equals</i> Net lending/borrowing</b>	<b>-1 766</b>	<b>-2 242</b>	<b>-1 215</b>	<b>-1 178</b>	<b>-1 776</b>	<b>-2 105</b>	<b>-3 347</b>	<b>-3 952</b>	<b>-2 908</b>	<b>-2 713</b>

Note: Totals may not add due to rounding.

(a) In 2020-21, revenues, expenses, net operating balance and net lending are impacted by the COVID pandemic and COVID stimulus measures.

(b) Comprehensive result excludes transactions with owners in their capacity as owners.

Table B.5: General government sector balance sheet at 30 June (\$million)<sup>(a)</sup>

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Assets</b>										
<b>Financial assets</b>										
Cash and deposits	11 171	10 979	10 987	11 152	11 875	12 687	14 662	15 058	15 661	16 585
Advances paid	145	107	132	142	114	264	529	692	755	801
Investments, loans and placements	643	667	701	668	1 064	1 063	1 060	1 055	1 047	1 040
Receivables	3 022	2 977	2 348	2 130	2 294	2 426	2 605	2 775	2 940	3 106
<b>Equity</b>										
Investments in other public sector entities	16 912	19 671	20 565	22 224	22 566	22 892	23 406	23 837	23 930	24 010
Investments — other	90	103	108	116	131	131	131	131	131	131
Other financial assets	—	—	—	—	—	—	—	—	—	—
<b>Total financial assets</b>	<b>31 984</b>	<b>34 503</b>	<b>34 840</b>	<b>36 432</b>	<b>38 044</b>	<b>39 462</b>	<b>42 392</b>	<b>43 547</b>	<b>44 463</b>	<b>45 673</b>
<b>Non-financial assets</b>										
Land and other fixed assets	58 384	60 868	66 102	71 898	78 040	80 402	84 013	88 290	91 587	94 669
Other non-financial assets	166	158	134	145	292	262	550	559	578	550
<b>Total non-financial assets</b>	<b>58 550</b>	<b>61 026</b>	<b>66 235</b>	<b>72 043</b>	<b>78 332</b>	<b>80 664</b>	<b>84 563</b>	<b>88 850</b>	<b>92 165</b>	<b>95 219</b>
<b>Total assets</b>	<b>90 533</b>	<b>95 529</b>	<b>101 075</b>	<b>108 475</b>	<b>116 376</b>	<b>120 126</b>	<b>126 955</b>	<b>132 396</b>	<b>136 628</b>	<b>140 892</b>
<b>Liabilities</b>										
Deposits held	286	541	529	342	332	286	344	456	466	476
Advances received										
Borrowing	25 384	27 651	29 002	30 943	34 374	37 954	44 748	49 765	54 271	58 803
Superannuation	9 588	7 065	7 518	6 893	6 601	5 448	4 959	4 423	3 839	3 198
Other employee benefits	3 295	2 965	2 983	3 512	3 778	3 894	4 058	4 011	4 109	4 266
Payables <sup>(d)</sup>	1 596	1 562	1 592	1 542	1 624	1 620	1 624	1 632	1 637	1 644
Other liabilities	3 379	3 267	3 531	3 604	3 665	3 852	3 752	4 257	4 241	4 252
<b>Total liabilities</b>	<b>43 528</b>	<b>43 051</b>	<b>45 155</b>	<b>46 836</b>	<b>50 375</b>	<b>53 054</b>	<b>59 485</b>	<b>64 544</b>	<b>68 562</b>	<b>72 639</b>

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Net worth</b>	<b>47 006</b>	<b>52 478</b>	<b>55 920</b>	<b>61 639</b>	<b>66 002</b>	<b>67 072</b>	<b>67 470</b>	<b>67 852</b>	<b>68 067</b>	<b>68 253</b>
Net financial worth	-11 544	-8 548	-10 315	-10 404	-12 331	-13 593	-17 093	-20 997	-24 098	-26 967
Net financial liabilities	28 456	28 219	30 880	32 628	34 896	36 484	40 499	44 834	48 029	50 977
Net debt	13 710	16 439	17 711	19 322	21 652	24 226	28 842	33 417	37 274	40 853

Note: Totals may not add due to rounding.  
(a) In 2020-21, net debt, net financial liabilities, net financial worth and net worth are impacted by the COVID pandemic and COVID stimulus measures.

## Non-financial public sector

**Table B.6: Non-financial public sector key operating statement aggregates**

	Revenue			Expenses			Net operating balance \$m	Net acquisition of non-financial assets \$m	Net lending \$m
	\$m	% real growth	% GSP	\$m	% real growth	% GSP			
1998-99	9 468		21.4	9 597		21.7	-129	-115	-14
1999-2000	9 206	-5.2	19.8	9 552	-2.9	20.5	-346	-3 508	3 161
2000-01	9 051	-4.5	18.2	9 279	-5.7	18.7	-228	-1 111	883
2001-02	9 367	0.3	17.3	9 487	-0.9	17.6	-120	-124	5
2002-03	10 172	4.4	17.7	9 696	-1.7	16.9	476	72	405
2003-04	10 707	2.2	17.7	10 294	3.1	17.0	413	33	379
2004-05	11 343	3.5	18.0	11 029	4.6	17.5	314	125	189
2005-06	11 807	0.9	17.7	11 634	2.3	17.5	172	53	119
2006-07	12 321	1.7	17.3	12 175	2.0	17.1	147	173	-26
2007-08	13 634	7.1	17.7	13 065	3.9	17.0	569	303	266
2008-09	14 360	2.1	17.7	14 567	8.1	18.0	-207	1 249	-1 456
2009-10 <sup>(a)</sup>	16 315	11.2	19.2	15 679	5.3	18.5	636	2 361	-1 725
2010-11 <sup>(a)</sup>	15 960	-5.2	17.5	15 939	-1.5	17.5	21	1 920	-1 898
2011-12	16 866	3.0	18.1	16 908	3.3	18.1	-41	1 383	-1 424
2012-13	16 494	-4.1	17.4	17 152	-0.6	18.0	-657	64	-721
2013-14	16 399	-3.1	16.9	17 627	0.2	18.1	-1 229	715	-1 944
2014-15	17 651	6.0	17.9	17 965	0.4	18.2	-314	-198	-116
2015-16	18 461	3.7	18.6	18 310	1.0	18.4	151	205	-54
2016-17	19 447	3.8	19.0	19 228	3.4	18.7	219	3 359	-3 140
2017-18	20 384	2.5	19.2	20 768	5.6	19.6	-384	728	-1 112
2018-19	21 633	4.5	19.7	21 062	-0.1	19.2	571	830	-259
2019-20 <sup>(b)(c)</sup>	21 373	-2.9	19.2	23 322	8.8	21.0	-1 949	557	-2 506
2020-21 <sup>(c)</sup>	22 759	4.9	19.1	23 691	0.1	19.9	-932	1 414	-2 346
2021-22	25 019	5.5	19.3	26 152	5.9	20.2	-1 132	1 374	-2 506
2022-23	26 627	-1.4	18.8	26 936	-4.6	19.1	-309	1 471	-1 781
2023-24	29 269	4.8	19.5	29 153	3.2	19.4	116	2 417	-2 301
2024-25	31 908	6.4	20.2	31 915	6.9	20.2	-7	2 857	-2 864
2025-26	34 230	3.4	20.6	34 476	4.1	20.8	-247	3 428	-3 675
2026-27	35 560	0.4	20.6	35 553	-0.4	20.6	7	4 778	-4 771
2027-28	36 623	0.5	20.3	36 641	0.5	20.3	-18	4 491	-4 510
2028-29	37 334	-0.5	19.7	37 525	-0.1	19.8	-191	3 721	-3 911
2029-30	38 413	0.4	19.4	38 599	0.4	19.5	-186	3 740	-3 926

Note: Totals may not add due to rounding.

- (a) In 2009-10 and 2010-11, revenues, expenses and net acquisition of non-financial assets are impacted by the Commonwealth Government's Nation Building — Economic Stimulus Plan.
- (b) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases*. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.
- (c) In 2019-20 and 2020-21, revenues, expenses, net operating balance and net lending are impacted by the COVID pandemic and COVID stimulus measures.

**Table B.7: Non-financial public sector key balance sheet aggregates at 30 June (\$million)**

	Net debt <sup>(a)</sup>			Unfunded superannuation \$m <sup>(b)</sup>	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
1988	4 397						
1989	4 197						
1990	4 457						
1991	5 418						
1992	8 142						
1993	11 610						
1994	10 550						
1995	8 844						
1996	8 432						
1997	8 170						
1998	7 927						
1999	7 657	80.9	17.3	3 909	13 099	-12 256	10 624
2000	4 355	47.3	9.4	3 543	9 914	-8 986	12 445
2001	3 223	35.6	6.5	3 249	8 151	-7 109	14 816
2002	3 317	35.4	6.1	3 998	8 973	-7 902	14 721
2003	2 696	26.5	4.7	4 445	9 096	-8 811	15 288
2004	2 285	21.3	3.8	5 668	10 031	-9 550	15 760
2005	2 126	18.7	3.4	7 227	11 511	-11 004	16 359
2006	1 786	15.1	2.7	6 146	10 451	-9 889	19 703
2007 <sup>(c)</sup>	1 989	16.1	2.8	5 075	9 518	-8 795	22 128
2008 <sup>(d)(e)</sup>	1 611	11.8	2.1	6 468	10 208	-10 487	23 741
2009	2 872	20.0	3.6	8 939	14 302	-14 921	24 146
2010	4 487	27.5	5.3	9 478	16 626	-16 997	36 231
2011	6 541	41.0	7.2	9 096	18 273	-18 402	40 958
2012	7 996	47.4	8.6	13 523	24 500	-25 123	37 199
2013	8 949	54.3	9.4	11 085	23 064	-23 223	39 363
2014	10 964	66.9	11.3	10 877	24 811	-24 080	39 654
2015	10 676	60.5	10.8	11 358	25 167	-23 750	40 121
2016	10 912	59.1	11.0	14 029	28 281	-27 355	37 741
2017	13 529	69.6	13.2	11 448	29 200	-28 042	42 433
2018	12 950	63.5	12.2	11 288	30 564	-29 523	43 085
2019	13 084	60.5	11.9	13 836	33 744	-32 930	41 576
2020 <sup>(f)(g)</sup>	17 452	81.7	15.7	12 474	37 828	-38 599	43 710
2021 <sup>(g)</sup>	21 169	93.0	17.8	9 588	37 496	-38 394	47 006
2022	23 948	95.7	18.5	7 065	37 134	-35 060	52 478
2023	25 595	96.1	18.1	7 518	39 590	-37 365	55 920
2024	27 920	95.4	18.6	6 893	41 792	-39 389	61 639
2025	30 868	96.7	19.6	6 601	44 825	-43 796	66 002
2026	34 687	101.3	20.9	5 448	47 750	-46 559	67 072
2027	40 265	113.2	23.3	4 959	52 826	-51 615	67 471
2028	44 865	122.5	24.8	4 423	57 369	-56 146	67 853

	Net debt <sup>(a)</sup>			Unfunded superannuation \$m <sup>(b)</sup>	Net financial liabilities \$m	Net financial worth \$m	Net worth \$m
	\$m	% of revenue	% of GSP				
2029	49 295	132.0	26.1	3 839	61 301	-60 074	68 067
2030	53 654	139.7	27.1	3 198	65 208	-63 984	68 253

Note: Totals may not add due to rounding.

- (a) Net debt data for the years before 1999 is sourced from ABS, *Government Financial Estimates 2003-04* (catalogue number 5501).
- (b) There is a structural break in the methodology used to calculate superannuation liabilities between June 2003 and June 2004. This accounting change, which involved the adoption of the Commonwealth Government bond rate for valuation purposes in line with AASB 119 *Employee Benefits*, resulted in a significant increase in superannuation liabilities.
- (c) There is a structural break in 2007 reflecting the amalgamation of SAFA and SAicorp on 1 July 2006. The transfer of SAicorp's assets and liabilities from the general government sector to the public financial corporations sector resulted in an increase in non-financial public sector net debt of \$99 million at 1 July 2006 and an increase in net financial liabilities of \$90 million at 1 July 2006.
- (d) There is a structural break in 2008 reflecting the amalgamation of the public financial corporation, South Australian Community Housing Authority with the public-non financial corporation South Australian Housing Authority. This resulted in an increase in net debt and net financial liabilities and a decrease in net financial worth of \$98 million in 2007-08, with no impact on net worth.
- (e) There is a structural break in 2008 reflecting the first time recognition on the general government balance sheet of South Australia's share of the net assets of the Murray-Darling Basin Commission. This had no impact on net debt, however resulted in a reduction in net financial liabilities of \$615 million in 2007-08 and increases in net financial worth and net worth of \$615 million.
- (f) There is a structural break in 2020 reflecting the changes to accounting standards for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases*. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.
- (g) In 2019-20 and 2020-21 net debt, net financial liabilities, net financial worth and net worth are impacted by the COVID pandemic and COVID stimulus measures.

**Table B.8: Non-financial public sector receipts, payments and surplus (\$million)<sup>(a)</sup>**

	Receipts	Payments	Cash surplus
1979-80	2 681	2 388	292
1980-81	2 877	2 649	228
1981-82	3 145	2 963	182
1982-83	3 651	3 356	295
1983-84	4 383	4 014	369
1984-85	4 887	4 356	531
1985-86	5 172	4 415	757
1986-87	5 542	4 790	752
1987-88	6 078	5 299	780
1988-89	6 946	5 784	1 162
1989-90	7 517	6 465	1 052
1990-91	7 830	6 839	991
1991-92	8 352	7 969	383
1992-93	8 939	7 946	993
1993-94	8 761	8 119	642
1994-95	8 570	8 142	428
1995-96	8 985	8 654	331
1996-97	8 908	8 532	375
1997-98	9 426	8 895	532
1998-99	9 301	8 692	609
1999-2000	13 014	9 501	3 513
2000-01	10 572	9 414	1 158
2001-02	9 726	9 722	4
2002-03	10 439	9 805	634
2003-04	10 891	10 403	488
2004-05	12 051	11 786	265
2005-06	12 239	11 868	370
2006-07	12 684	12 809	-125
2007-08	13 943	13 477	466
2008-09	14 563	15 806	-1 243
2009-10	16 847	18 695	-1 849
2010-11	16 548	18 553	-2 004
2011-12	17 431	18 863	-1 432
2012-13	17 814	19 133	-1 319
2013-14	16 640	18 647	-2 007
2014-15	17 841	17 896	-55
2015-16	18 485	18 623	-138
2016-17	19 593	22 779	-3 186
2017-18	22 532	21 904	629
2018-19 <sup>(b)</sup>	21 860	21 888	-28
2019-20 <sup>(c)</sup>	20 969	24 044	-3 074
2020-21	21 558	24 967	-3 409
2021-22	25 438	28 056	-2 618
2022-23	27 117	28 370	-1 254

	Receipts	Payments	Cash surplus
2023-24	29 554	31 427	-1 873
2024-25	31 941	34 742	-2 801
2025-26	34 443	38 199	-3 756
2026-27	35 529	40 795	-5 266
2027-28	37 150	41 204	-4 054
2028-29	37 534	41 883	-4 348
2029-30	38 442	42 765	-4 322

Note: Totals may not add due to rounding.

- (a) There is a break in the series between 1998-99 and 1999-2000. Data for the years before 1999-2000 is sourced from the ABS and is consistent with ABS GFS reporting requirements on a cash basis. Capital receipts and payments, including payments associated with the provision of financial support for state owned financial institutions, which were treated by the ABS then as an 'investment in financial assets for policy purposes', are not included in the series before 1999-2000. After 1998-99, data is derived from an accrual ABS GFS reporting framework, with receipts proxied by receipts from operating activities and sales of non-financial assets, and payments proxied by payments for operating activities, purchases of non-financial assets and net acquisition of assets under finance leases and similar arrangements. Due to the associated methodological and data-source changes, time series data that encompass measures derived under both cash and accrual accounting should be used with caution.
- (b) There is a structural break in 2018-19 reflecting the derivation of cash surplus. The ABS GFS cash surplus definition has been updated in 2018-19 to align with the previous cash surplus definition under the 2008 UPF to no longer include finance leases.
- (c) There is a structural break in 2019-20 reflecting the changes to accounting standards for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities*, and AASB 16 *Leases*. Additional presentation changes have also been applied from 2019-20 to achieve full compliance with UPF. These changes do not have a significant impact on the key budget indicators. They largely relate to certain assets no longer being offset by related liabilities, and certain revenues no longer being offset by related expenses.

Table B.9: Non-financial public sector operating statement (\$million)<sup>(a)</sup>

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<b>Revenue</b>										
Taxation revenue	4 680	5 321	5 654	6 326	6 833	7 262	7 585	7 853	8 128	8 415
Grants	12 154	13 409	14 330	15 446	17 022	18 529	18 998	19 148	19 724	20 497
Sales of goods and services	4 132	4 448	4 537	5 105	5 567	5 705	5 899	6 505	6 381	6 311
Interest income	32	28	355	494	499	500	695	739	765	797
Dividend and income tax equivalent income	125	144	58	173	143	106	100	91	89	90
Other	1 637	1 670	1 693	1 726	1 844	2 129	2 284	2 287	2 246	2 303
<b>Total revenue</b>	<b>22 759</b>	<b>25 019</b>	<b>26 627</b>	<b>29 269</b>	<b>31 908</b>	<b>34 230</b>	<b>35 560</b>	<b>36 623</b>	<b>37 334</b>	<b>38 413</b>
<b>less Expenses</b>										
Employee expenses	9 249	9 673	10 021	10 512	11 251	12 258	12 691	13 171	13 557	13 921
Superannuation expenses										
Superannuation interest cost	183	188	269	306	297	271	241	217	192	164
Other superannuation expenses	887	954	1 051	1 159	1 298	1 443	1 527	1 584	1 631	1 674
Depreciation and amortisation	1 921	1 964	2 046	2 085	2 213	2 409	2 454	2 516	2 638	2 710
Interest expenses	665	707	1 188	1 455	1 674	1 848	2 402	2 786	3 165	3 508
Other property expenses	—	—	—	—	—	—	—	—	—	—
Other operating expenses	7 948	9 029	9 263	10 085	11 169	11 603	12 269	12 253	12 108	12 285
Grants	2 837	3 637	3 098	3 551	4 013	4 645	3 969	4 115	4 234	4 337
<b>Total expenses</b>	<b>23 691</b>	<b>26 152</b>	<b>26 936</b>	<b>29 153</b>	<b>31 915</b>	<b>34 476</b>	<b>35 553</b>	<b>36 641</b>	<b>37 525</b>	<b>38 599</b>
<i>equals</i> Net operating balance	-932	-1 132	-309	116	-7	-247	7	-18	-191	-186
<i>plus</i> Other economic flows	4 228	6 431	3 752	5 752	4 315	1 317	391	401	405	372
<i>equals</i> Comprehensive result — total change in net worth <sup>(b)</sup>	3 296	5 299	3 443	5 867	4 309	1 071	399	382	214	186
<b>Net operating balance</b>	<b>-932</b>	<b>-1 132</b>	<b>-309</b>	<b>116</b>	<b>-7</b>	<b>-247</b>	<b>7</b>	<b>-18</b>	<b>-191</b>	<b>-186</b>
<b>less Net acquisition of non-financial assets</b>										
Purchases of non-financial assets	3 498	3 602	3 607	4 532	5 183	6 111	7 650	7 712	6 985	6 724
less Sales of non-financial assets	255	196	222	173	210	348	488	325	484	285

	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<i>less</i> Depreciation	1 921	1 964	2 046	2 085	2 213	2 409	2 454	2 516	2 638	2 710
<i>plus</i> Change in inventories	92	-68	132	143	97	73	70	-380	-143	10
<i>plus</i> Other movements in non-financial assets	—	—	—	—	—	—	—	—	—	—
<b><i>equals</i> Total net acquisition of non-financial assets</b>	<b>1 414</b>	<b>1 374</b>	<b>1 471</b>	<b>2 417</b>	<b>2 857</b>	<b>3 428</b>	<b>4 778</b>	<b>4 491</b>	<b>3 721</b>	<b>3 740</b>
<b><i>equals</i> Net lending/borrowing</b>	<b>-2 346</b>	<b>-2 506</b>	<b>-1 781</b>	<b>-2 301</b>	<b>-2 864</b>	<b>-3 675</b>	<b>-4 771</b>	<b>-4 510</b>	<b>-3 911</b>	<b>-3 926</b>

Note: Totals may not add due to rounding.

(a) In 2020-21, revenues, expenses, net operating balance and net lending are impacted by the COVID pandemic and COVID stimulus measures.

(b) Comprehensive result excludes transactions with owners in their capacity as owners.

Table B.10: Non-financial public sector balance sheet at 30 June (\$million)<sup>(a)</sup>

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Assets</b>										
<b>Financial assets</b>										
Cash and deposits	11 691	11 320	11 168	11 267	11 982	12 795	14 776	15 181	15 792	16 724
Advances paid	112	107	146	163	134	284	548	711	774	821
Investments, loans and placements	514	551	591	577	987	997	1 004	1 014	1 023	1 030
Receivables	1 782	1 863	1 818	1 931	2 076	2 125	2 215	2 213	2 221	2 218
<b>Equity</b>										
Investments in other public sector entities	-898	2 074	2 225	2 402	1 029	1 191	1 212	1 223	1 227	1 224
Investments — other	102	113	119	127	142	142	142	142	142	142
Other financial assets	2	—	—	—	—	—	—	—	—	—
<b>Total financial assets</b>	<b>13 305</b>	<b>16 028</b>	<b>16 067</b>	<b>16 467</b>	<b>16 350</b>	<b>17 534</b>	<b>19 897</b>	<b>20 484</b>	<b>21 180</b>	<b>22 160</b>
<b>Non-financial assets</b>										
Land and fixed assets	85 225	87 362	93 134	100 853	109 473	113 342	118 515	123 424	127 554	131 684
Other non-financial assets	175	176	152	176	325	289	571	574	587	553
<b>Total non-financial assets</b>	<b>85 400</b>	<b>87 538</b>	<b>93 286</b>	<b>101 029</b>	<b>109 798</b>	<b>113 631</b>	<b>119 086</b>	<b>123 999</b>	<b>128 141</b>	<b>132 237</b>
<b>Total assets</b>	<b>98 705</b>	<b>103 565</b>	<b>109 353</b>	<b>117 496</b>	<b>126 148</b>	<b>131 165</b>	<b>138 983</b>	<b>144 483</b>	<b>149 321</b>	<b>154 397</b>
<b>Liabilities</b>										
Deposits held	134	196	195	187	159	159	160	160	161	161
Advances received	—	—	—	—	—	—	—	—	—	—
Borrowing	33 352	35 730	37 306	39 741	43 811	48 602	56 434	61 611	66 723	72 068
Superannuation	9 588	7 065	7 518	6 893	6 601	5 448	4 959	4 423	3 839	3 198
Other employee benefits	3 390	3 053	3 067	3 608	3 884	4 004	4 173	4 132	4 234	4 397
Payables	1 874	1 826	1 848	1 878	2 055	2 054	2 056	2 062	2 064	2 070
Other liabilities	3 360	3 218	3 499	3 550	3 636	3 824	3 731	4 242	4 232	4 250
<b>Total liabilities</b>	<b>51 699</b>	<b>51 087</b>	<b>53 433</b>	<b>55 857</b>	<b>60 146</b>	<b>64 093</b>	<b>71 512</b>	<b>76 630</b>	<b>81 254</b>	<b>86 144</b>

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Net worth</b>	<b>47 006</b>	<b>52 478</b>	<b>55 920</b>	<b>61 639</b>	<b>66 002</b>	<b>67 072</b>	<b>67 471</b>	<b>67 853</b>	<b>68 067</b>	<b>68 253</b>
Net financial worth	-38 394	-35 060	-37 365	-39 389	-43 796	-46 559	-51 615	-56 146	-60 074	-63 984
Net financial liabilities	37 496	37 134	39 590	41 792	44 825	47 750	52 826	57 369	61 301	65 208
Net debt	21 169	23 948	25 595	27 920	30 868	34 687	40 265	44 865	49 295	53 654

Note: Totals may not add due to rounding.

(a) In 2020-21, net debt, net financial liabilities, net financial worth and net worth are impacted by the COVID pandemic and COVID stimulus measures.

## Appendix C: Consolidated Account

Table C.1: Summary of receipts and payments

	2026-27 Budget \$000	2025-26 Estimated Result \$000	2025-26 Budget \$000
<b>Receipts</b>			
Taxation	7 167 402	6 850 481	6 571 683
Commonwealth general purpose grants	10 186 053	9 891 855	9 529 044
Commonwealth specific purpose grants	248 091	242 590	243 682
Commonwealth National Partnership payments	190 952	101 916	19 011
Contributions from state undertakings	383 245	406 101	315 170
Fees and charges	966 444	886 343	884 925
Recoveries	250 007	884 785	76 654
Royalties	510 015	494 724	457 611
Other receipts	605 849	462 694	399 741
<b>Total receipts</b>	<b>20 508 058</b>	<b>20 221 489</b>	<b>18 497 521</b>
<b>Payments</b>			
Appropriation Act	27 147 656	23 842 714	23 824 281
Specific appropriation authorised in various Acts	151 026	154 095	147 366
<b>Total payments</b>	<b>27 298 682</b>	<b>23 996 809</b>	<b>23 971 647</b>
Consolidated Account financing requirement	6 790 624	3 775 320	5 474 126
Borrowing from (+) repayment to (-) South Australian Government Financing Authority	6 790 624	3 775 320	5 474 126
Note: Totals may not add due to rounding.			

**Table C.2: Estimates of payments**

	2026-27 Budget	2025-26 Estimated Result	2025-26 Budget
	\$000	\$000	\$000
<b>Payments from Appropriation Act</b>			
Attorney-General's Department	158 871	155 896	155 240
Administered Items for the Attorney-General's Department	101 435	93 396	90 903
Audit Office of South Australia	21 348	20 033	20 037
Commission on Excellence and Innovation in Health	7 290	6 944	7 414
Courts Administration Authority	108 531	101 715	102 134
Defence SA	20 154	20 908	20 909
Department for Child Protection	1 003 589	959 311	883 187
Administered Items for the Department for Child Protection	—	—	110
Department for Correctional Services	589 920	505 470	488 712
Department for Education	3 994 011	3 576 683	3 645 914
Administered Items for the Department for Education	725 426	590 725	611 862
Department for Energy and Mining	89 509	67 745	68 285
Department for Environment and Water	193 405	175 887	192 478
Administered Items for the Department for Environment, Water	35 193	23 540	33 270
Department for Health and Wellbeing	7 171 164	6 867 827	6 574 901
Department for Housing and Urban Development	146 377	129 696	106 787
Administered Items for Department for Housing and Urban Development	4 977	4 854	5 003
Department of Human Services	405 294	352 056	352 792
Administered Items for the Department of Human Services	1 219 091	1 167 059	1 167 059
Department for Infrastructure and Transport	2 306 248	1 857 022	1 880 745
Administered Items for the Department for Infrastructure and Transport	141 018	141 686	141 722
Department of the Premier and Cabinet	422 564	545 708	508 394
Administered Items for the Department of the Premier and Cabinet	54 230	30 715	27 324
Department of Primary Industries and Regions	305 756	241 930	173 822
Administered Items for the Department of Primary Industries and Regions	4 888	4 769	4 769
Department of State Development	488 899	515 322	479 748
Administered Items for the Department of State Development	22 563	24 684	23 810
Department of Treasury and Finance	270 105	270 477	265 951
Administered Items for the Department of Treasury and Finance	5 690 071	4 007 342	4 403 410
Electoral Commission of South Australia	9 387	43 262	41 799
Administered Items for Electoral Commission of South Australia	4 340	588	588
House of Assembly	10 535	8 729	8 759
Joint Parliamentary Services	22 241	22 645	20 555

	2026-27 Budget \$000	2025-26 Estimated Result \$000	2025-26 Budget \$000
<b>Table C.2: Estimates of payments continued</b>			
Administered Items for Joint Parliamentary Services	—	2 489	4 342
Legislative Council	7 052	6 047	6 077
Preventive Health SA	34 138	33 858	33 511
South Australia Police	1 257 359	1 165 401	1 196 686
Administered Items for South Australia Police	75	73	73
South Australian Country Fire Service	2 047	—	—
South Australian Fire and Emergency Services Commission	769	1 160	700
South Australian Metropolitan Fire Service	20 387	5 034	3 538
South Australian State Emergency Services	580	1 880	100
South Australian Tourism Commission	71 845	87 400	66 113
State Governor's Establishment	4 974	4 748	4 748
<b>Total payments appropriated for administrative units, statutory authorities and ministers</b>	<b>27 147 656</b>	<b>23 842 714</b>	<b>23 824 281</b>
Payments for which specific appropriation is authorised in various Acts	151 026	154 095	147 366
<b>Total Consolidated Account payments</b>	<b>27 298 682</b>	<b>23 996 809</b>	<b>23 971 647</b>
<b>Payments for which specific appropriation is authorised in various Acts</b>			
<b>Salaries and allowances</b>			
Agent-General — pursuant to <i>Agent-General Act 1901</i>	728	705	646
Auditor-General — pursuant to <i>Public Finance and Audit Act 1987</i>	596	578	565
Commissioners of Environment, Resource and Development Court — pursuant to <i>Remuneration Act 1990</i>	1 510	1 485	1 477
Commissioner of Police — pursuant to <i>Police Act 1998</i>	677	667	667
Electoral Commissioner and Deputy Electoral Commissioner — pursuant to <i>Electoral Act 1985</i>	681	636	605
Electoral District Boundaries Commission — pursuant to <i>Constitution Act 1934</i>	—	186	—
Governor — pursuant to <i>Constitution Act 1934</i>	560	552	552
Health and Community Services Complaints Commissioner — pursuant to <i>Remuneration Act 1990</i>	290	281	279
Judges — pursuant to <i>Remuneration Act 1990</i>			
Chief Justice	891	876	871
Judges and Masters	28 874	28 383	28 227
Magistrates — pursuant to <i>Remuneration Act 1990</i>	19 929	19 591	19 483
Members of the Coordinator General's Office — pursuant to <i>State Development Coordination and Facilitation Act 2025</i>	605	433	—
Members of various standing committees — pursuant to <i>Parliamentary Remuneration Act 1990 and Parliamentary Committees Act 1991</i>	246	242	268
Ombudsman — pursuant to <i>Ombudsman Act 1972</i>	525	517	514

	2026-27 Budget \$000	2025-26 Estimated Result \$000	2025-26 Budget \$000
<b>Table C.2: Estimates of payments continued</b>			
Parliamentary salaries and electorate other allowances — pursuant to Parliamentary Remuneration Act 1990 Ministers, officers and members of parliament	22 548	22 218	19 802
Senior Judge and judges of the Industrial Relations Court and Commission — pursuant to Remuneration Act 1990	4 044	3 977	3 944
Solicitor-General — pursuant to <i>Solicitor-General Act 1972</i>	838	824	819
South Australian Civil and Administrative Tribunal — pursuant to <i>Remuneration Act 1990</i>	1 271	1 251	1 242
State Coroner and Deputy Coroner — pursuant to <i>Remuneration Act 1990</i>	2 312	1 777	1 489
Valuer-General — pursuant to <i>Valuation of Land Act 1971</i>	275	271	271
<b>Total salaries and allowances</b>	<b>87 400</b>	<b>85 450</b>	<b>81 721</b>
<b>Other</b>			
First Home Owner and HomeBuilder Grants — pursuant to <i>First Home and Housing Construction Grants Act 2000</i>	52 838	58 120	55 120
Victims of Crime Fund — Compensation for injuries resulting from criminal acts — pursuant to <i>Victims of Crime Act 2001</i>	10 788	10 525	10 525
<b>Total other</b>	<b>63 626</b>	<b>68 645</b>	<b>65 645</b>
<b>Total payments for which specific appropriation is authorised in various Acts</b>	<b>151 026</b>	<b>154 095</b>	<b>147 366</b>
Note: Totals may not add due to rounding.			

**Table C.3: Estimates of receipts**

	2026-27 Budget	2025-26 Estimated Result	2025-26 Budget
	\$000	\$000	\$000
<b>Taxation receipts</b>			
Payroll tax	2 474 253	2 344 859	2 297 354
Commonwealth places mirror payroll tax <sup>(a)</sup>	45 000	43 100	43 100
Stamp duties	2 919 652	2 830 751	2 663 583
Commonwealth places mirror stamp duties <sup>(a)</sup>	263	263	263
Land tax	1 006 387	925 908	892 827
Commonwealth places mirror land tax <sup>(a)</sup>	2 000	1 800	1 700
Gaming machines tax	499 215	492 888	460 387
Contribution from SA Lotteries	127 037	119 894	121 451
Contribution from casino operations	24 810	24 100	24 100
Contribution from on-course totalizators, bookmakers and small lotteries	3 909	3 803	3 803
Betting operations tax	64 876	63 115	63 115
<b>Total taxation receipts</b>	<b>7 167 402</b>	<b>6 850 481</b>	<b>6 571 683</b>
<b>Commonwealth general purpose payments</b>			
GST revenue grants <sup>(b)</sup>	10 186 053	9 891 855	9 529 044
<b>Total Commonwealth general purpose payments</b>	<b>10 186 053</b>	<b>9 891 855</b>	<b>9 529 044</b>
<b>Commonwealth specific purpose payments<sup>(c)</sup></b>	<b>248 091</b>	<b>242 590</b>	<b>243 682</b>
<b>Commonwealth National Partnership payments<sup>(d)</sup></b>	<b>190 952</b>	<b>101 916</b>	<b>19 011</b>
<b>Contributions from state undertakings</b>			
Adelaide Cemeteries Authority			
Income tax equivalent	13	48	94
Adelaide Venue Management Corporation			
Dividend	1 600	1 600	1 600
Arrangements with private electricity entities			
Local government rate equivalent	149	145	145
Department for Infrastructure and Transport			
Income tax equivalent	2 614	2 614	2 614
Local government rate equivalent	1 300	1 268	1 268
Flinders Ports			
Payment in lieu of other taxes	3 317	3 236	3 236
ForestrySA			
Dividend	—	565	—
Income tax equivalent	—	242	—
Funds SA			
Local government rate equivalent	144	140	140

	2026-27 Budget \$000	2025-26 Estimated Result \$000	2025-26 Budget \$000
<b>Table C.3: Estimates of receipts continued</b>			
HomeStart Finance			
Dividend	36 883	71 550	38 536
Income tax equivalent	15 807	30 664	16 515
Motor Accident Commission			
Dividend	855	2 062	1 957
Public Trustee			
Dividend	5 682	3 761	5 064
Income tax equivalent	2 376	2 229	2 110
Renewal SA			
Dividend	13 364	62 301	13 476
Income tax equivalent	5 728	27 570	5 775
Local government rate equivalent	5 230	4 265	4 751
South Australian Government Financing Authority			
Dividend	31 500	—	24 500
Income tax equivalent	13 500	—	10 500
South Australian Water Corporation			
Dividend	202 258	166 817	138 004
Income tax equivalent	36 411	20 562	40 227
Local government rate equivalent	2 091	2 040	2 040
State Owned Generators Leasing Co Pty Ltd			
Dividend	1 649	1 649	1 649
Income tax equivalent	706	706	706
TAFE SA			
Local government rate equivalent	55	54	54
West Beach Trust			
Income tax equivalent	13	13	209
<b>Total contributions from state undertakings</b>	<b>383 245</b>	<b>406 101</b>	<b>315 170</b>
<b>Fees and charges<sup>(e)</sup></b>			
Audit Office of South Australia — fees for audit and other sundry receipts	6 007	5 862	5 862
Court fines	105 025	84 200	102 301
Court regulatory fees	50 736	41 228	48 951
Guarantee fees	169 418	156 984	163 626
Infringement notice schemes — expiation fees	123 406	90 447	116 263
Land Services regulatory fees	511 602	507 379	447 679
Small lotteries	209	202	202
Sundry fees	41	41	41
<b>Total fees and charges</b>	<b>966 444</b>	<b>886 343</b>	<b>884 925</b>

	2026-27 Budget \$000	2025-26 Estimated Result \$000	2025-26 Budget \$000
<b>Table C.3: Estimates of receipts continued</b>			
<b>Recoveries</b>			
Adelaide Oval Sublease Fees	1 248	1 221	1 221
Casino Unclaimed Prizes	40	40	40
Commonwealth contribution to Bedford Group Ltd	—	17 600	—
Commonwealth contribution to Port Pirie	—	37 500	—
Commonwealth contribution to Whyalla Steel Industry	145 500	244 860	19 600
Department for Environment and Water — Qualco Sunlands	250	23	250
Department for Infrastructure and Transport — indentured ports	19 007	11 436	18 543
Essential Services Commission of South Australia	19 286	18 654	18 106
FERM Recovery	10 800	7 200	—
Independent Gaming Corporation contribution to Gamblers Rehabilitation Fund	2 000	2 000	2 000
Landscape Levy — Treasurer's Water Licences	473	461	461
Metropolitan Drainage Fund	7	7	7
National Tax Equivalent Program	50	50	50
Off-course wagering services annual fee	1 370	1 336	1 336
Recoup from the Economic Investment Fund	1 611	2 000	2 000
Recoup from the Future Jobs Fund	—	104	104
Return of cash to Consolidated Account — cash alignment policy	—	528 711	—
Return of deposit account balances	—	400	400
Return of working capital	9 741	—	9 504
South Australian Health and Medical Research Institute	—	6 000	—
South Australian Strategic Diesel Reserve	35 520	—	—
Sundry recoupment	208	2 353	203
Unclaimed monies and personal property	2 896	2 829	2 829
<b>Total recoveries</b>	<b>250 007</b>	<b>884 785</b>	<b>76 654</b>
<b>Royalties</b>			
Department for Energy and Mining	509 191	493 920	456 809
Land Services data royalties	824	804	802
<b>Total royalties</b>	<b>510 015</b>	<b>494 724</b>	<b>457 611</b>
<b>Other receipts</b>			
<b>Interest</b>			
Interest on investments	581 624	413 424	379 724
Interest recoveries from general government entities	2 012	1 127	1 196
Interest recoveries from the private sector	2 465	634	439
<b>Repayment of advances</b>			
Catholic Church Endowment Society Incorporated	3 600	3 600	3 600
Department of Primary Industries and Regions	10 400	8 134	8 134

	2026-27 Budget	2025-26 Estimated Result	2025-26 Budget
	\$000	\$000	\$000

**Table C.3: Estimates of receipts continued****Other**

Balyana Property	—	12 000	—
Other receipts	<b>528</b>	528	528
Return of equity capital contribution — TAFE SA	—	8 325	—
Sale of land and buildings	<b>5 220</b>	14 332	6 120
Visitor Information Centre	—	590	—
<b>Total other receipts</b>	<b>605 849</b>	<b>462 694</b>	<b>399 741</b>
<b>Total Consolidated Account receipts</b>	<b>20 508 058</b>	<b>20 221 489</b>	<b>18 497 521</b>

Note: Totals may not add due to rounding.

- (a) Taxes akin to state taxes are levied on activities conducted on Commonwealth places under the authority of Commonwealth mirror tax legislation. Revenue is retained by the state.
- (b) This includes the estimate of the Commonwealth Government's no worse off guarantee payments to South Australia.
- (c) Refers only to those Commonwealth specific purpose payments paid to the Consolidated Account.
- (d) Refers only to National Partnership payments that are paid to the Consolidated Account. The remainder of National Partnership payments are paid into the Intergovernmental Agreement on Federal Financial Relations special deposit account for subsequent disbursement to the relevant line agencies.
- (e) Refers to only those fees and charges paid to the Consolidated Account.

# Appendix D: South Australian state public sector organisations

The entities listed below are controlled by the government.

The sectors to which these entities belong are based on the date of the release of the 2026-27 Budget.

The government's interest in each of the public non-financial corporations and public financial corporations listed below is 100 per cent.

General Government Sector	
Adelaide Festival Corporation	History Trust of South Australia
Adelaide Film Festival	House of Assembly
Agents Indemnity Fund	Housing and Urban Development, Department for
Alinytjara Wilurara Landscape Board	Human Services, Department of
Anzac Day Commemoration Fund	Incorporated Hospitals and Health Services
Art Gallery Board, The (trading as AGSA)	Independent Commission Against Corruption (ICAC)
Attorney-General's Department	Infrastructure and Transport, Department for
Audit Office of South Australia	Infrastructure SA
Board of Botanic Gardens and State Herbarium	International Koala Centre of Excellence (trading as Koala Life)
Carrick Hill Trust	Joint Parliamentary Services
Child Protection, Department for	Kangaroo Island Landscape Board
Coast Protection Board	Legislative Council
Coordinator General's Office	Libraries Board of South Australia
Commission on Excellence and Innovation in Health	Limestone Coast Landscape Board
Correctional Services, Department for	Lotteries Commission of South Australia (trading as SA Lotteries)
Courts Administration Authority	Murraylands and Riverland Landscape Board
CTP Regulator (trading as CTP Insurance Regulator)	Museum Board (trading as South Australian Museum)
Dairy Authority of South Australia	Native Vegetation Fund
Defence SA	Northern and Yorke Landscape Board
Dog and Cat Management Board	Northern Parklands Trust
Dog Fence Board	Office for Early Childhood Development
Education and Early Childhood Services Registration and Standards Board of South Australia	Office for Public Integrity
Education, Department for	Office for Recreation, Sport and Racing
Electoral Commission of South Australia	Office of the Commissioner for Public Sector Employment
Energy and Mining, Department for	Office of the Industry Advocate
Environment and Water, Department for	Office of the South Australian Productivity Commission
Environment Protection Authority	Outback Communities Authority
Essential Services Commission of South Australia	Planning and Development Fund
Eyre Peninsula Landscape Board	Premier and Cabinet, Department of the
Government schools	Premier's Delivery Unit
Green Adelaide Board	Preventive Health SA
Green Industries SA	Primary Industries and Regions, Department of
Health and Wellbeing, Department for	Professionals Standards Council
Hills and Fleurieu Landscape Board	Residential Tenancies Fund

Retail Shop Leases Fund	South Australian Local Government Grants Commission
SACE Board of South Australia	South Australian Metropolitan Fire Service (MFS)
Second-hand Vehicles Compensation Fund	South Australian Skills Commission
Small Business Commissioner	South Australian State Emergency Service (trading as SES)
Social Workers Registration Board of South Australia	South Australian Tourism Commission
South Australia Police (South Australian Police Department, SAPOL)	South Eastern Water Conservation and Drainage Board
South Australian Ambulance Service	State Development, Department of
South Australian Arid Lands Landscape Board	State Governor's Establishment
South Australian Country Arts Trust	State Opera of South Australia
South Australian Country Fire Service (CFS)	State Planning Commission
South Australian Film Corporation	State Theatre Company of South Australia
South Australian Fire and Emergency Services Commission (trading as SAFECOM)	Study Adelaide
	TAFE SA
	Treasury and Finance, Department of

### Public Non-Financial Corporations Sector

Adelaide Cemeteries Authority	South Australian Housing Trust
Adelaide Festival Centre Trust	South Australian Motor Sport Board
Adelaide Venue Management Corporation	South Australian Water Corporation (trading as SA Water)
Distribution Lessor Corporation	State Owned Generators Leasing Co Pty Ltd
Generation Lessor Corporation	Transmission Lessor Corporation
Public Trustee	Urban Renewal Authority (trading as Renewal SA)
South Australian Forestry Corporation (trading as ForestrySA)	West Beach Trust (trading as West Beach Parks)

### Public Financial Corporations Sector

HomeStart Finance	South Australian Government Financing Authority (trading as SAFA)
Lifetime Support Authority	Superannuation Funds Management Corporation of South Australia (trading as Funds SA)
Motor Accident Commission	
Return to Work Corporation of South Australia (trading as ReturnToWorkSA)	

## Changes to controlled entities/reporting structures since the 2025-26 Budget

### New entities

- Effective 11 December 2025, the Coordinator General's Office was established under the *State Development Coordination and Facilitation Act 2025*.
- Effective 15 January 2026, the Northern Parklands Trust was established under the *Northern Parklands Act 2025*.

# **Appendix E: Tax expenditure statement**

## **Overview**

This statement provides a summary of tax expenditures incurred by the Government of South Australia in 2024-25 and 2025-26.

## **What are tax expenditures?**

The term ‘tax expenditure’ refers to differential tax treatment where the difference constitutes a departure from the tax standard or benchmark.

Examples of tax expenditures can include revenue forgone from:

- tax exemptions
- reduced rates of taxation
- tax rebates or deductions.

A tax expenditure is a reduction in tax revenue or increase in refund and remission expenditure resulting from ‘preferential’ tax treatment. In practice, differentiating preferential tax treatment from tax differences that are integral to efficient revenue raising design is not always straightforward.

In the design of expenditure and revenue policy, governments observe various principles of fairness and equity. Such principles apply to decisions on taxation policies as well as decisions that underpin the direction of public expenditure. As a result, a number of differential tax treatments across a broad spectrum of taxpayers and particular activities may arise. Differential treatment afforded to certain taxpayers to achieve social and political objectives rather than tax design objectives constitutes a tax expenditure.

## **Why measure tax expenditures?**

The immediate and direct impact of preferential tax treatment is to reduce the revenue raised from a given tax. In the absence of concessions and exemptions, governments would be able to support a higher level of government spending, reduce the level of tax rates or, if expenditure remain unchanged, reduce borrowing requirements.

By explicitly publishing estimates of the magnitude of this preferential tax treatment, transparency is increased and the community is made more aware of the government’s fiscal priorities. The government should also be better placed to ensure that resources, in total, are committed to the areas that clearly reflect policy priorities.

## **Valuation of tax expenditures**

Tax expenditures in this appendix are calculated according to the revenue forgone method, which involves applying the general structure of a tax to a tax base (that is, a group of people or activities) that is currently exempt from the tax or subject to concessional treatment.

This static approach does not take into account possible behavioural changes which may result from the removal of a tax concession. This means that the revenue forgone approach assumes taxpayer behaviour will remain unchanged if concessions are removed. As a result, tax expenditures measured using this approach provide only a broad indication of actual revenue impacts and, more specifically, this approach is likely to overstate the actual revenue forgone as a result of an individual tax concession.

Aside from the absence of assumptions about behavioural responses, the estimates are in many cases approximations, reflecting data limitations and the use of proxy indicators to measure the size of revenue bases relevant to tax concessions.

## Benchmark for measuring tax expenditures

Tax expenditures should be quantified by comparing the existing tax structure with a benchmark tax structure based entirely on taxation design principles. In practice, deciding on such a structure does involve some judgement. For example, the benchmark structure used for payroll tax is a flat tax at the standard rate of 4.95 per cent with no threshold. There is no particular merit in the standard rate from the point of view of tax design but it has been adopted because it is the existing rate. Further, a zero threshold would probably not be desirable from a tax design point of view because the administrative costs of collecting revenue from very small employers might well exceed the revenue collected. However, for the sake of simplicity, a zero threshold has been adopted in this exercise.

### Summary

The view has been taken that the extent of tax relief provided through the availability of exemptions, concessions, rebates and allowable deductions is sufficiently important to warrant documentation even if:

- the benchmark against which the tax expenditure is assessed could be argued to be imperfectly defined
- the measurement of those imperfectly defined expenditures is also subject to qualification
- the value of many tax expenditures cannot be quantified.

Many tax expenditures have not been able to be quantified. In particular, there are a large number of exemptions from stamp duties that are not reflected in the estimates due to a lack of information on the size of the affected tax bases. Similarly, a number of exemptions relating to payroll tax have not been quantified. As such, the aggregate total of the estimates contained in table E.1 does not represent the total value of assistance provided by tax expenditures.

The largest tax expenditures are the land tax exemption for primary production land and the payroll tax threshold exemption.

The following is a brief summary of the individual tax expenditures that have been quantified.

### Payroll tax

Total quantified tax expenditures relating to payroll tax for 2025-26 estimated at \$1.4 billion represents 67.7 per cent of payroll tax revenue collections (net of related tax expenditures and excluding general government collections). This is a \$12.7 million increase on the estimated value of payroll tax expenditures in 2024-25.

The largest payroll tax expenditure is the provision of a tax-free threshold and deduction. Payroll tax is levied on wages paid by employers. Employers with annual national wages of up to \$1.5 million are exempt from payroll tax. Businesses with national wages above \$1.5 million receive a deduction of \$600 000. A variable payroll tax rate between zero per cent and 4.95 per cent applies to businesses with national wages between \$1.5 million and \$1.7 million, with a rate of 4.95 per cent applicable to businesses with national wages above \$1.7 million.

The threshold exemption results in a large number of small businesses not being liable for payroll tax. In addition, those businesses that are liable for payroll tax receive the benefit of a \$600 000 deduction. It is estimated that the tax revenue forgone as a result of the existence of the threshold, deduction and phase-in rate is \$846.6 million in 2025-26 for private sector employers.

Several other groups of taxpayers are exempt from payroll tax liabilities, many of which have not been quantified in terms of tax expenditures. Of those that have been calculated, the largest tax expenditure relates to the exemption for public hospitals, which is estimated to amount to \$203.1 million in 2025-26. Other expenditures in 2025-26 include public benevolent institutions (\$171.4 million), not-for-profit schools (\$77.5 million), local government councils (\$55.0 million) and not-for-profit hospital and health providers (\$34.6 million).

## Stamp duties

Stamp duties apply to a range of transactions including conveyances, insurance and motor vehicle registration. There are a large number of exemptions contained in stamp duty legislation, many of which cannot be quantified. The total quantifiable tax expenditure on stamp duties in 2025-26 of an estimated \$732.9 million is equivalent to 25.9 per cent of stamp duty revenues. The total cost of stamp duty tax expenditures is estimated to have increased by \$110.4 million in 2025-26, largely reflecting higher expenditure on the exemption for non-residential real property (excluding primary production).

Conveyance duty tax expenditures are estimated to amount to \$687.7 million in 2025-26. The stamp duty exemption for non-residential real property (excluding primary production) is estimated to cost \$344.7 million and the exemption for the transfer of family farms is estimated to cost \$169.1 million. The stamp duty concession for eligible first home buyers on the purchase of a new home or vacant land to build a new home is estimated to cost \$83.3 million in 2025-26.

Approximately \$44.9 million of stamp duty tax expenditures in 2025-26 relate to exemptions given in respect of the \$60 stamp duty fee payable on the combined renewal certificate for vehicle registration and compulsory third party insurance. Of this, an estimated \$13.8 million relates to concessions provided to pensioners and state concession cardholders. The remaining balance mainly relates to conditionally registered vehicles (for example historic and left hand drive vehicles, special purpose vehicles such as fork lifts, tractors, self-propelled farm implements and mobile cranes), government vehicles registered under the Continuous Government Registration Scheme and vehicles owned by local government councils.

## Land tax

Total land tax expenditures are estimated to be \$2.5 billion in 2025-26. This represents 261.7 per cent of land tax collections (net of related tax expenditures).

Land tax is calculated on the aggregate taxable value of all land held by an owner as at 30 June preceding the assessment year. No tax is payable if the total taxable value of all land is less than the tax-free threshold level. The 2025-26 tax-free threshold for general non-trust landholdings was \$833 000 with a \$25 000 tax-free threshold for land held in certain trusts. A marginal tax rate structure applies above these thresholds, with increasing marginal tax rates applied as the value of landholdings increase.

The major 2025-26 tax expenditures associated with land tax include:

- the primary production exemption (provided it meets certain criteria) — estimated to cost \$1.2 billion
- the tax-free threshold — estimated to cost \$619.1 million
- the principal place of residence exemption — estimated to cost \$464.3 million
- other specific exemptions provided in section 4 of the *Land Tax Act 1936*. Exempt categories include land used for religious purposes, state subsidised hospitals, libraries, parklands, conservation of native flora and fauna, sporting activities and other items. The cost of these exemptions amounts to approximately \$218.8 million in 2025-26.

Total land tax expenditures in 2025-26 are \$151.9 million higher than in 2024-25. This primarily reflects the estimated higher cost of providing the tax-free threshold and the exemption for the principal place of residence.

## Gambling taxes

Total gambling tax expenditures are estimated to be \$58.4 million in 2025-26, representing around 8.3 per cent of gambling tax collections.

Tax expenditures for gambling taxes arise from the gambling tax-free threshold and the differential tax treatments that apply to gaming machine activity in not-for-profit venues and the Adelaide Casino compared with the tax rate structure applying to hotels.

In South Australia, for hotels, gambling tax is levied on net gambling revenue (NGR) above an annual threshold of \$75 000. Lower tax structures apply to not-for-profit venues. For the Adelaide Casino, the tax rate for non-premium gaming machines is set at the lower of 41 per cent and the average tax rate paid by for-profit venues. A lower tax rate of 10.91 per cent of NGR applies for premium gaming machines at the Adelaide Casino having regard to tax rates faced by interstate competitors.

In 2025-26, it is estimated that the revenue forgone as a result of the existence of the tax-free threshold for gaming machines in hotels and not-for-profit venues is \$8.9 million. The benefit to not-for-profit venues from lower gaming machine tax rates is estimated to be \$10.0 million in 2025-26. The benefit to the Adelaide Casino of different tax treatment for gaming machines compared to hotels is estimated to be \$39.5 million in 2025-26.

Total gambling tax expenditures in 2025-26 are broadly in line with those in 2024-25.

## Emergency services levy

The emergency services levy (ESL) is intended to provide a comprehensive method of funding emergency services by raising sufficient funds from property holders to support aggregate expenditure on emergency services. The government makes contributions through remissions, pensioner concessions and the levy payable on the government's own property. The tax expenditure costings measure the difference between standard levy rates and post-remission levy rates which vary depending on land use code and location (for fixed property) and class of vehicle (for mobile property).

The ESL has differential rates of levy on land use types and regions. The motivation for the differential levy rates lies in a desire to achieve some alignment with relative risk of property types, the value of the service provided (related to property value) and regional variation in service levels. The different land use and regional factors are not treated as a tax expenditure.

The cost of the fixed property remission is estimated at \$129.6 million in 2025-26 which is broadly consistent with 2024-25.

**Table E.1: Summary of tax expenditures (\$million)**

<b>Tax expenditures (\$m)</b>	<b>2024-25</b>	<b>2025-26</b>
<b>Payroll tax</b>		
Threshold related exemption of which:		
benefit of \$600,000 deduction	710.3	715.0
incremental benefit of \$1.5m threshold	124.3	124.6
incremental benefit of phased rate for payrolls between \$1.5m and \$1.7m	6.6	7.0
Religious institutions	—	—
Public benevolent institutions	169.9	171.4
Public hospitals exemption <sup>(a)</sup>	203.1	203.1
Non-profit hospital and health providers exemption	33.7	34.6
Non-profit schools or colleges at or below secondary level	75.9	77.5
Non-profit kindergartens	7.7	7.7
Child care centres	12.8	16.4
Local government council exemption <sup>(a)</sup>	55.3	55.0
General practitioners' wages related to bulk-billed medical services	9.8	10.5
Apprentice and trainee wages exemption	—	—
Assistance for motion picture production companies <sup>(b)</sup>	1.2	0.9
Other	1.7	1.5
<b>Total for payroll tax</b>	<b>1 412.4</b>	<b>1 425.1</b>
<b>Stamp duties</b>		
Conveyance duty		
Family farm exemption	140.0	169.1
Corporate reconstructions	7.8	12.2
Non-real property stamp duty — abolition <sup>(c)</sup>	69.6	77.6
Non-residential (non-primary production) property stamp duty — abolition <sup>(d)</sup>	285.5	344.7
First home concession	73.5	83.3
Other	1.8	0.8
Stamp duty on renewal certificate for motor vehicle registration and compulsory third party insurance (CTP)		
The Crown and vehicles registered under the Continuous Government Registration Scheme	0.9	1.1
Hire vehicles with more than 12 seats	0.1	0.1
Councils	0.2	0.2
Conditionally registered vehicles	29.2	29.6
Incapacitated ex-servicemen and other persons	0.2	0.2
Pensioners and eligible low-income earners	13.7	13.8
Stamp duty on motor vehicle registrations		
General remissions	<0.1	0.2
<b>Total for stamp duties</b>	<b>622.4</b>	<b>732.9</b>

Tax expenditures (\$m)	2024-25	2025-26
<b>Land tax</b>		
Threshold exemption	542.3	619.1
Principal place of residence <sup>(e)</sup>	399.8	464.3
Primary production <sup>(e)</sup>	1 180.9	1 165.8
Caravan parks and residential parks <sup>(e)</sup>	1.6	1.7
Supported residential facilities <sup>(e)</sup>	0.4	0.5
For-profit aged care facilities <sup>(e)</sup>	4.2	4.8
Other exemptions <sup>(f)</sup>	193.9	218.8
<b>Total for land tax</b>	<b>2 323.1</b>	<b>2 475.1</b>
<b>Gambling taxes</b>		
Gaming machines		
Threshold exemption	9.0	8.9
Differential treatment of non-profit businesses	9.5	10.0
Casino <sup>(g)</sup>		
Premium gaming machines	33.2	31.1
Non-premium gaming machines	8.8	8.3
<b>Total for gambling taxes</b>	<b>60.5</b>	<b>58.4</b>
<b>Other taxes on property</b>		
Emergency services levy	6.7	6.9
Pensioner concessions		
General remissions		
fixed property	128.6	129.6
mobile property	3.1	3.2
<b>Total for other taxes on property</b>	<b>138.4</b>	<b>139.7</b>
<b>Total expenditures</b>	<b>4 556.9</b>	<b>4 831.2</b>

Note: Totals may not add due to rounding.

- (a) Estimates for 2025-26 are based on 2024-25 data. A revised estimate for 2025-26 will be presented in this table as part of the 2027-28 Budget.
- (b) Includes estimated cost of legislated payroll tax exemption applicable to wages paid or payable in connection to a feature film produced in South Australia as well as associated ex-gratia relief.
- (c) Stamp duty on non-real property transfers was abolished from 18 June 2015.
- (d) Stamp duty on non-residential (non-primary production) transfers was fully abolished from 1 July 2018.
- (e) Consistent with the approach taken for other taxes in this table, the cost of these land tax exemptions has been calculated assuming the land tax rates and thresholds in force in the relevant year apply.
- (f) Includes a wide range of exemptions provided to land used for a number of specific activities under section four of the *Land Tax Act 1936*. Some of these include land used for religious purposes, state subsidised hospitals, libraries, parklands, conservation of native flora and fauna as well as sporting activities.
- (g) This has been estimated by applying the gaming machine tax rate structure applicable to for-profit venues.

# Glossary of terms used in the budget statement

Term	Definition
<b>Assets</b>	Resources controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.
<b>Australian Bureau of Statistics Government Finance Statistics (ABS GFS) Manual</b>	The Australian Bureau of Statistics' publication <i>Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015</i> contains a comprehensive and definitive guide to the classification of financial aggregates for National Accounts and the Government Finance Statistics (GFS).
<b>Balance sheet</b>	A statement showing the financial position (at a specific time) of a reporting entity in terms of its recognised assets, liabilities and equity at the end of a reporting period.
<b>Capital grants</b>	Amounts paid or received for capital purposes for which no economic benefits of equal value are receivable or payable in return.
<b>Cash flow statement</b>	A statement showing the cash inflows and outflows of a reporting entity during the reporting period. Cash flows are classified as operating, investing and/or financing activities.
<b>Cash surplus/deficit</b>	The cash surplus/deficit has two components. The first is the net cash flows from operating activities (operating receipts less operating payments). The second is the net cash flows from transactions (cash inflows from sales and cash outflows from purchases) in non-financial assets (less dividends paid by the PNFC and PFC sectors).
<b>Comprehensive result — total change in net worth</b>	Measures the variation in a government's accumulated assets and liabilities, and is the most inclusive measure of the change in a government's financial position over a given period. It is calculated as revenue from transactions less expenses from transactions plus other economic flows other than transactions with owners as owners.
<b>Consolidated Account</b>	The government's main operating account, from which appropriations are paid and revenues of the state are credited, created pursuant to the <i>Public Finance and Audit Act 1987</i> .
<b>Consumer Price Index (CPI)</b>	A general indicator of the rate of change in prices paid by households for consumer goods and services published by the Australian Bureau of Statistics (ABS).
<b>Contingent asset</b>	A possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the entity.
<b>Contingent liability</b>	A possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the entity; or a liability that does not meet the recognition criteria.
<b>Convergence differences</b>	The difference between the amounts recognised in the financial statements (prepared under Australian accounting standards) compared with the amounts determined for Government Finance Statistics purposes as a result of differences in definition, recognition, measurement, classification and consolidation principles and rules.

Term	Definition
<b>Current grants</b>	The provision of something in value for no specific return or consideration and includes grants, subsidies and donations.
<b>Financial reports</b>	Financial reports for the various sectors of the public sector are also produced in accordance with the Uniform Presentation Framework. These are the operating statement, balance sheet and cash flow statement.
<b>General government</b>	The sector of government that includes all government agencies that provide services free of charge or at prices significantly below the cost of production or provide regulatory services.
<b>Government finance statistics (GFS)</b>	Statistics that measure the financial activities of governments and reflect the impact of those activities on other sectors of the economy. GFS is based on international statistical standards.
<b>Classification of the functions of government (COFOG-A)</b>	The method used to classify expenses from transactions and acquisitions of non-financial assets in terms of the purposes for which the transactions are made, for example, health, education.
<b>Gross Domestic Product (GDP)</b>	The total market value of all final goods and services produced within a country in a given period after deducting the cost of goods and services used up in the process of production, but before deducting allowances for the consumption of fixed capital. It is an indicator of the level of economic activity in the market sector, and percentage changes in it are used as a measure of a country's rate of economic growth.
<b>Gross State Product (GSP)</b>	The total market value of goods and services produced within a state in a given period after deducting the cost of goods and services used up in the process of production, but before deducting allowances for the consumption of fixed capital.
<b>Horizontal fiscal equalisation (HFE)</b>	The principle underlying the Commonwealth Grants Commission's assessment of per capita relativities, which are the basis for the interstate distribution of GST revenue. Under this principle, GST revenue grants are distributed to give each state and territory the capacity to provide public services at an average standard and level of efficiency, for comparable revenue effort. This is sometimes referred to as full HFE. Since 2021-22 the distribution of GST revenue has been transitioning to new arrangements that aim to ensure each state or territory has the capacity to provide services at the standard of New South Wales or Victoria (whichever is greater).
<b>Income (revenue)</b>	Increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contribution by owners.
<b>Income tax equivalent (ITE)</b>	Payments equivalent to income tax that certain public authorities or business units (if a legal entity) would be liable to pay under the Commonwealth Government's <i>Income Tax Assessment Act 1997</i> , were that public authority or business unit (if a legal entity) not an instrumentality of the Crown in right of the State of South Australia.
<b>Investment expenditure</b>	Comprises projects and programs that result in the capitalisation of assets on the balance sheet. They include the acquisition and construction of, or addition to non-current assets, including property, plant and equipment and other productive assets. Examples include roads, hospitals, medical equipment and schools.

<b>Term</b>	<b>Definition</b>
<b>Liabilities</b>	Present obligations arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.
<b>Net cash flow from investments in financial assets (liquidity management purposes)</b>	Equals cash receipts from liquidation or repayment of investments in financial assets for liquidity management purposes less cash payments for such investments. Investment for liquidity management purposes means making funds available to others with no policy intent and with the aim of earning a commercial rate of return.
<b>Net cash flow from investments in financial assets (policy purposes)</b>	Equals cash receipts from the repayment and liquidation of investments in financial assets for policy purposes less cash payments for acquiring financial assets for policy purposes. Acquisition of financial assets for policy purposes is distinguished from investments in financial assets (liquidity management purposes) by the underlying government motivation for acquiring the assets. Acquisition of financial assets for policy purposes is motivated by government policies such as encouraging the development of certain industries or assisting citizens affected by natural disaster.
<b>Net debt</b>	<p>Net debt comprises the stock of selected gross financial liabilities less selected financial assets.</p> <p>Net debt is reported in the balance sheet and is the sum of deposits held, advances received and borrowing, less the sum of cash and deposits, advances paid, and investments, loans and placements.</p>
<b>Net financial liabilities</b>	<p>Net financial liabilities comprises total liabilities less financial assets (net financial worth), but excludes equity investments (net worth) in the other sectors of the jurisdiction.</p> <p>Net financial liabilities is a broader measure than net debt as it includes substantial non-debt liabilities such as accrued superannuation and long service leave entitlements.</p>
<b>Net financial worth</b>	Net financial worth measures a government's net holdings of financial assets. It is calculated from the balance sheet as financial assets minus liabilities. It differs from net financial liabilities in that equity in non-financial public corporations and public financial corporations are included as assets.
<b>Net lending/borrowing position</b>	Net lending/borrowing (which is recorded in the operating statement) differs from the net operating balance in the treatment of capital expenditure. Unlike the net operating balance, net lending/borrowing includes net capital expenditure, but not the use of capital (depreciation). It is calculated as the net operating balance less the net acquisition of non-financial assets.
<b>Net operating balance</b>	The net operating balance is the excess of revenue from transactions over expenses from transactions. The net operating balance excludes expenditure on the acquisition of capital assets, but includes non-cash costs such as accruing superannuation entitlements and the consumption of capital (depreciation).
<b>Net worth</b>	Net worth is calculated as total assets (both financial and non-financial) minus total liabilities. Net worth incorporates a government's non-financial assets, such as land and other fixed assets, which may be sold and used to repay debt, as well as certain financial assets and liabilities not captured by the net debt measure, most notably accrued employee superannuation liabilities, accrued long service leave benefits, debtors and creditors.

<b>Term</b>	<b>Definition</b>
<b>Non-financial public sector</b>	The consolidation of the general government sector and public non-financial corporations sector.
<b>Operating expenses</b>	A decrease in economic benefits during the accounting period in the form of outflows or depletion of assets, or incurrence of liabilities that result in decreases of equity other than those relating to distributions to owners.
<b>Operating statement</b>	The financial statement disclosing all income and expenses (and their sources) of a reporting entity recognised in the reporting period unless an accounting standard requires otherwise.
<b>Other economic flows</b>	Changes to assets, liabilities and equity that are not the result of transactions e.g. revaluation of assets.
<b>Public financial corporation (PFC)</b>	Government controlled entity that is mainly engaged in financial intermediation or the provision of auxiliary financial services.
<b>Public non-financial corporation (PNFC)</b>	Government controlled entity that is mainly engaged in the production of market goods and/or non-financial services, which recovers a significant portion of its costs through user charges.
<b>Real terms</b>	Adjustments made in order to take account of the impact of rising prices on the purchasing power of money. Throughout this budget paper, reference is made to real term aggregates and growth rates. All real terms calculations use the Adelaide CPI, unless specifically stated otherwise.
<b>Sector</b>	An ABS national accounting concept used to group entities with similar economic characteristics. Sectors comprising the public sector are general government, public non-financial corporations and public financial corporations.
<b>State Final Demand (SFD)</b>	A measure of spending in a state economy. The estimate obtained by summing government final consumption expenditure, household final consumption expenditure, private gross fixed capital formation and the gross fixed capital formation of public corporations and general government.
<b>Superannuation interest cost</b>	Represents the carrying cost of unfunded superannuation liabilities, net of interest revenue on plan assets of defined benefit schemes.
<b>Transactions</b>	Changes to assets, liabilities and equity that arise from mutually agreed interactions between entities.
<b>Unfunded superannuation liability</b>	The amount by which the liabilities of a superannuation scheme or schemes (measured as the present value of expected future superannuation benefits that have accrued to members) at the reporting date exceeds the value of assets held by the superannuation scheme or schemes to meet those benefits.
<b>Uniform presentation framework (UPF)</b>	The reporting framework agreed by the Commonwealth Government and state and territory governments, to ensure all governments provide a common 'core' of financial information in their budget papers (refer to Appendix A).



# STATE BUDGET

## 2026-27

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**Government of  
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