

STATE BUDGET

2025-26

STEPHEN MULLIGHAN MP
TREASURER

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BUDGET DELIVERS ANOTHER SURPLUS

The Malinauskas Labor Government is forecast to deliver an \$18 million budget surplus in 2024-25 and is forecasting surpluses every year across the forward estimates.

In total, the 2025-26 Budget provides \$4.3 billion over the period 2025-26 to 2028-29, in addition to \$1 billion in 2024-25 for new expenditure initiatives and revenue measures that support the government's key priorities.

This is the third consecutive surplus the Malinauskas Labor Government will deliver.

A surplus of \$18 million is forecast to be recorded in the 2024-25 financial year, with a further surplus of \$179 million the following year, and \$369 million surplus in 2026-27.

Delivering and forecasting surpluses allows the Government flexibility to respond to new and ongoing challenges such as the Whyalla rescue and drought packages. It also provides the chance to embrace potential opportunities such as COP 31.

Non-financial public sector net debt is projected to grow over the forward estimates to \$48.5 billion by 2028-29. The debt will fund critical productive infrastructure such as the new Women's and Children's Hospital and the South Rd tunnels that will help generations of future South Australians.

These debt projections remain manageable and South Australia compares favourably against other states and territories in our budget settings.

In the current 2024-25 financial year, net debt is \$2 billion lower than forecast in the last budget of the previous Liberal government and the key debt to revenue ratio is 30 percentage points better off, showing how the state's finances have significantly improved during the term of the Government.

Since the 2024-25 Mid-Year Budget Review, GST grant revenue has been revised up by \$189 million in 2024-25 and by \$386 million over the period 2025-26 to 2027-28, largely reflecting the outcome of stronger national GST pool and South Australian population share forecasts in the Commonwealth's 2025-26 Budget compared to its 2024-25 Budget.

State taxation revenues have been revised up by \$167 million in 2024-25 since the 2024-25 MYBR and by a further \$796 million over the period 2025-26 to 2027-28, mainly due to a stronger than expected property market.

The state's credit rating has improved under this government. South Australia has moved from the negative credit watch it held under the previous Liberal government to a positive credit watch.

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Quotes attributable to Stephen Mullighan

The 2025-26 State Budget continues the Malinauskas Labor Government's record of strategic investment balanced with fiscal discipline.

Posting three consecutive surpluses gives the government greater flexibility to respond swiftly to unexpected events, such as the Whyalla rescue and drought relief packages.

Maintaining a budget surplus also allows the state to keep debt at a manageable level as we invest in the projects of the future such as the completion of the non-stop North-South Motorway and the new Women's and Children's Hospital.

The Labor Government has shown we can invest in the future, respond to a crisis and show budgetary restraint.

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