

State Budget 2017-18



Budget Overview

Budget Paper 1



Government
of South Australia

STATE BUDGET | 2017-18

Budget Paper 1: Budget Overview

A summary publication capturing all highlights from the 2017-18 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.

Acknowledgements

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Putting South
Australians First



Our state in surplus

Modern health services, jobs aligned with future industries and neighbourhoods where families can live safely and children receive high quality education – these are the benchmarks the government sets in this state budget.

Our prudent economic management has put us on track to deliver consecutive surpluses from 2015–16 through to 2020–21.

This careful stewardship has given the state the capacity to cut hundreds of millions of dollars in business taxes and incentivise investment.

It has given us capacity to take charge of our energy system in a dysfunctional national market.

It has given us the financial strength to boost the campaign to create jobs.

A new Future Jobs Fund will build on measures in recent budgets which have underpinned continual jobs growth despite pressures from the closure of automotive manufacturing and constrained international markets for mining and energy commodities.

Record infrastructure spending creates jobs, makes our roads and transport systems more efficient, modernises the health service network and provides better schools.

Incentives for home buyers and investors creates jobs and increases housing stock, helping more people find affordable accommodation.

This budget positions South Australia further ahead as a leader in giving citizens a direct say in decision-making by establishing the Fund My Neighbourhood initiative to support local community projects.

South Australians are proud of this state and the achievements of its people.

This budget focuses on the core values of this government – jobs, health, education and neighbourhoods.

Treasurer

Tom Koutsantonis

Summary of key general government sector budget indicators

	2016–17 Estimated Result	2017–18 Budget	2018–19 Estimate	2019–20 Estimate	2020–21 Estimate
Net operating balance (\$m)	239	72	132	193	462
Net lending (\$m)	-2595	228	-685	-203	72
Net debt (\$m)	6297	6072	6733	6808	6687



Supporting People

Creating Jobs

Job Accelerator Grant increased

\$8.1 million

OVER THREE YEARS

Grants increased by up to \$5000 for each new apprentice and trainee hired. Coupled with the existing grant, the benefit increases to up to \$15 000, supporting an estimated 2000 positions.

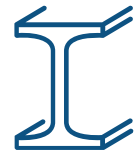


PACE Discovery Drilling

\$5 million

OVER FOUR YEARS

The program aims to unlock the state's mineral and gas riches.

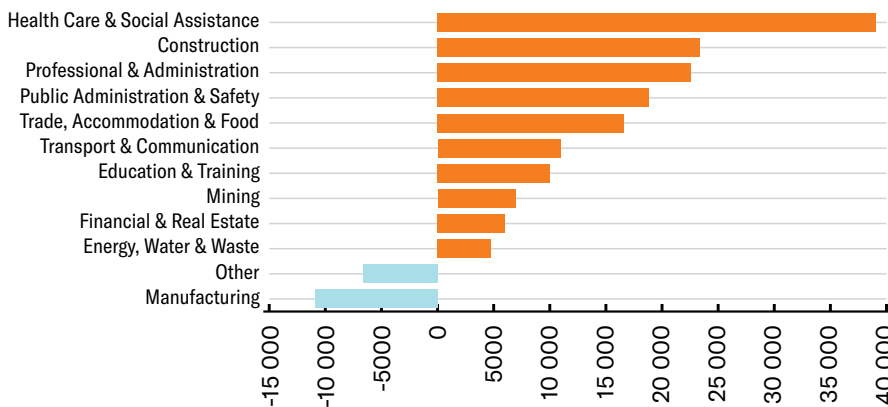


\$1.6 million

IN 2017-18

For the SA Steel Taskforce working to secure the Arrium steelworks.

Employment change by key sectors since February 2002 ⁽¹⁾⁽²⁾



Since Labor was elected in February 2002, more than **132 500 jobs⁽³⁾** have been created in South Australia.

(1) Source: ABS Cat no. 6291.

(2) Some industry categories have been aggregated for the purposes of presentation.

(3) Source: ABS Cat no. 6202 trend total employment.

Future Jobs Fund

OVER
\$200
 million

This budget creates a **Future Jobs Fund** to drive employment growth and confront challenges to the economy. The government is determined to build new industries, back the growth sectors already competing successfully and create incentives to encourage businesses to invest. South Australia always works best when government is in partnership with the private sector. The Future Jobs Fund will attract new businesses to South Australia and will support local industries to grow. The government is inviting the Commonwealth Government – which has saved hundreds of millions from the closure of the car industry – to partner with us and match the state's **\$200 million** contribution.

It will develop jobs in key sectors:

-  Shipbuilding and defence.
-  Renewable energy and mining.
-  Tourism, food and wine.
-  Health and biomedical research.
-  IT and advanced manufacturing.



“We’re supporting industries that are growing today to create the jobs of tomorrow.”

Premier
Jay Weatherill



TASKFORCE

\$250 000

IN 2017-18

For the Property Council of Australia to establish a Company Headquarters’ Taskforce to promote SA as a home base for major companies.

MEASURES UNDER THE FUTURE JOBS FUND

\$120
 million
 In grants & loans

The fund makes available **\$50 million** in grants and **\$70 million** in low interest loans to business for job creation. Expressions of interest are now open. Applications to the Department of Treasury and Finance for business case funding close on 14 July 2017. Applications for grants and loans close on 29 September 2017.

\$60
 million

For industry attraction

Additional resources to attract new inward investment in key industries. The additional investment of **\$30 million** in grant funding and **\$30 million** in loans will promote job creation, capital investment, construction jobs and increased economic activity.

OVER

\$20
 million

In other measures

\$14.5 million - over four years to secure major events and business conventions.

\$5 million - over two years for the automotive diversification initiative supporting supply chain businesses to adapt to change.

\$2 million - in 2017-18 to extend the “I Choose SA” campaign which encourages consumers to actively look for SA products and services, thereby supporting jobs and businesses.

\$150 000

OVER TWO YEARS

To encourage commercial boards with SA connections to meet in Adelaide.

PRIORITY

South Australia
 — a place where
 people and
 business thrive

Supporting Business

Business can thrive in South Australia

A KPMG report found Adelaide to be the most cost-effective city in Australia for business⁽¹⁾. Many business stamp duties have been abolished, ReturnToWorkSA reforms are estimated to save employers \$220 million a year and non-residential property sales will be exempt from stamp duty from 1 July 2018. Payroll taxes have already been reduced four times under this government — and will now be cut further permanently for small business.

DEVELOPMENT



Off-the-plan apartment assistance to encourage apartment buyers

\$10.5 million

To commit to off-the-plan apartment contracts to enable developers to achieve pre-commitment sales targets and commence apartment developments:

\$8.4 million - over three years to extend the partial stamp duty concession of up to \$15 500 through to 30 June 2018.

\$1.8 million - over two years for \$10 000 pre-construction grants on sales until 30 September 2017 so developers can achieve sales targets which trigger construction go-ahead.

\$300 000 - over three years for a land tax exemption of five years to investors who enter into eligible off-the-plan apartment contracts between 22 June 2017 and 30 June 2018.

Payroll tax cut for small business will be extended and locked in at a cost of

\$45.1 million
OVER FOUR YEARS

A small business rate of 2.5 per cent will apply to firms with payrolls between \$600 000 and \$1 million, then phase up to the general rate of 4.95 per cent for payrolls above \$1.5 million. An estimated 1300 employers will benefit compared with assistance under the temporary rebate scheme. Medium and bigger businesses already pay lower payroll tax than in almost all other states and territories.

Payroll (\$)	Existing Tax Payable (\$) ⁽¹⁾	New Tax Payable (\$) ⁽²⁾	Amount Saved by Small Business (\$)
600 000	0	0	0
700 000	4950	2500	2450
800 000	9900	5000	4900
900 000	14 850	7500	7350
1 000 000	19 800	10 000	9800
1 100 000	24 750	14 950	9800
1 200 000	29 700	20 880	8820
1 300 000	34 650	27 790	6860
1 400 000	39 600	35 680	3920
1 500 000	44 550	44 550	0

(1) Calculated using the current rate of 4.95 per cent. Excludes temporary small business tax rebate.
(2) From 1 July 2017.

INNOVATION



\$2.9 million

OVER FOUR YEARS

Extend Gig City to new precincts. This is in addition to \$4.7 million in the last budget.

PLANNING

\$1 million

OVER THREE YEARS

Build high accuracy three dimensional models of key development areas in the Adelaide CBD, to assist with future infrastructure and development proposals.

INNOVATION



\$11.4 million

OVER FOUR YEARS

To drive innovation and growth through the Ageing Well initiative which will develop products and services for the social wellbeing of older people.

DEFENCE

\$900 000

OVER TWO YEARS
Showcase the state's defence industry at the Euronaval trade show in 2018 and 2020.

EXPORTS

\$100 000

In grants to enable Business SA to use inbound trade missions to create business-to-business connections.

PREVIOUS BUDGETS



Building on previous budgets that supported job creation by providing

\$336.3 million

\$109 million - for the Job Accelerator Grant Scheme for the creation of around 14 000 full time equivalent positions.

\$64.7 million - for tourism, major events and international education initiatives.

\$50 million - for the future of the Whyalla Steelworks.

\$50 million - for the South Australian Venture Capital Fund.

\$24.2 million - for the Northern Economic Plan initiatives.

\$36.4 million - to attract business to South Australia.

\$2 million - for the "I Choose SA" campaign.



"Our investment in automotive transformation, innovation and manufacturing is about securing jobs now and creating the jobs of the future."

Employment Minister
Kyam Maher

||



"Our jobs future hinges upon exporting SA goods and services to the world, advanced defence manufacturing and small business."

Investment and
Trade Minister
Martin Hamilton-Smith

||

\$1.3 million

OVER FOUR YEARS

Expand higher education participation in international research networks in China with priority given to the region of Shandong.

PRIORITY

International connections

Overseas goods and services exports totalled **\$13.9 billion** in the year to March⁽²⁾.

(2) Source ABS Cat no. 5302.

A Fair Tax System



“Major banks are undertaxed — they need to contribute their fair share to support our economy.”

Treasurer Tom Koutsantonis

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CONVEYANCE DUTY



\$48.8 million

OVER FOUR YEARS

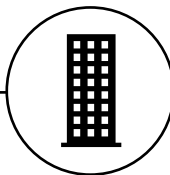
In increased revenue from the introduction of a 4 per cent conveyance duty surcharge from 1 January 2018 on foreign buyers of residential property. Other states have introduced a conveyance duty surcharge at rates shown below.

NSW ⁽¹⁾	8%
VIC	7%
WA ⁽²⁾	4%
QLD	3%

(1) From 1 July 2017.
(2) Planned.

Revenue

South Australians pay taxes to the government for the provision of services which benefit us all. The public expects companies also to contribute a fair share to the tax effort. Financial services are under-taxed by about \$4 billion a year because their GST treatment differs from other industries. The government agrees with the Commonwealth Government that the largest banks should make a fairer contribution to the community from which they profit, at both a federal and state level.



South Australian Major Bank Levy

\$370 million

OVER FOUR YEARS

Introduced from 1 July 2017, the levy will apply at a rate of 0.015 per cent of South Australia's share of liabilities subject to the federal major bank levy at the end of each quarter. The levy will apply to all Authorised Deposit Taking Institutions which are liable for the federal levy. Other jurisdictions have also introduced banking levies in recent years.

Bank Levies

Jurisdiction	Year introduced	Levy base
Austria	2011	Liabilities
Belgium	2012	Liabilities
France	2011	Minimum regulatory capital
Germany	2011	Liabilities & derivatives
Hungary	2010	Assets
Iceland	2011	Liabilities
Netherlands	2012	Liabilities
Poland	2016	Assets
Portugal	2011	Liabilities
Slovakia	2012	Liabilities
Sweden	2009	Liabilities
United Kingdom	2011	Liabilities

Source: <http://parlinfo.aph.gov.au>



“We’re taking charge of the state’s energy future to deliver reliable, affordable and clean power.”

Premier Jay Weatherill

”

ELECTRIC VEHICLES



\$275 000

IN 2017-18

For electric vehicle charging facilities and related electronic vehicle technology in partnership with the City of Adelaide, SA Power Networks and the private sector.

BATTERY TECHNOLOGY



\$500 000

OVER TWO YEARS

Install battery systems to demonstrate energy storage technology in laneway businesses in partnership with the City of Adelaide.

PRIORITY

Growth through innovation

Supporting Our Future

Taking Charge of Our Energy

ENERGY FUTURE

Our Energy Plan

\$550 million

The \$550 million energy plan will take charge of the state’s energy future and deliver reliable, affordable and clean power for South Australians.

The Government of South Australia is committing:

\$360 million - towards building a 250MW gas-fired power plant to provide emergency back-up power and system stability services.

\$150 million - to a Renewable Technology Fund, part of which will be used to build Australia’s largest battery to store energy from the wind and sun. Projects such as the Port Augusta solar plant can bid for this funding.

\$24 million - towards new Plan for Accelerating Exploration grants to incentivise gas production.

Funding for an energy implementation team.

PROGRESS SO FAR

Legislated more powers giving South Australians greater say over their energy supply and security.

Finalising the procurement of 200MW short term generation and 100MW of battery storage to be operating by 1 December 2017.

Progressing the procurement of 250MW generation and the new competitor to supply the government’s energy usage.

Finalising the regulations for the Energy Security Target.

Building on previous budgets

\$31 million

For the Energy Productivity Program to assist large market business customers with electricity costs.



\$8.2 million

OVER FOUR YEARS

The Hydrogen Road Map starts with stage one which includes a production facility and vehicle refuelling station targeting an initial fleet of at least six buses.

\$195 million

In additional resources to cover the gap from Commonwealth cuts and to ensure South Australians receive world class health services.

Health

The new Royal Adelaide Hospital will open in September, providing the highest ever level of care to the people of South Australia. The hospital is a cornerstone of far-reaching reforms to health creating a system which is patient-centred, safe, effective, accessible, efficient and equitable. The Transforming Health program is now completed, having achieved significant reforms. Services are now better aligned to hospital capabilities, leading to improved health outcomes for the South Australian community. Guided by our clinicians, SA Health is determined to deliver a high quality system with the best possible care for patients. Our clinicians will continue to pursue innovation and reform to ensure our system is modern and world class. This budget extends the already substantial increases in resources to health and continues to compensate for the aggressive funding cuts from the Commonwealth. The budget refocuses direction, expanding capability in suburban hospitals, strengthening regional care and supporting cutting-edge research.

Queen Elizabeth Hospital

\$250.6 million

To construct a new clinical building at the Queen Elizabeth Hospital, with \$198 million allocated over the next four years.

The new clinical building will include:

- The emergency department
- Outpatient services
- Operating theatres
- Clinical support

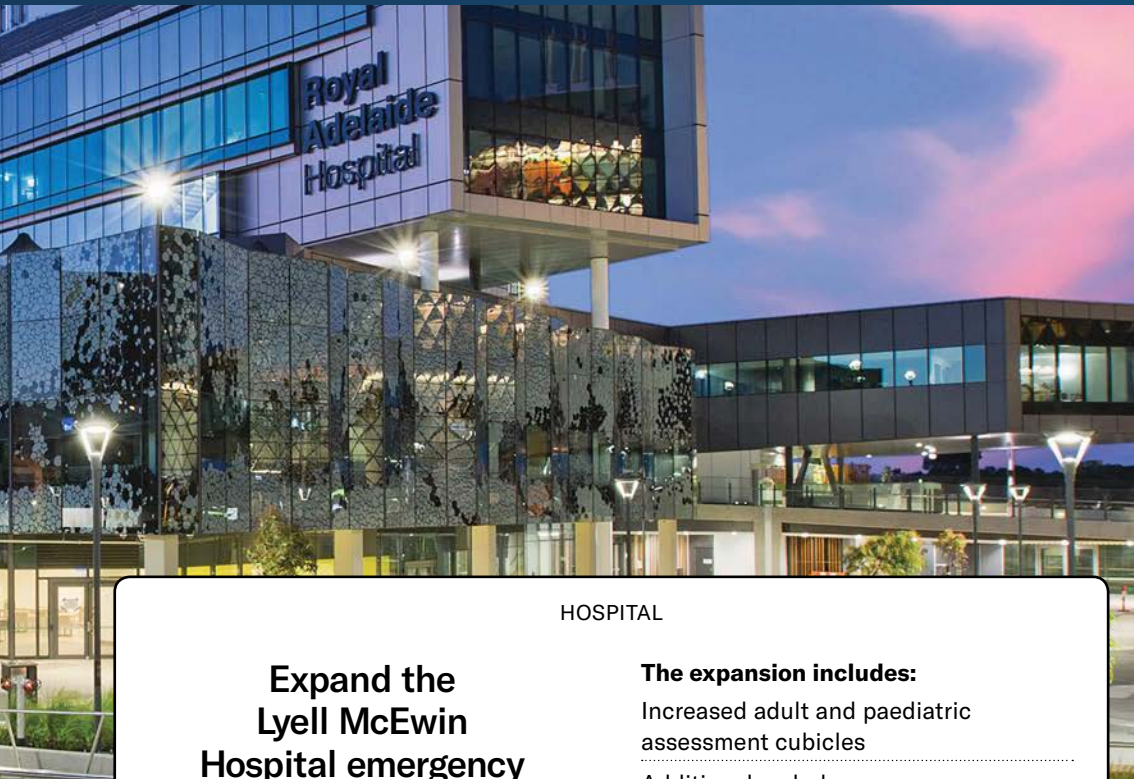
Brain and spinal injury services currently provided at Hampstead Rehabilitation Centre.



Adelaide Women's Hospital

\$528 million

The new Adelaide Women's Hospital is due to be completed in 2024, with \$30.3 million to be spent over the forward estimates. It will be connected to the new Royal Adelaide Hospital so critically ill women have quick access to specialty care.



“This budget is proof of Labor’s commitment to providing the best in public health care.”

Health Minister
Jack Snelling

”



\$14.7 million

OVER TWO YEARS

For the development of a new specialised Older Persons Mental Health Facility.

\$6.7 million - For 24 hour emergency care at the Mount Barker hospital.

\$4.7 million - over two years for the Australian Digital Health national program.

\$600 000 - in 2017-18 for suicide prevention.

\$730 000 - in 2016-17 for seven 4WD ambulances in the APY Lands.

PRIORITY

Global leader in health and ageing

HOSPITAL

Expand the Lyell McEwin Hospital emergency department

\$52.5 million

OVER FOUR YEARS

The expansion includes:

Increased adult and paediatric assessment cubicles

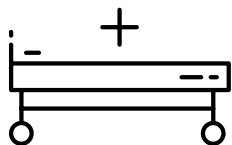
Additional ambulance spaces

Expanded triage zone facilities

Increased number of resuscitation bays

A dedicated area for severely behaviourally disturbed substance abuse patients

HOSPITALS



\$24 million

OVER TWO YEARS

For the improvement of facilities at the existing Women’s and Children’s Hospital.

\$9.2 million

OVER THREE YEARS

Establish an eight-bed emergency extended care unit adjacent to Modbury Hospital’s emergency department.

\$3.5 million

IN 2017-18

For two additional operating theatres at Flinders Medical Centre.

RESEARCH AND TREATMENT



SAHMRI II – Proton Therapy

\$44 million

For a second South Australian Health and Medical Research Institute (SAHMRI) building, to house a national centre for proton therapy and research. This will underpin the next generation of cancer treatments, including for complex children’s cancer.

GAMBLING THERAPY

\$1.3 million

OVER FOUR YEARS

To continue the Statewide Gambling Therapy Service in addition to the PsychMed Intensive Therapy Gambling Help Service.

Supporting
Our Schools



Education

Supporting
Our Students

Providing high quality education to our school students is at the heart of this government's commitments. Increasing numbers of students are achieving high levels of learning, completing schooling with a SACE qualification and graduating with a clear pathway to tertiary study or to begin their working career. This government continues to honour the full six years of the original Gonski agreement, providing record levels of funding. We are building better schools and creating a more dynamic education program which will benefit South Australians for generations to come.



A New Northern Adelaide School

1500 students

Birth to Year 12

Plus a 55 place children's centre. Built under a public-private partnership in the Munno Para region of Northern Adelaide.

A New Southern Adelaide School

1500 students

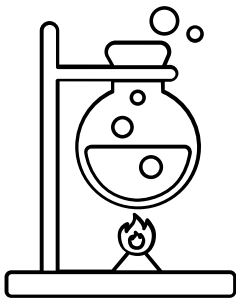
Birth to Year 12

Plus a 55 place children's centre. Built under a public-private partnership in the Sellicks Beach / Aldinga region of Southern Adelaide.

PREVIOUS BUDGETS

\$650 million

Building on previous budgets



\$250 million - program to redevelop 139 schools to deliver science, technology, engineering and mathematics (STEM) is gaining pace with 77 primary, 44 secondary and 18 R-12 schools being upgraded (48 regional and 91 metropolitan).

\$250 million - the first round of the low-interest loan scheme for non-government schools saw 10 projects receive a total **\$38.5 million** for construction projects. Further loans will follow soon.

\$100 million - construction has begun at the Adelaide Botanic High School. On target to open in 2019, the school will specialise in science, technology, engineering and maths for its 1250 students.

\$50 million - work is well progressed on a project over three years to improve facilities for disadvantaged schools and early years' facilities. These include:

\$25 million - for five new early years' facilities and refurbishment of selected facilities.

\$7.3 million - for refurbished facilities and learning spaces at Playford International College.

\$6.5 million - for information technology upgrades and other works at Swallowcliffe Primary School.

\$5 million - for a new disability unit and other works at Christies Beach High School.

\$4 million - to redevelop special needs facilities at Christie Downs Primary School.



“The government’s continued investment in public education now is ensuring students are prepared for jobs of the future.”

Education and Child Development Minister
Susan Close



CHILDREN

\$910 000

IN 2017-18

For the SA Collaborative Childhood Project aimed at early childhood development.

RIGHT BITE



\$608 000

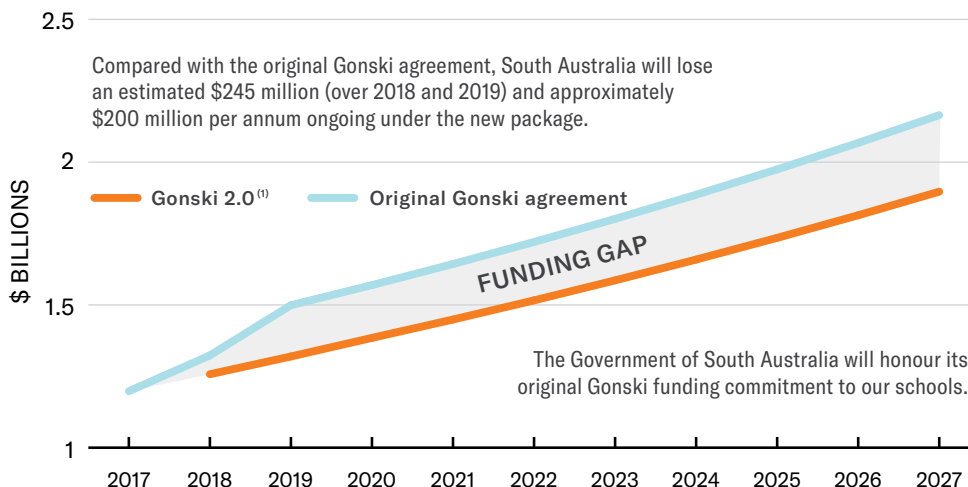
OVER TWO YEARS

For a pilot program to deliver free fresh fruit and vegetables to selected primary schools.

PRIORITY

The knowledge state

Comparison – Commonwealth school funding under the original Gonski agreement and proposed Gonski 2.0 package



(1) Includes revised funding arrangements for students with disabilities and other parameter changes to the education funding model.



“The new infrastructure projects are a further boost for local jobs and contractors.”

Transport and Infrastructure Minister
Stephen Mullighan

//

ROADS



\$174.3 million

OVER THREE YEARS

To upgrade Oaklands Crossing to separate rail and road traffic with a rail underpass under Diagonal Road. The Commonwealth will contribute \$95 million towards the project.

Springbank, Daws and Goodwood Road intersections.

Support to improve traffic flows and reduce delays by aligning this critical intersection.

TRAINS

\$22.4 million

OVER FOUR YEARS

To increase train services on the Gawler, Outer Harbor, Belair and Seaford lines including nights and weekends. On weekends and holidays, Belair trains will run each half hour rather than hourly.

Transport

Adelaide is one of the most accessible cities in the world with a population of more than one million. It is a competitive and lifestyle advantage which will be enhanced by the government’s investments. Safer and more efficient roads as well as better, more frequent public transport will be funded by the government. In the regions, ongoing road upgrades and infrastructure projects will benefit residents, business and visitors.



South Australia’s Transport Plan

\$673.9 million

OVER THREE YEARS

The government will fund key transport infrastructure projects if the Commonwealth partners with the state.

The projects include:

NORTH SOUTH CORRIDOR

\$415 million

OVER THREE YEARS

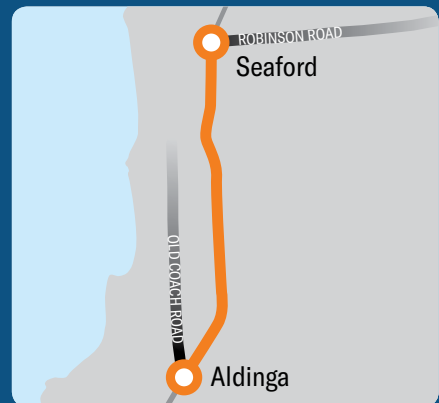
To upgrade South Road from Regency Road to Pym Street.

GAWLER ELECTRIFICATION

\$242.5 million

OVER THE FORWARD ESTIMATES
(\$462.5 MILLION TOTAL COST)

To continue the electrification of the rail line from Salisbury to Gawler, replace the signalling system, and buy 15 additional, three car electric trains.



\$100 million

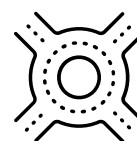
OVER TWO YEARS
(\$305 MILLION TOTAL PROJECT COST)

For stage one to duplicate Main South Road from Seaford to Aldinga. The project will improve access for the local residents and support tourism growth in the southern region. Stage two will continue the duplication to Sellicks Beach.

\$15 million

OVER TWO YEARS
To build new, multi-level Park’n’Ride facilities at Tea Tree Plaza and Klemzig interchanges.

ROADS



\$3.5 million

IN 2017-18
To upgrade the Blackwood roundabout.

AIRPORT



\$1.1 million

Towards upgrading Mount Gambier Airport to allow for larger aircraft.

Record Infrastructure Spend

\$9.5
billion

OVER FOUR YEARS ⁽¹⁾

Total infrastructure spend

Significant investments include:

ROADS

\$1.9 billion

(\$4.1 BILLION IS THE TOTAL PROJECT COST)

In partnership with the Commonwealth for road projects along the North-South Road Corridor.

PUBLIC TRANSPORT

\$875 million

(\$1.5 BILLION IS THE TOTAL PROJECT COST)

On major public transport projects.

HOSPITALS

\$425.4 million

(\$1.5 BILLION IS THE TOTAL PROJECT COST)

To redevelop major metropolitan and regional hospitals.

EDUCATION

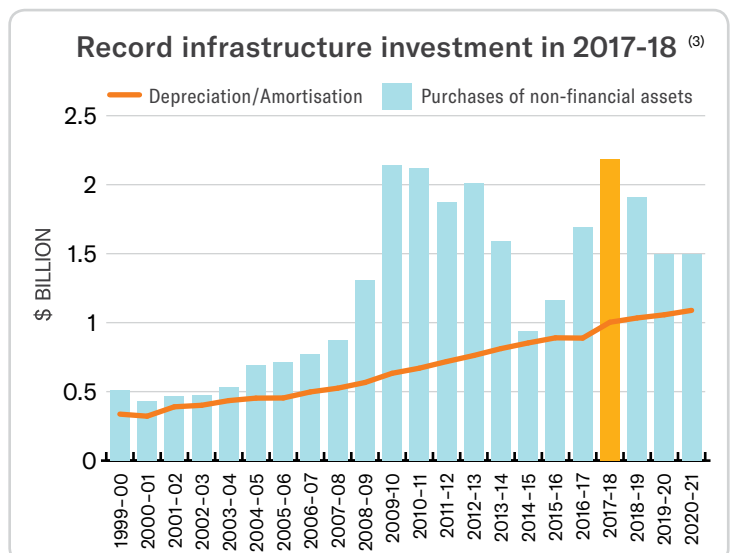
\$409.3 million

(\$463.8 MILLION IS THE TOTAL PROJECT COST)

On education and early childhood facilities.

The government is investing at record levels to support local jobs. The capital investment is creating thousands of jobs now and building infrastructure to support the health, safety, education, housing and transport needs of generations to come. Better infrastructure will drive economic growth and make the state an even better place to live.

Jobs supported on infrastructure projects ⁽²⁾	Annual average over 4 years
Construction	1900
Residential Housing	600
Road and Rail	1800
Water Supply	900
Health	500
Total	5700



(1) Non-Financial Public Sector purchases of non-financial assets.

(2) Modeled estimates for direct and supply chain employment supported by the total Non-Financial Public Sector infrastructure spend.

(3) General Government Sector purchases of non-financial assets excluding new Royal Adelaide Hospital financial lease.

Supporting Our Community

Environment & neighbourhoods

South Australians know this state is a great place to live. It's a view supported by surveys and reports on Adelaide from groups as diverse as the Property Council, the Economist Intelligence Unit and Lonely Planet. In establishing the Fund My Neighbourhood program, this budget recognises that local communities want to be empowered to make decisions about their area. More broadly, South Australia is acknowledged for leadership in environmental stewardship. In preserving our unique biodiversity, our coastlines, national parks and green spaces, we not only secure the environment for our children's children, but we are also helping to protect South Australia's 'clean and green' reputation.



“SA's 'clean and green' reputation contributes to our multibillion dollar premium food, wine, tourism and hospitality industries.”

Environment Minister
Ian Hunter

||

WATER

Wastewater Management Systems

\$4.2 million

PER YEAR (INDEXED)

Extend the Community Wastewater Management Systems funding agreement with local councils.

JETTIES



Structural maintenance on jetties

\$9.3 million

OVER TWO YEARS

At Henley Beach, Port Noarlunga, Semaphore, Whyalla and Port Bonython.



Fund My Neighbourhood

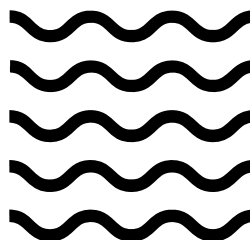
\$40 million

OVER TWO YEARS

Nobody knows your neighbourhood better than you. A \$40 million Fund My Neighbourhood program will allow the community to decide which projects receive government funding. Using the framework of the internationally-renowned Fund My Community initiative run via the yourSAy platform, ideas for projects will be put to the public test. Projects will be diverse – from small local infrastructure upgrades such as playgrounds and parks through to initiatives designed to strengthen community cohesion.

Fund My Neighbourhood will be one of the world's biggest participatory budgeting initiatives, putting the power into people's hands.

To get involved, go to: yoursay.sa.gov.au



River Murray

\$13.5 million

OVER THREE YEARS

To restore natural flow patterns in key SA tributaries of the River Murray in partnership with the Commonwealth.

ENVIRONMENTAL

\$2.7 million

OVER THREE YEARS

To address environmental issues from the previous closure of the Dry Creek Salt Fields.

NEW PEDESTRIAN BRIDGE

\$200 000

IN 2017-18

Construction of a dedicated new pedestrian bridge within the Brownhill Recreation Park.

Supporting Our Community

Sports & Culture



SPORT

Women's Sporting Facilities

\$20

million

OVER TWO YEARS

Women's Sporting Facilities Fund receives an additional \$14 million to extend the government's support for women's participation in sport.

\$4.5 million

IN 2017-18

For the stage one redevelopment of the Priceline Stadium by Netball SA.

SPORTING SURFACES

\$20
million

OVER TWO YEARS

In grants to sporting clubs for artificial playing surfaces for soccer, netball, hockey and other sports.

RACING



\$6 million

OVER TWO YEARS

Additional prize money and marketing funds for the Autumn Racing Carnival at Morphettville.

MOTOR SPORT

\$3 million

OVER THREE YEARS

To support the licensing costs of hosting a second South Australian V8 Supercar event at Tailem Bend.

OLYMPIC APPEAL

\$1 million

IN 2016-17

To assist the South Australian Olympic Council's activities over the 2017-20 Olympic, Paralympics and Commonwealth Games cycle.

CULTURE

\$5
million

IN 2017-18

Once-off grants to multicultural and community organisations for infrastructure and equipment.

ARTS



Her Majesty's Theatre

\$31 million

OVER THREE YEARS

For the upgrade and expansion of Her Majesty's Theatre, bringing the total capital cost of the project to \$66.2 million.

ARTS



\$1.9 million - in 2017-18 for the design of the new Adelaide Contemporary.

\$1.3 million - to support the 2018 Festival of Arts.

\$1.1 million - in 2017-18 to increase funding for Arts SA.

\$1 million - in 2017-18 to mark the re-opening of the Festival Theatre.

\$960 000 - per annum (indexed) to support the Adelaide Fringe Festival to increase visitors.

Supporting Our Community



Emergency Services

The 16 000 volunteers and staff in the CFS, MFS and SES provide a remarkable service to community safety. They deserve our full support. The Emergency Services Levy supports all emergency services, with \$302 million in expenditure budgeted in 2017-18. The extraordinary weather events of 2016 led to record call-outs by our emergency services and storm damage that is still being repaired at a cost of millions of dollars. South Australians have always been resilient in the face of nature's fury. This budget affirms that community spirit and addresses areas for improvement identified in the Burns Review.

EMERGENCY

\$3.1 million

OVER FOUR YEARS

To improve processes for calling 132 500 and 000 for an emergency response.

\$1.9 million

OVER FIVE YEARS

To assist emergency services deliver emergency warnings.

\$933 000 - additional personal protective equipment for operational metropolitan firefighters.

\$522 000 - over four years to establish a Country Fire Service Brigade at Leigh Creek.

\$395 000 - over five years for bushfire Last Resort Refuges signage.

\$355 000 - per annum (indexed) to assist the State Emergency Service to meet new maritime laws while also assisting Volunteer Marine Rescue groups to comply with the laws.

STORMS

Weather and Storm Events

The government is repairing key community assets which were damaged in the severe weather events of 2016.

Work includes:

\$12.7 million - over two years to replace or repair national park and other assets damaged by the severe weather events in September 2016.

\$3.3 million - in 2016-17 for storms recovery assistance grants of up to \$10 000 provided to primary producers in defined disaster areas in the Riverland (in partnership with the Commonwealth).

\$2.3 million - in 2016-17 for additional costs incurred by emergency services.

\$1.9 million - in 2017-18 towards the repairs of the West Beach and the Wyomi Beach sea walls.

Supporting Our Community

Helping Those in Need

Caring for the vulnerable is among the toughest but most rewarding aspects of public service. All South Australians should respect the thousands of workers who devote years of dedicated service to those in need. Finding the right balance between families having freedom to live as they choose and the government intervening to protect those at risk is never simple. This budget continues the campaign for continuous improvement, providing the best models of care for the young and the old, the disabled and the disadvantaged.



“The government is ensuring nobody is left behind by providing vulnerable South Australians with low cost housing, concessions and targeted social programs.”

Communities and Social Inclusion Minister
Zoe Bettison



“We are providing ongoing support for South Australians living with disability and mental health issues by investing in new infrastructure and innovative services.”

Disabilities Minister
Leesa Vlahos



Children in care

\$86.5 million
OVER TWO YEARS

To meet extra costs for children in care in addition to the \$432 million provided in 2016–17 Mid-Year Budget Review.

Homelessness

\$18.1 million

Continue services provided under the National Partnership Agreement on Homelessness, in partnership with the Commonwealth.

DISABILITY SERVICES

\$5.9 million
OVER TWO YEARS

To meet the additional costs for the next stage of the reforms for disability and domiciliary care services.

ABORIGINAL INTERPRETER SERVICE

\$2.3 million
OVER FOUR YEARS

Establishment of an office of the Northern Territory Aboriginal Interpreter Service in South Australia.

\$2.5 million
IN 2016–17

Assist people living with a disability to access a range of services including accommodation support, community support, community access and respite services.

CONCESSIONS



\$1.2 million
PER ANNUM (INDEXED)

In additional support for the Personal Alert Systems Rebate Scheme (PARS) to assist older South Australians to live independently in their own homes for longer.



\$750 000
OVER THREE YEARS

To continue to assist Foodbank SA to deliver services to the community from hubs in both metropolitan and regional locations.

PRIORITY

Global leader in health and ageing

Law, Order & Justice

Community safety, a tough crime-fighting force, court processes which are fair, open and efficient and pathways for offenders to rehabilitate are the priorities for the state's justice system. New measures in the budget complement significant justice reforms and the government's work to fulfil its commitment to build the largest and most well-equipped police force in the state's history.

COURTS



Redevelop the higher courts precinct

\$31 million

Works include redevelopment of Sir Samuel Way Building to increase jury court rooms from 11 to 13, and the refurbishment of the Supreme Court buildings.



\$6.1 million

OVER FOUR YEARS

For the South Australian Civil and Administrative Tribunal to take on further responsibilities.

Inquests

\$2.9 million

OVER 2017-18 AND 2018-19

For extra resources, including a deputy coroner, to hold complex inquests.

\$802 000 - in 2017-18 for digital recording capability in courtrooms.

\$778 000 - per annum (indexed) for an additional Supreme Court judge and support staff.

CORRECTIONS



Mount Gambier Prison

\$38.3 million

OVER FOUR YEARS

To operate 160 additional beds opening at Mount Gambier Prison in mid-2018.

Stop the Hurt

\$8 million

OVER FOUR YEARS

For initiatives to reduce supply of crystal methamphetamine; plus improve family support, enable more community intervention and provide extra treatment options for people with drug and alcohol problems.

Work Ready, Release Ready

\$9.2 million

OVER FOUR YEARS

To prepare prisoners for a successful return to the community, reducing recidivism.

\$2 million - in 2017-18 for 10 fixed road-safety cameras at high-risk sites.

\$270 000 - in 2017-18 to improve justice, safety and wellbeing outcomes for Aboriginal people.

This budget means:

**A TOUGHER
CRIME-
FIGHTING
FORCE**



“We are continually looking at ways to deliver improvements in the justice system.”

Attorney-General
John Rau



REDUCING REOFFENDING



Housing and support

\$18.9 million

OVER FOUR YEARS

To assist offenders reintegrate into the community, reducing recidivism.



“The government is realising its commitment to reducing reoffending by 10% by 2020.”

Police Minister
Peter Malinauskas



Milestones on Reform Road

Highlights of budgets since Labor elected.

2002

2002-03

\$448 million - restore budget integrity, delivering a surplus in the net operating balance after the \$174 million deficit in the final year of the previous Liberal government.

\$220 million - extra for education.

Stage 1 of the Port River Expressway.

Establish Adelaide International Film Festival, WOMADelaide becomes annual.

2003-04

\$62 million - extra for justice portfolios including more for operational policing.

Establish Defence Industry Advisory Board.

\$79 million - over four years for River Murray initiatives.

Increased mining royalty rates.

2004-05

\$239 million - extra over four years to extend existing health services and \$193 million for initiatives and new facilities.

Funding for Family and Youth Services vastly increased.

Literacy among junior primary students improved through 125 extra teachers.

Payroll tax cut, helping 5500 businesses.



Land tax, debits tax and a range of other taxes cut or abolished.

2005-06

Lifting land tax threshold exempts 45 000 property owners from having to pay.

\$150 million energy concession bonus paid to more than 225 000 South Australians.

\$280 million - in new infrastructure including Gallipoli underpass.



Berri, Ceduna, Whyalla hospital redevelopments, GP Plus centre established in Port Pirie.

2008-09



Tram extended to Entertainment Centre.

\$142 million - extra for children in care and \$48 million to support families needing intervention and specialised support services.

Payroll tax cut.



New Royal Adelaide Hospital to be built.

2007-08

Upgrade to rail lines, including resleepering.

Northern Expressway goes ahead.

Payroll tax cut.

Drug tests for drivers expanded.

2006-07



To support winning Air Warfare Destroyer contract, Common User Facility and Maritime Skills Centre to be built at TechPort Australia.

Ten new trade schools and an extra 2600 apprentice and trainee positions supported.

\$145 million - expansion of Flinders Medical Centre.

Education Works policy which includes new "super schools".

2017

2009-10



Rail line extended to Seaford.
 Full rebuild of Adelaide Oval.
 South Australian Health and Medical Research Institute (SAHMRI) funded.
 Water supply secured with construction of Adelaide Desalination Plant.
 Payroll tax cut.
 Global Financial Crisis strips **\$3.8 billion** from revenue over forward estimates.
 Government responds by recommitting to major infrastructure programs.

2010-11

Adelaide Convention Centre extended and Riverbank Precinct redesigned.
 More than 800 additional teachers, support staff and ICT staff for schools.
 Capacity increased at Adelaide, Glenunga, Brighton and Marryatville High Schools.
 Intensive recruitment of more frontline police and purchase of new equipment including handheld computers, portable fingerprint scanners and number plate recognition cameras.



Creation of innovation district at Tonsley.

2011-12

\$50 million - to improve rail and train safety.
\$56 million - support for people with disabilities.
 Affordable housing for Playford North, Elizabeth Park, Woodville West and Westwood.



\$250 million - for Science, Technology, Engineering and Maths facilities in 139 public schools plus **\$250 million** loan offer to private schools.

2016-17

Ninth surplus is estimated to be delivered since Labor elected.
 Job Accelerator Grants of up to **\$10 000** for each new worker.
 Extra **\$142 million** for public transport.

2015-16

\$148 million - in cost of living concession.
 Largest tax reforms in South Australia's history — more than \$268 million per annum in tax cuts once fully implemented.
 Public housing, roads, school upgrades and job support initiatives for Northern Adelaide.



ReturnToWorkSA established, saving business **\$180 million** a year compared to WorkCover.

2014-15

New high school in city.
 Electrification of train line to Salisbury.
\$50 vouchers for primary students playing sport.



Reforms to compulsory third party system cut vehicle costs by an average of **\$148** over two years.

2013-14

Torrens to Torrens road project goes ahead.
 Innovative and cost-effective solution to Britannia Roundabout.
 Expansion of Mount Gambier Prison.

2012-13

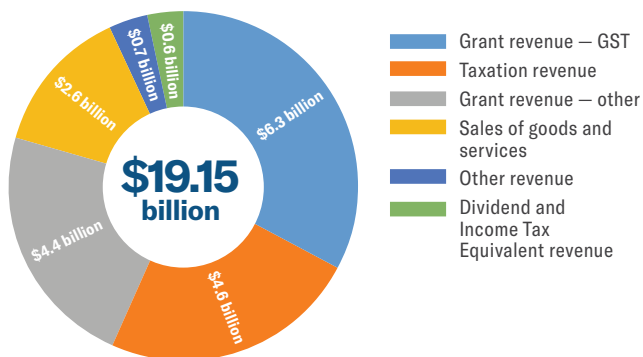
Nyrstar finance secured for Port Pirie.
 Third phase of Red Tape Reduction following more than **\$300 million** cuts already delivered.
 Stamp duty concession for off-the-plan apartments in City of Adelaide council area.
15 per cent cut to ministerial office spending.
 Expansion of Port Augusta Prison.

By the Numbers

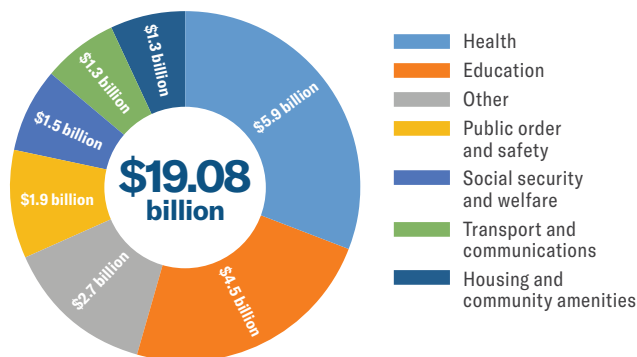
Key Metrics

South Australia's economy has exceeded \$100 billion and is growing at 2.25 per cent despite significant challenges, notably the closure of GM-Holden. The government's job-creation initiatives and business cost reductions have countered the headwinds. Our prudent economic management has put us on track to deliver consecutive surpluses from 2015-16 through to 2020-21, while supporting record infrastructure investment and providing world-class health, education and other public services.

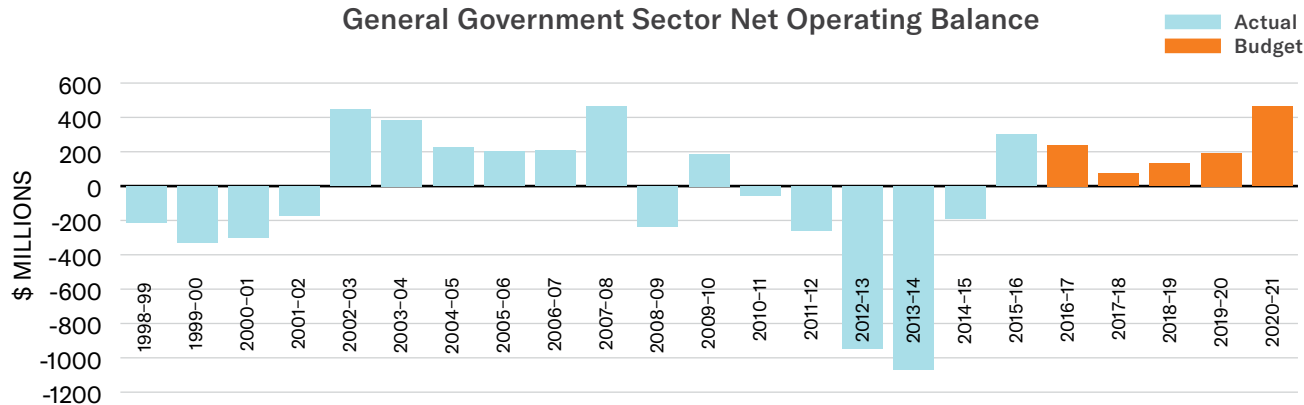
2017-18 Revenue ⁽¹⁾⁽²⁾⁽³⁾



2017-18 Expenses ⁽¹⁾⁽²⁾⁽³⁾



General Government Sector Net Operating Balance



The budget has returned to surplus and remains in surplus throughout the forward estimates.

(1) General Government Sector.
 (2) Some minor categories have been aggregated for the purposes of presentation.
 (3) Total does not add due to rounding.

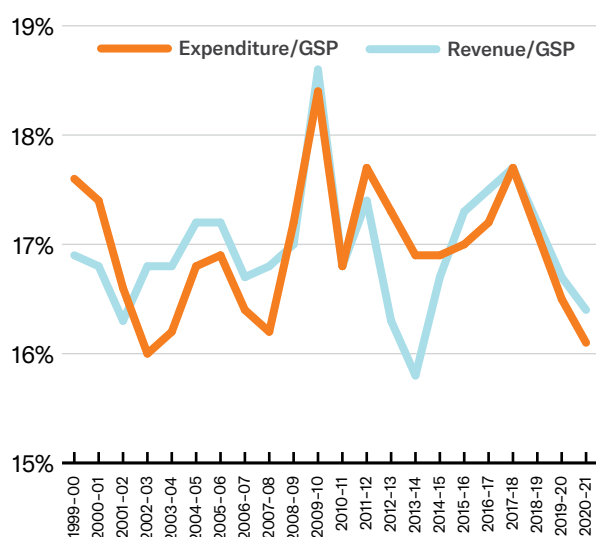
BUDGET OVERVIEW

Per capita taxation by jurisdiction (\$) ⁽⁴⁾⁽⁵⁾⁽⁶⁾



South Australians pay less tax per capita to the state government than almost every other state.

Revenue and Expenditure as a percentage of Gross State Product ⁽¹⁾



Real per capita growth in Gross State Product / Gross Domestic Product

In 2016-17 South Australia is estimated to have had the second highest economic growth per capita among the six states.

	SA	SA RANK	AUS
2011-12	-0.2% ⁽¹⁾	5th	2% ⁽³⁾
2012-13	0.7% ⁽¹⁾	2nd	0.8% ⁽³⁾
2013-14	0% ⁽¹⁾	5th	1% ⁽³⁾
2014-15	1.1% ⁽¹⁾	3rd	1% ⁽³⁾
2015-16	1.2% ⁽¹⁾	3rd	1.3% ⁽³⁾
2016-17	1.6% ⁽²⁾	2nd	0.3% ⁽⁴⁾

(1) Source ABS Cat no. 5220.

(2) Source 2017-18 Australian Government Budget.

(3) Source ABS Cat no. 5206.

(4) Source 2017-18 South Australian Budget.

Key economic indicators – Australia and South Australia real growth rates (per cent per annum)

	2015-16 Actual	2016-17 Estimate	2017-18 Forecast	2018-19 Projection	2019-20 Projection	2020-21 Projection
Australia⁽⁷⁾						
Gross Domestic Product (GDP)	2.6	1¼	2¼	3	3	3
South Australia						
Gross State Product (GSP)	1.9	2¼	2¼	2¼	2¼	2¼
State Final Demand (SFD)	1.1	2¼	2¼	2¼	2¼	2¼
Employment	0.4	1¼	1	1	1	1
Adelaide Consumer Price Index (CPI)	0.9	1½	2	2¼	2½	2½

(4) Taxation revenues for South Australia have been adjusted to remove land tax paid by South Australian Housing Trust for consistency with other jurisdictions.

(5) 2016-17 population estimates have been sourced from Commonwealth Treasury estimates.

(6) Based on taxation revenue estimates published in 2016-17 Mid-Year Budget publications for all states and territories.

(7) Australian forecasts from 2017-18 Australian Government Budget.

Supporting Our Regions



"Our continued investment in premium food, wine and tourism drives billion dollar economic returns and creates jobs for South Australians."

Agriculture Minister
Leon Bignell

//

AGRICULTURE

\$155.6 million

For the Northern Adelaide Irrigation Scheme if the Commonwealth provides \$46 million from its water infrastructure program.

More than 20% of state public servants are employed in regional areas.



"Strong regions are crucial to the overall economic strength and wellbeing of our state."

Regional Development Minister
Geoff Brock

//

2017-18 Key Regional Projects

● Coober Pedy

● Moomba

● Ceduna

● Leigh Creek

● Port Augusta

● Whyalla

● Port Pirie

● Kadina

● Renmark

● Port Lincoln

● Gawler
● Adelaide

● Murray Bridge

● Kangaroo Island

● Mount Gambier

Across Regions

\$17.5 million - over four years for wastewater management.

\$5 million - over four years for PACE Discovery Drilling.

\$8.9 million - over two years for repairs to national park assets damaged in the September storm events.

\$1.2 million - over four years to Safer SA Waters.

Far North

\$2.2 million - over five years for management of Aroona Dam.

\$522 000 - over four years to establish a Country Fire Service Brigade at Leigh Creek.

\$1.2 million - over four years for an Aboriginal interpreter service.

\$730 000 - in 2016-17 for APY Lands new ambulances.

Yorke and Mid North

\$188 000 - over three years to support Foodbank SA at Port Pirie.

Eyre and Western

\$1.6 million - in 2017-18 for the future of the Whyalla Steelworks.

\$5.1 million - over two years for Port Bonython Jetty works.

\$1 million - in 2017-18 for the Whyalla City Council Jetty.

\$407 000 - in 2017-18 for Whyalla community facilities.

Adelaide Hills

\$13.5 million - over three years to Flows for the Future of the River Murray.

\$6.7 million - over four years for Mt Barker and Strathalbyn 24 hour emergency care.

Limestone Coast

\$1.1 million - in 2017-18 for Mount Gambier Airport.

\$600 000 - in 2017-18 for sea wall repairs at Wyomi Beach.

Murray and Mallee

\$3 million - over three years for The Bend Motor Sport Park.

\$3.3 million - in 2016-17 for Riverland Storms Recovery Assistance.



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State Budget 2017-18

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