

Hawker Britton

South Australian 2016–17 Mid-Year Budget Review

December 2016

On 16 December 2016, South Australian Treasurer Hon Tom Koutsantonis MP released South Australia's 2016-17 Mid-Year Budget Review (MYBR).

The 2016-17 MYBR shows that South Australian budget forecast is now expected at \$300 million. This is \$46 million higher than predicted upon the release of the State Budget in July.

The MYBR indicates a contributing factor to the delivery of a higher than expected surplus is an additional \$43 million as a result of the delay in delivery of the New Royal Adelaide Hospital.

Net debt has also been revised down, now \$57 million lower than forecast in July 2016.

The full 2016-17 South Australian MYBR is available [here](#).

Fiscal Outlook

The MYBR outlook achieves the government's fiscal target of a general government net operating surplus by the end of the forward estimates in 2020.

Table 1.3 shows the movement in the key fiscal indicators for the general government sector since the 2016–17 Budget.

Table 1.3: Fiscal Outlook — Budget and Mid-Year Budget Review (\$million)

	2016–17	2017–18	2018–19	2019–20
Net operating balance				
Budget	254	415	464	466
MYBR	300	382	424	456
Change since 2016–17 Budget	46	- 33	- 41	- 10
Net lending				
Budget	-2 436	- 310	44	52
MYBR	-2 445	- 416	29	63
Change since 2016–17 Budget	- 9	- 106	- 15	11
Net debt				
Budget	6 246	6 561	6 541	6 536
MYBR	6 189	6 538	6 576	6 571
Change since 2016–17 Budget	- 57	- 23	35	35
Net debt to revenue ratio (%)				
Budget	34.2	34.7	34.5	33.7
MYBR	33.7	34.3	34.3	33.6
Change since 2016–17 Budget	-0.5	-0.4	-0.2	-0.1
Unfunded superannuation				
Budget	12 178	11 842	11 471	11 065
MYBR	12 894	12 514	12 099	11 648
Change since 2016–17 Budget	716	672	628	583

Note: Totals may not add due to rounding.

New Initiatives

The 2016-17 MYBR includes South Australian Government funding on a suite of new and existing initiatives, including:

- \$432 million in additional funding across four years to strengthen the South Australian families and child protection system. This funding has been allocated in response to the Child Protection Systems Royal Commission.
- \$31 million to assist local large business with electricity costs, including an audit to implement energy efficient initiatives within their business.
- \$14.5 million across three years towards the automatic annual indexation of the cost of living, energy, water and sewerage concessions in line with CPI. This initiative will commence from 1 July 2017.
- \$21.4 million towards investment in prison capacity at the Adelaide Women's Prison and Mount Gambier.
- \$24.2 million in funding for the government's response to the severe weather events of September 2016. This funding encompasses repairs to road infrastructure, emergency grants for those who suffered financial hardship as a result of losing power, and the Virginia horticulture flood recovery package. The South Australian Government has also committed to provide support to local councils to meet the cost of repairing storm damage in accordance with the Local Government Disaster Recovery Guidelines.
- \$20 million across two years (in addition to \$50 million allocated in the 2016-16 State Budget) to purchase an additional three trams and extend the tram line along King William Street from North Terrace to the Festival Plaza as part of its commitment to building the AdeLINK tram network.
- \$6 million across two years towards a new Health Industries Fund to encourage investment opportunities in the health sector.

Further Information

The full 2016-17 South Australian Mid- Year Budget Review is available [here](#).

The South Australian Treasurer's Media Release is available [here](#).

Hawker Britton's Occasional Paper on the 2016-17 South Australian Budget is available [here](#).