

Strong foundations. Stronger future.



The 2012-13 Mid-Year Budget Review (MYBR) sees the South Australian economy growing while, like all states, we are facing eroding revenues from the Commonwealth.

GST, property taxes and other Commonwealth grants are not keeping pace with economic growth, placing pressure on the state's ability to fund hospitals, schools and emergency services.

This MYBR maintains the State Government's investment in infrastructure, health and front-line services while creating new programs such as the Housing Construction Grant to secure jobs and keep the state's economy strong.

Strong foundations.

The State Government has made the financially responsible decision to maintain its investment in infrastructure and jobs while consolidating some resources to focus on the services South Australians need most.

Easing the burden

- New Park 'n' Ride facilities across the Adelaide Metro rail and bus network, bringing the government's total investment to nearly \$50 million.
\$21.1 million over two years
- Helping first home owners by increasing the First Home Owner Grant to \$15 000 for people buying or building a new home.
\$61.6 million over four years
- Additional resources for the Personal Alert Rebate Scheme to ensure access for all eligible applicants.
\$6 million over four years
- Free public transport for passengers directly affected by the closure of Adelaide Railway Station to upgrade lines.
\$931 000 in 2012–13
- Additional resources to support Subsidised Taxi Travel for the disabled.
\$2 million over four years

Supporting our community

- Meeting the state's fair share of pay increases for workers in the Community Services Sector.
\$75.9 million over four years
- Reducing alcohol-related violence through a public education campaign and assistance to the Sammy D Foundation.
\$1 million in 2012–13
- Continuing a 24/7 State Rescue Helicopter Service.
\$4.8 million over four years
- Supporting our olympians through SA's Olympic Appeal Committee.
\$700 000 in 2012–13
- Grants to not-for-profit community organisations including:
 - The Salvation Army.
\$250 000 in 2012–13
 - Returned & Services League.
\$100 000 annually
 - Youthoria Cinema Port Lincoln.
\$34 000 in 2012–13

Reforming government

- Reducing Communications officers across government by around 50 full-time employees and consolidating resources.
Saving of \$5.3 million a year
- Reducing the number and cost of Boards and Committees across government.
Saving of \$1.3 million a year
- Fewer outside contractors employed in clerical tasks.
Saving of \$20 million a year
- Improving workforce performance and productivity in government through a new Public Sector Renewal Program.
\$2 million in 2012–13



Stronger future.

The state's economy is growing and increased to \$91.9 billion in the last financial year with growth in the important industries of mining and manufacturing. Through our investment in critical programs, the State Government is maintaining this economic growth.

A strong economy

- Helping to stimulate the housing and construction industry through a new Housing Construction Grant of \$8500 for all eligible purchases of a newly constructed home.
\$41.3 million over two years
- Additional support of nearly \$3 million for the state's Advanced Manufacturing Strategy, with a total investment of over \$11 million.
\$2.8 million over four years
- Extending stamp duty concession for 'off the plan' apartments to the Bowden Urban Village and 45 Park projects.
\$5.9 million over three years
- Supporting small business with a new Mediation Service to solve disputes.
\$486 000 over four years
- Attracting more people and business to Adelaide through securing new Emirates Airlines flights.

A vibrant city

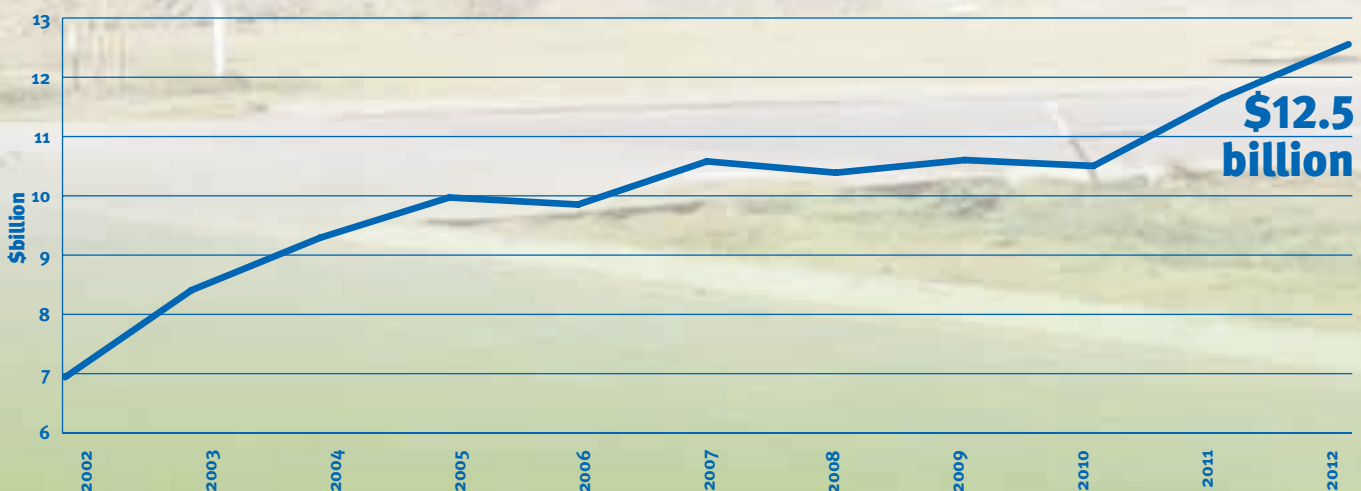
- Australian-first roll out of free wireless internet in the CBD.
\$1 million in 2012–13
- Reducing congestion on city streets and boosting usage of buses, trains and trams through a new Transport Development Levy.
\$8.3 million in 2012–13
- Continuing support for the Clipsal 500.
\$8.3 million in 2012–13
- Extending the Adelaide Fringe Festival by another week.
\$400 000 a year
- Encouraging more live music by introducing a new small venue liquor licence.
\$40 000 in 2012–13
- Securing the World Tennis Challenge and the 2013 Australian Swimming Championships.

Prosperous regions

- Building a viable and strong timber sawmilling industry in the state's South East through the South East Forestry Partnerships Program.
\$27 million over two years
- Supporting the transformation of Port Pirie's Nyrstar facility into a cleaner metal processing and recovery centre.
\$5 million in 2012–13
- Helping remove noxious weeds and imported ants through additional support for National Eradication Programs.
\$1.8 million over two years
- Caring for our environment through the Coorong, Lower Lakes and Murray Mouth Recovery Project.
\$6.4 million over five years
- Supporting recreation, conservation and tourism through a new reserve at Hanson Bay, Kangaroo Island.
\$1.8 million in 2012–13.

The private sector is investing in South Australia at unprecedented levels with new business investment at a record high of \$12.5 billion in 2011–12 and growth of 80% since 2002.

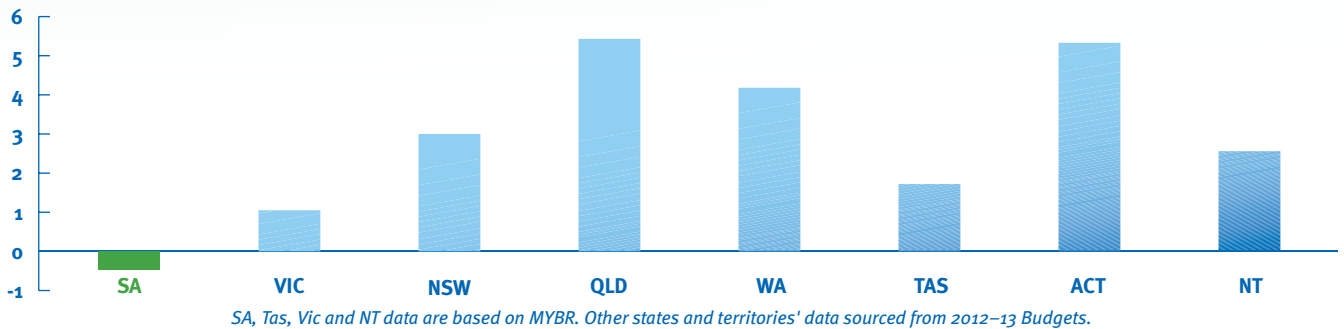
Seasonally adjusted South Australian private new business investment (real terms, year to June)



Financially responsible.

South Australia is the only state or territory that is reducing its spending this year.

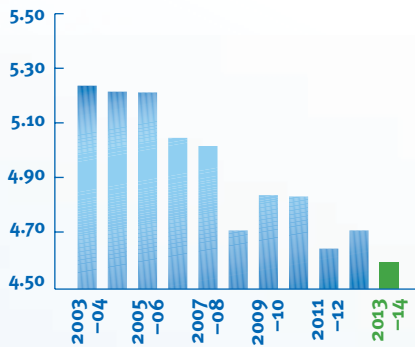
General Government Sector (GGS) operating expenditure growth (%)



Less income

Since budget time GST and other grants from the Commonwealth have been reduced by around \$288 million over the next four years. The state has lost around \$1.2 billion in total Commonwealth grants since the 2011–12 Budget.

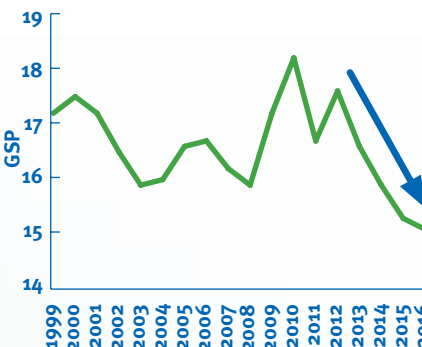
SA GST grant to Gross State Product (GSP) (%)



Decreased spending

The government has adjusted its spending to respond to decreased GST and other Commonwealth grants revenue. As a percentage of the state's economy, by 2015 spending in South Australia will be at its lowest levels since the 1990s.

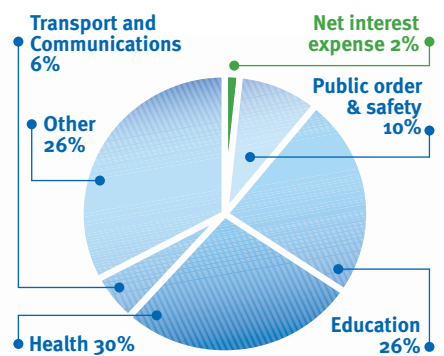
GGS operating expenditure as a percentage of GSP



Modest debt

The State Government's net interest costs represent only 2 per cent of its budget, the remainder delivers vital services to South Australians.

2012–13 Budget GGS operating expenditure by function



	2012–13	2013–14	2014–15	2015–16	2016–17
Net operating balance (MYBR)	-1169	-868	-11	468	763
Net operating balance (2012–13 Budget)	-867	-778	-15	512	n/a
Net lending (MYBR)	-939	-1524	-135	-2582	775
Net lending (2012–13 Budget)	-1901	-1038	-31	-2045	n/a
Net debt/revenue (MYBR)	34.3%	43.4%	42.0%	55.3%	49.0%
Net debt/revenue (2012–13 Budget)	35.4%	41.3%	39.1%	49.1%	n/a
Investing expenditure (MYBR)	2077	1922	1177	4117	1114
Investing expenditure (2012–13 Budget)	2147	1462	1057	3629	n/a