

STATE BUDGET

2026-27

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FISCAL DISCIPLINE TO DRIVE A MORE PRODUCTIVE SOUTH AUSTRALIA

The 2026-27 State Budget will implement a partial freeze on the recruitment of non frontline positions across all State Government agencies for the next 12 months.

Productivity will be a key focus of the Budget, and the State Government has taken the opportunity to examine our own capacity to deliver the services demanded by the community.

That includes identifying where we can do things more efficiently.

Over this period, agencies will only be able to fill one of every two vacancies that arise in non-frontline areas, enabling agencies to continue to fill positions considered vital to operations.

The freeze will not apply to frontline areas such as teachers, police, doctors and nurses.

Treasury forecasts this 12-month measure will result in 1,000 fewer FTEs than would otherwise be the case, delivering savings of approximately \$120 million each year.

Importantly, this measure does not involve forced redundancies.

With South Australia at virtually full employment, this measure will maintain effective service delivery and policy development within government, while allowing skills and capability to flow to the private sector, where stronger productivity growth will be critical to South Australia's long-term economic performance.

This policy complements the Government's annual efficiency dividend measures which encourage public services to be delivered as efficiently as possible.

Quotes attributable to Peter Malinauskas

Our state is at full employment, and our businesses are in desperate need for workers as they look to grow their productivity.

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This challenge is only set to grow with a massive program of mining, AUKUS and other growth opportunities ahead of us.

Now is not the time to have public sector growth crowding out the private sector. That means we must impose the discipline to boost productivity in the public sector, just as we are seeking to drive across the economy.

Importantly, this policy will not impact frontline services. We will continue to deliver major increases in frontline roles including police, teachers and our health system.

Quotes attributable to Tom Koutsantonis

An efficient and streamlined public sector is important in pursuing improved productivity.

With AUKUS, Olympic Dam and a new era for Whyalla on the horizon, reducing the public sector intake will help the private sector to fill crucial jobs at a time when the labour market is tight and demand for labour is high.

This is a simple measure we can take that will deliver significant budget savings while ensuring the public service continues to function efficiently and without impacting service delivery or frontline services.

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