

STATE BUDGET

2026-27

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PREMIER

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RELIEF FOR FAMILIES, CERTAINTY FOR BUSINESS

The 2026-27 State Budget delivers the biggest cost of living investment in South Australian history, as the Malinauskas Government delivers on the commitments it took to the March State Election while maintaining fiscal discipline and laying the foundations of a new era of productivity.

This is very deliberately a budget of no surprises – and no new taxes.

It is a budget that will give businesses reassurance that we are not a Government that believes in disrupting expectations.

We do however believe in investment in measures that ease the day-to-day financial burden on South Australians, and this budget delivers more than \$500 million in new initiatives to ease the cost of living. It delivers on our \$174 million commitment over four years to provide fee-free public school from Reception to Graduation, beginning from the 2027 school year – saving families an average of more than \$8,000 per child throughout their schooling.

It contains \$77 million over five years from the current financial year to provide full stamp duty relief for seniors aged 60 and over who downsize to a new home valued up to \$2 million. And it invests in growing families, adding \$18.5 million over four years for South Australia's first IVF rebate scheme – providing \$2,000 per IVF cycle for up to two cycles to make IVF treatment more affordable for thousands of families.

Other measures that ease the burden for South Australian families include:

- \$76 million over four years to help keep kids off screens, helping them be active, healthy and connected to their communities, while easing pressure on family budgets by reducing out-of-pocket costs for school and extracurricular activities. This investment provides all Year 7 public school students the opportunity to attend a school camp and delivers one free term of before or after-school activities in public schools, alongside free 'come and try' sessions during school holidays through Try.Play.Belong. The existing Sports Voucher Plus scheme is also being expanded to include 16 to 18-year olds, supporting an additional 18,000 young people each year.
- \$45.5 million over four years to establish new Out of School Hours Care services at 68 government primary schools across South Australia, creating around 2,300 extra

STATE BUDGET

2026-27

- OSHC places and providing practical support for working parents and carers
- \$15 million over two years to continue the rollout of community batteries, delivering annual bill savings to approximately 10,500 low-income households.
- \$16 million over four years to dramatically expand the Patient Assistance Transport Scheme, increasing the nightly accommodation subsidy for eligible individuals from \$44 to \$110 and for those travelling with an approved support person from \$88 per night to \$154 per night, as well as introducing a cumulative travel subsidy for those travelling 300km or more per week for renal or oncology care.
- \$8.4 million over four years for the expansion of the Seniors Card scheme to all South Australians over the age of 60, and to Aboriginal South Australians aged 50 or older from 1 July 2026. All eligible recipients will be able to access free 24/7 Adelaide Metro public transport, as well as a range of other discounts and deals, including on heating and cooling systems, home maintenance, pharmacies and more.
- \$7 million over four years to establish a Portable Rental Bonds Scheme to allow renters moving house to transfer their existing bond to their new rental property, with the government guaranteeing the bond amount for the original landlord. This will make it easier for renters to move between properties, putting an end to renters having to pay a new bond before receiving the refund of their existing bond.

Housing

The Malinauskas Labor Government will back up its record-breaking housing year by delivering on every housing commitment made to South Australians at the March state election in the 2026-27 State Budget.

The Budget delivers a housing package totalling \$2.5 billion to keep South Australia's historic building momentum going, including by getting more homes built, more South Australians into home ownership and more tradies into the construction workforce.

The centrepiece is a \$1 billion plan to build more homes faster.

A \$500 million Housing Fast-Track Fund will allow the Government to purchase strategic land and accelerate it for development, while a \$500 million Apartment Fast-Track Fund will see the Government go guarantor for developers to unlock more apartment developments in the CBD.

The Budget also significantly expands the Government's innovative Rent To Own scheme to 2,000 more homes, taking thousands of South Australians out of the rental market and giving them a pathway to own their own home.

Through the scheme, South Australians can move into a new house and pay a reduced rent of 75 per cent of the market rate for two years before purchasing, with the purchase price locked in at the start of the rental period to protect buyers from further property market increases.

STATE BUDGET

2026-27

To restore trust in the South Australian Housing Trust, the Budget commits \$140 million to renovate 300 vacant public homes and return them to stock for families in need, alongside investment in 200 supported accommodation places for tenant cohorts with complex needs.

A \$29.5 million Housing Skills Package will create 1,000 new pathways into the construction workforce through scholarships, apprenticeships and industry partnerships, ensuring South Australia has the tradies it needs to keep building at record pace.

The Budget will also expand HomeStart to help more South Australians buy homes, extending low-deposit loans to police, firefighters and Technical College graduates, raising income limits, opening shared equity loans to apartment buyers, and linking HomeSeeker SA with HomeStart for easier access.

To get homes built faster through the planning system, the Government will deliver a Housing Pattern Book — a suite of pre-approved, world-class architectural designs that will fast-track planning approvals and reduce delays for builders and buyers alike.

Education and skills

In addition to free public schools, expanding OSHC, and measures to keep kids off screens and encourage them to be active and engaged with their communities, the 2026-27 State Budget provides:

- \$210 million over the next six years to support redevelopment and upgrades across 37 public schools including:
 - \$87 million for the redevelopment of Mount Barker High School
 - \$63 million to upgrade sites, classrooms and facilities across 11 schools
 - \$50 million to build new gyms or halls at six schools across South Australia
 - \$10 million in new and upgraded inclusive education facilities, including improvements to learning and sensory spaces in 20 schools
- \$65 million over six years to support programs aimed at improving student outcomes, including:
 - establishing a specialist Science, Technology, Engineering and Mathematics (STEM) pathway to increase the supply of specialist teachers in STEM related subjects
 - introducing early employment opportunities for student teachers to work in government schools
 - improving workplace safety and wellbeing for teachers and educators.
 - rolling out the autism inclusion program in all government secondary schools
 - introducing a second phonics check for Year 2 students, providing an opportunity to assist kids who need support with reading and writing.

STATE BUDGET

2026-27

We are investing in the generational opportunity we have to capitalise on AUKUS, with \$150 million over four years to establish and operate three new technical colleges, including one regional campus in Murray Bridge and two metropolitan campuses in Marden and Gawler.

The Budget also funds \$26.8 million over five years to build South Australia's AUKUS skills workforce by supporting more than 1,000 new university, trade and upskilling opportunities including in mechanical and fabrication engineering, electrical and electronic engineering, and maritime, nuclear and submarine naval architecture. We are also spending \$25.5 million over four years to construct and operate a new multi-trade vocational training workshop at the TAFE SA Mount Barker campus, expanding capacity for up to 1,200 additional apprentices in electrical, plumbing and carpentry, reducing travel time for regional apprentices.

Health

Since its election in 2022, the Malinauskas Labor Government has delivered more than \$12 billion in additional funding for the health system. The government remains committed to delivering a quality, sustainable and efficient public hospital system.

We have added 678 extra new beds in the system, employed an extra 933 doctors, 2091 nurses, 374 ambos and 603 allied health workers.

These investments saved lives.

And we will invest \$1.7 billion over the forward estimates to support service delivery across the health system and make sure our hospitals can continue to meet demand now and into the future.

Right now around 380 people occupy hospital beds while ready to be discharged to an Aged Care facility. The cost of construction for Aged Care facilities have increased dramatically, accessing capital is becoming ever more difficult and requires government intervention.

The budget responds to these aged care pressures through a \$250 million no-interest loan scheme to help deliver up to 650 new aged care beds, including a minimum requirement for dementia support beds to free up capacity in our hospitals.

Other measures in the budget include:

- \$28 million over four years to deliver a specialised mental health assessment unit at the Royal Adelaide Hospital adjacent to the Emergency Department, providing a purpose-built space for people experiencing a mental health or drug and alcohol crisis.
- \$22 million to deliver a new Emergency Department for Clare Hospital, providing

STATE BUDGET

2026-27

- mid north communities with around-the-clock care in a dedicated modern facility.
- \$15 million over four years to support infrastructure upgrades at the Murray Bridge Soldiers' Memorial Hospital, including redevelopment of the maternity ward and birthing unit to increase beds from six to eight, and a new purpose built renal unit to replace existing infrastructure and increase treatment capacity from four to six chairs.
 - \$13.9 million over four years to provide additional support for a stronger regional ambulance service including two Community Paramedics in Ceduna from 2026-27, a new 12-person ambulance crew in Yorketown from July 2028, a new ambulance station at Millicent, and upgrading ambulance stations at Yorketown and Barmera.
 - \$13.2 million over four years to expand the 24-hour pharmacies initiative and establish three new 24-hour pharmacies in the west, north-east and Adelaide Hills (Mount Barker) to help reduce pressure on hospitals and GP clinics.
 - \$13 million over two years to deliver a new, purpose-built medical education and training facility in partnership with Flinders University adjacent to Mount Gambier Hospital, increasing the number of medical students studying in regional South Australia.
 - \$10 million over four years to support five GP clinics to establish specialised women's health clinics, offering services including endometriosis and pelvic pain management, pregnancy and fertility support, contraceptive implant services, menopause care and preventative health checks, with clinics located in northern, southern and central Adelaide and two in regional South Australia.
 - \$5.6 million over four years for a dedicated transfer team to help ease the pressure on local emergency crews and retain volunteer capacity in the Murray Bridge community.
 - \$4.6 million over four years to establish South Australia's first Virtual Pelvic Pain Clinic, providing dedicated care for women experiencing pelvic pain and endometriosis, alongside gynaecological support, and to launch an endometriosis public health campaign.
 - \$2.6 million over four years to continue the provision of dedicated specialist lung cancer nurses across the hospital system.
 - \$1.8 million over four years to establish Australia's only dedicated MND (Motor Neurone Disease) Biomarker Research Centre of Excellence in collaboration with FightMND and Flinders University
 - \$1.6 million over four years to support people living with MND through improved access to equipment and relevant health professional support. This is in addition to the \$2.4 million provided as part of the 2025-26 Budget, bringing total support for MND to \$4 million.
 - \$3 million over two years to deliver a business case to commence planning for the new Greater Northern Adelaide Hospital.
 - \$3 million over two years to undertake a business case for the planned transformation of the current Women's and Children's site into a dedicated health and aged care precinct, expected to be home to a mix of public and private services, as well as 600 aged care beds.

STATE BUDGET

2026-27

- \$1 million over four years to fund additional training for 120 more pharmacists, doubling the number of pharmacists with graduate training needed to deliver expanded services and treat acute health conditions.
- \$350,000 over two years to train an additional 100 GPs to diagnose and prescribe medication for ADHD, doubling the number of specially trained GPs in South Australia.

Law and Order

The Government has made significant investment to boost SAPOL's resources with more than 800 police officers sworn in since 2023. For the first time in nearly a decade, South Australia has its full complement of police officers and the highest number of sworn police per capita of any state.

The 2026-27 State Budget also delivers:

- \$11.3 million over four years to establish a dedicated drone operations capability that will provide SAPOL the ability to undertake unmanned aerial surveillance and policing functions.
- \$5 million over two years to undertake the necessary planning work for two new police stations at Mount Barker and Murray Bridge.
- \$2.7 million over five years for an additional 60 electronic monitoring devices and resources to manage the supervision of offenders across the state
- \$300,000 in 2026-27 to Crime Stoppers SA for the establishment of a new online reporting tool.

Infrastructure and Transport

Work is progressing on two major infrastructure projects, delivering a Non-Stop South Road and a new Women's and Children's Hospital. The budget also provides \$90 million over five years in partnership with the Commonwealth Government towards safety upgrade works including replacement of retaining walls and stabilisation of slopes on the South Eastern Freeway, \$80 million over five years to upgrade the Adelaide and Hawthorn Road intersection including improved signalling and widening of the intersection, and funding to commence delivery of critical road safety upgrades along the Horrocks Highway, with a contribution from the Commonwealth Government to be sought.

Other projects include:

- \$16 million over three years to deliver an upgraded roundabout at the Chandlers Hill Road and Happy Valley Drive intersection and a new roundabout at Windebanks Road and Happy Valley Drive, to improve traffic flow and reduce peak-time queuing and delays.
- \$7 million over three years to build a new Park 'n' Ride at Torrens Park railway station to improve access to public transport for commuters in the area.

STATE BUDGET

2026-27

- \$3.5 million over three years for a battery-powered passenger train trial operated on the Belair rail line, providing a cleaner, greener, and quieter service.

Economic outlook

Despite fuel-related headwinds, the South Australian economy has been outperforming the nation, supported by strong growth in employment, dwelling investment and engineering construction.

The jobless rate has had a 3 in front of it 15 times since monthly records began in 1978, with all occurrences under the current government.

We have been clear since coming to office that our record investment in generational productive infrastructure projects – a Non-Stop South Road and the new Women’s and Children’s Hospital - would drive an increase in debt, but our debt to revenue ratio remains at a sustainable level and the 2026-27 State Budget’s projected debt to revenue levels are lower than previously budgeted. Once these two projects are completed, debt as a percentage of revenue will begin to reduce as our capital program returns to level more in line with historical trends.

The State Budget forecasts budget surpluses totalling \$1.4 billion.

Key Budget Metrics

	2025-26 Estimated Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
General government net operating balance (\$m)	189	223	285	348	327
General government net lending (\$m)	-2 105	-3 347	-3 952	-2 908	-2 713
General government net debt (\$m)	24 226	28 842	33 417	37 274	40 853
Non-financial public sector (NFPS) net debt (\$m)	34 687	40 265	44 865	49 295	53 654
NFPS net debt to revenue ratio	101.3%	113.2%	122.5%	132.0%	139.7%
<i>Change since 2025-26 Budget</i>	↓6.3%	↓3.9%	↓3.4%	↓4.6%	n.a.
General government net debt to revenue ratio	74.2%	85.2%	97.2%	105.2%	111.5%
<i>Change since 2025-26 Budget</i>	↓6.1%	↓4.5%	↓4.0%	↓4.8%	n.a.

Quotes attributable to Peter Malinauskas

This is a budget which delivers the biggest cost of living package in the state’s history for households, and productivity for business.

The budget delivers upon our election commitments, provides a stable environment for private sector investment and growth, and continues our record of delivering surpluses.

STATE BUDGET

2026-27

All of this is occurring while we are delivering the largest infrastructure program in our state's history, including water infrastructure to facilitate more homes, a non stop South Road and a New Women's and Children's Hospital.

These major investments will help us realise the state's economic opportunities, including AUKUS and a massive expansion of copper mining.

Quotes attributable to Tom Koutsantonis

The 2026-27 Budget lives within its means, the surpluses are genuine and debt to revenue rates are lower than previously budgeted.

The Malinauskas Government continues to provide the certainty that allows risk-takers, entrepreneurs and business leaders to get on with their work, while the Government gets on with providing the services and cost of living relief we committed to at the State Election.

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