



SA Budget 2014: Some pain, some protection, but long-term revenue concerns remain

Today's State Budget is better than might have been expected under current circumstances, but SACOSS remains concerned about the long term sustainability of South Australia's budget revenue.

Given the economic challenges around the closure of Holden and recent federal budget cuts, the Weatherill Government appears to have cushioned vulnerable and disadvantaged South Australians from the harshest parts of its Budget.

Key initiatives that seek to protect low income households include the retention of concessions for the Emergency Services Levy, the maintaining of council rate concessions despite federal government cuts, and guaranteeing no water price increases as a result of the debt transfer to SA Water.

SACOSS Executive Director Ross Womersley said,

“SACOSS welcomes these initiatives, however, in the context of the grim employment outlook for South Australia, and where we have major issues of youth unemployment and major structural adjustment in manufacturing, we believe more initiatives directed at stimulating job growth are needed”.

SACOSS' other major concern is the fundamental structural issue of a lack of sustainable and fair revenue streams for the state government

Mr Womersley continued,

“The Budget shows a dependence by South Australia on Commonwealth revenue, and the Budget fix relies on increasing the essential services levy - one of a very narrow band of tax increases available to the state.

“Yet, the Budget papers show that South Australia remains the second lowest taxing state per-capita but with the highest tax effort. This again reflects the very narrow tax base and illustrates why we need a broader, more sustainable, and fairer system of state taxation.”

SACOSS calls for the creation of a high level advisory board chaired by the Treasurer to review current sources of revenue, and model and make proposals to government to restore and maintain a sustainable revenue base. This board should include representatives from business, the community sector, local government, the union movement and independent academics.

SACOSS' full budget analysis will available at the commencement of the Uruguay v England World Cup match (4.00am) Friday 20 June, 2014

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