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REFORM PUT OFF ANOTHER YEAR AS SA BUDGET SINKS IN SEA OF DEBT

“The South Australian budget demonstrates that the Weatherill Government has abdicated its fiscal responsibilities and brushed aside the economic reforms needed to get the state back on track,” said Ms Julie Novak, Research Fellow at the Institute of Public Affairs, a free market think tank.

While the identified expenditure cuts, such as the net reduction in the public service by 620 staff over four years, are a welcome start to contain state public sector cost pressures, disappointingly the budget maintains an unsustainable fiscal path.

“Having resigned himself to the fact that the state might well lose its AAA credit rating, Treasurer Jack Snelling has loosened the government’s fiscal belt at exactly the wrong time in the face of domestic and global uncertainties,” Ms Novak said.

“The government has pushed out its deficit reduction timetable further into the never-never of the forward estimates, with another \$1 billion added to previously forecast deficits.”

“The state government will dip the state further into debt, a doubling of the general government net debt burden to \$9 billion, in a pointed refusal to learn Europe’s lesson that big debts bust government budgets in the end,” Ms Novak said.

The budget should at least provide the opportunity for all South Australians to discuss the need for a fundamental change in the state’s direction in fiscal, economic, social and cultural terms.

“The latest budget persists with a big-spending, high-taxing, picking-winners approach that simply hasn’t worked to make South Australia the best place to invest, work, and live,” Ms Novak said.

“Where in this budget are the economic reforms to streamline the size of government, substantially cut taxes, eliminate red tape, and reduce the cost of living to attract business and people?”

“Ultimately the future of South Australia is in the hands of its residents, but the 2012-13 budget does little to empower South Australians to grab the best opportunities to compete and excel against the best on the global stage.”

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