

## Public Opinion and the 2017-18 SA State Budget

In the first half of 2017 SACOSS released three reports based on a survey of 1,000 South Australians about their attitudes on a range of issues relating to state taxes, government expenditure and tax reform. This Fact Sheet compares some of the headline data from those reports with what was delivered in the 2017-18 SA State Budget.

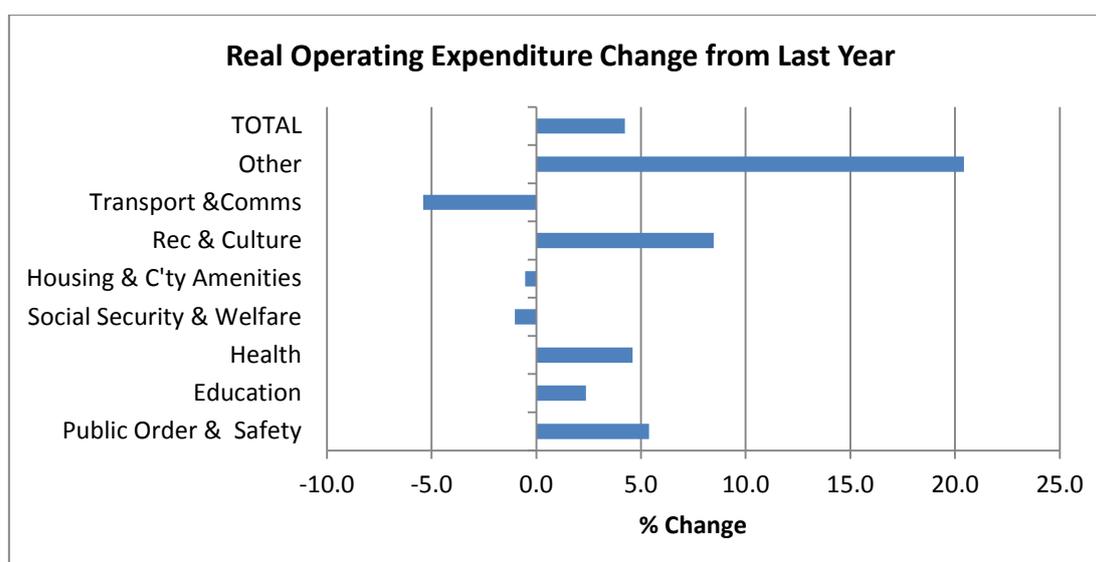
### Expenditure

**Survey said** 68% of people want more money spent on public infrastructure and services. Only 22% thought the government should cut spending to meet budget pressures.

**Budget delivered** no real (inflation adjusted) increase in expenditure over the forward estimates, and government expenditure declining as a proportion of the economy from 17.2% this year to 16.1% in 2020-21.

**Survey said** a more than two-thirds of people wanted more expenditure on health, education and social services.

**Budget delivered** health, education and community services accounting for 58% of budget expenditure. In real terms, operating expenditure on health and education went up from 2016-17 to 2017-18, but the value of expenditure on social security declined by 1%.



**Survey said** 58% of people support more investment in sickness prevention to deal with increasing health costs.

**Budget delivered** a lot of tertiary-care and health infrastructure spending, but no new early intervention and primary health care investments.

## Revenue

**Survey said** 64% of people thought that the overall level of tax was too high.

**Budget delivered** some tax cuts for business, but also two new state taxes – against a background of a \$96m fall last year in the predicted tax collection. The net result, adjusted for inflation, is that state taxes will rise from now by 7.9% over the forward estimates (or 4.2% per capita), but as a proportion of the economy overall revenue will decline from 17.5% last year to 16.4% in 2020-21.

**Survey said** 54% of people believed that South Australian state taxes were higher than elsewhere.

**Budget delivered** the third lowest taxes per capita, and a tax effort which was below the national average.



## Tax Reform

**Survey said** 62% oppose tax increases to address budget pressures. That figure dropped to 32% if tax increases only applied to business – but more people still opposed increased business taxes than supported them.

**Budget delivered** payroll tax cuts for small business and a tax increase for big banks.

**Survey said** one in four people rated stamp duty on transfer of real estate as the highest priority for reducing tax.

**Budget delivered** no general change to stamp duty, but the concession for off-the-plan apartment purchases was extended while a new stamp duty surcharge for foreign buyers was introduced.

**Survey said** 53% of people supported removing the current poker machine tax concession for clubs, and 63% supported higher tax rates for higher intensity pokies.

**Budget delivered** no reform to gambling taxes.