

# STATE BUDGET

## 2023-24

**STEPHEN MULLIGHAN MP**  
TREASURER

### SA ECONOMY SET TO MODERATE FROM RECORD HIGHS

South Australia's economy is performing at record levels.

The unemployment rate in South Australia has reached record lows four times in the past five months, and the total number of people in work reached 941,100 in April, meaning employment is far higher than it's been historically, both total and full-time.

In April, there were 33,000 more people employed than at the time of the March 2022 state election.

Annual employment growth was 3.9 per cent in the 12 months to April. This is over 2 and a half times higher than the decade average of 1.5 per cent. Employment growth is expected to be 3.0 per cent in 2022-23

The value of goods exports is at a record high \$17.2 billion in the 12 months to March 2023, annual retail spending hit a record high \$2.28 billion in April buoyed by AFL Gather Round and LIV Golf, and the winter crop is at record levels for 2022-23 at 12.6 million tonnes.

The South Australian economy has experienced strong levels of economic growth over the past few years directly because of the COVID bounce back and subsequent economic boom from national stimulus in the economy.

The South Australian economy in 2022-23 is expected to grow an estimated 3.5 per cent in 2022-23 on the back of current record levels of employment, retail trade and booming exports.

In the ten years prior, GSP growth has averaged 1.0 per cent per year.

Such strong year-on-year levels of economic growth in South Australia are unlikely to be sustained in the short-term, particularly in the face of global economic headwinds.

Globally and nationally, economic growth forecasts have been downgraded due to factors such as inflation, rising interest rates, and turbulence in parts of the international banking sector.

Due to these factors, economic growth forecasts contained in the 2023-24 Budget have been revised downwards, consistent with revisions to forecasts by the Commonwealth Government and the IMF, reflecting their views on the potential for a slowdown in global and national growth.

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Gross State Product (GSP) is expected to moderate to 1 per cent in 2023-24, before returning to levels closer to trend with to 1.75 per cent forecast in 2024-25 and 2 per cent from 2025-26 onwards.

Employment growth is also expected to return to normal levels from an estimated 3 per cent this financial year to 1 per cent in 2023-24, falling to 0.75 per cent in 2024-25, then increasing back to 1 per cent in the out years.

This recognises that near-record low unemployment, record high participation and forecast population growth of approximately 1.3 per cent per year over the next two years.

Consumer Price Index (CPI) is expected reduce in South Australia from 7.75 per cent in 2022-23 to 3.75 per cent in 2023-24 and further moderating to 3.25 per cent in 2024-25, returning to the RBA's target band of 2 to 3 per cent by 2025-26.

	2022-23 Estimate	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection
<b>2023-24 Budget (per cent)</b>					
<b>Gross State Product (GSP)</b>	3.5	1	1.75	2	2
<b>State Final Demand (SFD)</b>	2.5	1.25	1.75	2	2
<b>Employment</b>	3	1	0.75	1	1
<b>Adelaide Consumer Price Index</b>	7.75	3.75	3.25	2.75	2.5

### Quotes attributable to Stephen Mullighan

*The South Australian economy is as strong as it has ever been, and this gives us a lot of confidence heading into a time when economic growth globally and nationally is moderating.*

*While our state won't be immune from national economic trends, our economy meets this period from a strong position.*

*The Malinauskas Labor Government has honoured our commitment to give businesses and employers the confidence they need to continue to invest in South Australia.*

*This budget builds on our strong track record of investing in jobs and opportunities to ensure our economy remains robust and we grow our reputation as the best place to work, do business and invest.*

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