



Association of
Independent Schools
of South Australia

SPECIAL EDITION BULLETIN

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State Government Budget 2020-21

Overview

The State Government has released the State Government Budget 2020-21. The Budget responds to the economic impacts of COVID-19 and major bushfire events, and is designed to build confidence and create jobs. The total stimulus package is \$4 billion. The package leverages an additional \$1 billion of Commonwealth, local government and business spending, for a total stimulus package of \$5 billion. The budget consists of the \$4 billion state economic stimulus, \$330 million COVID-19 response, \$851 million “tradies package”, \$305 million bushfire response and recovery, and a record spending of \$16.7 billion on infrastructure which includes an investment of \$1.3 billion in education facilities over 4 years.

New Measures – Education

A range of measures have been announced related to the education portfolio. These are targeted at the non-government school sector, the government school sector and TAFE SA. \$1.3 billion will be invested in education facilities over 4 years.

Non-Government Schools: Expanded School Loans Scheme

A \$320 million expanded schools loan scheme has been developed. Loans will be provided to the non-government school sectors to support investment in new and updated learning facilities. Loans will be interest-free for the first 5 years, with low interest rates for the remaining term.

Non-Government Schools: Capital Funding

\$11.6 million additional funding will be provided in 2021-2022 to the non-government school sectors for capital purposes to improve school facilities. This doubles the infrastructure funding previously made available to the sectors for this year. The AISSA anticipates changes to the capital grant funding calculation methodology.

Non-Government Schools — State Government Funding Arrangements

The State Government will adopt the DMI methodology for determining a school’s capacity to contribute. Non-government schools will transition to the DMI methodology over a three year period, from the 2021 to 2023 school year. Funding to individual independent schools will also be standardised as a share of the SRS over this period. To assist with the transition in the 2021 school year, additional support is provided in 2021-22 to non-government schools from the Community and Jobs Support Fund.

Non-Government Schools: Regional Transport

\$8.3 million will be spent over 4 years in grants to the non-government school sectors to assist in the provision of the most appropriate regional transport services to their students (previously announced).

Non-Government Schools: Additional Funding

\$180 million in funding brought forward from 2020-21 to 2019-20 to assist in meeting cash flow requirements in the short-term due to the impact of COVID-19 (previously announced and paid to schools).



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Development of New Government High Schools

Two Birth to Year 12 schools will be built at Aldinga and Angle Vale. The new schools will each accommodate 1500 students, 100 inclusive places for students with disability and a 75 place children's centre (1675 places in total). Construction of the new \$100 million secondary school in Whyalla has commenced. The former Investigator College site in Goolwa will be upgraded to make the facilities suitable for use as a Government high school. The school will have capacity for approximately 400 students in Years 7 to 12 from the beginning of 2022.

Investing in Government High Schools

\$37 million additional funding will be spent over 2 years for all Government schools and preschools to undertake priority maintenance works. \$66.9 million will be spent over 2 years in accelerating education capital works. This includes bringing forward approved capital works at government schools included in the Department's sustainable enrolment growth and other school projects program, delivering a mixture of traditional and modular school facilities.

VET and Support for Apprenticeships

The Government is providing \$99.6 million in additional resources to TAFE SA over 2019-20 and 2020-21 to support the transition to the government's direction for the delivery of Vocational Education and Training (VET). \$68.9 million will be provided over 2020-21 and 2021-22 for the Department for Innovation and Skills (DIS) to deliver on the JobTrainer Fund National Partnership Agreement with the Commonwealth. \$19 million over 2020-21 and 2021-22 will be spent in leveraging the JobTrainer initiative in order to maximise employment outcomes for the South Australian economy. \$32.9 million will be spent over 4 years in supporting a further 750 traineeship and apprenticeship places in Government agencies and funded projects, in qualifications that are assessed as having high growth potential. This includes cyber-security, aged care, disability services and housing construction. The intent of the program is to deliver government funded employment during the training period, and a qualification to the individual which will equip them to pursue ongoing employment in the applicable sector.

Marketing Campaign for International Education

This initiative provides \$1 million over three years to develop and execute an international education global marketing campaign in partnership with StudyAdelaide, sector and state tourism stakeholders. The campaign 2020-21 will leverage Austrade's new global International Education National Brand to develop sustainable international education growth markets.

New Measures – Children and Families

Children in Care

\$124 million has been budgeted to be spent over 4 years to meet the costs of an increase in the number of children and young people in care.

Government Program

\$9.8 million budgeted to be spent over 4 years in the Child and Family Assessment and Referral Network Program, with the aim of supporting children and families with complex needs, and a trial to support young women under 23 years of age with child protection histories.

Family Preservation and Reunification Services

The government is partnering with the Commonwealth Government and non-government service providers to introduce family preservation and reunification services through social impact bonds and pay-by-result contracts. These are expected to promote innovative service provision and enhance support for families in need.



Key Economic Indicators

Net operating Balance and Net Lending

Net operating deficits are forecast in 2020-21 and across the forward estimates. Net lending deficits are forecast in 2020-21 and across the forward estimates.

Net Debt

The non-financial public sector (NFPS) net debt was \$17.5 million in 2019-20. It is budgeted to be \$20 million in 2020-21, and is estimated to increase to \$27.7 million in 2021-22, \$30.7 million in 2022-23 and \$33.2 million in 2023-24.

Gross State Product (GSP)

GSP is forecast to decrease by 0.75% in 2020-21, and projected to increase by 4.25% in 2021-22, 3% in 2022-23 and 3% in 2023-24.

Employment

Employment in South Australia declined by 0.6% in yearly average terms in 2019-20. Employment levels are expected to grow through the remainder of 2020-21 as recovery from COVID-19 takes place.

Adelaide Consumer Price Index (CPI)

The Adelaide CPI is forecast to rise by 1.5% in 2020-21, 1.25% in 2021-22, 1.5% in 2022-23 and 1.75% in 2023-24.

Fees and Charges

The annual indexation factor for fees and charges has been set at 1.9% for 2020-21. Public transport fares will increase by 1.9%, and low range speeding fines will increase by 1.7%. Water bills for the average residential customer will decrease by 17.5% in 2020-21, saving the average customer \$200.

Further information on the full range of measures outlined in the State Budget 2020-21 is available in the SA State Budget 2020-21 Papers: <https://statebudget.sa.gov.au>.

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