

Report 8 of 2026

State finances – insights on the 2026-27 Budget

Quotes from the Auditor-General

Tuesday 27 October 2026



Andrew Blaskett | Auditor-General of South Australia

"A significant portion of the forecast operating surpluses is supported by Commonwealth Government capital grant revenue linked to major infrastructure projects. As those funding streams reduce over time, maintaining operating surpluses may depend on stronger revenue growth, lower expenditure growth, or both."

"This report highlights that the State's capital program continues to require debt funding and that major infrastructure investment needs are likely to remain well beyond the current forward estimates."

"As debt increases, so does the cost of servicing that debt. Every dollar spent on interest is a dollar that is not available for services, infrastructure or future priorities, which is why rising interest costs are important to monitor."

"My role is not to assess government policy decisions, but to analyse the risks and assumptions that underpin the Budget. Understanding those risks helps Parliament and the community better assess the challenges that may affect South Australia's finances over the longer term."

"While the Budget forecasts ongoing operating surpluses, the more important question is what happens beyond the forward estimates. Our review highlights several longer-term financial risks, including rising debt, increasing interest costs and continuing infrastructure investment requirements that will shape the State's financial position in the years ahead."

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