



Introduction

The 2025-26 SA Budget was handed down on 5 June by the Treasurer, the Hon. Stephen Mulligan. The 2025-26 Budget is the last one scheduled before the State election in March 2026.

CHIA SA has analysed the Budget's housing-related initiatives and provided comment where relevant.

SA Housing Trust

The Budget included a number of initiatives administered by the SA Housing Trust.

Rent-to-buy affordable housing initiative

The Budget allocates \$47.9M for 100 properties under construction as part of the affordable housing initiative will be allocated to a rent-to-buy scheme for a period of up to three years, before progressing with the sale as affordable home purchase opportunities. The properties will initially be rented out to eligible households at 75 per cent of market rent with renters pre-qualified and intending to purchase the property at the end of the lease.

At the conclusion of the lease terms, the properties will be sold through the HomeSeeker affordable home purchase scheme, with the existing tenant having first option to buy the home.

- Operating revenue is forecast to be \$2.43M in 2026-27, rising to \$2.503M in 2027-28. Across 100 properties, this implies an average rent of \$467/week, rising to \$481/week.
- Investing receipts in 2027/28 (representing sale proceeds) are equal to the cost of construction – implying that the properties are forecast to be sold for the cost of construction.
- Investing \$47.9M to construct 100 properties implies an average cost per property of \$479,000.

HAFF Round 2

The Budget allocates \$135.1M over three years for a range of projects supported by the Commonwealth Government's Housing Australia Future Fund Facility (HAFF) – Round 2. The projects will support delivery of South Australia's notional allocation for Round 2 which has a target of 5000 dwellings nationally. This



forms part of the Commonwealth Government's HAFF commitment to support the delivery of 20,000 social housing homes across Australia over a five-year period. The state will fund the projects with a pull-forward of future construction project budgets, with the Commonwealth Government to provide availability payments subject to reaching contract close.

- The majority of funding (\$85.2M) is in 2026-27, with \$47.9M in 2027-28 and \$1.99M in 2025-26.
- Revenue of \$1.375M is projected in 2027-28, rising to \$4.19M in 2028-29. This is likely to represent a combination of HAFF availability payments and rental income. Revenue in 2028-29 represents 3.1% of the capital investment.
- Housing Australia has not yet announced final details of successful projects from HAFF Round 2.

Remote Aboriginal housing operations

This initiative provides \$12.0 million in 2025-26 to continue the delivery of property and tenancy management services for selected remote Aboriginal communities following the cessation of Commonwealth Government funding. The government will continue to negotiate with the Commonwealth Government to secure ongoing funding for property and tenancy management services for housing in remote communities.

The initiative is projected to engage 24 FTE in 2025-26.

Renewal SA

Renewal SA continues to have a significant work program in the 2025-26 Budget, with key initiatives including:

Onkaparinga Heights – This initiative provides \$10.1 million over the forward estimates and \$30.5 million in total to 2031-32 to deliver the Onkaparinga Heights site to market. Renewal SA’s contribution may be impacted should it select a development partner to deliver the development, and expenditure is expected to be offset over time by revenue from the sale of land. This project forms part of the government’s Housing Road Map and is expected to provide at least 2000 residential housing lots.

- No target for affordable housing is indicated; this suggests the existing 15% affordable housing target applies – amounting to 300 properties.
- This initiative appears to be aimed at properties for sale.

Playford Alive East – This initiative provides \$270.1 million over nine years from 2024-25 to deliver the Playford Alive East project which will provide more than 1300 new residential allotments, including a minimum of 30 per cent affordable housing, five allotments for commercial and/or apartment development and 12.5 per cent new public open space.



Renewal SA’s expenditure is expected to be offset over time by revenue from the sale of land and residential dwellings.

- The 30% affordable housing target equates to 390 affordable properties.
- This initiative appears to be targeted at developing properties for sale.

Southwark Master Plan – This initiative provides \$104.7 million over six years from 2024-25 to deliver the Southwark Master Plan which will provide up to 1300 new dwellings including 20

per cent affordable housing and over 15 per cent new public open space to revitalise this key city fringe site that was formerly the location of the West End Brewery. Renewal SA’s expenditure is expected to be offset over time by revenue from the sale of land and residential dwellings.

The 20% affordable housing target equates to 260 affordable properties

Financial and FTE projections

Budget projections for the SA Housing Trust show a significant investment pipeline over the coming four years. The table below outlines projections for the Trust, and compares them to projections from last year’s Budget. As can be seen, projected operating contributions from government are a total of \$381.6M lower than forecast in the 2024-25 Budget, while equity contributions are \$386.7M higher than forecast.

The Trust is forecast to have significantly less in cash and cash equivalents than was forecast in last year’s Budget.

Table 1: SA Housing Trust Budget projections

	2024-25	2025-26	2026-27	2027-28	2028-29
Operating contributions from government	119	58.9	202.6	187.2	128.7
Equity contribution from government	330.3	353.1	230.2	208.6	171.6
Capital investment	335.4	384.7	243.4	220.1	160.8
Net debt	-45.9	-48.4	-69.7	-166.1	-176.1



Table 2: Changes from 2024-25 Budget forecast

	2024-25	2025-26	2026-27	2027-28
Operating contributions from government	-43.9	-139.2	-101.4	-141
Equity contribution from government	-64.4	106.2	143.2	137.3
Capital investment	-61.5	128.9	152.9	147.1
Net debt	19.8	70.7	52.2	-15.6
	2.9	22.7	9.7	9.8

Projections for Renewal SA show considerable investment in the 2024-25 year, reducing over the forecast period. Net debt is forecast to peak in 2025-26 at \$904.4M, before declining to \$330.6M by 2029.

This year’s Budget forecasts operating contributions from government to be \$15.1M higher by 2028, with net debt forecast to be \$198.2M higher in 2025-26 before declining to be \$27.3M higher than forecast last year.

Table 3: Renewal SA Budget projections

	2024-25	2025-26	2026-27	2027-28	2028-29
Operating contributions from government	41.8	24	13.9	-13.9	-5.1
Equity contribution from government	75.2	8.1	9.6	0	0
Capital investment	7.7	11.9	0	1.7	0.1
Net debt	779.7	904.4	734.7	400.1	330.6
	-67.5	3.8	-9.6	1.7	0.1

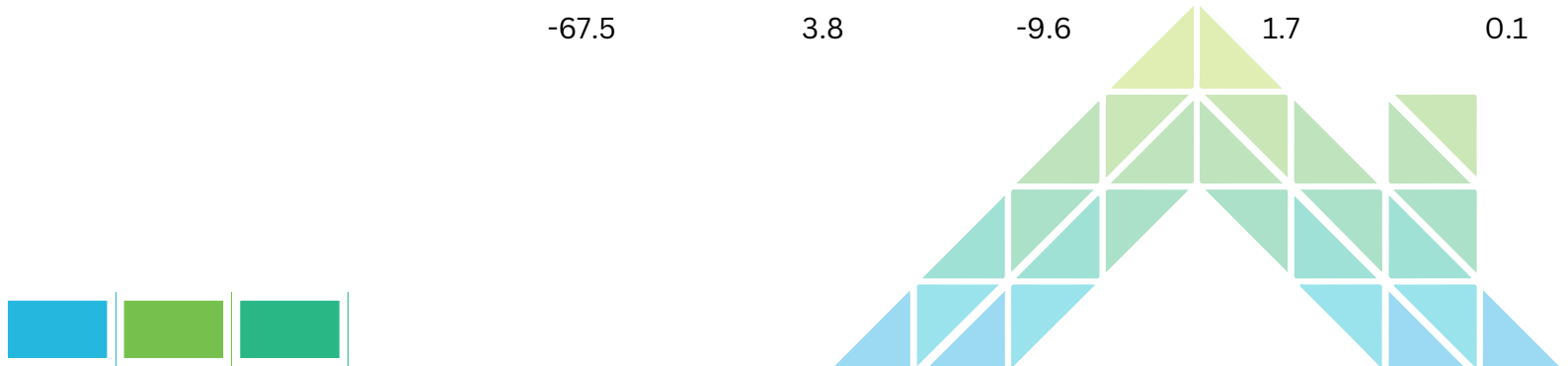


Table 4: Changes from 2024-25 Budget forecast

	2024-25	2025-26	2026-27	2027-28
Operating contributions from government	17.7	26.7	1.3	-12.9
Equity contribution from government	50	0	0	0
Capital investment	-3	9.5	0	1.6
Net debt	125.8	198.2	90.1	27.3
	-53	9.5	0	1.6

The Budget papers include projections for staffing across government. Projections for the SA Housing Trust and Renewal SA are in the table below.

Points to be noted:

- SA Housing Trust is projected to drop from 813.1 FTE in 2025 to 733.4 in 2029.
- Last year’s Budget projected a drop from 815.5 in 2024 to 726.7 by 2028; the current Budget projects 736.4 FTE by 2028.
- Renewal SA is projected to drop from 185.9 FTE in 2025 to 160.0 in 2029.
- Last year’s Budget projected a drop from 184.4 in 2024 to 169.5 by 2028; the current Budget projects 173 FTE by 2028.

Table 5: FTE projections

	2024	2025	2026	2027	2028	2029
SAHA	815.5	813.1	804.3	742.4	736.4	733.4
Renewal SA	174.4	185	193.7	179	173	160

Table 6: Changes from 2024-25 Budget forecast

	2025	2026	2027	2028
SAHA	3.5	34.3	9.7	9.7
Renewal SA	5.1	12.5	5.5	3.5

Table 7: Projected FTE change, year-on-year

	2025	2026	2027	2028	2029
SAHA	-2.4	-8.8	-61.9	-6	-3
Renewal SA	10.6	8.7	-14.7	-6	-13





Homelessness

The Budget provides \$60.7M for homelessness services in 2025–26. This represents growth of 1.69% against the 2024–25 Budget (below the rate of inflation), and growth of only 0.17% against the 2024–25 actual figures.

The Budget papers indicate that 2024–25 actual spending was 4.96% above 2023–24 actual spending, and 1.5% above budgeted spending.

CHIA SA comments

Overall, the housing-related aspects of the Budget show the SA Government responding to Commonwealth Government programs, in particular the HAFF, with increased investment in housing.

The rent-to-buy initiative, currently capped at 100 houses, may have scope to expand.

CHIA SA believes there remains scope for an increased program to develop social housing and affordable rentals, in addition to the Government's initiatives to expand housing supply and affordable sale stock.

From a community housing perspective, opportunities to partner with the SA Government through HAFF are welcome; CHIA SA will continue to advocate for the benefits that community housing providers bring to the multi-provider social and affordable housing system in South Australia.

