Tasmanian Government

PARLIAMENT OF TASMANIA

The Budget

Budget Paper No. 1

Presented by

The Hon Eric Abetz MP, Treasurer, for the information of

Honourable Members, on the occasion of the Budget, 2025-26

Acknowledgement of Country

In recognition of the deep history and culture of this Island, the Tasmanian Government acknowledges and pays its respect to all Tasmanian Aboriginal people.

2025-26 Budget and Government Websites

www.premier.tas.gov.au/budget-2025	Contains the 2025-26 Budget Paper documents and related Government information.
www.treasury.tas.gov.au	Contains the 2025-26 Budget Papers and Budget Paper archives. It also contains detailed information on the financial management framework established by the *Financial Management Act 2016* which has applied since 1 July 2019.
www.tas.gov.au	Provides links to the websites of Tasmanian public sector entities.
www.service.tas.gov.au	Provides a comprehensive entry point to Government services in Tasmania.

CONTENTS

INDEX

PART 1: BUDGET CONTEXT, STRATEGY AND OUTLOOK

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BUDGET CONTEXT, STRATEGY AND OUTLOOK

1 BUDGET OVERVIEW

Executive Summary

- The 2025-26 Budget delivers on the Government's *2030 Strong Plan for Tasmania's Future* by taking action on the issues that matter most to Tasmanians - including healthcare, housing and economic opportunity. It supports growth while maintaining fiscal discipline and transparency.
- Tasmania's economy continues to perform strongly, despite global volatility. The labour market remains resilient, with the lowest unemployment rate nationally and household confidence buoyed by real wage growth and improved housing affordability.
- The 2025-26 Budget, prepared under a compressed timeframe, focuses on maintaining essential services and fiscal discipline. This recognises increasing fiscal pressure driven by rising service delivery costs, global trade tensions and a tight labour market.
- The Government has prioritised continued investment in essential services. Investment in Health, Education and Public order and safety accounts for over 68 per cent of total expenditure across the 2025-26 Budget and Forward Estimates. Compared with the 2024-25 Budget, the investment in:
  - Health has increased by 12 per cent to $14.5 billion;
  - Education has increased by 5 per cent to $9.9 billion; and
  - Public order and safety has increased by 9 per cent to $3.9 billion.
- Significant additional investment has also been made to:
  - Recreation, culture and religion, increasing by 28 per cent to $1.0 billion;
  - Housing and community amenities, increasing by 21 per cent to $0.7 billion;
  - General public services, increasing by 13 per cent to $3.1 billion; and
  - Environmental protection, increasing by 11 per cent to $1.0 billion.
- To ensure long-term sustainability, the 2025-26 Budget continues the application of efficiency and productivity measures from previous Budgets.
- While the 2025-26 Budget lays the foundation for long-term reform, the Government has already commenced work on the 2026-27 Budget, to be tabled in May 2026. The 2026-27 Budget will focus on reshaping public service delivery, enhancing transparency and embedding structural changes that support a more efficient public sector. Consistent with this approach, the 2025-26 Budget includes funding for only some 2025 election commitments.
- These efforts are aligned with the State's fiscal strategy, which targets a Net Operating Balance surplus by 2029-30 and a Fiscal Balance surplus by 2032-33. While there is more work to be done, the 2028-29 Forward Estimate forecasts a modest Net Operating Balance surplus.

ECONOMIC AND FISCAL CONTEXT FOR THE DEVELOPMENT OF THE 2025-26 BUDGET

Tasmania's economy has grown over the past few years despite global market volatility, with the economy supported by government investment and exports. The economic outlook across the Forward Estimates remains positive, as does the outlook for population growth.

The labour market remains strong, with Tasmania recording the nation's lowest unemployment rate of 4 per cent in September 2025. Real wage growth and improved housing affordability have underpinned household confidence and spending and is contributing to easing cost of living pressures for some Tasmanians.

The 2025-26 Budget recognises ongoing challenges, including global trade tensions, cost pressures and a tight labour market. Like other jurisdictions, Tasmania continues to face rising service delivery costs and increased demand in key areas (particularly health) while managing the impacts of national and global economic conditions.

The 2025-26 Budget has been developed under a compressed timeframe and aims to maintain continuity of essential services, while the Government prepares a comprehensive 2026-27 Budget for release in May 2026. Consistent with this approach, the 2025-26 Budget includes only some 2025 election commitments.

These priorities reflect the Government's focus on:

- maintaining essential services, including significant investment into public health initiatives, mental health services, healthcare infrastructure, and education facilities to support opportunities for Tasmanian children and future generations;
- progressing Budget sustainability, through ongoing productivity and efficiency measures and a non-essential hiring freeze across the State Service;
- reprofiling the Capital Investment Program to align with delivery capacity and reduce short-term debt pressures; and
- preparing for long-term reform, including through the work of the Multi-Partisan Budget Consultation Panel and the development of the 2026-27 Budget.

BUDGET PRIORITIES

Essential Services

Tasmanians expect the Government to deliver high-quality essential services that promote wellbeing, create opportunity, and strengthen community resilience. This Budget supports those expectations by building workforce capability and investing in system improvements to ensure services remain responsive to current and future community needs.

The 2025-26 Budget and Forward Estimates provide more than $1 billion in additional funding for the Department of Health to address demand pressures on the health system, implement the *Elective Surgery Four-Year Plan 2025-29* and to improve access to urgent and life-saving care. This includes increased investment in paramedics and other frontline responders, emergency department funding and aeromedical support.

For the Department for Education, Children and Young People, the 2025-26 Budget allocates over $50 million in additional funding to strengthen services including Out of Home Care, support the co-location of the new Huonville Childcare and Child and Family Learning Centre with Huonville Primary School, and deliver the Educational Adjustments Disability Funding Model. The Department also continues a Capital Investment Program valued at more than $450 million across the 2025-26 Budget and Forward Estimates including the new Youth Justice Facilities and major school upgrades and redevelopments across the State.

This Budget also invests over $100 million to support public order and safety, including additional resources for police and emergency service workers, and to address cost pressures in the Tasmanian Prison Service and Community Corrections. These investments seek to maintain community safety in the face of rising youth crime and system pressures.

Further details on these and other initiatives over the 2025-26 Budget and Forward Estimates are provided in the Key Deliverables section of each entity's chapter within *Service Delivery,* Budget Paper No. 2.

Budget Sustainability

Tasmania's fiscal position continues to be shaped by structural pressures, including rising service delivery costs, unfunded liabilities including superannuation and the impact of national economic conditions.

The 2025-26 Budget maintains the implementation of the 2023-24 Budget Efficiency Dividend and the Productivity and Efficiency Measure as complementary mechanisms to support expenditure discipline and to drive public sector performance.

The 2023-24 Budget Efficiency Dividend, which commenced in 2024-25, applies savings targets to agency budgets across the Forward Estimates, requiring agencies to manage cost pressures and deliver services within tighter funding parameters.

The Productivity and Efficiency Measure, commencing in 2027-28, is reflected in Finance-General. This Measure replaces the unallocated 2024-25 Budget Efficiency Dividend that commenced in the same year and will require agencies to identify and implement reforms that improve service delivery outcomes and optimise resource utilisation.

To support these initiatives, the Government will establish an Efficiency and Productivity Unit (EPU) to conduct performance evaluation audits that examine the effectiveness of programs and initiatives, ensuring the State Service remains focused on priorities that matter to Tasmanians and provides a whole-of-government framework to monitor and account for the delivery of Government commitments.

In addition, the Department of Treasury and Finance is allocated additional funding for two years, to assist agencies in identifying savings strategies and reviewing approaches to core business delivery and efficiency.

Recognising the need to address unsustainable growth in public sector staffing, the Government implemented a hiring freeze on non-essential State Service positions on 2 March 2025. This measure responds to the significant increase in employee numbers during and after the COVID-19 pandemic, which has outpaced population growth and substantially contributed to recurrent expenditure growth.

These initiatives form part of the Government's Fiscal Strategy (see chapter 3 of this Budget Paper) and align with the recommendations of the *Independent Review of Tasmania's State Finances*.

The 2025-26 Budget introduces three new savings measures, consistent with the *Budget Better Under Tasmanian Liberals* 2025 election commitment:

- Agency marketing, communications and expenditure improvements;
- Office and leasing improvements; and
- Procurement process enhancements.

While modest in dollar terms, these measures represent a symbolic and strategic component of the broader Budget sustainability agenda, demonstrating the Government's commitment to tightening discretionary spending and improving operational efficiency.

Infrastructure Investment

Strategic infrastructure investment is essential to Tasmania's economic development, service delivery and long-term planning. The 2025-26 Budget supports a coordinated program across sectors including housing, transport, health and education, designed to improve access, liveability and regional connectivity, while supporting economic growth and activity.

The approach to infrastructure investment in this Budget reflects the Government's commitment to "right-size" the public sector - ensuring that new and existing assets are fit-for-purpose, financially sustainable and delivered in a way that prioritises critical projects. This includes maintaining a steady level of capital investment to avoid boom-bust cycles and support ongoing capacity within the construction market.

Infrastructure projects across the State vary significantly in size, scope and complexity. From the recently completed $786 million New Bridgewater Bridge Project, winner of the 2025 Australian Construction Achievement Award, to the additional $7.5 million allocated in this Budget to maintain electrical switchboards in schools, the Government is focused on delivering infrastructure that is both high-impact and high-value. This includes reassessing project scopes, sequencing builds to match capacity and need, and ensuring capital works are supported by sustainable operating models.

The current profile of the Capital Investment Program:

- prioritises critical projects, including the new Youth Justice Facilities;
- reflects the changing economic conditions, such as the constrained delivery capacity in the civil and construction markets; and
- mitigates short-term debt pressures, contributing to the Government's goal of achieving a Fiscal Balance surplus by 2032-33.

Further information on how the Government is ensuring infrastructure investment remains efficient is available in chapter 3 and chapter 7 of this Budget Paper.

Preparing for Long-Term Reform

The 2025-26 Budget establishes the foundation for a renewed and sustained approach to long-term reform. In an environment of constrained fiscal capacity and rising service delivery costs, the Government is committed to embedding structural changes that enhance the efficiency, transparency and sustainability of public finances.

The Government recognises that Tasmania's long-term financial sustainability relies not only on immediate savings measures, but also on reshaping how public services are delivered, measured and funded. This Budget begins to lay the groundwork for a more accountable, efficient and future-ready public sector and recognises that long-term reform extends beyond financial management to include workforce planning, digital transformation and governance.

This reform agenda is underpinned by a commitment to transparency and collaboration. Alongside the initiatives outlined in the Budget Sustainability section, the Government has established the Multi-Partisan Budget Consultation Panel, providing a forum for constructive and collaborative engagement on long-term challenges.

Further reform opportunities will be considered in the lead up to the 2026-27 Budget to ensure that public expenditure aligns with outcomes and that Tasmania's public sector is equipped to meet the needs of a changing population and economy.

KEY FISCAL MEASURES

This section provides summary information on the Key Fiscal Measures of the 2025-26 Budget and Forward Estimates.

Table 1.1 provides a summary of the 2025-26 Key Fiscal Measures which are described further in this section and throughout this Budget Paper. Detailed information on an entity basis is provided in *Service Delivery*, Budget Paper No. 2.

Table 1.1: Key Fiscal Measures, 2024-25 to 2028-29

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
General Government Sector						
Revenue	8 951.8	8 985.4	9 498.2	9 591.7	9 832.8	10 284.1
Expenses	9 744.6	10 190.6	10 506.2	10 399.2	10 126.3	10 278.5
Net Operating Surplus/(Deficit)	**(792.8)**	**(1 205.3)**	**(1 008.0)**	**(807.6)**	**(293.5)**	**5.6**
Infrastructure Investment	**1 103.5**	**772.5**	**893.7**	**902.3**	**810.4**	**779.6**
Fiscal Surplus/(Deficit)	**(1 293.3)**	**(1 339.8)**	**(1 352.1)**	**(1 125.0)**	**(505.9)**	**(152.4)**
Net Debt at 30 June[1]	**5 434.6**	**5 044.3**	**7 081.1**	**8 646.3**	**9 595.6**	**10 397.4**
GFS Net Debt at 30 June[2]	**4 178.9**	**3 960.3**	**6 030.7**	**7 663.6**	**8 681.1**	**9 553.3**

Notes:
1. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments. This measure incorporates the impact of recognising Lease liabilities and Service concession liabilities on the Balance Sheet.
2. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance Statistics Framework and excludes the impact of Lease liabilities and Service concession liabilities.

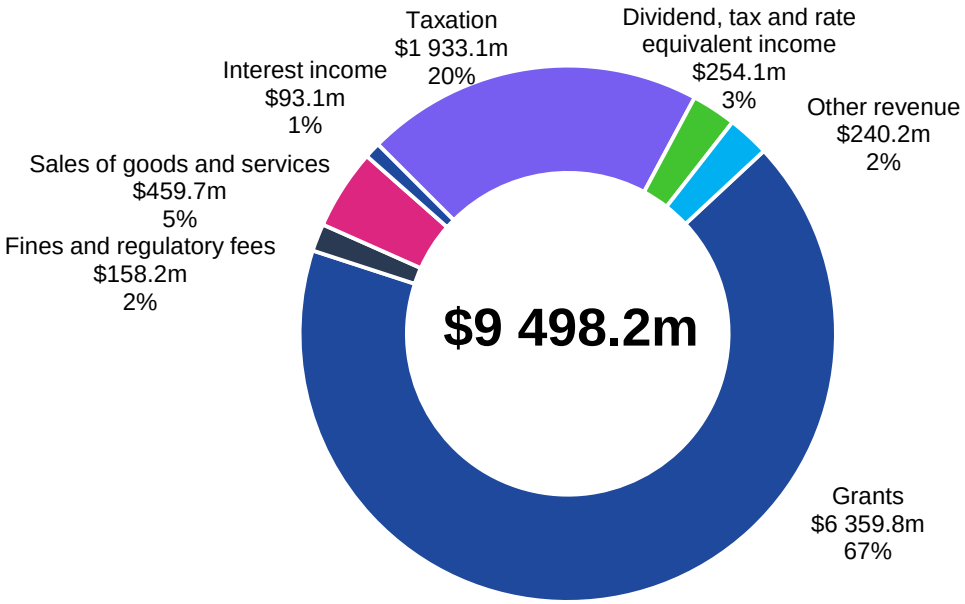
Sources of Revenue

In 2025-26, General Government Sector total revenue is estimated to be $9 498.2 million.

Chart 1.1 provides information on the major sources of General Government Sector Revenue in 2025-26 as presented in the General Government Sector Income Statement.

Chapter 6 of this Budget Paper provides a detailed explanation of the major revenue items included in the 2025-26 Budget and Forward Estimates, alongside an extension to Chart 1.1 which displays revenue sources over a longer timeseries.

Chart 1.1: Sources of General Government Sector Revenue, 2025-26[1]



Note:
1. Grants reflects payments to the State from the Australian Government.

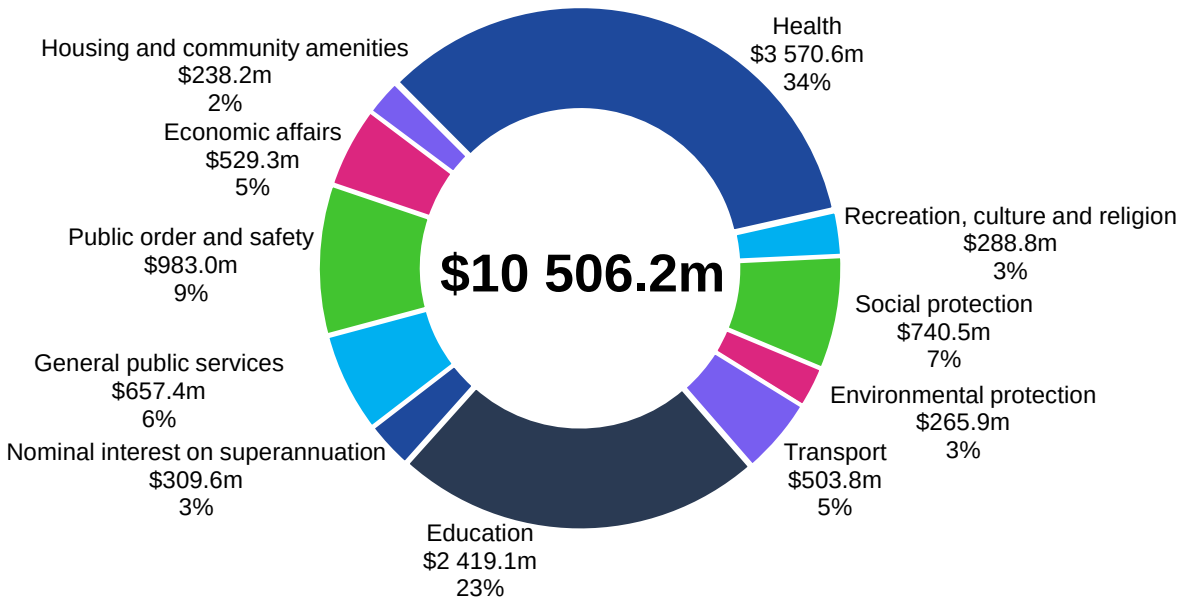
Purposes of Expenditure

In 2025-26, General Government Sector total expenditure is estimated to be $10 506.2 million.

Chart 1.2 provides information on the major purposes of General Government Sector expenditure in 2025-26. This Chart has been prepared in accordance with the Classification of the Functions of Government - Australia Framework. This Framework is not directly comparable to other classification methodologies used in the 2025-26 Budget Papers.

Chapter 5 of this Budget Paper provides information on expenditure variations included in the 2025-26 Budget Papers while chapter 9 includes further detail on General Government Expenses from Transactions by Purpose across the 2025-26 Budget and Forward Estimates.

Chart 1.2: General Government Sector Expenses by Purpose, 2025-26

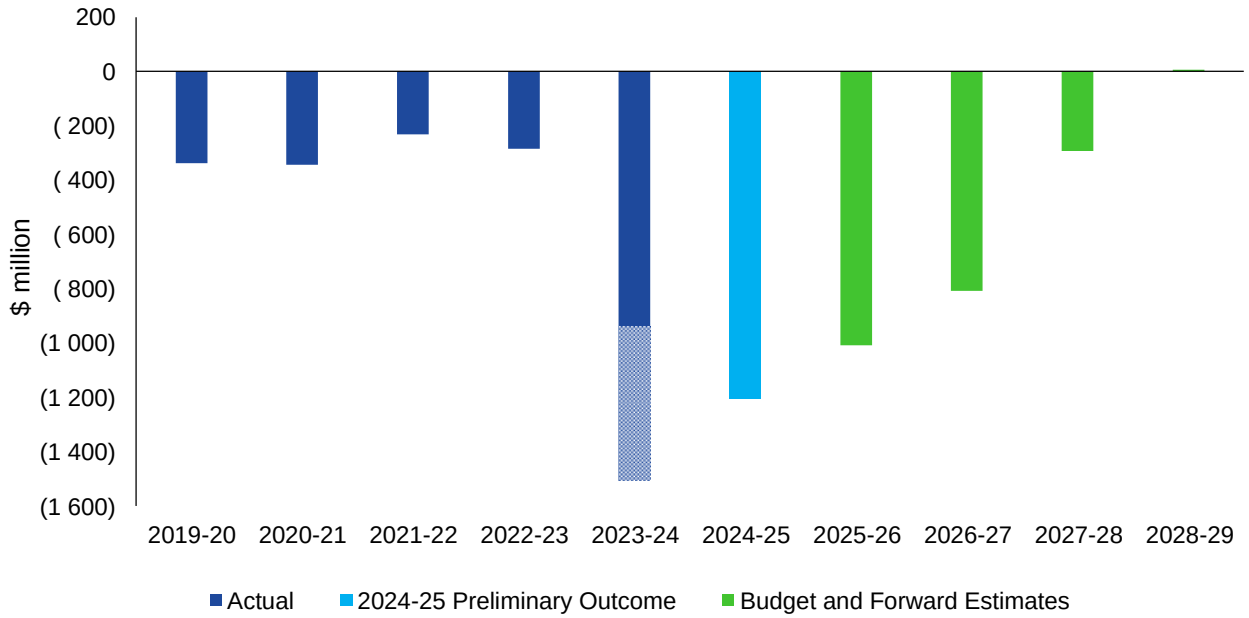


Net Operating Balance

The Net Operating Balance is estimated to be a deficit of $1 008 million in 2025-26, improving to a surplus of $5.6 million in 2028-29. The 2024-25 Preliminary Net Operating Balance deficit of $1 205.3 million represents a deterioration of $412.5 million from the original deficit of $792.8 million presented in the 2024-25 Budget.

Chart 1.3 provides the change in the Net Operating Balance that has occurred since 2019-20 and projections for the 2025-26 Budget and Forward Estimates.

Chart 1.3: Net Operating Balance, 2019-20 to 2028-29[1,2]



Notes:
1. The Net Operating Balance for 2023-24 shows the impact of the accounting recognition of a $571.2 million increase to the Provision for Claims related to Child Sexual Abuse in State Care (see shaded portion of 2023-24 Actual).
2. The Net Operating Balance for 2028-29 reflects a surplus of $5.6 million.

Underlying Net Operating Balance

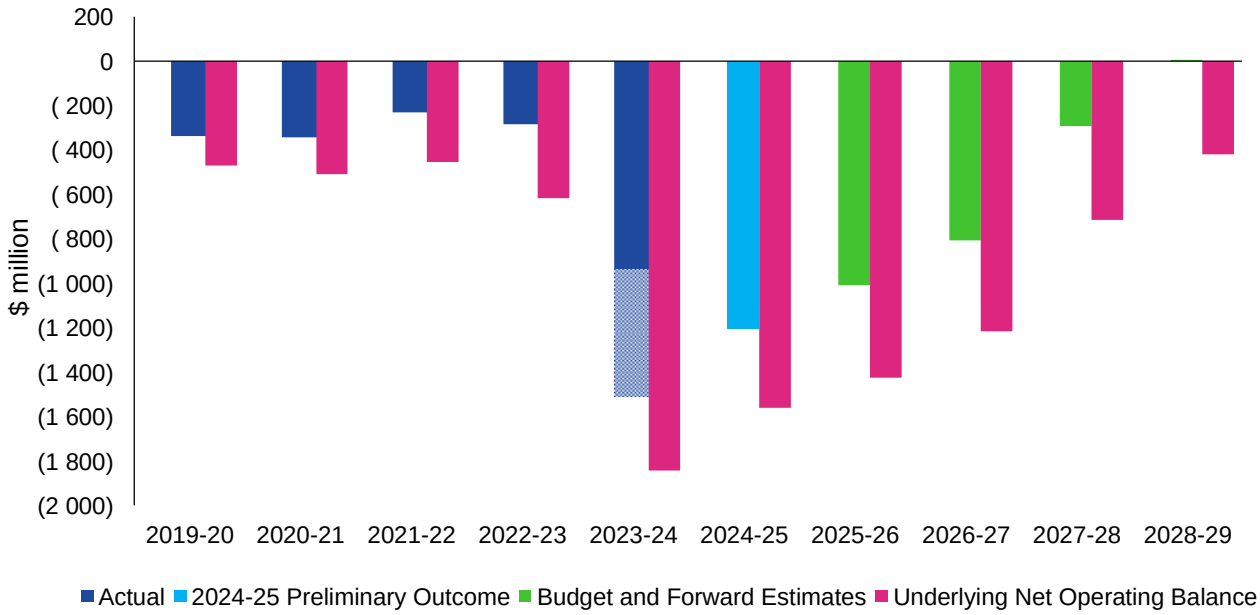
The Net Operating Balance improves when the State receives funding from the Australian Government for capital projects, particularly one-off major initiatives. This measure includes revenue received for capital purposes but does not account for the associated capital expenditure, which is reflected in the Fiscal Balance. To provide a clearer view of the financial position, the Underlying Net Operating Balance removes the impact of one-off Australian Government funding for specific capital projects.

The 2025-26 Underlying Net Operating Balance is a deficit of $1 425.1 million which is a $574 million deterioration from the 2025-26 Net Operating Balance deficit of $851.1 million presented in the 2024-25 Budget.

It is important to note that the Underlying Net Operating Balance is not a standard fiscal or accounting measure and is not reported by, or comparable to, measures reported by other state or territory governments.

Chart 1.4 provides a comparison of the Net Operating Balance and Underlying Net Operating Balance since 2019-20.

Chart 1.4: Net Operating Balance and Underlying Net Operating Balance, 2019-20 to 2028-29[1,2]



Notes:
1. The Net Operating Balance for 2023-24 shows the impact of the accounting recognition of a $571.2 million increase to the Provision for Claims related to Child Sexual Abuse in State Care (see shaded portion of 2023-24 Actual).
2. The Net Operating Balance for 2028-29 reflects a surplus of $5.6 million.

Table 1.2 lists the projects for which Australian Government funding has been excluded in calculating the Underlying Net Operating Balance.

Table 1.2: Underlying Net Operating Balance, 2024-25 to 2028-29

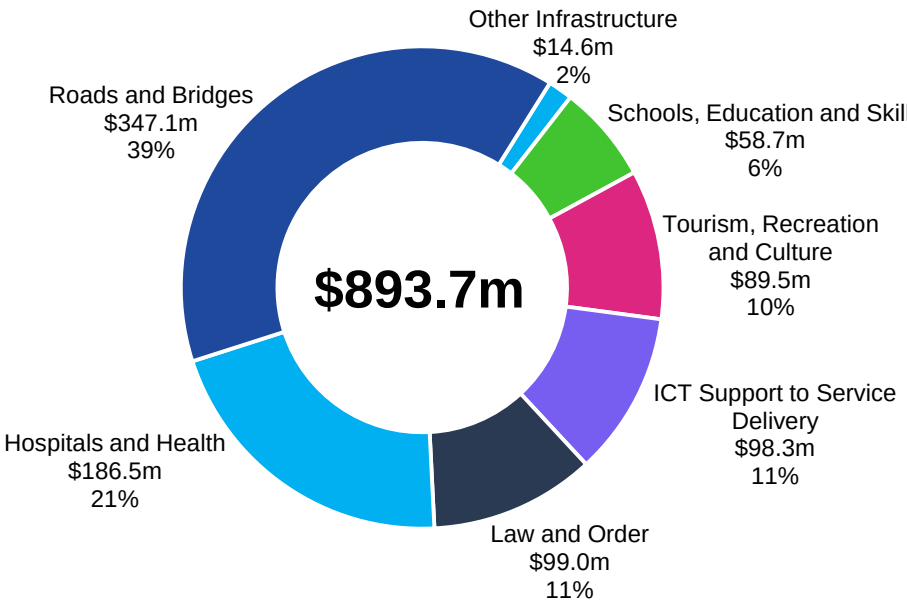
	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Net Operating Balance	**(792.8)**	**(1 205.3)**	**(1 008.0)**	**(807.6)**	**(293.5)**	**5.6**
Less One-off Australian Government funding						
Bell Bay Line - Reconnection to the Bell Bay Wharf	....	....	3.2	11.2	9.6	....
Construction of the Launceston Hospice	4.7	0.8	13.0	6.1	....	....
COVID-19 Stimulus	2.0	2.2	0.5	....	....	....
Macquarie Point Urban Renewal	....	....	18.6	26.6	89.3	105.5
Macquarie Wharf 6 (Port of Hobart)	....	....	47.1	47.0	47.0	21.0
Melba Line Bulk Minerals Rail Hub	8.0	….	14.4	....	....	....
National Water Grid Fund	104.8	50.6	76.7	74.3	43.1	47.0
New Bridgewater Bridge	154.1	174.6	57.8	27.0	....	....
Northern Heart Centre in Launceston	....	….	8.0	20.0	30.0	30.0
Roads and Rail Funding (Nation Building)	51.0	61.1	53.3	76.8	90.4	46.2
Road Corridors	14.6	28.0	11.0	22.6	45.0	94.3
Safer Local Roads Program	11.9	7.0	8.6	8.1	8.1	4.0
Redevelopment of the Royal Hobart Hospital	2.5	....	2.5	....	....	....
Roads of Strategic Importance	40.6	23.8	27.6	44.3	42.9	52.5
Tarraleah Hydro Power Scheme Redevelopment	30.4	....	42.2	....	....	....
Tasman Bridge Upgrade	2.0	1.0	1.3	3.0	....	10.0
Urban Congestion Fund	6.1	5.9	2.8	5.1	15.5	15.1
UTAS Stadium Redevelopment	13.0	….	28.6	36.4	....	....
	445.8	355.0	417.1	408.5	420.9	425.6
Underlying Net Operating Balance	**(1 238.6)**	**(1 560.3)**	**(1 425.1)**	**(1 216.1)**	**(714.3)**	**(420.0)**

Infrastructure Investment

Infrastructure investment delivered through the General Government Sector is estimated to be $893.7 million in 2025-26 and totals $3.4 billion over the 2025-26 Budget and Forward Estimates.

Chart 1.5 provides a breakdown of the 2025-26 General Government Sector Infrastructure investment by functions of Government. This Chart has been prepared in accordance with the Classification of the Functions of Government - Australia Framework. This Framework is not directly comparable to other classification methodologies used in the 2025-26 Budget Papers.

Chart 1.5: General Government Sector Infrastructure Investment by Function, 2025-26



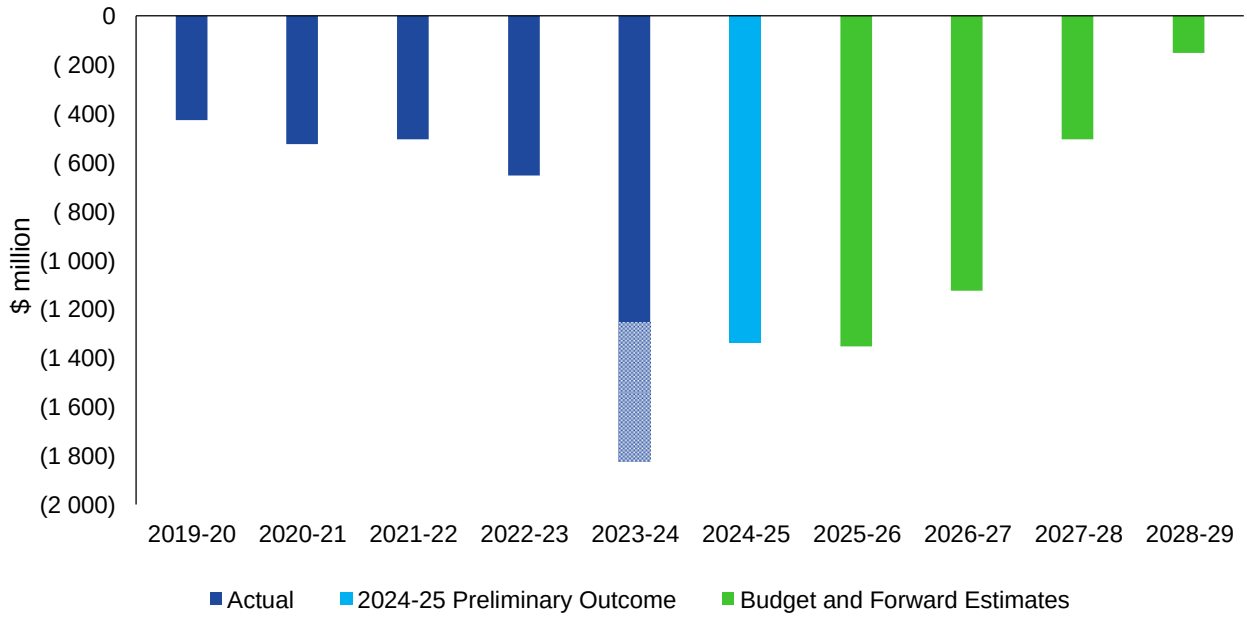
Fiscal Balance

A Fiscal Balance deficit of $1 352.1 million is estimated in 2025-26, with the outcome improving over the Forward Estimates to an estimated deficit of $152.4 million in 2028-29.

The 2024-25 Preliminary Outcome of a $1 339.8 million deficit is a $46.5 million deterioration from the 2024-25 deficit of $1 293.3 million reflected in the 2024-25 Budget.

Chart 1.6 provides the Fiscal Balance that has occurred since 2019-20 and projections for the 2025-26 Budget and Forward Estimates.

Chart 1.6: Fiscal Balance, 2019-20 to 2028-29[1]



Note:
1. The Fiscal Balance for 2023-24 includes the impact on the Net Operating Balance of the recognition of the Provision for Claims related to Child Sexual Abuse in State Care (see shaded portion of 2023-24 Actual).

Net Debt

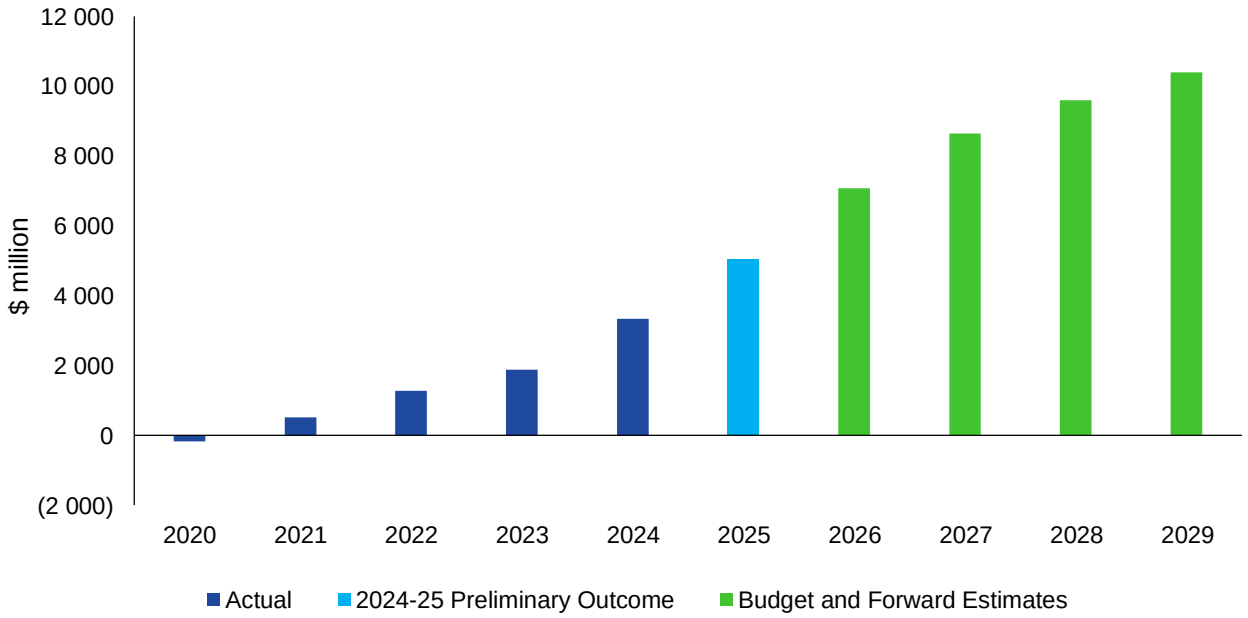
Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities less the sum of Cash and deposits and Investments. A reference to 'negative' Net Debt means that Cash and deposits and Investments exceed the combined value of Borrowings, Lease liabilities and Service concession liabilities.

It is estimated that General Government Net Debt will be $7 081.1 million as at 30 June 2026, increasing to $10 397.4 million as at 30 June 2029.

Chart 1.7 provides the change in Net Debt since 30 June 2020 and the current projections for the 2025-26 Budget and Forward Estimates.

Further information on Net Debt can be found in chapter 8 of this Budget Paper.

Chart 1.7: Net Debt as at 30 June, 2020 to 2029



2 TASMANIAN ECONOMY

Executive Summary

- After a period of strong growth following the COVID-19 pandemic, Tasmania's economy has grown modestly since 2022-23, despite high inflation and higher interest rates, which slowed household consumption and private investment.
- In 2024-25, global economic uncertainty increased and, combined with challenges for some of Tasmania's largest export businesses, Tasmania's international exports declined during the year. Overall, and primarily due to ongoing external pressures on the State that are similarly being experienced nationally and in other economies, the Tasmanian economy is not expected to have grown in 2024-25 but growth is anticipated over the Forward Estimates.
- The Australian Bureau of Statistics' treatment of TT-Line's purchase of the two new vessels has affected its measurement of state final demand. The ABS previously advised that the full value of each vessel would be counted in the state final demand data when it crossed into Tasmanian waters. However, the ABS changed this to account for the full value of the vessels at the time that TT-Line took ownership, which has changed the timing of the impact on state final demand.
- The Tasmanian labour market has demonstrated resilience and has more recently emerged as a distinct area of strength. This is most evident in the unemployment rate, which was 4.0 per cent in trend terms in September 2025, close to a record low for the series, and the lowest unemployment rate in the country.
- On average, Tasmanian households have benefited over the past two years from strong real wage increases, which have improved purchasing power. The Hobart CPI was 1.7 per cent higher in the June quarter 2025 than one year earlier, while Tasmanian wages growth was 3.1 per cent over the same period. This presents a solid foundation for increased confidence by Tasmanian households after the previous cost-of-living challenges.
- Since the December quarter 2022, the trend in the relative cost of houses to buy and to rent has seen affordability improve in Tasmania compared with nationally, providing incentives to potential interstate migrants to move to Tasmania, and decreasing the likelihood of significant net interstate migration outflows going forward.
- Partly reflecting this, Tasmania's population growth is expected to pick up over the next few years, though it is expected to remain slightly below the long-term average.
- The overall forecasts presented in this chapter have been developed using available information at a point in time, and their likelihood will be influenced by the uncertain evolution of risks and policy settings. Global trade tensions have become the main risk to Tasmania's economic outlook. This includes the United States of America's tariffs on Australian goods and, in particular, the evolving trade policies between the United States and China.

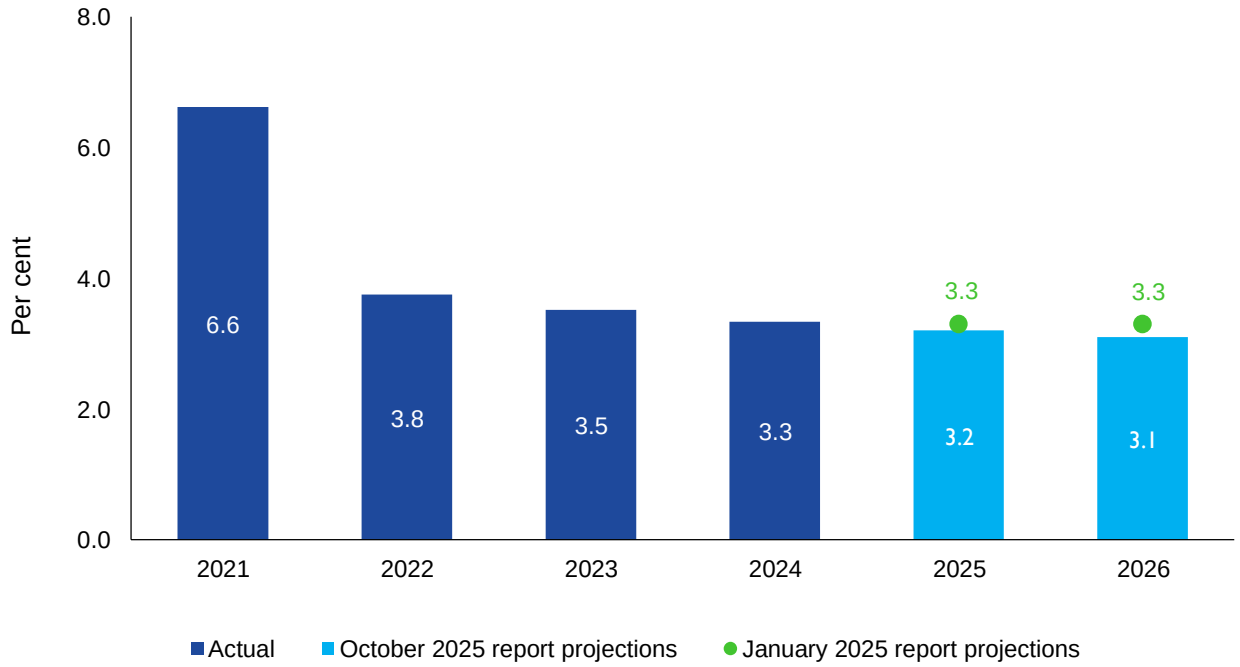
ECONOMIC OUTLOOK

Global and National Economic Environment

The global economy has faced considerable challenges during 2025 with trade tensions between the world's two largest economies, the United States of America and China, and the broader tariffs applied by the United States affecting world trade. There has been short-term resilience in the global economy in the face of this challenge, with the World Bank and the International Monetary Fund putting this down to businesses bulk purchasing goods before the tariffs were imposed and fiscal stimulus support in some countries. However, this challenge presents a significant risk for the outlook in the global economy and has led to a deterioration in forecasts for global growth in 2025 and beyond.

In its October 2025 *World Economic Outlook Update,* the IMF observed that there has been resilience in the global economy despite the significant trade policy uncertainty. However, the IMF lowered its forecasts for the global economy compared with its January 2025 report, now projecting growth of 3.2 per cent in real terms in 2025, down slightly from 3.3 per cent in its January 2025 report. The IMF has also revised down its 2026 projection from 3.3 per cent to 3.1 per cent. These revisions are directly linked to the trade tensions initiated by the United States.

Chart 2.1: Global Economic Growth



Source: *World Economic Outlook,* International Monetary Fund.

Global economic growth is important to Tasmania due to the trade relationships the State has with other countries. Consequently, the growth of Tasmania's major trading partners is one of the main drivers of Tasmania's economic outlook.

Using IMF growth forecasts, the weighted economic growth of Tasmania's major export destinations is forecast to be 3.7 per cent in 2025, which is stronger than the outlook for the global economy. This difference largely reflects Tasmania's trading relationships which are broadly balanced between advanced economies and faster-growing emerging markets, with a slight lean towards the emerging markets. Importantly, in its October 2025 report, the IMF revised its growth projections for China, Tasmania's main export market, up by 0.2 of a percentage point in 2025, but down 0.3 of a percentage point in 2026. However, China is still expected to grow strongly by international standards, at more than four per cent annually.

Chart 2.2: Economic Growth - Tasmania's major export destinations

Source: *World Economic Outlook*, International Monetary Fund; Major export destination weights - calculated by Treasury.

The Australian economy grew by 1.8 per cent in 2024-25, below the long-term average, but the fastest rate of annual growth since September 2023. This included an increase in all components but was driven, primarily, by increases in consumption from households and government.

National labour market outcomes have been mixed over the past year, with employment and the participation rate being at, or close to, series highs in September 2025 in trend terms. However, the unemployment rate has been rising since reaching its series low of 3.5 per cent in September 2022. In September 2025, the national unemployment rate was 4.3 per cent in trend terms, the highest level since December 2021, but still low by historical standards.

In the Reserve Bank of Australia's August 2025 *Statement on Monetary Policy* report, the RBA forecast that growth in the national economy would be two per cent in 2025-26 and 2026-27. In the labour market, the RBA forecast the unemployment rate would remain at 4.3 per cent over the Forward Estimates.

Recent Performance, Forecasts and Projections of the Tasmanian Economy

This section presents Treasury's forecasts for key Tasmanian economic indicators for 2024-25, 2025-26 and 2026-27, and projections for 2027-28 and 2028-29 (Table 2.1).

There is always uncertainty in the outlook for the economy, as has been particularly evident in recent years. The current heightened risks, as outlined later in the chapter, provide clear challenges in economic forecasting.

These forecasts also include several assumptions about the timing of key projects, which affect the headline forecasts for state final demand and gross state product over the Forward Estimates. This matters because the capital investment involved in key projects is larger than for most Tasmanian infrastructure projects and investments of this scale can create outlier results in the Tasmanian data.

Two notable projects that may impact the Forward Estimates are Marinus Link and the Macquarie Point Urban Renewal project. In the case of these projects, it is assumed that most of the investment will occur in the projection period rather than the forecast period, consequently not affecting the forecasts in the 2025-26 Budget.

The forecasts included in this chapter use a number of assumptions and judgements that are based on information available at the time of preparation and are inherently uncertain and subject to change. While events or changes to policy settings occurring after the finalisation of these forecasts may affect the likelihood of some of the underlying assumptions, it is not possible to reflect the impact of such events in the information presented in this chapter.

Further information on the approach used to develop forecasts and projections is described in Box 2.1.

Table 2.1: Economic Actuals, Forecasts and Projections

		Budget 2025-26				
	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
	Actuals	Forecasts			Projections[6]	
Gross state product (real, % change)[1]	1.4	0	1	2¼	2½	2½
State final demand (real, % change)[1,2]	1.9	3.8	-½	2¼	2½	2½
Employment (year-average, % change)[2,3]	-0.8	-1.0	2	¾	1¼	1¼
Labour force participation rate (year-average, %)[2,3]	61.5	60.5	61½	61½	61½	61½
Unemployment rate (year-average, %)[2,3]	4.1	4.0	4	4	4	4
Consumer Price Index (year-average, % change)[2,4]	3.3	1.3	2¾	2¾	2½	2½
Population (year-average, % change)[5]	0.3	0.3	0.5	0.6	0.7	0.7

Source: Actuals - Australian Bureau of Statistics; Forecasts and projections -Treasury.

Notes:
1. Gross state product is calculated using the 2023-24 ABS State Accounts data while State final demand actual is an ABS estimate calculated using the June quarter 2025 National Accounts data.
2. Actual data are available for 2024-25 and are presented in the table rather than forecasts.
3. Labour force actuals are ABS estimates calculated using September 2025 data.
4. The Consumer Price Index actual is an ABS estimate calculated using the June quarter 2025 data.
5. Population actual is an ABS estimate calculated using the March quarter 2025 data.
6. The projections are based on the long-term average growth rate of the indicator, except for the unemployment rate and the participation rate, which reflect the expected rate of those indicators for 2026-27, and the CPI which is estimated at the middle of the RBA's target range.

Box 2.1 - Treasury's forecasting approach

Since the onset of the COVID-19 pandemic, Treasury has developed economic forecasts and projections using a methodology that relies less on historical trends and more heavily on timely data produced by the Australian Bureau of Statistics.

As a small jurisdiction, some of the key data for Tasmania are more volatile and less reliable than for the larger states, including data relating to the labour force and gross state product and its components, such as interstate and international trade. Data are also subject to revision. These revisions can have a greater impact for smaller jurisdictions. An example of this is the significant revision to Tasmania's state final demand data when the ABS accounted for the TT-Line vessels. When first published, Tasmania's state final demand was estimated to have grown by 0.4 per cent in the September quarter 2024, in seasonally adjusted terms. However, the ABS revised these data in its most recent release, so that it now estimates that Tasmania's state final demand grew by 5.2 per cent in the September quarter 2024. This revision occurred because the ABS changed when it accounted for the TT-Line vessels from the time the vessel crossed into Tasmanian waters to the time TT-Line took ownership.

Year-average forecasts and projections

Where data are reported frequently (such as employment growth, the unemployment rate and population growth), Treasury's economic forecasts and projections featured in Table 2.1 are presented on a year-average basis.

Reporting in year-average terms provides a better overall measure of a particular indicator taking into account fluctuations that may have occurred throughout the year. Most Australian jurisdictions report economic indicators on a year-average basis.

A year-average value is calculated by taking an average of the monthly or quarterly levels of an indicator over a year, while a year-average growth rate is the percentage change in the year-average level compared with the previous year. This calculation approach differs from point-to-point growth, which is calculated as the percentage change from one period to another.

Year-average growth rates can vary from annual point-to-point growth rates because:

- monthly or quarterly levels can move up and down, which means that the average level for the year can be very different to the level in the starting or final month or quarter of that year; and
- point-to-point calculations are very sensitive to the level at the end or start of each period.

Projections

For the final two years of the Forward Estimates, projections are presented in Table 2.1. The use of projections is relatively common across Australian jurisdictions, reflecting the level of uncertainty involved in forecasting a number of years into the future.

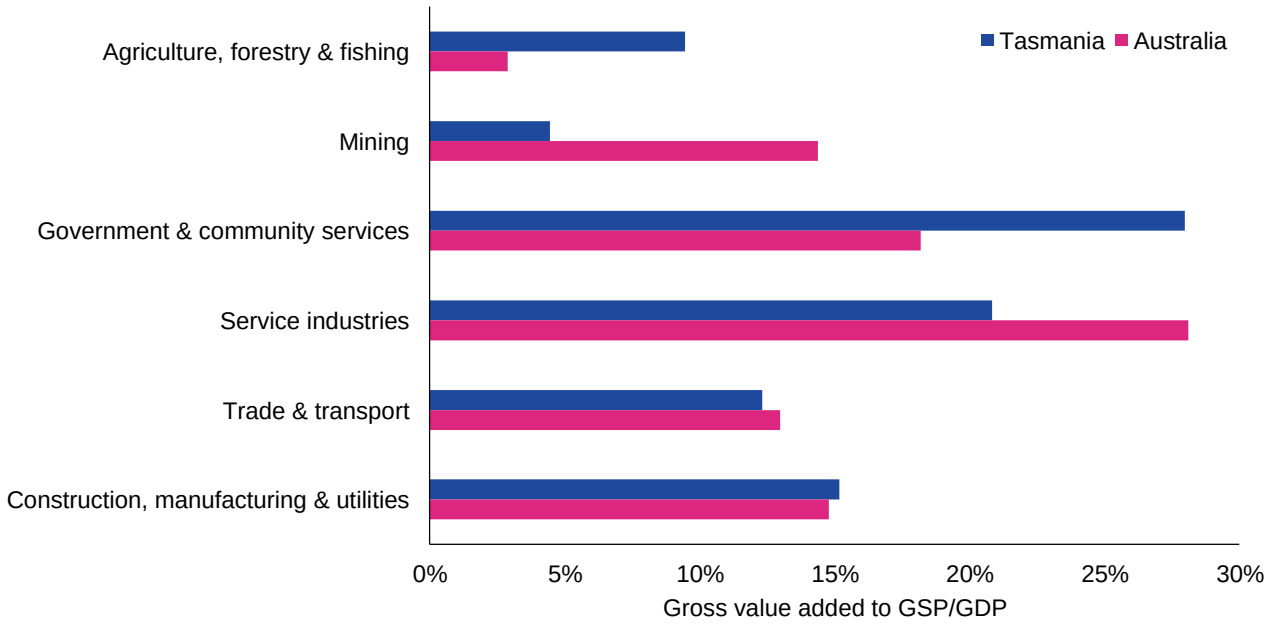
Projections differ from forecasts in that they are generally based on the long-term average growth rate of the economic indicators. However, unemployment and participation rates are proportional measures rather than measures of growth and often differ from their long-term averages for extended periods. Therefore, these rates are projected forward using the last forecast rates for 2026-27.

The Tasmanian Economy

Tasmania is a relatively small economy that is isolated from mainland markets owing to it being an island. The population is dispersed with around one half of the population living outside Hobart and the South East region.

Like the national economy, Tasmania's economy is diverse, with contributions from a wide range of sectors. Additionally, it is also following the trend of other advanced economies whereby it is increasingly oriented towards service industries and moving away from manufacturing and primary production industries. However, in 2023-24, Tasmania's economy still had a greater contribution from relatively lower-income industries including agriculture, forestry and fishing (which includes aquaculture), which contributed 9.5 per cent of Tasmania's economy compared with a contribution to the national economy of 2.9 per cent. Conversely, Tasmania has fewer contributions from high-income industries, such as finance and insurance services, professional, scientific and technical services, and mining. These industries contribute a combined 13.2 per cent to the Tasmania economy compared with a 29.3 per cent contribution to the national economy in 2023-24. The greatest contribution to Tasmania's economy in 2023-24 was from government and community services, which contributed 28.0 per cent. This was substantially more than the contribution of this sector to the national economy, which was 18.2 per cent.

Chart 2.3: Industry Share of Gross Value Added for Tasmania, 2023-24, selected industries



Source: *Australian National Accounts: State Accounts,* ABS.

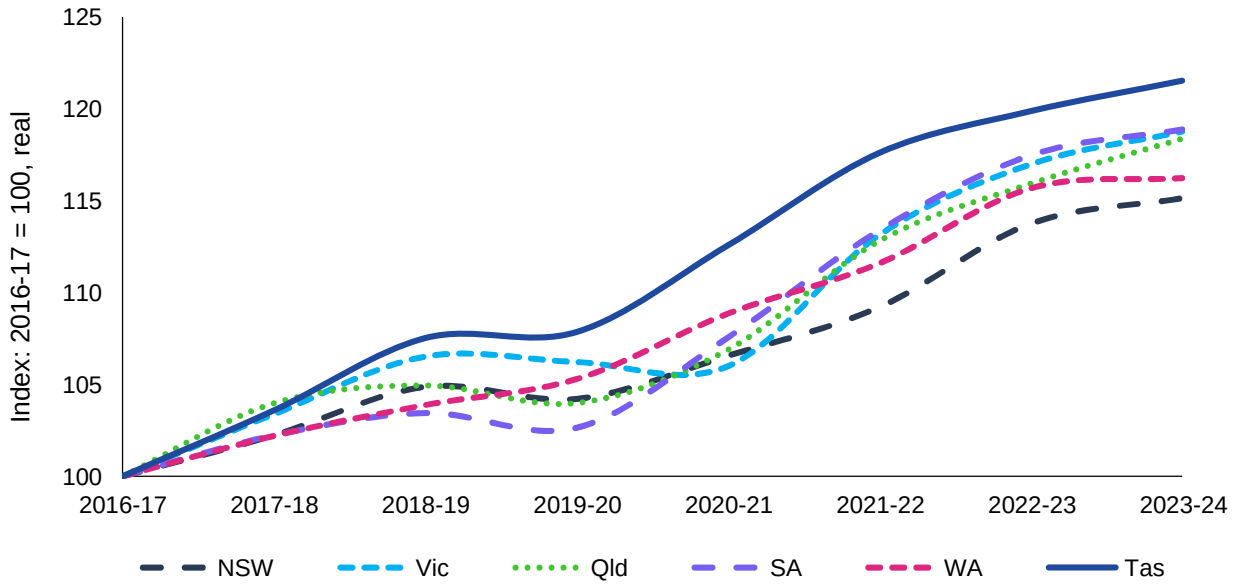
Economic Activity

In 2023-24, the Tasmanian economy grew by 1.4 per cent, the same rate as the national economy, but slightly below the rate of growth in the previous year. This occurred despite the challenges faced in the economy, such as uncertainty in the global economy, inflationary pressures, and impacts from higher interest rates. This result was driven by strong growth in

public expenditure, and modest household consumption growth, offset by private investment falling slightly in the year. While Tasmania's GSP growth rate was the same as the national rate, GSP per capita in Tasmania grew by one per cent, compared with a national decline in GDP per capita of one per cent.

Over the past seven years, the Tasmanian economy has been the strongest growing state economy in the country overall, despite the challenges faced over this time including the impacts of the COVID-19 pandemic (Chart 2.4).

Chart 2.4: Gross State Product



Source: *Australian National Accounts: State Accounts*, ABS.

In 2024-25, Tasmania's state final demand is estimated to have grown by 3.8 per cent, the highest growth over this period of all states. This result included growth in household consumption of 0.7 per cent and in public expenditure of 11.9 per cent, offset by a 3.5 per cent decrease in private investment. The public expenditure and overall state final demand results were heavily impacted by the ABS treatment of the TT-Line vessels.

As shown in Chart 2.5, this temporarily increased the public investment component of state final demand in 2024-25 and will continue to impact both public investment and overall state final demand growth in 2025-26 due to the base effect, where the level of the previous year's data impacts the growth rate in a subsequent period.

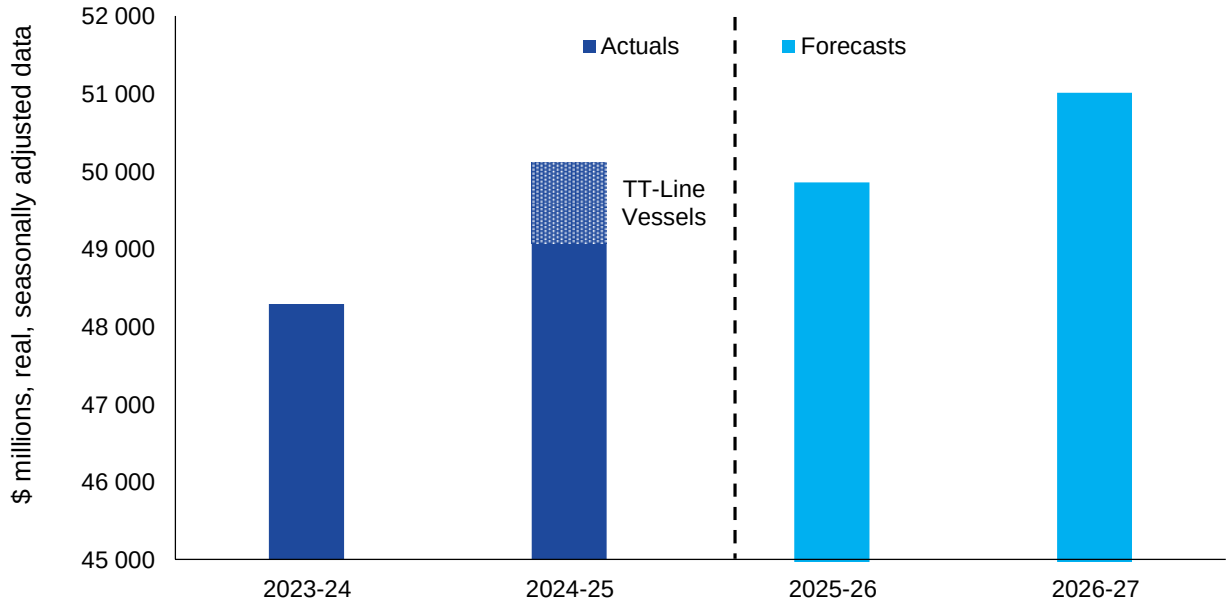
In 2025-26, state final demand is forecast to decrease by ½ of one per cent. This reflects a significant, but temporary, decrease in public expenditure during the year as the two TT-Line vessels were accounted for in Tasmania's data in the previous year. When excluding the impact of the TT-Line vessels, public expenditure is still expected to grow in 2025-26, though at a more modest rate than in the previous year.

Private investment growth is also forecast to decrease slightly in year-average terms in 2025-26, as businesses remain cautious when it comes to investment decisions, while household

consumption is expected to grow more strongly than the previous year as concerns about cost-of-living pressures ease for households.

In 2026-27, state final demand is expected to grow by 2¼ per cent, just below the long-term average. This reflects growth for all major components as cost-of-living challenges are forecast to continue to ease and Tasmanian households and businesses become more confident as a result.

Chart 2.5: Tasmanian State Final Demand

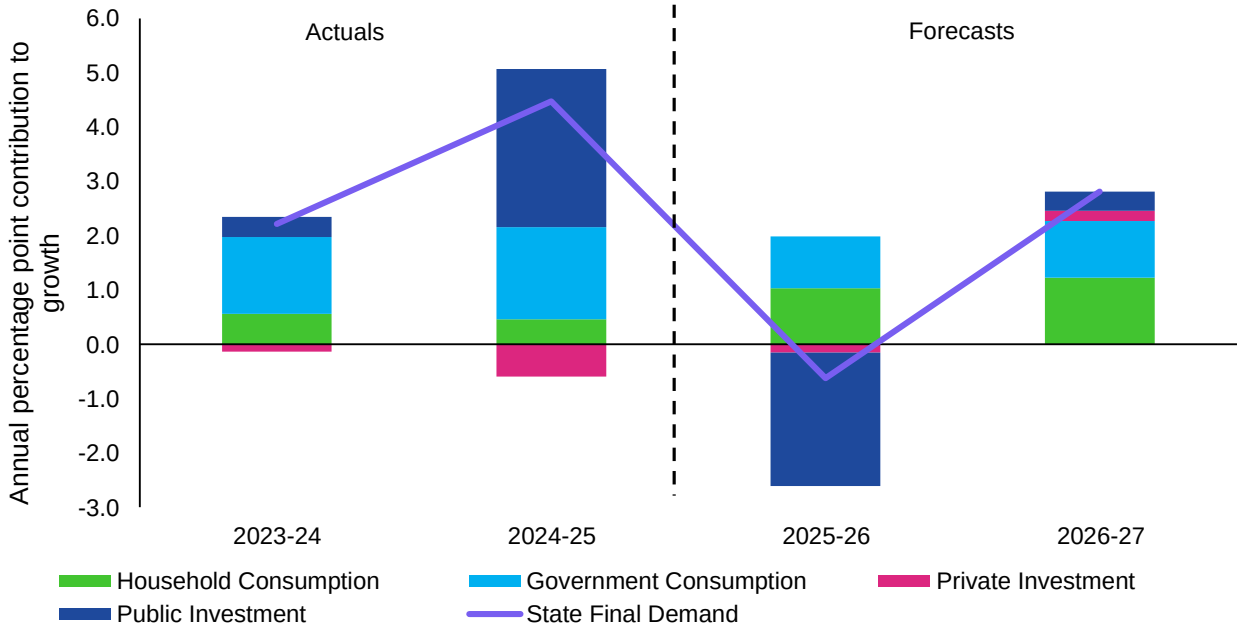


Source: Actual - *Australian National Accounts: National Income, Expenditure and Product*, ABS; Forecasts - Treasury.

Chart 2.6 shows state final demand broken down by the contributions to growth of each component. Of note, the impact of the arrival of the TT-Line vessels can be seen clearly in the boost to public investment in 2024-25.

The chart also shows the expected moderate pick up over the Forward Estimates in household consumption, as well as the strong contribution of government consumption. Private investment is expected to decline slightly in 2025-26, before returning to slightly positive growth in 2026-27.

Chart 2.6: Tasmanian State Final Demand - Contributions to Growth



Source: Actual - *Australian National Accounts: National Income, Expenditure and Product,* ABS; Forecasts - Treasury.

International balance of payments data showed a 4.4 per cent decrease in the total international exports during 2024-25, with both international exports of goods and services falling during the year.

Overall, these data, combined with forecasts on the remaining components, lead to the expectation that the Tasmanian economy will have experienced zero growth in 2024-25, as measured by GSP, but will have sustained the significant post COVID-19 pandemic growth.

In 2025-26, the economy is expected to grow by one per cent. This reflects the forecasts for the state final demand components discussed previously and a forecast for international exports to decrease. The international exports forecast reflects that the current level is far below the average in the previous year and that there will continue to be uncertainty and flow-on effects from the tariffs imposed by the United States for some of Tasmania's major exporters.

In 2026-27, Tasmania's GSP is expected to grow by 2¼ per cent. This is just below the long-term average but is stronger than the forecast for the previous year, with growth forecast for all major components.

Further detail on measures of economic activity discussed in this section is provided in Box 2.2.

Household Consumption

Household consumption is the largest component of state final demand, consistently making up more than half of Tasmania's state final demand. As such, changes in household consumption can have significant impacts on the overall growth of the economy. In 2024-25, household consumption grew only modestly, reflecting lower consumer sentiment, resulting from higher

interest rates and lingering concern of cost-of-living pressures. However, conditions have largely improved with the rate of inflation in Hobart being low, average real wages rising and the RBA's three rate cuts to date in 2025 leaving households with more disposable income to use on both essential and discretionary goods and services. This is expected to flow through to stronger growth over 2025-26 and 2026-27, though still below the long-term average in both years. This reflects the forecast pathway of inflation and the expectations on interest rates.

Box 2.2 - Gross state product and state final demand

State final demand measures the total value of goods and services that are sold in a state to buyers (who wish to consume them or retain them in the form of capital assets), and is represented by the following equation:

$$SFD = C + I + G$$

- Where:
- *SFD = state final demand*
- *C = consumption*
- *I = investment*
- *G = government spending*

Gross state product measures the value of all goods and services produced within the state. Treasury's forecasts are developed using the GSP expenditure method. This is represented by the following equation:

$$GSP = SFD + (X – M) + BI + SD$$

- Where:
- *GSP = gross state product*
- *SFD = state final demand*
- *X = international exports*
- *M = international imports*
- *BI = balancing item (which includes interstate exports and imports, and changes in inventories)*
- *SD = statistical discrepancy (which is the difference between the individual aggregate income, expenditure and production measures of GSP and the headline GSP measure)*

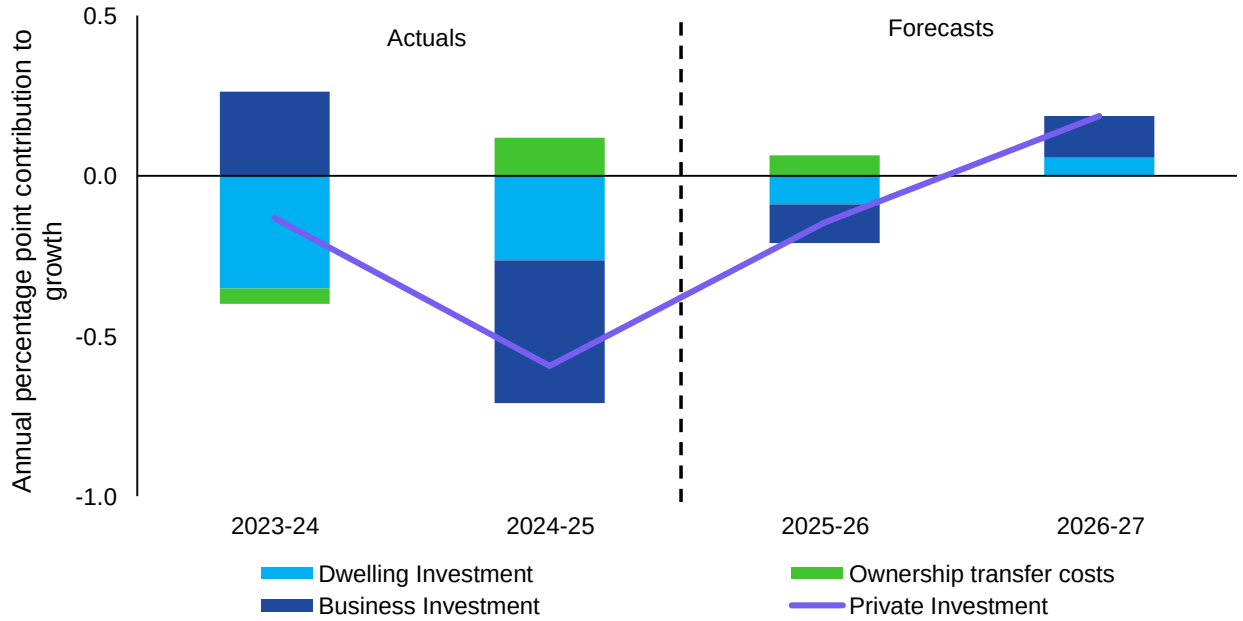
Typically, changes in these figures are expressed in 'real' terms. This means that the price impacts have been removed to express the underlying change in volume. Accordingly, values for all years are expressed in terms of a single reference year with the most recent GSP and state final demand data reflecting 2022-23 prices.

Private Expenditure

Private investment detracted from economic growth in Tasmania in 2024-25 and is forecast to do so slightly again in 2025-26, before contributing modestly to growth in 2026-27. There are three main subcomponents within private investment as shown in Chart 2.7. Of these subcomponents, ownership transfer costs and dwelling investment are strongly influenced by dynamics in the housing market, including population and interest rates. Tasmania's population growth has been subdued in recent years, and when combined with elevated interest rates, this has seen a decline in the value of these two components in 2023-24. Dwelling investment decreased again in 2024-25, although by less than the previous year, while the value of ownership transfer costs increased modestly. Both components are expected to trend towards neutral or slight growth over the forecast period in line with the forecast for Tasmania's population growth to pick up and factoring in the market's expectations on interest rates.

The final, and largest, subcomponent of private investment is business investment, which includes non-dwelling construction, machinery and equipment, cultivated biological resources, and intellectual property products. Overall, this subcomponent recorded a large decrease in 2024-25, driven by falls in all components except intellectual property products. However, this follows a strong increase in the previous year. For 2025-26, business investment is expected to contract modestly, before growing again in 2026-27.

Chart 2.7: Tasmanian Private Investment by Subcomponents

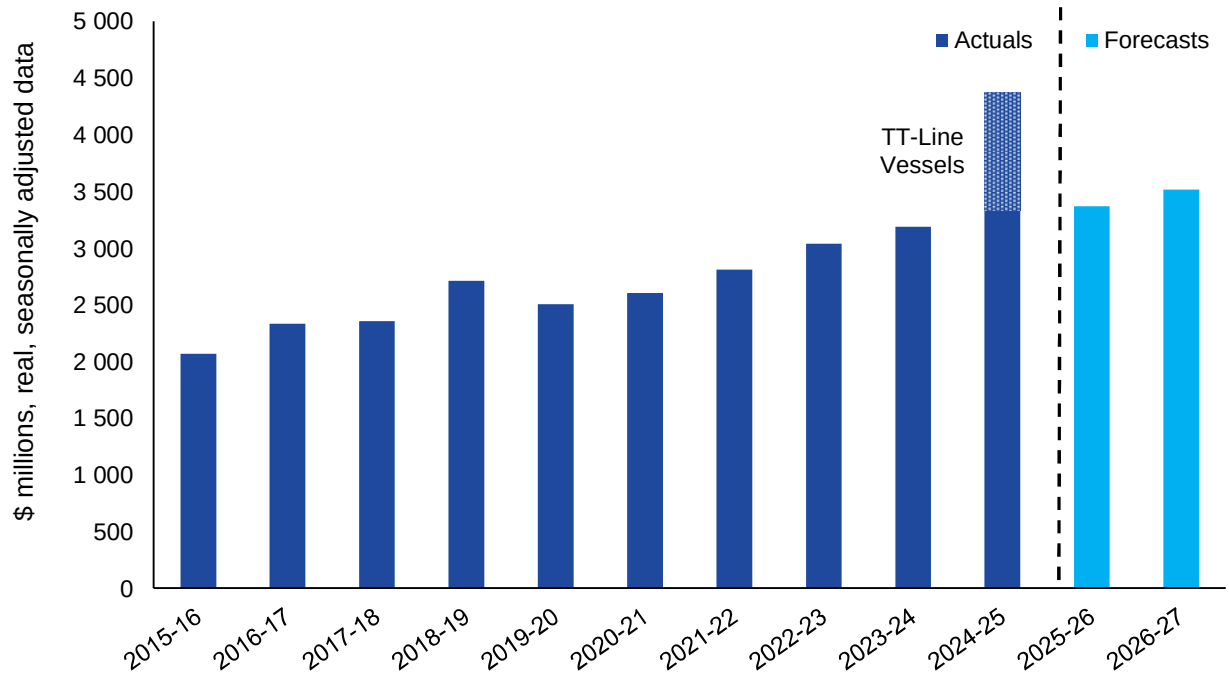


Source: Actual - *Australian National Accounts: National Income, Expenditure and Product,* ABS; Forecasts - Treasury.

Public Expenditure

Public expenditure has grown strongly in recent years, supported by growth in both government consumption and public investment. In particular, public investment has grown since 2015-16, contributing to growth in the economy in every year except 2019-20, which was affected by the COVID-19 pandemic. For 2024-25, public investment was impacted by the arrival of the TT-Line vessels. This impact is marked on Chart 2.8, which also shows the underlying trend of public investment, which is expected to continue to grow in both forecast years, though at a lower rate than in the post COVID-19 period.

Chart 2.8: Tasmanian Public Investment



Source: Actual - *Australian National Accounts: National Income, Expenditure and Product,* ABS; Forecasts - Treasury.

Tasmania's International Trade

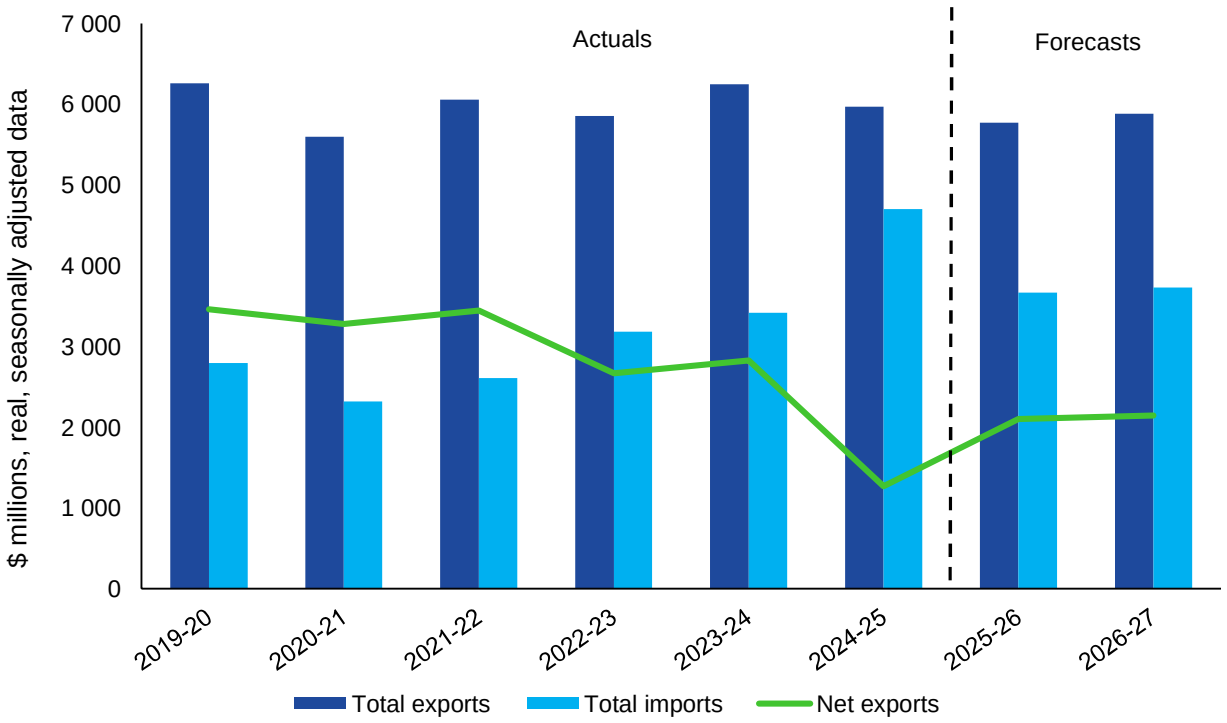
In 2024-25, Tasmania exported $6.0 billion of goods and services internationally, $280 million lower than the previous year and detracting 0.7 of a percentage point from the forecasts for Tasmania's GSP growth. Tasmanian consumers imported $4.7 billion of goods and services from international markets, detracting 3.9 percentage points from growth. However, the result for international imports is impacted by the arrival of the TT-Line vessels, which resulted in a large one-off increase to imports for the year, thereby reducing net exports. Overall, this resulted in net international exports from Tasmania of $1.3 billion for 2024-25.

In 2025-26, net international exports are expected to rebound after the arrival of the TT-Line vessels impacted the previous year's international imports data, while goods exports are expected to decline slightly impacted by global trade uncertainties and challenges for some major Tasmanian exporters. The net international export result is expected to pick up modestly in

2026-27 as global trade uncertainty moderates, though some uncertainty is still expected to remain.

It is important to note that the value of Tasmanian imports is generally undercounted in these ABS data due to international goods being processed in mainland Australia first before being sent to other states and territories. An example of this is a large department store chain that receives an order of goods at its Sydney head office. A decision is then made by management to distribute the order to the department chain's stores around the country based on expected demand. Goods that arrived in Tasmania under this scenario would likely be counted as interstate imports to Tasmania rather than as international imports.

Chart 2.9: Net International Exports

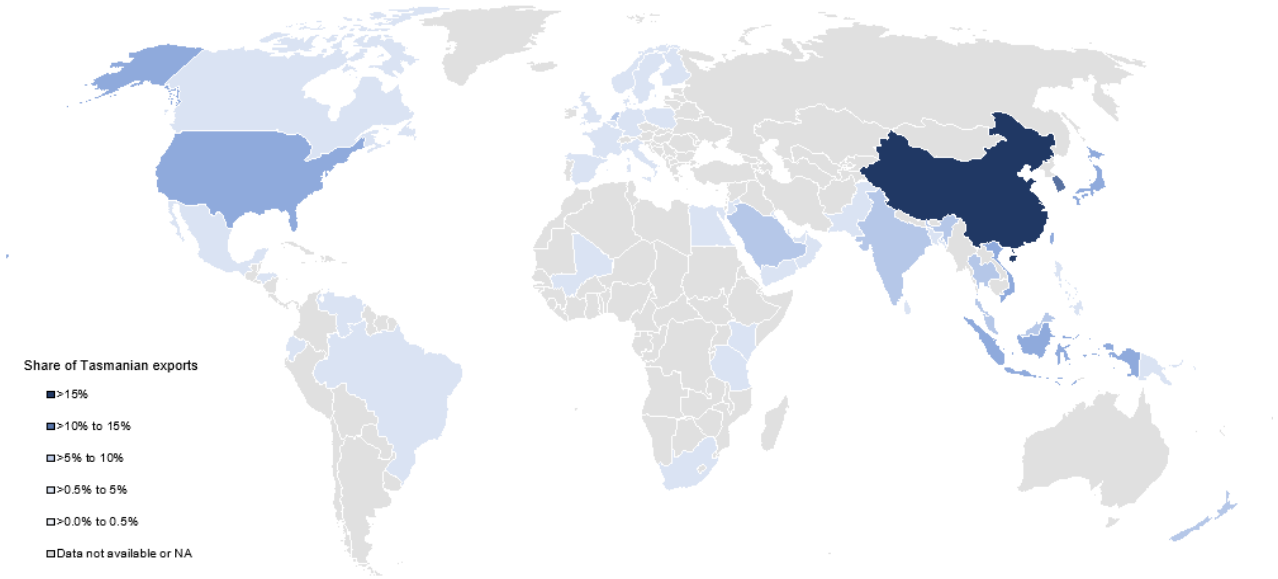


Source: Actual - *Balance of Payments and International Investment Position, Australia,* ABS; Forecasts - Treasury.

In the year to August 2025, the value of Tasmania's nominal international goods exports was $4.57 billion. The largest importer of Tasmanian goods in this period was mainland China, which accounted for $1.50 billion, or 32.8 per cent, of Tasmania's overseas goods exports. Tasmania's main exports to China were metallic ores and metal scraps ($729 million), and other and confidential ($404 million). This was followed by South Korea which accounted for $561 million or 12.3 per cent of Tasmanian exports. Tasmania's main exports to South Korea were non-ferrous metals ($318 million), and metallic ores and metal scraps ($236 million).

The United States was the third largest importer of Tasmanian goods accounting for $321 million, or 7.0 per cent, of total exports. Tasmania's main exports to the United States were non-ferrous metals ($207 million), and agriculture and seafood ($76 million).

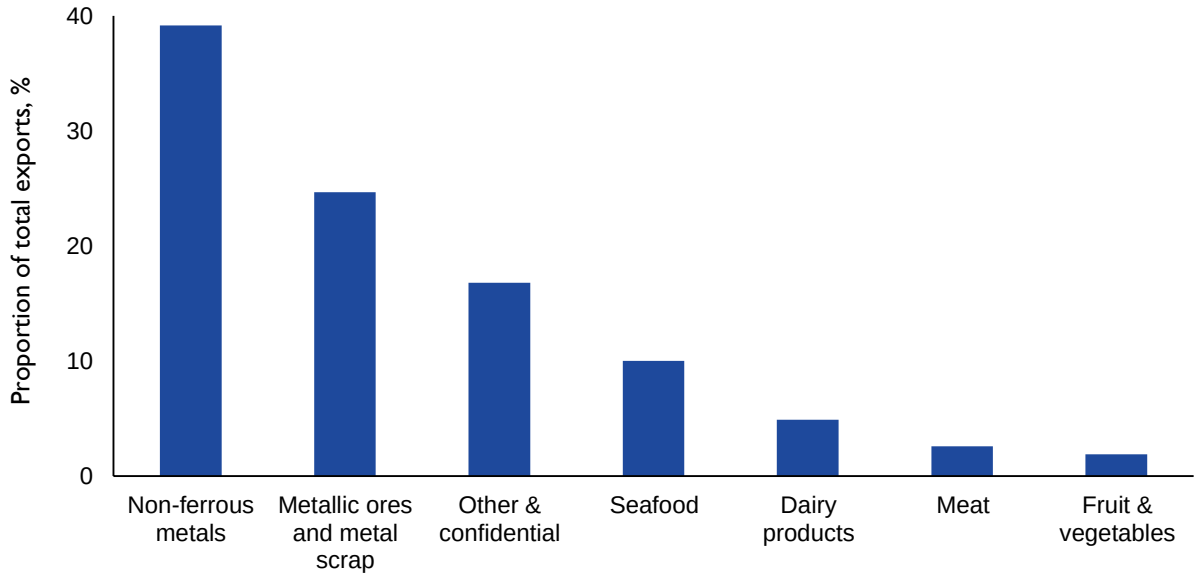
Map 2.1: Major International Importers of Tasmanian Goods



Source: *International Trade in Goods,* ABS.

In the year to August 2025, Tasmania's main export by value was non-ferrous metals, which made up 39.2 per cent of Tasmania's exports, followed by metallic ores and metal scraps, which made up 24.7 per cent of exports. Tasmania's other key export commodities over that period were those in the 'other and confidential' category and seafood. It is also worth noting that some confidentialised exports are included in the 'other and confidential' category and in the State's total value of exports (such as hardwood chips), while other confidentialised items (such as exports of vessels, products from poppies and softwood chips) are not included in any commodity group and are excluded from the State's total value of merchandise exports when reported by the ABS in its *International Trade in Goods* publication. An example of this is when a large manufacturer that produces one high-value good exports that good overseas. Were this to be counted, the sale of the good, and its value, would be evident. To protect commercial confidences, these are excluded from the state totals in *International Trade in Goods*.

Chart 2.10: Tasmania's Exports by Commodities, year to August 2025[1]



Source: *International Trade in Goods*, custom data request, ABS.
Note:
1. The 'other and confidential' category includes paper and paper board, vehicles, iron and steel, wood and woodchips, and textile fibres and wastes.

The Trump administration's decision to impose tariffs on imports to the United States will have direct and indirect impacts on the Tasmanian economy. The direct impacts will be an increase in the price paid by American consumers for Tasmanian goods, which is expected to lead to reduced demand for the seven per cent of Tasmania's total goods exports that are purchased by American consumers. However, surplus goods may be able to be sold to other markets. Additionally, while there may be some reduction in demand, the extent of this will depend on whether there is an adequate substitute that is cheaper for Americans to purchase. The indirect impacts on Tasmania's economy are less clear. These include the impact that the tariffs will have on Tasmania's major export markets, particularly China. If the imposition of tariffs causes slowing or downturns in economies that are major trading partners for Tasmania, this could lead to lower consumption in those economies, including of Tasmanian goods, which could then impact the Tasmanian economy through lower exports. However, as noted by the IMF and the World Bank, there has not been a significant disruption to global trade to date, although the situation remains highly uncertain.

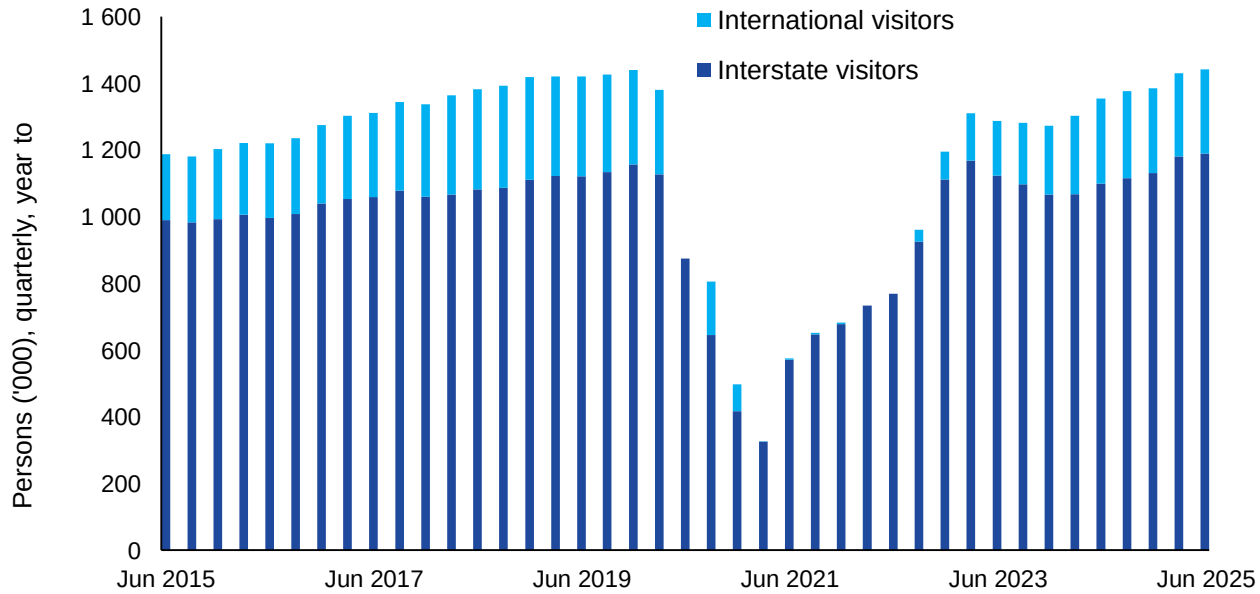
Tasmania's Tourism Industry

The tourism sector is not reported as a separate industry under the ABS classifications, instead contributing to a wide range of industries. However, the tourism industry in Tasmania contributes meaningfully to the State's economy and employment.

While the ABS does not publish the value of the tourism industry by jurisdiction, it does publish an overall estimate of the tourism industry in Australia. Tourism Research Australia uses these data to publish estimates of the tourism industry by state and territory. Tasmania's tourism sector was estimated to make up 5.4 per cent of the Tasmanian economy in 2023-24, a larger share than the national estimate of 2.9 per cent and was estimated to directly employ around 22 800 Tasmanians during the year.

Tourism to Tasmania has bounced back strongly from the disruption caused from the COVID-19 pandemic, with visitor numbers sitting just above pre-pandemic levels in the year to the June quarter 2025 (Chart 2.11).

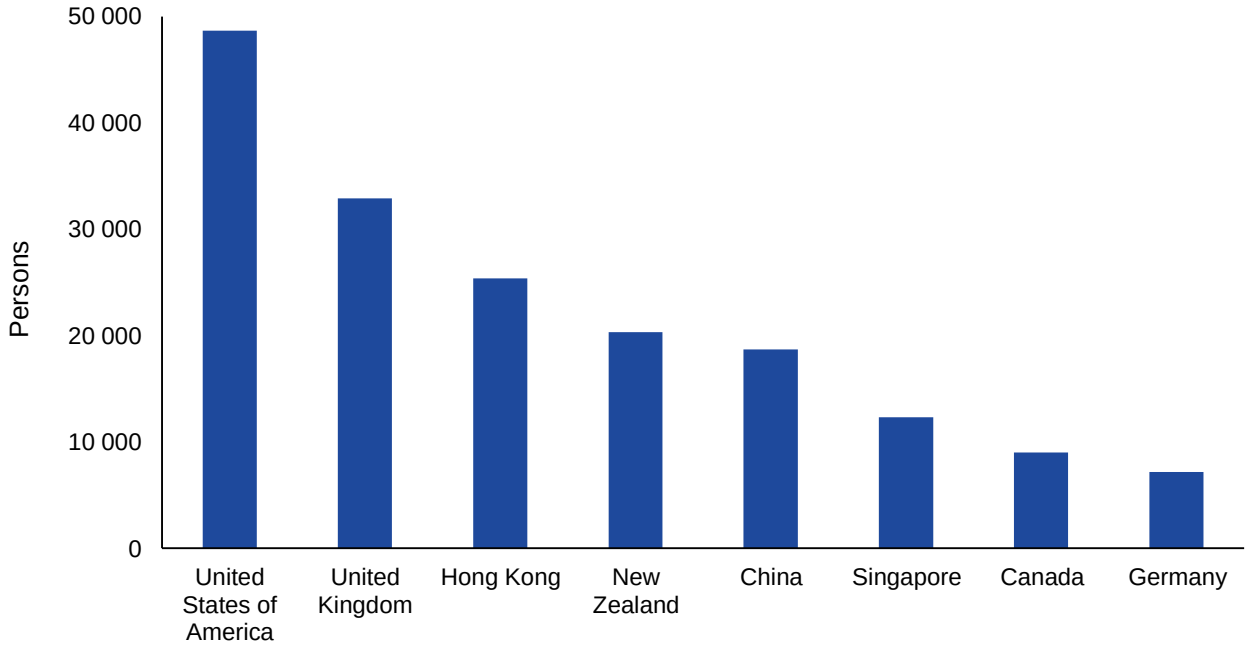
Chart 2.11: Visitor Numbers to Tasmania



Source: *Tasmanian Visitor Survey,* Tourism Tasmania.

More than 80 per cent of the visitors to Tasmania in the year to the June quarter 2025 were from interstate, with most of these visitors originating from the eastern seaboard of Australia. Of the international visitors that came to Tasmania in the year to the June quarter 2025, the highest number came from the United States, with 48 700 visitors. Following the United States, the top places of origin for visitors to Tasmania were the United Kingdom (32 900 visitors), Hong Kong (25 400 visitors), New Zealand (20 300 visitors) and mainland China (18 700 visitors) (Chart 2.12).

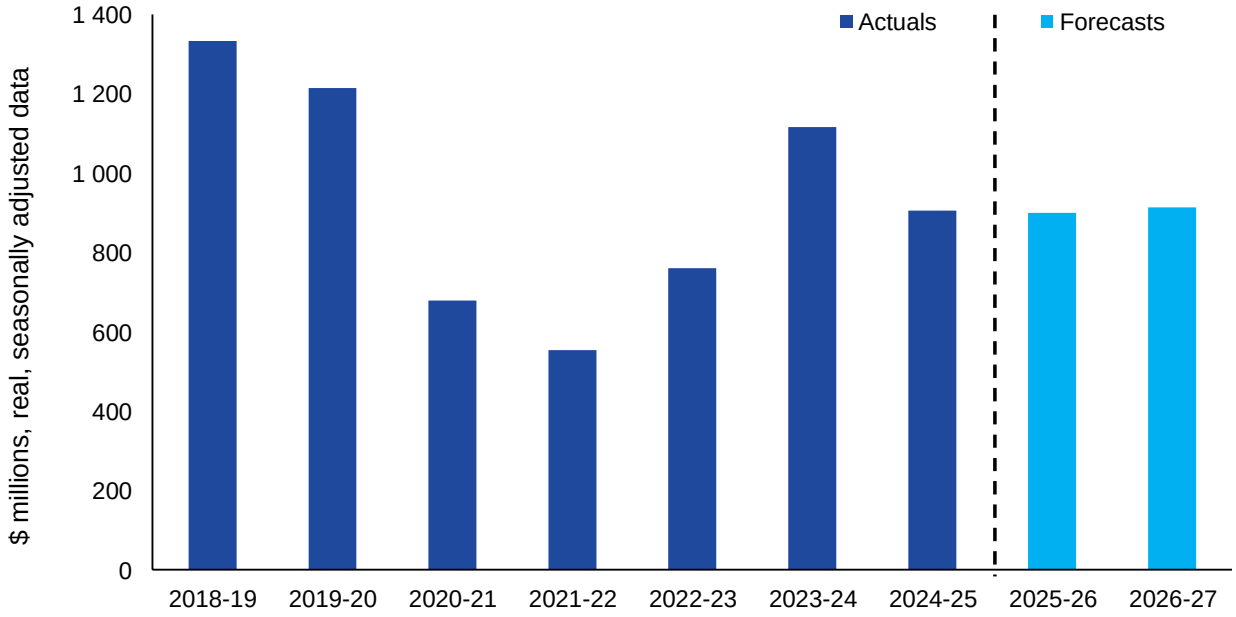
Chart 2.12: Tasmanian International Visitors by Major Place of Origin, year to June quarter 2025



Source: *Tasmanian Visitor Survey,* Tourism Tasmania.

The number of tourists is expected to grow steadily over the Forward Estimates, contributing to the forecast growth in international exports of services (Chart 2.13). There is also expected to be modest growth in the number of international students, which also contribute to the international exports of services component.

Chart 2.13: Tasmanian International Exports of Services

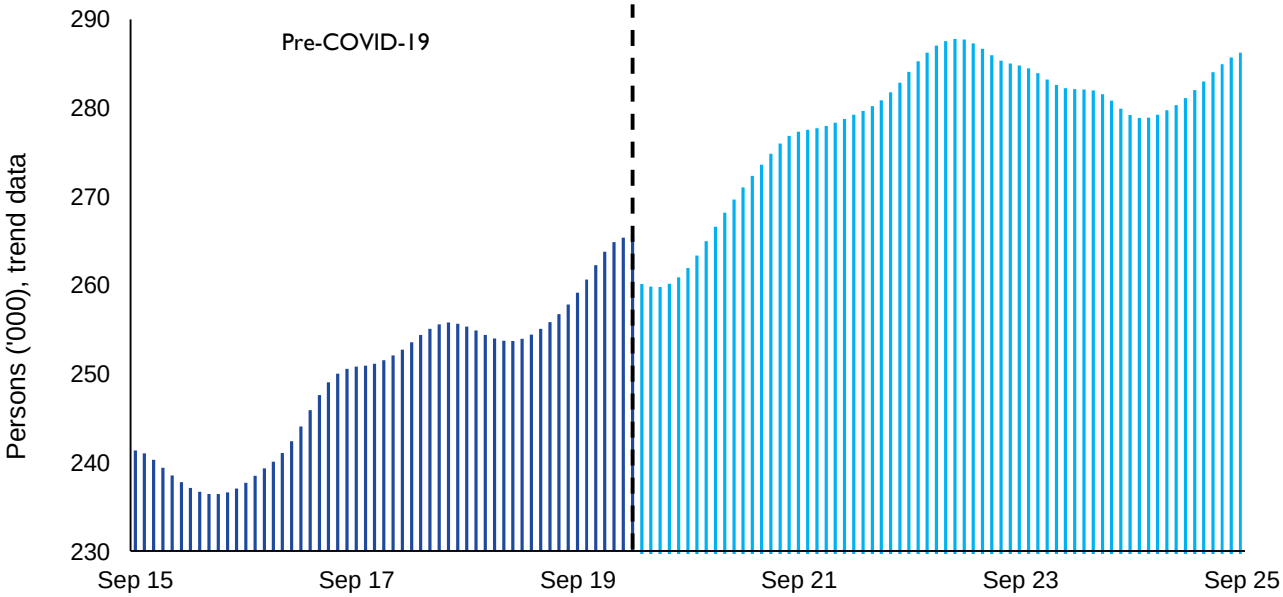


Source: Actual - *Balance of Payments and International Investment Position, Australia* ABS; Forecasts - Treasury.

Tasmania's Labour Market

Tasmania's labour market has performed strongly so far in the 2025 calendar year. This is reflected in the number of Tasmanians employed, and Tasmania's participation rate, which have been growing in 2025, while the unemployment rate continued to be close to a historic low in September 2025 and was the lowest rate of all states and territories. As at September 2025, there were an estimated 286 200 persons employed in Tasmania in trend terms (Chart 2.14).

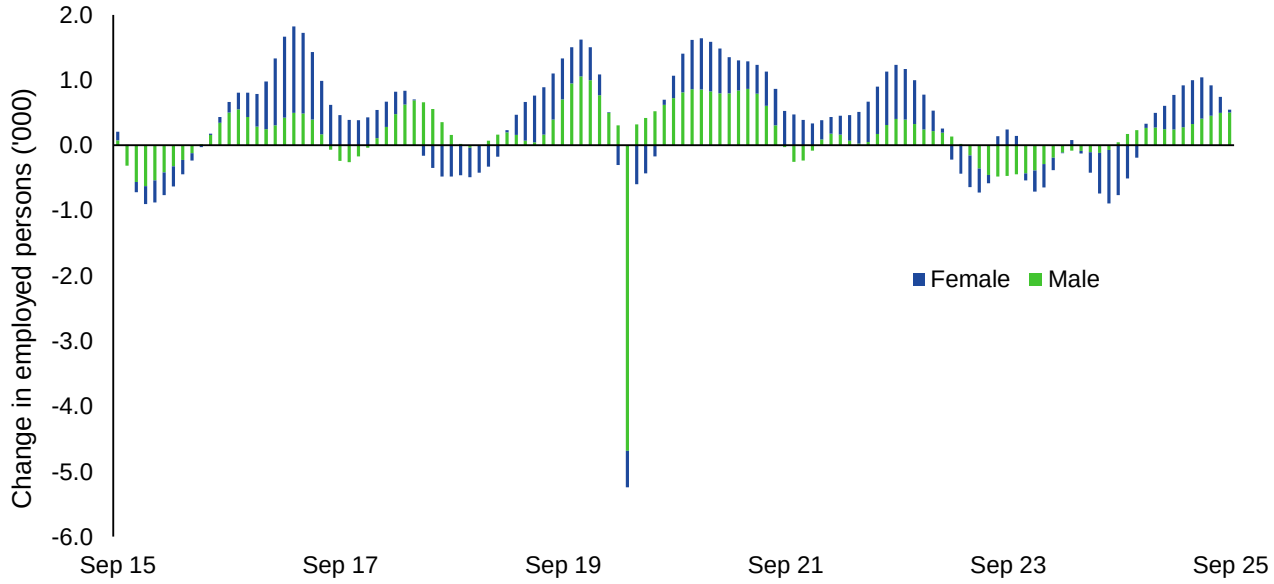
Chart 2.14: Tasmanian Employment



Source: *Labour Force, Australia,* ABS.

With the strong growth in employment that followed the COVID-19 pandemic, both male and female employment have grown. However, female employment has contributed most of the growth since August 2021.

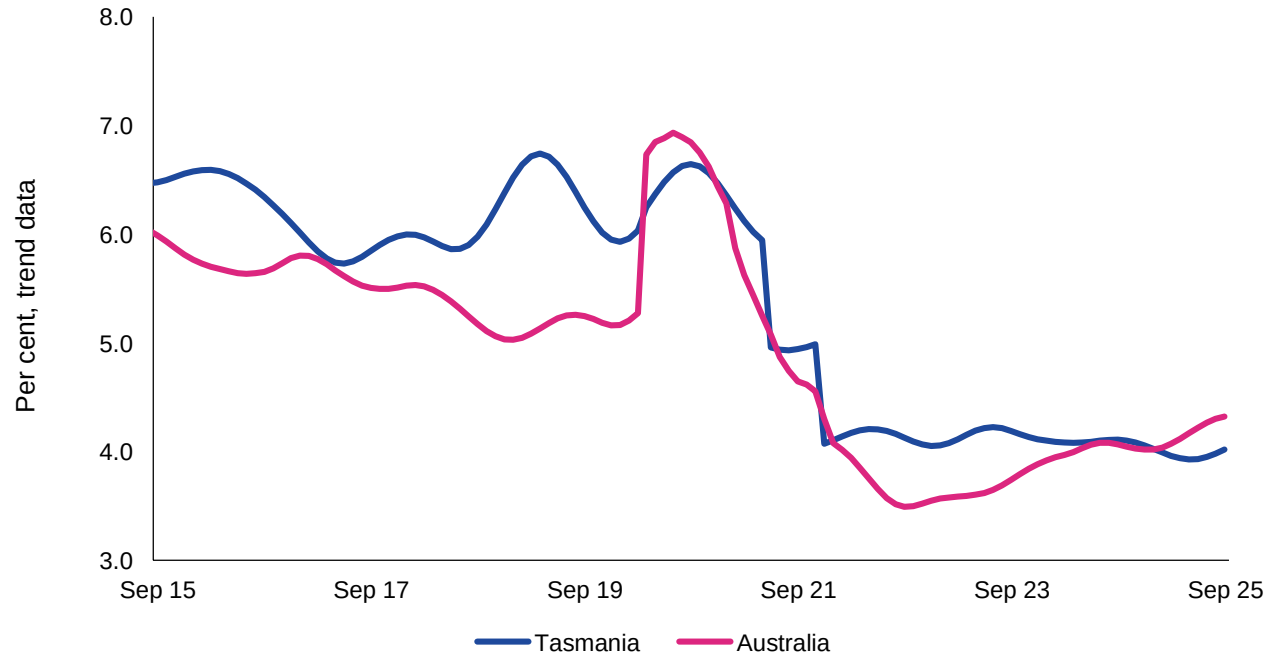
Chart 2.15: Change in Tasmanian Male and Female Employment



Source: *Labour Force, Australia,* ABS.

The Tasmanian unemployment rate was at 4.0 per cent in trend terms in September 2025, 0.3 of a percentage point lower than the national rate, and the lowest unemployment rate of any jurisdiction in the country. This reflects that, in the past few months, the increase in the number of people employed is growing at a faster rate than the participation rate.

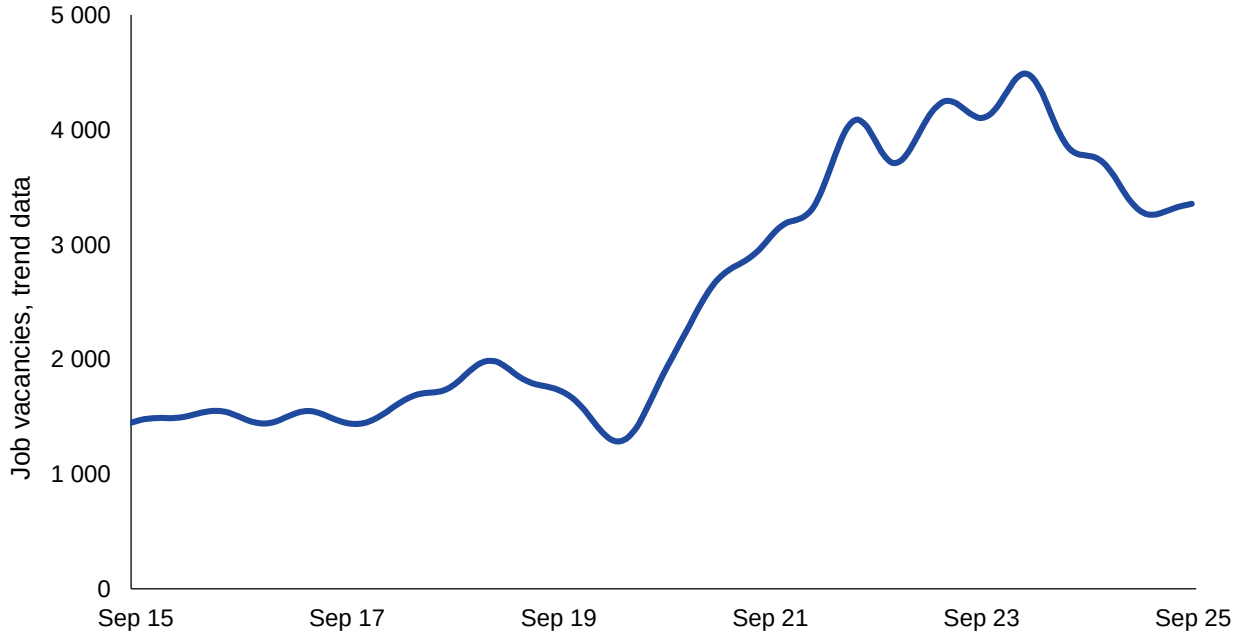
Chart 2.16: Unemployment Rate, Tasmania and Australia



Source: *Labour Force, Australia,* ABS.

Job vacancies are a key leading indicator for outcomes in the labour market, although with a lagged effect, estimated to be around six months. As shown in Chart 2.17, the trend number of job vacancies, as advertised online, has increased over the past few months, after falling steadily over the previous year. The number of job vacancies still remains well above the number of vacancies before the onset of the COVID-19 pandemic.

Chart 2.17: Tasmanian Job Vacancies



Source: *Internet Vacancy Index,* Jobs and Skills Australia.

Combined, the strong results for employment, the unemployment rate, and the job vacancies suggest that the labour market will be strong over the coming year, and this is reflected in the forecasts outlined in Table 2.1.

In 2025-26, employment is expected to increase by two per cent in year-average terms. This largely reflects the strength in recent data and the level each indicator has reached to date, with the expectation that employment will remain close to its current level over the remaining months. Employment is then expected to grow modestly over 2026-27, with employment forecast to increase by ¾ of one per cent in year-average terms, below the long-term average of 1¼ per cent. This reflects the strength in the previous year, which is well above the long-term average, and is consistent with the outlook of the economy, which is expected to grow by just below the long-term average in 2026-27.

The labour force participation rate is forecast to be 61½ per cent in year-average terms in 2025-26, reflecting the expectation that the participation rate will increase through the year as the number of job vacancies and the unemployment rate encourage workers back to the labour market. It is expected to remain at 61½ per cent in 2026-27, reflecting a balanced view of the economy and the labour market.

Reflecting the low level in the unemployment rate at the start of 2025-26, the unemployment rate is expected to continue to remain close to its historic lows in 2025-26 to be four per cent in year-average terms in 2025-26. In 2026-27, the unemployment rate is expected to remain steady at four per cent in year-average terms. This recognises the recent trend in the unemployment rate in Tasmania, the trend in the number of job vacancies and the balanced view of the economy and the labour market.

Box 2.3 - Economic Data Releases for Tasmania

The Department of Treasury and Finance publishes regular updates on the Tasmanian economy, including its performance in comparison to the Australian economy, through data releases. These data releases cover a range of economic indicators, drawing on various sources of data, including the Australian Bureau of Statistics, the Australian Financial Security Authority and data.gov.au.

Depending on the frequency of the publication of the source data, data releases are published on a monthly, quarterly or annual basis and are generally published on the day the source data are released.

These data releases provide timely and up-to-date information on the economy, allowing users to more easily access the latest data for key economic indicators for Tasmania.

Treasury currently produces a wide range of data releases including:

- State Accounts (annually)
- National Accounts (quarterly)
- Consumer Price Index (monthly[1])
- Labour Force (monthly)
- Population (quarterly)
- Wage Price Index (quarterly)
- Monthly household spending indicator (monthly)
- Building Approvals (monthly)
- International Trade in Goods (monthly)
- JobSeeker Payment and Youth Allowance Recipients (monthly)
- Bankruptcy Administrations (quarterly)

These releases can be accessed through Treasury's website.

Note:
1. The CPI will be released monthly from November 2025. The data release will move to monthly in line with this.

Prices and Wages in Tasmania

There has been a significant reduction in the rate of inflation both in Tasmania and across the country over the past three years. While this has been aided by policy decisions by state and Australian governments, it also reflects an easing in broader cost pressures.

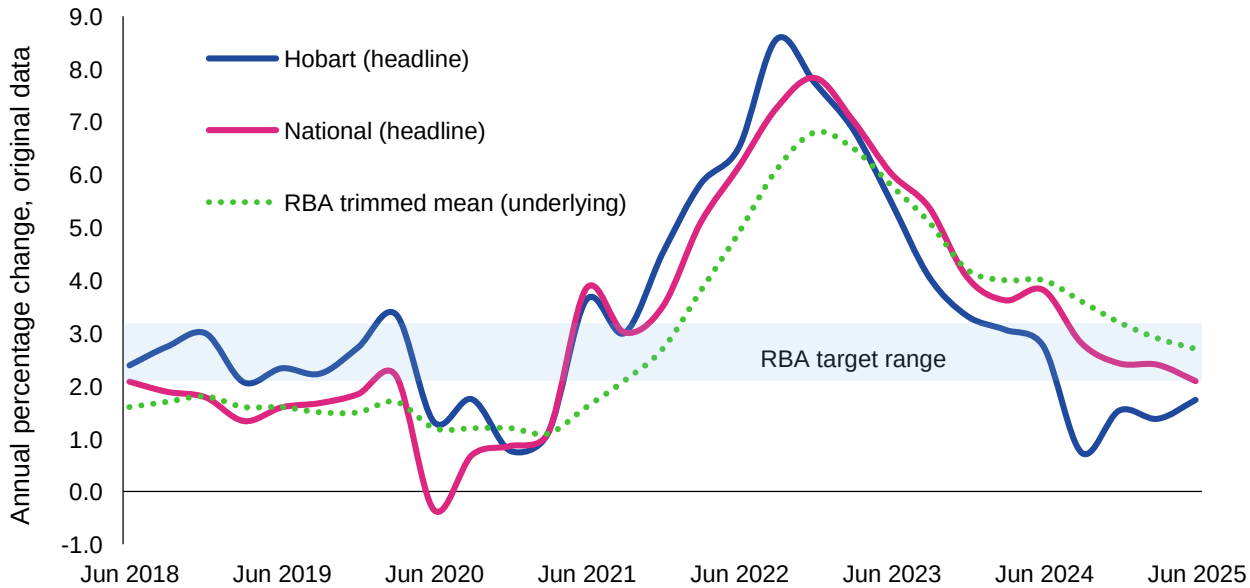
In the June quarter 2025, the Hobart CPI increased by 0.5 per cent to be 1.7 per cent higher than one year earlier. This was lower than the national CPI, which grew 0.7 per cent in the quarter and was 2.1 per cent higher than the June quarter 2024. This was the fourth consecutive quarter where the annual change in the national headline CPI was within the RBA's target range.

The fall in the national headline CPI result has been impacted by the Australian Government's energy subsidies and state government electricity rebates, including in Tasmania, which have meant that the CPI has been lower than it otherwise would have been. While the state-based electricity rebates have now largely concluded, the Australian Government's Energy Bill Relief Fund is scheduled to continue until the end of December 2025. This is expected to lead to an uptick in headline inflation when it ends.

The Tasmanian Government's $250 Supercharged Renewable Energy Dividend has also helped drive headline inflation down for the Hobart CPI. The rebate was predominantly applied to bills in the September quarter 2024, which saw a 1.1 per cent decrease in the Hobart CPI for the quarter.

National trimmed mean inflation, which is a measure of underlying inflation, has also eased faster than previously expected to 2.7 per cent annual growth in the June quarter 2025, and in the RBA's target band for the second consecutive quarter. Noting these trends on inflation, the RBA cut the official cash rate by 25 basis points at its February, May and August meetings this year.

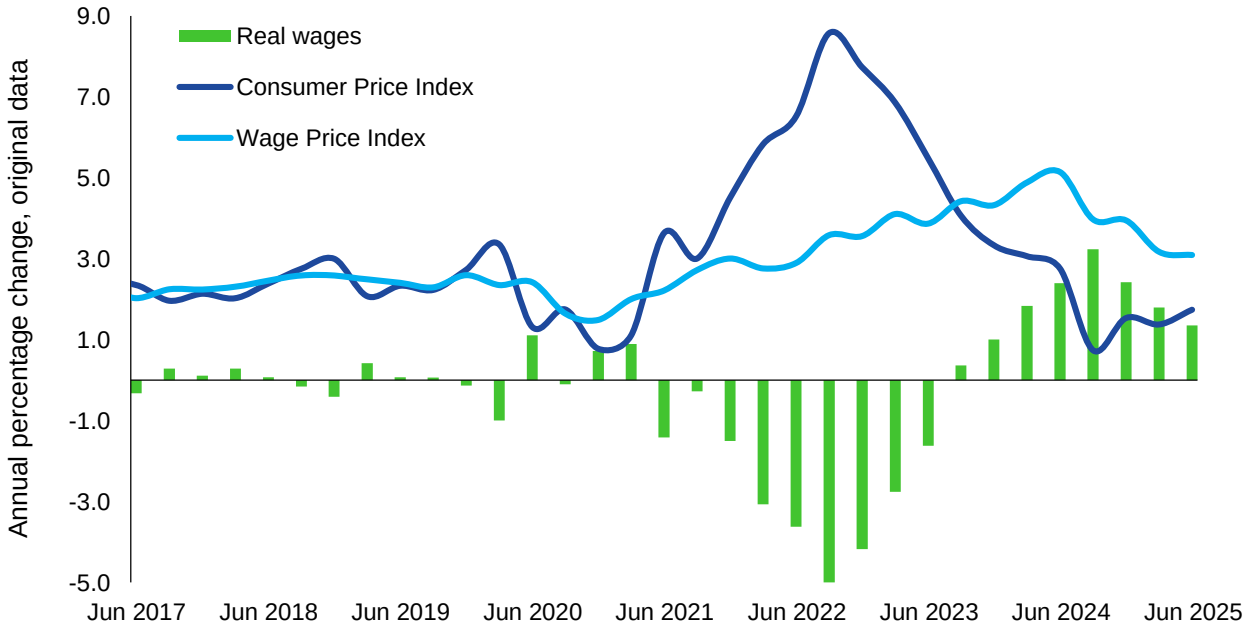
Chart 2.18: Growth in the Consumer Price Index



Source: *Consumer Price Index, Australia,* ABS.

Another notable trend observed in recent years has been the change in the average real wage. As the Hobart CPI began to surge in the latter half of 2021, wages also increased but at a more moderate rate, leading to a decline in real wages. However, as inflation started to ease, wages continued to rise, leading to an increase in real wages in the September quarter 2023. Real wages have continued to rise since this point, strengthening household purchasing power.

Chart 2.19: Real Wage Change in Hobart[1]



Source: *Consumer Price Index, Australia, ABS; Wage Price Index, Australia,* ABS.
Note:
1. Real wages are derived by the Wage Price Index minus the Consumer Price Index.

Tasmania's Housing Market

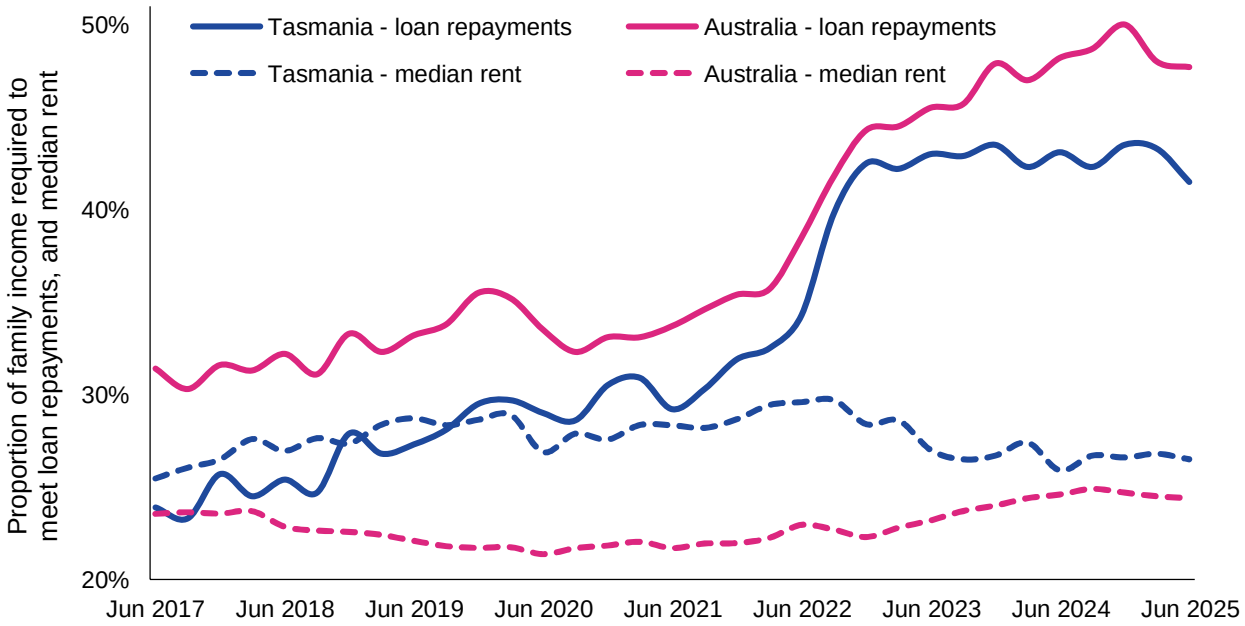
Tasmania's housing market has gone through different phases over the past seven years. In the few years before COVID-19, the proportion of family income required to repay a mortgage rose from 23.2 per cent in the December quarter 2016 to 29.5 per cent in the December quarter 2019, as the median price for houses sold in Tasmania rose from $330 000 to $400 000. During the next three years, as the disruption from the COVID-19 pandemic impacted the housing market, the proportion of household income required to repay a mortgage rose to 42.5 per cent. This reflected strong growth in house prices with the median price of houses sold in Tasmania increasing to $623 000 in the December quarter 2022, and coincided with a 300 basis point rise in the RBA's official cash rate over that period. Since that time, the proportion of income required to repay a mortgage has remained between 42 per cent and 44 per cent coinciding with a similarly stable median house price and stability in the official cash rate.

In the rental market, the proportion of family income required to repay the median rent in Tasmania has also increased, although by less than it has for mortgages. Between the December quarter 2016 and the December quarter 2019, the proportion of income required to pay for a rental rose from 24.9 per cent to 28.6 per cent. This coincided with Tasmania's population growing strongly. The 2020 calendar year provided a small improvement in rental affordability,

following the moratorium on rent increases and a moratorium on evictions implemented after the onset of the pandemic. However, over the following two years the proportion of income required to pay for a rental remained between 28 per cent and 30 per cent. Since then, the proportion of income required to pay for a rental has fallen to be 26.5 per cent as of the June quarter 2025.

In relation to the national housing market, Tasmania has generally been more affordable when it comes to home ownership. Conversely, it has generally been less affordable when it comes to renting. Relative affordability between Tasmania and Australia appears to have moved through three distinct phases over the past seven years. Before the COVID-19 pandemic, relative rental affordability in Tasmania was worsening compared with nationally, while the relative cost of home ownership was starting to rise for both Tasmania and Australia. In the early stages of the COVID-19 pandemic, relative rental affordability was reasonably steady in Tasmania, while the relative cost of home ownership soared. Similar trends were seen nationally. However, since the December quarter 2022, the trend in the relative cost of both housing types has seen affordability improve in Tasmania compared with nationally. This likely reflects, in part, Tasmania's population growth slowing compared with previous years, and therefore easing some of the pressures in the housing market.

Chart 2.20: Housing and Rental Affordability

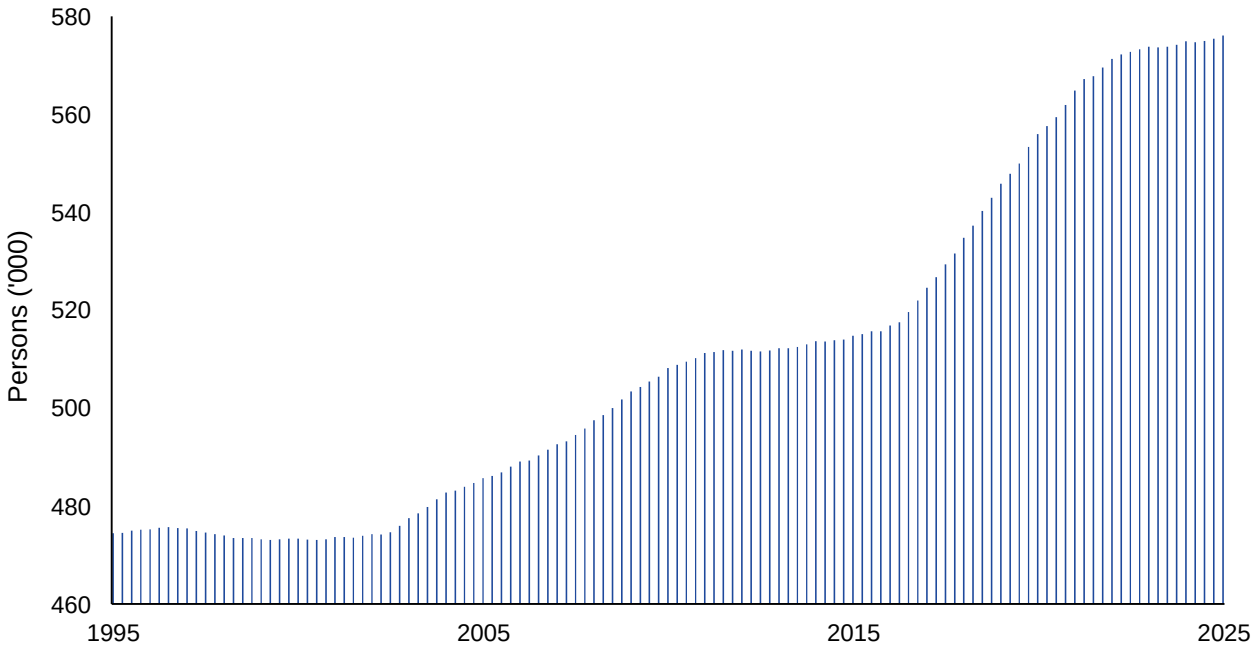


Source: *Housing Affordability Report,* Real Estate Institute of Australia.

Tasmania’s Population

Tasmania's population as at 31 March 2025 was estimated to be 576 109 persons, 0.20 per cent higher than one year earlier. This continues the trend over the past few years that has seen the population growing well below the long-term average. However, this period follows the historically high growth between 2016 and 2021, when Tasmania’s population grew by 1.9 per cent on average per year.

Chart 2.21: Tasmanian Estimated Resident Population

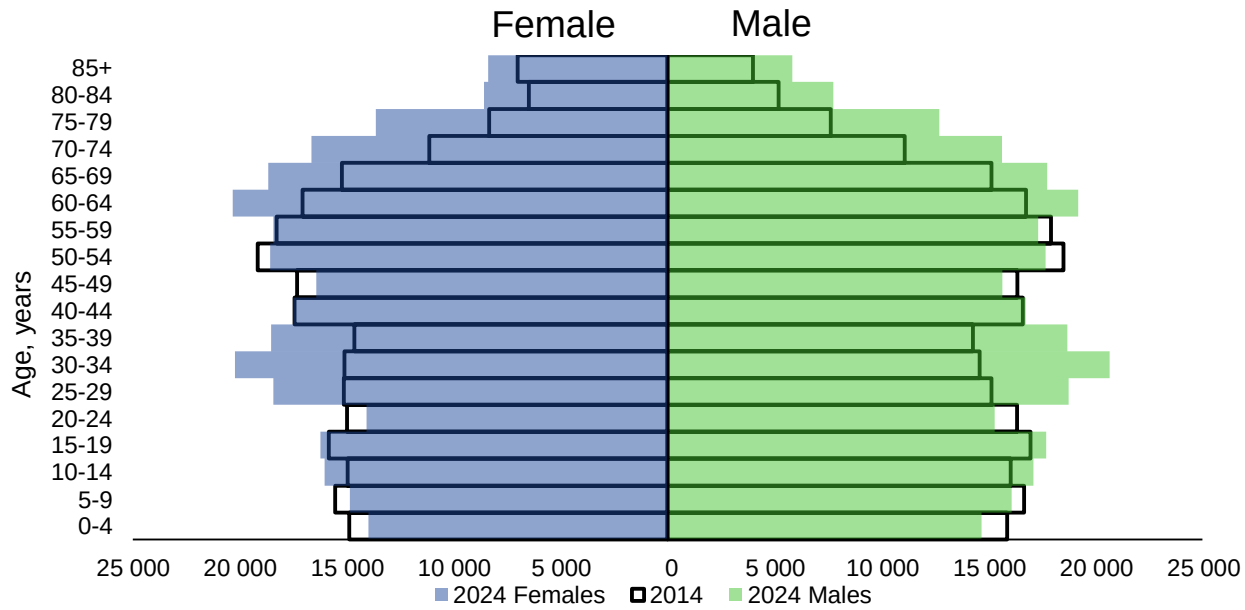


Source: *National, state and territory population,* ABS.

Tasmania has an older population, with a consistently higher median age than the national median, along with an ageing population, with a lower proportion of people aged 20 to 44 years and a higher proportion of people aged 55 years and over, compared with nationally. However, over the past ten years, while there has been a fall in the number of people in the 20-24 age bracket in Tasmania, there has been a substantial increase in the 25-29, 30-34 and 35-39 age brackets. These increases largely reflect the strong migration to Tasmania that occurred within this period. However, large increases have also been seen in older age groups, including in the 70-74 and 75-79 age brackets, in part reflecting the baby boomer generation starting to enter these age groups (Chart 2.22).

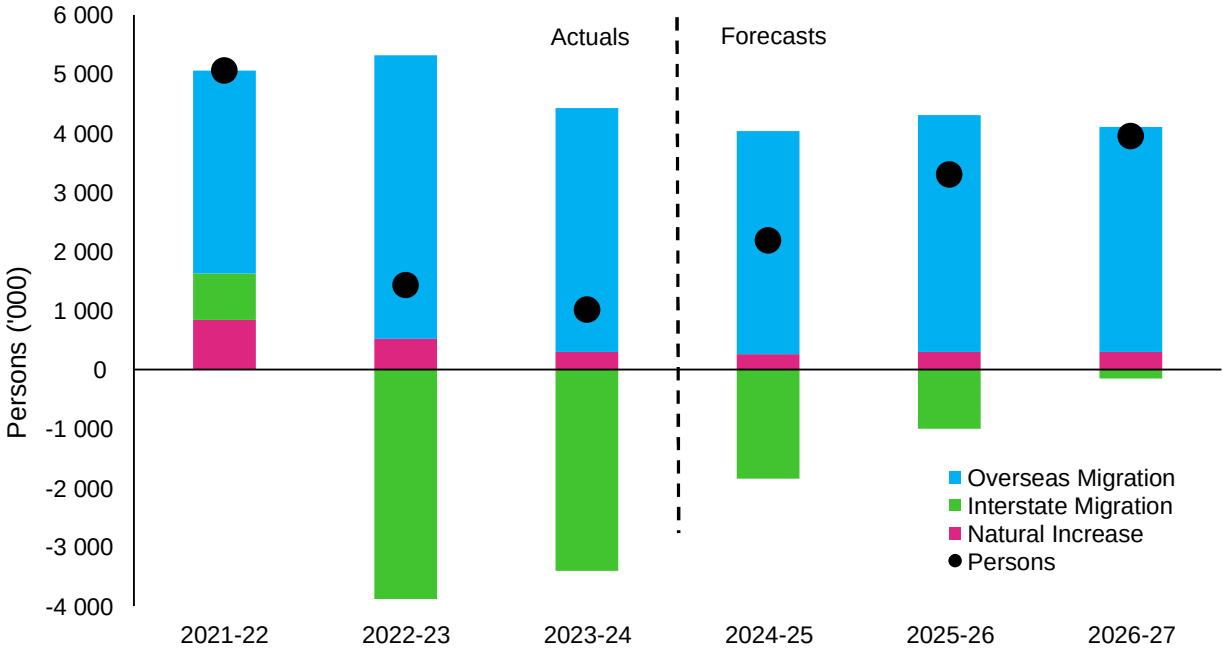
Population growth since the 2021 Census has been driven almost entirely by net overseas migration inflows. There has also been a modest contribution by the natural increase component, while net interstate migration has experienced an outflow, partially offsetting the increase in the other components (Chart 2.23).

Chart 2.22: Tasmanian Population Age Profile



Source: *National, state and territory population,* ABS.

Chart 2.23: Components of Population Change, Tasmania



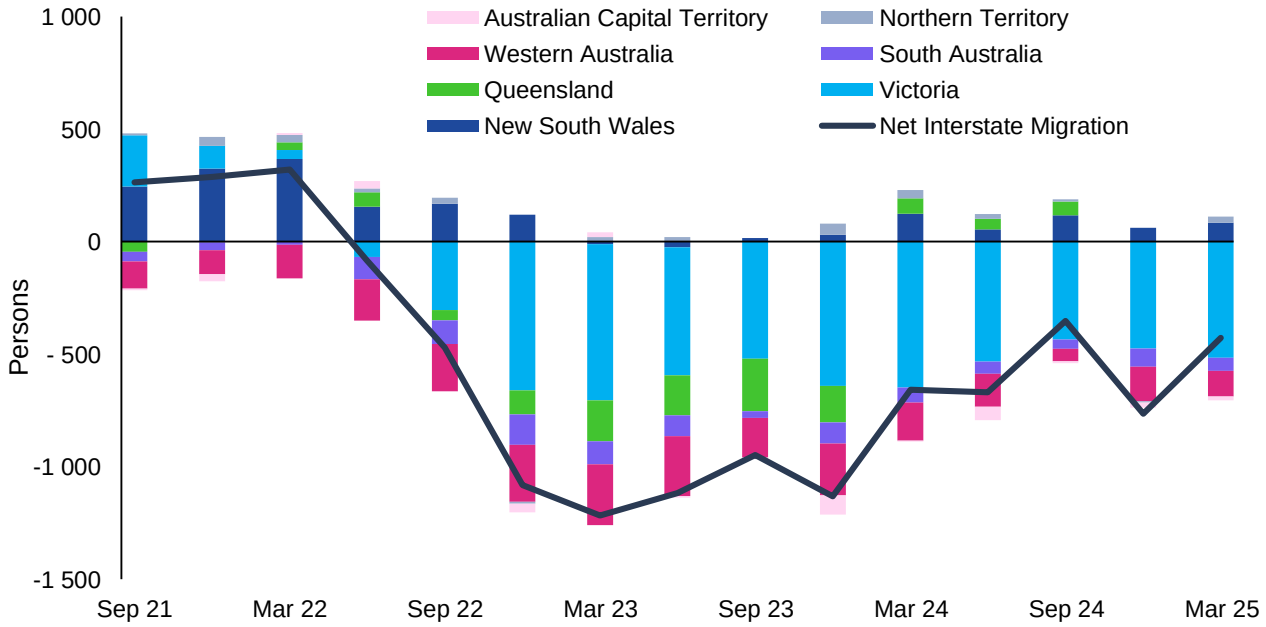
Source: Actual - *National, state and territory population,* ABS; Forecasts - Treasury.

Overall, in 2024-25, Tasmania's population is forecast to grow by 0.3 per cent in year-average terms, with growth expected for net overseas migration and natural increase similar to previous years. However, lower net interstate outflows compared with previous years are forecast, as net interstate migration is expected to move towards a neutral position in line with long-term trends (ie zero net interstate migration). In 2025-26 and 2026-27, Tasmania's population is forecast to grow by 0.5 per cent and 0.6 per cent respectively. Both years reflect assumptions for continuing

strong net overseas migration inflows, steady, though modest, natural increases and moving towards neutral net interstate migration flows. Underpinning these assumptions is the expectation that Tasmania's population growth will be supported in the coming years by improved relative affordability for housing and a strong labour market.

Over 2022-23 and 2023-24, there were higher net interstate outflows than in previous years, while there continued to be outflows in the first three quarters of 2024-25. According to the ABS, most Tasmanians that move interstate move to Victoria, with a net outflow from Tasmania of 5 703 persons since the 2021 Census. This was followed by Western Australia (net outflow of 2 605 persons), South Australia (net outflow of 1 050 persons) and Queensland (net outflow of 603 persons). Offsetting these outflows have been significant inflow of persons moving from New South Wales to Tasmania, with a net inflow of 1 873 persons to the State since the 2021 Census. Tasmania also saw modest net outflow to the Australian Capital Territory and modest net inflows from the Northern Territory, over this period.

Chart 2.24: Net Interstate Migration to and from Tasmania



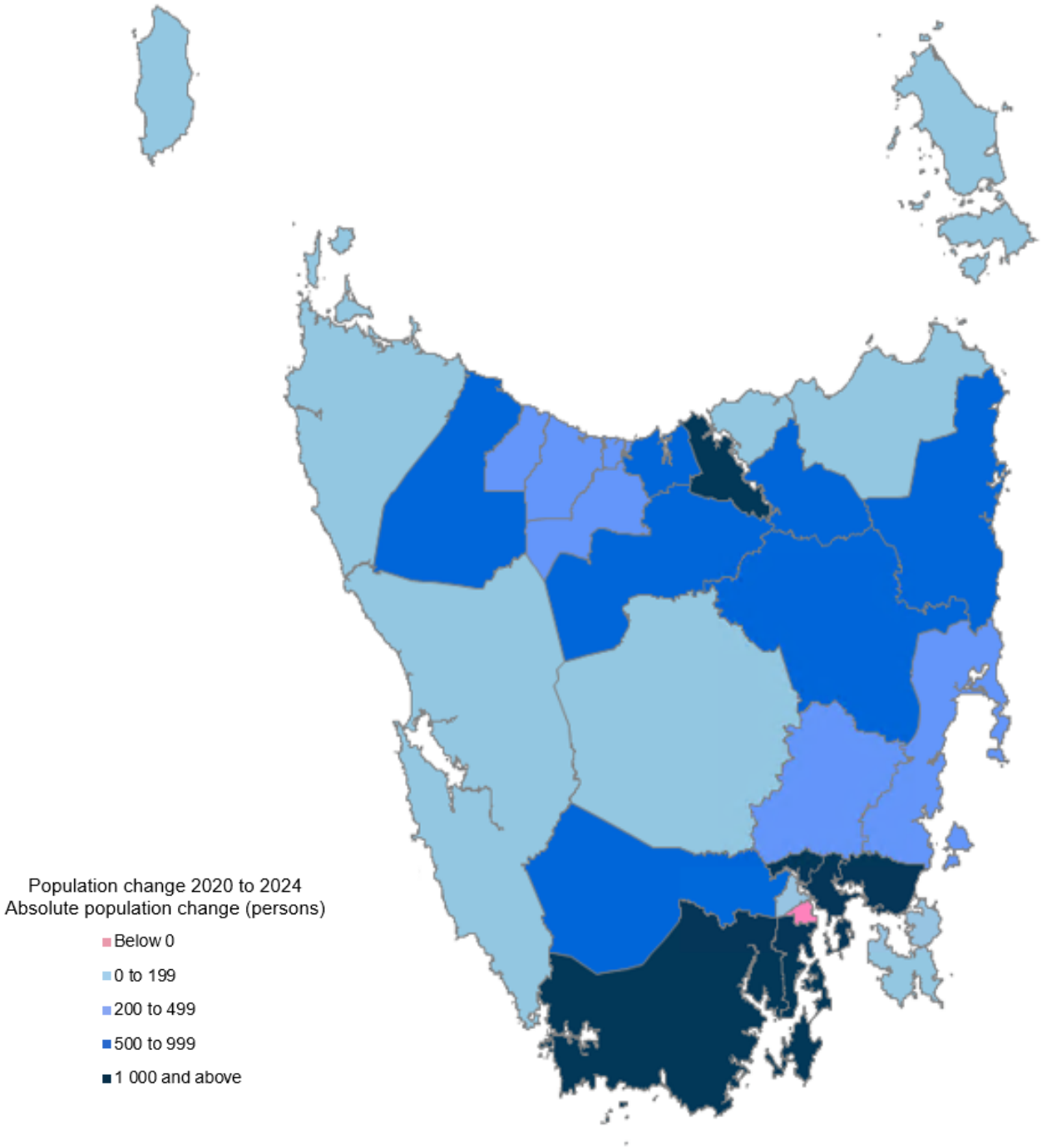
Source: *National, state and territory population,* ABS.

There are a wide range of factors that impact a person's or family's decision to move interstate, with key considerations being relative cost-of-living and the ability to find work. Similarly, these factors are also considered when deciding where to settle within Tasmania. Map 2.2 shows the change in each local government area (LGA) between the end of June 2020 and the end of June 2024. This shows that since the onset of the COVID-19 pandemic, Hobart was the only Tasmanian LGA that has contracted, declining by 231 persons. This is likely the result of lower international student enrolments, less development-ready land in the LGA, and subtle changes to consumer preferences in the aftermath of the pandemic that have favoured more space over closer proximity to services.

This trend is further supported when observing the LGAs that recorded the strongest absolute increase over this period. The strongest growth between 2020 and 2024 was in Clarence, which

grew by 3 202 persons, followed by Brighton and Kingborough, by 1 783 persons and 1 522 persons respectively. Outside of the State's South East, the highest growing LGA was West Tamar, which grew by 1 008 persons and was the sixth highest growing LGA.

Map 2.2: Population Change by LGA



Source: *Regional population growth,* ABS.

RISKS TO THE OUTLOOK

The key risk to the current outlook is global trade tensions. The imposition of tariffs by the United States on imported goods, and the responses to these tariffs, particularly from China, are creating significant uncertainty and disruption in the global economy. The trade situation between the United States and China is continuing to evolve, with the countries agreeing to pause reciprocal tariffs. However, it is uncertain what will happen in the medium-term, and whether the tariffs imposed by the United States and China will continue as they have been, or whether there will be further allowances made on certain products or a more permanent negotiated outcome between the two countries. While it appears likely that tariffs on Australian exports, and therefore Tasmanian exports, to the United States will generally remain at 10 per cent in the short term, there are risks associated with a change to this arrangement on both the upside (if there was a reduction or removal in this tariff) and the downside (if there was an increase in the tariff).

On the upside, there are scenarios where the price for American and Chinese goods will be such an obstacle to trade between the two countries that these goods will become cheaper to other markets, including Australia, at least in the short-term. This could result in downwards pressure on inflation in Australia and could impact the RBA's future decisions on the cash rate. Additionally, as the United States and China move away from importing goods from one another, there is the potential for increased exports from Australia to these two markets, as Australian goods will become comparatively cheaper. Noting that Australia has had the lowest level tariff applied to it from the outset, the opportunity for Australia to increase exports to the United States may further expand if the United States reimposes its initial higher tariff rates on other countries, while maintaining the base level tariff on Australian goods.

On the downside, there are significant risks related to the performance of the global economy. In particular, Tasmania has significant trade links with China, which accounts for just under one-third of Tasmania's exports. As such, if the Chinese economy was to experience a significant slowing in growth or a downturn, this could lead to a significant impact on the Tasmanian economy. Further, a number of Tasmania's other key trading partners initially had higher tariffs imposed on their goods. While there has been a pause on these tariffs, if they are reinstated there could also be negative impacts on those economies, which could then impact Tasmania's economy, if exports to those trade partners fall.

The overall uncertainty arising from global trade tensions may also amplify other existing risks. There remain additional risks in the global political environment with ongoing conflicts, including in Ukraine and the Middle East. These have previously led to volatility in the price of oil and shipping costs. Were these conflicts to escalate or de-escalate, there may be flow on effects to the Tasmania economy.

There remains a risk around the path for inflation at both a State and national level. Inflationary pressures have continued to ease, though noting that services inflation has been more resistant than goods inflation in the national data. However, a risk remains that inflation could start to pick up again, leading to falling business and consumer confidence, and dampening the outlook for the economy. If this were to occur at a national level, the RBA would need to reconsider monetary policy settings, which could involve increasing the cash rate.

Another risk to the outlook is the impact from changes to the State's population. Tasmania's population grew significantly between 2016 and 2021, but population growth has slowed substantially in recent years. On the upside, the lower population growth has flowed through to improvements in the relative affordability of Tasmania's housing market compared with mainland capital cities.

If Tasmania continues to trend towards relatively more affordable housing, this could result in increased migration to the State, which would increase economic activity. However, a surge in population growth could also lead to increases in the demand for services from the Tasmanian Government. On the downside, which is anticipated to be less likely, there is also a risk that Tasmania's population could stagnate or even decline. This would likely lead to reduced economic activity and could exacerbate current challenges around workforce shortages and an ageing population.

In recent years, government expenditure has been a key driver of growth in Tasmania's economy. As such, future changes in the level of government expenditure could impact the forecasts. For example, if future governments seek to lower or limit expenditure, whether on the consumption or investment side, this could reduce overall economic growth in the short term. The extent of this expenditure, while necessary during the COVID-19 pandemic, and its aftermath, is unsustainable.

Tasmania's major industrials have faced business challenges in recent times, leading to support being provided by the State and Australian governments in some cases. These challenges have already flowed through to lower international exports for the State. Were the challenges to remain in the medium-term or even to deteriorate, this could impact the value of international exports over the Forward Estimates, which would affect the forecast rate of economic growth.

3 FISCAL STRATEGY

Executive Summary

- The Government's Fiscal Strategy comprises a combination of Strategic Actions and associated Targets to provide a range of measures through which fiscal sustainability can be assessed.
- These Strategic Actions and Targets are grouped to align with the principles of sound fiscal management set out in the *Charter of Budget Responsibility Act 2007*.
- The Strategic Actions and Targets should be considered in the context of the risks and sensitivities outlined in chapter 4 of this Budget Paper.
- The Government recognises that fiscal sustainability continues to be a core consideration for the framing of Budgets now and into the future.
- To this end, the Fiscal Strategy has been updated, including the introduction of new monitoring arrangements for Targets, to strengthen oversight of the State's fiscal position and provide a greater focus on key areas for improving fiscal sustainability.
- Notwithstanding the compressed timeframe for developing this Budget, the Government has taken meaningful steps to support fiscal sustainability, including the following commitments:
  - new savings initiatives that reduce expenditure on agency marketing and communications; enhance Government procurement processes; and implement office and leasing improvements;
  - a Productivity and Efficiency Measure, which commences in 2027-28 to assist agencies in identifying reform opportunities and implementing efficiencies to improve service delivery;
  - funding for the Efficiency and Productivity Unit within the Department of Premier and Cabinet to drive efficiency gains across government;
  - fiscal performance initiatives, that provide additional short-term funding for the Department of Treasury and Finance to support whole-of-government savings strategies;
  - re-profiling the Capital Investment Program to maintain a deliverable pipeline of work, while mitigating short-term debt pressures;
  - regular financial reporting to Cabinet from agencies; and
  - a reduction in the Treasurer's Reserve.
- These measures are supported by decisions already in place, including:
  - the ongoing application of the 2023-24 Budget Efficiency Dividend, which has been incorporated into agency budgets from 2024-25; and
  - a State Service freeze on non-essential recruitment.

- The Government has decided to bring forward the planned review of its Fiscal Strategy, to coincide with the 2026-27 Budget. This reflects the Government's commitment to ensuring the long-term sustainability of Tasmania's finances and the importance of confirming that the Strategy remains fit for purpose to support Budget sustainability over the longer term.
- In reviewing the Fiscal Strategy and developing long-term reforms to strengthen fiscal sustainability, the Government looks forward to ongoing collaboration and consultation with the Multi-Partisan Budget Consultation Panel. This Panel is a mechanism for parliamentary input into Tasmania's fiscal settings, and for the Government to engage in meaningful consultation.
- To inform and support the review, the Government has also requested Treasury to publish the Fiscal Sustainability Report early in 2026, rather than in June 2026.

WHOLE-OF-GOVERNMENT FINANCIAL POSITION

The measure in this category provides a summary of the financial position at the whole-of-government level based on qualitative and quantitative information.

1. State's Current Credit Rating

Credit ratings are an independent assessment of economic performance, debt levels, fiscal policies, political stability, institutional strength and vulnerability to external shocks.

Importantly, credit ratings also reflect a focus beyond the General Government Sector (GGS) to include the impact of government businesses and other non-GGS entities. As such, they provide a broad perspective on the State's financial position, which is then comparable with the position assessed for other Australian and overseas jurisdictions.

Table 3.1: State's Current Credit Rating

Strategic Action	2024-25 Budget	2024-25 Preliminary Outcome	2032-33 Target
1. State's current credit rating			
Moody's Ratings	Aa2 (Stable)	Aa2 (Negative)	Aa2 (Stable)
Standard & Poor's Global Ratings	AA+ (Stable)	AA+ (Negative)	AA+ (Stable)

Table 3.2: Current State, Territory and Australian Government Credit Ratings

	Moody's	Standard & Poor's	Fitch
Tasmania	Aa2 (Negative)	AA+ (Negative)	na
Western Australia	Aaa (Stable)	AAA (Stable)	na
New South Wales	Aaa (Stable)	AA+ (Negative)	AAA (Stable)
South Australia	Aa1 (Stable)	AA+ (Stable)	AA+ (Stable)
Queensland	Aa1 (Stable)	AA+ (Negative)	AA+ (Stable)
Victoria	Aa2 (Stable)	AA (Stable)	AA+ (Stable)
Northern Territory	Aa3 (Stable)	na	na
Australian Capital Territory	na	AA (Stable)	na
Australian Government	Aaa (Stable)	AAA (Stable)	AAA (Stable)

2025-26 Budget and Forward Estimates Status and Actions

The 2023-24 Budget outlined that the Government would consider the establishment of a minimum credit rating requirement for certain government businesses.

Following consideration of the issue, the Government has determined not to proceed with this, noting that there are a range of challenges and issues associated with its implementation. Alternatively, the Government will consider how best to assess the performance and impact of government businesses when reviewing the Fiscal Strategy for the 2026-27 Budget.

The Government will continue to assess information relating to the creditworthiness of certain government businesses when considering maximum guaranteed borrowing amounts for government businesses.

DEBT MANAGEMENT

The measures in this category relate to the level and management of Government Debt.

The main objective of public debt management is to ensure that a government's financing needs, and payment obligations can be serviced under a wide range of circumstances.

The rate of growth in the State's Debt increased during the COVID-19 pandemic as the Government prioritised protecting the community by ensuring appropriate health services were in place, and by supporting the economy through business relief and infrastructure projects. Since then, Debt has increased as the Government has prioritised the delivery of the *2030 Strong Plan for Tasmania's Future* and by implementing the recommendations of the *Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings*.

For the Strategic Actions in this category, the measure of GGS debt includes the impact of debt, and cost of debt for Homes Tasmania, and for Macquarie Point Development Corporation from 2027-28, as the cost of supporting this debt is directly funded from the GGS.

2. Gross Debt per capita

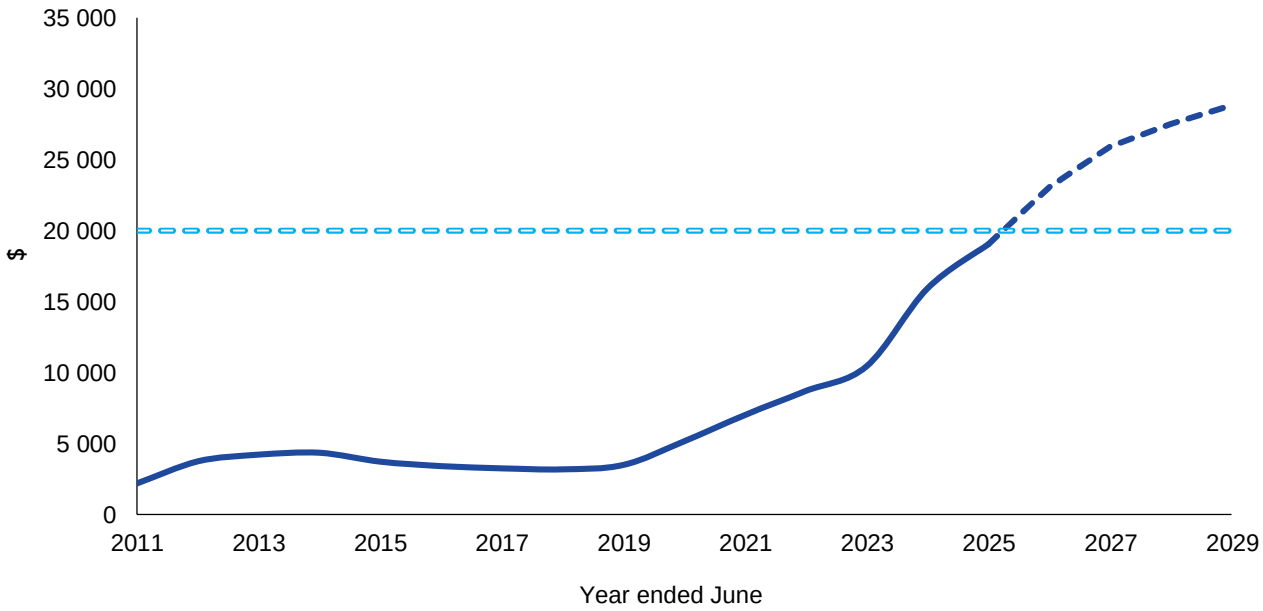
Gross Debt per capita provides a measure of the level of the debt the Government has incurred on behalf of the community to deliver goods and services. This measure should be considered in the context of the capacity of the Budget to service the debt.

The Government's defined benefit superannuation liability is not included in the calculation of this measure. The GGS Superannuation liability is estimated to be $7 082.1 million as at 30 June 2026.

Table 3.3: Gross Debt per capita

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
2. Gross Debt per capita ($)			
General Government Sector	19 041	23 057	<20 000

Chart 3.1: General Government Sector Gross Debt per capita, 30 June 2011 to 30 June 2029



2025-26 Budget and Forward Estimates Status and Actions

Over the Forward Estimates, GGS Gross Debt per capita is forecast to exceed the 2032-33 Target.

To support the improvement of this Target the Government has introduced new monitoring Targets to provide support and greater focus for fiscal sustainability, being:

- Net Cash Surplus from Operating Activities (by 2028-29);
- underlying surplus in Net Operating Balance (by 2029-30); and
- overall Fiscal surplus (by 2032-33).

The Government has committed to a range of new actions to improve this Target over the Forward Estimates, including:

- Productivity and Efficiency Measure, supported by funding of the EPU;
- new savings measures related to office leasing, procurement and marketing and communications;
- re-profiling the Capital Investment Program; and
- regular financial reporting to Cabinet from agencies.

3. Net Debt to Gross State Product (GSP)

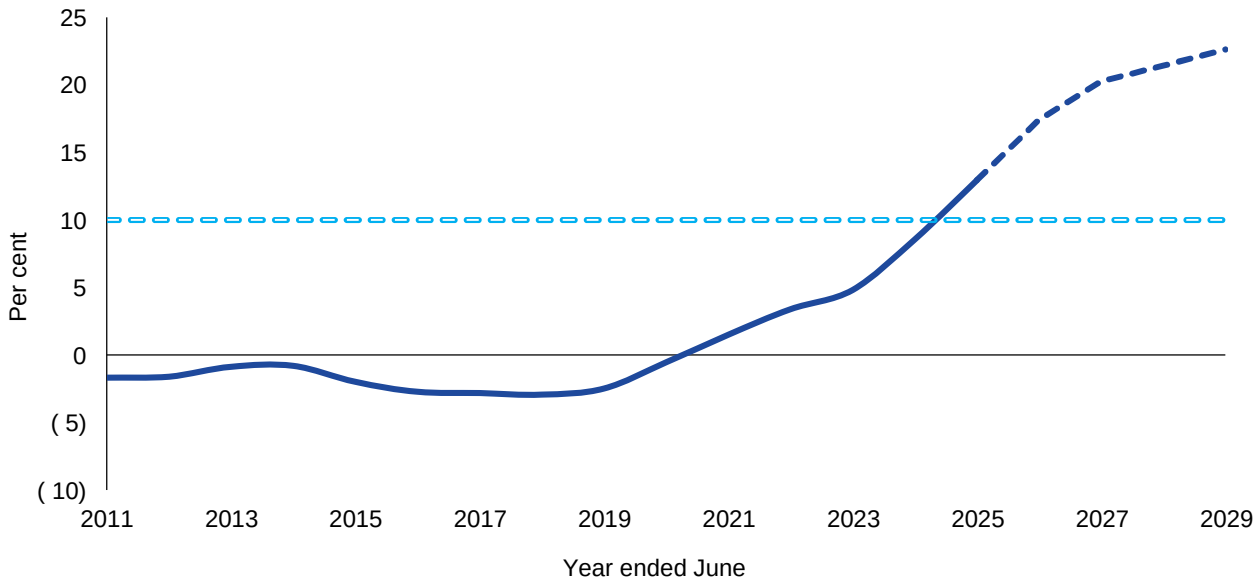
This measure assesses the Net Debt position relative to the size of the State's economy, providing an indication of the risk associated with the capacity to service additional borrowings. It also recognises the availability of certain assets to support repayment if required.

Net Debt to GSP provides an indication of the economy's performance and risk of default. A lower Net Debt to GSP ratio indicates a stronger capacity to manage and repay debt. The measure is cyclical in nature and subject to fluctuations over time, including those driven by the economic cycle.

Table 3.4: Net Debt to Gross State Product

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
3. Net Debt to Gross State Product (%)			
General Government Sector	12.9	17.4	<10

Chart 3.2: General Government Sector Net Debt to Gross State Product (%), 30 June 2011 to 30 June 2029



2025-26 Budget and Forward Estimates Status and Actions

As with Strategic Action 2, the GGS Net Debt to GSP ratio is projected to exceed the 2032-33 Target across the 2025-26 Budget and Forward Estimates.

To support improvement against this Target, the Government will introduce new monitoring measures, to provide greater focus on fiscal sustainability over the next 10 years:

- GGS Net Debt to GSP at less than 8 per cent; and
- Total Public Non-Financial Corporations Sector Net Debt to GSP at less than 12 per cent.

The Government will progress towards these targets through the actions outlined in Strategic Action 2 to reduce debt levels, and by continuing to support economic growth and investment to increase GSP.

4. Cost of Debt (including defined benefit superannuation) to Cash Receipts

This measure reflects the proportion of cash inflows (receipts) used to service debt costs. A higher ratio indicates that a greater share of Government receipts are required for debt servicing, while a lower ratio suggests that a smaller portion is needed, signalling stronger financial health and greater flexibility to allocate funds to other priorities.

Table 3.5: Cost of Debt to Cash Receipts

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
4. Cost of Debt (including defined benefit superannuation) to Cash Receipts (%)			
General Government Sector	6.8	7.6	<7

Chart 3.3: General Government Sector Cost of Debt to Cash Receipts (%), 30 June 2011 to 30 June 2029

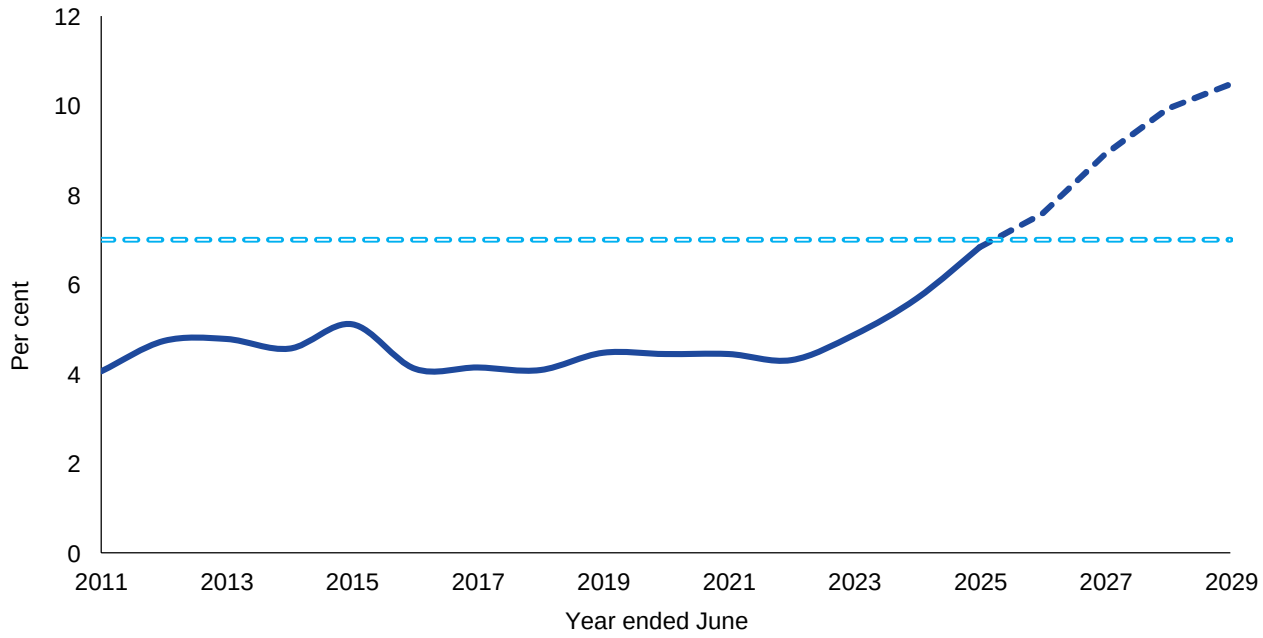


Table 3.6: Details of Cost of Debt to Cash Receipts

	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Superannuation - defined benefit scheme	405.1	385.6	391.4	407.6	404.6
Homes Tasmania Supported Borrowings	24.9	31.2	40.0	50.0	50.0
Macquarie Point Development Corporation Supported Borrowings	....	....	....	....	7.2
Other GGS Borrowing Costs	209.7	333.8	457.0	548.3	632.7
Total Borrowing and defined benefit scheme costs	**639.7**	**750.6**	**888.4**	**1 005.9**	**1 094.5**
Cash Receipts from operating activities	**9 364.6**	**9 902.0**	**9 968.9**	**10 130.6**	**10 443.6**
Cost of Debt (including defined benefit superannuation) to Cash Receipts (%)	**6.8**	**7.6**	**8.9**	**9.9**	**10.5**

2025-26 Budget and Forward Estimates Status and Actions

While Cash Receipts from operating activities are projected to increase across the 2025-26 Budget and Forward Estimates, the continued rise in the Cost of Debt to Cash Receipts ratio since the COVID-19 pandemic reflects higher debt levels.

This measure has been updated to reflect a revised Target, increasing from less than 6 per cent to less than 7 per cent, in recognition of the prevailing economic conditions and the forecast borrowing costs over the Budget and Forward Estimates.

The actions outlined under Strategic Action 2 will support the improvement in this measure by reducing expenditure and, in turn, lowering the need for additional borrowings.

FINANCIAL SUSTAINABILITY

This category sets out a range of measures used to assess financial sustainability across different time periods, acknowledging that no single measure provides a complete picture.

5. Fiscal Balance (rolling 4-year average)

The Fiscal Balance reflects the difference between revenue and expenditure (excluding depreciation), plus infrastructure investment.

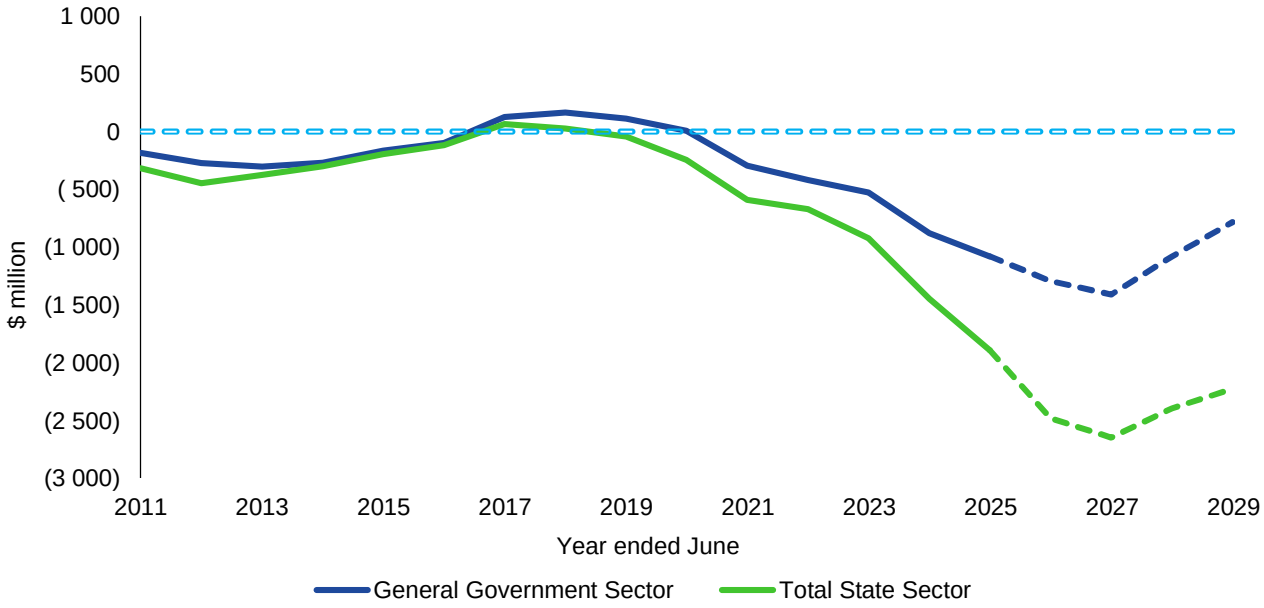
The value reported for each year is the average of that year and the three preceding years (i.e. a four-year rolling average). By averaging over four years, this measure provides a more stable and reliable indicator of financial sustainability through reducing the impact of short-term fluctuations and one-off events.

Table 3.7: Fiscal Balance (rolling 4-year average)

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
5. Fiscal Balance ($m, rolling 4-year average)			
General Government Sector	(1 081.2)	(1 292.9)	Balanced fiscal position over a rolling four-year average
Total State Sector	(1 893.5)[1]	(2 482.9)	

Note:
1. The Fiscal Balance (rolling 4-year average) for the Total State Sector reflects a consolidation of Preliminary Outcome information for the GGS and estimated information for all other sectors.

Chart 3.4: Fiscal Balance (rolling 4-year average), 30 June 2011 to 30 June 2029



2025-26 Budget and Forward Estimates Status and Actions

Over the 2025-26 Budget and Forward Estimates, the rolling average Fiscal Balance deficits for both the GGS and Total State Sector are forecast to grow to a peak at the end of 2027 before reducing across the remainder of the Forward Estimates.

To support fiscal sustainability, the Government will monitor the achievement of a fiscal surplus by 2032-33.

The actions taken in this Budget to improve the Fiscal Balance include:

- the introduction of new monitoring Targets to provide greater focus and clarity of the State's financial sustainability;
- Productivity and Efficiency Measures, supported by funding of the EPU;
- new savings measures related to office leasing, procurement, and marketing and communications; and
- re-profiling the Capital Investment Program.

6. Total General Government Sector Own-Source Revenue as a percentage of Total Expenditure

This measure provides an indication of sustainability through the perspective of revenue independence.

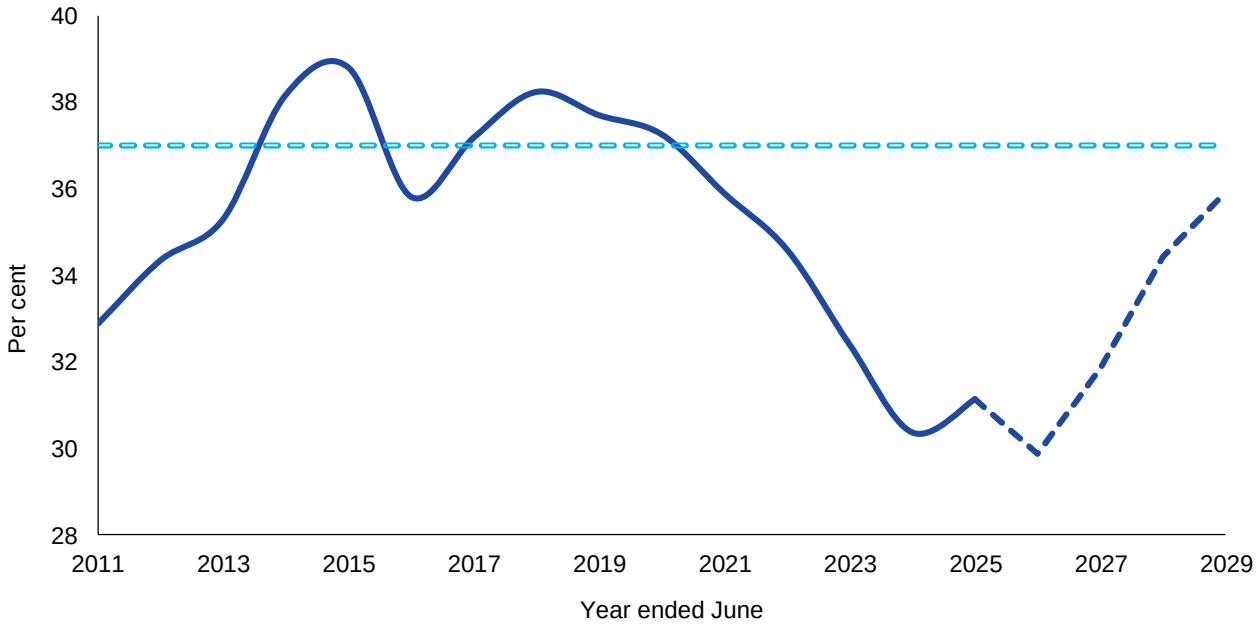
While a fair share of funding for Tasmania will always be sought under established Australian Government funding arrangements, it is important for Tasmania's Budget independence and service provision that an appropriate capacity to generate own-source revenues is maintained.

The 2032-33 Target, of greater than 37 per cent, represents the average proportion of Total GGS Own-Source Revenue to Total Expenditure from 2013-14 to 2022-23. Variation in this measure can be impacted on a year-by-year basis by factors outside of the Government's control.

Table 3.8: Total General Government Sector Own-Source Revenue as a percentage of Total Expenditure

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
6. Total General Government Sector Own-Source Revenue as a percentage of Total Expenditure (%)	31.1	29.9	>37

Chart 3.5: Total General Government Sector Own-Source Revenue as a percentage of Total Expenditure, 30 June 2011 to 30 June 2029



2025-26 Budget and Forward Estimates Status and Actions

The projections for GGS Own-Source Revenue as a percentage of Total Expenditure improve over the Forward Estimates toward the 2032-33 Target. This is driven by increasing revenue combined with moderation of expenditure growth over the Forward Estimates.

To manage this Target, the Government is prioritising expenditure moderation. In addition to existing measures, the actions described in Strategic Action 5 will further support progress towards this Target.

7. Impact of Government Business Enterprises and State-Owned companies on the General Government Sector Financial Position

This measure provides a means by which the long-term contribution of Government Business Enterprises (GBEs) and State-owned Companies (SOCs) to the State's fiscal position can be assessed. Given the capacity of GBEs and SOCs to separately raise revenue, they should, in the longer term, positively contribute to the GGS.

GBEs and SOCs provide benefits to the GGS through returns such as dividends, tax equivalents, guarantee fees and rates equivalents. However, the GGS is required to provide support to GBEs and SOCs, for example, through infrastructure investment, grant payments and equity contributions. This support is provided on the basis that, over time, government businesses will provide improved services to the community and may provide a return to the Government in the form of dividends and other returns.

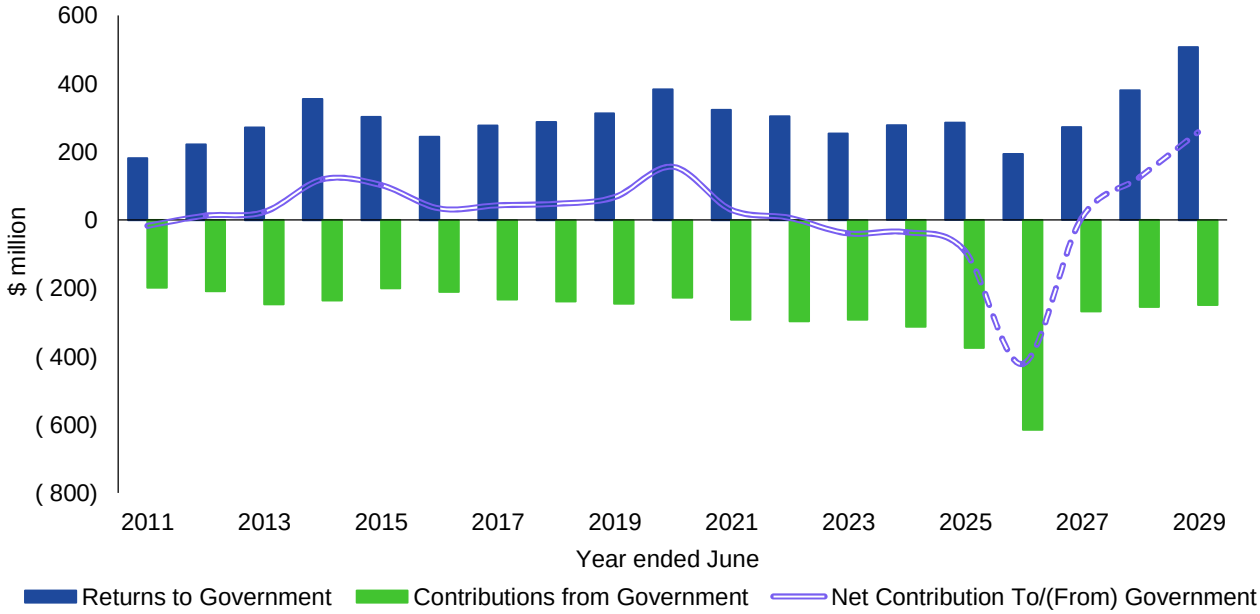
The Government requires government businesses to operate commercially and consistent with policy objectives (including Ministerial Charters and Statements of Expectation).

Table 3.9: Impact of Government Business Enterprises and State-Owned Companies on the General Government Sector Financial Position

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
7. Impact of Government Business Enterprises and State-owned Companies on the General Government Sector Financial Position ($m)	(89.8)[1]	(421.7)[2]	Positive impact

Notes:
1. This includes a one-off equity transfer to Tasmanian Networks Pty Ltd for costs associated with the Marinus Link Project.
2. This measure is adversely impacted by the Government's anticipated equity contribution to Tasmanian Networks Pty Ltd for the North West Transmission Developments project and the TT-Line to support its ongoing operations.

Chart 3.6: Impact of Government Business Enterprises and State-Owned Companies on the General Government Sector, 30 June 2011 to 30 June 2029



2025-26 Budget and Forward Estimates Status and Actions

The Government will provide significant support to government businesses over the 2025-26 Budget and Forward Estimates to undertake major infrastructure investment and deliver Government initiatives. This support is expected to peak in 2025-26 primarily due to the Government's anticipated equity contribution to Tasmanian Networks Pty Ltd for the North West Transmission Developments project.

The impact of government businesses on the GGS is currently expected to improve and become positive over the Forward Estimates, with lower contributions to businesses forecast alongside increasing returns from businesses.

In managing this Target, the Government will focus on ensuring government businesses deliver outcomes consistent with its objectives and deliver services at the lowest sustainable cost while growing the economy and engaging constructively with business and the community. To this end, the Government will progress a second tranche of reforms to strengthen governance and accountability to ensure these objectives are met.

SUSTAINABLE INFRASTRUCTURE DEVELOPMENT

This category provides an insight into the condition of infrastructure assets and the benefits of infrastructure delivered by government.

Strategic infrastructure investment is essential for fostering economic growth, improving public services and securing long-term financial sustainability. Given that the asset life cycle for investments can be anywhere from three to in excess of 50 years, it is important that investments are strategic, address Tasmania's future population needs, and support enhanced outcomes and community experience.

8. General Government Sector Infrastructure Investment

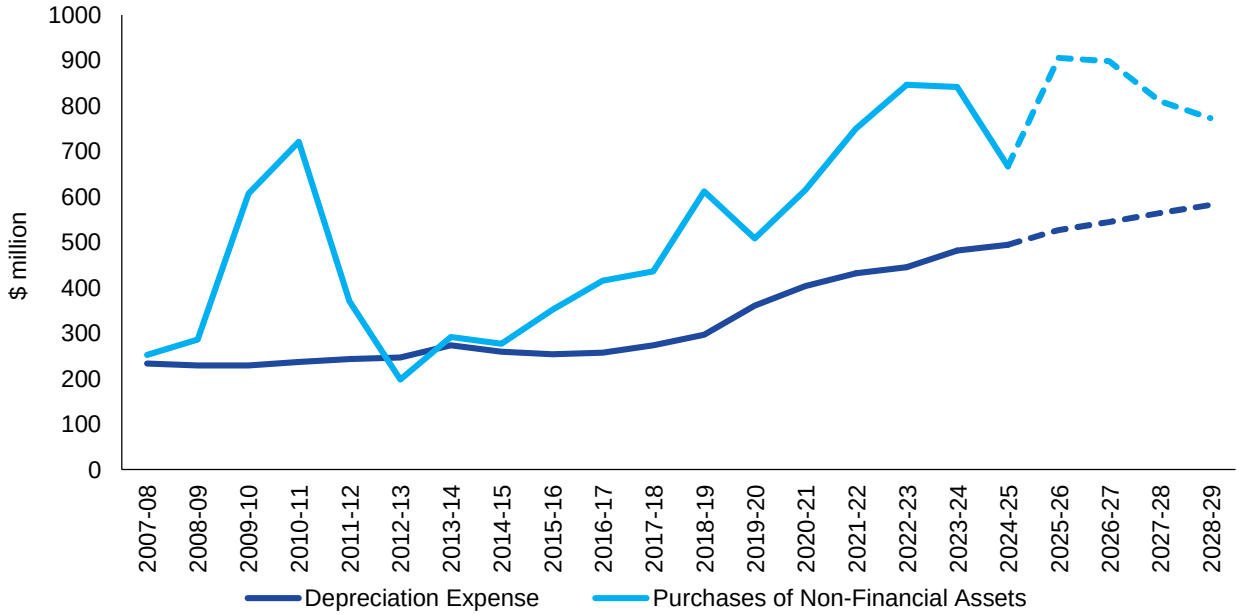
This measure provides an indication of whether infrastructure investment is sufficient to maintain or replace the existing asset base by investing at a level at least equivalent to depreciation, and beyond that, the level to which the Government is expanding its asset base.

This measure uses Purchases of Non-Financial Assets as a proxy for Infrastructure Investment. A description of the differences between these two concepts can be found in the Reconciliation Between Infrastructure Investment and Purchases of Non-Financial Assets in chapter 7 of this Budget Paper.

Table 3.10: General Government Sector Infrastructure Investment

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
8. General Government Sector Infrastructure Investment			
Annual investment in infrastructure no less than depreciation	Yes	Yes	GGS Income Statement infrastructure investment > depreciation

Chart 3.7: General Government Sector Purchases of Non-Financial Assets and Depreciation, 2007-08 to 2028-29



2025-26 Budget and Forward Estimates Status and Actions

The forecast GGS Infrastructure Investment exceeds the depreciation expense for each year of the 2025-26 Budget and Forward Estimates.

Over the Forward Estimates, the Government will adopt a more measured approach to Infrastructure investment by re-profiling the planned pipeline of works. This reflects the recognition that elevated funding levels during the COVID-19 pandemic are no longer required and acknowledges the need for financial sustainability and industry capacity constraints. This balanced approach will also support improvements in other fiscal measures.

9. Government Business Infrastructure Investment

This measure assesses the proportion of government business infrastructure projects in excess of $50 million that have a positive Net Present Value (NPV) and/or positive Benefit Cost Ratio (BCR), estimated in accordance with the Infrastructure Australia Assessment Framework.

The Infrastructure Australia Assessment Framework provides a comprehensive basis for the determination of the benefit or cost of major infrastructure projects being undertaken by governments. The Framework considers both quantitative and qualitative impacts.

Table 3.11: General Government Sector Infrastructure Investment

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
9. Government Business Infrastructure Investment			
The proportion of GBE and SOC infrastructure projects in excess of $50 million, for which Board approval is provided in the Budget year, that have a positive Net Present Value and/or positive Benefit Cost Ratio calculated as part of a Cost Benefit Analysis undertaken in accordance with the Infrastructure Australia Assessment Framework (%)	na	100	100

2025-26 Budget and Forward Estimates Status and Actions

In March 2025, the Treasurer issued revised *Guidelines for Government Businesses - Capital Investment*, which applies to all Tasmanian GBEs and SOCs.

These Guidelines require the calculation of a NPV and/or BCR for any capital investment exceeding $50 million. This should be calculated as part of a cost benefit analysis undertaken in accordance with the Infrastructure Australia Assessment Framework.

Measurement on this action will commence in 2025-26.

PUBLIC SECTOR PRODUCTIVITY AND SERVICE DELIVERY

This category provides insight into both quantitative and qualitative aspects of public sector productivity and service delivery.

GGS Full-Time Equivalents (FTEs) are essential for delivering services to the community and represent a significant component of government expenditure. Improving public services productivity is critical to fiscal sustainability, as it enables:

- better or more services with the same resources; or
- the same services with fewer resources.

10. General Government Sector Full-Time Equivalents (FTEs) per capita

This measure compares the number of people employed in the public sector with the State's population.

Growth in GGS FTEs that exceeds population growth may indicate either overstaffing or increased capacity to deliver services. Conversely, slower GGS FTE growth relative to population growth may indicate potential staffing constraints that could impact service delivery, or improved efficiency in delivering the same services with fewer resources.

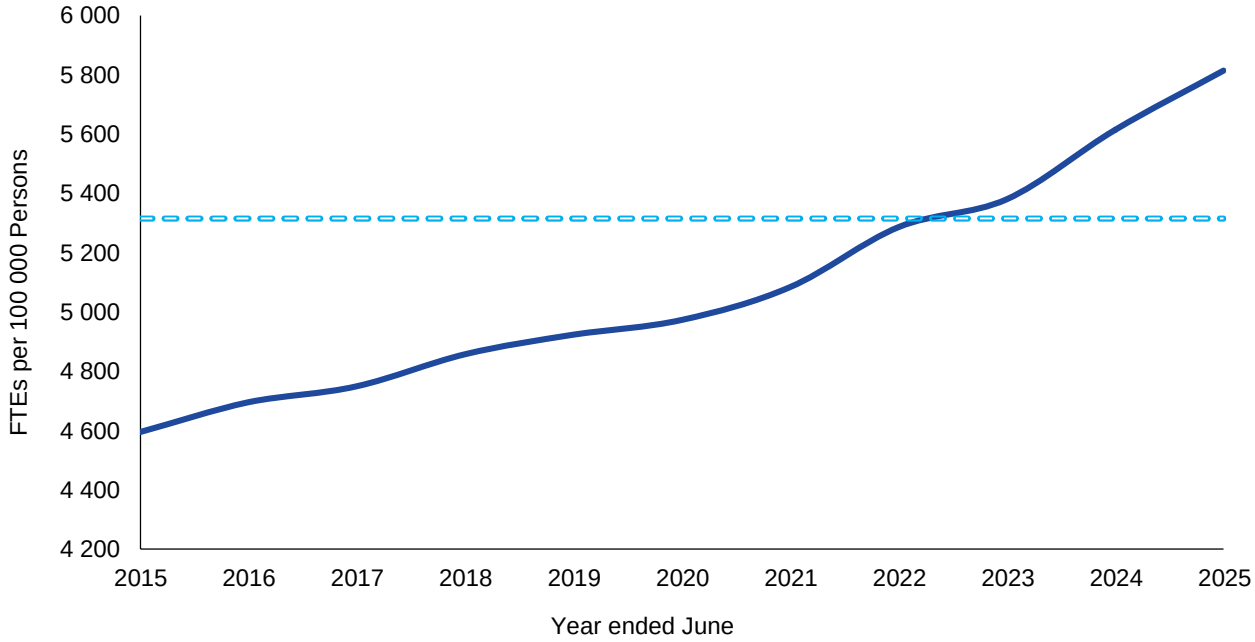
This measure reports the total number of FTEs within the GGS. This differs from the methodology used in the *State Service Workforce Report*, which only includes FTEs employed under the *State Service Act 2000* and excludes those employed under other legislation, such as sworn Police Officers under the *Police Service Act 2003*.

Table 3.12: General Government Sector FTEs per capita

Strategic Actions	2022 Actual	2024 Actual	2024-25 Preliminary Outcome[1]	2032-33 Target
10. General Government Sector FTEs per capita (including Homes Tasmania) (per 100 000 persons)	5 315	5 613	5 814	No increase compared to 30 June 2022

Note:
1. The 2024-25 Preliminary Outcome reflects the figure as at 30 June 2025.

Chart 3.8: General Government Sector FTEs per 100 000 persons, 30 June 2015 to 30 June 2025



2025-26 Budget and Forward Estimates Status and Actions

The Fiscal Strategy Strategic Action includes a 2032-33 Target based on the ratio measured in 2022. The current number of GGS FTEs per capita exceeds this target.

To support an improvement to this measure, in addition to the already embedded Budget Efficiency Dividend and the State Service hiring freeze on non-essential recruitment, the Government has committed in this Budget to:

- a Productivity and Efficiency Measure, commencing in 2027-28, to assist agencies in identifying reform opportunities and implement efficiencies that enhance service delivery; and
- funding for the EPU within the Department of Premier and Cabinet to work across government to identify, coordinate, and implement reforms that deliver better services and whole-of-government efficiency gains.

11. Public Sector Efficiency, Productivity and Financial Transparency will be Improved

This measure reflects multiple qualitative aspects of public sector productivity and service delivery.

Increasing public sector efficiency reflects resource optimisation by minimising waste and maximising the impact of government spending, better and faster delivery of public services, or cost savings, which can be redirected to other critical areas, or used to reduce debt.

Increasing public sector productivity can stimulate economic growth through improving the quality or availability of public services, improve fiscal health by delivering the same services with fewer resources, or lead to increases in long-term sustainability by maintaining and improving public services over the long-term, without requiring unsustainable increases in spending.

Financial transparency improvements support greater accountability by ensuring that government actions are open to scrutiny, and can improve informed decision-making, where policy makers and stakeholders have access to accurate and timely information.

Table 3.13: Public Sector Efficiency, Productivity and Financial Transparency will be Improved

Strategic Actions	2022 Actual	2024-25 Preliminary Outcome	2032-33 Target
11. Public Sector Efficiency, Productivity and Financial Transparency will be Improved	na	• Continuation of savings measures from previous Budgets; • responding to Review and Inquiry recommendations; and • the establishment of the Efficiency and Productivity Unit.	Review to be undertaken in 2032-33 to assess the impact of action taken

2025-26 Budget and Forward Estimates Status and Actions

In addition to the measures listed under Strategic Action 10, Chapter 4 of this Budget Paper and chapter 1 of *Service Delivery,* Budget Paper No. 2 contain an overview of the changes made to the structure and presentation of the 2025-26 Budget Papers to improve financial transparency.

SUMMARY OF STRATEGIC ACTIONS AND TARGETS

Table 3.14: Summary of Strategic Actions and Targets

Strategic Actions	2024-25 Preliminary Outcome	2025-26 Budget	2032-33 Target
1. State's Current Credit Rating			
Moody's	Aa2 (Negative)[1]	Aa2 (Negative)	Aa2 (Stable)
Standard & Poor's	AA+ (Negative)[1]	AA+(Negative)	AA+ (Stable)
2. Gross debt per capita ($)[2]			
General Government Sector	19 041	23 057	<20 000
3. Net Debt to Gross State Product (%)[2]			
General Government Sector	12.9	17.4	<10
4. Cost of Debt (including defined benefit superannuation) to Cash Receipts (%)[2]			
General Government Sector	6.8	7.6	<7
5. Fiscal Balance ($m, rolling 4-year average)			
General Government Sector	(1 081.2)	(1 292.9)	Balanced fiscal position over a rolling four-year average
Total State Sector	(1 893.5)[3]	(2 482.9)	
6. Total General Government Sector Own-Source Revenue as a percentage of Total Expenditure (%)	31.1	29.9	>37
7. Impact of Government Business Enterprises and State-Owned Companies on the General Government Sector Financial Position ($m)[4]	(89.8)	(421.7)	Positive impact
8. General Government Sector Infrastructure Investment			
Annual investment in infrastructure no less than depreciation	Yes	Yes	GGS Income Statement infrastructure investment > depreciation
9. Government Business Infrastructure Investment			
The proportion of GBE and SOC infrastructure projects in excess of $50 million, for which Board approval is provided in the Budget year, that have a positive Net Present Value and/or positive Benefit Cost Ratio calculated as part of a Cost Benefit Analysis undertaken in accordance with the Infrastructure Australia Assessment Framework (%)	na[5]	100	100

Table 3.14: Summary of Strategic Actions and Targets (continued)

Strategic Actions	2022 Actual	2024-25 Preliminary Outcome	2032-33 Target
10. General Government Sector FTEs per capita (including Homes Tasmania) (per 100 000 persons)[6]	5 315	5 814[7]	No increase compared to 30 June 2022
11. Public Sector Efficiency, Productivity and Financial Transparency will be Improved	na	• Continuation of savings measures from previous Budgets; and • responding to Review and Inquiry recommendations; and • the establishment of the Efficiency and Productivity Unit.	Review to be undertaken in 2032-33 to assess the impact of action taken

Notes:
1. The 2024-25 Preliminary Outcome represents Tasmania's credit ratings at the time of the finalisation of the 2025-26 Budget.
2. This action includes the impact of debt and cost of debt for Homes Tasmania and, from 2028-29, also includes costs associated with borrowings for the Macquarie Point Development Corporation.
3. The Fiscal Balance (rolling 4-year average) for the Total State Sector reflects a consolidation of Preliminary Outcome information for the GGS and estimated information for all other sectors
4. This action includes an equity transfer to Tasmanian Networks Pty Ltd in 2025-26 for costs associated with the Marinus Link Project. The 2025-26 Budget is adversely impacted by the Government's anticipated equity contribution to Tasmanian Networks Pty Ltd for the North West Transmission Developments project and the TT-Line for financial support for major capital projects and to support its ongoing operations.
5. Measurement of this action will commence in 2025-26.
6. This action reflects the total number of FTEs employed within the General Government Sector. There may be differences between the total number of FTEs under this action and the *State Service Workforce Report*, which only includes FTEs employed under the *State Service Act 2000* and excludes those FTEs employed under other Acts (such as sworn Police Officers under the *Police Service Act 2003*).
7. The 2024-25 Preliminary Outcome reflects the figure as at 30 June 2025.

4 RISKS, SENSITIVITIES AND PRESENTATION

Executive Summary

Risks and Sensitivities

The 2025-26 Budget is based on the latest information available in relation to estimates of revenue and expenditure for the Budget and Forward Estimates.

This chapter outlines key risks and uncertainties that are not reflected in the financial estimates included in the 2025-26 Budget. These are grouped into three main categories:

- risks to revenue;
- risks to expenditure; and
- risks to the General Government Sector relating to the ownership of Government businesses.

If these risks materialise, they may have either a positive or negative impact on the financial estimates. Where possible, the potential financial impact of these risks has been quantified. Where quantification is not feasible, a qualitative description of the risk is provided.

These risks arise from a range of factors, including: changes in economic conditions; shifts in the operating environment for government services and businesses; changes in community needs or service demand; and changes to Australian Government funding arrangements.

Risks to the economic outlook, including forecasts and projections, are discussed separately in chapter 2 of this Budget Paper.

Presentation

This chapter also outlines updates to the presentation, format and structure of the Budget Papers. For the 2025-26 Budget Papers, key changes include:

- structural changes to increase alignment with the Appropriation Acts and to enhance readability, navigation and accessibility;
- other changes to recognise the Tasmanian Government's response to the *Independent Review of Tasmania's State Finances*; and
- adjusted reporting, including presentation of Preliminary Outcomes in this Budget Paper, and the exclusion of the Estimated Outcome and Performance Information in *Service Delivery,* Budget Paper No. 2, reflecting the November timing of this Budget.

RISKS AND SENSITIVITIES

The Budget Estimates are made on the assumptions and information available at the time of preparation. In practice, actual revenue and expenses will vary and the potential for variation generally increases over the Forward Estimates.

This section outlines major, known, risks and sensitivities that are not included in the financial projections presented in the 2025-26 Budget Papers. If these risks were to materialise, they are likely to affect the State's financial position and Budget outcomes.

Where possible, the risk descriptions include:

- actions taken to manage or reduce the likelihood, or impact, of the risk; and
- estimates of financial impact, where the effect can be reliably measured.

In many cases, the potential financial impact of these risks is expected to increase over the Forward Estimates.

Some risks, particularly those outside the Government's direct control, cannot currently be quantified. In these instances, a qualitative description is provided, including whether the risk is likely to have a positive or negative impact on the State's financial position.

Revenue Risks and Sensitivities

General Revenue Risks and Sensitivities

Goods and Services Tax Revenue

GST revenue is the single largest source of revenue for Tasmania, representing around 40.2 per cent of total General Government Sector revenue in 2025-26 (further detailed in chapter 6 of this Budget Paper).

Tasmania's allocation of GST revenue is determined by three variable factors:

- the amount of GST collected by the Australian Government (the national GST pool);
- Tasmania's share of the national population; and
- Tasmania's GST relativity, as recommended by the Commonwealth Grants Commission.

GST revenue collections are highly sensitive to changes in national consumer spending patterns and new dwelling investment. Ongoing uncertainty around the economic outlook may result in further variability in demand for goods and services, which will affect the Australian Government's forecasts of the GST pool.

Changes to the national GST pool can have a material impact on Tasmania's GST revenue. For 2025-26, each one per cent change in the GST pool is estimated to result in a $37.8 million change in Tasmania's annual GST revenue allocation.

Tasmania's GST distribution is also affected by the State's share of the national population.

GST relativities are sensitive to a range of factors, including changes in jurisdictions' relative social, demographic and fiscal positions. Tasmania has seen significant variation in its relativity over time, as shown in Chart 6.3 in chapter 6 of this Budget Paper.

While the Tasmanian Government forecasts its relativities over the Forward Estimates, the State's relativities beyond 2025-26 will be subject to future annual updates by the CGC. These updates could be influenced by a range of outcomes in both Tasmania and other jurisdictions, including changes in historically volatile variables such as property markets and global commodity prices, particularly iron ore and coal. As such, projections of Tasmania's GST relativities over the Forward Estimates are subject to a high degree of uncertainty.

Changes to GST relativities can also have a material impact on Tasmania's GST revenue. Tasmania is currently assessed as having a higher per capita GST need than all other jurisdictions except the Northern Territory. The State is a major beneficiary of the equalisation process, receiving $1.7 billion, or approximately 84 per cent, more GST revenue in 2025-26 than its per capita share.

Each 0.01 change in Tasmania's forecast GST relativity is estimated to result in a $19.6 million change in Tasmania's annual GST revenue allocation.

Australian Government's revised GST Distribution Arrangements

The Australian Government's *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018* changed the way GST revenue is distributed between states and territories. States' fiscal capacities are now equalised to the fiscal capacity of the higher of New South Wales or Victoria, rather than the long-established principle of equalising to the level of the state with the highest fiscal capacity, which is currently Western Australia.

All states and territories, except Western Australia, are currently forecast to be worse off under the revised arrangements in each year of the Budget and Forward Estimates. This is currently mitigated by the Australian Government's time-limited no-worse-off guarantee, which is due to expire in 2029-30. Tasmania is forecast to receive GST no-worse-off guarantee payments of $384.4 million over the Budget and Forward Estimates. Tasmania is likely to receive significantly less GST revenue each year if the guarantee is not extended beyond 2029-30. This is a genuine risk that lies solely in the hands of the Australian Government.

Under the 2018 GST reform legislation, the Productivity Commission is required to review whether the 2018 GST distribution arrangements are operating efficiently, effectively and as intended. However, the Terms of Reference for this inquiry, which were released on 24 September 2025, expand the scope of the inquiry beyond what is legislatively required. The outcomes of the inquiry could have significant fiscal implications for Tasmania. The Productivity Commission is required to deliver its Final Report to Government by the legislated deadline of 31 December 2026.

Given the significance of GST revenue for the State, Tasmania will actively engage in the 2026 Productivity Commission inquiry to advocate for GST distribution arrangements that deliver a fair share of GST for the State and provide Tasmania with the fiscal capacity to deliver services and infrastructure to a similar level as other states.

Other Australian Government Funding and Agreements

Australian Government payments for specific purposes are Tasmania's second largest source of revenue after the GST distribution. They provide funding to deliver core Government services, including for health, education and skills, infrastructure, environment, housing, community services and disability services.

As outlined in chapter 6, payments for specific purposes include those provided under National Agreements and National Partnership Payments. These payments are provided through agreements between the State and the Australian Government, which are governed by the *Federation Funding Agreements Framework* and *Intergovernmental Agreement on Federal Financial Relations*.

At National Cabinet's December 2023 meeting, the Australian Government committed to meeting its funding share for hospital activity, as specified in the *National Health Reform Agreement*, which it has not been meeting over recent years. In exchange, states and territories agreed to support Australian Government-led reforms to disability services. Notwithstanding significant negotiations throughout 2024, the Australian Government's National Cabinet health funding commitment is yet to be reflected in a long-term health funding agreement.

In February 2025, states and territories instead agreed to a one-year interim funding arrangement under the NHRA for 2025-26, while negotiations on longer-term health funding arrangements continue. Securing longer-term funding arrangements that deliver a fair contribution from the Australian Government towards meeting the State's growing health costs and demand, including the costs of caring for our aging population, is critical.

The Australian Government's August 2025 announcement of the Thriving Kids program provides clarity on the initial funding envelope and target cohort for the disability reforms agreed at National Cabinet. Further work is needed to understand what these services will be, how many children will need them, and how much they will cost to deliver. However, the changes are expected to have significant funding and service delivery implications for all states.

Tasmania's approach to negotiations with the Australian Government continues to seek that the costs and fiscal risks associated with changes to health and disability services are managed equitably, provide sufficient flexibility to meet local needs and are in line with the commitments made by all governments at National Cabinet in 2023.

More broadly, there remains a range of inherent risks associated with Australian Government funding arrangements. Contrary to the IGAFFR, there is an increasing trend towards prescriptive agreements that require matched funding and maintenance of effort, transfer risk and administrative burden onto states and impose very onerous reporting commitments. These requirements carry budgetary risks to Tasmania and reduce the State's flexibility to fund its own expenditure priorities or respond to specific fiscal circumstances.

State Taxation

State taxation revenue estimates are sensitive to changes in a range of economic parameters, such as employment, wages growth, interest rates and inflation. The current uncertainty surrounding the global economic outlook, effects of monetary policy, and the impact on households and businesses, remain risks to State Taxation over the Budget and Forward Estimates.

Conveyance duty is particularly sensitive to a range of factors including interest rates, population growth and housing supply, which can result in volatility from year-to-year. As outlined in chapter 2, there is uncertainty with the timing and impact that a loosening of current monetary policy settings will have on households and businesses, including property values and transaction volumes. The Tasmanian property market appears relatively stable. However, given uncertain economic conditions and the potential impacts on property transaction volumes and prices, the timing, direction or duration of conveyance duty changes cannot be accurately predicted.

While land tax and payroll tax are less volatile than conveyance duty, there remains a risk that a downturn in economic conditions will impact these revenue lines. For example, a decrease in land values on the back of a weakened property market may impact future land tax receipts while a fall in Tasmanian employment may have a negative impact on payroll tax receipts.

Mineral royalties are sensitive to production performance, market trends and changes in economic conditions at both the national and global levels. As such, tariffs applied by the United States of America are expected to have implications for mineral royalties in Tasmania.

Returns from Government Businesses

Government businesses are subject to a wide range of influences that can impact the level of returns to the Government, both positively and negatively. These include market conditions, infrastructure investment requirements and the implementation of major reform programs. Such influences may impact the Budget through increased costs or reduced returns from government businesses and may also necessitate changes to businesses' capital structure requirements.

The sensitivity of this risk is increased by the fact that only a small number of government businesses provide substantive returns to Government (especially in the form of dividends). A material impact on the profitability of a single entity can, therefore, have a substantial impact on total returns. Government policy decisions can also impact business profitability and the allocation of dividend revenues.

Dividend estimates are also based on assumptions in relation to the application of the Government's current dividend policy for each business.

Expenditure Risks and Sensitivities

General Expenditure Risks and Sensitivities

General Agency Cost Pressures

Tasmania, like other Australian states and territories, faces increasing cost pressures across key service delivery areas. These pressures are primarily driven by sustained, and in some cases, escalating demand, combined with rising input costs. Together these pressures present a material risk to the State's financial position and Budget outcomes.

Agencies are expected to manage operations within approved allocations, consistent with the principles of sound fiscal management. Examples include demand-driven services (particularly in health, justice and child protection).

These risks are compounded by limited flexibility within agency budgets to absorb unanticipated cost increases without impacting service delivery. In addition, the 2025 election commitment to reduce the size of the Treasurer's Reserve further constrains overall budget flexibility. While this measure supports a more disciplined approach to Budget management, it reduces the contingency available to respond to unforeseen expenditure needs that may arise during the Budget year.

Several of the general agency cost pressures relate to areas of shared responsibility or have national significance. In such cases, increased support from the Australian Government would help mitigate fiscal risk and contribute to the sustainability of service delivery.

Deliverability of Savings Measures

The 2025-26 Budget includes three productivity and efficiency measures, designed to support the Government's Fiscal Strategy and maintain budget discipline. These measures include:

- 2023-24 Budget Efficiency Dividend - which was allocated to agencies in the 2024-25 Budget, commencing at $50 million in 2024-25 and increasing to $150 million per annum from 2026-27;
- a Productivity and Efficiency Measure - which was allocated to Finance-General in the 2024-25 Budget, commencing at $150 million per annum in 2027-28; and
- new savings measures - which are introduced and allocated to agencies in this Budget, commencing at $5.9 million in 2025-26 and increasing to $11.9 million per annum thereafter. These savings measures are focused on areas outside of service delivery such as marketing, leasing and procurement.

Failure to deliver the planned savings will negatively impact the State's Budget position.

Infrastructure Cost Increases and Deliverability

Infrastructure projects in Tasmania continue to face ongoing risks that impact both project costs and delivery timeframes. These risks include: escalating construction and material costs; skilled labour shortages; supply chain disruptions; and unforeseen site conditions.

These risks reflect national trends, where large-scale infrastructure projects frequently experience budget overruns and delays.

In addition, the Government has accepted specific risks relating to individual Australian Government infrastructure funding agreements, where the State often bears the risk of cost overruns and must manage complex delivery challenges. For example, in relation to the Macquarie Wharf 6 redevelopment agreement, the State is liable for:

- all cost overruns;
- delivery of related infrastructure, including shore power and a refuelling station for Australia's Antarctic Icebreaker, *RSV Nuyina*; and
- all lifecycle and maintenance costs for Macquarie Wharf 6 for a period of 30 years following completion of development, for which the Australian Government will contribute $26 million.

Workers Compensation Cost and Liability Pressures

The Tasmanian Risk Management Fund provides coverage for a range of specific insurable risks for its participants, with personal injury being the most significant.

The contributions required from participants, particularly for workers compensation, have risen substantially and are expected to continue increasing. Estimated participant contributions for the personal injury risk category for 2025-26 have increased to $173.5 million (compared to contributions of $146.8 million for 2024-25). Actuarial assessments have identified a widening gap between the Fund's assets and liabilities in this risk category, prompting a significant funding allocation of $183 million in the 2025-26 Budget.

The rising cost of the risk is primarily due to a significant increase in claim payments, weekly benefit costs and the cost of settlements, and the growing proportion and cost of psychological claims, which are eight times more expensive than physical claims.

Public Sector Wage Outcomes

Employee costs (including superannuation) are the single largest operating expenditure item for the Government and represented approximately 46 per cent of estimated total operating expenditure in 2024-25.

The 2025-26 Budget and Forward Estimates provides for wage indexation of 2.5 per cent for the total cost of salary increases, allowances and other employment conditions.

In September 2025, the Tasmanian Government offered a one-year rollover agreement with a 3 per cent salary increase to cover 16 Tasmanian State Service wage agreements that expired earlier in 2025 (including the Public Service Union Wages Agreement, Allied Health Professionals Agreement and Police Award). This offer was intended to provide immediate wage certainty while allowing for longer-term agreements to be negotiated. At the time of finalisation of the Budget Papers, the one-year offer had been rejected by unions. The Government is currently considering its position in the context of its fiscal position and the timing of the 2025-26 Budget and expected timing of the 2026-27 Budget.

Any wage outcomes above the indexation provided (that are not able to be absorbed by agencies) will negatively impact the Key Fiscal Measures. For example, a one per cent increase in the indexation rate from the budgeted 2.5 per cent to 3.5 per cent is expected to result in an increase in employee costs of approximately $250 million to the Public Account, for the three-year period from 2025-26 to 2027-28. Given the budget constraints, the possibility of further job reductions will need to be considered.

Program Continuity and Budget Planning

The Tasmanian Government delivers a range of programs and services that are currently funded on a short-term or time-limited basis. Where there are ongoing policy objectives or strong community expectations for continuity, this creates fiscal and service continuity risks, especially where programs are embedded within service systems or where workforce and infrastructure investments have been made based on assumed continuity.

To manage these risks, the Government is reviewing program funding profiles and exploring options for:

- transitioning to recurrent funding, where programs align with enduring policy priorities; and
- reprioritising funding, to ensure resources are directed to programs with the greatest long-term impact.

These efforts will continue as part of the 2026-27 Budget process.

The Government has also deferred inclusion of the majority of its 2025 election commitments in the 2025-26 Budget. These commitments will be considered in the 2026-27 Budget. This approach reflects the timing of the 2025-26 Budget and the need to carefully sequence new initiatives within the broader context of fiscal sustainability and prioritisation of service delivery.

Inclusion of the 2025 election commitments will increase operational and capital expenditure. To manage this risk, the Government will continue to assess opportunities to reallocate funding from programs that have concluded, been reduced in scope, or no longer align with strategic priorities.

Interest Rates and Borrowing Costs

Net Debt and Borrowing costs are forecast to increase over the 2025-26 Budget and Forward Estimates. Higher borrowing requirements increase the State's exposure to interest rate movements and overall debt servicing costs.

Global financial markets continue to exhibit significant volatility due to ongoing geopolitical and trade tensions, divergent monetary policy settings among major economies and fluctuations in commodity prices.

Tasmania's increasing reliance on debt financing means that any variation in interest rates or borrowing levels from current forecasts will have a direct and material impact on the cost of servicing debt. This presents a significant fiscal risk to the Budget, particularly in circumstances where: interest rates exceed forecasts; market conditions deteriorate, resulting in higher costs for new borrowings; or pressures emerge on the State's credit rating.

Borrowings Support and Equity Contributions to Public Non-Financial Corporation Sector Entities

There are a range of risks linked to Government priorities being delivered through PNFC entities, including Homes Tasmania, Stadiums Tasmania and Macquarie Point Development Corporation. These entities are critical to the Government's infrastructure and social policy agenda, through the delivery of significant capital investments for housing and stadium construction and redevelopment to unlock future economic opportunities for the State.

The value of equity contributions and associated entity borrowings to support these projects increases materially over the 2025-26 Budget and Forward Estimates. The growing level of borrowings also represents a future fiscal obligation that will need to be managed over time, including eventual repayment or refinancing.

Tasmanian Government Responses to Royal Commissions

The Tasmanian Government is progressing responses to multiple Royal Commissions including the *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability* and the *Royal Commission into Defence and Veteran Suicide*. The full financial implications of these responses are not yet quantified.

Implementation of Responses tend to be long-term commitments including joint actions with the Australian Government. While many reforms are in early stages, funding pressures are likely to arise as reforms move from planning to delivery. This risk is exacerbated by the scale of change required across health, education, justice and housing systems.

Specific Expenditure Risks and Sensitivities

Macquarie Point Urban Renewal Project

The 2025-26 Budget and Forward Estimates includes funding of $609 million to deliver a new multi-purpose arts, entertainment and sporting precinct as part of the Macquarie Point Urban Renewal Project. This Project includes the Macquarie Point Multipurpose Stadium.

This funding includes: $354 million of the State's total commitment of $375 million; the Australian Government's total commitment of $240 million; and the $15 million commitment from the AFL, expected to be received in 2027-28.

The Government has since provided a revised cost estimate for the Macquarie Point Multipurpose Stadium of $1.13 billion. The updated figure reflects enhancements to the stadium's design and functionality, together with an escalation in costs since the original project estimate was developed. This figure also includes $4.5 million to support infrastructure works associated with the redevelopment of Federation Concert Hall, which will be provided as a grant to the Tasmanian Symphony Orchestra through the Department of State Growth.

In accordance with the Project of State Significance process, the Tasmanian Planning Commission released its final *Integrated Assessment Report* on 17 September 2025 recommending the Macquarie Point Multipurpose Stadium not be approved.

The Government considers that there are far wider benefits associated with the project that have not been incorporated in the TPC's assessment and has stated its intention to seek Parliament's support for an Order in November 2025 to provide planning approval for the Macquarie Point

Multipurpose Stadium, subject to extensive conditions specifically outlined in the proposed Order. Should the Order be approved by both Houses of Parliament, the Macquarie Point Development Corporation will commence the procurement process for the Stadium.

In this Budget, equity funding is provided to MPDC to progress the Macquarie Point Urban Renewal Project. After the equity funding is fully utilised, any additional expenditure required to complete the project will be funded through borrowings by MPDC. Further details can be found in chapter 7 of this Budget Paper.

MPDC will use borrowings to fund the difference between the total equity contributions and the final cost to deliver the Macquarie Point Multipurpose Stadium.

The 2025-26 Budget and Forward Estimates includes a grant, administered by the Department of State Growth, to provide funds for the estimated borrowing costs of MPDC. Funding for the Northern Access Road is separately provided as part of the 2018 Hobart City Deal, with the Department of State Growth to deliver this project.

As with any large infrastructure project, the Macquarie Point Multipurpose Stadium and the wider Macquarie Point Urban Renewal Project are subject to the same ongoing procurement, supply and cost risks that other major projects have experienced.

Claims Against the State by Survivors of Institutional Child Sexual Abuse

The Department of Justice has engaged an independent actuary to prepare and monitor the estimation of the State's abuse-related liability, which includes both current and future redress and civil claims.

As at 30 June 2024, the liability was estimated to be $646.9 million, and a provision for claims by survivors of institutional child sexual abuse was recognised in the 2024-25 Budget, with an estimated balance of $500.9 million at 30 June 2028.

Since the 2024-25 Budget, the actuary has revised the liability estimates and the timing of claims. The most recent actuarial advice indicates that the overall liability as at 30 June 2025 was $578.9 million, reflecting $128.9 million in compensation payments made throughout the year, offset by an expected increase in future compensation payments of $60.9 million.

This information is incorporated into the 2025-26 Budget and Forward Estimates, which indicate that the provision will have a balance of $523.5 million at 30 June 2026, reducing to $264.7 million by 30 June 2029. This represents a decrease of $258.8 million over the period and reflects an estimated increase in claim payments.

There is a high level of uncertainty in measuring this liability. The actuary is required to make assumptions regarding the number of future claims, the costs of settling civil claims, and future claims cost inflation. As a result, there is a risk that the ultimate liability may be materially higher or lower than the current estimates.

As already experienced, the estimated value of the liability will continue to change, as more information and claims experience become available. The Department of Justice will obtain further actuarial reports to ensure the liability estimates remain current.

The scope of the State's abuse-related liability may also be affected by the establishment or expansion of redress schemes, adding further uncertainty to the long-term fiscal impact and reinforcing the need for ongoing actuarial review and monitoring.

Health Demand and Expenditure

Improving health services in Tasmania continues to be one of the Government's highest priorities. This is reflected in the significant level of additional funding that the State Government commits annually to this essential service. Notwithstanding significant funding being provided on an ongoing basis, increasing demand for hospital services and current cost pressures are expected to continue. This presents a substantial budget challenge for the State, which has been exacerbated by the Australian Government's failure to meet its committed funding share for hospital activity over recent years.

The Australian Government's funding contribution for hospital activity is provided under the NHRA. While the NHRA sets out the Australian Government's proportional contribution to hospital activity as 45 per cent, it also caps growth in Australian Government funding amounts to 6.5 per cent each year, with states and territories required to cover the remaining costs above this cap. Increases in demand for and costs of hospital activity in recent years has resulted in most states and territories, including Tasmania, clearly exceeding the 6.5 per cent growth cap.

The growth cap has eroded the Australian Government's share of funding for hospital activity. As a result, the Australian Government has not met its 45 per cent funding contribution share for some time. Over the ten years to 2024-25, this is estimated to have resulted in the Australian Government underfunding hospital activity in the State in the order of $475 million.

In February 2025, states and territories agreed to a one-year interim funding agreement under the NHRA for 2025-26 while negotiations on longer-term arrangements continue. The NHRA is a complex and high value agreement. Ensuring that longer term arrangements deliver a fair contribution from the Australian Government is critical. Without this, the risk of ongoing health expenditure overruns is exacerbated significantly.

In addition to the pressures detailed above, recent developments in the health sector have highlighted additional risks, with private providers withdrawing from core services citing workforce shortages and financial viability concerns. Recent examples include Healthscope closing maternity services at the Hobart Private Hospital and the announcement of the closure of the Hobart Clinic's inpatient mental health facility. These closures place increased pressure on the public health system and reduce service options for Tasmanians.

Disability Funding

In December 2023, National Cabinet agreed to significant changes to the disability sector that will impact on the delivery of disability services in all states and territories. Under National Cabinet's agreement, delivery of these reforms was tied to longer term health funding arrangements under the NHRA.

While the Australian Government's August 2025 announcement of the Thriving Kids program provides an indication of the target cohort for these reforms, it remains unclear how many children within this cohort will require supports under the new program, which supports are needed and the

location and service delivery requirements. As a result, the cost and service delivery implications for Tasmania remain unclear and are not yet reflected in the Budget and Forward Estimates.

Stadiums Tasmania

Stadiums Tasmania is working to centralise the ownership, management and future capital development of Tasmania's major public stadiums, including UTAS Stadium, MyState Bank Arena, the Silverdome; Ninja Stadium (formerly Blundstone Arena) and the Macquarie Point Multipurpose Stadium.

The 2025-26 Budget reflects Stadium Tasmania's acquisition of the Silverdome (in May 2025) and UTAS Stadium (in July 2025) as well as the planned transfers of MyState Bank Arena and Ninja Stadium.

As Stadiums Tasmania acquires further venues and evolves its integrated model of stadium operation and coordinated capital development, the future operational and capital funding requirements of the Authority will need to be considered.

Homes Tasmania

Homes Tasmania is increasingly reliant on borrowings to achieve its policy objectives. The 2025-26 Budget forecasts an increase in cumulative borrowings to $1.014 billion by 30 June 2029, with debt servicing costs projected to exceed $170 million across the Budget and Forward Estimates and reaching approximately $50 million per annum by 2028-29. The funding and delivery model is placing increasing fiscal pressure on the State Budget.

In addition, as Homes Tasmania progresses toward its 10 000 homes target, increasing maintenance and rising property holding costs (historically increasing by approximately 8 per cent per annum) will place further pressure on operating budgets.

Better and Fairer Schools Agreement - State Contribution

In October 2024 Tasmania signed the *Bilateral Agreement for the Better and Fairer Schools Agreement* with the Australian Government which provides for transition to 100 per cent of the Schooling Resource Standard for government schools from 2026.

Since the release of the *2024-25 Revised Estimates Report,* the Tasmanian Government has signed an updated Heads of Agreement and agreed revised bilateral arrangements with the Australian Government for funding government schools in Tasmania. The *Better and Fairer Schools Agreement - Full and Fair Funding 2025-2034* extends Tasmania's existing BFSA agreement for a further five years to 2034. The new ten-year FAFF agreement includes an increased proportional contribution from the Australian Government while contributing to deliver 100 per cent of funding of the Schooling Resource Standard for government schools from 2026.

Similar to previous school funding arrangements, under the FAFF, the State's contribution for government schools each year depends on the number of enrolled students as well as the Schooling Resource Standard, the cost of which vary according to the needs of students. As a result, the State's contributions over the lifetime of the FAFF are uncertain.

Industry Support Packages

The Tasmanian Government has provided targeted financial support to several private sector enterprises. These interventions have included concessional loans, grants and tax relief measures for businesses facing closure or significant operational disruption, such as King Island Dairy, Nyrstar Hobart and Liberty Bell Bay. The support provided to these organisations has helped preserve regional employment, secure hundreds of jobs, maintain strategic industrial capacity and infrastructure, and further support economic resilience in the State.

There remains a Budget risk if further assistance is required or if supported businesses do not return to financial sustainability. The Government will continue to assess potential interventions on a case-by-case basis, ensuring alignment with broader policy objectives and value for public investment. Further commitments to support Tasmania's businesses will have an adverse impact on the Key Fiscal Measures, which will need to be assessed as part of the broader economic context.

Parliamentary Budget Office

Following the *Independent Review of Tasmania's State Finances*, in July 2024, the Tasmanian Parliamentary Standing Committee on Public Accounts resolved to initiate an Inquiry into the establishment of a Parliamentary Budget Office for the State.

The Inquiry's terms of reference include reporting on the most appropriate model, required resourcing, and key legislative provisions needed to establish a Tasmanian PBO. Given the Inquiry has not concluded, the recommended scope, purview and resourcing for a PBO remain undetermined. As a result, there is an unquantifiable Budget risk associated with potential future funding requirements for a PBO.

Responses to Outbreaks of Pests and Diseases

Tasmania's agricultural sector is highly vulnerable to biosecurity risks. The recent detection of potato mop-top virus, a soil-borne plant pathogen not previously found in Australia, has highlighted the significant fiscal and operational risks associated with pest and disease outbreaks. In relation to PMTV, the National Management Group, following advice from the Consultative Committee on Emergency Plant Pests, has determined that eradication of the virus in Australia is not technically feasible.

The Government has mobilised an Incident Management Team to provide support to growers and to conduct research into the root cause of the virus (including links to Powdery Scab). The Minister for Primary Industries and Water has written to the federal minister to request an assistance package for affected Tasmanian farmers.

This case underscores the broader Budget risk posed by biosecurity incursions, particularly where emergency responses, industry support, and long-term management strategies are required.

Treasury Future Accommodation

The Government has commenced a Registration of Interest process to explore investment opportunities to repurpose the Treasury Complex at 21 Murray Street, Hobart. Pending the outcome of the process, there is a Budget risk associated with the cost of relocation of Treasury staff and existing functions from the complex. These costs are yet to be quantified.

Risks from the Ownership of Government Businesses

General Risks and Sensitivities from the Ownership of Government Businesses

Government Business Support and Ownership Risk

As the owner of government businesses, the Government is ultimately responsible for the financial position of those businesses. Where the Tasmanian Public Finance Corporation undertakes borrowings to facilitate the provision of funding to businesses by way of debt, these borrowings are guaranteed by the Government. The borrowings by government businesses from the Tasmanian Public Finance Corporation are also guaranteed by the Government, up to a maximum guaranteed borrowing amount determined by the Treasurer.

The Government provides significant support to government businesses to facilitate the provision of services to the Tasmanian community or investment in infrastructure. The level of this support can vary considerably over time and, in the case of infrastructure support, can be materially impacted by risks associated with changes in cost estimates, project scope and project timing. Collectively, over the term of the 2025-26 Budget and Forward Estimates, government businesses are forecasting significant infrastructure investment and, if this is realised, it is expected that the Treasurer will be requested to consider increasing the maximum guaranteed borrowing amounts for some businesses to support this investment.

Contributions provided by the Government to government businesses for infrastructure investment or other purposes can materially impact Key Fiscal Measures.

Government Business Reform

The Government is continuing to progress governance reforms to ensure government businesses act in the best interests of Tasmanians and are accountable for doing so. The reforms are focused on improving governance for government businesses and expanding the range of performance monitoring options and levers available to Shareholding Ministers if an issue or concern is identified.

Specific Risks and Sensitivities from the Ownership of Government Businesses

TT-Line vessel replacement and port infrastructure projects

TT-Line's vessel replacement and port infrastructure projects represent major investments in Tasmania and its economic future. TT-Line has taken ownership of two new vessels and is progressing the works required for permanent berthing infrastructure at Berth 3 at Devonport Port, with project oversight by the Government.

The 2025-26 Budget includes funding for the Company to ensure that it has adequate capital to support these major infrastructure projects and its ongoing operations. The Company is developing a comprehensive longer-term strategy for the business, and subject to the outcomes of that review, further funding support will need to be considered by the Government.

Marinus Transition

On 1 August 2025, the Government confirmed it had made a positive Final Investment Decision for Project Marinus, comprising Marinus Link cable one, to be undertaken by Marinus Link Pty Ltd, and North West Transmission Developments Stage 1, to be undertaken by TasNetworks.

Under the ownership arrangements for the project implemented in March 2024, Tasmania holds a 17.7 per cent equity share in MLPL, with the remaining equity in the company held by the Australian and Victorian Governments. Under revised arrangements, Tasmania is no longer required to contribute additional equity to MLPL and its existing ownership percentage will be diluted over time. Accordingly, project risk is shared proportionally across the three governments and Tasmania's exposure is expected to reduce over time.

Notwithstanding this, the State retains a contingent liability, proportional to its ownership share, as the project progresses through post-FID conditions. This exposure relates to the Australian Government's Clean Energy Finance Corporation lending and supplier contract termination arrangements if the project is unable to proceed.

An equity contribution to TasNetworks for the NWTD is included in the 2025-26 Budget, subject to the project reaching Financial Close. The final equity requirement may vary depending on final project costs and pending regulatory decisions. The required timing of this equity contribution is dependent on the final terms and conditions associated with the concessional borrowing arrangements with the CEFC.

The NWTD must still secure remaining regulatory and environmental approvals, land access arrangements, supplier contracts, concessional financing arrangements and a final revenue determination from the Australian Energy Regulator. Delays or adverse outcomes in these processes may increase the risk of further Government support.

The Government's focus is on realising the benefits and opportunities to consumers and the State of additional interconnection through enhanced energy security, affordability, returns to Government and economic growth. However, key insights from the Project Marinus Whole-of-State Business Case and Project Marinus Taskforce highlight that achieving these outcomes may require Government to consider policy options and targeted actions that could alter current energy policy settings. This introduces additional risk and uncertainty.

Hydro Tasmania's Major Projects, the Tarraleah Redevelopment and Cethana pumped hydro project, are highly material investment proposals and remain subject to significant uncertainty. The Government is working to manage the risks of these significant energy projects on an ongoing basis. These projects are distinct from Marinus Link and the NWTD and represent separate investment propositions.

There are also options for developing the Burnie to Hampshire Hills transmission line to facilitate further renewable energy related investment in the area, which remain under consideration. The Government has committed to underwriting the transmission line under certain conditions. To the extent those conditions are satisfied, the Government may be required to contribute up to $50 million to support this development.

The Government is also continuing to progress the development of a green hydrogen industry in Tasmania. Bell Bay has been identified as the preferred site for Tasmania's initial Green Hydrogen Hub. Developing hydrogen export capacity at Bell Bay is expected to require new infrastructure investment, particularly port, water and transmission network upgrades. This infrastructure may be delivered by government businesses, although most capital costs are anticipated to be recovered through commercial arrangements with end users. At the present time, significant uncertainty exists in relation to: the nature of this project; the timing of its implementation; the costs to be borne by the Government, including government businesses; and the impact on the Total State Sector financial position.

Macquarie Point Wastewater Treatment Plant Relocation

The Government has committed a total of $224 million to support the relocation of the Macquarie Point Wastewater Treatment Plant and agreed to share potential shortfall costs with TasWater, in direct proportion to the initial contribution by the two parties. This commitment is reflected in the 2025-26 Budget and Forward Estimates, noting that $63.5 million has been provided to TasWater to date.

While the total commitment is based on the current total cost estimate for the Project, given the inflationary impacts on infrastructure projects, it is possible that an increased contribution may be required to be made by the Government to meet any project cost overruns. This is required to be paid following completion of the Project which is currently expected in 2026-27.

PRESENTATION OF THE BUDGET PAPERS

Changes since the 2024-25 Budget

Structure of the Budget Papers

Budget Paper No. 1

The contents of Budget Paper No. 1 have been structured and presented in parts to assist navigation. These changes do not alter the content available compared with previous Budget Papers:

- *Part 1: Budget Context, Strategy and Outlook* contains the material from chapters 1 to 3 of previous iterations of Budget Paper No. 1.

  Part 1 also includes a new chapter 4, Risks, Sensitivities and Presentation (this chapter) which has been developed in line with Recommendation 20 of the *Independent Review of Tasmania's State Finances:* "Budget Paper No. 1 should include a more detailed Statement of Risks, with greater effort to quantify those risks where possible".

  This information was previously included in chapter 1 of Budget Paper No. 1.

  To further assist users, the risks and sensitivities have been grouped by "general" and "specific" risks.

- *Part 2: Budget Estimates* contains the material from chapters 4 to 7 of previous iterations of Budget Paper No. 1.

- *Part 3: Mandatory Reporting* contains material previously presented as appendices of Budget Paper No. 1.

  These reports are now presented as chapters noting Estimated Outcome including March Quarterly Report is not included due to timing of the 2025-26 Budget.

It is anticipated that further changes to the Budget Papers will occur to increase utility and continue the implementation of the *Tasmanian Government's Response to the Independent Review of the State's Finances*.

Budget Paper No. 2

Budget Paper No. 2 has been renamed, *Service Delivery*, to better reflect its contents and to avoid confusion with the renamed Part 1: Government Services.

The existing structure of Budget Paper No. 2 has been amended to increase coherence with the structure of the Appropriation Bills:

- *Part 1: Government Services* has been renamed and now contains chapters relating to entities listed in Appropriation Bill (No. 1).

- *Part 2: Parliament and Statutory Offices* has been renamed and now contains chapters relating to entities listed in Appropriation Bill (No. 2). Chapters previously included in Part 2 that relate to entities listed in Appropriation Bill (No. 1) now appear in *Part 1: Government Services*.

- *Part 3: Statutory Authorities* has not changed.
- *Part 4: Entities Outside the General Government Sector* has been renamed from Other Entities.

In addition, the internal structure and format of chapters in *Service Delivery,* Budget Paper No. 2 have been updated to increase utility, readability and coherence across, and between, chapters.

Due to the timing of this Budget relative to agencies' Annual Reports, which under the *Financial Management Act 2016* are required to be tabled by 31 October 2025, performance information is not included in Budget Paper No. 2.

Further information on these changes, can be found in chapter 1, *Service Delivery,* Budget Paper No. 2.

Economic Analysis

The *Independent Review of Tasmania's State Finances* recommended that a more thorough and detailed analysis of, and forecasts for, the Tasmanian economy should be included in Budget Paper No. 1.

Reflecting this recommendation, the Tasmanian Economy chapter (chapter 2 of this Budget Paper) has been expanded. In particular, extra context about the Tasmanian economy has been provided, along with additional analysis on the economic forecasts presented. Further amendments to the chapter will be considered in future Budgets.

Basis for Estimates

2024-25 Preliminary Outcomes

Given the timing of the 2025-26 Budget, the most recent information for the 2024-25 financial year is the *Preliminary Outcomes Report 2024-25,* published 15 August 2025. As such, 2024-25 Preliminary Outcomes are included in relevant financial tables throughout this Budget Paper.

The presented 2024-25 Preliminary Outcomes are unaudited and preliminary in nature and may vary from the final outcomes published in the Treasurer's Annual Financial Report, tabled in Parliament in October 2025.

2025-26 Australian Government Budget

The impact of the 2025-26 Australian Government Budget has been reflected in the estimates throughout these Budget Papers.

Presentation Conventions

The information presented in the Budget Papers uses the general conventions listed below.

Notation

The notation used in the Budget Papers is as follows:

....	zero, or rounded to zero
$'000	thousands of dollars
$m	millions of dollars
na	not available or not applicable

Rounding

Figures in tables and text have been rounded. Discrepancies in tables between totals and sums of component items reflect rounding. Percentage changes in all tables are based on the underlying unrounded amounts.

PART 2:
BUDGET ESTIMATES

5 2025-26 BUDGET AND FORWARD ESTIMATES

Executive Summary

- The Net Operating Balance is estimated to be a deficit of $1 008 million for 2025-26, improving over the Forward Estimates to an estimated surplus of $5.6 million in 2028-29.
- The Fiscal Balance remains in deficit over the 2025-26 Budget and Forward Estimates, with an estimated deficit of $1 352.1 million for 2025-26, improving to an estimated deficit of $152.4 million in 2028-29.
- Net Debt (including the impact of Leases and Service concession liabilities) is estimated to be $7 081.1 million at 30 June 2026, increasing to $10 397.4 million as at 30 June 2029.
- This chapter includes the Policy and Parameter Statement, which provides a reconciliation of the major movements in the Net Operating Balance and the Fiscal Balance between the Budget and Forward Estimates presented in the 2024-25 Budget and those presented in these Budget Papers. Detailed information on the 2025-26 Key Deliverables can be found in *Service Delivery,* Budget Paper No. 2.

OVERVIEW

This chapter includes the General Government Sector Financial Statements for the 2025-26 Budget and Forward Estimates and the Preliminary Outcome for 2024-25. These Statements meet the requirements of section 19(1)(c) of the *Financial Management Act 2016*. The chapter also incorporates the Policy and Parameter Statement, which reflects changes between the Budget and Forward Estimates reported in the 2024-25 Budget Papers and the 2025-26 Budget Papers.

In addition, this chapter includes the Public Account Receipts and Expenditure Estimates for the 2025-26 Budget and Forward Estimates, together with Specific Purpose Account Estimated Receipts and Expenditure for 2025-26. These reports meet the requirements of section 17(10) and 19(1)(a) and 19(1)(b) of the Financial Management Act.

The financial statements in this chapter have been prepared in accordance with the Uniform Presentation Framework. The statements present information for the 2024-25 Budget and for the 2025-26 Budget and Forward Estimates. Taxation information, required under the UPF, is provided in chapter 6 of this Budget Paper.

In accordance with the UPF, the final end of year results for the General Government Sector for 2025-26 will be presented in the Treasurer's Annual Financial Report, which is required to be released by no later than 31 October 2026, in accordance with the Financial Management Act.

GOVERNMENT FINANCIAL ESTIMATES

Tables 5.1 to 5.3 detail the Income Statement, Balance Sheet and Cash Flow Statement for the General Government Sector.

Table 5.1: General Government Income Statement

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Revenue from transactions[1]						
Grants	5 832.8	5 812.4	6 359.8	6 280.7	6 347.0	6 592.3
Taxation	1 821.9	1 840.5	1 933.1	2 087.3	2 181.2	2 286.3
Sales of goods and services	455.8	469.7	459.7	474.1	483.1	482.5
Fines and regulatory fees	156.4	168.5	158.2	154.9	148.8	149.7
Interest income	78.3	95.5	93.1	93.8	96.6	96.8
Dividend, tax and rate equivalent income	387.0	349.1	254.1	256.8	330.4	447.8
Other revenue	219.7	249.7	240.2	244.1	245.8	228.7
	8 951.8	**8 985.4**	**9 498.2**	**9 591.7**	**9 832.8**	**10 284.1**
Less Expenses from transactions						
Employee expenses[2]	3 978.3	4 313.8	4 345.0	4 374.5	4 436.0	4 549.9
Superannuation[3]	476.3	503.3	550.0	551.0	556.1	571.9
Depreciation[4]	486.5	494.6	526.8	544.9	564.1	582.1
Supplies and consumables[5]	1 845.7	1 965.6	1 851.0	1 819.1	1 805.5	1 813.0
Nominal superannuation interest expense[6]	306.3	316.6	309.6	308.6	306.9	304.6
Borrowing costs[7]	223.3	247.0	352.9	456.8	543.5	618.0
Grant and subsidy expenses[8]	2 400.2	2 301.9	2 541.7	2 320.4	2 045.9	1 974.8
Other expenses[9]	28.0	47.9	29.2	23.8	(131.6)	(135.8)
	9 744.6	**10 190.6**	**10 506.2**	**10 399.2**	**10 126.3**	**10 278.5**
Equals NET OPERATING BALANCE	**(792.8)**	**(1 205.3)**	**(1 008.0)**	**(807.6)**	**(293.5)**	**5.6**
Plus Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	15.7	5.5	10.7	11.9	10.0	9.4
Other gains/(losses)[10]	(57.6)	(71.4)	121.7	(33.2)	(34.2)	(34.0)
	(41.9)	**(65.9)**	**132.4**	**(21.3)**	**(24.3)**	**(24.6)**
Equals Operating Result	**(834.7)**	**(1 271.2)**	**(875.7)**	**(828.9)**	**(317.7)**	**(19.0)**

Table 5.1: General Government Income Statement (continued)

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Plus Other economic flows - other movements in Equity						
Revaluations of non-financial assets	277.9	522.2	285.7	286.0	286.2	286.3
Revaluation of equity investment in PNFC and PFC sectors[11]	(102.1)	(170.3)	402.4	(4.9)	29.2	335.1
Movements in superannuation liability[12]	(114.6)	144.6	(128.7)	....	....	....
Other non-owner movements in Equity	....	1.8	....	....	....	....
	61.2	**498.4**	**559.5**	**281.1**	**315.5**	**621.4**
Equals Comprehensive Result	**(773.5)**	**(772.8)**	**(316.2)**	**(547.8)**	**(2.3)**	**602.4**
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	**(792.8)**	**(1 205.3)**	**(1 008.0)**	**(807.6)**	**(293.5)**	**5.6**
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	1 027.2	667.1	905.8	898.5	810.7	773.7
Less Sales of non-financial assets	40.2	38.0	35.0	36.1	34.2	33.7
Less Depreciation	486.5	494.6	526.8	544.9	564.1	582.1
	500.6	**134.6**	**344.1**	**317.4**	**212.4**	**158.0**
Equals FISCAL BALANCE	**(1 293.3)**	**(1 339.8)**	**(1 352.1)**	**(1 125.0)**	**(505.9)**	**(152.4)**

Notes:
1. Detailed information on revenue estimates is provided in chapter 6 of this Budget Paper.
2. The increase in Employee expenses primarily reflects the impact of 2025-26 Key Deliverables as outlined in the relevant agency chapter in *Service Delivery*, Budget Paper No. 2.
3. The increase in Superannuation includes the latest actuarial advice provided by the State's Actuary. Further information on the Superannuation liability is provided in chapter 8 of this Budget Paper.
4. The increase in Depreciation reflects the implementation of the Government's Infrastructure Investment Program. Further information on infrastructure investment is provided in chapter 7 of this Budget Paper.
5. The variation in Supplies and consumables primarily reflects the impact of 2025-26 Key Deliverables as outlined in the relevant agency chapter in *Service Delivery*, Budget Paper No. 2.
6. The variation in Nominal superannuation interest expense reflects the latest actuarial advice provided by the State's Actuary. Further information on the Superannuation liability is provided in chapter 8 of this Budget Paper.
7. The increase in Borrowing costs primarily reflects forecast increases in the estimated General Government Sector cash deficit together with forecast higher borrowing rates.
8. The variation in Grant and subsidy expenses primarily reflects the impact of 2025-26 Key Deliverables and prior year Budget initiatives as outlined in the relevant agency chapter in *Service Delivery*, Budget Paper No. 2.
9. The decrease in Other expenses from 2027-28 reflects the impact of the Productivity and Efficiency Measure.
10. The variation in Other gain/(losses) primarily reflect variations to the estimated value of tax assets and liabilities held by government businesses together with the revaluation of the Tasmanian Risk Management Fund liability.

11. The variation in Revaluation of equity investment in PNFC and PFC sectors reflects estimated changes to the value of net assets of government businesses, excluding any equity contributions, between 1 July and 30 June each year.
12. The variation in Movements in superannuation liability reflect actuarial advice. Further information on Superannuation is provided in chapter 8 of this Budget Paper.

Table 5.2: General Government Balance Sheet as at 30 June

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Assets						
Financial assets						
Cash and deposits	1 300.3	1 331.4	1 416.7	1 514.5	1 546.7	1 450.3
Investments	775.3	754.8	753.4	745.0	737.6	731.3
Equity investments in PNFC and PFC sectors[1]	10 516.3	10 383.4	11 503.6	11 830.2	12 206.4	12 955.5
Other equity investments	233.7	274.8	274.8	274.8	274.8	274.8
Receivables	429.0	456.5	452.5	450.3	447.7	443.3
Contract assets	2.8	22.4	22.4	22.5	22.5	22.5
Other financial assets	854.6	963.1	1 124.1	1 131.1	1 139.4	1 148.1
	14 112.1	**14 186.4**	**15 547.5**	**15 968.4**	**16 375.1**	**17 025.9**
Non-financial assets						
Land and buildings[2]	8 361.0	8 257.9	8 519.7	8 821.7	9 079.5	9 314.0
Infrastructure[2]	8 409.3	8 375.6	8 714.2	9 018.5	9 322.0	9 596.2
Plant and equipment	406.2	363.7	384.5	381.8	366.4	347.5
Heritage and cultural assets	541.3	556.4	568.7	581.0	593.3	605.6
Investment property	4.7	4.8	4.8	4.8	4.8	4.8
Intangibles	100.3	54.5	125.4	186.0	199.8	215.2
Assets held for sale	12.9	8.0	8.0	8.0	8.0	8.0
Lease - right-of-use-assets	553.7	549.0	543.0	503.0	461.6	418.4
Service concession assets[3]	571.8	415.4	376.7	337.9	299.2	260.4
Other non-financial assets	69.1	72.8	77.3	81.5	82.5	83.6
	19 030.4	**18 658.2**	**19 322.2**	**19 924.2**	**20 417.1**	**20 853.6**
Total Assets	**33 142.5**	**32 844.6**	**34 869.7**	**35 892.6**	**36 792.2**	**37 879.5**
Liabilities						
Borrowings[4]	6 254.5	6 046.5	8 200.8	9 923.1	10 965.4	11 734.9
Lease liabilities	615.7	646.1	651.3	622.4	592.9	561.3
Service concession liabilities[3]	640.1	437.8	399.1	360.3	321.6	282.8
Superannuation[5]	7 257.1	6 973.3	7 082.1	7 051.3	6 998.2	6 941.1
Employee entitlements[6]	1 072.6	1 115.7	1 135.4	1 078.2	1 096.2	1 116.3
Payables	313.3	328.9	348.4	349.0	345.3	331.7
Contract liabilities	496.1	498.5	643.1	728.2	736.3	603.4
Other liabilities[7]	1 362.3	1 435.6	1 363.7	1 282.1	1 240.5	1 209.8
Total Liabilities	**18 011.5**	**17 482.6**	**19 823.9**	**21 394.6**	**22 296.4**	**22 781.3**
Net Assets	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**

Table 5.2: General Government Balance Sheet as at 30 June (continued)

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Equity						
Accumulated funds	6 217.7	6 281.9	5 277.6	4 448.7	4 131.0	4 112.0
Asset revaluation reserve	8 424.7	8 609.0	8 894.7	9 180.7	9 466.9	9 753.2
Other revaluation reserves	488.5	471.1	873.6	868.7	897.9	1 233.0
Total Equity	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
KEY FISCAL AGGREGATES						
NET WORTH[8]	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
NET FINANCIAL WORTH[9]	**(3 899.4)**	**(3 296.2)**	**(4 276.4)**	**(5 426.2)**	**(5 921.3)**	**(5 755.4)**
NET FINANCIAL LIABILITIES[10]	**14 415.8**	**13 679.6**	**15 779.9**	**17 256.4**	**18 127.7**	**18 710.9**
NET DEBT[11]	**5 434.6**	**5 044.3**	**7 081.1**	**8 646.3**	**9 595.6**	**10 397.4**
GFS NET DEBT[12]	**4 178.9**	**3 960.3**	**6 030.7**	**7 663.6**	**8 681.1**	**9 553.3**

Notes:
1. The variation in Equity investments reflects the movement in net assets of PNFC and PFC entities. Further information on Equity investments in PNFC and PFC sectors is available in chapter 8 of this Budget Paper.
2. The increase in Land and buildings and Infrastructure from 2026 primarily reflects the implementation of the Government's Infrastructure Investment Program. Further information on infrastructure investment is provided in chapter 7 of this Budget Paper.
3. The decrease in Service concession assets and Service concession liabilities primarily reflects revised estimates for arrangements with Telstra in relation to the operation and maintenance of the Tasmanian Government Radio Network.
4. The increase in Borrowings from 2026 primarily reflects additional borrowings to support the General Government Sector cash deficit.
5. The decrease in Superannuation from 2026 reflects the latest actuarial advice provided by the State's Actuary. Further information on the Superannuation liability is provided in chapter 8 of this Budget Paper.
6. The decrease in Employee entitlements in 2027 reflects the 27th pay and reduction in the associated liability accrued over prior periods.
7. The decrease in Other liabilities from 2026 primarily reflects payments for claims related to child sexual abuse in state care. Further information on Other liabilities is provided in chapter 8 of this Budget Paper.
8. Net Worth represents Total Assets less Total Liabilities.
9. Net Financial Worth represents Financial assets less Total Liabilities.
10. Net Financial Liabilities represents Total Liabilities less Financial assets, excluding Equity investment in PNFC and PFC sectors.
11. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments.
12. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance Statistics reporting framework and excludes the impact of Lease liabilities and Service concession liabilities.

Table 5.3: General Government Cash Flow Statement

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	5 751.4	5 732.2	6 504.6	6 364.9	6 355.5	6 460.2
Taxation	1 805.3	1 813.4	1 929.9	2 090.4	2 182.3	2 287.0
Sales of goods and services	453.3	433.2	455.7	471.5	480.7	480.0
Fines and regulatory fees	156.3	164.6	158.2	154.9	148.8	149.7
Interest received	77.8	89.7	92.9	93.7	96.6	96.9
Dividend, tax and rate equivalents	397.6	395.8	235.1	261.8	330.5	447.9
Other receipts	478.2	735.8	525.5	531.7	536.2	522.0
	9 120.2	**9 364.6**	**9 902.0**	**9 968.9**	**10 130.6**	**10 443.6**
Cash payments for operating activities						
Employee entitlements	(3 955.1)	(4 286.2)	(4 322.5)	(4 416.0)	(4 412.4)	(4 526.0)
Superannuation	(780.6)	(828.1)	(877.7)	(897.7)	(914.3)	(931.9)
Supplies and consumables	(1 854.6)	(1 947.6)	(1 864.8)	(1 837.0)	(1 827.0)	(1 833.2)
Borrowing costs	(221.2)	(209.7)	(333.8)	(457.0)	(548.3)	(632.7)
Grants and subsidies paid	(2 400.1)	(2 302.5)	(2 542.1)	(2 320.5)	(2 045.7)	(1 974.6)
Other payments	(391.5)	(594.1)	(398.7)	(435.5)	(235.2)	(223.4)
	(9 603.1)	**(10 168.1)**	**(10 339.7)**	**(10 363.6)**	**(9 982.9)**	**(10 121.9)**
Net cash flows from operating activities	**(482.9)**	**(803.6)**	**(437.7)**	**(394.7)**	**147.7**	**321.8**
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(1 068.8)	(667.1)	(906.8)	(899.4)	(811.5)	(774.6)
Sales of non-financial assets	36.4	38.0	30.6	31.7	29.6	29.2
	(1 032.4)	**(629.2)**	**(876.2)**	**(867.7)**	**(781.9)**	**(745.3)**
Net cash flows from financial assets (policy purposes)						
Equity injections	(409.2)	(231.4)	(717.7)	(331.5)	(347.0)	(414.0)
Net advances paid	(40.3)	(23.4)	1.3	8.3	7.3	6.3
	(449.5)	**(254.8)**	**(716.4)**	**(323.2)**	**(339.6)**	**(407.7)**

Table 5.3: General Government Cash Flow Statement (continued)

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	5.5	(0.6)	2.5	0.3	....	....
	5.5	**(0.6)**	**2.5**	**0.3**	**....**	**....**
Net cash flows from investing activities	**(1 476.5)**	**(884.6)**	**(1 590.1)**	**(1 190.7)**	**(1 121.5)**	**(1 153.0)**
Net cash flows from financing activities						
Net borrowing	1 826.4	1 587.1	2 113.1	1 683.2	1 006.0	734.8
Other financing	....	2.5	....	....	....	....
	1 826.4	**1 589.5**	**2 113.1**	**1 683.2**	**1 006.0**	**734.8**
Net increase/(decrease) in cash held	**(133.1)**	**(98.5)**	**85.4**	**97.8**	**32.2**	**(96.4)**
Cash at the beginning of the year	**1 433.3**	**1 429.9**	**1 331.4**	**1 416.7**	**1 514.5**	**1 546.7**
Cash at the end of the year	**1 300.3**	**1 331.4**	**1 416.7**	**1 514.5**	**1 546.7**	**1 450.3**
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	(482.9)	(803.6)	(437.7)	(394.7)	147.7	321.8
Plus Net cash flows from non-financial assets	(1 032.4)	(629.2)	(876.2)	(867.7)	(781.9)	(745.3)
Equals CASH SURPLUS/(DEFICIT)	**(1 515.4)**	**(1 432.8)**	**(1 313.9)**	**(1 262.5)**	**(634.3)**	**(423.6)**

POLICY AND PARAMETER STATEMENT

Introduction

The Policy and Parameter Statement is a reconciliation of the major changes in the Net Operating Balance and the Fiscal Balance between two points in time.

The changes in the PPS are classified as revenue, expense or net acquisition of non-financial assets and then further categorised as a policy or parameter change. The classification of a variation as a policy or parameter change is a matter of judgement and it is recognised that there may be some instances where part of a Government initiative may have both policy and parameter components.

Policy Variation

For the purpose of the PPS, a policy variation reflects a specific decision by the Government that has an impact on the Budget and Forward Estimates and is related to a new policy or represents a change in the Government's existing policy position since the previous Budget. A decision to change a Budget or Forward Estimate item, which is consistent with an existing policy, is not a policy decision.

Parameter Variation

A parameter variation reflects changes to the Budget and Forward Estimates due to the economic environment, the agency operating environment or the timing of a transaction.

Parameter variations will reflect the impact of changes in taxes, grants or other income that do not arise because of a Government decision; and demand and cost variations in agency service delivery, including the provision of indexation. Variations resulting from the rollover of a new Forward Estimate year and changes in accounting policies, such as a change in an agency depreciation policy or the impact on estimates of a change in an Australian Accounting Standard, are classified as parameter variations.

Table 5.4 provides a summary of the policy and parameter changes detailed in Table 5.5 that have impacted the formulation of the 2025-26 Budget since the 2024-25 Budget.

Further information in relation to the 2025-26 Budget and Forward Estimates and the variations detailed in the Policy and Parameter Statement, is provided elsewhere in the Budget Papers. In particular:

- chapter 6 of this Budget Paper includes background information in relation to Budget revenue estimates including in relation to GST, other Australian Government funding, State Taxation and Dividend, tax and rate equivalent income;
- chapter 7 of this Budget Paper includes information on Government infrastructure investment; and
- *Service Delivery,* Budget Paper No. 2 includes comprehensive information (including information on new funding allocations and the reasons for variations across the Budget and Forward Estimates) on agency revenues, expenditure and investment in infrastructure.

Table 5.4: Summary Policy and Parameter Statement, 2025-26 to 2028-29

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Forward Estimates (Net Operating Balance) as per the 2024-25 Budget (A)	**(386.7)**	**(436.7)**	**(63.2)**	**....**
Forward Estimates (Fiscal Balance) as per the 2024-25 Budget (B)	**(849.3)**	**(757.8)**	**(287.9)**	**....**
REVENUE				
Policy Decisions	....	....	....	....
Parameter Adjustments	404.6	402.9	383.9	....
TOTAL REVENUE ADJUSTMENTS (C)	**404.6**	**402.9**	**383.9**	**....**
EXPENSES				
Policy Decisions	127.2	126.8	55.8	20.2
Parameter Adjustments	898.7	647.0	558.4	....
TOTAL EXPENSE ADJUSTMENTS (D)	**1 025.9**	**773.8**	**614.2**	**....**
NET OPERATING BALANCE (A+C-D)	**(1 008.0)**	**(807.6)**	**(293.5)**	**5.6**
Less NET ACQUISITION OF NON-FINANCIAL ASSETS				
Purchases of non-financial assets				
Policy Decisions	(31.3)	26.6	1.0	0.7
Parameter Adjustments	(63.3)	(14.3)	2.2	....
	(94.6)	**12.3**	**3.2**	**....**
Less Sale of non-financial assets				
Policy Decisions	....	....	....	....
Parameter Adjustments	7.6	0.9	(1.1)	....
	7.6	**0.9**	**(1.1)**	**....**
Less Depreciation - Total Parameter Adjustments	**16.3**	**15.1**	**16.5**	**....**
TOTAL NET ACQUISITION OF NON-FINANCIAL ASSETS ADJUSTMENTS (E)	**(118.5)**	**(3.7)**	**(12.3)**	**0.7**
FISCAL BALANCE (B+C-D-E)	**(1 352.1)**	**(1 125.0)**	**(505.9)**	**(152.4)**

Note:
1. Parameter adjustments for 2028-29 are not reflected in the Table as the 2028-29 Forward Estimate was not published in the 2024-25 Budget. However, policy adjustments are reflected to show their full impact on the Budget and Forward Estimates.

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Forward Estimates (Net Operating Balance) as per the 2024-25 Budget (A)	**(386.7)**	**(436.7)**	**(63.2)**	**....**
Forward Estimates (Fiscal Balance) as per the 2024-25 Budget (B)	**(849.3)**	**(757.8)**	**(287.9)**	**....**
Revenue from transactions				
Parameter Adjustments				
Taxation				
Duties	35.2	63.3	63.5	....
Fire Service Levies	0.9	1.8	2.8	....
Guarantee Fees	(4.5)	(15.1)	(25.5)	....
Land Tax	(9.9)	(13.4)	(17.3)	....
Motor Tax	1.6	1.7	1.8	....
Payroll Tax	(5.8)	(5.5)	(5.1)	....
Vehicle Registration Fees	3.4	3.2	3.0	....
Total Taxation	**20.9**	**36.0**	**23.2**	**....**
Dividend, tax and rate equivalent income				
Dividend for Mersey Community Hospital				
Tasmanian Public Finance Corporation	....	1.4	....	....
	....	**1.4**	**....**	**....**
Dividend income				
Aurora Energy Pty Ltd	0.6	0.8	1.9	....
Hydro Tasmania	(77.5)	(54.8)	(41.8)	....
Motor Accidents Insurance Board	7.5	6.9	6.9	....
Sustainable Timber Tasmania	....	(0.9)	(2.0)	....
Tasmanian Networks Pty Ltd	(14.4)	(12.6)	24.1	....
Tasmanian Ports Corporation Pty Ltd	(5.3)	(8.9)	(3.2)	....
Tasmanian Public Finance Corporation	14.2	(1.2)	(1.2)	....
TT-Line Company Pty Ltd	....	(12.1)	(12.8)	....
	(74.9)	**(82.7)**	**(28.2)**	**....**
Income tax equivalents				
Aurora Energy Pty Ltd	0.4	1.0	0.8	....
Hydro Tasmania	(26.1)	(19.9)	6.4	....
Motor Accidents Insurance Board	6.8	5.7	5.8	....
Tasmanian Networks Pty Ltd	(33.1)	10.3	14.5	....
Tasmanian Ports Corporation Pty Ltd	(4.2)	(1.4)	(3.0)	....
Tasmanian Public Finance Corporation	(0.5)	(0.5)	(0.3)	....
TT-Line Company Pty Ltd	(0.7)	(7.4)	(8.8)	....
	(57.3)	**(12.3)**	**15.3**	**....**

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Rates equivalent payments				
Hydro Tasmania	0.4	0.4	0.4	....
	0.4	**0.4**	**0.4**	**....**
Total Dividend, tax and rate equivalent income	**(131.8)**	**(93.2)**	**(12.5)**	**....**
Interest income	**17.2**	**20.5**	**24.8**	**....**
Australian Government Grants				
General Purpose Payments				
GST Revenue	208.8	263.5	120.1	....
	208.8	**263.5**	**120.1**	**....**
National Agreements				
Better and Fairer Schools Agreement	36.6	47.8	50.9	....
National Access to Justice Partnership	23.9	25.0	25.5	....
National Agreement on Social Housing and Homelessness	0.5	0.7	1.5	....
National Health Reform Agreement	50.9	2.1	1.8	....
National Mental Health and Suicide Prevention Agreement	4.1	3.7	....	....
National Skills Agreement	8.2	15.4	5.1	....
	124.1	**94.7**	**84.7**	**....**
National Partnership Payments				
Community Services (including Disability)	15.0	6.2	3.1	....
Education	6.3	(8.6)	(11.8)	....
Environment	148.1	49.3	46.0	....
Health	60.8	26.6	30.4	....
Housing	21.5	3.2	....	....
Infrastructure	(108.7)	(46.1)	49.1	....
Natural Disaster Relief and Recovery Arrangements	2.8	6.3	....	....
Other Services	(25.0)	3.7	1.2	....
Skills and Workforce Development	1.1	....	1.6	....
	121.9	**40.6**	**119.6**	**....**
Other Australian Government Grants	9.3	5.5	....	....
Total Australian Government Grants	**464.1**	**404.3**	**324.4**	**....**

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Agency Revenue				
Brand Tasmania[2]	....	....	....	....
Education, Children and Young People[2]	....	....	....	....
Environment Protection Authority[2]	....	....	....	....
Finance-General	(1.1)	(1.2)	(1.1)	....
Health	1.6	2.2	2.8	....
Inland Fisheries Service	(0.1)	(0.1)	(0.1)	....
Justice[2]	....	....	....	....
Marine and Safety Tasmania	0.1	0.1	0.1	....
Natural Resources and Environment Tasmania	5.4	5.6	5.9	....
Office of the Director of Public Prosecutions[2]	....	....	....	....
Office of the Governor	(0.1)	(0.1)	(0.1)	....
Office of the Ombudsman	0.2	0.2	0.2	....
Police, Fire and Emergency Management	5.7	5.8	5.9	....
Premier and Cabinet	0.4	(0.1)	(1.3)	....
Royal Tasmanian Botanical Gardens	(0.1)	....	....	....
State Fire Commission	1.9	1.8	1.9	....
State Growth	17.6	18.5	8.4	....
Tasmanian Audit Office	0.4	0.4	0.6	....
TasTAFE[2]	....	....	....	....
Tourism Tasmania	1.5	1.6	....	....
Treasury and Finance	0.9	0.6	0.6	....
Total Agency Revenue	**34.2**	**35.3**	**23.9**	**....**
Total Parameter Adjustments	**404.6**	**402.9**	**383.9**	**....**
TOTAL REVENUE FROM TRANSACTIONS ADJUSTMENTS (C)	**404.6**	**402.9**	**383.9**	**....**
Expenses from transactions				
Policy Decisions				
Agency Expenditure				
Brand Tasmania				
Agency marketing, communications and expenditure improvements[3]	....	....	....	....
Office and leasing improvements[3]	....	....	....	....
Procurement Processes[3]	....	....	....	....
	....	**....**	**....**	**....**

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Education, Children and Young People				
Agency marketing, communications and expenditure improvements	(0.3)	(0.7)	(0.7)	(0.7)
Early Childhood Inclusion Service	3.2	....	....	....
Educational Adjustments Disability Funding Model	5.0	....	....	....
Electrical Switchboard Maintenance	....	2.5	2.5	2.5
Foster and Kinship Carer Uplift	2.0	....	....	....
Huonville Childcare and Child and Family Learning Centre Outreach Service	1.0	4.0	3.0	....
Intensive Family Engagement Service	4.0	4.0	....	....
Office and leasing improvements	(0.6)	(1.2)	(1.2)	(1.2)
Procurement Processes	(0.7)	(1.4)	(1.4)	(1.4)
Transition to Independence	3.1	3.1	....	....
Variety Breakfast Program	0.4	....	....	....
	17.1	**10.3**	**2.2**	**(0.8)**
Finance-General				
Extend Payroll Tax Rebate Scheme (Apprentices)	0.8	1.3	0.5	....
Increase First Home Owner Grant to $30 000	9.8	6.3	....	....
Reduce Treasurer's Reserve	(25.0)	(30.0)	(30.0)	(30.0)
Treasury Building Complex Repurposing Project	1.0	....	....	....
	(13.4)	**(22.4)**	**(29.5)**	**(30.0)**
Health				
Agency marketing, communications and expenditure improvements	(0.6)	(1.1)	(1.1)	(1.1)
Cancer Council Tasmania	0.3	0.3	....	....
Elective Surgery Four-Year Plan 2025-29	16.9	17.3	17.8	18.2
Fixed and Rotary-Wing Services	5.4	11.7	11.8	12.0
Home and Community Care	11.2	....	....	....
Office and leasing improvements	(1.0)	(2.0)	(2.0)	(2.0)
Procurement Processes	(1.1)	(2.3)	(2.3)	(2.3)
The Bubble Launceston	3.8	....	....	....
	34.9	**23.9**	**24.1**	**24.7**
Justice				
Acting Judges	0.6	0.6	....	....
Agency marketing, communications and expenditure improvements	(0.1)	(0.1)	(0.1)	(0.1)
Creating Futures - TPS Education, Rehabilitation and Support Services	0.3	0.3	....	....

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Justice (continued)				
Family Violence Offender Intervention Programs	0.5	....	....	....
Increased Prison Therapeutic Staff	0.3	0.3	....	....
Office and leasing improvements	(0.1)	(0.3)	(0.3)	(0.3)
Procurement Processes	(0.1)	(0.3)	(0.3)	(0.3)
Reduce Re-offending Program	0.5	....	....	....
Risdon Prison - Critical Infrastructure Maintenance	....	2.5	2.5	2.5
	1.8	**2.9**	**1.8**	**1.8**
Legislative Council				
Additional staffing for Members Electorate Offices	0.8	0.8	0.8	0.8
	0.8	**0.8**	**0.8**	**0.8**
Legislature-General				
Change Management Resources	0.3	....	....	....
	0.3	**....**	**....**	**....**
Natural Resources and Environment Tasmania				
Aboriginal Land Council of Tasmania	0.2	0.2	0.2	0.2
Agency marketing, communications and expenditure improvements[3]	....	(0.1)	(0.1)	(0.1)
Agriculture Research and Development Fund	0.8	0.8	....	....
Bushfire Winch Insertion Capability	0.7	....	....	....
Greyhound Racing Transition	0.5	....	....	....
Implementation of the Wild Fallow Deer Management Plan	0.8	0.8	0.8	....
Office and leasing improvements	(0.1)	(0.2)	(0.2)	(0.2)
Procurement Processes	(0.1)	(0.2)	(0.2)	(0.2)
Roadmap to Digital Transition for Tasmania's Wild Catch Fisheries[4]	....	....	....	....
Seafood Industry Biotoxin Support	0.1	....	....	....
	2.8	**1.2**	**0.5**	**(0.3)**
Police, Fire and Emergency Management				
Agency marketing, communications and expenditure improvements	(0.1)	(0.2)	(0.2)	(0.2)
Helicopter Contract	3.3	7.5	7.6	13.4
Office and leasing improvements	(0.2)	(0.4)	(0.4)	(0.4)
Procurement Processes	(0.2)	(0.4)	(0.4)	(0.4)
Tasmania Police - Body Worn Cameras	0.5	0.3	....	....
Weiss Recommendations	0.5	0.3	....	....
	3.9	**7.1**	**6.6**	**12.5**

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Premier and Cabinet				
Agency marketing, communications and expenditure improvements[3]	....	....	....	....
Beyond the Rainbow	0.1	0.1	....	....
Camp Clayton	0.2	0.1	0.1	0.1
Carers in Tasmania[4]	0.2	....	....	....
Central Coast Council - Renewal Projects	0.5	....	....	....
Closing the Gap and other Aboriginal Projects	1.4	1.4	0.8	0.8
Community and Regions Education, Mentoring and Employment Initiatives	....	0.1	0.1	0.1
Community Participation and Appeals Fund	0.4	0.4	0.4	0.4
Community Services Sustainability	0.2	....	....	....
Deepavali Tasmania Inc[4]	....	....	....	....
Emu Valley Rhododendron Garden	0.2	....	....	....
Energy Hardship Fund	0.2	0.2	0.2	0.2
Food Relief Strategy and Services	2.0	1.6	1.6	1.6
Future of Local Government Review - Priority Reform Program	....	0.3	0.3	....
Glenhaven Family Care (Kentish House)	0.1	....	....	....
Independent Study of the Salmon Industry	0.4	0.6	....	....
International Women's Day Small Grant Program[4]	....	....	....	....
Launceston RSL	0.1	....	....	....
LGBTIQA+ Strategy Implementation	0.2	....	....	....
Multicultural Action Plan Implementation	0.2	....	....	....
Neighbourhood Houses Community Connector Program	0.3	0.3	0.3	0.3
Office and leasing improvements[3]	....	(0.1)	(0.1)	(0.1)
Older Tasmanians Action Plan Implementation[4]	....	0.3	0.3	0.3
Place Based Food Pilot	0.4	....	....	....
Procurement Processes[3]	....	(0.1)	(0.1)	(0.1)
Shekinah house	0.1	....	....	....
State Service Management Office Support	0.2	0.2	....	....
Tasmanian Bike Collective	....	0.1	....	....
Volunteering Strategy Implementation	0.3	0.3	....	....
Women in Leadership Scholarship Program	0.1	0.1	0.1	0.1
Youth Participation and Engagement[4]	....	....	....	....
	7.6	**5.7**	**3.8**	**3.6**

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Royal Tasmanian Botanical Gardens				
Conservatory Critical Repairs	0.3	....	....	....
	0.3	**....**	**....**	**....**
State Growth				
Agency marketing, communications and expenditure improvements	(0.1)	(0.1)	(0.1)	(0.1)
Area Connect	1.6	....	....	....
Automated Traffic Enforcement	4.8	6.5	....	....
Aviation Fund	1.5	0.5	....	....
Cape Barren Island	4.0	1.0	1.0	1.0
Extend Half Price Bus Fares	4.3	....	....	....
Greater Hobart Traffic Incident Response	1.0	1.0	1.0	1.0
Hamlet	....	0.3	0.3	0.3
Homes Faster! Partnership Reduction (FHOG Offset)	(9.3)	(3.0)	....	....
Increased Council contribution from Heavy Vehicle Motor Tax	3.5	....	....	....
Industry Grants and Loan Support	4.5	2.8	1.5	0.7
Information Technology and Management Services - Homes Tasmania	0.2	....	....	....
Innovation Hub Hobart and Launceston	0.3	....	....	....
Invest in Northern Tasmania Building and Construction Training Centre	....	0.3	....	....
Kingborough Sporting Precinct (Community Infrastructure)	5.0	15.0	5.0	....
Kingborough Sporting Precinct (including AFL High Performance Centre)	15.7	50.0	35.5	....
Macquarie Point Development Corporation Operating Support	....	....	....	7.2
Major Sporting Partnerships	5.1	6.5	....	(4.1)
Metro Tasmania Support - Metro mechanics' wage increase	....	0.1	0.1	0.1
More Housing Support for Women Facing Homelessness - Homes Tasmania	1.2	1.2	....	....
Nyrstar	6.5	(2.0)	(2.0)	....
Office and leasing improvements	(0.1)	(0.2)	(0.2)	(0.2)
Online Business Advice Platform	0.1	0.1	0.1	0.1
Procurement Processes	(0.1)	(0.3)	(0.3)	(0.3)
Program Management (Offset for Increased Council contribution from Heavy Vehicle Motor Tax)	(3.4)	....	....	....

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
State Growth (continued)				
Public Transport Services and Support	2.4	2.4	2.4	2.4
Rapid Response Fund for Tasmanian Businesses	0.5	....	....	....
Reclink	....	0.2	0.2	0.2
Sporting Legacy Precinct at Devonport and Other Sporting Facilities	7.0	....	....	....
Tasmanian Active Infrastructure Program	2.5	2.5	....	....
Tasmanian Business Advice Service	0.2	0.2	0.2	....
Tasmanian Symphony Orchestra Capital Funding Support	4.5	....	....	....
Tourism and Hospitality Support Package	6.0	....	....	....
Troublesmiths	0.1	0.1	0.1	0.1
Upgrades to Quercus Park	1.0	0.5	0.5	....
	70.4	**85.4**	**45.1**	**8.1**
Tourism Tasmania				
Agency marketing, communications and expenditure improvements[3]	....	....	....	....
Office and leasing improvements[3]	....	....	....	....
Procurement Processes[3]	....	....	....	....
Tourism Marketing - Maintain Existing Funding	....	10.0	....	....
	....	**9.9**	**(0.1)**	**(0.1)**
Treasury and Finance				
Agency marketing, communications and expenditure improvements[3]	....	....	....	....
Energy Policy	0.6	0.6	0.6	....
Fiscal Performance Initiatives	0.5	1.5	....	....
Office and leasing improvements[3]	....	(0.1)	(0.1)	(0.1)
Procurement Processes[3]	....	(0.1)	(0.1)	(0.1)
	1.0	**1.9**	**0.4**	**(0.2)**
Total Policy Decisions	**127.2**	**126.8**	**55.8**	**20.2**
Parameter Adjustments				
Borrowing costs	**44.7**	**73.5**	**102.6**	**....**
Depreciation	**16.3**	**15.1**	**16.5**	**....**
Nominal superannuation interest expense	**3.6**	**3.6**	**3.8**	**....**

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Agency Expenditure				
Brand Tasmania	0.1	0.1	0.1	....
Education, Children and Young People	53.7	53.8	46.7	....
Environment Protection Authority	0.3	0.2	0.2	....
Finance-General	2.5	(5.8)	0.5	....
Health	348.7	278.8	248.9	....
House of Assembly[2]	....	....	....	....
Inland Fisheries Service	(0.3)	(0.3)	(0.3)	....
Integrity Commission	(0.1)	(0.2)	(0.2)	....
Justice	75.6	44.4	31.9	....
Legislative Council	0.3	0.3	0.3	....
Legislature-General	1.0	1.8	1.8	....
Marine and Safety Tasmania	(1.7)	(0.3)	....	....
Ministerial and Parliamentary Support	(1.9)	(2.3)	(3.8)	....
Natural Resources and Environment Tasmania	57.0	32.2	17.9	....
Office of the Director of Public Prosecutions	0.6	0.2	0.2	....
Office of the Governor	0.9	0.5	0.3	....
Office of the Ombudsman	0.8	0.6	0.3	....
Police, Fire and Emergency Management	35.4	24.2	21.2	....
Premier and Cabinet	12.2	(4.7)	1.8	....
Royal Tasmanian Botanical Gardens	0.1	(0.1)	(0.1)	....
State Fire Commission	8.3	9.8	7.6	....
State Growth	230.8	113.3	56.3	....
Tasmanian Audit Office	0.3	0.4	0.6	....
TasTAFE	3.8	2.4	(0.3)	....
Tourism Tasmania	0.8	1.9	(0.1)	....
Treasury and Finance	2.7	1.2	1.4	....
Other	2.3	2.3	2.4	....
Total Agency Expenditure	**834.1**	**554.8**	**435.5**	**....**
Total Parameter Adjustments	**898.7**	**647.0**	**558.4**	**....**
TOTAL EXPENSES FROM TRANSACTIONS ADJUSTMENTS (D)	**1 025.9**	**773.8**	**614.2**	**....**
NET OPERATING BALANCE (A+C-D)	**(1 008.0)**	**(807.6)**	**(293.5)**	**5.6**

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Less NET ACQUISITION OF NON-FINANCIAL ASSETS				
Purchases of non-financial assets from transactions				
Policy Decisions				
Education, Children and Young People				
New Child and Family Learning Centres[5]	....	3.0	1.5	(2.5)
	....	**3.0**	**1.5**	**(2.5)**
Finance-General				
Digital Transformation Priority Expenditure Program	....	....	(20.0)	(20.0)
	....	**....**	**(20.0)**	**(20.0)**
Health				
Launceston Health Hub Joint Venture	(17.5)	....	....	....
	(17.5)	**....**	**....**	**....**
Natural Resources and Environment Tasmania				
Cradle Mountain Experience	(3.0)	(11.6)	(11.6)	(11.6)
Sustaining Safety, Access and Experiences in our Parks and Reserves	....	4.0	4.0	4.0
	(3.0)	**(7.6)**	**(7.6)**	**(7.6)**
Police, Fire and Emergency Management				
Police Protective Equipment and Safety Enhancements	3.3	0.4	....	....
	3.3	**0.4**	**....**	**....**
Premier and Cabinet				
Human Resources Transformation Project	16.0	24.8	....	....
	16.0	**24.8**	**....**	**....**
State Fire Commission				
TFES Volunteer Infrastructure Investment Fund	2.5	....	....	....
	2.5	**....**	**....**	**....**
State Growth				
Arthur Highway Corridor - Sorell Rivulet Bridge	1.0	....	....	....
Bridport Road	1.0	....	....	....
Dial Regional Sports Complex	(5.0)	(6.0)	....	....
Kingborough Sporting Precinct (including AFL High Performance Centre)	(30.7)	(14.2)	....	....
Murchison and Zeehan Highways	1.0	....	....	....
Northern Access Road	....	25.3	25.3	25.3
Program Management (Offset for Increased Council contribution from Heavy Vehicle Motor Tax)	(0.1)	....	....	....

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
State Growth (continued)				
Ridgley Highway	....	0.3	1.3	3.0
Southern Outlet Transit Lane - Extension	0.3	0.5	0.5	2.5
	(32.6)	**5.9**	**27.1**	**30.8**
Total Policy Decisions	**(31.3)**	**26.6**	**1.0**	**0.7**
Parameter Adjustments				
Education, Children and Young People	3.7	49.4	(12.2)	....
Environment Protection Authority	1.6	1.6	1.6	....
Finance-General	6.6	(10.1)	(5.9)	....
Health	(26.6)	(35.4)	47.0	....
Inland Fisheries Service	(0.1)	....	....	....
Justice	(4.9)	26.1	15.8	....
Marine and Safety Tasmania	5.1	....	....	....
Natural Resources and Environment Tasmania	3.4	12.9	8.9	....
Office of the Director of Public Prosecutions	0.3	....	....	....
Office of the Governor	2.0	....	....	....
Police, Fire and Emergency Management	3.5	(0.9)	3.0	....
Royal Tasmanian Botanical Gardens	1.2	....	....	....
State Fire Commission	(3.4)	(2.9)	(2.7)	....
State Growth	(79.7)	(66.3)	(53.7)	....
TasTAFE	18.7	6.1	0.1	....
Tourism Tasmania	0.4	....	....	....
Treasury and Finance	5.0	5.3	0.3	....
Total Parameter Adjustments	**(63.3)**	**(14.3)**	**2.2**	**....**
Total Purchases of non-financial assets from transactions (E)	**(94.6)**	**12.3**	**3.2**	**....**
Total Gain/ (loss) on Sale of non-financial assets Parameter Adjustments	**7.6**	**0.9**	**(1.1)**	**....**
Less Total Sale of non-financial assets from transactions (F)	**7.6**	**0.9**	**(1.1)**	**....**

Table 5.5: Policy and Parameter Statement 2025-26 to 2028-29 (continued)

	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate[1]
	$m	$m	$m	$m
Less Depreciation - Total Parameter Adjustments (G)	**16.3**	**15.1**	**16.5**	**....**
TOTAL NET ACQUISITION OF NON-FINANCIAL ASSETS FROM TRANSACTIONS ADJUSTMENTS (H) (E - F - G)	**(118.5)**	**(3.7)**	**(12.3)**	**....**
FISCAL BALANCE (B + C - D - H)	**(1 352.1)**	**(1 125.0)**	**(505.9)**	**152.4**

Notes:
1. Parameter adjustments for 2028-29 are not reflected in the Table as the 2028-29 Forward Estimate was not published in the 2024-25 Budget. However, policy adjustments are reflected to show their full impact on the 2025-26 Budget and Forward Estimates.
2. Includes a movement of less than $50 000.
3. Includes a movement of less than $50 000. Further information is provided in chapter 1 of *Service Delivery,* Budget Paper No. 2.
4. Includes a movement of less than $50 000. Further information is provided in the Key Deliverables section of the relevant agency chapter in *Service Delivery,* Budget Paper No. 2.
5. This item offsets the operating grant payment to the Huon Valley Council for the co-location of the Huonville Childcare and Child and Family Learning Centre Outreach Service and includes a reduction of $10 million in 2029-30.

PUBLIC ACCOUNT RECEIPTS AND EXPENDITURE ESTIMATES

Tables 5.6 and 5.7 present the total estimated receipts and expenditure of the Public Account for the 2025-26 Budget and Forward Estimates. Estimated receipts are classified by source and nature. Estimated expenditure is classified by the relevant Authority for Expenditure from the Public Account, as provided under the *Financial Management Act 2016*.

These tables meet the requirements of sections 19(1)(a) and 19(1)(b) of the FMA. General Government Sector financial statements required under section 19(1)(c) are published elsewhere in this chapter.

The tables reflect the gross cash receipts to, and expenditure from, the Public Account. As such, they do not include the impact of the elimination of inter-entity transactions within the Public Account or whole-of-government investment and cash management activities within the Public Account. These transactions are fully reflected in General Government Statements and the Key Financial Measures, including the Net Operating Balance, Fiscal Balance and Net Debt. Consequently, the receipts and expenditures detailed in the tables will not reconcile directly with those presented in the General Government Cash Flow Statement.

Table 5.6: Public Account Receipts

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
General Receipts						
Australian Government Sources	4 355.9	4 412.5	4 690.5	4 857.1	4 926.8	5 141.3
State Sources	2 455.6	2 496.8	2 410.4	2 587.4	2 741.0	2 952.7
	6 811.5	**6 909.3**	**7 100.9**	**7 444.5**	**7 667.8**	**8 094.0**
Specific Purpose Accounts	**3 545.0**	**3 530.5**	**4 443.2**	**3 566.4**	**3 377.1**	**3 289.7**
Statutory Authorities	**319.8**	**460.1**	**313.3**	**321.4**	**330.5**	**339.3**
Total Receipts (Excluding Borrowings)	**10 676.3**	**10 899.8**	**11 857.4**	**11 332.3**	**11 375.4**	**11 723.1**
Borrowing Receipts	**1 847.8**	**1 915.5**	**2 508.2**	**1 732.3**	**1 454.9**	**1 623.8**
Total Receipts	**12 524.0**	**12 815.3**	**14 365.6**	**13 064.6**	**12 830.3**	**13 346.8**

Table 5.7: Public Account Expenditure

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Annual Appropriation						
Operating Services Expenditure	7 430.8	7 627.2	8 265.8	8 021.0	7 648.3	7 866.6
Capital Services Expenditure	679.9	452.8	618.1	690.2	582.2	519.8
	8 110.7	**8 080.0**	**8 883.9**	**8 711.2**	**8 230.5**	**8 386.5**
Reserved by Law	**586.0**	**584.8**	**595.0**	**464.6**	**488.1**	**480.3**
Specific Purpose Accounts	**3 597.4**	**3 510.3**	**4 087.0**	**3 451.1**	**3 337.3**	**3 384.7**
Statutory Authorities	**363.7**	**481.7**	**361.4**	**338.9**	**338.1**	**340.8**
Other Provisions	**(2.2)**	**....**	**....**	**....**	**....**	**....**
Total Expenditure (Excluding Borrowings)	**12 655.5**	**12 656.7**	**13 927.2**	**12 965.8**	**12 394.0**	**12 592.2**
Borrowings Repayments	**2.1**	**263.6**	**352.0**	**....**	**403.0**	**850.0**
Total Expenditure	**12 657.6**	**12 920.3**	**14 279.3**	**12 965.8**	**12 797.0**	**13 442.2**

SPECIFIC PURPOSE ACCOUNTS ESTIMATED RECEIPTS AND EXPENDITURE FOR 2025-26

Table 5.8 provides estimated receipts and expenditure and associated balances for each Specific Purpose Account for 2025-26, by agency. This table meets the requirement of section 17(10) of the Financial Management Act.

Table 5.8 provides information on the gross cash receipts to, and payments from, Specific Purpose Accounts and it does not include the elimination of inter-entity transactions which are reflected in General Government Statements. Revenue and expenditure amounts do not, therefore, equal amounts in General Government Statements.

Estimates for receipts or payments from Agency Trust Accounts are not included in the Public Account Statements presented in this Budget Paper.

Table 5.8: Specific Purpose Accounts Estimated Receipts and Expenditure for 2025-26[1]

	Preliminary Outcome 30 June 2025	2025-26 Budget Estimates		Estimated Balance 30 June 2026
		Receipts	Expenditure	
	$m	$m	$m	$m
Brand Tasmania				
Agency Financial Management Account	**1.0**	**0.1**	**0.1**	**0.9**
Education, Children and Young People				
Agency Financial Management Account	36.6	105.0	108.6	33.0
Department of Education School Banking Account	58.6	140.5	137.2	61.9
	95.3	**245.5**	**245.8**	**94.9**
Environment Protection Authority				
Agency Financial Management Account	**16.0**	**6.7**	**7.0**	**15.8**
Finance-General				
Agency Financial Management Account	10.0	72.3	72.1	10.2
Australian Government Funding Management Account	482.4	1 055.9	911.6	626.7
Government Car Fleet Account	9.2	53.2	54.1	8.3
Home Warranty Insurance Scheme Account	....	1.0	1.0	....
Rosetta Landslip Account	1.0	0.1	....	1.0
Tasmanian Risk Management Fund	533.4	423.6	191.9	765.0
Unclaimed Moneys Account	65.2	3.6	0.5	68.3
	1 101.1	**1 609.7**	**1 231.3**	**1 479.5**

Table 5.8: Specific Purpose Accounts Estimated Receipts and Expenditure for 2025-26[1] (continued)

	Preliminary Outcome 30 June 2025	2025-26 Budget Estimates		Estimated Balance 30 June 2026
		Receipts	Expenditure	
	$m	$m	$m	$m
Health				
Agency Financial Management Account	20.2	1 295.5	1 295.5	20.2
Private Patient Account	1.4	40.3	39.0	2.7
	21.5	**1 335.8**	**1 334.5**	**22.9**
House of Assembly				
Agency Financial Management Account	**....**	**0.1**	**0.1**	**....**
Integrity Commission				
Agency Financial Management Account	**0.1**	**0.1**	**0.1**	**0.1**
Justice				
Agency Financial Management Account	51.2	90.6	101.6	40.2
Asbestos Compensation Fund	41.7	10.4	6.4	45.6
Local Government and Other Elections Account	0.3	0.4	0.4	0.3
Workers Rehabilitation and Compensation Fund	6.6	13.5	13.4	6.8
	99.7	**114.9**	**121.7**	**92.9**
Legislative Council				
Agency Financial Management Account	**....**	**0.1**	**0.1**	**....**
Legislature-General				
Agency Financial Management Account	**0.1**	**1.0**	**1.0**	**0.1**
Ministerial and Parliamentary Support				
Agency Financial Management Account	**0.4**	**1.7**	**1.7**	**0.4**
Natural Resources and Environment Tasmania				
Agency Financial Management Account	55.5	133.2	139.1	49.6
Crown Lands Administration Fund	73.1	6.9	7.5	72.5
Waste and Resource Recovery Account	14.1	15.1	15.0	14.3
	142.7	**155.3**	**161.6**	**136.4**
Office of the Director of Public Prosecutions				
Agency Financial Management Account	**4.5**	**1.6**	**1.7**	**4.3**
Office of the Governor				
Agency Financial Management Account	**0.3**	**0.3**	**0.3**	**0.3**
Office of the Ombudsman				
Agency Financial Management Account	**0.5**	**1.0**	**1.0**	**0.5**
Police, Fire and Emergency Management				
Agency Financial Management Account	**28.2**	**241.3**	**241.3**	**28.2**

Table 5.8: Specific Purpose Accounts Estimated Receipts and Expenditure for 2025-26[1] (continued)

	Preliminary Outcome 30 June 2025	2025-26 Budget Estimates		Estimated Balance 30 June 2026
		Receipts	Expenditure	
	$m	$m	$m	$m
Premier and Cabinet				
Agency Financial Management Account	**8.3**	**85.7**	**86.1**	**7.9**
State Growth				
Agency Financial Management Account	62.7	607.8	616.3	54.2
Tasmanian Forests Agreement Account	3.5	1.2	1.5	3.2
	66.2	**609.0**	**617.8**	**57.4**
Tasmanian Audit Office				
Agency Financial Management Account	**2.0**	**8.7**	**8.4**	**2.2**
Tourism Tasmania				
Agency Financial Management Account[2]	**(0.2)**	**2.4**	**2.2**	**....**
Treasury and Finance				
Agency Financial Management Account	**16.8**	**22.4**	**23.2**	**16.0**
Total Specific Purpose Accounts	**1 604.5**	**4 443.2**	**4 087.0**	**1 960.7**

Notes:
1. Minor discrepancies between totals and sums of components reflect rounding.
2. Tourism Tasmania's Agency Financial Management Account has an approved overdraft limit of $500 000.

6 GENERAL GOVERNMENT REVENUE

Executive Summary

Total General Government Sector revenue is expected to be $9 498.2 million in 2025-26, an increase of $546.4 million compared to the 2024-25 Budget.

Total General Government Sector revenue in the 2024-25 Preliminary Outcome is $33.6 million higher compared to the 2024-25 Budget.

From 2025-26 to 2028-29, revenue is forecast to grow by $785.9 million (or by a compound annual growth rate of 2.7 per cent). While the revenue outlook for 2025-26 and across the Forward Estimates is positive, there has been a weakening in some revenue lines since the 2024-25 Budget.

Key components of General Government Sector revenue in 2025-26 include:

- GST revenue, which is estimated to be $3 813.8 million, an increase of $294.4 million from the 2024-25 Budget of $3 519.4 million;
- Other Australian Government Payments, which are estimated to be $2 545.9 million, an increase of $232.5 million from the 2024-25 Budget of $2 313.4 million; and
- Taxation revenue, which is estimated to be $1 933.1 million, an increase of $111.2 million from the 2024-25 Budget of $1 821.9 million.

Tasmania's share of revenue from Grants, including GST revenue and Other Australian Government Payments, equates to 67.0 per cent of Total General Government Sector revenue in 2025-26.

TOTAL REVENUE

This chapter provides an overview of Revenue for the 2025-26 Budget and Forward Estimates including the 2024-25 Preliminary Outcome. Table 6.1 lists the major General Government Sector revenue sources.

Table 6.1: General Government Sector Revenue

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Revenue from transactions						
GST Revenue	3 519.4	3 562.3	3 813.8	3 883.1	3 918.1	4 095.3
Other Australian Government Payments[1]	2 313.4	2 250.2	2 545.9	2 397.6	2 428.9	2 497.0
Taxation	1 821.9	1 840.5	1 933.1	2 087.3	2 181.2	2 286.3
Sales of goods and services	455.8	469.7	459.7	474.1	483.1	482.5
Fines and regulatory fees	156.4	168.5	158.2	154.9	148.8	149.7
Interest income	78.3	95.5	93.1	93.8	96.6	96.8
Dividend, tax and rate equivalent income	387.0	349.1	254.1	256.8	330.4	447.8
Other revenue	219.7	249.7	240.2	244.1	245.8	228.7
	8 951.8	**8 985.4**	**9 498.2**	**9 591.7**	**9 832.8**	**10 284.1**

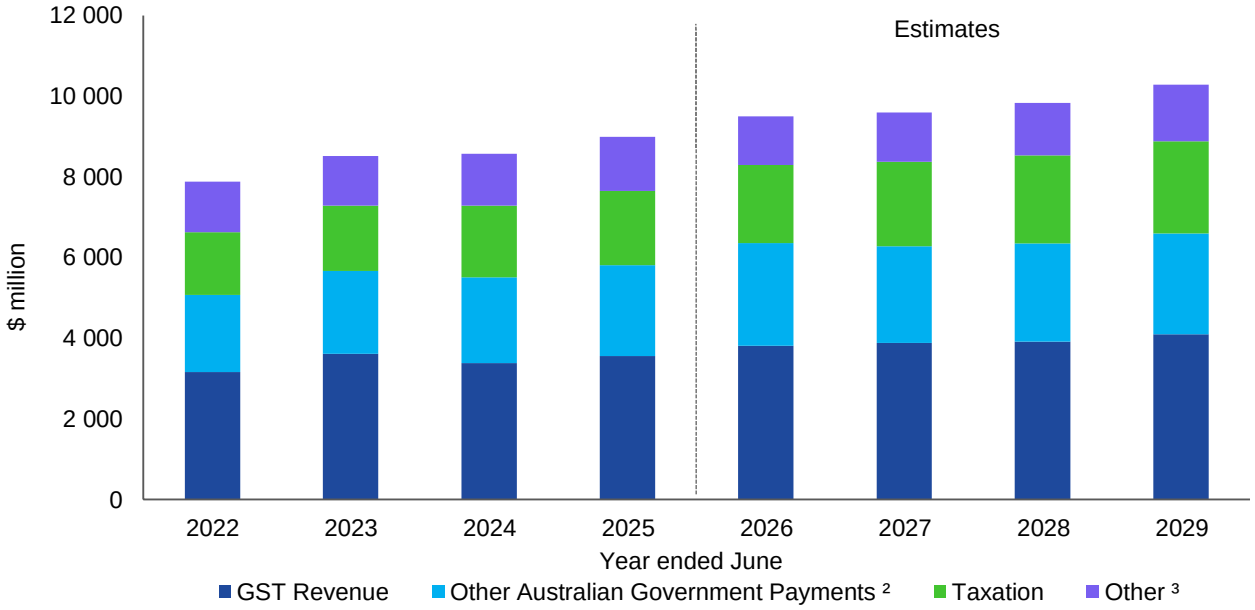
Note:
1. Other Australian Government Payments includes National Agreements and National Partnership Payments.

Tasmania's most significant source of funding is payments from the Australian Government, including GST revenue, which accounts for 67.0 per cent of total revenue in 2025-26. State Own-Source revenue accounts for 33.0 per cent of total revenue.

Chart 6.1 shows the composition of Total General Government Sector revenue over the period 2021-22 to 2028-29.

Major revenue risks are discussed in chapter 4 of this Budget Paper. The variances in revenue items are outlined in the Policy and Parameter Statement in chapter 5 of this Budget Paper.

Chart 6.1: Composition of Total Revenue, 2021-22 to 2028-29[1]



Notes:
1. Data reflects Actuals for 2021-22 to 2023-24 and the Preliminary Outcome for 2024-25.
2. Other Australian Government Payments includes National Agreements and National Partnership Payments.
3. Other includes: Sales of goods and services; Fines and regulatory fees; Interest income; Dividend, tax and rate equivalent income; and Other revenue.

GRANTS

Grants primarily reflect funding payments to the State from the Australian Government and are estimated to be $6 359.8 million in 2025-26.

Table 6.2: Grants

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Untied Funding (General Purpose Payments)						
GST Revenue	3 519.4	3 562.3	3 813.8	3 883.1	3 918.1	4 095.3
Tied Funding (Payments for Specific Purposes)						
National Agreements[1,2,3]	1 465.5	1 475.5	1 663.6	1 707.8	1 810.6	1 881.7
National Partnership Payments[3]	793.2	690.8	828.4	642.1	583.4	583.4
Total Tied Funding	**2 258.6**	**2 166.4**	**2 492.1**	**2 349.9**	**2 394.0**	**2 465.2**
Other Grants and Subsidies[4]	54.8	83.8	53.9	47.7	35.0	31.8
Total Grants	**5 832.8**	**5 812.4**	**6 359.8**	**6 280.7**	**6 347.0**	**6 592.3**

Notes:
1. National Agreements include the National Health Reform Agreement, the National Mental Health and Suicide Prevention Agreement, the Better and Fairer Schools Agreement, the National Access to Justice Partnership, the National Agreement on Social Housing and Homelessness, and the National Skills Agreement.
2. The funding profile for the National Health Reform Agreement includes a one-off interim funding uplift of $50 million in 2025-26. Long-term health funding arrangements are subject to negotiation with the Australian Government, which are likely to change revenue estimates over the Budget and Forward Estimates.
3. The 2024-25 Budget estimates and Preliminary Outcome estimates for National Agreements and National Partnership Payments differ from the previously published 2024-25 Budget and *Preliminary Outcomes Report 2024-25* due to a reclassification of payments.
4. Other Grants and Subsidies primarily relates to payments to the State for Commonwealth own-purpose expenses.

Payments from the Australian Government are governed by the *Intergovernmental Agreement on Federal Financial Relations* and consist of untied and tied funding.

Untied funding can be used for any purpose at the State's discretion. The GST revenue is the only untied funding, or General Purpose Payment, received by Tasmania in 2025-26.

Tied funding must be used for specific purposes as agreed with the Australian Government. Tied funding includes funding provided under National Agreements for ongoing funding in key service delivery areas and National Partnership Payments for time-limited payments.

The Australian Government also provides payments directly to State agencies through Commonwealth own-purpose expenses.

Risks associated with Australian Government grants are outlined in chapter 4 of this Budget Paper.

GST Revenue

GST revenue is the largest source of revenue for Tasmania representing 40.2 per cent of Total General Government Sector revenue in 2025-26.

In accordance with the *Intergovernmental Agreement on Federal Financial Relations*, all GST revenue collected by the Australian Government is distributed amongst the states and territories. Each jurisdiction's GST entitlement is dependent on three factors: national GST collections; the state or territory's per capita GST relativity; and the state or territory's share of the national population.

For the 2025-26 Budget, Treasury has continued to use its own financial model to forecast GST revenues. The model incorporates the latest Commonwealth Grants Commission methodology and recommended relativities, Australian Government forecasts of the GST pool and state and territory populations, and states' and territories' own-source revenue estimates.

Table 6.3 shows the national GST pool collections estimates, Tasmania's GST relativity forecasts and Tasmania's GST revenue estimates. GST payments to Tasmania are expected to be $3 813.8 million in 2025-26.

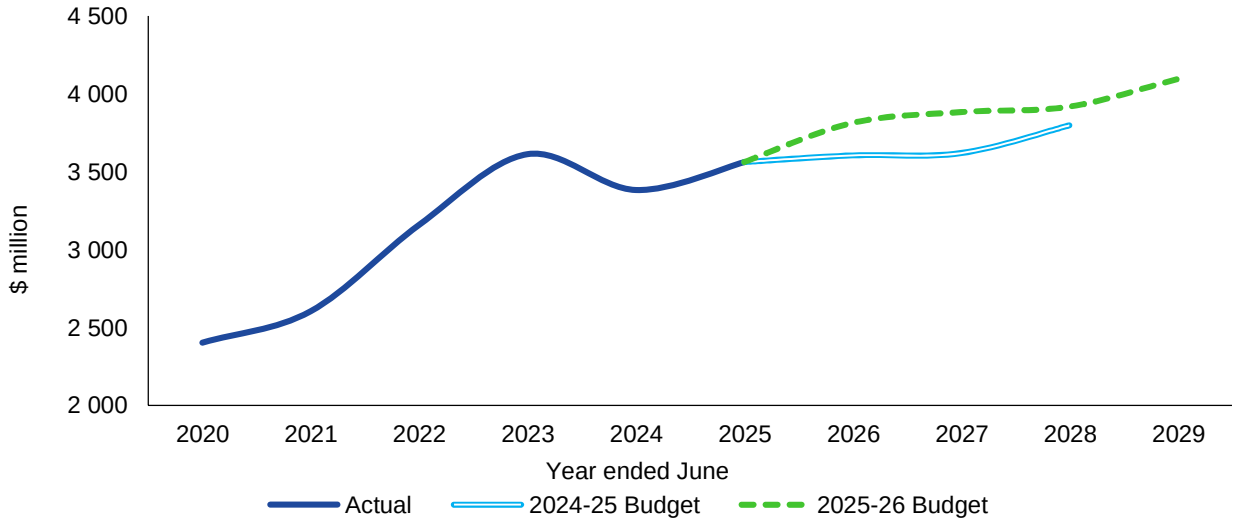
Table 6.3: Tasmanian GST Revenue Estimates

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
National GST Pool Collections ($m)[1]	88 534	90 278	95 151	100 277	105 908	111 569
Tasmania's Relativity[2]	1.8283	1.8283	1.8405	1.8266	1.7893	1.7893
Tasmania's GST share (%)[3]	3.84	3.84	3.82	3.75	3.65	3.62
Tasmania's GST revenue ($m)[4,5,6]	3 519.4	3 562.3	3 813.8	3 883.1	3 918.1	4 095.3

Notes:
1. Forecasts of the GST pool over the 2025-26 Budget and Forward Estimates are sourced from the 2025-26 Australian Government Budget.
2. The 2024-25 Preliminary Outcome and 2025-26 Budget use actual relativities recommended by the CGC. Relativities for the Forward Estimates are Tasmanian Treasury forecasts.
3. GST shares are calculated excluding the residual adjustments and no-worse-off guarantee payments.
4. The 2024-25 Preliminary Outcome includes a negative $27.4 million residual adjustment for overpaid GST revenue to Tasmania in 2023-24.
5. The 2025-26 Budget includes an estimated positive $35.3 million residual adjustment for underpaid GST revenue to Tasmania in 2024-25.
6. Tasmania's GST revenue includes forecast no-worse-off guarantee payments of $120.0 million in 2024-25, $146.3 million in 2025-26, $120.3 million in 2026-27, $57.1 million in 2027-28 and $60.6 million in 2028-29.

Since the 2024-25 Budget, forecast GST revenue to Tasmania has increased by $635.3 million over the four years from 2024-25 to 2027-28. Chart 6.2 compares the 2025-26 Budget forecasts to the 2024-25 Budget forecasts.

Chart 6.2: GST Revenue to Tasmania, 2019-20 to 2028-29[1,2]



Notes:
1. GST revenue to Tasmania in 2024-25 includes a negative $27.4 million residual adjustment for overpaid GST revenue to Tasmania in 2023-24. GST revenue to Tasmania in 2025-26 includes an estimated positive $35.3 million residual adjustment for underpaid GST revenue to Tasmania in 2024-25.
2. The 2025-26 Budget includes forecast no-worse-off guarantee payments of $120.0 million in 2024-25, $146.3 million in 2025-26, $120.3 million in 2026-27, $57.1 million in 2027-28 and $60.6 million in 2028-29.

The increase in GST revenue compared to the 2024-25 Budget primarily reflects the combined impacts of:

- the CGC increasing Tasmania's GST relativity from 1.8283 in 2024-25 to 1.8405 in 2025-26;
- an increase in Treasury's own modelled GST relativities for 2026-27 to 2028-29, reflecting updated data and method changes in the CGC's 2025 Methodology Review Final Report;
- the Australian Government increasing its forecasts of the national GST pool by $6.5 billion in its 2025-26 Budget compared to the pool forecasts in its 2024-25 Budget; and
- an estimated positive residual adjustment of $35.3 million in 2025-26 for underpaid GST revenue in 2024-25.

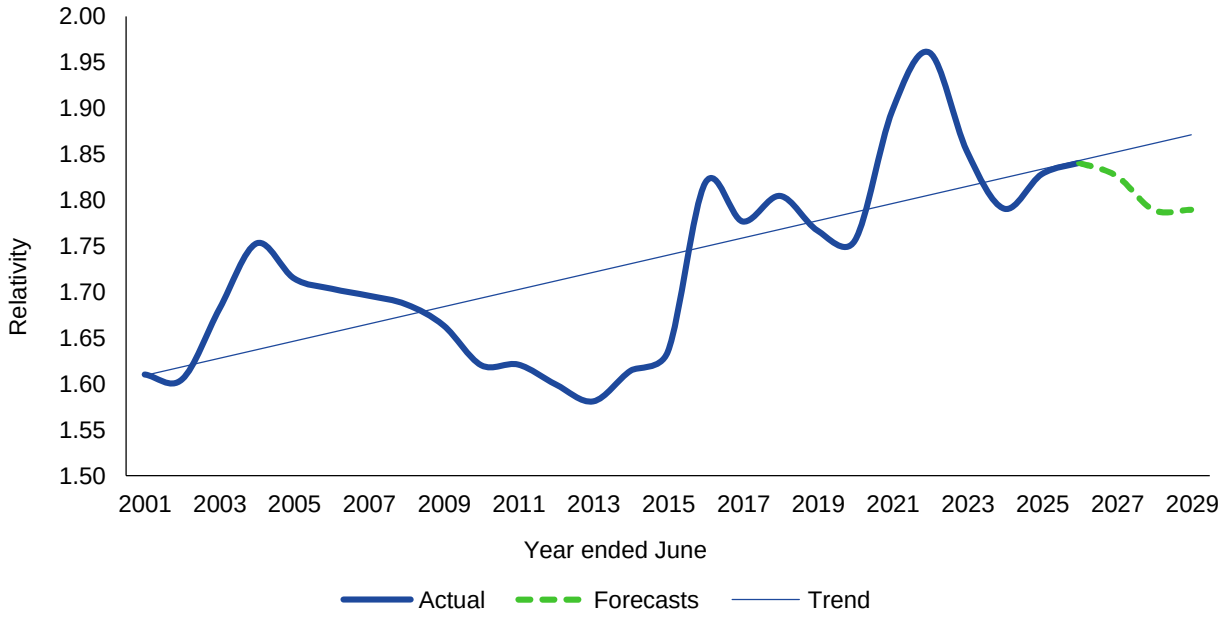
These impacts were partially offset by the combined impacts of:

- the Australian Government slightly decreasing its forecasts of Tasmania's share of the national population in its 2025-26 Budget compared to the population forecasts in its 2024-25 Budget; and
- a residual adjustment of negative $27.4 million in 2024-25 for overpaid GST revenue in 2023-24.

Chart 6.3 illustrates Tasmania's relativities since the introduction of the GST. The chart shows Tasmania's GST relativity is currently forecast to decline over the Forward Estimates.

Chapter 4 of this Budget Paper provides further information regarding risks to GST revenue.

Chart 6.3: Tasmanian GST Relativities, 2000-01 to 2028-29[1,2]



Notes:
1. CGC calculation of relativities is prepared on a consistent basis, with healthcare grants (pre 2009-10) treated by inclusion.
2. Relativities from 2021-22 reflect the transition to the revised GST distribution arrangements.

Revised GST Distribution Arrangements

In addition to the inherent volatility in GST revenue, which can be materially affected by changes in the GST Pool, the State's relativity or its share of the national population, there is significant additional risk to Tasmania's GST revenue as a result of the revised GST distribution arrangements.

The Australian Government legislated a new method for distributing GST revenue among states and territories in 2018. Prior to this, GST revenue was distributed on the basis of full Horizontal Fiscal Equalisation. Full HFE ensures that all states and territories have a similar fiscal capacity to deliver services and infrastructure to their residents at the same standard as any other state or territory, provided they make a similar revenue raising effort.

From 2021-22, GST distribution began to transition to a lesser standard of HFE. By 2026-27, these changes will be fully implemented, when states will move from equalising each state's fiscal capacity to the level of the strongest state, currently Western Australia, to equalising to the stronger of New South Wales or Victoria.

For Tasmania, the revised arrangements reduce GST revenue over the Budget and Forward Estimates. This reduction is offset by the Australian Government's time-limited no-worse-off guarantee, in place until 2029-30, which ensures that no state or territory will be worse off in total under the revised arrangements. While the no-worse-off guarantee provides the State with a temporary level of comfort, Tasmania is expected to be materially worse-off beyond 2029-30.

Tasmania has consistently argued that the revised arrangements create a system that permanently entrenches a gap between the fiscally strongest state and the other states. Therefore, Tasmania will continue to advocate for a system that distributes GST equitably across states and territories, in accordance with full HFE. At a minimum, this includes making the no-worse-off guarantee a permanent feature of the distribution arrangements to ensure Tasmania continues to receive its fair share of GST revenue and can provide essential services such as health, education and emergency services.

Commonwealth Payments for Specific Purposes

National Agreements

National Agreements outline funding arrangements between the Australian Government and the states and territories for service delivery in a particular sector. These include the National Health Reform Agreement, the Better and Fairer Schools Agreement, the National Agreement on Social Housing and Homelessness, the National Skills Agreement, the National Mental Health and Suicide Prevention Agreement and the National Access to Justice Partnership.

In 2025-26, Tasmania will receive an estimated $1 663.6 million through National Agreements. The estimates throughout the 2025-26 Budget and Forward Estimates are generally consistent with those published in the 2024-25 Budget.

Several National Agreements are due to expire within the Budget and Forward Estimates, including the National Health Reform Agreement. The terms of new arrangements are yet to be negotiated with the Australian Government. Should acceptable terms be agreed, the funding profiles associated with these agreements are likely to change.

National Partnership Payments

National Partnership Payments are usually time-limited payments made to states and territories. Under the terms of the Federation Funding Agreements architecture agreed by National Cabinet in 2020, NPPs are made under one of five sectoral Federation Funding Agreements, which cover: health; education and skills; infrastructure; environment; and affordable housing, community services and other services. Funding received under NPPs is tied to supporting the delivery of projects, facilitating reforms within the State and/or recognising the State’s delivery of national reforms.

In 2025-26, NPPs for Tasmania will be an estimated $828.4 million.

Table 6.4 details the Commonwealth Payments for Specific Purposes for Tasmania over the 2025-26 Budget and Forward Estimates.

Table 6.4: Commonwealth Payments for Specific Purposes[1]

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
National Agreements						
Health						
National Health Reform Agreement[2]	658.0	660.9	703.8	749.6	834.3	882.1
National Health Reform Agreement - 2025-26 Uplift	....	....	50.0	....	....	....
National Mental Health and Suicide Prevention Agreement	4.0	0.8	6.1	4.6	....	....
Total Health National Agreements	**662.1**	**661.7**	**759.9**	**754.2**	**834.3**	**882.1**
Education						
Better and Fairer Schools Agreement						
Government Schools	254.2	265.4	290.8	310.7	321.9	334.4
Non-Government Schools	464.8	477.5	494.2	514.5	534.2	555.1
Total Education National Agreements	**719.0**	**743.0**	**785.0**	**825.1**	**856.1**	**889.5**
National Access to Justice Partnership	**....**	**....**	**23.9**	**25.0**	**25.5**	**26.0**
National Agreement on Social Housing and Homelessness	**37.0**	**37.4**	**38.3**	**39.1**	**39.9**	**40.8**
National Skills Agreement	**47.5**	**33.5**	**56.5**	**64.4**	**54.8**	**43.3**
Total National Agreements[3]	**1 465.5**	**1 475.5**	**1 663.6**	**1 707.8**	**1 810.6**	**1 881.7**
National Partnership Payments						
Health						
Community Health and Hospitals Program	21.0	12.8	21.1	5.1	....	....
Construction of the Launceston Hospice	4.7	0.8	13.0	6.1	....	....
Essential Vaccines	1.8	2.7	1.4	....	....	....
Hobart Maternity Services	....	....	6.0	....	....	....
Medical Research Centre for Launceston	....	2.4	2.0	....	....	....
Medicare Urgent Care Clinics - Tasmania	4.4	12.3	9.6	....	....	....
Northern Heart Centre in Launceston	....	2.2	8.0	20.0	30.0	30.0
Public Dental Services for Adults	....	10.2	....	....	....	....
Redevelopment of the Royal Hobart Hospital	2.5	....	2.5	....	....	....
Other[4]	7.3	6.5	19.8	1.4	0.4	0.1
Total Health National Partnerships	**41.6**	**50.0**	**83.4**	**32.7**	**30.4**	**30.1**

Table 6.4: Commonwealth Payments for Specific Purposes (continued)[1]

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Education						
National Student Wellbeing Program	2.2	2.7	2.2	2.2	....	....
Preschool Reform Agreement[5]	9.8	13.7	8.2	....	....	....
Schools Upgrade Fund - Round 2	....	0.9	4.6	1.0	....	....
Other[6]	....	0.7	3.3	0.2	0.2	....
Total Education National Partnerships	**12.0**	**17.9**	**18.3**	**3.4**	**0.2**	**....**
Housing						
HomeBuilder	....	....	....	....	....	....
Housing Support Program (HSP) Priority Works Stream	3.0	1.8	12.5	12.5	....	....
Social Housing Accelerator Payment	30.1	1.1	43.2	5.3	....	....
Total Housing National Partnerships	**33.1**	**3.0**	**55.7**	**17.8**	**....**	**....**
Community Services (including Disability)						
Family, Domestic and Sexual Violence Responses Agreement	7.1	6.0	8.3	2.2	1.6	1.6
National Firearms Register	....	0.6	9.9	4.7	1.5	....
Other[7]	0.3	0.6	0.1	....	....	....
Total Community Services (including Disability) National Partnerships	**7.4**	**7.3**	**18.4**	**6.9**	**3.1**	**1.6**
Skills and Workforce Development						
Energising Tasmania	4.0	0.9	3.0	1.1	1.4	....
Fee-Free TAFE	0.5	4.6	3.0	3.0	2.9	0.4
North West Tasmania Job Ready Generation Fund	0.7	....	....	....	....	....
JobTrainer Fund	5.0	0.2	5.0	5.0	3.4	1.5
Skilling Australians Fund	5.0	9.8	5.0	4.8	....	....
Other[8]	....	0.3	0.8	....	....	....
Total Skills and Workforce Development National Partnerships	**15.2**	**15.9**	**16.8**	**13.9**	**7.7**	**1.9**
Infrastructure						
Land Transport Infrastructure Projects						
Bell Bay Line - Reconnection to the Bell Bay Wharf	....	....	3.2	11.2	9.6	....

Table 6.4: Commonwealth Payments for Specific Purposes (continued)[1]

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Infrastructure (continued)						
Black Spot Projects	3.3	3.3	3.5	3.5	3.6	....
COVID-19 Stimulus	2.0	2.2	0.5	....	....	....
Melba Line Bulk Minerals Rail Hub	8.0	....	14.4	....	....	....
New Bridgewater Bridge	154.1	174.6	57.8	27.0	....	....
Rail Investment Component	13.4	24.7	27.5	37.8	24.0	....
Regional Recovery Partnerships	3.4	2.4	....	....	....	....
Road Investment Component	72.6	36.4	37.8	60.5	82.9	53.6
Road Corridors	14.6	28.0	11.0	22.6	45.0	94.3
Roads of Strategic Importance	40.6	23.8	27.6	44.3	42.9	52.5
Safer Local Roads Program	11.9	7.0	8.6	8.1	8.1	4.0
Tasman Bridge Upgrade	2.0	1.0	1.3	3.0	....	10.0
Urban Congestion Fund	6.1	5.9	2.8	5.1	15.5	15.1
Growing Regions Program	....	0.2	8.1	11.1	5.1	....
Launceston City Deal: Tamar Estuary - Urban Water Infrastructure Upgrades	9.0	21.0	2.0	2.1	....	....
Macquarie Point Urban Renewal	....	....	18.6	26.6	89.3	105.5
National Water Grid Fund	108.5	55.0	99.9	86.8	45.8	47.0
UTAS Stadium Redevelopment	13.0	....	28.6	36.4	....	....
Other[9]	6.7	3.9	8.6	3.7	....	....
Total Infrastructure National Partnerships	**469.2**	**389.4**	**361.7**	**389.9**	**371.8**	**382.0**
Environment						
Tarraleah Hydro Power Scheme Redevelopment	30.4	....	42.2	....	....	....
Disaster Ready Fund	4.5	3.1	7.3	5.7	4.9	....
Disaster Risk Reduction	1.6	3.0	0.6	....	....	....
Energy Bill Relief Fund	66.0	78.4	65.3	....	....	....
Macquarie Wharf 6 (Port of Hobart)	....	....	47.1	47.0	47.0	47.0
Tasmanian Wilderness World Heritage Areas	5.7	5.1	5.1	5.1	5.1	5.1
Pest and Disease Preparedness and Response	0.7	0.8	....	....	....	....
Project Marinus	27.9	12.5	15.7	0.7	....	....
Social Housing Energy Performance Initiative	....	3.0	3.4	....	....	....
Other[10]	5.6	9.7	5.3	0.5	0.3	....
Total Environment National Partnerships	**142.5**	**115.6**	**192.0**	**59.0**	**57.3**	**52.1**

Table 6.4: Commonwealth Payments for Specific Purposes (continued)[1]

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Other Services						
Financial assistance to Local Governments - Financial Assistance Grant program[11]	14.5	69.8	53.3	109.7	112.7	115.7
National Legal Assistance Partnership	2.5	2.8	....	....	....	....
Natural Disaster Relief and Recovery Arrangements	34.7	....	2.8	7.0	....	....
National Tourism Icon Program - Upgrade of Tourist Facilities at Freycinet	4.9	....	3.0	1.6	....	....
Securing Future Nyrstar Operations	....	....	20.0	....	....	....
Other[12]	15.6	19.1	3.0	0.1	....	....
Total Other Services	**72.3**	**91.8**	**82.1**	**118.5**	**112.7**	**115.7**
Total National Partnership Payments[3]	**793.2**	**690.8**	**828.4**	**642.1**	**583.4**	**583.4**
TOTAL PAYMENTS FOR SPECIFIC PURPOSES	**2 258.6**	**2 166.4**	**2 492.1**	**2 349.9**	**2 394.0**	**2 465.2**

Notes:
1. Estimates of National Agreements and National Partnerships are determined in accordance with the Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers*. Estimates may therefore differ from those published by the Australian Government.
2. The National Health Reform Agreement is subject to renegotiation and funding could change materially across the Forward Estimates.
3. The 2024-25 Budget estimates and Preliminary Outcome estimates for National Agreements and National Partnership Payments differ from the previously published 2024-25 Budget and *Preliminary Outcomes Report 2024-25* due to a reclassification of payments.
4. Includes funding for the Primary Care Pilots, John Flynn Prevocational Doctor Program, Worker Screening Design Support Schedule, Indigenous Health Services, Expansion of BreastScreen Australia Program and the Health Innovation Fund.
5. The Preschool Reform Agreement is subject to renegotiation with the Australian Government beyond 2025-26.
6. Includes funding for Consent and Respectful Relationships Education, and Workload Reduction Fund: Action 12 of the National Teacher Workforce Action Plan.
7. Includes funding for Family Law Information Sharing, Changing Places Implementation, and the Municipal and Essential Services Transition Fund.
8. Includes funding for the TAFE Technology Fund.
9. Includes funding for Remote Roads Pilot Funding, Regional Precincts and Partnerships Program, and the Thriving Suburbs Program.
10. Includes funding for Food Waste for Healthy Soils Fund, Emergency Response Fund, Assistance for pest and weed management, Recycling Infrastructure, and various council-specific environment projects.
11. The profile reflects the timing of Financial Assistance Grant funding received from the Australian Government.
12. Includes funding for Legal Aid Commissions, Aboriginal and Torres Strait Islanders Legal Services, Family and Advocacy Support Services, Increased Legal Assistance for Vulnerable Women, and Domestic Violence Units and Health Justice Partnerships.

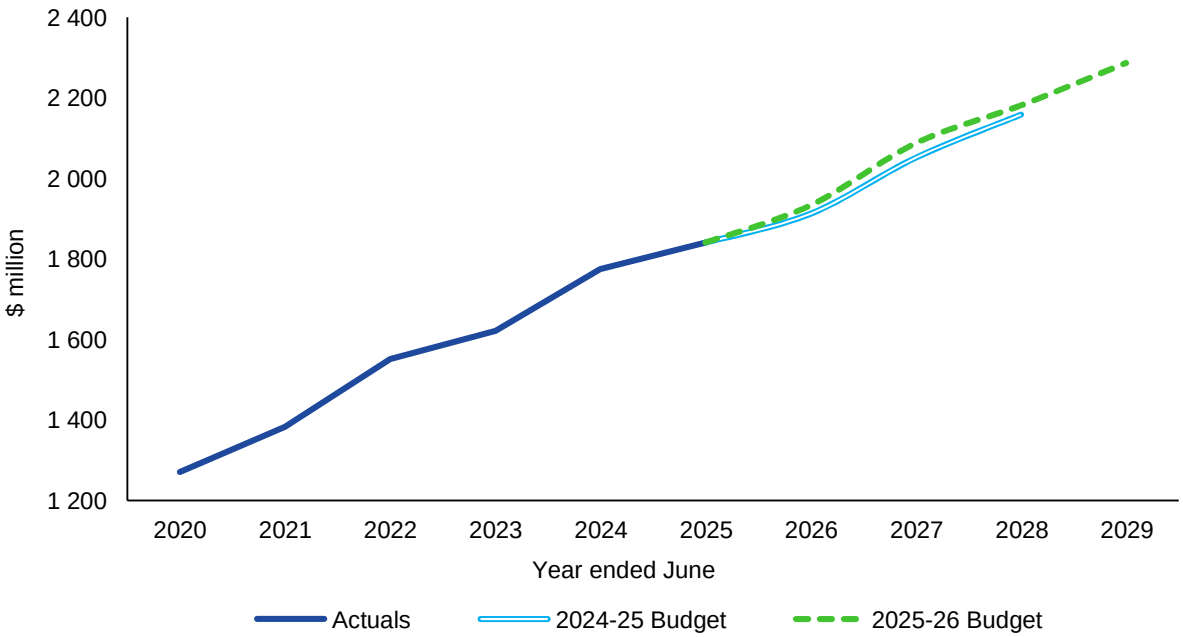
STATE TAXATION

In 2025-26, State Taxation is estimated to be $1 933.1 million, which represents an increase of $111.2 million compared to the 2024-25 Budget of $1 821.9 million.

Chart 6.4 compares the 2025-26 Budget forecasts to the 2024-25 Budget forecasts.

Over the 2025-26 Budget and Forward Estimates, State Taxation is forecast to grow by $353.2 million (or by a compound annual growth rate of 5.8 per cent), due mainly to forecast increases in conveyance duty from strength in the Tasmanian property market in response to interest rate reductions, and partially due to growth in payroll tax revenues, land tax revenue and Government guarantee fees.

Chart 6.4: State Taxation Revenue, 2019-20 to 2028-29



The outlook for the Tasmanian property market for 2025-26 is relatively stable. The 2024-25 Preliminary Outcome and 2025-26 Budget estimate of conveyance duty are higher than estimated in the 2024-25 Budget, primarily due to increased transactions in response to more favourable lending conditions. Over the 2025-26 Budget and Forward Estimates, conveyance duty is expected to be further supported by the expiry of time-limited duty concessions and exemptions.

Land tax forecasts over the 2025-26 Budget and Forward Estimates show a decline in land tax revenue compared to the 2024-25 Budget. This reflects slower growth in taxable land values than previously estimated for 2025-26 and a reduction in the number of taxable properties.

The outlook for other key State Taxation components remains positive across the 2025-26 Budget and Forward Estimates. Payroll tax forecasts reflect historical growth rates, supported by growth in the labour market. Insurance duty forecasts reflect national trends, attributable to historical inflation rates, with growth across the Forward Estimates resulting from increased natural disaster costs due to extreme weather events such as flooding and fires.

Treasury is progressing the Government's 2024 Election Commitment to introduce a five per cent short-stay accommodation levy. Given that this policy is still in development, it is not reflected in the 2025-26 Budget.

Further information on revenue changes included in the 2025-26 Budget is detailed in the Policy and Parameter Statement in chapter 5 of this Budget Paper. Table 6.5 provides details of the components of the State Taxation estimates.

Chapter 4 of this Budget Paper provides further information on the risks to State Taxation revenue over the 2025-26 Budget and Forward Estimates.

Table 6.5: State Taxation

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Payroll Tax	**578.8**	**572.8**	**608.8**	**647.0**	**687.6**	**730.8**
Taxes on property						
Land tax	194.0	198.2	195.1	203.1	211.4	220.1
Fire service levies[1]	105.1	105.7	110.5	116.2	122.2	128.6
Government guarantee fees	39.9	36.0	42.6	44.8	50.3	58.9
Conveyance duty	338.0	363.5	390.1	479.4	497.7	516.6
	677.0	**703.4**	**738.3**	**843.5**	**881.6**	**924.2**
Taxes on provision of goods and services						
Gambling taxes						
Annual Wagering Levy	1.7	1.7	1.8	1.8	1.9	1.9
General Casino Tax and licence fees	10.5	11.3	10.6	10.6	10.7	10.7
Venue tax and licence fees	41.2	42.5	41.4	41.5	41.6	41.7
Keno Operator and licence fees	8.0	8.8	8.1	8.1	8.2	8.2
Lottery tax	54.6	47.8	56.7	59.0	61.4	63.8
Point of Consumption Wagering Tax	15.2	14.8	15.4	15.5	15.6	15.7
Other gaming[2]	....	....	....	....	....	....
Insurance duty	153.7	154.2	161.1	158.4	160.2	165.7
	285.0	**281.1**	**295.0**	**295.0**	**299.5**	**307.8**
Taxes on the use of goods and services						
Vehicle registration fees	56.6	60.1	62.2	64.4	66.7	69.0
Motor vehicle fees and taxes						
Motor vehicle duty	77.4	72.4	73.9	75.7	77.6	79.6
Motor tax	135.2	138.4	142.2	147.9	153.8	160.0
Motor vehicle fire levy	11.8	12.3	12.7	13.7	14.3	14.8
	281.1	**283.3**	**291.1**	**301.8**	**312.4**	**323.4**
TOTAL STATE TAXATION	**1 821.9**	**1 840.5**	**1 933.1**	**2 087.3**	**2 181.2**	**2 286.3**

Notes:
1. Fire service levies are reported as a tax for the purposes of the Uniform Presentation Framework. However, all revenues are directed to the State Fire Commission.
2. Other gaming revenue is estimated at $30 000 in each year from 2024-25 to 2028-29. Due to rounding, this item is reported as nil in this table.

Tax Expenditure Statement

This Statement provides an estimate of the concessions, benefits and incentives that the Government provides through the tax system. Tax expenditures have been estimated for the main revenue lines of payroll tax, land tax and conveyance duty.

Methodology

Tax exemptions, rebates and concessions are measured based on the value of the revenue that would have been received if a higher amount of tax had been applied. All other expenditure measures included in Table 6.6 are measured as deviations from current tax settings.

Table 6.6: Estimated Major Tax Expenditures

	2024-25 Budget $m	2025-26 Budget $m
Payroll tax[1]		
Tax-free threshold[2]	238.5	265.8
Educational institutions exemption	28.1	31.5
Health care service provider exemptions	8.0	7.8
Employer payroll rebate for additional positions created[3]	7.6	5.6
	282.2	**310.7**
Land tax[4]		
Principal place of residence exemption	232.8	235.0
Primary production land exemption	175.2	177.5
Tax-free threshold[5]	36.3	36.2
Religious bodies, charitable institutions, or educational institutions exemption[6]	9.6	8.8
Other[7]	5.3	14.2
	459.2	**471.7**
Conveyance duty[8]		
Corporate reconstructions	3.1	5.5
First home buyer duty exemption[9]	39.6	60.8
Duty concession for pensioners downsizing[10]	2.4	0.6
Pre-completion duty concession for new apartments and units[11]	2.1	0.1
Family farm transfers	5.2	6.6
Transfer of public road or park/garden to council	8.1	9.2
Relationship breakdown or spouse and significant relationship transfers	14.1	13.8
Other[12]	15.0	15.3
	90.0	**111.9**
TOTAL	**831.4**	**894.3**

Notes:

1. The payroll tax base consists of all wages paid in Tasmania in 2023-24 based on annual adjustment returns lodged by taxpayers and WorkCover data for employers who are not required to register for payroll tax. Actual payroll tax data for 2023-24 has been used as the basis for the 2025-26 estimate as it represents the most complete data source at the time of preparing the 2025-26 Budget.
2. The Payroll tax Tax-free threshold expense has increased in the 2025-26 Budget due to growth in the labour market in Tasmania.
3. The Employer payroll rebate for additional positions created expired on 30 June 2025, as noted in the 2024-25 Budget. Employees employed before 30 June 2025 remain eligible for the rebate in 2025-26 under the provisions of the scheme.
4. The land tax base is all freehold land in Tasmania as at 25 March 2025. Land classified as principal place of residence and primary production land is charged a nil rate of land tax.
5. The marginal decrease in the Land tax Tax-free threshold expense in the 2025-26 Budget reflects a reduction in the number and total value of properties classified as General Land compared to 2024-25.
6. Property used for religious, charitable or educational purposes is exempt from land tax.
7. Land tax Other comprises land owned by the Australian Government, aged care providers and the land tax exemptions for both short-stay accommodation properties and newly built housing that are made available for long-term rental. The increase in Land tax Other in the 2025-26 Budget reflects an improved methodology with respect to exempt properties.
8. The Conveyance duty tax expenditure primarily relates to concessional or exempt properties transferred in 2024-25. Estimates are based on the expected growth in conveyance duty revenue. Not all exempt transactions are recorded and not all valuation data is available, therefore the estimates are likely to be understated.
9. The increase in the First home buyer duty exemption expenditure in the 2025-26 Budget reflects an overall increase in the number of eligible transactions and prices.
10. The pensioner downsizing duty concession expired on 30 June 2025, as noted in the 2024-25 Budget. The duty concession for pensioners is still available to those who sold their former home prior to the duty concession's expiry and complete the purchase of a new home within six months of the transfer of their former home.
11. The decrease in the Pre-completion duty concession for new apartments and units expense is due to lower take-up than expected.
12. Conveyance duty Other comprises transfers to a special trustee under section 37 of the *Duties Act 2001* and instances where there is no change in beneficial ownership.

OTHER REVENUE SOURCES

Sales of Goods and Services

Revenue from the Sales of Goods and Services is estimated to be $459.7 million in 2025-26. Table 6.7 details the major components of revenue from the Sales of Goods and Services.

Table 6.7: Sales of Goods and Services

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Departmental Fees and Recoveries						
Education, Children and Young People	48.0	43.4	48.8	49.5	48.8	48.8
Finance-General	2.4	0.1	1.1	1.1	0.4	….
Health[1]	262.0	274.4	268.3	274.7	280.1	280.1
Justice	5.7	4.5	5.8	5.8	5.8	5.8
Marine and Safety Tasmania	5.0	5.7	3.9	6.7	5.7	4.2
Natural Resources and Environment Tasmania[2]	61.9	74.1	64.0	65.2	67.0	68.4
Office of the Governor	0.2	0.2	0.2	0.2	0.2	0.2
Police, Fire and Emergency Management	4.1	2.6	4.1	4.2	4.2	4.3
Premier and Cabinet	4.2	3.4	4.3	3.8	2.6	2.6
State Fire Commission	6.8	7.8	7.4	7.7	7.9	8.1
State Growth[3]	19.8	18.6	14.1	14.1	14.1	11.8
Tasmanian Audit Office	6.8	6.6	7.7	8.1	8.4	8.7
TasTAFE	26.7	26.6	27.8	30.8	35.4	36.6
	453.7	**468.0**	**457.5**	**471.7**	**480.5**	**479.8**
Other Sales of Goods and Services	**2.1**	**1.7**	**2.2**	**2.4**	**2.5**	**2.7**
TOTAL SALES OF GOODS AND SERVICES	**455.8**	**469.7**	**459.7**	**474.1**	**483.1**	**482.5**

Notes:
1. The increase in Health primarily reflects an increase in own-source revenue within the Tasmanian Health Service and Public Health Services for fees.
2. The increase in Natural Resources and Environment Tasmania primarily reflects increased visitation within the State's National Parks and Reserves.
3. The decrease in State Growth primarily reflects reduced patronage on the West Coast Wilderness Railway due to track closures.

Fines and Regulatory Fees

Revenue from Fines and Regulatory Fees is estimated to be $158.2 million in 2025-26.

Table 6.8: Fines and Regulatory Fees

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Fines[1]	**28.7**	**31.8**	**27.2**	**26.3**	**26.5**	**26.7**
Fees						
Abalone Licences	3.2	2.3	3.3	3.4	3.5	3.6
Water Licence Fees	2.0	2.0	2.1	2.1	2.2	2.2
Environment Fees	4.9	6.1	5.0	5.1	5.2	5.3
Drivers Licences	8.1	7.7	8.3	8.5	8.7	8.9
Photo Licence Fees	2.0	1.9	2.0	2.1	2.1	2.2
Vehicle Inspection Services Fees	0.1	0.8	0.1	0.1	0.1	0.1
Quarantine Fees[2]	4.2	1.6	1.6	1.6	1.6	1.7
Consumer Affairs Office Regulatory Fees	0.7	0.7	0.7	0.7	0.7	0.7
Magisterial Courts Regulatory Fees	0.7	1.2	0.7	0.7	0.7	0.7
Registrar-General Regulatory Fees	2.0	2.6	2.0	2.0	2.0	2.0
Supreme Court Regulatory Fees	3.3	4.7	3.3	3.3	3.3	3.3
Other Regulatory Fees[3]	96.5	105.1	102.1	99.1	92.2	92.3
	127.6	**136.7**	**131.1**	**128.6**	**122.3**	**123.0**
TOTAL FINES AND REGULATORY FEES	**156.4**	**168.5**	**158.2**	**154.9**	**148.8**	**149.7**

Notes:
1. Includes fines collected by the Department of Justice, Inland Fisheries Service and Department of Police, Fire and Emergency Management. The decrease from 2025-26 primarily reflects the reclassification of Inland Fisheries Service revenue to Other Regulatory Fees.
2. The decrease in Quarantine Fees from 2025-26 reflects the repeal of the *Plant Quarantine Act 1997* and the enactment of the *Biosecurity Act 2019*, and the reclassification of revenue to Other Regulatory Fees.
3. The increase in Other Regulatory Fees in 2024-25 and 2025-26 primarily reflects the levies associated with the Waste and Resource Recovery Plan and the Salmon Industry Cost Recovery Plan. The decrease in Other Regulatory Fees in 2026-27 and 2027-28 reflects the revenue estimates of the Road Safety Levy. Future revenue estimates will be revised in line with the next Tasmanian Road Safety Strategy.

Interest Income

Interest income is estimated to be $93.1 million in 2025-26. The increase in Interest income over the 2025-26 Budget and Forward Estimates, compared to the 2024-25 Budget, primarily reflects higher forecast average balances of Cash.

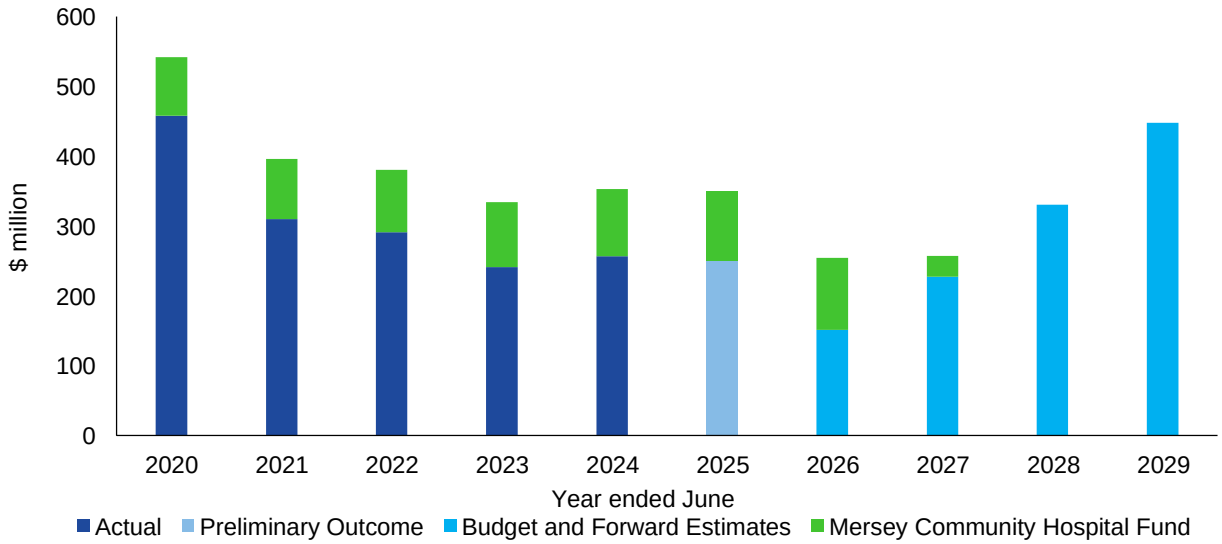
Dividend, Tax and Rate Equivalent Income

Dividend, tax and rate equivalent income is estimated to be $254.1 million in 2025-26, a decrease of $94.9 million from the 2024-25 Preliminary Outcome of $349.1 million. This decrease primarily reflects a lower forecast dividend from Hydro Tasmania due to dry weather conditions throughout 2024-25, alongside strategic decisions on storage levels aimed at managing market and hydrological risks, resulting in lower than forecast hydropower generation.

Dividend, tax and rate equivalent income is expected to increase in each year of the Forward Estimates to $447.8 million by 2028-29. The increase is primarily driven by higher forecast returns from Hydro Tasmania and TasNetworks. For TasNetworks, the increase is primarily driven by forecast improvements in its profitability, reflecting the recovery from one-off costs incurred and a more disciplined approach to operating expenditure growth.
Hydro Tasmania's increase reflects an assumption of average rainfall and associated hydropower generation, following a period of dry conditions. The projected step-up in 2028-29 is influenced by anticipated improvements in trading conditions in the National Electricity Market, as coal-fired generation exits the system. Partially offsetting these increases, the Mersey Community Hospital Fund is expected to pay a final year dividend of $29.6 million in 2026-27.

Chart 6.5 shows the total dividend, tax and rate equivalent income over time.

Chart 6.5: Dividend, Tax and Rate Equivalent Income, 2019-20 to 2028-29[1]



Note:
1. Data is presented on an accrual basis and reflects Actuals for 2019-20 to 2023-24 and the Preliminary Outcome for 2024-25.

Table 6.9 details the dividend, tax and rate equivalent income in 2025-26 and over the Forward Estimates.

Table 6.9: Dividend, Tax and Rate Equivalent Income[1]

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Dividends						
Aurora Energy Pty Ltd	1.4	0.9	3.3	5.7	7.5	7.5
Hydro Tasmania[2]	114.7	122.0	4.7	45.9	57.9	115.4
Motor Accidents Insurance Board[3]	39.5	37.6	47.3	26.3	33.5	25.4
Sustainable Timber Tasmania	....	0.3	....	....	....	....
Tasmanian Networks Pty Ltd[4]	....	....	....	15.7	64.5	68.4
Tasmanian Ports Corporation Pty Ltd	14.9	10.1	10.5	5.4	8.9	5.9
Tasmanian Public Finance Corporation[5]	14.6	18.9	23.1	10.9	11.5	13.6
	185.0	**189.7**	**88.9**	**109.9**	**183.8**	**236.2**
Mersey Community Hospital Dividend						
Dividend for Mersey Community Hospital[6]	99.4	99.4	102.9	29.6	....	....
	99.4	**99.4**	**102.9**	**29.6**	**....**	**....**
Taxation Equivalents						
Aurora Energy Pty Ltd	1.3	(1.8)	2.7	3.6	3.6	3.7
Hydro Tasmania[2]	39.2	7.5	21.9	27.6	55.0	127.2
Motor Accidents Insurance Board	4.1	5.0	10.2	8.8	9.8	9.2
Tasmanian Networks Pty Ltd[4]	40.8	32.3	13.9	61.6	62.8	57.4
Tasmanian Ports Corporation Pty Ltd	7.5	5.0	2.6	4.2	2.8	0.9
Tasmanian Public Finance Corporation	3.8	4.2	4.7	4.9	5.8	6.4
Tasracing Pty Ltd	....	1.6	....	....	....	....
	96.7	**53.9**	**55.9**	**110.8**	**139.8**	**204.7**
Rates Equivalents						
Hydro Tasmania	5.9	6.1	6.4	6.6	6.7	6.9
	5.9	**6.1**	**6.4**	**6.6**	**6.7**	**6.9**
TOTAL DIVIDEND TAX AND RATE EQUIVALENT INCOME	**387.0**	**349.1**	**254.1**	**256.8**	**330.4**	**447.8**

Notes:
1. Dividend, tax and rate equivalent income is reported on an accrual basis.
2. The decrease in Hydro Tasmania's taxation equivalent return in 2024-25 reflects expected lower profitability, in part due to lower hydropower generation linked to both dry conditions and strategic management of its storage levels, leading to a significantly lower forecast dividend in 2025-26.
3. The increase in the dividends from the Motor Accidents Insurance Board in 2025-26, compared with 2024-25 and the relatively lower dividends in the Forward Estimates, reflects the impact of the established dividend smoothing methodology.
4. TasNetworks is not expected to pay a dividend in 2025-26 mainly due to the impact of storm events and higher operating costs. The increase in TasNetworks' dividend and taxation equivalent returns over the Forward Estimates reflects the expected improvement in profitability relating to the recovery from one-off costs incurred and a more disciplined approach to operating expenditure growth.
5. The increase in dividends from the Tasmanian Public Finance Corporation in 2024-25 and 2025-26 reflects higher net interest margins and favourable market value movements.
6. The decrease in the Mersey Community Hospital dividend in 2026-27 reflects the final annual dividend expected to be paid from the Fund.

Other Revenue

Other Revenue is estimated to be $240.2 million in 2025-26. Table 6.10 lists the sources of Other Revenue.

Table 6.10: Other Revenue[1]

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Mineral Royalties[2]	50.4	70.5	65.3	51.8	52.3	49.8
Regional Water Authority Licence Fees	2.8	2.5	2.8	2.8	2.8	2.8
Other Revenue by Agency						
Education, Children and Young People	23.5	28.7	23.6	24.1	23.6	23.6
Finance-General[3]	3.9	3.0	3.9	3.8	18.8	3.8
Health[4]	65.4	67.1	67.2	69.5	71.9	72.2
Justice	32.3	32.2	32.8	37.4	33.0	33.0
Natural Resources and Environment Tasmania[5]	5.0	11.2	9.4	9.2	9.2	9.3
Police, Fire and Emergency Management[6]	10.9	23.6	15.9	16.1	16.2	16.3
Premier and Cabinet	0.1	(1.2)	0.4	0.4	0.4	0.4
State Fire Commission	2.5	4.8	4.0	4.0	4.0	4.0
State Growth[7]	18.6	3.1	8.6	18.6	8.6	8.6
Treasury and Finance	0.8	0.4	1.0	1.1	1.1	1.2
Other	3.5	3.8	5.1	5.4	3.8	3.8
TOTAL OTHER REVENUE	**219.7**	**249.7**	**240.2**	**244.1**	**245.8**	**228.7**

Notes:
1. The information provided in this section may differ from Other revenue for each agency in *Service Delivery,* Budget Paper No. 2 due to the elimination of inter-agency transactions during the consolidation process.
2. The decrease in Mineral Royalties from 2026-27 reflects updated estimates based on information from mining companies about expected royalty payments and analysis of commodity prices.
3. The increase in Finance-General in 2027-28 reflects the AFL contribution of $15 million towards the Macquarie Point Urban Renewal project.
4. The increase in Health primarily reflects updated Salary recoveries together with workers' compensation recoveries based on recent actual results.
5. The increase in Natural Resources and Environment Tasmania from 2024-25 primarily reflects council certificate revenue collected on their behalf.
6. The increase in Police, Fire and Emergency Management from 2024-25 primarily reflects contributions from user organisations for access to the Tasmanian Government Radio Network.
7. The increase in State Growth in 2026-27 reflects the AFL contribution of $10 million towards the capital costs of the Tasmanian AFL Package - High Performance Centre, which was originally budgeted to occur during 2024-25.

7 INFRASTRUCTURE INVESTMENT

Executive Summary

- The 2025-26 Budget and Forward Estimates provides $5.1 billion in total infrastructure funding at an average of nearly $1.3 billion per year. This investment will be delivered across the General Government Sector as well as by government businesses and other entities supported by government equity contributions.
- The Infrastructure Investment program included in the 2025-26 Budget reflects updated project delivery timeframes, recognising emerging industry capacity and supply chain constraints.

General Government Sector Infrastructure Investment

- GGS Infrastructure Investment is $3.4 billion over the 2025-26 Budget and Forward Estimates and includes funding for:
  - roads and bridges ($1.6 billion);
  - hospitals and health ($696.4 million);
  - law and order ($352.7 million);
  - schools, education and skills ($305.3 million);
  - ICT to support service delivery ($225.2 million);
  - tourism, recreation and culture ($220.4 million); and
  - other infrastructure ($18 million).
- This investment includes $275.7 million of new and additional state funding, including:
  - additional funding of $105.3 million over the 2025-26 Budget and Forward Estimates for the development of new Youth Justice Facilities to replace the Ashley Youth Detention Centre, bringing the total commitment to $155.3 million; and
  - $75.9 million of new funding for the construction of the Northern Access Road, as agreed under the Hobart City Deal in 2018.

Infrastructure Investment Outside the General Government Sector

- The 2025-26 Budget and Forward Estimates includes $1.7 billion in equity funding to support infrastructure investment by government businesses and other entities.

OVERVIEW

The Government continues to invest in infrastructure that strengthens our economy, supports essential services and enhances the wellbeing of Tasmanians. This Budget reflects the Government's commitment to delivering high-value, well-targeted infrastructure.

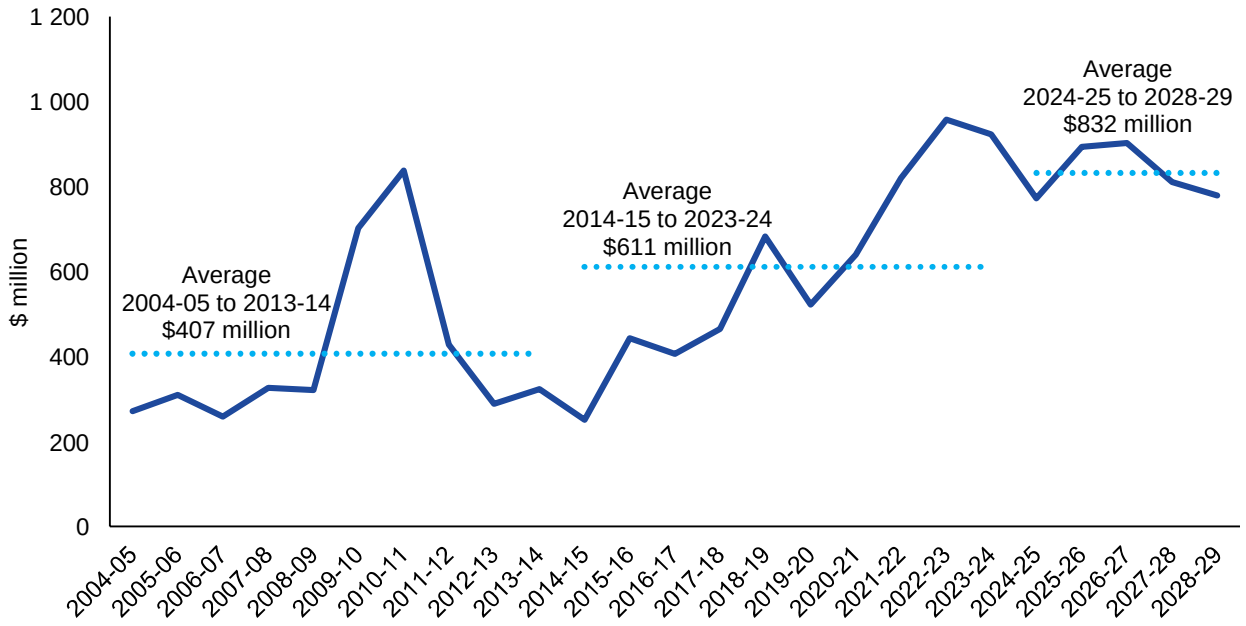
Since 2014, the Government's infrastructure programs have modernised Tasmania's roads, schools, hospitals and community facilities. These investments have supported jobs, improved service delivery and helped build resilience, particularly during the COVID-19 pandemic, when infrastructure played a vital role in economic recovery (see Chart 7.1).

Today, Tasmania faces a different set of challenges: a restricted fiscal environment and conditions; workforce constraints; and infrastructure-specific global inflationary pressures. In response, the Government is taking a commonsense approach, prioritising projects that deliver value, managing industry capacity and ensuring taxpayer dollars are used wisely.

This has resulted in a reassessment of current expenditure levels including whether they are sustainable and appropriately targeted. In this context, the Government is implementing a measured and progressive approach to manage the total infrastructure investment funding allocation, through a focus on prioritising available resources while balancing industry capacity and maintaining fiscal discipline.

Nationally, the public infrastructure sector is facing a complex mix of challenges that are testing the ability to deliver projects on time and within budget. Infrastructure Australia reports that delivery is increasingly constrained by skills shortages, rising material costs and stagnating productivity.

Chart 7.1: General Government Sector Infrastructure Investment 2004-05 to 2028-29



For Tasmania, these national challenges are amplified by geography and local workforce dynamics. Infrastructure Australia's 2024 *Market Capacity Report* projected Tasmania's infrastructure workforce shortfall will peak at 13 500 workers in July 2025, with demand continuing to outweigh supply through to December 2028 (the end of the available projections). The *Civil Contractors Federation Tasmania Workforce Plan 2025-30 Industry Profile* further notes that Tasmania's civil construction workforce is significantly less diverse than the general Tasmanian workforce and has increasing numbers of workers approaching retirement age.

This demographic shift, combined with external cost pressures, presents a strong case for reprofiling the infrastructure pipeline. In this environment, the Government is focused on steady, predictable investment, working in parallel with training providers and industry partners to support workforce and skills development.

The *Tasmanian 10 Year Infrastructure Pipeline*, published by Infrastructure Tasmania and available on its website (www.infrastructure.tas.gov.au), provides details of upcoming, planned and active major projects to be delivered by agencies, government businesses, statutory authorities, local government and the private sector. The online database captures the breadth of Tasmania's infrastructure investment program and supports transparency and future infrastructure planning.

The 2025-26 Budget and Forward Estimates provides $5.1 billion for the Government's infrastructure pipeline, supporting the Tasmanian community's future needs and maintenance of existing assets (see Table 7.1).

Table 7.1: Total Infrastructure Investment Funding

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
General Government Sector	1 103.5	772.5	893.7	902.3	810.4	779.6
Government businesses	229.7	110.2	480.7	219.9	152.3	89.1
Other entities (Outside GGS)	76.0	26.0	125.8	111.7	194.7	324.9
TOTAL	**1 409.1**	**908.7**	**1 500.2**	**1 233.8**	**1 157.4**	**1 193.5**

GENERAL GOVERNMENT SECTOR INFRASTRUCTURE INVESTMENT

Total Infrastructure Investment funding in the General Government Sector over the 2025--26 Budget and Forward Estimates is $3.4 billion, averaging more than $800 million per year (see Chart 7.2). Table 7.2 details infrastructure investment within the GGS by entity. Details of entity investment can be found in the Details of General Government Sector Infrastructure Investment Projects section of this chapter.

The 2025-26 Budget reclassifies $78.7 million of expenditure from the Infrastructure Investment program, compared to the 2024-25 Budget, to grant expenditure and equity transfers. This reclassification reflects that several projects will now be delivered by third parties. These include the Kingborough Sporting Precinct (including Australian Football League (AFL) High Performance Centre); Dial Regional Sports Complex; and the Huonville Child and Family Learning Centre.

The creation of Homes Tasmania on 1 December 2022 transitioned the Government's infrastructure investment for housing from the General Government Sector to the Public Non-Financial Corporations Sector. Prior to 1 December 2022, housing infrastructure investment was undertaken by the former Department of Communities Tasmania (a GGS entity). The scope of GGS Infrastructure Investment in Chart 7.2 is therefore not consistent across the presented time series.

The values presented in this section are not equivalent to Purchases of Non-Financial Assets presented in chapter 5 of this Budget Paper. The Reconciliation Between Infrastructure Investment and Purchases of Non-Financial Assets section of this chapter provides further detail.

Chart 7.2: General Government Sector Infrastructure Investment, 2019-20 to 2028-29

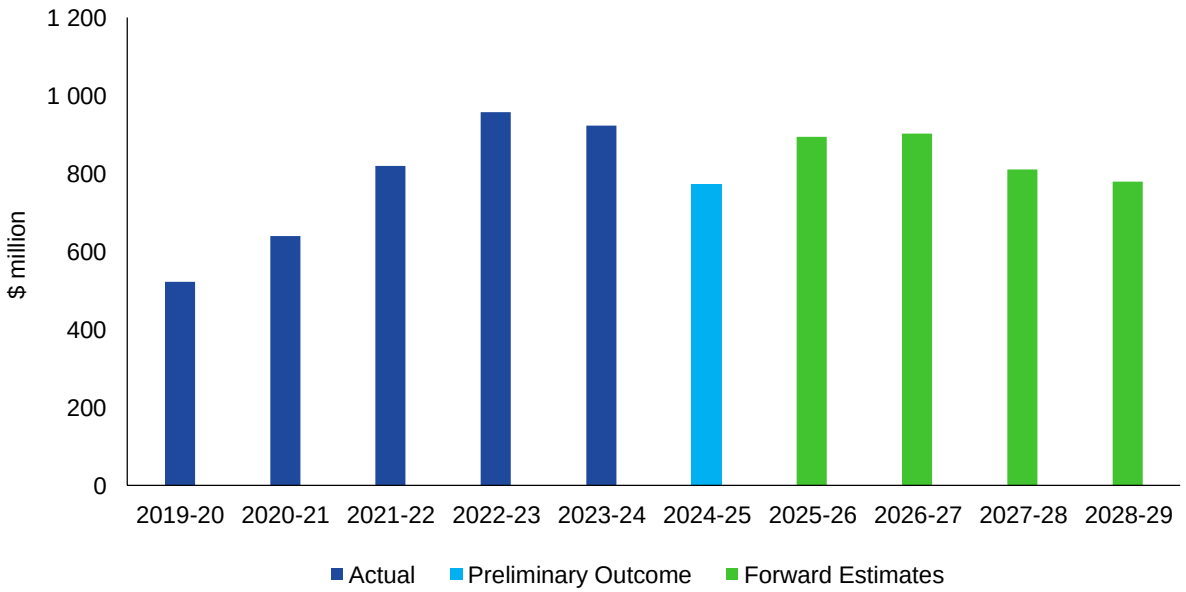


Table 7.2: General Government Sector Infrastructure Investment by Entity

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Agencies						
Education, Children and Young People	108.5	70.7	75.3	161.6	114.0	104.4
Finance-General	27.8	8.5	42.6	25.0	5.0	5.0
Health	195.8	139.9	206.5	146.8	198.5	219.5
Justice	44.1	17.6	50.0	77.5	32.0	2.5
Natural Resources and Environment Tasmania	43.2	14.0	38.4	40.0	35.1	16.0
Office of the Governor	2.3	....	3.9	3.2	0.4	....
Police, Fire and Emergency Management	42.7	14.7	44.8	8.6	3.8	8.3
Premier and Cabinet	0.3	0.3	16.3	25.1	0.3	0.3
State Growth	618.3	501.7	402.0	414.6	421.5	423.6
Statutory Authorities						
Inland Fisheries Service	0.3	....	....	....	....	....
Marine and Safety Tasmania	0.9	....	....	....	....	....
Royal Tasmanian Botanical Gardens	3.0	....	0.3	....	....	....
State Fire Commission	5.0	5.0	2.5	....	....	....
TasTAFE	11.3	....	11.1	....	....	....
TOTAL INFRASTRUCTURE INVESTMENT	**1 103.5**	**772.5**	**893.7**	**902.3**	**810.4**	**779.6**

INFRASTRUCTURE INVESTMENT OUTSIDE THE GENERAL GOVERNMENT SECTOR

Over the 2025-26 Budget and Forward Estimates, the total equity funding allocated to infrastructure investment is $1.7 billion (Table 7.3). The Government provides support for infrastructure investment delivered outside the General Government Sector through:

- equity contributions, provided through Finance-General, for capital works delivered by Government Business Enterprises, State-owned Companies and other associated entities; and
- grant funding, provided through administrative payments from the General Government Sector, to provide funds for the associated infrastructure borrowing costs of these entities.

Australian Government funding for infrastructure outside the General Government Sector is also received, and provided, as equity through Finance-General.

Details on equity contributions are provided in the remainder of this section. Equity contributions not related to Infrastructure Investment are outlined in chapter 14 of *Service Delivery*, Budget Paper No. 2. Information on administered grant payments that support borrowing costs for entities outside the General Government Sector is included in the Administered Expenses section of chapter 12 in *Service Delivery*, Budget Paper No. 2.

Table 7.3: Equity Contributions for Infrastructure Investment Outside the General Government

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Government Businesses						
Hydro Tasmania	30.4	....	42.2	....	....	....
Metro Tasmania	0.9	6.0	1.2	2.4	2.4	2.4
Tasmanian Irrigation	155.7	66.8	123.9	117.4	65.7	65.5
Tasmanian Networks	....	....	191.0	....	....	....
Tasmanian Ports Corporation	....	....	47.1	47.0	47.0	21.0
Tasmanian Railway	34.0	35.4	68.3	52.8	37.0	....
Tasracing	8.8	2.1	7.0	0.3	0.3	0.3
	229.7	**110.2**	**480.7**	**219.9**	**152.3**	**89.1**
Other entities						
Macquarie Point Development Corporation	50.0	26.0	37.2	53.3	193.7	324.9
Stadiums Tasmania	26.0	....	88.6	58.4	1.0	....
	76.0	**26.0**	**125.8**	**111.7**	**194.7**	**324.9**
TOTAL EQUITY CONTRIBUTIONS	**305.7**	**136.3**	**606.4**	**331.5**	**347.0**	**414.0**

Government Businesses

Hydro Tasmania

The equity contributions for Hydro Tasmania in the 2025-26 Budget reflect a re-profiling of $30.4 million of Australian Government funding originally included in the 2024-25 Budget, along with funding for the final milestone under the agreement to support the redevelopment of the Tarraleah Power Station.

Metro Tasmania

The 2025-26 Budget and Forward Estimates includes equity contributions to Metro of: $6 million to support fleet replacement; $1.6 million for CCTV technology for existing Metro buses; and $800 000 to undertake capital works at its depots.

Tasmanian Irrigation

Equity contributions to Tasmanian Irrigation across the 2025-26 Budget and Forward Estimates include: $130.1 million in Tasmanian Government funding for Tranche 3 irrigation projects, with $50.4 million of this to support the delivery of the Greater South East Irrigation Scheme; and $242.3 million from the Australian Government's National Water Grid Fund for irrigation infrastructure projects.

Tasmanian Networks

Funding of $191 million, included in the 2025-26 Budget, represents the Government's anticipated equity contribution for TasNetworks' North West Transmission Developments Stage 1. Payment of this equity contribution is subject to the project reaching Financial Close, including finalisation of the associated financing agreements with the Clean Energy Finance Corporation, and may occur in tranches aligned with project delivery milestones.

Tasmanian Ports Corporation

The 2025-26 Budget and Forward Estimates includes $162.1 million from the Australian Government for the development of Macquarie Wharf 6 at the Port of Hobart. In 2028-29, a further $26 million in Australian Government funding will be provided to Tasmanian Ports Corporation, as a grant payment through Finance-General, to support future maintenance requirements at Macquarie Wharf 6.

Tasmanian Railway

The infrastructure of TasRail is supported by equity contributions included in the 2025-26 Budget and Forward Estimates of:

- $100.3 million for Tranches 3 and 4 of the Tasmanian Freight Rail Revitalisation Program, comprised of:
  - $17.3 million from the Australian Government for Tranche 3;
  - $72 million from the Australian Government for Tranche 4; and
  - $11 million in Tasmanian Government contributions for Tranche 4;
- $30 million to reconnect the Bell Bay Line to the Port of Bell Bay, comprised of $24 million from the Australian Government and $6 million in Tasmanian Government contributions;
- $17.2 million for the Melba Line Bulk Minerals Rail Hub, comprised of $14.4 million from the Australian Government and $2.8 million in Tasmanian Government contributions;
- $4.2 million for the overhaul of legacy locomotives;
- $3.4 million for road rail vehicles; and
- $3 million for below rail infrastructure.

Tasracing

The 2025-26 Budget and Forward Estimates provides Tasracing with $6.7 million of equity contributions for racing infrastructure in the North West of the State and $1 million for other capital projects.

Other Entities Outside the General Government Sector

Homes Tasmania

Homes Tasmania delivers housing related infrastructure investment. Grant funding to support Homes Tasmania's infrastructure spending is provided through the Department of State Growth. Information on capital priorities for Homes Tasmania can be found in chapter 28 of *Service Delivery,* Budget Paper No. 2.

There are no specific equity contributions to Homes Tasmania included in the 2025-26 Budget and Forward Estimates.

Macquarie Point Development Corporation

The Macquarie Point Development Corporation (MPDC) has responsibility for the redevelopment of the Macquarie Point precinct, including the Macquarie Point Multipurpose Stadium as a component of the Macquarie Point Urban Renewal project.

Equity funding of $609 million is provided in the 2025-26 Budget and Forward Estimates to MPDC for the Macquarie Point Urban Renewal project. This is comprised of:

- $354 million of the State's total commitment of $375 million for the Macquarie Point Multipurpose Stadium, noting that MPDC's 2024-25 Preliminary Outcome for this project is $21 million;
- $240 million from the Australian Government; and
- $15 million from the Australian Football League.

The 2025-26 Budget assumes an estimated cost of $1.13 billion for the Macquarie Point Multipurpose Stadium. This estimate includes $4.5 million of funding to support infrastructure works associated with the redevelopment of Federation Concert Hall, which will be provided as a grant to the Tasmanian Symphony Orchestra through the Department of State Growth. The remaining cost will be partially funded through equity contributions from Finance-General, with MPDC borrowing the remaining amount. The 2025-26 Budget and Forward Estimates also provides a grant to MPDC, administered by the Department of State Growth, to meet borrowing costs.

Pending the progression of the proposal for a multipurpose stadium at Macquarie Point, the 2026-27 Budget Papers will include further, detailed, information for MPDC in *Service Delivery,* Budget Paper No. 2.

Stadiums Tasmania

Government support for Stadiums Tasmania reflects the expected timing of stadium acquisitions. The 2025-26 Budget and Forward Estimates includes equity funding for Stadiums Tasmania of:

- $130 million for redevelopment of the UTAS Stadium in Launceston comprised of $65 million from each of the Australian and State governments;
- $12 million for the redevelopment of the Silverdome; and
- $6 million for other capital works.

Information on capital priorities for Stadiums Tasmania can be found in chapter 29 of *Service Delivery,* Budget Paper No. 2.

DETAILS OF GENERAL GOVERNMENT SECTOR INFRASTRUCTURE INVESTMENT PROJECTS

This section provides project level details for Infrastructure Investment within the General Government Sector across the 2025-26 Budget and Forward Estimates. These projects may be funded by the State Government, the Australian Government or a combination thereof.

Table 7.4 provides infrastructure investment project details for the General Government Sector by entity, including projects which are continuing from previous Budget years. Existing projects from previous Budgets which are due to, or have been re-profiled to, commence outside the 2025-26 Budget and Forward Estimates are not itemised in Table 7.4.

The Roads Program provides funding for Tasmania's State Road Network, one of the State's most significant infrastructure assets, and accounts for approximately half of all infrastructure spending across the 2025-26 Budget and Forward Estimates. The Program includes new works aimed at enhancing the safety, reliability and efficiency of travel and transport as well as upgrading and maintaining existing road infrastructure. Given the size and complexity of the Roads Program, it is further detailed in Table 7.5.

Table 7.6 lists future infrastructure projects that are contingent on Australian Government funding. The Tasmanian Government is fully committed to these projects and will be strongly advocating for appropriate contributions. The final scope and timeline for these projects will be subject to the allocation of Australian Government funding.

In these tables, where listed:

- the Estimated Total Cost represents the projected total cost of the project or program over its entire duration, as determined at the finalisation of the 2025-26 Budget; and
- the completion date is based on the final period in which funding for the project is provided. In some instances, practical completion may occur in an earlier year.

Table 7.4: General Government Sector Infrastructure Investment Project Details

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Education, Children and Young People								
Burnie Primary School	Existing	2026	2031	14.0	....	0.4	0.6	2.0
Cambridge Primary School - Major School Redevelopment[1]	Existing	2021	2028	18.0	1.0	7.0	1.9	....
Campbell Town District High School	Existing	2028	2032	7.9	....	....	....	0.3
Clarence High School	Existing	2024	2029	29.0	1.0	6.0	10.0	11.9
Contemporary Classrooms	Existing	2021	2026	10.0	0.3	....	....	....
Deloraine High School	Existing	2026	2030	16.5	....	0.4	2.0	11.0
Dodges Ferry Primary School	Existing	2024	2030	25.0	0.2	1.0	8.0	12.0
East Derwent Primary School	Existing	2024	2030	12.0	0.1	0.6	3.0	5.0
Electrical Switchboard Maintenance[2]	Existing	2023	2029	18.0	2.4	2.5	2.5	2.5
Enhanced Case Management for Children and Young People in Detention and Out of Home Care	Existing	2024	2028	8.3	1.4	2.8	2.8	....
Exeter High School - Major School Redevelopment	Existing	2021	2026	11.0	2.5	....	....	....
Glen Dhu Works	Existing	2021	2027	3.5	1.4	1.1	....	....
Havenview Primary School	Existing	2027	2031	11.6	....	....	0.3	1.5
Hobart City High School (Ogilvie and New Town Campuses)	Existing	2021	2027	21.6	8.6	6.7	....	....
Lauderdale Primary School - Major School Redevelopment	Existing	2021	2026	6.5	0.2	....	....	....
Lindisfarne North Primary School	Existing	2028	2032	8.1	....	....	....	0.3
Montello Primary School - Major School Redevelopment	Existing	2021	2027	9.6	5.4	0.7	....	....
Mowbray Heights Primary School	Existing	2028	2032	7.1	....	....	....	0.3
New Brighton High School[3]	Existing	2020	2026	70.0	8.5	....	....	....
New Child and Family Learning Centres[3]	Existing	2024	2029	24.0	0.8	10.0	6.0	7.0
Out of School Hours Care Capital Upgrades	Existing	2026	2030	10.0	....	2.0	3.0	3.0

Table 7.4: General Government Sector Infrastructure Investment Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Education, Children and Young People (continued)								
Outdoor Learning Areas	Existing	2023	2026	10.0	0.4	....	....	....
Playground and Sports Courts Upgrades	Existing	2024	2029	10.0	1.5	3.0	3.0	2.4
Port Dalrymple Primary School	Existing	2028	2032	9.7	....	....	....	0.3
Princes Street Primary School	Existing	2028	2032	8.3	....	....	....	0.3
Renewable Energy Schools Program	Existing	2021	2027	5.0	1.9	0.8	....	....
Revitalising Cosgrove High School	Existing	2020	2026	20.0	4.7	....	....	....
Ringarooma Primary School	Existing	2028	2031	3.6	....	....	....	0.3
Risdon Vale Primary School	Existing	2028	2032	6.0	....	....	....	0.3
Rosetta Primary School	Existing	2028	2032	14.2	....	....	....	0.3
School Lunch Program - Kitchen and Canteen Upgrades	Existing	2024	2026	0.6	0.6	....	....	....
Six New Child and Family Learning Centres	Existing	2020	2026	30.0	1.2	....	....	....
South George Town Primary School	Existing	2024	2030	15.1	0.1	0.6	4.0	6.0
Support School Package - North West Support School	Existing	2021	2029	65.0	2.3	12.0	23.7	23.7
Supporting Safer Schools[4]	Existing	2021	2028	10.3	0.3	2.5	2.0	....
Teachers Registration Board - Customer Relationship Management (CRM) System	Existing	2024	2026	2.0	1.5	....	....	....
Upgrade Teacher Housing	Existing	2024	2030	15.0	1.1	3.0	3.8	3.0
VET Facilities Fund	Existing	2024	2030	30.0	1.3	1.0	7.2	11.0
Youth Justice Facilities[2]	Existing	2023	2028	155.3	24.8	97.6	30.2	....
					75.3	**161.6**	**114.0**	**104.4**

Table 7.4: General Government Sector Infrastructure Investment Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Finance-General								
Digital Transformation Priority Expenditure Program	Existing		Ongoing	na	37.5	25.0	5.0	5.0
Expansion of the House of Assembly to 35 Members - Office Accommodation Capital Upgrades[2]	Existing	2023	2026	5.5	5.0	....	....	....
					42.6	**25.0**	**5.0**	**5.0**
Health								
27 New Mental Health Beds in Southern Tasmania	Existing	2018	2028	48.8	8.4	16.4	6.0	....
Aeromedical Support	Existing	2023	2026	0.6	0.4	....	....	....
CHHP Acute Care facility NWRH[5]	Existing	2021	2026	10.0	1.6	....	....	....
CHHP Kings Meadows Community Centre[5]	Existing	2021	2027	10.0	7.0	1.8	....	....
CHHP St Johns Park Eating Disorders Treatment Centre[5]	Existing	2020	2027	10.0	3.1	3.3	....	....
Devonport Mental Health Hub	Existing	2026	2028	7.6	....	3.8	3.8	....
Digital Health Transformation[3]	Existing	2022	2029	170.0	20.0	18.0	16.8	20.0
Health and Medical Research Centre for Launceston[5]	New	2025	2026	2.0	2.0	....	....	....
Intensive Residential Parenting Unit (IRPU)[5]	New	2025	2026	3.0	3.0	....	....	....
Kingston Health Centre - Stage 2	Existing	2023	2029	30.0	1.6	5.0	13.0	5.0
Launceston General Hospital - Northern Heart Centre[5]	Existing	2024	2030	120.0	8.0	20.0	30.0	30.0
Launceston General Hospital Redevelopment - Stage 1	Existing	2018	2027	87.3	9.7	7.0	....	....
Launceston General Hospital Redevelopment - Stage 2[3] (including Mental Health Precinct)	Existing	2021	2032	634.7	18.0	2.1	38.6	85.5
Launceston Hospice[5]	Existing	2024	2027	20.0	13.0	6.1	....	....
Medical Equipment Fund	Existing	2024	2031	40.0	6.0	6.0	6.0	6.0
Mersey Community Hospital - Expanded Redevelopment	Existing	2022	2026	20.0	9.0	....	....	....
Midlands Multipurpose Health Centre Upgrade - Stage 2[5]	Existing	2024	2026	3.9	3.3	....	....	....
North West Regional Hospital - Mental Health Precinct	Existing	2022	2029	40.0	1.7	12.0	18.0	8.0

Table 7.4: General Government Sector Infrastructure Investment Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Health (continued)								
North West Regional Hospital Upgrade	Existing	2022	2028	20.0	1.1	9.3	5.0	....
Royal Hobart Hospital - Cardiology Angiography	Existing	2024	2026	2.3	2.1	....	....	....
Royal Hobart Hospital - Diagnostic Breast Imaging	Existing	2024	2026	15.0	13.9	....	....	....
Royal Hobart Hospital - New Angiography Suite and Equipment Upgrade	Existing	2023	2026	7.0	0.8	....	....	....
Royal Hobart Hospital Pharmacy Redevelopment	Existing	2019	2026	21.9	7.1	....	....	....
Royal Hobart Hospital Redevelopment[5]	Existing	2011	2026	469.2	2.5	....	....	....
Royal Hobart Hospital Redevelopment - Expanded Stage 2	Existing	2023	2030	118.4	11.0	17.1	31.2	35.0
St Johns Park - Child and Adolescent Mental Health Inpatient Unit and Day Facility	Existing	2025	2030	42.0	0.6	1.4	16.0	16.0
St Johns Park Health Precinct - Older Persons Mental Health Facility	Existing	2024	2031	82.6	40.0	10.0	10.0	10.0
Statewide Hospital Critical Facility Upgrades	Existing	2018	2026	7.0	0.3	....	....	....
Statewide Rural Hospital and Ambulance Station Upgrade Fund	Existing	2018	2030	42.5	4.6	4.0	4.0	4.0
Surgical Robot	Existing	2025	2026	4.7	4.7	....	....	....
West Coast District Hospital Redevelopment - Stage 2[5]	Existing	2024	2027	5.7	2.0	3.5	....	....
					206.5	**146.8**	**198.5**	**219.5**
Justice								
Burnie Court Complex	Existing	2020	2028	86.5	15.4	41.8	19.5	....
Electronic Security and Mobile Duress Alarm System Replacement	Existing	2023	2027	15.6	9.9	3.9	....	....
Improvements to Audiovisual Equipment in Courts	Existing	2024	2026	1.3	0.5	....	....	....
New Southern Remand Centre[6]	Existing	2018	2026	89.5	10.1	....	....	....
Risdon Prison - Critical Infrastructure Maintenance[2]	Existing	2021	2030	19.1	3.0	4.5	2.5	2.5

Table 7.4: General Government Sector Infrastructure Investment Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Justice (continued)								
Risdon Prison Complex - Additional Max Security Accommodation	Existing	2024	2028	38.0	6.4	20.7	10.0	....
Risdon Prison Construction Program[6]	Existing	2024	2027	11.4	4.7	6.5	....	....
					50.0	**77.5**	**32.0**	**2.5**
Natural Resources and Environment Tasmania								
Arthur Pieman Conservation Area	Existing	2021	2028	10.0	1.2	4.0	2.0	....
Ben Lomond - A Year-Round Destination	Existing	2022	2027	2.8	0.8	0.8	....	....
Cockle Creek Camping and Access Upgrade	Existing	2021	2027	3.3	1.6	1.0	....	....
Crown Land Services - Structural Asset Upgrades	Existing		Ongoing	na	0.6	0.6	0.6	0.6
Edge of the World Revitalisation	Existing	2023	2027	2.8	0.2	2.4	....	....
Flinders Island Camping Upgrades and RV Access	Existing	2021	2026	1.1	0.4	....	....	....
Freycinet National Park New Visitor Gateway	Existing	2023	2028	14.0	0.8	8.1	3.8	....
Freycinet Peninsula Wastewater	Existing	2020	2027	10.3	4.7	4.0	....	....
Freycinet Tourism Icons Project[5]	Existing	2020	2027	7.2	3.0	1.6	....	....
Hastings Thermal Pool Revitalisation	Existing	2021	2026	3.4	3.2	....	....	....
Implement a Statewide Parks Online Booking System	Existing	2024	2026	1.5	1.3	....	....	....
Improve Disability Access in our Parks and Reserves	Existing	2024	2028	1.8	0.9	0.5	0.5	....
Improve the Visitor Experience at The Nut State Reserve	Existing	2024	2028	2.3	0.7	1.0	0.6	....
Make Mount Field a Year-Round Destination	Existing	2024	2029	7.8	....	0.3	5.3	2.2
Maria Island Re-discovered Project	Existing	2023	2026	6.8	5.9	....	....	....
Modernise our Research Farms	Existing	2020	2026	7.0	0.3	....	....	....
Mount Field National Park New Arrival Concourse	Existing	2023	2027	2.1	0.2	1.6	....	....
National Parks - Maintenance Boost	Existing		Ongoing	na	1.0	1.0	1.0	1.0

Table 7.4: General Government Sector Infrastructure Investment Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Natural Resources and Environment Tasmania (continued)								
Next Iconic Walk	Existing	2018	2029	40.0	3.3	7.0	17.0	8.3
North East Parks and Reserves Upgrades	Existing	2023	2026	1.0	0.4	....	....	....
Orange-bellied Parrot Migration and Tracking	Existing	2023	2026	0.4	0.1	....	....	....
Recreational Fishing - Improved boat and trailer parking	Existing	2019	2027	2.3	0.1	0.5	....	....
Support Unique Experiences in Dial Range	Existing	2024	2028	1.6	0.5	0.4	0.4	....
Sustainable Renewal and Maintenance of PWS Critical Roads	Existing	2023	2026	4.0	1.0	....	....	....
Sustaining Safety, Access and Experiences in our Parks and Reserves	New	2026	2029	12.0	....	4.0	4.0	4.0
Tamar Island Wetlands Boardwalk Replacement	Existing	2023	2027	3.4	1.7	1.5	....	....
Tasman Arch and Devils Kitchen Revitalisation	Existing	2023	2026	1.7	1.2	....	....	....
Tasmanian Agricultural Precinct Preparedness	Existing	2023	2026	4.0	3.4	....	....	....
Waste Action Implementation	Existing	2021	2026	1.0	0.1	....	....	....
					38.4	**40.0**	**35.1**	**16.0**
Office of the Governor								
Government House Slate and Lead Roof Replacement	Existing	2024	2028	7.9	3.9	3.2	0.4	....
					3.9	**3.2**	**0.4**	**....**
Police, Fire and Emergency Management								
Bridgewater Police Station Upgrade	Existing	2022	2026	12.5	5.5	....	....	....
Crackdown on Anti-Social Driving	Existing	2018	2026	0.9	0.1	....	....	....
Fire and Emergency Service Volunteer Grants Program	Existing	2023	2026	2.0	0.5	....	....	....
Forensic Science Technology Uplift	Existing	2023	2026	3.7	1.0	....	....	....
Lift Infrastructure	Existing	2024	2027	2.3	2.1	0.2	....	....
Police Academy Capacity Upgrades	Existing	2024	2026	4.1	1.6	....	....	....
Police Protective Equipment and Safety Enhancements	New	2025	2027	3.7	3.3	0.4	....	....

Table 7.4: General Government Sector Infrastructure Investment Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Police, Fire and Emergency Management (continued)								
Project Unify[7]	Existing	2020	2027	52.1	20.2	6.7	....	....
Rosebery Emergency Services Hub	Existing	2026	2029	2.0	....	0.5	1.0	0.5
Rosebery Police Station	Existing	2023	2026	1.0	0.7	....	....	....
SES Vehicles	Existing	2026	2029	3.0	0.8	0.8	0.8	0.8
St Helens Police Station	Existing	2022	2026	7.5	4.2	....	....	....
Upgrade Police Housing	Existing	2015	2026	22.9	0.4	....	....	....
Western Arch	Existing	2024	2026	5.0	4.5	....	....	....
Wynyard Emergency Services Hub	Existing	2027	2030	10.0	....	....	2.0	7.0
					44.8	**8.6**	**3.8**	**8.3**
Premier and Cabinet								
Human Resources Transformation Project	New	2025	2027	40.8	16.0	24.8	....	....
Service Tasmania Shop Capital Investment	Existing		Ongoing	na	0.3	0.3	0.3	0.3
					16.3	**25.1**	**0.3**	**0.3**
State Growth								
Elphin Sports Centre[8]	Existing	2024	2027	2.6	0.5	2.1	....	....
Festival Infrastructure - PW1	Existing	2024	2026	0.2	0.1	....	....	....
New Southern Tasmanian Sporting Facilities[2]	Existing	2022	2028	54.7	23.2	11.6	15.0	....
Northern Suburbs (Launceston) Community Recreation Hub Project[5,8]	Existing	2023	2027	46.4	28.7	9.2	....	....
TMAG Building Maintenance	Existing	2023	2028	4.0	2.5	0.5	0.5	....
Roads Program Expenditure[5,9]	Existing		Ongoing	na	347.1	391.2	406.0	423.6
					402.0	**414.6**	**421.5**	**423.6**

Table 7.4: General Government Sector Infrastructure Investment Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Royal Tasmanian Botanical Gardens								
Royal Tasmanian Botanical Gardens upgrades	Existing	2023	2026	4.1	0.3	....	....	....
					0.3	....	....	....
State Fire Commission								
TFES Volunteer Infrastructure Investment Fund[2]	Existing	2023	2026	12.5	2.5	....	....	....
					2.5	....	....	....
TasTAFE								
TasTAFE Facility Upgrades and Transition Fund	Existing	2021	2026	45.0	11.1	....	....	....
					11.1	....	....	....
TOTAL ALLOCATED INFRASTRUCTURE PROJECTS					**893.7**	**902.3**	**810.4**	**779.6**

Notes:
1. The Estimated Total Cost for Cambridge Primary School - Major School Redevelopment includes an additional $2.9 million when compared to the 2024-25 Budget. This increase is funded through a repurposing of savings from the recently completed Legana Primary School project, with $1.9 million provided in the 2025-26 Budget.
2. Additional funding for this existing project has been provided as part of the 2025-26 Budget.
3. This project reflects a net reduction in the Estimated Total Cost when compared to the 2024-25 Budget.
4. Supporting Safer Schools includes $4 million which has been repurposed from a 2024-25 saving on the recently completed New Brighton High School project.
5. This project is funded by the Australian Government.
6. Funding of $4.5 million has been transferred from the Risdon Prison Construction Program to the New Southern Remand Centre to support the delivery of the new Risdon Prison Kitchen as part of the 2025-26 Budget.
7. Project Unify now incorporates the Automatic Vehicle Location Upgrade Project. The $6 million funding allocation has been transferred to Project Unify as part of the 2025-26 Budget.
8. Funding of $18.9 million has been transferred from the Elphin Sports Centre to the Northern Suburbs (Launceston) Community Recreation Hub Project as part of the 2025-26 Budget.
9. Details of the Roads Program are provided at Table 7.5.

Table 7.5: Roads Program Project Details

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Algona Interchange and Kingston Bypass	**Existing**	**2022**	**2031**	**73.1**	**2.5**	**10.0**	**24.4**	**14.1**
State funding				12.0	0.5	1.5	1.9	....
Australian Government funding				61.1	2.0	8.5	22.5	14.1
Arthur Highway Corridor[1]	**Existing**	**2022**	**2034**	**256.6**	**1.7**	**6.5**	**22.0**	**37.4**
State funding				51.0	1.7	0.4	0.5	4.5
Australian Government funding[2]				205.6	....	6.1	21.5	32.9
Bass Highway Corridor	**Existing**	**2024**	**2036**	**440.0**	**15.2**	**14.4**	**13.5**	**17.4**
State funding				108.0	7.0	6.3	5.5	4.0
Australian Government funding				332.0	8.1	8.1	8.0	13.4
Brooker Highway Upgrades	**Existing**	**2026**	**2028**	**4.0**	**....**	**2.5**	**1.5**	**....**
Australian Government funding				4.0	....	2.5	1.5	....
Bus Stop Upgrades	**Existing**	**2022**	**2026**	**10.0**	**2.2**	**....**	**....**	**....**
State funding				10.0	2.2	....	....	....
Channel Highway Bypass of Huonville	**Existing**	**2023**	**2026**	**21.7**	**3.4**	**....**	**....**	**....**
State funding				8.5	1.2	....	....	....
Australian Government funding				13.2	2.2	....	....	....
Cygnet Township Safety Upgrade	**Existing**	**2024**	**2029**	**5.0**	**1.0**	**2.0**	**1.5**	**0.2**
State funding				5.0	1.0	2.0	1.5	0.2
Devonport to Cradle Mountain Corridor	**Existing**	**2024**	**2033**	**31.3**	**1.0**	**1.0**	**1.0**	**3.5**
State funding				25.0	1.0	1.0	1.0	1.0
Australian Government funding				6.3	....	....	....	2.5

Table 7.5: Roads Program Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
East and West Tamar Highway Corridors	**Existing**	**2023**	**2033**	**202.5**	**5.7**	**2.0**	**5.0**	**16.9**
State funding				40.5	1.6	2.0	5.0	6.0
Australian Government funding				162.0	4.1	....	....	10.9
Extending the Great Eastern Drive - Binalong Bay Road	**Existing**	**2019**	**2027**	**4.5**	**....**	**0.9**	**....**	**....**
State funding				4.5	....	0.9	....	....
Glenora Road Upgrade	**Existing**	**2022**	**2026**	**1.0**	**0.3**	**....**	**....**	**....**
State funding				1.0	0.3	....	....	....
Greater Hobart Traffic Solution[1,3]	**Existing**	**2019**	**2033**	**307.8**	**4.2**	**12.1**	**13.6**	**22.6**
State funding				167.8	2.9	9.1	11.6	2.6
Australian Government funding				140.0	1.3	3.0	2.0	20.0
Huon Highway Corridor	**Existing**	**2026**	**2032**	**40.0**	**....**	**6.0**	**6.0**	**1.0**
Australian Government funding				40.0	....	6.0	6.0	1.0
Infrastructure Maintenance	**Existing**			**Ongoing**	**108.1**	**113.8**	**105.8**	**85.3**
State funding					87.8	84.0	78.3	77.9
Australian Government funding					20.2	29.8	27.5	7.4
Infrastructure Stimulus Funding	**Existing**	**2020**	**2026**	**86.8**	**0.7**	**....**	**....**	**....**
State funding				54.4	0.1	....	....	....
Australian Government funding				32.4	0.5	....	....	....
Launceston and Tamar Valley Traffic Vision[1,4]	**Existing**	**2019**	**2032**	**95.1**	**0.6**	**8.6**	**9.2**	**14.2**
State funding				75.1	0.6	6.6	7.2	8.2
Australian Government funding				20.0	....	2.0	2.0	6.0
Lyell Highway Corridor[1,5]	**Existing**	**2025**	**2035**	**100.2**	**0.4**	**0.2**	**0.2**	**0.4**
State funding				20.2	0.4	0.2	0.2	0.4
Australian Government funding				80.0	....	....	....	....

Table 7.5: Roads Program Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Midland Highway Corridor[6]	**Existing**	**2014**	**2029**	**573.0**	**7.7**	**15.5**	**14.0**	**16.9**
State funding				89.0	6.0	1.6	1.1	2.7
Australian Government funding				484.0	1.8	13.9	12.9	14.2
Mountain River Road Intersection Upgrade	**Existing**	**2024**	**2027**	**3.0**	**2.6**	**0.1**	**....**	**....**
State funding				3.0	2.6	0.1	....	....
Network Planning	**Existing**			**Ongoing**	**1.6**	**1.1**	**1.2**	**1.2**
State funding					1.6	1.1	1.2	1.2
New Bridgewater Bridge	**Existing**	**2019**	**2027**	**786.0**	**69.0**	**30.0**	**....**	**....**
State funding				157.2	11.2	3.0	....	....
Australian Government funding				628.8	57.8	27.0	....	....
New Park and Ride Facilities	**Existing**	**2023**	**2028**	**20.0**	**1.7**	**9.0**	**5.0**	**....**
State funding				20.0	1.7	9.0	5.0	....
Northern Park and Ride	**Existing**	**2024**	**2030**	**20.0**	**0.8**	**3.0**	**7.0**	**6.0**
State funding				20.0	0.8	3.0	7.0	6.0
Program Management	**Existing**			**Ongoing**	**5.8**	**8.8**	**8.9**	**9.1**
State funding					5.8	8.8	8.9	9.1
Remote Roads Pilot Funding[7]	**Existing**	**2023**	**2027**	**15.6**	**4.7**	**0.4**	**....**	**....**
Australian Government funding				15.6	4.7	0.4	....	....
Ridgley Highway	**New**	**2026**	**2030**	**34.0**	**....**	**1.3**	**6.3**	**15.0**
State funding				6.8	....	0.3	1.3	3.0
Australian Government funding				27.2	....	1.0	5.0	12.0

Table 7.5: Roads Program Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
Road Safety Projects	**Existing**			**Ongoing**	**32.1**	**11.6**	**10.8**	**12.3**
State funding					12.0	8.0	7.2	7.3
Australian Government funding					20.2	3.5	3.6	5.0
Roads of Strategic Importance[1,8]	**Existing**	**2019**	**2036**	**349.4**	**22.1**	**32.7**	**29.7**	**25.0**
State funding				73.3	12.6	2.1	1.8	4.0
Australian Government funding				276.1	9.6	30.6	27.9	21.0
Roads Package to Support Tasmania's Visitor Economy	**Existing**	**2019**	**2026**	**66.1**	**0.8**	**....**	**....**	**....**
State funding				66.1	0.8	....	....	....
Rokeby Stage 3 - Pass Road to Oakdowns	**Existing**	**2022**	**2032**	**55.0**	**1.8**	**2.0**	**6.2**	**9.5**
State funding				11.0	1.8	2.0	2.2	1.7
Australian Government funding				44.0	....	....	4.0	7.8
Safer Local Roads Program[9]	**Existing**			**Ongoing**	**10.4**	**8.9**	**8.1**	**4.0**
State funding					1.9	0.9	....	....
Australian Government funding					8.6	8.1	8.1	4.0
South East Traffic Solution	**Existing**	**2019**	**2036**	**349.5**	**5.6**	**13.5**	**18.0**	**23.9**
State funding				69.9	0.6	2.5	5.0	8.0
Australian Government funding				279.6	5.0	11.0	13.0	15.9
Stanley Highway Tourism Upgrades	**Existing**	**2025**	**2028**	**10.0**	**3.0**	**3.0**	**2.0**	**....**
State funding				10.0	3.0	3.0	2.0	....
State Road Upgrades - Northern Region	**Existing**	**2019**	**2027**	**38.6**	**1.7**	**1.2**	**....**	**....**
State funding				38.6	1.7	1.2	....	....

Table 7.5: Roads Program Project Details (continued)

	New/ Existing	Start	Complete	Estimated Total Cost	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
				$m	$m	$m	$m	$m
State Road Upgrades - Southern Region[10]	**Existing**	**2018**	**2032**	**180.6**	**4.3**	**12.3**	**20.0**	**15.9**
State funding				100.6	4.3	4.3	3.0	3.9
Australian Government funding				80.0	....	8.0	17.0	12.0
Targeting Congestion Package[11]	**Existing**	**2023**	**2029**	**20.8**	**3.2**	**7.3**	**4.9**	**0.7**
State funding				20.8	3.2	7.3	4.9	0.7
Tasman Highway Corridor	**Existing**	**2024**	**2033**	**245.0**	**8.5**	**....**	**8.7**	**21.3**
State funding				49.0	1.8	....	8.7	6.9
Australian Government funding				196.0	6.8	....	....	14.4
Traffic Management and Engineering Services	**Existing**			**Ongoing**	**3.8**	**3.9**	**3.9**	**4.0**
State funding					3.8	3.9	3.9	4.0
Urban Congestion Fund[1,12]	**Existing**	**2019**	**2030**	**187.6**	**8.7**	**45.4**	**47.6**	**45.9**
State funding				124.9	6.0	40.3	32.2	30.8
Australian Government funding				62.7	2.8	5.1	15.5	15.1
TOTAL STATE GOVERNMENT FUNDED ROADS					**191.7**	**216.7**	**207.9**	**194.1**
TOTAL AUSTRALIAN GOVERNMENT FUNDED ROADS					**155.4**	**174.5**	**198.0**	**229.5**
TOTAL ROADS PROGRAM EXPENDITURE					**347.1**	**391.2**	**406.0**	**423.6**

Notes:
1. Additional funding for this project has been provided as part of the 2025-26 Budget.

2. The Arthur Highway includes the Australian Government's $204 million commitment for improvements to the Arthur Highway and widening of the Sorell Bridge. This commitment is in addition to the $1.6 million of planning funding previously provided.
3. Greater Hobart Traffic Solution includes the Australian and Tasmanian Government's new commitment of $100 million for the extension of the Southern Outlet Transit Lane, as well as the commitment for the upgrade of the Tasman Bridge.
4. The Launceston and Tamar Valley Traffic Vision includes the Australian and Tasmanian Government's commitment for planning for the New Tamar Crossing.
5. Lyell Highway Corridor includes an additional $231 000 in 2025-26 for road damage following a severe weather event in August 2024.
6. The estimated total cost of the Midland Highway Corridor is $605 million, comprising of $573 million within the Midland Highway Corridor, $18 million within State Road Upgrades - Southern Region and $14 million within State Road Upgrades - Northern Region.
7. Remote Roads Pilot Funding is an Australian Government grant program for local government road upgrades.
8. Roads of Strategic Importance includes an additional $10 million for St Marys Pass which is fully funded by the Australian Government. This Output also includes funding for Illawarra Road, Bridport Road, Murchison Highway and Zeehan Highway.
9. Safer Local Roads Program is an Australian Government grant program, largely servicing local government road and bridge upgrades.
10. State Road Upgrades - Southern Region includes the Australian and Tasmanian Government's commitment of $100 million for the Mornington Area Improvements.
11. Targeting Congestion Package includes funding for a range of existing projects including Algona Interchange, Southern Outlet and Bus priority measures.
12. Urban Congestion Fund includes the Tasmanian Government's new commitment of $75.9 million for the Northern Access Road.

PROJECTS CONTINGENT ON AUSTRALIAN GOVERNMENT FUNDING

A number of significant infrastructure projects are dependent on securing funding from the Australian Government. The Tasmanian Government remains fully committed to delivering these projects and will continue to strongly advocate for appropriate federal support.

Through co-funding arrangements, including initiatives administered under the *National Land Transport Act 2014,* the Australian Government plays an important role in supporting the delivery of major infrastructure projects in Tasmania. This partnership has strengthened the State's capacity to deliver essential services and support economic and community development. The scope and timing of these projects will be finalised as Australian Government funding is confirmed.

A breakdown of the projects contingent on Australian Government funding is provided in Table 7.6.

The 2025-26 Australian Government Budget commits planning funding of:

- $4 million for Brooker Highway Upgrades; and
- $20 million for the Tamar Bridge Crossing.

Table 7.6: Projects Contingent on Australian Government Funding

	Estimated Total Cost	Australian Government Contribution	Tasmanian Government Contribution
	$m	$m	$m
Projects			
Brooker Highway Upgrades	75.0	60.0	15.0
Cradle Mountain Experience	190.0	152.0	38.0
East Derwent Highway Improvements	100.0	80.0	20.0
Heavy Vehicle Rest Areas	15.0	12.0	3.0
Mersey Community Hospital - Stage 1	33.8	16.9	16.9
North West Regional Hospital - Stage 1	73.9	37.0	37.0
Southern Outlet Transit Lane (Tolmans Hill to Hobart)	62.6	31.3	31.3
Tamar Bridge Crossing	680.0	544.0	136.0
Tasmania Road Network Productivity and Resilience Uplift	1 000.0	800.0	200.0
Wielangta Upgrades	30.0	24.0	6.0

RECONCILIATION BETWEEN INFRASTRUCTURE INVESTMENT AND PURCHASES OF NON-FINANCIAL ASSETS

Purchases of Non-Financial Assets is an accounting classification under the Australian Accounting Standards which must be reported in the Income Statement and Cash Flow Statement. It represents expenditure on non-financial assets such as land, buildings, plant and equipment, infrastructure and intangible assets.

While the majority of Purchases of Non-Financial Assets is comprised of Infrastructure Investment projects, there is a portion of Purchases of Non-Financial Assets that are not funded as Infrastructure Investment projects. This includes Budget allocations for: the Government's fleet management services; ambulance, surgical and medical equipment; computer software; and other smaller capital items.

Conversely, Infrastructure Investment projects may include expenditure allocations that are not classified as Purchases of Non-Financial Assets, such as employee-related costs, infrastructure maintenance and other supplies and consumables.

Table 7.7 provides a reconciliation between Purchases of Non-Financial Assets as detailed in the General Government Cash Flow Statement in chapter 5 of this Budget Paper and total Infrastructure Investment.

Table 7.7: Reconciliation between Purchases of Non-Financial Assets and Infrastructure Investment

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Purchases of non-financial assets	1 068.8	667.1	906.8	899.4	811.5	774.6
Less Purchases of non-financial assets excluded from Infrastructure Investment	110.1	174.4	114.7	114.0	105.1	89.0
Plus Infrastructure Investment not included in Purchases of non-financial assets	144.7	279.7	101.6	116.9	104.0	94.0
Equals TOTAL INFRASTRUCTURE INVESTMENT	**1 103.5**	**772.5**	**893.7**	**902.3**	**810.4**	**779.6**

8 ASSETS AND LIABILITIES

Executive Summary

- General Government Net Debt is estimated to be $7 081.1 million as at 30 June 2026. Net Debt is forecast to increase to $10 397.4 million by 30 June 2029.
- In accordance with the Australian Bureau of Statistics' Government Finance Statistics reporting framework, General Government GFS Net Debt excludes the impact of lease liabilities and service concession liabilities. GFS Net Debt is estimated to be $6 030.7 million as at 30 June 2026. GFS Net Debt is forecast to increase to $9 553.3 million by 30 June 2029.
- GFS Net Debt as a percentage of Gross State Product is forecast to be 13.6 per cent as at 30 June 2026. This measure is expected to increase to 18.6 per cent by 30 June 2029.
- General Government Net Worth is estimated to be $15 045.8 million as at 30 June 2026. Net Worth is expected to increase to $15 098.2 million by 30 June 2029.
- The General Government Superannuation liability is estimated to be $7 082.1 million as at 30 June 2026. The liability is expected to decrease to $6 941.1 million by 30 June 2029.
- The present value of superannuation liabilities is particularly sensitive to discount rate movements, although these movements do not impact on the emerging cash costs that require funding. The 2025-26 Budget and Forward Estimates are based on a discount rate of 4.5 per cent.
- The Government continues to meet the cash cost of the defined benefit superannuation schemes on an emerging basis. In 2025-26, the cash payment will be $385.1 million, increasing to an anticipated peak in 2034-35 of $490.2 million.
- Other liabilities is estimated to be $1 363.7 million as at 30 June 2026. Other liabilities is expected to decrease to $1 209.8 million by 30 June 2029.

BALANCE SHEET

Table 8.1 details the estimated General Government Sector assets and liabilities held between 30 June 2025 and 30 June 2029, including the 2025 Preliminary Outcome.

Table 8.1: General Government Sector Balance Sheet as at 30 June

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Assets						
Financial assets						
Cash and deposits	1 300.3	1 331.4	1 416.7	1 514.5	1 546.7	1 450.3
Investments	775.3	754.8	753.4	745.0	737.6	731.3
Equity investment in PNFC and PFC sectors[1]	10 516.3	10 383.4	11 503.6	11 830.2	12 206.4	12 955.5
Other equity investments	233.7	274.8	274.8	274.8	274.8	274.8
Receivables	429.0	456.5	452.5	450.3	447.7	443.3
Contract assets	2.8	22.4	22.4	22.5	22.5	22.5
Other financial assets	854.6	963.1	1 124.1	1 131.1	1 139.4	1 148.1
	14 112.1	**14 186.4**	**15 547.5**	**15 968.4**	**16 375.1**	**17 025.9**
Non-financial assets						
Land and buildings[2]	8 361.0	8 257.9	8 519.7	8 821.7	9 079.5	9 314.0
Infrastructure[2]	8 409.3	8 375.6	8 714.2	9 018.5	9 322.0	9 596.2
Plant and equipment	406.2	363.7	384.5	381.8	366.4	347.5
Heritage and cultural assets	541.3	556.4	568.7	581.0	593.3	605.6
Investment property	4.7	4.8	4.8	4.8	4.8	4.8
Intangibles	100.3	54.5	125.4	186.0	199.8	215.2
Assets held for sale	12.9	8.0	8.0	8.0	8.0	8.0
Lease - right-of-use assets	553.7	549.0	543.0	503.0	461.6	418.4
Service concession assets[3]	571.8	415.4	376.7	337.9	299.2	260.4
Other non-financial assets	69.1	72.8	77.3	81.5	82.5	83.6
	19 030.4	**18 658.2**	**19 322.2**	**19 924.2**	**20 417.1**	**20 853.6**
Total Assets	**33 142.5**	**32 844.6**	**34 869.7**	**35 892.6**	**36 792.2**	**37 879.5**
Liabilities						
Borrowings[4]	6 254.5	6 046.5	8 200.8	9 923.1	10 965.4	11 734.9
Lease liabilities	615.7	646.1	651.3	622.4	592.9	561.3
Service concession liabilities[3]	640.1	437.8	399.1	360.3	321.6	282.8
Superannuation[5]	7 257.1	6 973.3	7 082.1	7 051.3	6 998.2	6 941.1
Employee entitlements[6]	1 072.6	1 115.7	1 135.4	1 078.2	1 096.2	1 116.3
Payables	313.3	328.9	348.4	349.0	345.3	331.7
Contract liabilities	496.1	498.5	643.1	728.2	736.3	603.4
Other liabilities[7]	1 362.3	1 435.6	1 363.7	1 282.1	1 240.5	1 209.8
Total Liabilities	**18 011.5**	**17 482.6**	**19 823.9**	**21 394.6**	**22 296.4**	**22 781.3**
Net Assets	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**

Table 8.1: General Government Sector Balance Sheet as at 30 June (continued)

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Equity						
Accumulated funds	6 217.7	6 281.9	5 277.6	4 448.7	4 131.0	4 112.0
Asset revaluation reserve	8 424.7	8 609.0	8 894.7	9 180.7	9 466.9	9 753.2
Other revaluation reserves	488.5	471.1	873.6	868.7	897.9	1 233.0
Total Equity	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
KEY FISCAL AGGREGATES						
NET WORTH[8]	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
NET FINANCIAL WORTH[9]	**(3 899.4)**	**(3 296.2)**	**(4 276.4)**	**(5 426.2)**	**(5 921.3)**	**(5 755.4)**
NET FINANCIAL LIABILITIES[10]	**14 415.8**	**13 679.6**	**15 779.9**	**17 256.4**	**18 127.7**	**18 710.9**
NET DEBT[11]	**5 434.6**	**5 044.3**	**7 081.1**	**8 646.3**	**9 595.6**	**10 397.4**
GFS NET DEBT[12]	**4 178.9**	**3 960.3**	**6 030.7**	**7 663.6**	**8 681.1**	**9 553.3**

Notes:
1. The variation in Equity investments reflects the movement in net assets of PNFC and PFC entities. Further information on the PNFC and PFC sector is provided in chapter 9 of this Budget Paper.
2. The increase in Land and buildings and Infrastructure from 2026 primarily reflects the implementation of the Government's Infrastructure Investment Program. Further information on infrastructure investment is provided in chapter 7 of this Budget Paper.
3. The decrease in Service concession assets and Service concession liabilities primarily reflects revised estimates for arrangements with Telstra in relation to the operation and maintenance of the Tasmanian Government Radio Network.
4. The increase in Borrowings from 2026 primarily reflects the increase in borrowings to support the General Government Sector cash deficit.
5. The variation in Superannuation reflects the latest actuarial advice provided by the State's Actuary. Further information on the Superannuation liability is provided in this chapter.
6. The decrease in Employee entitlements in 2027 reflects the 27th pay and reduction in the associated liability accrued over prior years.
7. The decrease in Other liabilities from 2026 primarily reflects payments for claims related to child sexual abuse in state care. Further information on Other liabilities is provided in this chapter.
8. Net Worth represents Total Assets less Total Liabilities.
9. Net Financial Worth represents Financial assets less Total Liabilities.
10. Net Financial Liabilities represents Total Liabilities less Financial assets, excluding Equity investment in PNFC and PFC sectors.
11. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments.
12. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance Statistics reporting framework and excludes the impact of Lease liabilities and Service concession liabilities.

NET DEBT AND GFS NET DEBT

Net Debt is one of the key measures on the General Government Sector Balance Sheet. The measure is used to help assess the overall strength of a government's fiscal position. The Budget Papers present two Net Debt measures, Net Debt and GFS Net Debt. Net Debt comprises Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments. This measure has been impacted by changes to Australian Accounting Standards AASB 16 *Leases* and AASB 1059 *Service Concession Arrangements: Grantors* which came into effect on 1 July 2019 and 1 July 2021 respectively. These Standards recognise applicable leases and service concession arrangements as liabilities on the Balance Sheet.

The GFS Net Debt measure excludes the impact of the changed treatment for leases and service concession arrangements. This measure is aligned to the Australian Bureau of Statistics' Government Finance Statistics reporting framework, which has not recognised the 2019 and 2021 changes to accounting standards. Table 8.2 shows the calculation of General Government Sector Net Debt and GFS Net Debt.

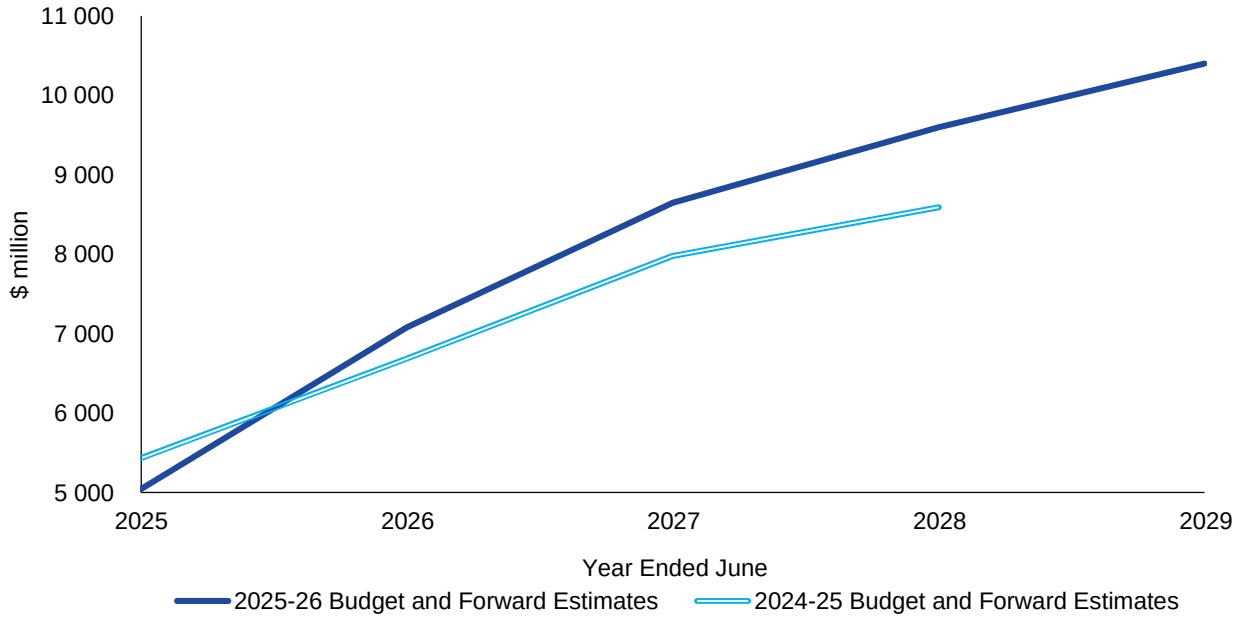
As shown in Table 8.2 GFS Net Debt is estimated to be $6 030.7 million as at 30 June 2026, increasing to $9 553.3 million as at 30 June 2029. The increase primarily reflects an increase in Borrowings of $3 534.1 million to support the General Government Sector cash deficit.

Table 8.2: Composition of Net Debt and GFS Net Debt

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Borrowings	6 254.5	6 046.5	8 200.8	9 923.1	10 965.4	11 734.9
plus Lease liabilities	615.7	646.1	651.3	622.4	592.9	561.3
plus Service concession liabilities	640.1	437.8	399.1	360.3	321.6	282.8
less Cash and deposits	1 300.3	1 331.4	1 416.7	1 514.5	1 546.7	1 450.3
less Investments	775.3	754.8	753.4	745.0	737.6	731.3
NET DEBT	**5 434.6**	**5 044.3**	**7 081.1**	**8 646.3**	**9 595.6**	**10 397.4**
less Lease liabilities	615.7	646.1	651.3	622.4	592.9	561.3
less Service concession liabilities	640.1	437.8	399.1	360.3	321.6	282.8
GFS NET DEBT	**4 178.9**	**3 960.3**	**6 030.7**	**7 663.6**	**8 681.1**	**9 553.3**

Since the 2024-25 Budget, the Net Debt outlook has deteriorated. Chart 8.1 illustrates this trend by comparing the estimates in the 2025-26 Budget with those presented in the 2024-25 Budget. The chart shows that Net Debt is projected to increase over the Forward Estimates at a higher level than previously forecast. As at 30 June 2028, Net Debt is estimated to be $9 595.6 million, which is $1 004.4 million higher than the estimate at the time of the 2024-25 Budget. This increase is primarily driven by additional borrowings of $1 480.1 million, which is required to fund the higher cumulative General Government Sector cash deficits since the release of the 2024-25 Budget.

Chart 8.1: Comparison of General Government Net Debt Estimates



GFS Net Debt as a percentage of GSP and Revenue

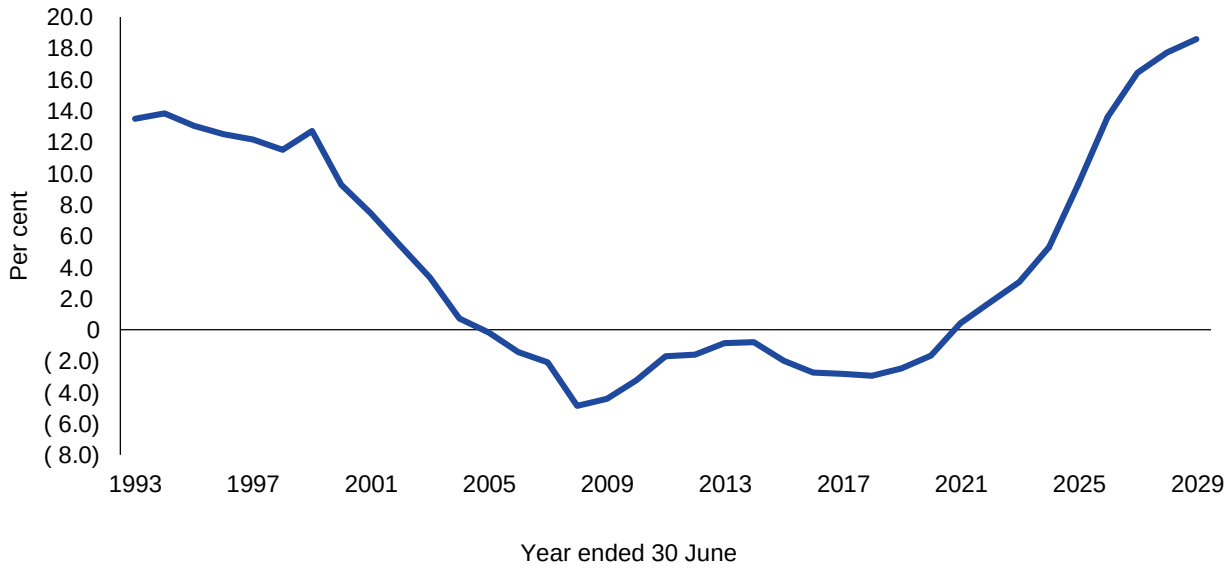
GFS Net Debt as a percentage of GSP and GFS Net Debt as a percentage of Revenue are indicators of the State's ability to make future payments on its debt. Table 8.3 shows the 2025-26 Budget and Forward Estimates for GFS Net Debt as a percentage of estimated Revenue and estimated GSP for the period 30 June 2025 to 30 June 2029.

Table 8.3: GFS Net Debt as a percentage of GSP and Revenue

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
GFS Net Debt ($m)	4 178.9	3 960.3	6 030.7	7 663.6	8 681.1	9 553.3
GFS Net Debt as % of Revenue	46.7	44.1	63.5	79.9	88.3	92.9
GFS Net Debt as % of GSP	9.4	9.3	13.6	16.5	17.7	18.6

Chart 8.2 shows General Government GFS Net Debt as a percentage of GSP since 1993, together with the 2024-25 Preliminary Outcome and projections for the 2025-26 Budget and Forward Estimates. The chart shows the ratio increases from its 2008 level to an estimated 13.6 per cent in 2026, the highest level since 1994. The ratio is forecast to increase further over the Forward Estimates, reaching an estimated 18.6 per cent by 2029.

Chart 8.2: General Government GFS Net Debt as a percentage of GSP[1]



Note:
1. The figures between 2025 and 2029 represent the 2024-25 Preliminary Outcome and 2025-26 Budget and Forward Estimates.

Interstate Comparison

Chart 8.3 compares Tasmania's General Government Sector Net Debt and Net Debt as a percentage of GSP forecast as at 30 June 2026 (based on all jurisdictions' 2025-26 Budget estimates). The chart shows that Tasmania has the lowest nominal level of Net Debt of $7 081.1 million as at 30 June 2026. This is significantly lower than the highest nominal level of Net Debt held by Victoria at $167 625 million.

At 16 per cent, Tasmania has the fourth highest estimated GGS Net Debt as a percentage of GSP as at 30 June 2026 across all eight jurisdictions.

Chart 8.3: General Government Net Debt and Net Debt as a percentage of GSP as at 30 June 2026, by Jurisdiction

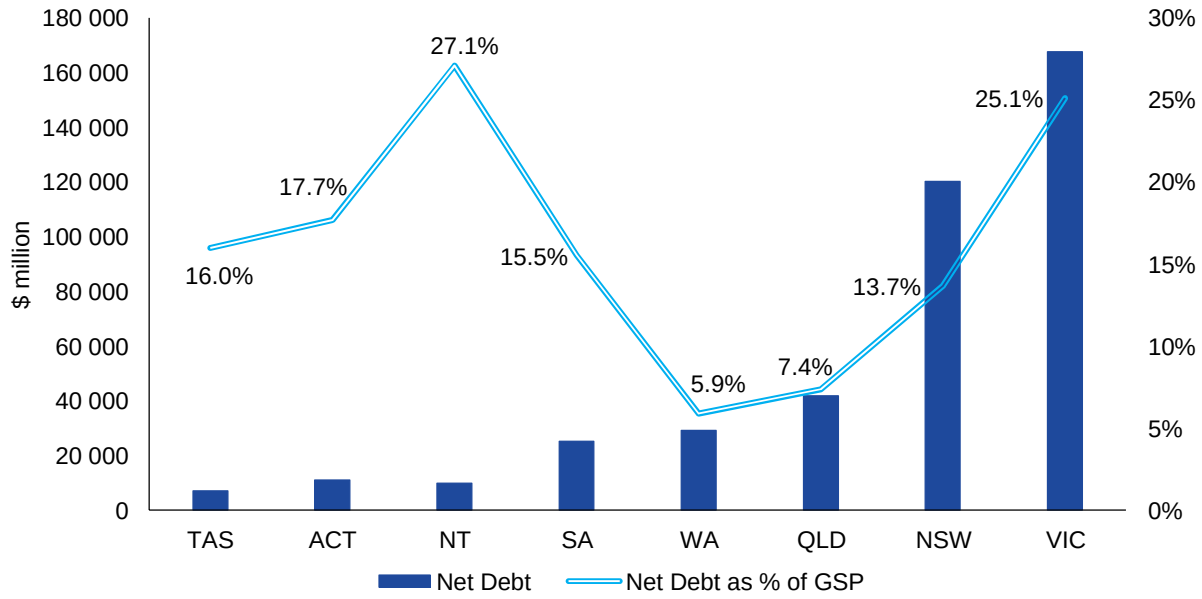
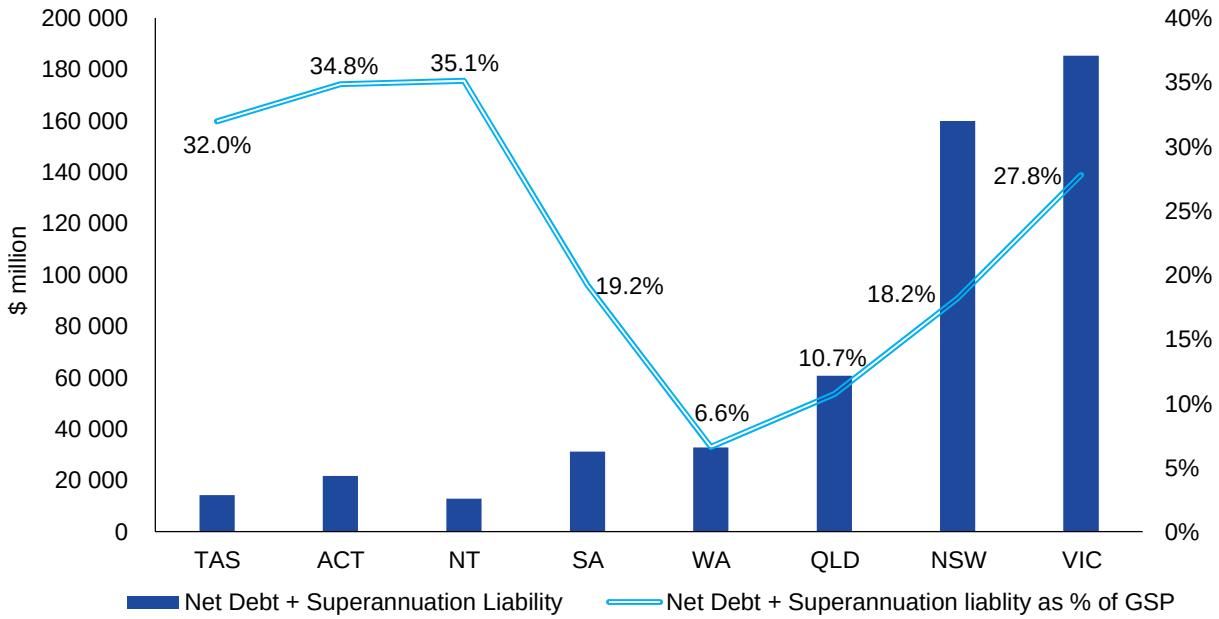


Chart 8.4 compares Tasmania's General Government Sector Net Debt plus Superannuation liability, in nominal terms and as a percentage of GSP forecast as at 30 June 2026, with the latest estimates for all other jurisdictions.

The 2025-26 Budget estimate for Tasmania's Net Debt plus Superannuation liability is $14 163.2 million as at 30 June 2026. This is the second lowest nominal value across all jurisdictions. As a percentage of GSP, Net Debt plus Superannuation liability is 32 per cent as at 30 June 2026, which is ranked sixth across all jurisdictions.

Chart 8.4: General Government Net Debt plus Superannuation Liability as at 30 June 2026 in nominal terms and as a percentage of GSP, by Jurisdiction



Borrowings

The growth in Net Debt is primarily driven by the increase in General Government Sector Borrowings. As at 30 June 2026, Borrowings is estimated to be $8 200.8 million which comprises:

- Tasmanian Public Finance Corporation borrowings of $8 102.6 million, which is the debt administered by Finance-General to support the General Government Sector cash deficit; and
- Other borrowings of $98.2 million, which primarily consists of the debt held by the Department of State Growth which is used to fund loan advances to the private sector.

The maturity profile is an important factor which impacts the interest rate risk of the debt portfolio. When debt matures it is either repaid or refinanced at prevailing market interest rates. By structuring the maturity profile of the debt portfolio over a number of years, the risk to the portfolio of interest rate movements in the short to medium-term is mitigated.

Table 8.4 provides a breakdown of Finance-General borrowings from the Tasmanian Public Finance Corporation as at 30 June 2025, by year of maturity. The table shows the Tasmanian Public Finance Corporation debt portfolio is comprised of 54 fixed rate loans with maturities out to 2041-42. The weighted average interest rate of the Tasmanian Public Finance Corporation debt portfolio is 3.95 per cent and the weighted average term to maturity is 7.0 years.

Table 8.4: Tasmanian Public Finance Corporation Borrowings as at 30 June 2025, by Year of Maturity

Maturity	Face Value	Number of Loans	Weighted Average Interest Rate by Maturity
	$m		%
2025-26	345	8	0.87
2027-28	403	6	2.74
2029-30	741	16	3.34
2030-31	790	3	4.91
2031-32	700	6	3.31
2032-33	700	7	3.52
2033-34	766	3	4.99
2034-35	620	2	5.12
2035-36	725	2	4.92
2041-42	150	1	2.41
Total	**5 940**	**54**	**3.95[1]**

Note:
1. The total represents the weighted average interest rate of the loan portfolio.

DEBT SERVICING COSTS

Borrowing Costs are influenced by prevailing interest rates and the level of borrowings. A standard measure of the debt servicing burden is the Net Interest Cost Ratio which calculates the percentage of revenue which is allocated to service debt. Table 8.5 shows the General Government Sector Net Interest Cost Ratio for the 2024-25 Budget, the 2024-25 Preliminary Outcome and the 2025-26 Budget and Forward Estimates.

Table 8.5 shows the ratio increasing from a preliminary outcome of 1.7 per cent in 2024-25, to an estimated 5.1 per cent for 2028-29. The increase in the ratio primarily reflects that forecast Borrowing costs are growing at a higher rate than forecast Revenue from transactions, adjusted for interest income, over the period.

Table 8.5: General Government Net Interest Cost Ratio

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Borrowing costs	223.3	247.0	352.9	456.8	543.5	618.0
less Interest income	78.3	95.5	93.1	93.8	96.6	96.8
Net Interest	**145.1**	**151.5**	**259.8**	**363.0**	**447.0**	**521.2**
Revenue from transactions less Interest income	8 873.5	8 889.9	9 405.1	9 497.9	9 736.2	10 187.3
Net Interest Cost Ratio (%)	**1.6**	**1.7**	**2.8**	**3.8**	**4.6**	**5.1**

Borrowing cost estimates for the 2025-26 Budget and Forward Estimates are based on forecast rates for 10 year bonds provided by the Tasmanian Public Finance Corporation. The applicable rates used for new borrowings across the Budget and Forward Estimates are:

- 5.39 per cent for 2025-26;
- 5.76 per cent for 2026-27;
- 6.11 per cent for 2027-28; and
- 6.40 per cent for 2028-29.

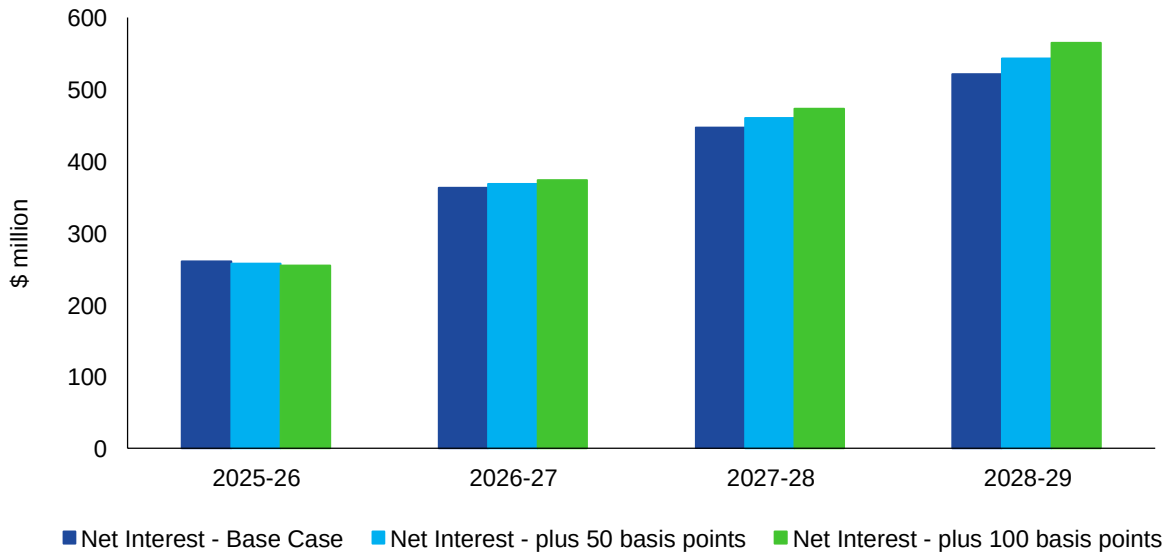
Chart 8.5 presents a sensitivity analysis of the impact of an increase in interest rates above the current assumptions used in the Budget and Forward Estimates.

The impact of higher interest rates is mitigated because:

- the current debt portfolio is comprised of a number of fixed interest rate loans and the impact of an increase in interest rates is not realised until the existing debt matures and is refinanced, or additional borrowings are undertaken; and
- additional Interest income will be earned as interest rates increase, which will partly offset the impact of the additional Borrowing costs. The interest income estimates are based on the average forecast earnings on Cash held with Westpac and Investments held with the Tasmanian Public Finance Corporation. The average rate of earnings across the Budget and Forward Estimates are:
  - 3.89 per cent in 2025-26;
  - 3.84 per cent in 2026-27;
  - 3.98 per cent in 2027-28; and
  - 4.13 per cent in 2028-29.

The impact of a 50 basis point increase in base interest rate assumptions would result in Net interest costs increasing by an estimated $21.7 million in 2028-29. Should the base interest rate assumptions increase by 100 basis points, net interest costs are estimated to increase by $43.6 million in 2028-29.

Chart 8.5: Sensitivity Analysis of the General Government Sector Net Interest Costs



NET WORTH

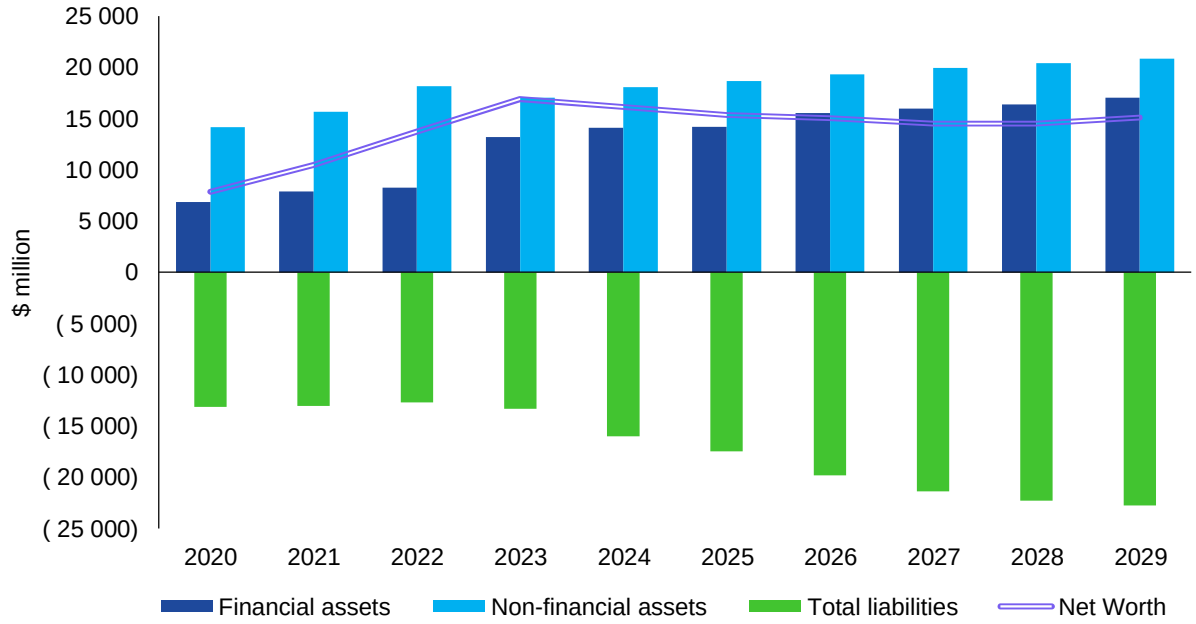
Net Worth provides a measure of the Government's overall financial position. It includes the impact of Equity Investments, Non-financial assets such as Land and buildings and Infrastructure, as well as Superannuation and Other liabilities.

Chart 8.6 shows Net Worth for the period 30 June 2020 to 30 June 2029. The chart shows that Net Worth is forecast to rise by $7 235.4 million over the period from $7 862.8 million as at 30 June 2020 to $15 098.2 million as at 30 June 2029. The increase reflects:

- an increase in financial assets of $10 177.2 million which is primarily due to increases of:
  - $8 398.8 million in Equity investment in PNFC and PFC sectors which reflects the growth in net assets of government businesses together with the addition of Homes Tasmania in 2022-23 to the PNFC Sector;
  - $655.7 million in Other financial assets, which primarily reflects the increase in the value of deferred tax assets held by Finance-General. These assets are recognised to mirror the deferred tax liabilities held by PNFC and PFC entities; and
  - $513 million in Investments which primarily reflects the deposit in April 2022 of $600 million in Public Account funds to a Tascorp Investment Product;
- an increase in Non-financial assets of $6 676.1 million which is primarily due to the increase in value for both Infrastructure of $3 762.4 million and Land and buildings of $2 163.8 million; and
- an increase in Liabilities of $9 617.9 million which is primarily due to increases of:
  - $10 867.2 million in Borrowings which reflects the additional borrowings required to support the General Government Sector cash deficit;
  - $603.4 million in Contract liabilities, which primarily reflects an increase in the Liability for Government grants received in advance from the Australian Government; and
  - $519.6 million in Other liabilities which primarily reflects an increase in the Tasmanian Risk Management Fund claims liability together with the recognition of the provision for claims related to child sexual abuse in institutional settings.

These increases are partially offset by a decrease in Superannuation of $3 339.2 million which primarily reflects the change in discount rates used to value the liability over this period.

Chart 8.6: Net Worth, 30 June 2020 to 30 June 2029



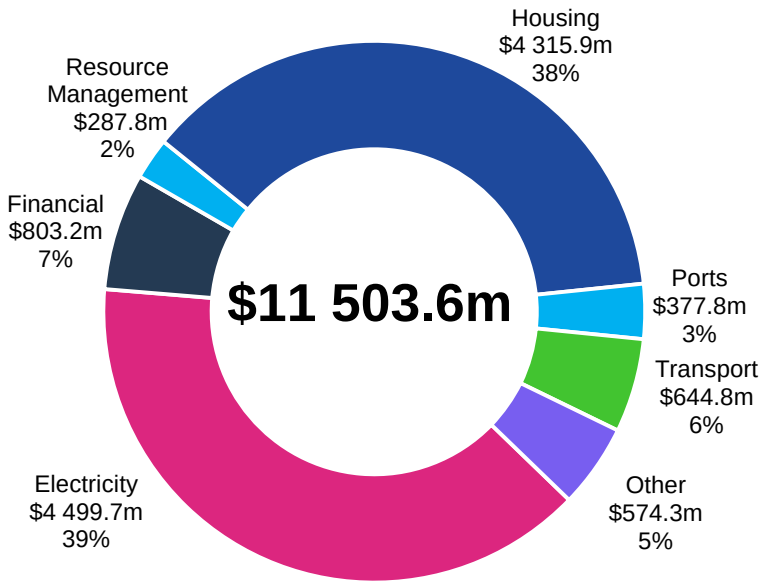
Equity Investment in PNFC and PFC Sectors

Equity Investments in this section consists of the Government's investment in the Net Assets of the Public Non-Financial Corporations and Public Financial Corporations sectors.

The Government's equity investment is estimated to be $11 503.6 million as at 30 June 2026, an increase of $987.2 million from the 2024-25 Budget of $10 516.3 million as at 30 June 2025. This is due to an increase in the Net Assets of the PNFC Sector of $1 031.4 million, partially offset by a decrease in the PFC Sector of $44.2 million. The increase for the PNFC Sector primarily reflects an increase in net assets for Hydro Tasmania of $476.9 million, Tasmanian Networks Pty Ltd of $236.6 million and Stadiums Tasmania of $194.9 million.

Chart 8.7 illustrates the components of the Government's equity investment holdings as at 30 June 2026.

Chart 8.7: Equity Investment in PNFC and PFC Sectors as at 30 June 2026



Other Equity Investments

Other equity investments is estimated to be $274.8 million as at 30 June 2026, an increase of $41.1 million from the 2024-25 Budget of $233.7 million as at 30 June 2025. The increase primarily reflects:

- an increase of $26.4 million due to the equity contributions recognised for the investment in Marinus Link Pty Ltd; and
- an increase of $10.5 million for the Department of State Growth which is due to the conversion of a $10 million loan owed by Group 6 Metals for the Dolphin Tungsten Mine into an Equity ownership interest in 2024-25.

Other equity investments primarily consist of:

- $192.4 million invested in the Tasmanian Water and Sewerage Corporation Pty Ltd which supports its accelerated infrastructure program. The value of the investment is recognised as the State's equity interest in TasWater's net asset value;

- $69.1 million for the Government's equity interest in Marinus Link Pty Ltd. On 22 March 2024, Tasmanian Networks Pty Ltd sold the wholly owned subsidiary Marinus Link Pty Ltd to the joint ownership of the Australian, Victorian and Tasmanian Governments. As at 30 June 2025, the Tasmanian Government holds a 17.7 per cent equity share of the entity. In August 2025, the State's initial funding contribution of $103.5 million was fully recognised following the positive Final Investment Decision for Marinus Link and the establishment of revised arrangements. Tasmania will not contribute further equity under the revised arrangements; and
- $13.2 million for other equity investments which reflects investments held by the Department of State Growth and the Department of Natural Resources and Environment Tasmania.

Table 8.6 provides a breakdown of Other equity investments as at 30 June for the 2024-25 Budget, the 2024-25 Preliminary Outcome and over the 2025-26 Budget and Forward Estimates.

Table 8.6: Other Equity Investments as at 30 June

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
TasWater	188.3	192.4	192.5	192.5	192.5	192.5
Marinus Link Pty Ltd	42.7	69.1	69.1	69.1	69.1	69.1
Other equity investments	2.7	13.3	13.2	13.2	13.2	13.2
Total	**233.7**	**274.8**	**274.8**	**274.8**	**274.8**	**274.8**

Non-Financial Assets

Non-financial assets include the value of Crown Land and other land holdings, including national parks and conservation areas, schools, hospitals and other buildings held by the Government. Non-financial assets also include road and bridge infrastructure assets, Plant and equipment, Intangibles, Assets held for sale, Lease - right-of-use assets, Service concession assets and Other non-financial assets.

Land and buildings are estimated to be $8 519.7 million as at 30 June 2026, an increase of $158.7 million from the 2024-25 Budget of $8 361 million as at 30 June 2025. Land and buildings is estimated to increase by $794.3 million to $9 314 million as at 30 June 2029. This primarily reflects the revaluation and capital expenditure on schools, hospital and prison assets undertaken by the Department for Education, Children and Young People, the Department of Health and the Department of Justice, respectively.

Infrastructure is estimated to be $8 714.2 million as at 30 June 2026, an increase of $304.9 million from the 2024-25 Budget of $8 409.3 million as at 30 June 2025. Infrastructure is estimated to increase by $882 million to $9 596.2 million as at 30 June 2029, which primarily reflects the revaluation and capital expenditure on road and bridge infrastructure assets by the Department of State Growth.

The increase in Land and buildings and Infrastructure over the 2025-26 Budget and Forward Estimates reflects the implementation of the Government's infrastructure investment program. Further information on infrastructure investment is provided in chapter 7 of this Budget Paper.

Lease - right-of-use assets are estimated to be $543 million as at 30 June 2026. This comprises: $520.3 million for Land and buildings, which primarily reflects the leasing of Government office accommodation held by Finance-General; and $22.7 million for Plant and equipment, which primarily reflects the leasing of equipment by both the Department of Natural Resources and Environment Tasmania and the Department of Health. Lease - right-of-use assets are estimated to decrease by $124.6 million to $418.4 million as at 30 June 2029, which primarily reflects the impact of depreciation over the period.

Service concession assets are estimated to be $376.7 million as at 30 June 2026, a decrease of $195.1 million from the 2024-25 Budget of $571.8 million. This decrease primarily reflects the revaluation of the asset recognised by the Department of Police, Fire and Emergency Management for the TasGRN which is operated and maintained by Telstra. Service concession assets are estimated to decrease by $116.3 million to $260.4 million as at 30 June 2029, which reflects the impact of amortisation over the period.

Superannuation

General Government Sector Superannuation

The Government's superannuation liability is an estimate of the obligations of the State with respect to liabilities arising from the current and former members of unfunded or partially funded Public Sector defined benefit superannuation schemes, which were closed to new members with effect from May 1999.

The superannuation liability is an estimate of the net present value of the Government's share of meeting current and future benefit payments for scheme members. The superannuation liability differs from many other financial liabilities, such as Borrowings, which can be called on for repayment in full at any point in time.

The superannuation liability has arisen over many decades because benefits are funded on an emerging basis when scheme members become entitled to a pension or lump sum benefit. That is, the Government's portion of the final benefit is paid when it falls due, with the remaining part of the benefit being funded from the scheme's assets. The major schemes currently operating in the General Government Sector that have an unfunded liability are those administered under the:

- *Public Sector Superannuation Reform Act 2016;*
- *Public Sector Superannuation Reform Regulations 2017;*
- *Public Sector Superannuation Reform (Parliamentary Superannuation) Regulations 2016;* and
- *Judges' Contributory Pensions Act 1968*.

While these schemes are closed to new members, because of the long-term nature of superannuation benefits, the superannuation liability continues to increase as existing members accrue additional years of service as they approach retirement age.

The General Government Sector Superannuation liability is estimated to be $7 082.1 million as at 30 June 2026, which is comprised of the estimated present value of the liability of $9 156.9 million less the estimated fair value of plan assets of $2 074.7 million.

Table 8.7: General Government Sector Superannuation Liability as at 30 June

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Present value of superannuation liability	9 260.5	9 130.1	9 156.9	9 086.9	8 985.9	8 852.6
Fair value of plan assets	(2 003.4)	(2 156.8)	(2 074.7)	(2 035.6)	(1 987.7)	(1 911.5)
Total	**7 257.1**	**6 973.3**	**7 082.1**	**7 051.3**	**6 998.2**	**6 941.1**

Chart 8.8 projects the General Government Superannuation liability (net of plan assets) over the period 30 June 2026 to 30 June 2086.

Chart 8.8: General Government Superannuation Liability Projection 30 June 2026 to 30 June 2086

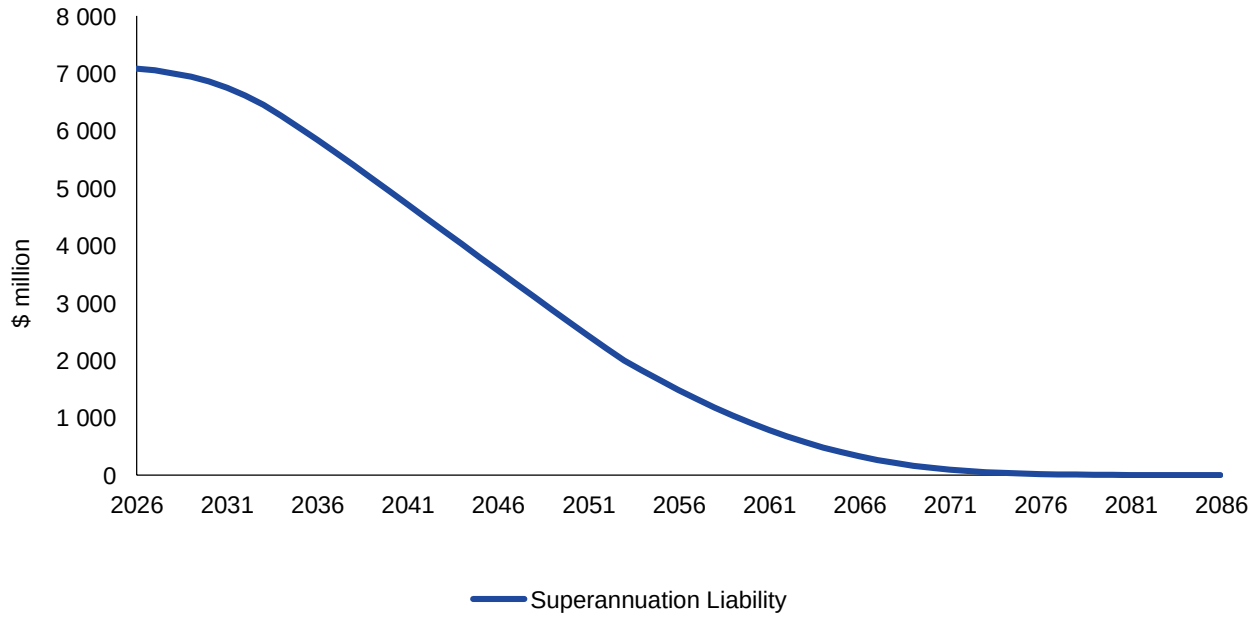
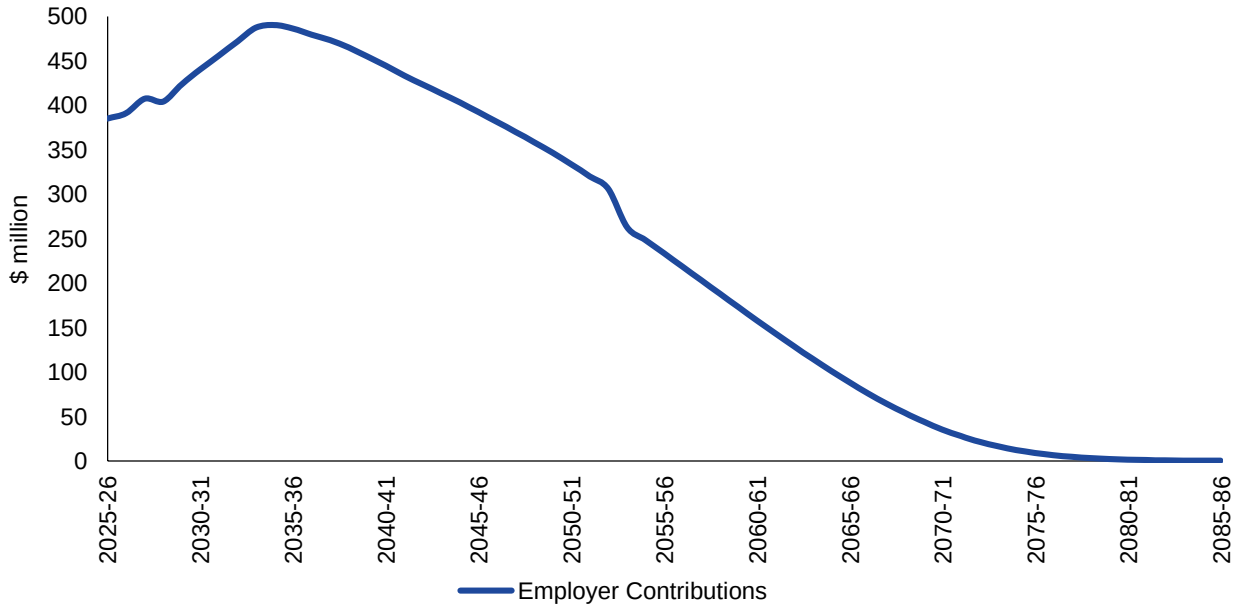


Chart 8.9 shows the estimated employer contribution payments, made up of both pension and lump sum benefit costs, over the period 2025-26 to 2085-86.

Chart 8.9: Defined Benefit Superannuation Costs, 2025-26 to 2085-86



The current projections show the cost will increase by 21.2 per cent over the next 10 years, peaking in 2034-35. The estimated cost to the Budget is based on the most recent actuarial estimates. The current estimated peak cost of $490.2 million in 2034-35 represents a minor decrease of $3.7 million from the estimated peak cost of $493.9 million included in the 2024-25 Budget.

In 2025-26, defined benefit superannuation costs are estimated to be 3.9 per cent of cash receipts from operating activities in the General Government Sector. Defined benefit superannuation costs, as a percentage of General Government Sector cash receipts, is estimated to peak at 4 per cent in three years (2027-28), followed by a decrease to 3 per cent in 15 years (2039-40) and 2.2 per cent in 20 years (2044-45).

Table 8.8 shows the estimated nominal cash flows required to meet the emerging cost of superannuation benefits payable to members. This represents the estimated total cost of benefits payable and includes the General Government Sector share, together with the share of benefits that are funded from plan assets.

Table 8.8: Undiscounted Defined Benefit Obligations Payable to Employees of the General Government Sector

	2025 Estimate
	$m
Estimated total benefit payments to be made in the period	
No later than 1 year	530.7
Later than 1 year and no later than 2 years	542.1
Later than 2 years and no later than 5 years	1 744.6
Later than 5 years and no later than 10 years	3 103.4
Later than 10 years and no later than 15 years	3 021.5
Later than 15 years and no later than 20 years	2 688.1
Later than 20 years and no later than 25 years	2 273.6
Later than 25 years and no later than 30 years	1 771.6
Later than 30 years and no later than 35 years	1 221.8
Later than 35 years and no later than 40 years	713.6
Later than 40 years and no later than 45 years	334.0
Later than 45 years and no later than 50 years	113.4
Undiscounted defined benefit obligation	**18 058.5**
After 50 years there is expected to be a reducing level of payments for a further 18 years totalling approximately:	29.0

Actuarial Assumptions and Sensitivity Analysis

Independent actuarial assessments are prepared by the Actuary to provide reporting and disclosure information, relating to the General Government Sector Superannuation liability, in respect of current and former employees who have defined benefits arising from membership of the closed defined benefit superannuation schemes.

The actuarial assumptions are used for the variables that will determine the ultimate cost of providing long-term superannuation benefits. Actuarial assumptions must be unbiased (i.e. neither imprudent nor excessively conservative) and should reflect the economic relationships between factors such as inflation, rates of salary increase, the return on scheme assets and discount rates.

Table 8.9 shows the key assumptions used by the Actuary in preparing estimates for the 2024-25 Budget and the 2025-26 Budget and Forward Estimates.

Table 8.9: Actuarial Assumptions

	2024-25 Budget	2025-26 Budget and Forward Estimates
	%	%
Discount rate	4.5	4.5
Salary increase rate	3.5	3.5
Pension increase rate[1]	3.5	3.0 to 2.5
Asset earnings rate	4.5	4.5

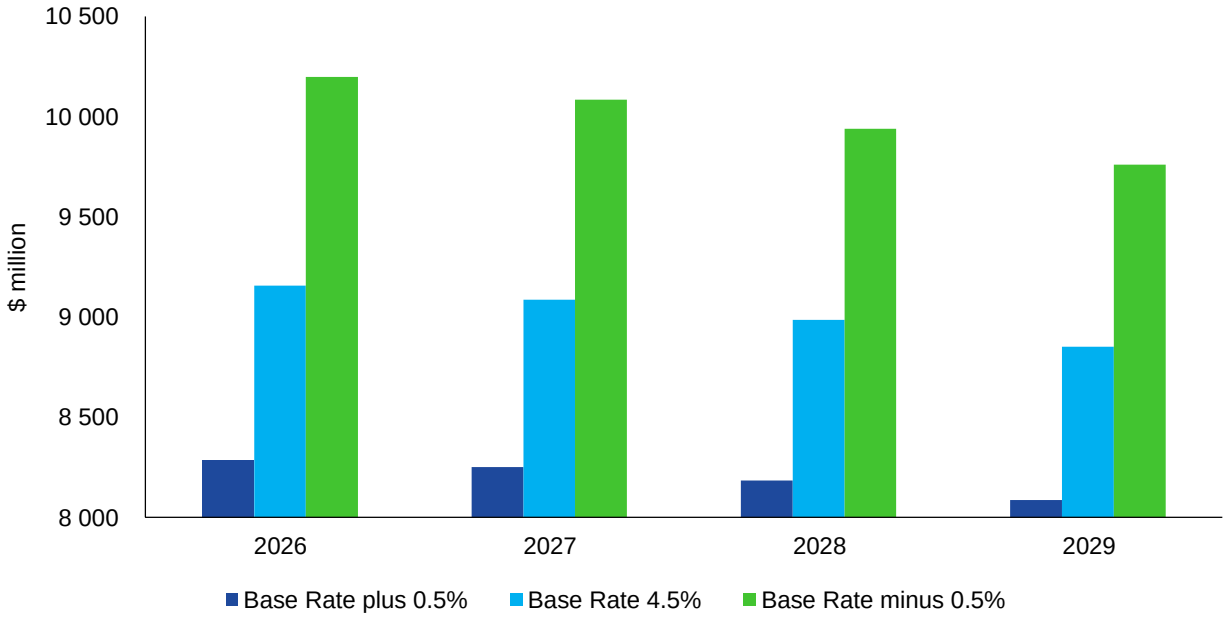
Note:
1. Pension increase rate 3.0 per cent for 2025-26 Budget and 2.5 per cent thereafter.

It is important to recognise that the actuarial estimate is a snapshot of a scheme's estimated financial position at a particular point in time, and that the actuarial results do not predict a scheme's future financial position or its ability to pay benefits in the future. Over time, a scheme's total cost will depend on a number of factors, including the amount of benefits the scheme pays, the number of people paid benefits (for example mortality and marital status are estimated), scheme expenses and the amount earned on any assets invested to pay the benefits. These variables will change over the life of the liability. The variables are uncertain at the valuation date and are estimated by the Actuary.

The 2024-25 Budget was based on a discount rate of 4.5 per cent, which was calculated using a point in time, 15 year Government Bond rate rounded to the nearest 0.5 per cent. The Actuary has noted that the cash flow weighted average of the Government's defined benefit liabilities is now closer to 12 years. As a result, a discount rate of 4.5 per cent has been used for the 2025-26 Budget which is based on the current 12 year Government Bond rate rounded to the nearest 0.5 per cent.

There is a strong inverse relationship between the discount rate and the valuation of the superannuation liability. Chart 8.10 shows the impact of an increase or decrease of 50 basis points in the average discount rate used to value the General Government Sector Superannuation liability. The base rate column represents the estimated present value of the superannuation liability (gross) as at 30 June in each year valued by the Actuary using a discount rate of 4.5 per cent.

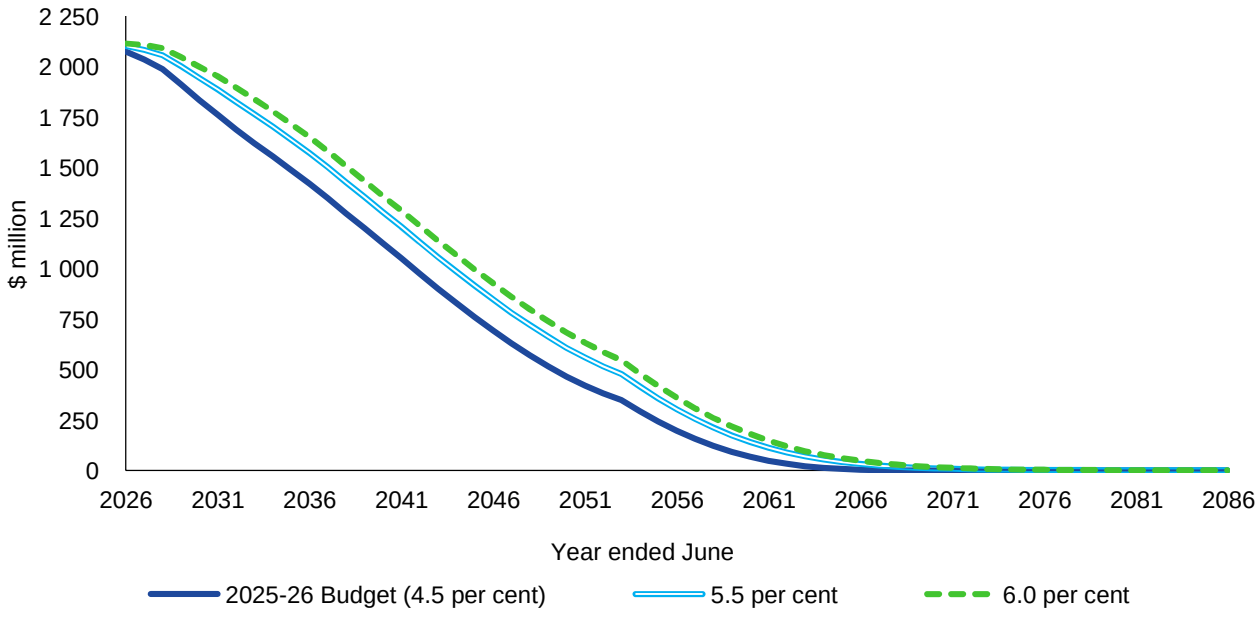
Chart 8.10: Sensitivity Analysis of the General Government Sector Superannuation Liability as at 30 June



Movements in the discount rate assumption have a significant impact on the valuation of the superannuation liability at any point of time. However, these movements have no impact on the cash flows required to meet the emerging cost of benefits paid to members. The asset earnings rate is an assumption that impacts on the cash cost of employer contributions. A change in the asset earnings rate will directly impact on the value of Plan Assets.

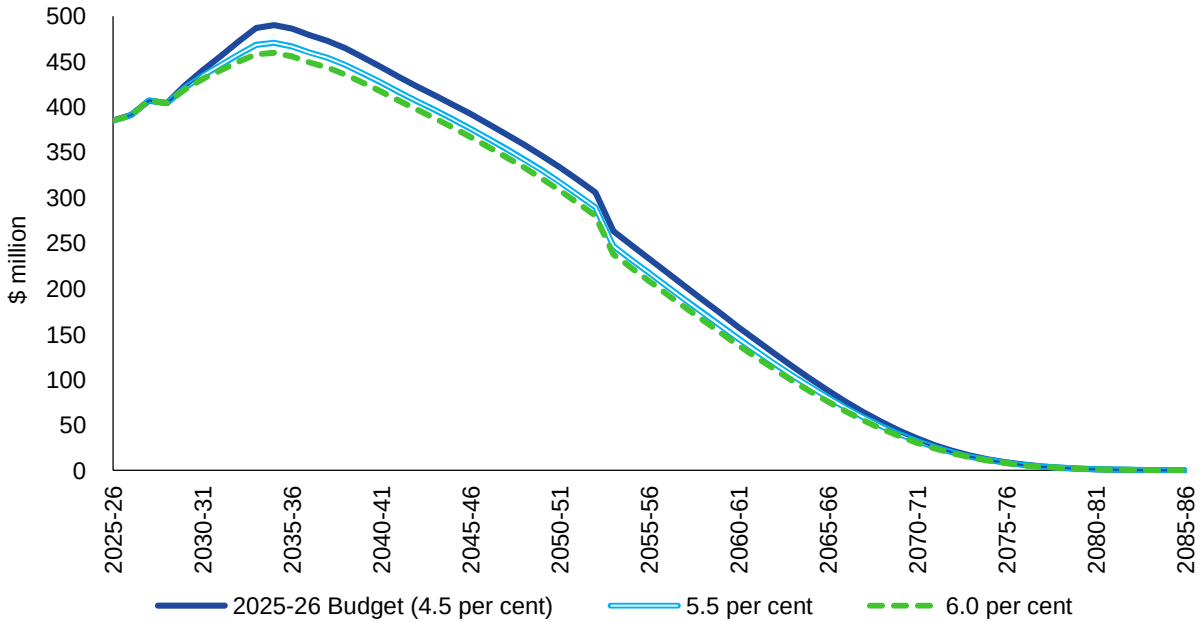
Chart 8.11 shows the value of plan assets based on a number of different asset earning rate assumptions, ranging from the 2025-26 Budget assumption of 4.5 per cent up to 6 per cent.

Chart 8.11: General Government Sector Superannuation Plan Assets based on different Asset Earning Rates



An increase in plan assets will have an impact on the cash-based cost of employer contributions as more assets are available to be used to fund the emerging cost of the liability. The difference in employer contributions under each scenario for asset earning rates is shown in Chart 8.12. The chart shows an increase in the asset earning rate can reduce the cash cost of employer contributions over the period 2025-26 to 2085-86.

Chart 8.12: General Government Sector Employer Contributions based on different Asset Earning Rates



Total State Sector Superannuation

The Total State Sector Superannuation Liability as at 30 June 2026 is estimated to be $7 582.4 million, which is comprised of the estimated present value of the liability of $9 797.4 million less the estimated fair value of plan assets of $2 215.1 million.

Table 8.10: Total State Sector Superannuation Liability as at 30 June

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Present value of superannuation liability	9 912.7	9 774.0	9 797.4	9 722.8	9 615.0	9 472.7
Fair value of plan assets	(2 139.8)	(2 299.0)	(2 215.1)	(2 173.3)	(2 122.4)	(2 041.2)
Total	**7 772.9**	**7 475.0**	**7 582.4**	**7 549.5**	**7 492.6**	**7 431.5**

Chart 8.13 shows the impact of an increase or decrease of 50 basis points in the discount rate used to value the Total State Sector Superannuation liability. The Base Rate 4.5% column represents the estimated present value of the superannuation liability (gross) as at 30 June in each year valued by the Actuary using a discount rate of 4.5 per cent.

Chart 8.13: Sensitivity Analysis of the Total State Sector Superannuation Liability as at 30 June

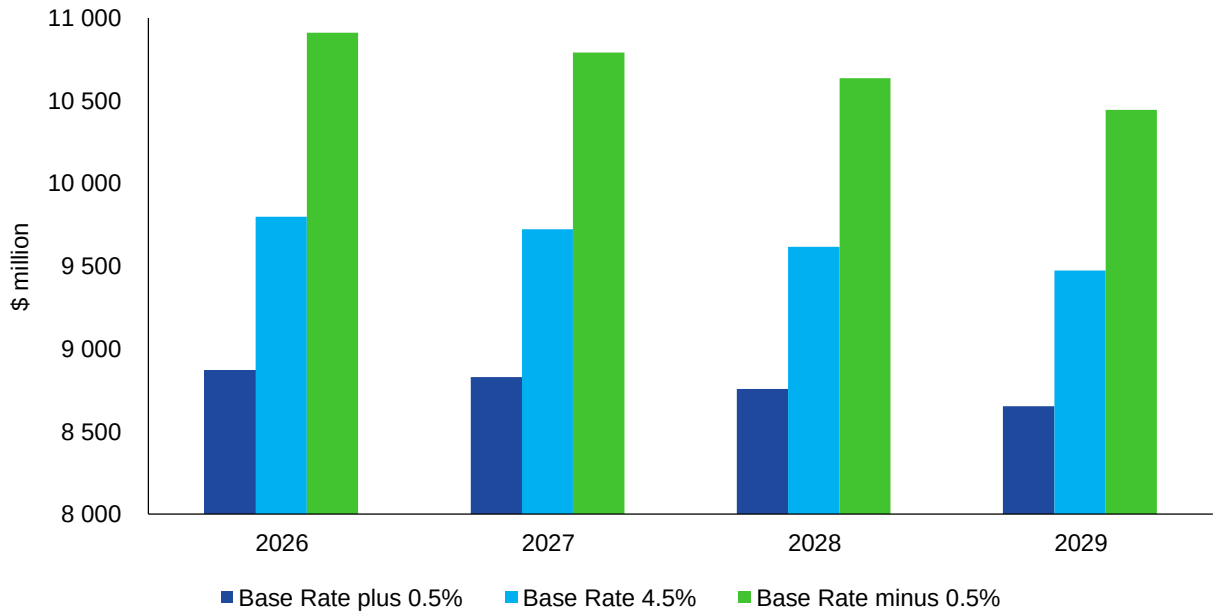


Table 8.11 shows the estimated nominal cash flows required to meet the emerging cost of superannuation benefits payable to members. This represents the estimated total cost of benefits payable and includes the Total State share, together with the share of benefits that are funded from plan assets.

Table 8.11: Undiscounted Defined Benefit Obligations Payable to Employees of the Total State Sector

	2025 Estimate
	$m
Estimated total benefit payments to be made in the period	
No later than 1 year	567.5
Later than 1 year and no later than 2 years	579.8
Later than 2 years and no later than 5 years	1 865.6
Later than 5 years and no later than 10 years	3 319.7
Later than 10 years and no later than 15 years	3 232.3
Later than 15 years and no later than 20 years	2 876.6
Later than 20 years and no later than 25 years	2 433.7
Later than 25 years and no later than 30 years	1 897.0
Later than 30 years and no later than 35 years	1 308.3
Later than 35 years and no later than 40 years	764.1
Later than 40 years and no later than 45 years	357.6
Later than 45 years and no later than 50 years	121.5
Undiscounted defined benefit obligation	**19 323.6**
After 50 years there is expected to be a reducing level of payments for a further 18 years totalling approximately:	31.1

Other liabilities

Other liabilities are recognised in the Balance Sheet when it is probable that there will be an outflow of resources, and the amount can be measured reliably. Other liabilities is estimated to be $1 363.7 million at 30 June 2026 which is an increase of $1.4 million from the 2024-25 Budget of $1 362.3 million. Other liabilities is expected to decrease to $1 209.8 million by 30 June 2029, which primarily reflects the reduction in the estimated provision for claims for abuse in State care as a result of the payment of compensation claims.

Table 8.12 shows the breakdown of General Government Sector Other liabilities for the 2024-25 Budget and Preliminary Outcome and over the 2025-26 Budget and Forward Estimates.

Table 8.12: General Government Other liabilities as at 30 June

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Provision for Claims related to Child Sexual Abuse in State Care	544.8	517.7	523.5	402.2	328.2	264.7
Tasmanian Risk Management Fund	524.8	665.9	671.1	712.1	749.6	787.2
Other	292.7	252.0	169.1	167.8	162.7	157.9
Total	**1 362.3**	**1 435.6**	**1 363.7**	**1 282.1**	**1 240.5**	**1 209.8**

Provision for Claims related to Child Sexual Abuse in State Care

The General Government Sector Balance Sheet has been significantly impacted by the accounting recognition of a provision for claims by survivors of institutional child sexual abuse against the State. During 2023-24, the Department of Justice engaged an independent actuary to prepare an estimate of the State's abuse related liability, which included both current and future redress and civil claims and an updated actuarial report was prepared in July 2025.

The estimated liability as at 30 June 2026 is $523.5 million. The provision is estimated to decrease to a balance of $264.7 million as at 30 June 2029 which reflects the estimated payment of claims over the period.

It is important to note that there is a high level of uncertainty regarding the measurement of this liability. More information on this risk is available in chapter 4 of this Budget Paper.

Tasmanian Risk Management Fund

Purpose of the Fund

The Tasmanian Risk Management Fund's claims liability is recognised within Other liabilities on the General Government Sector Balance Sheet. The Fund was established on 1 January 1999 to provide a whole-of-government approach to managing the funding of insurable liabilities of inner-Budget agencies.

Agencies are covered for the majority of insurable risks to which they are exposed, or for which they choose to accept responsibility and the Fund agrees to cover, including:

- personal injury (including workers' compensation and personal accident);
- property (including buildings and contents, business interruption, motor vehicles, machinery, marine hull, transit and fraud);
- liability (including public and products, professional, and directors' and officers' liability);
- medical liability; and
- travel.

All classes are self-insured by the Fund apart from marine hull and travel. These classes remain insured through the purchase of a commercial insurance policy, as this is more cost-effective than self-insurance for these two categories of risk. Since 30 June 2015, an Industrial Special Risks insurance policy has also been placed to cover catastrophe risk for property assets (currently for claims above $7.25 million).

Performance of the Fund

The Fund operates on a cost recovery basis with agencies making contributions each year to build up reserves to meet current and emerging costs. Contributions are based on advice from an independent actuary and are adjusted over time according to the claims experience of agencies.

The overall increase in contributions for 2025-26 is principally due to an increase in personal injury contributions, specifically workers' compensation. This increase is primarily a result of a significant increase in claim payments, particularly during the six months to 31 December 2024, driven by a rise in the injury incidence rate and an increase in weekly benefit costs, together with a sustained increase in both the incidence and cost of psychological claims.

Contributions for medical liability have increased moderately, mainly due to higher claims frequency and claim size assumptions adopted. Contributions for general property have also increased moderately, reflecting allowances for increases in the annual cost of claims, recognising the most recent claims experience. While contributions increased for all other categories of risk, the increases were not significant. Overall, total agency contributions will increase from $181.8 million in 2024-25 (actual) to $200.4 million in 2025-26 (estimate).

As at 30 June 2026, the Fund is estimated to have Net Assets of $98.1 million. The improvement in the funding position compared to the 2024-25 Preliminary Outcome is primarily a result of $183 million in additional funding provided in the 2025-26 Budget, which is offsetting a substantial shortfall in the Personal Injury risk category. Maintaining adequate provisions, particularly in the Personal Injury risk category, is considered prudent, particularly for latent claims that can take many years to be reported and many more years to reach a settlement.

Table 8.13: Financial Position of the Tasmanian Risk Management Fund as at 30 June

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	**$m**	**$m**	**$m**	**$m**	**$m**
Assets						
Cash and cash equivalents[1]	543.7	533.4	765.1	808.3	847.1	883.9
Receivables	3.2	8.1	4.2	4.2	4.2	4.2
	546.9	**541.4**	**769.3**	**812.5**	**851.3**	**888.1**
Liabilities[2]						
Personal injury	346.4	478.2	484.6	517.5	545.7	572.5
Property	10.6	21.1	7.7	8.4	8.7	9.0
Motor vehicle	0.8	0.5	0.7	0.7	0.7	0.8
Liability	8.7	7.0	7.2	7.4	7.7	8.0
Medical	155.1	159.0	166.7	173.9	182.5	192.7
Payables and employee entitlements	3.2	4.2	4.2	4.2	4.2	4.2
	524.8	**670.1**	**671.1**	**712.1**	**749.6**	**787.2**
Net Assets	**22.1**	**(128.7)**	**98.1**	**100.4**	**101.7**	**100.9**

Notes:
1. Cash and cash equivalents includes additional appropriation funding of $183 million for 2025-26.
2. Liabilities over the 2025-26 Budget and Forward Estimates are based on actuarial advice as at 31 December 2024.

PART 3:
MANDATORY REPORTING

9 UNIFORM GOVERNMENT REPORTING

Executive Summary

- The Net Operating Balance estimates for 2025-26 are deficits of:
  - $1 008 million for the General Government Sector;
  - $131.3 million for the Public Non-Financial Corporations Sector;
  - $1 139.4 million for the Total Non-Financial Public Sector;
  - $181.6 million for the Public Financial Corporations Sector; and
  - $1 321 million for the Total State Sector.
- The Fiscal Balance estimates for 2025-26 are deficits of:
  - $1 352.1 million for the GGS;
  - $1 470.1 million for the PNFC Sector;
  - $2 822.2 million for the TNFP Sector;
  - $192.5 million for the PFC Sector; and
  - $3 014.7 million for the Total State Sector.
- Estimated Net Debt as at 30 June 2026 is:
  - $7 081.1 million for the GGS Sector;
  - $5 713 million for the PNFC Sector;
  - $12 789.5 million for the TNFP Sector;
  - negative $2 432 million for the PFC Sector; and
  - $10 357.5 million for the Total State Sector.
- Further information about the GGS Budget and Forward Estimates is included in chapter 5 of this Budget Paper.

OVERVIEW

The financial information in this chapter has been prepared in accordance with the Uniform Presentation Framework. This chapter provides Income Statement, Balance Sheet and Cash Flow Statement estimates for the:

- General Government Sector;
- Public Non-Financial Corporations Sector;
- Total Non-Financial Public Sector;
- Public Financial Corporations Sector; and
- Total State Sector.

General Government Information for 2024-25 is based on the preliminary outcomes presented in the *Preliminary Outcomes Report 2024-25*, released on 15 August 2025. Financial information for this Report is provided by Government entities to Treasury in early July for publication by 15 August. Due to the short timeframe for the preparation of the Report, estimation methods are applied using AASB 134 *Interim Financial Reporting*. The data is unaudited and preliminary in nature.

2024-25 information for PNFC and PFC sectors is based on information provided by Government Businesses prior to the end of the financial year and therefore the data is an estimate of the 2024-25 outcome.

TNFPS and State Sector information for 2024-25 represents a consolidation of Preliminary Outcome information for the GGS and estimated information for all other sectors.

For taxation information required under the UPF, refer to chapter 6 of this Budget Paper.

Final audited outcomes for 2024-25 were released in the *Treasurer's Annual Financial Report 2024-25* in October 2025.

GOVERNMENT FINANCIAL ESTIMATES

Tables 9.1 to 9.15 provide the Income Statements, Balance Sheets and Cash Flow Statements for the GGS, PNFC Sector, TNFP Sector, PFC Sector and Total State Sector respectively.

Table 9.1: General Government Income Statement

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Revenue from transactions						
Grants	5 832.8	5 812.4	6 359.8	6 280.7	6 347.0	6 592.3
Taxation	1 821.9	1 840.5	1 933.1	2 087.3	2 181.2	2 286.3
Sales of goods and services	455.8	469.7	459.7	474.1	483.1	482.5
Fines and regulatory fees	156.4	168.5	158.2	154.9	148.8	149.7
Interest income	78.3	95.5	93.1	93.8	96.6	96.8
Dividend, tax and rate equivalent income	387.0	349.1	254.1	256.8	330.4	447.8
Other revenue	219.7	249.7	240.2	244.1	245.8	228.7
	8 951.8	**8 985.4**	**9 498.2**	**9 591.7**	**9 832.8**	**10 284.1**
Less Expenses from transactions						
Employee expenses	3 978.3	4 313.8	4 345.0	4 374.5	4 436.0	4 549.9
Superannuation	476.3	503.3	550.0	551.0	556.1	571.9
Depreciation	486.5	494.6	526.8	544.9	564.1	582.1
Supplies and consumables	1 845.7	1 965.6	1 851.0	1 819.1	1 805.5	1 813.0
Nominal superannuation interest expense	306.3	316.6	309.6	308.6	306.9	304.6
Borrowing costs	223.3	247.0	352.9	456.8	543.5	618.0
Grant and subsidy expenses	2 400.2	2 301.9	2 541.7	2 320.4	2 045.9	1 974.8
Other expenses	28.0	47.9	29.2	23.8	(131.6)	(135.8)
	9 744.6	**10 190.6**	**10 506.2**	**10 399.2**	**10 126.3**	**10 278.5**
Equals NET OPERATING BALANCE	**(792.8)**	**(1 205.3)**	**(1 008.0)**	**(807.6)**	**(293.5)**	**5.6**
Plus Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	15.7	5.5	10.7	11.9	10.0	9.4
Other gains/(losses)	(57.6)	(71.4)	121.7	(33.2)	(34.2)	(34.0)
	(41.9)	**(65.9)**	**132.4**	**(21.3)**	**(24.3)**	**(24.6)**
Equals Operating Result	**(834.7)**	**(1 271.2)**	**(875.7)**	**(828.9)**	**(317.7)**	**(19.0)**

Table 9.1: General Government Income Statement (continued)

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Plus Other economic flows - other movements in Equity						
Revaluations of non-financial assets	277.9	522.2	285.7	286.0	286.2	286.3
Revaluation of equity investment in PNFC and PFC sectors	(102.1)	(170.3)	402.4	(4.9)	29.2	335.1
Movements in superannuation liability	(114.6)	144.6	(128.7)	....	....	....
Other non-owner movements in equity	....	1.8	....	....	....	....
	61.2	**498.4**	**559.5**	**281.1**	**315.5**	**621.4**
Equals Comprehensive Result	**(773.5)**	**(772.8)**	**(316.2)**	**(547.8)**	**(2.3)**	**602.4**
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	**(792.8)**	**(1 205.3)**	**(1 008.0)**	**(807.6)**	**(293.5)**	**5.6**
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	1 027.2	667.1	905.8	898.5	810.7	773.7
Less Sales of non-financial assets	40.2	38.0	35.0	36.1	34.2	33.7
Less Depreciation	486.5	494.6	526.8	544.9	564.1	582.1
	500.6	**134.6**	**344.1**	**317.4**	**212.4**	**158.0**
Equals FISCAL BALANCE	**(1 293.3)**	**(1 339.8)**	**(1 352.1)**	**(1 125.0)**	**(505.9)**	**(152.4)**

Table 9.2: General Government Balance Sheet as at 30 June

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Assets						
Financial assets						
Cash and deposits	1 300.3	1 331.4	1 416.7	1 514.5	1 546.7	1 450.3
Investments	775.3	754.8	753.4	745.0	737.6	731.3
Equity investments in PNFC and PFC sectors	10 516.3	10 383.4	11 503.6	11 830.2	12 206.4	12 955.5
Other equity investments	233.7	274.8	274.8	274.8	274.8	274.8
Receivables	429.0	456.5	452.5	450.3	447.7	443.3
Contract assets	2.8	22.4	22.4	22.5	22.5	22.5
Other financial assets	854.6	963.1	1 124.1	1 131.1	1 139.4	1 148.1
	14 112.1	**14 186.4**	**15 547.5**	**15 968.4**	**16 375.1**	**17 025.9**
Non-financial assets						
Land and buildings	8 361.0	8 257.9	8 519.7	8 821.7	9 079.5	9 314.0
Infrastructure	8 409.3	8 375.6	8 714.2	9 018.5	9 322.0	9 596.2
Plant and equipment	406.2	363.7	384.5	381.8	366.4	347.5
Heritage and cultural assets	541.3	556.4	568.7	581.0	593.3	605.6
Investment property	4.7	4.8	4.8	4.8	4.8	4.8
Intangibles	100.3	54.5	125.4	186.0	199.8	215.2
Assets held for Sale	12.9	8.0	8.0	8.0	8.0	8.0
Lease - right-of-use-assets	553.7	549.0	543.0	503.0	461.6	418.4
Service concession assets	571.8	415.4	376.7	337.9	299.2	260.4
Other non-financial assets	69.1	72.8	77.3	81.5	82.5	83.6
	19 030.4	**18 658.2**	**19 322.2**	**19 924.2**	**20 417.1**	**20 853.6**
Total Assets	**33 142.5**	**32 844.6**	**34 869.7**	**35 892.6**	**36 792.2**	**37 879.5**
Liabilities						
Borrowings	6 254.5	6 046.5	8 200.8	9 923.1	10 965.4	11 734.9
Lease liabilities	615.7	646.1	651.3	622.4	592.9	561.3
Service concession liabilities	640.1	437.8	399.1	360.3	321.6	282.8
Superannuation	7 257.1	6 973.3	7 082.1	7 051.3	6 998.2	6 941.1
Employee entitlements	1 072.6	1 115.7	1 135.4	1 078.2	1 096.2	1 116.3
Payables	313.3	328.9	348.4	349.0	345.3	331.7
Contract liabilities	496.1	498.5	643.1	728.2	736.3	603.4
Other liabilities	1 362.3	1 435.6	1 363.7	1 282.1	1 240.5	1 209.8
Total Liabilities	**18 011.5**	**17 482.6**	**19 823.9**	**21 394.6**	**22 296.4**	**22 781.3**
Net Assets	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**

Table 9.2: General Government Balance Sheet as at 30 June (continued)

	2025 Budget	2025 Preliminary Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Equity						
Accumulated funds	6 217.7	6 281.9	5 277.6	4 448.7	4 131.0	4 112.0
Asset revaluation reserve	8 424.7	8 609.0	8 894.7	9 180.7	9 466.9	9 753.2
Other revaluation reserves	488.5	471.1	873.6	868.7	897.9	1 233.0
Total Equity	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
KEY FISCAL AGGREGATES						
NET WORTH[1]	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
NET FINANCIAL WORTH[2]	**(3 899.4)**	**(3 296.2)**	**(4 276.4)**	**(5 426.2)**	**(5 921.3)**	**(5 755.4)**
NET FINANCIAL LIABILITIES[3]	**14 415.8**	**13 679.6**	**15 779.9**	**17 256.4**	**18 127.7**	**18 710.9**
NET DEBT[4]	**5 434.6**	**5 044.3**	**7 081.1**	**8 646.3**	**9 595.6**	**10 397.4**
GFS NET DEBT[5]	**4 178.9**	**3 960.3**	**6 030.7**	**7 663.6**	**8 681.1**	**9 553.3**

Notes:
1. Net Worth represents Total Assets less Total Liabilities.
2. Net Financial Worth represents Total Financial assets less Total Liabilities.
3. Net Financial Liabilities represents Total Liabilities less Financial assets excluding Equity investment in PNFC and PFC Sectors.
4. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments.
5. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance Statistics reporting framework and excludes the impact of Lease liabilities and Service concession liabilities.

Table 9.3: General Government Cash Flow Statement

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	5 751.4	5 732.2	6 504.6	6 364.9	6 355.5	6 460.2
Taxation	1 805.3	1 813.4	1 929.9	2 090.4	2 182.3	2 287.0
Sales of goods and services	453.3	433.2	455.7	471.5	480.7	480.0
Fines and regulatory fees	156.3	164.6	158.2	154.9	148.8	149.7
Interest received	77.8	89.7	92.9	93.7	96.6	96.9
Dividend, tax and rate equivalents	397.6	395.8	235.1	261.8	330.5	447.9
Other receipts	478.2	735.8	525.5	531.7	536.2	522.0
	9 120.2	**9 364.6**	**9 902.0**	**9 968.9**	**10 130.6**	**10 443.6**
Cash payments for operating activities						
Employee entitlements	(3 955.1)	(4 286.2)	(4 322.5)	(4 416.0)	(4 412.4)	(4 526.0)
Superannuation	(780.6)	(828.1)	(877.7)	(897.7)	(914.3)	(931.9)
Supplies and consumables	(1 854.6)	(1 947.6)	(1 864.8)	(1 837.0)	(1 827.0)	(1 833.2)
Borrowing costs	(221.2)	(209.7)	(333.8)	(457.0)	(548.3)	(632.7)
Grants and subsidies paid	(2 400.1)	(2 302.5)	(2 542.1)	(2 320.5)	(2 045.7)	(1 974.6)
Other payments	(391.5)	(594.1)	(398.7)	(435.5)	(235.2)	(223.4)
	(9 603.1)	**(10 168.1)**	**(10 339.7)**	**(10 363.6)**	**(9 982.9)**	**(10 121.9)**
Net cash flows from operating activities	**(482.9)**	**(803.6)**	**(437.7)**	**(394.7)**	**147.7**	**321.8**
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(1 068.8)	(667.1)	(906.8)	(899.4)	(811.5)	(774.6)
Sales of non-financial assets	36.4	38.0	30.6	31.7	29.6	29.2
	(1 032.4)	**(629.2)**	**(876.2)**	**(867.7)**	**(781.9)**	**(745.3)**
Net cash flows from financial assets (policy purposes)						
Equity injections	(409.2)	(231.4)	(717.7)	(331.5)	(347.0)	(414.0)
Net advances paid	(40.3)	(23.4)	1.3	8.3	7.3	6.3
	(449.5)	**(254.8)**	**(716.4)**	**(323.2)**	**(339.6)**	**(407.7)**

Table 9.3: General Government Cash Flow Statement (continued)

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	5.5	(0.6)	2.5	0.3	....	....
	5.5	**(0.6)**	**2.5**	**0.3**	**....**	**....**
Net cash flows from investing activities	**(1 476.5)**	**(884.6)**	**(1 590.1)**	**(1 190.7)**	**(1 121.5)**	**(1 153.0)**
Cash flows from financing activities						
Net borrowing	1 826.4	1 587.1	2 113.1	1 683.2	1 006.0	734.8
Other financing	....	2.5	....	....	....	....
	1 826.4	**1 589.5**	**2 113.1**	**1 683.2**	**1 006.0**	**734.8**
Net increase/(decrease) in cash held	**(133.1)**	**(98.5)**	**85.4**	**97.8**	**32.2**	**(96.4)**
Cash at the beginning of the year	**1 433.3**	**1 429.9**	**1 331.4**	**1 416.7**	**1 514.5**	**1 546.7**
Cash at the end of the year	**1 300.3**	**1 331.4**	**1 416.7**	**1 514.5**	**1 546.7**	**1 450.3**
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	(482.9)	(803.6)	(437.7)	(394.7)	147.7	321.8
Plus, Net cash flows from non-financial assets	(1 032.4)	(629.2)	(876.2)	(867.7)	(781.9)	(745.3)
Equals CASH SURPLUS/(DEFICIT)	**(1 515.4)**	**(1 432.8)**	**(1 313.9)**	**(1 262.5)**	**(634.3)**	**(423.6)**

Table 9.4: Public Non-Financial Corporations Sector Income Statement

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Revenue from transactions						
Grants	361.8	366.1	421.2	386.1	376.2	381.8
Sales of goods and services	3 424.9	3 250.1	3 606.4	3 918.6	4 225.0	4 675.8
Interest income	9.9	12.3	11.7	10.9	10.6	9.8
Other revenue	111.5	115.5	116.5	121.8	122.4	126.2
	3 908.1	**3 744.0**	**4 155.8**	**4 437.4**	**4 734.1**	**5 193.6**
Less Expenses from transactions						
Employee expenses	562.3	587.0	640.2	646.3	662.0	674.3
Superannuation	73.1	72.9	83.9	85.0	87.3	90.0
Depreciation	498.2	497.8	552.4	554.9	576.6	592.0
Supplies and consumables	2 179.3	2 196.9	2 436.1	2 561.2	2 699.6	2 906.5
Nominal superannuation interest expense	21.8	25.4	21.9	21.8	21.7	21.5
Borrowing costs	237.1	226.6	269.7	298.0	332.8	363.7
Dividend and income tax equivalent expenses	225.6	184.0	66.0	176.3	269.7	393.3
Grant and subsidy expenses	211.5	219.4	171.5	130.3	116.0	117.9
Other expenses	47.8	53.6	45.5	47.5	48.7	50.4
	4 056.7	**4 063.6**	**4 287.2**	**4 521.5**	**4 814.4**	**5 209.8**
Equals NET OPERATING BALANCE	**(148.7)**	**(319.6)**	**(131.3)**	**(84.1)**	**(80.3)**	**(16.2)**
Plus, Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	24.6	18.1	6.6	8.3	6.2	2.8
Other gains/(losses)	(127.8)	(115.1)	(128.2)	(138.7)	(76.4)	(103.4)
	(103.3)	**(96.9)**	**(121.6)**	**(130.3)**	**(70.2)**	**(100.6)**
Equals Operating Result	**(251.9)**	**(416.5)**	**(252.9)**	**(214.4)**	**(150.4)**	**(116.8)**

Table 9.4: Public Non-Financial Corporations Sector Income Statement (continued)

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Plus, Other economic flows - other movements in Equity						
Revaluations of non-financial assets	215.8	91.7	233.2	172.2	181.9	340.2
Movements in superannuation liability	....	40.1	....	....	....	....
Other non-owner movements in Equity	44.2	150.0	537.9	61.7	(0.9)	103.8
	260.0	**281.8**	**771.0**	**233.9**	**181.0**	**444.0**
Equals Comprehensive Result	**8.1**	**(134.7)**	**518.2**	**19.5**	**30.6**	**327.2**
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	**(148.7)**	**(319.6)**	**(131.3)**	**(84.1)**	**(80.3)**	**(16.2)**
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	1 757.2	1 329.9	1 910.5	1 482.2	1 848.8	2 303.1
Less Sales of non-financial assets	23.6	22.4	19.3	194.8	37.7	14.6
Less Depreciation	498.2	497.8	552.4	554.9	576.6	592.0
	1 235.5	**809.7**	**1 338.8**	**732.5**	**1 234.5**	**1 696.5**
Equals FISCAL BALANCE	**(1 384.1)**	**(1 129.3)**	**(1 470.1)**	**(816.5)**	**(1 314.8)**	**(1 712.7)**

Table 9.5: Public Non-Financial Corporations Sector Balance Sheet as at 30 June

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Assets						
Financial assets						
Cash and deposits	176.0	189.5	215.1	194.6	265.0	360.7
Investments	31.2	23.6	56.9	96.4	24.8	24.3
Other equity investments	217.6	256.2	298.7	362.6	429.2	500.8
Receivables	586.4	782.2	815.4	838.6	845.3	848.4
Other financial assets	607.8	630.4	377.6	367.6	325.2	330.2
	1 619.0	**1 881.9**	**1 763.7**	**1 859.7**	**1 889.5**	**2 064.4**
Non-financial assets						
Land and buildings	3 603.9	2 965.6	3 329.7	4 075.9	4 171.9	4 261.3
Infrastructure	9 826.6	10 005.2	11 603.5	11 644.3	12 849.3	14 756.9
Plant and equipment	416.1	422.2	501.9	518.3	550.3	542.6
Biological assets	212.3	212.8	215.9	218.1	220.2	223.2
Intangibles	167.4	131.7	140.6	149.5	162.4	175.3
Assets held for sale	17.5	11.3	14.3	14.6	14.9	14.9
Lease - right-of-use assets	317.5	321.5	304.1	289.4	276.2	263.4
Service concession assets	2 145.9	2 064.1	2 193.1	2 219.2	2 239.9	2 262.3
Other non-financial assets	140.2	152.8	148.0	157.1	164.3	170.3
	16 847.3	**16 287.2**	**18 451.1**	**19 286.3**	**20 649.3**	**22 670.3**
Total Assets	**18 466.3**	**18 169.1**	**20 214.8**	**21 146.1**	**22 538.8**	**24 734.7**
Liabilities						
Borrowings	5 083.6	4 907.4	5 612.4	6 222.9	7 264.5	8 746.7
Lease liabilities	358.9	376.3	372.6	361.2	353.4	345.4
Superannuation	508.4	494.0	491.2	488.6	484.3	479.7
Employee entitlements	134.9	129.5	139.8	144.5	149.0	152.1
Payables	565.2	737.9	753.7	738.6	720.3	705.9
Contract liabilities	104.6	103.6	104.4	104.1	104.8	105.5
Other liabilities	2 041.8	1 956.0	2 040.3	2 034.8	2 033.7	2 029.2
Total Liabilities	**8 797.3**	**8 704.6**	**9 514.4**	**10 094.7**	**11 109.9**	**12 564.6**
Net Assets	**9 668.9**	**9 464.5**	**10 700.4**	**11 051.4**	**11 428.9**	**12 170.1**

Table 9.5: Public Non-Financial Corporations Sector Balance Sheet as at 30 June (continued)

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Equity						
Accumulated funds	3 841.5	167.2	246.8	29.5	(120.2)	(123.1)
Asset revaluation reserve	2 284.3	2 307.2	2 540.4	2 712.6	2 894.5	3 234.7
Other revaluation reserves	(90.7)	(3.0)	84.0	84.8	84.7	84.7
Other equity	3 633.8	6 993.1	7 829.2	8 224.5	8 570.0	8 973.9
Total Equity	**9 668.9**	**9 464.5**	**10 700.4**	**11 051.4**	**11 428.9**	**12 170.1**
KEY FISCAL AGGREGATES						
NET WORTH[1]	**9 668.9**	**9 464.5**	**10 700.4**	**11 051.4**	**11 428.9**	**12 170.1**
NET FINANCIAL WORTH[2]	**(7 178.4)**	**(6 822.7)**	**(7 750.7)**	**(8 234.9)**	**(9 220.3)**	**(10 500.1)**
NET FINANCIAL LIABILITIES[3]	**7 178.4**	**6 822.7**	**7 750.7**	**8 234.9**	**9 220.3**	**10 500.1**
NET DEBT[4]	**5 235.3**	**5 070.5**	**5 713.0**	**6 293.1**	**7 328.0**	**8 707.1**
GFS NET DEBT[5]	**4 876.4**	**4 694.2**	**5 340.5**	**5 931.9**	**6 974.7**	**8 361.7**

Notes:

1. Net Worth represents Total Assets less Total Liabilities.
2. Net Financial Worth represents Total Financial assets less Total Liabilities.
3. Net Financial Liabilities represents Total Liabilities less Financial assets. For the PNFC Sector, this is equivalent to negative Net Financial Worth.
4. Net Debt represents Borrowings plus Lease liabilities, less the sum of Cash and deposits and Investments.
5. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance Statistics reporting framework and excludes the impact of Lease liabilities and Service concession liabilities.

Table 9.6: Public Non-Financial Corporations Sector Cash Flow Statement

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	363.7	356.5	428.3	382.6	373.3	377.9
Sales of goods and services	3 441.5	3 182.8	3 522.1	3 832.2	4 151.5	4 600.9
Interest received	9.6	12.2	10.1	9.6	9.5	8.7
Other receipts	234.8	297.8	272.7	245.3	248.4	253.1
	4 049.7	**3 849.3**	**4 233.2**	**4 469.6**	**4 782.7**	**5 240.6**
Cash payments for operating activities						
Employee entitlements	(577.6)	(608.3)	(657.2)	(706.9)	(712.6)	(727.7)
Superannuation	(66.3)	(71.3)	(78.4)	(84.2)	(85.0)	(87.9)
Supplies and consumables	(2 220.0)	(2 175.8)	(2 310.0)	(2 427.9)	(2 564.9)	(2 774.1)
Borrowing costs	(174.6)	(204.0)	(256.2)	(296.0)	(329.4)	(357.2)
Grants and subsidies paid	(207.5)	(215.8)	(166.0)	(127.4)	(113.9)	(118.5)
Other payments	(162.3)	(156.3)	(161.1)	(161.1)	(160.9)	(168.6)
	(3 408.3)	**(3 431.5)**	**(3 629.0)**	**(3 803.4)**	**(3 966.7)**	**(4 234.0)**
Net cash flows from operating activities	**641.4**	**417.8**	**604.3**	**666.2**	**816.0**	**1 006.7**
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(1 757.2)	(1 329.9)	(1 910.5)	(1 482.2)	(1 848.8)	(2 303.1)
Sales of non-financial assets	23.6	22.4	19.3	194.8	37.7	14.6
	(1 733.6)	**(1 307.5)**	**(1 891.1)**	**(1 287.4)**	**(1 811.1)**	**(2 288.5)**
Net cash flows from financial assets (policy purposes)						
Equity injections	409.2	227.0	717.7	331.5	347.0	414.0
	409.2	**227.0**	**717.7**	**331.5**	**347.0**	**414.0**

Table 9.6: Public Non-Financial Corporations Sector Cash Flow Statement (continued)

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	(52.8)	(2.0)	(57.4)	(115.0)	4.0	(69.0)
	(52.8)	**(2.0)**	**(57.4)**	**(115.0)**	**4.0**	**(69.0)**
Net cash flows from investing activities	**(1 377.2)**	**(1 082.5)**	**(1 230.8)**	**(1 070.9)**	**(1 460.1)**	**(1 943.5)**
Cash flows from financing activities						
Net borrowing	895.6	743.7	696.1	563.5	995.1	1 435.6
Dividends and tax equivalents paid	(226.0)	(214.9)	(44.0)	(179.4)	(280.6)	(403.0)
Net cash flows from financing activities	**669.5**	**528.9**	**652.1**	**384.2**	**714.6**	**1 032.6**
Net increase/(decrease) in cash held	**(66.4)**	**(135.9)**	**25.6**	**(20.5)**	**70.5**	**95.7**
Cash at the beginning of the year	**242.4**	**325.4**	**189.5**	**215.1**	**194.6**	**265.0**
Cash at the end of the year	**176.0**	**189.5**	**215.1**	**194.6**	**265.0**	**360.7**
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	641.4	417.8	604.3	666.2	816.0	1 006.7
Plus, Net cash flows from non-financial assets	(1 733.6)	(1 307.5)	(1 891.1)	(1 287.4)	(1 811.1)	(2 288.5)
Plus, Dividends and tax equivalents paid	(226.0)	(214.9)	(44.0)	(179.4)	(280.6)	(403.0)
Equals CASH SURPLUS/(DEFICIT)	**(1 318.3)**	**(1 104.6)**	**(1 330.8)**	**(800.5)**	**(1 275.7)**	**(1 684.9)**

Table 9.7: Total Non-Financial Public Sector Income Statement

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Revenue from transactions						
Grants	5 832.8	5 812.4	6 359.8	6 280.7	6 347.0	6 592.3
Taxation	1 746.8	1 763.1	1 851.4	2 006.8	2 093.6	2 189.8
Sales of goods and services	3 846.3	3 659.8	4 003.8	4 324.8	4 637.6	5 086.9
Fines and regulatory fees	156.4	168.5	158.2	154.9	148.8	149.7
Interest income	88.1	107.8	104.8	104.7	107.2	106.7
Dividend, tax and rate equivalent income	161.4	165.1	188.2	80.5	60.7	54.6
Other revenue	331.2	365.2	356.7	365.9	368.1	354.9
	12 163.0	**12 041.8**	**13 022.9**	**13 318.3**	**13 763.1**	**14 534.8**
Less Expenses from transactions						
Employee expenses	4 540.6	4 900.8	4 985.1	5 020.8	5 098.0	5 224.2
Superannuation	549.4	576.2	633.9	636.0	643.4	661.9
Depreciation	984.7	992.5	1 079.1	1 099.9	1 140.6	1 174.1
Supplies and consumables	3 990.8	4 102.4	4 224.8	4 312.5	4 434.6	4 648.1
Nominal superannuation interest expense	328.0	342.0	331.5	330.4	328.6	326.1
Borrowing costs	420.6	434.9	582.4	716.3	831.8	929.2
Grant and subsidy expenses	2 249.9	2 155.2	2 292.1	2 064.7	1 785.7	1 710.9
Other expenses	40.5	62.7	33.3	29.4	(126.0)	(129.2)
	13 104.4	**13 566.7**	**14 162.2**	**14 209.9**	**14 136.8**	**14 545.4**
Equals NET OPERATING BALANCE	**(941.4)**	**(1 524.8)**	**(1 139.4)**	**(891.6)**	**(373.7)**	**(10.6)**
Plus, Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	40.3	23.6	17.3	20.2	16.2	12.2
Other gains/(losses)	(185.5)	(186.5)	(6.5)	(171.8)	(110.6)	(137.4)
	(145.2)	**(162.9)**	**10.8**	**(151.6)**	**(94.4)**	**(125.2)**
Equals Operating Result	**(1 086.6)**	**(1 687.7)**	**(1 128.5)**	**(1 043.3)**	**(468.1)**	**(135.8)**

Table 9.7: Total Non-Financial Public Sector Income Statement (continued)

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Plus, Other economic flows - other movements in Equity						
Revaluations of non-financial assets	493.7	613.9	518.9	458.2	468.1	626.5
Revaluation of equity investment in PFC sector	(110.2)	(35.6)	(115.7)	(24.3)	(1.3)	7.9
Movements in superannuation liability	(114.6)	184.7	(128.7)	....	....	....
Other non-owner movements in Equity	44.1	151.9	537.9	61.7	(0.9)	103.8
	313.1	**914.9**	**812.4**	**495.5**	**465.9**	**738.2**
Equals Comprehensive Result	**(773.5)**	**(772.8)**	**(316.2)**	**(547.8)**	**(2.3)**	**602.4**
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	**(941.4)**	**(1 524.8)**	**(1 139.4)**	**(891.6)**	**(373.7)**	**(10.6)**
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	2 784.5	1 997.0	2 816.3	2 380.7	2 659.5	3 076.9
Less Sales of non-financial assets	63.8	60.3	54.3	230.9	71.9	48.3
Less Depreciation	984.7	992.5	1 079.1	1 099.9	1 140.6	1 174.1
	1 736.0	**944.2**	**1 682.8**	**1 049.9**	**1 447.0**	**1 854.4**
Equals FISCAL BALANCE	**(2 677.4)**	**(2 469.1)**	**(2 822.2)**	**(1 941.5)**	**(1 820.7)**	**(1 865.1)**

Table 9.8: Total Non-Financial Public Sector Balance Sheet as at 30 June

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Assets						
Financial assets						
Cash and deposits	1 476.3	1 520.9	1 631.8	1 709.1	1 811.7	1 811.0
Investments	806.5	778.4	810.3	841.5	762.4	755.6
Equity investment in PFC sector	847.4	918.9	803.2	778.9	777.5	785.4
Other equity investments	451.4	531.0	573.5	637.4	704.0	775.6
Receivables	1 015.4	1 238.7	1 267.9	1 288.9	1 293.0	1 291.8
Contract assets	2.8	22.4	22.4	22.5	22.5	22.5
Other financial assets	596.4	643.9	391.9	389.7	355.4	366.5
	5 196.2	**5 654.1**	**5 501.0**	**5 667.8**	**5 726.6**	**5 808.3**
Non-financial assets						
Land and buildings	11 964.9	11 223.5	11 849.4	12 897.5	13 251.3	13 575.3
Infrastructure	18 235.9	18 380.8	20 317.7	20 662.8	22 171.3	24 353.1
Plant and equipment	822.2	785.9	886.4	900.0	916.7	890.1
Heritage and cultural assets	541.3	556.4	568.7	581.0	593.3	605.6
Biological assets	212.3	212.8	215.9	218.1	220.2	223.2
Investment property	4.7	4.8	4.8	4.8	4.8	4.8
Intangibles	267.7	186.3	266.0	335.5	362.2	390.4
Assets held for sale	30.4	19.3	22.3	22.6	22.9	22.9
Lease - right-of-use assets	864.8	863.8	842.5	788.5	734.7	679.4
Service concession assets	2 717.7	2 479.5	2 569.8	2 557.1	2 539.0	2 522.7
Other non-financial assets	209.3	225.6	225.3	238.7	246.8	253.9
	35 871.2	**34 938.6**	**37 768.6**	**39 206.7**	**41 063.2**	**43 521.4**
Total Assets	**41 067.4**	**40 592.7**	**43 269.6**	**44 874.5**	**46 789.8**	**49 329.7**
Liabilities						
Borrowings	11 338.0	10 953.8	13 813.2	16 146.0	18 229.9	20 481.7
Lease liabilities	968.1	1 015.6	1 019.3	979.7	943.1	904.2
Service concession liabilities	640.1	437.8	399.1	360.3	321.6	282.8
Superannuation	7 765.5	7 467.3	7 573.3	7 539.9	7 482.5	7 420.8
Employee entitlements	1 207.4	1 245.2	1 275.2	1 222.7	1 245.1	1 268.3
Payables	878.5	1 066.8	1 102.1	1 087.6	1 065.6	1 037.6
Contract liabilities	600.6	602.1	747.5	832.3	841.1	708.9
Other liabilities	2 538.1	2 442.0	2 294.1	2 207.9	2 165.1	2 127.2
Total Liabilities	**25 936.4**	**25 230.7**	**28 223.8**	**30 376.5**	**32 294.0**	**34 231.6**
Net Assets	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**

Table 9.8: Total Non-Financial Public Sector Balance Sheet as at 30 June (continued)

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Equity						
Accumulated funds	4 512.7	4 448.8	3 526.8	2 520.0	2 049.8	2 025.7
Asset revaluation reserve	10 709.0	10 916.2	11 435.1	11 893.2	12 361.3	12 987.8
Other revaluation reserves	(90.7)	(3.0)	84.0	84.8	84.7	84.7
Total Equity	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
KEY FISCAL AGGREGATES						
NET WORTH[1]	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
NET FINANCIAL WORTH[2]	**(20 740.2)**	**(19 576.6)**	**(22 722.8)**	**(24 708.6)**	**(26 567.4)**	**(28 423.2)**
NET FINANCIAL LIABILITIES[3]	**21 587.6**	**20 495.5**	**23 526.0**	**25 487.5**	**27 344.9**	**29 208.6**
NET DEBT[4]	**10 663.4**	**10 108.0**	**12 789.5**	**14 935.5**	**16 920.4**	**19 102.1**
GFS NET DEBT[5]	**9 055.2**	**8 654.6**	**11 371.1**	**13 595.4**	**15 655.8**	**17 915.0**

Notes:
1. Net Worth represents Total Assets less Total Liabilities.
2. Net Financial Worth represents Total Financial assets less Total Liabilities.
3. Net Financial Liabilities represents Total Liabilities less Financial assets excluding Equity Investments in PFC Sector.
4. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments.
5. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistic's Government Finance Statistics reporting framework and excludes the impact of Lease liabilities and Service concession liabilities.

Table 9.9: Total Non-Financial Public Sector Cash Flow Statement

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	5 753.3	5 722.5	6 511.8	6 361.4	6 352.6	6 456.3
Taxation	1 730.2	1 736.0	1 848.2	2 009.9	2 094.7	2 190.6
Sales of goods and services	3 860.5	3 555.9	3 915.4	4 235.9	4 561.7	5 009.5
Fines and regulatory fees	156.3	164.6	158.2	154.9	148.8	149.7
Interest received	87.4	101.9	103.0	103.2	106.0	105.6
Dividend, tax and rate equivalents	171.6	180.9	191.2	82.4	50.0	44.9
Other receipts	713.1	1 033.6	798.2	776.9	784.7	775.1
	12 472.5	**12 495.4**	**13 526.0**	**13 724.6**	**14 098.5**	**14 731.6**
Cash payments for operating activities						
Employee entitlements	(4 532.7)	(4 894.5)	(4 979.7)	(5 122.9)	(5 125.0)	(5 253.7)
Superannuation	(846.8)	(899.4)	(956.2)	(981.8)	(999.3)	(1 019.8)
Supplies and consumables	(4 040.3)	(4 063.3)	(4 112.5)	(4 196.9)	(4 321.5)	(4 535.9)
Borrowing costs	(356.0)	(375.0)	(549.7)	(714.4)	(833.1)	(937.3)
Grants and subsidies paid	(2 245.8)	(2 152.2)	(2 286.9)	(2 061.8)	(1 783.4)	(1 711.3)
Other payments	(518.5)	(711.7)	(518.5)	(554.6)	(353.1)	(348.1)
	(12 540.1)	**(13 096.1)**	**(13 403.4)**	**(13 632.5)**	**(13 415.4)**	**(13 806.2)**
Net cash flows from operating activities	**(67.6)**	**(600.7)**	**122.6**	**92.2**	**683.1**	**925.4**
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(2 826.1)	(1 997.0)	(2 817.3)	(2 381.6)	(2 660.3)	(3 077.7)
Sales of non-financial assets	60.0	60.3	49.9	226.5	67.3	43.9
	(2 766.1)	**(1 936.7)**	**(2 767.3)**	**(2 155.2)**	**(2 593.0)**	**(3 033.8)**
Net cash flows from financial assets (policy purposes)						
Equity injections	....	(4.5)	....	....	....	....
Net advances paid	(40.3)	(23.4)	1.3	8.3	7.3	6.3
	(40.3)	**(27.9)**	**1.3**	**8.3**	**7.3**	**6.3**

Table 9.9: Total Non-Financial Public Sector Cash Flow Statement (continued)

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	(47.3)	(2.6)	(54.8)	(114.8)	4.1	(69.0)
	(47.3)	**(2.6)**	**(54.8)**	**(114.8)**	**4.1**	**(69.0)**
Net cash flows from investing activities	**(2 853.7)**	**(1 967.2)**	**(2 820.8)**	**(2 261.6)**	**(2 581.6)**	**(3 096.6)**
Cash flows from financing activities						
Net borrowing	2 721.9	2 330.9	2 809.2	2 246.7	2 001.2	2 170.4
Other financing	....	2.5	....	....	....	....
Net cash flows from financing activities	**2 721.9**	**2 333.4**	**2 809.2**	**2 246.7**	**2 001.2**	**2 170.4**
Net increase/(decrease) in cash held	**(199.4)**	**(234.4)**	**111.0**	**77.3**	**102.7**	**(0.7)**
Cash at the beginning of the year	**1 675.7**	**1 755.3**	**1 520.9**	**1 631.8**	**1 709.1**	**1 811.7**
Cash at the end of the year	**1 476.3**	**1 520.9**	**1 631.8**	**1 709.1**	**1 811.7**	**1 811.0**
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	(67.6)	(600.7)	122.6	92.2	683.1	925.4
Plus, Net cash flows from non-financial assets	(2 766.1)	(1 936.7)	(2 767.3)	(2 155.2)	(2 593.0)	(3 033.8)
Equals CASH SURPLUS/(DEFICIT)	**(2 833.7)**	**(2 537.3)**	**(2 644.7)**	**(2 063.0)**	**(1 909.9)**	**(2 108.4)**

Table 9.10: Public Financial Corporations Sector Income Statement

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Revenue from transactions						
Sales of goods and services	157.7	155.5	165.0	173.5	182.7	192.4
Interest income	550.7	693.6	851.3	989.9	1 155.2	1 355.0
Dividend income	58.6	40.7	43.3	44.5	45.3	46.7
Other revenue	5.8	9.6	5.6	5.8	6.2	6.6
	772.8	**899.4**	**1 065.2**	**1 213.7**	**1 389.4**	**1 600.8**
Less Expenses from transactions						
Employee expenses	9.3	9.0	9.6	9.6	9.9	10.2
Superannuation	1.5	1.5	1.7	1.8	1.9	2.0
Depreciation	0.4	0.4	0.3	0.4	0.4	0.4
Supplies and consumables	217.7	195.1	218.6	233.8	241.5	256.5
Borrowing costs	520.4	653.5	821.7	962.8	1 125.7	1 323.5
Dividend and income tax equivalent expenses	161.4	165.1	188.2	80.5	60.7	54.6
Grant and subsidy expenses	5.8	6.0	6.3	6.6	6.9	7.3
Other expenses	0.4	0.4	0.5	0.5	0.5	0.5
	916.8	**1 030.9**	**1 246.9**	**1 295.9**	**1 447.5**	**1 655.0**
Equals NET OPERATING BALANCE	**(144.1)**	**(131.5)**	**(181.6)**	**(82.2)**	**(58.1)**	**(54.2)**
Plus, Other economic flows - included in Operating Result						
Other gains/(losses)	24.7	93.3	68.0	58.5	59.7	61.5
	24.7	**93.3**	**68.0**	**58.5**	**59.7**	**61.5**
Equals Operating Result	**(119.3)**	**(38.2)**	**(113.6)**	**(23.7)**	**1.6**	**7.3**
Plus, Other economic flows - other movements in Equity						
Revaluation of non-financial assets	....	....	0.3	....	....	....
Other non-owner movements in Equity	9.1	2.6	(2.3)	(0.7)	(2.9)	0.6
	9.1	**2.6**	**(2.1)**	**(0.7)**	**(2.9)**	**0.6**
Equals Comprehensive Result	**(110.2)**	**(35.6)**	**(115.7)**	**(24.3)**	**(1.3)**	**7.9**

Table 9.10: Public Financial Corporations Sector Income Statement (continued)

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	**(144.1)**	**(131.5)**	**(181.6)**	**(82.2)**	**(58.1)**	**(54.2)**
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	16.5	2.2	11.2	37.9	27.8	8.1
Less Depreciation	0.4	0.4	0.3	0.4	0.4	0.4
	16.1	**1.8**	**10.9**	**37.5**	**27.4**	**7.7**
Equals FISCAL BALANCE	**(160.2)**	**(133.4)**	**(192.5)**	**(119.6)**	**(85.5)**	**(61.9)**

Table 9.11: Public Financial Corporations Sector Balance Sheet as at 30 June

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Assets						
Financial assets						
Cash and deposits	4.4	4.6	4.3	4.3	4.3	4.4
Investments	18 013.0	18 595.5	20 611.9	23 608.2	25 343.6	27 947.0
Receivables	26.7	29.5	30.2	31.2	32.2	33.3
Other financial assets	13.6	107.3	104.9	114.6	112.7	112.1
	18 057.7	**18 736.9**	**20 751.3**	**23 758.3**	**25 492.9**	**28 096.7**
Non-financial assets						
Land and buildings	35.4	21.6	30.2	65.2	90.2	96.5
Plant and equipment	1.0	1.3	1.2	1.4	1.6	1.7
Intangibles	1.7	0.8	0.3	0.2	0.2	0.2
Lease right-of-use assets	1.1	1.1	0.9	0.8	0.6	0.5
	39.2	**24.8**	**32.6**	**67.6**	**92.6**	**98.9**
Total Assets	**18 096.9**	**18 761.7**	**20 783.9**	**23 825.9**	**25 585.5**	**28 195.6**
Liabilities						
Borrowings	15 669.7	16 138.0	18 183.3	21 163.7	22 841.6	25 354.2
Lease liabilities	1.1	1.1	0.9	0.8	0.6	0.5
Superannuation	7.4	7.6	9.1	9.6	10.1	10.7
Employee entitlements	1.9	1.8	1.9	2.0	2.1	2.2
Payables	3.2	3.3	3.3	3.1	3.1	3.1
Other liabilities	1 566.3	1 690.9	1 782.2	1 867.9	1 950.4	2 039.5
Total Liabilities	**17 249.5**	**17 842.8**	**19 980.7**	**23 047.1**	**24 808.0**	**27 410.2**
Net Assets	**847.4**	**918.9**	**803.2**	**778.8**	**777.5**	**785.4**
Equity						
Accumulated funds	703.8	775.4	756.4	760.1	758.7	766.6
Asset revaluation reserve	8.6	8.5	8.8	8.8	8.8	8.8
Other revaluation reserves	10.0	10.0	10.0	10.0	10.0	10.0
Other equity	125.0	125.0	28.0	....	....	....
Total Equity	**847.4**	**918.9**	**803.2**	**778.8**	**777.5**	**785.4**

Table 9.11: Public Financial Corporations Sector Balance Sheet as at 30 June (continued)

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
KEY FISCAL AGGREGATES						
NET WORTH[1]	**847.4**	**918.9**	**803.2**	**778.8**	**777.5**	**785.4**
NET FINANCIAL WORTH[2]	**808.2**	**894.2**	**770.6**	**711.2**	**684.9**	**686.5**
NET FINANCIAL LIABILITIES[3]	**(808.2)**	**(894.2)**	**(770.6)**	**(711.2)**	**(684.9)**	**(686.5)**
NET DEBT[4]	**(2 346.6)**	**(2 461.0)**	**(2 432.0)**	**(2 448.1)**	**(2 505.8)**	**(2 596.7)**
GFS NET DEBT[5]	**(2 347.7)**	**(2 462.1)**	**(2 432.9)**	**(2 448.9)**	**(2 506.4)**	**(2 597.2)**

Notes:
1. Net Worth represents Total Assets less Total Liabilities.
2. Net Financial Worth represents Total Financial assets less Total Liabilities.
3. Net Financial Liabilities represents Total Liabilities less Financial assets. For the PFC Sector, this is equivalent to negative Net Financial Worth.
4. Net Debt represents Borrowings plus Lease liabilities, less the sum of Cash and deposits and Investments.
5. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance Statistics reporting framework and excludes the impact of Lease liabilities and Service concession liabilities.

Table 9.12: Public Financial Corporations Sector Cash Flow Statement

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Cash flows from operating activities						
Cash received from operating activities						
Sales of goods and services	178.7	175.5	186.3	196.0	206.5	217.8
Interest received	551.0	693.8	851.6	990.1	1 155.4	1 355.3
Dividends received	58.6	40.7	43.3	44.5	45.3	46.7
Other receipts	3.2	5.6	3.4	3.5	3.7	3.9
	791.5	**915.6**	**1 084.5**	**1 234.1**	**1 410.9**	**1 623.6**
Cash payments for operating activities						
Employee entitlements	(9.0)	(8.7)	(9.4)	(9.6)	(9.8)	(10.1)
Superannuation	(1.0)	(0.9)	(1.0)	(1.3)	(1.4)	(1.4)
Supplies and consumables	(155.8)	(149.4)	(157.6)	(180.6)	(185.6)	(193.0)
Borrowing costs	(520.4)	(653.5)	(821.7)	(962.8)	(1 125.7)	(1 323.5)
Grants and subsidies paid	(6.4)	(6.6)	(6.9)	(7.2)	(7.6)	(8.0)
Other payments	(5.4)	(6.6)	(6.1)	(2.9)	(4.7)	(7.1)
	(697.9)	**(825.7)**	**(1 002.7)**	**(1 164.4)**	**(1 334.8)**	**(1 543.1)**
Net cash flows from operating activities	**93.6**	**89.9**	**81.8**	**69.7**	**76.2**	**80.6**
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(16.5)	(2.2)	(11.2)	(37.9)	(27.8)	(8.1)
	(16.5)	**(2.2)**	**(11.2)**	**(37.8)**	**(27.8)**	**(8.1)**
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	(3 216.2)	(4 147.1)	(1 904.1)	(1 447.7)	(768.2)	(944.2)
	(3 216.2)	**(4 147.1)**	**(1 904.1)**	**(1 447.7)**	**(768.2)**	**(944.2)**
Net cash flows from investing activities	**(3 232.6)**	**(4 149.3)**	**(1 915.3)**	**(1 485.6)**	**(796.0)**	**(952.2)**

Table 9.12: Public Financial Corporations Sector Cash Flow Statement (continued)

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Cash flows from financing activities						
Net borrowing	3 310.7	4 056.5	2 024.4	1 498.3	769.9	916.6
Dividends and tax equivalents paid	(171.6)	(180.9)	(191.2)	(82.4)	(50.0)	(44.9)
Net cash flows from financing activities	**3 139.1**	**3 875.6**	**1 833.2**	**1 415.9**	**719.9**	**871.7**
Net increase/(decrease) in cash held	**....**	**(183.9)**	**(0.3)**	**....**	**....**	**....**
Cash at the beginning of the year	**4.4**	**188.4**	**4.6**	**4.3**	**4.3**	**4.3**
Cash at the end of the year	**4.4**	**4.6**	**4.3**	**4.3**	**4.3**	**4.4**
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	93.6	89.9	81.8	69.7	76.2	80.6
Plus, Net cash flows from non-financial assets	(16.5)	(2.2)	(11.2)	(37.8)	(27.8)	(8.1)
Plus, Dividends and tax equivalents paid	(171.6)	(180.9)	(191.2)	(82.4)	(50.0)	(44.9)
Equals CASH SURPLUS/(DEFICIT)	**(94.5)**	**(93.2)**	**(120.6)**	**(50.6)**	**(1.6)**	**27.6**

Table 9.13: Total State Sector Income Statement

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Revenue from transactions						
Grants	5 832.8	5 812.4	6 359.8	6 280.7	6 347.0	6 592.3
Taxation	1 746.3	1 762.7	1 850.9	2 006.3	2 093.1	2 189.3
Sales of goods and services	4 004.0	3 815.3	4 168.7	4 498.3	4 820.3	5 279.3
Fines and regulatory fees	156.4	168.5	158.2	154.9	148.8	149.7
Interest income	155.2	283.6	294.0	298.6	348.3	450.9
Dividend, tax and rate equivalent income	58.6	40.7	43.3	44.5	45.3	46.7
Other revenue	337.0	374.7	362.3	371.7	374.4	361.5
	12 290.2	**12 258.0**	**13 237.3**	**13 655.0**	**14 177.3**	**15 069.6**
Less Expenses from transactions						
Employee expenses	4 549.9	4 909.7	4 994.7	5 030.5	5 107.9	5 234.4
Superannuation	550.9	577.7	635.7	637.8	645.3	663.9
Depreciation	985.0	992.8	1 079.5	1 100.2	1 141.0	1 174.6
Supplies and consumables	4 208.4	4 297.5	4 443.4	4 546.3	4 676.1	4 904.6
Nominal superannuation interest expense	328.0	342.0	331.5	330.4	328.6	326.1
Borrowing costs	457.2	570.7	741.9	883.1	1 043.5	1 241.8
Grant and subsidy expenses	2 255.7	2 161.2	2 298.4	2 071.3	1 792.6	1 718.2
Other expenses	40.5	62.7	33.3	29.4	(126.0)	(129.2)
	13 375.7	**13 914.3**	**14 558.3**	**14 628.8**	**14 609.1**	**15 134.5**
Equals NET OPERATING BALANCE	**(1 085.5)**	**(1 656.4)**	**(1 321.0)**	**(973.8)**	**(431.8)**	**(64.8)**
Plus, Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	40.3	23.6	17.3	20.2	16.2	12.2
Other gains/(losses)	(150.1)	(60.8)	66.1	(113.2)	(50.8)	(75.7)
	(109.8)	**(37.2)**	**83.4**	**(93.0)**	**(34.6)**	**(63.5)**
Equals Operating Result	**(1 195.3)**	**(1 693.6)**	**(1 237.6)**	**(1 066.8)**	**(466.4)**	**(128.3)**

Table 9.13: Total State Sector Income Statement (continued)

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Plus, Other economic flows - other movements in equity						
Revaluations of non-financial assets	493.7	613.9	519.2	458.2	468.1	626.5
Movements in superannuation liability	(114.6)	184.7	(128.7)	....	....	....
Other non-owner movements in Equity	42.7	122.2	530.9	60.8	(4.0)	104.2
	421.8	**920.8**	**921.4**	**519.0**	**464.1**	**730.7**
Equals Comprehensive Result	**(773.5)**	**(772.8)**	**(316.2)**	**(547.8)**	**(2.3)**	**602.4**
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	**(1 085.5)**	**(1 656.4)**	**(1 321.0)**	**(973.8)**	**(431.8)**	**(64.8)**
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	2 801.0	1 999.2	2 827.5	2 418.5	2 687.3	3 085.0
Less Sales of non-financial assets	63.8	60.4	54.3	231.0	71.9	48.3
Less Depreciation	985.0	992.8	1 079.5	1 100.2	1 141.0	1 174.6
	1 752.2	**946.1**	**1 693.7**	**1 087.4**	**1 474.4**	**1 862.1**
Equals FISCAL BALANCE	**(2 837.6)**	**(2 602.4)**	**(3 014.7)**	**(2 061.2)**	**(1 906.2)**	**(1 926.9)**

Table 9.14: Total State Sector Balance Sheet as at 30 June

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Assets						
Financial assets						
Cash and deposits	1 480.7	1 525.4	1 636.1	1 713.4	1 816.1	1 815.4
Investments	6 924.5	7 829.4	7 185.4	8 090.5	8 043.9	8 766.9
Other equity investments	451.4	531.0	573.5	637.4	704.0	775.6
Receivables	1 042.1	1 268.2	1 298.1	1 320.0	1 325.2	1 325.0
Contract assets	2.8	22.4	22.4	22.5	22.5	22.5
Other financial assets	581.9	701.0	446.5	446.0	400.7	401.9
	10 483.4	**11 877.4**	**11 162.0**	**12 229.7**	**12 312.5**	**13 107.3**
Non-financial assets						
Land and buildings	12 000.3	11 245.0	11 879.6	12 962.8	13 341.5	13 671.8
Infrastructure	18 235.9	18 380.8	20 317.7	20 662.8	22 171.3	24 353.1
Plant and equipment	823.2	787.2	887.6	901.5	918.3	891.8
Heritage and cultural assets	541.3	556.4	568.7	581.0	593.3	605.6
Biological assets	212.3	212.8	215.9	218.1	220.2	223.2
Investment property	4.7	4.8	4.8	4.8	4.8	4.8
Intangibles	269.5	187.1	266.3	335.7	362.4	390.6
Assets held for sale	30.4	19.3	22.3	22.6	22.9	22.9
Lease - right-of-use assets	865.8	864.9	843.4	789.2	735.3	679.9
Service concession assets	2 717.7	2 479.5	2 569.8	2 557.1	2 539.0	2 522.7
Other non-financial assets	209.3	225.6	225.3	238.7	246.8	253.9
	35 910.4	**34 963.4**	**37 801.3**	**39 274.3**	**41 155.8**	**43 620.3**
Total Assets	**46 393.8**	**46 840.8**	**48 963.3**	**51 504.0**	**53 468.3**	**56 727.6**
Liabilities						
Borrowings	15 112.7	15 547.3	17 759.7	20 950.4	23 009.4	25 900.1
Lease liabilities	969.2	1 016.6	1 020.2	980.5	943.7	904.7
Service concession liabilities	640.1	437.8	399.1	360.3	321.6	282.8
Superannuation	7 772.9	7 475.0	7 582.4	7 549.5	7 492.6	7 431.5
Employee entitlements	1 209.3	1 247.1	1 277.1	1 224.7	1 247.3	1 270.6
Payables	881.7	1 070.1	1 105.4	1 090.7	1 068.8	1 040.7
Contract liabilities	600.6	602.1	747.5	832.3	841.1	708.9
Other liabilities	4 076.3	4 082.7	4 026.0	4 017.5	4 048.1	4 090.0
Total Liabilities	**31 262.8**	**31 478.8**	**33 917.5**	**37 006.0**	**38 972.5**	**41 629.4**
Net Assets	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**

Table 9.14: Total State Sector Balance Sheet as at 30 June (continued)

	2025 Budget	2025 Estimated Outcome	2026 Budget	2027 Forward Estimate	2028 Forward Estimate	2029 Forward Estimate
	$m	$m	$m	$m	$m	$m
Equity						
Accumulated funds	4 494.0	4 430.3	3 508.0	2 501.3	2 031.0	2 006.9
Asset revaluation reserve	10 717.7	10 924.7	11 443.8	11 902.0	12 370.1	12 996.6
Other revaluation reserves	(80.7)	7.0	94.0	94.8	94.7	94.7
Total Equity	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
KEY FISCAL AGGREGATES						
NET WORTH[1]	**15 131.0**	**15 362.0**	**15 045.8**	**14 498.0**	**14 495.8**	**15 098.2**
NET FINANCIAL WORTH[2]	**(20 779.4)**	**(19 601.4)**	**(22 755.5)**	**(24 776.3)**	**(26 660.0)**	**(28 522.1)**
NET FINANCIAL LIABILITIES[3]	**20 779.4**	**19 601.4**	**22 755.5**	**24 776.3**	**26 660.0**	**28 522.1**
NET DEBT[4]	**8 316.8**	**7 647.0**	**10 357.5**	**12 487.3**	**14 414.7**	**16 505.4**
GFS NET DEBT[5]	**6 707.6**	**6 192.5**	**8 938.2**	**11 146.5**	**13 149.4**	**15 317.9**

Notes:
1. Net Worth represents Total Assets less Total Liabilities.
2. Net Financial Worth represents Total Financial assets less Total Liabilities.
3. Net Financial Liabilities represents Total Liabilities less Financial assets. For the Total State Sector, this is equivalent to negative Net Financial Worth.
4. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments.
5. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments. This is equivalent to Net Debt based on the Australian Bureau of Statistics Government Finance Statistics reporting framework and excludes the impact of Lease liabilities and Service concession liabilities.

Table 9.15: Total State Sector Cash Flow Statement

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	5 753.3	5 722.5	6 511.8	6 361.4	6 352.6	6 456.3
Taxation	1 729.8	1 735.5	1 847.7	2 009.4	2 094.2	2 190.1
Sales of goods and services	4 035.5	3 727.7	4 097.9	4 428.0	4 764.3	5 223.2
Fines and regulatory fees	156.3	164.6	158.2	154.9	148.8	149.7
Interest received	154.7	278.0	292.4	297.4	347.4	450.0
Dividend, tax and rate equivalents	58.6	40.7	43.3	44.5	45.3	46.7
Other receipts	716.3	1 039.2	801.6	780.4	788.4	779.0
	12 604.5	**12 708.2**	**13 752.9**	**14 076.0**	**14 541.0**	**15 295.0**
Cash payments for operating activities						
Employee entitlements	(4 541.7)	(4 903.2)	(4 989.1)	(5 132.5)	(5 134.8)	(5 263.8)
Superannuation	(847.8)	(900.3)	(957.2)	(983.2)	(1 000.7)	(1 021.2)
Supplies and consumables	(4 192.4)	(4 209.0)	(4 266.2)	(4 373.7)	(4 503.1)	(4 724.9)
Borrowing costs	(392.7)	(510.8)	(709.2)	(881.2)	(1 044.8)	(1 250.0)
Grants and subsidies paid	(2 252.2)	(2 158.7)	(2 293.8)	(2 069.0)	(1 791.0)	(1 719.4)
Other payments	(523.4)	(717.9)	(524.2)	(557.1)	(357.3)	(354.7)
	(12 750.2)	**(13 399.9)**	**(13 739.7)**	**(13 996.6)**	**(13 831.7)**	**(14 333.9)**
Net cash flows from operating activities	**(145.6)**	**(691.7)**	**13.2**	**79.4**	**709.3**	**961.1**
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(2 842.6)	(1 999.2)	(2 828.5)	(2 419.5)	(2 688.1)	(3 085.8)
Sales of non-financial assets	60.0	60.4	49.9	226.5	67.3	43.9
	(2 782.6)	**(1 938.9)**	**(2 778.6)**	**(2 193.0)**	**(2 620.8)**	**(3 041.9)**
Net cash flows from financial assets (policy purposes)						
Equity injections	....	(4.5)	....	....	....	....
Net advances paid	(40.3)	(23.4)	1.3	8.3	7.3	6.3
	(40.3)	**(27.9)**	**1.3**	**8.3**	**7.3**	**6.3**

Table 9.15: Total State Sector Cash Flow Statement (continued)

	2024-25 Budget	2024-25 Estimated Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	(644.3)	(1 568.8)	658.8	(968.4)	(15.3)	(777.9)
	(644.3)	**(1 568.8)**	**658.8**	**(968.4)**	**(15.3)**	**(777.9)**
Net cash flows from investing activities	**(3 467.2)**	**(3 535.6)**	**(2 118.5)**	**(3 153.1)**	**(2 628.8)**	**(3 813.5)**
Cash flows from financing activities						
Net borrowing	3 413.5	3 838.0	2 215.9	3 151.0	2 022.2	2 851.7
Other financing	....	2.5	....	....	....	....
Net cash flows from financing activities	**3 413.5**	**3 840.6**	**2 215.9**	**3 151.0**	**2 022.2**	**2 851.7**
Net increase/(decrease) in cash held	**(199.4)**	**(386.7)**	**110.7**	**77.3**	**102.7**	**(0.7)**
Cash at the beginning of the year	**1 680.1**	**1 912.1**	**1 525.4**	**1 636.1**	**1 713.4**	**1 816.1**
Cash at the end of the year	**1 480.7**	**1 525.4**	**1 636.1**	**1 713.4**	**1 816.1**	**1 815.4**
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	(145.6)	(691.7)	13.2	79.4	709.3	961.1
Plus, Net cash flows from non-financial assets	(2 782.6)	(1 938.9)	(2 778.6)	(2 193.0)	(2 620.8)	(3 041.9)
Equals CASH SURPLUS/(DEFICIT)	**(2 928.2)**	**(2 630.6)**	**(2 765.4)**	**(2 113.6)**	**(1 911.5)**	**(2 080.8)**

GENERAL GOVERNMENT EXPENSES FROM TRANSACTIONS BY PURPOSE

Table 9.16 presents General Government Expenses from Transactions classified by purpose. This is presented in accordance with the Classification of the Functions of Government - Australia. The COFOG-A is the classification framework which was introduced by the Australian Bureau of Statistics from 1 July 2017.

Table 9.16: General Government Expenses from Transactions by Purpose

	2024-25 Budget	2024-25 Preliminary Outcome	2025-26 Budget	2026-27 Forward Estimate	2027-28 Forward Estimate	2028-29 Forward Estimate
	$m	$m	$m	$m	$m	$m
General public services	546.5	595.5	657.4	919.9	742.3	822.0
Public order and safety	909.4	1 021.9	983.0	958.1	957.1	961.4
Economic affairs	625.1	474.3	529.3	329.1	236.9	213.0
Environmental protection	250.2	252.1	265.9	249.0	248.4	248.9
Housing and community amenities	157.8	160.8	238.2	166.4	145.4	146.5
Health	3 144.5	3 530.7	3 570.6	3 562.1	3 619.0	3 727.2
Recreation, culture and religion	234.1	245.7	288.8	295.1	248.1	203.6
Education	2 309.7	2 339.3	2 419.1	2 445.7	2 483.4	2 544.7
Social protection	713.4	731.8	740.5	715.2	712.7	687.0
Transport	547.6	522.1	503.8	450.0	426.2	419.7
Nominal interest on superannuation	306.3	316.6	309.6	308.6	306.9	304.6
	9 744.6	**10 190.6**	**10 506.2**	**10 399.2**	**10 126.3**	**10 278.5**