



Tasmanian
Government

P A R L I A M E N T O F T A S M A N I A

Budget Strategy and Estimates

Budget Paper No. 1

Presented by

The Hon Eric Abetz MP, Treasurer, for the information of
Honourable Members, on the occasion of the Budget, 2026-27

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.

2026-27 Budget and Government Websites

www.premier.tas.gov.au/budget-2026	Contains the 2026-27 Budget Paper documents and related Government information.
www.treasury.tas.gov.au	Contains the 2026-27 Budget Papers and Budget Paper archives. It also contains detailed information on the financial management framework established by the <i>Financial Management Act 2016</i> 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

PART 1: BUDGET CONTEXT, STRATEGY AND OUTLOOK

- 1 Budget Overview**
- 2 Tasmanian Economy**
- 3 Fiscal Strategy**
- 4 Risks, Sensitivities and Presentation**

PART 2: BUDGET ESTIMATES

- 5 2026-27 Budget and Forward Estimates**
- 6 General Government Revenue**
- 7 Infrastructure Investment**
- 8 Assets and Liabilities**

PART 3: MANDATORY REPORTING

- 9 Uniform Government Reporting**
- 10 2025-26 Estimated Outcome Including March Quarterly Report**

INDEX

PART 1: BUDGET CONTEXT, STRATEGY AND OUTLOOK

1	Budget Overview	3
	Executive Summary	3
	Economic and Fiscal Context for the Development of the 2026-27 Budget	4
	Budget Priorities	5
	Strengthening Essential Services	5
	Structural Realignment to Improve Service Delivery	6
	Strengthening the State's Fiscal Position	7
	Key Fiscal Measures	9
	Revenue	10
	Expenses	11
	Net Operating Balance	12
	Infrastructure Investment	15
	Fiscal Balance	16
	Net Debt	17
2	Tasmanian Economy	19
	Executive Summary	19
	Economic Outlook	20
	Global and National Economic Environment	20
	Recent Performance, Forecasts and Projections of the Tasmanian Economy	23
	The Tasmanian Economy	26
	Household Consumption	31
	Private Investment	32
	Public Expenditure	33
	Tasmanian International Trade	33
	Tasmania's Tourism Industry	36
	Tasmania's Labour Market	38
	Prices and Wages in Tasmania	41
	Population	45
	Risks to the Outlook	50

3	Fiscal Strategy	53
	Executive Summary	53
	Overview	54
	A New Fiscal Strategy	54
	Objectives	56
	Fiscal Strategy Measures	56
	Targets	57
	Fiscal Strategy Measures	58
	State's Credit Rating	58
	Fiscal Strategy Measures to be Achieved by 2032-33	59
	Fiscal Strategy Measures to be Achieved Annually	67
	Summary of Fiscal Strategy Measures	71
	Targets	72
	Summary of Targets	75
4	Risks, Sensitivities and Presentation	77
	Executive Summary	77
	Risks and Sensitivities	78
	Revenue Risks and Sensitivities	79
	Expenditure Risks and Sensitivities	83
	Risks from the Ownership of Government Businesses	94
	Risks to the General Government Sector arising from select Public Non-Financial Corporations Sector entities	97
	Presentation of the Budget Papers	101
	Changes since the 2025-26 Budget	101
	Basis for Estimates	102
	Presentation Conventions	103

PART 2: BUDGET ESTIMATES

5	2026-27 Budget and Forward Estimates	107
	Executive Summary	107
	Overview	107
	Government Financial Estimates	108
	Policy and Parameter Statement	114
	Public Account Receipts and Expenditure Estimates	130
	Specific Purpose Accounts Estimated Receipts and Expenditure for 2026-27	132
6	General Government Revenue	135
	Executive Summary	135
	Total Revenue	136
	Grants	138
	GST Revenue	139
	Commonwealth Payments for Specific Purposes	142
	State Taxation	147
	Tax Expenditure Statement	149
	Other Revenue Sources	151
	Sales of Goods and Services	151
	Fines and Regulatory Fees	152
	Interest Income	152
	Dividend, Tax and Rate Equivalent Income	153
	Other Revenue	155
7	Infrastructure Investment	157
	Executive Summary	157
	Overview	158
	General Government Sector Infrastructure Investment	161
	Equity Contributions for Infrastructure Investment Outside the General Government Sector	163
	Government Businesses	164
	Other Public Non-Financial Corporations Sector Entities	166
	Details of General Government Sector Infrastructure Investment Projects	167
	Projects Contingent on Australian Government Funding	180

Reconciliation between Infrastructure Investment and Purchases of Non-Financial Assets	181
8 Assets and Liabilities	183
Executive Summary	183
Balance Sheet	184
Net Debt and GFS Net Debt	186
GFS Net Debt as a percentage of GSP/Revenue	187
Interstate Comparison	188
Borrowings	190
Debt Servicing Costs	192
Net Worth	194
Equity Investment in PNFC and PFC Sectors	195
Other Equity Investments	198
Non-Financial Assets	198
Superannuation	199
Other liabilities	207

PART 3: MANDATORY REPORTING

9 Uniform Government Reporting	213
Executive Summary	213
Introduction	214
Government Financial Estimates	215
General Government Expenses from Transactions by Purpose	245

10	2025-26 Estimated Outcome Including March Quarterly Report	247
	Executive Summary	247
	Introduction	248
	General Government Income Statement	249
	Revenue Variations	251
	Expense Variations	253
	Other Economic Flows Included in Operating Result	256
	Other Economic Flows - Other Movements in Equity	257
	Net Acquisition of Non-Financial Assets	257
	General Government Balance Sheet	259
	General Government Cash Flow Statement	261
	Public Account Receipts and Expenditure	263
	Specific Purpose Accounts Estimated Receipts and Expenditure for 2025-26	265

PART 1:

BUDGET CONTEXT, STRATEGY AND OUTLOOK

1 BUDGET OVERVIEW

Executive Summary

- The 2026-27 Budget has been developed at a time when Tasmania's economy continues to demonstrate resilience and a solid underlying economic base, notwithstanding a more uncertain global environment.
- The Budget adopts a measured and future-focused approach, supporting economic opportunity and community wellbeing while strengthening the foundations for sustainable service delivery and long-term fiscal resilience.
- The Government continues to progress carefully targeted General Government Sector expenditure growth, reflecting an ongoing focus on priority services while enhancing discipline in overall expenditure management.
- Health, Education and Public order and safety continue to account for around 68 per cent of total General Government expenditure, consistent with previous Budgets, reflecting the Government's sustained commitment to essential services and community wellbeing.
- Health continues to be the largest area of expenditure, accounting for around 35 per cent of total expenditure across the 2026-27 Budget and Forward Estimates, reflecting its critical role in supporting the wellbeing, participation and productivity of all Tasmanians.
- Compared with the 2025-26 Budget, expenditure on Social protection and General public services across the Budget and Forward Estimates has increased by 8 per cent to almost \$6.5 billion, growing to over 15 per cent of total expenditure.
- The Net Operating Balance is estimated to be a deficit of \$596.7 million in 2026-27, representing a material improvement since the 2025-26 Budget and demonstrating strong progress toward the Government's commitment to return the Net Operating Balance to surplus, which is forecast to occur in 2027-28. The fiscal outlook also achieves the Government's objectives by forecasting a Fiscal Balance surplus and importantly reaching peak Net Debt in 2028-29.
- The 2026-27 Budget includes a new Fiscal Strategy, setting out the Government's updated approach to strengthening fiscal sustainability, managing expenditure pressures and supporting responsible long-term financial management.
- The Budget continues to progress a coordinated Budget Improvement Agenda, supporting productivity, service sustainability and structural reform across government.
- Overall, the 2026-27 Budget strengthens essential services today while positioning Tasmania to respond to future challenges and opportunities with confidence, responsibility and care.

ECONOMIC AND FISCAL CONTEXT FOR THE DEVELOPMENT OF THE 2026-27 BUDGET

The 2026-27 Budget has been developed at a time when Tasmania's economy continues to demonstrate the strength, resilience and confidence that has underpinned the State's progress for more than a decade. It also comes at a time when Tasmanians are looking to the future, supported by a strong and caring community that underpins the State's reputation as a place to live, work and invest, despite ongoing international challenges and uncertainty.

Recent economic indicators continue to reflect external pressures. While growth has moderated from the outcomes of recent years, activity, including household consumption, employment and investment, remains supported by a solid economic base and ongoing investment across the State. These conditions provide confidence in Tasmania's capacity to navigate a more uncertain global environment while continuing to support economic opportunity and community wellbeing.

The Tasmanian Government has been clear that Tasmania's strong economic base provides a solid foundation for the next phase of fiscal and service delivery improvements. It has also been clear that strong and supportive communities help shape and develop the future prosperity of our State.

At the same time, the Government has been transparent about the fiscal challenges the State faces and the importance of disciplined expenditure management and structural reform. While revenue settings remain broadly favourable, responsible financial management is essential to ensure Tasmania can continue to deliver high-quality services while preparing for future pressures from population change, rising service demand and ongoing cost escalation. To maintain Tasmania's strong community values and priorities, measured and responsible fiscal management is required. This will improve spending outcomes for all Tasmanians in a sustainable way.

Taken together, the economic and fiscal context presents both opportunity and a responsibility to ensure Tasmania's economy remains strong while improving the State's fiscal position. Strong economic growth, record employment levels and a balanced Budget provide a solid platform to respond to emerging fiscal pressures and continue to provide for community needs.

The 2026-27 Budget adopts a deliberate, future-focused approach that strengthens essential services today while laying the foundations for sustainable delivery and responsible financial management over the longer term. The key priorities of the Budget are:

- strengthening essential services;
- continuing to build and strengthen our communities and regions;
- planning for sustainable future service models;
- structural realignment to improve service delivery; and
- strengthening the State's fiscal position to ensure the continued delivery of the above key priorities.

BUDGET PRIORITIES

The 2026-27 Budget delivers a disciplined and coordinated program to strengthen Tasmania's fiscal sustainability to ensure the continuing delivery of safe, effective and contemporary public services that Tasmanians rely on every day. These priorities are supported by a broader Budget Improvement Agenda, which includes:

- efficiency measures commenced in previous Budgets;
- the ongoing mandate of the Efficiency and Productivity Unit to identify and suggest mechanisms for the delivery of system-wide efficiencies and performance improvements;
- the decision to bring forward the planned update of the Fiscal Strategy (see chapter 3 of this Budget Paper) to ensure it remains aligned with Tasmania's evolving economic and fiscal circumstances;
- a targeted and strategic smoothing of capital and infrastructure investment, including through a new coordinated agency, Building Tasmania; and
- a whole-of-government Fees and Charges Review, to ensure charges better reflect the contemporary efficient cost of service delivery and modernise legacy charging arrangements.

Strengthening Essential Services

The delivery and maintenance of essential services including health, safety, and education across the State remain a core priority for the Government. Beyond services provision, essential services encompass the systems and supports that enable Tasmanians to participate in, connect with, and contribute to their communities.

Ensuring these services remain dependable, high-quality and financially sustainable is central to the Government's vision for Tasmania's future. The 2026-27 Budget continues to prioritise investment in essential services, recognising their critical role in enabling Tasmanians to thrive and participate fully in the economy and society.

More than \$165 million is committed to deliver 2025 election commitments in Health, including for bulkbilling GP Clinics, women's health initiatives, scholarships for community pharmacists, upskilling of registered nurses and capital works.

The 2026-27 Budget also includes a \$506 million equity contribution to TT-Line, reinforcing the Government's commitment to strengthening essential services by ensuring Tasmania's critical Bass Strait transport link remains reliable, modern, fit-for-purpose and future focused. The level of this equity contribution reflects circumstances at the time the Budget was finalised.

Consistent with the Government's established framework for managing fiscal risks, sensitivities and long-term infrastructure requirements, this support for TT-Line will continue to be assessed in future Budget cycles as commissioning milestones are reached and operating conditions evolve.

As an island State, reliable connectivity over Bass Strait is fundamental to Tasmania's economic wellbeing, supporting freight, tourism and broader social and economic connection with mainland Australia. The Government's investment reflects its commitment to ensuring government businesses are commercially resilient.

This approach enables TT-Line to deliver safe and efficient passenger and freight services, underpinning supply chains and the visitor economy into the future, while maintaining a responsible and sustainable overall Budget position.

Structural Realignment to Improve Service Delivery

The Government is implementing machinery of government changes to better align the Tasmanian State Service with emerging service demands, the *2030 Strong Plan for Tasmania's Future* and the State's fiscal consolidation task.

In the Premier's State of the State address, on 3 March 2026, a program was outlined to transform the Department of State Growth, establish Building Tasmania, and realign economic development and destination-economy functions.

The Department of State Growth, established in 2014, has performed strongly, however Tasmania's service profile and economic opportunities have evolved over the past decade. The consolidation of infrastructure and housing delivery within Building Tasmania is intended to reduce fragmentation and accelerate delivery, while new economic development and destination-economy arrangements are designed to better reflect contemporary industry structure and market dynamics.

Consistent with this announcement, the Department of State Growth transformation includes a reduction target of 250 FTE positions, contributing to the right-sizing of the State Service. A dedicated transition team will support implementation across government, with transitional governance arrangements prioritising continuity of service delivery, clear accountabilities and timely workforce communication. Initial stages of the transition are expected to be reflected in the 2027-28 Budget, with further updates incorporated as required.

A new entity, Tourism, Events and Creative Tasmania will be established. This entity will bring together Tourism Tasmania, Brand Tasmania, Events Tasmania, the visitor economy, Screen Tasmania, Arts Tasmania, the Tasmanian Museum and Art Gallery, the Tasmanian Institute of Sport, and Active Tasmania.

Tourism, Events and Creative Tasmania will support the Tasmanian brand and visitor economy, contribute to thriving regional communities through engagement across cultural, visitor, sporting and event sectors, and strengthen participation to excellence pathways across the arts and sport.

The Department of Premier and Cabinet will assume responsibility for a number of functions currently delivered by the Department of State Growth, including economic development, trade and major investment, community and business services, and Workforce Tasmania. These changes consolidate economic, trade, workforce and service delivery functions to provide stronger central leadership, clearer global and industry engagement, and more integrated support for the community and business. Collectively, they are intended to improve public sector capability, productivity and customer-focused services, while better aligning skills, investment and reform to support Tasmania's economic and social outcomes.

A number of current functions of the Department of Premier and Cabinet will be realigned to other agencies. These realignments place functions with agencies best positioned to deliver their next phase, strengthening outcomes through closer alignment with core service delivery, clinical, regulatory and reform responsibilities.

Overall, these changes are intended to improve effectiveness, accountability and integration across child and youth wellbeing, health and disability services, ageing, local government, and Tasmania's coordinated response to family and sexual violence. Key realignments include:

- the Department for Education, Children and Young People incorporating the Keeping Children Safe Reform Program, the next phase of the Child and Youth Wellbeing Strategy, coordination of the Frank MacDonald Memorial Prize and supporting the Lifting Literacy Plan;
- the Department of Health incorporating Disability Services and Reform, the portfolio of Ageing, and commissioning of therapeutic services for victim-survivors of family and sexual violence; and
- the Department of Justice incorporating the Office of Local Government and the portfolio of Prevention of Family Violence.

The Climate Change Office will transition from the Department of State Growth to the Department of Natural Resources and Environment Tasmania to better align with the Government's agenda to deliver a sustainable Tasmania.

The Government recognises that change can create uncertainty and is committed to ensuring transitions are carefully managed, with clear communication and continuity of service delivery. Agencies will continue to engage staff and stakeholders as structures and functions are progressively realigned.

These machinery of government changes contribute to the Government's Budget Improvement Agenda by supporting more coherent, end-to-end service delivery arrangements and enabling a more efficient allocation of resources over time. They also reinforce the Government's broader focus on strengthening public sector productivity and improving long term fiscal sustainability. Together, these reforms will help build stronger and more connected communities by recognising that accessible, responsive services and a genuine culture of care are fundamental to Tasmania's long-term economic resilience and prosperity.

Strengthening the State's Fiscal Position

Strengthening Tasmania's fiscal position is a central objective of the 2026-27 Budget. This supports the Government's capacity to continue delivering essential services while managing the long-term cost pressures associated with service demand, demographic change and cost escalation. Addressing these pressures requires a sustained focus on how government operates, plans and delivers services, rather than reliance on one-off measures or short-term adjustments. Importantly, this approach will help ensure the State's long-term capacity to invest in its communities is maintained.

The release of the *Fiscal Sustainability Report 2026* provides updated long-term modelling of the State's fiscal trajectory. The Report highlights that, without intervention, Tasmania would face a gradual deterioration in fiscal sustainability over time. It also identifies key drivers of fiscal pressures, including rising costs, demographic change and the legacy of external economic shocks. Importantly, the Report concludes that no single measure will be sufficient to address these pressures, and that sustainable improvement will require ongoing productivity gains, improved service planning and disciplined expenditure control.

The 2026-27 Budget builds on the operational efficiencies implemented in previous years and extends this approach as part of a coordinated, whole-of-government effort to strengthen fiscal sustainability and ensure Tasmania's resources are directed efficiently to improve outcomes.

Agencies are continuing to identify and implement operational efficiencies through a range of measures, including:

- streamlining administrative and enabling functions and reducing unnecessary duplication;
- strengthening procurement, contract management and purchasing practices to better reflect contemporary service delivery requirements;
- improving workforce planning and deployment, including greater use of shared capability and clearer alignment between staffing profiles and service demand; and
- modernising systems, processes and digital platforms to improve consistency, reliability and cost effectiveness.

Operational Efficiencies identified in this Budget have been allocated to agencies on the basis of existing administrative and reporting structures. This reflects the timing of the Budget relative to the announcement of machinery of government changes and the early stage of development of the new structures. Presenting these measures on a current-structure basis supports continuity, transparency and stability of appropriation arrangements while implementation activities are progressed.

As the new agency arrangements are formally established and responsibilities are realigned, the allocation of funding, including operational efficiencies, will be reconsidered to align with revised operating models and accountability structures. Updates will be reflected in future Budgets.

The 2026-27 Operational Efficiencies form part of a broader Budget Improvement Agenda, which establishes clear expectations that agencies will continuously review operating models, cost drivers and delivery approaches. Over the medium-term, the efficiencies are expected to moderate growth in the State Service, supporting a right-sized and sustainable public sector.

The cumulative impact of these efficiencies is equivalent to approximately 1 700 full-time roles by 2029-30, relative to current operating arrangements. This outcome will be achieved progressively through natural attrition, workforce renewal and negotiated voluntary redundancies, consolidation of functions and reduced reliance on higher-cost staffing arrangements, rather than through across the board reductions. This approach supports a more efficient and productive State Service, while maintaining the capacity to deliver essential services and respond to future priorities.

Together, these efficiencies reflect a deliberate and responsible approach to expenditure management, ensuring continued investment in essential services while maintaining firm control over underlying cost growth.

These efficiencies are not one-off adjustments. They represent enduring efficiencies to the way Government operates and will support the sustainability of the Budget.

This approach to strengthening the State's financial position also provides flexibility within existing Budget settings to respond to emerging pressures, implement structural reforms and support major service system changes identified through ongoing reviews. In turn, it strengthens the State's capacity to deliver for Tasmanians, supporting stronger communities and a more resilient and sustainable economy over time.

KEY FISCAL MEASURES

This section summarises the Key Fiscal Measures for the 2026-27 Budget and Forward Estimates.

The Key Fiscal Measures provide a set of high-level indicators used to assess the Government's fiscal performance, sustainability and capacity to deliver services over time. Together, they capture the balance between recurrent revenues and expenses, the scale and sustainability of infrastructure investment, and the State's overall debt position.

Table 1.1 presents a summary of these Measures.

Table 1.1: Key Fiscal Measures 2025-26 to 2029-30

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
General Government Sector						
Revenue	9 498.2	9 715.2	10 191.3	10 586.9	10 900.8	11 602.7
Expenses	10 506.2	10 638.5	10 788.1	10 394.1	10 464.8	10 980.7
Net Operating Surplus/(Deficit)	(1 008.0)	(923.3)	(596.7)	192.8	436.0	622.0
Infrastructure Investment	893.7	740.4	992.2	1 020.7	806.5	639.1
Fiscal Surplus/(Deficit)	(1 352.1)	(1 057.8)	(972.7)	(206.6)	280.8	635.2
Net Debt as at 30 June¹	7 081.1	6 822.0	8 440.3	9 377.5	9 983.0	9 466.5
GFS Net Debt as at 30 June²	6 030.7	5 752.7	7 446.6	8 463.3	9 152.1	8 709.2

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.

Revenue

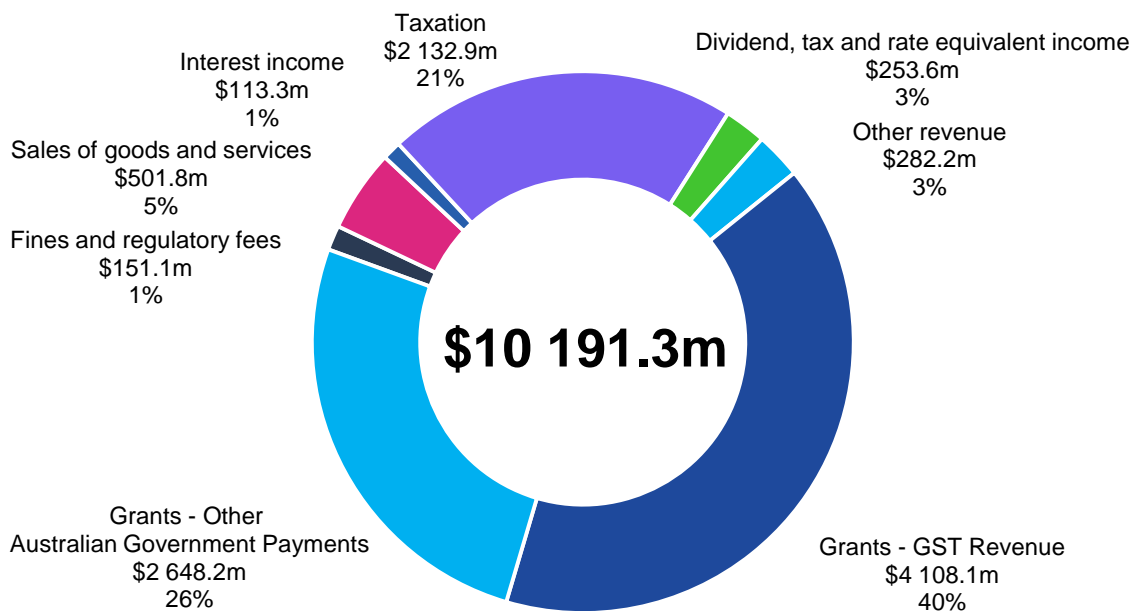
General Government Sector revenue comprises income received by the State from Australian Government grants, taxation, sales of goods and services, fines and regulatory fees, interest income, dividend tax and rate equivalent income, and other sources of revenue, as presented in the General Government Sector Income Statement.

In 2026-27, General Government Sector total revenue is estimated to be \$10 191.3 million.

Chart 1.1 provides information on the major sources of GGS revenue in 2026-27.

Chapter 6 of this Budget Paper provides a detailed explanation of the major revenue items included in the 2026-27 Budget and Forward Estimates.

Chart 1.1: Sources of General Government Sector Revenue, 2026-27



Expenses

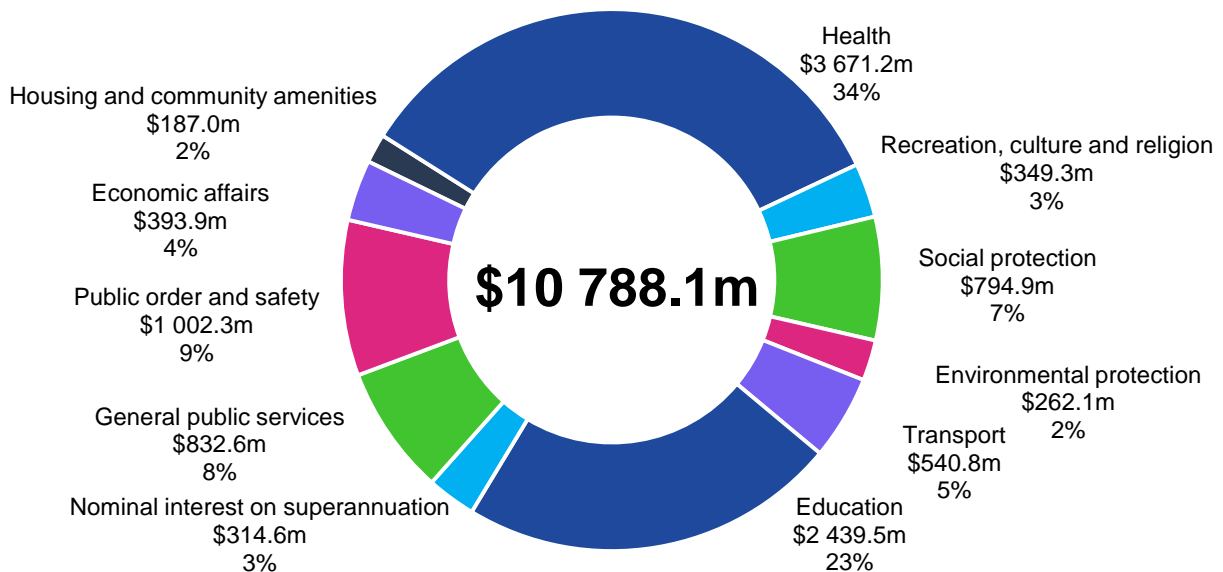
General Government Sector expenditure reflects the cost of delivering government services and programs, including employee expenses, superannuation, depreciation, supplies and consumables, grants and subsidies, borrowing costs, and other operating costs.

In 2026-27, General Government Sector total expenditure is estimated to be \$10 788.1 million.

Chart 1.2 shows the composition of General Government Sector expenditure by purpose in 2026-27, presented in accordance with the Classification of the Functions of Government - Australia Framework.

Chapter 5 of this Budget Paper provides information on expenditure variations included in the 2026-27 Budget Papers, while chapter 9 includes further detail on General Government Expenses from Transactions by Purpose across the 2026-27 Budget and Forward Estimates.

Chart 1.2: General Government Sector Expenses by Purpose, 2026-27



Net Operating Balance

The Net Operating Balance represents the difference between General Government Sector revenue and expenses. It shows whether the State is generating sufficient revenue to meet the ongoing costs of delivering services.

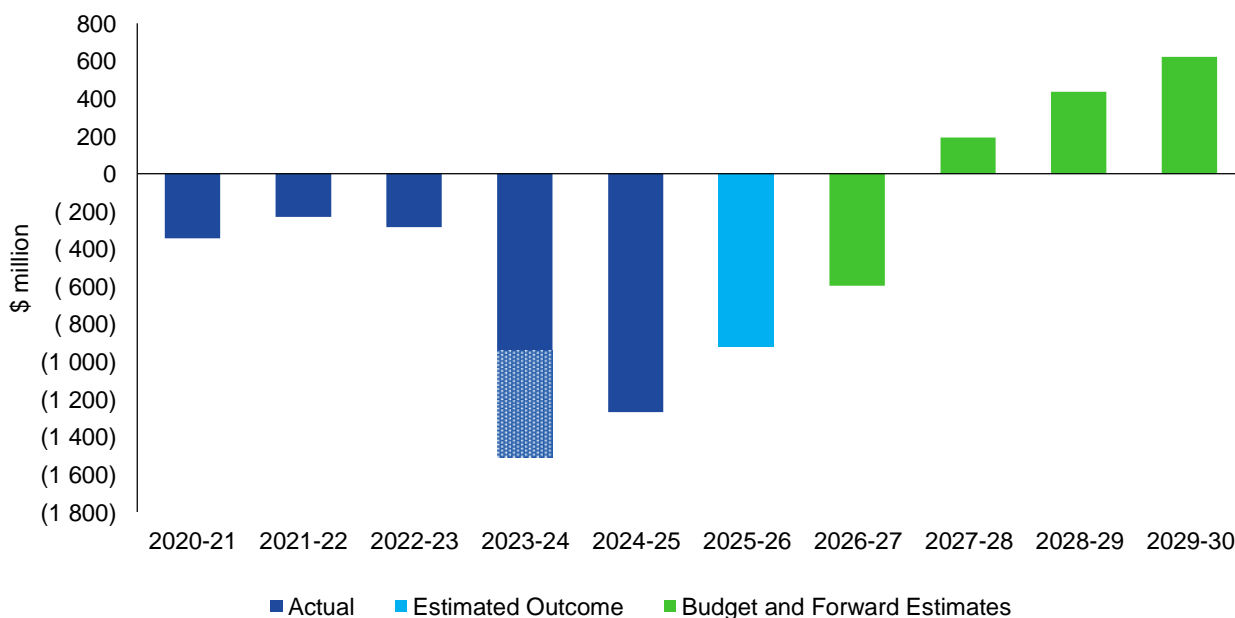
The Net Operating Balance is estimated to be a deficit of \$596.7 million in 2026-27, improving to a surplus of \$622 million in 2029-30.

The 2025-26 Estimated Outcome Net Operating Balance deficit of \$923.3 million represents an improvement of \$84.7 million from the original deficit of \$1 008 million presented in the 2025-26 Budget and Forward Estimates.

Chart 1.3 shows the Net Operating Balance outcomes since 2020-21 and projections for the 2026-27 Budget and Forward Estimates.

The 2023-24 Net Operating Balance reflects the impact of recognising a \$571.2 million increase in the Provision for Claims related to Child Sexual Abuse in State Care, shown in the chart as the shaded component of the 2023-24 Actual.

Chart 1.3: Net Operating Balance, 2020-21 to 2029-30



Underlying Net Operating Balance

The Underlying Net Operating Balance adjusts the Net Operating Balance to remove the impact of Australian Government revenue received for specific capital projects (Table 1.2). This funding is recognised as revenue in the Net Operating Balance in the year the relevant performance obligations are met. However, the associated capital expenditure is excluded from the Net Operating Balance and reflected in the Fiscal Balance through net acquisition of non-financial assets. Removing the impact of this capital-related revenue addresses this mismatch between operating revenue and expenses and provides a clearer view of the sustainability of the State's recurrent operating position.

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.

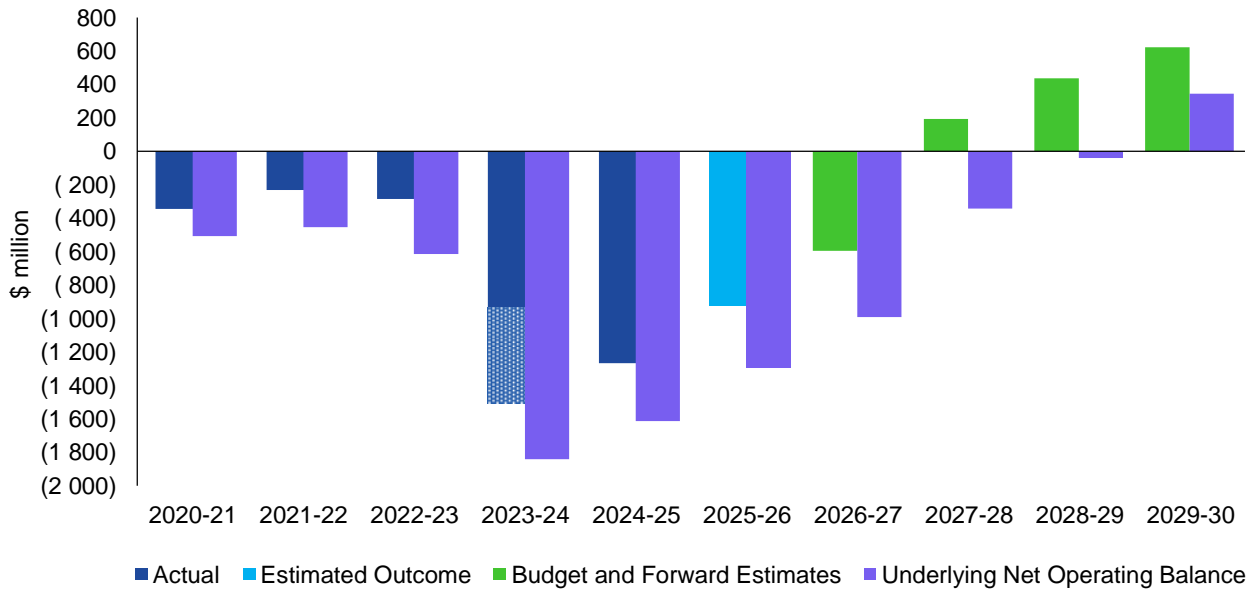
The 2026-27 Underlying Net Operating Balance is a deficit of \$992.6 million which is a \$223.5 million improvement from the 2026-27 Underlying Net Operating Balance deficit of \$1 216.1 million presented in the 2025-26 Budget.

Table 1.2: Underlying Net Operating Balance, 2025-26 to 2029-30

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Net Operating Balance	(1 008.0)	(923.3)	(596.7)	192.8	436.0	622.0
<i>Less Australian Government Capital</i>						
<i>Funding for Specific Projects</i>						
Bell Bay Line - Reconnection to the Bell Bay Wharf	3.2	2.0	11.2	10.8	....	....
Building Early Education Fund	....	....	2.0	8.0	10.5	....
Construction of the Launceston Hospice	13.0	3.2	16.0	....	....	....
COVID-19 Stimulus	0.5	0.3	0.2	....	....	....
Macquarie Point Urban Renewal	18.6	18.6	26.6	89.3	105.5	....
Macquarie Wharf 6 (Port of Hobart)	47.1	47.0	45.0	47.0	21.0	....
Melba Line Bulk Minerals Rail Hub	14.4	....	9.0	5.4	....	....
National Water Grid Fund	76.7	60.7	39.4	62.3	64.8	34.3
New Bridgewater Bridge	57.8	47.7	11.5	25.6	....	....
Northern Heart Centre in Launceston	8.0	8.0	20.2	30.0	30.0	30.0
Redevelopment of the Royal Hobart Hospital	2.5	1.3	1.2	....	....	....
Road Corridors	11.0	20.1	20.0	59.4	102.7	98.5
Roads and Rail Funding (Nation Building)	53.3	46.6	91.2	100.3	57.6	57.9
Roads of Strategic Importance	27.6	18.6	56.9	58.2	63.3	51.0
Safer Local Roads Program	8.6	8.7	8.5	8.1	2.4	....
Tarraleah Hydro Power Scheme Redevelopment	42.2	42.2	....	....	....	....
Tasman Bridge Upgrade	1.3	4.3	24.0	15.0	10.1	4.8
University of Tasmania Stadium Redevelopment Project	28.6	42.2	9.8	13.0	....	....
Urban Congestion Fund	2.8	2.5	3.2	2.9	7.7	1.5
	417.1	373.9	395.9	535.4	475.4	277.9
Underlying Net Operating Balance	(1 425.1)	(1 297.2)	(992.6)	(342.6)	(39.4)	344.1

Chart 1.4 provides a comparison of the Net Operating Balance and the Underlying Net Operating Balance since 2020-21. The 2023-24 Net Operating Balance reflects the impact of recognising a \$571.2 million increase in the Provision for Claims related to Child Sexual Abuse in State Care, shown in the chart as the shaded component of the 2023-24 Actual.

Chart 1.4: Net Operating Balance and Underlying Net Operating Balance, 2020-21 to 2029-30



Infrastructure Investment

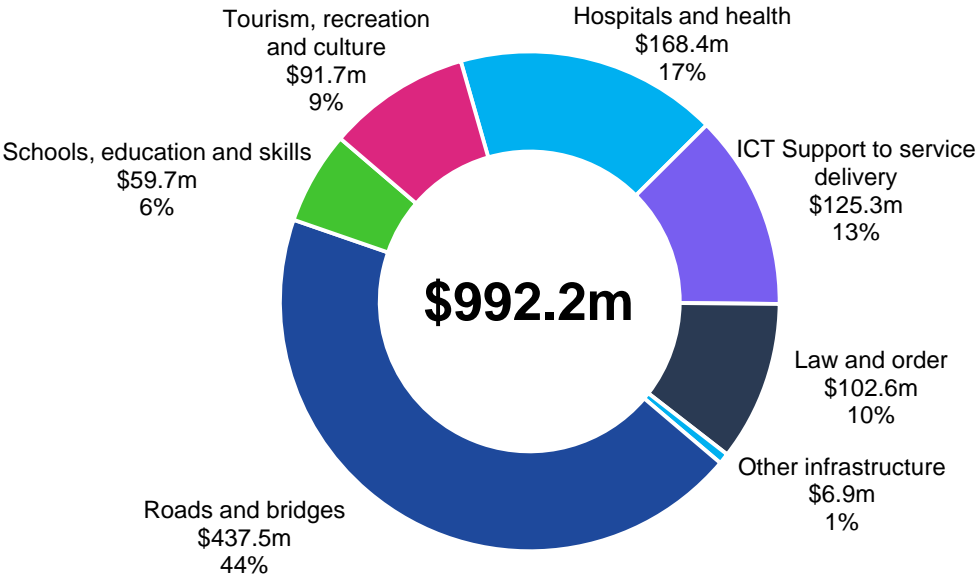
Infrastructure investment reflects the State’s commitment to capital assets and has a direct impact on the Fiscal Balance and the level of borrowing required to fund capital expenditure.

Infrastructure investment delivered through the General Government Sector is estimated to be \$992.2 million in 2026-27.

Chart 1.5 provides a breakdown of the 2026-27 General Government Sector Infrastructure investment by function, presented in accordance with the Classification of the Functions of Government - Australia Framework.

Total GGS infrastructure investment over the 2026-27 Budget and Forward Estimates is \$3.5 billion.

Chart 1.5: General Government Sector Infrastructure Investment by Function, 2026-27



Fiscal Balance

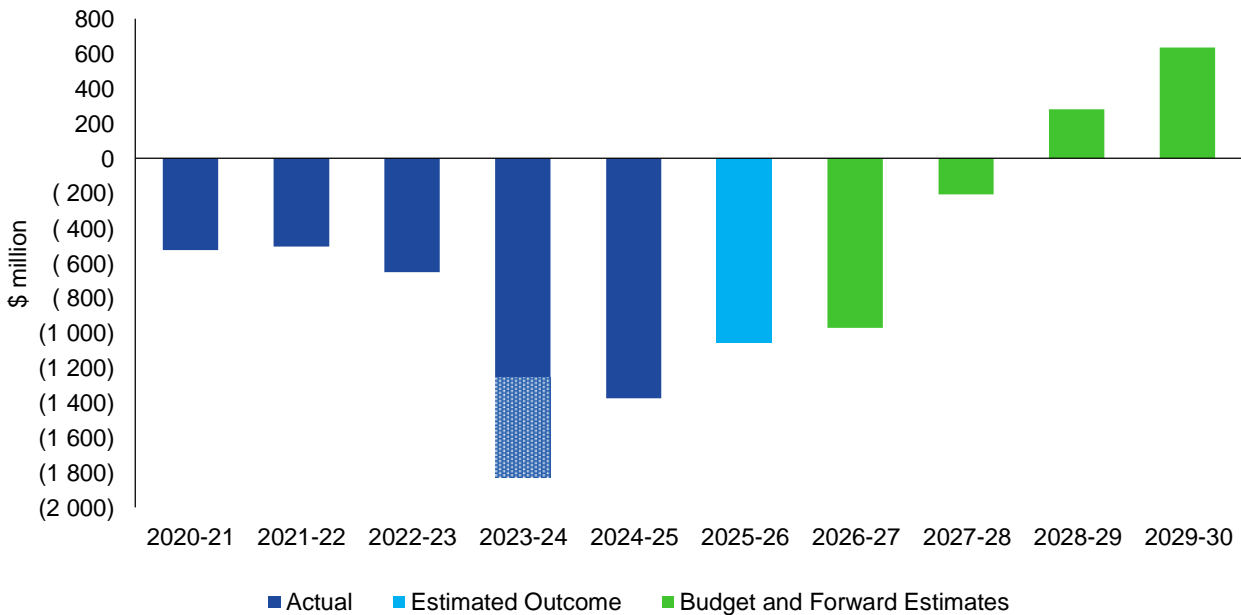
The Fiscal Balance represents the difference between total revenue and total expenditure, including infrastructure investment, for the General Government Sector. It shows whether Government operations and capital investment are funded from current revenues or whether they result in net borrowing, with deficits contributing to an increase in the State's debt.

A Fiscal Balance deficit of \$972.7 million is estimated in 2026-27, with the outcome improving over the Forward Estimates to an estimated surplus of \$635.2 million.

The 2025-26 Estimated Outcome of a \$1 057.8 million deficit is a \$294.3 million improvement from the 2025-26 deficit of \$1 352.1 million reflected in the 2025-26 Budget.

Chart 1.6 shows the Fiscal Balance outcomes since 2020-21 and projections for the 2026-27 Budget and Forward Estimates. The 2023-24 Fiscal Balance reflects the impact on the Net Operating Balance of recognising the Provision for Claims related to Child Sexual Abuse in State Care, shown in the chart as the shaded component of the 2023-24 Actual result.

Chart 1.6: Fiscal Balance, 2020-21 to 2029-30



Net Debt

Net Debt represents the level of borrowing required to fund Government activity at the end of each financial year, after accounting for cash and other financial assets. It shows the cumulative impact of Budget outcomes and infrastructure investment on the State’s financial position. A reference to ‘negative’ Net Debt means that Cash and deposits and Investment exceed the combined value of Borrowings, Lease liabilities and Service concession liabilities.

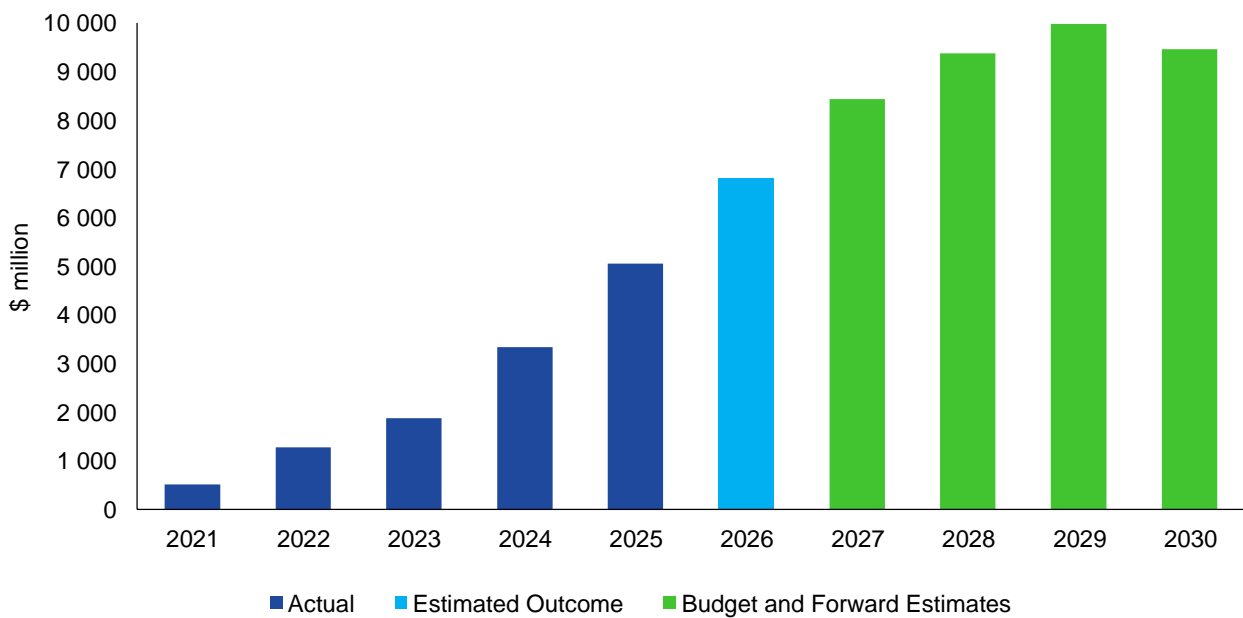
The Government has committed to reaching peak Net Debt in 2029. The 2026-27 Budget and Forward Estimates forecast the achievement of this target, with Net Debt declining in 2030.

It is estimated that General Government Net Debt will be \$8 440.3 million as at 30 June 2027, increasing to \$9 983 million as at 30 June 2029, before falling to \$9 466.5 million as at 30 June 2030.

Chart 1.7 shows Net Debt outcomes since 2021 and projections for the 2026-27 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, 2021 to 2030



2 TASMANIAN ECONOMY

Executive Summary

- Tasmania's economy has continued to grow, though at a more moderate pace than in recent years. This growth has occurred despite ongoing challenges in the global and national economic environments, including global trade tensions, geopolitical conflict, volatile commodity prices, high inflation and elevated interest rates.
- A key source of current uncertainty is the conflict in the Middle East, which has resulted in oil and other commodity price shocks having an immediate impact on fuel prices, with expectations of further flow-on effects across a range of sectors. The situation continues to evolve and there is a significant uncertainty regarding both the duration of the conflict and its short to medium-term economic impacts.
- Reflecting these events, the outlook for the Tasmanian economy has softened, with weaker economic growth, lower employment and higher inflation now expected. However, the economy is forecast to pickup over 2027-28 as these impacts are expected to ease.
- Increased costs for households and businesses are already being observed through higher fuel prices, with further impacts expected due to the upward price pressure on freight and energy costs, which in turn will lead to higher costs for other goods and services. This has also followed an uptick in inflation that started in late 2025, prior to the escalation of the conflict. These factors result in expectations of higher inflation over the Forward Estimates, with inflation forecast to peak at around 4½ per cent, in year-average terms, in 2025-26.
- Following strong performance in recent years, the Tasmanian labour market has softened over the past six months. While the unemployment rate remains historically low, it has increased in recent months and is expected to rise further in the short-term, before easing slightly over the latter part of the Forward Estimates.
- Tasmania's population growth, which has slowed in recent years, is expected to remain below its long-term average, although it is forecast to pickup slightly over the Forward Estimates.
- The overall forecasts presented in this chapter have been developed using available information at a point in time, and will be influenced by the uncertain evolution of risks and policy settings. The current conflict in the Middle East, and associated impacts, have become the main risk to Tasmania's economic outlook, particularly with respect to inflation. However, a range of other risks remain, including in relation to global trade conditions and the challenges faced by Tasmania's major industrials.

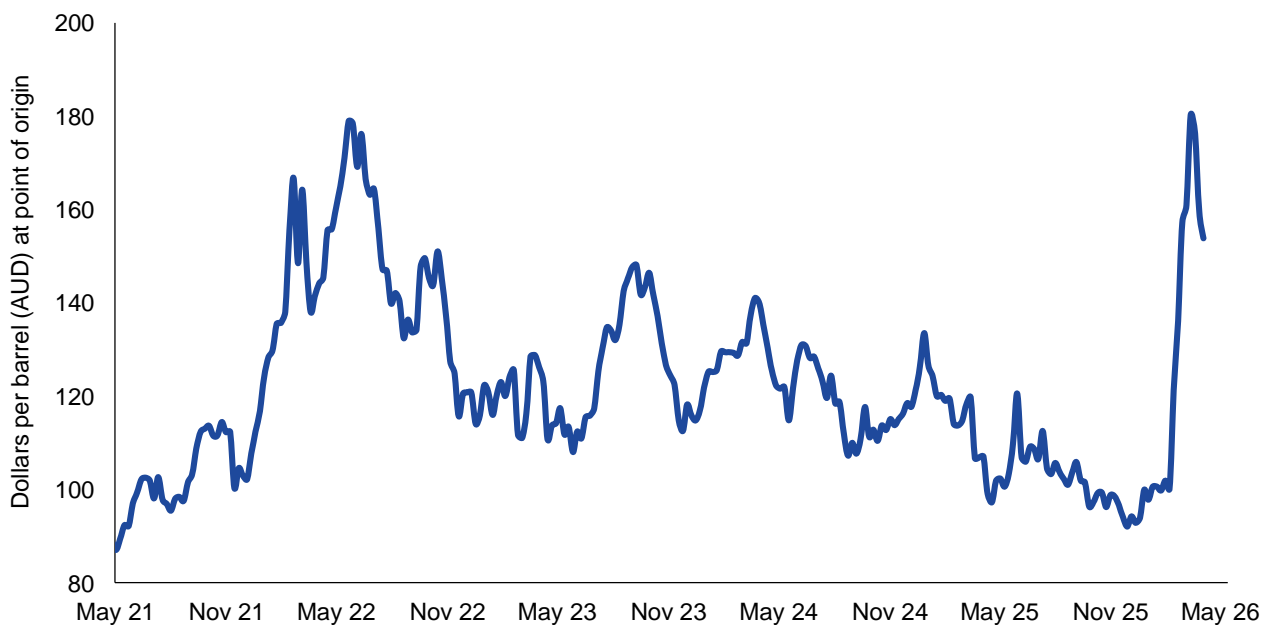
ECONOMIC OUTLOOK

Global and National Economic Environment

The global economy faces a significant challenge in 2026, with the recent escalation of the conflict in the Middle East leading to commodity supply uncertainty, most notably in relation to oil, causing both immediate and potentially longer-term effects. The most immediate impacts have been observed in oil markets, with higher crude prices flowing directly through to oil-intensive sectors such as petrochemicals and plastics. There have also been considerable impacts on liquefied natural gas and fertiliser markets, which have exports originating from the region.

The price of Brent crude oil reached \$180.17 per barrel in the week ending 3 April 2026, up from \$100.14 in the week ending 27 February 2026, immediately prior to the commencement of United States and Israeli airstrikes on Iran (Chart 2.1). Oil prices in 2026 have reached the peak levels recorded in 2022, during the Russia-Ukraine conflict. However, fuel prices have risen to higher levels than observed at that time. This reflects heightened market concern about future supply availability.

Chart 2.1: Global Oil Prices



Source: Treasury calculations using *Europe Brent point of origin Spot Price*, United States Energy Information Administration (oil prices) and *Exchange Rates*, Reserve Bank of Australia (AUD conversion).

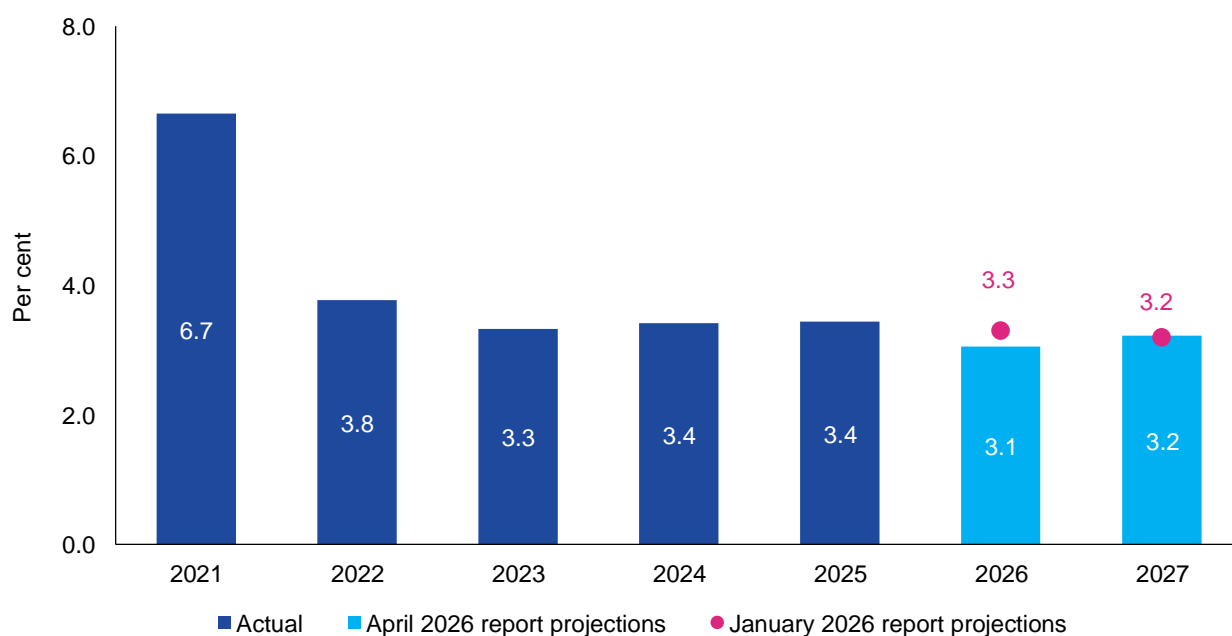
The impacts of these supply shocks are being felt globally, with governments responding through a range of measures to slow demand for end products, such as petrol and diesel, or to reduce the price impacts for businesses and households. Further impacts are expected as higher oil prices flow through to a broad range of sectors, including through upward price pressure on freight and energy costs, which in turn will lead to higher costs for other goods and services. Given fuel is an agricultural input as well as being needed for freight, food prices are likely to rise. These impacts may be further compounded as other commodity price shocks flow through, including increases in the price and scarcity of fertilisers.

The duration and magnitude of this shock on the global economy will be determined by the length of the conflict and the time required to restore global oil and commodity supplies to pre-conflict levels, including rebuilding damaged infrastructure and re-establishing trade routes. The absence of clarity on these factors means that the outlook for the global economy remains highly uncertain, continuing the trend seen throughout the 2020s.

The commodity shock has also occurred amidst continued uncertainty in global trade policy, driven by questions regarding the legitimacy, and longevity, of the tariffs imposed by the United States of America, in 2025, on the rest of the world. In February 2026, the Supreme Court of the United States ruled that the tariffs imposed under the United States *International Emergency Economic Powers Act* were invalid. However, the United States subsequently imposed a temporary global import surcharge of 10 per cent, which applies to most goods imported into the United States. This surcharge is time limited and is due to end in July 2026, unless the United States Congress approves an extension. While the issue of tariffs continues to pose a challenge and adds uncertainty to the global economy, it has been relegated to a lower priority issue in recent months due to the current Middle East conflict.

In its April 2026 *World Economic Outlook*, the International Monetary Fund noted that the resilience in the global economy in response to previous shocks, including high inflation and tariffs, is being tested by the conflict in the Middle East. Consistent with this view, the IMF has revised down its forecast for global economic growth to 3.1 per cent in 2026, from 3.3 per cent in its January 2026 report. However, its forecast for global economic growth in 2027 is unchanged from the previous report, at 3.2 per cent. These forecasts reflect the IMF’s baseline scenario, which assumes that the conflict will be relatively short-lived (Chart 2.2).

Chart 2.2: Global Economic Growth

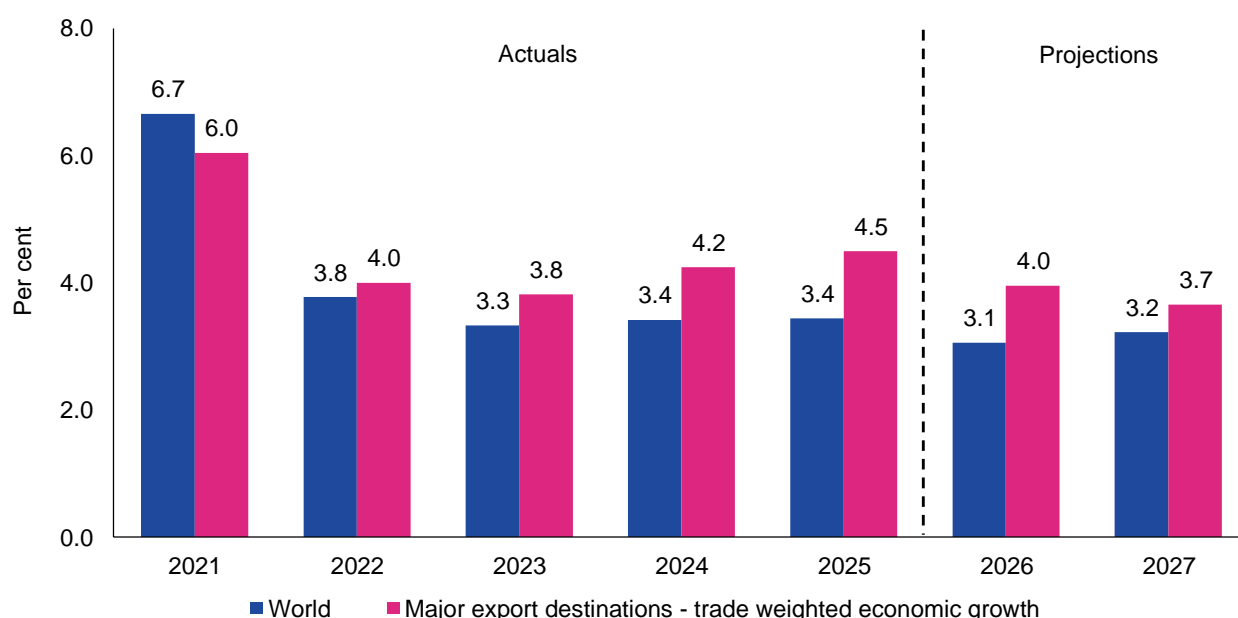


Source: *World Economic Outlook*, International Monetary Fund.

Tasmania exported \$6.0 billion worth of goods and services to the rest of the world in 2024-25, accounting for 13.7 per cent of the gross state product in the year. Consequently, the growth in the economies of Tasmania’s trading partners affects the outlook for the Tasmanian economy.

In its recently published *World Economic Outlook*, the IMF published forecasts for growth in most major economies. Using these forecasts for Tasmania’s major export partners, the weighted economic growth of Tasmania’s primary export partners is expected to be 4.0 per cent in 2026 and 3.7 per cent in 2027 (Chart 2.3). These forecasts are stronger than the forecasts for global economic growth, which is the result of Tasmania’s trading relationships being more skewed towards emerging markets than advanced economies, which are more likely to report stronger growth. Further, the conflict in the Middle East has led to downwards revisions to the growth in most economies around the world, but most significantly in the Middle East. Tasmania has few strong trading relationships in this region and therefore the revisions affect the global economic growth forecasts more than Tasmania’s trade weighted economic growth forecasts.

Chart 2.3: Economic Growth - Tasmania’s Major Export Destinations



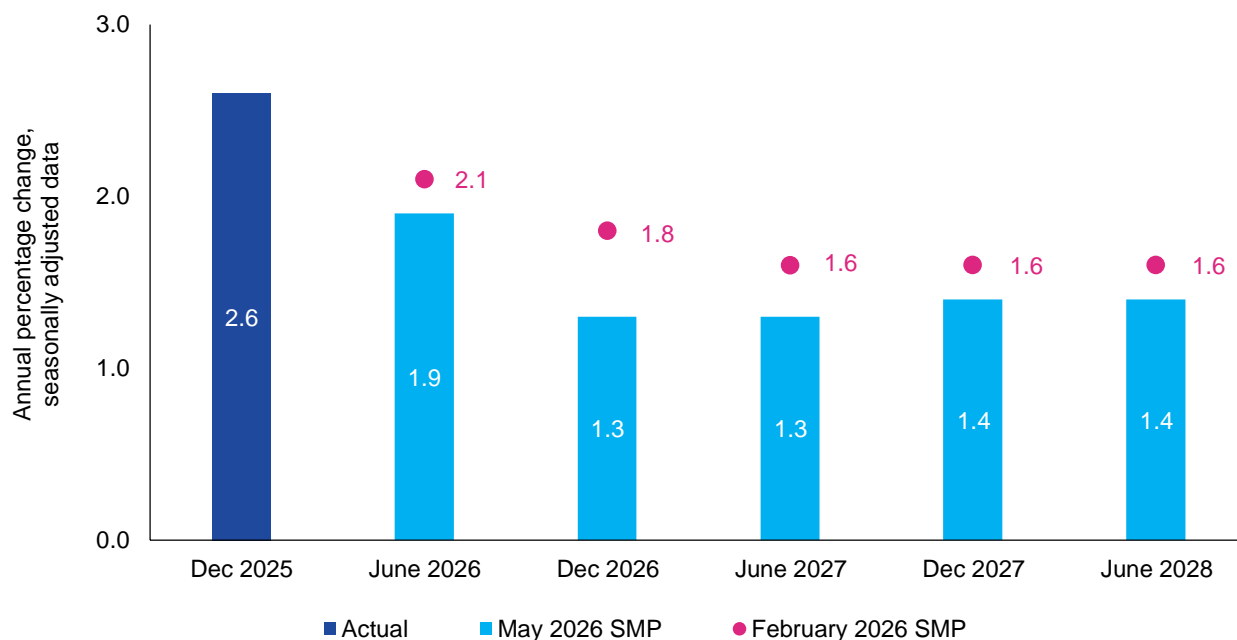
Source: Treasury calculations using major export destination weights from *International Trade in Goods*, ABS and economic growth forecasts from the *World Economic Outlook*, International Monetary Fund.

The Australian economy has grown strongly in the first six months of 2025-26, rising by 1.3 per cent over this period. This result was driven by very strong private investment, a strong increase in public expenditure, and modest growth in household consumption, offset by weak net exports.

National labour market outcomes have been strong over the first nine months of the year, with the number of Australians employed continuing to rise each month, while the unemployment rate and the participation rate have largely remained steady.

The immediate outlook for the Australian economy is weakening, reflecting the expected impact of the conflict in the Middle East, the subsequent oil price shock and the flow-on effects. However, in the May 2026 *Statement on Monetary Policy*, the RBA provided a baseline forecast of growth in 2025-26 of 1.9 per cent. This forecast reflects the strength of the economy during the results to date, and the timing of when the oil price shock has occurred. The impact of the oil price shock can be observed in the 2026-27 forecast of 1.3 per cent. As shown in Chart 2.4, these forecasts have been revised down from those published in the February 2026 report. The RBA expects this trend to continue over the forecast period.

Chart 2.4: National Economic Growth



Source: *Statement on Monetary Policy - May 2026*, Reserve Bank of Australia.

In relation to the national labour market, the RBA forecasts that the unemployment rate will increase to 4.4 per cent and 4.7 per cent in the June quarter 2026 and the June quarter 2027, respectively.

Australia had already begun to experience an uptick in inflation prior to the escalation of the conflict, with the oil and commodity price shocks exacerbating these existing pressures. This has led to an upwards revision in national CPI forecasts by the RBA, with it now expecting inflation to peak at 4.8 per cent in the year ending June 2026, before returning to the target range by the year ending June 2027. Should inflationary pressures prove stronger or more persistent than currently anticipated, the RBA may consider further monetary policy action, including additional, or larger, increases in the cash rate, above what is currently anticipated, which would dampen economic activity and affect the outlook for the Australian economy.

Recent Performance, Forecasts and Projections of the Tasmanian Economy

This section presents Treasury’s forecasts for key Tasmanian economic indicators for 2025-26, 2026-27 and 2027-28, and projections for 2028-29 and 2029-30 (Table 2.1).

There is always uncertainty in the outlook for the economy, as has been particularly evident during the 2020s. The current global situation, which emerged suddenly and has a wide array of potential resolution outcomes and timeframes, demonstrates the clear and current challenges in economic forecasting. The forecasts presented below assume that the immediate economic disruption associated with the recent escalation in the Middle East conflict eases in the second half of 2026 and through 2027. However, some underlying issues will persist, and the flow-on impacts from the recent escalation are expected to last through the following year.

These forecasts also include assumptions about the timing of key projects, which affect the headline forecasts. 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 are the Macquarie Point Urban Renewal project and Marinus Link. In the case of these projects, it is assumed that, while most of the investment will occur in the projection period, some of the early spending will begin in the forecast period.

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. For example, a more prolonged or intensified period of disruption would result in weaker outcomes than those presented.

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 2026-27					
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Actuals	Forecasts			Projections⁵	
Gross state product (real, % change) ¹	1.0	2¼	¾	2¼	2¼	2¼
State final demand (real, % change) ¹	3.7	¼	¾	2	2½	2½
Employment (year-average, % change) ²	-1.1	¾	-½	1¼	1	1
Labour force participation rate (year-average, %) ²	60.5	60¾	60¾	61	61	61
Unemployment rate (year-average, %) ²	4.0	4¼	5	4¾	4¾	4¾
Consumer Price Index (year-average, % change) ³	1.4	4½	3½	2½	2½	2½
Population (year-average, % change) ⁴	0.2	0.4	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 2024-25 ABS State Accounts data, while State final demand actual is an ABS estimate calculated using the December quarter 2025 National Accounts data.
2. Labour force actuals are ABS estimates calculated using the March 2026 data.
3. The Consumer Price Index actual is an ABS estimate calculated using the March 2026 data.
4. Population actual is an ABS estimate calculated using the September quarter 2025 data.
5. Projections are based on the long-term average growth rate of the indicator, except for the Unemployment rate and the Labour force participation rate, which reflect the expected rate of those indicators for 2027-28, and 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 new 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 the following release, so that it estimated 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.

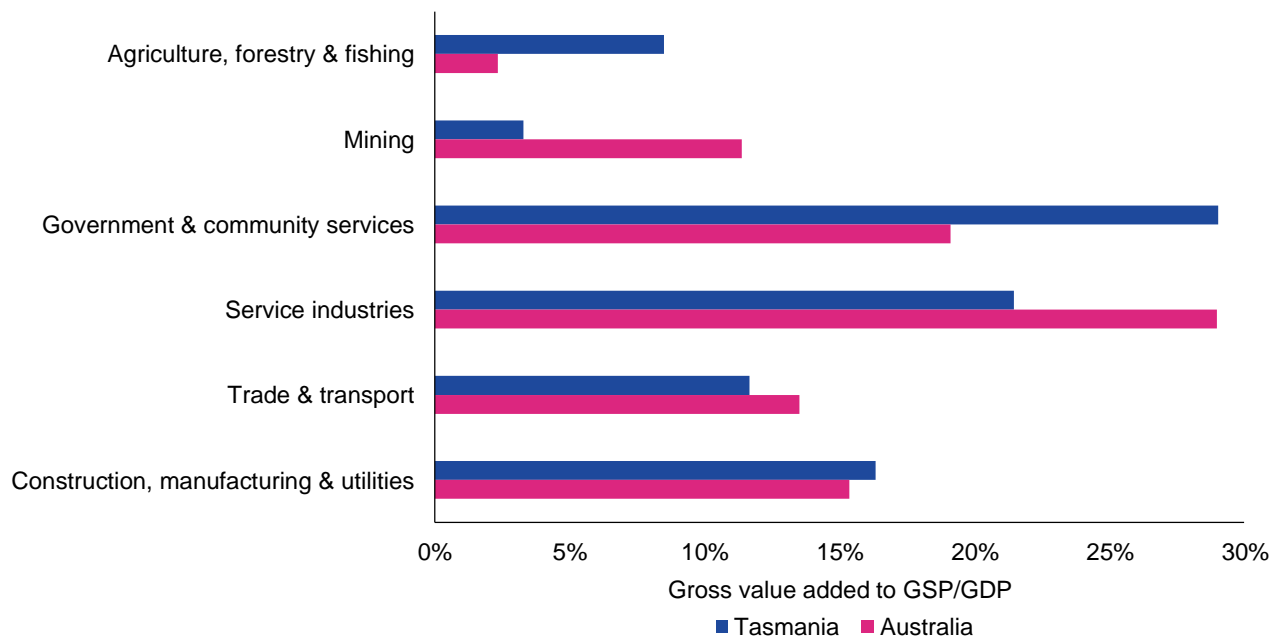
Projections differ from forecasts in that they are generally based on the long-term average growth rate of the economic indicators. However, unemployment and participation rates are proportional measures rather than measures of growth and often differ from their long-term averages for extended periods. Therefore, these rates are projected forward using the last forecast rates for 2027-28.

The Tasmanian Economy

Tasmania has a relatively small economy and, as an island state, is geographically separated from mainland markets. The population is dispersed across the State, with close to one half of Tasmanians living outside Hobart and the South East region. The economy is broad-based, with activity spread across a wide range of sectors.

The largest contribution to Tasmania's economy in 2024-25 was from Government and community services, which contributed 29.0 per cent. This was substantially more than the contribution of this sector to the national economy, which was 19.1 per cent (Chart 2.5).

Chart 2.5: Industry Share of Gross Value Added for Tasmania, 2024-25, Selected Industries



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

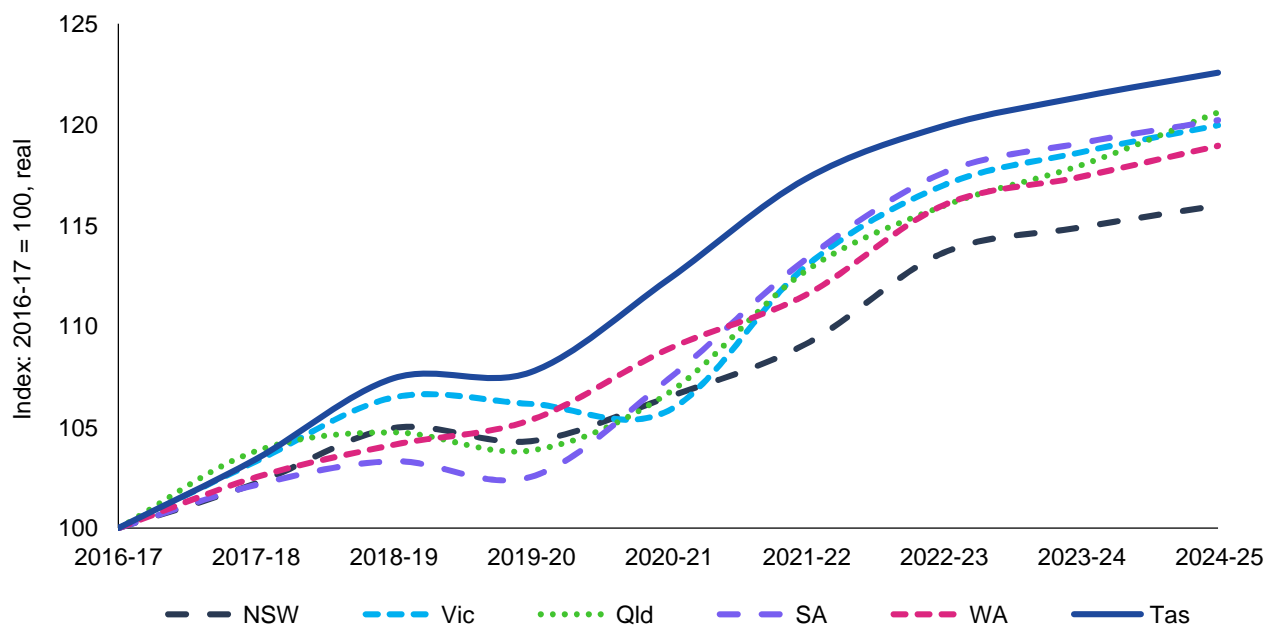
In line with other advanced economies, Tasmania's economy is increasingly dominated by service industries, while shifting away from manufacturing and primary production. However, Tasmania's economy still has a greater contribution from relatively lower-income industries such as Agriculture, forestry and fishing (including aquaculture), which contributed 8.5 per cent to Tasmania's economy in 2024-25, compared with 2.3 per cent nationally. Conversely, Tasmania's economy has fewer contributions from higher-income industries, such as: finance and insurance services; professional, scientific and technical services; and mining. These industries contributed a combined 12.4 per cent to the Tasmanian economy, compared with a 26.7 per cent contribution to the national economy in 2024-25.

Economic Activity

The Tasmanian economy grew by one per cent in 2024-25, following growth of 1.2 per cent in the previous year. The 2024-25 result was driven by strong growth in public expenditure, with household consumption also contributing positively, but offset by a decline in private investment and net exports.

In per capita terms, Tasmania's 2024-25 economic growth rate, of 0.7 per cent, was the second highest of all states and territories, and much stronger than the national result, which saw a decline of 0.3 per cent. Over the past eight years, the Tasmanian economy has recorded the highest growth of all states (Chart 2.6).

Chart 2.6: Gross State Product



Source: Australian National Accounts: State Accounts, ABS.

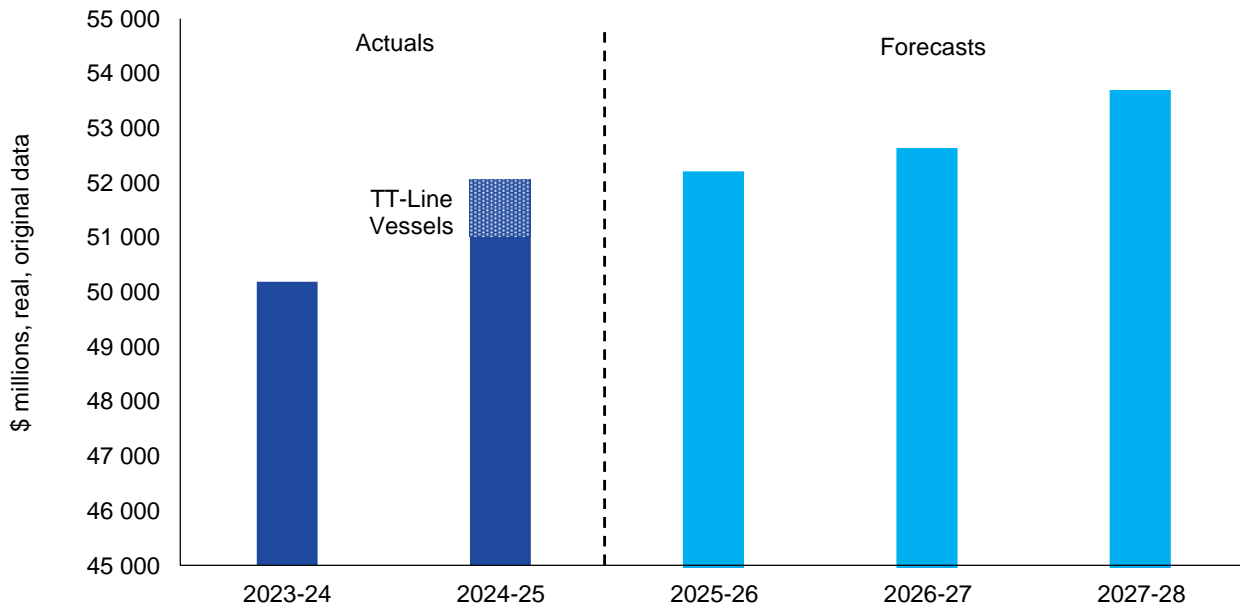
In the first two quarters of 2025-26, Tasmania grew in all components of state final demand except public expenditure, which was impacted by the accounting treatment for the purchase of the TT-Line *Spirit of Tasmania V* vessel in the June quarter 2025. Accordingly, Tasmania's state final demand decreased by 2.2 per cent over the first half of the year.

Over the remainder of 2025-26, Tasmania's economy is expected to be under pressure from the oil price shock and its flow-on effects through the economy. This is primarily expected to appear in the June quarter 2026 data, as the full quarter is expected to be impacted by the oil price shock and the resulting changes in behaviour of households and businesses. Despite this pressure, the strong results seen in the year-to-date published data lead to forecast growth for state final demand of $\frac{1}{4}$ of one per cent in 2025-26. This result is driven by strong growth in household consumption and private investment.

For 2026-27, the flow-on impacts from the oil price shock are expected to weigh on the Tasmanian economy, slowing the rate of growth in household consumption and private investment. Government expenditure is also expected to be slightly lower in the year, accounting for the reprofiling of significant infrastructure projects, including the Macquarie Point Urban Renewal project and Marinus Link. This results in a forecast of $\frac{3}{4}$ of one per cent for state final demand in 2026-27, up from the previous year, but well below the long-term average.

For 2027-28, it is expected that most of the impacts from the oil price shock will have largely flowed through the economy, leading to a pickup in growth. It is forecast that growth in state final demand in 2027-28 will be two per cent, slightly below the long-term average, but well above the forecast growth for the previous two years (Chart 2.7).

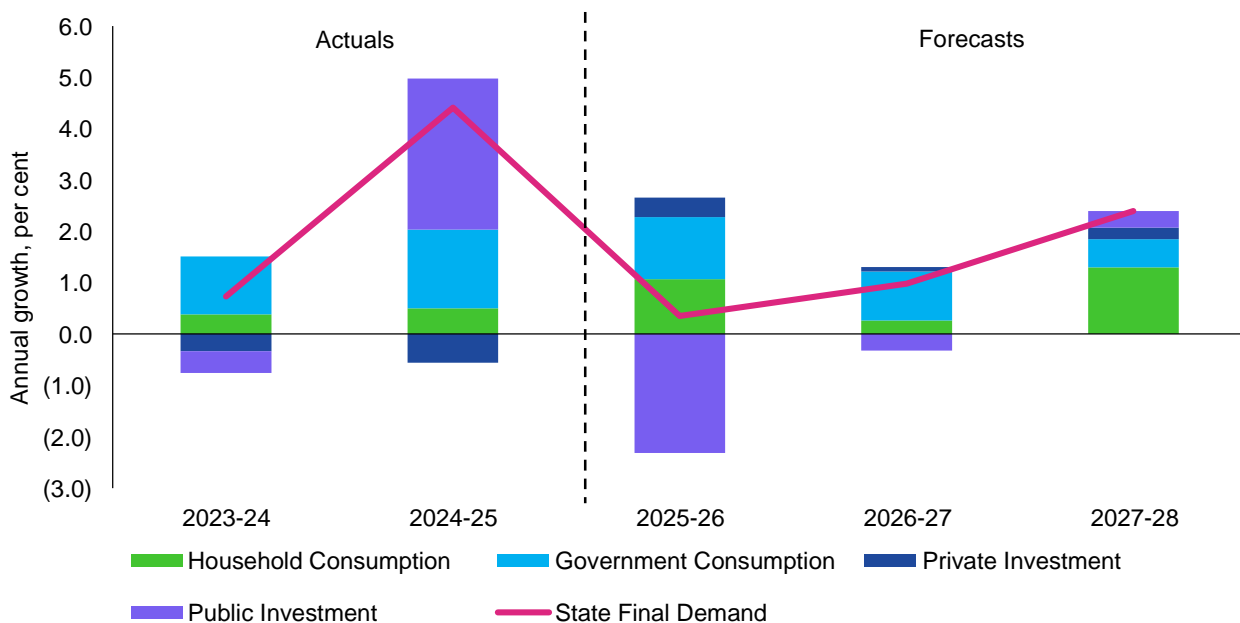
Chart 2.7: Tasmanian State Final Demand



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

Chart 2.8 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 slowdown in all components in 2026-27, before rebounding in 2027-28.

Chart 2.8: Tasmanian State Final Demand - Contributions to Growth in GDP



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

International balance of payments data show that Tasmania's international exports of goods and services have experienced strong growth over the first half of 2025-26. This growth has been resilient to global trade policy uncertainty since the start of 2025 and the business challenges experienced by some of Tasmania's major industrials who are large exporters. However, despite this resilience, these factors, combined with the impacts of the conflict in the Middle East, are expected to weigh on international exports in the remaining two quarters of 2025-26, with more moderate growth expected over the whole year. These factors are expected to persist into 2026-27, leading to a forecast of a decline in international exports in 2026-27. While a further slight decline in exports is also forecast for 2027-28, it is expected that exports will start to pickup as global issues resolve.

Overall, the data, combined with forecasts on the remaining components, leads to the expectation that the Tasmanian economy will grow by 2¼ per cent in 2025-26. This expectation reflects data that have already been published, and the expectation that most of the direct economic impact of the current situation will be confined to the June quarter 2026.

In 2026-27, Tasmania's GSP is expected to grow by ¾ of one per cent. This reflects a slowdown from the previous year as the impacts of the conflict in the Middle East flow through the economy and slow the growth rate for most major components.

In 2027-28, Tasmania's GSP is expected to recover to grow by 2¼ per cent. This reflects an assumption that the economic impacts associated with the conflict in the Middle East have largely eased leading to an increase in consumption and investment driven by pent-up demand.

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

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:

$$\text{SFD} = C + I + G$$

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:

$$\text{GSP} = \text{SFD} + (X - M) + \text{BI} + \text{SD}$$

Where:

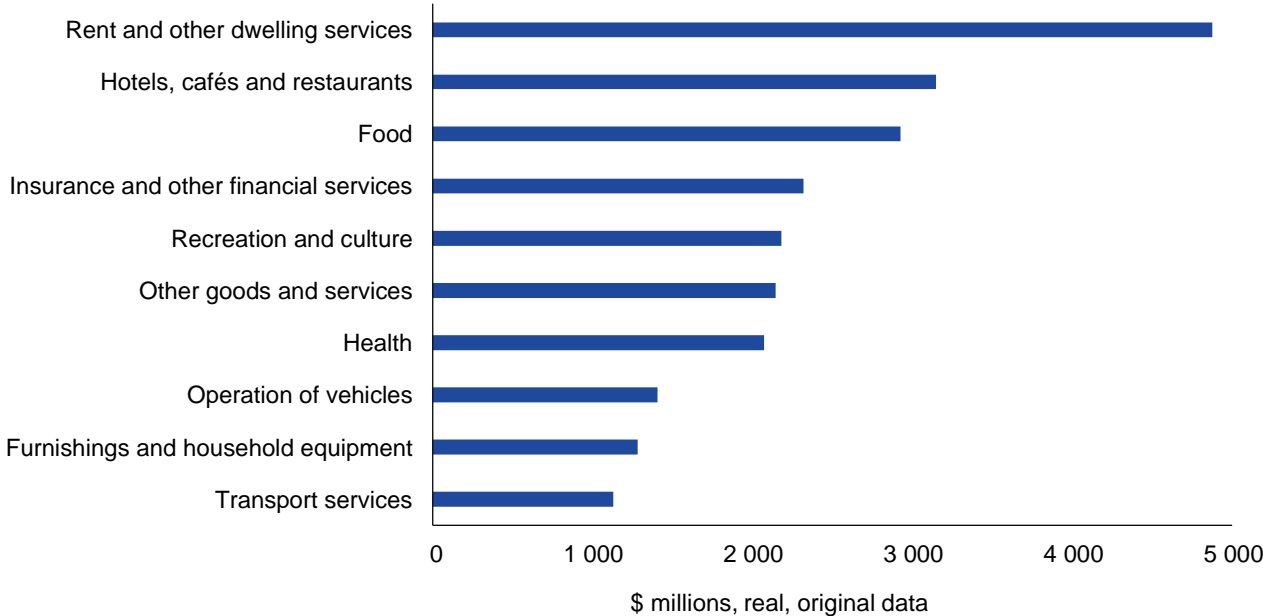
- *GSP = gross state product*
- *SFD = state final demand*
- *X = international exports*
- *M = international imports*
- *BI = balancing item (which includes interstate exports and imports, and changes in inventories)*
- *SD = statistical discrepancy (which is the difference between the individual aggregate 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 2023-24 prices.

Household Consumption

Household consumption is the largest component of the economy, 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. Within household consumption, there are a range of subcomponents. Chart 2.9 shows the highest 10 subcomponents for Tasmania, by the value spent on each in the year to the December quarter 2025, in real terms.

Chart 2.9: Tasmanian Household Consumption, year to December quarter 2025, Selected Subcomponents



Source: *Australian National Accounts: National Income, Expenditure and Product*, ABS.

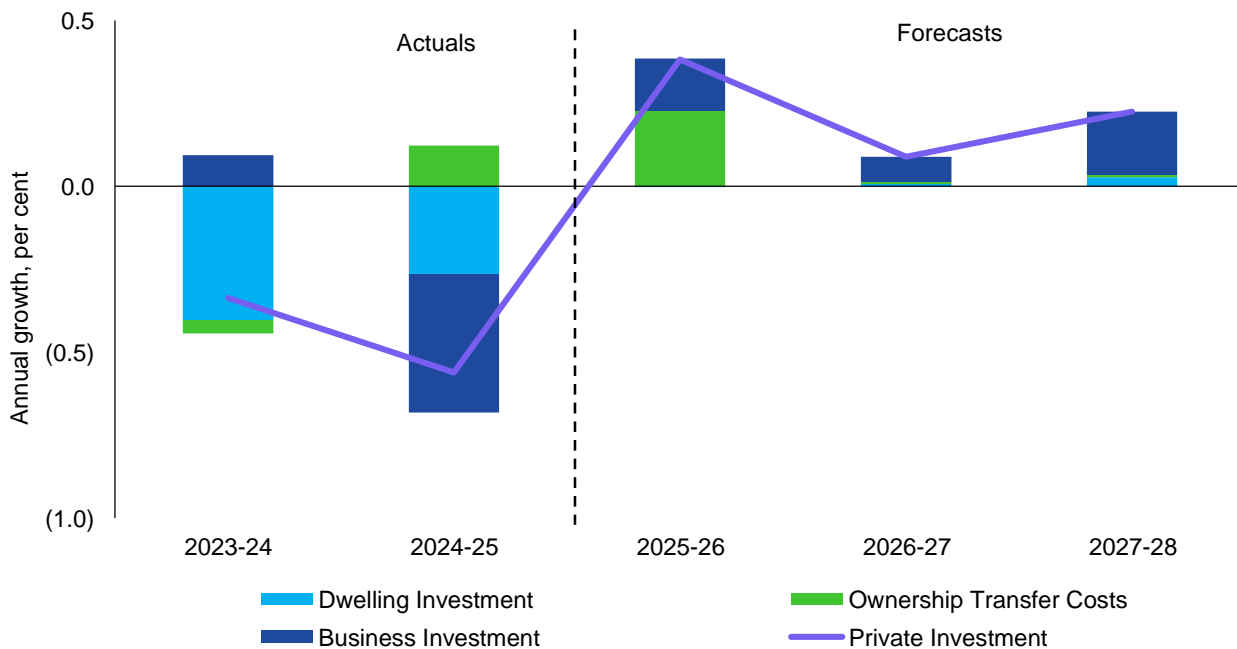
In the first half of 2025-26, household consumption grew strongly, reflecting improved consumer sentiment following cuts to interest rates during 2025. However, conditions have deteriorated in 2026. Even prior to the escalation in the conflict in the Middle East, the rate of inflation had started to climb with the RBA increasing the cash rate in February 2026 in response. The conflict has caused a further erosion in conditions, with the RBA further increasing the cash rate in March 2026 and May 2026. These three rate rises, stronger inflation, and the significant increase in fuel costs have left households with less disposable income for both essential and discretionary goods and services. This is expected to flow through to much weaker growth in the final quarter of 2025-26 and throughout 2026-27.

Private Investment

Private investment detracted from economic growth in Tasmania in 2024-25 but has rebounded strongly in the first half of 2025-26. However, the three increases in the RBA cash rate so far this year, and the flow-on impacts from the conflict in the Middle East, are expected to lead to a poor result in the June quarter 2026, and slower growth in 2026-27, as household and business sentiment remains weak.

Chart 2.10 shows that there are three main subcomponents of private investment. 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 led to a decline in the value of these two components in 2023-24. However, the trend in the published results showed a divergence between these two subcomponents over 2024-25, with Ownership transfer growing strongly, while Dwelling Investment declined slightly. Both subcomponents are expected to be impacted by the recent rises in the RBA cash rate, the expectation of further monetary policy tightening as highlighted by the RBA, and the conflict in the Middle East, as households reconsider or delay planned investments, such as purchasing, building or renovating a house.

Chart 2.10: Tasmanian Private Investment by Subcomponents



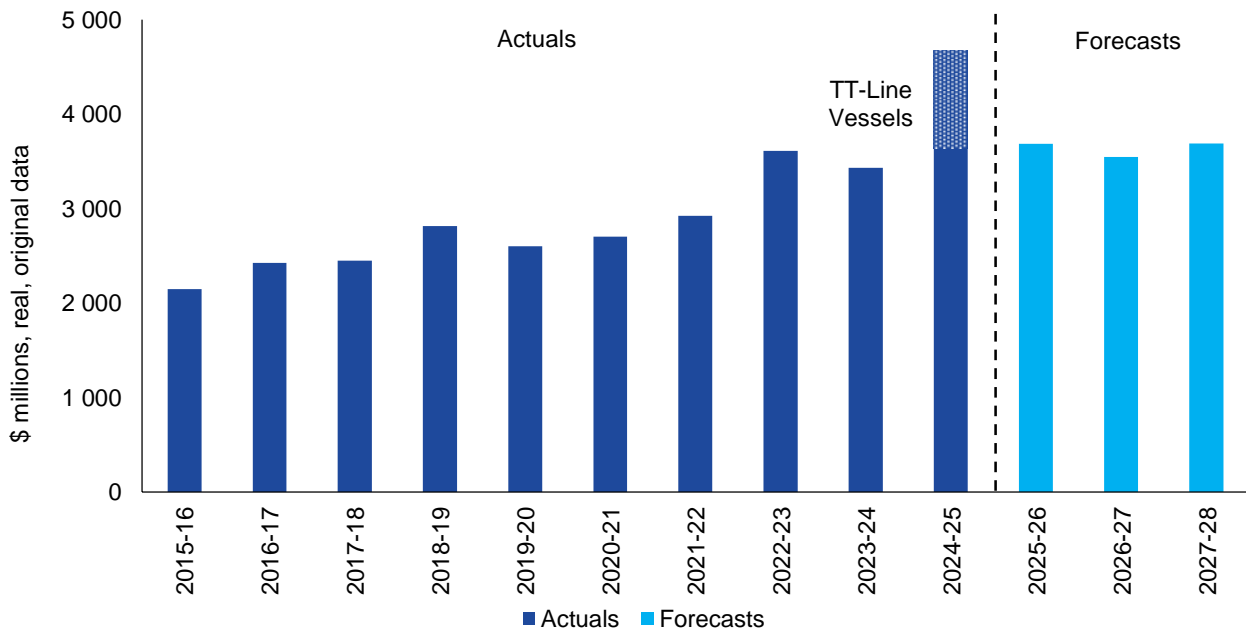
Source: Actual - Australian National Accounts: National Income, Expenditure and Product, ABS; Forecasts - Treasury.

The 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, though it bounced back strongly in the second half of 2025. The expectation is for this component to slow in the first half of 2026 as a result of the increases to the cash rate and the impacts from the conflict in the Middle East, which are increasing costs and creating uncertainty for businesses.

Public Expenditure

Public investment and government consumption have been consistent drivers of economic growth since 2015-16. In 2024-25, public investment grew significantly, which reflected the impact of the arrival of the TT-Line vessels. This impact is shown by the shaded component in 2024-25 in Chart 2.11, which also shows the underlying trend of public investment, which is expected to remain close to the current elevated levels for the forecast period.

Chart 2.11: Tasmanian Public Investment



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

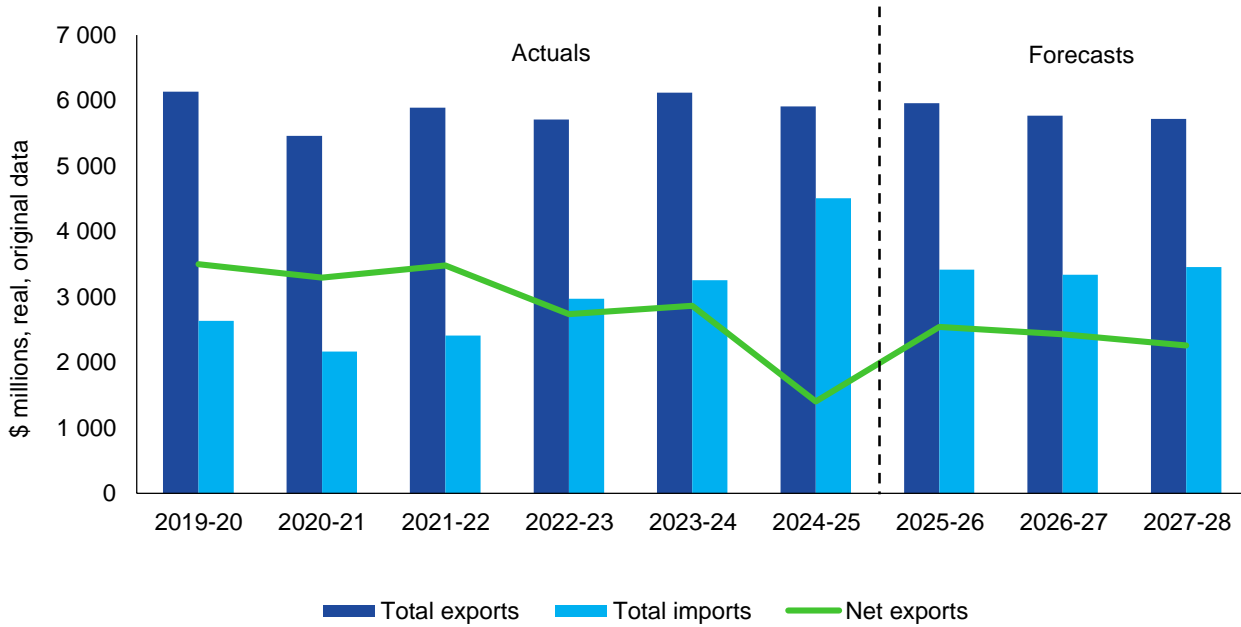
Tasmanian International Trade

In 2024-25, Tasmania had net exports of \$1.6 billion, reflecting \$6.0 billion of goods and services exported internationally and \$4.5 billion worth of goods and services imported from international markets. International imports detracted from growth, heavily impacted by the arrival of the TT-Line vessels, which resulted in a large one-off increase in imports for the year, thereby reducing net exports.

In the first half of 2025-26, Tasmania's exports have experienced strong growth, while imports have normalised following the arrival of the TT-Line vessels. This has led to a strong increase in the level of net international exports in 2025-26, as shown in Chart 2.12. The net international export result is forecast to fall modestly in 2026-27, reflecting an expected slight decline in exports and rise in imports.

It is important to note that the value of Tasmanian imports is generally undercounted in ABS data due to international goods being processed in mainland Australia before being sent to other states and territories. For example, a large department store chain may receive an order of goods at its Sydney head office. Management may then decide to distribute those goods to stores across the country based on expected demand. Goods delivered to Tasmania under this arrangement would generally be classified as interstate imports to Tasmania, rather than as international imports.

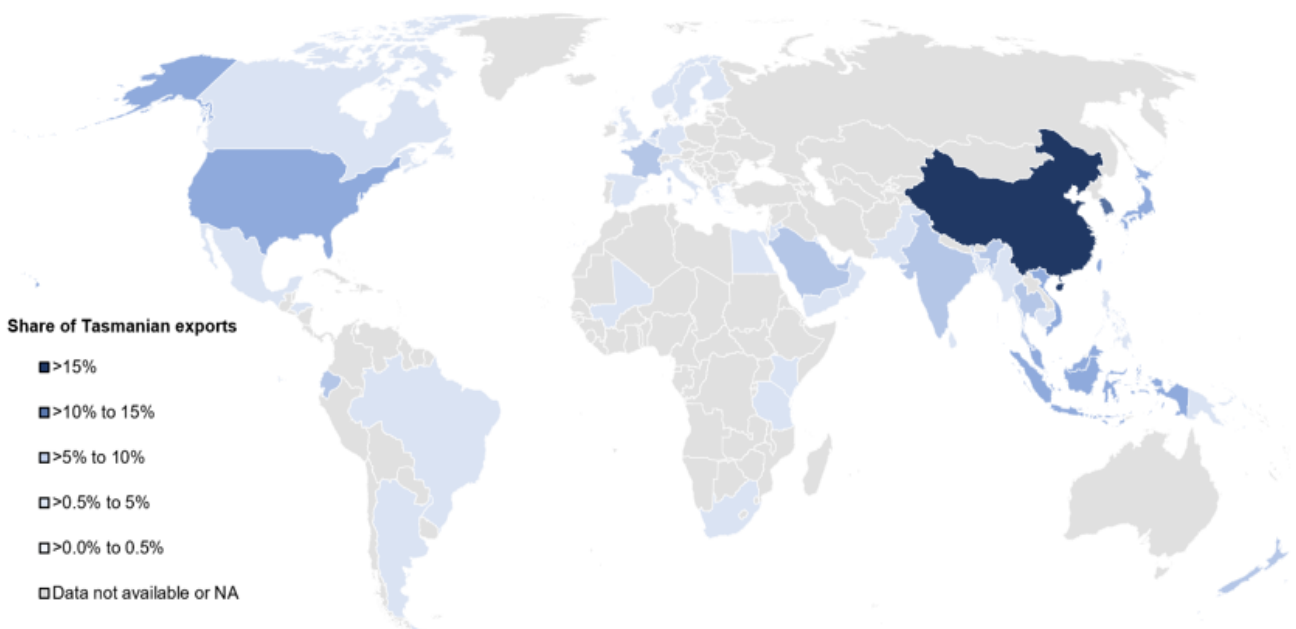
Chart 2.12: Tasmanian Net International Exports



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

In the year to February 2026, the value of Tasmania’s nominal international goods exports was \$4.68 billion. The largest importer of Tasmanian goods during this period was mainland China, which accounted for \$1.57 billion, or around one-third, of Tasmania’s overseas goods exports. Tasmania’s main exports to China were Metallic ores and metal scraps (\$773 million), and Other and confidential goods (\$432 million). This was followed by South Korea, which accounted for \$488 million, or 10.4 per cent, of Tasmania’s exports. Tasmania’s main exports to South Korea were Non-ferrous metals (\$282 million) and Metallic ores and metal scraps (\$191 million).

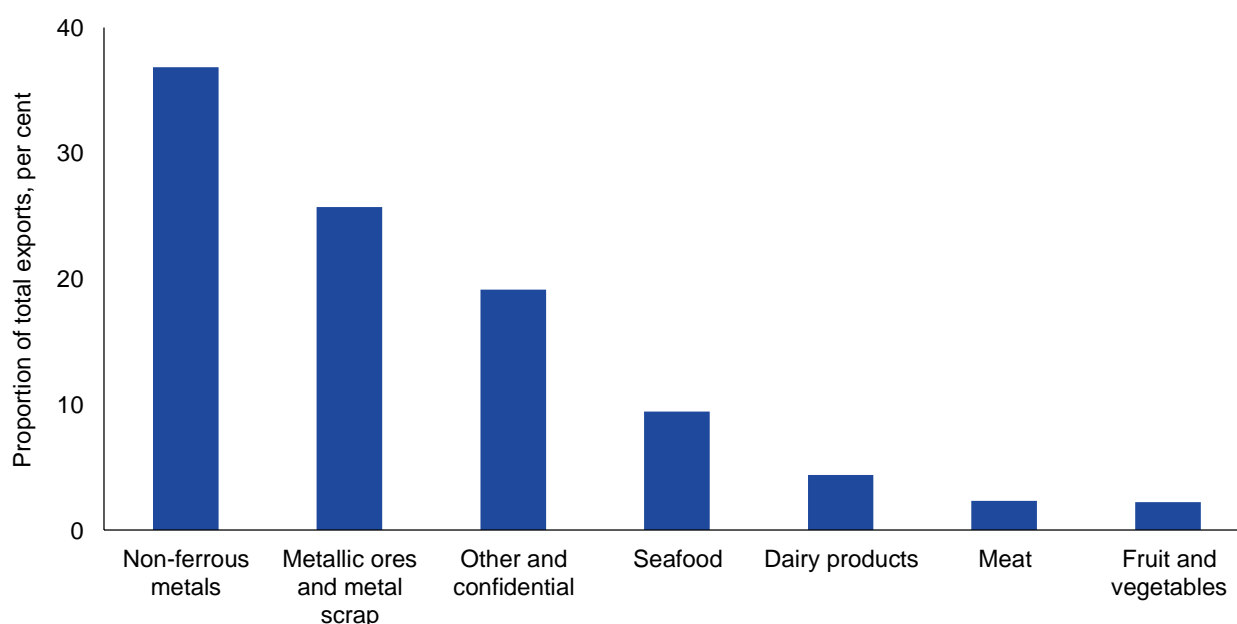
Map 2.1: Major International Importers of Tasmanian Goods, year to February 2026



Source: *International Trade in Goods*, ABS.

In the year to February 2026, Tasmania's main export by value was Non-ferrous metals, which made up 36.8 per cent of Tasmania's exports, followed by Metallic ores and metal scraps, which made up 25.7 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, while other confidentialised items (such as exports of vessels and products from poppies) 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 occurs when a large manufacturer exports a single high-value product overseas. Were this transaction to be included, the sale of the good, and its value, would be readily identifiable. To protect commercial confidentiality, such transactions are excluded from state totals in *International Trade in Goods* statistics.

Chart 2.13: Tasmania's Exports by Commodities, year to February 2026¹



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.

Throughout 2025 and early 2026, there was significant focus on the Trump administration's decision to impose tariffs on imports to the United States. However, the focus has shifted in recent months to the conflict in the Middle East and associated oil price shock, which is now the primary issue facing the global economy. While tariffs remain an issue, the Supreme Court of the United States' decision against the legality of the tariffs has resulted in a reduction of general tariff rates to 10 per cent (under a new temporary import surcharge), without a clear way to raise them back to the elevated rates previously imposed on some countries. The ongoing imposition of tariffs is likely to continue to have some direct and indirect impacts on the Tasmanian economy, through the increased cost of American purchases of Tasmanian goods, ongoing uncertainty, and through impacts on Tasmania's trade partners, particularly if there is a re-escalation in trade tensions.

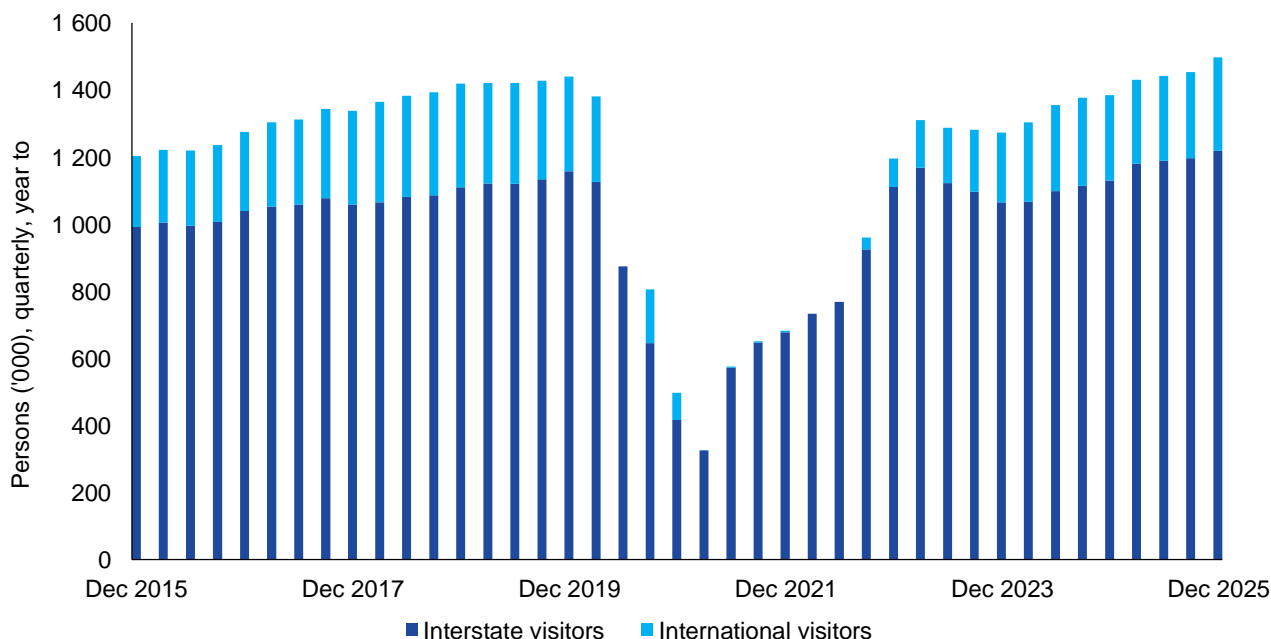
Tasmania's Tourism Industry

The tourism sector is not reported as a separate industry under the ABS classifications, instead tourism contributes 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 (the latest year of data currently available), 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 rebounded strongly from the disruption caused by the COVID-19 pandemic, with visitor numbers reaching pre-pandemic levels in the year to the June quarter 2025, and increasing further since that point (Chart 2.14).

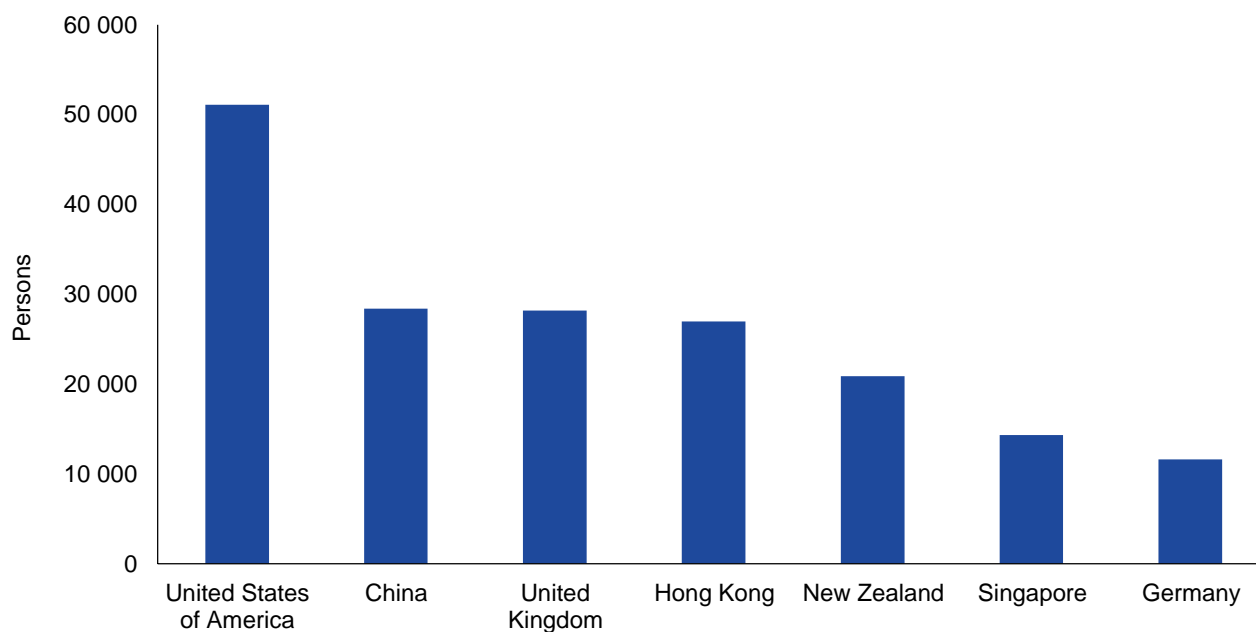
Chart 2.14: Visitor Numbers to Tasmania



Source: *Tasmanian Visitor Survey*, Tourism Tasmania.

More than 80 per cent of the visitors to Tasmania in the year to the December 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 December quarter 2025, the highest number came from the United States, with 51 100 visitors. Following the United States, the top places of origin for visitors to Tasmania were mainland China (28 400 visitors), the United Kingdom (28 200 visitors), Hong Kong (27 000 visitors) and New Zealand (20 900 visitors) (Chart 2.15).

Chart 2.15: Tasmanian International Visitors by Major Place of Origin, year to December quarter 2025

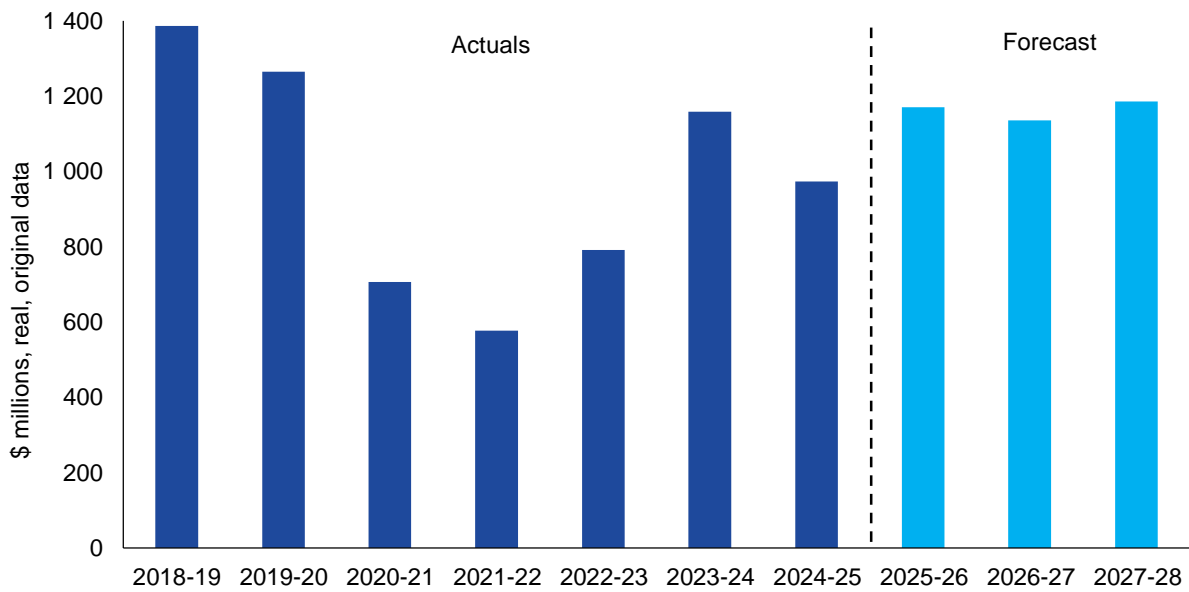


Source: *Tasmanian Visitor Survey*, Tourism Tasmania.

The conflict in the Middle East has increased uncertainty regarding the expectations for the number of tourists travelling to Tasmania. Since the onset of the war, there has been a sharp increase in the price of jet fuel, which has already led to a rise in the price of some air travel and will likely continue to do so in the future. This, combined with broader fuel supply challenges, airspace closures, flight cancellations, travel disruptions and a fall in consumer sentiment, is expected to lead to a fall in the number of tourists to Tasmania, at least in the short term. However, there is a possibility that tourism to Tasmania could experience a slight boost if Australians previously planning to travel internationally decide to substitute these trips for domestic trips, including to Tasmania, instead.

On balance, the number of international tourists travelling to Tasmania is expected to fall over the remainder of 2025-26, contributing to a slight decline in international services (which also includes international students) in 2026-27 before recovering in the following year (Chart 2.16).

Chart 2.16: Tasmanian International Exports of Services

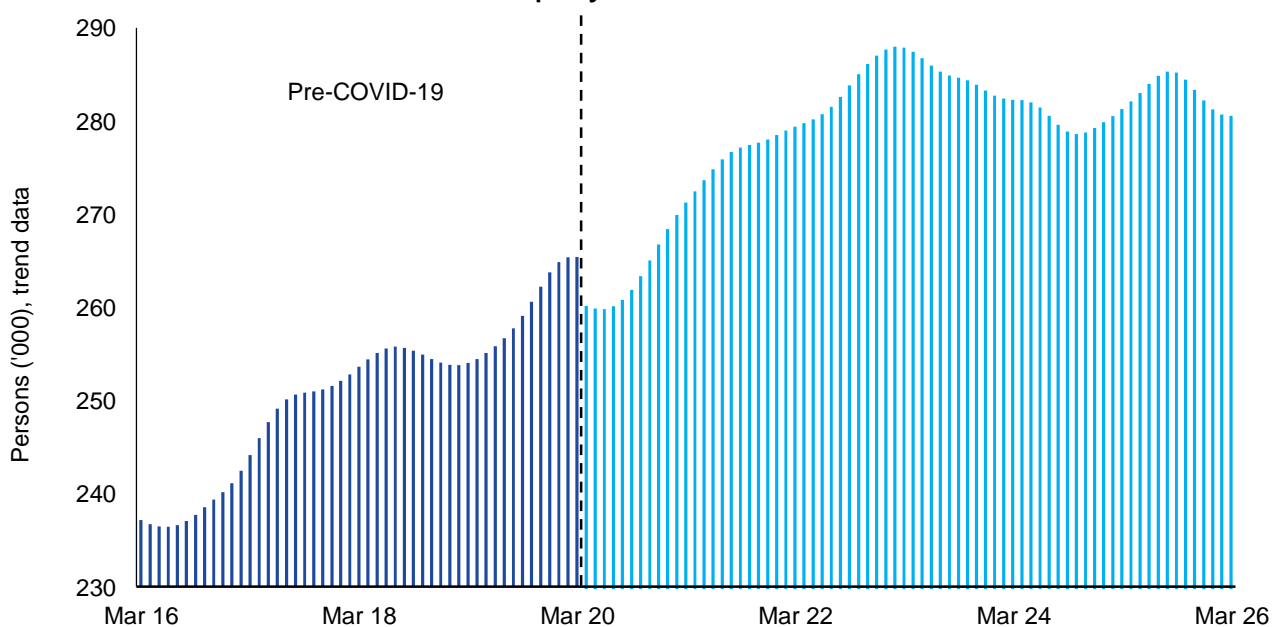


Source: Actual - Balance of Payments and International Investment Position, Australia, ABS; Forecasts - Treasury.

Tasmania's Labour Market

Over recent years, Tasmania's labour market has been strong, experiencing a sustained period with historically very low unemployment. However, since September 2025, Tasmania's labour market has seen the number of Tasmanians employed and participating in the labour force falling. The unemployment rate has also been rising, though it remains at a rate that is low, by historical standards. As at March 2026, there were an estimated 280 600 persons employed in Tasmania in trend terms (Chart 2.17).

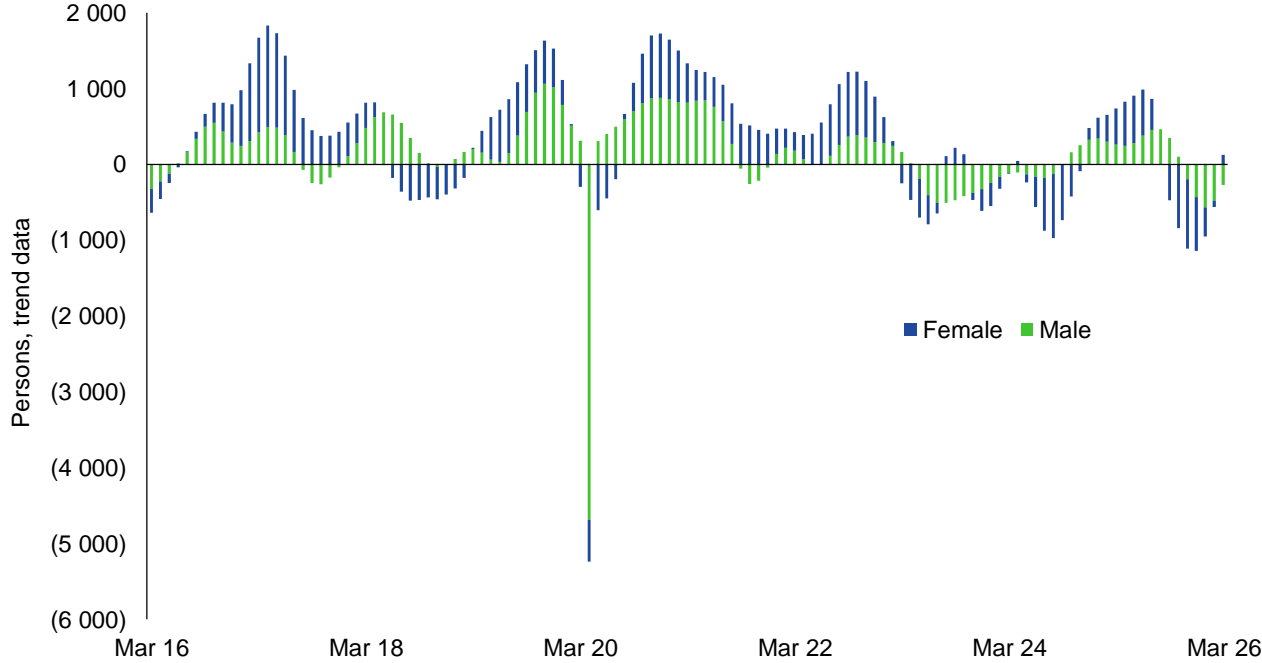
Chart 2.17: Tasmanian Employment



Source: Labour Force, Australia, ABS.

With the strong growth in employment that followed the COVID-19 pandemic, both male and female employment have grown. While female employment grew particularly strongly and has contributed most of the growth since August 2021, it has declined by more than male employment over the past six months (Chart 2.18).

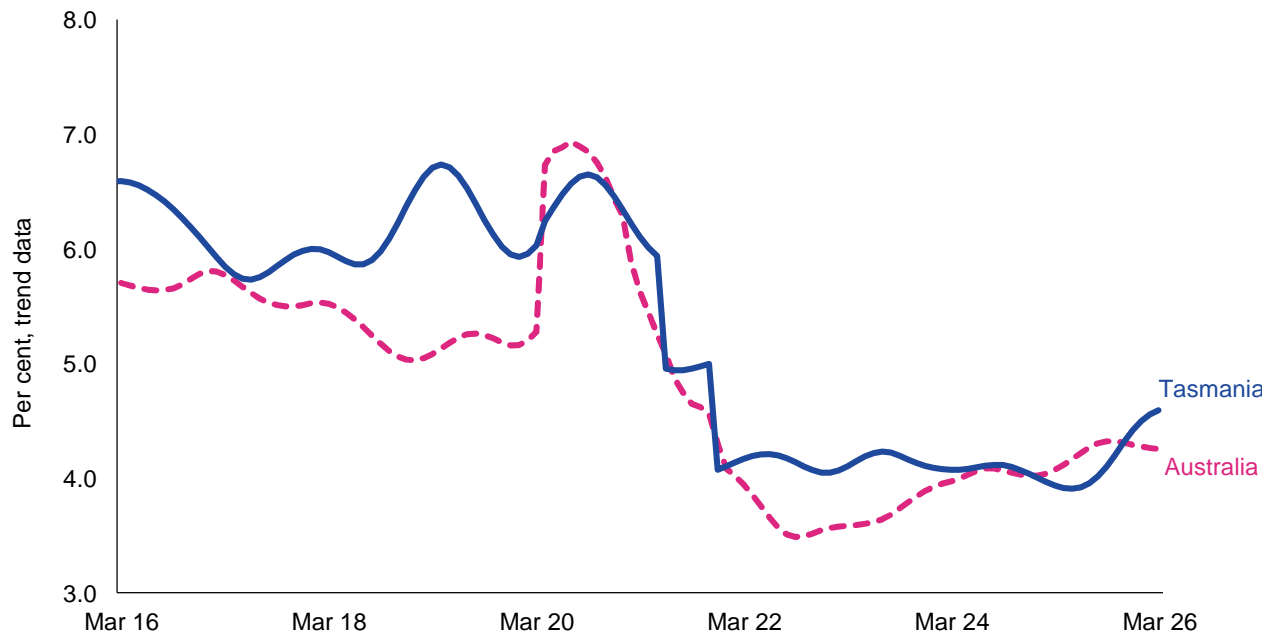
Chart 2.18: Change in Tasmanian Male and Female Employment



Source: *Labour Force, Australia, ABS.*

The unemployment rate in Tasmania was 4.6 per cent in March 2026, in trend terms, up from its all-time low of 3.9 per cent in May 2025, but still low by historical standards (Chart 2.19).

Chart 2.19: Unemployment Rate, Tasmania and Australia



Source: *Labour Force, Australia, ABS.*

Overall, year-average employment is forecast to be $\frac{3}{4}$ of one per cent higher in 2025-26 compared to the previous year, while the forecast for the year-average unemployment rate has increased to be $4\frac{1}{4}$ per cent and the forecast for the participation rate is $60\frac{3}{4}$ per cent. These forecasts primarily reflect published data, which accounts for most of the result in 2025-26. However, the conflict in the Middle East is expected to have a moderate impact on Tasmania's labour market as its impacts flow through the world economy, resulting in weaker starting bases across the labour market indicators going into 2026-27. This impact is likely to be seen through 2026-27, with employment forecast to decline by $\frac{1}{2}$ of one per cent, and the unemployment rate increasing to five per cent, while the participation rate is forecast to be $60\frac{3}{4}$ per cent, in line with the previous year.

These indicators are expected to rebound in 2027-28, with employment forecast to grow by $1\frac{1}{4}$ per cent, the unemployment rate decreasing to $4\frac{3}{4}$ per cent, and the participation rate increasing to be 61 per cent. These forecasts reflect the expectation that the conflict in the Middle East will have largely resolved, and that households and businesses will have pent-up demand after being more cautious the previous year. This also factors in the impact from new major public infrastructure projects.

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:

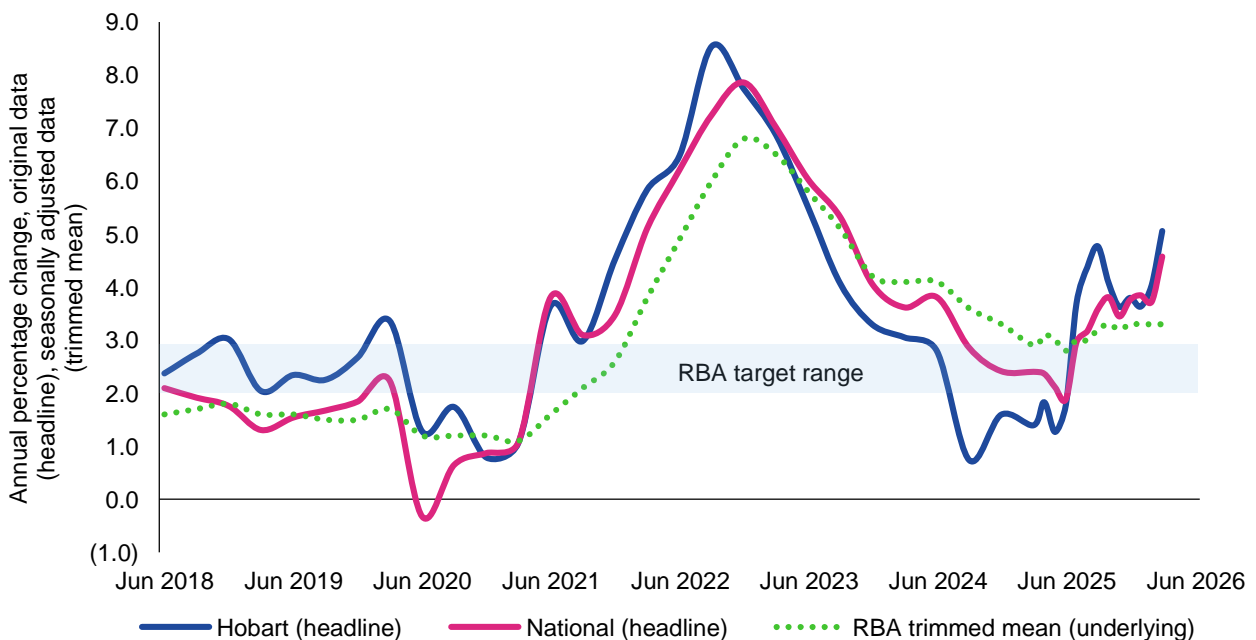
- State Accounts (annually)
- National Accounts (quarterly)
- Consumer Price Index (monthly)
- Labour Force (monthly)
- Population (quarterly)
- Wage Price Index (quarterly)
- Monthly Household Spending Indicator (monthly)
- Building Approvals (monthly)
- International Trade in Goods (monthly)
- JobSeeker Payment and Youth Allowance Recipients (monthly)
- Bankruptcy Administrations (quarterly)

These releases can be accessed through Treasury's website (www.treasury.tas.gov.au).

Prices and Wages in Tasmania

The rate of inflation had been trending down in recent years after the inflation shock driven by the post COVID-19 supply constraints and the military conflict in Ukraine. This was aided by the RBA raising the official cash rate and governments around Australia providing energy subsidies, which sought to provide cost-of-living relief, while acting on the rate of inflation. Most of the state government energy subsidies had ended by the end of June 2025, which resulted in an initial, and expected, jump in the headline rate of inflation. However, since the initial jump, Hobart CPI has continued to accelerate, driven more recently by the conflict in the Middle East, to be 5.1 per cent higher in March 2026 than one year earlier, while national CPI was 4.6 per cent higher over the same period (Chart 2.20) . This was faster growth than forecast by the RBA, which responded to the data, as well as the evolving global situation, by raising the official cash rate at its February 2026, March 2026 and May 2026 meetings.

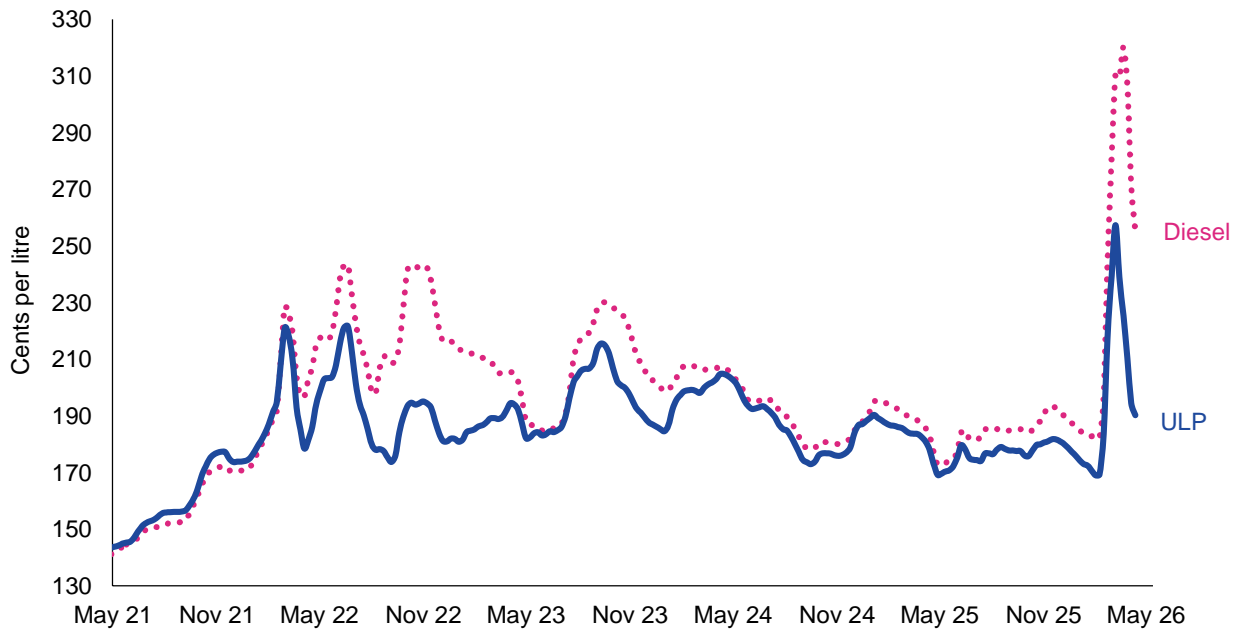
Chart 2.20: Growth in the Consumer Price Index



Source: *Consumer Price Index, Australia*, ABS (headline CPI data prior to April 2025 are quarterly data from Table 17, while headline CPI data from April 2025 onwards are monthly data from Table 1).

The conflict in the Middle East has already led to a sharp rise in the price of commodities and price increases in a range of consumer and business input goods. The flow-on impacts of these price increases began to be observed in the March 2026 ABS inflation data. The impact of the conflict can be most readily seen in the changes to fuel prices, which have increased sharply since the beginning of March 2026 (Chart 2.21). The fall in the price of unleaded petrol in the week ending 5 April 2026 reflects the reduction of the fuel excise rate by the Australian Government, from 52.6 cents per litre to 20.6 cents per litre. This cut came into effect on 1 April 2026 and will be in place for three months.

Chart 2.21: Fuel Prices

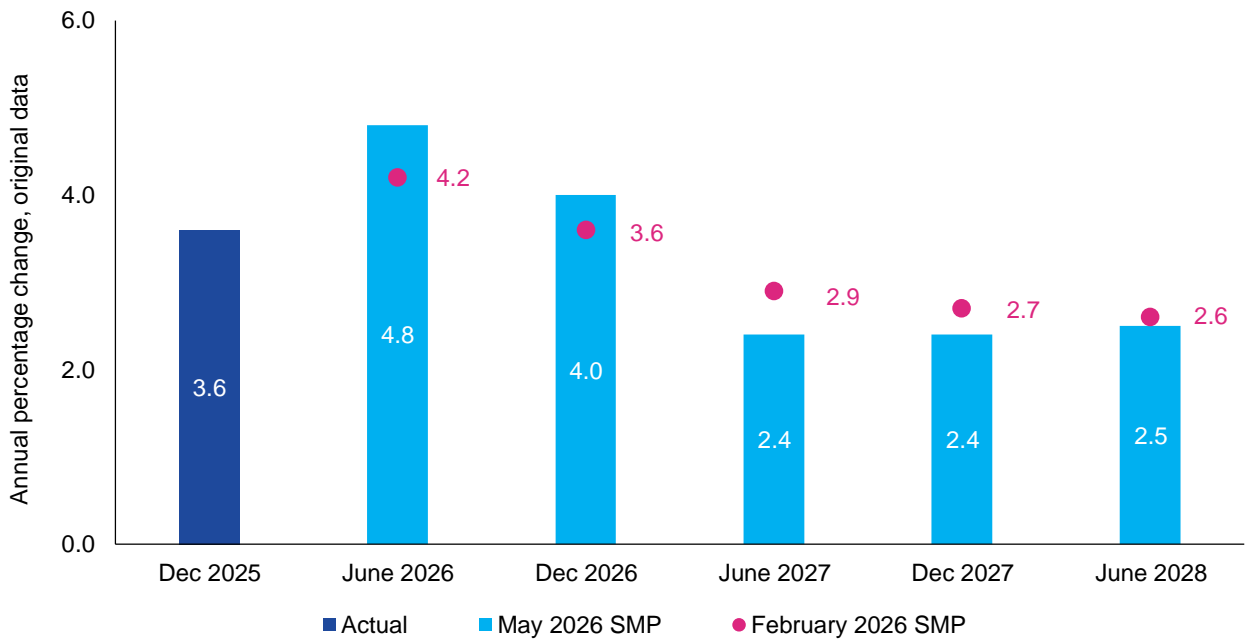


Source: *Tasmania Retail Petrol Prices*, Australian Institute of Petroleum.

In its most recent forecasts, published in the May 2026 *SMP*, the RBA updated its inflation forecasts to reflect the impacts from the conflict in the Middle East, and its flow-on effects. As shown in Chart 2.22, the RBA is now forecasting that annual inflation will peak at 4.8 per cent in the year ending June 2026, up from 4.2 per cent in its February 2026 *SMP*. Its forecast for the year ending December 2026 has also risen to 4.0 per cent, up from 3.6 per cent. However, from the year ending June 2027, the RBA has revised down its forecasts and is expecting inflation to sit at, or close to, the middle of the target range over the remaining period.

The RBA's forecasts are underpinned by an assumption that a resolution of the Middle East conflict allows oil prices to decrease gradually over coming quarters and an expectation that there will be an increase in interest rates that will slow demand in the economy. In particular, the RBA has assumed that the cash rate would increase to 4.7 per cent by the end of 2026, based on market pricing. While it expects inflation to remain above the target range until mid-2027 as fuel-related cost increases are passed through to consumer prices, the RBA expects that this pass-through occurs relatively quickly given existing capacity pressures in the economy. The RBA anticipates that underlying inflation will ease as tighter monetary policy settings reduce capacity pressures and as fuel-related cost pressures fall.

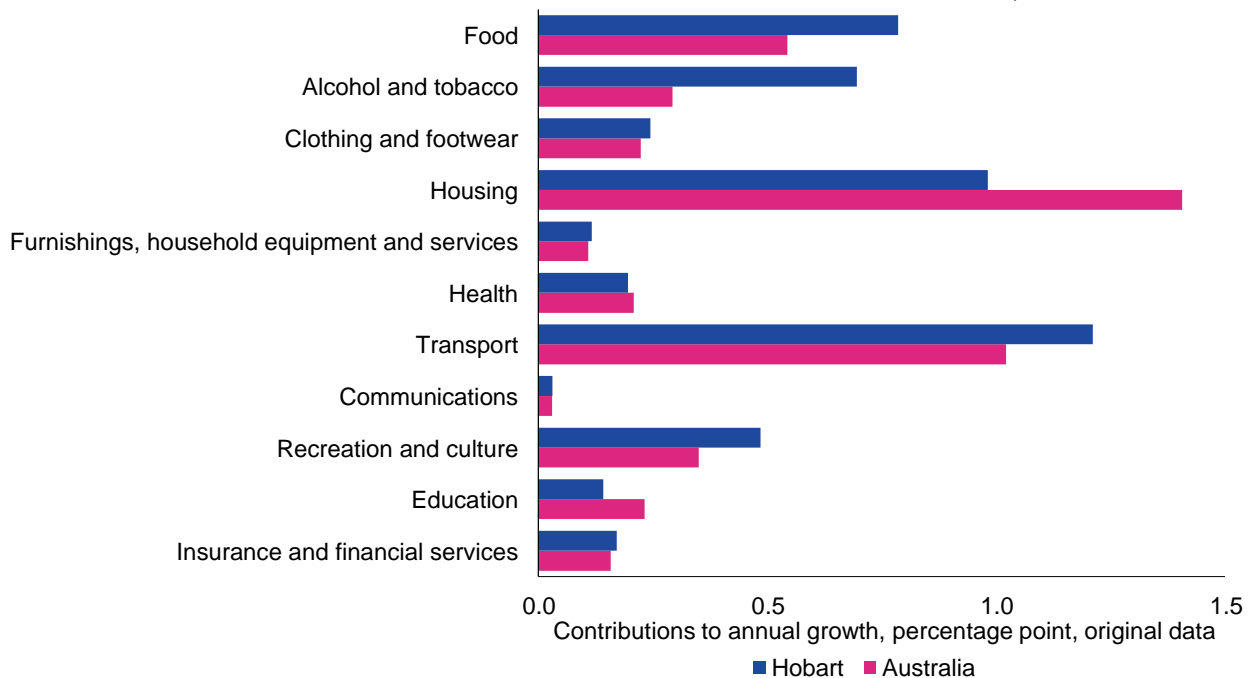
Chart 2.22: National Inflation Forecasts



Source: *Statement on Monetary Policy – May 2026*, Reserve Bank of Australia.

The largest contribution to the annual change in the Hobart CPI in March 2026 was in the Transport component, which contributed 1.2 percentage points to annual growth (Chart 2.23). This was followed by the Housing and Food components, which contributed 1.0 percentage point and 0.8 of a percentage point, respectively. The increase in the Transport component was primarily due to an increase in the price for automotive fuel, reflecting that some of the impacts of the Middle East conflict have started to flow through the data. Nationally, Housing was the largest contributor to the annual change in the CPI in March 2026.

Chart 2.23: Contributions to the Consumer Price Index, March 2026

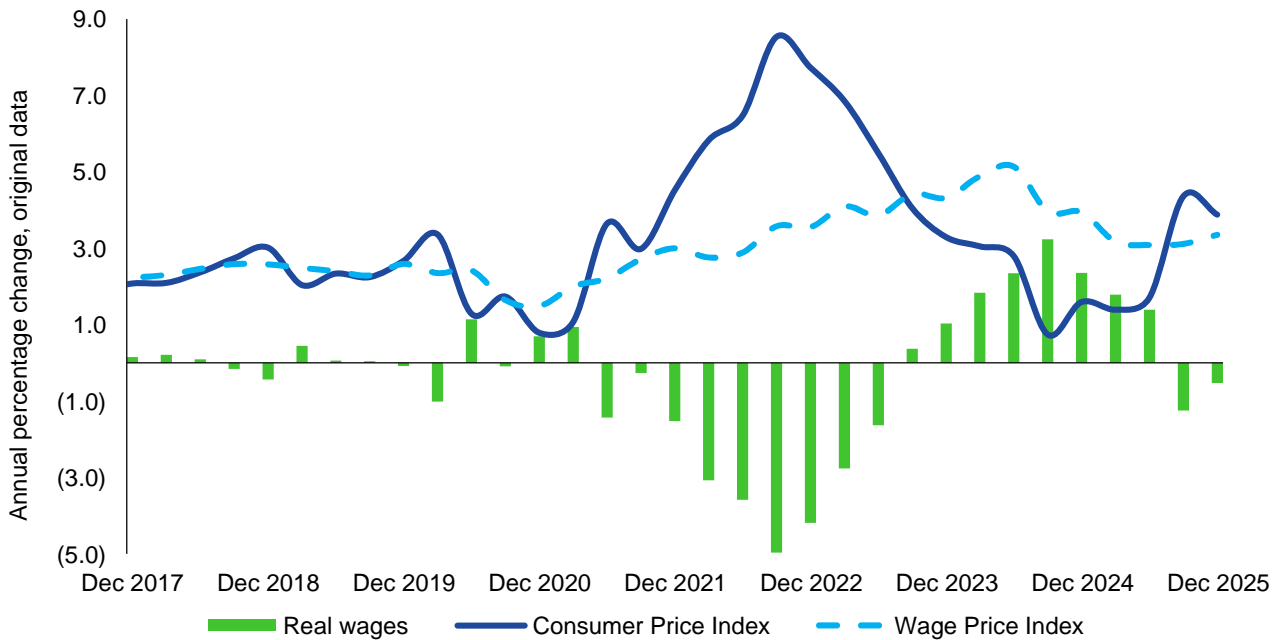


Source: *Consumer Price Index, Australia*, ABS.

Reflecting the current heightened inflationary pressures, Hobart CPI is expected to grow by 4½ per cent in 2025-26, in year-average terms. Impacts from the Middle East conflict are expected to continue to flow through 2026-27, with Hobart CPI expected to grow by 3½ per cent, before easing further in 2027-28 to grow by around 2½ per cent. While inflation is expected to be elevated in the near-term, it is not anticipated that it will reach the peak seen in 2022. This reflects expectations that the conflict in the Middle East will be resolved in the short term, price impacts will flow through over 2026 and 2027, and that the RBA will continue to tighten monetary policy over 2026.

The increase in the CPI has also led to a decline in real wages for Hobart. In the December quarter 2025, the most recently available data for both inflation and wages, real wages in Hobart fell by 0.5 per cent, the second consecutive quarter of real wage decline. This followed eight consecutive quarters of real wage growth (Chart 2.24). The high inflation in March 2026 and expected higher inflation over the Forward Estimates is likely to lead to further declines in real wages in the short-to-medium term.

Chart 2.24: Real Wage Change in Hobart¹



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

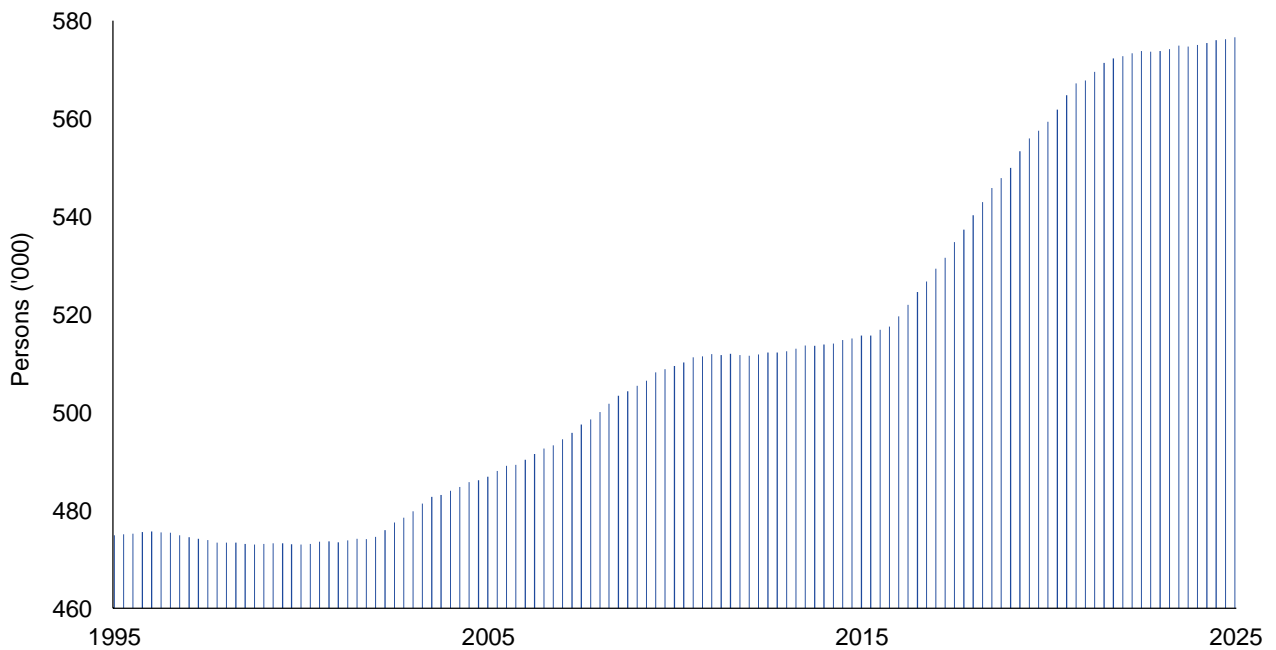
Note:

1. The change in real wages is calculated as the change in the Wage Price Index minus the change in the Consumer Price Index.

Population

As at 30 September 2025, Tasmania had an estimated population of around 576 500 persons, around 1 600 persons (or 0.28 per cent) higher than one year earlier. Following six years of very strong population growth between 2016 and 2021, Tasmania's population growth has subsequently been more subdued, well below the long-term average growth rate in recent years (Chart 2.25). Over 2024-25, Tasmania's population grew by 0.2 per cent on a year-average basis.

Chart 2.25: Tasmanian Estimated Resident Population



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

Box 2.4 - 2026 Census of Population and Housing

Every five years, the Australian Bureau of Statistics undertakes a Census of Population and Housing (Census). The Census counts every person and household in Australia and collects information around age, country of birth, cultural background, living situation, work and education. The last Census was held in 2021, with the next Census to be held on Tuesday 11 August 2026.

The estimated resident population data produced by the ABS is based on the counts from the most recent Census, which are then updated with quarterly estimates of births, deaths, overseas migration and interstate migration.

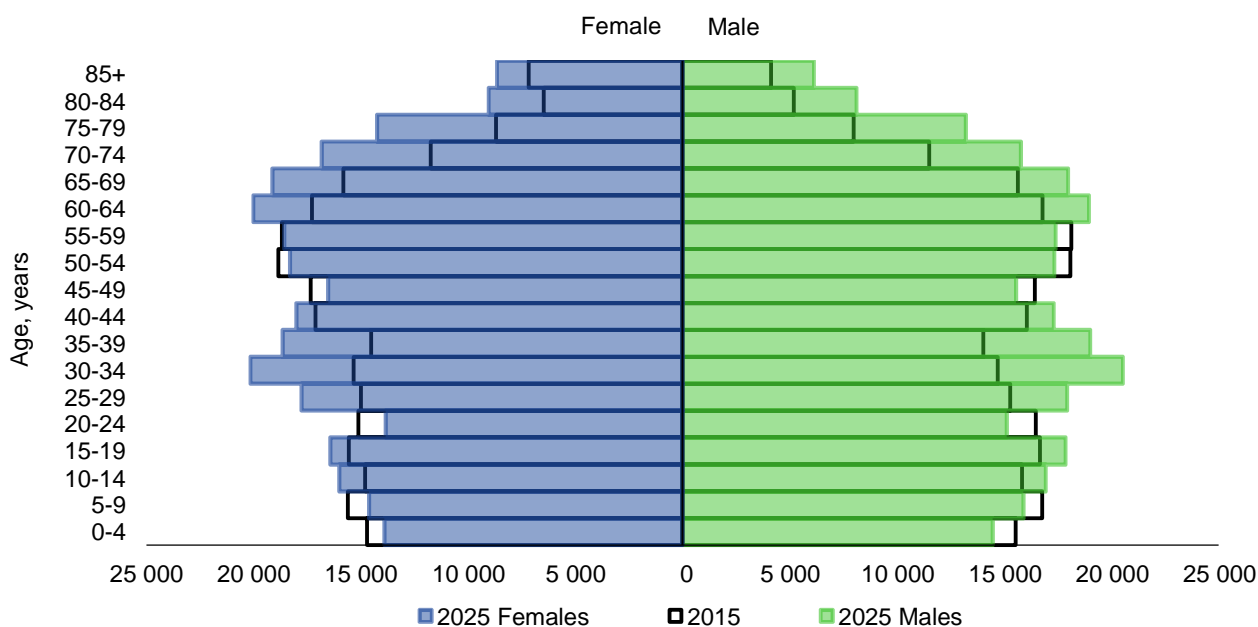
Following the release of the Census, the ABS undertakes rebasing, which results in revisions to previous quarterly population data for the past five years. On occasion, these have resulted in material changes in Tasmania's estimated resident population and its share of the national population.

As the data get further away from the previous Census that they are based on, the risk of quality issues in the data increases. In particular, there are challenges in accurately estimating interstate migration over time, as this cannot be directly measured and therefore must be estimated using administrative datasets.

Tasmania continues to have an older population, with a median age of 42.6 years as at 30 June 2025. This was the highest median age of all states and territories and above the national median of 38.4 years. Tasmania, along with Australia, also has an ageing population, with the number of people aged above 65 years increasing as a proportion of the total population over the past decade.

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 entering these age groups (Chart 2.26).

Chart 2.26: Tasmanian Population Age Profile



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

Tasmania’s positive population growth since the 2021 Census has been consistently driven by net overseas migration inflows, with the natural increase component also contributing modestly. Conversely, interstate migration has largely contributed net outflows, detracting from growth and partially offsetting the positive components.

Over 2022-23 and 2023-24, there were higher net interstate outflows than in previous years (Chart 2.27). While this continued over 2024-25, the overall net outflow was smaller than it had been (around 1 900 persons compared with between 3 400 and 3 900 persons). Based on ABS data, most Tasmanians that migrate interstate move to Victoria, with a net outflow from Tasmania of around 6 700 persons since the 2021 Census. This was followed by Western Australia (net outflow of around 2 800 persons) and South Australia (net outflow of around 1 100 persons). Modest net outflows were also recorded for the Australian Capital Territory and Queensland over this period. Offsetting these outflows have been inflows of persons moving from New South Wales to Tasmania, with a net inflow of just over 2 000 persons since the 2021 Census. Tasmania also saw a modest net inflow from the Northern Territory over this period.

Chart 2.27: Net Interstate Migration to and from Tasmania



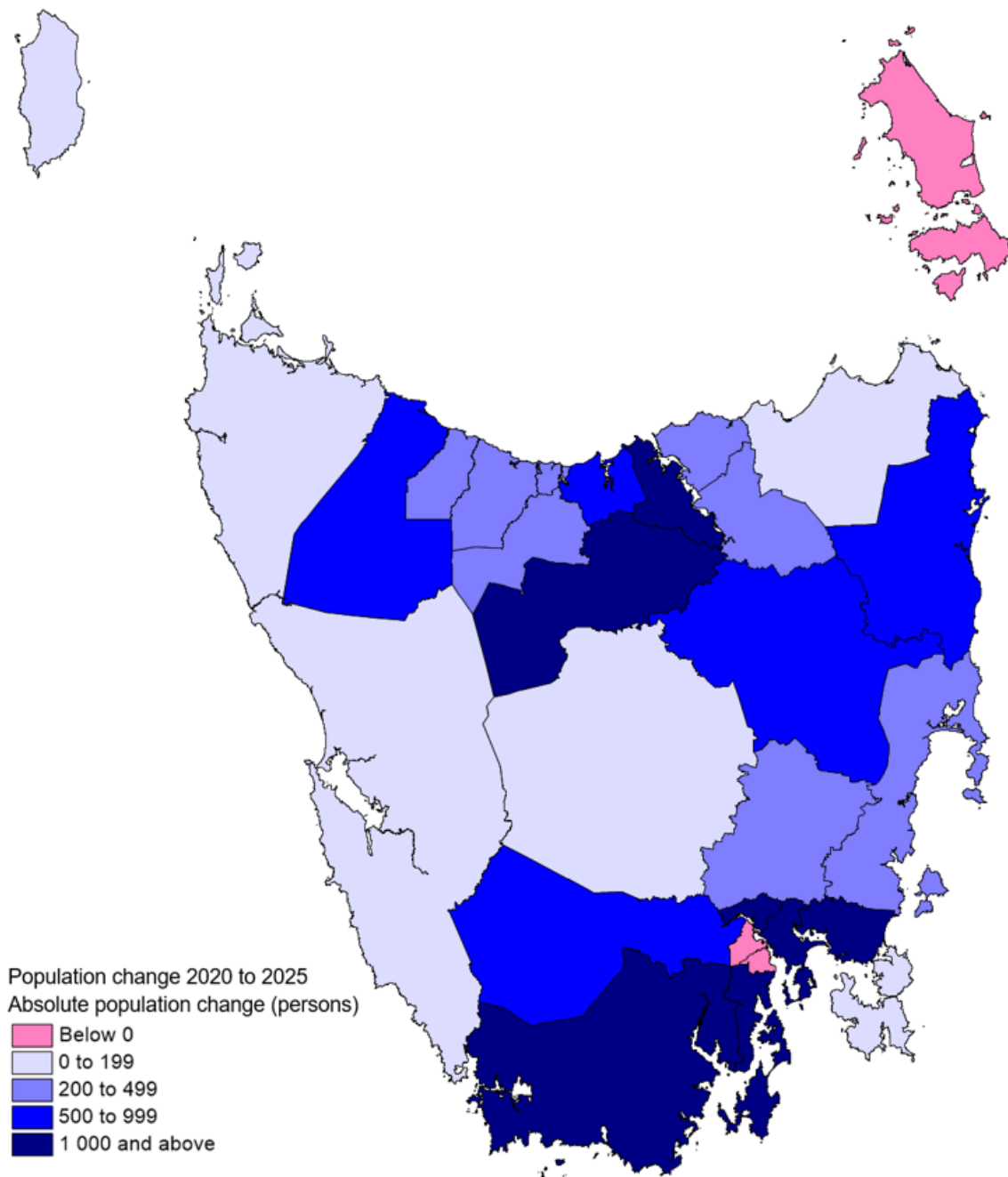
Source: National, state and territory population, ABS.

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.

From 30 June 2020 to 30 June 2025, most local government areas have experienced growth in their populations (Map 2.2). However, three LGAs have contracted: Hobart (declined by around 350 persons); Glenorchy (declined by around 200 persons); and Flinders (declined by around 10 persons). In Hobart, this likely reflects 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 COVID-19 pandemic that have favoured more space over closer proximity to services.

The strongest growth over this period was seen in the LGAs of Clarence (increase of around 3 350 persons) and Brighton (increase of around 2 030 persons), with Sorell, Huon Valley and Kingborough all recording increases of between 1 550 and 1 650 persons. These increases likely reflect the significant number of land developments that have occurred in these areas in recent years. Outside of the State's South East, the highest growing LGAs were Meander Valley and West Tamar, which grew by around 1 140 persons and around 1 010 persons, respectively.

Map 2.2: Tasmanian Population Change by LGA



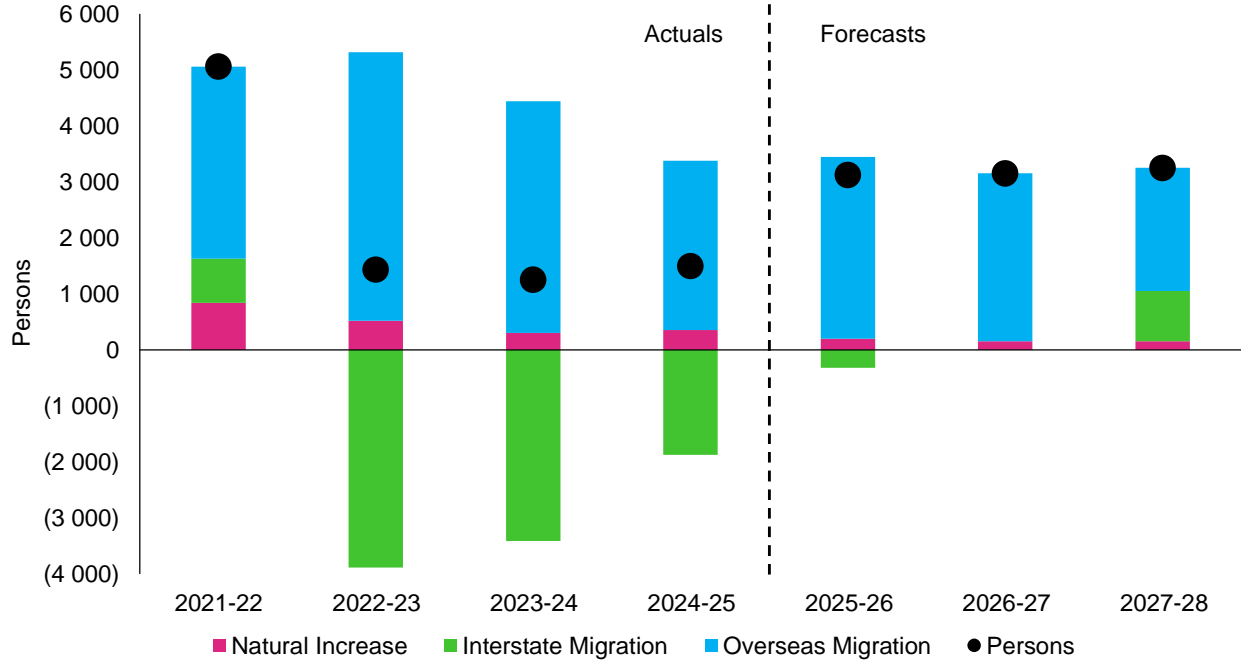
Source: *Regional population growth*, ABS.

Tasmania's population is forecast to grow by 0.4 per cent in year-average terms in 2025-26. This growth reflects the expectation that net overseas migration and natural increase will continue to contribute positively to population growth, with this growth slightly offset by a net interstate migration outflow. This net outflow is expected to be lower than previous years, as it moves towards a net neutral position in line with longer-term trends.

In 2026-27, growth in Tasmania's population is forecast at 0.5 per cent, with the expectation that recent trends will largely continue, though with net interstate migration returning to a neutral level in this year. While overseas migration is expected to continue to drive overall population growth, it is expected to moderate slightly from previous years.

Further population growth of 0.6 per cent is forecast for 2027-28, with overall net migration inflows contributing a similar amount to the previous year, but with a change in composition. Net overseas migration is forecast to continue to contribute the largest amount to overall population growth, though less than the previous year. After returning to a neutral level in 2026-27, interstate migration is expected to contribute positively in 2027-28, supported by the commencement of major infrastructure projects in the State, including the Macquarie Point Multipurpose Stadium, which are expected to attract workers and their families from interstate.

Chart 2.28: Components of Population Change, Tasmania



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

RISKS TO THE OUTLOOK

The risks to the economic outlook continue to evolve, with the ongoing conflict in the Middle East, and the associated impacts on oil and other commodity prices, currently posing the greatest risk. There is significant uncertainty as to how and when the Middle East conflict might be resolved and therefore what the impacts will be. While immediate impacts have been observed through higher petrol and diesel prices, there will likely be further flow on effects in the short to medium term. A range of factors will determine the extent to which the Tasmanian economy is impacted by the conflict, including the terms and timing of a resolution, the extent of damage sustained to infrastructure due to the conflict, the resilience of trade routes, and the perceived certainty around any resolutions. Any further action taken by the Australian Government could also impact the Tasmanian economy.

On the downside, a more prolonged conflict would place continued upwards pressure on oil prices and therefore flow through to higher prices for various goods, contributing to higher inflation. Additionally, it would cause further disruption to international trade and travel. Tasmania could also see more significant impacts if its key trading partners, who may be impacted to a greater extent by the conflict, experience economic downturns. Conversely, if the conflict resolves faster than expected, with trade routes re-established quickly and fuel trade flows returning to, or close to, pre-conflict levels, this would lead to a more optimistic outlook. Even if trade routes and fuel flows do not return to full capacity in the short-term, there is also an upside risk that the impacts of this are not as severe as expected, which could also result in a more positive outlook.

As outlined, a direct impact of the Middle East conflict is higher prices and therefore increased inflation. Australia had already been observing an uptick in inflation prior to the escalation in the conflict, with oil and commodity price shocks exacerbating these existing pressures. While there has been an immediate effect on petrol and diesel prices, the increased oil price will also flow through to impact a range of sectors, including through upwards price pressure on freight and energy, which in turn will lead to higher costs for other goods and services, including food. If inflationary pressures increase more than expected, the RBA may need to consider further monetary policy action, including additional, or larger, increases in the cash rate, above what is currently anticipated, which would dampen economic activity.

Given the current set of circumstances, there is a risk that the Australian and Tasmanian economies could enter a period marked by weak economic growth alongside persistently high inflation and rising unemployment. Conditions of this nature were last experienced in the 1970s following large global oil price shocks. If this were to occur, it would reduce the effectiveness of macroeconomic policy responses, given monetary policy has limited capacity to simultaneously address high inflation, weak growth and full employment. Therefore, there is a risk that it would lead to prolonged periods of economic downturn and weak employment, putting increasing pressure on households and businesses. There is also a risk that Tasmania's economic situation diverges from the national position and that Tasmania is therefore negatively affected by monetary policy that is set at a national level.

While the focus has shifted to the Middle East conflict, there remain risks in relation to global trade tensions. Risks remain around trade relations and how tariffs will evolve, with the United States Government continuing to use tariffs as a mechanism to influence other countries (for example, threatening to impose a 50 per cent tariff on China if it provides military support to Iran). There are also a range of other tariffs that apply to specific goods, which could be increased as has been recently seen in relation to some pharmaceuticals.

The ongoing uncertainty and volatility in the United States' trade policy continues to pose risks to the economy, particularly if there is an escalation in trade tensions as was seen between the United States and China in 2025. Changes to tariff rates can have a direct impact on Tasmanian exports, but could also impact the State's economy indirectly. In particular, if the economies of Tasmania's key trading partners weaken due to impacts from the tariffs, this could have broader impacts on Tasmania's exports.

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. While some impacts, such as lower exports, have flowed through to published data, others may not yet have. 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 and could have impacts on the labour force.

The increasing adoption of artificial intelligence and automation also poses risks to the Tasmanian economy. There is a downside risk that a rapid and material uptake in AI could impact Tasmania's labour market if it displaces workers in certain occupations faster than labour market adjustments occur, leading to weaker employment growth and a higher unemployment rate. Conversely, there are upside risks arising from potential productivity gains across a range of sectors, which could help alleviate labour market pressures, particularly in industries experiencing persistent workforce shortages.

Another risk to the outlook is the impact from changes to the State's population. Tasmania's population growth has slowed over the past three years, following a period of significant growth between 2016 and 2021. There is a risk that Tasmania's population growth remains low, or even declines, in the short-to-medium term. If this occurs, then it could exacerbate existing challenges faced by the State including skills shortages and the ageing population.

On the upside, lower population growth has also 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. While this would benefit the economy, a surge in population growth could also lead to increases in the demand for services from the Tasmanian Government, and put pressure on essential infrastructure.

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, which may be used to address fiscal sustainability issues, could impact the forecasts through a short-term reduction in economic growth. However, there could be some offsetting impacts if reduced Government investment led to a pickup in private investment due to freed up industry capacity.

3 FISCAL STRATEGY

Executive Summary

- The 2026-27 Budget introduces a new Fiscal Strategy. The Government has brought forward the planned review of its previous Fiscal Strategy to inform this Budget, reflecting the Government's commitment to long-term fiscal sustainability and the need to ensure that the Strategy remains fit for purpose.
- The new Fiscal Strategy establishes:
 - five enduring fiscal Objectives that will guide Budget decision-making;
 - a comprehensive set of key fiscal measures to assess achievement against the Objectives; and
 - a new Targets framework that sets out the Government's specific aims and delivery pathway over the Budget and Forward Estimates.
- The Fiscal Strategy recognises that fiscal sustainability is central to the Government's capacity to deliver high-quality public services, maintain essential infrastructure and support a strong and resilient economy, while managing the long-term cost pressures associated with service demand, demographic change and cost escalation.
- The Fiscal Strategy Measures span across the short, medium and long term and assess fiscal health through a range of indicators, including credit ratings, debt affordability, revenue capacity, infrastructure investment, operating expenditure growth and government business performance.
- The Government acknowledges that achieving fiscal sustainability will require a sustained focus on how government operates, plans and delivers services, rather than one-off measures or short-term adjustments. The new Fiscal Strategy balances the need for action with flexibility to respond to economic shocks and changing circumstances.

OVERVIEW

Over recent years, Tasmania's fiscal position has been shaped by a combination of external shocks, rising costs and increasing demand for Government services. These pressures have contributed to operating deficits and a sustained increase in borrowings, resulting in a structural Budget challenge which must be addressed. These circumstances reinforce the importance of the Government's clear and disciplined approach to fiscal management.

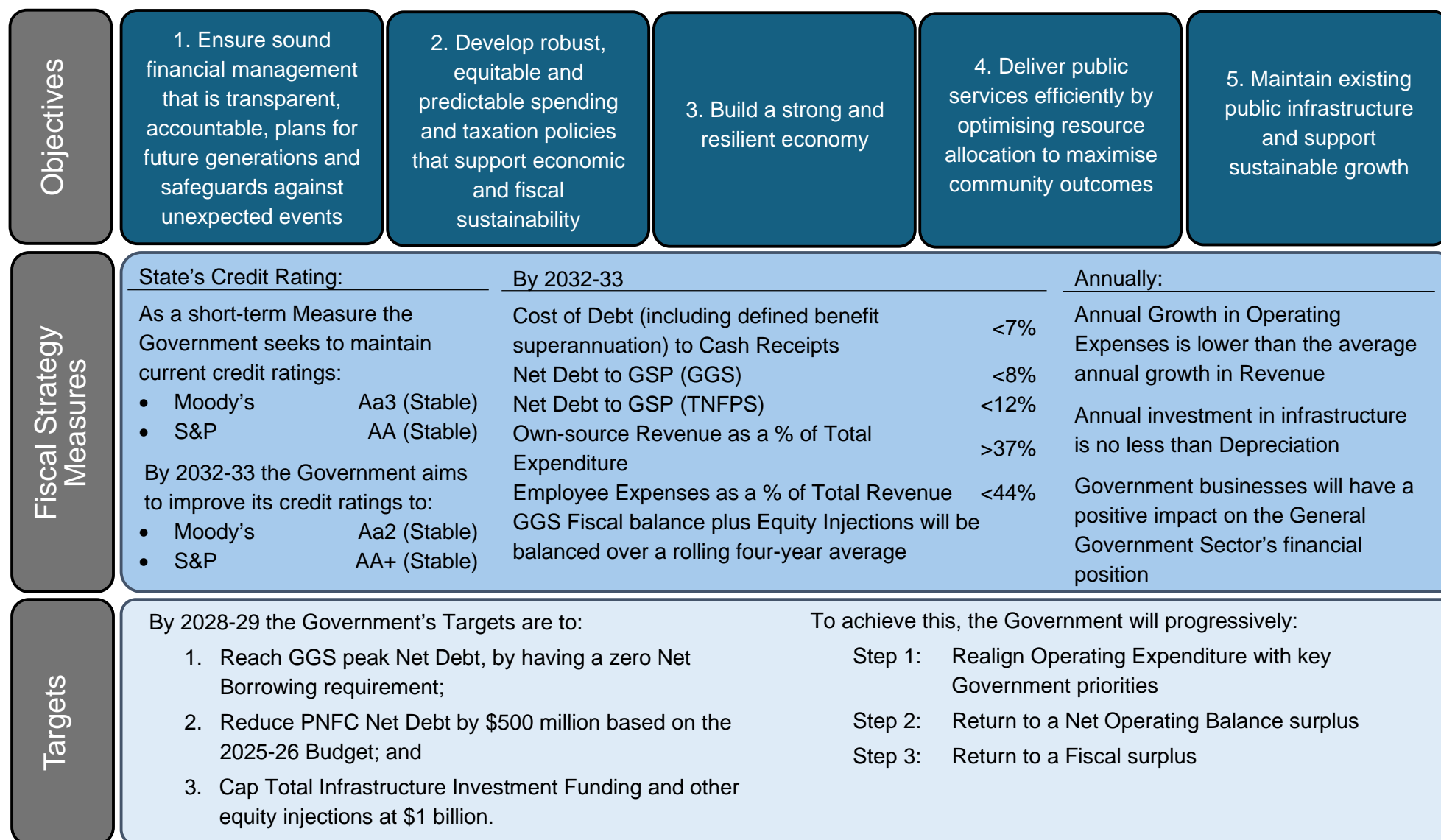
In this context, reviewing fiscal priorities and aims is a key element of the Government's commitment to improve fiscal sustainability. Recent analysis, including the *Fiscal Sustainability Report 2026* have provided insights and supported the review process. Consequently, the Government has brought forward its planned review of the Fiscal Strategy and introduced a new Strategy.

A New Fiscal Strategy

The Government's new Fiscal Strategy is designed to closely align with the *Charter of Budget Responsibility Act 2007*. The Strategy sets out the Government's fiscal Objectives and how achievement of those Objectives can be measured. The Strategy also sets out short-term Targets that provide a clear pathway for fiscal improvement over the Budget and Forward Estimates.

The structure of the new Fiscal Strategy is described in the remainder of this section and outlined in Figure 3.1. Components of the Strategy are detailed and summarised across the remainder of this chapter.

Figure 3.1: Fiscal Strategy



Objectives

The five Objectives contained within the Strategy articulate the Government's enduring fiscal aims and provide the framework within which Budgets will be developed. They establish the Government's core fiscal priorities and draw on and reinforce the principles of sound fiscal management set out in the Charter of Budget Responsibility Act.

The five Objectives are as follows:

1. Ensure sound financial management that is transparent, accountable, plans for future generations and safeguards against unexpected events.
2. Develop robust, equitable and predictable spending and taxation policies that support economic and fiscal sustainability.
3. Build a strong and resilient economy.
4. Deliver public services efficiently by optimising resource allocation to maximise community outcomes.
5. Maintain existing public infrastructure and support sustainable growth.

Fiscal Strategy Measures

The Fiscal Strategy Measures complement the Objectives of the Strategy and specify the key fiscal measures against which the Government's fiscal policy can be assessed. Several Measures have been retained from the Government's previous Fiscal Strategy, while new Measures have been introduced to strengthen fiscal analysis, transparency and accountability.

In revising the Strategy, the Government recognises that fiscal health cannot be assessed through a single metric and that a set of complementary indicators are also required. Accordingly, the new Fiscal Strategy Measures span a broad cross-section of fiscal and economic parameters including measures relating to debt, economic capacity, revenue, infrastructure investment, operating expenditure and Government business performance. The Measures are grouped into three categories, reflecting the timeframe over which they are expected to be achieved.

The first category of Fiscal Strategy Measures relates to the State's credit rating. The Government expects that the fiscal sustainability initiatives included in the 2026-27 Budget, and implemented over successive years, will support an improvement in Tasmania's fiscal position. This will improve the metrics considered by the credit ratings agencies. During the transition period, the Government remains committed to maintaining the State's current credit ratings while fiscal improvement is delivered in a responsible and considered manner.

The second category of Measures are categorised for achievement by 2032-33. Several Measures have been retained from the previous Strategy, with two new Measures being introduced. The first new Measure assesses Employee Expenses as a proportion of Total Revenue, recognising that the sustainable size of the State Service is determined by what the State can afford over time, rather than by reference to a fixed staffing level.

The second new Measure in this category establishes an expectation that the General Government Sector Fiscal Balance plus Equity Injections are funded without debt accumulation over a rolling four-year period, once peak Net Debt is reached. This Measure is intended to support long-term structural balance, while recognising that exceptional circumstances such as significant economic or external shocks, may require the temporary accumulation of additional debt.

The new Fiscal Strategy also includes a category of Measures intended to be achieved on an annual basis. Two of these Measures are retained from the previous Strategy. A third, new Measure of revenue growth exceeding expenditure growth focuses on a key contributor to the State's current structural Budget challenge. The introduction of this Measure reinforces the Government's focus on managing this critical relationship as it works towards improved fiscal sustainability.

Targets

This section of the Fiscal Strategy sets out the Government's aims for the Budget and Forward Estimates. It identifies the actions and fiscal trajectory through which these aims are intended to be achieved.

The Targets will be reviewed and updated annually. This approach supports regular and transparent assessment of progress, while allowing flexibility within the Strategy's enduring Objectives.

The Targets established in the 2026-27 Fiscal Strategy demonstrate the Government's commitment to taking immediate and sustained action to improve the Budget position over the Forward Estimates. They are deliberately ambitious and will require ongoing fiscal discipline to achieve.

The Targets focus on: managing operating expenses to reach peak Net Debt by 2028-29; reducing and managing Public Non-Financial Corporations Sector Net Debt; and capping GGS Infrastructure Investment plus Equity Injections. Together, these Targets are intended to support sustainable growth and strengthen fiscal sustainability over the longer term.

FISCAL STRATEGY MEASURES

State's Credit Rating

In 2025 the State's credit ratings were downgraded by both Moody's and S&P Global.

Through the 2026-27 Budget, the Government is taking sustained and coordinated action to support an improvement in the State's credit ratings.

This includes the introduction of a rolling program of system-wide reviews to test, and where necessary, adjust service delivery models to ensure that high quality services can continue to be delivered to the Tasmanian community in a financially sustainable and evidence-based manner over the longer-term.

These reviews are being progressed alongside the structural realignment of agencies, commencing with the announced machinery of government changes to the Department of State Growth and the delivery of Operational Efficiencies in a responsible and managed way. In the short-term, the Government's objective is to maintain the State's current credit ratings while fiscal improvement is delivered. Over the longer-term, the Government expects that sustained reform and disciplined financial management will support an improvement in Tasmania's credit ratings.

Table 3.1 summarises Tasmania's current and targeted credit ratings, while Table 3.2 provides comparative information on current credit ratings across Australian jurisdictions.

Table 3.1: State's Credit Rating

Fiscal Strategy Measure	2025-26	2026-27	2032-33
	Estimated Outcome	Budget	Target
State's credit rating			
Moody's Ratings	Aa3 (Stable)	Aa3 (Stable)	Aa2 (Stable)
S&P Global Ratings	AA (Stable)	AA (Stable)	AA+ (Stable)

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

	Moody's Ratings	S&P Global Ratings	Fitch Ratings
Tasmania	Aa3 (Stable)	AA (Stable)	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)

Fiscal Strategy Measures to be Achieved by 2032-33

This category of Measures retains several of the Measures from the Government's previous Fiscal Strategy. These Measures remain appropriate and suitable long-term Measures for the purposes of the Government's commitment to long-term fiscal sustainability and the need to ensure that the Strategy remains fit for purpose. In addition, the introduction of two new Measures supports a broad assessment of the State's fiscal health, ensuring that each of the fiscal Objectives can be effectively assessed.

The first new Measure relating to employee expenses replaces a previous Measure that linked the size of the State Service to population growth. As a smaller jurisdiction, Tasmania requires a relatively higher level of public sector employment to deliver services to community standards, reflecting, *inter alia*, limited economies of scale and a dispersed population. By linking employee costs to revenue, this measure provides a more meaningful and sustainable assessment of the number of employees the State can support over time.

The second new Measure seeks to achieve a rolling balance in the General Government Sector Fiscal Balance and Equity position. This Measure is deliberately focused on ensuring that, over the longer term, the State funds its operating and investment activities without the ongoing accumulation of debt. By adopting a rolling framework, the Measure also recognises that changing economic conditions or exceptional circumstances may require the temporary use of debt to support stability and service delivery.

Through the 2026-27 Budget, the Government has taken strong and deliberate action to work towards achievement of these Measures by 2032-33.

Improving efficiency across the State Service is a key focus over this period, with the introduction of Operational Efficiencies that have been allocated to agencies, which replace the previous Productivity and Efficiency Measure allocated to Finance-General. These initiatives reflect a focus on modernising operations, reducing duplication and improving productivity within agencies to produce enduring efficiencies and at the same time promote sustainable service delivery.

In parallel, a program of systematic, rolling reviews of service delivery models will support the delivery of high-quality services within sustainable cost structures. Delivering quality services within defined fiscal parameters will, over time, support a reduction in borrowing requirements, debt stabilisation and debt reduction.

The first of these reviews will occur within the Department for Education, Children and Young People, where recent growth in service delivery costs has created increasing fiscal pressure. Without reform, this trajectory is not sustainable over the longer-term. A review of service delivery models is necessary to ensure costs remain manageable into the future.

In addition, the Government has announced the structural realignment of several agencies to better align the Tasmanian State Service with emerging service demands, commencing with the Department of State Growth. These realignments will support the task of right-sizing the State Service and improving service and major infrastructure delivery, through Building Tasmania. A strengthened and more focused approach to economic development opportunities will also support continued economic growth in Tasmania.

In addition, a whole of government Fees and Charges Review will ensure charges better reflect the contemporary efficient cost of service delivery and strengthen the State's Own-source revenue position.

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

This Measure reflects the proportion of cash inflows (receipts) used to service GGS debt costs, including defined benefit superannuation. A higher ratio indicates that a greater share of Government receipts is required for debt servicing, while a lower ratio indicates that a smaller proportion of receipts is required, supporting the affordability of debt servicing costs, preserving Budget flexibility and reducing exposure to interest rate and fiscal sustainability risks.

Achieving this Target is an indication that debt servicing is affordable and not consuming an unsustainable level of revenues. To the extent that the ratio is higher, the Measure shows that an increasing proportion of revenues is being diverted from funding service delivery to supporting a growing level of debt, impacting on fiscal sustainability.

For this Measure, GGS Debt includes the impact of debt and the cost of debt for Homes Tasmania and Macquarie Point Development Corporation, as the cost of supporting this debt is directly funded from the GGS.

Table 3.3 shows that the 2026-27 Budget estimate for the GGS Cost of Debt to Cash Receipts is 8.2 per cent, reflecting higher borrowings and increased borrowing costs. While the ratio is expected to remain elevated in the short-term, it is projected to stabilise and begin to decline in the final year of the Forward Estimates as peak Net Debt is achieved and borrowing requirements moderate (Chart 3.1). Table 3.4 details of borrowing and defined benefit superannuation costs and their contribution to the GGS Cost of Debt to Cash Receipts ratio, over the 2026-27 Budget and Forward Estimates.

Table 3.3: General Government Sector Cost of Debt to Cash Receipts

	2025-26 Estimated Outcome	2026-27 Budget	2032-33 Target
Fiscal Strategy Measure			
General Government Sector Cost of Debt (including defined benefit superannuation) to Cash Receipts (%)	7.5	8.2	<7

Chart 3.1: General Government Sector Cost of Debt to Cash Receipts (%), 30 June 2012 to 30 June 2030

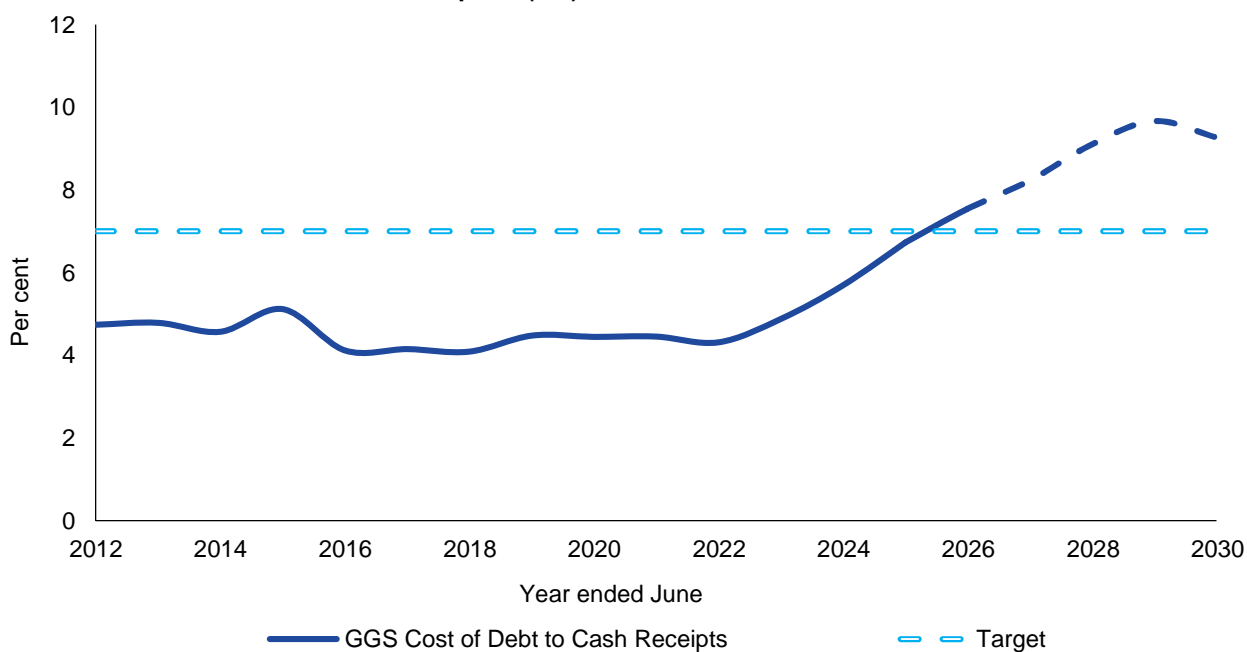


Table 3.4: Details of General Government Sector Cost of Debt to Cash Receipts

	2025-26 Estimated Outcome \$m	2026-27 Budget \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m	2029-30 Forward Estimate \$m
Superannuation - defined benefit scheme	423.7	398.0	405.7	403.4	415.6
Homes Tasmania Supported Borrowings	31.2	40.0	50.0	50.0	50.0
Macquarie Point Development Corporation Supported Borrowings	....	....	....	7.3	22.3
Other GGS Borrowing Costs	304.8	441.8	538.3	611.9	638.4
Total Borrowing and defined benefit scheme costs	759.7	879.8	994.0	1 072.6	1 126.4
Cash Receipts from operating activities	10 073.2	10 695.1	10 920.5	11 096.4	12 153.5
Cost of Debt (including defined benefit superannuation) to Cash Receipts (%)	7.5	8.2	9.1	9.7	9.3

Net Debt to Gross State Product for the General Government Sector and Total Non-Financial Public Sector

Net Debt to GSP ratios provides an important indicator of the State's capacity to service and manage debt relative to the size of the economy. The Government's previous Fiscal Strategy included a Measure of the ratio of GGS Net Debt to GSP, with a 2032-33 Target of less than 10 per cent of GSP.

This Measure has been refined and enhanced to include both GGS and TNFPS components to provide greater transparency over the distinct drivers of debt accumulation and recognises that Government businesses in the Public Non-Financial Corporations Sector also make a significant contribution to the State's overall debt position.

For this Measure, GGS Debt includes the impact of debt and the cost of debt for Homes Tasmania and Macquarie Point Development Corporation, as the cost of supporting this debt is directly funded from the GGS.

Table 3.5 shows that the 2026-27 estimate of Net Debt to GSP is 18.5 per cent for the GGS and 29.8 per cent for the TNFPS, exceeding the respective targets of less than 8 per cent and less than 12 per cent. While both ratios are projected to remain elevated in the short-term, as the growth in GGS and TNFPS Net Debt is stabilised and peak Net Debt is achieved, these ratios are expected to improve over the longer-term (Chart 3.2 and Chart 3.3).

Table 3.5: Net Debt to Gross State Product

Fiscal Strategy Measure	2025-26 Estimated Outcome	2026-27 Budget	2032-33 Target
Net Debt to Gross State Product (%)			
General Government Sector	15.6	18.5	<8
Total Non-Financial Public Sector	26.3	29.8	<12

Chart 3.2: General Government Sector Net Debt to Gross State Product (%), 30 June 2012 to 30 June 2030

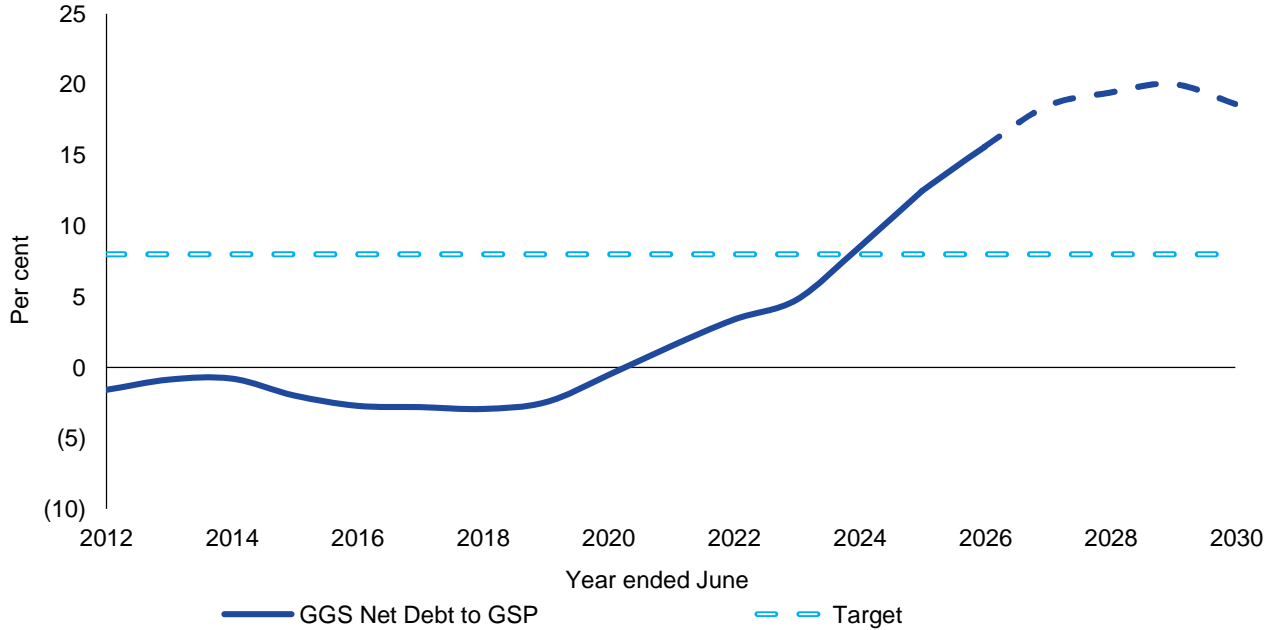
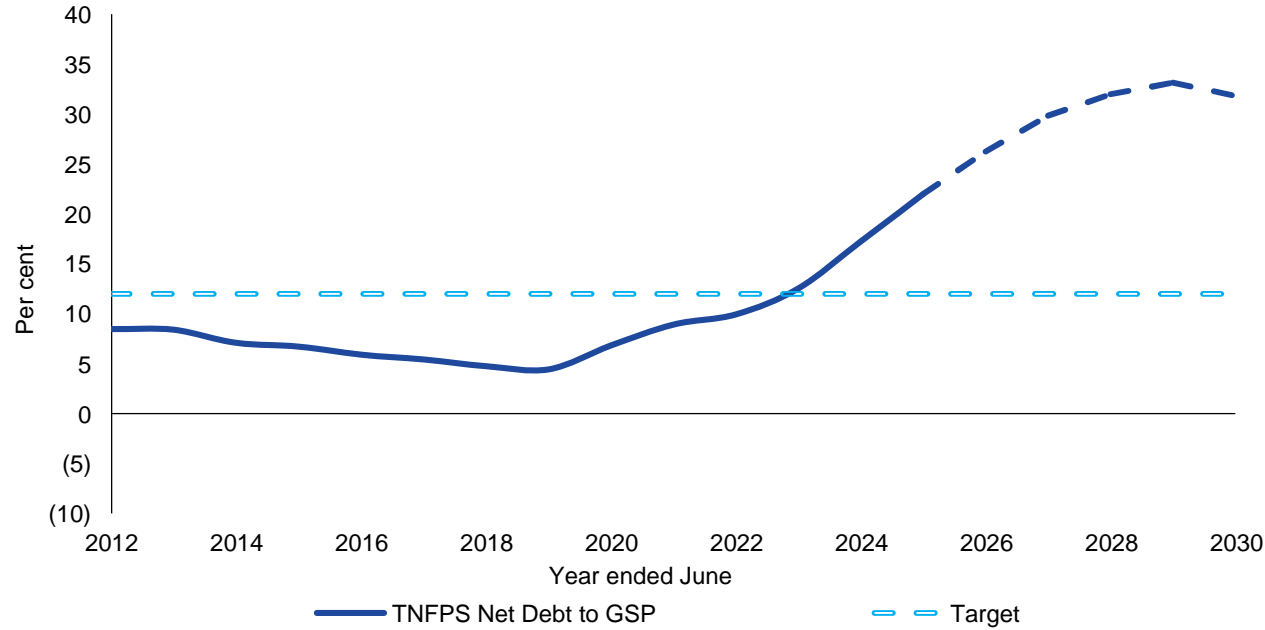


Chart 3.3: Total Non-Financial Public Sector Net Debt to Gross State Product (%), 30 June 2012 to 30 June 2030



General Government Sector Own-source Revenue as a percentage of Total Expenditure

This Measure provides an important indicator of the extent to which the cost of Government service delivery is funded from revenues raised directly by the State, rather than from Australian Government funding or borrowings.

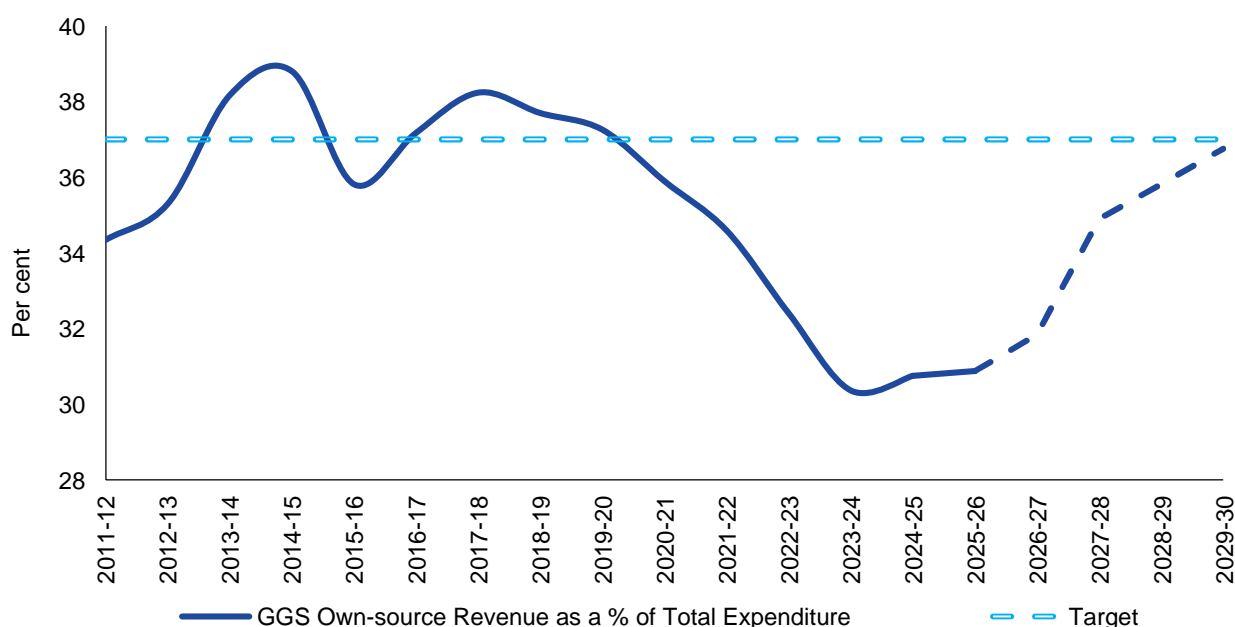
Performance against this Measure can be directly influenced through two primary policy levers, increasing Own-source revenue and constraining total GGS expenditure.

Table 3.6 shows that GGS Own-source Revenue as a percentage of Total Expenditure is estimated at 31.8 per cent in the 2026-27 Budget, which is below the target of greater than 37 per cent. The ratio is expected to improve over the Forward Estimates (Chart 3.4) as the Government implements expenditure discipline and productivity and efficiency initiatives.

Table 3.6: Total General Government Sector Own-source Revenue as a percentage of Total Expenditure

Fiscal Strategy Measure	2025-26	2026-27	2032-33
	Estimated Outcome	Budget	Target
Total General Government Sector Own-source Revenue as a percentage of Total Expenditure (%)	30.9	31.8	>37

Chart 3.4: Total General Government Sector Own-source Revenue as a percentage of Total Expenditure, 2011-12 to 2029-30



General Government Sector Employee Expenses as a percentage of Total Revenue

Achieving this outcome supports a fiscally sustainable State Service by ensuring employee expenses remain aligned with the State's revenue base.

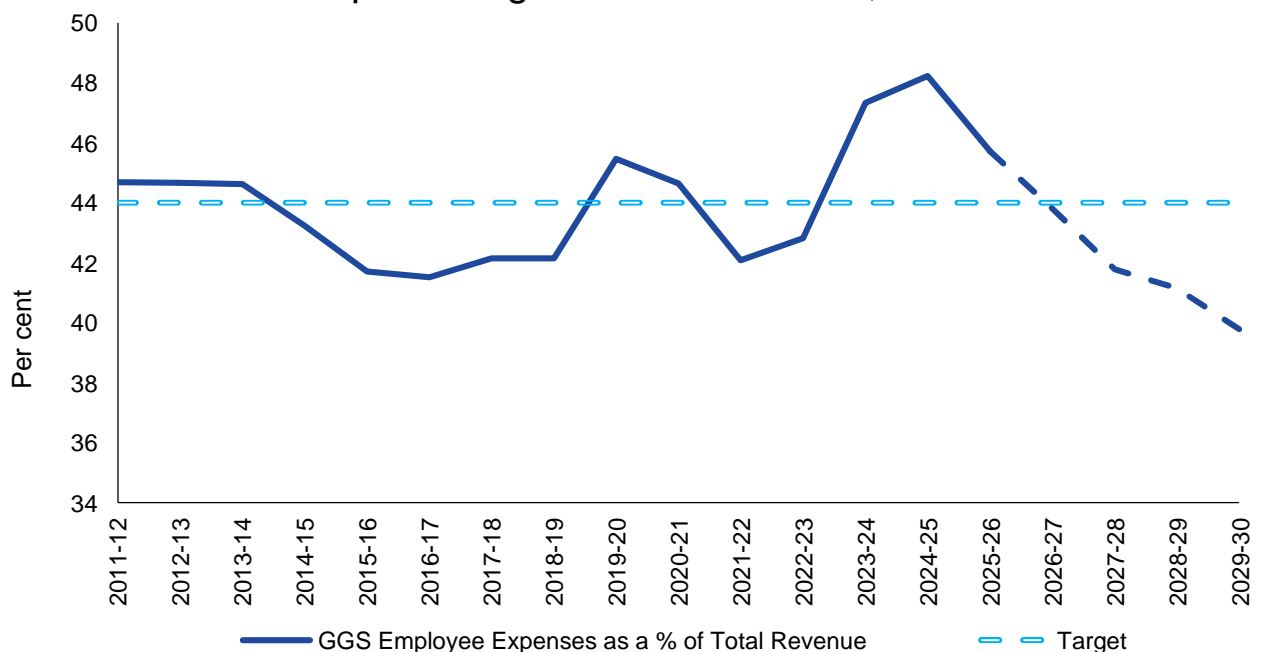
Performance against this Measure can be influenced through two primary policy levers, limiting, or lessening, the growth in employee expenses and strengthening growth in the State's revenue base.

Table 3.7 shows that GGS Employee expenses as a percentage of Total Revenue is 43.8 per cent for the 2026-27 Budget, which is consistent with the target of less than 44 per cent. The improvement in this Measure (Chart 3.5) reflects a combination of forecast revenue growth and constrained employee expenses growth. The trend in Employee expenses is primarily driven by the allocation of agency Operating Efficiencies and the expected outcomes from service delivery reviews that contribute to right-sizing the State Service.

Table 3.7: Total General Government Sector Employee Expenses as a percentage of Total Revenue

Fiscal Strategy Measure	2025-26 Estimated Outcome	2026-27 Budget	2032-33 Target
Total General Government Sector Employee Expenses as a percentage of Total Revenue (%)	45.7	43.8	<44

Chart 3.5: Total General Government Sector Employee Expenses as a percentage of Total Revenue, 2011-12 to 2029-30¹



Note:

- Excludes the impact of the significant one-off National Partnership Payment for the Mersey Community Hospital of \$730.4 million in 2016-17.

General Government Sector Fiscal Balance plus Equity Injections to be balanced over a rolling four-year average

Achieving this outcome will represent a return to a structural Budget balance over time and supports long-term fiscal sustainability. The use of a rolling average recognises the cyclical nature of both fiscal outcomes and capital investment, smoothing volatility and allowing flexibility to respond to economic shocks or one-off events.

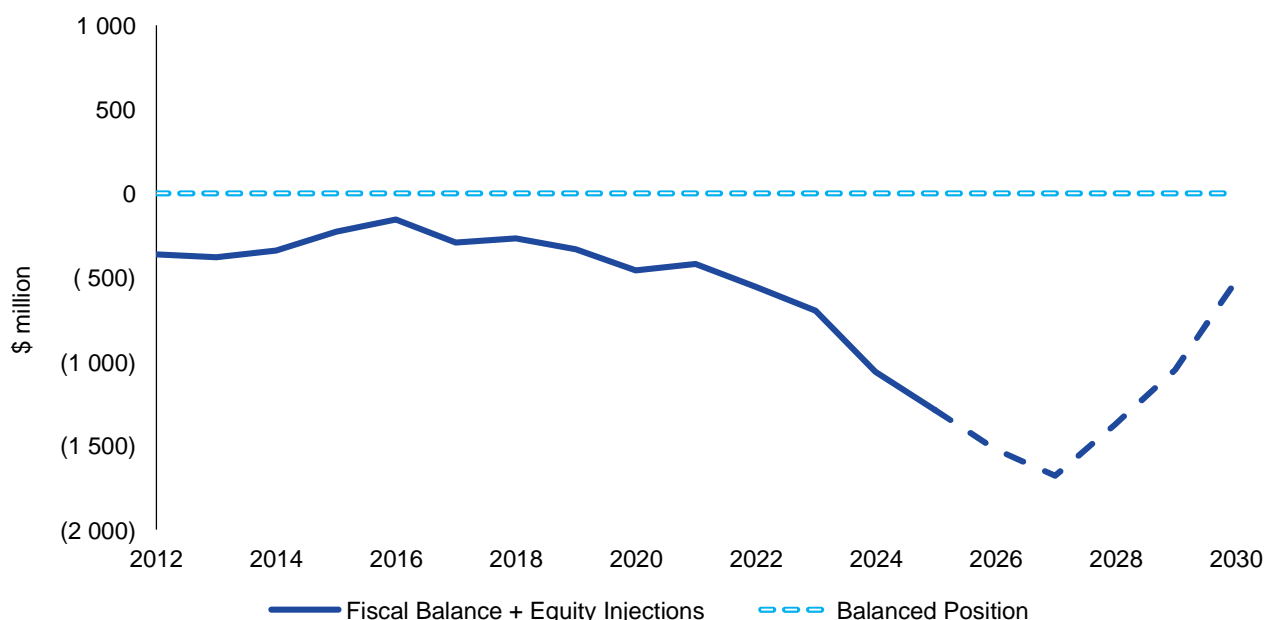
Chart 3.6 shows that in the 2026-27 Budget, this Measure is expected to remain in deficit in the short-term. This primarily reflects the legacy impacts of recent operating deficits, elevated infrastructure investment and equity support provided to Government businesses to deliver major infrastructure projects. The rolling four-year average is projected to improve as operating results strengthen, infrastructure investment moderates and equity injections stabilise.

The projected deficits need to be considered in the context of the historically high levels of infrastructure investment undertaken in recent years. This has included a sustained program of large-scale capital investment across transport, health, education and other public infrastructure, incorporating major projects such as the new Bridgewater Bridge, upgrades to multiple hospitals and the School Building Blitz.

Table 3.8: General Government Sector Fiscal Balance plus Equity Injections

Fiscal Strategy Measure	2025-26 Estimated Outcome	2026-27 Budget	2032-33 Target
General Government Sector Fiscal Balance plus Equity Injections (\$m, four-year rolling average)	(1 521.4)	(1 679.5)	0

Chart 3.6: General Government Sector Fiscal Balance plus Equity Injections (rolling 4-year average), 30 June 2012 to 30 June 2030



Fiscal Strategy Measures to be Achieved Annually

The Fiscal Strategy Measures in this section are to be achieved on an annual basis.

Two of these Measures have been retained from the previous Fiscal Strategy. The first, that annual investment in infrastructure is no less than depreciation, supports the ongoing maintenance and renewal of the State's existing asset base, helping to ensure that essential infrastructure remains fit for purpose while also providing capacity for sustainable future development without allowing asset quality to erode over time. The second, that Government businesses have a positive impact on the GGS financial position, recognises that Government businesses must be self-sustaining over the long term and contribute positively to the Total State Sector position.

A third Measure has been introduced to address the Budget's current structural deficit. This Measure seeks to restrain the growth in operating expenses to a level below the average annual growth in revenue. Its purpose is to ensure that the State can fund its operating costs from revenue on an ongoing basis, rather than relying on borrowings. Achievement of this Measure will support the prevention of further debt accumulation and enable the State to build resilience to manage future economic shocks.

For the 2026-27 Budget, a combination of actions has been implemented to support achievement of these Measures.

The allocation of Operational Efficiencies to agencies directly supports the objective of maintaining growth in operating expenses below revenue growth. To further support this Measure over the Forward Estimates, service delivery model reviews will also be undertaken. The first of these reviews will commence in 2026-27 within the Department for Education, Children and Young People, where significant cost growth has occurred in recent years, creating increasing fiscal pressure and, without reform, is not considered to be sustainable over the longer term.

The structural realignment of agencies, commencing with the Department of State Growth, will also contribute to moderating operating expenses growth. These realignments are intended to support more efficient, coordinated and strategically aligned service delivery.

Infrastructure Investment in the GGS has been calibrated to ensure investment levels support the maintenance of existing assets, including through exceeding Depreciation. The profile of GGS Infrastructure Investment in the 2026-27 Budget and over the Forward Estimates has been moderated to balance service demand, delivery capability and funding capacity over time. Further details on Infrastructure Investment can be found in chapter 7 of this Budget Paper.

The Government has introduced two new Targets designed to strengthen the financial performance of government businesses and improve their contribution to the GGS over time. These Targets are discussed in detail later in this chapter.

The achievement of the Measure requiring Government businesses to have a positive impact on the GGS is not expected in 2026-27 and will likely remain challenging over the Forward Estimates. TT-Line's passenger and freight services are critical to the Tasmanian economy and, accordingly, the Government is providing an equity injection to support the continued delivery of these essential services. Consistent with the position that fiscal health cannot be assessed through a single indicator, the achievement of the annual Measures must be viewed in the context of the broader suite of Fiscal Strategy Measures and the resultant annual achievement of these Measures must be considered in this context.

Annual growth in Operating Expenses is lower than the average annual growth in Revenue

Maintaining annual growth in GGS operating expenses below the average annual growth in revenue is a core indicator of structural fiscal sustainability, reflecting the need to ensure expenditure growth remains aligned with the State’s capacity to fund services over time.

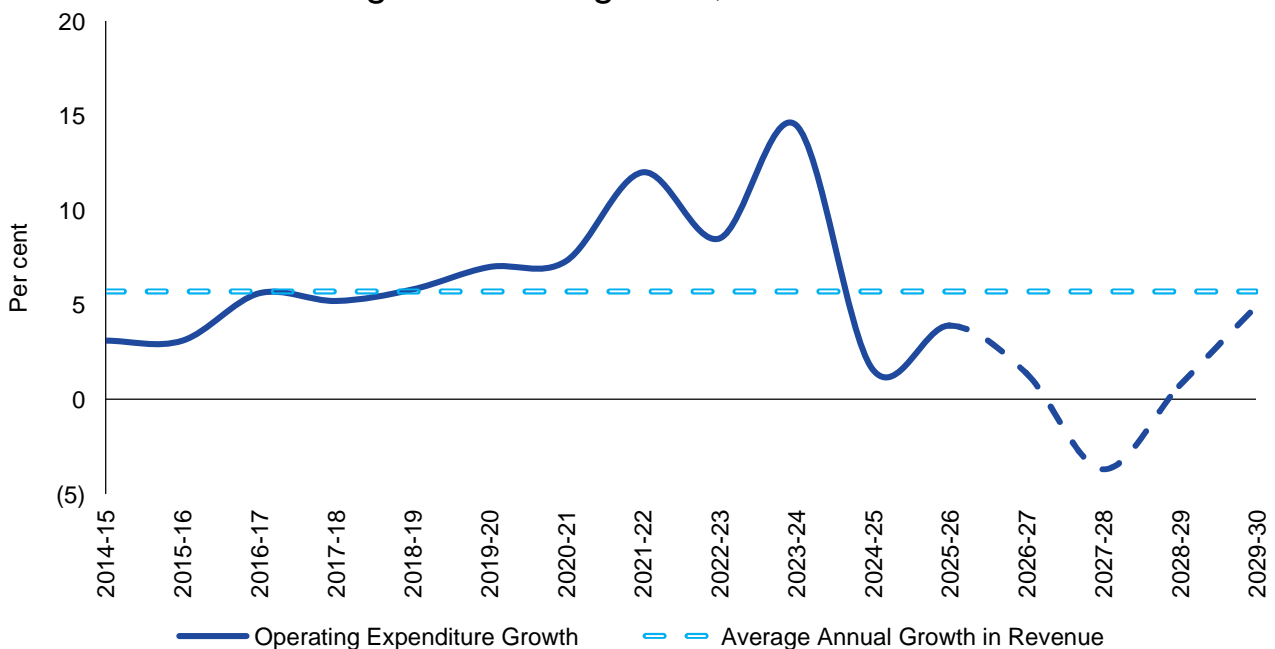
The average annual revenue growth rate of 5.7 per cent, used in the calculation of this Measure, reflects the 10-year compound annual growth rate of GGS Total Revenue from 2014-15 to 2024-25.

GGS operating expenses are forecast to grow by \$149.5 million, or 1.4 per cent, from the 2025-26 Estimated Outcome of \$10 638.5 million to \$10 788.1 million in the 2026-27 Budget. Chart 3.7 shows that the 2026-27 Budget estimate for annual growth in GGS Operating Expenses of 1.4 per cent is below the average annual Revenue growth rate of 5.7 per cent, consistent with the Target.

Table 3.9: General Government Sector Operating Expenses and average Revenue growth

Fiscal Strategy Measure	2025-26 Estimated Outcome	2026-27 Budget	Annual Target
Annual growth in Operating Expenses is lower than the average annual percentage growth in Revenue (Yes/ No)	Yes	Yes	Yes

Chart 3.7: General Government Sector Operating Expenses and average Revenue growth, 2014-15 to 2029-30



Annual Investment in Infrastructure is no less than Depreciation

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 this, the extent to which the Government is expanding its asset base.

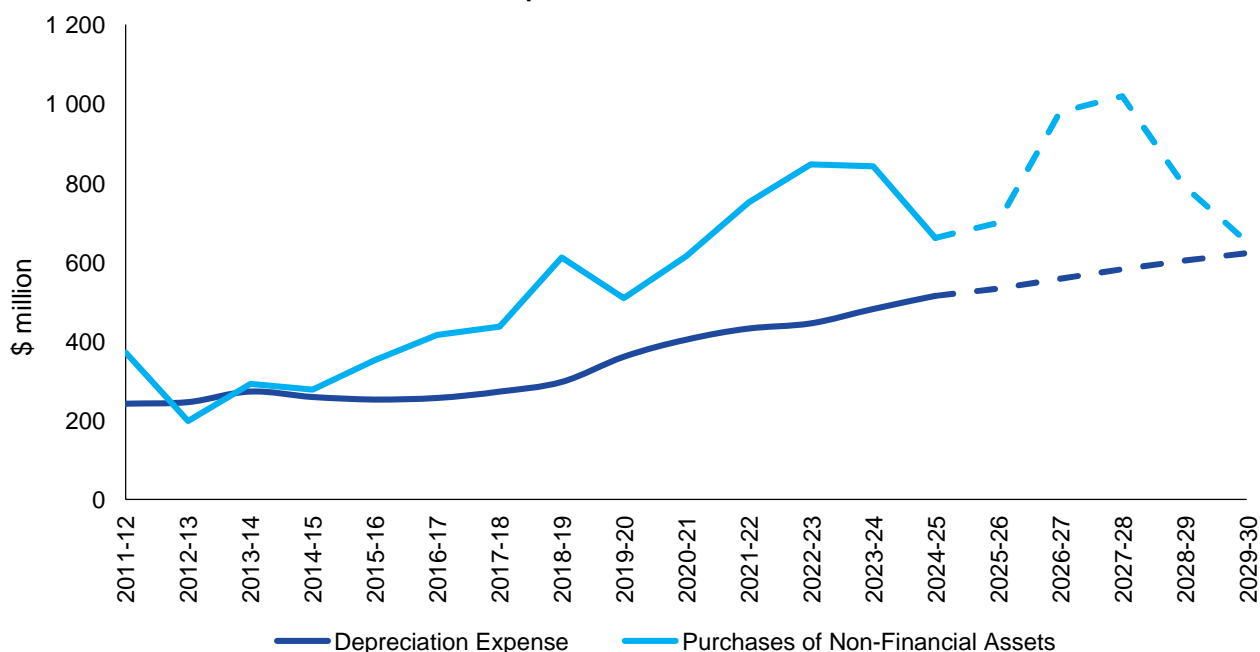
This measure uses Purchases of Non-Financial Assets as a proxy for Infrastructure Investment, as this measure relates directly to the maintenance and renewal of the GGS asset base. A description of the differences between these two concepts can be found in the Reconciliation Between Infrastructure Investment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

Chart 3.8 shows that the 2026-27 Budget estimate for Purchases of Non-Financial Assets of \$698.6 million exceeds annual Depreciation of \$532.3 million, consistent with the target.

Table 3.10: General Government Sector Infrastructure Investment and Depreciation

Fiscal Strategy Measure	2025-26 Estimated Outcome	2026-27 Budget	Annual Target
Annual Investment in Infrastructure is no less than Depreciation (Yes/ No)	Yes	Yes	Yes

Chart 3.8: General Government Sector Purchases of Non-Financial Assets and Depreciation, 2011-12 to 2029-30



Government businesses will have a Positive Impact on the General Government Sector's Financial Position

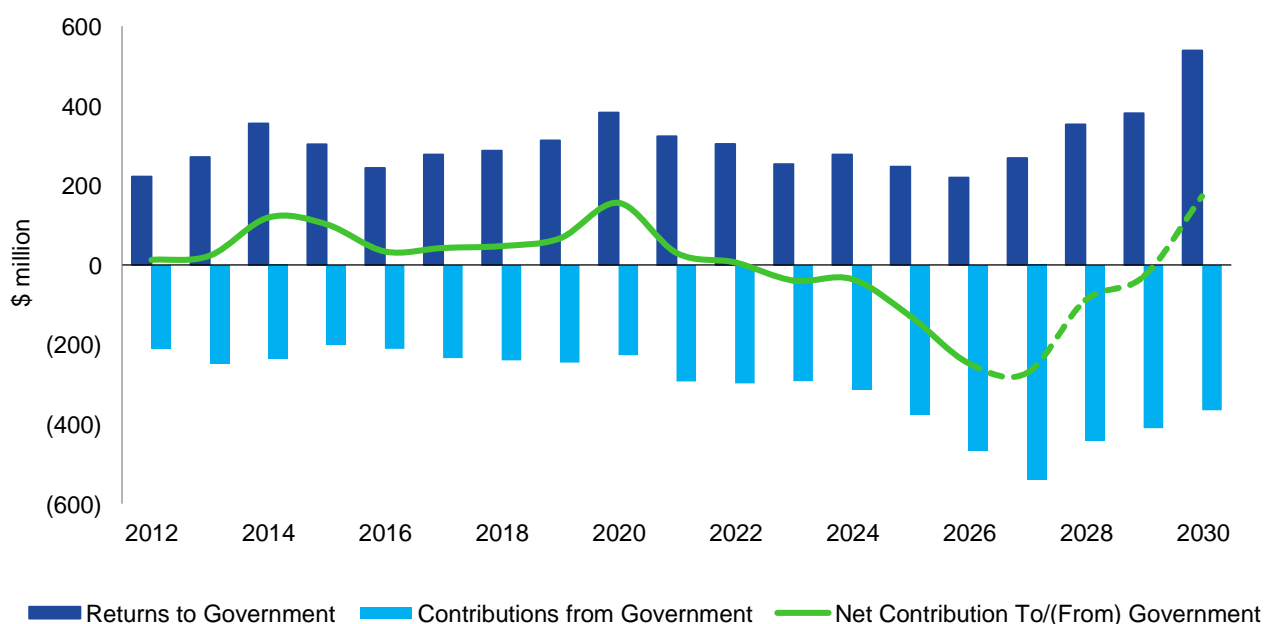
This Measure reflects the net financial contribution of government businesses to the Budget through dividends, tax-equivalent payments, guarantee fees and other returns, after taking into account any funding or support provided by the GGS.

Table 3.11 shows that in the 2026-27 Budget, the impact of government businesses on the GGS financial position is not forecast to meet the target of a positive contribution. A negative impact of \$271.2 million is estimated. The Measure is expected to remain negative in the short-term before gradually improving and becoming positive in the final year of the Forward Estimates (Chart 3.9), reflecting lower forecast support to government businesses and increasing returns from those businesses over time.

Table 3.11: Impact of Government Businesses on the General Government Sector Financial Position

Fiscal Strategy Measure	2025-26 Estimated Outcome	2026-27 Budget	Annual Target
Government businesses will have a Positive Impact on the General Government Sector's Financial Position (Yes/ No)	No	No	Yes

Chart 3.9: Impact of Government Businesses on the General Government Sector, 30 June 2012 to 30 June 2030



Summary of Fiscal Strategy Measures

Table 3.12: Measures to Achieve by 2032-33

	2025-26 Estimated Outcome	2026-27 Budget	2032-33 Target
Fiscal Strategy Measures to Achieve by 2032-33			
State's Credit Rating			
Moody's Ratings	Aa3 (Stable)	Aa3 (Stable)	Aa2 (Stable)
S&P Global Ratings	AA (Stable)	AA (Stable)	AA+ (Stable)
Cost of Debt (including defined benefit superannuation) to Cash Receipts (General Government Sector) (%)			
	7.5	8.2	<7
Net Debt to Gross State Product (%)			
General Government Sector	15.6	18.5	<8
Total Non-Financial Public Sector	26.3	29.8	<12
Total General Government Sector Own-source Revenue as a percentage of Total Expenditure (%)			
	30.9	31.8	>37
Total General Government Sector Employee Expenses as a percentage of Total Revenue (%)			
	45.7	43.8	<44
General Government Sector Fiscal Balance plus Equity Injections (\$m, four-year rolling average)			
	(1 521.4)	(1 679.5)	0

Table 3.13: Measures to Achieve Annually

	2025-26 Estimated Outcome	2026-27 Budget	Annual Target
Fiscal Strategy Measures to Achieve Annually			
Annual growth in Operating Expenses is lower than the average annual growth in Revenue	Yes	Yes	Yes
Annual Investment in Infrastructure is no less than Depreciation	Yes	Yes	Yes
Government businesses will have a Positive Impact on the General Government Sector's Financial Position	No	No	Yes

TARGETS

As part of its Budget Improvement Agenda, the Government has set three Targets in its Fiscal Strategy, planned for achievement by 2028-29:

- reach General Government Sector peak Net Debt, by having a zero Net Borrowing requirement;
- reduce PNFC Net Debt by \$500 million based on the 2025-26 Budget; and
- cap Total Infrastructure Investment Funding and any Other Equity Injections at \$1 billion.

These Targets are deliberately challenging and reflect the Government's commitment to strengthening fiscal sustainability through establishing ambitious, disciplined and measurable Targets to improve the State's fiscal position over the medium-term.

To support achievement of these Targets, a series of actions have been developed to provide a transparent and measurable pathway. These actions include realigning expenditure with key Government priorities and returning to a balanced position.

Through the 2026-27 Budget, the Government has taken action to work towards achievement of these Targets.

Reach General Government Sector Peak Net Debt, by having a zero Net Borrowing requirement

The Target to achieve GGS peak Net Debt by 2028-29 is forecast to be achieved (Table 3.14). This is the point at which the State will cease its requirement for Net Borrowings. To achieve this Target, sustained effort and disciplined action over successive Budgets will be required. The achievement of this Target is crucial to protect service delivery capacity that would otherwise be at risk due to rising borrowing and interest costs.

To achieve this outcome by 2028-29, the Government is taking measured and deliberate action in its Budget Improvement Agenda to address the structural Budget deficit. These actions include Operational Efficiencies and rolling reviews of service delivery models. These reviews will systematically assess current approaches to service delivery and identify reforms that both enhance service delivery outcomes and ensure services are delivered in a fiscally sustainable manner over the longer term, recognising increasing demand and system pressures in recent years.

Table 3.14: General Government Sector Net Debt

Target	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
GGS Net Debt	7 081.1	6 822.0	8 440.3	9 377.5	9 983.0	9 466.5
GGS Net Borrowing	2 113.1	1 628.5	1 768.9	927.8	461.1	(291.8)

Reduce PNFC Net Debt by \$500 million based on the 2025-26 Budget

This Target has been achieved through the removal of debt funding for Hydro Tasmania's Cethana project from the 2026-27 Budget from 2027-28 onwards. This project remains at an early stage of development and has not yet progressed to a level of design maturity or preparatory work sufficient to warrant inclusion in the Budget at this time.

Cap Total Infrastructure Investment Funding and any Other Equity Injections at \$1 billion

This Target captures the full fiscal impact of capital investment and equity support across the State Sector, including implications for cash balances and Net Debt.

Work to cap infrastructure investment funding and any other equity injections has commenced. The Government will consider its infrastructure investment and equity decisions holistically across the Total State Sector within the context of this cap. Achievement of this Target will require a coordinated effort across the GGS and PNFC sectors, supported by a new work program for Infrastructure Tasmania.

The Government will work with government businesses to support prioritisation and sequencing of infrastructure proposals at a whole of sector level. In general, government businesses are expected to self-fund infrastructure investment, without reliance on equity injections to ensure project viability, except where projects are of a scale or nature that warrants direct Government support.

To support achievement of this Target and recognising the importance of managing PNFC borrowings, the Government is strengthening decision-making and assurance processes for Government business debt. A Budget Gating Framework will be introduced for the 2027-28 Budget, establishing the level of project readiness required for inclusion in the Budget. This framework is expected to require projects to have progressed to at least Gate 2 of Infrastructure Tasmania's *Project Assurance Framework*.

It is recognised that Total Infrastructure Investment Funding and any Other Equity Injections may include financial contributions from the Australian Government.

Achievement of this Target is particularly challenging in the 2026-27 Budget due to the equity contribution provided to TT-Line to support essential passenger and freight services, and the ongoing support to TasNetworks for the North-West Transmission Developments Stage 1. Notwithstanding this, the Target can be achieved over the Forward Estimates through disciplined and coordinated action.

Table 3.15 shows that the Target to Cap Total Infrastructure Investment Funding and any Other Equity Injections at \$1 billion is not currently expected to be achieved until 2029-30. Notwithstanding this timing, the 2026-27 Budget and Forward Estimates demonstrate a clear and sustained lessening in Total Infrastructure Investment and any Other Equity Injections, consistent with the intent and direction of the Target.

The cap reflects the natural tapering of major capital projects and disciplined sequencing of new investments across all sectors, rather than a reduction in infrastructure effort, ensuring continued asset renewal and service delivery within a sustainable fiscal framework.

Table 3.15: Total Infrastructure Investment Funding and any Other Equity Injections

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
		Estimated		Forward	Forward	Forward
Target	Budget	Outcome	Budget	Estimate	Estimate	Estimate
Cap Total Infrastructure Investment Funding and any Other Equity Injections at \$1 billion						
GGS Infrastructure Investment	893.7	740.4	992.2	1 020.7	806.5	639.1
Equity Contributions for Infrastructure Investment Outside the GGS	606.4	439.6	475.4	464.3	480.6	66.1
Total Infrastructure Investment Funding	1 500.2	1 180.1	1 467.5	1 485.1	1 287.1	705.2
Other Equity Injections	111.3	111.3	69.0	102.0	102.0	102.0
Total Infrastructure Investment Funding and any Other Equity Injections	1 611.4	1 291.3	1 536.6	1 587.0	1 389.1	807.2

Summary of Targets

Table 3.16: Status of Targets

Target	Status
Reach GGS peak Net Debt, by having a zero Net Borrowing requirement	On Track
Reduce PNFC Net Debt by \$500 million based on the 2025-26 Budget	Complete
Cap Total Infrastructure Investment Funding and any Other Equity Injections at \$1 billion	Commenced

Steps Taken	Status
Step 1: Realign Operating Expenditure with key Government priorities	Actioned: <ol style="list-style-type: none"> 1. Operational Efficiencies allocated to agencies 2. Structural realignment of agencies, commencing with the Department of State Growth 3. Service delivery model reviews, to commence in 2026-27 with the Department for Education, Children and Young People
Step 2: Return a Net Operating Balance Surplus	Estimated by 2027-28
Step 3: Return a Fiscal Balance Surplus	Estimated by 2028-29

4 RISKS, SENSITIVITIES AND PRESENTATION

Executive Summary

Risks and Sensitivities

- The 2026-27 Budget is subject to a range of fiscal and economic risks and uncertainties that may result in outcomes differing from those presented in these Budget Papers.
- This chapter outlines the key risks, uncertainties and sensitivities that are not explicitly included in the financial estimates contained in these Budget Papers.
- Where feasible, the potential financial impact of risks has been quantified. However, in some cases, only a qualitative assessment is possible due to the inherent uncertainty associated with the nature, timing or scale of the risk.
- These risks may have either a positive or negative impact on the financial and economic estimates.

Presentation

- This chapter also outlines the basis on which the estimates included in the Budget Papers have been prepared, together with the accounting conventions, classifications and notation applied throughout the Papers.
- Details are also provided on updates to the presentation, format and structure of the 2026-27 Budget Papers, including:
 - Transition to a four Budget Paper model:
Content previously presented across three Budget Paper volumes has been reorganised into four core Budget Papers to improve clarity and navigation. This reorganisation promotes enhanced transparency and the accessibility of information and does not result in any loss of information nor any change to underlying policy or financial content.
 - Inclusion of Estimated Outcome Information:
The Budget Papers now include Estimated Outcome information, consistent with the recommendations of the Legislative Council Government Committee “A” *Short Inquiry Process Report on the Operations and Application of the Financial Management Act 2016*.

RISKS AND SENSITIVITIES

The Budget is prepared using the most recent information available in relation to estimates of revenue and expenditure for the Budget year and Forward Estimates. The financial estimates are based on a range of assumptions regarding economic conditions, policy settings and the operation of government programs. As a result, there is an inherent degree of uncertainty in the estimates and actual outcomes may differ from those presented in these Budget Papers.

Many of the risks relevant to the Budget are shared across Australian states and territories. These include exposure to national and global economic conditions, movements in inflation and interest rates, volatility in Australian Government funding outcomes and pressures on service delivery associated with demographic change. While the scale and fiscal impact of these risks may differ between jurisdictions, their underlying drivers are common and are often largely outside the direct control of individual governments.

This section identifies significant risks, uncertainties and sensitivities that are not explicitly incorporated into the financial estimates contained in the 2026-27 Budget. These risks are grouped into four broad categories:

- revenue risks and sensitivities;
- expenditure risks and sensitivities;
- risks to the General Government Sector arising from the ownership of government businesses; and
- risks to the General Government Sector arising from select Public Non-Financial Corporations Sector entities.

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

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

Revenue Risks and Sensitivities

Goods and Services Tax Revenue

GST revenue is the single largest source of revenue for Tasmania, representing 40.3 per cent of total General Government Sector revenue in 2026-27 (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.

Estimates of GST revenue in the 2026-27 Budget are based on information available at the time of preparing the Budget. This includes the Australian Government's 2025-26 Mid-Year Economic and Fiscal Outlook estimates of the GST pool, which were released before the start of the Middle East conflict in 2026.

There is a significant risk that recent changes to economic conditions, including changing monetary policy settings and impacts of the conflict in the Middle East, may result in greater variability in demand for goods and services and hence GST collections. The Australian Government released its 2026-27 Budget on 12 May 2026, which included updated estimates of the GST pool. Estimates of Tasmania's GST revenue distribution will be updated in the 2026-27 Revised Estimates Report.

Changes to the national GST pool can have a material impact on Tasmania's GST revenue. For 2026-27, each one per cent change in the GST pool is estimated to result in a \$41.1 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. While Tasmania's population growth is currently relatively stable, if national population growth outpaces Tasmania's growth, the State's GST revenue may be impacted.

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 2026-27 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 \$1.9 billion, or approximately 88 per cent, more GST revenue in 2026-27 (excluding no-worse-off guarantee payments) than its per capita share.

Each 0.01 change in Tasmania's forecast GST relativity is estimated to result in a \$20.9 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 (2018 changes). 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 2018 changes in each year of the Budget and Forward Estimates. This is currently mitigated by the Australian Government's time-limited no-worse-off guarantee. National Cabinet's December 2023 decision to extend the no-worse-off guarantee to 2029-30 provides states with a temporary level of comfort. However, the finite nature of the extension represents a continued financial risk for Tasmania beyond 2029-30.

The Productivity Commission is currently undertaking an inquiry into the 2018 changes and is required to deliver its Final Report to the Australian Government by the legislated deadline of 31 December 2026. The outcomes of this review and the Australian Government's response may result in revised distribution arrangements which have significant implications for Tasmania's GST revenue.

Given the materiality of GST revenue for the State, Tasmania will continue to actively engage in the 2026 Productivity Commission Inquiry to advocate for a return to full horizontal fiscal equalisation as this is considered to deliver a fair, equitable and sustainable distribution of GST revenue. HFE was a central and foundational element of the GST arrangements compact. Requesting a return to the GST arrangements that were originally intended reinforces the integrity of the system and will ensure it operates as designed.

Other Australian Government Funding 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 of this Budget Paper, 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*. Often these agreements require a State co-contribution alongside the Australian Government contribution.

In January 2026, National Cabinet signed a Heads of Agreement that outlines the terms of health and disability reforms that will give effect to National Cabinet's December 2023 commitments. Under this agreement, the Australian Government has committed to increased hospital funding under the National Health Reform Agreement through to 2030-31. In exchange, states and territories agreed to Australian Government-led reforms to disability services. This includes changes to funding and access for the National Disability Insurance Scheme and the establishment of the Thriving Kids program.

Thriving Kids will be the first tranche of a new suite of foundational supports. Further information on the NHRA is provided in the Health Demand and Expenditure section of this chapter.

Thriving Kids services in the State will be implemented from 1 October 2026 and delivered within an agreed capped funding envelope. Foundational supports services for additional cohorts remain subject to negotiation and are to be funded from the remaining portion of the capped funding envelope agreed by National Cabinet in December 2023.

Funding arrangements with the Australian Government can be highly prescriptive and often require matched funding and maintenance of effort, transfer fiscal risk and administrative burden onto states and impose 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.

Several National Agreements are due to expire within the Budget and Forward Estimates, the first of which is the National Mental Health and Suicide Prevention Agreement.

Tasmania's approach to negotiating revised funding arrangements with the Australian Government will continue to seek that the associated costs and fiscal risks are managed equitably and provide sufficient flexibility to meet local needs, along with a realistic recognition of Tasmania's capacity to contribute.

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, present 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 of this Budget Paper, there is uncertainty with the timing and impact that a tightening 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 is challenging to forecast.

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. Tariffs applied by the United States of America are expected to have implications for mineral royalties in Tasmania. The Middle East conflict is contributing to higher global fuel prices, increased supply-chain disruption and greater volatility in commodity markets, all of which present risks to mineral production costs and 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.

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.

Sensitivity of Agency Revenues

Agency revenue is subject to both upside and downside risk arising from changes in demand, policy decisions and economic conditions. A range of revenue measures are included in the 2026-27 Budget, with actual outcomes dependant on behavioural responses, implementation timing and broader economic factors.

There is a risk that actual revenues may be lower than anticipated where demand for fee-based services is weaker than expected, where implementation of revenue measures is delayed, or where behavioural responses reduce the effectiveness of pricing changes. Conversely, there is a potential upside risk where demand exceeds expectations or where cost recovery reforms are implemented more rapidly than assumed.

For example, revenue from parks and reserves, including entry passes, camping fees and facility use charges, is sensitive to visitation levels and seasonal conditions. Demand may vary due to weather patterns, travel behaviour, economic conditions and broader changes in visitor preferences.

Periodic reviews of existing fees and charges may assist in ensuring appropriate cost recovery for relevant services where practicable, thereby supporting the sustainability of service delivery while recognising access and equity considerations.

Overall, the net fiscal impact of variations in agency revenue is inherently uncertain and reflects a combination of policy, economic and behavioural influences. As a result, quantification of this risk is not possible.

Expenditure Risks and Sensitivities

General Expenditure Risks and Sensitivities

General Agency Cost Pressures

The delivery of Government services is subject to a range of operational and implementational risks that may impact expenditure outcomes. Service delivery occurs in an increasingly complex environment, with many services reliant on integrated systems, cross-agency collaboration, third-party providers and evolving policy and regulatory settings. These factors can create uncertainty around the cost, timing and effectiveness of service delivery.

Agencies are expected to manage expenditure within approved Budget allocations and, where possible, absorb emerging cost pressures through reprioritisation and efficiency measures. In some circumstances, expenditure pressures may be mitigated through non-financial measures such as service prioritisation. While such approaches may defer expenditure growth in the short-term, they do not eliminate underlying service delivery pressures.

However, agencies often have limited flexibility to accommodate unanticipated cost increases, especially where expenditure is driven by non-discretionary service obligations, contractual commitments or statutory requirements. This heightens the risk that unforeseen pressures translate directly into increased expenditure, negatively impacting the Key Fiscal Measures.

In addition, agencies deliver a range of programs and services that are funded on a short-term or time-limited basis. Where there are ongoing policy objectives or strong community expectations for continuation, these arrangements can create fiscal and service continuity risks, particularly where programs are embedded within broader service systems or where workforce and infrastructure investments have been made on the assumption of ongoing funding.

The Government has announced a number of reviews across service systems and delivery arrangements, including in education, Out of Home Care, youth justice, health, community and transport services, infrastructure planning and agency functions. These reviews are intended to assess the effectiveness, efficiency and sustainability of current service delivery models and may, over time, result in recommendations to change how services are delivered, funded or prioritised.

While these reviews present opportunities to improve outcomes and manage costs over the medium-term, they may also give rise to transitional costs or changes to expenditure profiles. At the time of the 2026-27 Budget, the outcomes and broader fiscal implications of these reviews are not yet sufficiently defined. However, the profile of additional funding for Out of Home Care reflects the Government's expectation of improved service delivery outcomes, reflecting the scale and trajectory of existing cost pressures in that system. Any further Budget impacts arising from review findings will be considered through future Budget processes once recommendations are finalised.

Specific expenditure risks and sensitivities associated with Out of Home Care and Justice, Law and Order, are detailed in the Specific Expenditure Risks and Sensitivities section of this chapter.

Population-Driven Demand Pressures

Tasmania is exposed to expenditure risks arising from population ageing, changes in population composition and increasing service intensity across a range of demand-driven Government services.

Tasmania's older age profile and higher prevalence of complex needs place upward pressure on service utilisation and average costs, particularly in health, community services, education support services, housing and justice. In these areas, expenditure is influenced not only by population size but also by participation rates, service complexity and the distribution of demand across regions.

If demand for services grows faster than assumed in the Budget estimates, or if average service costs increase due to changes in service mix or intensity, this would result in a downside Budget risk. This risk is asymmetric, in that stronger than expected demand growth is likely to increase fiscal pressures more rapidly than weaker than forecast demand growth would deliver savings.

Over the longer-term, continued population ageing is expected to place structural pressure on Tasmania's expenditure base, particularly where demand growth is not accompanied by commensurate productivity improvements or funding growth. This presents a medium to long-term fiscal sustainability challenge.

Service delivery outcomes and costs are further influenced by intergovernmental arrangements and areas of shared responsibility with the Australian Government. These arrangements can provide a degree of funding stability and risk-sharing, thereby reducing Tasmania's direct exposure to certain cost pressures. However, the extent of this mitigation depends on the level, structure and indexation of Australian Government funding, and does not remove the need for the State to manage residual risks where costs grow more rapidly than funding contributions.

Specific expenditure risks and sensitivities associated with health services are detailed in the Health Demand and Expenditure section of this chapter.

Deliverability of Operational Efficiencies

The 2026-27 Budget includes three categories of productivity and efficiency measures, designed to support the Government's Fiscal Strategy and maintain Budget discipline:

- the 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;
- savings measures introduced and allocated to agencies in the 2025-26 Budget that focused on non-service delivery areas such as marketing and communications, office and leasing arrangements, and procurement process enhancements, commencing at \$5.9 million in 2025-26, increasing to \$11.9 million per annum thereafter; and
- Operational Efficiencies allocated to agencies in this Budget replace the \$150 million Productivity and Efficiency Measure allocated to Finance-General in the 2024-25 Budget (see chapter 1 of this Budget Paper for more information).

A Budget risk arises where the timing, scale, durability or delivery of these efficiency measures differs from the assumptions reflected in the Estimates.

Workers' Compensation Cost and Liability Pressures

The Tasmanian Risk Management Fund is the Tasmanian Government's whole-of-government self-insurance arrangement that funds and manages a range of specific insurable risks for participating agencies, with personal injury being the most significant. The personal injury risk category predominantly comprises workers' compensation.

Contributions required from participants (i.e. premiums) are expected to increase by \$83 million, or 39 per cent, in 2026-27. For individual participants, this represents year-on-year increases in contributions ranging from 15 per cent to 91 per cent. These increases are primarily driven by higher contribution requirements for personal injury (increasing, on average, by 64 per cent compared to 2025-26) and for general property (increasing, on average, by 17 per cent compared to 2025-26).

Workers' compensation claims are increasing in cost primarily as a result of a significant increase in claim payments, particularly during the six months to 31 December 2025, driven by a rise in the injury incident rate and an increase in weekly benefit and settlement costs. These trends apply to both psychological and non-psychological injuries. However, psychological claims now represent a disproportionate share of total costs. In particular, psychological claims are:

- accounting for approximately 31 per cent of all claims (up from 28.5 per cent in 2024-25); and
- costing on average, more than eight times the average cost of physical injury claims.

Within this category, there has been a sustained increase in the proportion of Post-Traumatic Stress Disorder claims, which typically have high average costs relative to other psychological claims.

These trends are consistent with the broader national experience, which demonstrates increasing claim complexity and longer return-to-work timeframes, particularly for psychological and psychosocial injuries. Within the Tasmanian State Service, ongoing workforce pressures, elevated overtime and increasing service demand may further exacerbate the frequency and severity of workers' compensation claims.

The 2026-27 Budget includes specific appropriation amounts to support the Department of Justice and the Department of Police, Fire and Emergency Management to manage workers' compensation cost increases. In the event that contribution increases exceed budgeted amounts, this will have a negative impact on the Key Fiscal Measures.

In addition, despite an appropriation of \$183 million in the 2025-26 Budget, the gap between the Fund's assets and liabilities for the personal injury risk category has deteriorated to an estimated shortfall of \$74.7 million as at 30 June 2026.

The Government has established a Tasmanian State Service Senior Officials Group to develop a centralised workers' compensation policy, aimed at achieving more consistent claim management across the State Service and identifying best practice injury management models.

Public Sector Wage Outcomes

Employee costs (including superannuation) are the single largest operating expenditure item for the Government and represent approximately 47 per cent of total budgeted Operating Services expenditure in 2025-26.

The 2026-27 Budget and Forward Estimates provide for wage indexation of 2.5 per cent to meet the total cost of salary increases, allowances and other employment conditions.

At the commencement of this bargaining round in December 2024, there were 16 wage agreements under negotiation in the State Service. As at 1 May 2026, a number of agreements have been accepted by unions and are proceeding to registration, with other agreements remaining under negotiation.

To the extent that negotiated wage increases or changes to employment conditions exceed the budgeted indexation rate, agencies are required to absorb the additional costs through internal savings, service reprioritisation or workforce adjustments. Any costs that cannot be absorbed by agencies will have a negative impact on the Key Fiscal Measures.

Sensitivity analysis indicates that, across the public sector, the cost of a 1 per cent increase in salaries and wages above the base indexation in each year of a three-year agreement could increase costs by up to \$470 million over the Budget and Forward Estimates. This estimate includes salaries funded through appropriations as well as other funding sources. Any structural adjustments or changes to allowances would add further to this cost.

Machinery of Government Changes

The Government has announced changes to the structure and functions of agencies (see chapter 1 of this Budget Paper). As the detailed design, responsibilities and operating arrangements of the new entities continue to be developed, some elements of the transition are not yet fully defined and therefore cannot be fully quantified.

The 2026-27 Budget reflects decisions and impacts that have been sufficiently progressed to date, including currently anticipated Operational Efficiencies arising from the machinery of government changes. However, the Budget does not assume broader structural or balance sheet impacts that remain subject to further design and Government consideration, such as potential changes to the treatment of Homes Tasmania's financial arrangements (see the Homes Tasmania section of this chapter).

It is currently anticipated that additional information on the implementation of these changes, including initial impacts on agency structures and allocations will be reflected in the 2027-28 Budget Papers.

The machinery of government changes are intended to improve service efficiency and value for money, support a stronger economic and revenue base over time and achieve better alignment of capital investment with whole-of-government priorities. These potential benefits may be partially offset in the near-term by transition and implementation costs, or by delayed or lower than expected realisation of anticipated outcomes.

Overall, the changes are expected to strengthen long-term fiscal stewardship and strategic alignment. The ultimate impact of the reforms on the Key Fiscal Measures will depend on realisation of efficiency and productivity gains, ongoing discipline in capital investment and borrowing decisions and the achievement of sustained economic growth outcomes.

Infrastructure Cost Escalation and Delays

Tasmania faces fiscal risk arising from sustained capacity constraints in the construction sector and elevated infrastructure delivery costs.

Nationally, the construction sector is experiencing workforce shortages and low productivity, occurring alongside historically high levels of infrastructure demand. These pressures are expected to intensify over the medium-term as governments concurrently invest in housing supply, energy transition, major transport programs, and fixed-deadline projects such as the Brisbane 2032 Olympic and Paralympic Games.

Tasmania's relatively small construction workforce in the context of the national construction sector and reliance on mobile interstate labour represents a degree of exposure. This reflects national trends, where large-scale infrastructure projects frequently experience budget overruns and delays. Mitigation may require project re-sequencing, scope adjustments or the provision of additional funding to maintain delivery timeframes.

In addition, the Government has accepted specific risks associated with individual Australian Government infrastructure funding agreements. Under these arrangements, the State often bears the financial risk of cost overruns and is required to manage complex delivery assurance and reporting requirements.

Further information on the Infrastructure Investment operating environment can be found in chapter 7 of this Budget Paper.

Rising Debt Servicing Costs

Tasmania's debt servicing costs are sensitive to both prevailing interest rates and the level of public sector debt. As borrowings increase, debt servicing costs will rise, placing additional pressure on the Budget and reducing fiscal flexibility.

Sustained or higher-than-expected interest rates may result in debt servicing costs exceeding the estimates presented. In these circumstances, higher interest expenses would place pressure on the Net Operating Balance and could constrain the Government's capacity to fund services or respond to emerging priorities. Ongoing uncertainty regarding the timing and scale of future interest rate decisions means Tasmania's borrowing costs remain subject to uncertainty risk, with interest rates largely being determined at the Australian Government level.

Further information on debt service costs can be found in chapter 8 of this Budget Paper.

Tasmanian Government Responses to Royal Commissions

The Tasmanian Government continues to manage fiscal risks arising from several Royal Commissions and other inquiries, the outcomes of which are expected to place ongoing and, in some instances, growing pressure on Tasmania's finances.

Specific expenditure risks associated with the *Royal Commission into Institutional Responses to Child Sexual Abuse* and the *Commission of Inquiry into the Tasmanian Government's Responses to Child Sexual Abuse in Institutional Settings* are detailed in the Claims Against the State by Survivors of Institutional Child Sexual Abuse section of this chapter.

The *Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability* is expected to result in increased demand for services, including disability support, health, housing and regulatory functions. As many recommendations involve joint Australian Government-State responsibilities or interact with Tasmanian service systems, there remains uncertainty regarding the extent to which additional costs will fall to Tasmania over time.

In addition, the *Royal Commission into Defence and Veteran Suicide* has identified systemic issues that are expected to increase demand over time on state provided health, mental health, housing, community and justice services accessed by current and former Australian Defence Force members and their families. While implementation of recommendations is led by the Australian Government, flow-on impacts to Tasmanian services are difficult to quantify and may increase demand pressures beyond the current Budget assumptions. Specific expenditure risks and sensitivities associated with health services are detailed in the Health Demand and Expenditure section of this chapter.

Across all Royal Commissions and inquiries, final costs will depend on the interaction between Australian Government reforms, Tasmania's service systems and future policy decisions. These matters will continue to be managed through established Budget and fiscal reporting processes and will be updated as impacts become clearer.

Specific Expenditure Risks and Sensitivities

Health Demand and Expenditure

Tasmania's aging population, high prevalence of chronic disease and multimorbidity and elevated levels of socioeconomic disadvantage increase the frequency, duration and complexity of hospital admissions, resulting in higher costs per episode of care and sustained pressure on emergency departments, inpatient capacity and subacute services.

Expenditure risk is compounded by structural cost pressures, including workforce shortages, increased reliance on locum and agency staff and rising pharmaceutical and diagnostic costs. These pressures are further exacerbated by delayed discharge of patients awaiting aged care or NDIS supports. A key source of ongoing fiscal risk arises from the interaction between hospital demand growth and Australian Government funding arrangements, particularly where growth in activity and costs exceeds Australian Government contributions.

The Australian Government's funding contribution for public hospital activity is provided under the National Health Reform Agreement and is subject to an annual cap. In January 2026, National Cabinet agreed to new funding arrangements under the NHRA, including a more generous growth cap through to 2030-31 and the introduction of a loading to recognise the unavoidable higher costs faced by smaller jurisdictions such as Tasmania.

Under the new NHRA Addendum, Australian Government funding to Tasmania for hospital activity is expected to increase compared to current arrangements, improving funding certainty and partially addressing historical funding shortfalls. However, the Australian Government is still expected to fund less than half of public hospital services, with the State continuing to bear the majority of growth in hospital demand and costs. This is unsustainable as it requires the State to absorb a growing share of hospital cost pressures.

The new NHRA Addendum also introduces a small state loading as an interim measure while the Independent Health and Aged Care Pricing Authority reviews national cost weightings and efficient prices. This review will inform whether higher costs faced by smaller jurisdictions should be more systematically incorporated into activity-based funding arrangements.

Until this work is completed, the interim small state loading provides additional funding certainty but does not fully align Australian Government contributions with Tasmania's underlying cost base. There is no assurance that future funding arrangements will fully offset Tasmania's higher per-unit costs.

The 2026-27 Budget and Forward Estimates assume hospital activity growth at the minimum level required to access the full amount of funding under the NHRA Addendum. However, based on historical activity growth rates of 4.8 per cent per annum, and IHACPA National Efficient Price forecasts, NHRA related expenditure pressures in excess of current funding are estimated to total approximately \$1.4 billion over the Budget and Forward Estimates. Further information on the new NHRA arrangements is provided in the Department of Health chapter of Budget Paper No. 2.

Beyond Australian Government funding arrangements, expenditure risk is also influenced by internal system performance, service design and operational efficiency within Tasmania's health system. Following from the Auditor-General's *Report on the Financial Statements of State Entities 2024-25*, the Legislative Council Sessional Committee, Government Administration A, resolved on 17 December 2025, to commence an Inquiry into the Financial and Operational Performance of the Department of Health.

In its submission to the Inquiry, the Department of Health outlined a comprehensive reform agenda focused on improving access, patient flow, service integration and long-term system sustainability. While these reforms may mitigate cost pressures over time, they are unlikely to fully offset the underlying drivers of demand and cost growth. As a result, health expenditure remains a key uncertainty in the Budget outlook, with the potential to materially adversely impact estimates where demand growth exceeds forecast assumptions, workforce pressures intensify, or Australian Government funding does not keep pace with underlying cost drivers.

Additional risks have also emerged from recent developments in the private health sector, where private providers have withdrawn core services citing workforce shortages and financial viability concerns. Recent examples include: the closure of St Helen's Private Hospital in Hobart, which reduced private sector capacity for maternity and related services; and the announced closure of the Hobart Clinic's Rokeby inpatient mental health facility, Tasmania's only large-scale private inpatient mental health hospital. These developments place increased pressure on the public health system, reduce service options for Tasmanians, and heighten the risk that demand and costs materialise more rapidly than assumed in the estimates.

Disability Funding

In January 2026, National Cabinet agreed to deliver Thriving Kids as the first tranche of a broader suite of foundational supports services, initially committed to in December 2023. Thriving Kids services are scheduled to commence in Tasmania from 1 October 2026. The timing, scope and funding arrangements for the broader rollout of foundational supports to additional cohorts remain subject to intergovernmental negotiation and represent an unquantifiable Budget risk to the State.

On 22 April 2026, the Australian Government announced major NDIS reforms to improve the sustainability of the program. The first tranche of reforms will be implemented through the Australian Government's National Disability Insurance Scheme Amendment (Securing the NDIS for Future Generations) Bill, which is due to be introduced following the delivery of the Australian Government Budget on 12 May 2026.

Taken together, the capped funding model for Thriving Kids and reforms to the NDIS may increase cost pressures on State-funded mainstream services, including for health, education, housing, justice and community services, where demand is displaced from Australian Government funded programs.

The Tasmanian Government, alongside other state governments, has raised concerns about the potential impact of the announced changes to people with disability, related industries and the likely financial and service pressure on state systems.

Roads and Bridges

Tasmania is responsible for an extensive road and bridge network. While much of the network is maintained through regular renewal programs, a number of older timber bridges and early concrete structures are aging and approaching the end of their expected design lives. These assets increasingly require rehabilitation or replacement, creating upward pressure on maintenance and capital expenditure.

Repair and maintenance costs may exceed forecast levels due to emerging asset condition issues, sustained construction cost pressures and damage associated with severe weather events. In addition, a significant proportion of road and bridge investment is supported by Australian Government funding, which is subject to co-contribution requirements. Changes in funding availability, eligibility conditions or delivery timeframes may increase the level of State funding required to progress priority projects.

A list of projects contingent on Australian Government funding is presented in chapter 7 of this Budget Paper. The majority of these projects, both by number and by value, relate to roads or bridge infrastructure and collectively represent well over \$2 billion in total project value.

Specific Budget risks currently being managed by the Department of State Growth, without additional appropriation funding, include:

- remediation of the Lyell Highway, where the August 2024 severe weather event triggered a landslip, at an estimated cost of \$3 million;
- works for five timber bridges on Heemskirk Development Road (Norfolk Road), which are subject to heavy vehicle overloading and flood loading, estimated to cost \$5.2 million; and
- preservation and strengthening works on the heritage-listed Kings Bridge in Launceston, estimated to cost \$1 million.

There is therefore an unquantifiable Budget risk associated with repair and maintenance of roads and bridges. This risk reflects the potential for higher-than-forecast expenditure where asset condition deteriorates more rapidly than anticipated, or where external factors such as construction cost escalation and severe weather events materialise.

Claims Against the State by Survivors of Institutional Child Sexual Abuse

The Department of Justice continues to manage a range of redress and compensation matters arising from historical institutional abuse, including participation in redress schemes and civil claims against the State.

These matters are inherently complex and subject to a high degree of uncertainty. As a result, there remains uncertainty regarding the timing and quantum of future costs, notwithstanding that provisions have been recognised based on current best estimates where independent actuarial advice is available. Accordingly, the ultimate value of the total liability may be materially higher or lower than the amounts currently reflected in the estimates.

Liabilities associated with historical institutional abuse have increased materially over successive years as additional information has become available and actuarial methodologies and assumptions have been updated. The timing and quantum of future expense recognition and cash payments remain uncertain and will continue to be managed through the State's Budget process and financial reporting frameworks.

Historical Forced Adoption Redress Scheme

In October 2025, the Government announced the establishment of a Historical Forced Adoption Redress Scheme to acknowledge and respond to the harm caused to mothers by historical forced adoption practices that occurred in Tasmania between 1950 and 1988.

The 2026-27 Budget includes an allocation of \$4 million in 2026-27 as an initial estimate of the cost of the Scheme. This funding supports the operation of the Interim Historical Forced Adoption Redress Scheme, which opened for applications on 5 March 2026 and provides a \$10 000 redress payment to eligible mothers experiencing urgent or exceptional need. The Interim Scheme is intended as a transitional arrangement and will operate while work to finalise the full scheme continues.

The full scope, eligibility parameters and total cost of the full Historical Forced Adoption Redress Scheme are not yet finalised and there is currently no actuarial assessment available that would enable a reliable estimate of the State's total liability.

Consistent with the accounting treatment applied to other redress and compensation schemes, expenditure will be recognised as an expense once a reliable actuarial estimate of the liability can be made, rather than at the time of individual payments.

Accordingly, there remains uncertainty regarding the quantum and timing of expense recognition and associated cash payments across the Forward Estimates. Cash payments are expected to occur over a number of years following recognition of the liability, with impacts on the Budget position to be managed through established Budget and financial reporting processes.

Justice, Law and Order Demand and Expenditure

Expenditure on courts, corrections and related justice service systems is sensitive to legislative and policy settings governing bail, sentencing and offender management. Changes to legislation and enforcement practices can affect court volumes and complexity, remand rates, sentence profiles and post-sentence supervision requirements.

Recent amendments to the *Sentencing Act 1997* increase the likelihood of custodial outcomes for certain offence classes and may result in longer hearings, and a higher incidence of contested matters and appeals. In addition, several Bills currently before Parliament propose new offences, increased penalties and evidentiary provisions, with uncertain net impacts on system demand.

Increased reliance on remand and custodial sentences places upward pressure on operating costs within the Tasmania Prison Service and the court system, including staffing, security, and inmate-related costs. While additional funding has been provided in the 2026-27 Budget to address current pressures, sustained growth in demand could result in expenditure exceeding budgeted funding.

Sentencing and parole reforms are also increasing demand for legal, advisory and supervision services, across the justice system. While diversion and early intervention initiatives may reduce demand over the longer-term, they are unlikely to fully offset cost pressures.

Out of Home Care

Out of Home Care provides alternative temporary or permanent care for children and young people who cannot live with their families, including foster, kinship and residential care. In 2025, an average of approximately 964 Tasmanian children and young people were in Out of Home Care on any given night, equating to around one in every 117 child or young person under the age of 18 across the State. Government investment in OOHC has increased since 2021-22, driven largely by higher use of residential care for children with complex needs.

The Commissioner for Children and Young People has reported that while the number of children in care has declined, the average cost per placement night increased by more than 43 per cent between 2021-22 and 2023-24, reflecting longer care durations, growth in long-term placements, increasing complexity of need, workforce pressures and changes in placement types.

Although improvements in data quality and system oversight have been implemented, there is currently no clear evidence that these have translated to lower costs or improved outcomes, leaving expenditure impacts uncertain.

The Government has committed to a review of OOHC service delivery. This provides an opportunity to better align funding, service models and outcomes as demand and complexity evolve, supporting more sustainable planning and helping to moderate long-term fiscal risk.

Industry Support Packages

Businesses across the Tasmanian economy continue to seek Government assistance to support investment, manage transition pressures, protect employment and maintain strategically important capability. This assistance may take the form of loans, grants or other targeted support. While such interventions can deliver economic and social benefits, they also give rise to significant Budget and fiscal risks, particularly where businesses operate in volatile global markets, face structural challenges, or require support over extended periods.

In the current environment, requests for support are most acute in the major industrial sector, particularly among large, energy-intensive businesses that play a critical role in regional employment, exports, infrastructure utilisation and energy system stability. Support is being sought to address operating cost pressures, capital upgrades of ageing plant and equipment, and facilitate transitions to new technologies and production processes. Given the scale of these businesses, even time-limited interventions can involve material fiscal exposure.

Assistance is typically subject to conditions, governance arrangements and, where appropriate, secured or co-investment frameworks including with the Australian Government. However, support to major industrials carries an inherent risk of escalation beyond initial expectations.

Where commercial viability is not restored, pressure may arise for ongoing operating support, additional capital contributions, or revised support arrangements to preserve employment, maintain essential infrastructure utilisation or manage system impacts.

Budget risks may also arise where support is provided through indirect mechanisms, including pricing concessions, subsidies or contractual arrangements (such as for electricity or other essential inputs). These forms of support can create persistent fiscal costs, constrain future policy flexibility, and may have adverse impacts on broader market arrangements and policy objectives over time.

The concentration of employment, economic activity and infrastructure reliance associated with major industrials also means that multiple, prolonged or sequential business disruptions or closures could have compounding impacts on the State's economy and public finances. These impacts may include increased demand for employment and social support services, pressures on government-owned businesses and infrastructure, and potential exposure to significant environmental remediation, rehabilitation and decommissioning liabilities.

The Government continues to assess requests for industry support on a case-by-case basis, having regard to value for public investment, appropriate risk sharing with other governments and private parties, and alignment with broader economic, energy and industry policy objectives. Nevertheless, there remains a material Budget risk that further assistance may be sought, that existing support may need to be extended or expanded, or that supported businesses may not return to financial sustainability, with adverse implications for the State's fiscal position.

Tasmania's Strategic Fuel Reserve

The Government has commenced investigations into options to strengthen Tasmania's fuel security, including the potential repurposing of existing, but currently unused, fuel storage infrastructure and arrangements to hold strategic fuel stocks.

The scope, timing and costs of these options are currently unknown. Repurposing or recommissioning fuel storage assets may require material capital expenditure to meet contemporary safety, environmental and regulatory requirements. Ongoing operating, maintenance and compliance costs associated with maintaining strategic fuel storage capacity may also increase expenditure risk over time.

The delivery of on-Island fuel security initiatives is also subject to risks outside of the Government's direct control, including global fuel market conditions, supply chain disruptions, private sector participation and regulatory approval processes.

The Government will continue to assess options and manage exposure to fiscal risk through further analysis, staged decision-making and ongoing engagement with relevant stakeholders.

Service Delivery to Island and Remote Communities

Tasmania faces ongoing fiscal risk in delivering essential services, housing and supply-chain continuity for communities in the Furneaux Group, including Flinders Island and Cape Barren Island. Service delivery in these locations involves structurally higher costs due to geographic isolation, reliance on freight transport, workforce constraints and limited economies of scale.

Supply chain risks have increased due to infrastructure constraints affecting Furneaux Islands Shipping, particularly at Bridport, where the channel infill has restricted access for larger freight vessels and increased the frequency and cost of service disruptions.

The Government is considering options to improve port access, including a potential alternative channel, with preliminary cost estimates of approximately \$12 million.

Cape Barren Island is particularly vulnerable due to its reliance on infrequent barge services for essential goods. Disruption to port access can result in rapid escalation of emergency logistics costs and may require interim Government support to maintain supply continuity.

Additional fiscal risk arises from the expiry and scope of Australian Government funding for remote Aboriginal housing. While outcomes have been supported through the *Stronger Remote Aboriginal Services Agreement*, funding allocated to Tasmania has been fully drawn down, increasing the likelihood that ongoing housing-related cost pressures will fall to the State.

Projects Contingent on Other Funding Sources

The Government has committed to supporting projects that are funded from a variety of sources. In these cases the total value of Tasmanian Government support is known, but the timing is dependent on other project milestones being met.

The Chocolate Experience at Cadbury, which also includes redevelopment of the Claremont waterfront and a new ferry terminal, has commitments from the Government of up to \$12 million, subject to agreed milestones. A \$4 million grant deed is in place and is being utilised to get the project shovel ready. The remaining \$8 million is contingent on \$100 million in private investment being secured for the project. It is currently anticipated that once this threshold is met, the remaining funds would be provided over a two-year period.

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 from the market and such borrowings are on-lent by TASCORP to government businesses, this activity may be subject to a guarantee provided by the Government to TASCORP, 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 2026-27 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 in accordance with the *Tasmanian Public Finance Corporation Act 1985*.

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

Specific Risks and Sensitivities from the Ownership of Government Businesses

TT-Line vessel replacement and port infrastructure projects

The TT-Line 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 completing works required for permanent berthing infrastructure at Berth 3 at the Port of Devonport, with project delivery subject to Government oversight.

The 2026-27 Budget includes material additional funding to ensure TT-Line has adequate capital to complete major infrastructure projects and support ongoing operations. The level of funding provided over the Budget and Forward Estimates remains subject to ongoing risk, as TT-Line's equity requirements are based on detailed financial modelling that relies on a number of key assumptions. If these assumptions do not eventuate, there is a risk that additional equity funding may be required. Conversely, improved project outcomes or more favourable operating conditions may result in lower than expected equity requirements over time.

Marinus Transition

Under the ownership arrangements for Marinus Link Pty Ltd, Tasmania currently holds a minority 14.5 per cent equity share in MLPL, with the remaining equity in the company held by the Australian and Victorian Governments. Tasmania will not contribute additional equity to MLPL, and its existing ownership percentage is expected to dilute over time. Project risk is shared proportionally across the three governments, with Tasmania's exposure being relatively small.

Notwithstanding this, the State retains a contingent liability, proportional to its ownership share, as the project progresses through post-Final Investment Decision 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 at a future point.

An adjusted equity contribution profile for TasNetworks in respect to the North West Transmission Developments has been included in the 2026-27 Budget. Drawdown of this equity will be staged as the project is constructed and will be linked to the financing arrangements in place with the Clean Energy Finance Corporation. In the event that a loan drawdown is delayed or adjusted, the timing of the scheduled equity contributions may also need to change.

At the time of finalisation of the Budget Papers, TasNetworks was in the final stages of securing remaining environmental approvals, land access arrangements, supplier contracts and concessional financing arrangements. Delays or adverse outcomes in these processes may increase the risk of further Government support being required.

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 significant 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 potential 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.

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, including a further grant payment of \$124 million reflecting the Government's share of increased project costs. The \$224 million commitment is reflected in the 2026-27 Budget and Forward Estimates, noting that \$63.5 million has been provided to TasWater to date. The relocation is required to enable future development of the Macquarie Point precinct.

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 by the Government to meet any further project cost overruns. Under the funding deed, further grant payments are required to be paid following completion of the project which is currently expected in 2026-27.

TasInsure

The Budget includes an allocation of funding to support the next phase of work required to consider the market initiatives and establishment of TasInsure. This work will inform decisions on the final governance and legislative framework for TasInsure and the services and functions that TasInsure will deliver. The expected ongoing operating costs for TasInsure are, therefore, uncertain and unquantifiable at this stage.

Risks to the General Government Sector arising from select Public Non-Financial Corporations Sector entities

Homes Tasmania

Homes Tasmania presents a continuing expenditure risk due to its increasing reliance on borrowings to support the expansion of social and affordable housing. Rising construction, maintenance and financing costs, combined with an expanding and ageing housing portfolio, are expected to drive higher operating expenses and debt-servicing costs over time. As Homes Tasmania continues to deliver additional housing stock, toward its target of 10 000 social and affordable homes by 2032, expenditure pressures are expected to remain.

Further uncertainty arises from the planned transition of Homes Tasmania into Building Tasmania as part of the Department of State Growth machinery of government changes. Detailed governance, funding and legislative arrangements to give effect to the transition are yet to be determined. As Homes Tasmania is brought within the departmental structure, its existing borrowings are expected to be recognised in the General Government Sector. The timing and implementation of this transition therefore represents an additional, discrete, Budget risk.

Participation in the Australian Government's Housing Australia Future Fund may give rise to additional expenditure and delivery risk. While HAFF provides a source of capital support for social and affordable housing, participation is based on a co-funding model. Homes Tasmania must also meet delivery timelines and absorb ongoing operating, maintenance and tenancy management costs associated with new dwellings. HAFF participation may increase the scale and pace of housing delivery undertaken by Homes Tasmania, which could give rise to indirect or contingent fiscal risks. These include where additional direct Tasmanian Government funding support is required to manage growing operational costs associated with larger housing stock, or where Homes Tasmania's borrowing requirements increase beyond existing assumptions.

In addition, HAFF funding arrangements are competitive and subject to program design and dependent on Australian Government priorities and investment returns. This creates uncertainty around the timing, scale and materiality of funding for supported projects. While HAFF participation supports the expansion of social and affordable housing supply, there remains a risk that project delivery during periods of elevated construction costs or constrained sector capacity may increase financial pressures on Homes Tasmania, with potential downstream implications for future policy, funding or governance arrangements.

On 21 April 2026, the Tasmanian and Australian governments announced in-principle agreement of Tasmania's share of housing and funding under the Australian Government's 100 000 homes for First Home Buyers program. The Australian Government will provide \$115 million in concessional loans and \$50 million in grant funding. The agreement includes land and funding contributions from the Tasmanian Government and Tasmanian local government councils.

While this announcement supports increased housing supply, it gives rise to risks similar to those associated with the HAFF, including delivery and capacity constraints, exposure to elevated construction costs, co-funding pressures and the potential for higher ongoing operating and financing costs for Homes Tasmania.

Macquarie Point Urban Renewal Project

The Macquarie Point Urban Renewal Project is a comprehensive, long-term redevelopment of the Macquarie Point precinct aimed at transforming the waterfront site into a mixed-use urban precinct. The Project includes housing, transport, public spaces, commercial activity and cultural facilities, with the Macquarie Point Multipurpose Stadium delivered as a key, but not exclusive, component.

Expenditure risks relating to the project can be grouped into four broad categories: delivery and integration risks; cost escalation and financial exposure; governance and assurance risks; and financing and debt servicing risks.

Delivery and Integration

The Macquarie Point Urban Renewal Project involves the coordinated delivery of multiple, interdependent workstreams across a key waterfront site. These include land remediation, transport and utilities upgrades, public works, housing delivery and the Stadium.

Delivery risk for the Stadium does not sit in isolation of the broader precinct. Construction activity must be carefully integrated to avoid re-work, duplication or operational constraints. Expenditure risks may arise from schedule slippage, cost escalation, or deferred delivery of broader precinct benefits, with compounding impacts over the Forward Estimates.

Substantial preliminary works on the site are due to commence, or to be completed, during 2026-27, including bulk earthworks, utility augmentation and upgrades, and unpacking of the Goods Shed and demolition of the Red Shed. The sequencing and integration of these activities present inherent delivery risks, particularly where delays or access constraints in one component affect the critical path of others.

The Project is funded through a combination of contributions from the Tasmanian Government, the Australian Government, and the Australian Football League. Australian Government contributions are tied to achievement of agreed milestones across the broader precinct rather than the Stadium alone, which may give rise to short-term cash flow pressures during peak construction periods.

Cost Escalation and Financial Exposure

The Project, including the Stadium, is being delivered in a volatile construction market characterised by labour shortages and cost escalation pressures (see the Infrastructure Cost Escalation and Delays section of this chapter). While the State's capital contribution to the Stadium is capped, financial risk remains through scope pressure, the adequacy of contingencies, and the potential flow-on impacts of cost overruns in adjacent precinct infrastructure.

Ongoing cost control and disciplined change management processes will be required to prevent aggregation of risk across the Urban Renewal Project.

The total estimated cost of the Stadium is \$1.13 billion, and the associated funding and delivery models remain unchanged from the 2025-26 Budget. However, complete designs will not be available until after the appointment of the Design and Construction Head Contractor. As a result, current estimates are based on schematic-level designs and cost allowances, rather than finalised market prices.

Consistent with all major project delivery lifecycles, this means there remains a risk that procurement outcomes and detailed design decisions place upward pressure on costs as scope, constructability and market conditions are finalised.

The Government has committed to managing this risk through a fixed State funding cap and strengthened governance and assurance arrangements. Within this framework, any cost pressures are expected to be addressed through scope management, design optimisation and delivery sequencing.

Specific expenditure risks and sensitivities associated with future Stadium operations can be found in the Stadiums Tasmania section of this chapter.

Governance and Assurance

The Macquarie Point Urban Renewal Project, including the Stadium, is subject to enhanced governance and assurance arrangements reflecting safeguard commitments agreed by the Government as part of parliamentary approval. These safeguards include a capped State funding contribution, strengthened probity requirements, independent assurance and design review processes, and ongoing scrutiny through parliamentary and oversight mechanisms.

Consistent with these commitments, lead responsibility for the Project's budget, governance and accountability has transitioned from the Department of State Growth to the Department of Premier and Cabinet. This transfer is intended to strengthen central oversight, improve cross agency coordination, and ensure investment decisions are taken within a consolidated governance framework.

The primary expenditure risk arising from governance and assurance relates to incremental and indirect cost pressures that may arise where decision-making, scope control or assurance mechanisms are not applied consistently across the Project. In practice, this risk may materialise through increased expenditure on consultants, assurance activities, design revisions or contract variations, particularly as the Project moves into procurement and construction.

Financing and Debt Servicing

Delivery of the Macquarie Point Urban Renewal Project, including the Stadium, relies on significant borrowings to be undertaken by the Macquarie Point Development Corporation to fund construction costs not met through direct State Government, Australian Government and AFL contributions. While these borrowings are incurred by MPDC, they are supported by the Government through explicit Budget funding to cover the borrowing costs. Accordingly, financing and debt-servicing obligations represent an ongoing Budget risk.

Repayment of MPDC debt is intended to occur progressively over time through land development, value uplift and commercial returns generated across the broader precinct. Delays or weaker-than-anticipated outcomes in precinct development, land sales or private-sector investment could result in MPDC borrowings requiring direct Budget support over a longer period, particularly in a higher interest rate environment.

Stadiums Tasmania

Stadiums Tasmania was established to be the owner and operator of Tasmania's largest and best-known outdoor stadia and indoor arenas. Stadiums Tasmania has acquired the Silverdome and UTAS Stadium in Launceston and is currently negotiating the transfer of MyState Bank Arena and Ninja Stadium in Hobart. Stadiums Tasmania will also assume the role of owner/operator of the Macquarie Point Stadium. Dial Park has been identified as a potential additional venue for Stadiums Tasmania to assume ownership and operation, with further investigation required to determine if it is appropriate for inclusion within the Stadiums Tasmania portfolio.

As Stadiums Tasmania's role expands from initial acquisition to the active stewardship of a growing portfolio of major public venues, further work will be required to determine the scale and timing of the Authority's ongoing operational and capital funding requirements. While an integrated operating model is intended to support efficiencies across venues, it is expected that the Authority's operational and capital funding requirements will increase over time.

The commencement of operations at the Macquarie Point Stadium will further increase Stadiums Tasmania's funding requirements. The Stadium will add a large and complex asset to the portfolio, with operating, facilities management and lifecycle costs that are yet to be fully determined, and revenue performance that will depend on utilisation over time. Consistent with other publicly owned stadium assets, it is expected that ongoing Government funding will be required to support operations and asset stewardship, particularly in the early years of operation.

PRESENTATION OF THE BUDGET PAPERS

This section covers presentational changes since the 2025-26 Budget as well as the basis for estimates and disclosure conventions used throughout the Budget Papers.

Changes since the 2025-26 Budget

Structure of the Budget Papers

A four Budget Paper model has been implemented to improve alignment with legislative and fiscal frameworks and enhance transparency, accessibility and practical utility of the Budget Papers.

The revised model reorganises information that was previously presented across the two Volumes of Budget Paper No. 2, while retaining the established role and continuity of Budget Paper No. 1. The changes are designed to provide a clearer separation between strategy, agency funding information, performance reporting and supplementary material.

Where content has been relocated, references to the former Budget Paper structure are noted to assist readers in comparing information across Budget years.

The new structure also strengthens the link between the Budget Papers and the legislative appropriation framework.

Budget Paper No. 1 - Budget Strategy and Estimates

Budget Paper No. 1 retains its existing scope and content, presenting the overarching Budget context, Fiscal Strategy, Budget Estimates and mandatory reporting requirements.

Aside from a change in title (with Budget Paper No. 1 formerly titled “The Budget”), the content and structure remain unchanged, supporting continuity for readers and comparability over time.

Budget Paper No. 2 - Agency Information Supporting Appropriation Bill No. 1

Budget Paper No. 2 brings together agency funding information to support Appropriation Bill No. 1. It contains agency budget chapters and chapters for statutory authorities that receive funding through those agencies under the Bill.

This material was previously presented in Budget Paper No. 2, Volume 1 together with elements of Budget Paper No. 2, Volume 2 (Part 3).

From 2026-27, chapters in Budget Paper No. 2 are presented in the same order as Schedule 1 of Appropriation Bill No. 1, improving legislative alignment and enabling a direct comparison between the Budget Papers and the Bill as introduced to Parliament.

Budget Paper No. 3 - Agency Information Supporting Appropriation Bill No. 2

Budget Paper No. 3 supports Appropriation Bill No. 2 and contains chapters for Parliament and Statutory Offices. This material was previously included in Budget Paper No. 2, Volume 2 and is now presented as a standalone paper to provide clearer legislative alignment and to improve navigability.

As with Budget Paper No. 2, chapters in Budget Paper No. 3 follow the order of Schedule 1 of Appropriation Bill No. 2, strengthening the link between the Budget Papers and Appropriation Bills.

Budget Paper No. 4 - Supplementary Budget Reports

Budget Paper No. 4 is a new Budget Paper that consolidates supplementary and supporting material not required to directly support the Appropriation Bills or otherwise required by the *Financial Management Act 2016*.

This Paper brings together content previously dispersed across Budget Paper No. 2, Volumes 1 and 2, including:

- performance information, formerly published within agency chapters;
- information for select Public Non-Financial Corporations Sector entities (formerly Part 4 of Budget Paper No. 2, Volume 2); and
- other information published on an ad hoc basis, such as election commitment summaries, previously included in Budget Paper No. 2, chapter 1.

This new Paper continues the existing level of disclosure from previous Budgets while reducing complexity in each Paper.

Estimated Outcome Information

Estimated Outcome information for 2025-26 is provided throughout the Budget Papers, consistent with the recommendations of the *Legislative Council Government Committee "A" Short Inquiry Process Report on the Operations and Application of the Financial Management Act 2016*.

Where applicable, Estimated Outcome information is now presented throughout the chapters of Budget Papers No. 2, No. 3 and No. 4, including in the following tables:

- Revenue from Appropriation by Portfolio and Output;
- Total Expenses by Portfolio and Output;
- Capital Investment Program;
- Statement of Comprehensive Income;
- Administered Revenue;
- Administered Expenses;
- Statement of Financial Position; and
- Statement of Cash Flows.

Basis for Estimates

2025-26 Estimated Outcome

Given the timing of the 2026-27 Budget, full-year actual information is not available for 2025-26. The 2025-26 Estimated Outcome therefore represents the most recent full-year assessment and is included in relevant financial tables throughout the Budget Papers.

The 2025-26 Estimated Outcome is based on financial estimates available at the time the Budget Papers were finalised including:

- agency assessments of funding requirements;
- current estimates of State taxation; and
- information available from the Australian Government and government businesses.

Actual outcomes may differ from these estimates as additional information becomes available prior to final reporting of the 2025-26 actual outcome.

2026-27 Australian Government Budget

As the 2026-27 Australian Government Budget was not published at the time of finalisation of the 2026-27 Tasmanian Budget, the impacts of the Australian Government Budget are not reflected in the estimates presented.

A list of infrastructure projects that are contingent on Australian Government funding is presented in chapter 7 of this Budget Paper. Risks and sensitivities related to Australian Government funding are discussed earlier in this chapter.

Information relating to the impact of the 2026-27 Australian Government Budget will be reflected in the 2026-27 Revised Estimates Report.

Presentation Conventions

The information presented in the 2026-27 Budget Papers use the general conventions listed below.

Notation

The notation conventions for the Budget Papers are as follows:

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

Rounding

Values 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 2026-27 BUDGET AND FORWARD ESTIMATES

Executive Summary

- The Net Operating Balance is estimated to be a deficit of \$596.7 million for 2026-27, improving over the Forward Estimates to an estimated surplus of \$622 million in 2029-30.
- The Fiscal Balance is estimated to be a deficit of \$972.7 million for 2026-27, improving over the Forward Estimates to an estimated surplus of \$635.2 million in 2029-30.
- Net Debt (including the impact of Leases and Service concession liabilities) is estimated to be \$8 440.3 million at 30 June 2027, increasing to \$9 983 million as at 30 June 2029, before reducing to \$9 466.5 million as at 30 June 2030.
- 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 2025-26 Budget and those presented in these Budget Papers.

OVERVIEW

This chapter includes the General Government Sector Financial Statements for the 2026-27 Budget and Forward Estimates and the Estimated Outcome for 2025-26. Information on movements between the 2025-26 Budget and the 2025-26 Estimated Outcome is provided in chapter 10 of this Budget Paper.

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 2025-26 Budget Papers and the 2026-27 Budget Papers.

In addition, this chapter includes the Public Account Receipts and Expenditure Estimates for the 2026-27 Budget and Forward Estimates, together with Specific Purpose Account Estimated Receipts and Expenditure for 2026-27. These reports meet the requirements of sections 17(10), 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 2025-26 Budget and for the 2026-27 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 end of year results for the General Government Sector for 2026-27 will be presented in the Treasurer's Annual Financial Report, which is required to be released by no later than 31 October 2027, 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

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue from transactions¹						
Grants	6 359.8	6 430.8	6 756.3	6 959.4	7 153.5	7 566.9
Taxation	1 933.1	1 987.1	2 132.9	2 257.9	2 364.4	2 472.6
Sales of goods and services	459.7	472.3	501.8	523.7	537.4	554.0
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest income	93.1	96.9	113.3	114.2	106.0	117.8
Dividend, tax and rate equivalent income	254.1	281.8	253.6	302.4	327.5	480.7
Other revenue	240.2	286.2	282.2	285.9	269.5	266.9
	9 498.2	9 715.2	10 191.3	10 586.9	10 900.8	11 602.7
Less Expenses from transactions						
Employee expenses ²	4 345.0	4 441.6	4 465.4	4 423.4	4 485.6	4 615.6
Superannuation ³	550.0	551.6	533.3	520.1	520.8	531.2
Depreciation ⁴	526.8	532.3	557.9	581.8	603.3	622.4
Supplies and consumables ⁵	1 851.0	1 920.8	1 851.2	1 801.5	1 799.5	1 833.8
Nominal superannuation interest expense ⁶	309.6	307.4	314.6	312.5	309.9	306.9
Borrowing costs ⁷	352.9	351.8	441.9	533.5	597.2	627.6
Grant and subsidy expenses ⁸	2 541.7	2 423.6	2 501.5	2 146.1	2 075.8	2 381.8
Other expenses ⁹	29.2	109.3	122.3	75.3	72.6	61.3
	10 506.2	10 638.5	10 788.1	10 394.1	10 464.8	10 980.7
Equals NET OPERATING BALANCE	(1 008.0)	(923.3)	(596.7)	192.8	436.0	622.0
Plus Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	10.7	8.1	9.5	9.2	8.3	10.0
Other gains/(losses) ¹⁰	121.7	(189.3)	(142.4)	(132.1)	(115.3)	(101.3)
	132.4	(181.3)	(132.9)	(122.8)	(107.1)	(91.3)
Equals Operating Result	(875.7)	(1 104.6)	(729.6)	70.0	329.0	530.7

Table 5.1: General Government Income Statement (continued)

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Plus Other economic flows - other movements in equity						
Revaluations of non-financial assets	285.7	485.7	489.2	494.1	495.6	494.6
Revaluation of equity investment in PNFC and PFC sectors ¹¹	402.4	(73.8)	41.5	(21.2)	70.3	175.5
Revaluation of superannuation liability ¹²	(128.7)	387.3	....	....	....	....
	559.5	799.3	530.8	472.9	565.9	670.0
Equals Comprehensive Result	(316.2)	(305.3)	(198.9)	542.9	894.9	1 200.7
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	(1 008.0)	(923.3)	(596.7)	192.8	436.0	622.0
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	905.8	698.6	978.2	1 018.8	790.7	651.1
Less Sales of non-financial assets	35.0	31.8	44.3	37.6	32.2	42.0
Less Depreciation	526.8	532.3	557.9	581.8	603.3	622.4
	344.1	134.5	376.0	399.4	155.2	(13.2)
Equals FISCAL BALANCE	(1 352.1)	(1 057.8)	(972.7)	(206.6)	280.8	635.2

Notes:

- Detailed information on revenue estimates is provided in chapter 6 of this Budget Paper.
- The variation in Employee expenses from 2026-27 primarily reflects the impact of 2026-27 Key Deliverables and prior year Budget initiatives as outlined in the relevant agency chapters.
- The variation in Superannuation from 2026-27 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.
- The increase in Depreciation reflects growth in the State's asset base, including the commissioning of new and upgraded assets arising from the Government's Infrastructure Investment Program. Further information on infrastructure investment is provided in chapter 7 of this Budget Paper.
- The variation in Supplies and consumables from 2026-27 primarily reflects the impact of 2026-27 Key Deliverables and prior year Budget initiatives as outlined in the relevant agency chapters.
- 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.
- The increase in Borrowing costs from 2026-27 primarily reflects the forecast profile of the General Government Sector cash surplus/deficit together with forecast higher levels of debt and borrowing rates.
- The variation in Grant and subsidy expenses primarily reflects the impact of 2026-27 Key Deliverables and prior year Budget initiatives as outlined in the relevant agency chapters.
- The increase in Other expenses in 2026-27 primarily reflects Fuel Excise Relief and Global Uncertainty Response. The decrease from 2027-28 primarily reflects the impact of Operational Efficiencies.
- The variation in Other gains/(losses) primarily reflects 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.
- 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.
- The variation in Revaluation of superannuation liability reflects 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

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Financial assets						
Cash and deposits	1 416.7	1 284.6	1 388.3	1 390.3	1 252.1	1 486.2
Investments	753.4	725.7	783.9	778.7	775.6	772.6
Equity investments in PNFC and PFC sectors ¹	11 503.6	11 265.2	11 851.1	12 396.2	13 049.1	13 392.7
Other equity investments	274.8	279.9	279.9	279.9	279.9	279.9
Receivables	452.5	459.1	456.5	454.1	449.6	445.3
Contract assets	22.4	4.0	4.2	4.2	4.2	4.2
Other financial assets	1 124.1	1 094.2	1 064.4	1 048.1	1 038.6	1 031.7
	15 547.5	15 112.7	15 828.2	16 351.5	16 849.1	17 412.6
Non-financial assets						
Land and buildings ²	8 519.7	8 430.1	8 689.2	9 060.6	9 282.5	9 439.0
Infrastructure ²	8 714.2	8 792.4	9 340.5	9 889.5	10 360.0	10 747.0
Plant and equipment	384.5	372.7	394.8	384.5	366.4	353.0
Heritage and cultural assets	568.7	569.4	581.7	594.0	606.3	618.6
Investment property	4.8	4.8	4.8	4.8	4.8	4.8
Intangibles ³	125.4	111.8	208.7	253.5	288.0	302.0
Assets held for sale	8.0	7.9	7.9	7.9	7.9	7.5
Lease - right-of-use-assets	543.0	572.8	531.6	487.9	442.8	403.7
Service concession assets ⁴	376.7	377.1	338.7	300.4	262.0	223.7
Inventories	77.3	60.5	64.9	66.2	67.6	69.0
	19 322.2	19 299.4	20 162.7	21 049.2	21 688.3	22 168.3
Total Assets	34 869.7	34 412.1	35 990.9	37 400.7	38 537.4	39 580.8
Liabilities						
Borrowings ⁵	8 200.8	7 763.0	9 618.8	10 632.3	11 179.7	10 968.0
Lease liabilities	651.3	674.0	644.0	613.5	581.4	542.5
Service concession liabilities ⁴	399.1	395.3	349.7	300.7	249.6	214.9
Superannuation ⁶	7 082.1	6 526.1	6 487.8	6 436.3	6 380.7	6 306.1
Employee entitlements ⁷	1 135.4	1 142.9	1 088.7	1 111.2	1 133.7	1 157.4
Payables	348.4	401.1	403.2	399.4	385.7	375.9
Contract liabilities ⁸	643.1	530.2	658.6	627.3	454.9	631.6
Other liabilities ⁹	1 363.7	1 520.6	1 480.0	1 477.0	1 473.8	1 486.0
Total Liabilities	19 823.9	18 953.2	20 730.8	21 597.7	21 839.5	21 682.2
Net Assets	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6

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

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Equity						
Accumulated funds	5 277.6	5 602.3	4 872.7	4 942.7	5 271.7	5 802.4
Asset revaluation reserve	8 894.7	9 095.8	9 585.1	10 079.2	10 574.8	11 069.4
Other revaluation reserves	873.6	760.8	802.3	781.1	851.4	1 026.8
Total Equity	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
KEY FISCAL AGGREGATES						
NET WORTH¹⁰	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
NET FINANCIAL WORTH¹¹	(4 276.4)	(3 840.4)	(4 902.6)	(5 246.2)	(4 990.4)	(4 269.7)
NET FINANCIAL LIABILITIES¹²	15 779.9	15 105.6	16 753.7	17 642.4	18 039.5	17 662.4
NET DEBT¹³	7 081.1	6 822.0	8 440.3	9 377.5	9 983.0	9 466.5
GFS NET DEBT¹⁴	6 030.7	5 752.7	7 446.6	8 463.3	9 152.1	8 709.2

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 provided in chapter 8 of this Budget Paper.
2. The increase in Land and buildings and Infrastructure from 2027 primarily reflects growth in the State's asset base, including the commissioning of new and upgraded assets arising from the Government's Infrastructure Investment Program. Further information on infrastructure investment is provided in chapter 7 of this Budget Paper.
3. The increase in Intangibles from 2027 primarily reflects the profile of expenditure for the delivery of Digital Health Transformation, Human Resources Transformation Project and Project Unify. Further information is provided in the relevant agency chapters.
4. The decrease in Service concession assets and Service concession liabilities from the 2026 Estimated Outcome primarily reflects the amortisation and contractual arrangements in relation to the operation and maintenance of the Tasmanian Government Radio Network.
5. The increase in Borrowings from 2027 primarily reflects additional borrowings to support the General Government Sector cash deficit.
6. The decrease in Superannuation reflects the latest actuarial advice provided by the State's Actuary.
7. The decrease in Employee entitlements in 2027 reflects the 27th pay and reduction in the associated liability accrued over prior periods.
8. The variation in Contract liabilities from the 2026 Budget primarily reflects grant revenue received in advance from the Australian Government associated with National Partnership Agreements.
9. The variation in Other liabilities from the 2026 Budget primarily reflects an increase in the estimated provision for the Tasmanian Risk Management Fund which is partially offset by a reduction in the estimated provision for claims for abuse in State care as a result of the payment of compensation claims. Further information on Other liabilities is provided in chapter 8 of this Budget Paper.
10. Net Worth represents Total Assets less Total Liabilities.
11. Net Financial Worth represents Financial assets less Total Liabilities.
12. Net Financial Liabilities represents Total Liabilities less Financial assets, excluding Equity investment in PNFC and PFC sectors.
13. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments.
14. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments.

Table 5.3: General Government Cash Flow Statement

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	6 504.6	6 459.6	6 884.2	6 927.9	6 981.8	7 743.8
Taxation	1 929.9	1 985.6	2 131.9	2 257.1	2 365.0	2 472.7
Sales of goods and services	455.7	469.8	499.4	521.3	535.0	551.1
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest received	92.9	96.9	113.0	114.0	105.9	117.7
Dividend, tax and rate equivalents	235.1	254.9	270.2	305.5	329.0	487.2
Other receipts	525.5	646.4	645.5	651.5	637.3	637.2
	9 902.0	10 073.2	10 695.1	10 920.5	11 096.4	12 153.5
Cash payments for operating activities						
Employee entitlements	(4 322.5)	(4 418.6)	(4 507.0)	(4 400.3)	(4 462.5)	(4 592.8)
Superannuation	(877.7)	(917.2)	(892.9)	(881.9)	(884.0)	(910.4)
Supplies and consumables	(1 864.8)	(1 934.7)	(1 865.1)	(1 813.5)	(1 810.8)	(1 848.0)
Borrowing costs	(333.8)	(304.8)	(441.8)	(538.3)	(611.9)	(638.4)
Grants and subsidies paid	(2 542.1)	(2 423.9)	(2 501.6)	(2 145.9)	(2 075.6)	(2 381.6)
Other payments	(398.7)	(555.1)	(610.9)	(518.9)	(507.5)	(476.6)
	(10 339.7)	(10 554.3)	(10 819.3)	(10 298.9)	(10 352.4)	(10 848.0)
Net cash flows from operating activities	(437.7)	(481.1)	(124.2)	621.6	744.0	1 305.5
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(906.8)	(700.0)	(979.3)	(1 019.6)	(791.6)	(652.0)
Sales of non-financial assets	30.6	28.0	40.1	33.5	28.0	37.8
	(876.2)	(672.0)	(939.1)	(986.2)	(763.6)	(614.2)
Net cash flows from financial assets (policy purposes)						
Equity injections	(717.7)	(550.9)	(544.4)	(566.3)	(582.6)	(168.1)
Net advances paid	1.3	25.0	(56.7)	5.2	3.1	3.0
	(716.4)	(526.0)	(601.1)	(561.1)	(579.5)	(165.2)

Table 5.3: General Government Cash Flow Statement (continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	2.5	2.3	(0.8)	(0.1)	(0.1)	(0.2)
	2.5	2.3	(0.8)	(0.1)	(0.1)	(0.2)
Net cash flows from investing activities	(1 590.1)	(1 195.7)	(1 541.0)	(1 547.4)	(1 343.2)	(779.6)
Net cash flows from financing activities						
Net borrowing	2 113.1	1 628.5	1 768.9	927.8	461.1	(291.8)
	2 113.1	1 628.5	1 768.9	927.8	461.1	(291.8)
Net increase/(decrease) in cash held	85.4	(48.3)	103.7	2.0	(138.2)	234.2
Cash at the beginning of the year	1 331.4	1 332.8	1 284.6	1 388.3	1 390.3	1 252.1
Cash at the end of the year	1 416.7	1 284.6	1 388.3	1 390.3	1 252.1	1 486.2
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	(437.7)	(481.1)	(124.2)	621.6	744.0	1 305.5
Plus Net cash flows from non-financial assets	(876.2)	(672.0)	(939.1)	(986.2)	(763.6)	(614.2)
Equals CASH SURPLUS/(DEFICIT)	(1 313.9)	(1 153.1)	(1 063.3)	(364.5)	(19.7)	691.3

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, expenses 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.

Further information in relation to the 2026-27 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 information in relation to Budget revenue estimates;
- chapter 7 of this Budget Paper includes information on Government infrastructure investment;
- Budget Papers No. 2 and No. 3 include information on agency revenues, expenditure and investment in infrastructure; and
- Budget Paper No. 4 includes summary information on Election Commitments and Operational Efficiencies.

Policy Decision

For the purpose of the PPS, a policy decision 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 Adjustment

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

Parameter adjustments 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. Adjustments 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 adjustments.

Parameter adjustments relating to demand and cost variations in agency service delivery are listed separately, with other variations listed as Administrative Parameter Adjustments. Administrative Parameter Adjustments include increases in expenditure associated with indexation, Australian Government grants and expenditure from Specific Purpose Accounts.

Table 5.4 provides a summary of the policy and parameter changes detailed in Table 5.5 that have impacted the formulation of the 2026-27 Budget since the 2025-26 Budget.

Table 5.4: Summary Policy and Parameter Statement, 2025-26 to 2029-30

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Forward Estimates (Net Operating Balance) as per the 2025-26 Budget (A)	(1 008.0)	(807.6)	(293.5)	5.6	....
Forward Estimates (Fiscal Balance) as per the 2025-26 Budget (B)	(1 352.1)	(1 125.0)	(505.9)	(152.4)	....
REVENUE					
Policy Decisions	....	1.2	3.5	3.5	....
Parameter Adjustments	217.0	598.5	750.6	613.3	....
TOTAL REVENUE ADJUSTMENTS (C)	217.0	599.7	754.1	616.8	....
EXPENSES					
Policy Decisions	44.5	58.7	(165.2)	(257.8)	(285.5)
Parameter Adjustments	87.9	330.2	433.1	444.1	....
TOTAL EXPENSE ADJUSTMENTS (D)	132.3	388.8	267.9	186.3	....
NET OPERATING BALANCE (A+C-D)	(923.3)	(596.7)	192.8	436.0	622.0
Less NET ACQUISITION OF NON-FINANCIAL ASSETS					
Purchases of non-financial assets					
Policy Decisions	....	30.6	19.8	20.3	24.0
Parameter Adjustments	(207.2)	49.1	188.2	(3.3)	....
	(207.2)	79.7	208.1	17.0	....
Less Sale of non-financial assets					
Policy Decisions	....	....	....	....	....
Parameter Adjustments	(3.2)	8.1	3.4	(1.5)	....
	(3.2)	8.1	3.4	(1.5)	....
Less Depreciation - Total Parameter Adjustments	5.6	13.0	17.7	21.3	....
TOTAL NET ACQUISITION OF NON-FINANCIAL ASSETS ADJUSTMENTS (E)	(209.6)	58.5	187.0	(2.8)	....
FISCAL BALANCE (B+C-D-E)	(1 057.8)	(972.7)	(206.6)	280.8	635.2

Note:

- Parameter adjustments for 2029-30 are not reflected, as the 2029-30 Forward Estimate was not published in the 2025-26 Budget. However, policy decisions are reflected to show their full impact on the Budget and Forward Estimates.

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Forward Estimates (Net Operating Balance) as per the 2025-26 Budget (A)	(1 008.0)	(807.6)	(293.5)	5.6	....
Forward Estimates (Fiscal Balance) as per the 2025-26 Budget (B)	(1 352.1)	(1 125.0)	(505.9)	(152.4)	....
Revenue from transactions					
Policy Decisions					
Police - Firearms and Academy Revenue	....	1.2	0.5	0.5	0.5
Service Tasmania - Administrative Fee	....	....	3.0	3.0	3.0
Total Policy Decisions	....	1.2	3.5	3.5	3.5
Parameter Adjustments					
Taxation					
Conveyance Duty	47.1	39.2	64.6	67.2	....
Government Guarantee Fees	(2.2)	0.4	0.2	(5.1)	....
Gambling Taxes					
Annual Wagering Levy ²	....	....	....	....	....
General Casino Tax and Licence Fees	....	0.3	0.5	0.7	....
Keno Operator and Licence Fees	....	0.2	0.4	0.6	....
Lottery Tax	....	(0.4)	(1.2)	(2.1)	....
Point of Consumption Wagering Tax	....	0.4	0.7	1.0	....
Venue Tax and Licence Fees	....	1.2	2.3	3.3	....
Insurance Duty	(2.7)	(2.0)	1.4	3.1	....
Land Tax	8.3	0.5	(0.7)	(2.0)	....
Motor Vehicle Fees and Taxes					
Motor Tax	1.5	1.5	1.6	1.7	....
Motor Vehicle Duty	1.4	1.8	2.3	2.7	....
Motor Vehicle Fire Levy	....	0.2	0.5	0.8	....
Payroll Tax	1.7	3.1	4.8	6.6	....
Vehicle Registration Fees	(1.1)	(0.8)	(0.6)	(0.2)	....
Total Taxation	54.0	45.6	76.7	78.1	....
Dividend, tax and rate equivalent income					
Dividend for Mersey Community Hospital					
Tasmanian Public Finance Corporation	....	0.1	....	....	....
	....	0.1	....	....	....
Dividend income					
Aurora Energy Pty Ltd	1.5	....	....	....	....
Hydro Tasmania	....	(23.4)	33.3	(35.4)	....
Motor Accidents Insurance Board	....	5.6	15.5	10.6	....
Public Trustee	0.3	0.4	....	0.5	....
Tasmanian Networks Pty Ltd	....	1.3	(32.3)	(36.9)	....
Tasmanian Ports Corporation Pty Ltd	0.2	8.5	(6.2)	(1.0)	....

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Dividend income (continued)					
Tasmanian Public Finance Corporation	....	9.3	(0.5)	(0.7)	....
	2.0	1.7	9.7	(62.9)	....
Income tax equivalents					
Hydro Tasmania	(11.2)	15.8	(16.8)	(44.4)	....
Motor Accidents Insurance Board	14.4	(1.0)	(1.0)	(0.2)	....
Public Trustee	0.1	....	0.2	0.2	....
Tasmanian Networks Pty Ltd	14.1	(17.3)	(19.6)	(12.9)	....
Tasmanian Ports Corporation Pty Ltd	4.2	(2.4)	(0.1)	....	....
Tasmanian Public Finance Corporation	4.0	(0.2)	(0.3)	(0.1)	....
	25.7	(5.0)	(37.6)	(57.4)	....
Rates equivalent payments					
Hydro Tasmania	(0.1)	....	....	....	....
	(0.1)	....	....	....	....
Total Dividend, tax and rate equivalent income	27.6	(3.2)	(28.0)	(120.3)	....
Interest income	3.8	19.6	17.6	9.2	....
Australian Government Grants					
General Purpose Payments					
GST Revenue	53.3	225.0	250.4	253.2	....
	53.3	225.0	250.4	253.2	....
National Agreements					
Better and Fairer Schools Agreement - Full and Fair Funding	5.1	7.7	8.8	9.1	....
National Agreement on Foundational Supports	....	5.9	5.9	5.9	....
National Health Reform Agreement	3.1	161.8	177.0	187.8	....
National Skills Agreement	(15.8)	(10.3)	6.2	18.8	....
	(7.6)	165.0	197.8	221.5	....
National Partnership Payments					
Affordable Housing, Community Services and Other	(0.4)	4.3	1.0	0.3	....
Education	2.5	14.4	20.2	12.0	....
Environment	0.7	3.1	4.1	....	....
Health	(3.2)	22.6	3.3	2.5	....
Infrastructure	(7.5)	(2.2)	99.5	37.4	....
Natural Disaster Relief and Recovery Arrangements	1.6	10.6	5.0	....	....
Other Services	....	0.2	0.1	....	....

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
National Partnership Payments (continued)					
Skills and Workforce Development	(0.3)	2.4	2.9	5.4	....
	(6.7)	55.4	136.0	57.5	....
Other Australian Government Grants	32.0	30.3	28.1	29.1	....
Total Australian Government Grants	71.0	475.6	612.4	561.3	....
Agency Revenue					
Brand Tasmania ²	....	....	....	....	....
Education, Children and Young People	(0.6)	(0.6)	(0.5)	(0.7)	....
Environment Protection Authority	(3.1)	(3.1)	(3.1)	(3.1)	....
Finance-General	(1.3)	(3.5)	(3.0)	(2.7)	....
Health	8.9	20.9	32.5	43.1	....
Inland Fisheries Service	....	....	(0.1)	(0.2)	....
Justice	0.7	1.5	1.8	0.6	....
Marine and Safety Tasmania ²	....	....	....	....	....
Natural Resources and Environment Tasmania	12.9	2.7	1.9	1.6	....
Office of the Ombudsman	....	0.2	0.2	0.2	....
Police, Fire and Emergency Management	16.8	16.8	16.8	16.8	....
Premier and Cabinet	(0.2)	....	....	....	....
Royal Tasmanian Botanical Gardens	....	(0.3)	(0.4)	(0.6)	....
State Fire Commission	....	1.8	1.9	2.0	....
State Growth	27.6	26.2	25.7	29.7	....
TasTAFE	(1.5)	(2.4)	(2.6)	(2.7)	....
Tourism Tasmania	(0.6)	(1.2)	(0.2)	(0.2)	....
Treasury and Finance	1.0	1.9	0.9	0.9	....
Total Agency Revenue	60.5	60.9	71.8	85.0	....
Total Parameter Adjustments	217.0	598.5	750.6	613.3	....
TOTAL REVENUE FROM TRANSACTIONS ADJUSTMENTS (C)	217.0	599.7	754.1	616.8	....
Expenses from transactions					
Policy Decisions					
Agency Expenditure					
Brand Tasmania					
Operational Efficiencies	....	(0.1)	(0.1)	(0.2)	(0.2)
	....	(0.1)	(0.1)	(0.2)	(0.2)

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Education, Children and Young People					
Operational Efficiencies	(25.0)	(50.0)	(75.0)	(78.2)
Ashley Youth Detention Centre (AYDC) - Salaries	2.1	2.0	2.0	....	....
Child Safety Workforce Incentives	1.5	1.5	....	....
Foster and Kinship Carer Allowances	2.0	2.0	2.0	2.0
Key Workers for Children in Care	2.5	5.0	7.0	7.0
Out of Home Care Increase	34.5	36.4	27.3	18.2	18.2
Youth Housing	2.5	2.5	2.5	2.5
	36.5	21.9	(9.7)	(45.3)	(48.5)
Finance-General					
2025 Election Commitments	2.0	2.0	....	....
First Home Owner Grant Boost Extension	7.8	3.1	....	....
Fuel Excise Relief and Global Uncertainty Response	15.0	....	....	....
TasNetworks - Project Marinus - Relief for Existing Direct Connected Customers	1.4	3.7	4.5	6.5
TasWater - Hobart Sewer Main Realignment	24.0	6.0	....	....
	50.2	14.8	4.5	6.5
Health					
2025 Election Commitments	38.8	36.8	32.5	30.5
Operational Efficiencies	(131.4)	(186.7)	(191.0)	(193.4)
Baptcare - Choices Packages of Care	0.7	....	....	....
Bulkbilling GP Clinics offset - Cease GP Practice Support Programs	(4.0)	(4.0)	(2.0)	(2.0)
Cancer Council Tasmania - North West Tasmania Cancer Supportive Care	0.3	....	....	....
Cancer Council Tasmania - SunSmart Schools Program ³
Cancer Council Tasmania - Youth-Focused Campaign to tackle Nicotine Addiction	0.3	0.3	....	....
Colony 47 Inc. trading as Home Base	0.3	....	....	....
Community Transport Services Tasmania - Transport for Young People	0.4	....	....	....
FightMND Support	0.3	0.1	0.1	....
Health Consumers Tasmania - Better Health for Dorset	0.2	0.1	....	....
Huntington's Australia	0.1	0.1	....	....
Internal Funding Reallocation - from CHaPS, Health Demand and GP Scholarships	(8.9)	(8.0)	(8.0)
Lifeline Tasmania	0.9	0.4	....	....
Men's Table Ongoing Annual Support ³

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Health (continued)					
Mental Health Council of Tasmania	0.2	0.2	0.2	0.2
Mental Health Council of Tasmania - Building Workforce Capability	0.2	0.2	....	....
Mental Health Lived Experience Tasmania ³
Motor Neurone Disease Association of Tasmania	0.1	0.1	0.1	....
Movember Foundation - Mental Health Program Support	0.1	....	....	....
Operational Efficiency Offset to support The Health Revolution Strategy	(5.0)	(5.0)	(5.0)	(5.0)
Operationalisation of the Third LINAC at the W.P. Holman Clinic, Royal Hobart Hospital	2.0	4.2	4.3	4.5
Operationalising Australian Government funded Aged Care Beds	0.7	2.5	2.6	2.7
Pathways Tasmania Ltd - Velocity Transformations	0.2	....	....	....
Relationships Australia Tasmania - Albie House	0.1	0.1	....	....
Relationships Australia Tasmania - Stay ChatTY	0.2	....	....	....
Richmond Futures - Mental Health Homelessness Outreach Program - North West	0.2	....	....	....
Rural Alive & Well Incorporated - Stay Afloat Program and Rural Community Engagement and Support Service	1.1	....	....	....
The Hive Counselling Inc - Restore Program	0.2	....	....	....
The Salvation Army - Street Teams	0.2	....	....	....
Youth Live4Life	0.2	0.2	0.2	0.2
	(92.5)	(159.4)	(166.0)	(170.3)
Inland Fisheries Service					
Additional IFS Support	0.2	0.2	0.2
	0.2	0.2	0.2
Integrity Commission					
Resourcing for amendments to the <i>Integrity Commission Act 2009</i>	0.5	0.5	0.5	0.5
	0.5	0.5	0.5	0.5
Justice					
Operational Efficiencies	(7.4)	(17.5)	(21.3)	(21.3)
Historical Forced Adoption Redress Scheme	4.0	....	....	....
Keeping Women Safe	0.5	....	....	....
	(3.0)	(17.5)	(21.3)	(21.3)

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Legislature-General					
Motion for respect and Independent Complaints					
Commissioner	0.1	0.1	0.1	0.1
Parliament Audio and Broadcasting System	0.1	0.1	0.1	0.1
	0.2	0.2	0.2	0.2
Ministerial and Parliamentary Support					
Operational Efficiencies	(0.5)	(0.5)	(0.5)	(0.5)
	(0.5)	(0.5)	(0.5)	(0.5)
Natural Resources and Environment Tasmania					
2025 Election Commitments	1.7	0.2	0.2	....
Operational Efficiencies	(4.9)	(14.0)	(20.0)	(20.1)
Digitisation for Wild Catch Fisheries	0.2	....	....	....
Fishery Compliance and Enforcement	0.1	0.2	0.2	0.2
Greyhound Racing Transition	1.5	1.5	1.6	0.2
Marine Environment Tasmania Act	0.5	....	....	....
Natural Resource Management (NRM) bodies	0.6	0.6	0.6	0.6
Peri-Urban Deer Program	0.8	....	....	....
Weeds Action Fund	0.1	....	....	....
	0.6	(11.5)	(17.5)	(19.1)
Office of the Ombudsman					
Office of the National Preventive Mechanism	0.2	0.4	....	....
Resourcing for the Custodial Inspector	0.2	....	....	....
	0.4	0.4	....	....
Police, Fire and Emergency Management					
Operational Efficiencies	(8.1)	(12.8)	(25.8)	(25.8)
Firearm Reform and Gun Buyback Scheme	5.0	....	....	....
	(3.1)	(12.8)	(25.8)	(25.8)
Premier and Cabinet					
2025 Election Commitments	2.5	0.3	0.3	0.3
Operational Efficiencies	(15.2)	(17.9)	(9.0)	(5.8)
Council on the Ageing Tasmania	0.4	....	....	....
Macquarie Point - Grant Deed Adjustment	(0.1)	(0.1)	(0.1)	(0.1)
Macquarie Point - Independent Probity Advisor	0.1	0.1	0.1	0.1
Macquarie Point - Operating Funding	1.5	3.5	8.5	8.5
Migrant Resource Centre Tasmania	0.1	....	....	....
National Agreement on Foundational Supports -					
Thriving Kids - State Contribution	8.4	8.4	8.4	8.4
Service Tasmania	3.0	3.0	....	....	....
Service Tasmania - Administrative Fee	3.0	3.0	3.0
State Visit - March 2026	0.3	....	....	....	....

**Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)**

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Premier and Cabinet (continued)					
Tasmanian Agricultural Shows - AGFEST	0.3	0.3	....	....
Therapeutic Services in Arch Centres	0.9	0.9	....	....
Welcome Cultural Services (Migrant Resource Centre North)	0.1	....	....	....
	3.3	1.8	(1.5)	11.2	14.4
State Growth					
2025 Election Commitments	11.3	7.9	20.5	5.5
Operational Efficiencies	(16.4)	(67.8)	(69.3)	(76.7)
Automated Traffic Enforcement	1.5	....	....	....
Cape Barren Island	0.3	0.3	0.3	0.3
Common Ticketing - Project Costs	5.2	3.9	....	....
Creative Industries	1.0	2.0	3.0	4.0
Cricket Infrastructure Support	2.3	....	....	....
Cricket Tasmania support	0.7	2.7	4.8	4.8
Digital Technology	0.1	0.1	0.1	0.1
Eastern Shore Pickleball Club	0.4	....	....
Events Funding Existing Contracted Commitments	5.1	5.6	6.4	3.2
Events Tasmania Funding	1.9	18.3	21.7	24.3
Funding support for sporting organisations	2.9	5.5	....	....
Homes Tasmania - address increasing Property Holding costs	1.7	5.0	....	....	....
Homes Tasmania - Jireh House	0.1	0.1	0.1	0.1
Homes Tasmania - McCombe House	0.2	0.2	0.2	0.2
Homes Tasmania - Social Housing Maintenance Fund	0.5	1.0	....	....	....
Kingborough Sporting Precinct (Community Infrastructure)	18.0	7.0	....	....
Launceston Convention Centre Support	5.0	5.0	....	....
Major Sporting Partnerships	4.9	4.4	4.3
Pembroke Park	2.1	....	....
Public Transport Relief	2.5	16.0	8.0	....	....
Regional community sports facility infrastructure plans	0.3	0.3	0.3	....
Remote Indigenous Housing Funding - Cape Barren and Flinders Island	0.5	....	....	....
South Launceston Football Club Infrastructure Upgrades	0.1	....	....	....
Sports funding framework	0.1	0.1	....
Stadiums Tasmania	4.0	4.0	4.0

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
State Growth (continued)					
Strategic Business Support	....	7.0	....	....	....
Taroona Bowls Club	....	0.3	....	....	....
Ticketing and Passenger Transport Systems - operational funding	....	4.7	4.6	....	....
Trade Strategy 2030	....	2.7	2.9	....	....
West Coast Wilderness Railway	....	7.7	11.1	5.4	4.1
	4.6	84.1	29.1	1.9	(21.8)
Tourism Tasmania					
2025 Election Commitments	....	....	8.0	8.0	8.0
Operational Efficiencies	....	(1.1)	(3.1)	(4.5)	(4.5)
	....	(1.1)	4.9	3.5	3.5
Treasury and Finance					
Operational Efficiencies	....	(0.8)	(2.2)	(3.1)	(3.1)
Independent review of Fiscal Strategy progress	....	0.1	0.1	0.1	0.1
Operational Efficiency Offset to support Independent review of Fiscal Strategy	....	(0.1)	(0.1)	(0.1)	(0.1)
	....	(0.8)	(2.2)	(3.1)	(3.1)
Total Policy Decisions	44.5	58.7	(165.2)	(257.8)	(285.5)
Parameter Adjustments					
Borrowing costs	(1.1)	(14.9)	(10.1)	(20.8)	....
Depreciation	5.6	13.0	17.7	21.3	....
Nominal superannuation interest expense	(2.2)	6.0	5.6	5.4	....
Agency Expenditure					
Brand Tasmania					
Administrative Parameter Adjustments ²	....	....	....	....	....

Education, Children and Young People					
Advice and Referral Line	3.0	3.0	2.1	....	....
Asbestos Event 2025 (Coloured Sand)	0.6	....	....	....	....
Ashley Youth Detention Centre - Stabilisation costs	1.6	....	....	....	....
Ashley Youth Detention Centre - Stood Down Staff	2.0	....	....	....	....
Civil Litigation costs - Ashley Youth Detention Centre	2.6	....	....	....	....
Early Childhood Inclusion Service (ECIS)	....	3.2	....	....	....
Education Regulation Salaries	1.0	....	....	....	....

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Education, Children and Young People (continued)					
Educational Adjustments Disability Funding Model	5.5	....	....	....	....
Non-Government Schools - State-funded General Education Grant	1.2	1.3	1.5	1.6	....
Property Ownership and Management	5.0	....	....	....	....
Workers' compensation costs	2.5	....	....	....	....
Administrative Parameter Adjustments	10.7	20.9	20.4	6.6	....
	35.7	28.4	24.0	8.2	....
Environment Protection Authority					
Emergency management incidents and legal costs	0.1	....	....	....	....
Human Health Risk Assessment for MMG Rosebery	0.2	....	....	....	....
Human Health Risk Assessment for Nyrstar/Lutana and Eastern Shore	0.6	....	....	....	....
Administrative Parameter Adjustments	0.5	0.6	0.7	0.5	....
	1.5	0.6	0.7	0.5	....
Finance-General					
2024-25 Productivity and Efficiency Measure	....	....	150.0	150.0	....
Administrative Parameter Adjustments	(13.4)	(74.9)	(64.1)	(54.8)	....
	(13.4)	(74.9)	85.9	95.2	....
Health					
Health demand and cost pressures	18.8	....	....	....	....
Administrative Parameter Adjustments	69.3	209.4	230.5	245.2	....
	88.1	209.4	230.5	245.2	....
House of Assembly					
Administrative Parameter Adjustments	1.8	1.7	1.7	1.7	....
	1.8	1.7	1.7	1.7	....
Inland Fisheries Service					
Administrative Parameter Adjustments	....	....	0.1	0.1	....
	....	....	0.1	0.1	....
Integrity Commission					
Administrative Parameter Adjustments ²	....	....	....	....	....

Justice					
Community Corrections - increasing demand and case complexity	....	2.4	2.4	2.4	....
Crown Law - increased demand	1.0	1.0	1.0	0.8	....
Just Healthy Families Program	0.3	....	....	....	....

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Justice (continued)					
Magistrates Court - increased demand and cost pressures	2.1	2.2	2.0	2.0	....
Office of the Public Guardian	0.6	0.3	0.4	0.4	....
TASCAT	....	1.0	1.0	1.0	....
Tasmania Prison Service - Cost Pressures	14.0	40.0	30.0	20.0	....
Administrative Parameter Adjustments	10.4	2.7	(1.8)	(1.0)	....
	28.4	49.5	35.0	25.5	....
Legislative Council					
Member for Hobart Regional Office					
Establishment costs	0.1	....	....	....	....
Settlement of Employee Entitlements	0.1	....	....	....	....
Administrative Parameter Adjustments	0.7	0.7	0.7	0.7	....
	0.9	0.7	0.7	0.7	....
Legislature-General					
Electorate office costs	0.1	0.1	0.1	0.1	....
Joint Select Committee on Energy Matters					
specialist advisor	0.2	....	....	....	....
Production of Hansard	0.4	....	....	....	....
Roof restoration - Parliament House	0.2	....	....	....	....
Settlement of Employee Entitlements	0.2	....	....	....	....
Administrative Parameter Adjustments ²	....	....	....	....	....
	1.0	0.1	0.1	0.1	....
Marine and Safety Tasmania					
Administrative Parameter Adjustments	2.4	0.1	....	....	....
	2.4	0.1	....	....	....
Ministerial and Parliamentary Support					
Support for Members of the House of Assembly	4.5	2.0	....	....	....
Support for Ministers and certain Parliamentary Office Holders	3.7	3.0	3.0	3.0	....
Administrative Parameter Adjustments	....	0.1	0.1	0.2	....
	8.2	5.1	3.1	3.2	....
Natural Resources and Environment Tasmania					
2024 Storm Disaster Response	1.5	....	....	....	....
Bushfire Winching	....	0.7	0.7	0.7	....
Commonwealth/State Industry Fund (CSIF)	2.0	....	....	....	....
Crown Land Rates - Future Potential Production					
Forest Land Rates	0.9	....	....	....	....
Crown Land Transaction Turnaround Time	1.1	....	....	....	....
Highly Pathogenic Avian Influenza (HPAI)					
Preparedness	0.4	....	....	....	....

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Natural Resources and Environment Tasmania					
(continued)					
Potato Mop Top Virus (PMTV)	0.4	....	....	....	....
Royal Tasmanian Botanical Gardens safety risk remediation	0.2	....	....	....	....
TARFish	....	0.1	....	....	....
Wildfire Suppression	1.5	....	....	....	....
Administrative Parameter Adjustments	15.1	21.6	10.3	7.8	....
	23.1	22.4	11.0	8.5	....
Office of the Director of Public Prosecutions					
Administrative Parameter Adjustments	0.1	....	....	....	....
	0.1	....	....	....	....
Office of the Governor					
Administrative Parameter Adjustments	....	0.1	0.1	0.1	....
	....	0.1	0.1	0.1	....
Office of the Ombudsman					
Administrative Parameter Adjustments	(0.1)	0.3	0.2	0.2	....
	(0.1)	0.3	0.2	0.2	....
Police, Fire and Emergency Management					
Support for Injured Workers	15.0	15.0	15.0	15.0	....
Administrative Parameter Adjustments	(36.7)	(39.3)	(43.2)	(39.9)	....
	(21.7)	(24.3)	(28.2)	(24.9)	....
Premier and Cabinet					
2025 Election Commitments	....	2.3	(2.3)	....	....
Aboriginal Employment Strategy	0.3	....	....	....	....
Closing the Gap Capacity Building Grant funding	....	0.5	....	....	....
Community Services grant funding	1.6	1.7	....	....	....
Dolphin Sands and St Helens - Bushfire Recovery	6.0	....	....	....	....
Family Violence Secretariat	1.1	....	....	....	....
Independent Reviews	1.2	....	....	....	....
Motion for Respect	0.2	....	....	....	....
National Disability Insurance Scheme - State Contribution for new Bilateral Agreement	....	....	....	6.0	....
Office of the Senior Practitioner - casual positions	0.3	....	....	....	....
Regional Recovery Officers	0.2	....	....	....	....
Shared Capability and Centralised Investigations Unit	1.2	....	....	....	....
State Service Management Office Support	0.4	....	....	....	....

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Premier and Cabinet (continued)					
Support Services for Government, Ministerial Parliamentary Offices and Office of the Governor	2.5	2.0	2.0	2.0	....
Tasmanian Agricultural Shows	0.5	....	....	....	....
The Islander Way - Flinders Island ²	....	....	....	....	....
Yemaya - Respectful Relationships Training	0.3	....	....	....	....
Administrative Parameter Adjustments	(16.7)	11.5	11.1	4.7	....
	(1.0)	18.0	10.8	12.6	....
Royal Tasmanian Botanical Gardens					
Administrative Parameter Adjustments	0.1	0.6	(0.4)	(0.5)	....
	0.1	0.6	(0.4)	(0.5)	....
State Fire Commission					
Administrative Parameter Adjustments	9.3	10.2	12.6	11.9	....
	9.3	10.2	12.6	11.9	....
State Growth					
Common Ticketing and related passenger transport systems - operational funding	1.9	....	....	....	....
Homes Tasmania - Information Technology and Management Services - Supporting Key Government Initiatives	1.0	....	....	....	....
Administrative Parameter Adjustments	(78.0)	80.7	29.5	53.6	....
	(75.1)	80.7	29.5	53.6	....
Tasmanian Audit Office					
Administrative Parameter Adjustments ²	....	....	....	....	....

TasTAFE					
Administrative Parameter Adjustments	(2.6)	(1.6)	1.5	(4.6)	....
	(2.6)	(1.6)	1.5	(4.6)	....
Tourism Tasmania					
Administrative Parameter Adjustments	(0.5)	(1.2)	0.1	0.2	....
	(0.5)	(1.2)	0.1	0.2	....
Treasury and Finance					
Administrative Parameter Adjustments	(0.7)	0.2	0.9	0.9	....
	(0.7)	0.2	0.9	0.9	....
Total Agency Expenditure	85.6	326.1	419.9	438.2	....
Total Parameter Adjustments	87.9	330.2	433.1	444.1	....
TOTAL EXPENSES FROM TRANSACTIONS ADJUSTMENTS (D)	132.3	388.8	267.9	186.3	....

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
NET OPERATING BALANCE (A+C-D)	(923.3)	(596.7)	192.8	436.0	622.0
Less NET ACQUISITION OF NON-FINANCIAL ASSETS					
Purchases of non-financial assets from transactions					
Policy Decisions					
Finance-General					
Digital Transformation Priority Expenditure Program	....	3.5	1.6	....	....
	....	3.5	1.6	....	....
Health					
2025 Election Commitments	....	0.7	1.0	9.5	15.9
Bluegum Health Transformation	....	22.0	23.2	20.0	20.0
	....	22.7	24.2	29.5	35.9
Inland Fisheries Service					
IFS Capital Equipment	....	0.2	....	....	....
	....	0.2	....	....	....
Legislature-General					
Disability Access	....	1.0	....	....	....
Parliament Audio and Broadcasting System	....	3.0	....	....	....
	....	4.0	....	....	....
State Growth					
Operational Efficiencies	....	(4.8)	(7.0)	(10.2)	(11.9)
Derwent Ferry Terminal Upgrades	....	5.0	....	....	....
Elphin Sports Centre	....	....	1.1	1.1	....
	....	0.2	(6.0)	(9.2)	(11.9)
Total Policy Decisions	....	30.6	19.8	20.3	24.0
Parameter Adjustments					
Education, Children and Young People	(13.2)	(83.0)	116.4	9.6	....
Environment Protection Authority	(1.3)	1.3	....	....	....
Finance-General	(13.4)	(0.5)	4.2	(3.7)	....
Health	(59.2)	39.0	(26.0)	(24.7)	....
Inland Fisheries Service	....	0.3	....	....	....
Justice	(16.9)	2.0	20.0	2.0	....
Marine and Safety Tasmania	(3.1)	3.8	....	....	....
Natural Resources and Environment Tasmania	(13.9)	14.5	(0.4)	(0.4)	....
Office of the Governor	(3.3)	2.4	1.0	....	....

Table 5.5: Policy and Parameter Statement, 2025-26 to 2029-30
(continued)

	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate ¹
	\$m	\$m	\$m	\$m	\$m
Parameter Adjustments (continued)					
Police, Fire and Emergency Management	(38.6)	(4.9)	(22.2)	(8.8)	....
Royal Tasmanian Botanical Gardens	0.1	....	....	....	....
State Fire Commission	0.8	6.5	2.1	(0.1)	....
State Growth	(33.9)	54.6	75.5	22.8	....
TasTAFE	(6.2)	12.7	13.2	(0.3)	....
Tourism Tasmania	0.1	....	....	....	....
Treasury and Finance	(5.3)	0.5	4.5	0.3	....
Total Parameter Adjustments	(207.2)	49.1	188.2	(3.3)	....
Total Purchases of non-financial assets from transactions (E)	(207.2)	79.7	208.1	17.0	....
Total Gain/ (loss) on Sale of non-financial assets					
Parameter Adjustments	(3.2)	8.1	3.4	(1.5)	....
Less Total Sale of non-financial assets from transactions (F)	(3.2)	8.1	3.4	(1.5)	....
Depreciation - Total Parameter Adjustments (G)	5.6	13.0	17.7	21.3	....
TOTAL NET ACQUISITION OF NON-FINANCIAL ASSETS FROM TRANSACTIONS ADJUSTMENTS (H) (E-F-G)	(209.6)	58.5	187.0	(2.8)	....
FISCAL BALANCE (B+C-D-H)	(1 057.8)	(972.7)	(206.6)	280.8	635.2

Notes:

1. Parameter adjustments for 2029-30 are not reflected, as the 2029-30 Forward Estimate was not published in the 2025-26 Budget. However, policy adjustments are reflected to show their full impact on the 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 the Key Deliverables section of the relevant agency chapter in Budget Paper No. 2.

PUBLIC ACCOUNT RECEIPTS AND EXPENDITURE ESTIMATES

Tables 5.6 and 5.7 present the total Receipts and Expenditure of the Public Account for the 2026-27 Budget and Forward Estimates. Estimated receipts are categorised 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 Financial Management Act. General Government Sector financial statements required under section 19(1)(c) are published later 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

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
General Receipts						
Australian Government Sources	4 690.5	4 748.9	5 089.9	5 186.2	5 403.9	5 682.5
State Sources	2 410.4	2 538.3	2 713.9	2 858.1	2 968.2	3 239.7
	7 100.9	7 287.2	7 803.8	8 044.3	8 372.1	8 922.2
Specific Purpose Accounts	4 443.2	4 530.1	4 429.2	4 122.3	3 863.3	4 283.0
Statutory Authorities	313.3	310.0	324.3	332.3	330.2	343.2
Total Receipts (Excluding Borrowings)	11 857.4	12 127.3	12 557.3	12 498.9	12 565.6	13 548.5
Borrowing Receipts	2 508.2	2 101.4	1 799.8	1 424.2	1 408.9	529.3
Total Receipts	14 365.6	14 228.7	14 357.1	13 923.2	13 974.4	14 077.7

Table 5.7: Public Account Expenditure

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Annual Appropriation						
Operating Services Expenditure	8 265.8	8 091.6	8 450.8	7 857.1	7 931.2	7 809.0
Capital Services Expenditure	618.1	478.7	716.8	720.3	516.8	395.3
	8 883.9	8 570.3	9 167.6	8 577.4	8 448.0	8 204.2
Reserved by Law	595.0	639.4	479.4	487.1	482.0	505.2
Specific Purpose Accounts	4 087.0	4 357.1	4 249.2	4 105.5	4 002.1	4 058.7
Statutory Authorities	361.4	352.6	355.8	347.0	329.5	333.4
Total Expenditure (Excluding Borrowings)	13 927.2	13 919.5	14 252.1	13 517.1	13 261.6	13 101.5
Borrowings Repayments	352.0	356.5	0.2	403.0	850.0	741.0
Total Expenditure	14 279.3	14 276.0	14 252.3	13 920.1	14 111.6	13 842.5

SPECIFIC PURPOSE ACCOUNTS ESTIMATED RECEIPTS AND EXPENDITURE FOR 2026-27

Table 5.8 provides estimated receipts and expenditure and associated balances for each Specific Purpose Account for 2026-27, 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. Receipts 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 2026-27

	Estimated	2026-27 Budget		Estimated
	Balance	Estimates		Balance
	30 June			30 June
	2026	Receipts	Expenditure	2027
	\$m	\$m	\$m	\$m
Brand Tasmania				
Agency Financial Management Account	0.9	0.1	0.1	1.0
Education, Children and Young People				
Agency Financial Management Account	30.9	102.7	108.2	25.5
Department of Education School Banking Account	62.2	144.7	140.3	66.6
	93.1	247.4	248.5	92.1
Environment Protection Authority				
Agency Financial Management Account	15.7	8.7	8.9	15.5
Finance-General				
Agency Financial Management Account	10.2	80.8	80.5	10.5
Australian Government Funding Management Account	511.3	885.0	757.1	639.1
Government Car Fleet Account	17.8	63.6	68.1	13.3
Home Warranty Insurance Scheme Account	....	1.0	1.0	....
Rosetta Landslip Account	1.0	0.1	....	1.1
Tasmanian Risk Management Fund	713.3	333.2	254.4	792.1
Unclaimed Moneys Account	68.3	3.6	0.5	71.3
	1 321.9	1 367.2	1 161.6	1 527.5
Health				
Agency Financial Management Account	....	1 481.9	1 481.9	....
Private Patient Account	2.6	40.3	39.0	4.0
	2.6	1 522.3	1 521.0	4.0

Table 5.8: Specific Purpose Accounts Estimated Receipts and Expenditure for 2026-27 (continued)

	Estimated	2026-27 Budget		Estimated
	Balance	Estimates		Balance
	30 June	Receipts	Expenditure	30 June
	2026			2027
	\$m	\$m	\$m	\$m
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	42.1	84.8	94.9	32.0
Asbestos Compensation Fund	45.0	11.3	7.3	48.9
Local Government and Other Elections Account	0.3	5.4	5.4	0.3
Workers Rehabilitation and Compensation Fund	6.8	13.6	13.4	6.9
	94.2	115.1	121.1	88.1
Legislative Council				
Agency Financial Management Account	....	0.1	0.1	....
Legislature-General				
Agency Financial Management Account	0.1	4.6	4.6	0.1
Ministerial and Parliamentary Support				
Agency Financial Management Account	0.5	1.7	1.7	0.5
Natural Resources and Environment Tasmania				
Agency Financial Management Account	51.3	135.2	142.7	43.8
Crown Lands Administration Fund	71.8	6.9	6.6	72.2
Waste and Resource Recovery Account	7.4	18.7	23.6	2.5
	130.5	160.8	172.8	118.5
Office of the Director of Public Prosecutions				
Agency Financial Management Account	4.3	1.6	1.7	4.2
Office of the Governor				
Agency Financial Management Account	0.3	0.7	0.7	0.3
Office of the Ombudsman				
Agency Financial Management Account	0.5	1.3	1.3	0.5
Police, Fire and Emergency Management				
Agency Financial Management Account	28.2	246.1	246.2	28.1
Premier and Cabinet				
Agency Financial Management Account	8.9	84.7	83.9	9.6
State Growth				
Agency Financial Management Account	55.4	632.8	638.9	49.3
Tasmanian Forests Agreement Account	3.2	....	1.3	1.9
	58.7	632.8	640.2	51.3

Table 5.8: Specific Purpose Accounts Estimated Receipts and Expenditure for 2026-27 (continued)

	Estimated	2026-27 Budget		Estimated
	Balance	Estimates		Balance
	30 June	Receipts	Expenditure	30 June
	2026			2027
	\$m	\$m	\$m	\$m
Tasmanian Audit Office				
Agency Financial Management Account	2.2	9.0	9.0	2.2
Tourism Tasmania				
Agency Financial Management Account	....	1.1	1.1	....
Treasury and Finance				
Agency Financial Management Account	16.6	23.8	24.5	15.9
Total Specific Purpose Accounts	1 779.3	4 429.2	4 249.2	1 959.3

6 GENERAL GOVERNMENT REVENUE

Executive Summary

Total General Government Sector revenue is expected to be \$10 191.3 million in 2026-27, an increase of \$693.1 million compared to the 2025-26 Budget.

Total General Government Sector revenue in the 2025-26 Estimated Outcome is \$217 million higher compared to the 2025-26 Budget.

From 2026-27 to 2029-30, revenue is forecast to grow by \$1 411.4 million (or by a compound annual growth rate of 4.4 per cent). While the revenue outlook for 2026-27 and across the Forward Estimates is positive, there has been a weakening in some revenue lines since the 2025-26 Budget, including land tax, vehicle registration fees and government guarantee fees.

Key components of General Government Sector revenue in 2026-27 include:

- GST revenue, which is estimated to be \$4 108.1 million, an increase of \$294.3 million from the 2025-26 Budget of \$3 813.8 million;
- Other Australian Government Payments, which are estimated to be \$2 648.2 million, an increase of \$102.3 million from the 2025-26 Budget of \$2 545.9 million; and
- Taxation revenue, which is estimated to be \$2 132.9 million, an increase of \$199.8 million from the 2025-26 Budget of \$1 933.1 million.

Tasmania's share of revenue from Grants, including GST revenue and Other Australian Government Payments, equates to 66.3 per cent of Total General Government Sector revenue in 2026-27.

TOTAL REVENUE

This chapter provides an overview of Revenue for the 2026-27 Budget and Forward Estimates including the 2025-26 Estimated Outcome. Table 6.1 lists the major General Government Sector revenue sources.

Table 6.1: General Government Sector Revenue

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue from transactions						
GST Revenue	3 813.8	3 867.1	4 108.1	4 168.5	4 348.5	4 589.0
Other Australian Government Payments ¹	2 545.9	2 563.6	2 648.2	2 790.9	2 805.1	2 977.9
Taxation	1 933.1	1 987.1	2 132.9	2 257.9	2 364.4	2 472.6
Sales of goods and services	459.7	472.3	501.8	523.7	537.4	554.0
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest income	93.1	96.9	113.3	114.2	106.0	117.8
Dividend, tax and rate equivalent income	254.1	281.8	253.6	302.4	327.5	480.7
Other revenue	240.2	286.2	282.2	285.9	269.5	266.9
	9 498.2	9 715.2	10 191.3	10 586.9	10 900.8	11 602.7

Note:

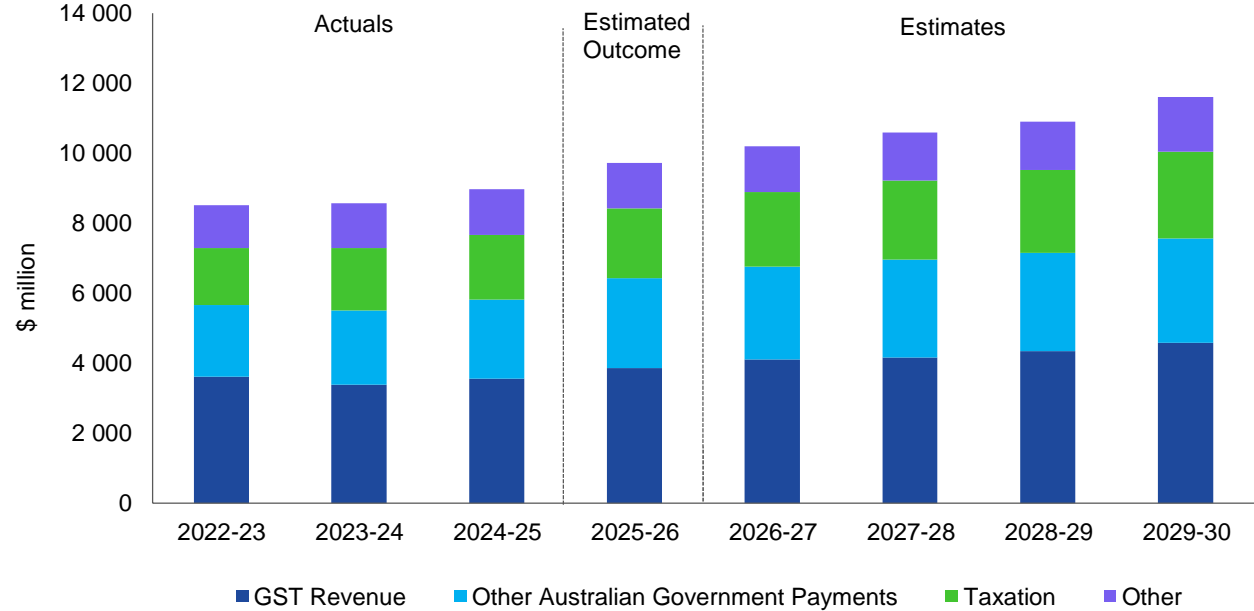
1. Other Australian Government Payments includes National Agreements and National Partnership Payments.

Tasmania's most significant source of funding is payments from the Australian Government, including GST revenue, which accounts for 66.3 per cent of total revenue in 2026-27. State Own-source revenue accounts for 33.7 per cent of total revenue.

Chart 6.1 shows the composition of Total General Government Sector revenue over the period 2022-23 to 2029-30.

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, 2022-23 to 2029-30^{1,2}



Notes:

1. Other Australian Government Payments includes National Agreements and National Partnership Payments.
2. 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 \$6 756.3 million in 2026-27.

Table 6.2: Grants

	2025-26 Budget \$m	2025-26 Estimated Outcome \$m	2026-27 Budget \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m	2029-30 Forward Estimate \$m
Untied Funding (General Purpose Payments)						
GST Revenue	3 813.8	3 867.1	4 108.1	4 168.5	4 348.5	4 589.0
Tied Funding (Payments for Specific Purposes)						
National Agreements ^{1,2}	1 663.6	1 656.0	1 872.8	2 008.4	2 103.3	2 165.5
National Partnership Payments	828.4	821.8	697.5	719.4	640.9	750.2
Total Tied Funding	2 492.1	2 477.8	2 570.3	2 727.8	2 744.2	2 915.7
Other Grants and Subsidies³	53.9	85.8	77.9	63.1	60.9	62.2
Total Grants	6 359.8	6 430.8	6 756.3	6 959.4	7 153.5	7 566.9

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 Foundational Supports, 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, a Small State Adjustment of an additional \$80 million in 2026-27 and 2027-28, and new funding arrangements National Cabinet agreed to in January 2026 that will come into effect from 1 July 2026.
3. Other Grants and Subsidies primarily relate 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 2026-27.

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 40.3 per cent of Total General Government Sector revenue in 2026-27.

In accordance with the *Intergovernmental Agreement on Federal Financial Relations*, all GST revenue collected by the Australian Government is distributed between 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 2026-27 Budget, the Department of Treasury and Finance 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 2025-26 MYEFO forecasts of the GST pool, state and territory populations, and Commonwealth payments, and states' and territories' own-source revenue estimates.

Table 6.3 shows Tasmanian GST revenue estimates. GST payments to Tasmania are expected to be \$4 108.1 million in 2026-27.

Table 6.3: Tasmanian GST Revenue Estimates

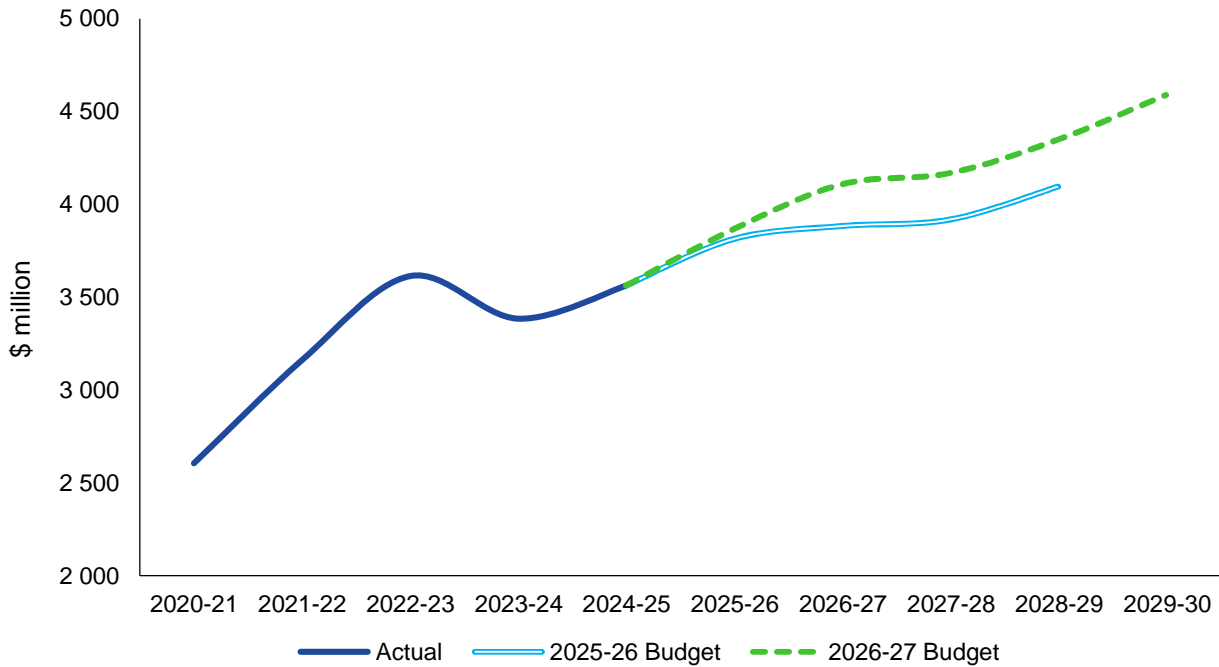
	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
National GST Pool Collections (\$m) ¹	95 151	96 554	102 518	107 866	114 781	122 139
Tasmania's Relativity ^{2,3}	1.8405	1.8405	1.8829	1.8534	1.8550	1.8550
Tasmania's GST share (%) ⁴	3.82	3.81	3.87	3.77	3.74	3.71
Tasmania's GST revenue (\$m) ^{5,6}	3 813.8	3 867.1	4 108.1	4 168.5	4 348.5	4 589.0

Notes:

1. Forecasts of the GST pool over the 2026-27 Budget and Forward Estimates are sourced from the 2025-26 Australian Government Mid-Year Economic and Fiscal Outlook (MYEFO). Pool growth for 2029-30 is based on the Australian Government MYEFO pool growth rates for 2028-29.
2. The 2025-26 Estimated Outcome and 2026-27 Budget use actual relativities recommended by the CGC.
3. Relativities for the Forward Estimates are Tasmanian Treasury forecasts.
4. GST shares are calculated excluding residual adjustments and no-worse-off guarantee payments.
5. The 2025-26 Estimated Outcome includes a positive \$35.1 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 \$149.9 million in 2025-26, \$139.7 million in 2026-27, \$102.2 million in 2027-28, \$55.7 million in 2028-29 and \$59.2 million in 2029-30.

Since the 2025-26 Budget, forecast GST revenue to Tasmania has increased by \$781.9 million over four years from 2025-26 to 2028-29. Chart 6.2 compares the 2026-27 Budget forecasts to the 2025-26 Budget forecasts.

Chart 6.2: GST Revenue to Tasmania, 2020-21 to 2029-30^{1,2,3,4}



Notes:

1. GST revenue to Tasmania in 2025-26 includes a positive \$35.1 million residual adjustment for underpaid GST revenue to Tasmania in 2024-25.
2. The 2026-27 Budget includes the 2025-26 Estimated Outcome for GST revenue.
3. The 2026-27 Budget includes forecast no-worse-off guarantee payments of \$149.9 million in 2025-26, \$139.7 million in 2026-27, \$102.2 million in 2027-28, \$55.7 million in 2028-29 and \$59.2 million in 2029-30.
4. A residual adjustment for 2025-26 will be recognised in 2026-27 once the Australian Government has finalised actual 2025-26 GST collections.

The increase in GST revenue compared to the 2025-26 Budget primarily reflects the combined impacts of:

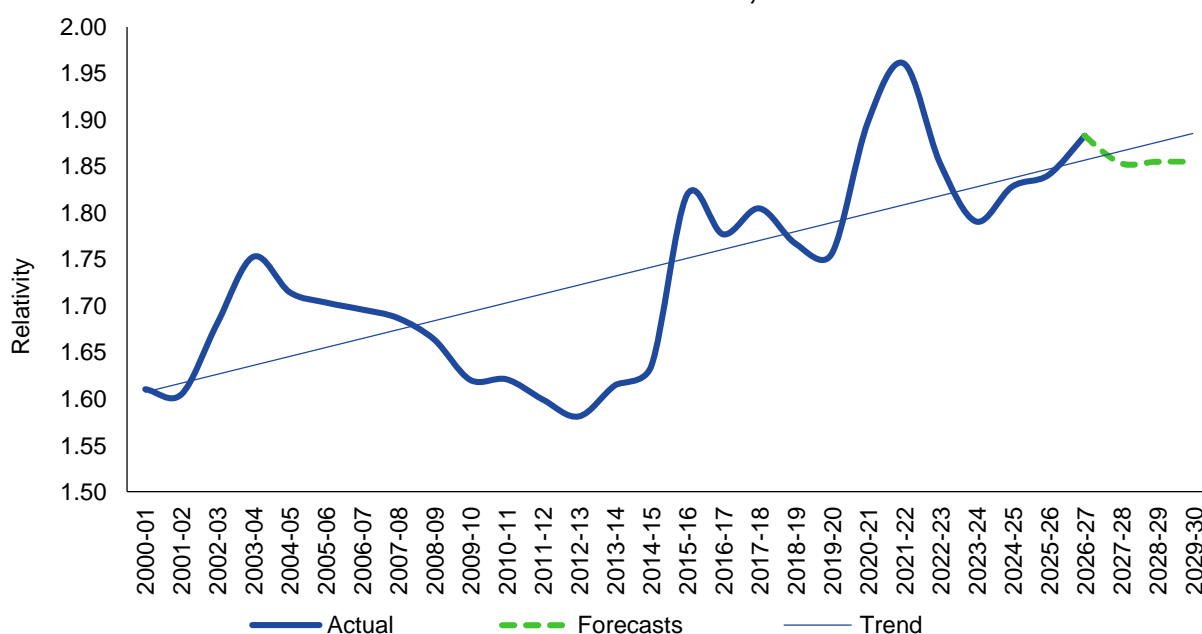
- the CGC increasing Tasmania’s GST relativity from 1.8405 in 2025-26 to 1.8829 in 2026-27;
- an increase in Treasury’s own modelled GST relativities for 2027-28 to 2029-30, reflecting updated data in the CGC’s 2026 Update; and
- the Australian Government increasing its forecasts of the national GST pool by \$8.8 billion in its 2025-26 MYEFO compared to the pool forecasts in its 2025-26 Budget.

These impacts were partially offset by the Australian Government slightly decreasing its forecasts of Tasmania’s share of the national population in its 2025-26 MYEFO compared to the population forecasts in its 2025-26 Budget.

Chart 6.3 illustrates Tasmania’s relativities since the introduction of the GST. While GST relativities have been revised upwards compared to the 2025-26 Budget, the chart shows Tasmania’s GST relativity is still 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 2029-30^{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.

2018 GST Distribution Reforms

In 2018, the Australian Government legislated a new method for distributing GST revenue among states and territories (2018 reforms). Prior to this, GST revenue was distributed on the basis of full Horizontal Fiscal Equalisation. Full HFE reflects the principle that each state should have the fiscal capacity to provide services and associated infrastructure at the same standard, if each made the same effort to raise revenue from its own sources and operated at the same level of efficiency.

From 2021-22, the distribution of GST has been transitioning to a lesser standard of HFE, with the changes to be fully implemented in this Budget year. Under the 2018 reforms, states' fiscal capacities are equalised to the stronger of New South Wales or Victoria, rather than to the level of the strongest state, which is currently Western Australia.

For Tasmania, the 2018 legislated reforms reduce GST revenue over the Budget and Forward Estimates. This reduction is currently 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 2018 reforms. 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 if the 2018 reforms are not revoked or if the no-worse-off guarantee is not extended.

The Productivity Commission is currently undertaking an inquiry into the 2018 GST distribution reforms and is required to deliver its Final Report to the Australian Government by the legislated deadline of 31 December 2026. Consistent with Tasmania's long-standing position, the State's initial submission to the PC Inquiry called for the 2018 reforms to be revoked. Tasmania supports a return to full HFE GST distribution arrangements, which are based on the principles upon which Australia's Federation was built. Should arrangements other than full HFE be pursued, at a minimum, Tasmania will seek that a no-worse-off guarantee is provided in perpetuity, to ensure that the State receives the equivalent of at least its full HFE share of the GST pool in untied funding.

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, the National Access to Justice Partnership and the National Agreement on Foundational Supports.

In 2026-27, Tasmania will receive an estimated \$1 872.8 million through National Agreements. The estimates throughout the 2026-27 Budget and Forward Estimates are higher than those published in the 2025-26 Budget, largely reflecting new funding arrangements under the National Health Reform Agreement.

Several National Agreements are due to expire within the Budget and Forward Estimates, the first of which is the National Mental Health and Suicide Prevention Agreement. Negotiations for these agreements may result in changes to the associated funding arrangements over the Budget and Forward Estimates.

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 2026-27, Tasmania is estimated to receive \$697.5 million in NPPs.

Table 6.4 details the Commonwealth Payments for Specific Purposes for Tasmania over the 2026-27 Budget and Forward Estimates.

Table 6.4: Commonwealth Payments for Specific Purposes

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
National Agreements¹						
Health						
National Health Reform Agreement ²	703.8	706.9	831.3	931.3	1 069.9	1 134.5
National Health Reform Agreement - 2025-26 Uplift	50.0	50.0	....	....	....	....
National Health Reform Agreement - Small State Adjustment	....	....	80.0	80.0	....	....
National Mental Health and Suicide Prevention Agreement	6.1	6.1	4.6	....	....	....
Total Health National Agreements	759.9	763.0	916.0	1 011.3	1 069.9	1 134.5
Education						
Better and Fairer Schools Agreement - Full and Fair Funding						
Government Schools	290.8	290.8	310.9	322.3	334.8	347.9
Non-Government Schools	494.2	499.4	521.9	542.6	563.9	585.3
Total Education National Agreements	785.0	790.2	832.8	864.9	898.6	933.2
National Access to Justice Partnership	23.9	23.9	25.0	25.5	26.0	26.6
National Agreement on Foundational Supports³	....	....	5.9	5.9	5.9	5.9
National Agreement on Social Housing and Homelessness	38.3	38.3	39.1	39.9	40.8	40.8
National Skills Agreement	56.5	40.7	54.1	61.0	62.0	24.6
Total National Agreements	1 663.6	1 656.0	1 872.8	2 008.4	2 103.3	2 165.5
National Partnership Payments¹						
Health						
Community Health and Hospitals Program	21.1	17.1	11.2	....	....	....
Construction of the Launceston Hospice	13.0	3.2	16.0	....	....	....
Essential Vaccines	1.4	2.0	....	....	....	....
Hobart Maternity Services	6.0	6.0	....	....	....	....
Medical Research Centre for Launceston	2.0	3.2	0.4	0.4	....	....
Medicare Urgent Care Clinics - Tasmania	9.6	9.6	....	....	....	....
Northern Heart Centre in Launceston	8.0	8.0	20.2	30.0	30.0	30.0

Table 6.4: Commonwealth Payments for Specific Purposes
(continued)

	2025-26 Estimated Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Health (continued)						
Public Dental Services for Adults	....	3.4	....	....	....	....
Redevelopment of the Royal Hobart Hospital	2.5	1.3	1.2	....	....	....
Other ⁴	19.8	26.5	6.2	3.4	2.6	....
Total Health National Partnerships	83.4	80.3	55.3	33.8	32.6	30.0
Education						
Building Early Education Fund	....	0.5	4.5	10.0	10.5	....
National Student Wellbeing Program	2.2	2.2	2.2	....	....	....
Preschool Reform Agreement	8.2	10.2	10.2	10.2	1.3	....
Schools Upgrade Fund - Capital Investments	4.6	4.9	0.8	....	....	....
Other ⁵	3.3	3.1	0.2	0.2	0.3	....
Total Education National Partnerships	18.3	20.8	17.9	20.4	12.0	....
Affordable Housing, Community Services and Other⁶						
Family, Domestic and Sexual Violence Responses Agreement	8.3	8.3	3.0	2.4	1.6	1.6
Housing Support Program (HSP) Priority Works Stream	12.5	15.9	11.4	....	....	....
National Firearms Register	9.9	9.9	4.7	1.5	....	....
National Tourism Icons Program - Upgrade of Tourist Facilities at Freycinet ⁷	3.0	3.0	1.6	....	....	....
Securing Future Nyrstar Operations ⁷	20.0	20.0	....	....	....	....
Social Housing Accelerator Payment	43.2	39.1	9.4	....	....	....
Other ^{8,9}	1.5	1.8	0.3	....	....	....
Total Affordable Housing, Community Services and Other National Partnerships	98.5	98.1	30.5	3.9	1.6	1.6
Skills and Workforce Development						
Energising Tasmania	3.0	....	3.0	3.0	2.5	....
Fee-Free TAFE Skills Agreement ¹⁰	3.8	5.6	3.0	2.5	....	....
JobTrainer Fund	5.0	5.0	5.0	5.0	4.7	....
North West Tasmania Job Ready Generation Package	....	0.6	....	....	....	....
Skilling Australians Fund	5.0	5.0	4.8	....	....	....
Turbocharging TAFE Centres of Excellence	....	0.2	0.5	0.1	....	....
Total Skills and Workforce Development National Partnerships	16.8	16.4	16.3	10.6	7.3	....

**Table 6.4: Commonwealth Payments for Specific Purposes
(continued)**

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Estimated			Forward	Forward	Forward
	Budget	Outcome	Budget	Estimate	Estimate	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Infrastructure						
Land Transport Infrastructure Projects						
Active Transport Fund	....	1.6	....	....	....	....
Bell Bay Line - Reconnection to the Bell Bay						
Wharf	3.2	2.0	11.2	10.8	....	....
Black Spot Program	3.5	3.9	4.4	2.4	....	....
COVID-19 Stimulus	0.5	0.3	0.2	....	....	....
Melba Line Bulk Minerals Rail Hub	14.4	....	9.0	5.4	....	....
New Bridgewater Bridge	57.8	47.7	11.5	25.6	....	....
Rail Investment Component ¹¹	27.5	26.0	43.2	24.5	....	....
Road Corridors	11.0	20.1	20.0	59.4	102.7	98.5
Road Investment Component ¹²	37.8	49.1	75.2	82.3	62.9	57.9
Roads of Strategic Importance	27.6	18.6	56.9	58.2	63.3	51.0
Safer Local Roads and Infrastructure						
Program	8.6	8.7	8.5	8.1	2.4	....
Tasman Bridge Upgrade	1.3	4.3	24.0	15.0	10.1	4.8
Urban Congestion Fund	2.8	2.5	3.2	2.9	7.7	1.5
Growing Regions Program	8.1	6.7	15.5	5.1	....	....
Launceston City Deal: Tamar Estuary - Urban						
Water Infrastructure Upgrades	2.0	2.0	2.1	....	....	....
Macquarie Point Urban Redevelopment	18.6	18.6	26.6	89.3	105.5	....
National Water Grid Fund	99.9	83.9	51.8	65.0	64.8	34.3
Regional Recovery Partnerships	....	1.0	0.6	....	....	....
University of Tasmania Stadium						
Redevelopment Project	28.6	42.2	9.8	13.0	....	....
Other ¹³	8.6	15.1	14.0	4.1	....	....
Total Infrastructure National Partnerships	361.7	354.2	387.7	471.3	419.3	247.9
Environment						
Support for Project Marinus and Tarraleah						
Network Cost Reduction ¹⁴	....	....	....	....	....	346.0
Project Marinus	15.7	15.0	0.7	0.7	....	....
Tarraleah Hydro Power Scheme						
Redevelopment	42.2	42.2	....	....	....	....
Disaster Ready Fund	7.3	7.3	5.7	4.9	....	....
Disaster Risk Reduction	0.6	0.6	....	....	....	....
Energy Bill Relief Fund	65.3	65.3	....	....	....	....
Macquarie Wharf 6 (Port of Hobart)	47.1	47.0	47.0	47.0	47.0	....
Social Housing Energy Performance Initiative						
Expansion	3.4	3.4	0.5	....	....	....

**Table 6.4: Commonwealth Payments for Specific Purposes
(continued)**

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Estimated			Forward	Forward	Forward
	Budget	Outcome	Budget	Estimate	Estimate	Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Environment (continued)						
World Heritage Sites - Tasmanian Wilderness	5.1	5.1	5.1	5.1	5.1	5.1
Other ¹⁵	5.3	6.8	3.0	3.7	....	....
Total Environment National Partnerships	192.0	192.7	62.1	61.4	52.1	351.1
Other Services						
Financial Assistance Grant Program to Local Governments ¹⁶	53.3	53.3	109.9	112.9	116.0	119.6
Natural Disaster Relief and Recovery Arrangements	2.8	4.3	17.7	5.1	....	....
Other ^{9,17}	1.6	1.6	0.2	....	....	....
Total Other Services	57.7	59.2	127.8	118.0	116.0	119.6
Total National Partnership Payments	828.4	821.8	697.5	719.4	640.9	750.2
TOTAL PAYMENTS FOR SPECIFIC PURPOSES	2 492.1	2 477.8	2 570.3	2 727.8	2 744.2	2 915.7

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. In January 2026, National Cabinet agreed to new arrangements for funding under the National Health Reform Agreement that will come into effect from 1 July 2026.
3. Reflects funding provided under the Thriving Kids Bilateral Agreement.
4. Includes funding for Strengthening Medicare - Supporting Older Australians, Australian Primary Care Prevocational Program - Rural (formerly the John Flynn Prevocational Doctor Program), the Primary Care Pilots, Indigenous Health Services and Expansion of BreastScreen Australia Program.
5. Includes funding for the Workload Reduction Fund: Action 12 of the National Teacher Workforce Action Plan and Consent and Respectful Relationships Education.
6. Funding previously classified as Housing and Community Services (including Disability) has been consolidated into this new category, reflecting the Federation Funding Agreements architecture.
7. This project has been reclassified from Other Services to Affordable Housing, Community Services and Other.
8. Includes funding for Family Law Information Sharing, The Commonwealth Accessible Australia Initiative and Living Safe Together Intervention Program Expansion.
9. The amount reflected under the 2025-26 Budget column differs from the figure published in the 2025-26 Budget Papers due to the reclassification of funding for Family Law Information Sharing and Living Safe Together Intervention Program Expansion from Other Services to Affordable Housing, Community Services and Other.
10. Includes funding for the TAFE Technology Fund provided through Fee-Free TAFE Skills Agreement.
11. This funding reflects rail investment projects under the Land Transport Infrastructure Projects not otherwise identified in the table.
12. This funding reflects road investment projects under the Land Transport Infrastructure Projects not otherwise identified in the table.
13. Includes funding for Regional Precincts and Partnerships Program, Regional Level Crossing Upgrade Fund and Remote Roads Upgrade Pilot Program.
14. Includes additional funding negotiated with the Australian Government to support network cost reductions to defray the increased costs borne by Tasmanian customers due to Project Marinus.
15. Includes funding for Urban Rivers and Catchment Program, Emergency Response Fund, Australian Fire Danger Rating System and various council-specific environment projects.
16. The profile reflects the timing of Financial Assistance Grant funding received from the Australian Government.
17. Includes funding for Women's Safety Package - Technology Trials and National Bushfire Mitigation Program.

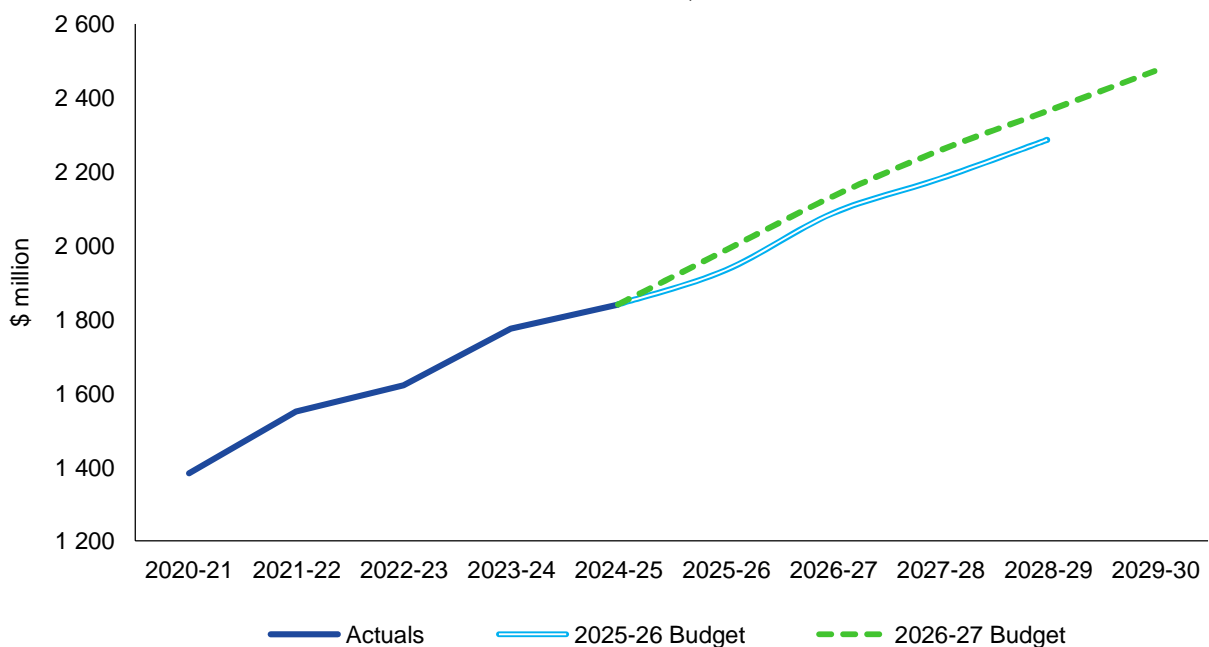
STATE TAXATION

In 2026-27, State Taxation is estimated to be \$2 132.9 million, which represents an increase of \$199.8 million compared to the 2025-26 Budget of \$1 933.1 million.

Chart 6.4 compares the 2026-27 Budget forecasts to the 2025-26 Budget forecasts.

Over the 2026-27 Budget and Forward Estimates, State Taxation is forecast to grow by \$339.7 million (or by a compound annual growth rate of 5.0 per cent), due mainly to forecast increases in payroll tax revenues and conveyance duty from strength in the Tasmanian labour and property markets respectively, and partially due to growth in land tax, motor tax and insurance duty revenue and Government guarantee fees.

Chart 6.4: State Taxation Revenue, 2020-21 to 2029-30



The outlook for the Tasmanian property market for 2026-27 is relatively stable. The 2025-26 Estimated Outcome and 2026-27 Budget estimate of conveyance duty are higher than estimated in the 2025-26 Budget, primarily due to increased transactions and property prices. Over the 2026-27 Budget and Forward Estimates, conveyance duty is expected to be further supported by the expiry of time-limited duty concessions and exemptions.

The outlook for other key State Taxation components remains positive across the 2026-27 Budget and Forward Estimates. Payroll tax forecasts reflect historical growth rates, supported by growth in the labour market. Land tax forecasts reflect historical growth rates. 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 5 per cent short-stay accommodation levy. The Short Stay Levy Bill 2026 was tabled in Parliament on 16 April 2026 and passed the House of Assembly on 7 May 2026.

While the State Taxation outlook across the Forward Estimates is positive, there is a risk that this may be constrained by changing monetary policy settings.

Further information on revenue changes included in the 2026-27 Budget is detailed in the Policy and Parameter Statement in chapter 5 of this Budget Paper. Chapter 4 of this Budget Paper provides further information on the risks to State Taxation revenue over the 2026-27 Budget and Forward Estimates.

Table 6.5 provides details of the components of the State Taxation estimates.

Table 6.5: State Taxation

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Payroll Tax	608.8	610.5	650.2	692.4	737.4	785.4
Taxes on Property						
Land Tax	195.1	203.4	203.6	210.7	218.1	225.7
Fire Service Levies ¹	110.5	110.5	116.2	122.2	128.6	135.2
Government Guarantee Fees	42.6	40.4	45.2	50.5	53.9	57.7
Conveyance Duty	390.1	437.2	518.5	562.2	583.8	606.2
	738.3	791.5	883.5	945.7	984.3	1 024.8
Taxes on Provision of Goods and Services						
Gambling Taxes						
Annual Wagering Levy	1.8	1.8	1.8	1.9	1.9	2.0
General Casino Tax and Licence Fees	10.6	10.6	10.9	11.2	11.5	11.8
Venue Tax and Licence Fees	41.4	41.4	42.7	43.9	45.0	46.1
Keno Operator and Licence Fees	8.1	8.1	8.3	8.6	8.8	9.0
Lottery Tax	56.7	56.7	58.6	60.2	61.7	63.2
Point of Consumption Wagering Tax	15.4	15.4	15.9	16.3	16.7	17.1
Other Gaming ²	....	....	....	....	....	....
Insurance Duty	161.1	158.3	156.4	161.5	168.8	172.3
	295.0	292.3	294.7	303.6	314.3	321.5
Taxes on the Use of Goods and Services						
Vehicle Registration Fees	62.2	61.1	63.6	66.1	68.7	71.5
Motor Vehicle Fees and Taxes						
Motor Vehicle Duty	73.9	75.3	77.6	79.9	82.3	84.8
Motor Tax	142.2	143.7	149.5	155.4	161.7	168.1
Motor Vehicle Fire Levy	12.7	12.7	13.9	14.8	15.6	16.5
	291.1	292.9	304.5	316.2	328.3	340.9
TOTAL STATE TAXATION	1 933.1	1 987.1	2 132.9	2 257.9	2 364.4	2 472.6

Notes:

1. Fire Service Levies are reported as a tax for the purposes of the Uniform Presentation Framework. However, all revenues go directly to the State Fire Commission.
2. Other Gaming revenue is estimated at \$30 000 in each year from 2025-26 to 2029-30. 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

	2025-26	2026-27
	Budget	Budget
	\$m	\$m
Payroll Tax¹		
Tax-free threshold ²	265.8	300.9
Educational institutions exemption	31.5	33.6
Health care service provider exemptions	7.8	9.2
Employer payroll rebate for additional positions created ³	5.6	2.8
	310.7	346.5
Land Tax⁴		
Principal place of residence exemption	235.0	237.0
Primary production land exemption	177.5	177.8
Tax-free threshold	36.2	36.5
Religious bodies, charitable institutions, or educational institutions exemption ⁵	8.8	8.8
Other	14.2	14.0
	471.7	474.1
Conveyance Duty⁶		
Corporate reconstructions	5.5	2.1
First home buyer duty exemption ⁷	60.8	na
Duty concession for pensioners downsizing ⁸	0.6	na
Pre-completion duty concession for new apartments and units ⁹	0.1	na
Family farm transfers	6.6	7.1
Transfer of public road or park/garden to council	9.2	7.9
Relationship breakdown or spouse and significant relationship transfers	13.8	14.5
Other ¹⁰	15.3	12.9
	111.9	44.5
TOTAL	894.3	865.1

Notes:

1. The Payroll Tax base consists of all wages paid in Tasmania in 2024-25 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 2024-25 has been used as the basis for the 2026-27 estimate as it represents the most complete data source at the time of preparing the 2026-27 Budget.
2. Expenses relating to the Payroll Tax tax-free threshold have increased in the 2026-27 Budget due to growth in the labour market in Tasmania.
3. As noted in the 2025-26 Budget, the employer payroll rebate for creating additional apprentice positions expires on 30 June 2026. Employees employed before 30 June 2026 remain eligible for the rebate in 2026-27 under the provisions of the scheme.
4. The Land Tax base is all freehold land in Tasmania as at 27 March 2026. Land classified as principal place of residence and primary production land is charged a nil rate of Land Tax.
5. Property used for religious, charitable or educational purposes is exempt from Land Tax.
6. The Conveyance Duty tax expenditure primarily relates to concessional or exempt properties transferred in 2025-26 to date. 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.
7. The First home buyer duty exemption is due to expire on 30 June 2026.
8. The pensioner downsizing duty concession expired on 30 June 2025.
9. The Pre-completion duty concession for new apartments and units expense is due to expire on 30 June 2026.
10. 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 \$501.8 million in 2026-27. Table 6.7 details the major components of revenue from the Sales of goods and services.

Table 6.7: Sales of Goods and Services

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Departmental Fees and Recoveries						
Education, Children and Young People	48.8	47.0	47.7	47.0	47.0	47.0
Finance-General	1.1	1.3	0.6	0.4	0.3	0.3
Health ¹	268.3	272.7	290.9	307.9	318.5	327.7
Justice	5.8	5.8	5.8	5.8	5.8	5.8
Marine and Safety Tasmania	3.9	4.0	6.7	5.7	4.2	7.1
Natural Resources and Environment Tasmania ²	64.0	68.6	70.3	71.3	72.4	73.5
Office of the Governor	0.2	0.2	0.2	0.2	0.2	0.2
Police, Fire and Emergency Management	4.1	4.1	4.6	4.7	4.7	4.8
Premier and Cabinet	4.3	4.1	3.8	2.6	2.6	2.7
State Fire Commission	7.4	7.4	8.6	8.9	9.1	9.4
State Growth ³	14.1	21.1	24.1	26.1	27.8	29.7
Tasmanian Audit Office	7.7	7.7	8.1	8.4	8.7	9.0
TasTAFE	27.8	26.3	28.4	32.7	33.9	34.8
	457.5	470.2	499.7	521.6	535.3	551.8
Other Sales of Goods and Services	2.2	2.1	2.1	2.1	2.2	2.2
TOTAL SALES OF GOODS AND SERVICES	459.7	472.3	501.8	523.7	537.4	554.0

Notes:

1. The increase from 2026-27 in Health primarily reflects an increase in own-source revenue for the Tasmanian Health Service, including actions to ensure that full cost recovery is achieved.
2. The increase from the 2025-26 Estimated Outcome for Natural Resources and Environment Tasmania primarily reflects increased visitation within the State's National Parks and Reserves.
3. The increase from the 2025-26 Estimated Outcome for State Growth primarily reflects the inclusion of estimates for West Coast Wilderness Railway ticketing sales and retail revenue.

Fines and Regulatory Fees

Revenue from Fines and regulatory fees is estimated to be \$151.1 million in 2026-27. Table 6.8 details the major components of revenue from Fines and regulatory fees.

Table 6.8: Fines and Regulatory Fees

	2025-26 Budget \$m	2025-26 Estimated Outcome \$m	2026-27 Budget \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m	2029-30 Forward Estimate \$m
Fines¹	27.2	27.2	27.2	26.7	24.9	25.1
Regulatory Fees						
Abalone Licences	3.3	3.3	3.4	3.5	3.6	3.7
Water Licence Fees	2.1	2.1	2.1	2.2	2.2	2.3
Environment Fees	5.0	5.0	5.1	5.2	5.3	5.5
Drivers Licences	8.3	8.3	8.5	8.7	8.9	9.1
Photo Licence Fees	2.0	2.0	2.1	2.1	2.2	2.3
Vehicle Inspection Services Fees	0.1	0.1	0.1	0.1	0.1	0.1
Quarantine Fees	1.6	1.6	1.6	1.6	1.7	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	0.7	0.7	0.7	0.7	0.7
Registrar-General Regulatory Fees	2.0	2.0	2.0	2.0	2.0	2.0
Supreme Court Regulatory Fees	3.3	3.3	3.3	3.3	3.3	3.3
Other Regulatory Fees ²	102.1	103.9	94.3	86.6	86.8	87.4
	131.1	132.9	123.9	116.7	117.5	118.8
TOTAL FINES AND REGULATORY FEES	158.2	160.1	151.1	143.4	142.4	143.8

Notes:

1. Includes fines collected by the Department of Justice, Inland Fisheries Service and Department of Police, Fire and Emergency Management. The decrease from 2028-29 primarily reflects the completion of the Automated Traffic Enforcement Program.
2. The decrease in Other Regulatory Fees from 2026-27 primarily reflects the revenue estimates of the Road Safety Levy.

Interest Income

Interest income is estimated to be \$113.3 million in 2026-27. The increase in Interest income over the 2026-27 Budget and Forward Estimates, compared to the 2025-26 Budget, primarily reflects higher forecast average balances of Cash and higher forecast investment earnings rates.

Dividend, Tax and Rate Equivalent Income

Dividend, tax and rate equivalent income is estimated to be \$253.6 million in 2026-27, a reduction of \$28.2 million from the 2025-26 Estimated Outcome of \$281.8 million. This reduction is primarily driven by the expected final year dividend from the Mersey Community Hospital Fund in 2026-27 of \$29.8 million, down \$73.1 million from the prior year. This decrease is partially offset by a net uplift in returns across the government business portfolio, primarily driven by Hydro Tasmania and TasNetworks.

Dividend, tax and rate equivalent income is expected to increase in each year of the Forward Estimates, to \$480.7 million by 2029-30, primarily driven by higher dividend and tax equivalent returns from Hydro Tasmania. Hydro Tasmania's financial performance is expected to improve with Basslink assumed to operate as a regulated Transmission Network Service Provider from 1 July 2026 alongside favourable forecast trading conditions in the National Electricity Market.

Chart 6.5 shows the total dividend, tax and rate equivalent income over time. Data is presented on an accrual basis and reflects Actuals for 2020-21 to 2024-25 and the 2025-26 Estimated Outcome.

Chart 6.5: Dividend, Tax and Rate Equivalent Income, 2020-21 to 2029-30

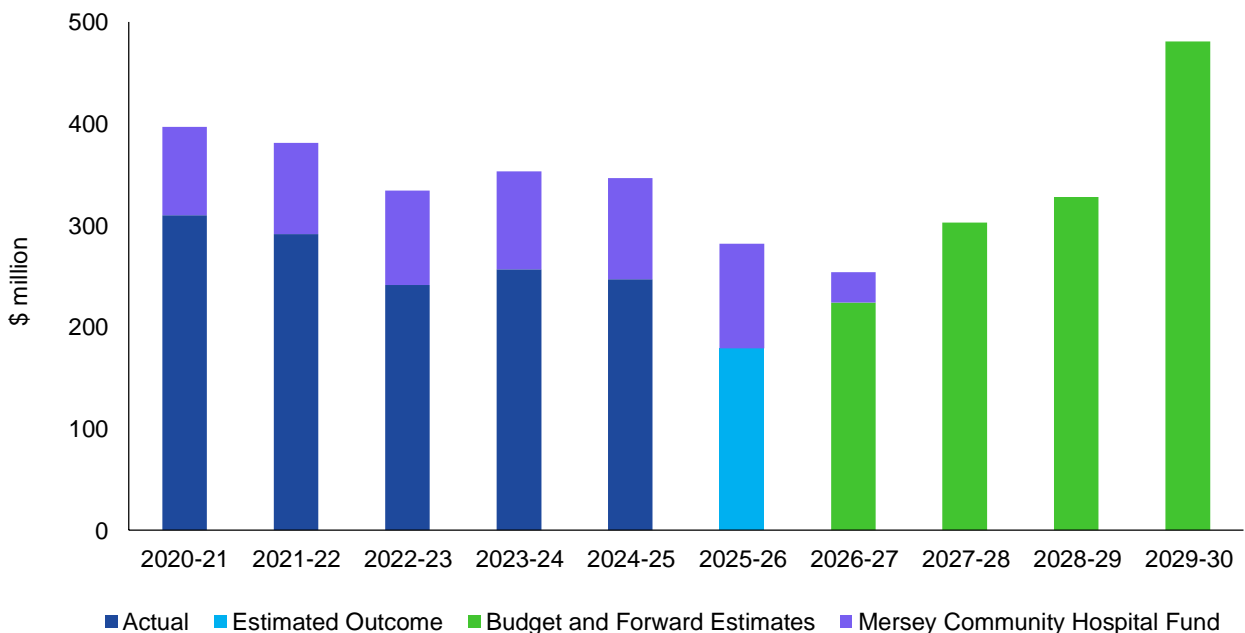


Table 6.9 details the dividend, tax and rate equivalent income in 2026-27 and over the Forward Estimates. Dividend, tax and rate equivalent income is reported on an accrual basis.

Table 6.9: Dividend, Tax and Rate Equivalent Income

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Dividends						
Aurora Energy Pty Ltd	3.3	4.8	5.7	7.5	7.5	7.5
Hydro Tasmania ¹	4.7	4.7	22.5	91.2	80.0	173.8
Motor Accidents Insurance Board ²	47.3	47.3	31.9	49.0	36.0	29.6
Public Trustee	....	0.3	0.4	....	0.5	0.6
Tasmanian Networks Pty Ltd ³	....	....	17.0	32.2	31.5	35.2
Tasmanian Ports Corporation Pty Ltd ⁴	10.5	10.7	13.9	2.7	4.9	1.1
Tasmanian Public Finance Corporation ⁵	23.1	23.1	20.2	11.0	12.9	14.5
	88.9	90.9	111.6	193.5	173.4	262.2
Mersey Community Hospital Dividend						
Dividend for Mersey Community Hospital ⁶	102.9	102.9	29.8	....	....	....
	102.9	102.9	29.8	....	....	....
Taxation Equivalents						
Aurora Energy Pty Ltd	2.7	2.7	3.6	3.6	3.7	3.7
Hydro Tasmania ¹	21.9	10.7	43.4	38.1	82.7	154.6
Motor Accidents Insurance Board ⁷	10.2	24.6	7.8	8.8	9.0	8.8
Public Trustee	....	0.1	....	0.2	0.2	0.2
Tasmanian Networks Pty Ltd ³	13.9	28.0	44.4	43.2	44.5	34.7
Tasmanian Ports Corporation Pty Ltd ⁴	2.6	6.8	1.8	2.7	0.9	2.4
Tasmanian Public Finance Corporation ⁵	4.7	8.7	4.7	5.5	6.2	7.0
	55.9	81.6	105.8	102.2	147.3	211.4
Rates Equivalents						
Hydro Tasmania	6.4	6.3	6.5	6.7	6.9	7.0
	6.4	6.3	6.5	6.7	6.9	7.0
TOTAL DIVIDEND TAX AND RATE EQUIVALENT INCOME						
	254.1	281.8	253.6	302.4	327.5	480.7

Notes:

1. The increase in Hydro Tasmania dividends and taxation equivalent returns from 2026-27 reflects improved access to mainland markets through the regulated Basslink interconnector and stronger wholesale market conditions, including increased price volatility, associated with the anticipated exit of coal-fired generation from the National Electricity Market from 2028-29 onwards.
2. The variation in dividends from the Motor Accidents Insurance Board from 2026-27 reflects the impact of the established dividend methodology, including its average operating result from the preceding five-years and forecast funding ratio.
3. The increase in dividends and taxation equivalent income from TasNetworks from 2026-27 reflects an uplift in regulated revenue allowances under the Australian Energy Regulator's 2024 Determination, primarily driven by changes in the return on capital settings and underlying financial inputs applied in the determination.
4. The decrease in TasPorts' dividends from 2027-28, and taxation equivalent returns from 2026-27, primarily reflects an increase in its borrowing costs to facilitate its planned capital program.

5. The variation in the Tasmanian Public Finance Corporation's dividends from 2027-28, and tax equivalent returns from 2026-27, reflect higher net interest margins and favourable market value movements in the short-term that are not expected to be sustained.
6. The decrease in the Mersey Community Hospital dividend in 2026-27 reflects the final annual dividend expected to be paid from the Fund in 2026-27.
7. The decrease in the Motor Accidents Insurance Board taxation equivalent returns from 2026-27 reflects the impact of investment returns on its profit result in the short-term.

Other Revenue

Other revenue is estimated to be \$282.2 million in 2026-27. Table 6.10 lists the sources of Other revenue. The information provided in this section may differ from Other revenue for each agency in Budget Papers No. 2 and No. 3 due to the elimination of inter-agency transactions during consolidation.

Table 6.10: Other Revenue

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Mineral Royalties ¹	65.3	85.9	68.0	66.0	63.5	59.5
Regional Water Authority Licence Fees	2.8	2.8	2.8	2.8	2.8	2.8
Other Revenue by Agency						
Education, Children and Young People	23.6	24.8	25.3	24.9	24.7	24.7
Finance-General ²	3.9	2.4	0.8	15.8	0.8	0.6
Health ³	67.2	71.7	74.1	76.6	77.0	77.4
Justice ⁴	32.8	33.5	38.8	34.5	35.2	36.0
Natural Resources and Environment						
Tasmania	9.4	13.4	10.3	10.3	10.3	10.3
Police, Fire and Emergency Management ⁵	15.9	32.7	32.9	33.0	33.1	33.2
Premier and Cabinet ⁶	0.4	0.4	0.4	3.4	3.4	3.4
State Fire Commission	4.0	4.0	4.7	4.8	4.9	5.0
State Growth ⁷	8.6	8.6	18.6	8.6	8.6	8.6
Treasury and Finance	1.0	1.4	1.4	1.4	1.4	1.5
Other	5.1	4.5	4.1	3.6	3.7	3.7
TOTAL OTHER REVENUE	240.2	286.2	282.2	285.9	269.5	266.9

Notes:

1. The variation in Mineral Royalties from the 2025-26 Budget reflects updated estimates based on information from mining companies about expected royalty payments and analysis of commodity prices.
2. The increase in Finance-General in 2027-28 reflects the AFL contribution of \$15 million towards the Macquarie Point Multipurpose Stadium.
3. The increase in Health from the 2025-26 Budget primarily reflects updated Salary recoveries and workers' compensation recoveries.
4. The increase in Justice in 2026-27 primarily reflects Local Government elections, which occur every four years.
5. The increase in Police, Fire and Emergency Management from the 2025-26 Budget primarily reflects updated workers' compensation recoveries.
6. The increase in Premier and Cabinet from 2027-28 reflects the implementation of an administrative fee on Service Tasmania transactions.
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.

7 INFRASTRUCTURE INVESTMENT

Executive Summary

- The 2026-27 Budget and Forward Estimates provide more than \$4.9 billion in total infrastructure investment, averaging more than \$1.2 billion per year, supporting essential services, regional connectivity and economic resilience.
- The Government has announced the establishment of Building Tasmania, which is intended to consolidate building and infrastructure delivery capability across Government and strengthen coordination, prioritisation and oversight of the capital works program.
- The Government's new Fiscal Strategy includes a framework for infrastructure investment, including a target for capital and equity investment and a requirement that investment exceeds asset depreciation, supporting sustainability and predictability in capital planning.
- General Government Sector infrastructure investment totals \$3.5 billion over the Budget and Forward Estimates, supporting a range of service-enabling projects delivered directly by Government agencies.
- Almost half of the GGS infrastructure investment is directed to roads and bridges, reflecting the scale of the Roads Program and the importance of maintaining and upgrading the State Road Network.
- Health infrastructure is the second largest area of investment, accounting for over 20 per cent of GGS infrastructure investment, supporting major hospital redevelopments, mental health facilities and digital health initiatives.
- A further \$1.5 billion in equity contributions is provided to government businesses and other entities over the Budget and Forward Estimates, to support critical energy, transport, port rail, irrigation and community infrastructure across Tasmania.
- The infrastructure program comprises a mix of smaller, service-focused projects, alongside larger, long-term investments, requiring careful sequencing and management to balance delivery capacity across the program.

OVERVIEW

Infrastructure investment underpins the delivery of essential services across health, education, transport and community services. Well-planned and reliable infrastructure supports service quality, accessibility and resilience, particularly in a geographically dispersed state.

The capital program reflects the Government's focus on service delivery, asset stewardship and financial sustainability through support for the planning, maintenance and renewal of Tasmania's infrastructure base. This reflects the scale and longevity of infrastructure assets, and the need to align investment decisions with service demand, delivery capability and funding capacity over time.

The composition of the capital program is also evolving, with a growing number of large and complex projects. Projects with an estimated value greater than \$50 million typically involve longer delivery timeframes, higher risk profiles and more complex procurement and delivery arrangements. As the number and scale of these projects increases, they place materially different demands on delivery capability, assurance processes and market capacity.

Within this context, the 2026-27 Budget outlines an infrastructure investment profile that reflects both existing commitments and the sequencing through which new investment can be delivered. Infrastructure investment over the Budget and Forward Estimates is concentrated on completing projects already underway, progressing priority service-enabling investments and maintaining the State's existing asset base.

Over the 2026-27 Budget and Forward Estimates, total investment in infrastructure is 4.9 billion. Total infrastructure investment across sectors and funding sources is summarised in Table 7.1.

Table 7.1: Total Infrastructure Investment Funding

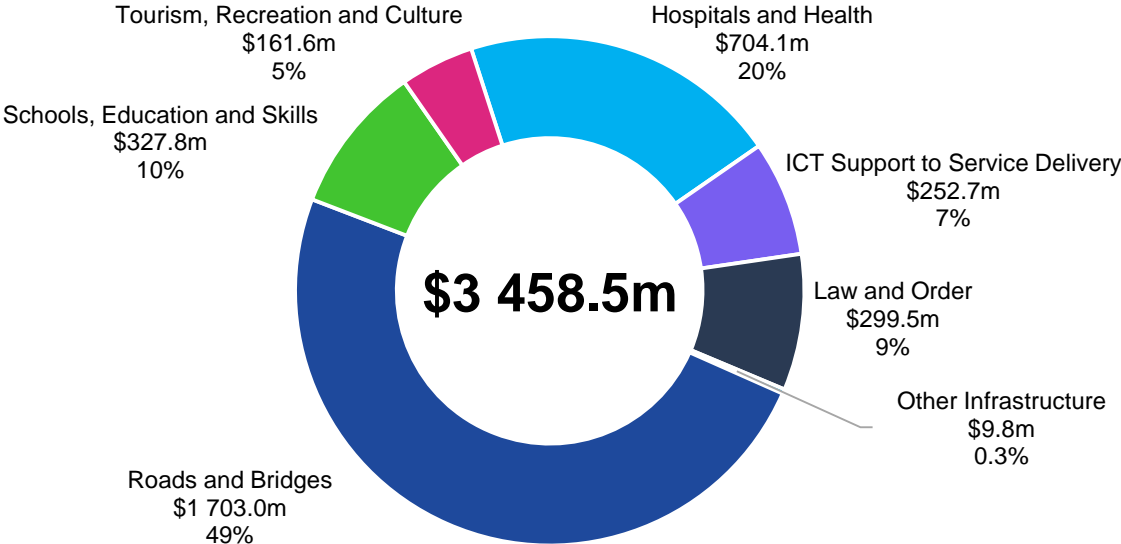
	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
General Government Sector						
State Government	683.1	540.4	730.7	728.8	517.0	395.5
Australian Government	210.6	200.0	261.5	292.0	289.5	243.6
	893.7	740.4	992.2	1 020.7	806.5	639.1
Government businesses						
State Government	268.3	121.0	238.6	102.6	69.9	31.8
Australian Government	212.4	182.3	152.7	154.0	85.8	34.3
	480.7	303.3	391.3	256.7	155.7	66.1
Other entities (outside GGS)						
State Government	78.6	75.6	47.6	90.3	219.4	....
Australian Government	47.2	60.8	36.4	102.3	105.5	....
Other contributions ¹	....	....	....	15.0	....	....
	125.8	136.4	84.1	207.7	324.9	....
TOTAL INFRASTRUCTURE INVESTMENT	1 500.2	1 180.1	1 467.5	1 485.1	1 287.1	705.2

Note:

1. Reflects the AFL's commitment of \$15 million towards the Macquarie Point Multipurpose Stadium.

Chart 7.1 shows that General Government Sector infrastructure investment over the 2026-27 Budget and Forward Estimates is predominantly directed toward assets that support the delivery of essential services and maintain critical statewide networks. This composition is consistent with the Government’s Budget priorities of strengthening essential services, planning for sustainable future service models and reinforcing fiscal sustainability through disciplined capital planning.

Chart 7.1: Total GGS Infrastructure Investment by Purpose, 2026-27 to 2029-30



The remaining GGS investment is distributed across education and other social infrastructure, along with the renewal and replacement of existing assets across multiple service areas. This investment supports the ongoing delivery of services, mitigates asset condition and reliability risks, and maintains the functional capacity of public infrastructure over time.

In addition to the General Government Sector program, infrastructure investment delivered through government businesses and other Public Non-Financial Corporations supports a range of critical service functions across energy, transport, water, ports and rail. These investments underpin the reliability of essential statewide systems, support regional connectivity and economic participation, and contribute to the resilience of Tasmania’s service and supply networks. Consistent with the Government’s Budget priorities, equity contributions are directed toward maintaining and upgrading assets that are fundamental to the delivery of essential services and the effective functioning of the Tasmanian economy.

Infrastructure Tasmania manages and publishes the *Tasmanian 10 Year Infrastructure Pipeline*, which provides information on planned and active major infrastructure projects. It includes information gathered from: General Government Sector agencies; government businesses; statutory authorities; local government; and the private sector. The Pipeline can be found on the Infrastructure Tasmania website (www.infrastructure.tas.gov.au).

Tasmania's infrastructure program is supported by contributions from the Australian Government, particularly for projects of national or regional significance. Australian Government funding is incorporated within the infrastructure investment profile and is subject to agreed funding arrangements and delivery milestones. The timing of these contributions can influence the sequencing and cash-flow profile of individual projects, reinforcing the need for coordinated planning across the capital program.

Several projects identified for the longer-term infrastructure investment pipeline are contingent on future Australian Government funding decisions and the negotiation of intergovernmental agreements. The timing and progression of these projects will therefore be influenced by the availability and sequencing of Australian Government contributions and agreement on funding terms and may require the reprofiling of other infrastructure investments within the overall capital program.

The scale and profile of the Tasmanian Government's infrastructure investment is supported by the Government's new Fiscal Strategy (chapter 3 of this Budget Paper), which establishes clear parameters for the management of capital investment.

The Strategy includes an annual measure to ensure investment exceeds asset depreciation, supporting the maintenance and renewal of the State's capital stock, and a new target that limits total capital and equity investment to no more than \$1 billion per year. These measures are intended to strengthen predictability and discipline in capital planning, while ensuring infrastructure investment remains consistent with the State's broader fiscal objectives.

The delivery of the capital program over the 2026-27 Budget and Forward Estimates will occur in a complex operating environment. The growing number of large and technically complex projects, the need to manage concurrent delivery across multiple agencies and entities and the coordination of Australian Government and other funding arrangements will place increased emphasis on sequencing, capability and delivery discipline. Cost escalation, workforce availability and supply chain constraints also continue to affect public infrastructure programs nationally, with these pressures more pronounced in Tasmania due to the State's geography, market size and contractor market.

When established, Building Tasmania is expected to support improved coordination and oversight of the capital works program, including clearer prioritisation of projects and greater visibility of delivery constraints. Consolidating capability in this way is intended to assist in managing delivery risk, coordinating investment decisions across agencies and supporting a more holistic approach to infrastructure planning and delivery.

The remainder of this chapter provides further detail on the Government's infrastructure investment program over the 2026-27 Budget and Forward Estimates. It outlines capital investment by sector and agency, presenting information on major projects and programs, including projects that are contingent on future funding decisions. Given the difference in coverage between the broader infrastructure investment program and the General Government Sector accounts, the chapter also includes a reconciliation between Infrastructure Investment and Purchases of non-financial assets.

GENERAL GOVERNMENT SECTOR INFRASTRUCTURE INVESTMENT

Total General Government Sector infrastructure investment over the 2026-27 Budget and Forward Estimates is \$3.5 billion (Chart 7.2). This equates to an average annual investment of more than \$860 million.

Homes Tasmania was established on 1 December 2022, resulting in the transfer of housing related infrastructure investment from the GGS to the Public Non-Financial Corporations sector. As a result, GGS infrastructure investment presented in Chart 7.2 is not directly comparable across the time series, reflecting this sectoral reclassification.

Chart 7.2: General Government Sector Infrastructure Investment, 2020-21 to 2029-30

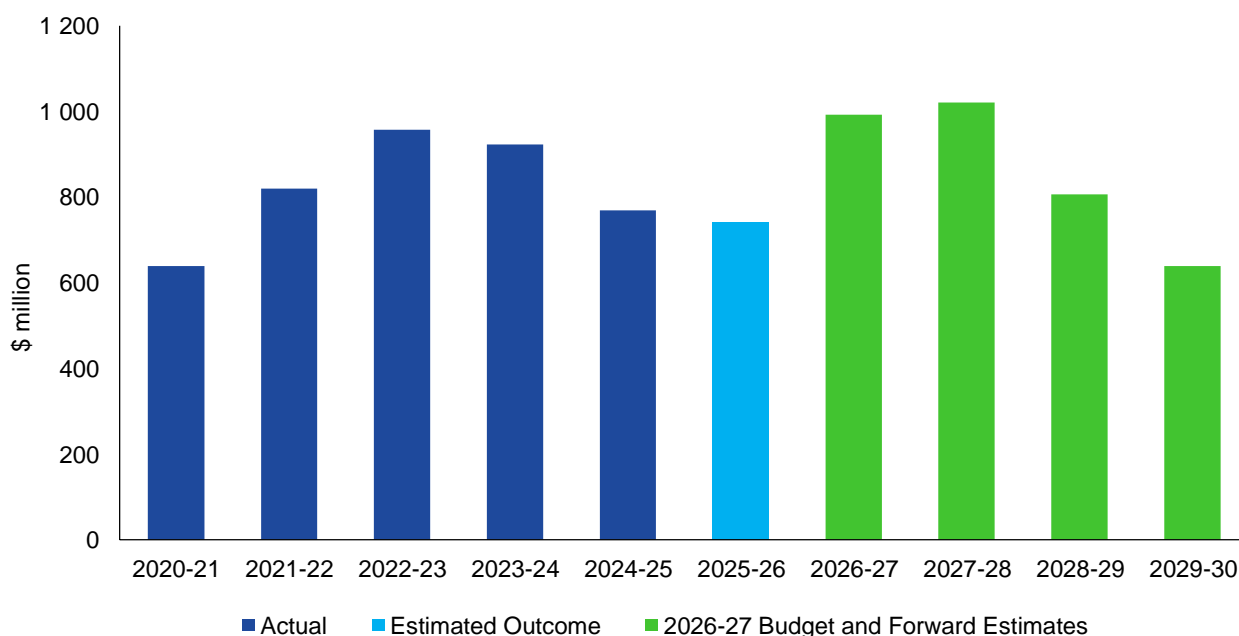


Table 7.2 shows GGS infrastructure investment by agency, with further information on individual projects provided in the Details of General Government Sector Infrastructure Investment Projects section of this chapter. These projects may be funded by the State Government, the Australian Government or a combination of the two.

Statutory authorities within the GGS do not receive capital appropriations directly. Infrastructure investment for statutory authorities is appropriated through the relevant administering department.

The values presented in this section are not equivalent to Purchases of Non-Financial Assets presented in chapter 5 of this Budget Paper. Further detail of these differences is provided in the Reconciliation Between Infrastructure Investment and Purchases of Non-Financial Assets section of this chapter.

Table 7.2: General Government Sector Infrastructure Investment by Entity

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Agencies						
Education, Children and Young People	75.3	62.2	78.6	230.4	114.0	39.8
Finance-General	42.6	22.4	40.6	14.6	5.0	5.0
Health	206.5	147.3	208.4	196.7	224.3	214.7
Justice	50.0	31.6	76.4	52.1	4.5	....
Legislature-General	....	....	1.0	....	....	....
Natural Resources and Environment						
Tasmania	38.4	23.5	54.9	35.1	16.0	1.6
Office of the Governor	3.9	0.6	5.6	1.4	....	....
Police, Fire and Emergency						
Management	44.8	33.8	19.6	3.8	8.3	8.5
Premier and Cabinet	16.3	16.3	25.1	0.3	0.3	0.3
State Growth	402.0	385.7	475.5	480.1	434.1	369.3
Statutory Authorities						
Royal Tasmanian Botanical Gardens	0.3	0.3	....	....	....	....
State Fire Commission	2.5	2.5	....	....	....	....
TasTAFE	11.1	14.3	6.5	6.5	....	....
TOTAL INFRASTRUCTURE INVESTMENT	893.7	740.4	992.2	1 020.7	806.5	639.1

EQUITY CONTRIBUTIONS FOR INFRASTRUCTURE INVESTMENT OUTSIDE THE GENERAL GOVERNMENT SECTOR

Infrastructure investment outside the GGS is primarily supported through equity contributions administered by Finance-General. Over the 2026-27 Budget and Forward Estimates, equity contributions for infrastructure investment total \$1.5 billion (Table 7.3). These equity contributions support capital works undertaken by government businesses and other Public Non-Financial Corporations.

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

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Government Businesses						
Hydro Tasmania	42.2	42.2	....	....	....	....
Metro Tasmania	1.2	1.2	2.4	2.4	2.4	....
Tasmanian Irrigation	123.9	107.9	66.8	108.9	90.1	45.9
Tasmanian Networks	191.0	53.0	67.0	45.0	37.0	20.0
Tasmanian Ports Corporation	47.1	47.0	45.5	52.0	26.0	....
Tasmanian Railway	68.3	51.5	78.4	48.1	....	....
Tasracing	7.0	0.5	0.3	0.3	0.3	0.3
TT-Line	....	....	131.0	....	....	....
	480.7	303.3	391.3	256.7	155.7	66.1
Other Public Non-Financial Sector Corporations Entities						
Macquarie Point Development Corporation	37.2	37.2	49.3	193.7	324.9	....
Stadiums Tasmania	88.6	99.2	34.8	14.0	....	....
	125.8	136.4	84.1	207.7	324.9	....
TOTAL EQUITY CONTRIBUTIONS	606.4	439.6	475.4	464.3	480.6	66.1

Other infrastructure investment is also supported through grant funding from General Government Sector agencies, including:

- administered payments to support borrowing costs related to capital projects delivered by entities outside of the General Government Sector, for example for Homes Tasmania; and
- funding committed by Government for community infrastructure, including to private sector entities.

Information on equity contributions for purposes other than infrastructure investment is provided in chapter 13 of Budget Paper No. 2.

The remainder of this section provides details of the equity contributions for infrastructure investment, including Australian Government contributions.

Government Businesses

Hydro Tasmania

The equity contributions to Hydro Tasmania in 2025-26 reflect Australian Government funding for the final milestones under the agreement to support the redevelopment of the Tarraleah Power Station.

Metro Tasmania

The 2026-27 Budget and Forward Estimates include equity contributions to Metro of \$6 million to support fleet replacement and \$1.2 million for CCTV technology for existing Metro buses.

Tasmanian Irrigation

The 2026-27 Budget and Forward Estimates include equity contributions of \$110.9 million from the Tasmanian Government, as well as \$200.8 million in Australian Government funding from the National Water Grid Fund, to support the delivery of Tranche 3 irrigation schemes, including: Northern Midlands Irrigation Scheme; the Sassafras Wesley Vale Irrigation Scheme Augmentation; and the Greater South East Irrigation Scheme.

Tasmanian Networks

The total equity commitment required for TasNetworks' North West Transmission Developments Stage 1 has increased from \$191 million to \$222 million. Funding is now profiled over multiple years (from 2025-26 to 2029-30) to align with the associated financing agreement with the Clean Energy Finance Corporation and the project budget. The 2026-27 Budget and Forward Estimates include the remainder of this commitment (\$169 million). Actual equity contributions may vary from Budget estimates to align with actual project expenditure.

Tasmanian Ports Corporation

The 2026-27 Budget and Forward Estimates include equity contributions of \$113 million from the Australian Government for the development of Macquarie Wharf 6 at the Port of Hobart, following a contribution of \$47 million in 2025-26.

The Australian Government's total contribution to the project is \$188 million with the balance of funding under the Federation Funding Agreement comprising:

- a grant payment of \$2 million to be provided in 2026-27 through the Department of State Growth, subject to Australian Government acceptance of the Tasmanian Government's Refuelling Solution for RSV *Nuyina*; and
- \$26 million in 2028-29, to be provided as a grant to Tasmanian Ports Corporation through Finance-General, for future maintenance requirements at Macquarie Wharf 6, subject to the Australian Government's acceptance of a management plan for inspection and maintenance for Wharf 6.

The 2026-27 Budget and Forward Estimates also include Tasmanian Government equity contributions of \$10.5 million for capital works on community port infrastructure at Inspection Head and Stanley.

Tasmanian Railway

The infrastructure of TasRail is supported by equity contributions over the 2026-27 Budget and Forward Estimates, primarily focused on rail network renewal, freight capacity and safety improvements. Funding includes:

- \$67.7 million from the Australian Government for Tranches 2, 3 and 4 of the Tasmanian Freight Rail Revitalisation Program, comprised of:
 - \$4.4 million for Tranche 2;
 - \$15.3 million for Tranche 3; and
 - \$48.0 million for Tranche 4.
- \$27.2 million to remedy the Bell Bay Line, comprised of \$22 million from the Australian Government and \$5.2 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 from the Tasmanian Government;
- \$10.9 million to upgrade regional level crossings through the Regional Level Crossing Upgrade Fund, comprised of \$8.9 million from the Australian Government and \$2 million from the Tasmanian Government; and
- Tasmanian Government contributions of:
 - \$2 million for below rail infrastructure; and
 - \$1.5 million to continue the overhaul of TasRail's legacy locomotives.

Tasracing

The 2026-27 Budget includes supplementary capital funding of \$250 000 per annum to support Tasracing's capital projects.

TT-Line

An equity contribution of \$131 million is included in 2026-27 for TT-Line, associated with the permanent berthing infrastructure works at Berth 3 in Devonport. This contribution forms part of the Government's broader equity support for TT-Line, of which an additional \$375 million is allocated for the reduction of TT-Line's existing debt facility. This is further described in chapter 13 of Budget Paper No. 2.

Other Public Non-Financial Corporations Sector Entities

Macquarie Point Development Corporation

The 2026-27 Budget and Forward Estimates include funding of \$567.8 million to deliver a new multi-purpose arts, entertainment and sporting precinct as part of the Macquarie Point Urban Renewal Project. This funding is contributed by the Australian Government, AFL and Tasmanian Government. Further information on the capital works being undertaken by Macquarie Point Development Corporation can be found in chapter 2 of Budget Paper No. 4.

Stadiums Tasmania

The 2026-27 Budget and Forward Estimates include equity contributions to Stadiums Tasmania of \$48.8 million, including:

- \$42.8 million for the continued redevelopment of UTAS Stadium in Launceston comprised of: \$22.8 million from the Australian Government; and \$20 million in Tasmanian Government contributions;
- \$3 million for the Silverdome redevelopment; and
- \$3 million for other capital works.

Information on capital priorities for Stadiums Tasmania can be found in chapter 3 of Budget Paper No. 4.

DETAILS OF GENERAL GOVERNMENT SECTOR INFRASTRUCTURE INVESTMENT PROJECTS

This section provides project level details for Infrastructure Investment within the General Government Sector over the 2026-27 Budget and Forward Estimates.

Table 7.4 presents information for GGS infrastructure projects, by agency, including projects continuing from prior years. Existing projects from previous Budgets which are due to, or have been re-profiled to, commence outside of the 2026-27 Budget and Forward Estimates are not itemised in Table 7.4.

The Roads Program provides funding for the State Road Network, one of the State's most significant infrastructure assets. The Program includes an additional \$5 million for the Urban Congestion Fund to invest in infrastructure to support the Derwent Ferries service. Details of the Roads Program are provided in Table 7.5.

Future projects that are contingent on funding provided by the Australian Government are outlined in the Projects Contingent on Australian Government Funding section of this chapter. The Tasmanian Government continues to advocate for the delivery of these projects, to be enabled by Australian Government contributions, with the scope and timing of projects to be determined subject to the commitment of co-contributions.

In this section:

- the Estimated Total Cost represents the projected total cost of the project or program over its duration, as determined at the finalisation of the 2026-27 Budget; and
- the completion date reflects the final period of funding allocated for the project. In some cases, practical completion may occur in a different year.

Table 7.4: General Government Sector Infrastructure Investment Project Details

				Estimated	2026-27	2027-28	2028-29	2029-30
	Status	Start	Complete	Total	Budget	Forward	Forward	Forward
				Cost		Estimate	Estimate	Estimate
				\$m	\$m	\$m	\$m	\$m
Education, Children and Young People								
Building Early Education Fund ^{1,2}	New	2026	2029	20.5	2.0	8.0	10.5	....
Burnie Primary School	Existing	2026	2031	14.0	0.4	0.6	2.0	5.6
Cambridge Primary School - Major School Redevelopment	Existing	2021	2028	18.0	2.6	6.9	....	....
Campbell Town District High School	Existing	2028	2032	7.9	....	....	0.3	1.0
Clarence High School	Existing	2024	2029	29.0	4.0	16.4	8.0	....
Deloraine High School	Existing	2026	2030	16.5	0.4	2.0	11.0	3.1
Dodges Ferry Primary School	Existing	2024	2029	25.0	5.0	15.2	4.0	....
East Derwent Primary School	Existing	2024	2030	12.0	0.6	5.5	5.0	0.3
Electrical Switchboard Maintenance	Existing	2023	2029	18.0	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	2.8	2.8	....	....
Glen Dhu Works	Existing	2021	2028	3.5	1.8	0.3	....	....
Havenview Primary School	Existing	2027	2031	11.6	....	0.3	1.5	6.2
Lindisfarne North Primary School	Existing	2028	2032	8.1	....	....	0.3	1.5
Montello Primary School - Major School Redevelopment ³	Existing	2021	2028	11.1	3.0	1.5	....	....
Mowbray Heights Primary School	Existing	2028	2032	7.1	....	....	0.3	1.0
New Child and Family Learning Centres	Existing	2024	2029	24.0	7.0	9.0	7.6	....
Out of School Hours Care Capital Upgrades	Existing	2026	2030	10.0	0.2	4.8	3.0	2.0
Playground and Sports Courts Upgrades	Existing	2024	2029	10.0	3.0	3.0	2.4	....
Port Dalrymple Primary School	Existing	2028	2032	9.7	....	....	0.3	1.0
Princes Street Primary School	Existing	2028	2032	8.3	....	....	0.3	1.5
Renewable Energy Schools Program	Existing	2021	2027	5.0	0.8	....	....	....
Ringarooma Primary School	Existing	2028	2031	3.6	....	....	0.3	0.5
Risdon Vale Primary School	Existing	2028	2032	6.0	....	....	0.3	1.5

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

				Estimated	2026-27	2027-28	2028-29	2029-30
	Status	Start	Complete	Total	Budget	Forward	Forward	Forward
				Cost		Estimate	Estimate	Estimate
				\$m	\$m	\$m	\$m	\$m
Education, Children and Young People (continued)								
Rosetta Primary School	Existing	2028	2032	14.2	....	....	0.3	1.5
South George Town Primary School	Existing	2024	2030	15.1	2.0	6.0	6.0	0.7
Support School Package - North West Support School	Existing	2021	2029	65.0	12.0	24.7	23.7	....
Supporting Safer Schools	Existing	2021	2027	10.3	2.0	....	....	....
Upgrade Teacher Housing	Existing	2024	2030	15.0	3.0	3.8	3.3	2.9
VET Facilities Fund	Existing	2024	2030	30.0	1.0	7.2	11.0	9.6
Youth Justice Facilities	Existing	2023	2029	155.3	22.6	109.8	10.1	....
					78.6	230.4	114.0	39.8
Finance-General								
Digital Transformation Priority Expenditure Program ⁴	Ongoing			na	40.5	14.6	5.0	5.0
Expansion of the House of Assembly to 35 Members - Office Accommodation Capital Upgrades	Existing	2023	2027	5.5	0.1	....	....	....
					40.6	14.6	5.0	5.0
Health								
27 New Mental Health Beds in Southern Tasmania	Existing	2018	2028	48.8	16.4	6.0	....	....
CHHP Kings Meadows Community Centre ²	Existing	2021	2027	10.0	5.9	....	....	....
CHHP St Johns Park Eating Disorders Treatment Centre ²	Existing	2020	2027	10.0	5.3	....	....	....
Devonport Mental Health Hub	Existing	2026	2028	7.6	3.8	3.8	....	....
Digital Health Transformation ⁵	Existing	2022	2032	295.2	40.0	40.0	40.0	20.0
East Coast CT Scanner at St Helens District Hospital	New	2028	2029	2.0	....	....	2.0	....
Huon Valley Health Precinct and Mental Health Hub	New	2026	2030	15.0	0.5	0.5	7.0	7.0

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

				Estimated	2026-27	2027-28	2028-29	2029-30
	Status	Start	Complete	Total		Forward	Forward	Forward
				Cost	Budget	Estimate	Estimate	Estimate
				\$m	\$m	\$m	\$m	\$m
Health (continued)								
Kingston Health Centre - Stage 2	Existing	2023	2029	30.0	5.8	13.0	5.0	....
Launceston General Hospital - Northern Heart Centre ²	Existing	2024	2030	120.0	20.2	30.0	30.0	30.0
Launceston General Hospital Redevelopment - Northern Health Complex	New	2026	2032	240.0	0.2	0.5	0.5	8.0
Launceston General Hospital Redevelopment - Stage 1	Existing	2018	2027	87.3	9.8	....	....	....
Launceston General Hospital Redevelopment - Stage 2 (including Mental Health Precinct) ⁶	Existing	2021	2032	634.7	2.1	38.6	80.8	113.0
Launceston Hospice ²	Existing	2024	2027	20.0	16.0	....	....	....
Medical Equipment Fund	Existing	2024	2031	40.0	6.0	6.0	6.0	6.0
Midlands Multipurpose Health Centre Upgrade - Stage 2 ²	Existing	2024	2027	3.9	1.0	....	....	....
North West Regional Hospital - Mental Health Precinct ^{6,7}	Existing	2022	2031	47.0	1.0	18.0	14.0	7.0
North West Regional Hospital Upgrade	Existing	2022	2028	20.0	9.3	5.0	....	....
Royal Hobart Hospital Pharmacy Redevelopment	Existing	2019	2027	21.9	1.6	....	....	....
Royal Hobart Hospital Redevelopment ⁸	Existing	2011	2027	469.2	1.2	....	....	....
Royal Hobart Hospital Redevelopment - Expanded Stage 2	Existing	2023	2030	118.4	17.1	31.2	35.0	6.0
St Johns Park - Child and Adolescent Mental Health Inpatient Unit and Day Facility ⁶	Existing	2025	2031	42.0	0.9	....	....	8.0
St Johns Park Health Precinct - Older Persons Mental Health Facility ^{6,7}	Existing	2024	2031	75.6	37.0	....	....	4.8
Statewide Rural Hospital and Ambulance Station Upgrade Fund ⁶	Existing	2018	2031	42.5	3.0	4.0	4.0	4.0
West Coast CT Scanner	New	2029	2030	0.9	....	....	....	0.9
West Coast District Hospital Redevelopment - Stage 2 ²	Existing	2024	2027	5.7	4.4	....	....	....
					208.4	196.7	224.3	214.7

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

				Estimated	2026-27	2027-28	2028-29	2029-30
	Status	Start	Complete	Total	Budget	Forward	Forward	Forward
				Cost		Estimate	Estimate	Estimate
				\$m	\$m	\$m	\$m	\$m
Justice								
Burnie Court Complex	Existing	2020	2028	86.5	41.8	27.5	....	....
Electronic Security and Mobile Duress Alarm System Replacement ⁹	Existing	2023	2027	23.4	11.7	....	....	....
Risdon Prison - Critical Infrastructure Maintenance ⁹	Existing	2021	2029	11.9	1.4	2.5	2.5	....
Risdon Prison Complex - Additional Max Security Accommodation ⁹	Existing	2024	2029	45.9	20.7	21.6	2.0	....
Risdon Prison Construction Program ⁹	Existing	2024	2028	1.7	0.8	0.5	....	....
					76.4	52.1	4.5	....
Legislature-General								
Disability Access	New	2026	2027	1.0	1.0	....	....	....
					1.0	....	....	....
Natural Resources and Environment Tasmania								
Arthur Pieman Conservation Area	Existing	2021	2028	10.0	4.4	2.0	....	....
Ben Lomond - A Year-Round Destination	Existing	2022	2027	2.8	0.8	....	....	....
Cockle Creek Camping and Access Upgrade	Existing	2021	2027	3.3	2.0	....	....	....
Crown Land Services - Structural Asset Upgrades	Ongoing			na	0.6	0.6	0.6	0.6
Edge of the World Revitalisation	Existing	2023	2027	2.8	2.4	....	....	....
Freycinet National Park New Visitor Gateway	Existing	2023	2028	14.0	8.1	3.8	....	....
Freycinet Peninsula Wastewater	Existing	2020	2027	10.3	8.1	....	....	....
Freycinet Tourism Icons Project ²	Existing	2020	2027	7.2	1.6	....	....	....
Implement a Statewide Parks Online Booking System	Existing	2024	2027	1.5	1.3	....	....	....
Improve Disability Access in our Parks and Reserves	Existing	2024	2028	1.8	1.1	0.5	....	....
Improve the Visitor Experience at The Nut State Reserve	Existing	2024	2028	2.3	1.0	0.6	....	....
Make Mount Field a Year-Round Destination	Existing	2024	2029	7.8	0.3	5.3	2.2	....

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

				Estimated	2026-27	2027-28	2028-29	2029-30
	Status	Start	Complete	Total	Budget	Forward	Forward	Forward
				Cost		Estimate	Estimate	Estimate
				\$m	\$m	\$m	\$m	\$m
Natural Resources and Environment Tasmania (continued)								
Maria Island Re-discovered Project ¹⁰	Existing	2023	2027	10.6	3.8	....	....	....
Mount Field National Park New Arrival Concourse	Existing	2023	2027	2.1	1.6	....	....	....
National Parks - Maintenance Boost	Ongoing			na	1.0	1.0	1.0	1.0
Next Iconic Walk	Existing	2018	2029	40.0	8.0	17.0	8.3	....
Support Unique Experiences in Dial Range	Existing	2024	2028	1.6	0.4	0.4	....	....
Sustaining Safety, Access and Experiences in our Parks and Reserves	Existing	2026	2029	12.0	4.0	4.0	4.0	....
Tamar Island Wetlands Boardwalk Replacement	Existing	2023	2027	3.4	2.5	....	....	....
Tasmans Arch and Devils Kitchen Revitalisation	Existing	2023	2027	1.7	0.2	....	....	....
Tasmanian Agricultural Precinct Preparedness	Existing	2023	2027	4.0	2.0	....	....	....
					54.9	35.1	16.0	1.6
Office of the Governor								
Government House Slate and Lead Roof Replacement	Existing	2024	2028	7.9	5.6	1.4	....	....
					5.6	1.4	....	....
Police, Fire and Emergency Management								
Kingston Emergency Services Hub	Existing	2029	2031	15.0	....	....	....	7.5
Lift Infrastructure	Existing	2024	2027	2.3	1.0	....	....	....
Police Protective Equipment and Safety Enhancements	Existing	2025	2027	3.7	0.4	....	....	....
Project Unify	Existing	2020	2027	52.1	16.0	....	....	....
Rosebery Emergency Services Hub	Existing	2026	2029	2.0	0.5	1.0	0.5	....
Rosebery Police Station	Existing	2023	2027	1.0	0.6	....	....	....
SES Vehicles	Existing	2026	2029	3.0	0.8	0.8	0.8	....
Western Arch	Existing	2024	2027	5.0	0.3	....	....	....

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

	Status	Start	Complete	Estimated Total Cost \$m	2026-27 Budget \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m	2029-30 Forward Estimate \$m
Police, Fire and Emergency Management (continued)								
Wynyard Emergency Services Hub	Existing	2027	2030	10.0	....	2.0	7.0	1.0
					19.6	3.8	8.3	8.5
Premier and Cabinet								
Human Resources Transformation Project	Existing	2025	2027	40.8	24.8	....	....	....
Service Tasmania Service Centre Capital Investment	Ongoing			na	0.3	0.3	0.3	0.3
					25.1	0.3	0.3	0.3
State Growth								
Elphin Sports Centre ⁴	Existing	2024	2029	4.7	2.6	1.1	1.1	....
New Southern Tasmanian Sporting Facilities	Existing	2022	2028	54.7	23.0	7.6	....	....
Northern Suburbs (Launceston) Community Recreation Hub Project ⁸	Existing	2023	2028	61.5	9.5	7.8	....	....
TMAG Building Maintenance	Existing	2023	2028	4.0	2.9	0.5	....	....
Roads Program Expenditure ^{4,8,11}	Ongoing			na	437.5	463.1	433.1	369.3
					475.5	480.1	434.1	369.3
TasTAFE								
TasTAFE Facility Upgrades and Transition Fund	Existing	2021	2028	45.0	6.5	6.5	....	....
					6.5	6.5	....	....
TOTAL ALLOCATED INFRASTRUCTURE PROJECTS					992.2	1 020.7	806.5	639.1

Notes:

1. This project includes funding for the construction and expansion of Early Childhood Education and Care Centres (ECEC) in Tasmania.
2. This project is fully funded by the Australian Government.
3. The Estimated Total Cost for this project includes an additional \$1.5 million when compared to the 2025-26 Budget. This increase is funded through the repurposing of 2025-26 savings from the New Brighton High School and Six New Child and Family Learning Centres projects.

4. Additional funding has been provided for this existing project as part of the 2026-27 Budget.
5. The profile for this project includes an additional allocation of \$85.2 million over the 2026-27 Budget and Forward Estimates reprioritised from existing allocations within the Department's Capital Investment Program. A further \$40 million is profiled beyond the Forward Estimates.
6. Existing allocations for this project have been reprofiled to future years, to prioritise priority projects, including the Digital Health Transformation and Huon Valley Health Precinct and Mental Health Hub.
7. The 2026-27 Budget allocates an additional \$7 million to this project, including \$5 million beyond the Forward Estimates. The additional allocation is sourced from estimated savings in the St Johns Park Health Precinct - Older Persons Mental Health Facility, reflecting a change in project scope at St John's Park from a new build to the refurbishment of Rosary Gardens.
8. This project includes Australian Government funding.
9. The Department of Justice has reprioritised existing funding allocations over the 2026-27 Budget and Forward Estimates for these projects, to reflect revised timing of project milestones and to align project deliverables with estimated expenditure profiles. This has resulted in the revision of individual project totals, with no change to the overall funding allocation.
10. This project includes additional funding of \$3.8 million, comprised of \$3.2 million transferred from the Hastings Thermal Pool Revitalisation project and \$550 000 transferred from Recreational Fishing - Improved Boat and Trailer Parking to address urgent works for the Maria Island Critical Infrastructure Upgrades Project (Stage 3). Funding for these paused projects will be considered once they are deemed able to proceed.
11. Details of the Roads Program are provided in Table 7.5.

Table 7.5: Roads Program Project Details

	Status	Start	Complete	Estimated Total Cost \$m	2026-27 Budget \$m	2027-28 Forward Estimate \$m	2028-29 Forward Estimate \$m	2029-30 Forward Estimate \$m
Algona Interchange and Kingston Bypass	Existing	2022	2030	73.1	7.0	24.3	24.0	9.1
State Funding				12.0	1.5	1.8	....	....
Australian Government Funding				61.1	5.5	22.5	24.0	9.1
Arthur Highway Corridor	Existing	2022	2036	256.6	5.0	16.0	25.0	25.0
State Funding				51.0	3.0	4.0	....	....
Australian Government Funding ¹				205.6	2.0	12.0	25.0	25.0
Bass Highway Corridor	Existing	2024	2035	440.0	23.1	36.4	42.9	42.6
State Funding				108.0	8.6	5.8	2.0	5.5
Australian Government Funding				332.0	14.5	30.6	40.9	37.1
Brooker Highway Upgrades	Existing	2027	2030	4.0	....	0.9	1.7	1.4
Australian Government Funding				4.0	....	0.9	1.7	1.4
Cygnets Township Safety Upgrade	Existing	2024	2029	5.0	2.0	1.5	0.2	....
State Funding				5.0	2.0	1.5	0.2	....
Devonport to Cradle Mountain Corridor	Existing	2024	2031	31.3	1.2	2.8	3.4	9.3
State Funding				25.0	1.2	2.8	0.9	7.3
Australian Government Funding				6.3	....	....	2.5	2.0
East and West Tamar Highway Corridors	Existing	2023	2035	202.5	13.2	25.1	27.1	26.9
State Funding				40.5	6.2	5.1	1.6	2.0
Australian Government Funding				162.0	7.0	20.0	25.5	24.9
Greater Hobart Traffic Solution²	Existing	2019	2036	307.8	52.1	41.2	23.8	20.7
State Funding				167.8	28.2	26.2	13.7	13.4
Australian Government Funding				140.0	24.0	15.0	10.1	7.3
Huon Highway Corridor	Existing	2027	2032	40.0	....	6.0	7.0	1.0
Australian Government Funding				40.0	....	6.0	7.0	1.0

Table 7.5: Roads Program Project Details (continued)

	Status	Start	Complete	Estimated Total Cost	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
				\$m	\$m	\$m	\$m	\$m
Infrastructure Maintenance	Ongoing			na	117.4	95.8	83.3	79.4
State Funding					82.0	78.3	77.9	79.4
Australian Government Funding					35.4	17.5	5.4	....
Infrastructure Stimulus Funding	Existing	2020	2027	86.8	0.2	....	....	....
State Funding ³				54.4	....	....	....	....
Australian Government Funding				32.4	0.2	....	....	....
Launceston and Tamar Valley Traffic Vision⁴	Existing	2019	2035	78.9	0.5	0.5	1.0	....
State Funding				58.9	0.5	0.5	1.0	....
Australian Government Funding				20.0	....	....	....	....
Lyell Highway Corridor	Existing	2026	2034	100.2	0.3	0.5	1.5	3.0
State Funding				20.2	0.3	0.5	1.5	3.0
Australian Government Funding				80.0	....	....	....	....
Midland Highway Corridor⁵	Existing	2014	2031	573.0	18.8	16.3	8.0	4.5
State Funding				89.0	5.2	1.1	2.7	....
Australian Government Funding				484.0	13.5	15.2	5.3	4.5
Mountain River Road Intersection Upgrade	Existing	2024	2027	3.0	2.2	....	....	....
State Funding				3.0	2.2	....	....	....
Network Planning	Ongoing			na	2.2	1.2	1.2	1.2
State Funding					2.2	1.2	1.2	1.2
New Bridgewater Bridge	Existing	2019	2028	786.0	11.5	28.6	....	....
State Funding				157.2	....	3.0	....	....
Australian Government Funding				628.8	11.5	25.6	....	....
New Park and Ride Facilities	Existing	2023	2028	20.0	4.0	0.2	....	....
State Funding				20.0	4.0	0.2	....	....

Table 7.5: Roads Program Project Details (continued)

	Status	Start	Complete	Estimated Total Cost	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
				\$m	\$m	\$m	\$m	\$m
Northern Park and Ride	Existing	2024	2032	20.0	3.5	2.0	1.0	1.0
State Funding				20.0	3.5	2.0	1.0	1.0
Program Management	Ongoing			na	7.4	4.9	5.1	5.3
State Funding					7.4	4.9	5.1	5.3
Road Safety Projects	Ongoing			na	32.3	11.4	7.3	7.5
State Funding					13.7	9.0	7.3	7.5
Australian Government Funding					18.6	2.4	....	....
Roads of Strategic Importance	Existing	2019	2035	349.4	37.3	45.2	30.0	7.7
State Funding				73.3	7.3	5.3	4.0	....
Australian Government Funding				276.1	30.0	39.9	26.0	7.7
Roads Package to Support Tasmania's Visitor Economy	Existing	2019	2027	66.1	0.2	....	....	....
State Funding				66.1	0.2	....	....	....
Rokeby Stage 3 - Pass Road to Oakdowns	Existing	2022	2031	55.0	6.0	10.2	16.3	15.8
State Funding				11.0	2.0	0.6	4.0	....
Australian Government Funding				44.0	4.0	9.6	12.3	15.8
Safer Local Roads Program	Ongoing			na	9.3	8.1	2.4	....
State Funding					0.9	....	....	....
Australian Government Funding					8.5	8.1	2.4	....
South East Traffic Solution	Existing	2019	2035	349.5	7.5	8.0	31.9	40.3
State Funding				69.9	0.5	0.6	8.0	4.0
Australian Government Funding				279.6	7.0	7.4	23.9	36.3
Stanley Highway Tourism Upgrades	Existing	2025	2027	10.0	7.9	....	....	....
State Funding				10.0	7.9	....	....	....

Table 7.5: Roads Program Project Details (continued)

	Status	Start	Complete	Estimated Total Cost	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
				\$m	\$m	\$m	\$m	\$m
State Road Upgrades - Northern Region	Existing	2019	2027	38.6	2.0	....	....	....
State Funding				38.6	2.0	....	....	....
State Road Upgrades - Southern Region⁶	Existing	2018	2032	180.6	7.0	20.3	20.1	29.0
State Funding				100.6	5.0	3.3	5.1	4.0
Australian Government Funding				80.0	2.0	17.0	15.0	25.0
Targeting Congestion Package⁷	Existing	2023	2030	20.8	5.1	5.4	0.7	3.3
State Funding				20.8	5.1	5.4	0.7	3.3
Tasman Highway Corridor	Existing	2024	2035	245.0	19.8	6.7	18.3	16.1
State Funding				49.0	2.8	5.3	3.8	1.0
Australian Government Funding				196.0	16.9	1.4	14.5	15.1
Traffic Management and Engineering Services	Ongoing			na	3.9	3.9	4.0	4.0
State Funding					3.9	3.9	4.0	4.0
Urban Congestion Fund⁸	Existing	2019	2033	192.6	27.5	39.8	45.9	15.3
State Funding				129.9	24.3	36.9	38.2	13.8
Australian Government Funding				62.7	3.2	2.9	7.7	1.5
TOTAL STATE GOVERNMENT FUNDED ROADS					233.7	209.1	184.1	155.7
TOTAL AUSTRALIAN GOVERNMENT FUNDED ROADS					203.8	254.0	249.0	213.6
TOTAL ROADS PROGRAM EXPENDITURE					437.5	463.1	433.1	369.3

Notes:

1. Includes the Australian Government's \$204 million commitment for improvements to the Arthur Highway and widening of the Sorell Bridge, in addition to \$1.6 million of planning funding.
2. Greater Hobart Traffic Solution includes the Australian and Tasmanian Government's 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.
3. The State funding commitment towards this project has been fully expended.
4. The Launceston and Tamar Valley Traffic Vision includes the Australian and Tasmanian Government's commitment for planning for the New Tamar Crossing. This project reflects a net reduction in Estimated Total Cost when compared to the 2025-26 Budget.
5. The Estimated Total Cost of the Midland Highway Corridor program is \$605 million, comprising: \$573 million within the Midland Highway Corridor; \$18 million within State Road Upgrades - Southern Region; and \$14 million within State Road Upgrades - Northern Region.
6. State Road Upgrades - Southern Region includes the Australian and Tasmanian Government's commitment of \$100 million for the Mornington Area Improvements.
7. Targeting Congestion Package includes funding for a range of projects including Algona Interchange, Southern Outlet and Bus priority measures.
8. Urban Congestion Fund includes the Tasmanian Government's new commitment of \$5 million for Derwent Ferry Terminal Upgrades.

PROJECTS CONTINGENT ON AUSTRALIAN GOVERNMENT FUNDING

A number of major infrastructure projects are contingent on securing investment from the Australian Government. The Tasmanian Government remains committed to progressing these projects and will continue to actively and strategically advocate for appropriate funding support.

Through established co-funding arrangements, including projects administered under the *National Land Transport Act 2014*, the Australian Government plays a critical role in enabling the delivery of significant infrastructure investment in Tasmania. This partnership enhances the State's capacity to deliver infrastructure that supports economic growth and strengthens community outcomes.

Table 7.6 provides details of projects contingent on Australian Government funding.

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
Rokeby Road - South Arm Highway Upgrades	225.0	180.0	45.0
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
Tranche 5 - Tasmanian Freight Rail Revitalisation Program (TFRRP)	215.0	172.0	43.0
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 allocations for: the Government 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 supplies and consumables.

Table 7.7 provides a reconciliation between Infrastructure Investment and Purchases of non-financial assets as detailed in the General Government Cash Flow Statement in chapter 5 of this Budget Paper.

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

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Purchases of non-financial assets	906.8	700.0	979.3	1 019.6	791.6	652.0
Less Purchases of non-financial assets excluded from Infrastructure Investment	114.7	77.1	107.0	91.9	76.0	95.1
Plus Infrastructure Investment excluded from Purchases of non-financial assets	101.6	117.5	119.9	93.0	90.9	82.1
Equals TOTAL INFRASTRUCTURE INVESTMENT	893.7	740.4	992.2	1 020.7	806.5	639.1

8 ASSETS AND LIABILITIES

Executive Summary

- General Government Sector Net Debt is estimated to be \$8 440.3 million as at 30 June 2027. This measure is expected to increase to a peak of \$9 983 million as at 30 June 2029, before decreasing to \$9 466.5 million as at 30 June 2030.
- In accordance with the Australian Bureau of Statistics' Government Finance Statistics reporting framework, GGS GFS Net Debt excludes the impact of lease liabilities and service concession liabilities. GFS Net Debt is estimated to be \$7 446.6 million as at 30 June 2027. GFS Net Debt is forecast to increase to a peak of \$9 152.1 million as at 30 June 2029, before decreasing to \$8 709.2 million as at 30 June 2030.
- GFS Net Debt as a percentage of Gross State Product is forecast to be 14.9 per cent as at 30 June 2027. This measure is forecast to increase to 16.5 per cent as at 30 June 2029, before decreasing to 15 per cent as at 30 June 2030.
- GGS Net Worth is estimated to be \$15 260.1 million as at 30 June 2027. This measure is forecast to increase to \$17 898.6 million as at 30 June 2030.
- The GGS Superannuation liability is estimated to be \$6 487.8 million as at 30 June 2027. This measure is expected to decrease to \$6 306.1 million as at 30 June 2030.
- The present value of superannuation liabilities is particularly sensitive to movements in the discount rate, however these movements do not impact on the emerging cash costs that require funding. The 2026-27 Budget and Forward Estimates are based on a discount rate of 5.0 per cent.
- The Government continues to meet the cash cost of the defined benefit superannuation schemes on an emerging basis. In 2026-27, the cash payment is estimated to be \$397.5 million, increasing to an anticipated peak in 2034-35 of \$475 million.
- Other liabilities is estimated to be \$1 480 million as at 30 June 2027. Other liabilities is expected to increase to \$1 486 million as at 30 June 2030.

BALANCE SHEET

Table 8.1 details the estimated General Government Sector assets and liabilities held between 30 June 2026 and 30 June 2030, including the 2026 Estimated Outcome.

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

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Financial assets						
Cash and deposits	1 416.7	1 284.6	1 388.3	1 390.3	1 252.1	1 486.2
Investments	753.4	725.7	783.9	778.7	775.6	772.6
Equity investments in PNFC and PFC sectors ¹	11 503.6	11 265.2	11 851.1	12 396.2	13 049.1	13 392.7
Other equity investments	274.8	279.9	279.9	279.9	279.9	279.9
Receivables	452.5	459.1	456.5	454.1	449.6	445.3
Contract assets	22.4	4.0	4.2	4.2	4.2	4.2
Other financial assets	1 124.1	1 094.2	1 064.4	1 048.1	1 038.6	1 031.7
	15 547.5	15 112.7	15 828.2	16 351.5	16 849.1	17 412.6
Non-financial assets						
Land and buildings ²	8 519.7	8 430.1	8 689.2	9 060.6	9 282.5	9 439.0
Infrastructure ²	8 714.2	8 792.4	9 340.5	9 889.5	10 360.0	10 747.0
Plant and equipment	384.5	372.7	394.8	384.5	366.4	353.0
Heritage and cultural assets	568.7	569.4	581.7	594.0	606.3	618.6
Investment property	4.8	4.8	4.8	4.8	4.8	4.8
Intangibles ³	125.4	111.8	208.7	253.5	288.0	302.0
Assets held for sale	8.0	7.9	7.9	7.9	7.9	7.5
Lease - right-of-use-assets	543.0	572.8	531.6	487.9	442.8	403.7
Service concession assets ⁴	376.7	377.1	338.7	300.4	262.0	223.7
Inventories	77.3	60.5	64.9	66.2	67.6	69.0
	19 322.2	19 299.4	20 162.7	21 049.2	21 688.3	22 168.3
Total Assets	34 869.7	34 412.1	35 990.9	37 400.7	38 537.4	39 580.8
Liabilities						
Borrowings ⁵	8 200.8	7 763.0	9 618.8	10 632.3	11 179.7	10 968.0
Lease liabilities	651.3	674.0	644.0	613.5	581.4	542.5
Service concession liabilities ⁴	399.1	395.3	349.7	300.7	249.6	214.9
Superannuation ⁶	7 082.1	6 526.1	6 487.8	6 436.3	6 380.7	6 306.1
Employee entitlements ⁷	1 135.4	1 142.9	1 088.7	1 111.2	1 133.7	1 157.4
Payables	348.4	401.1	403.2	399.4	385.7	375.9
Contract liabilities ⁸	643.1	530.2	658.6	627.3	454.9	631.6
Other liabilities ⁹	1 363.7	1 520.6	1 480.0	1 477.0	1 473.8	1 486.0
Total Liabilities	19 823.9	18 953.2	20 730.8	21 597.7	21 839.5	21 682.2
Net Assets	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6

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

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Equity						
Accumulated funds	5 277.6	5 602.3	4 872.7	4 942.7	5 271.7	5 802.4
Asset revaluation reserve	8 894.7	9 095.8	9 585.1	10 079.2	10 574.8	11 069.4
Other revaluation reserves	873.6	760.8	802.3	781.1	851.4	1 026.8
Total Equity	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
KEY FISCAL AGGREGATES						
NET WORTH¹⁰	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
NET FINANCIAL WORTH¹¹	(4 276.4)	(3 840.4)	(4 902.6)	(5 246.2)	(4 990.4)	(4 269.7)
NET FINANCIAL LIABILITIES¹²	15 779.9	15 105.6	16 753.7	17 642.4	18 039.5	17 662.4
NET DEBT¹³	7 081.1	6 822.0	8 440.3	9 377.5	9 983.0	9 466.5
GFS NET DEBT¹⁴	6 030.7	5 752.7	7 446.6	8 463.3	9 152.1	8 709.2

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 this chapter.
2. The increase in Land and buildings and Infrastructure from 2027 primarily reflects growth in the State's asset base, including the commissioning of new and upgraded assets arising from the Government's Infrastructure Investment Program. Further information on infrastructure investment is provided in chapter 7 of this Budget Paper.
3. The increase in Intangibles from 2027 primarily reflects the profile of expenditure for the delivery of Digital Health Transformation, Human Resources Transformation Project and Project Unify. Further information is provided in the relevant agency chapters of Budget Paper No. 2.
4. The decrease in Service concession assets and Service concession liabilities from the 2026 Estimated Outcome primarily reflects the amortisation and contractual arrangements in relation to the operation and maintenance of the Tasmanian Government Radio Network.
5. The variation in Borrowings from 2027 primarily reflects additional borrowings to support the GGS cash deficit.
6. The decrease in Superannuation reflects the latest actuarial advice provided by the State's Actuary. Further information on the Superannuation liability is provided in this chapter.
7. The decrease in Employee entitlements in 2027 reflects the 27th pay and reduction in the associated liability accrued over prior periods.
8. The variation in Contract liabilities from the 2026 Budget primarily reflects grant revenue received in advance from the Australian Government associated with National Partnership Agreements.
9. The variation in Other liabilities from the 2026 Budget primarily reflects an increase in the estimated provision for the Tasmanian Risk Management Fund, partially offset by a reduction in the estimated provision for claims for abuse in State care as a result of compensation payments. Further information on Other liabilities is provided in this chapter.
10. Net Worth represents Total Assets less Total Liabilities.
11. Net Financial Worth represents Financial assets less Total Liabilities.
12. Net Financial Liabilities represents Total Liabilities less Financial assets, excluding Equity investment in PNFC and PFC sectors.
13. Net Debt represents Borrowings plus Lease liabilities and Service concession liabilities, less the sum of Cash and deposits and Investments.
14. GFS Net Debt represents Borrowings less the sum of Cash and deposits and Investments.

NET DEBT AND GFS NET DEBT

Net Debt is one of the key measures on the GGS 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 ABS Government Finance Statistics reporting framework, which has not recognised the 2019 and 2021 changes to accounting standards. Table 8.2 shows the calculation of Net Debt and GFS Net Debt.

As shown in Table 8.2 GFS Net Debt is estimated to be \$7 446.6 million as at 30 June 2027, increasing to a peak of \$9 152.1 million as at 30 June 2029. The increase primarily reflects additional borrowings of \$1 560.9 million to support the estimated GGS cash deficit.

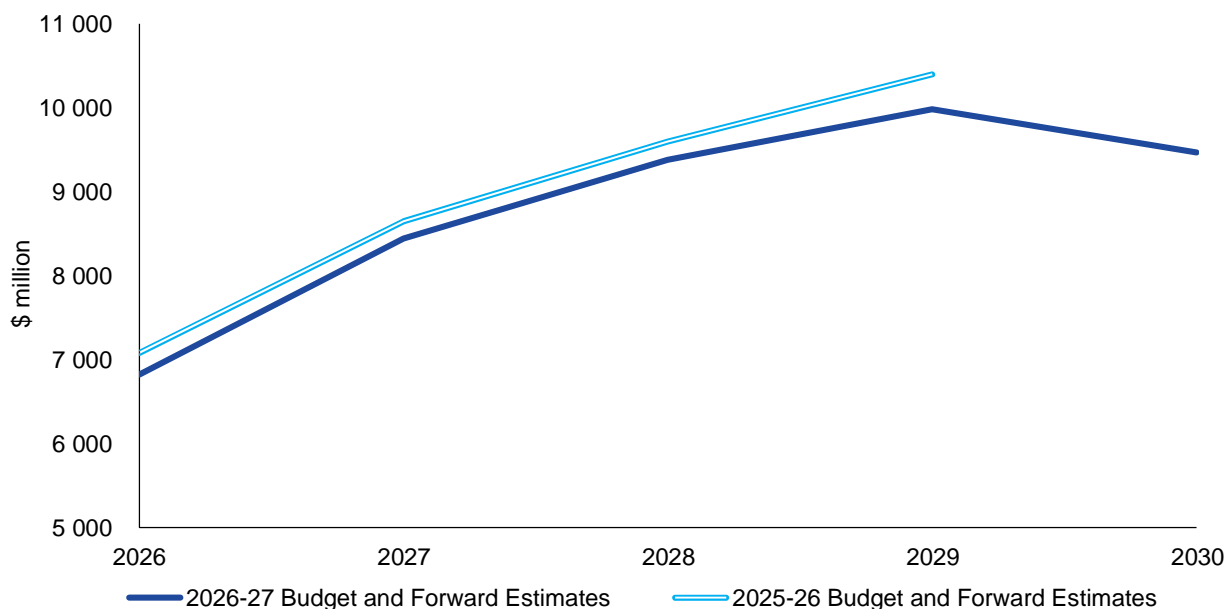
GFS Net Debt is forecast to decline to \$8 709.2 million as at 30 June 2030. This reduction reflects the achievement of peak Net Debt in 2028-29, with forecast cash surpluses used to repay borrowings, together with the impact of a higher forecast cash balance as at 30 June 2030.

Table 8.2: Composition of Net Debt and GFS Net Debt

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Borrowings	8 200.8	7 763.0	9 618.8	10 632.3	11 179.7	10 968.0
plus Lease liabilities	651.3	674.0	644.0	613.5	581.4	542.5
plus Service concession liabilities	399.1	395.3	349.7	300.7	249.6	214.9
less Cash and deposits	1 416.7	1 284.6	1 388.3	1 390.3	1 252.1	1 486.2
less Investments	753.4	725.7	783.9	778.7	775.6	772.6
NET DEBT	7 081.1	6 822.0	8 440.3	9 377.5	9 983.0	9 466.5
less Lease liabilities	651.3	674.0	644.0	613.5	581.4	542.5
less Service concession liabilities	399.1	395.3	349.7	300.7	249.6	214.9
GFS NET DEBT	6 030.7	5 752.7	7 446.6	8 463.3	9 152.1	8 709.2

The Net Debt outlook has improved since the 2025-26 Budget. This improvement is illustrated in Chart 8.1, which compares the estimates from the 2026-27 Budget with those published in the 2025-26 Budget and shows that Net Debt levels are lower than previously forecast. As at 30 June 2029, Net Debt is estimated to be \$9 983 million, which represents a reduction of \$414.4 million compared to the 2025-26 Budget estimate of \$10 397.4 million. This improvement primarily reflects lower cumulative GGS cash deficits since the 2025-26 Budget, resulting in a reduced borrowing requirement.

Chart 8.1: Comparison of General Government Sector Net Debt Estimates, as at 30 June



GFS Net Debt as a percentage of GSP/Revenue

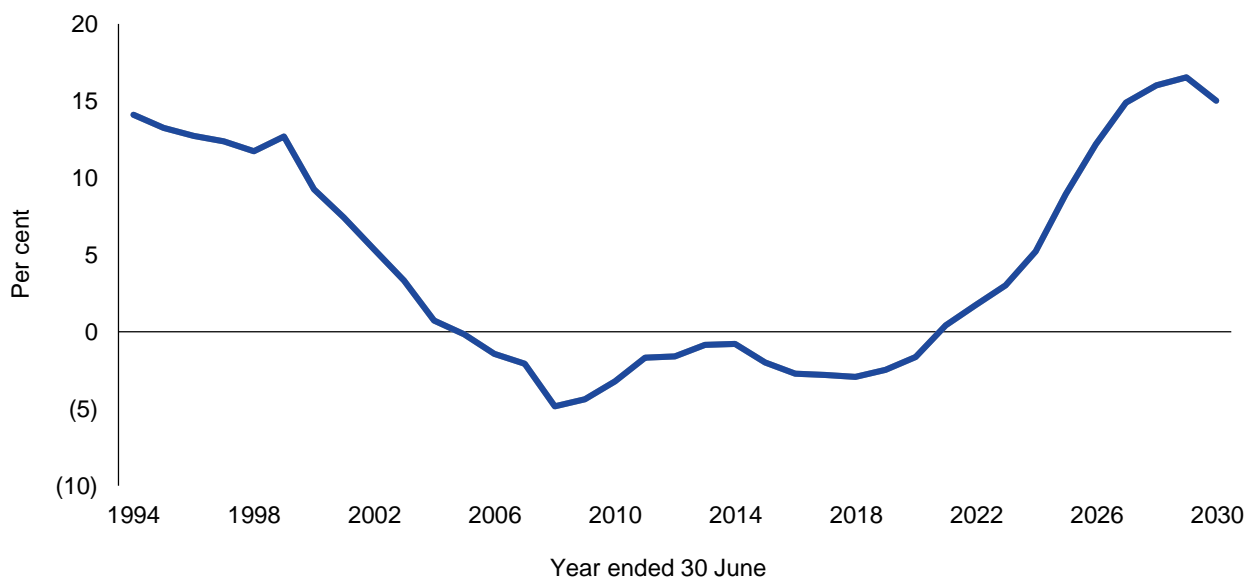
GFS Net Debt as a percentage of GSP and GFS Net Debt as a percentage of Revenue are indicators of the State's ability to make future payments on its debt. Table 8.3 shows the 2026-27 Budget and Forward Estimates for GFS Net Debt as a percentage of estimated Revenue and estimated GSP for the period 30 June 2026 to 30 June 2030.

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

	2026 Budget	2026 Estimated Outcome	2027 Budget	2028 Forward Estimate	2029 Forward Estimate	2030 Forward Estimate
GFS Net Debt (\$m)	6 030.7	5 752.7	7 446.6	8 463.3	9 152.1	8 709.2
GFS Net Debt as % of Revenue	63.5	59.2	73.1	79.9	84.0	75.1
GFS Net Debt as % of GSP	13.6	12.2	14.9	16.0	16.5	15.0

Chart 8.2 shows GGS GFS Net Debt as a percentage of GSP since 1994, together with the 2025-26 Estimated Outcome and projections for the 2026-27 Budget and Forward Estimates. The chart shows the ratio increases from its 2008 level to reach an estimated 14.9 per cent in 2027, which is the highest level since 1994. The ratio is forecast to increase further to a peak level of 16.5 per cent in 2029 before decreasing to an estimated 15 per cent in 2030.

Chart 8.2: General Government Sector GFS Net Debt as a percentage of GSP¹



Note:

1. The figures between 2026 and 2030 represent the 2025-26 Estimated Outcome and 2026-27 Budget and Forward Estimates.

Interstate Comparison

Chart 8.3 compares Tasmania's GGS Net Debt and Net Debt as a percentage of GSP forecast as at 30 June 2027, based on the latest estimates released by each jurisdiction. The chart shows that Tasmania has the lowest nominal level of Net Debt, at \$8 440.3 million as at 30 June 2027. This is substantially lower than the highest nominal level of Net Debt recorded by Victoria at \$176 201 million.

At 16.9 per cent, Tasmania has the fourth highest estimated GGS Net Debt as a percentage of GSP as at 30 June 2027 across all eight jurisdictions.

Chart 8.3: General Government Sector Net Debt and Net Debt as a percentage of GSP as at 30 June 2027, by Jurisdiction

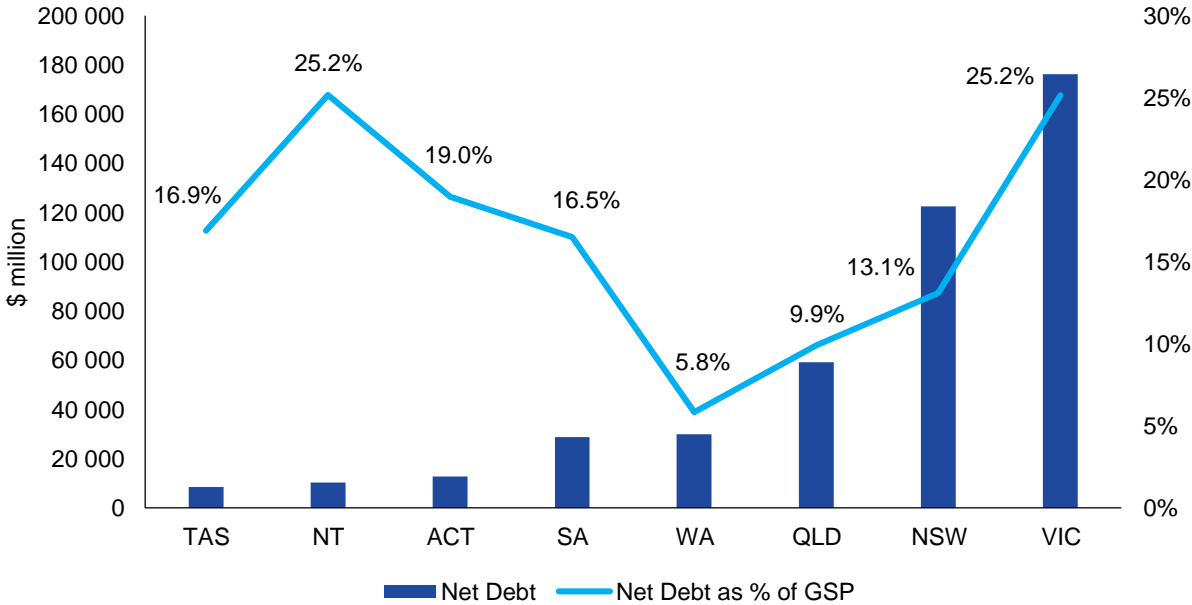
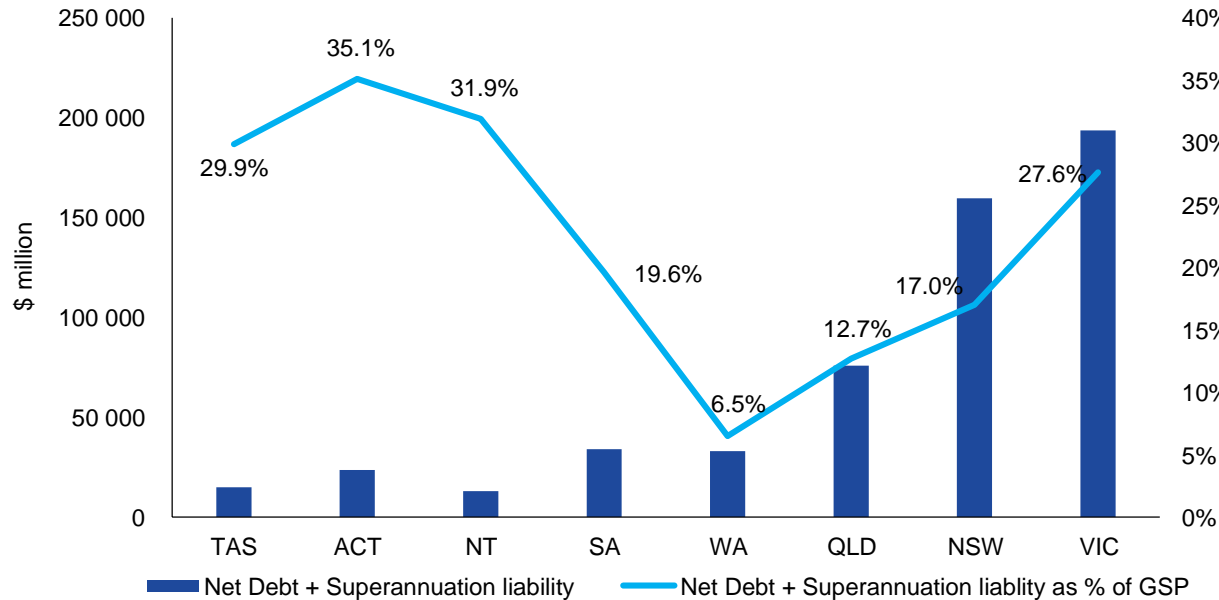


Chart 8.4 compares Tasmania’s GGS Net Debt plus Superannuation liability, in both nominal terms and as a percentage of GSP forecast as at 30 June 2027, based on the latest estimates released by each jurisdiction.

The 2026-27 Budget estimate for Tasmania’s Net Debt plus Superannuation liability is \$14 928.1 million as at 30 June 2027. This is the second lowest nominal value across all jurisdictions. As a percentage of GSP, this measure is estimated at 29.9 per cent which is the third highest across the eight jurisdictions.

Chart 8.4: General Government Sector Net Debt plus Superannuation Liability as at 30 June 2027 in nominal terms and as a percentage of GSP, by Jurisdiction



Borrowings

The change in Net Debt is primarily driven by changes in GGS Borrowings. GGS Borrowings are estimated to be \$9 618.8 million as at 30 June 2027, increasing to a forecast peak of \$11 179.7 million as at 30 June 2029. The increase primarily reflects an increase in TASCORP borrowings required to support the estimated GGS cash deficit over the period.

GGS Borrowings are forecast to decrease to \$10 968 million as at 30 June 2030. This decrease reflects surplus cash being used to pay down TASCORP Borrowings.

GGS Borrowings are comprised of:

- Tasmanian Public Finance Corporation borrowings, which is the debt administered by Finance-General to support the GGS cash deficit; and
- Other borrowings, which primarily consists of the debt held by the Department of State Growth to fund loan advances to the private sector.

Table 8.4 provides a breakdown of GGS Borrowings with estimates based on values as at 30 June for the 2025-26 Budget, the 2025-26 Estimated Outcome and over the 2026-27 Budget and Forward Estimates.

Table 8.4: Borrowings as at 30 June

	2026 Budget	2026 Estimated Outcome	2027 Budget	2028 Forward Estimate	2029 Forward Estimate	2030 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
TASCORP borrowings	8 102.6	7 688.9	9 488.5	10 509.7	11 068.6	10 856.9
Other borrowings	98.2	74.0	130.3	122.6	111.1	111.1
TOTAL	8 200.8	7 763.0	9 618.8	10 632.3	11 179.7	10 968.0

The maturity profile of borrowings is an important factor influencing the interest rate risk of the debt portfolio. As debt matures, it is either repaid or refinanced at prevailing market interest rates. By spreading debt maturities over a number of years, the risk exposure to interest rate movements in the short to medium-term is mitigated.

Table 8.5 provides a breakdown of Finance-General borrowings from the Tasmanian Public Finance Corporation as at 31 March 2026, by year of maturity. The table shows the debt portfolio is comprised of 54 fixed rate loans with maturities extending to 2041-42. The weighted average interest rate of the portfolio is 4.3 per cent and the weighted average term to maturity is 6.6 years.

Table 8.5: Tasmanian Public Finance Corporation Borrowings as at 31 March 2026, by Year of Maturity

Maturity	Face Value	Number of Loans	Weighted Average Interest Rate by Maturity
	\$m		%
2027-28	403	6	2.74
2028-29	850	2	3.82
2029-30	741	16	3.34
2030-31	940	4	4.81
2031-32	750	7	3.43
2032-33	845	9	3.77
2033-34	816	4	4.98
2034-35	620	2	5.12
2035-36	725	2	4.92
2036-37	850	1	5.68
2041-42	150	1	2.41
TOTAL	7 690	54	4.30¹

Note:

1. The total represents the weighted average interest rate of the debt 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 measures the percentage of revenue which is allocated to servicing debt.

Table 8.6 shows the GGS Net Interest Cost Ratio for the 2025-26 Budget, the 2025-26 Estimated Outcome and the 2026-27 Budget and Forward Estimates.

The ratio is estimated to increase from 3.3 per cent in 2026-27 to a peak of 4.6 per cent in 2028-29. This increase primarily reflects forecast Borrowing costs growing at a higher rate than forecast Revenue from transactions (adjusted for interest income). However, the ratio is forecast to decline to 4.4 per cent in 2029-30. This decrease primarily reflects the impact of a forecast reduction in GGS Borrowings during 2029-30 together with continued forecast growth in Revenue from transactions (adjusted for interest income).

Table 8.6: General Government Sector Net Interest Cost Ratio

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Borrowing costs	352.9	351.8	441.9	533.5	597.2	627.6
less Interest income	93.1	96.9	113.3	114.2	106.0	117.8
Net Interest	259.8	254.9	328.6	419.3	491.2	509.8
Revenue from transactions less Interest income	9 405.1	9 618.2	10 078.0	10 472.7	10 794.8	11 484.9
NET INTEREST COST RATIO (%)	2.8	2.6	3.3	4.0	4.6	4.4

Borrowing cost estimates for the 2026-27 Budget and Forward Estimates are based on forecast rates for 10 year bonds provided by the Tasmanian Public Finance Corporation. The assumed interest rates applied to new borrowings across the Budget and Forward Estimates are:

- 6.11 per cent for 2026-27;
- 6.32 per cent for 2027-28;
- 6.52 per cent for 2028-29; and
- 6.69 per cent for 2029-30.

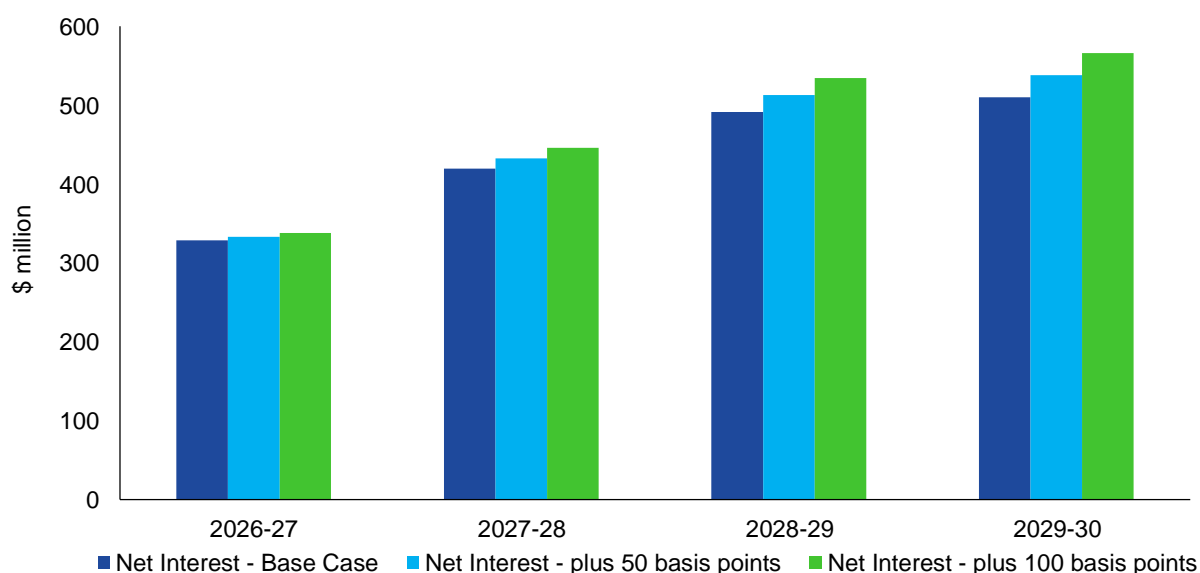
Chart 8.5 presents a sensitivity analysis of the impact of an increase in interest rates above the current assumptions used in the Budget and Forward Estimates.

The impact of higher interest rates is mitigated by two key factors:

- the current debt portfolio is comprised of a number of fixed interest rate loans and as a result, the increase in interest rates is not immediately reflected in borrowing costs and only takes effect when existing debt matures and is refinanced, or when additional borrowings are undertaken; and
- higher interest rates will result in increased Interest income, which partly offsets the impact of the additional borrowing costs. Interest income estimates are based on the forecast average earnings on Cash held with Westpac and Investments held with the Tasmanian Public Finance Corporation. The assumed average rate of earnings across the Budget and Forward Estimates are:
 - 5.02 per cent for 2026-27;
 - 5.05 per cent for 2027-28;
 - 5.05 per cent for 2028-29; and
 - 5.12 per cent for 2029-30.

The impact of a 50 basis point increase in the base interest rate assumptions is estimated to increase Net interest costs by \$27.8 million in 2029-30. A 100 basis point increase is estimated to raise Net interest costs by \$56 million in 2029-30.

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



NET WORTH

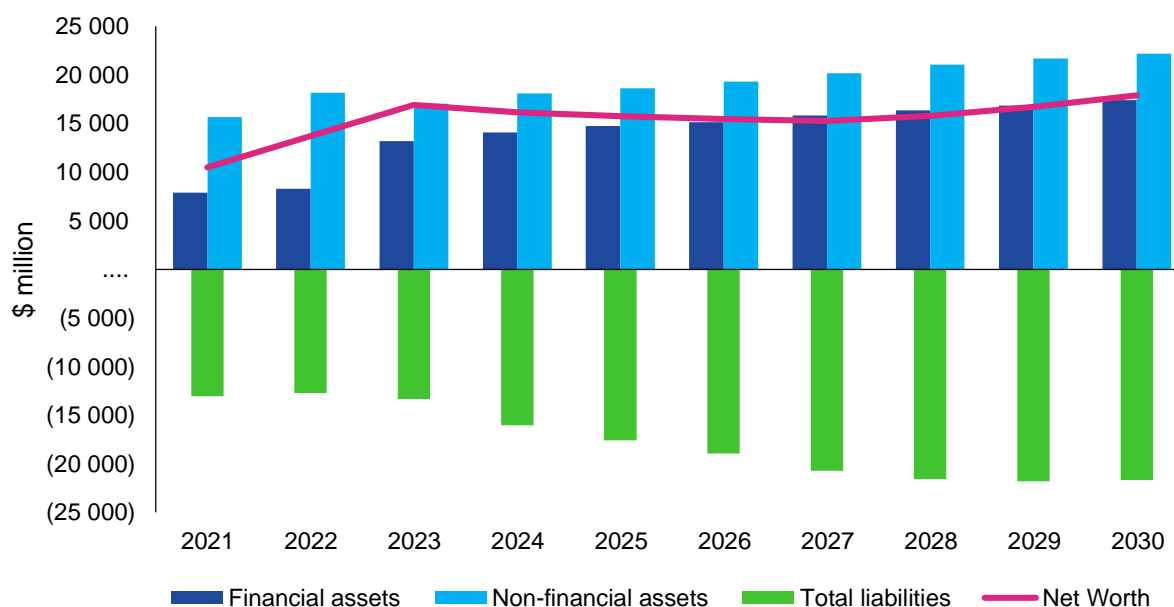
Net Worth provides a measure of the Government's overall financial position. It includes Equity Investments, Non-financial assets such as Land and buildings and Infrastructure, as well as Superannuation and Other liabilities.

Chart 8.6 shows Net Worth for the period 30 June 2021 to 30 June 2030. The chart shows that Net Worth is forecast to rise by \$7 409.7 million over the period from \$10 488.9 million as at 30 June 2021 to \$17 898.6 million as at 30 June 2030. The increase reflects:

- an increase in Financial assets of \$9 529.4 million which is primarily due to increases of:
 - \$8 304.6 million in Equity investment in PNFC and PFC sectors which reflects growth in the net assets of government businesses;
 - \$569.7 million in Investments which primarily reflects the deposit of \$600 million in Public Account funds into a TASCORP Investment Product in April 2022; and
 - \$414.2 million in Other financial assets, which primarily reflects the increase in Deferred tax assets held by Finance-General to mirror the deferred tax liabilities held in the PNFC and PFC sectors;
- an increase in Non-financial assets of \$6 514.5 million which is primarily due to the increase in value for both Infrastructure of \$4 852.6 million and for Land and buildings of \$1 800.8 million; and
- an increase in Liabilities of \$8 634.1 million which is primarily due to increases of:
 - \$9 156.8 million for Borrowings which reflects the additional debt undertaken to support the GGS cash deficit;
 - \$631.6 million for Contract liabilities which primarily reflects an increase in the Liability for Government grants received in advance from the Australian Government; and
 - \$700.9 million for Other liabilities which primarily reflects an increase in the Tasmanian Risk Management Fund claims liability and 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 liabilities of \$2 758.2 million which primarily reflects the change in discount rates used to value the liability over this period.

Chart 8.6: Net Worth, 30 June 2021 to 30 June 2030



Equity Investment in PNFC and PFC Sectors

Equity Investments in this section consists of the Government’s investment in the Net Assets of the PNFC and PFC sectors.

The Government’s equity investment is estimated to be \$11 851.1 million as at 30 June 2027, an increase of \$347.5 million from the Budget estimate of \$11 503.6 million as at 30 June 2026. This is primarily due to an increase in the Net Assets of the PNFC Sector of \$209.8 million which reflects an increase in net assets for Hydro Tasmania, Macquarie Point Development Corporation, Tasmanian Networks Pty Ltd and TT-Line Company Pty Ltd.

In addition, there has been an increase in the Net Assets of the PFC Sector of \$137.7 million which primarily reflects an increase in net assets for the Motor Accidents Insurance Board.

Chart 8.7 illustrates the components of the Government’s equity investment holdings as at 30 June 2027.

Chart 8.7: Equity Investment in PNFC and PFC Sectors as at 30 June 2027

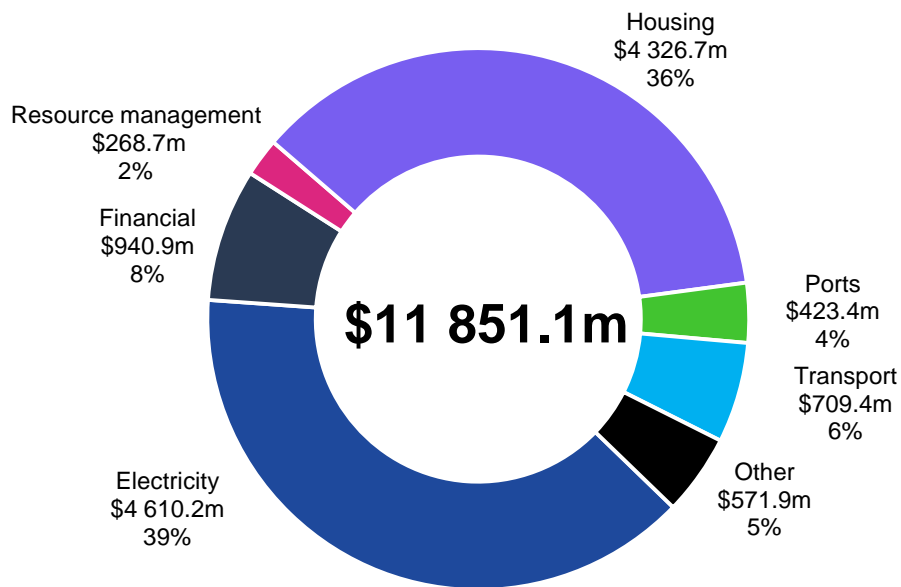


Table 8.7 presents a reconciliation of the change in value of the Equity investment as at 30 June for the 2025-26 Budget, the 2025-26 Estimated Outcome and over the 2026-27 Budget and Forward Estimates. The change in value is due to a combination of equity contributions provided by the GGS to Government businesses and revaluations of the investment due to changes in net assets resulting from operating surplus or deficits in the PNFC and PFC sectors.

It is important to note that equity contributions presented in Table 8.7 will not be directly comparable with the equity contributions presented in Table 7.3. This is because Table 7.3 presents equity contributions related to infrastructure investment only. For further details on equity contributions relating to infrastructure investment, refer to chapter 7 of this Budget Paper.

Table 8.7: Reconciliation of the change in value of Equity Investment in PNFC and PFC sectors

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	10 383.4	10 788.0	11 265.2	11 851.1	12 396.2	13 049.1
Equity Contributions						
Hydro Tasmania	42.2	42.2	....	....	....	....
Macquarie Point Development Corporation	37.2	37.2	49.3	193.7	324.9	....
Metro Tasmania Pty Ltd	1.2	1.2	2.4	2.4	2.4	....
Stadiums Tasmania	88.6	99.2	34.8	14.0	....	....
Tasmanian Irrigation Pty Ltd	123.9	107.9	66.8	108.9	90.1	45.9
Tasmanian Networks Pty Ltd	203.8	65.8	67.0	45.0	37.0	20.0
Tasmanian Ports Corporation Pty Ltd	47.1	47.0	45.5	52.0	26.0	....
Tasmanian Railway Pty Ltd	92.3	75.5	78.4	48.1	....	....
Tasracing Pty Ltd	7.0	0.5	0.3	0.3	0.3	0.3
TT-Line Company Pty Ltd	74.5	74.5	200.0	102.0	102.0	102.0
	717.7	550.9	544.4	566.3	582.6	168.1
Revaluation of equity investment	402.4	(73.8)	41.5	(21.2)	70.3	175.5
EQUITY INVESTMENT IN PNFC AND PFC SECTORS	11 503.6	11 265.2	11 851.1	12 396.2	13 049.1	13 392.7

Other Equity Investments

Other equity investments is estimated to be \$279.9 million as at 30 June 2027, an increase of \$5.1 million from the 2025-26 Budget of \$274.8 million as at 30 June 2026. The increase reflects the 2024-25 revaluation of the investment in Marinus Link Pty Ltd.

Other equity investments primarily consist of:

- Tasmanian Water and Sewerage Corporation Pty Ltd, which represents the Government's investment to support TasWater's accelerated infrastructure program;
- Marinus Link Pty Ltd, which represents the Government's equity interest in Marinus Link Pty Ltd. The company is jointly owned by the Australian Government, Victorian Government and Tasmanian Government. Tasmania's equity investment is capped at \$103 million; and
- Other equity investments, reflecting investments held by the Department of State Growth and the Department of Natural Resources and Environment Tasmania.

Table 8.8 provides a breakdown of Other equity investments as at 30 June for the 2025-26 Budget, the 2025-26 Estimated Outcome and over the 2026-27 Budget and Forward Estimates.

Table 8.8: Other Equity Investments as at 30 June

	2026 Budget	2026 Estimated Outcome	2027 Budget	2028 Forward Estimate	2029 Forward Estimate	2030 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
TasWater	192.5	192.8	192.8	192.8	192.8	192.8
Marinus Link Pty Ltd	69.1	73.8	73.8	73.8	73.8	73.8
Other equity investments	13.2	13.3	13.3	13.3	13.3	13.3
TOTAL	274.8	279.9	279.9	279.9	279.9	279.9

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 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 \$8 689.2 million as at 30 June 2027, an increase of \$169.5 million from the 2025-26 Budget of \$8 519.7 million as at 30 June 2026. Land and buildings are estimated to increase by a further \$749.8 million to \$9 439 million as at 30 June 2030. This primarily reflects the revaluation and capital expenditure on school, hospital and prison assets undertaken by the Department for Education, Children and Young People, the Department of Health and the Department of Justice.

Infrastructure is estimated to be \$9 340.5 million as at 30 June 2027, an increase of \$626.3 million from the 2025-26 Budget of \$8 714.2 million as at 30 June 2026. Infrastructure is estimated to further increase by \$1 406.5 million to \$10 747 million as at 30 June 2030 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 2026-27 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 \$531.6 million as at 30 June 2027. This comprises:

- \$502.9 million for Land and buildings, which primarily reflects the leasing of Government office accommodation held by Finance-General; and
- \$28.7 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 \$127.9 million to \$403.7 million as at 30 June 2030, which primarily reflects the impact of amortisation over the period.

Service concession assets are estimated to be \$338.7 million as at 30 June 2027, a decrease of \$38 million from the 2025-26 Budget of \$376.7 million as at 30 June 2026. These assets are estimated to decrease by \$115 million to \$223.7 million as at 30 June 2030, reflecting amortisation over the Forward Estimates.

Superannuation

General Government Sector

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. Unlike many other liabilities, such as Borrowings, the Superannuation liability cannot 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 GGS 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 Government continues to monitor the long-term fiscal impact of defined benefit superannuation liabilities, including considering options to manage the State's unfunded liability in a responsible and sustainable manner.

Table 8.9 provides the GGS Superannuation liability as at 30 June, as at 2025-26 Budget, 2025-26 Estimated Outcome and over the 2026-27 Budget and Forward Estimates. The GGS Superannuation liability is estimated to be \$6 487.8 million as at 30 June 2027, which is comprised of the estimated present value of the liability of \$8 622.5 million less the estimated fair value of plan assets of \$2 150.8 million, adjusted for the effect of the asset ceiling of \$16.2 million .

Table 8.9: General Government Sector Superannuation Liability as at 30 June

	2026 Budget	2026 Estimated Outcome	2027 Budget	2028 Forward Estimate	2029 Forward Estimate	2030 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Present value of superannuation liability	9 156.9	8 687.3	8 622.5	8 535.2	8 417.5	8 274.2
Fair value of plan assets	(2 074.7)	(2 177.9)	(2 150.8)	(2 114.6)	(2 052.0)	(1 982.8)
Adjustment for effect of asset ceiling ¹	....	16.7	16.2	15.7	15.2	14.7
TOTAL	7 082.1	6 526.1	6 487.8	6 436.3	6 380.7	6 306.1

Note:

1. Superannuation assets are capped at the present value of the estimated future reductions in employer contribution payments, calculated using the AASB 119 *Employee Benefits* discount rate. The actuary has applied an asset ceiling to the Plan Assets held for the Tasmanian Ambulance and State Fire Commission Schemes, resulting in an increase in the recognised superannuation liability. The impact of this adjustment is disclosed in the Income Statement within Other economic flows - other movements in Equity.

Chart 8.8 projects the GGS Superannuation liability (net of plan assets) over the period 30 June 2027 to 30 June 2087.

Chart 8.8: General Government Sector Superannuation Liability Projection 30 June 2027 to 30 June 2087

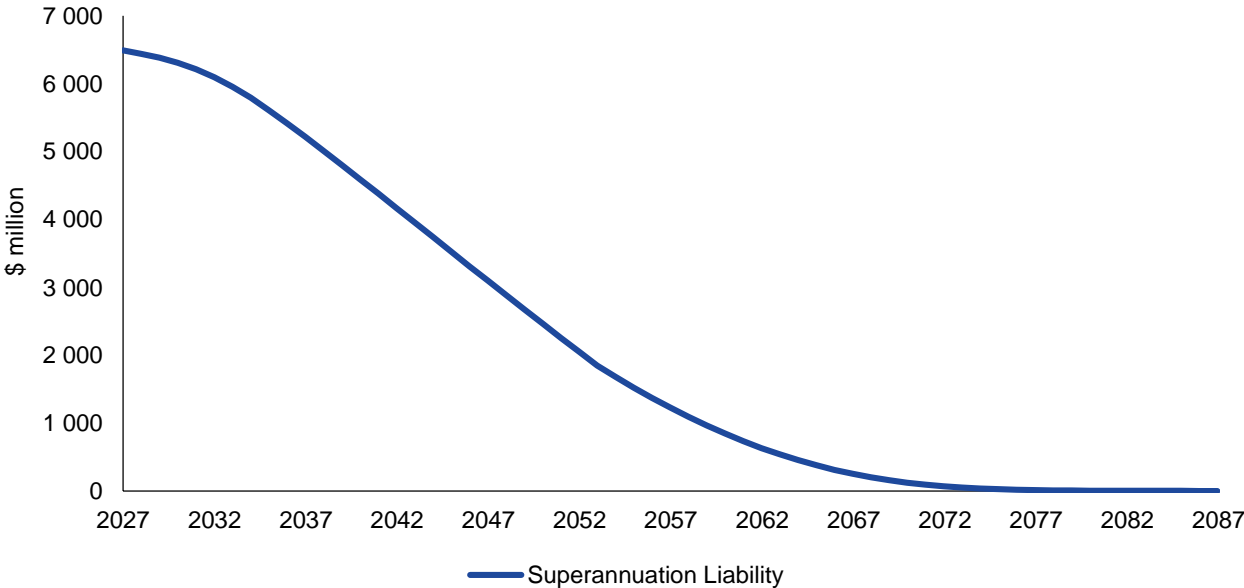
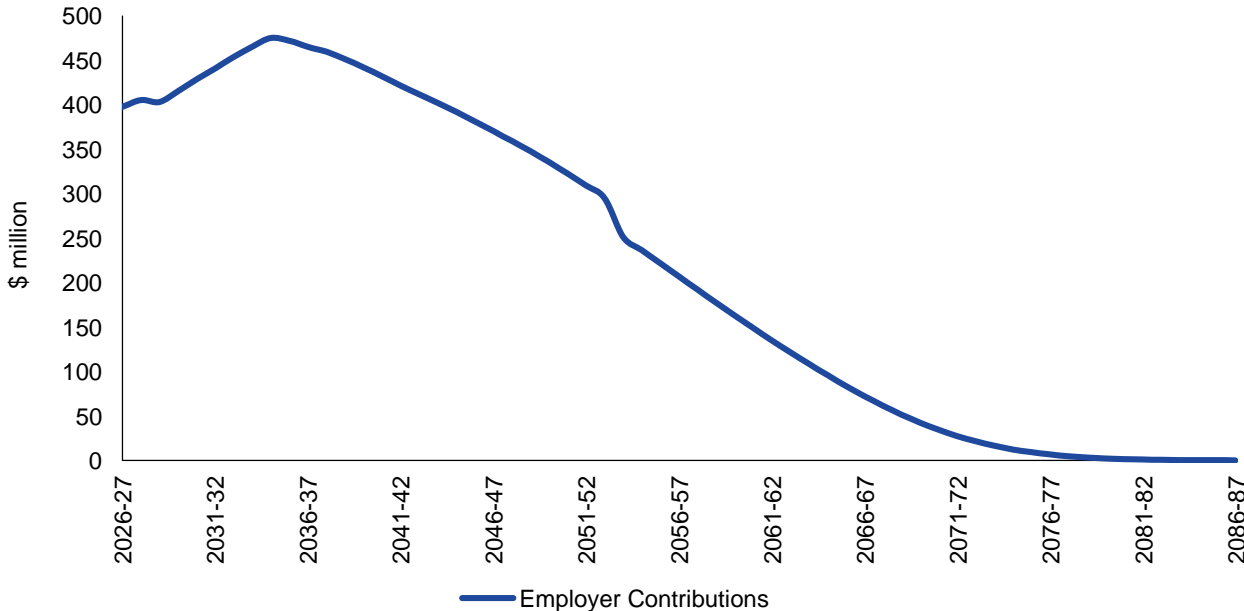


Chart 8.9 shows the estimated employer contribution payments, made up of both pension and lump sum benefit costs, over the period 2026-27 to 2086-87.

Chart 8.9: Defined Benefit Superannuation Costs, 2026-27 to 2086-87



In 2026-27, defined benefit superannuation costs are estimated to be \$397.5 million. The current projections show that costs will increase by 19.5 per cent over the next eight years, peaking at \$475 million in 2034-35. The estimated cost to the Budget is based on the most recent actuarial estimates. The current estimated peak cost represents a decrease of \$15.2 million from the estimated peak cost of \$490.2 million included in the 2025-26 Budget.

In 2026-27, defined benefit superannuation costs represent a peak of 3.7 per cent of GGS cash receipts from operating activities. From 2026-27, defined benefit superannuation costs, as a percentage of GGS cash receipts, is estimated to decrease to 2.3 per cent in 2041-42 (15 years) and 1.7 per cent in 2046-47 (20 years).

Table 8.10 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 GGS share, together with the share of benefits that are funded from plan assets.

Table 8.10: Undiscounted Defined Benefit Obligations Payable to Employees of the General Government Sector

	2026 Estimate
	\$m
Estimated total benefit payments to be made in the period	
No later than 1 year	546.0
Later than 1 year and no later than 2 years	559.7
Later than 2 years and no later than 5 years	1 775.6
Later than 5 years and no later than 10 years	3 103.6
Later than 10 years and no later than 15 years	2 959.9
Later than 15 years and no later than 20 years	2 616.3
Later than 20 years and no later than 25 years	2 186.3
Later than 25 years and no later than 30 years	1 667.7
Later than 30 years and no later than 35 years	1 117.6
Later than 35 years and no later than 40 years	631.0
Later than 40 years and no later than 45 years	282.7
Later than 45 years and no later than 50 years	90.4
Undiscounted defined benefit obligation	17 536.8
After 50 years there is expected to be a reducing level of cash for a further 17 years totalling approximately:	21.3

Actuarial Assumptions and Sensitivity Analysis

Independent actuarial assessments are prepared by the Actuary to provide reporting and disclosure information, relating to the GGS 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 8.11 shows the key assumptions used by the Actuary in preparing estimates for the 2025-26 Budget and the 2026-27 Budget and Forward Estimates.

Table 8.11: Actuarial Assumptions

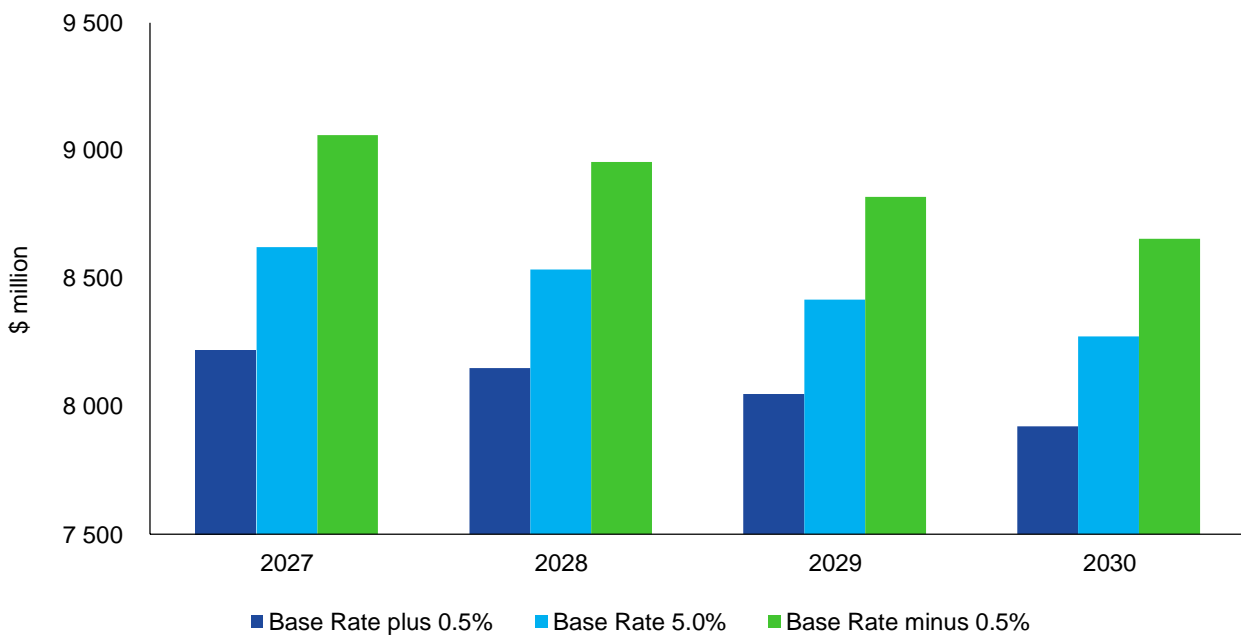
	2025-26 Budget	2026-27 Budget and Forward Estimates
	%	%
Discount rate	4.5	5.0
Salary increase rate	3.5	3.5
Pension increase rate	3.0	2.5
Asset earnings rate	4.5	5.0

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 2025-26 Budget was based on a discount rate of 4.5 per cent, based on a point in time, 12-year Government Bond rate rounded to the nearest 0.5 per cent. For the 2026-27 Budget, a discount rate of 5 per cent has been used, reflecting an increase in the Government bond rate.

There is a strong inverse relationship between the discount rate and the valuation of the superannuation liability. Chart 8.10 shows the impact of 50 basis point increase or decrease in the average discount rate used to value the GGS Superannuation liability. The base rate column represents the estimated gross present value of the superannuation liability as at 30 June in each year, using a discount rate of 5 per cent.

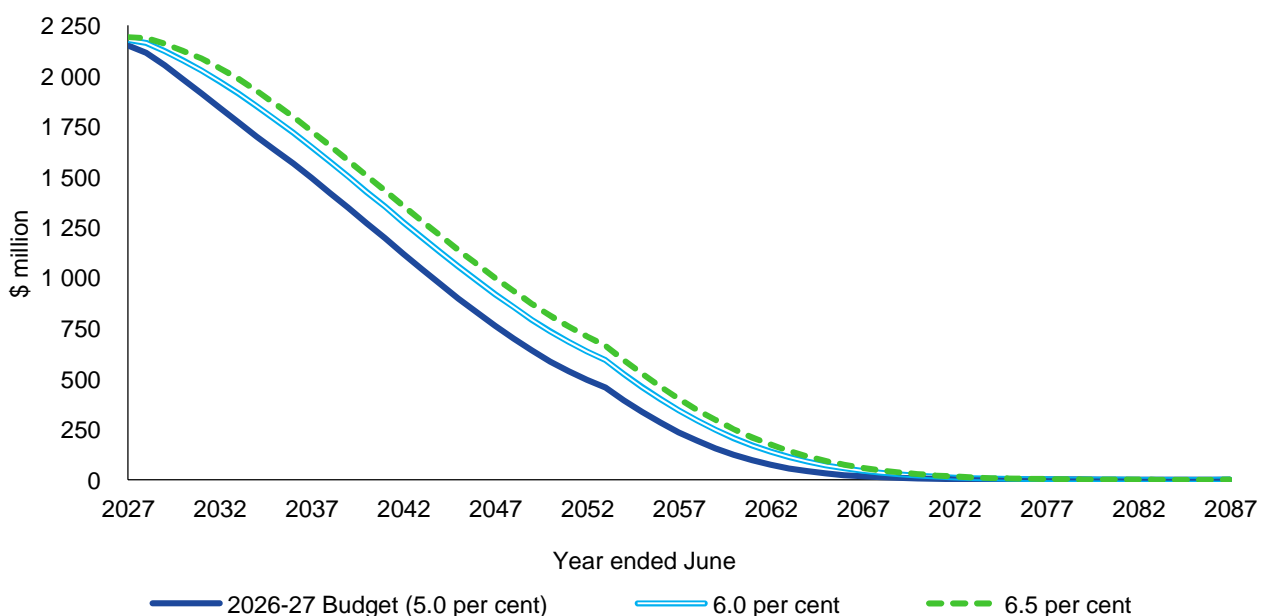
Chart 8.10: Sensitivity Analysis of the General Government Sector Superannuation Liability as at 30 June



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.

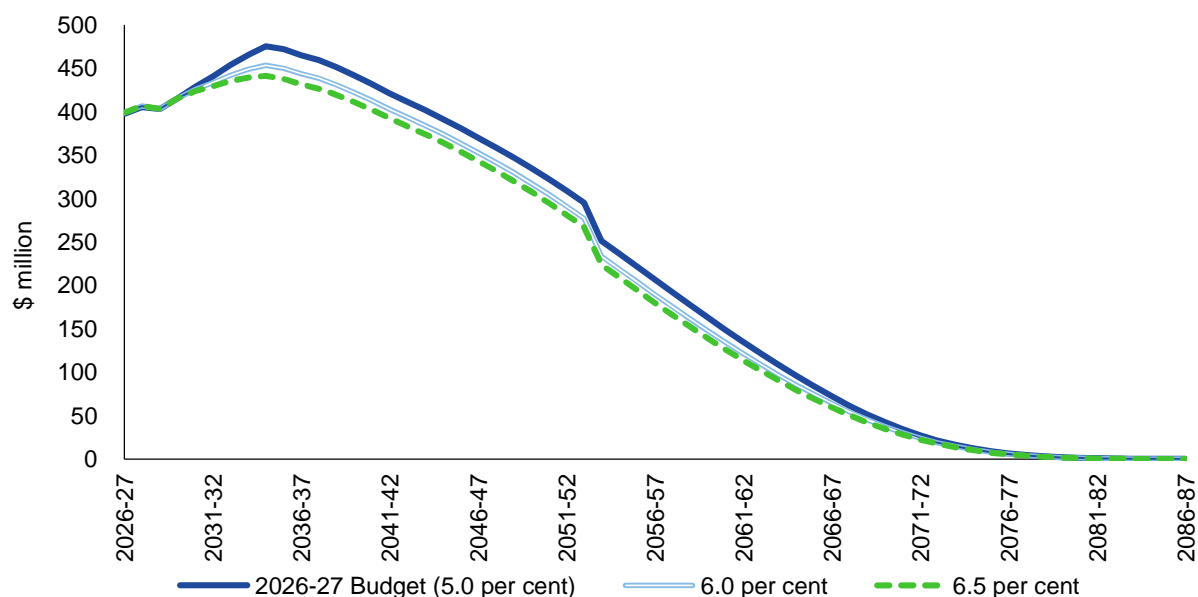
Chart 8.11 shows the value of plan assets based on different asset earning rate assumptions, ranging from the 2026-27 Budget assumption of 5 per cent up to 6.5 per cent.

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 2026-27 to 2086-87.

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 2027 is estimated to be \$6 949 million, which is comprised of the estimated present value of the liability of \$9 230.2 million less the estimated fair value of plan assets of \$2 297.4 million adjusted for the effect of the asset ceiling of \$16.2 million.

Table 8.12: Total State Sector Superannuation Liability as at 30 June

	2026 Budget	2026 Estimated Outcome	2027 Budget	2028 Forward Estimate	2029 Forward Estimate	2030 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Present value of superannuation liability	9 797.4	9 299.5	9 230.2	9 137.1	9 011.4	8 858.3
Fair value of plan assets	(2 215.1)	(2 326.3)	(2 297.4)	(2 258.9)	(2 192.3)	(2 118.4)
Adjustment for effect of asset ceiling ¹	....	16.7	16.2	15.7	15.2	14.7
TOTAL	7 582.4	6 989.9	6 949.0	6 893.8	6 834.4	6 754.5

Note:

- Superannuation assets are capped at the present value of the estimated future reductions in employer contribution payments, calculated using the AASB 119 *Employee Benefits* discount rate. The actuary has applied an asset ceiling to the Plan Assets held for the Tasmanian Ambulance and State Fire Commission Schemes, resulting in an increase in the recognised superannuation liability. The impact of this adjustment is disclosed in the Income Statement within Other economic flows - other movements in Equity.

Chart 8.13 shows the impact of a 50 basis point increase or decrease in the discount rate used to value the Total State Sector Superannuation liability. The base rate 5% column represents the estimated present value of the superannuation liability (gross) as at 30 June in each year, using a discount rate of 5 per cent.

Chart 8.13: Sensitivity Analysis of the Total State Sector Superannuation Liability as at 30 June

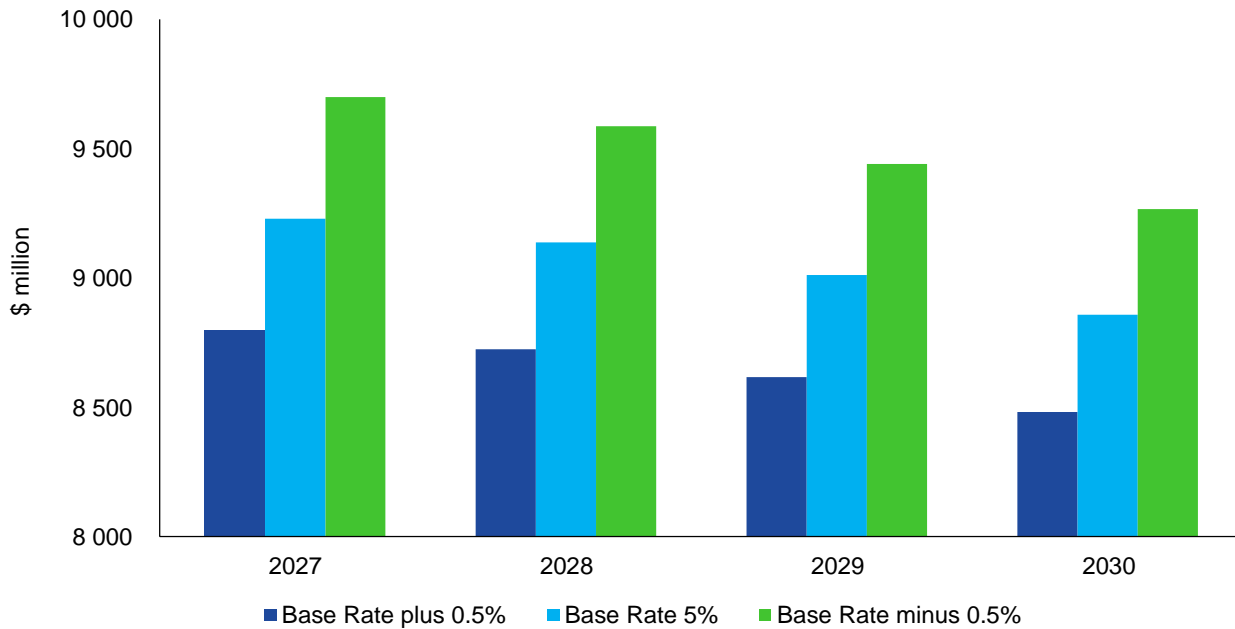


Table 8.13 shows the estimated nominal cash flows required to meet the emerging cost of superannuation benefits payable to members. This represents the estimated total cost of benefits payable and includes the Total State share, together with the share of benefits that are funded from plan assets.

Table 8.13: Undiscounted Defined Benefit Obligations Payable to Employees of the Total State Sector

	2026 Estimate
	\$m
Estimated total benefit payments to be made in the period	
No later than 1 year	584.2
Later than 1 year and no later than 2 years	598.9
Later than 2 years and no later than 5 years	1 899.8
Later than 5 years and no later than 10 years	3 321.4
Later than 10 years and no later than 15 years	3 168.1
Later than 15 years and no later than 20 years	2 801.1
Later than 20 years and no later than 25 years	2 341.5
Later than 25 years and no later than 30 years	1 786.5
Later than 30 years and no later than 35 years	1 197.3
Later than 35 years and no later than 40 years	676.0
Later than 40 years and no later than 45 years	302.9
Later than 45 years and no later than 50 years	96.8
Undiscounted defined benefit obligation	18 774.4
After 50 years there is expected to be a reducing level of cash for a further 17 years totalling approximately:	22.8

Other liabilities

Other liabilities are recognised in the Balance Sheet when it is probable that an outflow of resources will be required, and the amount can be measured reliably. Other liabilities is estimated to be \$1 480 million as at 30 June 2027 which is an increase of \$116.3 million from the 2025-26 Budget of \$1 363.7 million.

Other liabilities is expected to increase to \$1 486 million as at 30 June 2030, primarily reflecting an increase in the estimated provision for the Tasmanian Risk Management Fund which is partially offset by a reduction in the estimated provision for claims related to child sexual abuse in State care as a result of the payment of compensation claims.

Table 8.14 provides a breakdown of GGS Other liabilities for the 2025-26 Budget, the 2025-26 Estimated Outcome and the 2026-27 Budget and Forward Estimates.

Table 8.14: General Government Sector Other liabilities as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Provision for Claims related to Child Sexual Abuse in State Care	523.5	497.5	376.2	302.2	238.7	197.1
Tasmanian Risk Management Fund	671.1	792.2	874.9	948.8	1 011.7	1 068.0
Other	169.1	230.9	229.0	226.0	223.3	220.8
TOTAL	1 363.7	1 520.6	1 480.0	1 477.0	1 473.8	1 486.0

Provision for Claims related to Child Sexual Abuse in State Care

The GGS Balance Sheet recognises a provision for claims by survivors of institutional child sexual abuse against the State. The valuation of this provision is determined by an independent Actuary engaged by the Department of Justice.

The estimated liability is \$376.2 million as at 30 June 2027 and is estimated to decrease to \$197.1 million as at 30 June 2030, reflecting the anticipated settlement and 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. The Actuary is required to make a number of judgments and assumptions, including the number of future claims, settlement costs for 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 amounts currently estimated. The valuation of this provision will continue to change over time, potentially materially, as additional information and claims experience become available.

Tasmanian Risk Management Fund

Purpose of the Fund

The Tasmanian Risk Management Fund's claims liability is recognised within Other liabilities on the GGS 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 2026-27 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 2025, driven by a rise in the injury incidence rate and an increase in weekly benefit and settlement 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, 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, contributions for the motor vehicle risk category decreased, reflecting an improvement in the funding position for this risk category. Overall, total agency contributions will increase from \$214.0 million in 2025-26 to an estimated \$297.1 million in 2026-27.

As at 30 June 2027, the Fund is estimated to have negative Net Assets of \$78.6 million. The funding position has deteriorated relative to the 2025-26 Budget as at 30 June 2026, with the Estimated Outcome as at 30 June 2026 reflecting deteriorating claims experience emerging over the year. This deterioration has been driven primarily by higher personal injury claim costs and increased settlement activity during 2025-26. Continued deterioration in personal injury claim costs may further weaken the Fund's financial position.

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 8.15: Financial Position of the Tasmanian Risk Management Fund as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Cash and cash equivalents ¹	765.1	713.3	792.1	854.3	906.3	952.7
Receivables	4.2	4.2	4.2	4.2	4.2	4.2
	769.3	717.5	796.3	858.5	910.5	956.9
Liabilities²						
Personal injury	484.6	607.6	685.9	750.8	803.6	849.1
Property	7.7	9.7	4.0	3.4	3.6	3.7
Motor vehicle	0.7	0.3	0.3	0.3	0.3	0.3
Liability	7.2	6.9	7.2	7.5	7.7	8.0
Medical	166.7	163.6	173.3	182.5	192.3	202.6
Payables and employee entitlements	4.2	4.2	4.2	4.2	4.2	4.2
	671.1	792.2	874.9	948.8	1 011.7	1 068.0
NET ASSETS	98.1	(74.7)	(78.6)	(90.2)	(101.2)	(111.0)

Notes:

1. Cash and cash equivalents includes additional appropriation funding of \$183 million for 2025-26.
2. Liabilities over the 2026-27 Budget and Forward Estimates are based on actuarial advice as at 31 December 2025.

PART 3:

MANDATORY REPORTING

9 UNIFORM GOVERNMENT REPORTING

Executive Summary

- The Net Operating Balance estimates for 2026-27 are deficits of:
 - \$596.7 million for the General Government Sector;
 - \$47.7 million for the Public Non-Financial Corporations Sector;
 - \$644.4 million for the Total Non-Financial Public Sector;
 - \$46.4 million for the Public Financial Corporations Sector; and
 - \$690.9 million for the Total State Sector.
- The Fiscal Balance estimates for 2026-27 are deficits of:
 - \$972.7 million for the GGS;
 - \$1 238.3 million for the PNFC Sector;
 - \$2 211 million for the TNFP Sector;
 - \$81.8 million for the PFC Sector; and
 - \$2 292.8 million for the Total State Sector.
- Estimated Net Debt as at 30 June 2027 is:
 - \$8 440.3 million for the GGS Sector;
 - \$6 474.5 million for the PNFC Sector;
 - \$14 907.5 million for the TNFP Sector;
 - negative \$2 452.4 million for the PFC Sector; and
 - \$12 455.1 million for the Total State Sector.
- Further information on the GGS Budget and Forward Estimates is provided in chapter 5 of this Budget Paper.

INTRODUCTION

The financial information in this chapter has been prepared in accordance with the Uniform Presentation Framework. The chapter presents Income Statement, Balance Sheet and Cash Flow Statement estimates for the following sectors:

- General Government Sector;
- Public Non-Financial Corporations Sector;
- Total Non-Financial Public Sector;
- Public Financial Corporations Sector; and
- Total State Sector.

The statements present information for the 2025-26 Budget, 2025-26 Estimated Outcome, and the 2026-27 Budget and Forward Estimates.

Taxation information required under the UPF is provided in chapter 6 of this Budget Paper.

Final audited outcomes for 2025-26 will be released in the *Treasurer's Annual Financial Report 2025-26*, to be published by 31 October 2026.

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

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue from transactions						
Grants	6 359.8	6 430.8	6 756.3	6 959.4	7 153.5	7 566.9
Taxation	1 933.1	1 987.1	2 132.9	2 257.9	2 364.4	2 472.6
Sales of goods and services	459.7	472.3	501.8	523.7	537.4	554.0
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest income	93.1	96.9	113.3	114.2	106.0	117.8
Dividend, tax and rate equivalent income	254.1	281.8	253.6	302.4	327.5	480.7
Other revenue	240.2	286.2	282.2	285.9	269.5	266.9
	9 498.2	9 715.2	10 191.3	10 586.9	10 900.8	11 602.7
Less Expenses from transactions						
Employee expenses	4 345.0	4 441.6	4 465.4	4 423.4	4 485.6	4 615.6
Superannuation	550.0	551.6	533.3	520.1	520.8	531.2
Depreciation	526.8	532.3	557.9	581.8	603.3	622.4
Supplies and consumables	1 851.0	1 920.8	1 851.2	1 801.5	1 799.5	1 833.8
Nominal superannuation interest expense	309.6	307.4	314.6	312.5	309.9	306.9
Borrowing costs	352.9	351.8	441.9	533.5	597.2	627.6
Grant and subsidy expenses	2 541.7	2 423.6	2 501.5	2 146.1	2 075.8	2 381.8
Other expenses	29.2	109.3	122.3	75.3	72.6	61.3
	10 506.2	10 638.5	10 788.1	10 394.1	10 464.8	10 980.7
Equals NET OPERATING BALANCE	(1 008.0)	(923.3)	(596.7)	192.8	436.0	622.0
Plus Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	10.7	8.1	9.5	9.2	8.3	10.0
Other gains/(losses)	121.7	(189.3)	(142.4)	(132.1)	(115.3)	(101.3)
	132.4	(181.3)	(132.9)	(122.8)	(107.1)	(91.3)
Equals Operating Result	(875.7)	(1 104.6)	(729.6)	70.0	329.0	530.7

Table 9.1: General Government Income Statement (continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Plus Other economic flows - other movements in Equity						
Revaluations of non-financial assets	285.7	485.7	489.2	494.1	495.6	494.6
Revaluation of equity investment in PNFC and PFC sectors	402.4	(73.8)	41.5	(21.2)	70.3	175.5
Movements in superannuation liability	(128.7)	387.3	....	....	....	....
	559.5	799.3	530.8	472.9	565.9	670.0
Equals Comprehensive Result	(316.2)	(305.3)	(198.9)	542.9	894.9	1 200.7
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	(1 008.0)	(923.3)	(596.7)	192.8	436.0	622.0
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	905.8	698.6	978.2	1 018.8	790.7	651.1
Less Sales of non-financial assets	35.0	31.8	44.3	37.6	32.2	42.0
Less Depreciation	526.8	532.3	557.9	581.8	603.3	622.4
	344.1	134.5	376.0	399.4	155.2	(13.2)
Equals FISCAL BALANCE	(1 352.1)	(1 057.8)	(972.7)	(206.6)	280.8	635.2

Table 9.2: General Government Balance Sheet as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Financial assets						
Cash and deposits	1 416.7	1 284.6	1 388.3	1 390.3	1 252.1	1 486.2
Investments	753.4	725.7	783.9	778.7	775.6	772.6
Equity investments in PNFC and PFC sectors	11 503.6	11 265.2	11 851.1	12 396.2	13 049.1	13 392.7
Other equity investments	274.8	279.9	279.9	279.9	279.9	279.9
Receivables	452.5	459.1	456.5	454.1	449.6	445.3
Contract assets	22.4	4.0	4.2	4.2	4.2	4.2
Other financial assets	1 124.1	1 094.2	1 064.4	1 048.1	1 038.6	1 031.7
	15 547.5	15 112.7	15 828.2	16 351.5	16 849.1	17 412.6
Non-financial assets						
Land and buildings	8 519.7	8 430.1	8 689.2	9 060.6	9 282.5	9 439.0
Infrastructure	8 714.2	8 792.4	9 340.5	9 889.5	10 360.0	10 747.0
Plant and equipment	384.5	372.7	394.8	384.5	366.4	353.0
Heritage and cultural assets	568.7	569.4	581.7	594.0	606.3	618.6
Investment property	4.8	4.8	4.8	4.8	4.8	4.8
Intangibles	125.4	111.8	208.7	253.5	288.0	302.0
Assets held for sale	8.0	7.9	7.9	7.9	7.9	7.5
Lease - right-of-use-assets	543.0	572.8	531.6	487.9	442.8	403.7
Service concession assets	376.7	377.1	338.7	300.4	262.0	223.7
Other non-financial assets	77.3	60.5	64.9	66.2	67.6	69.0
	19 322.2	19 299.4	20 162.7	21 049.2	21 688.3	22 168.3
Total Assets	34 869.7	34 412.1	35 990.9	37 400.7	38 537.4	39 580.8
Liabilities						
Borrowings	8 200.8	7 763.0	9 618.8	10 632.3	11 179.7	10 968.0
Lease liabilities	651.3	674.0	644.0	613.5	581.4	542.5
Service concession liabilities	399.1	395.3	349.7	300.7	249.6	214.9
Superannuation	7 082.1	6 526.1	6 487.8	6 436.3	6 380.7	6 306.1
Employee entitlements	1 135.4	1 142.9	1 088.7	1 111.2	1 133.7	1 157.4
Payables	348.4	401.1	403.2	399.4	385.7	375.9
Contract liabilities	643.1	530.2	658.6	627.3	454.9	631.6
Other liabilities	1 363.7	1 520.6	1 480.0	1 477.0	1 473.8	1 486.0
Total Liabilities	19 823.9	18 953.2	20 730.8	21 597.7	21 839.5	21 682.2
Net Assets	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6

Table 9.2: General Government Balance Sheet as at 30 June
(continued)

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Equity						
Accumulated funds	5 277.6	5 602.3	4 872.7	4 942.7	5 271.7	5 802.4
Asset revaluation reserve	8 894.7	9 095.8	9 585.1	10 079.2	10 574.8	11 069.4
Other revaluation reserves	873.6	760.8	802.3	781.1	851.4	1 026.8
Total Equity	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
KEY FISCAL AGGREGATES						
NET WORTH¹	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
NET FINANCIAL WORTH²	(4 276.4)	(3 840.4)	(4 902.6)	(5 246.2)	(4 990.4)	(4 269.7)
NET FINANCIAL LIABILITIES³	15 779.9	15 105.6	16 753.7	17 642.4	18 039.5	17 662.4
NET DEBT⁴	7 081.1	6 822.0	8 440.3	9 377.5	9 983.0	9 466.5
GFS NET DEBT⁵	6 030.7	5 752.7	7 446.6	8 463.3	9 152.1	8 709.2

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 represent 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

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	6 504.6	6 459.6	6 884.2	6 927.9	6 981.8	7 743.8
Taxation	1 929.9	1 985.6	2 131.9	2 257.1	2 365.0	2 472.7
Sales of goods and services	455.7	469.8	499.4	521.3	535.0	551.1
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest received	92.9	96.9	113.0	114.0	105.9	117.7
Dividend, tax and rate equivalents	235.1	254.9	270.2	305.5	329.0	487.2
Other receipts	525.5	646.4	645.5	651.5	637.3	637.2
	9 902.0	10 073.2	10 695.1	10 920.5	11 096.4	12 153.5
Cash payments for operating activities						
Employee entitlements	(4 322.5)	(4 418.6)	(4 507.0)	(4 400.3)	(4 462.5)	(4 592.8)
Superannuation	(877.7)	(917.2)	(892.9)	(881.9)	(884.0)	(910.4)
Supplies and consumables	(1 864.8)	(1 934.7)	(1 865.1)	(1 813.5)	(1 810.8)	(1 848.0)
Borrowing costs	(333.8)	(304.8)	(441.8)	(538.3)	(611.9)	(638.4)
Grants and subsidies paid	(2 542.1)	(2 423.9)	(2 501.6)	(2 145.9)	(2 075.6)	(2 381.6)
Other payments	(398.7)	(555.1)	(610.9)	(518.9)	(507.5)	(476.6)
	(10 339.7)	(10 554.3)	(10 819.3)	(10 298.9)	(10 352.4)	(10 848.0)
Net cash flows from operating activities	(437.7)	(481.1)	(124.2)	621.6	744.0	1 305.5
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(906.8)	(700.0)	(979.3)	(1 019.6)	(791.6)	(652.0)
Sales of non-financial assets	30.6	28.0	40.1	33.5	28.0	37.8
	(876.2)	(672.0)	(939.1)	(986.2)	(763.6)	(614.2)
Net cash flows from financial assets (policy purposes)						
Equity injections	(717.7)	(550.9)	(544.4)	(566.3)	(582.6)	(168.1)
Net advances paid	1.3	25.0	(56.7)	5.2	3.1	3.0
	(716.4)	(526.0)	(601.1)	(561.1)	(579.5)	(165.2)

Table 9.3: General Government Cash Flow Statement (continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	2.5	2.3	(0.8)	(0.1)	(0.1)	(0.2)
	2.5	2.3	(0.8)	(0.1)	(0.1)	(0.2)
Net cash flows from investing activities	(1 590.1)	(1 195.7)	(1 541.0)	(1 547.4)	(1 343.2)	(779.6)
Net cash flows from financing activities						
Net borrowing	2 113.1	1 628.5	1 768.9	927.8	461.1	(291.8)
	2 113.1	1 628.5	1 768.9	927.8	461.1	(291.8)
Net increase/(decrease) in cash held	85.4	(48.3)	103.7	2.0	(138.2)	234.2
Cash at the beginning of the year	1 331.4	1 332.8	1 284.6	1 388.3	1 390.3	1 252.1
Cash at the end of the year	1 416.7	1 284.6	1 388.3	1 390.3	1 252.1	1 486.2
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	(437.7)	(481.1)	(124.2)	621.6	744.0	1 305.5
Plus Net cash flows from non-financial assets	(876.2)	(672.0)	(939.1)	(986.2)	(763.6)	(614.2)
Equals CASH SURPLUS/(DEFICIT)	(1 313.9)	(1 153.1)	(1 063.3)	(364.5)	(19.7)	691.3

Table 9.4: Public Non-Financial Corporations Sector Income Statement

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue from transactions						
Grants	421.2	370.0	338.6	319.8	326.0	331.9
Sales of goods and services	3 606.4	3 562.3	3 689.3	3 816.9	4 175.4	4 660.0
Interest income	11.7	10.3	11.6	11.6	10.4	10.5
Other revenue	116.5	125.3	123.8	126.1	130.2	135.0
	4 155.8	4 067.9	4 163.2	4 274.4	4 642.0	5 137.4
Less Expenses from transactions						
Employee expenses	640.2	631.5	649.4	654.5	669.1	684.4
Superannuation	83.9	81.7	87.7	88.2	90.9	93.7
Depreciation	552.4	490.4	574.8	594.8	609.7	650.3
Supplies and consumables	2 436.1	2 322.5	2 229.6	2 319.1	2 496.8	2 692.2
Nominal superannuation interest expense	21.9	24.5	22.1	21.9	21.8	21.6
Borrowing costs	269.7	287.6	311.0	346.2	360.1	390.1
Dividend and income tax equivalent expenses	66.0	67.6	149.8	217.3	251.9	409.1
Grant and subsidy expenses	171.5	173.4	134.6	118.7	120.8	121.8
Other expenses	45.5	46.0	52.0	50.5	52.8	54.2
	4 287.2	4 125.1	4 211.0	4 411.2	4 673.9	5 117.1
Equals NET OPERATING BALANCE	(131.3)	(57.2)	(47.7)	(136.8)	(31.9)	20.3
Plus Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	6.6	6.6	12.1	13.4	15.7	18.6
Other gains/(losses)	(128.2)	(109.1)	(90.8)	(61.4)	(103.3)	(96.2)
	(121.6)	(102.5)	(78.7)	(47.9)	(87.5)	(77.5)
Equals Operating Result	(252.9)	(159.7)	(126.4)	(184.8)	(119.4)	(57.2)

Table 9.4: Public Non-Financial Corporations Sector Income Statement (continued)

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Plus Other economic flows - other movements in Equity						
Revaluations of non-financial assets	233.2	108.5	163.1	169.3	179.2	191.7
Movements in superannuation liability	....	63.2	....	....	....	....
Other non-owner movements in Equity	537.9	0.1	(105.8)	11.8	14.8	39.0
	771.0	171.7	57.3	181.1	193.9	230.7
Equals Comprehensive Result	518.2	12.0	(69.1)	(3.7)	74.5	173.5
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	(131.3)	(57.2)	(47.7)	(136.8)	(31.9)	20.3
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	1 910.5	1 528.9	1 889.5	1 996.6	2 002.7	1 429.8
Less Sales of non-financial assets	19.3	15.9	124.1	34.1	38.0	36.2
Less Depreciation	552.4	490.4	574.8	594.8	609.7	650.3
	1 338.8	1 022.6	1 190.6	1 367.7	1 354.9	743.3
Equals FISCAL BALANCE	(1 470.1)	(1 079.8)	(1 238.3)	(1 504.5)	(1 386.8)	(723.1)

Table 9.5: Public Non-Financial Corporations Sector Balance Sheet as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Financial assets						
Cash and deposits	215.1	291.5	285.5	266.2	285.5	271.9
Investments	56.9	35.9	92.8	30.2	31.2	33.0
Other equity investments	298.7	277.1	324.4	375.2	377.5	382.6
Receivables	815.4	738.9	810.0	820.2	834.6	844.9
Other financial assets	377.6	418.7	430.1	404.0	417.0	430.1
	1 763.7	1 762.1	1 942.8	1 895.8	1 945.8	1 962.5
Non-financial assets						
Land and buildings	3 329.7	3 221.9	3 949.0	4 080.1	4 071.7	4 090.9
Infrastructure	11 603.5	11 381.0	11 776.2	13 146.7	14 644.2	15 530.3
Plant and equipment	501.9	443.5	515.0	553.6	567.7	602.0
Biological assets	215.9	222.6	225.7	228.5	231.0	233.7
Intangibles	140.6	128.5	142.2	152.1	152.4	158.0
Assets held for sale	14.3	14.3	14.0	14.0	14.0	14.0
Lease - right-of-use assets	304.1	308.0	292.5	279.3	265.5	253.9
Service concession assets	2 193.1	2 150.8	2 154.3	2 159.5	2 165.6	2 171.2
Other non-financial assets	148.0	190.1	190.0	190.8	191.2	194.7
	18 451.1	18 060.7	19 258.9	20 804.6	22 303.2	23 248.6
Total Assets	20 214.8	19 822.8	21 201.7	22 700.4	24 249.0	25 211.1
Liabilities						
Borrowings	5 612.4	5 526.2	6 473.2	7 445.2	8 320.2	8 943.8
Lease liabilities	372.6	389.1	379.6	372.0	365.9	356.9
Superannuation	491.2	457.4	454.7	451.2	447.3	442.2
Employee entitlements	139.8	149.5	155.6	158.7	164.9	167.6
Payables	753.7	704.3	692.0	681.4	691.6	701.9
Contract liabilities	104.4	119.4	112.4	110.1	109.7	110.1
Other liabilities	2 040.3	2 041.9	2 024.0	2 009.0	2 019.4	2 017.1
Total Liabilities	9 514.4	9 387.9	10 291.5	11 227.6	12 119.0	12 739.5
Net Assets	10 700.4	10 434.9	10 910.2	11 472.8	12 130.0	12 471.6

Table 9.5: Public Non-Financial Corporations Sector Balance Sheet as at 30 June (continued)

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Equity						
Accumulated funds	246.8	373.7	139.4	(31.5)	(136.2)	(154.4)
Asset revaluation reserve	2 540.4	2 595.3	2 758.4	2 927.7	3 106.9	3 298.6
Other reserves	84.0	(87.5)	(87.5)	(87.5)	(87.5)	(87.5)
Other equity	7 829.2	7 553.5	8 099.8	8 664.2	9 246.8	9 414.9
Total Equity	10 700.4	10 434.9	10 910.2	11 472.8	12 130.0	12 471.6
KEY FISCAL AGGREGATES						
NET WORTH¹	10 700.4	10 434.9	10 910.2	11 472.8	12 130.0	12 471.6
NET FINANCIAL WORTH²	(7 750.7)	(7 625.7)	(8 348.7)	(9 331.7)	(10 173.2)	(10 777.0)
NET FINANCIAL LIABILITIES³	7 750.7	7 625.7	8 348.7	9 331.7	10 173.2	10 777.0
NET DEBT⁴	5 713.0	5 587.8	6 474.5	7 520.7	8 369.3	8 995.7
GFS NET DEBT⁵	5 340.5	5 198.7	6 094.9	7 148.7	8 003.4	8 638.9

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 represent 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.

Table 9.6: Public Non-Financial Corporations Sector Cash Flow Statement

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	428.3	391.3	336.2	316.5	349.9	343.2
Sales of goods and services	3 522.1	3 515.6	3 598.6	3 750.0	4 107.3	4 595.3
Interest received	10.1	10.4	10.5	10.3	9.1	9.1
Other receipts	272.7	246.0	244.5	248.7	253.4	267.6
	4 233.2	4 163.3	4 189.8	4 325.5	4 719.7	5 215.3
Cash payments for operating activities						
Employee entitlements	(657.2)	(690.9)	(682.2)	(682.0)	(699.7)	(716.1)
Superannuation	(78.4)	(89.4)	(87.9)	(87.9)	(90.8)	(93.0)
Supplies and consumables	(2 310.0)	(2 402.8)	(2 272.4)	(2 300.1)	(2 493.2)	(2 716.9)
Borrowing costs	(256.2)	(277.2)	(291.5)	(337.7)	(348.4)	(373.5)
Grants and subsidies paid	(166.0)	(170.7)	(128.9)	(108.3)	(109.1)	(108.9)
Other payments	(161.1)	(147.3)	(143.7)	(136.1)	(133.2)	(132.8)
	(3 629.0)	(3 778.2)	(3 606.6)	(3 652.1)	(3 874.5)	(4 141.2)
Net cash flows from operating activities	604.3	385.1	583.2	673.4	845.2	1 074.2
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(1 910.5)	(1 528.9)	(1 889.5)	(1 996.6)	(2 002.7)	(1 429.8)
Sales of non-financial assets	19.3	15.9	124.1	34.1	38.0	36.2
	(1 891.1)	(1 513.0)	(1 765.4)	(1 962.5)	(1 964.6)	(1 393.6)
Net cash flows from financial assets (policy purposes)						
Equity injections	717.7	550.9	544.4	566.3	582.6	168.1
	717.7	550.9	544.4	566.3	582.6	168.1

Table 9.6: Public Non-Financial Corporations Sector Cash Flow Statement (continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	(57.4)	(4.3)	(104.2)	11.8	(3.3)	(6.8)
	(57.4)	(4.3)	(104.2)	11.8	(3.3)	(6.8)
Net cash flows from investing activities	(1 230.8)	(966.4)	(1 325.2)	(1 384.4)	(1 385.3)	(1 232.3)
Net cash flows from financing activities						
Net borrowing	696.1	606.4	905.1	931.6	833.8	581.4
Dividends and tax equivalents paid	(44.0)	(58.0)	(169.2)	(239.8)	(274.5)	(436.8)
	652.1	548.4	735.9	691.8	559.4	144.6
Net increase/(decrease) in cash held	25.6	(33.0)	(6.1)	(19.2)	19.3	(13.6)
Cash at the beginning of the year	189.5	324.5	291.5	285.5	266.2	285.5
Cash at the end of the year	215.1	291.5	285.5	266.2	285.5	271.9
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	604.3	385.1	583.2	673.4	845.2	1 074.2
Plus Net cash flows from non-financial assets	(1 891.1)	(1 513.0)	(1 765.4)	(1 962.5)	(1 964.6)	(1 393.6)
Plus Dividends and tax equivalents paid	(44.0)	(58.0)	(169.2)	(239.8)	(274.5)	(436.8)
Equals CASH SURPLUS/(DEFICIT)	(1 330.8)	(1 186.0)	(1 351.3)	(1 528.9)	(1 393.9)	(756.3)

Table 9.7: Total Non-Financial Public Sector Income Statement

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue from transactions						
Grants	6 359.8	6 430.8	6 756.3	6 959.4	7 153.5	7 566.9
Taxation	1 851.4	1 904.3	2 043.7	2 163.0	2 264.9	2 368.1
Sales of goods and services	4 003.8	3 939.1	4 092.7	4 239.4	4 608.9	5 107.4
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest income	104.8	107.2	124.9	125.8	116.4	128.4
Dividend, tax and rate equivalent income	188.2	214.2	103.9	85.1	75.6	71.6
Other revenue	356.7	411.5	406.0	411.9	399.7	401.8
	13 022.9	13 167.2	13 678.7	14 128.2	14 761.5	15 787.9
Less Expenses from transactions						
Employee expenses	4 985.1	5 073.1	5 114.8	5 077.9	5 154.7	5 300.0
Superannuation	633.9	633.3	621.0	608.3	611.7	624.9
Depreciation	1 079.1	1 022.7	1 132.7	1 176.6	1 213.0	1 272.7
Supplies and consumables	4 224.8	4 147.8	3 982.4	4 019.4	4 192.3	4 419.4
Nominal superannuation interest expense	331.5	331.9	336.7	334.4	331.7	328.5
Borrowing costs	582.4	599.0	707.7	829.2	903.4	960.1
Grant and subsidy expenses	2 292.1	2 226.9	2 297.6	1 945.0	1 870.6	2 171.6
Other expenses	33.3	113.0	130.2	81.5	79.8	68.6
	14 162.2	14 147.7	14 323.1	14 072.2	14 357.3	15 145.6
Equals NET OPERATING BALANCE	(1 139.4)	(980.5)	(644.4)	56.0	404.2	642.3
Plus Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	17.3	14.6	21.6	22.7	24.0	28.7
Other gains/(losses)	(6.5)	(298.4)	(233.2)	(193.4)	(218.6)	(197.5)
	10.8	(283.8)	(211.6)	(170.8)	(194.6)	(168.8)
Equals Operating Result	(1 128.5)	(1 264.3)	(856.0)	(114.8)	209.6	473.5

Table 9.7: Total Non-Financial Public Sector Income Statement
(continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Plus Other economic flows - other movements in Equity						
Revaluations of non-financial assets	518.9	594.2	652.4	663.3	674.8	686.3
Revaluation of equity investment in PFC sector	(115.7)	(85.8)	110.6	(17.5)	(4.3)	2.0
Movements in superannuation liability	(128.7)	450.5	....	....	....	....
Other non-owner movements in Equity	537.9	0.1	(105.8)	11.8	14.8	39.0
	812.4	958.9	657.2	657.6	685.3	727.3
Equals Comprehensive Result	(316.2)	(305.3)	(198.9)	542.9	894.9	1 200.7
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	(1 139.4)	(980.5)	(644.4)	56.0	404.2	642.3
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	2 816.3	2 227.5	2 867.6	3 015.4	2 793.4	2 081.0
Less Sales of non-financial assets	54.3	47.7	168.4	71.8	70.2	78.2
Less Depreciation	1 079.1	1 022.7	1 132.7	1 176.6	1 213.0	1 272.7
	1 682.8	1 157.1	1 566.5	1 767.1	1 510.1	730.1
Equals FISCAL BALANCE	(2 822.2)	(2 137.6)	(2 211.0)	(1 711.1)	(1 106.0)	(87.8)

Table 9.8: Total Non-Financial Public Sector Balance Sheet as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Financial assets						
Cash and deposits	1 631.8	1 576.1	1 673.8	1 656.5	1 537.6	1 758.1
Investments	810.3	761.6	876.7	808.9	806.8	805.6
Equity investment in PFC sector	803.2	830.2	940.9	923.4	919.1	921.0
Other equity investments	573.5	557.1	604.3	655.2	657.5	662.5
Receivables	1 267.9	1 198.1	1 266.4	1 274.2	1 284.2	1 290.2
Contract assets	22.4	4.0	4.2	4.2	4.2	4.2
Other financial assets	391.9	405.5	387.7	346.4	348.1	349.2
	5 501.0	5 332.5	5 754.0	5 668.9	5 557.5	5 790.8
Non-financial assets						
Land and buildings	11 849.4	11 652.0	12 638.2	13 140.6	13 354.2	13 530.0
Infrastructure	20 317.7	20 173.4	21 116.8	23 036.3	25 004.2	26 277.3
Plant and equipment	886.4	816.1	909.8	938.2	934.1	954.9
Heritage and cultural assets	568.7	569.4	581.7	594.0	606.3	618.6
Biological assets	215.9	222.6	225.7	228.5	231.0	233.7
Investment property	4.8	4.8	4.8	4.8	4.8	4.8
Intangibles	266.0	240.4	350.9	405.5	440.4	460.0
Assets held for sale	22.3	22.2	21.8	21.8	21.8	21.4
Lease - right-of-use assets	842.5	872.0	816.9	761.3	703.7	654.3
Service concession assets	2 569.8	2 527.8	2 493.0	2 459.9	2 427.6	2 394.8
Other non-financial assets	225.3	250.7	254.9	256.9	258.7	263.7
	37 768.6	37 351.3	39 414.4	41 847.8	43 986.8	45 413.5
Total Assets	43 269.6	42 683.8	45 168.4	47 516.6	49 544.2	51 204.3
Liabilities						
Borrowings	13 813.2	13 289.1	16 092.0	18 077.5	19 499.9	19 911.7
Lease liabilities	1 019.3	1 054.4	1 016.4	979.6	942.6	895.9
Service concession liabilities	399.1	395.3	349.7	300.7	249.6	214.9
Superannuation	7 573.3	6 983.4	6 942.6	6 887.5	6 828.1	6 748.3
Employee entitlements	1 275.2	1 292.4	1 244.3	1 269.9	1 298.6	1 325.0
Payables	1 102.1	1 105.4	1 095.2	1 080.9	1 077.4	1 077.7
Contract liabilities	747.5	649.6	771.0	737.4	564.6	741.7
Other liabilities	2 294.1	2 455.2	2 397.3	2 380.4	2 385.7	2 390.5
Total Liabilities	28 223.8	27 224.8	29 908.3	31 713.7	32 846.4	33 305.8
Net Assets	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6

Table 9.8: Total Non-Financial Public Sector Balance Sheet as at 30 June (continued)

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Equity						
Accumulated funds	3 526.8	3 855.3	3 004.1	2 883.6	3 103.7	3 618.1
Asset revaluation reserve	11 435.1	11 691.1	12 343.5	13 006.8	13 681.7	14 367.9
Other reserves	84.0	(87.5)	(87.5)	(87.5)	(87.5)	(87.5)
Total Equity	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
KEY FISCAL AGGREGATES						
NET WORTH¹	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
NET FINANCIAL WORTH²	(22 722.8)	(21 892.3)	(24 154.3)	(26 044.8)	(27 288.9)	(27 514.9)
NET FINANCIAL LIABILITIES³	23 526.0	22 722.6	25 095.2	26 968.2	28 208.0	28 436.0
NET DEBT⁴	12 789.5	12 401.1	14 907.5	16 892.2	18 347.7	18 458.8
GFS NET DEBT⁵	11 371.1	10 951.4	13 541.5	15 612.0	17 155.5	17 348.0

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 represent Total Liabilities less Financial assets excluding Equity Investments in the 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 Statistics 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

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	6 511.8	6 480.9	6 881.8	6 924.6	7 005.7	7 755.1
Taxation	1 848.2	1 902.8	2 042.7	2 162.2	2 265.5	2 368.1
Sales of goods and services	3 915.4	3 889.9	3 999.6	4 170.0	4 538.4	5 039.8
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest received	103.0	107.3	123.5	124.3	115.0	126.8
Dividend, tax and rate equivalents	191.2	196.8	101.0	65.6	54.5	50.3
Other receipts	798.2	892.4	890.0	900.2	890.7	904.9
	13 526.0	13 630.2	14 189.6	14 490.3	15 012.1	16 388.9
Cash payments for operating activities						
Employee entitlements	(4 979.7)	(5 109.6)	(5 189.1)	(5 082.3)	(5 162.3)	(5 308.9)
Superannuation	(956.2)	(1 006.6)	(980.8)	(969.8)	(974.8)	(1 003.4)
Supplies and consumables	(4 112.5)	(4 242.0)	(4 039.2)	(4 012.4)	(4 200.1)	(4 458.3)
Borrowing costs	(549.7)	(541.6)	(688.1)	(825.5)	(906.4)	(954.3)
Grants and subsidies paid	(2 286.9)	(2 224.6)	(2 291.9)	(1 934.5)	(1 858.8)	(2 158.6)
Other payments	(518.5)	(659.9)	(710.5)	(610.7)	(595.1)	(562.6)
	(13 403.4)	(13 784.2)	(13 899.7)	(13 435.1)	(13 697.5)	(14 446.0)
Net cash flows from operating activities	122.6	(154.0)	289.9	1 055.2	1 314.7	1 942.9
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(2 817.3)	(2 228.9)	(2 868.7)	(3 016.3)	(2 794.3)	(2 081.8)
Sales of non-financial assets	49.9	43.9	164.2	67.6	66.0	74.0
	(2 767.3)	(2 185.1)	(2 704.5)	(2 948.6)	(2 728.2)	(2 007.8)
Net cash flows from financial assets (policy purposes)						
Net advances paid	1.3	25.0	(56.7)	5.2	3.1	3.0
	1.3	25.0	(56.7)	5.2	3.1	3.0

Table 9.9: Total Non-Financial Public Sector Cash Flow Statement
(continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	(54.8)	(2.0)	(105.0)	11.6	(3.4)	(7.0)
	(54.8)	(2.0)	(105.0)	11.6	(3.4)	(7.0)
Net cash flows from investing activities	(2 820.8)	(2 162.1)	(2 866.2)	(2 931.8)	(2 728.5)	(2 011.9)
Net cash flows from financing activities						
Net borrowing	2 809.2	2 234.9	2 674.0	1 859.4	1 294.9	289.6
	2 809.2	2 234.9	2 674.0	1 859.4	1 294.9	289.6
Net increase/(decrease) in cash held	111.0	(81.3)	97.7	(17.2)	(118.9)	220.5
Cash at the beginning of the year	1 520.9	1 657.4	1 576.1	1 673.8	1 656.5	1 537.6
Cash at the end of the year	1 631.8	1 576.1	1 673.8	1 656.5	1 537.6	1 758.1
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	122.6	(154.0)	289.9	1 055.2	1 314.7	1 942.9
Plus Net cash flows from non-financial assets	(2 767.3)	(2 185.1)	(2 704.5)	(2 948.6)	(2 728.2)	(2 007.8)
Equals CASH SURPLUS/(DEFICIT)	(2 644.7)	(2 339.1)	(2 414.7)	(1 893.5)	(1 413.5)	(65.0)

Table 9.10: Public Financial Corporations Sector Income Statement

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue from transactions						
Sales of goods and services	165.0	165.4	174.4	184.5	195.3	206.1
Interest income	851.3	808.4	953.8	1 103.9	1 251.7	1 367.0
Dividend income	43.3	48.0	49.8	50.5	51.6	53.4
Other revenue	5.6	2.9	2.2	2.3	2.3	2.6
	1 065.2	1 024.7	1 180.2	1 341.1	1 500.9	1 629.2
Less Expenses from transactions						
Employee expenses	9.6	9.8	10.8	10.9	11.4	11.9
Superannuation	1.7	1.3	1.7	1.8	1.9	2.0
Depreciation	0.3	3.4	2.5	1.9	2.4	2.5
Supplies and consumables	218.6	194.5	182.0	185.2	193.4	203.5
Nominal superannuation interest expense	....	0.5	0.3	0.3	0.3	0.3
Borrowing costs	821.7	765.7	927.8	1 076.0	1 219.0	1 329.7
Dividend and income tax equivalent expenses	188.2	206.5	94.4	74.3	64.2	59.9
Grant and subsidy expenses	6.3	6.3	6.5	6.9	7.3	7.7
Other expenses	0.5	0.5	0.5	0.5	0.6	0.6
	1 246.9	1 188.5	1 226.6	1 357.9	1 500.4	1 618.1
Equals NET OPERATING BALANCE	(181.6)	(163.8)	(46.4)	(16.8)	0.5	11.1
Plus Other economic flows - included in Operating Result						
Other gains/(losses)	68.0	101.8	3.6	0.3	(2.8)	(7.0)
	68.0	101.8	3.6	0.3	(2.8)	(7.0)
Equals Operating Result	(113.6)	(62.0)	(42.8)	(16.5)	(2.3)	4.1
Plus Other economic flows - other movements in Equity						
Revaluations of non-financial assets	0.3	....	(2.4)	(1.5)	....	....
Other non-owner movements in Equity	(2.3)	(23.9)	155.7	0.5	(2.0)	(2.1)
	(2.1)	(23.9)	153.4	(1.0)	(2.0)	(2.1)
Equals Comprehensive Result	(115.7)	(85.8)	110.6	(17.5)	(4.3)	2.0

Table 9.10: Public Financial Corporations Sector Income Statement
(continued)

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	(181.6)	(163.8)	(46.4)	(16.8)	0.5	11.1
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	11.2	11.2	37.9	27.8	8.1	0.9
Less Depreciation	0.3	3.4	2.5	1.9	2.4	2.5
	10.9	7.8	35.4	25.9	5.7	(1.6)
Equals FISCAL BALANCE	(192.5)	(171.6)	(81.8)	(42.7)	(5.2)	12.6

Table 9.11: Public Financial Corporations Sector Balance Sheet as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Financial assets						
Cash and deposits	4.3	4.3	4.3	4.3	4.4	4.4
Investments	20 611.9	20 108.9	23 562.8	24 821.4	26 270.4	26 737.8
Receivables	30.2	36.5	45.2	48.4	46.9	47.3
Other financial assets	104.9	99.1	99.3	99.4	99.6	99.7
	20 751.3	20 248.8	23 711.6	24 973.5	26 421.2	26 889.2
Non-financial assets						
Land and buildings	30.2	29.2	64.2	89.7	95.0	93.1
Plant and equipment	1.2	1.2	1.4	1.6	1.7	1.9
Intangibles	0.3	0.3	0.2	0.2	0.2	0.2
Lease assets	0.9	0.9	0.8	0.6	0.5	0.3
	32.6	31.6	66.6	92.1	97.4	95.4
Total Assets	20 783.9	20 280.4	23 778.2	25 065.6	26 518.6	26 984.6
Liabilities						
Borrowings	18 183.3	17 675.4	21 113.9	22 335.3	23 706.8	24 077.7
Lease liabilities	0.9	0.9	0.8	0.6	0.5	0.3
Superannuation	9.1	6.5	6.4	6.4	6.3	6.2
Employee entitlements	1.9	2.0	2.1	2.2	2.3	2.4
Payables	3.3	3.3	3.1	3.1	3.1	3.1
Other liabilities	1 782.2	1 762.1	1 711.0	1 794.6	1 880.6	1 973.9
Total Liabilities	19 980.7	19 450.1	22 837.3	24 142.2	25 599.5	26 063.6
Net Assets	803.2	830.2	940.9	923.4	919.1	921.0
Equity						
Accumulated funds	756.4	811.5	924.5	908.5	904.2	906.1
Asset revaluation reserve	8.8	8.8	6.4	4.9	4.9	4.9
Other revaluation reserves	10.0	10.0	10.0	10.0	10.0	10.0
Other equity	28.0	....	....	....	....	....
Total Equity	803.2	830.2	940.9	923.4	919.1	921.0

Table 9.11: Public Financial Corporations Sector Balance Sheet as at 30 June (continued)

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
KEY FISCAL AGGREGATES						
NET WORTH¹	803.2	830.2	940.9	923.4	919.1	921.0
NET FINANCIAL WORTH²	770.6	798.6	874.3	831.3	821.7	825.6
NET FINANCIAL LIABILITIES³	(770.6)	(798.6)	(874.3)	(831.3)	(821.7)	(825.6)
NET DEBT⁴	(2 432.0)	(2 436.9)	(2 452.4)	(2 489.8)	(2 567.5)	(2 664.2)
GFS NET DEBT⁵	(2 432.9)	(2 437.8)	(2 453.2)	(2 490.4)	(2 568.0)	(2 664.5)

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 represent 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.

Table 9.12: Public Financial Corporations Sector Cash Flow Statement

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operating activities						
Cash received from operating activities						
Sales of goods and services	186.3	187.0	197.3	208.9	221.9	233.1
Interest received	851.6	808.6	954.1	1 104.1	1 252.0	1 367.3
Dividends received	43.3	48.0	49.8	50.5	51.6	53.4
Other receipts	3.4	3.4	3.5	3.7	3.9	4.1
	1 084.5	1 047.0	1 204.7	1 367.2	1 529.3	1 657.9
Cash payments for operating activities						
Employee entitlements	(9.4)	(9.6)	(10.8)	(10.8)	(11.2)	(11.7)
Superannuation	(1.0)	(1.3)	(1.5)	(1.5)	(1.6)	(1.7)
Supplies and consumables	(157.6)	(164.8)	(186.5)	(190.4)	(198.2)	(208.4)
Borrowing costs	(821.7)	(765.7)	(927.8)	(1 076.0)	(1 219.0)	(1 329.7)
Grants and subsidies paid	(6.9)	(6.9)	(7.2)	(7.6)	(8.0)	(8.5)
Other payments	(6.1)	(5.8)	(2.8)	(4.8)	(7.2)	(8.4)
	(1 002.7)	(954.1)	(1 136.7)	(1 291.2)	(1 445.2)	(1 568.4)
Net cash flows from operating activities	81.8	92.9	68.0	76.0	84.1	89.5
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(11.2)	(11.2)	(37.9)	(27.8)	(8.1)	(0.9)
	(11.2)	(11.2)	(37.8)	(27.8)	(8.1)	(0.9)
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	(1 904.1)	(2 133.8)	(3 367.5)	(1 203.8)	(1 392.9)	(409.0)
	(1 904.1)	(2 133.8)	(3 367.5)	(1 203.8)	(1 392.9)	(409.0)

Table 9.12: Public Financial Corporations Sector Cash Flow Statement (continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Net cash flows from investing activities	(1 915.3)	(2 145.0)	(3 405.4)	(1 231.6)	(1 400.9)	(409.9)
Net cash flows from financing activities						
Net borrowing	2 024.4	1 854.8	3 438.4	1 221.3	1 371.3	370.8
Dividends and tax equivalents paid	(191.2)	(196.8)	(101.0)	(65.6)	(54.5)	(50.3)
	1 833.2	1 658.0	3 337.4	1 155.6	1 316.9	320.4
Net increase/(decrease) in cash held	(0.3)	(394.2)	....	....	....	....
Cash at the beginning of the year	4.6	398.4	4.3	4.3	4.3	4.4
Cash at the end of the year	4.3	4.3	4.3	4.3	4.4	4.4
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	81.8	92.9	68.0	76.0	84.1	89.5
Plus Net cash flows from non-financial assets	(11.2)	(11.2)	(37.8)	(27.8)	(8.1)	(0.9)
Plus Dividends and tax equivalents paid	(191.2)	(196.8)	(101.0)	(65.6)	(54.5)	(50.3)
Equals CASH SURPLUS/(DEFICIT)	(120.6)	(115.2)	(70.8)	(17.4)	21.6	38.3

Table 9.13: Total State Sector Income Statement

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Revenue from transactions						
Grants	6 359.8	6 430.8	6 756.3	6 959.4	7 153.5	7 566.9
Taxation	1 850.9	1 903.8	2 043.2	2 162.5	2 264.4	2 367.5
Sales of goods and services	4 168.7	4 104.5	4 267.1	4 423.9	4 804.2	5 313.5
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest income	294.0	333.6	400.5	440.5	509.3	585.4
Dividend, tax and rate equivalent income	43.3	55.6	59.3	61.3	63.1	65.1
Other revenue	362.3	414.4	408.2	414.2	402.0	404.4
	13 237.3	13 402.9	14 085.7	14 605.2	15 338.8	16 446.6
Less Expenses from transactions						
Employee expenses	4 994.7	5 082.9	5 125.6	5 088.8	5 166.1	5 311.8
Superannuation	635.7	634.6	622.7	610.1	613.6	626.9
Depreciation	1 079.5	1 026.2	1 135.2	1 178.4	1 215.5	1 275.1
Supplies and consumables	4 443.4	4 342.3	4 164.5	4 204.6	4 385.7	4 622.9
Nominal superannuation interest expense	331.5	332.4	337.0	334.7	332.0	328.8
Borrowing costs	741.9	782.7	957.4	1 116.0	1 263.6	1 379.8
Grant and subsidy expenses	2 298.4	2 233.2	2 304.1	1 951.9	1 877.9	2 179.3
Other expenses	33.3	113.0	130.2	81.5	79.8	68.6
	14 558.3	14 547.2	14 776.5	14 566.0	14 934.2	15 793.2
Equals NET OPERATING BALANCE	(1 321.0)	(1 144.3)	(690.9)	39.2	404.7	653.4
Plus Other economic flows - included in Operating Result						
Gain/(loss) on sale of non-financial assets	17.3	14.6	21.6	22.7	24.0	28.7
Other gains/(losses)	66.1	(189.7)	(230.0)	(193.0)	(220.8)	(203.7)
	83.4	(175.1)	(208.4)	(170.3)	(196.8)	(175.1)
Equals Operating Result	(1 237.6)	(1 319.4)	(899.2)	(131.1)	207.9	478.3
Plus Other economic flows - other movements in equity						
Revaluations of non-financial assets	519.2	594.2	650.0	661.8	674.8	686.3
Movements in superannuation liability	(128.7)	450.5	....	....	....	....
Other non-owner movements in Equity	530.9	(30.7)	50.4	12.2	12.2	36.1
	921.4	1 014.0	700.4	674.0	687.0	722.4
Equals Comprehensive Result	(316.2)	(305.4)	(198.9)	542.9	894.9	1 200.7

Table 9.13: Total State Sector Income Statement (continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
KEY FISCAL AGGREGATES						
NET OPERATING BALANCE	(1 321.0)	(1 144.3)	(690.9)	39.2	404.7	653.4
Less Net acquisition of non-financial assets						
Purchases of non-financial assets	2 827.5	2 238.7	2 905.5	3 043.2	2 801.5	2 081.9
Less Sales of non-financial assets	54.3	47.7	168.4	71.8	70.2	78.2
Less Depreciation	1 079.5	1 026.2	1 135.2	1 178.4	1 215.5	1 275.1
	1 693.7	1 164.9	1 601.9	1 793.0	1 515.8	728.6
Equals FISCAL BALANCE	(3 014.7)	(2 309.2)	(2 292.8)	(1 753.8)	(1 111.1)	(75.2)

Table 9.14: Total State Sector Balance Sheet as at 30 June

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Assets						
Financial assets						
Cash and deposits	1 636.1	1 580.3	1 678.0	1 660.8	1 542.0	1 762.5
Investments	7 185.4	7 259.1	8 356.6	7 923.0	8 250.4	8 545.7
Other equity investments	573.5	557.1	604.3	655.2	657.5	662.5
Receivables	1 298.1	1 229.6	1 297.1	1 306.3	1 316.9	1 324.5
Contract assets	22.4	4.0	4.2	4.2	4.2	4.2
Other financial assets	446.5	439.3	410.3	361.4	354.7	347.1
	11 162.0	11 069.4	12 350.6	11 910.9	12 125.6	12 646.6
Non-financial assets						
Land and buildings	11 879.6	11 681.2	12 702.3	13 230.3	13 449.2	13 623.1
Infrastructure	20 317.7	20 173.4	21 116.8	23 036.3	25 004.2	26 277.3
Plant and equipment	887.6	817.4	911.2	939.7	935.8	956.8
Heritage and cultural assets	568.7	569.4	581.7	594.0	606.3	618.6
Biological assets	215.9	222.6	225.7	228.5	231.0	233.7
Investment property	4.8	4.8	4.8	4.8	4.8	4.8
Intangibles	266.3	240.6	351.1	405.7	440.6	460.2
Assets held for sale	22.3	22.2	21.8	21.8	21.8	21.4
Lease - right-of-use assets	843.4	872.9	817.7	761.9	704.1	654.6
Service concession assets	2 569.8	2 527.8	2 493.0	2 459.9	2 427.6	2 394.8
Other non-financial assets	225.3	250.7	254.9	256.9	258.7	263.7
	37 801.3	37 382.9	39 481.0	41 939.9	44 084.1	45 508.9
Total Assets	48 963.3	48 452.3	51 831.6	53 850.8	56 209.7	58 155.5
Liabilities						
Borrowings	17 759.7	17 353.1	21 123.0	22 705.5	24 379.9	24 991.7
Lease liabilities	1 020.2	1 055.3	1 017.2	980.2	943.1	896.2
Service concession liabilities	399.1	395.3	349.7	300.7	249.6	214.9
Superannuation	7 582.4	6 989.9	6 949.0	6 893.8	6 834.4	6 754.5
Employee entitlements	1 277.1	1 294.4	1 246.3	1 272.1	1 300.9	1 327.4
Payables	1 105.4	1 103.8	1 083.7	1 067.7	1 066.3	1 067.9
Contract liabilities	747.5	649.6	771.0	737.4	564.6	741.7
Other liabilities	4 026.0	4 152.0	4 031.7	4 090.6	4 173.2	4 262.6
Total Liabilities	33 917.5	32 993.4	36 571.5	38 047.8	39 511.9	40 256.9
Net Assets	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6

Table 9.14: Total State Sector Balance Sheet as at 30 June
(continued)

	2026	2026	2027	2028	2029	2030
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Equity						
Accumulated funds	3 508.0	3 836.5	2 987.7	2 868.7	3 088.8	3 603.2
Asset revaluation reserve	11 443.8	11 699.9	12 349.9	13 011.7	13 686.6	14 372.8
Other revaluation reserves	94.0	(77.5)	(77.5)	(77.5)	(77.5)	(77.5)
Total Equity	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
KEY FISCAL AGGREGATES						
NET WORTH¹	15 045.8	15 459.0	15 260.1	15 803.0	16 697.8	17 898.6
NET FINANCIAL WORTH²	(22 755.5)	(21 923.9)	(24 220.9)	(26 136.9)	(27 386.3)	(27 610.4)
NET FINANCIAL LIABILITIES³	22 755.5	21 923.9	24 220.9	26 136.9	27 386.3	27 610.4
NET DEBT⁴	10 357.5	9 964.2	12 455.1	14 402.5	15 780.2	15 794.6
GFS NET DEBT⁵	8 938.2	8 513.6	11 088.3	13 121.7	14 587.5	14 683.5

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 represent 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

	2025-26 Budget	2025-26 Estimated Outcome	2026-27 Budget	2027-28 Forward Estimate	2028-29 Forward Estimate	2029-30 Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Cash flows from operating activities						
Cash received from operating activities						
Grants received	6 511.8	6 480.9	6 881.8	6 924.6	7 005.7	7 755.1
Taxation	1 847.7	1 902.3	2 042.2	2 161.7	2 265.0	2 367.5
Sales of goods and services	4 097.9	4 073.1	4 193.0	4 374.9	4 756.2	5 268.8
Fines and regulatory fees	158.2	160.1	151.1	143.4	142.4	143.8
Interest received	292.4	333.9	399.3	439.2	508.1	584.1
Dividend, tax and rate equivalents	43.3	48.0	49.8	50.5	51.6	53.4
Other receipts	801.6	895.8	893.5	903.9	894.6	908.9
	13 752.9	13 894.1	14 610.7	14 998.1	15 623.6	17 081.7
Cash payments for operating activities						
Employee entitlements	(4 989.1)	(5 119.1)	(5 199.9)	(5 093.1)	(5 173.5)	(5 320.6)
Superannuation	(957.2)	(1 007.9)	(982.4)	(971.3)	(976.4)	(1 005.0)
Supplies and consumables	(4 266.2)	(4 402.9)	(4 221.8)	(4 198.8)	(4 394.3)	(4 662.6)
Borrowing costs	(709.2)	(725.3)	(937.8)	(1 112.3)	(1 266.6)	(1 374.0)
Grants and subsidies paid	(2 293.8)	(2 231.5)	(2 299.1)	(1 942.1)	(1 866.8)	(2 167.1)
Other payments	(524.2)	(665.3)	(712.8)	(615.0)	(601.7)	(570.4)
	(13 739.7)	(14 152.0)	(14 353.8)	(13 932.5)	(14 279.3)	(15 099.7)
Net cash flows from operating activities	13.2	(257.9)	256.9	1 065.6	1 344.3	1 982.0
Cash flows from investing activities						
Net cash flows from non-financial assets						
Purchases of non-financial assets	(2 828.5)	(2 240.2)	(2 906.6)	(3 044.1)	(2 802.4)	(2 082.8)
Sales of non-financial assets	49.9	43.9	164.3	67.7	66.1	74.0
	(2 778.6)	(2 196.3)	(2 742.3)	(2 976.4)	(2 736.3)	(2 008.7)
Net cash flows from financial assets (policy purposes)						
Net advances paid	1.3	25.0	(56.7)	5.2	3.1	3.0
	1.3	25.0	(56.7)	5.2	3.1	3.0

Table 9.15: Total State Sector Cash Flow Statement (continued)

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
Net cash flows from financial assets (liquidity management purposes)						
Net (purchase)/sale of investments	658.8	(56.3)	(1 001.1)	432.2	(276.8)	(245.1)
	658.8	(56.3)	(1 001.1)	432.2	(276.8)	(245.1)
Net cash flows from investing activities	(2 118.5)	(2 227.7)	(3 800.1)	(2 539.0)	(3 010.0)	(2 250.9)
Net cash flows from financing activities						
Net borrowing	2 215.9	2 033.5	3 640.9	1 456.3	1 546.8	489.4
	2 215.9	2 033.5	3 640.9	1 456.3	1 546.8	489.4
Net increase/(decrease) in cash held	110.7	(452.0)	97.7	(17.2)	(118.9)	220.6
Cash at the beginning of the year	1 525.4	2 032.4	1 580.3	1 678.0	1 660.8	1 542.0
Cash at the end of the year	1 636.1	1 580.3	1 678.0	1 660.8	1 542.0	1 762.5
KEY FISCAL AGGREGATES						
Net cash flows from operating activities	13.2	(257.9)	256.9	1 065.6	1 344.3	1 982.0
Plus Net cash flows from non-financial assets	(2 778.6)	(2 196.3)	(2 742.3)	(2 976.4)	(2 736.3)	(2 008.7)
Equals CASH SURPLUS/(DEFICIT)	(2 765.4)	(2 454.2)	(2 485.4)	(1 910.9)	(1 392.0)	(26.7)

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 ABS Classification of the Functions of Government - Australia.

Table 9.16: General Government Expenses from Transactions by Purpose

	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Budget	Estimated Outcome	Budget	Forward Estimate	Forward Estimate	Forward Estimate
	\$m	\$m	\$m	\$m	\$m	\$m
General public services	657.4	644.6	832.6	803.1	851.3	912.4
Public order and safety	983.0	1 006.3	1 002.3	966.6	942.5	950.7
Economic affairs	529.3	509.6	393.9	264.3	267.3	604.5
Environmental protection	265.9	287.2	262.1	247.8	242.5	246.9
Housing and community amenities	238.2	237.4	187.0	136.9	133.7	135.8
Health	3 570.6	3 644.7	3 671.2	3 683.3	3 799.8	3 896.6
Recreation, culture and religion	288.8	255.7	349.3	286.0	231.0	215.6
Education	2 419.1	2 436.1	2 439.5	2 457.9	2 499.4	2 519.0
Social protection	740.5	788.2	794.9	764.7	736.1	758.8
Transport	503.8	521.4	540.8	471.1	451.2	433.5
Nominal interest on superannuation	309.6	307.4	314.6	312.5	309.9	306.9
	10 506.2	10 638.5	10 788.1	10 394.1	10 464.8	10 980.7

10 2025-26 ESTIMATED OUTCOME INCLUDING MARCH QUARTERLY REPORT

Executive Summary

- This chapter meets the information requirements for a March Quarterly Report as specified in section 38(1) of the *Financial Management Act 2016*. It presents financial results for the nine months ending 31 March 2026 for the General Government Sector and the Public Account.
- The Estimated Outcome information presented in this chapter reflects financial estimates available to Treasury at the time of the finalisation of the Budget Papers and includes agency assessments of funding requirements, estimates of State taxation and information available from government businesses. The impact of the Australian Government's 2026-27 Budget has not been reflected in the Estimated Outcome information in this chapter.
- The 2025-26 Estimated Outcome for the General Government Net Operating Balance is a \$923.3 million deficit, an \$84.7 million decrease from the 2025-26 Budget estimate of a \$1 008 million deficit.
- The 2025-26 Estimated Outcome for the General Government Fiscal Balance is a \$1 057.8 million deficit, a \$294.3 million decrease from the 2025-26 Budget estimate of a \$1 352.1 million deficit.
- The actual General Government Net Operating Balance for the nine months ending 31 March 2026 is an \$833.4 million deficit.

INTRODUCTION

This chapter presents the 2025-26 Estimated Outcome based on the latest available agency assessments of additional funding requirements or potential savings and revised whole-of-government revenue estimates.

Significant changes to revenue and expenditure estimates may occur between the preparation of these estimates and those reported in future reports on the 2025-26 Budget outcome.

Detailed information on the final outcome for 2025-26 will be published in:

- the Preliminary Outcomes Report, required to be published by 15 August 2026 in the event that the preliminary outcomes result differs materially from the Estimated Outcome published in this chapter;
- the Treasurer's Annual Financial Report, which will be tabled in Parliament by 31 October 2026; and
- agency Annual Reports, which will be tabled in Parliament by 31 October 2026.

This chapter also meets the information requirements for a March Quarterly Report as specified in section 38(1) of the *Financial Management Act 2016*. It presents financial results for the nine months ending 31 March 2026 for the GGS and the Public Account. These financial statements have been prepared in accordance with applicable Australian Accounting Standards, including AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Preparation of the Report requires the application of estimation methods in accordance with the principles of AASB 134 *Interim Financial Reporting*.

GENERAL GOVERNMENT INCOME STATEMENT

Table 10.1 provides details of the Estimated Outcome for 2025-26, compared to the 2025-26 Budget estimates.

Table 10.1: General Government Income Statement

	2025-26 Budget	2025-26 Estimated Outcome	2025-26 March YTD Actual
	\$m	\$m	\$m
Revenue from transactions			
Grants	6 359.8	6 430.8	4 782.4
Taxation	1 933.1	1 987.1	1 499.8
Sales of goods and services	459.7	472.3	291.7
Fines and regulatory fees	158.2	160.1	148.8
Interest income	93.1	96.9	65.9
Dividend, tax and rate equivalent income	254.1	281.8	142.2
Other revenue	240.2	286.2	233.7
	9 498.2	9 715.2	7 164.5
Less Expenses from transactions			
Employee expenses	4 345.0	4 441.6	3 305.1
Superannuation	550.0	551.6	400.3
Depreciation	526.8	532.3	397.9
Supplies and consumables	1 851.0	1 920.8	1 464.7
Nominal superannuation interest expense	309.6	307.4	230.6
Borrowing costs	352.9	351.8	257.0
Grant and subsidy expenses	2 541.7	2 423.6	1 888.2
Other expenses	29.2	109.3	54.2
	10 506.2	10 638.5	7 997.9
Equals NET OPERATING BALANCE	(1 008.0)	(923.3)	(833.4)
Plus Other economic flows - included in Operating Result			
Gain/(loss) on sale of non-financial assets	10.7	8.1	7.5
Other gains/(losses)	121.7	(189.3)	(1.6)
	132.4	(181.3)	6.0
Equals Operating Result	(875.7)	(1 104.6)	(827.4)

Table 10.1: General Government Income Statement (continued)

	2025-26 Budget	2025-26 Estimated Outcome	2025-26 March YTD Actual
	\$m	\$m	\$m
Plus Other economic flows - other movements in equity			
Revaluations of non-financial assets	285.7	485.7	214.2
Revaluation of equity investment in PNFC and PFC sectors	402.4	(73.8)	....
Revaluation of superannuation liability	(128.7)	387.3	....
Other non-owner movements in Equity	....	....	3.3
	559.5	799.3	217.5
Equals Comprehensive Result	(316.2)	(305.3)	(609.9)
KEY FISCAL AGGREGATES			
NET OPERATING BALANCE	(1 008.0)	(923.3)	(833.4)
Less Net acquisition of non-financial assets			
Purchases of non-financial assets	905.8	698.6	353.5
Less Sales of non-financial assets	35.0	31.8	20.7
Less Depreciation	526.8	532.3	397.9
	344.1	134.5	(65.0)
Equals FISCAL BALANCE	(1 352.1)	(1 057.8)	(768.3)

Revenue Variations

Revenue from transactions is estimated to be \$9 715.2 million in 2025-26, which is \$217 million higher than the 2025-26 Budget estimate of \$9 498.2 million. The primary variations in the 2025-26 estimates are summarised below, and in the Policy and Parameter Statement in chapter 5 of this Budget Paper.

Grants

Grants are estimated to be \$71 million higher than the 2025-26 Budget estimate, which includes:

- \$53.3 million increase in General Purpose Payments, which primarily reflects the Australian Government's increased estimates of the GST pool, as confirmed in its December 2025 Mid-Year Economic and Fiscal Outlook; and
- \$32 million increase in Other Grants and Subsidies, which primarily reflects higher Commonwealth own-purpose expenses for the Department of Health.

These increases are partially offset by:

- a net decrease of \$7.6 million in National Agreements including:
 - a decrease of \$15.8 million for the National Skills Agreement;
 - an increase of \$5.1 million for the Better and Fairer Schools Agreement; and
 - an increase of \$3.1 million for the National Health Reform Agreement; and
- a net decrease of \$6.7 million in National Partnership Payments, which primarily reflects revised expenditure for the following projects:
 - a decrease of \$16 million for the National Water Grid Fund;
 - a decrease of \$11.1 million for Land Transport Infrastructure Projects;
 - a decrease of \$9.9 million for the Construction of the Launceston Hospice;
 - a decrease of \$4.1 million for the Social Housing Accelerator Payment;
 - an increase of \$13.6 million for the University of Tasmania Stadium Redevelopment Project;
 - an increase of \$3.4 million for Housing Support Program (HSP) Priority Works Stream;
 - an increase of \$3.4 million for Public Dental Services for Adults;
 - an increase of \$3.2 million for the Regional Precincts and Partnerships Program;
 - an increase of \$3.1 million for the Regional Level Crossing Upgrade Fund;
 - an increase of \$2.9 million for the Australian Primary Care Prevocational Program - Rural (formerly the John Flynn Prevocational Doctor Program);
 - an increase of \$2.5 million for the Strengthening Medicare - Supporting Older Australians;
 - an increase of \$2 million for the Preschool Reform Agreement; and
 - an increase of \$1.6 million for Natural Disaster Relief and Recovery Arrangements.

Taxation

Taxation is estimated to be \$54 million higher than the 2025-26 Budget estimate, primarily reflecting:

- an increase of \$47.1 million in Conveyance Duty, driven by increases in median property prices and ongoing strength in transaction volumes; and
- an increase of \$8.3 million due to an increase in the number of properties subject to Land Tax.

Sales of goods and services

Revenue from the Sales of goods and services is estimated to be \$12.6 million higher than the 2025-26 Budget estimate, primarily reflecting:

- an increase in the Department of Health of \$4.4 million of own-source rental revenue;
- an increase in the Department of Natural Resources and Environment Tasmania of \$4.4 million, reflecting increased visitation within State's National Parks and Reserves; and
- an increase in the Department of State Growth of \$7 million, which includes revised estimates for the West Coast Wilderness Railway ticketing sales and retail revenue.

Interest income

Interest income is estimated to be \$3.8 million higher than the 2025-26 Budget estimate, primarily reflecting an increase in interest rates.

Dividend, tax and rate equivalent income

Dividend, tax and rate equivalent income is estimated to be \$27.6 million higher than the 2025-26 Budget estimate, primarily reflecting:

- an increase of \$14.4 million in the Motor Accidents Insurance Board tax equivalent payments, reflecting stronger investment returns;
- an increase of \$14.1 million in Tasmanian Networks tax equivalent payments, reflecting stronger financial performance, partly driven by higher-than-expected electricity consumption;
- an increase of \$4.2 million in Tasmanian Ports Corporation's tax equivalent payments, primarily reflecting higher than expected berthing income from increased vessel activity and favourable lease negotiations;
- an increase of \$4 million in the Tasmanian Public Finance Corporation's tax equivalent payments, reflecting higher net interest margins and favourable market value movements; and
- a decrease of \$11.2 million in Hydro Tasmania's tax equivalent payments, reflecting lower than expected financial performance due to reduced trading opportunities via Basslink while it operated as a merchant interconnector notwithstanding high inflows and storages during the period.

Other revenue

Other revenue is estimated to be \$46.1 million higher than the 2025-26 Budget estimate, primarily reflecting:

- an increase in the Department of Health of \$4.5 million, which primarily reflects revised Salary recoveries and workers' compensation recoveries;
- an increase in the Department of Police, Fire and Emergency Management of \$16.8 million reflecting revised workers' compensation recoveries; and
- an increase in the Department of State Growth of \$20.6 million reflecting revised mineral royalty income based on information from mining companies about expected royalty payments and analysis of commodity prices.

Expense Variations

Total Expenses from transactions are estimated to be \$10 638.5 million in 2025-26, which is \$132.3 million higher than the 2025-26 Budget estimate of \$10 506.2 million. The primary variations in the 2025-26 estimates are summarised below, and in the Policy and Parameter Statement in chapter 5 of this Budget Paper.

Employee expenses

Employee expenses are estimated to be \$96.6 million higher than the 2025-26 Budget estimate, primarily reflecting:

- an increase in the Department for Education, Children and Young People of \$12.7 million, which includes:
 - an increase of \$4.7 million for the Educational Adjustments Disability Funding Model;
 - an increase of \$4.6 million for the Ashley Youth Detention Centre;
 - an increase of \$1.7 million for revised Australian Government funded National Partnership Payment expenditure for the Preschool Reform Agreement; and
 - an increase of \$1.1 million for the Advice and Referral Line;
- an increase in the Department of Health of \$28.7 million, which includes:
 - an increase of \$9.5 million for Australian Government funded Commonwealth own-purpose expenses;
 - an increase of \$7.2 million for meeting health demand and cost pressures;
 - an increase of \$5.4 million for revised Australian Government funded National Partnership Payment expenditure, including \$3 million for the Public Dental Services for Adults and \$1 million for the Strengthening Medicare Package - Supporting Older Australians; and
 - an increase of \$2 million for the National Health Reform Agreement;

- an increase in the Department of Justice of \$13.6 million, which includes:
 - an increase of \$7.6 million for additional costs of staffing the Tasmania Prison Service;
 - an increase of \$3.1 million for Parliamentary Elections and Referendums; and
 - an increase of \$1.4 million to meet increased demand and cost pressures of the Magistrates Court;
- an increase in the Department of Natural Resources and Environment Tasmania of \$9.2 million, which includes:
 - an increase of \$3.7 million for additional FTE positions to support environment management projects;
 - an increase of \$2.3 million to fund additional Parks FTE positions through the agency Specific Purpose Account;
 - an increase of \$1.7 million in Biosecurity and Product Integrity funding for the Fisheries Research and Development Corporation research program agreement; and
 - an increase of \$1.1 million to continue the Crown Land Transaction Turnaround Time initiatives;
- an increase in the Department of Premier and Cabinet of \$9.5 million which includes:
 - a reclassification of expenditure of \$3.6 million for Tasmania’s Third Family and Sexual Violence Action Plan from Grant and subsidy expenses;
 - an increase of \$2.6 million for Service Tasmania; and
 - an increase of \$2.2 million for Support Services for Government, Ministerial Parliamentary Offices and Office of the Governor; and
- an increase in the Department of Police, Fire and Emergency Management of \$15.4 million which includes:
 - an increase of \$14.6 million associated with workers’ compensation recoveries; and
 - an increase of \$1.5 million for Tasmania’s Third Family and Sexual Violence Action Plan.

Supplies and consumables

Supplies and consumables are estimated to be \$69.8 million higher than the 2025-26 Budget estimate, primarily reflecting:

- a net increase in the Department for Education, Children and Young People of \$80 million, which includes:
 - a reclassification of expenditure of \$45.1 million for Out of Home Care from Grant and subsidy expenses;
 - an increase of \$33.4 million for Out of Home Care;
 - an increase of \$5 million for Property Ownership and Management;
 - an increase of \$2.6 million for the Civil Litigation costs of the Ashley Youth Detention Centre; and
 - a reclassification of expenditure of \$11.4 million to meet workers’ compensation expenses;

- an increase in the Department of Health of \$23.8 million, which includes:
 - an increase of \$14 million for Australian Government funded Commonwealth own-purpose expenses;
 - an increase of \$3.9 million to meet health demand and cost pressures; and
 - an increase of \$2.8 million for revised Australian Government funded National Partnership Payment expenditure including \$1.2 million for the Strengthening Medicare Package - Supporting older Australians, \$600 000 for the Launceston Health and Medical Research Centre and \$300 000 for Essential Vaccines;
- an increase in the Department of Natural Resources and Environment Tasmania of \$11 million, which includes:
 - an increase of \$1.8 million for insurance claims;
 - an increase of \$1.7 million primarily reflecting increased workers' compensation;
 - an increase of \$1.7 million for the Waste and Resource Recovery Business Unit;
 - an increase of \$1.5 million for Wildfire Suppression;
 - an increase of \$1.1 million for the Visitor Economy Infrastructure Improvement Initiative (Spirit Preparedness Funding); and
 - an increase of \$1.1 million for the National Livestock Identification System and the FRDC agreement projects;
- a decrease in the Department of Police, Fire and Emergency Management of \$43.3 million, which includes a decrease of \$39.2 million reflecting the revised accounting treatment for the Tasmanian Government Radio Network in accordance with AASB 1059 *Service Concession Arrangements*;
- a net increase in the Department of State Growth of \$22.8 million, which includes:
 - an increase of \$18.5 million for Infrastructure Maintenance; and
 - a decrease of \$1.7 million for the Common Ticketing project; and
- a decrease in Finance-General of \$25 million, reflecting anticipated utilisation of the Treasurer's Reserve.

The 2025-26 Budget provided a contingent appropriation of \$25 million to Finance-General for the Treasurer's Reserve, which provides capacity to meet unforeseen expenditure. The Treasurer's Reserve is initially budgeted in Finance-General as Supplies and consumables expenses. As unforeseen expenditure is identified, costs are recognised in the relevant agencies' expense categories, with a corresponding adjustment in Finance-General to reflect the utilisation of capacity from the Treasurer's Reserve.

Nominal superannuation interest expense

Nominal superannuation interest expense is estimated to be \$2.2 million lower than the 2025-26 Budget estimate, which reflects the most recent actuarial assessment of the Government's superannuation liability.

Grant and subsidy expenses

Grant and subsidy expenses are estimated to be \$118.2 million lower than the 2025-26 Budget estimate, primarily reflecting:

- a net decrease in the Department for Education, Children and Young People of \$38.4 million, which includes:
 - a reclassification of \$46.6 million to Supplies and consumables for Out of Home Care;
 - an increase of \$6.4 million for revised Australian Government funded expenditure for the Better and Fairer Schools Agreement; and
 - an increase of \$1.7 million for the Advice and Referral Line; and
- a net decrease in the Department of State Growth of \$94.9 million, which includes:
 - a decrease of \$87 million reflecting revised expenditure timing for a number of projects from 2025-26 to 2026-27 and across the Forward Estimates, including \$11 million for the AFL High Performance Centre, \$7.8 million for the Keep Hobart Moving project; \$7.5 million for the Dial Regional Sports Complex; \$6.8 million for the Sporting Legacy Precinct at Devonport Oval; \$5 million for the More Bus Services initiative; \$4.5 million for the Kingborough Sports Precinct; \$4.3 million for the Major Event Partnership Program and \$3.9 million for the Tasmanian Active Infrastructure Grants Program;
 - a net decrease of \$12.8 million for revised Australian Government funded National Partnership Payment expenditure, including a \$15.8 million decrease for the National Skills Agreement, offset by a \$3.4 million increase for the Housing Support Program (HSP) Priority Works Stream;
 - an increase of \$3.2 million for Homes Tasmania, including \$1.7 million to address rising property holding costs, \$1 million for Information Technology and Management Services and \$471 000 for the Social Housing Maintenance Fund; and
 - an increase of \$2.5 million for Public Transport Relief.

These decreases are partially offset by an increase in the Department of Health of \$12.3 million, which primarily includes:

- a reclassification of expenditure of \$7.1 million from Employee expenses; and
- an increase of \$2.9 million for revised Australian Government funded National Partnership Payment expenditure for the Australian Primary Care Prevocational Program - Rural (formerly the John Flynn Prevocational Doctor Program).

Other expenses

Other expenses are estimated to be \$80.1 million higher than the 2025-26 Budget estimate, which primarily reflects estimated additional workers compensation expenses and a reclassification of expenditure from supplies and consumables to better reflect 2024-25 actuals.

Other Economic Flows Included in Operating Result

Other economic flows included in Operating Result is estimated to be an outflow of \$181.3 million in 2025-26, which is a \$313.6 million decrease from the 2025-26 Budget estimate of a \$132.4 million inflow. The primary variations are detailed below.

Other gains/(losses)

Other gains/(losses) are estimated to be \$311 million lower than the 2025-26 Budget estimate, which primarily reflects:

- a decrease of \$161.8 million for the Deferred tax assets held by Finance-General to mirror the Deferred tax liabilities held in the PNFC and PFC sectors;
- a decrease of \$114.4 million for the Tasmanian Risk Management Fund Liability reflecting the latest actuarial assessment of the liability; and
- a decrease of \$38.3 million for the revised accounting treatment of the Tasmanian Government Radio Network in accordance with AASB 1059 *Service Concession Arrangements*.

Other Economic Flows - Other Movements in Equity

Other economic flows - other movements in Equity is estimated to be an inflow of \$799.3 million in 2025-26, which is a \$239.8 million increase from the 2025-26 Budget estimate of a \$559.5 million inflow. The primary variations are detailed below.

Revaluations of non-financial assets

Revaluations of non-financial assets is estimated to be \$200 million higher than the 2025-26 Budget estimate, which reflects a revaluation gain for road infrastructure assets recognised by the Department of State Growth.

Revaluation of equity investments in PNFC and PFC sectors

Revaluation of equity investment in PNFC and PFC sectors is estimated to be \$476.2 million lower than the 2025-26 Budget estimate, which primarily reflects an increase in the opening balance for the investment at 30 June 2025. This increase reflects higher net assets for Hydro Tasmania and Homes Tasmania.

Revaluation of superannuation liability

Revaluation of superannuation liability is estimated to be \$516 million higher than the 2025-26 Budget estimate, which reflects the most recent actuarial assessment of the Government's superannuation liability.

Net Acquisition of Non-Financial Assets

The 2025-26 Estimated Outcome for Net Acquisition of Non-Financial Assets is estimated to be \$134.5 million, \$209.6 million lower than the 2025-26 Budget estimate of \$344.1 million. The primary variations are detailed below.

Purchases of non-financial assets

Purchases of non-financial assets are estimated to be \$207.2 million lower than the 2025-26 Budget estimate, primarily reflecting:

- a decrease in the Department for Education, Children and Young People of \$13.2 million, reflecting revised expenditure timing for Youth Justice Facilities from 2025-26 to 2026-27;

- a decrease in the Department of Health of \$59.2 million, which includes:
 - a decrease of \$44 million reflecting revised expenditure timing for a number of projects from 2025-26 to 2026-27, including \$37 million for the St Johns Park Health Precinct - Older Persons Mental Health Facility, \$2.8 million for the Launceston General Hospital Redevelopment - Stage 1 and \$1.6 million for the Royal Hobart Hospital Pharmacy Redevelopment; and
 - a decrease of \$15.1 million reflecting revised Australian Government funded National Partnership Payment expenditure from 2025-26 to 2026-27, including \$9.9 million for the Construction of the Launceston Hospice and \$4 million for the Community Health and Hospitals Program;
- a decrease in the Department of Justice of \$16.9 million, primarily reflecting revised expenditure for a number of projects from 2025-26 to 2027-28, including \$8 million for the Burnie Court Complex project, \$5.7 million for the Risdon Prison Complex Additional Maximum Security project and \$4.4 million for the Risdon Prison Construction Program;
- a decrease in the Department of Natural Resources and Environment Tasmania of \$13.9 million, reflecting revised expenditure timing for a number of projects from 2025-26 to 2026-27, including \$4.1 million for the Freycinet Peninsula Wastewater project, \$3.3 million for the Maria Island Rediscovered project, \$2 million for the Tasmanian Agricultural Precinct and \$1.3 million for the Statewide Parks Online Booking System;
- a decrease in the Department of Police, Fire and Emergency Management of \$38.6 million, which includes:
 - a reclassification of \$21.6 million to reflect the revised accounting treatment of the Tasmanian Government Radio Network in accordance with AASB 1059 *Service Concession Arrangements*; and
 - a decrease of \$17 million reflecting revised expenditure timing for a number of projects from 2025-26 to 2026-27, including \$9.3 million for Project Unify, \$3.5 million for PINS - System and Business Uplift Project and \$1.6 million for LiveScan and PhotoTrac Replacement;
- a decrease in the Department of State Growth of \$33.9 million, which includes:
 - a decrease of \$22 million reflecting revised expenditure timing for the Roads Program (State-funded) from 2025-26 to 2026-27; and
 - a decrease of \$10.1 million for revised Australian Government funded National Partnership Payment expenditure for the Roads Program; and
- a decrease in Finance-General of \$30.6 million, which includes:
 - a decrease of \$20 million reflecting revised expenditure for the Digital Transformation Priority Expenditure Program; and
 - a decrease of \$10.4 million for the light vehicle fleet driven by agency demand.

GENERAL GOVERNMENT BALANCE SHEET

Table 10.2: General Government Balance Sheet

	2026	2026	2026
	Budget	Estimated Outcome	March YTD Actual
	\$m	\$m	\$m
Assets			
Financial assets			
Cash and deposits	1 416.7	1 284.6	1 748.2
Investments	753.4	725.7	758.4
Equity investments in PNFC and PFC sectors	11 503.6	11 265.2	11 073.5
Other equity investments	274.8	279.9	280.1
Receivables	452.5	459.1	438.5
Contract assets	22.4	4.0	21.5
Other financial assets	1 124.1	1 094.2	1 048.8
	15 547.5	15 112.7	15 369.0
Non-financial assets			
Land and buildings	8 519.7	8 430.1	8 332.6
Infrastructure	8 714.2	8 792.4	8 450.4
Plant and equipment	384.5	372.7	378.6
Heritage and cultural assets	568.7	569.4	557.4
Investment property	4.8	4.8	4.7
Intangibles	125.4	111.8	63.4
Assets held for sale	8.0	7.9	7.9
Lease - right-of-use-assets	543.0	572.8	548.6
Service concession assets	376.7	377.1	415.4
Inventories	77.3	60.5	51.7
	19 322.2	19 299.4	18 810.7
Total Assets	34 869.7	34 412.1	34 179.7
Liabilities			
Borrowings	8 200.8	7 763.0	7 794.6
Lease liabilities	651.3	674.0	621.9
Service concession liabilities	399.1	395.3	407.4
Superannuation	7 082.1	6 526.1	6 927.9
Employee entitlements	1 135.4	1 142.9	1 156.6
Payables	348.4	401.1	221.5
Contract liabilities	643.1	530.2	490.5
Other liabilities	1 363.7	1 520.6	1 404.9
Total Liabilities	19 823.9	18 953.2	19 025.3
Net Assets	15 045.8	15 459.0	15 154.4

Table 10.2: General Government Balance Sheet (continued)

	2026	2026	2026
	Budget	Estimated Outcome	March YTD Actual
	\$m	\$m	\$m
Equity			
Accumulated funds	5 277.6	5 602.3	5 495.5
Asset revaluation reserve	8 894.7	9 095.8	8 824.3
Other revaluation reserves	873.6	760.8	834.6
Total Equity	15 045.8	15 459.0	15 154.4

KEY FISCAL AGGREGATES

NET WORTH¹	15 045.8	15 459.0	15 154.4
NET FINANCIAL WORTH²	(4 276.4)	(3 840.4)	(3 656.2)
NET FINANCIAL LIABILITIES³	15 779.9	15 105.6	14 729.7
NET DEBT⁴	7 081.1	6 822.0	6 317.3
GFS NET DEBT⁵	6 030.7	5 752.7	5 288.0

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 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.

GENERAL GOVERNMENT CASH FLOW STATEMENT

Table 10.3: General Government Cash Flow Statement

	2025-26 Budget	2025-26 Estimated Outcome	2025-26 March YTD Actual
	\$m	\$m	\$m
Cash flows from operating activities			
Cash received from operating activities			
Grants received	6 504.6	6 459.6	4 759.7
Taxation	1 929.9	1 985.6	1 502.4
Sales of goods and services	455.7	469.8	313.5
Fines and regulatory fees	158.2	160.1	119.8
Interest received	92.9	96.9	69.2
Dividend, tax and rate equivalents	235.1	254.9	145.7
Other receipts	525.5	646.4	584.9
	9 902.0	10 073.2	7 495.2
Cash payments for operating activities			
Employee entitlements	(4 322.5)	(4 418.6)	(3 284.8)
Superannuation	(877.7)	(917.2)	(685.5)
Supplies and consumables	(1 864.8)	(1 934.7)	(1 664.8)
Borrowing costs	(333.8)	(304.8)	(254.9)
Grants and subsidies paid	(2 542.1)	(2 423.9)	(1 910.2)
Other payments	(398.7)	(555.1)	(400.3)
	(10 339.7)	(10 554.3)	(8 200.5)
Net cash flows from operating activities	(437.7)	(481.1)	(705.3)
Cash flows from investing activities			
Net cash flows from non-financial assets			
Purchases of non-financial assets	(906.8)	(700.0)	(353.5)
Sales of non-financial assets	30.6	28.0	20.7
	(876.2)	(672.0)	(332.9)
Net cash flows from financial assets (policy purposes)			
Equity injections	(717.7)	(550.9)	(285.4)
Net advances paid	1.3	25.0	(6.0)
	(716.4)	(526.0)	(291.4)

Table 10.3: General Government Cash Flow Statement (continued)

	2025-26 Budget	2025-26 Estimated Outcome	2025-26 March YTD Actual
	\$m	\$m	\$m
Net cash flows from financial assets (liquidity management purposes)			
Net (purchase)/sale of investments	2.5	2.3	1.9
	2.5	2.3	1.9
Net cash flows from investing activities			
	(1 590.1)	(1 195.7)	(622.4)
Cash flows from financing activities			
Net borrowing	2 113.1	1 628.5	1 743.0
Net cash flows from financing activities	2 113.1	1 628.5	1 743.0
Net increase/(decrease) in cash held			
	85.4	(48.3)	415.3
Cash at the beginning of the year	1 331.4	1 332.8	1 332.8
Cash at the end of the year	1 416.7	1 284.6	1 748.2
KEY FISCAL AGGREGATES			
Net cash flows from operating activities	(437.7)	(481.1)	(705.3)
Plus Net cash flows from non-financial assets	(876.2)	(672.0)	(332.9)
Equals CASH SURPLUS/(DEFICIT)	(1 313.9)	(1 153.1)	(1 038.2)

PUBLIC ACCOUNT RECEIPTS AND EXPENDITURE

Tables 10.4 and 10.5 provide the 2025-26 Estimated Outcome information together with the financial results, for the nine months ending 31 March 2026, for the total estimated Receipts and Expenditure of the Public Account. Estimated receipts are categorised based on the source and nature of each receipt. Estimated expenditure is categorised by the relevant Authority for Expenditure from the Public Account as provided under the *Financial Management Act 2016*.

These tables meet the requirements of section 38(5) of the Financial Management Act.

These 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 10.4: Public Account Receipts

	2025-26 Budget \$m	2025-26 Estimated Outcome \$m	2025-26 March YTD Actual \$m
General Receipts			
Australian Government Sources	4 690.5	4 748.9	3 721.2
State Sources	2 410.4	2 538.3	1 886.9
	7 100.9	7 287.2	5 608.1
Specific Purpose Accounts	4 443.2	4 530.1	3 412.3
Statutory Authorities	313.3	310.0	256.5
Total Receipts (Excluding Borrowings)	11 857.4	12 127.3	9 276.9
Borrowing Receipts	2 508.2	2 101.4	2 101.4
Total Receipts	14 365.6	14 228.7	11 378.4

Table 10.5: Public Account Expenditure

	2025-26 Budget	2025-26 Estimated Outcome	2025-26 March YTD Actual
	\$m	\$m	\$m
Annual Appropriation			
Operating Services Expenditure	8 265.8	8 091.6	6 270.2
Capital Services Expenditure	618.1	478.7	301.5
	8 883.9	8 570.3	6 571.7
Reserved by Law	595.0	639.4	481.8
Specific Purpose Accounts	4 087.0	4 357.1	3 251.3
Statutory Authorities	361.4	352.6	297.1
Total Expenditure (Excluding Borrowings)	13 927.2	13 919.5	10 601.9
Borrowings Repayments	352.0	356.5	355.2
Total Expenditure	14 279.3	14 276.0	10 957.2

SPECIFIC PURPOSE ACCOUNTS ESTIMATED RECEIPTS AND EXPENDITURE FOR 2025-26

Table 10.6 provides estimated receipts and expenditure and associated balances together with the financial results for the nine months ending 31 March 2026 for each Specific Purpose Account for 2025-26, by agency.

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

Table 10.6: Specific Purpose Accounts Estimated Receipts and Expenditure for 2025-26

	Opening Balance 1 July 2025 \$m	2025-26 Revised Budget Estimates Receipts Expenditure \$m \$m		Estimated Balance 30 June 2026 \$m	31 March 2026 YTD Actual \$m
Brand Tasmania					
Agency Financial Management Account	1.0	0.1	0.1	0.9	0.7
Education, Children and Young People					
Agency Financial Management Account	36.3	106.2	111.6	30.9	26.3
Department of Education School Banking Account	58.9	141.7	138.5	62.2	21.9
	95.3	247.9	250.0	93.1	48.2
Environment Protection Authority					
Agency Financial Management Account	16.0	5.9	6.1	15.7	12.5
Finance-General					
Agency Financial Management Account	10.0	83.9	83.7	10.2	28.9
Australian Government Funding Management Account	482.4	918.0	889.2	511.3	458.9
Government Car Fleet Account	9.2	52.3	43.7	17.8	18.7
Home Warranty Insurance Scheme Account	....	0.1	0.1	....	....
Rosetta Landslip Account	1.0	0.1	....	1.0	1.0
Tasmanian Risk Management Fund	533.4	424.1	244.1	713.3	793.5
Unclaimed Moneys Account	65.2	3.6	0.5	68.3	68.2
	1 101.1	1 482.1	1 261.3	1 321.9	1 369.1
Health					
Agency Financial Management Account	19.7	1 326.6	1 346.3	....	23.9
Private Patient Account	1.3	40.3	39.0	2.6	2.1
	21.0	1 366.9	1 385.3	2.6	26.0
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	....

Table 10.6: Specific Purpose Accounts Estimated Receipts and Expenditure for 2025-26 (continued)

	Opening Balance 1 July 2025 \$m	2025-26 Revised Budget Estimates Receipts Expenditure \$m \$m		Estimated Balance 30 June 2026 \$m	31 March 2026 YTD Actual \$m
Justice					
Agency Financial Management Account	53.1	89.3	100.2	42.1	39.4
Asbestos Compensation Fund	41.7	10.7	7.4	45.0	45.9
Local Government and Other Elections Account	0.3	0.8	0.8	0.3	0.2
Workers Rehabilitation and Compensation Fund	6.6	13.5	13.4	6.8	10.5
	101.7	114.3	121.8	94.2	96.1
Legislative Council					
Agency Financial Management Account	....	0.1	0.1	....	....
Legislature-General					
Agency Financial Management Account	0.1	1.0	1.0	0.1	0.1
Ministerial and Parliamentary Support					
Agency Financial Management Account	0.5	1.7	1.7	0.5	0.8
Natural Resources and Environment Tasmania					
Agency Financial Management Account	56.0	154.5	159.2	51.3	54.5
Crown Lands Administration Fund	73.1	6.9	8.2	71.8	78.0
Waste and Resource Recovery Account	14.1	19.7	26.4	7.4	17.8
	143.2	181.1	193.8	130.5	150.3
Office of the Director of Public Prosecutions					
Agency Financial Management Account	4.5	1.6	1.7	4.3	5.3
Office of the Governor					
Agency Financial Management Account	0.3	0.4	0.4	0.3	0.3
Office of the Ombudsman					
Agency Financial Management Account	0.5	0.9	0.9	0.5	0.6
Police, Fire and Emergency Management					
Agency Financial Management Account	28.2	245.4	245.4	28.2	12.8
Premier and Cabinet					
Agency Financial Management Account	8.2	84.6	84.0	8.9	3.8
State Growth					
Agency Financial Management Account	62.7	766.6	773.9	55.4	10.8
Tasmanian Forests Agreement Account	3.5	1.2	1.5	3.2	3.3
	66.2	767.8	775.4	58.7	14.1
Tasmanian Audit Office					
Agency Financial Management Account	2.0	8.7	8.4	2.2	1.2
Tourism Tasmania					
Agency Financial Management Account	(0.2)	1.8	1.6	....	(0.1)
Treasury and Finance					
Agency Financial Management Account	16.8	17.8	18.0	16.6	23.5
Total Specific Purpose Accounts	1 606.3	4 530.1	4 357.1	1 779.3	1 765.5