

TASMANIA IN 2050

PRESENTATION TO THE BOARD OF ANGLICARE TASMANIA

10TH OCTOBER 2026

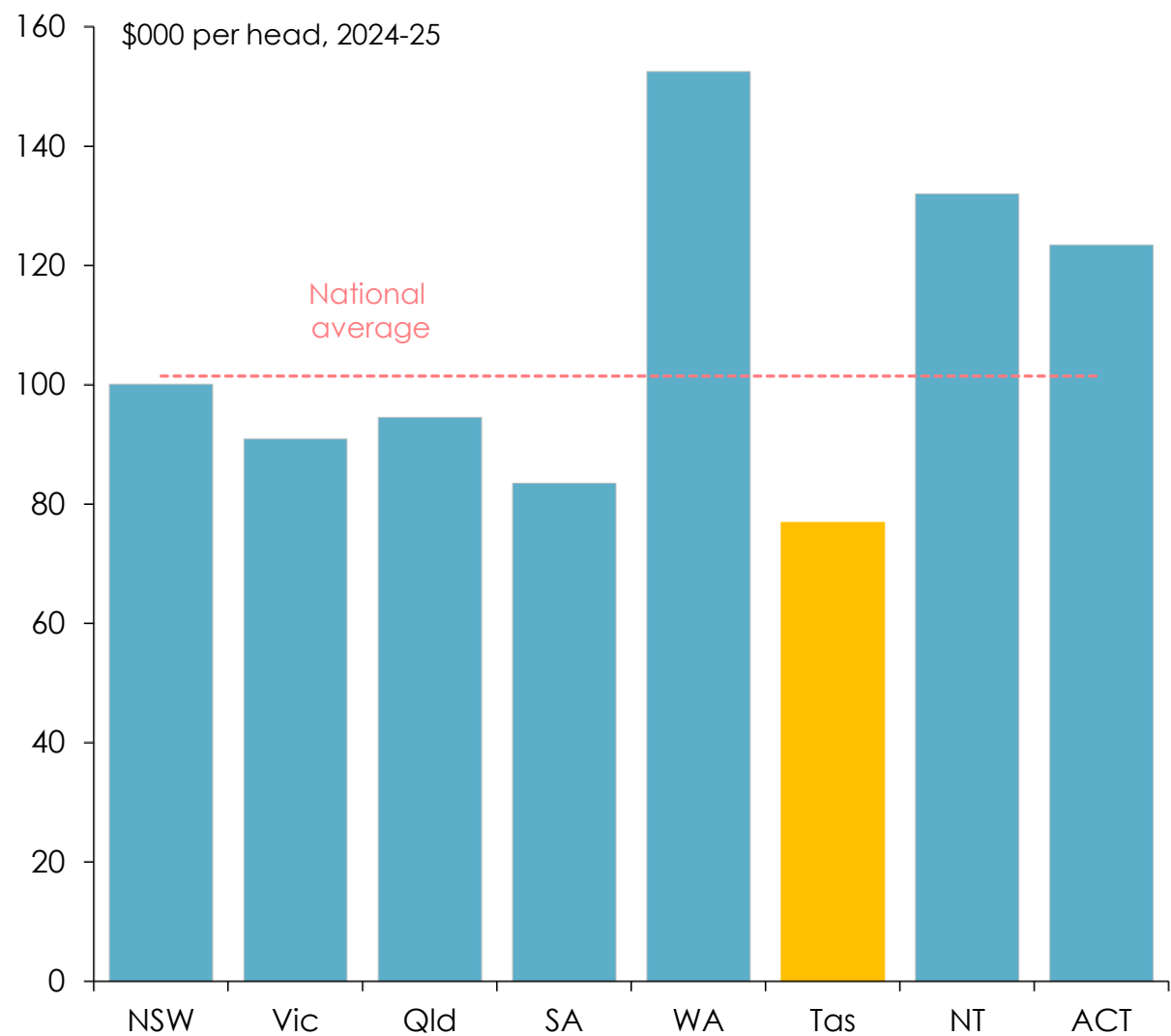
SAUL ESLAKE

CORINNA ECONOMIC ADVISORY
INDEPENDENT ECONOMICS

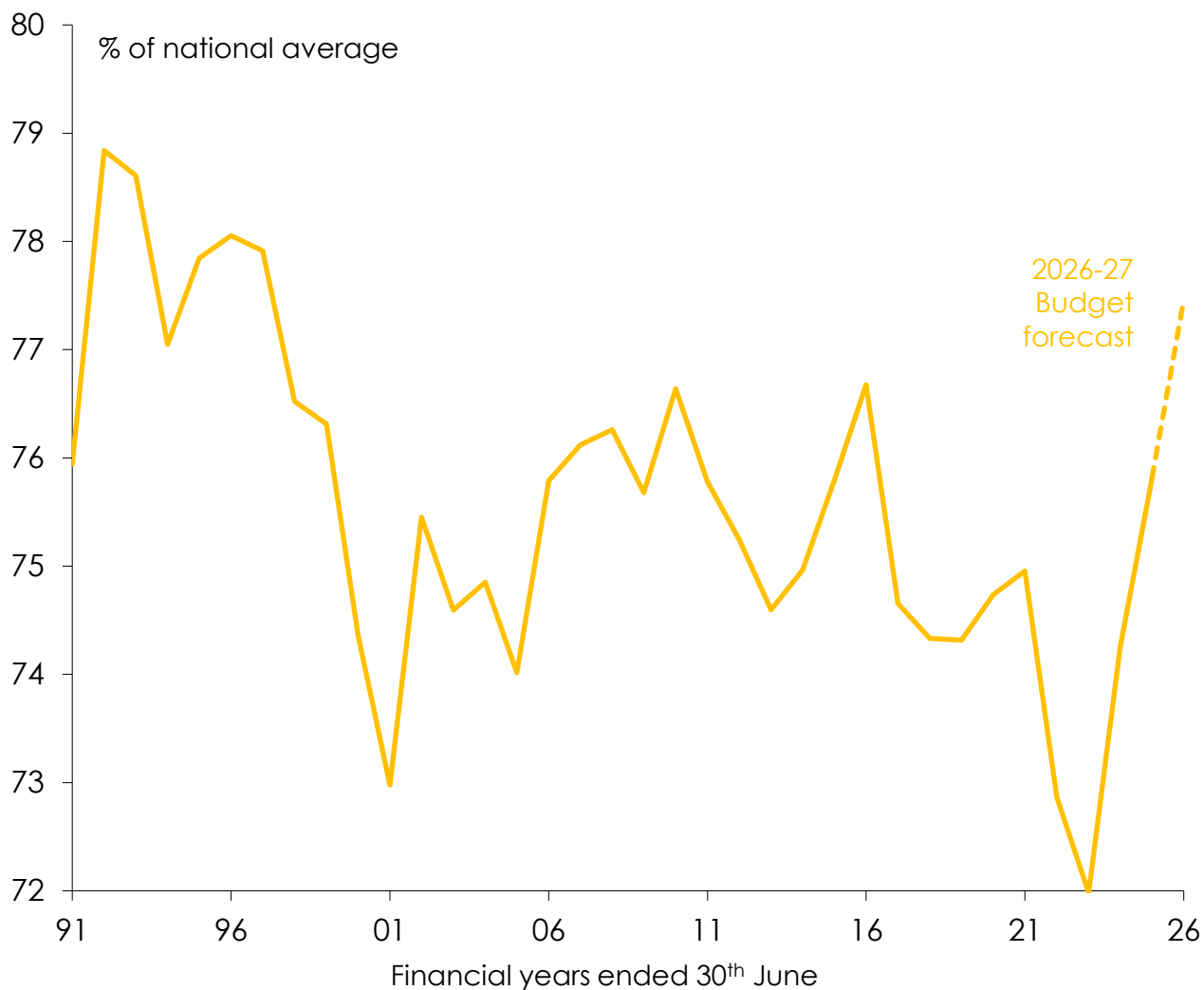
The Tasmanian economy

Measured by per capita gross state product, Tasmania is the poorest state in the nation – and has been for a long time

Gross state product per head, 2024-25



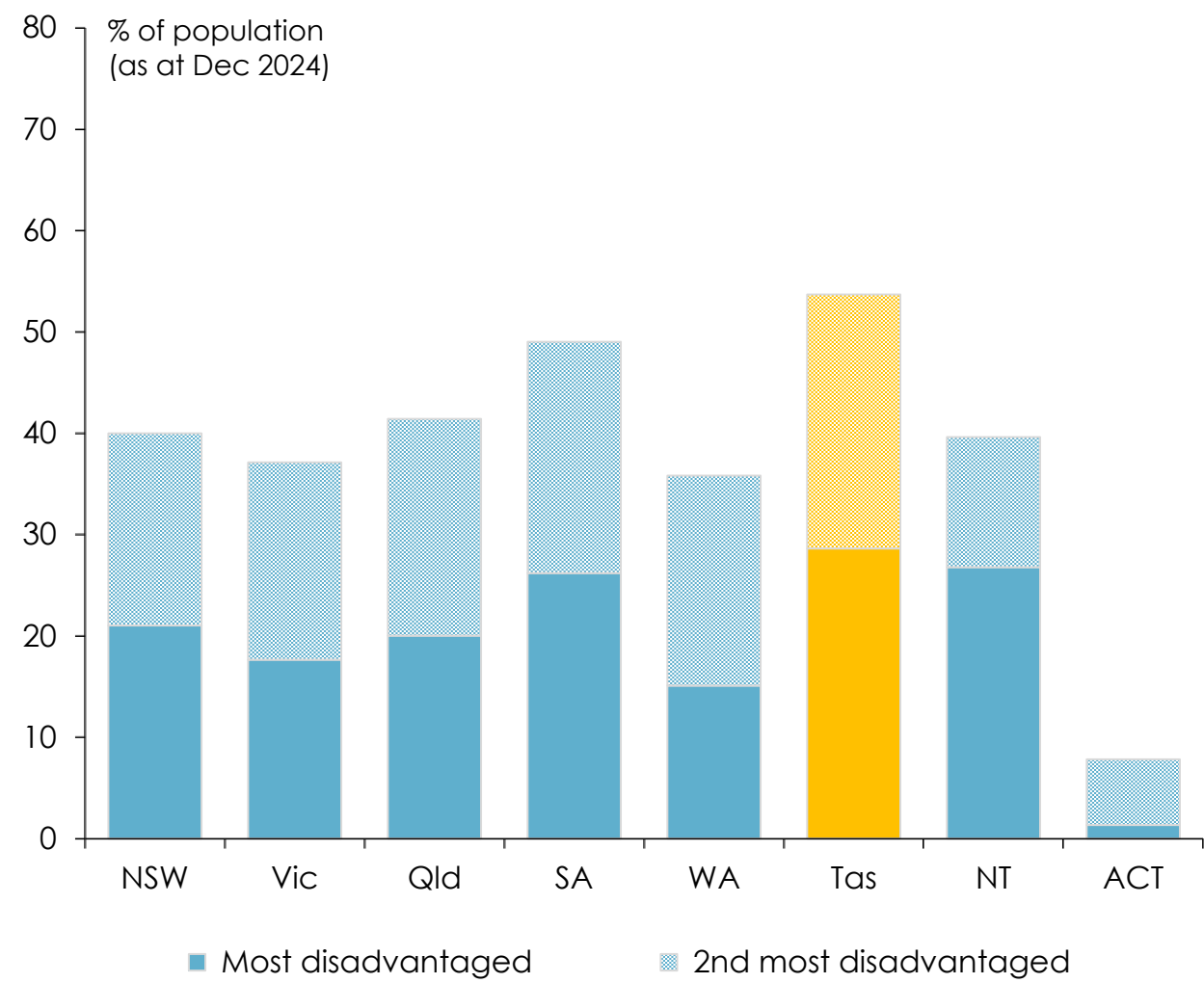
Tasmania's GSP per head compared to the national average



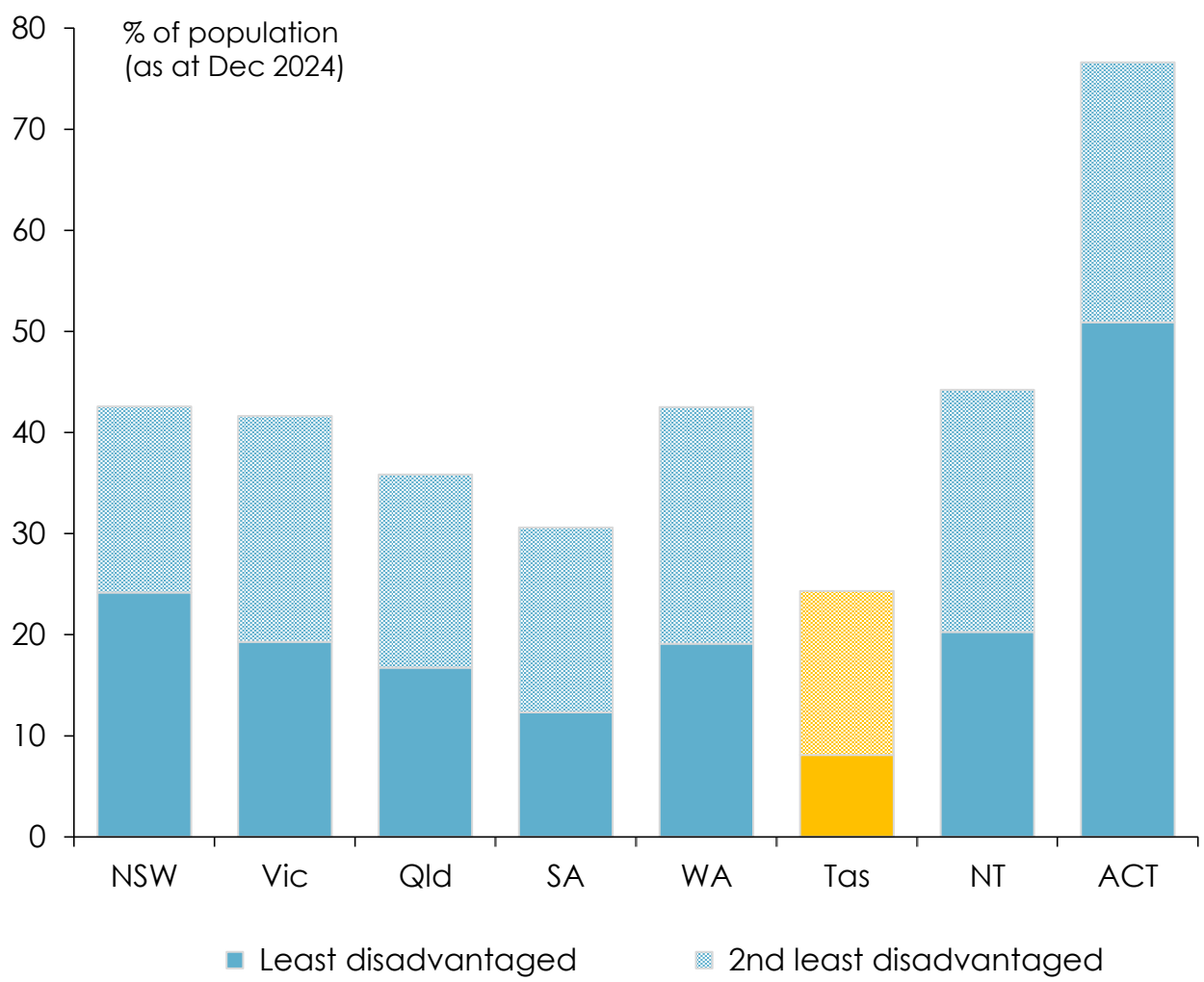
Sources: ABS, [Australian National Accounts: State Accounts](#), 2024-25.

54% of Tasmanians are in the two most disadvantaged socio-economic status quintiles, and only 24% in the two most advantaged quintiles

Proportion of population classified as being in the two lowest socio-economic status quintiles, 2024



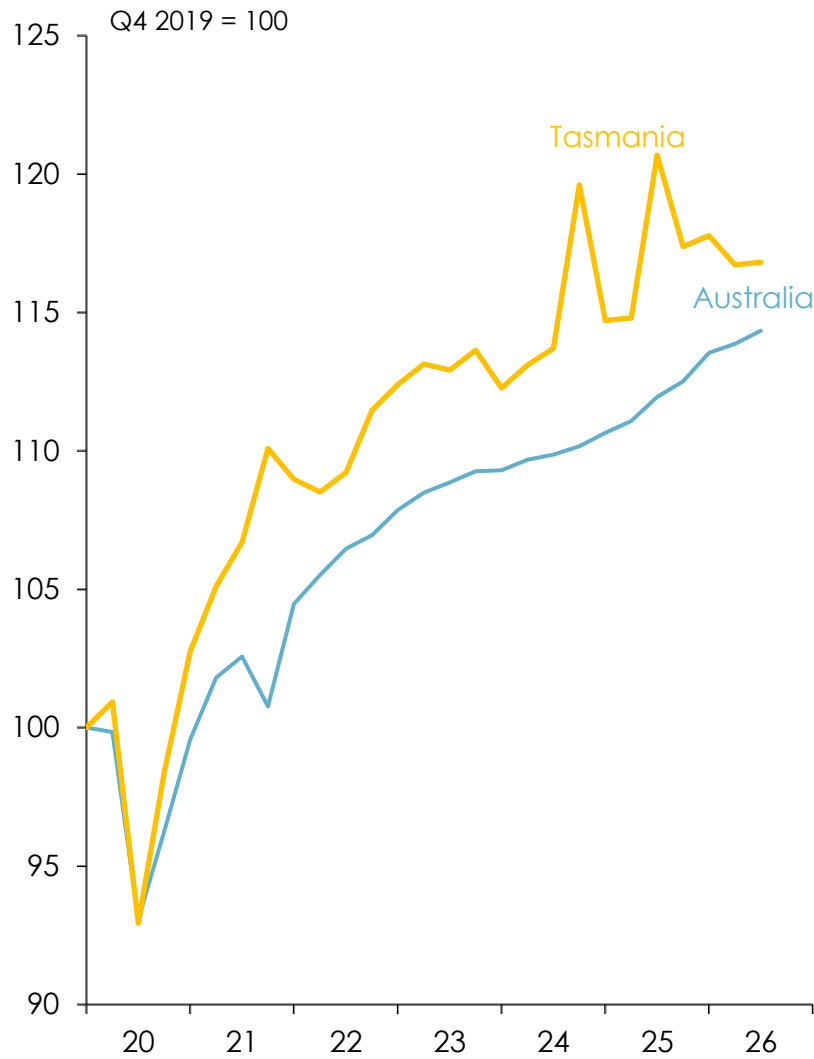
Proportion of population classified as being in the two highest socio-economic status quintiles, 2024



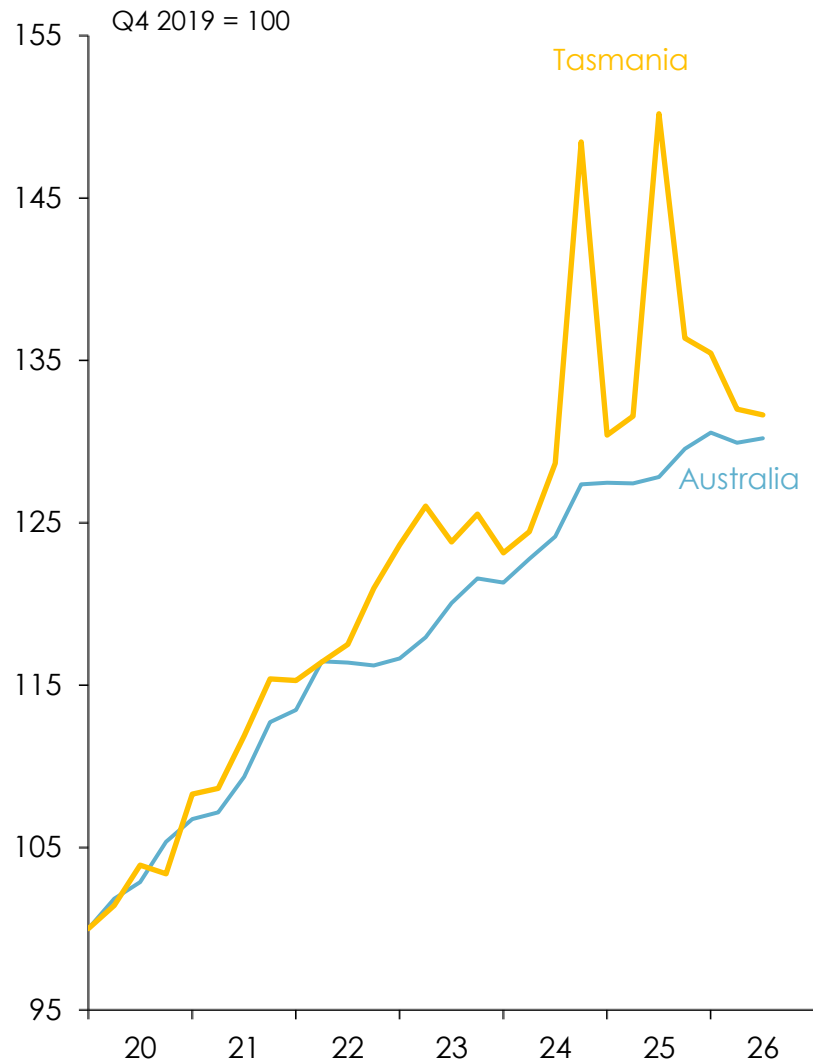
Source: Commonwealth Grants Commission, [2026 Update of GST relativities - Tables, charts and supporting data - Population data](#).

Tasmania has been ‘outperforming the nation’ (as the Government claims) in recent years only because of debt-funded public spending

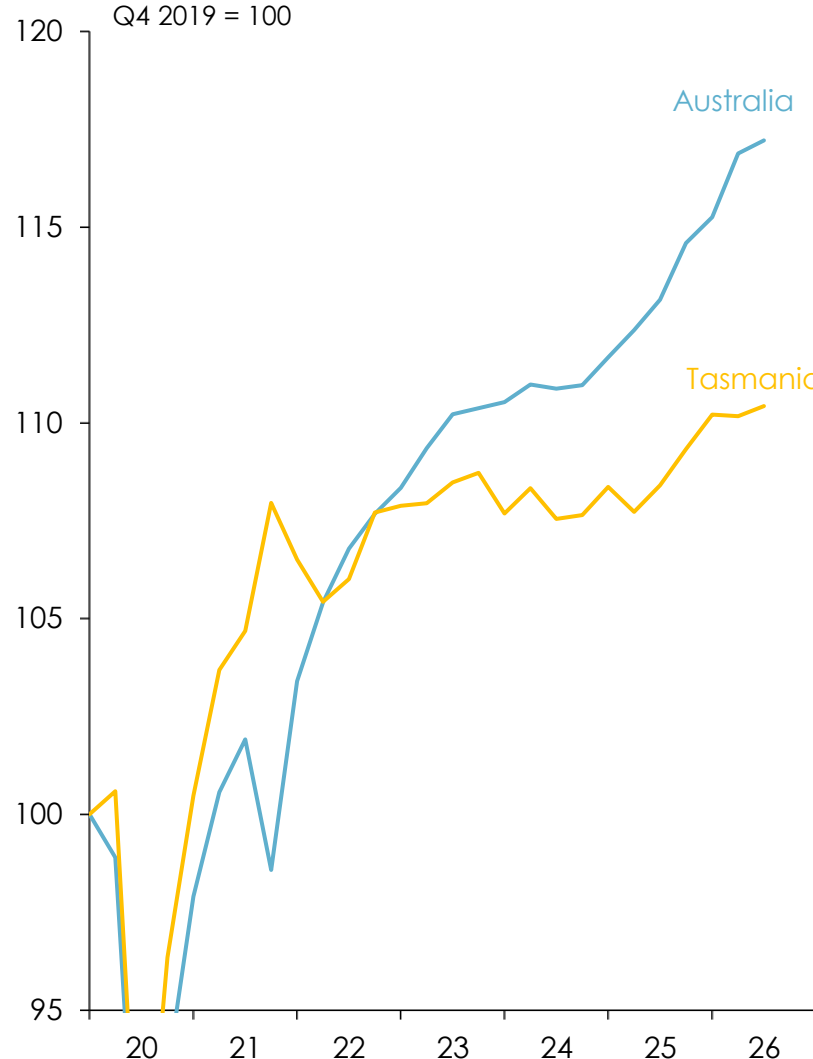
‘State final demand’



Public sector final demand



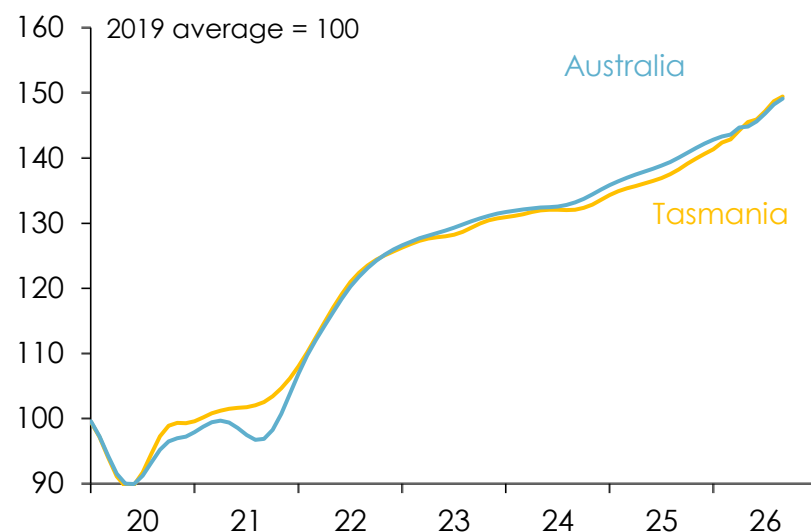
Private sector final demand



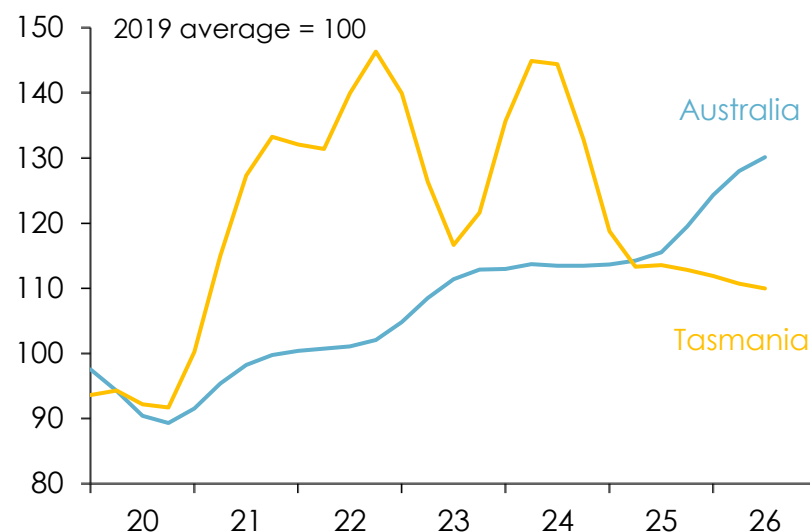
Note: ‘Final demand’ is the sum of consumption and investment expenditure (it excludes inter-state and international trade, and changes in inventories). The ‘twin peaks’ in public and state final demand in Q2 2024 and Q2 2025 are due to TT-Line’s acquisition of the replacement *Spirits of Tasmania*. Sources: ABS, [Australian National Accounts: National Income, Expenditure and Product](#), June quarter 2026

On most indicators Tasmania is now under-performing national averages

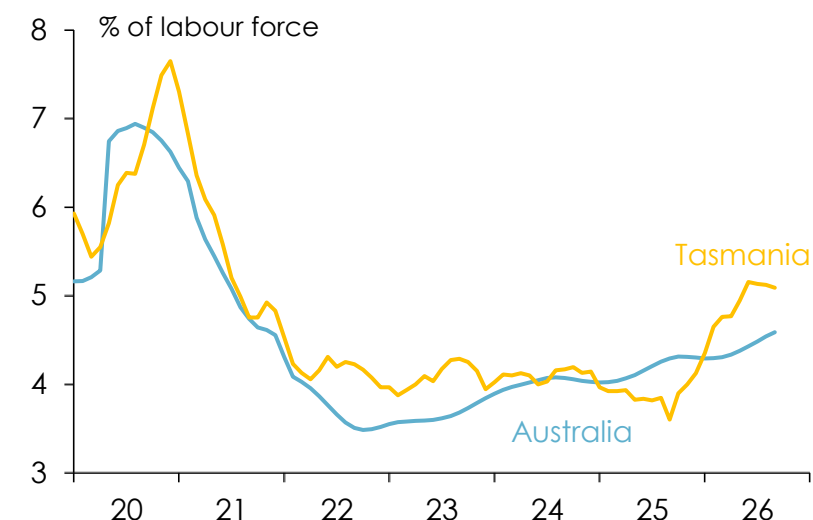
Household spending



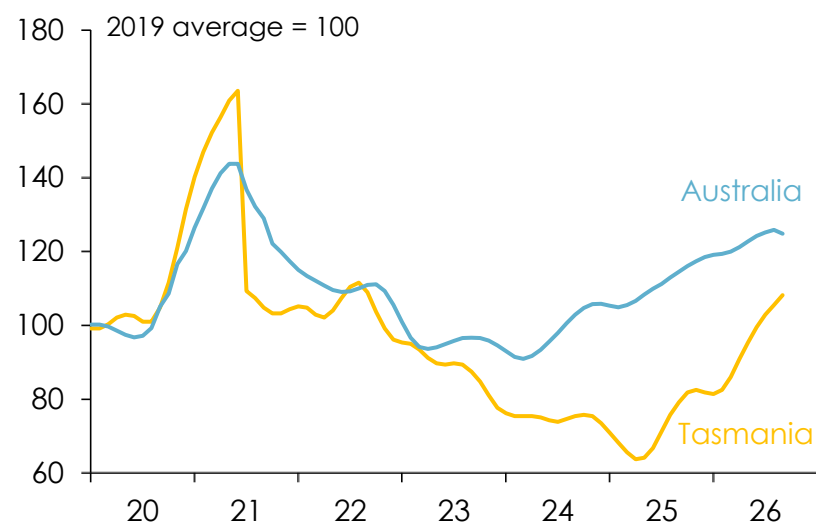
Business investment



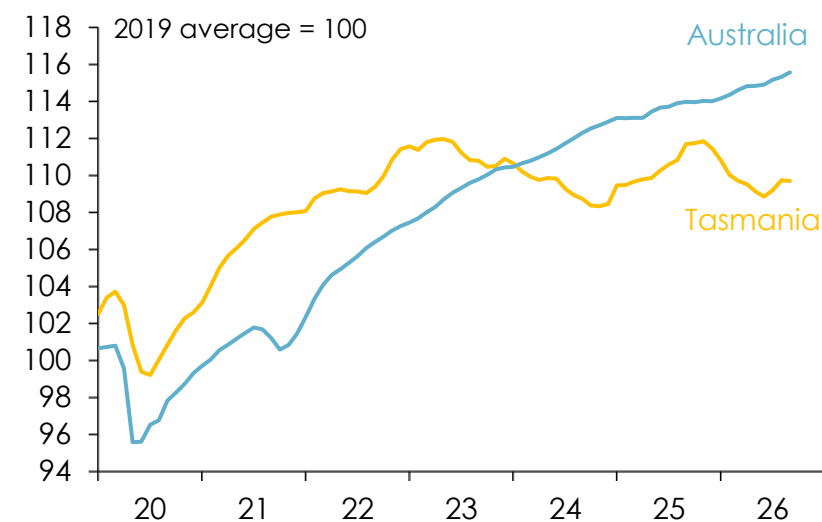
Unemployment



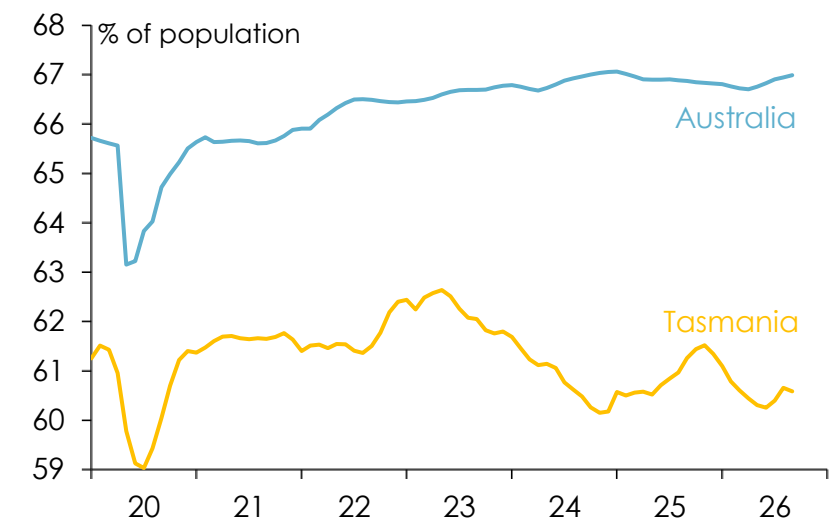
Residential building approvals



Employment



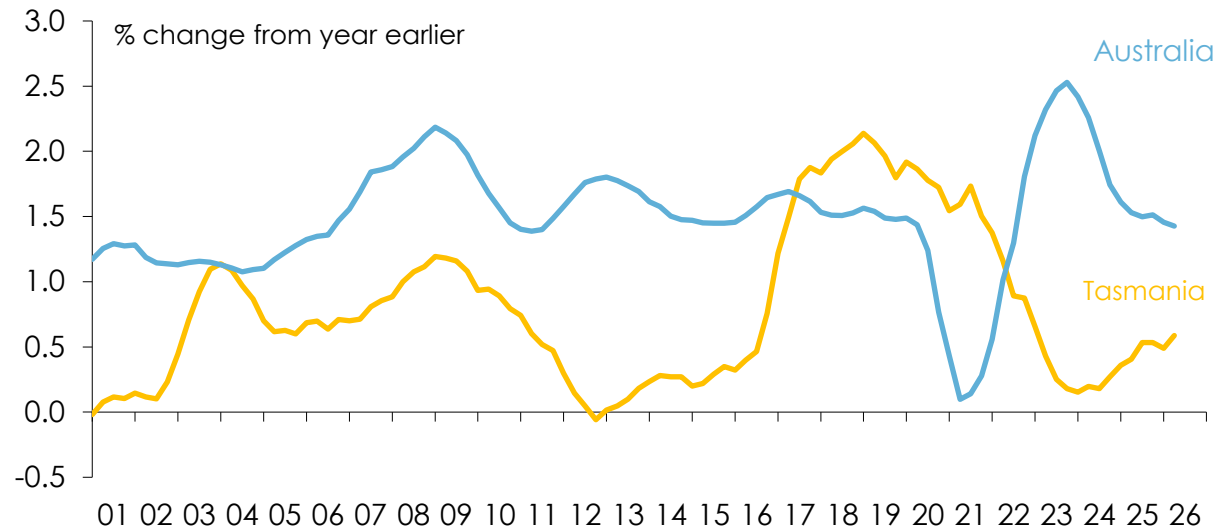
Labour force participation rates



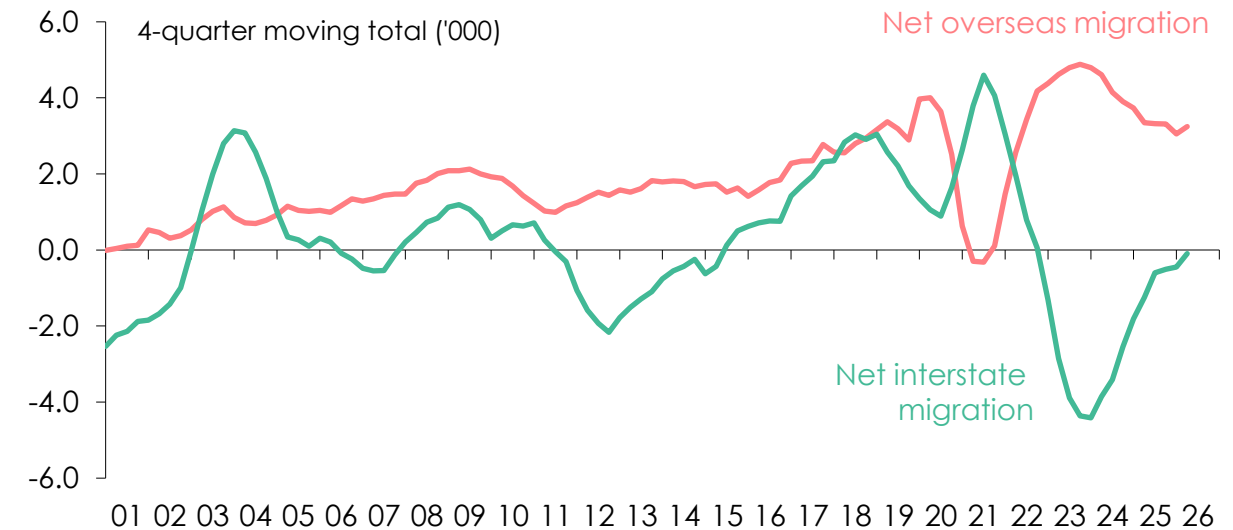
Note: all data are derived from trend estimates. Sources: ABS, [Monthly Household Spending Indicator](#), August 2026 and [Building Approvals](#), August 2026; [Private New Capital Expenditure and Expected Expenditure](#), June quarter 2026; and [Labour Force](#), August 2026.

A major difference between Tasmania and the rest of Australia over the past two years has been population growth

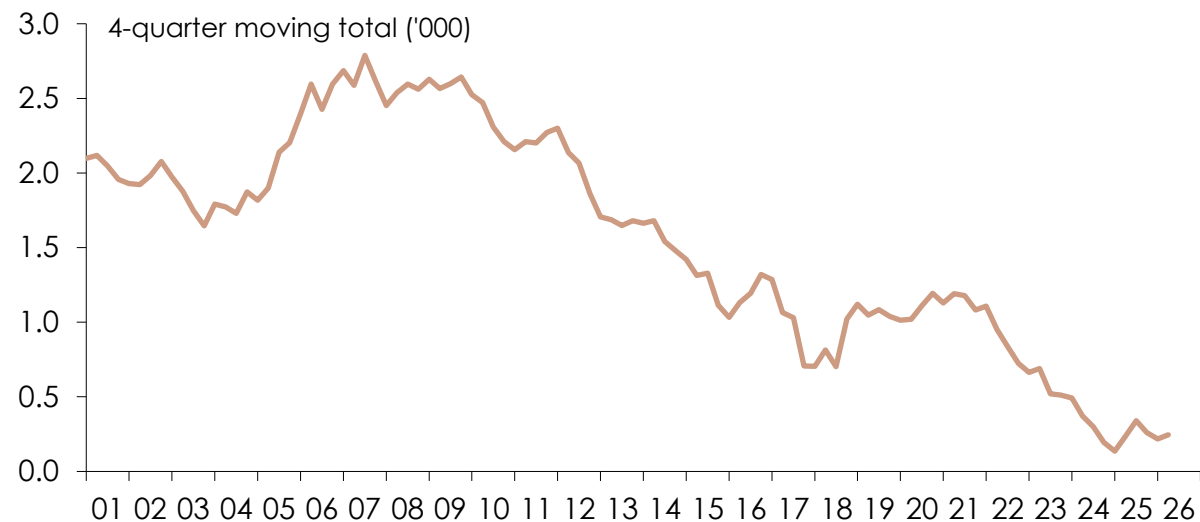
Population growth



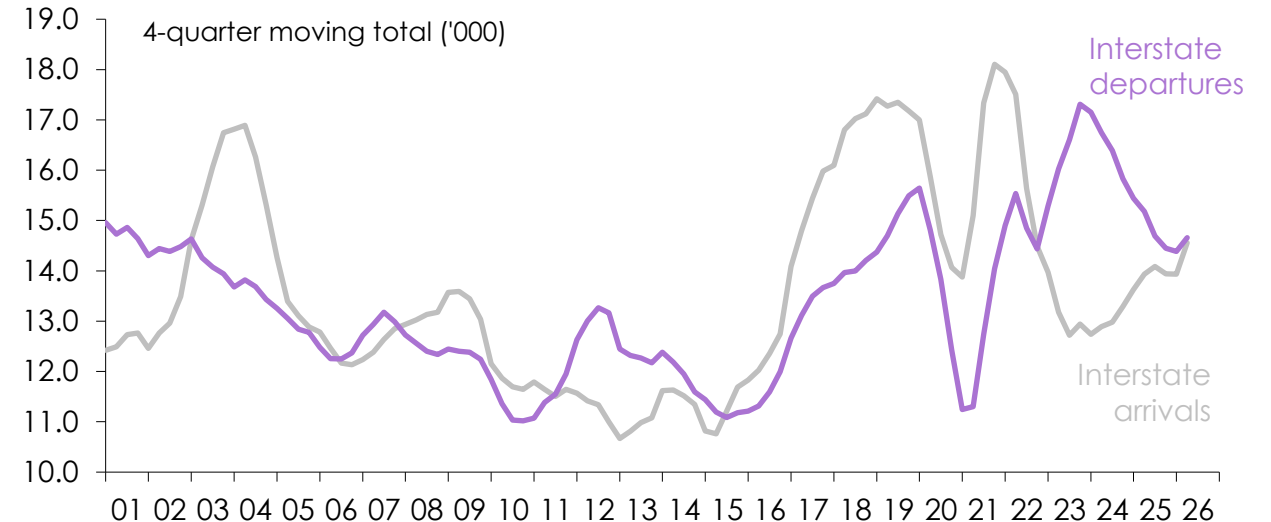
Net migration to Tasmania



Natural increase (births minus deaths)



Interstate arrivals and departures



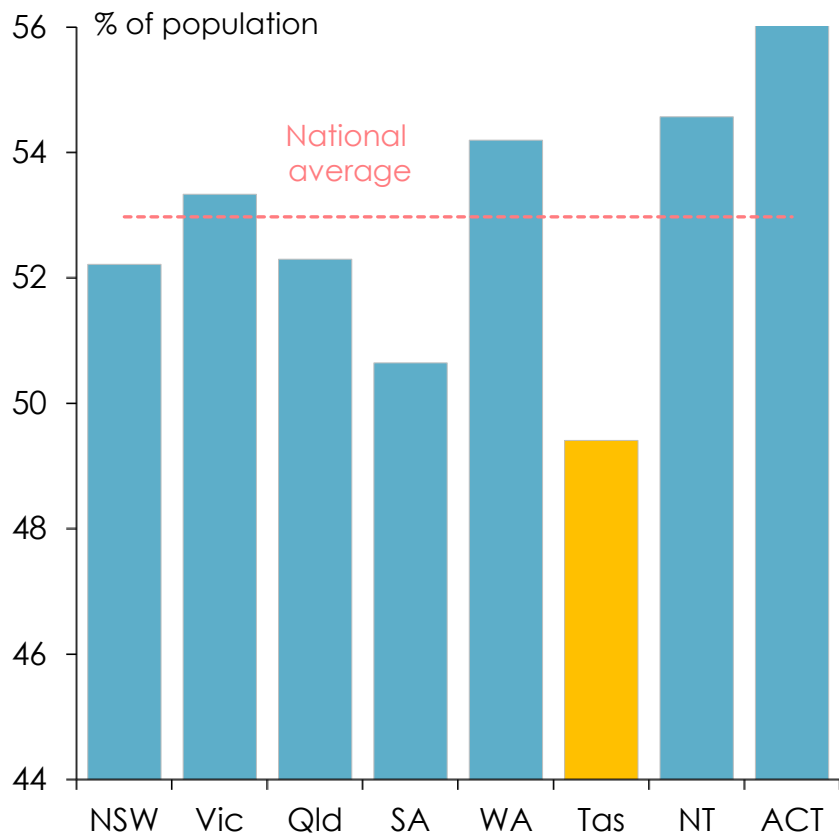
Sources: ABS, [National, state and territory population](#), March quarter 2026.

A useful framework for understanding the reasons for differences in per capita gross state product

$$\begin{array}{ccccc} & & \frac{\text{employment}}{\text{population}} & & \text{participation} \\ & & & & \text{rate} \\ & & \times & & \times \\ \frac{\text{gross state product}}{\text{population}} & = & \frac{\text{total hours worked}}{\text{employment}} & = & \text{average hours} \\ & & & & \text{worked} \\ & & \times & & \times \\ & & \frac{\text{gross state product}}{\text{total hours worked}} & & \text{labour} \\ & & & & \text{productivity} \end{array}$$

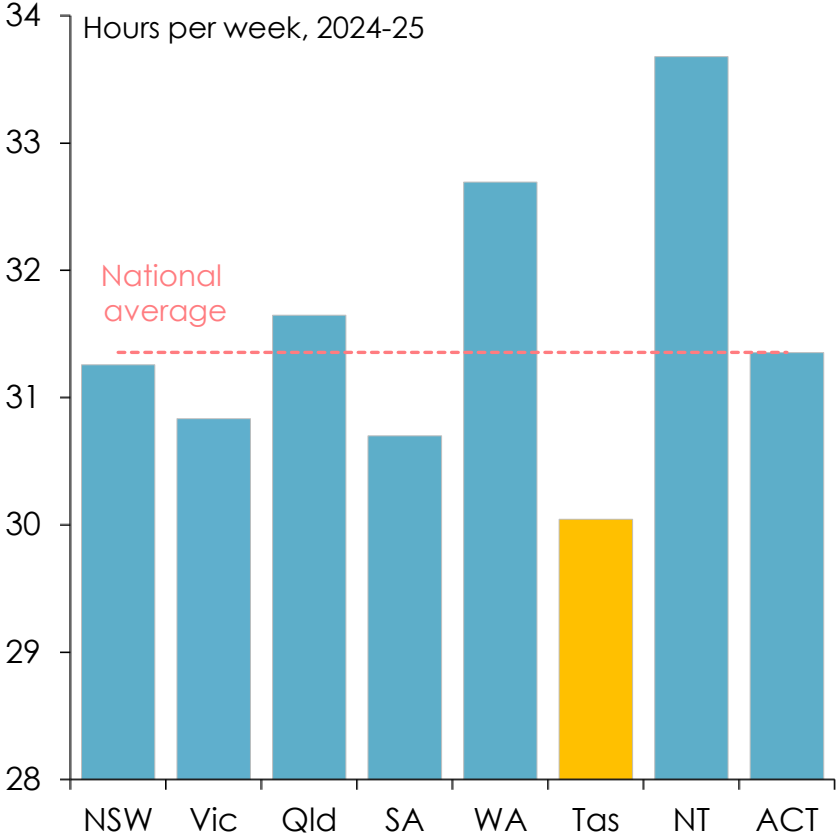
We're the poorest state in the nation because fewer of us have jobs, we work fewer hours, and for each hour that we work we produce less

People with jobs as a proportion of the population, 2024-25



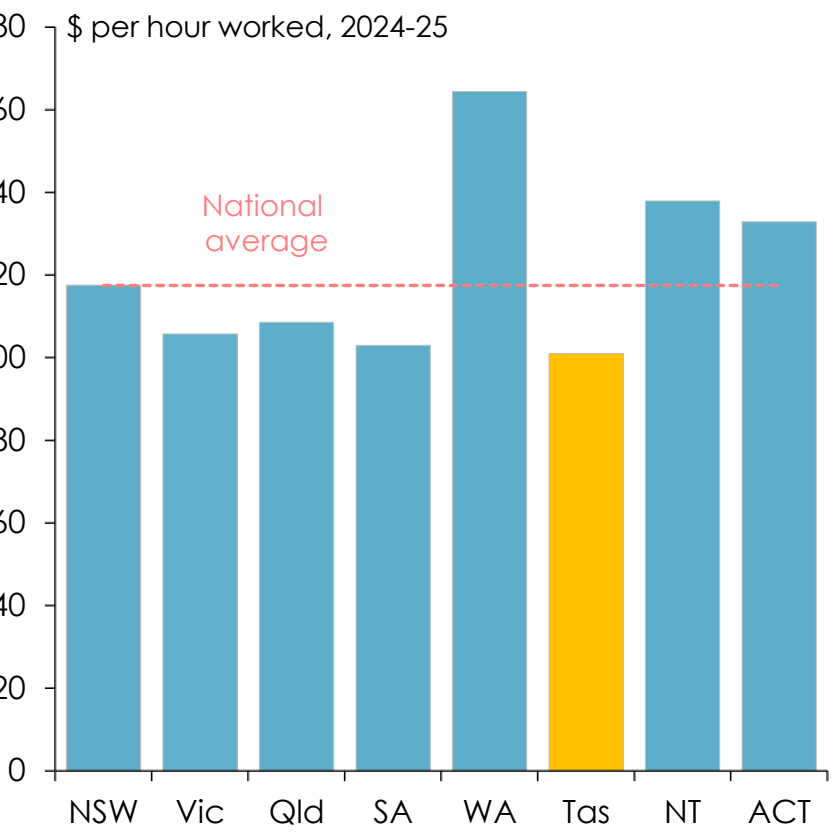
Only 48.7% of Tasmanians work – 3.6 pc pts less than the corresponding proportion of mainlanders

Average hours worked by people with jobs, 2024-25



Tasmanians work 1.3 fewer hours per week than mainlanders – equivalent to an additional 10 days off a year

Output per hour worked by people with jobs, 2024-25

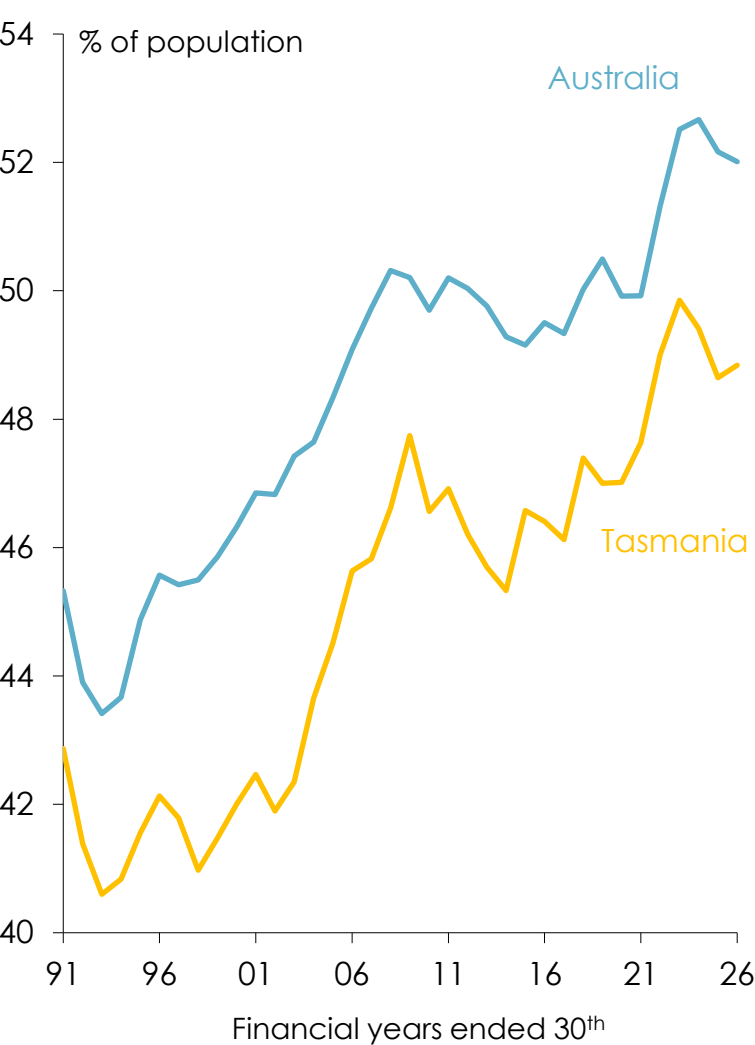


Tasmanian labour productivity is \$21.60 (20¾%) less than the mainland average

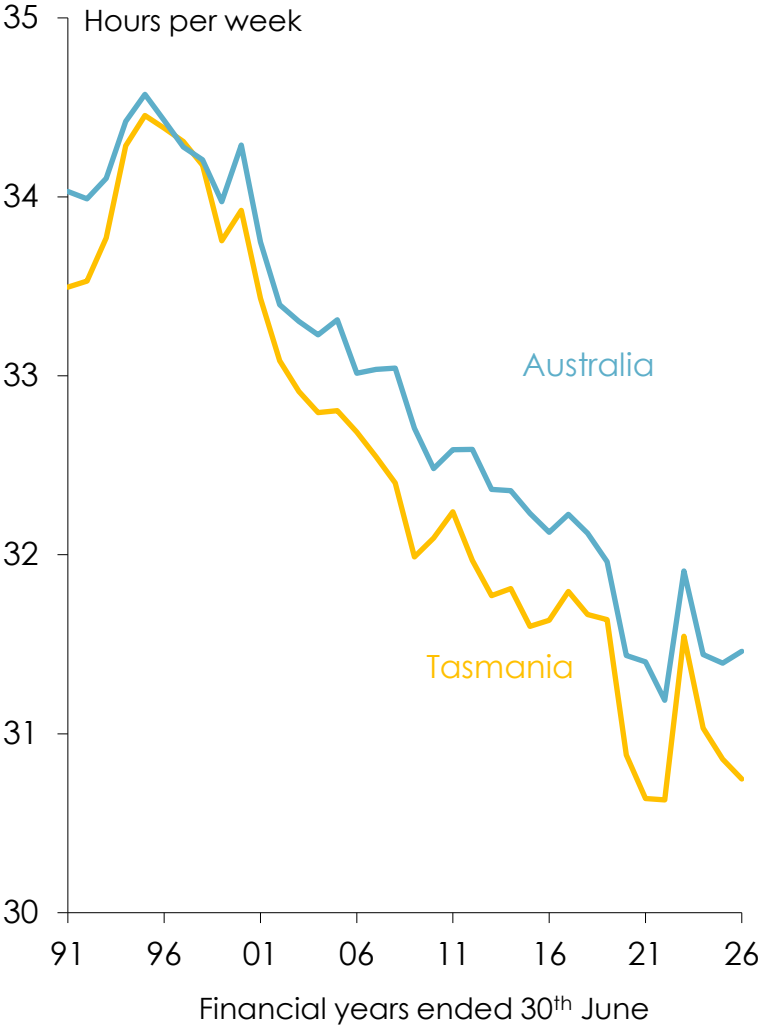
Sources: ABS, [Australian National Accounts: State Accounts](#), 2024-25; [Labour Force, Australia](#), August 2026

None of these three drivers of differences in per capita GSP is showing any improvement

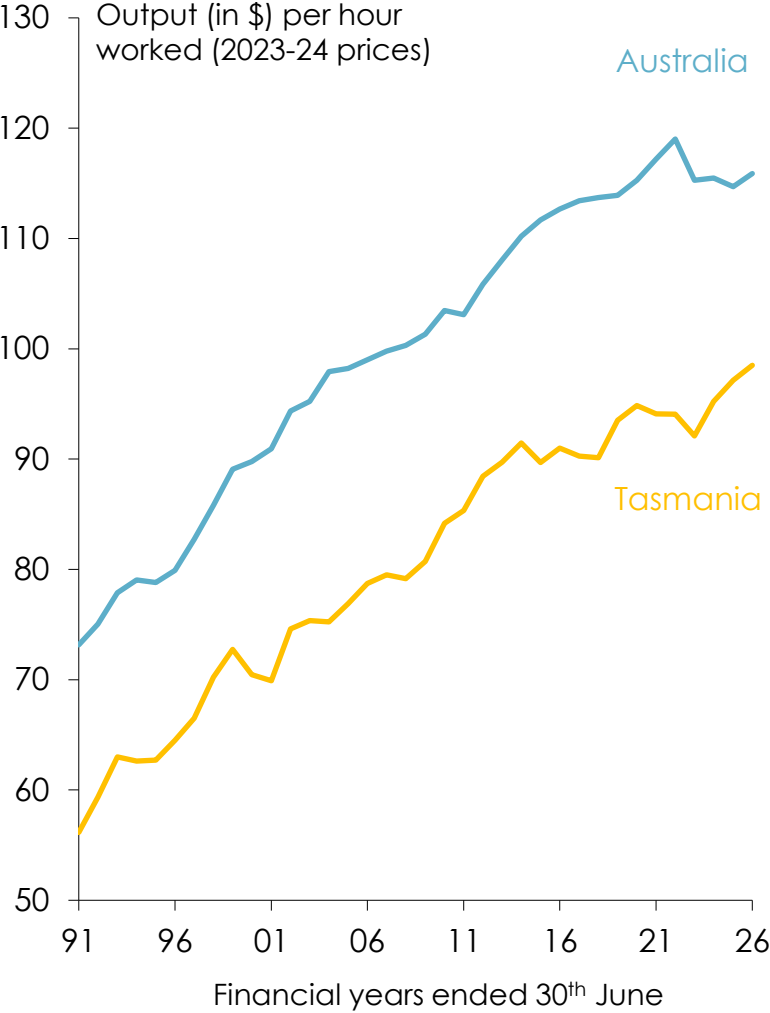
People with jobs as a proportion of the population



Average hours worked by people with jobs



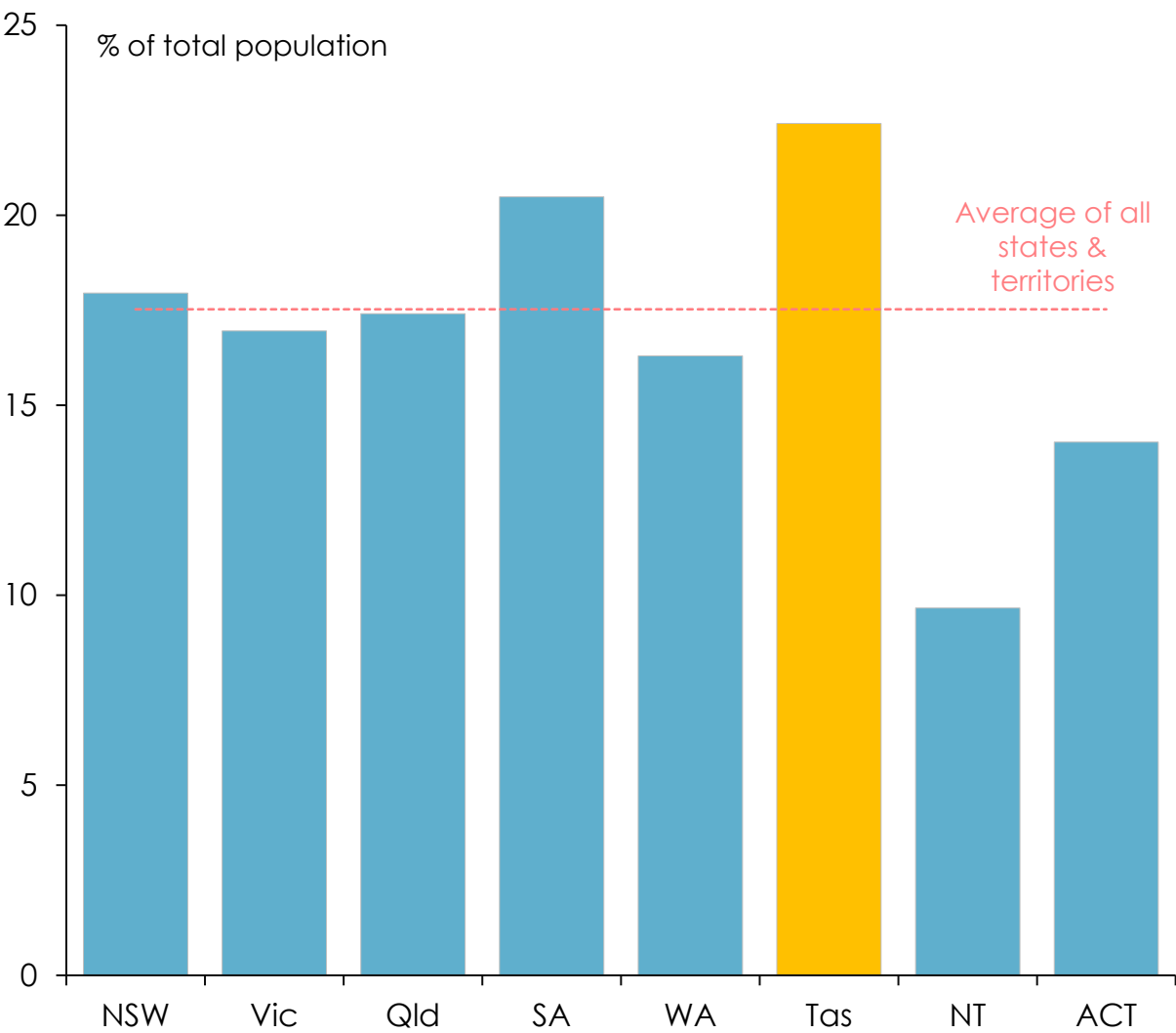
Output per hour worked by people with jobs



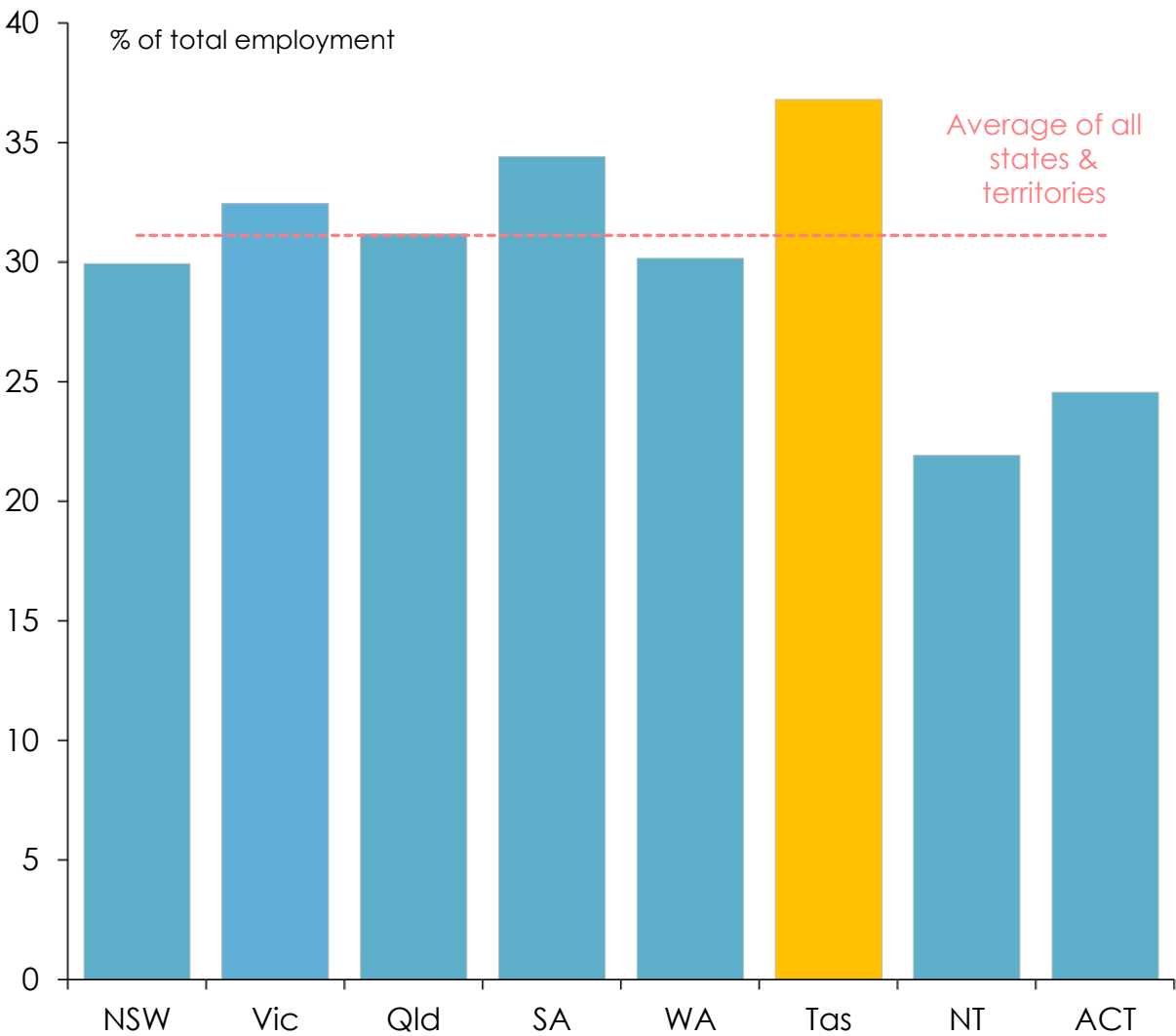
Sources: ABS, [Australian National Accounts: State Accounts](#), 2024-25; [Labour Force, Australia](#), August 2026

Tasmania's below-average employment participation and lower average hours worked are partly due to its older demographic profile ...

Percentage of population aged 65 and over as at 30th June 2025

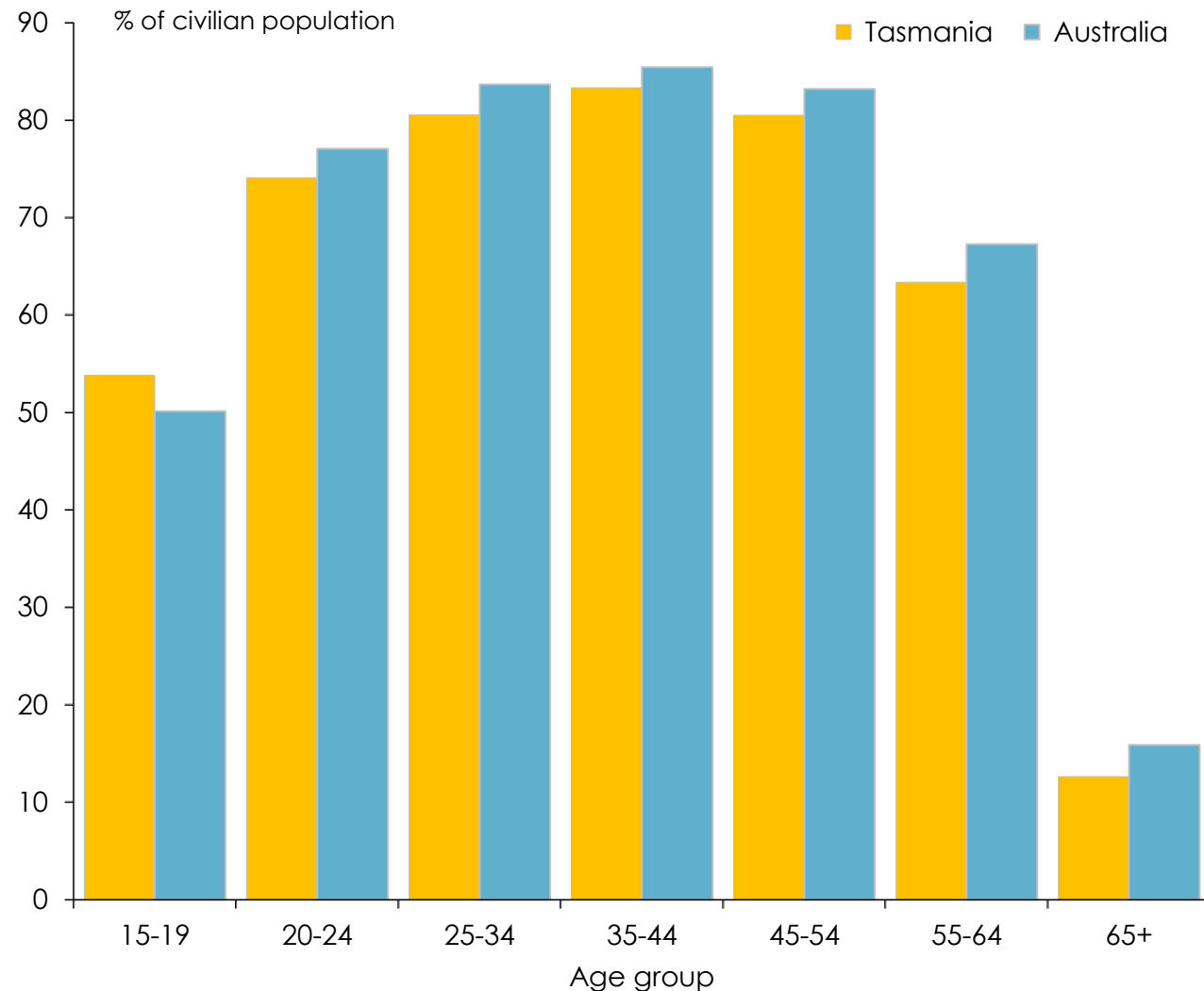


Part-time employment as a percentage of total employment, 2025-26

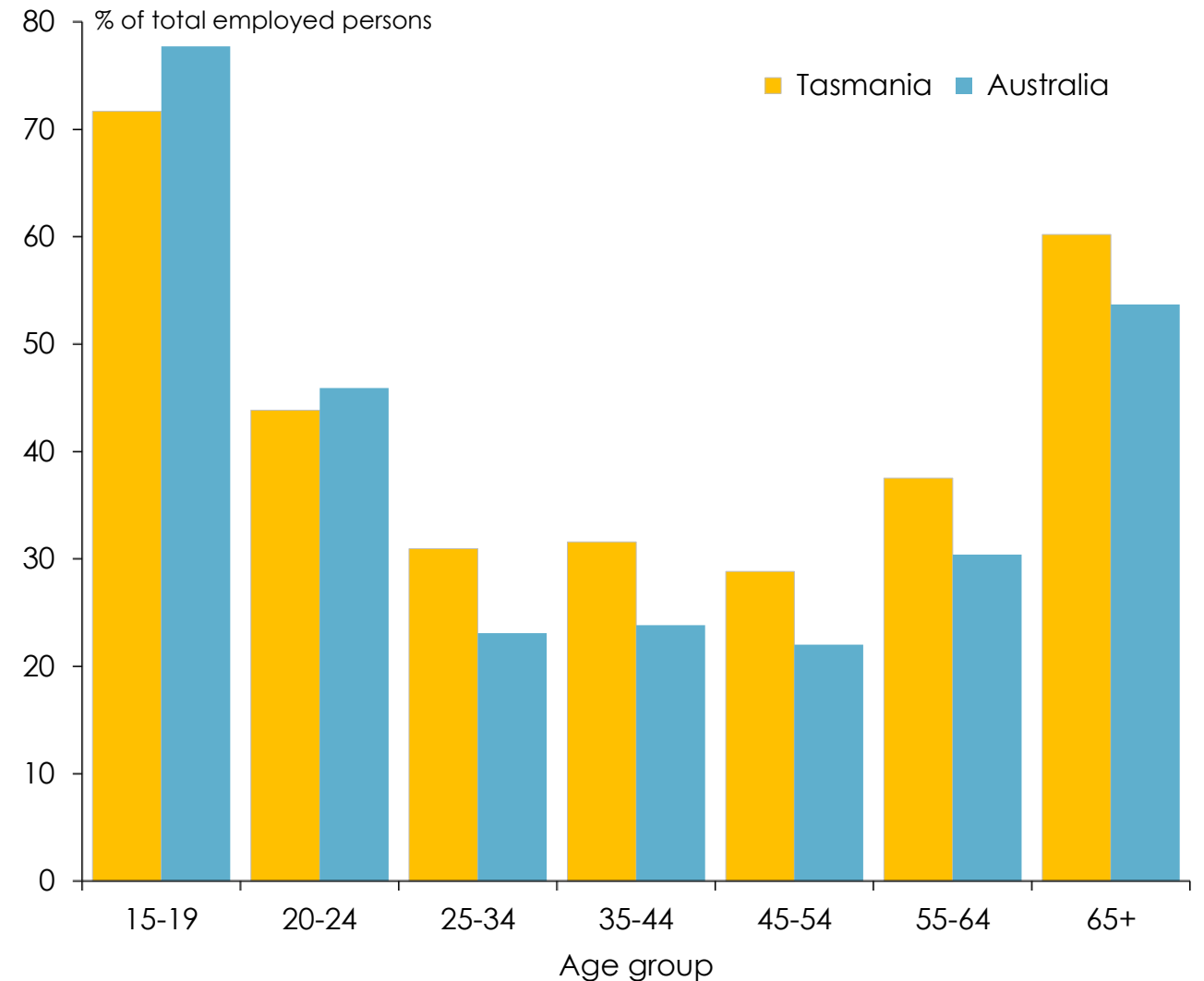


... but not entirely

Percentage of population in employment, by age group, 2024-25

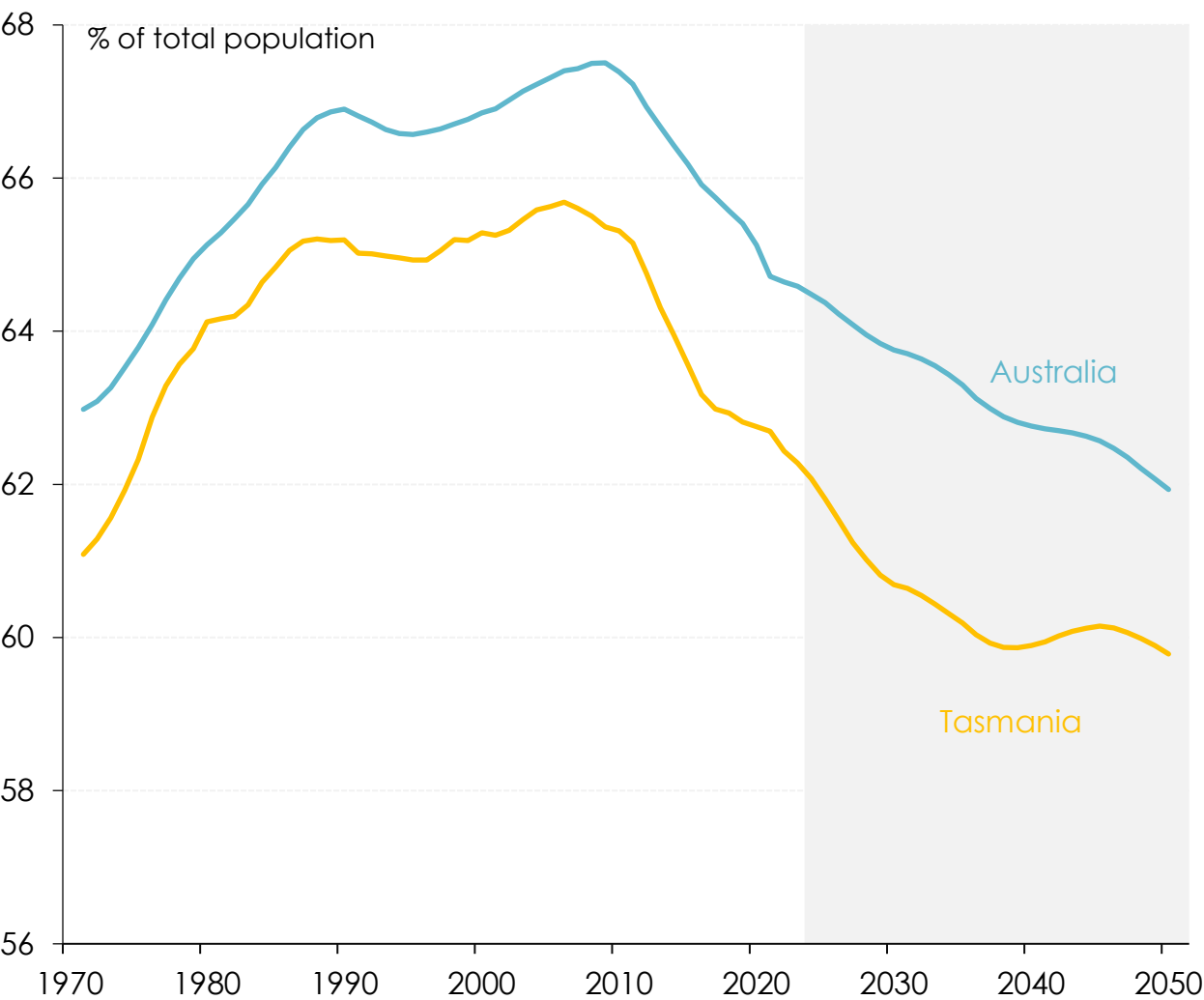


Part-time employment as a percentage of total employment, 2024-25

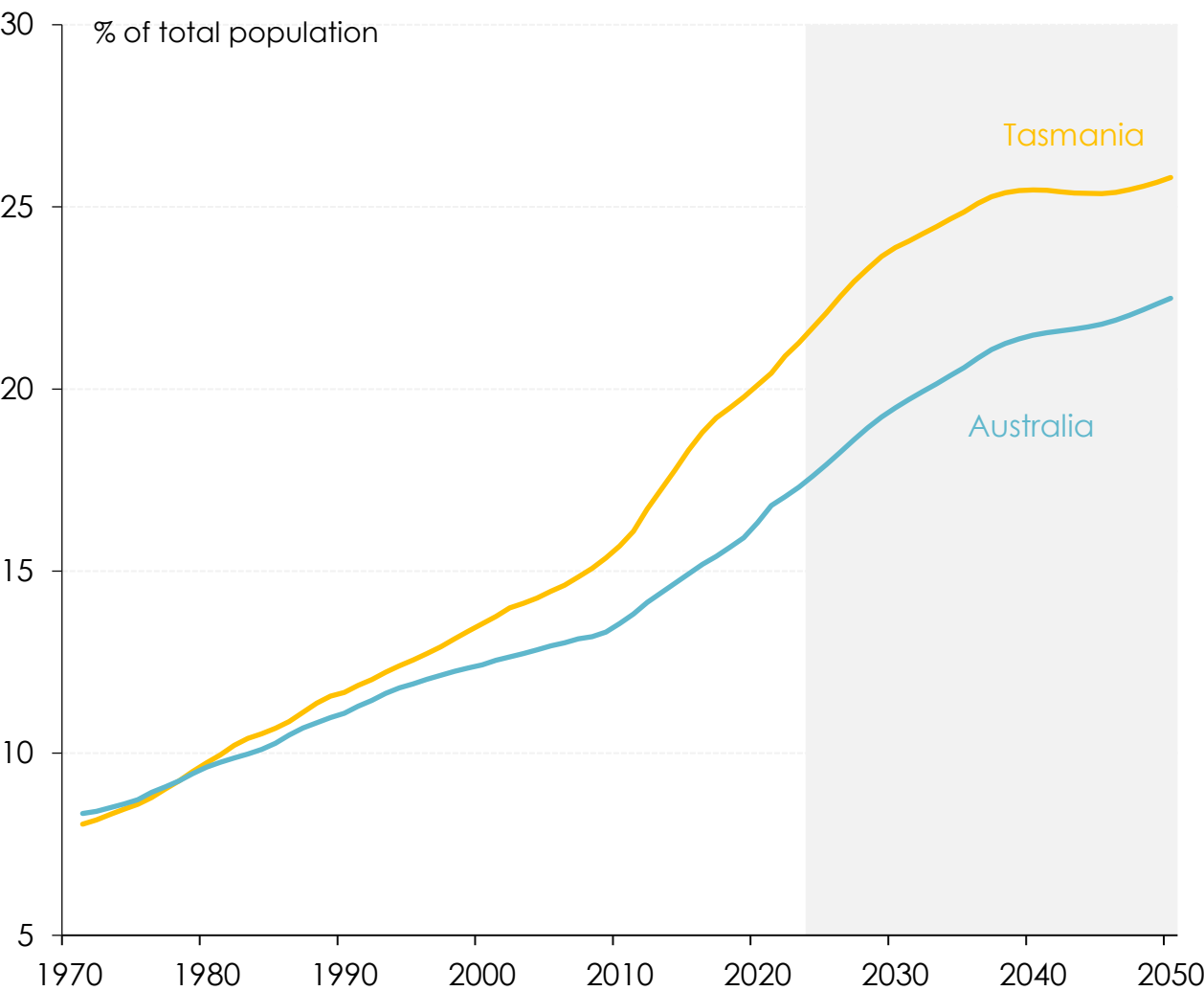


More rapid population ageing will increasingly detract from Tasmania's employment metrics over the next 25 years

Percentage of Tasmania's population aged 15-64, compared with national average



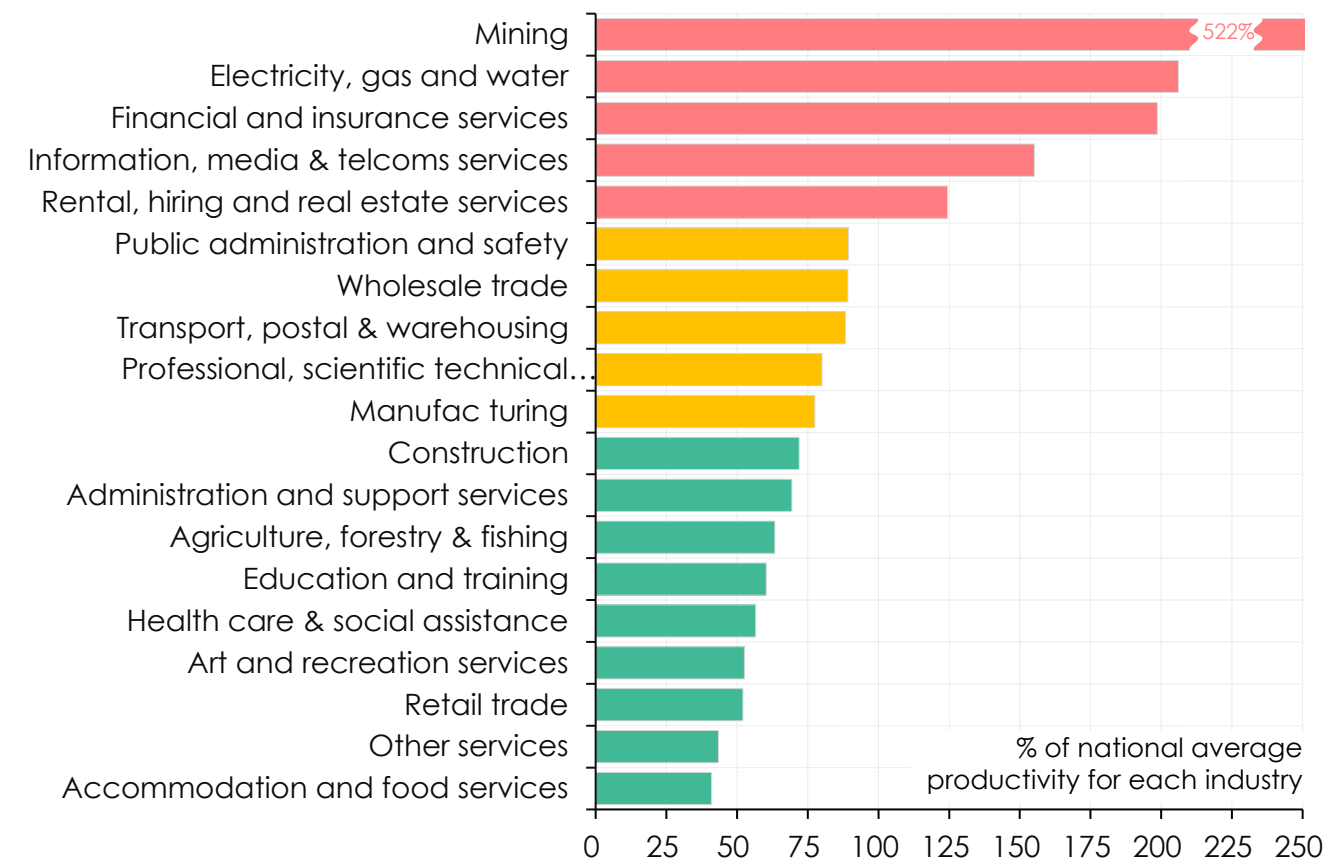
Percentage of Tasmania's population aged 65 and over, compared with national average



Source: ABS, [Population projections, Australia](#), 2022-2071. Note: Projections shown are based on 'medium' scenarios for natural increase and net overseas migration (and net interstate migration for Tasmania). These projections will be updated after results from the 2026 Census become available (most likely in late 2027).

Relatively fewer Tasmanians work in intrinsically high-productivity industries, whereas more work in low-productivity industries

Labour productivity by industry, Australia, 2024-25



Shares of total employment by industry groups ranked by productivity, 2024-25

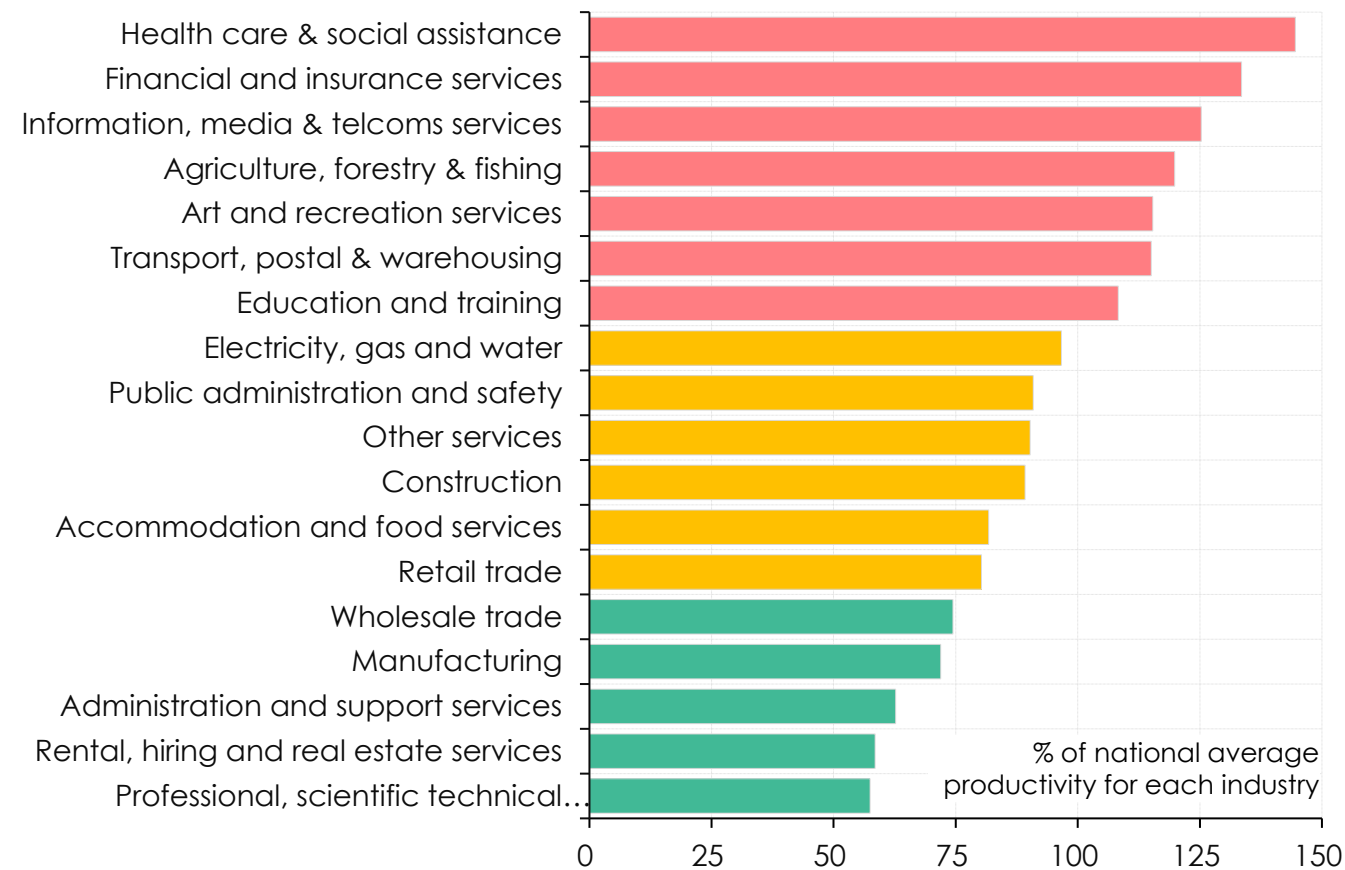


Only 7% of Tasmanian workers are employed in industries where (nationally) labour productivity is higher than the all-industry average (cf. 10% of all Australian workers) – whereas 66% of Tasmanian workers are employed in industries where labour productivity is more than 25% below the all-industry average (cf. 61% of all Australian workers)

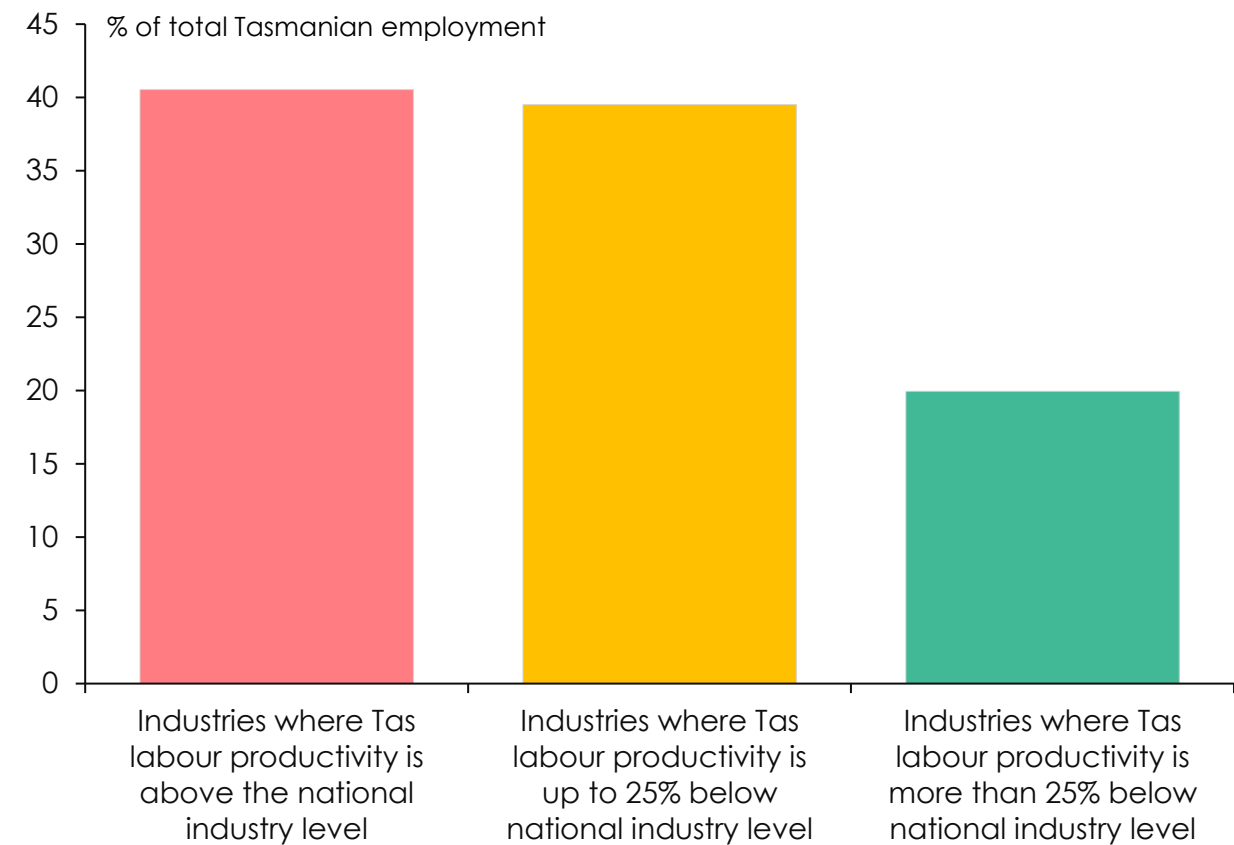
Sources: ABS, [Australian National Accounts: State Accounts](#), 2024-25; [Labour Account modelled state and territory estimates by industry](#), 2026

60% of Tasmanian workers are employed in industries where labour productivity is below the corresponding national industry average

Labour productivity in Tasmanian industries as a percentage of national average productivity in those industries, 2024-25



Shares of total employment in Tasmania by industries ranked by productivity as pc of national average, 2023-24

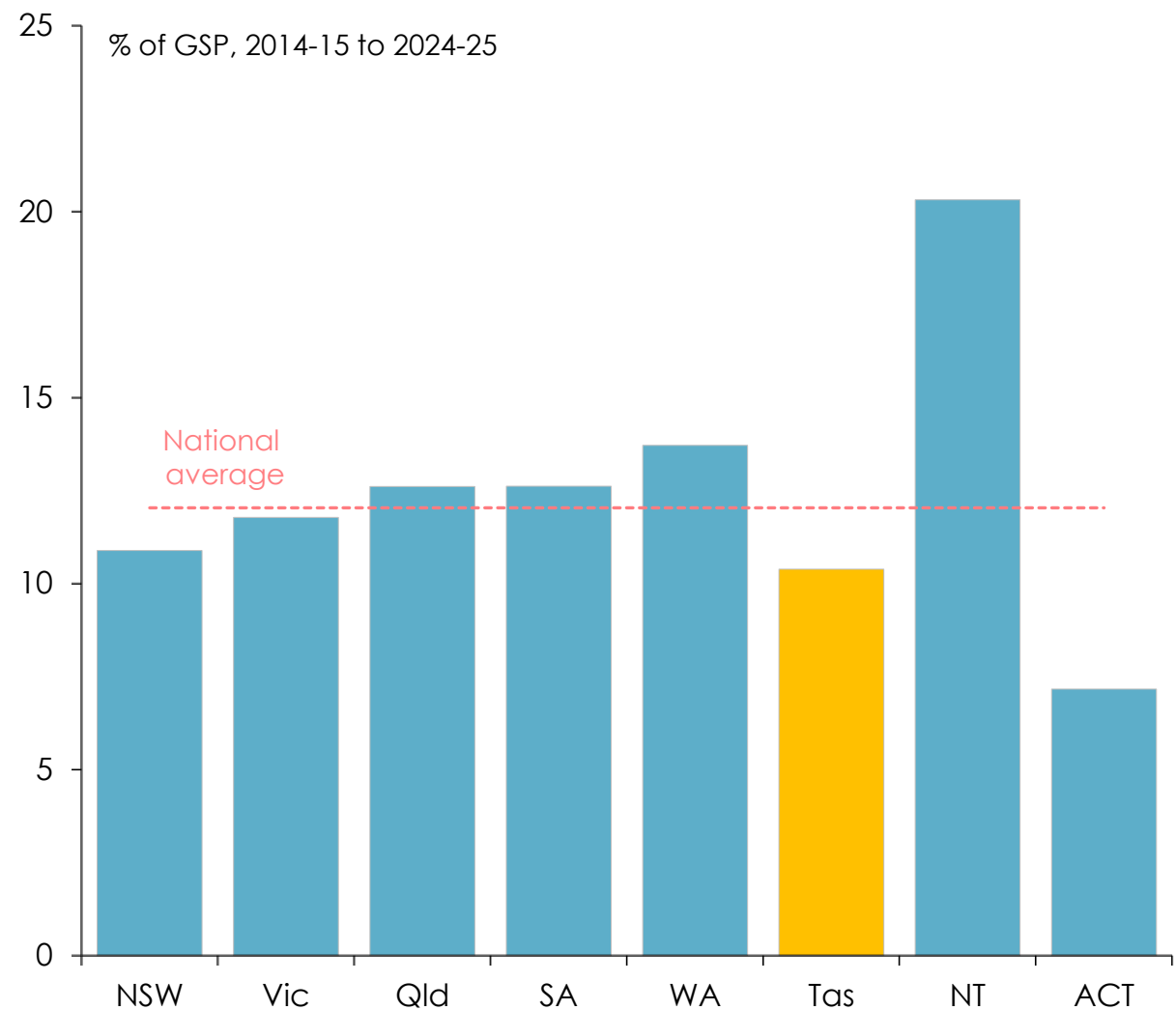


40% of Tasmanian workers are employed in industries where their productivity is higher than the corresponding national averages for those industries – whereas 60% of Tasmanian workers work in industries where their productivity is below the corresponding national average for those industries

Sources: ABS, [Australian National Accounts: State Accounts](#), 2024-25; [Labour Account modelled state and territory estimates by industry](#), 2026

Tasmania has invested a smaller share of its income than any other state, so Tasmanian workers work with less capital than their mainland peers

Business investment as a share of gross state product, 2014-15 through 2024-25



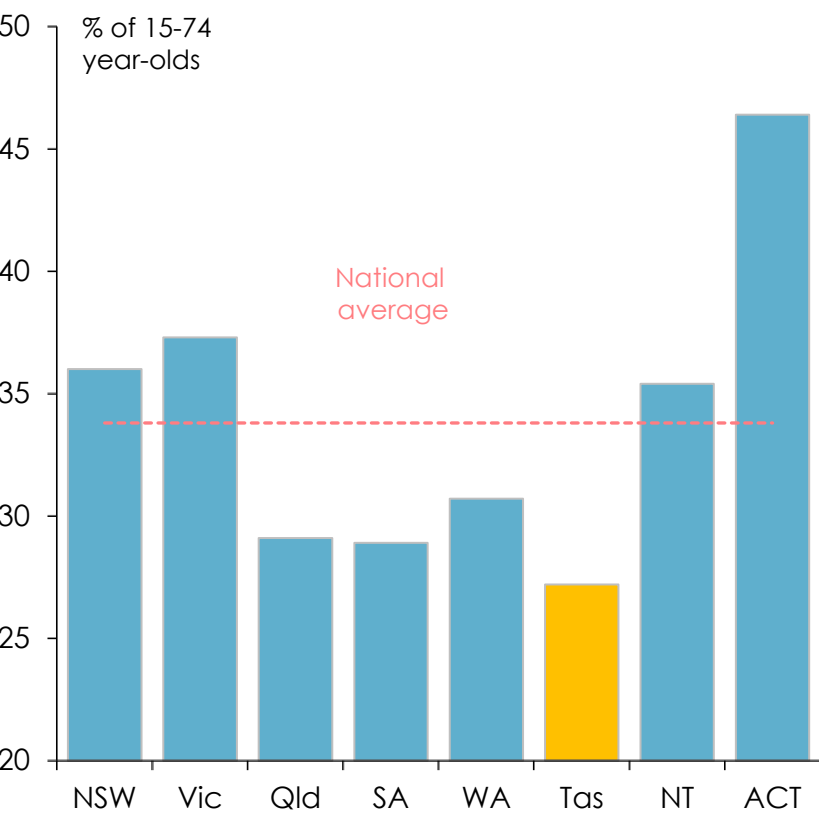
End-year value of the non-residential capital stock per person employed, 2024-25



Sources: ABS, [Australian National Accounts: State Accounts](#), 2024-25; [Labour Force, Australia](#), November 2025.

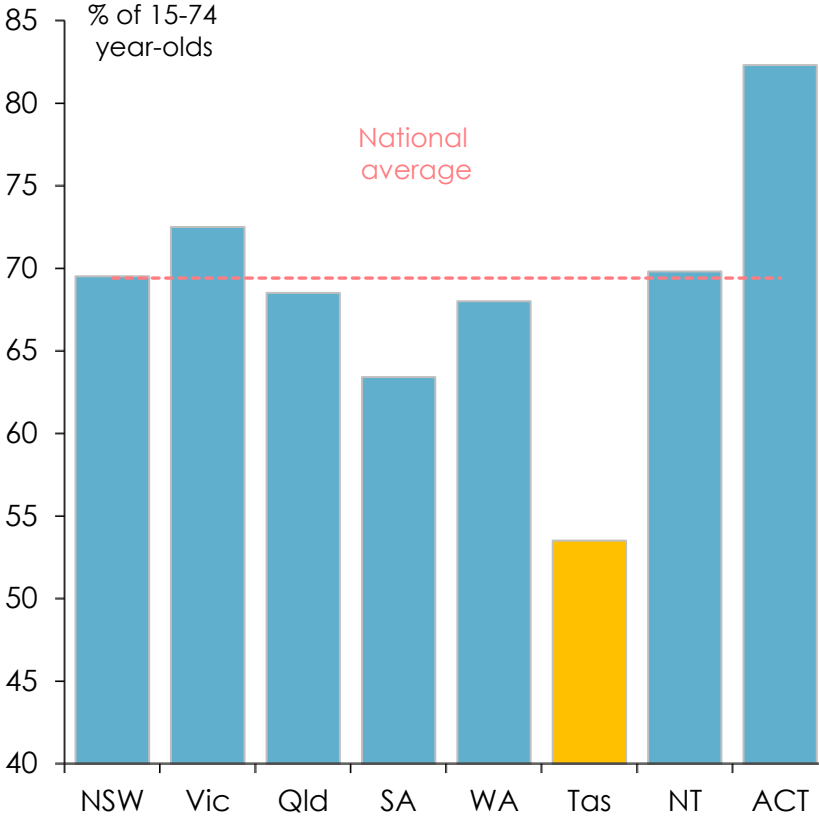
A common factor in all three of the reasons for our below-average per capita GSP is our below-average levels of educational attainment

Proportion of 15–74-year-olds with a bachelor degree or higher, 2025



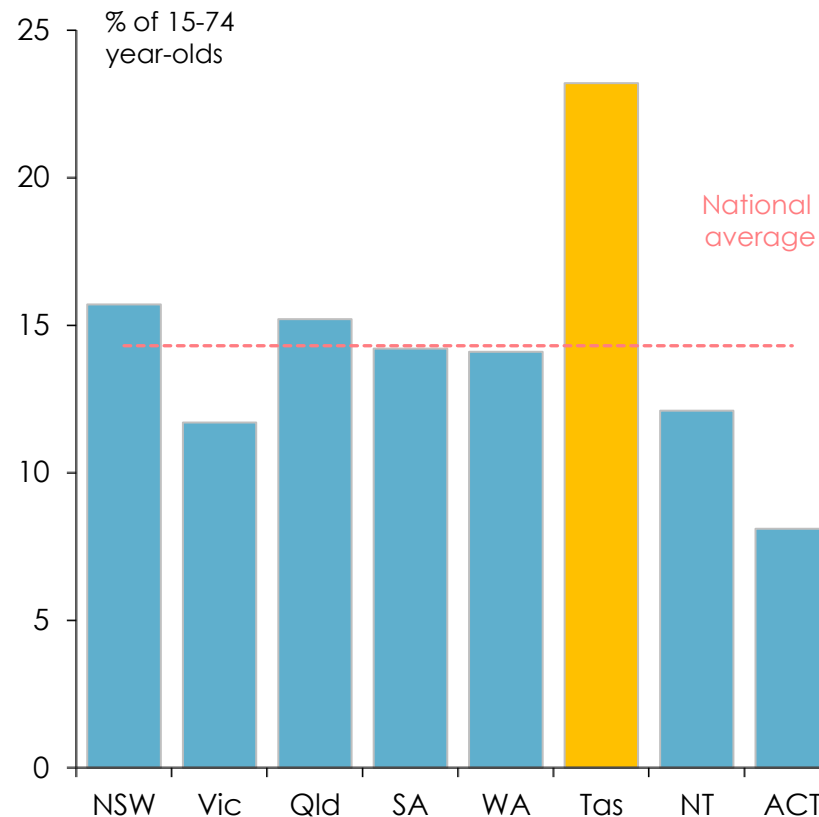
The proportion of Tasmanians with a university degree is 6.6 percentage points below the national average

Proportion of 15–74-year-olds with at least Year 12, 2025



The proportion of Tasmanians with at least Year 12 of high school is 16 pc points below the national average

Proportion of 15–74-year-olds with nothing beyond Year 10, 2025

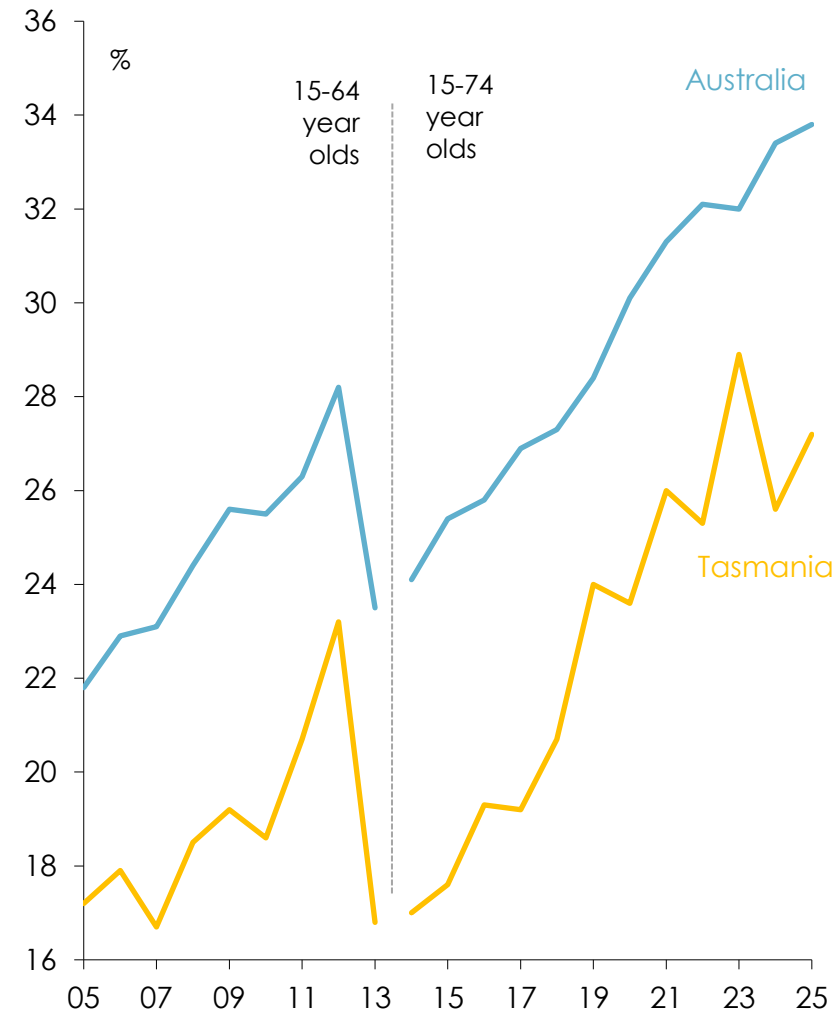


The proportion of Tasmanians with nothing beyond Year 10 is 9 pc points above the national average

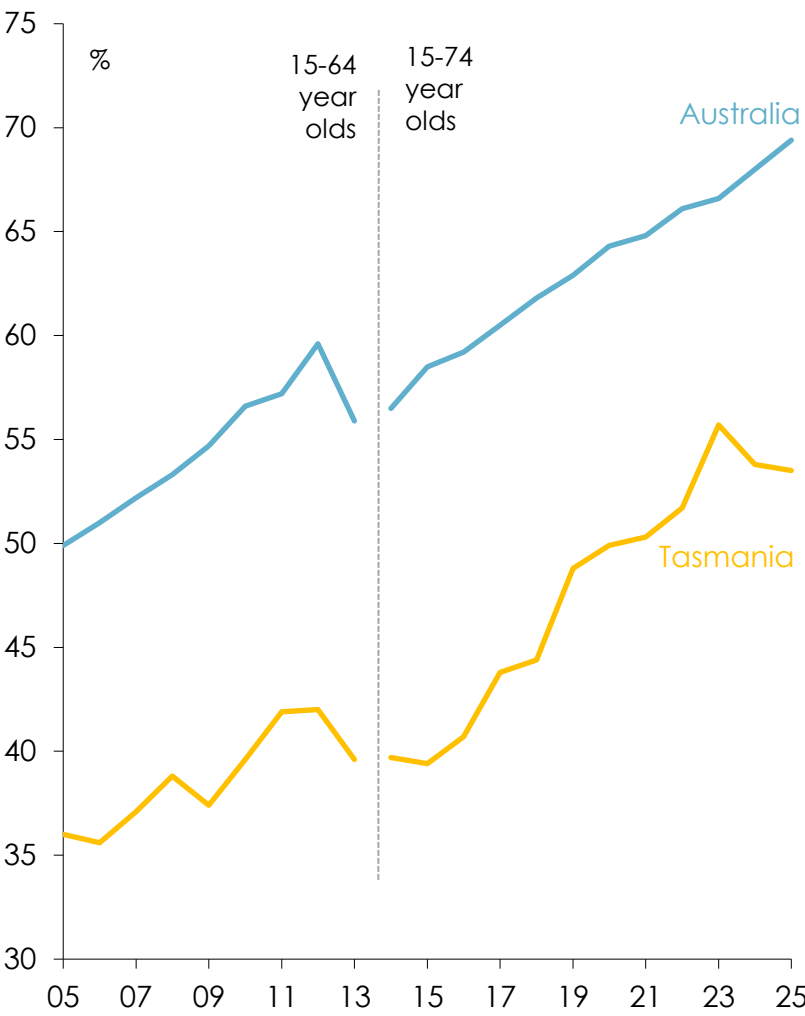
Source: ABS, [Education and work, Australia](#), May 2025.

... and on none of these metrics has there been any improvement in Tasmania's standing relative to national averages over the past 20 years

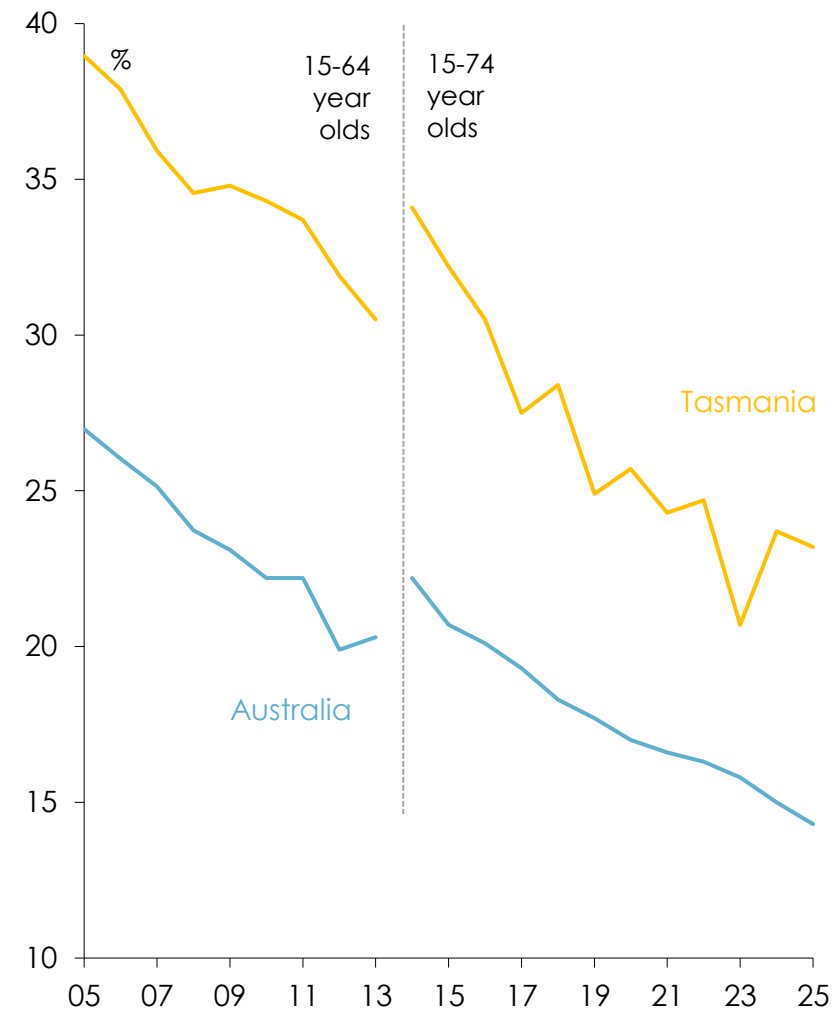
Proportion of 15–74-year-olds with a bachelor degree or higher



Proportion of 15–74-year-olds with at least Year 12



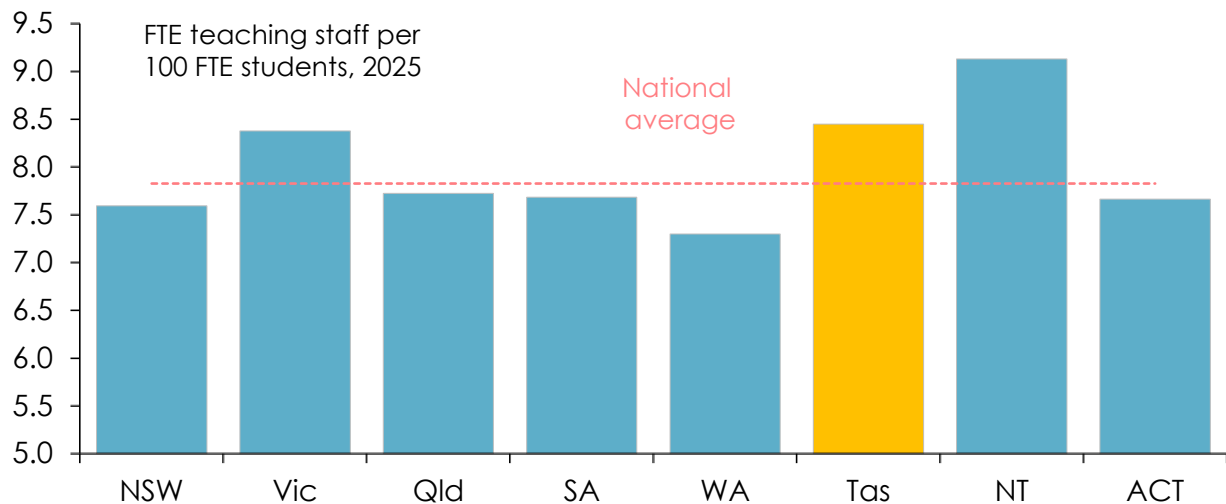
Proportion of 15–74-year-olds with nothing beyond Year 10



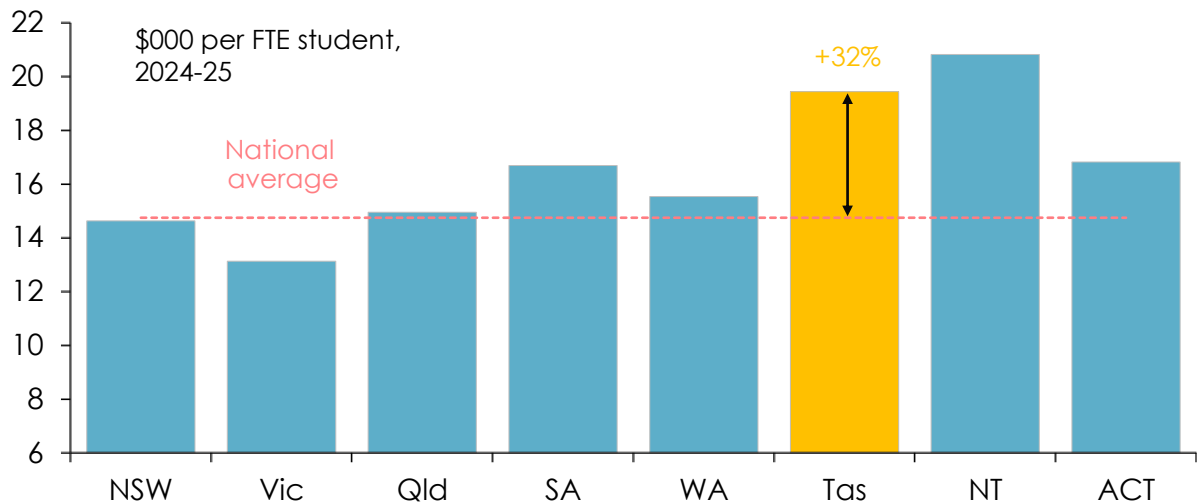
Source: ABS, [Education and work, Australia](#), May 2025.

Tasmania's relatively poor education outcomes are not the result of any lack of resources by comparison with other states and territories

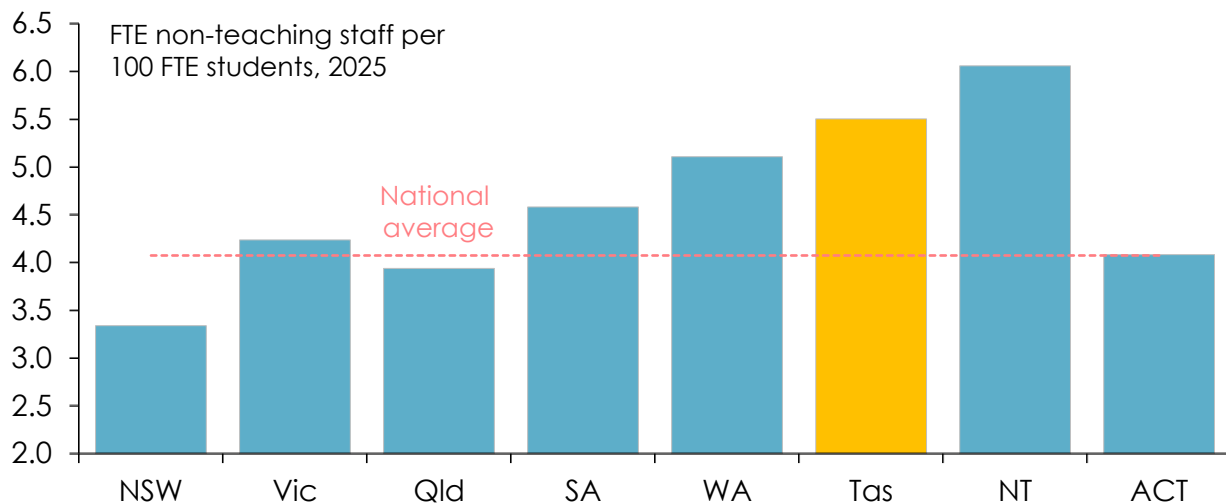
Teaching staff, 2025



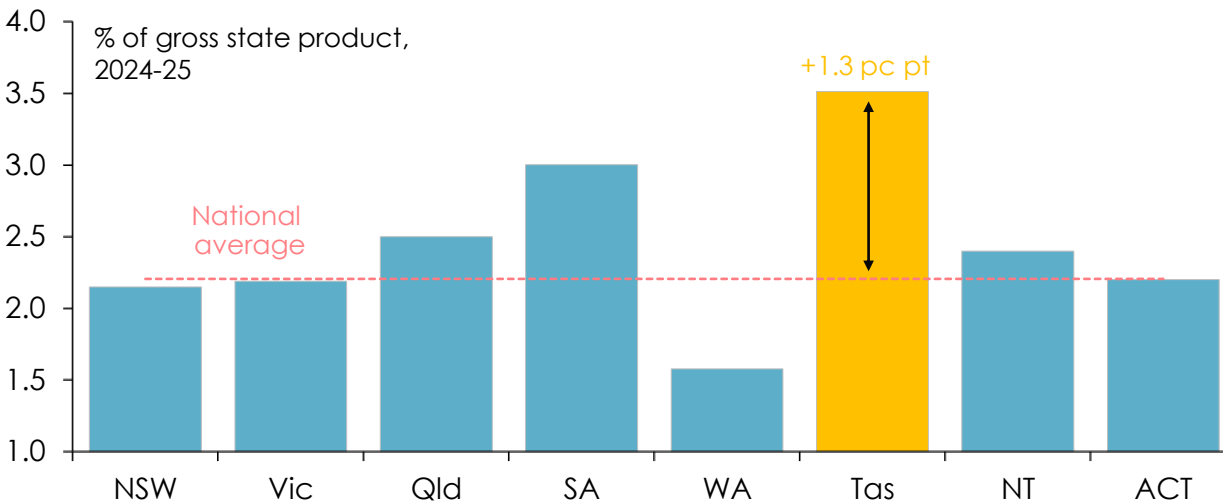
Spending on schools, 2022-23



Non-teaching staff, 2025

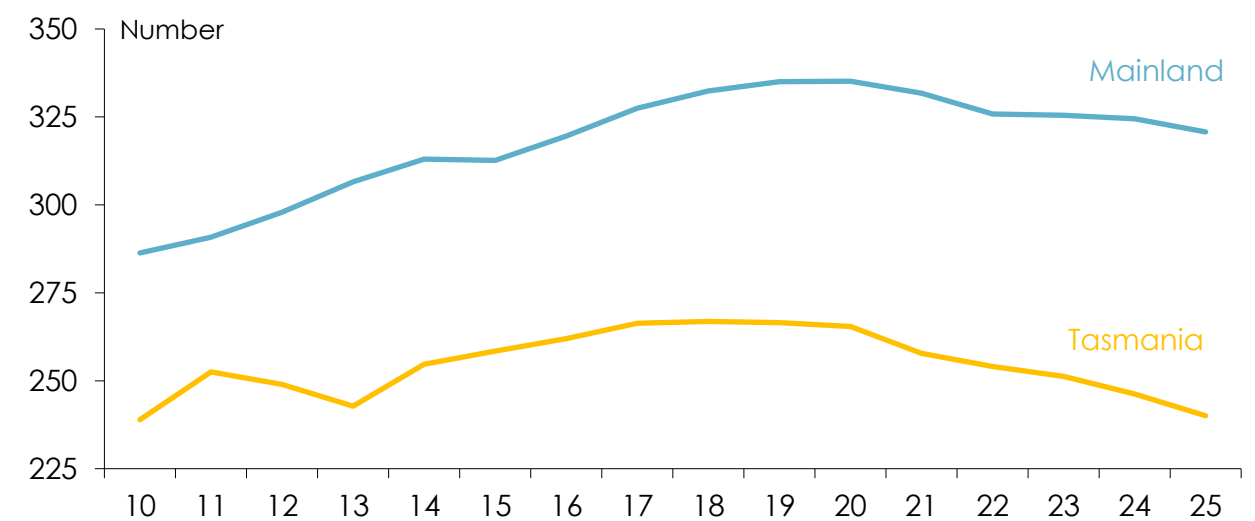
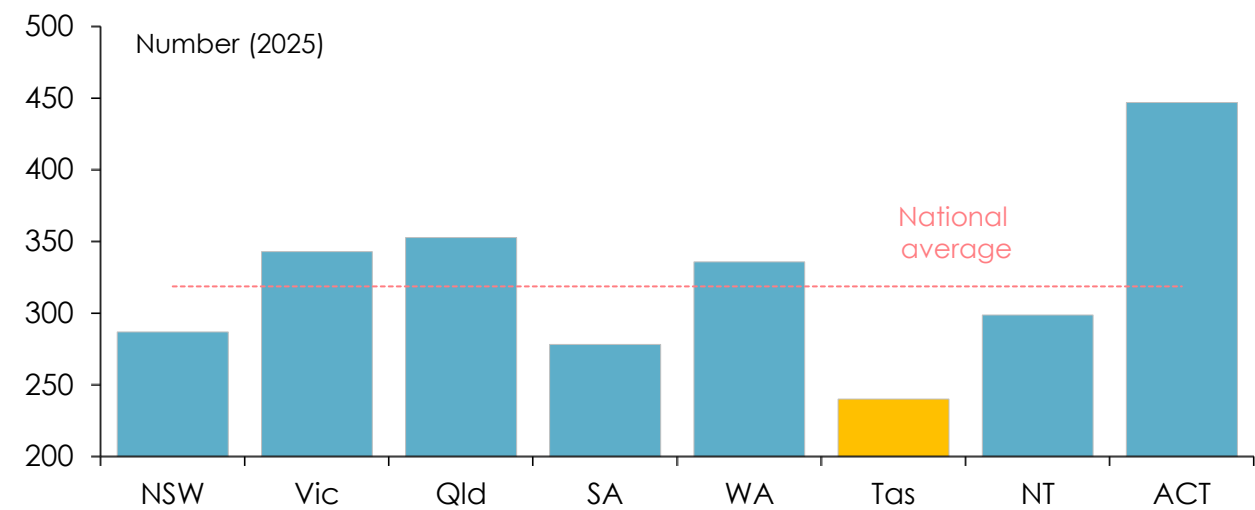


Spending on schools as pc of GSP

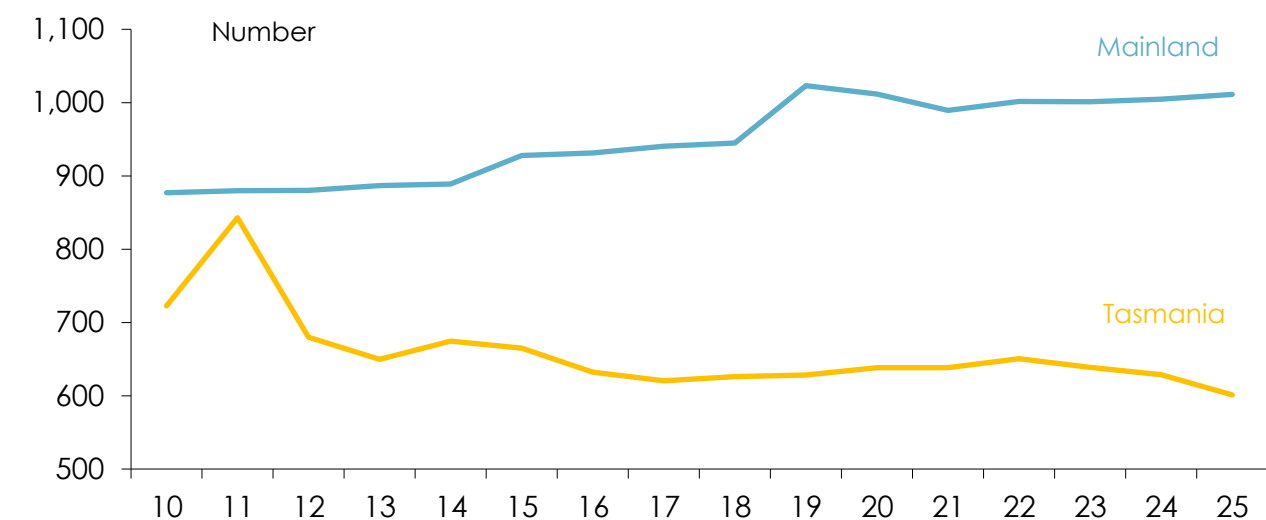
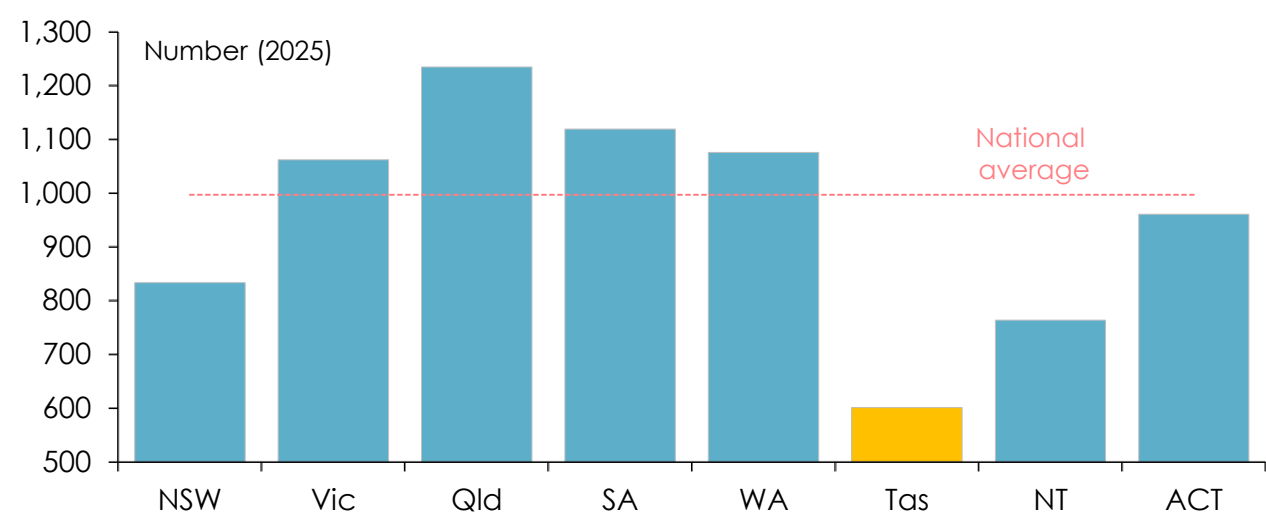


One of the reasons why Tasmania spends more per student but gets worse results is that we have an above-average number of small schools

Government primary schools, average number of FTE students, 2025



Government high schools, average number of FTE students, 2025



There's a clear and unequivocal relationship between educational attainment and employment outcomes

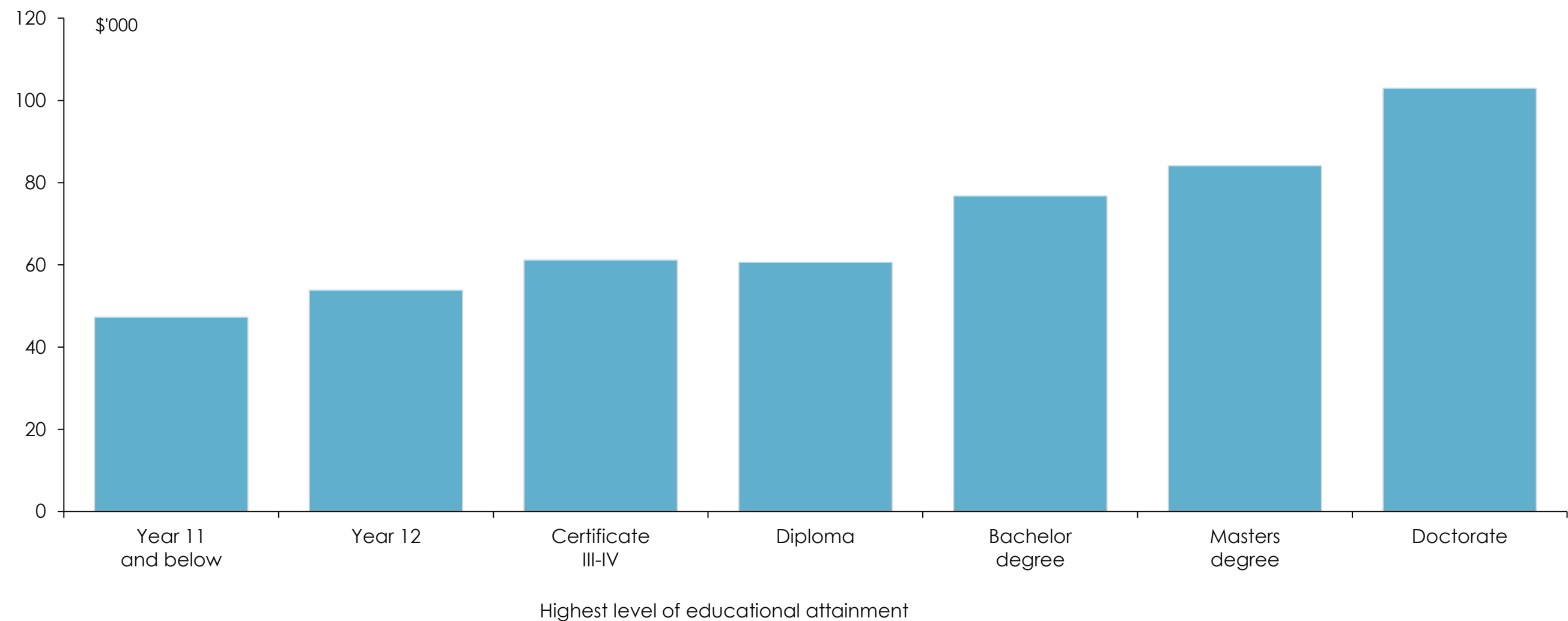
Participation rates and employment to population ratios for different levels of educational attainment, February 2023



Source: Australian Government, [Working Future: The Australian Government's White Paper on Jobs and Opportunities](#), September 2023.

There's an equally clear and unequivocal relationship between educational attainment and earnings from work

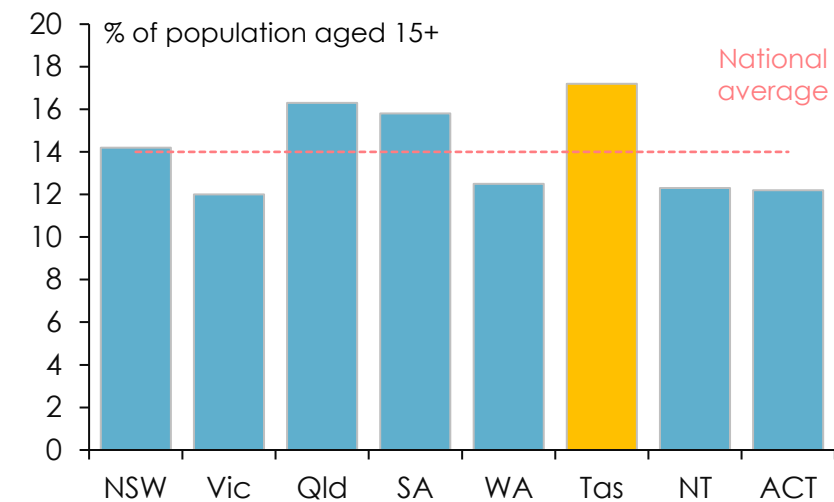
Median derived total annual income from wages and salaries for 30–64-year-olds not currently studying, by highest level of educational attainment, 2015-16



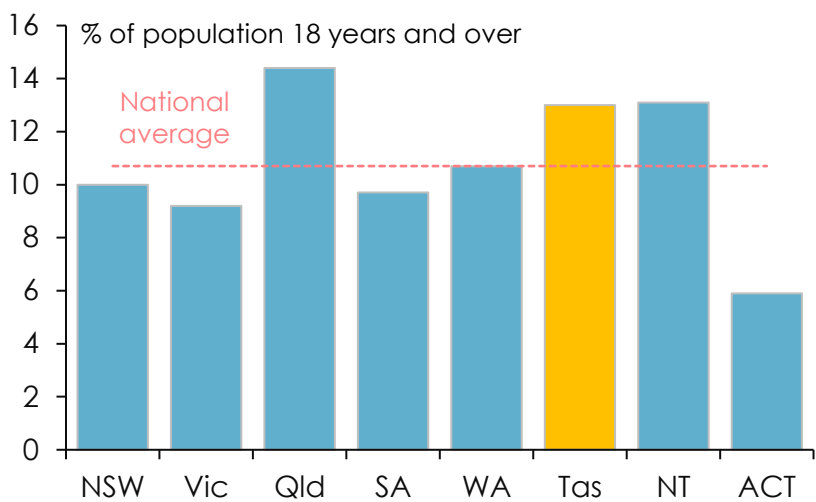
Source: Australian Government, Department of Education, [Benefits of educational attainment](#), November 2020.

Tasmanians experience relatively poor health outcomes – in part because of ‘lifestyle choices’ that reflect poor educational outcomes

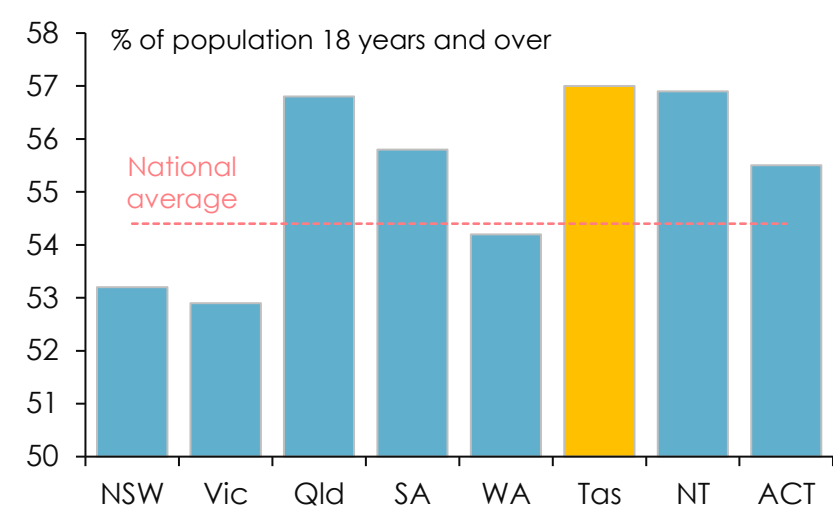
‘Fair’ or ‘poor’ health status



Daily smokers



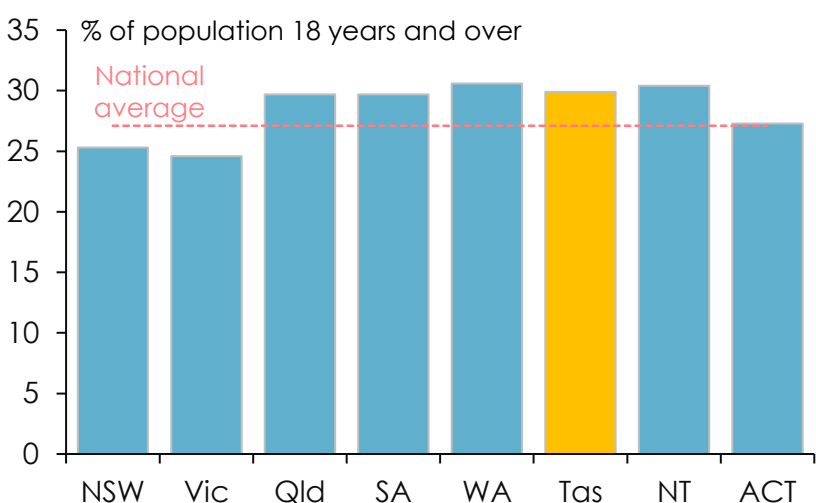
‘Insufficient’ fruit & vegetable intake



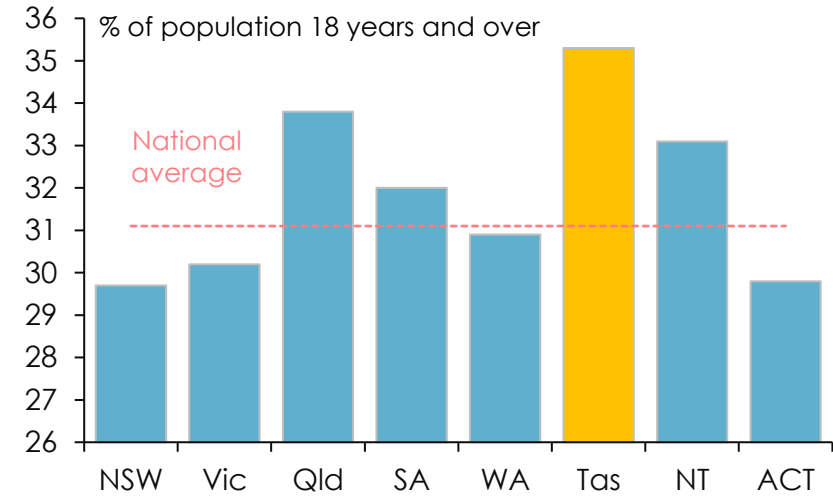
3 or more chronic conditions



‘Excessive’ alcohol consumption



Obese



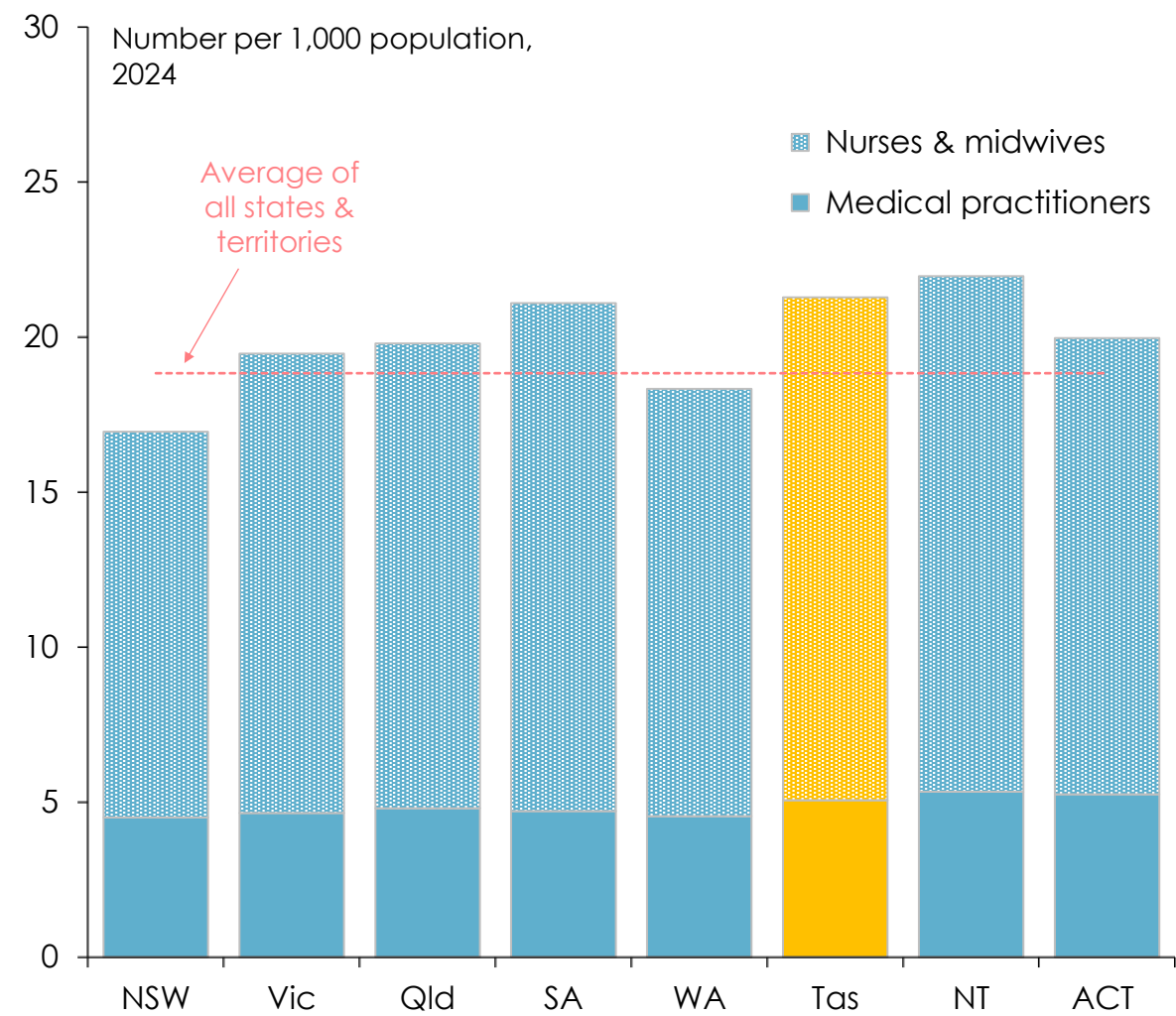
Note: all data are ‘age-standardized’ (ie adjusted for differences in the age structure of the population). Alcohol consumption is relative to Australian Adult Alcohol Guidelines (2020); fruit & vegetable consumption is relative to NHMRC Australian Dietary Guidelines (2013). Source: ABS, [National Health Survey](#) 2022.

As with education, Tasmania's poor health outcomes aren't the result of any lack of resources

State & territory government spending on health per capita, 2024-25



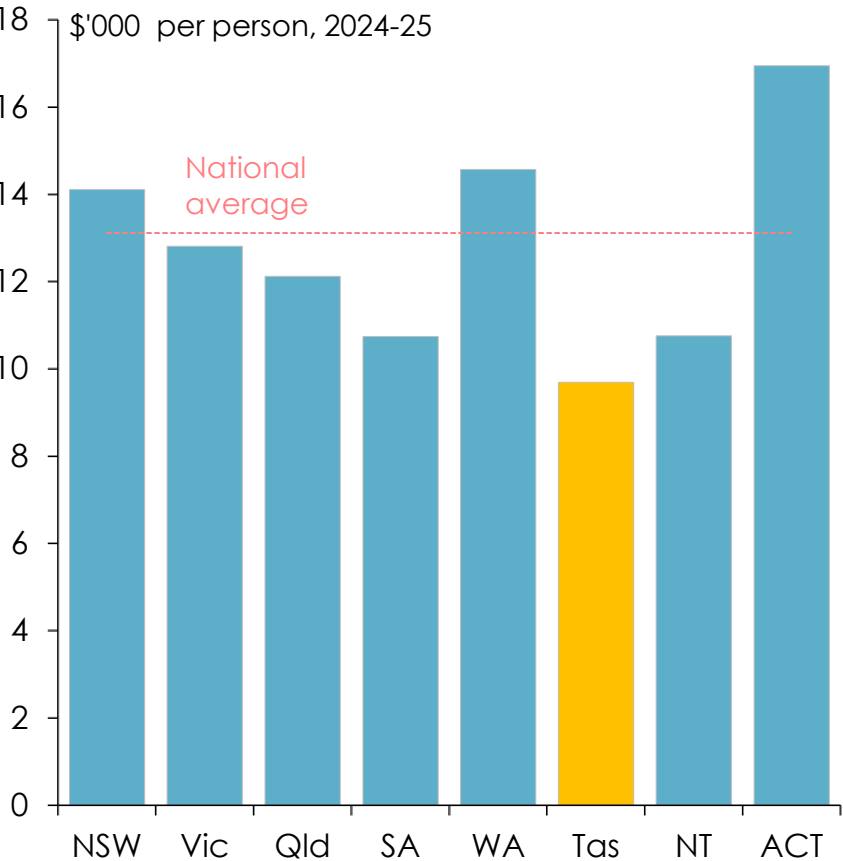
Health professionals per 1,000 population, states & territories, 2024



Sources: ABS, [Government Finance Statistics, Annual](#), 2024-25; Productivity Commission, [Report on Government Services - E: Health](#), February 2026.

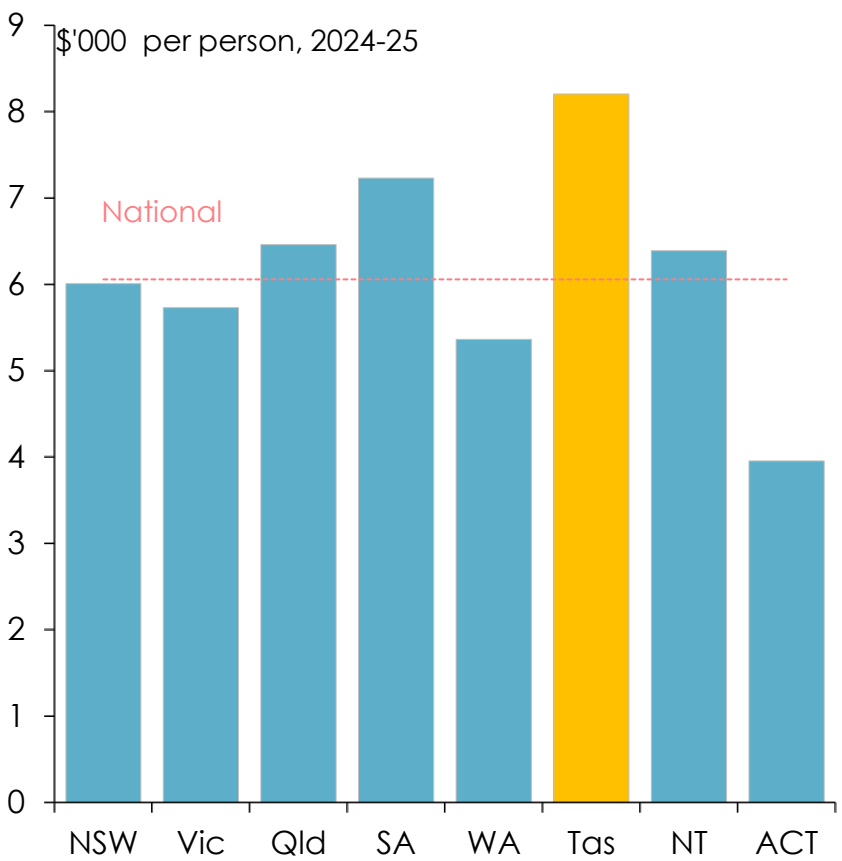
The national tax and social security systems shield Tasmanian household incomes from the effects of Tasmania's poor economic performance

Personal income tax payments per head, 2024-25



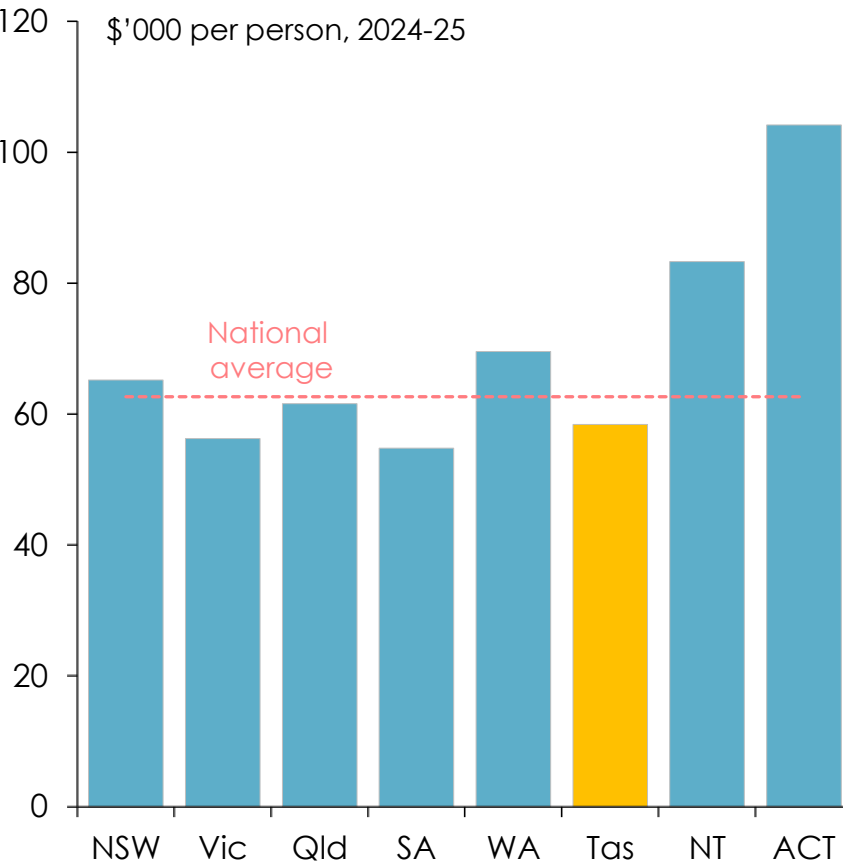
Tasmanians pay \$3,421 per head (26%) less in personal income tax than the national average

Social security benefit payments per head, 2024-25



Tasmanians receive \$2,147 per head (35%) more in benefits than the national average

Household disposable income per head, 2024-25



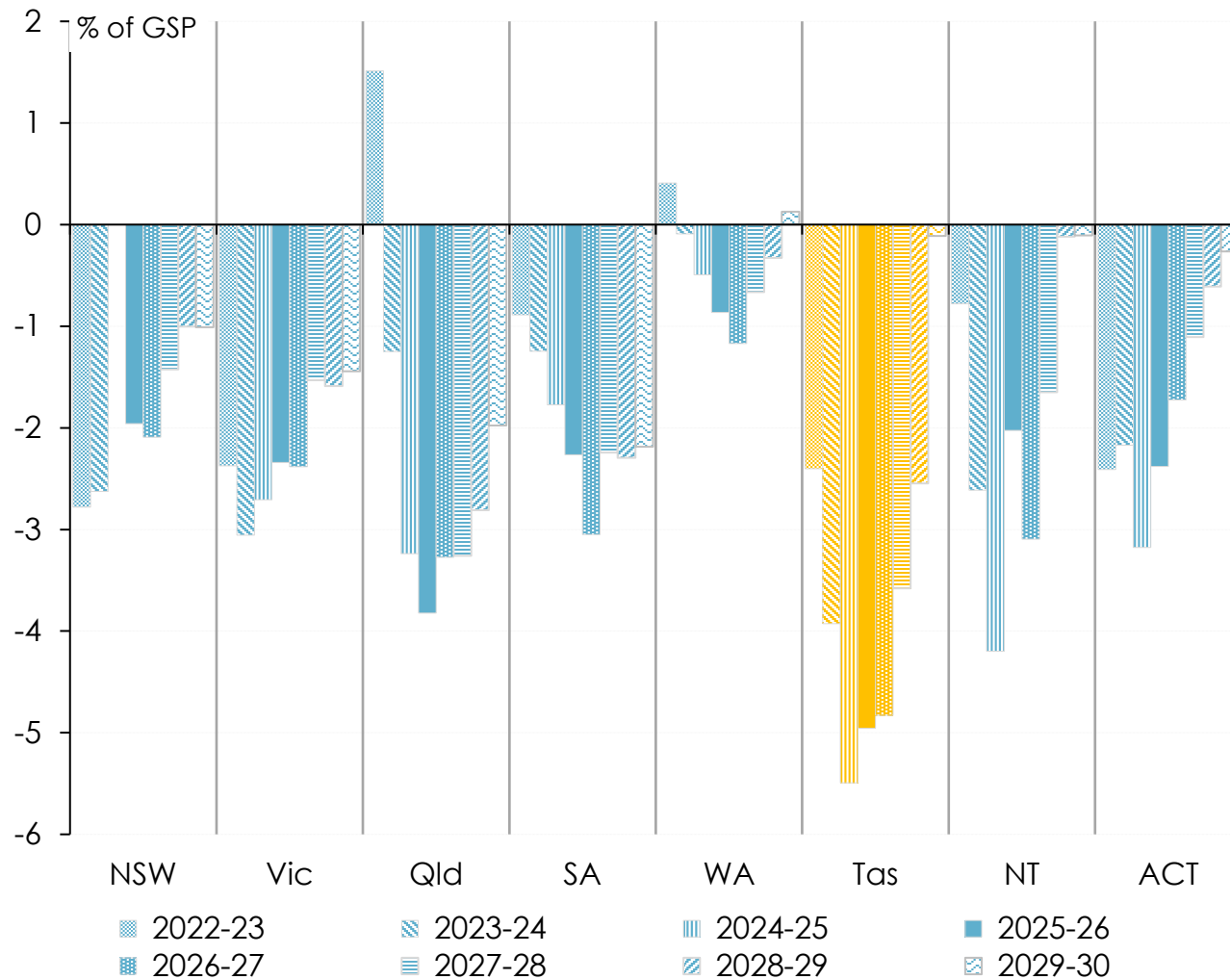
Tasmanian per capita household disposable income is 'only' 6¾% below the national average (cf. per capita GSP 24¼% below average)

Sources: ABS, [Australian National Accounts: State Accounts](#), 2024-25.

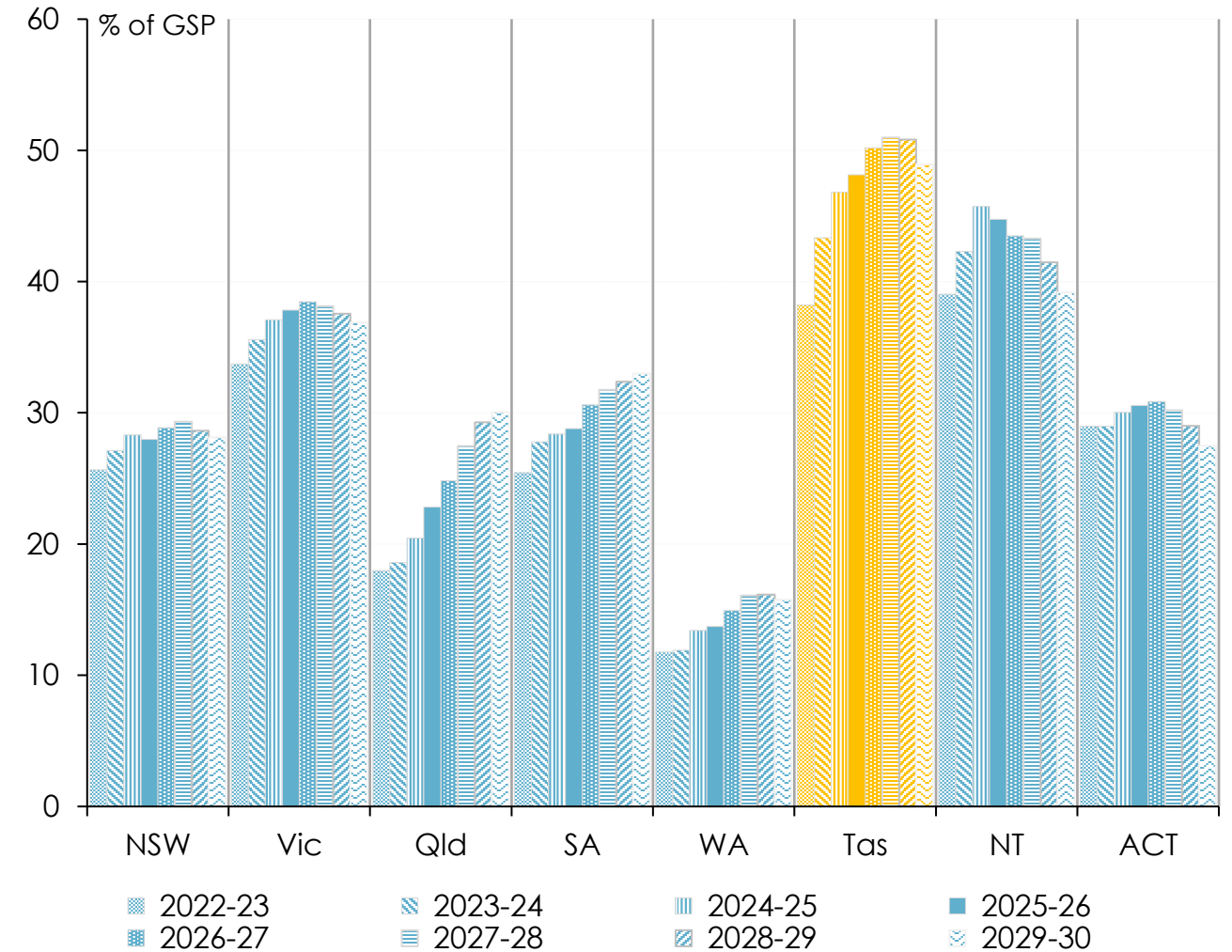
Tasmania's public finances

Tasmania's public finances are in the worst shape of any state or territory

State and territory non-financial public sector cash balances



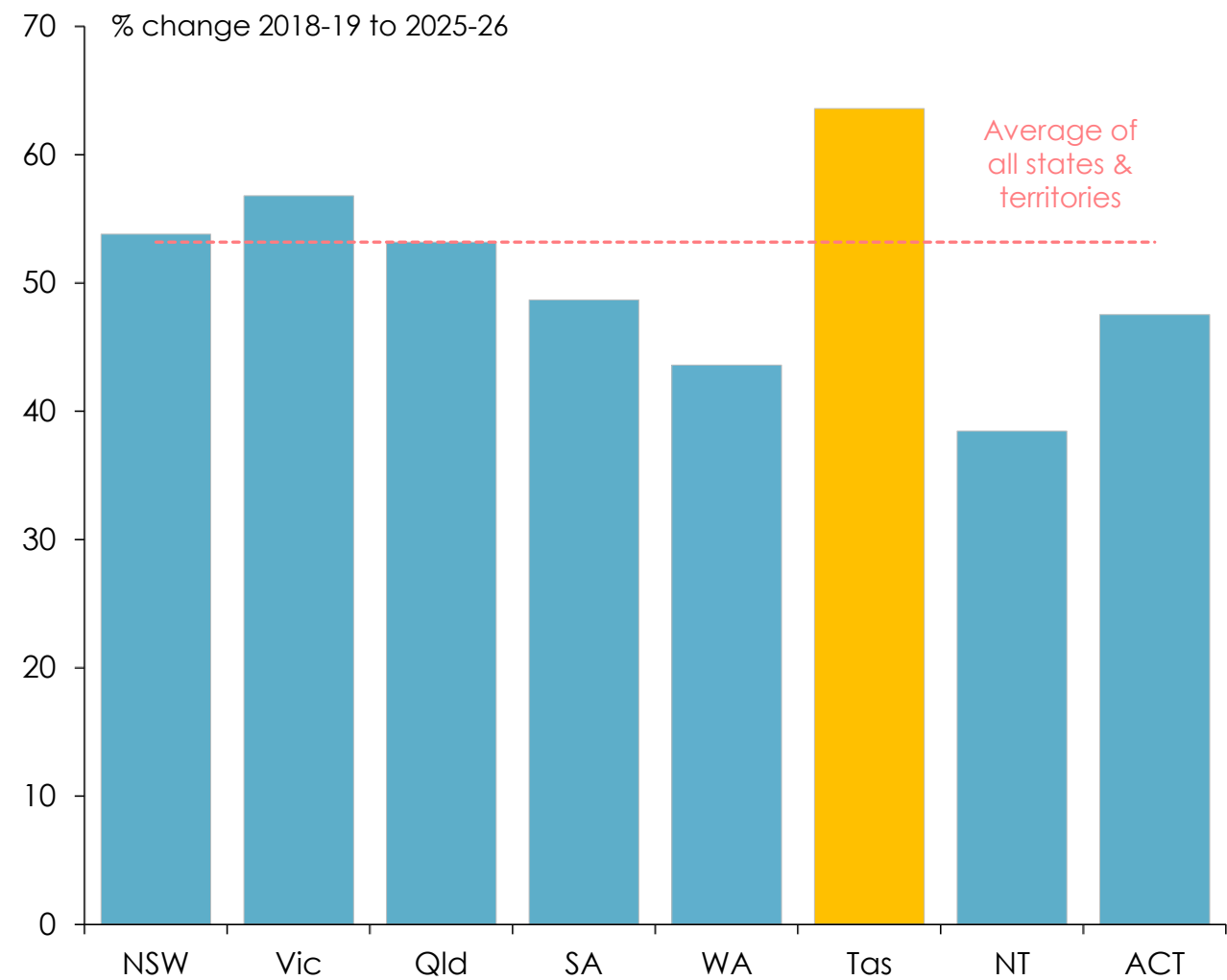
State and territory non-financial public sector net financial liabilities



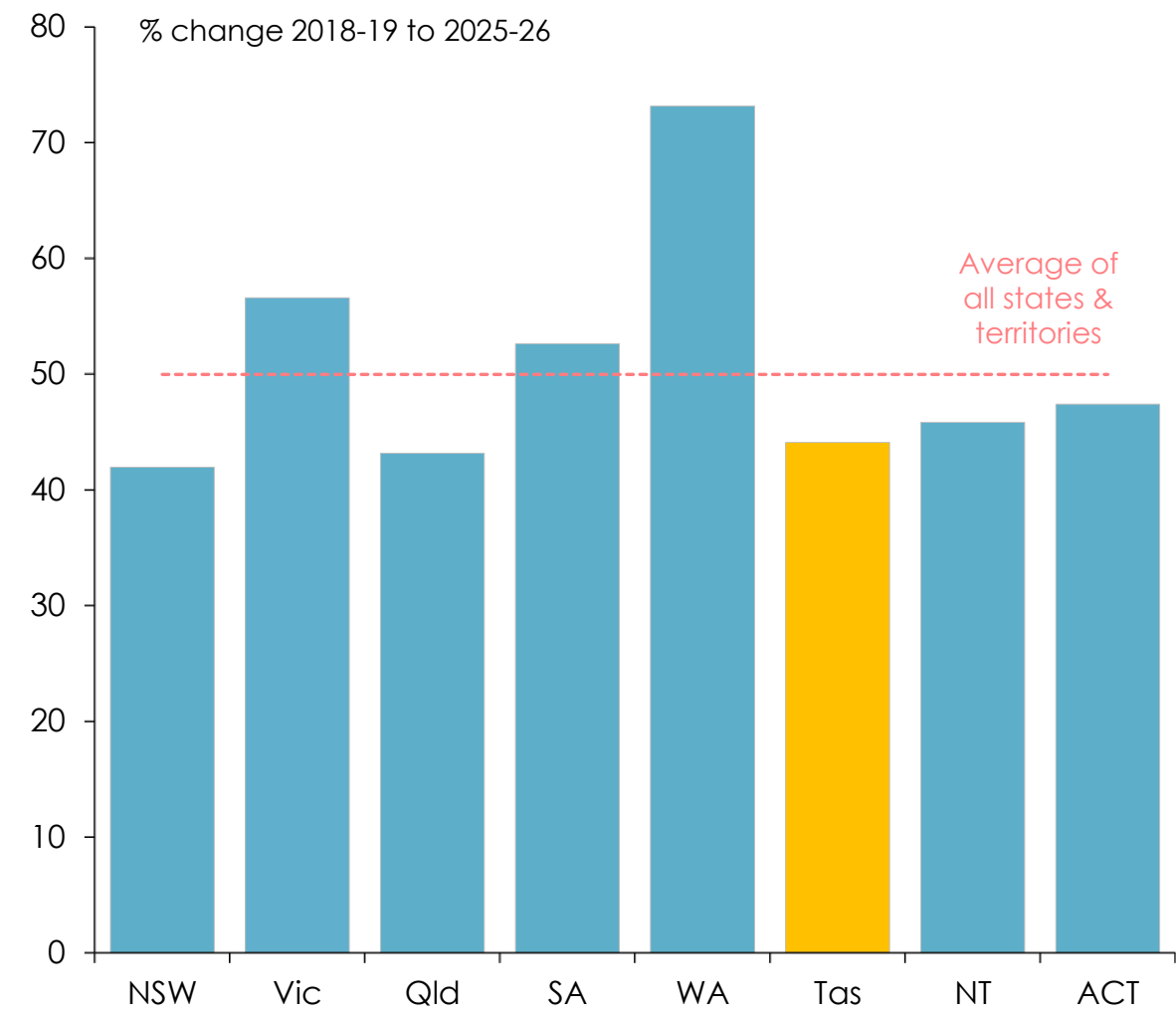
Note: 'Non-financial public sector' includes public non-financial corporations ('GBEs'). 'Net financial liabilities' includes unfunded superannuation liabilities as well as debt.
Sources: 2026-27 State and territory Budget Papers.

Tasmania's fiscal woes stem from above-average growth in recurrent spending, and below-average growth in revenues

Growth in 'operating' expenses per capita, 2018-19 to 2024-25



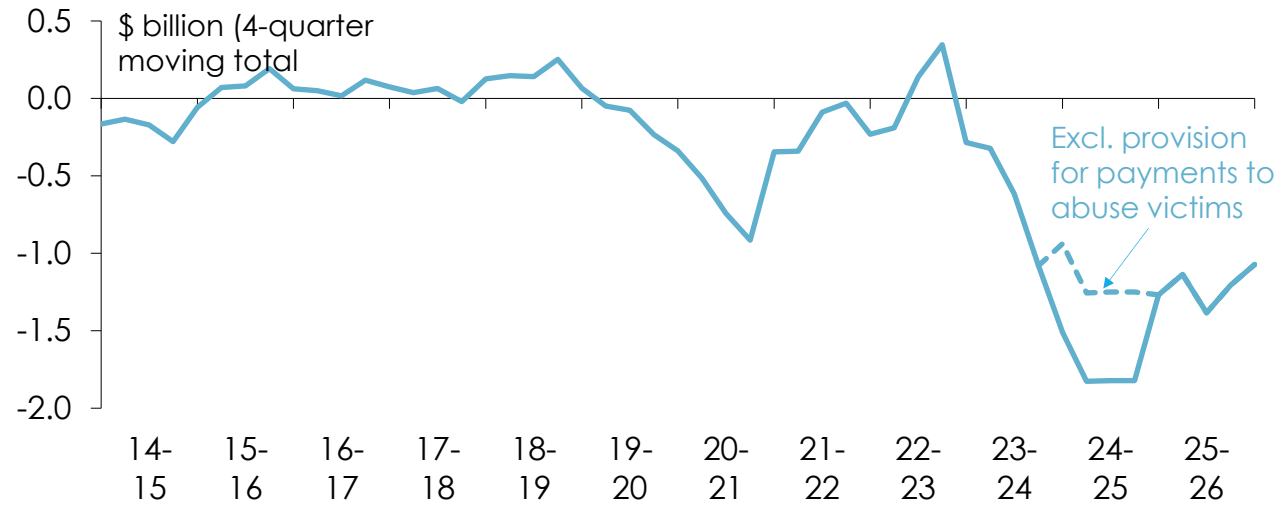
Growth in 'operating' revenues per capita, 2018-19 to 2024-25



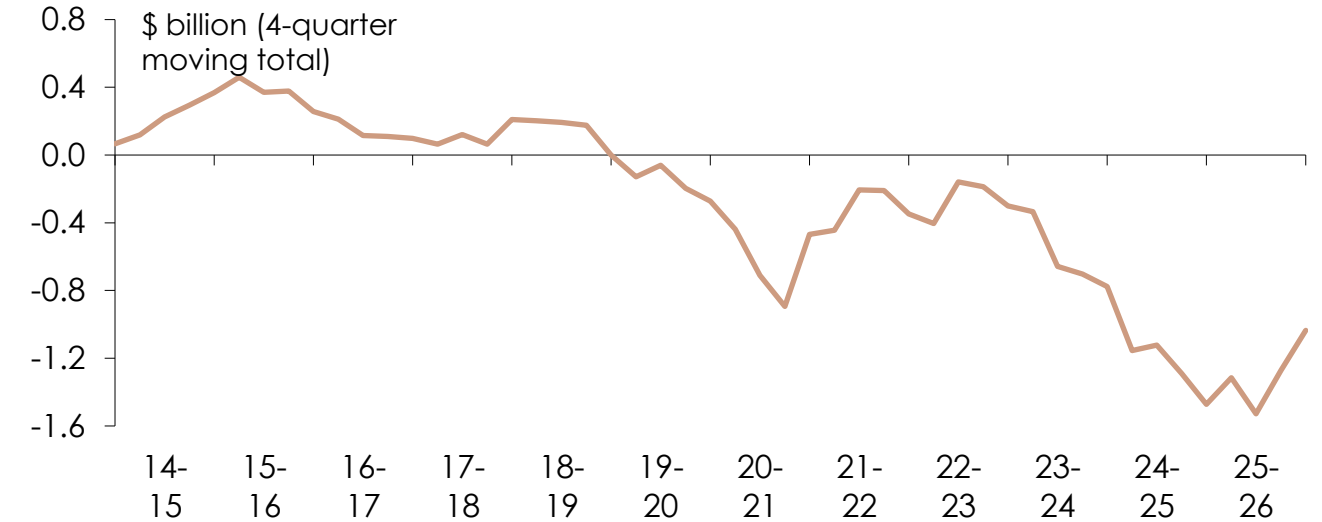
Sources: 2024-25 Final Budget Outcome, 2025-26 Preliminary Final Budget outcome (where available) and 2026-27 Budget documents for each state and territory.

The latest quarterly financial statements show that Tasmania's financial position may have stopped getting worse – although it is still dire

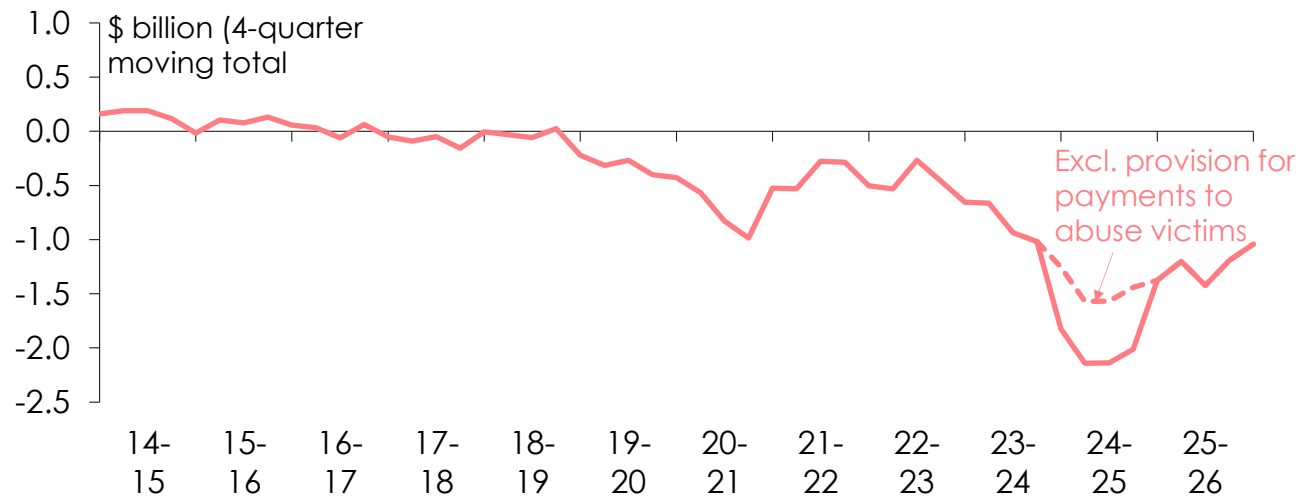
Net operating balance



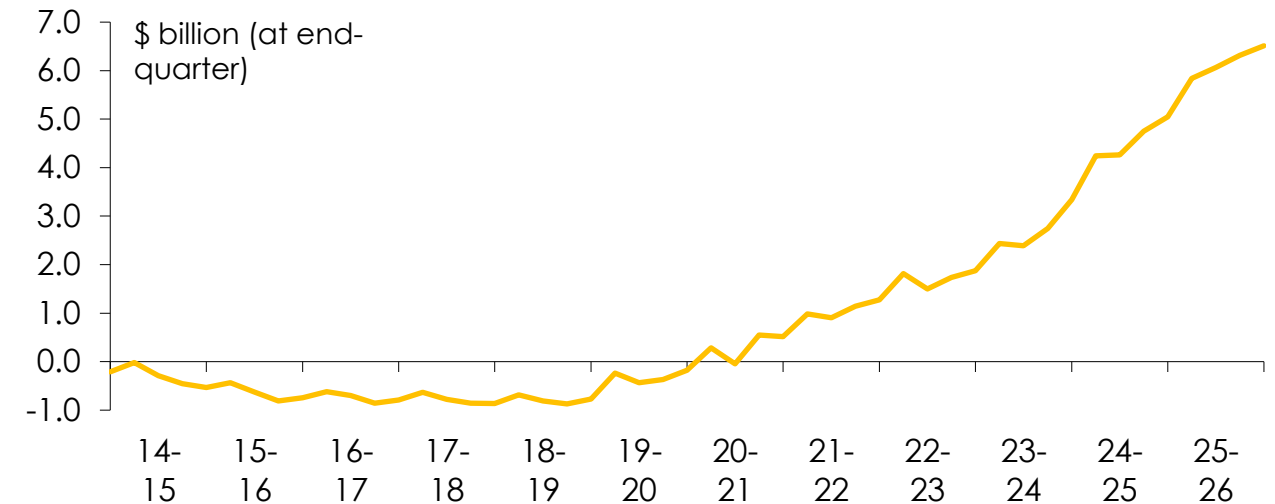
Cash balance



Fiscal balance



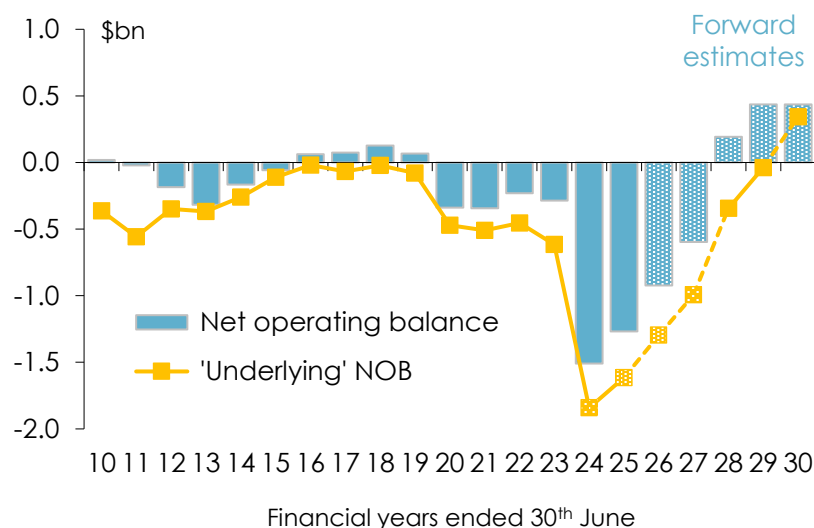
Net debt



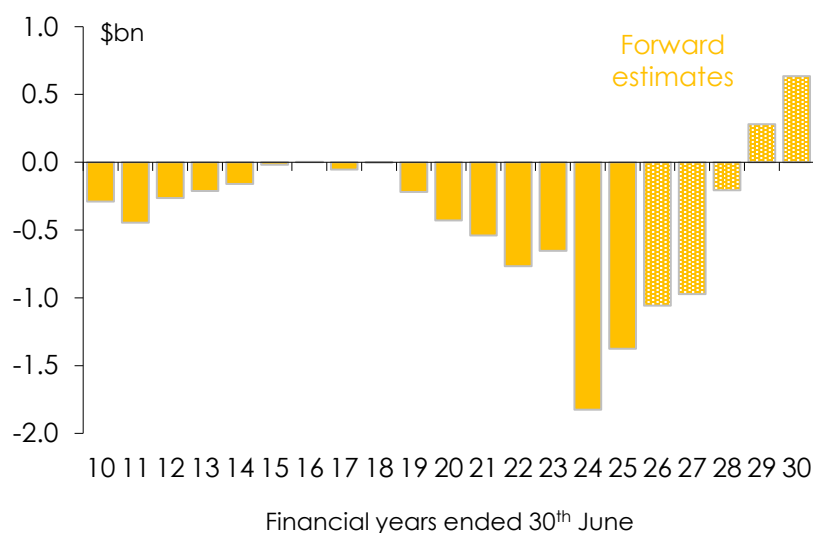
Note: Data shown are for the 'general government' sector (ie excluding GBEs). Towards the end of the June quarter of 2024, the Government made an additional provision of \$571 mn for claims related to child sexual abuse in State institutions (on top of the \$76 mn recognized a year earlier). This provision adds to the net operating and fiscal deficits, but not the cash deficit. Sources: Tasmanian Department of Treasury and Finance, [Financial Reports](#), and Corinna calculations.

The 2026-27 State Budget projects a return to a 'general government' cash surplus by 2029-30, and a peak in net debt by 2028-29

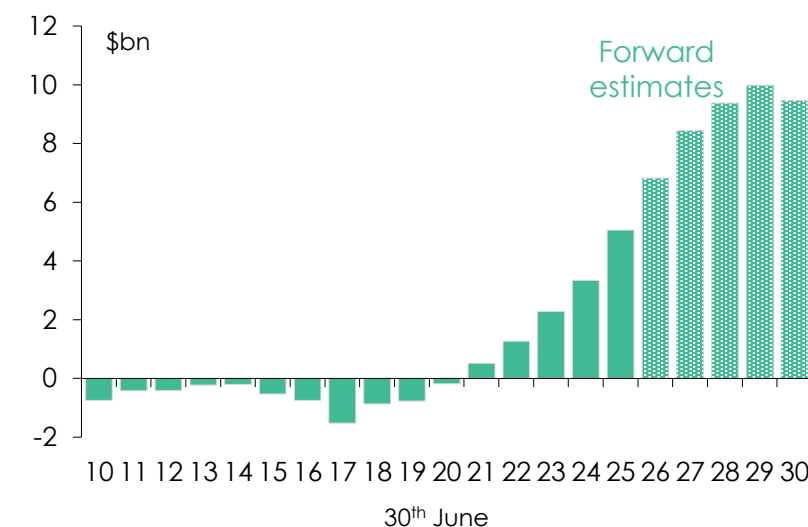
Net 'operating' balance



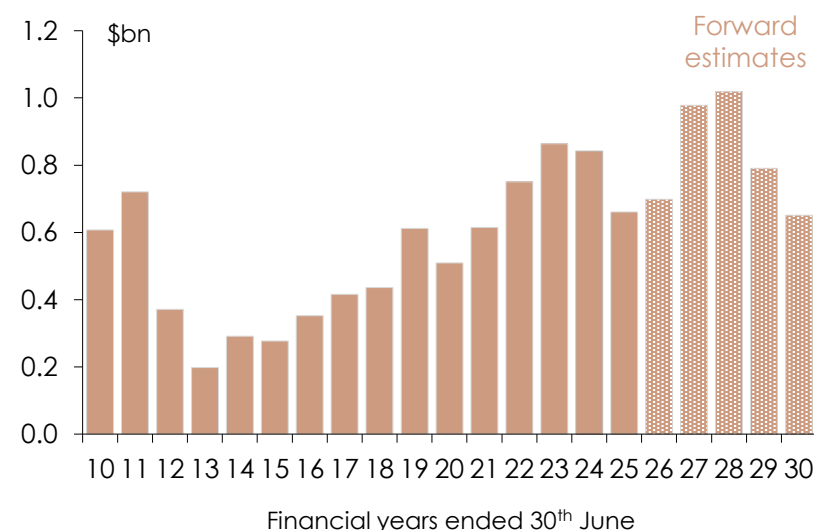
Fiscal balance



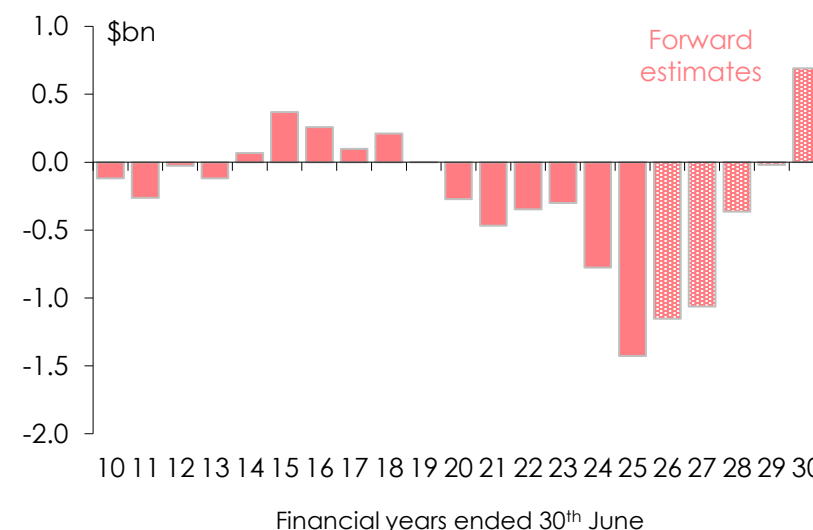
Net debt



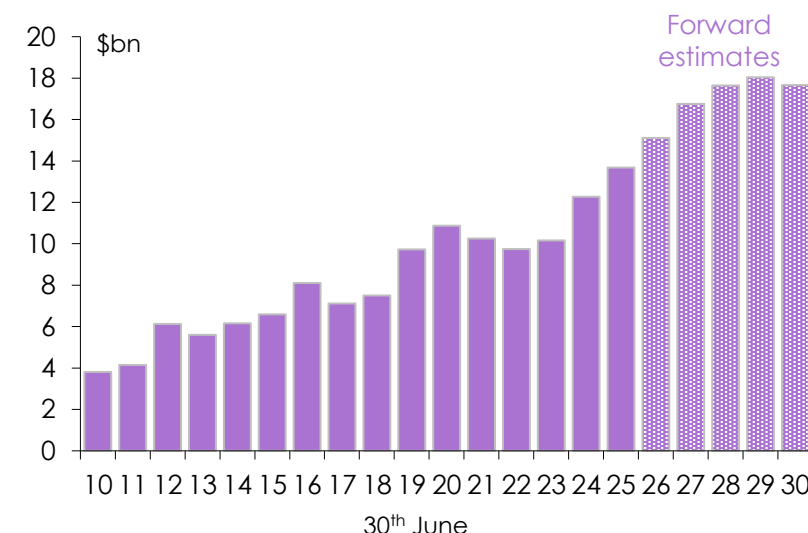
Infrastructure investment



Cash balance



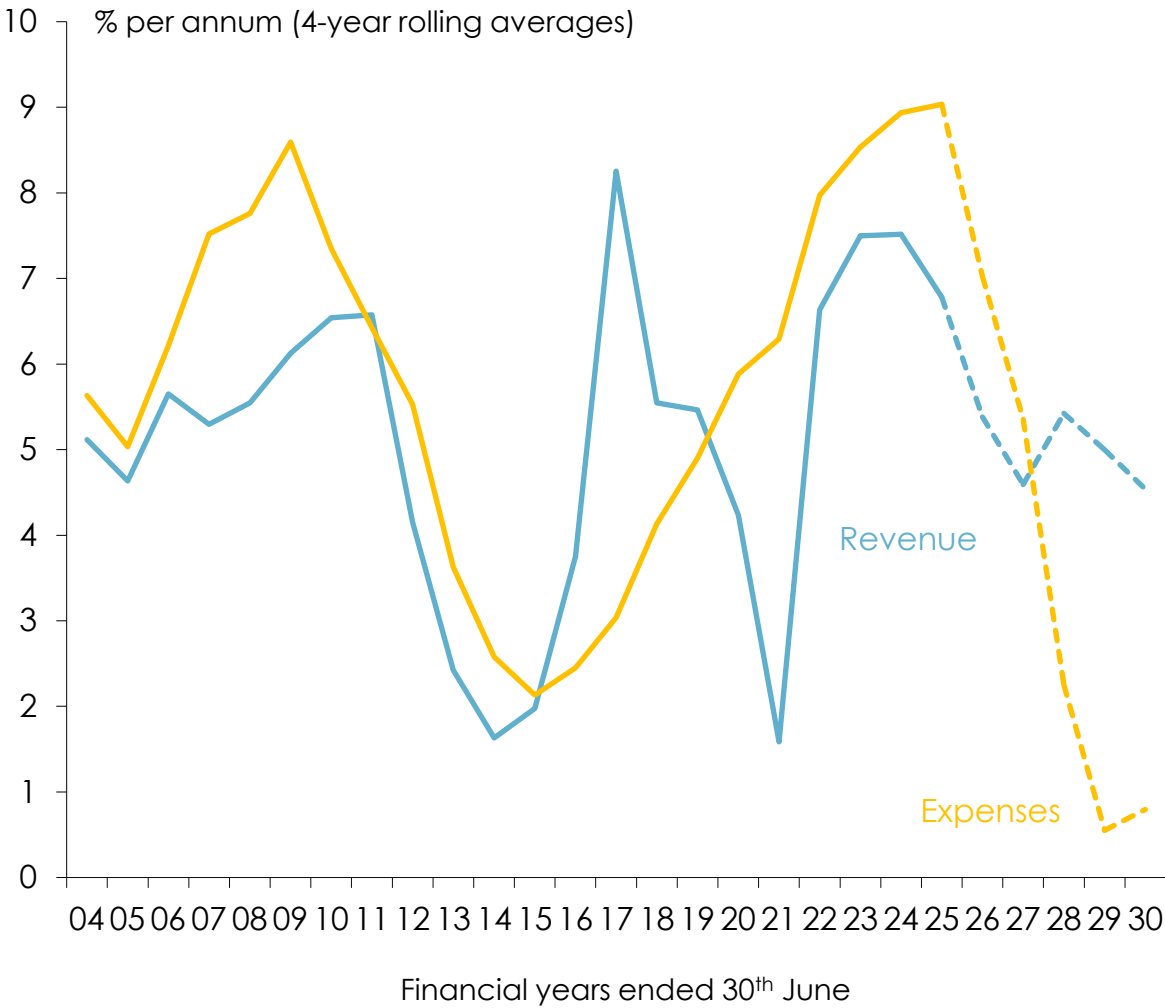
Net financial liabilities



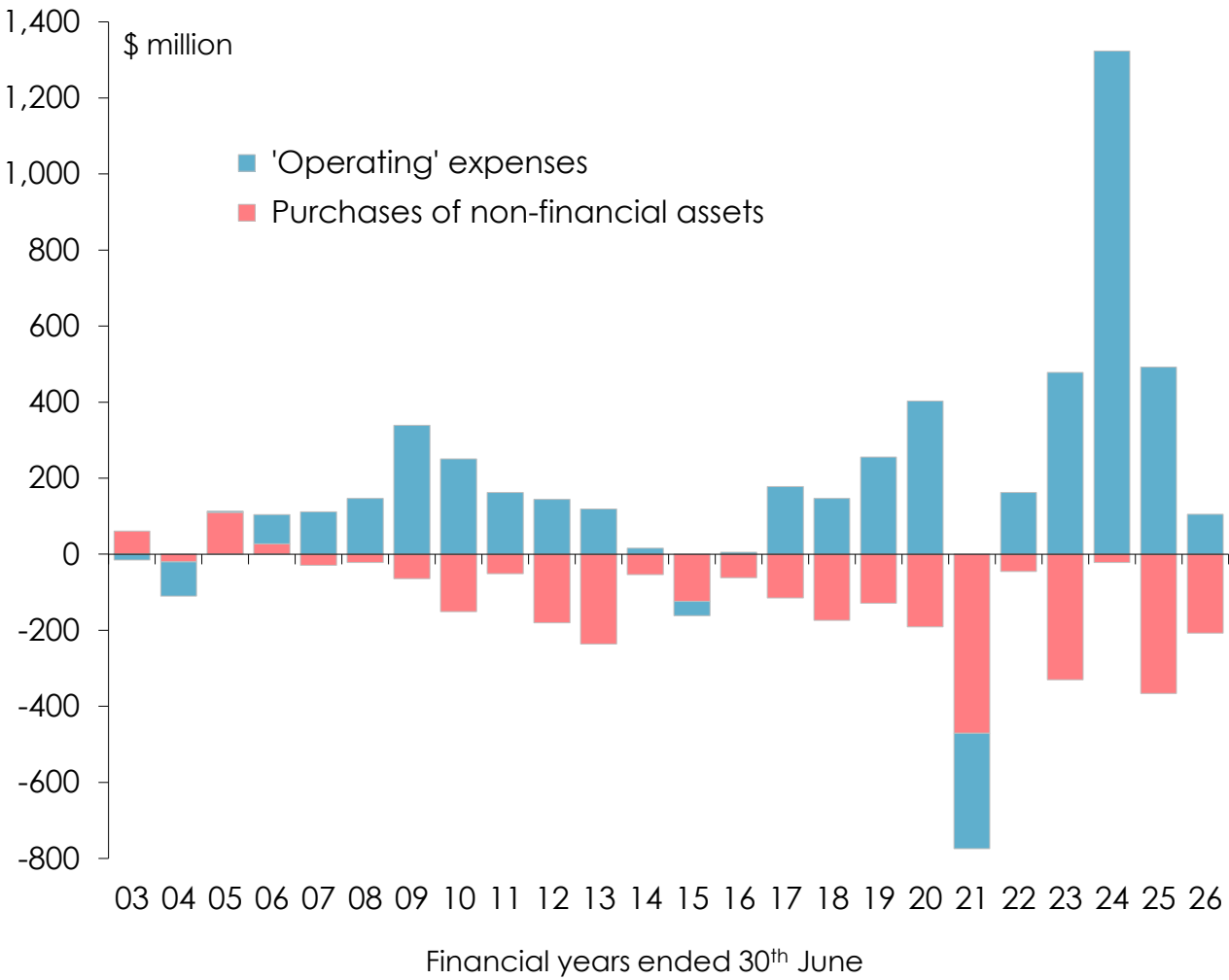
Note: 'General government' excludes public corporations. 'Underlying net operating balance' excludes one-off grants from the Federal Government for capital expenditures. 'Net financial liabilities' includes the unfunded superannuation liability. Sources: Tasmanian Government, [Treasurer's Annual Financial Report](#), 2024-25 and previous issues; [Preliminary Outcomes Report](#), 2025-26; and [Budget Paper No. 1 - Budget Strategy and Estimates](#), 2026-27.

The 2026-27 Budget forecasts assume an unprecedented degree of expenditure restraint – which history suggests is unlikely to be achieved

Growth in 'operating' expenses and revenues, 4-year rolling averages



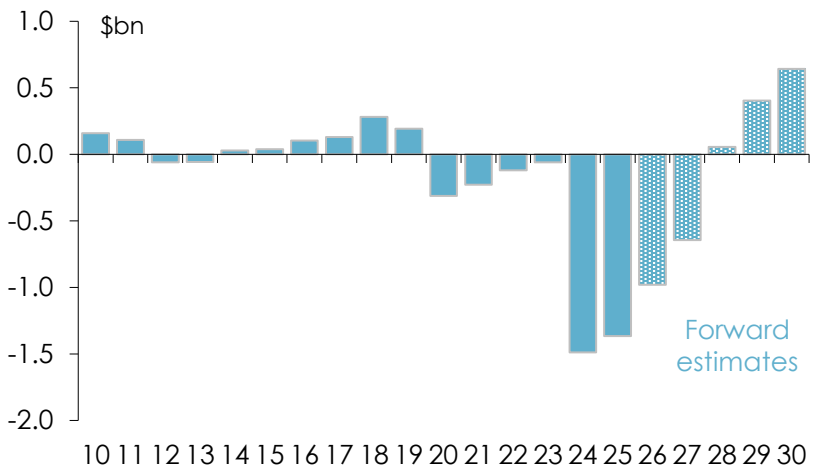
Difference between Budget forecasts of 'operating' expenses and infrastructure spending vs outcomes



Sources: Tasmanian Government, [Treasurer's Annual Financial Report](#), 2024-25 and previous issues; [Preliminary Outcomes Report](#), 2025-26; and [Budget Paper No. 1 - Budget Strategy and Estimates](#), 2026-27.

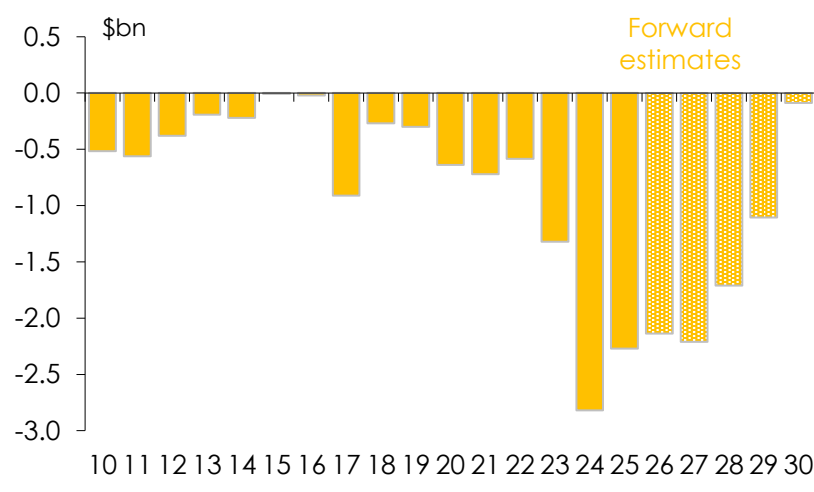
Including GBEs who will be doing a lot of capex, the Tasmanian public sector as a whole will still be running cash deficits through to 2029-30

Net 'operating' balance



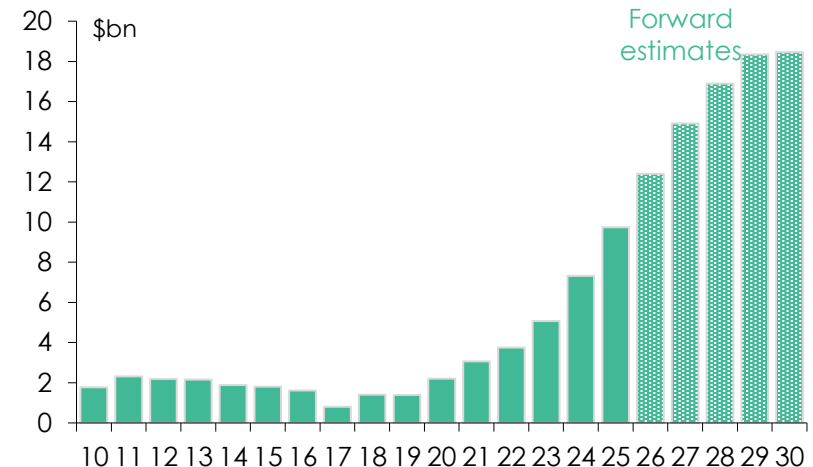
Financial years ended 30th June

Fiscal balance



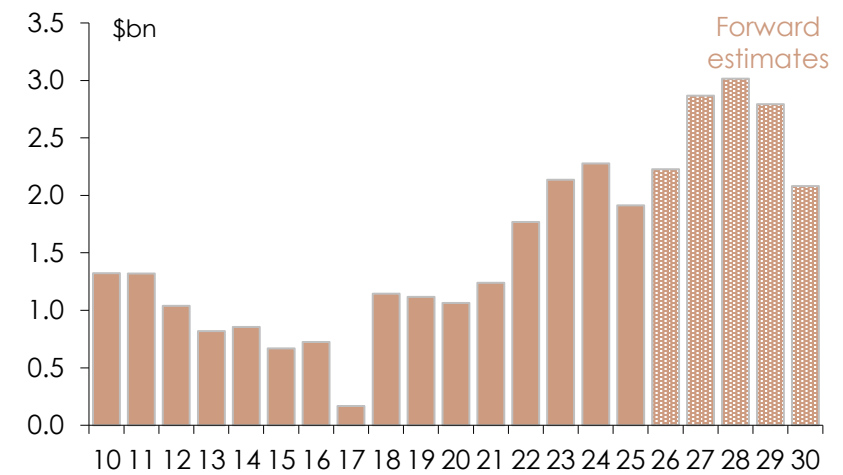
Financial years ended 30th June

Net debt



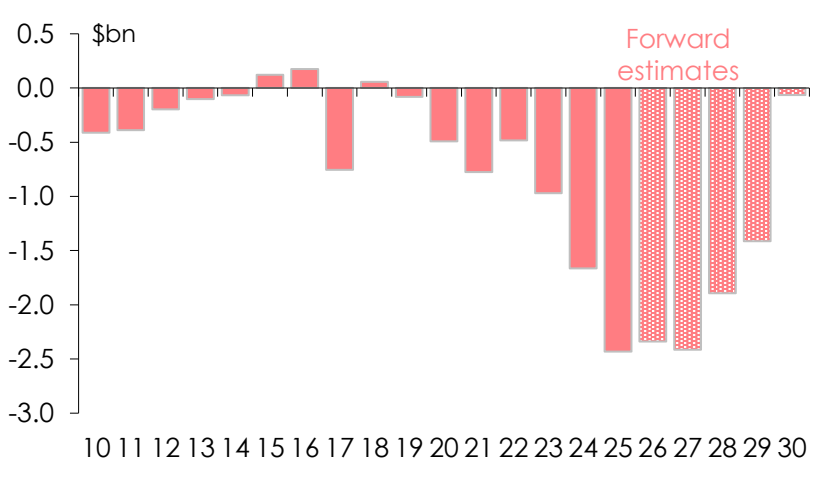
30th June

Infrastructure investment



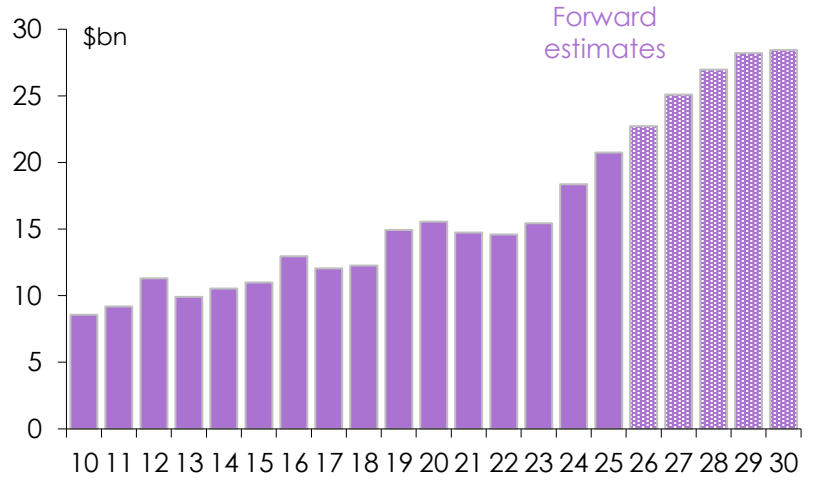
Financial years ended 30th June

Cash balance



Financial years ended 30th June

Net financial liabilities

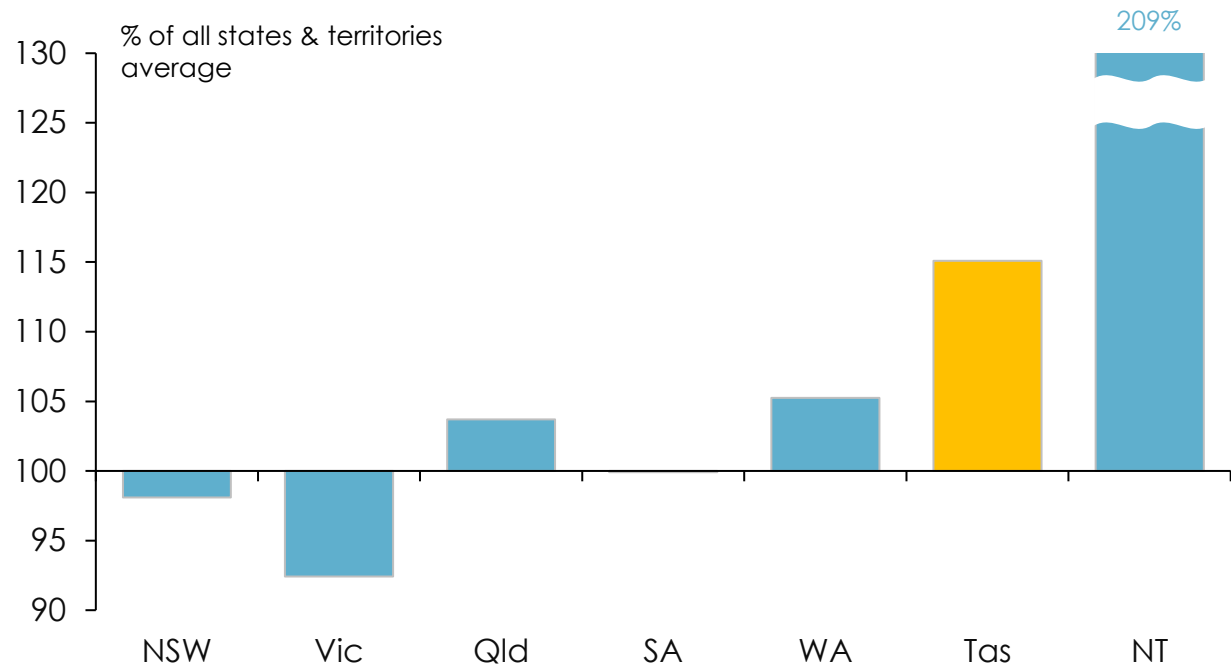


30th June

Note: Data shown in this chart are for the non-financial public sector ie excluding public financial corporations (TasCorp and MAIB). 'Net financial liabilities' includes the unfunded superannuation liability. Sources: Tasmanian Government, [Treasurer's Annual Financial Report](#), 2024-25 and previous issues; and [Budget Paper No. 1 - Budget Strategy and Estimates](#), 2026-27.

Tasmania needs to spend more (per head) on service delivery to provide the ‘average’ level of services – but it spends more than it needs to

Expenditure needs, as assessed by the Commonwealth Grants Commission, 2024-25



Tasmania needs to spend about 15% more per head than the average of all states and territories in order to provide a similar standard of services to the average of all states and territories (because of smaller, older, more dispersed and more disadvantaged population)

Level of service provision, as assessed by the Commonwealth Grants Commission

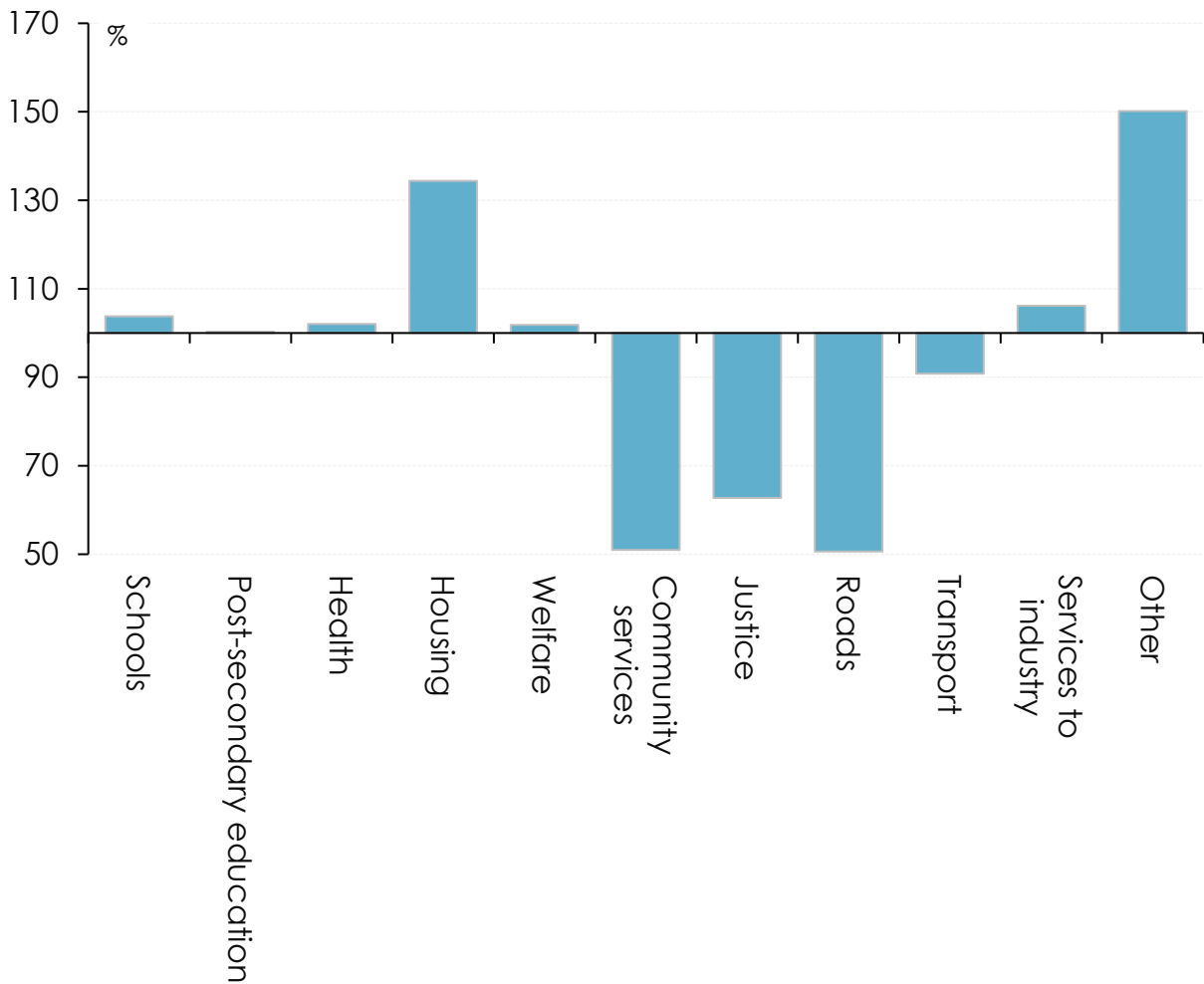


Tasmania spends about 2% more than it needs to, per head of population, in order to provide the average level of services, after taking into account differences in the need for and unit cost of providing those services

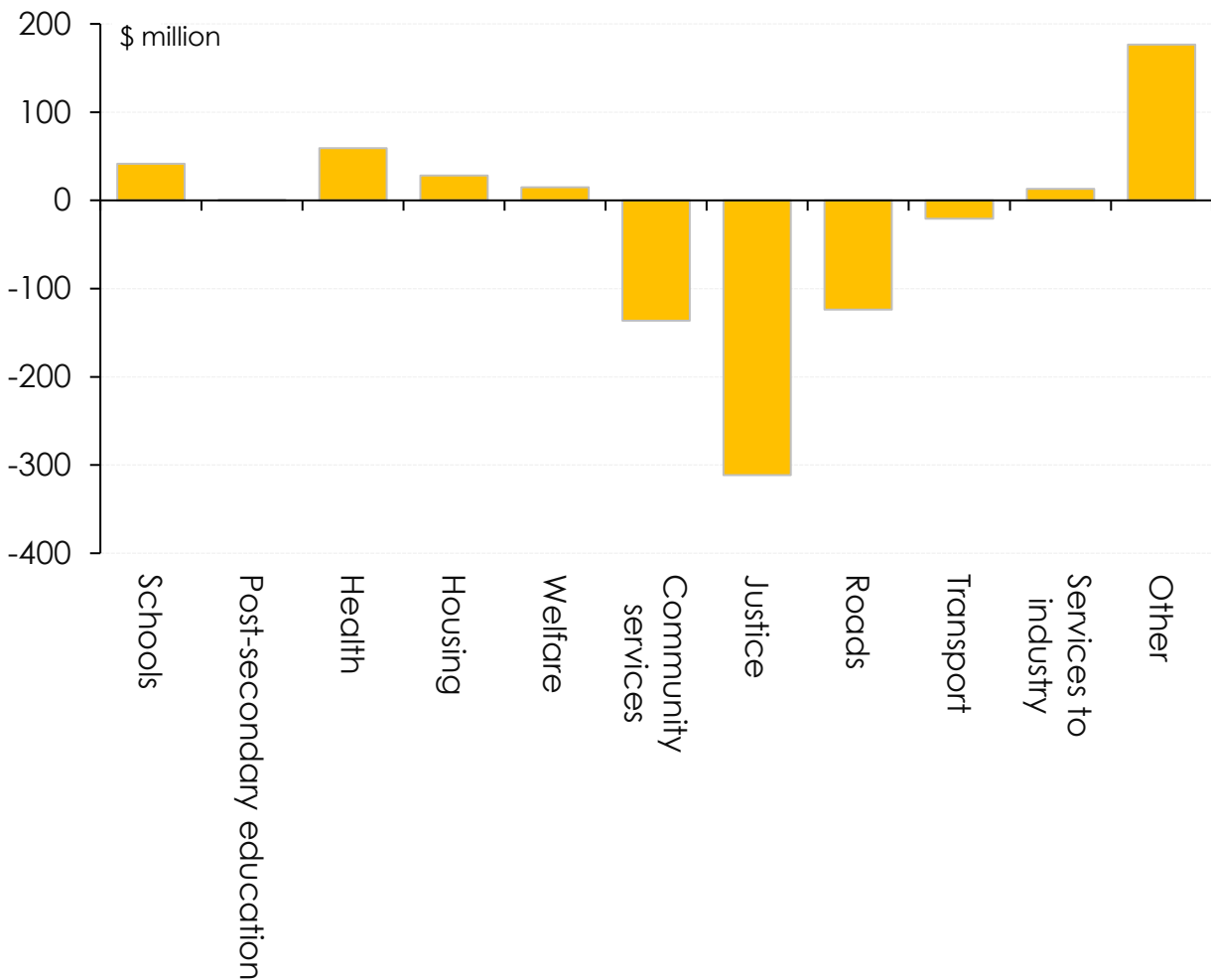
Note: ‘Expenditure needs’ are the per capita spending required, according to the Grants Commission’s assessments, required to provide a state or territory’s population with the all-states-and-territories average level of services. A ratio above (below) 100 suggests above (below) average costs to provide average levels of services. ‘Level of service provision’ is the ratio of actual per capita expenses to ‘assessed’ expenses (required to provide the average level of services). Source: Commonwealth Grants Commission, [GST Relativities 2025-26 - Tables, charts and supporting data](#), Revenue and expense ratios, March 2025, and Corinna calculations.

The Grants Commission's assessments point to potential areas where spending could be cut, although these should be interpreted cautiously

Tasmanian 'level of service provision ratios', by category, 2024-25



Difference between actual and 'assessed' spending by Tasmanian Government, 2024-25



Note: 'Assessed' spending is that estimated the Commonwealth Grants Commission as being required to provide the same level of services as the average of all states and territories. The 'level of service provision ratio' is the ratio of actual to assessed spending. In some cases, big departures from zero are the result of states classifying particular spending programs in different ways from other states. Source: Commonwealth Grants Commission, [GST Relativities 2025-26 - Tables, charts and supporting data](#), Revenue and expense ratios, March 2025, and Corinna calculations.

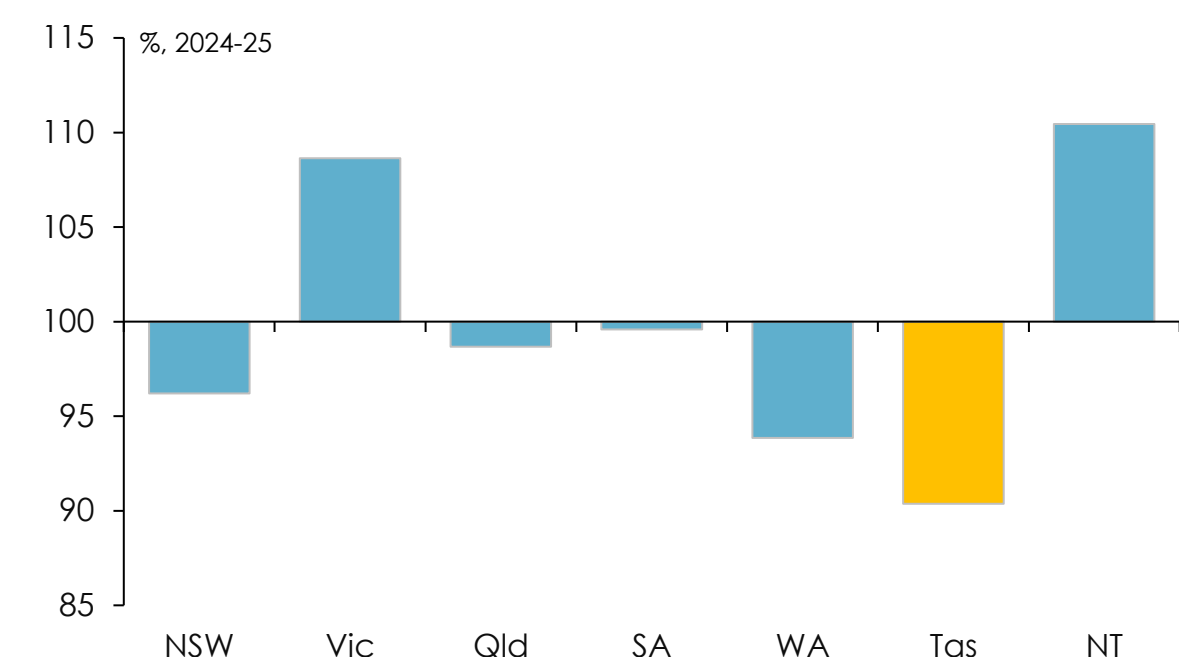
Tasmania can't raise as much revenue from its own sources as other states & territories – but it could raise more than it actually does

Revenue-raising capacity, as assessed by the Commonwealth Grants Commission, 2024-25



Tasmania is less able to raise revenue from its own sources than other states and territories, for any given tax regime, because it has a smaller proportion of its population in employment, lower average wages, lower average property values and fewer mineral resources than other states

Revenue-raising effort, as assessed by the Commonwealth Grants Commission



Even so, Tasmania raises less revenue (per head of population) than it could if its tax regime were similar to the average of all states and territories

35 Note: 'Revenue-raising capacity' is the ratio of 'assessed revenue' (per capita) to the average revenue (per capita) of all states and territories, where 'assessed revenue' is the revenue which the Grants Commission assesses each state or territory would raise if it taxed its revenue base at the average rate of all states and territories. 'Revenue-raising effort' is the ratio of actual revenue (per capita) to actual revenue. Source: Commonwealth Grants Commission, [GST Relativities 2025-26 0- Tables, charts and supporting data](#), Revenue and expense ratios, March 2025, and Corinna calculations.

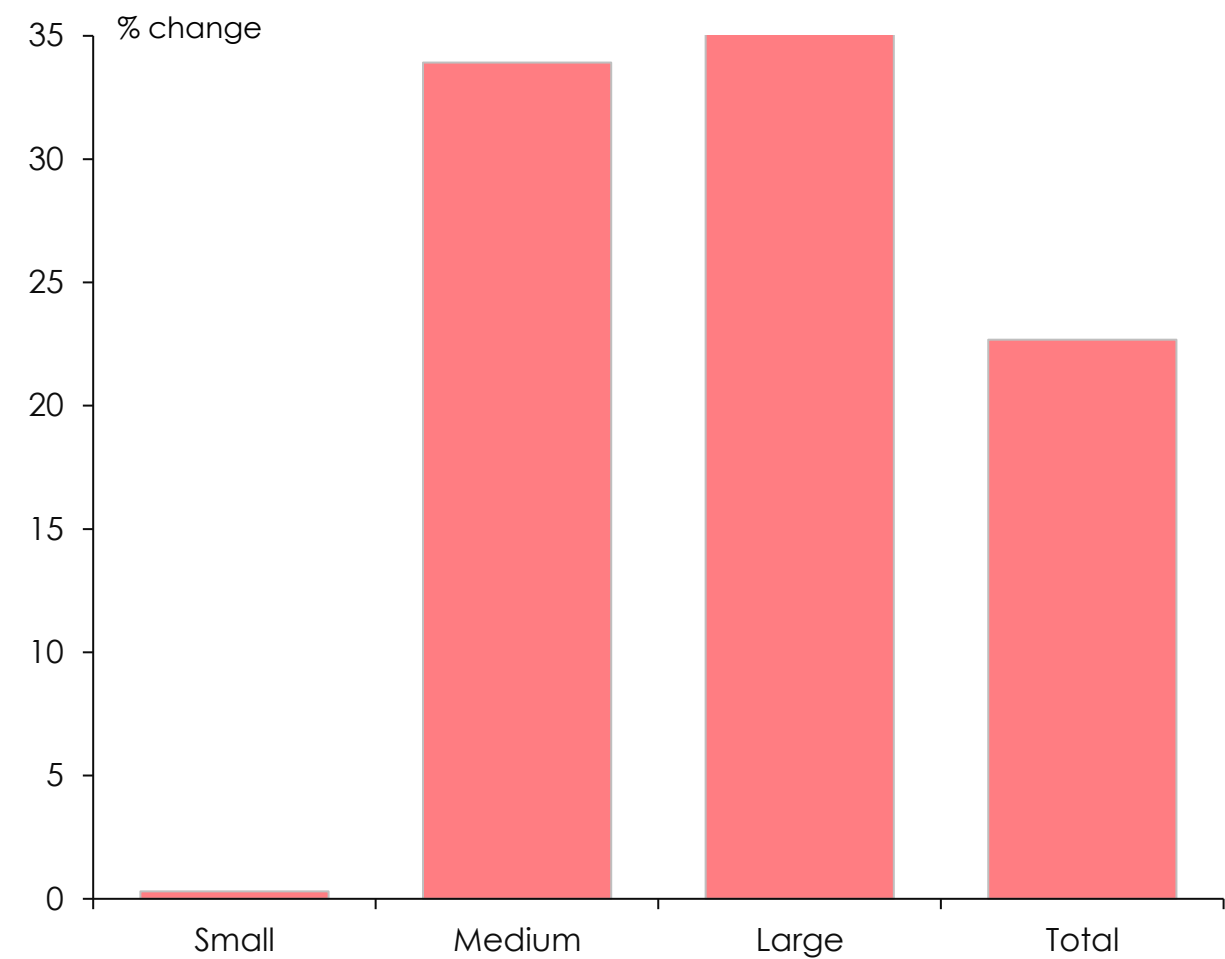
Tasmania has the highest payroll-tax free threshold, and the highest tax rate, of any state – without having any discernible impact on employment

Effective state and territory payroll tax rates at various annual payroll levels for 2024-25

Payroll \$ mn	Rate of tax payable on selected size payrolls (%)							
	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
1.5	1.09	1.62	0.72	0.00	2.12	0.67	0.00	0.00
2	2.18	2.43	1.90	3.47	3.17	1.50	0.00	0.00
5	4.14	4.85	4.02	4.36	5.08	4.26	4.10	4.11
10	4.80	4.85	4.92	4.65	5.50	5.18	5.50	5.48
50	5.32	5.65	5.15	4.89	5.50	5.93	5.50	6.58
100	5.38	5.75	5.18	4.92	5.50	6.01	5.50	7.06
500	5.44	6.63	5.60	4.94	5.50	6.08	5.50	7.67

- ❑ Tasmania’s very high tax-free threshold will cost the State Government \$269mn in revenue foregone in 2025-26
 - equivalent to 44% of the revenue which the Government expects to collect from employers liable to pay payroll tax

Private sector employment growth in Tasmania by business size, 2009-10 to 2024-25



Tasmania levies the lowest duties on registrations of expensive cars of any state, and has the second lowest annual registration fees

Duty payable on registrations of new motor vehicles, by value, 2024-25

Value \$	Rate of duty payable (%)							
	NSW	Vic	Qld	SA	WA	Tas	NT	ACT
10,000	3.00	4.20	3.00	3.40	2.75	3.00	3.00	3.17
20,000	3.00	4.20	3.00	3.70	2.75	3.00	3.00	3.17
40,000	3.00	4.20	3.00	3.85	5.00	4.00	3.00	3.17
60,000	3.50	4.20	3.00	3.90	6.50	4.00	3.00	3.78
80,000	3.88	4.20	3.00	3.93	6.50	4.00	3.00	4.24
100,000	4.10	5.20	3.00	3.94	6.50	4.00	3.00	4.99
150,000	4.40	7.00	5.00	3.96	6.50	4.00	3.00	6.00
200,000	4.55	9.00	5.00	3.97	6.50	4.00	3.00	6.50

Motor vehicle registration fees and compulsory third party insurance premiums, 2024 Toyota Camry SL



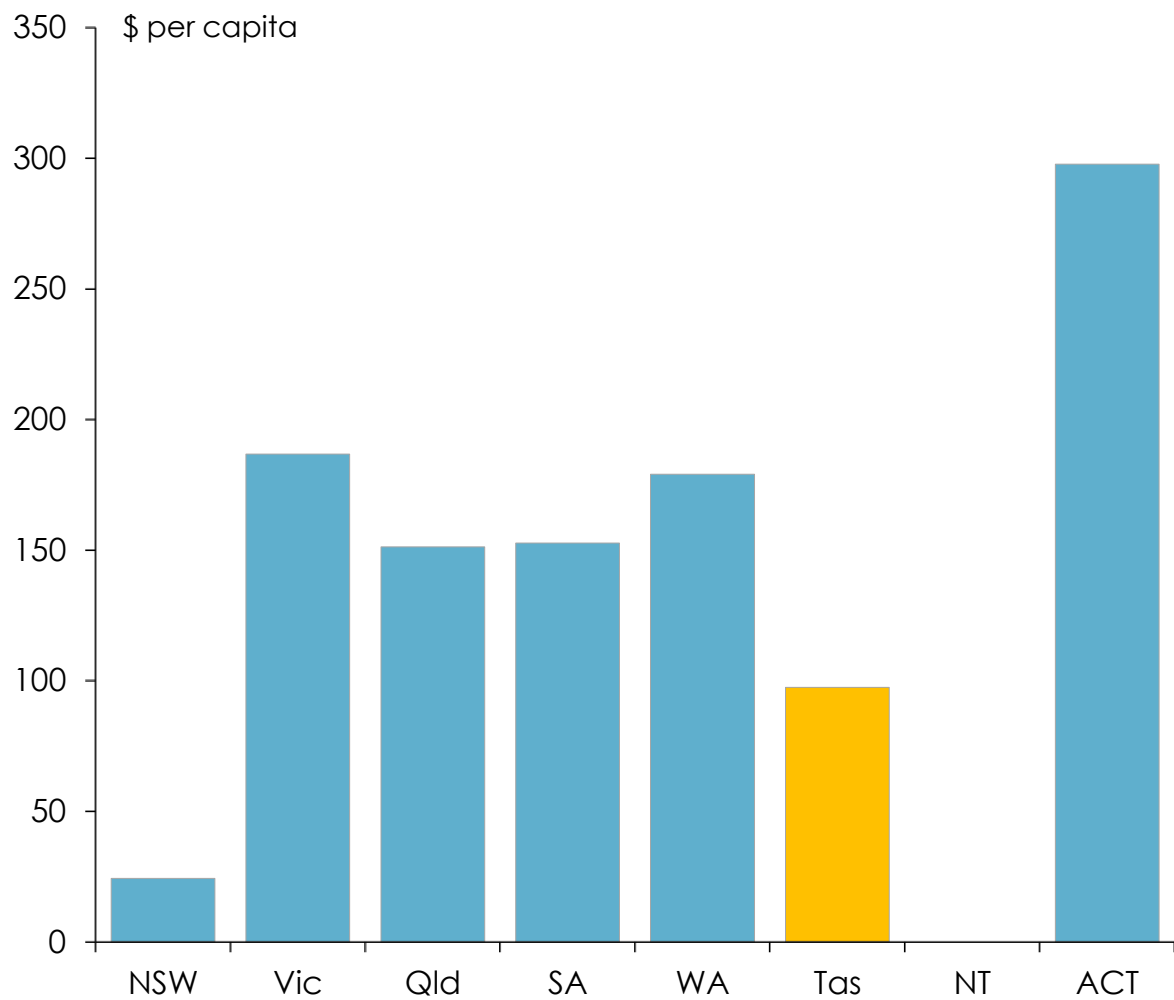
Source: Western Australian Department of Treasury and Finance, [Overview of State Taxes and Royalties 2025-26](#), 27th November 2025.

Tasmania could derive more revenue from levies on property, including for funding emergency services or for other purposes (as the ACT now does)

State levies on metropolitan residential properties for fire and emergency services, 2024-25

WA	The Emergency Services Levy is levied upon property owners at a rate determined by the level of fire and emergency services cover available in their region. Residential property owners in the Perth metropolitan region pay 1.5216% of the Gross Rental Value (GRV)^(a) of the property. The minimum fee payable is \$108 and the maximum is \$533. (a) The GRV of a property is determined by the Valuer General. It is the gross annual rental income that a property might reasonably be expected to realise if it were let on a tenancy basis from year to year.
VIC	The Emergency Services and Volunteers Fund contains both a fixed charge and variable charge component. Residential metropolitan property owners pay a fixed charge of \$136 and a variable charge of 0.0173% of the Capital Improved Value^(a) of the property. (a) The Capital Improved Value is determined through the general valuation process and is the value of land inclusive of its buildings and other capital improvements.
QLD	The Emergency Management Levy is levied upon all property owners at a rate determined by the location and category of the property. A single unit residence located in a metropolitan region is levied a flat rate of \$251.60.
SA	The Emergency Services Levy contains both a fixed charge and a variable charge. Residential metropolitan property owners are levied a fixed charge of \$50 and a variable charge of approximately 0.034%^(a) of the Capital Value^(b) of the property. (a) The effective rate of the variable charge component is less than this prescribed amount, as the variable component is reduced (via a general remission) for all levy payers. (b) The Capital Value is determined through the general valuation process, and is the value of land inclusive of its buildings and other capital improvements.
TAS	A Fire Service Contribution is levied by local councils on behalf of the Tasmanian Government at a rate which varies across regions. Residential property owners in Hobart are charged a levy of 0.0425% of the Capital Value^(a) of a property, with a minimum charge of \$50. (a) Refers to the value of land inclusive of its buildings and other capital improvements.
ACT	The Police, Fire and Emergency Services Levy is charged on all rateable properties. Residential properties are levied a flat fee of \$426.

Revenue per capita from ‘other taxes on property’ (ie excluding land tax, stamp duty & rates) , 2024-25



Note: NSW and the NT do not apply property-based levies to fund fire and emergency services. Sources: Western Australian Department of Treasury and Finance, [Overview of State Taxes and Royalties 2025-26](#), 27th November 2025; ABS, [Taxation Revenue](#), 2024-25 financial year, April 2025.

Tasmania could also raise more revenue from mineral royalties

Iron ore royalty rates

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT ^(a)
Royalty Rate	Beneficiated: 5.0% Direct shipping: 7.5%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	\$1.25 per tonne plus 2.5% of gross value above \$100 per tonne ^(b)	5.0% of net market value	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(c)	N/A	Beneficiated: 5.0% Direct shipping: 7.5%
Royalty System	Ad valorem	Ad valorem	Ad valorem	Hybrid	Ad valorem	Hybrid		Ad valorem

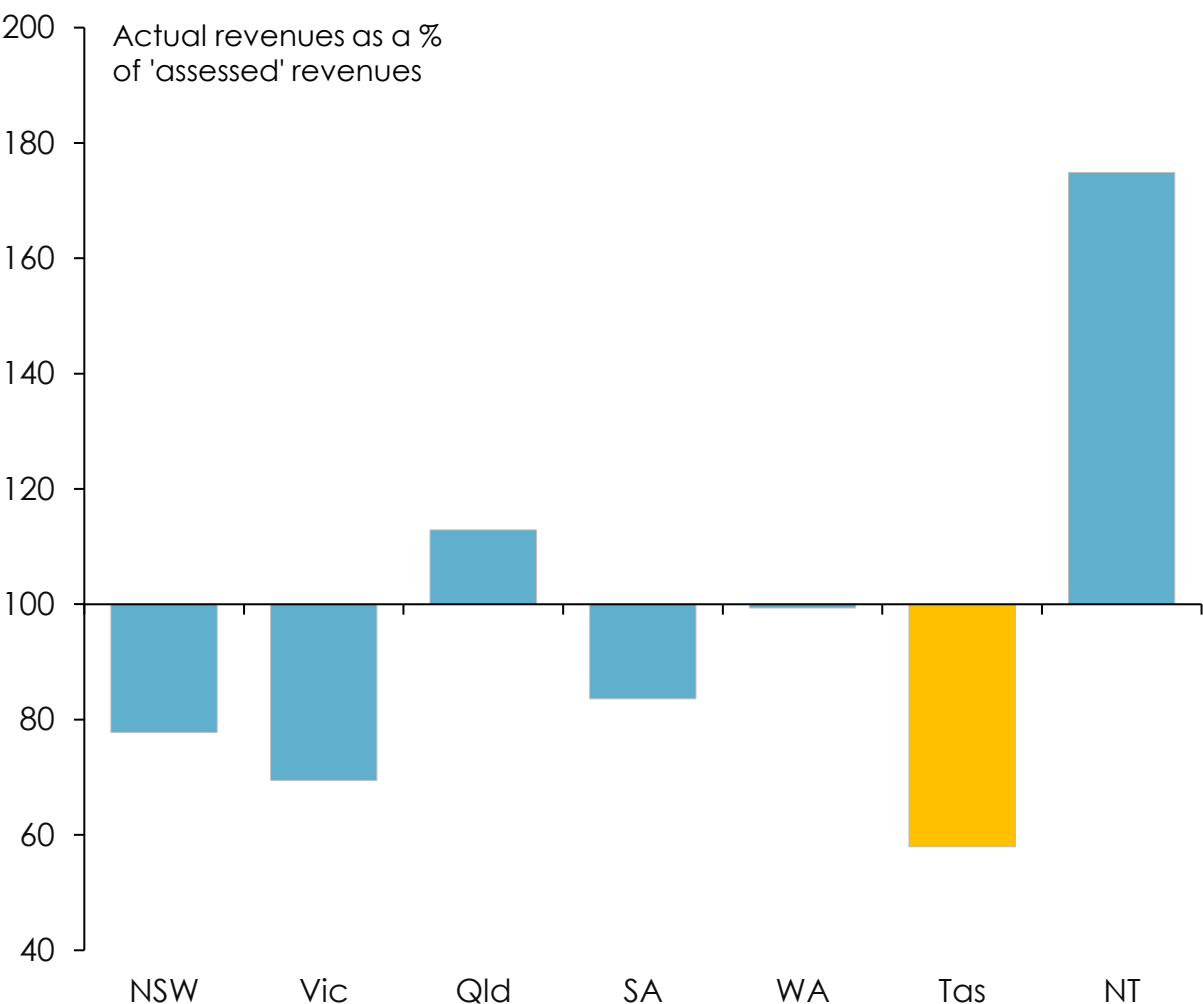
- (a) Applies to new mines that begin operating from 2024. For mines that were already operating in 2023 and have annual gross production revenue exceeding \$500,000, the following rate applies: the greater of 20% of net value (less \$10,000) or 2.5% of gross revenue.
- (b) A discount of 20% is available if the mineral is processed in Queensland and the metal produced is at least 95% iron ore.
- (c) A 20% rebate is available for the production of a metal in Tasmania.

Copper royalty rates

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT ^(a)
Royalty Rate	Metallic form: 2.5% Concentrate: 5.0% Crushed and screened ore: 7.5%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0% of gross value) depending on average metal prices ^(b)	Metallic form: 3.5% Concentrate: 5.0%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(c)	N/A	Metallic form: 2.5% Concentrate: 5.0% Crushed and screened ore: 7.5%
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Ad valorem

- (a) Applies to new mines that begin operating from 2024. For mines that were already operating in 2023 and have annual gross production revenue exceeding \$500,000, the following rate applies: the greater of 20% of net value (less \$10,000) or 2.5% of gross revenue.
- (b) Producers are advised of the applicable variable rate each quarter. Prices below \$3,600/tonne attract the minimum rate; prices above \$9,200/tonne attract the maximum rate. A discount of 20% is available if the mineral is processed in Queensland and the metal produced is at least 95% copper. No royalty is payable on the first \$100,000 of copper produced each year.
- (c) A rebate of 20% is available for the production of a metal within Tasmania.

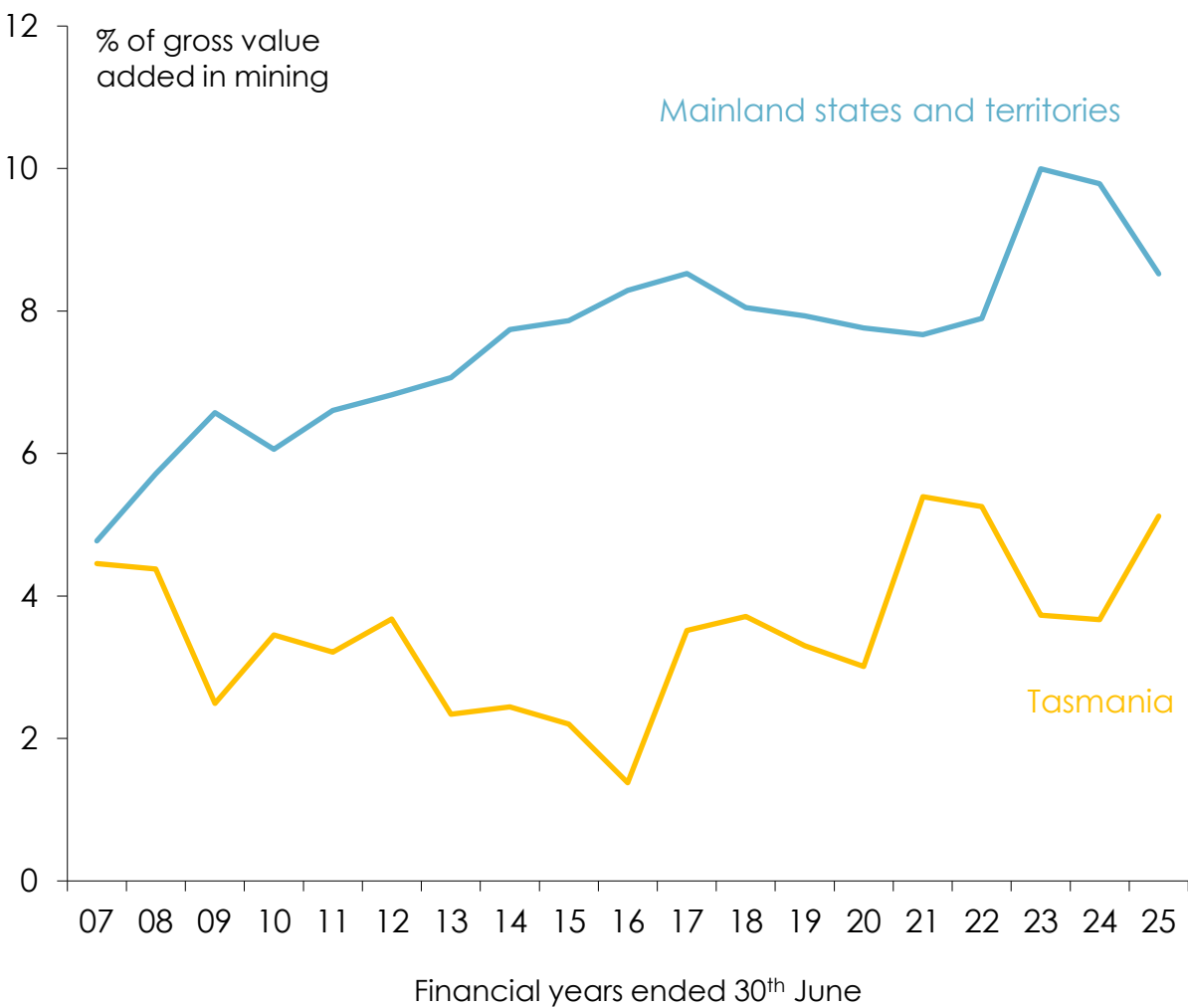
‘Revenue-raising effort’ from mineral royalties, 2020-21 through 2024-25



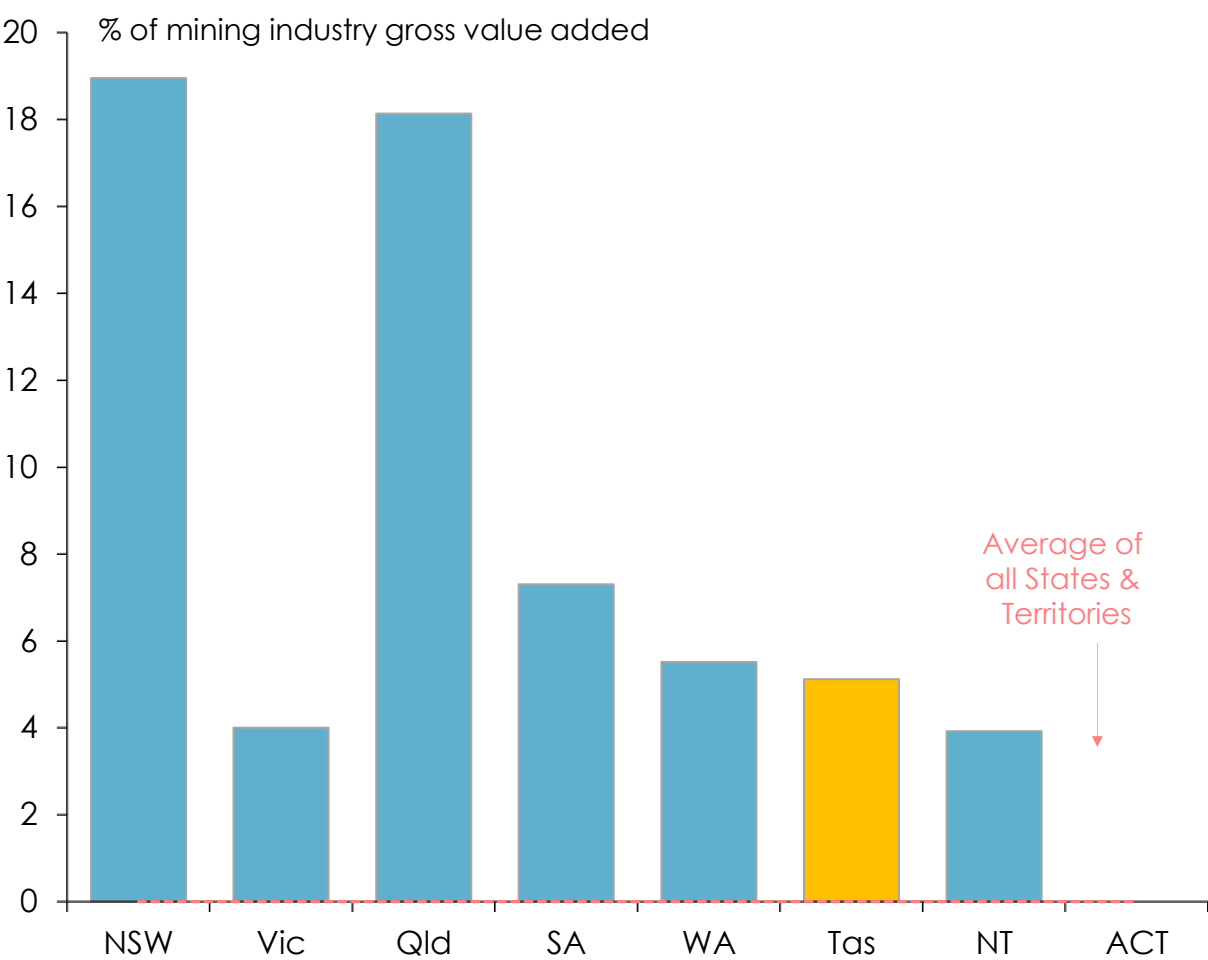
Sources: Western Australian Department of Treasury and Finance, [Overview of State Taxes and Royalties 2025-26](#), 27th November 2025; Commonwealth Grants Commission, [2025 Methodology Review - Tables, charts and supporting data](#), March 2025. ‘Assessed revenue’ is the revenue the Grants Commission estimates a state or territory could raise if it were to apply a royalty regime equivalent to the average of all states and territories.

Tasmania could also raise more revenue from mineral royalties

Mining royalties as a percentage of gross value added in mining, Tasmania vs mainland states

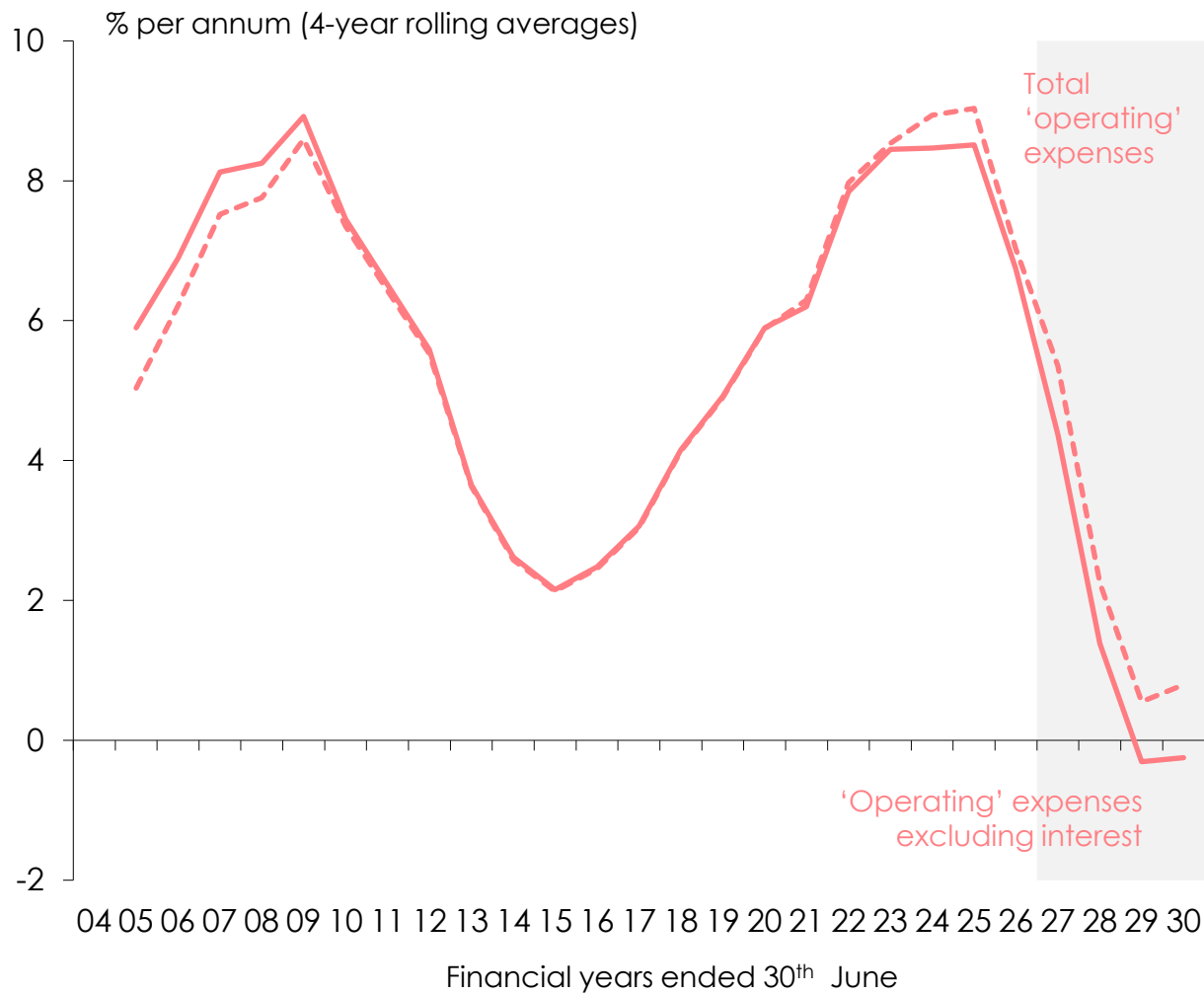


Mining royalties as a percentage of gross value added in mining, states & territories, 2024-25

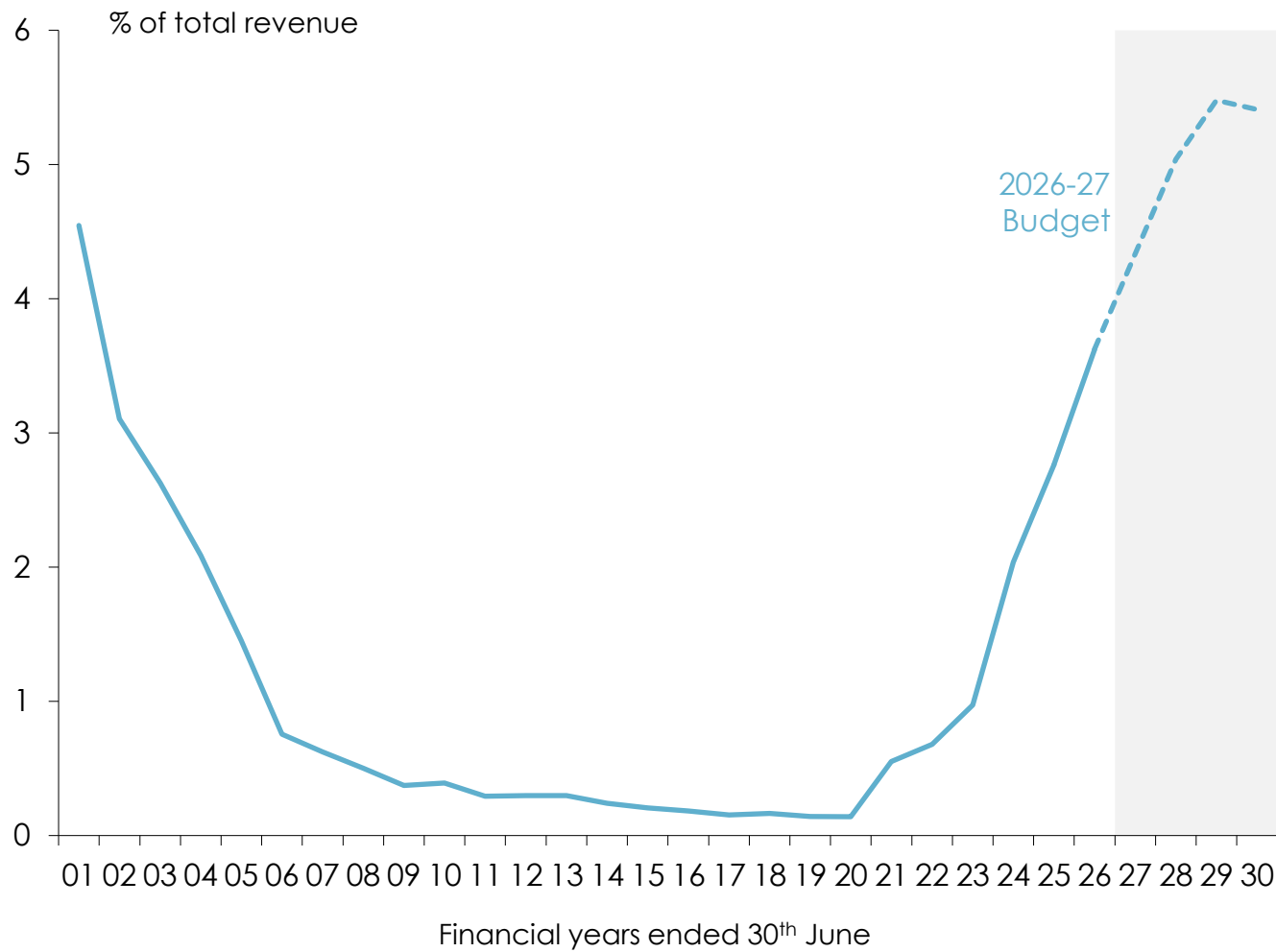


In the absence of serious efforts at ‘budget repair’ a growing proportion of the State Government’s revenue will be absorbed by interest payments

Growth in ‘operating’ expenses including and excluding interest, 4-year rolling averages



Difference between Budget forecasts of ‘operating’ expenses and infrastructure spending vs outcomes



Sources: Tasmanian Government, [Treasurer's Annual Financial Report](#), 2024-25 and previous issues; [Preliminary Outcomes Report](#), 2025-26; and [Budget Paper No. 1 - Budget Strategy and Estimates](#), 2026-27.

Conclusion

Tasmanians' material living standards will continue to deteriorate, relative to those of other Australians, unless we ...

- ❑ ... recognize that the Cosgrove-Reece-Gray 'model' of combining cheap electricity with cheap workers to produce undifferentiated commodities competing solely on the basis of price stopped being viable three-four decades ago
 - and that the only sustainable way of overcoming Tasmania's inherent disadvantages of small scale and great distance is by producing goods and services with distinctive characteristics that command premium prices
- ❑ ... stop giving away money that 'we' (that is, the state government) don't have
 - whether by way of 'secret deals' with big companies or billionaires in an attempt to entice them into 'doing business' here, or simply 'buying votes'
- ❑ ... reform our state tax system so that it is capable of generating enough revenue to fund the public services the community needs and wants, in ways that are seen as fair and which don't detract from economic growth or job creation
- ❑ ... reform our governance structures with a view to promoting stability and longer-term thinking, whilst reducing duplication and unnecessary costs
 - which includes reform of our state electoral system, and the structure of local government
- ❑ ... and, most important of all, reform our education system so that it offers the same opportunities to our children as other states' education systems do to theirs