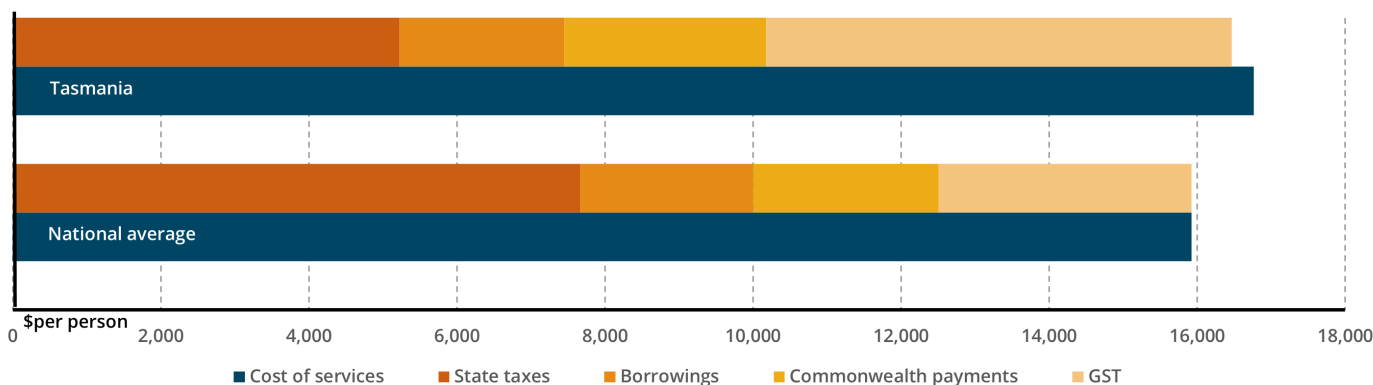


Tasmania

Tasmania will receive around \$3.6 billion in GST in 2025–26, \$151 million more than in 2024–25. The change reflects Tasmania’s assessed needs for GST, changes in population and its share of the growth in the GST pool. It also reflects the 2018 GST distribution legislation.

GST distribution in 2025–26



How Tasmania compares with other states and territories

Tasmania’s capacity to raise revenue from its own taxes is lower than the national average.



Tasmania can raise \$264 per person from mining royalties, which is below the national average of \$1,305 per person.



Tasmania can raise \$250 per person from land tax, which is below the national average of \$636 per person.

The characteristics of the people living in Tasmania mean that the cost of providing government services is higher than the national average.



Tasmania has a relatively dispersed population, with 38% living in outer regional and remote areas where service costs are higher, compared with the national average of 10%.



Tasmania’s First Nations population, for which service costs are higher, comprises 6.1% of the state’s population, compared with the national average of 3.8%.

Overall, the below-average revenue raising capacity and the above-average costs of providing services means that Tasmania receives a per person GST distribution above the national average.

Key factors that changed Tasmania's GST needs since 2024–25



+\$77 million

Changes to the wages model in the 2025 Review produced higher estimates for wage costs in Tasmania than the previous approach, increasing its GST needs.



+\$60 million

There was a large increase in states' community health expenses. This increased the GST needs of Tasmania, as a large share of its population lives in regional and remote areas where it costs more to provide health services.



+\$53 million

Introducing smoothing of wage cost estimates in the 2025 Review brought Tasmania's wage cost estimates closer to its long-term average, increasing its GST needs.



+\$ 53 million

A large increase in coal prices increased coal royalties and the revenue raising capacities of the main coal producing states. This reduced Tasmania's relative revenue raising capacity, increasing its GST needs.



-\$50 million

Tasmania received a greater share of Commonwealth payments, decreasing its GST needs.



-\$38 million

An assessment of COVID-19 business support expenses was introduced in the 2025 Review. Tasmania's below-average COVID-19 business support expenses decreased its GST needs.

For further information see <https://www.cgc.gov.au/reports-for-government/2025-methodology-review>