

May 2026

## Members briefing note:

# 2026-27 Tasmania Budget summary

### Key points

- The Tasmanian State Budget was handed down on 21 May 2026, with key focus areas being rebalancing the budget, cost of living relief, housing and health
  - Investment in cost of living relief includes a one-year extension of free public transport and cheaper insurance through the creation of *TasInsure*
  - Housing initiatives include the First Home Owner Grant, and the expanded MyHome Shared Equity Program
  - Key health spending includes an increase of \$872 million for an expected increase in demand for services however the Department of Health, along with other departments and agencies, will also need to find efficiency savings over the next four years
  - The Budget included a second bail out for Spirit of Tasmania TT-line with a \$506 million equity investment
- Funding for the Macquarie Point Stadium also continues, with \$26.6 million this year and \$194.8 million across the next two years. The overall Tasmanian Budget delivered a \$596.7 million deficit for the current financial year, with the Government aiming for a return to a net operating surplus by the 2027-28 financial year.
  - Revenue figures will be improved by an uplift in GST included in the Federal Budget, with an extra \$431.9 million over the next four years than listed in the Tasmanian Budget
  - Tasmanian Government agencies are to achieve operational efficiencies over the next four year by cutting a total of \$1.47 billion in expenses. This is expected to include approximately 1,700 jobs in the public sector, with the Premier saying this will exclude front line jobs and be achieved through natural attrition, negotiated voluntary redundancies and workforce renewal
  - The Tasmanian Department of Health's budget is expected to find \$700 million in cuts over this period, \$131 million in the upcoming financial year, as it makes up 33% of the state budget expenditure
  - The Treasurer particularly noted that the state's finances remain sensitive to a range of pressures "outside our direct control".

## Budget highlights

### Health

The Tasmanian Government has committed a record \$15 billion in health expenditure in 2026-27 and over the Forward Estimates on initiatives including the following:

- \$364 million on the Launceston General Hospital Redevelopment
- \$126.7 million to enhance the Emergency Department at the Royal Hobart Hospital
- \$40 million for the North West Mental Health Precinct, providing a 22-bed mental health inpatient unit to replace the Spencer Clinic
- \$16 million for the TassieDocs initiative to increase access to bulk billed GP appointments
- \$16.9 million for the Elective Surgery four-year plan 2025-29, aimed to improving the quality, increasing the overall efficiency of elective surgeries and decreasing wait times across the state
- \$14.3 million to upgrade the North West Regional Hospital in Burnie, including for expansions to the ambulance drop-off area and Emergency Department
- \$11.2 million, to continue the expansion of Care@home, in line with the independent review of Tasmania's Major Hospital Emergency Departments Recommendations, targeting respiratory illness, chronic disease management and care coordination and for the development of virtual care hubs in district hospitals
- \$5.4 million for a new health southern airbase in Launceston, which will ensure the accommodation of fixed and rotary wing aircrafts
- \$5 million (per annum) for the 20 Year Preventive Health Strategy, to place preventative health a more influential factor within the health system
- \$2.5 million (ongoing) for the Tasmanian State Diagnostic Breast screening program for additional breast imaging clinics including four new permanent clinics at Kingborough, Devonport, Triabunna and Glenorchy, to improve accessibility and wait times
- \$2.1 million for the statewide Meningococcal B vaccination program
- \$2 million for a state East Coast CT Scanner at St Helens District Hospital
- A New Huon Valley Health Precinct and mental health Hub has been given an initial funding for development. This Hub is expected to cost a total of \$15 million and is to provide dental and bulk billing services
- Lifeline Tasmania is provided additional funding, totalling \$800 million, to establish a self-sustaining community outreach program that partners with community, including Parkinson's Tasmania, Neighbourhood Houses Tasmania, local government and Risdon Prison, working to prevent suicide in Tasmania
- Expanding the Youth Mental Health in the Home program to Northern Tasmania
- Financial support for In Vitro Fertilisation, other assisted reproductive technology treatments, or fertility preservation services
- A contemporary Older Persons Mental Health facility at St Johns Park to replace the Roy Fagan Centre.

## Of interest to ACRRM members

- The Tasmanian Government is providing further funding through the TassieDoc program, seeking to increase bulk-billed GP appointments
- The statewide program for Meningococcal B vaccinations will be offered to all babies from 6 weeks to 12 months of age with catch up of immunisation of children aged 12 months and under 2 years
- A focus on implementation of the 20 Year Preventative Health Strategy as a feature of the Tasmanian health system offers great opportunity potential
- National Health Reform Agreement (NHRA) – the Tasmanian government has negotiated an Addendum to the NHRA covering the period 2026-27 to 2030-31 under which Tasmania will be entitled to receive up to \$5.05 billion in Australian Government funding for public hospital and health services over a five-year period, an increase of \$80 million per annum compared to the previous agreement
- The ACRRM Policy Team will continue to work with Tasmanian members, monitor developments and consider these issues in public policy processes and representations to government.

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