

Tasmanian Public Finance Corporation

2026–27 Debt Investor Update



Contents

Introduction

Structural Overview

Tasmanian Economy
Sustainability
Fiscal Structure
TASCORP Overview

Current Conditions

Economic Outlook
Fiscal Outlook
Near Term Funding Program

Appendix

Historic TASCORP yields and spreads
Useful websites
Contacts

The Gulch Bicheno
Credit: Jess Oakenfull



Introduction

Cradle Mountain Fagus
Credit: Moon Cheese Studio

Introduction

Our State

- Australia's smallest state, Tasmania is renowned for its pristine wilderness, unique wildlife and rich cultural history
- Land Size: 6,801,753.9 ha (0.9% of Australia, 2021)
- Population: 576,261 (2.1% of Australia, 2025)
- Gross State Product: \$44.3 billion (1.6% of Australia, 2025)
- Gross State Product growth: 2.3% (Real, 10y avg to 2025)
- Gross State Product per capita (2025): \$76,908
- Key industries:
 - Healthcare & Social Assistance
 - Agriculture, Forestry & Fishing
 - Construction
 - Public Administration and Safety
- Tasmania achieved 100% renewable energy target in November 2020, targeting 200% of current needs by 2040.
- Tasmania accounts for 13% of Australia's renewable energy generation.
- TASCORP is the Central Financing Authority for Tasmania – a corporation 100% owned by the State Government. All debt is guaranteed by the State.
- Credit rating of AA (S&P) and Aa3 (Moody's) (stable)

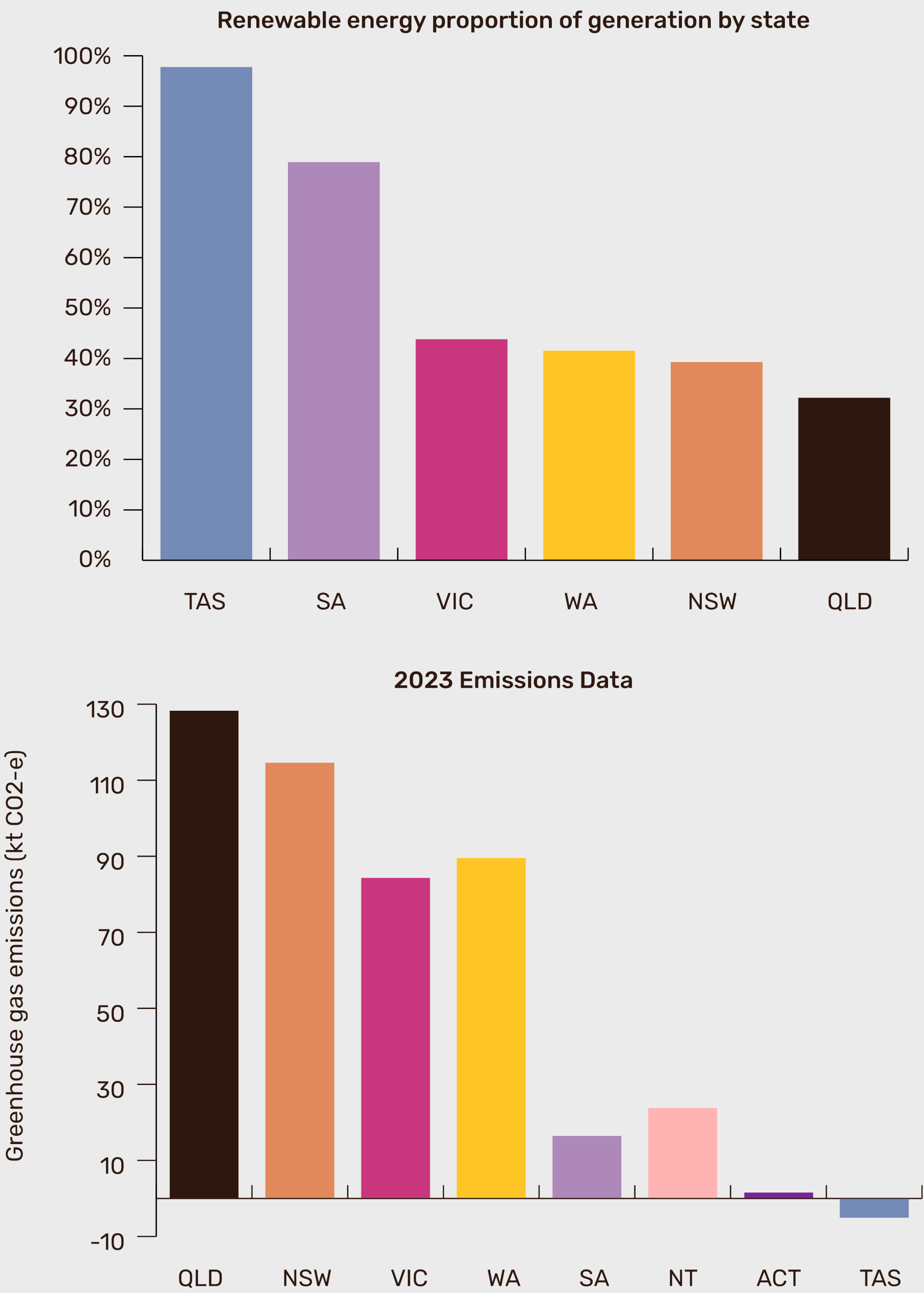


Introduction

Sustainability

- First and only Australian jurisdiction to achieve net zero emissions in 2015 and has done so every year since.
 - In 2023, Tasmania’s net emissions were negative 4.9 megatonnes of carbon dioxide equivalent (Mt CO2e), down 0.6 megaton YoY and 125% lower than 1990.
- Negative emissions driven by renewable energy profile and by Land use, land use change and forestry.
- Tasmania’s energy profile stands out compared to other states and jurisdictions, having completed its renewable energy transition.

Source: <https://greenhouseaccounts.climatechange.gov.au>



Introduction

Government Structure & Funding

- Australia is a federation of six states and two territories, which work together to form a single Commonwealth with a tight fiscal relationship.
 - The three levels of government – federal, state and local – have separate roles, different revenue sources and spending responsibilities.
- The states face a Vertical Fiscal Imbalance.
 - The Commonwealth raises a large proportion of its revenue from taxes.
 - Whereas the states funding responsibilities includes, but are not limited to, education, health care, public transport, roads and railways, electricity gas and water supply.
 - This creates a Vertical Fiscal Imbalance.
 - This imbalance is offset as revenue from goods and service tax (GST) is distributed to the States annually.
 - This is allocated by horizontal distribution to align the states' ability to provide similar standard public services.
 - The independent Commonwealth Grants Commission recommends the annual allocation across the states.

Introduction

TASCORP

The Tasmanian Public Finance Corporation ("TASCORP")

- A statutory body corporate established by the Tasmanian Public Finance Corporation Act 1985
- The Central Financing Authority for the State of Tasmania
- Credit rating (identical to the State of Tasmania)
 - S&P Global: AA/Stable
 - Moody's: Aa3/Stable
- Ten AUD benchmark bond lines on issue
- Indicative term debt borrowing programme of AUD\$3.1bn for 2026-27



Bicheno Coastline
Credit: Jess Oakenfull



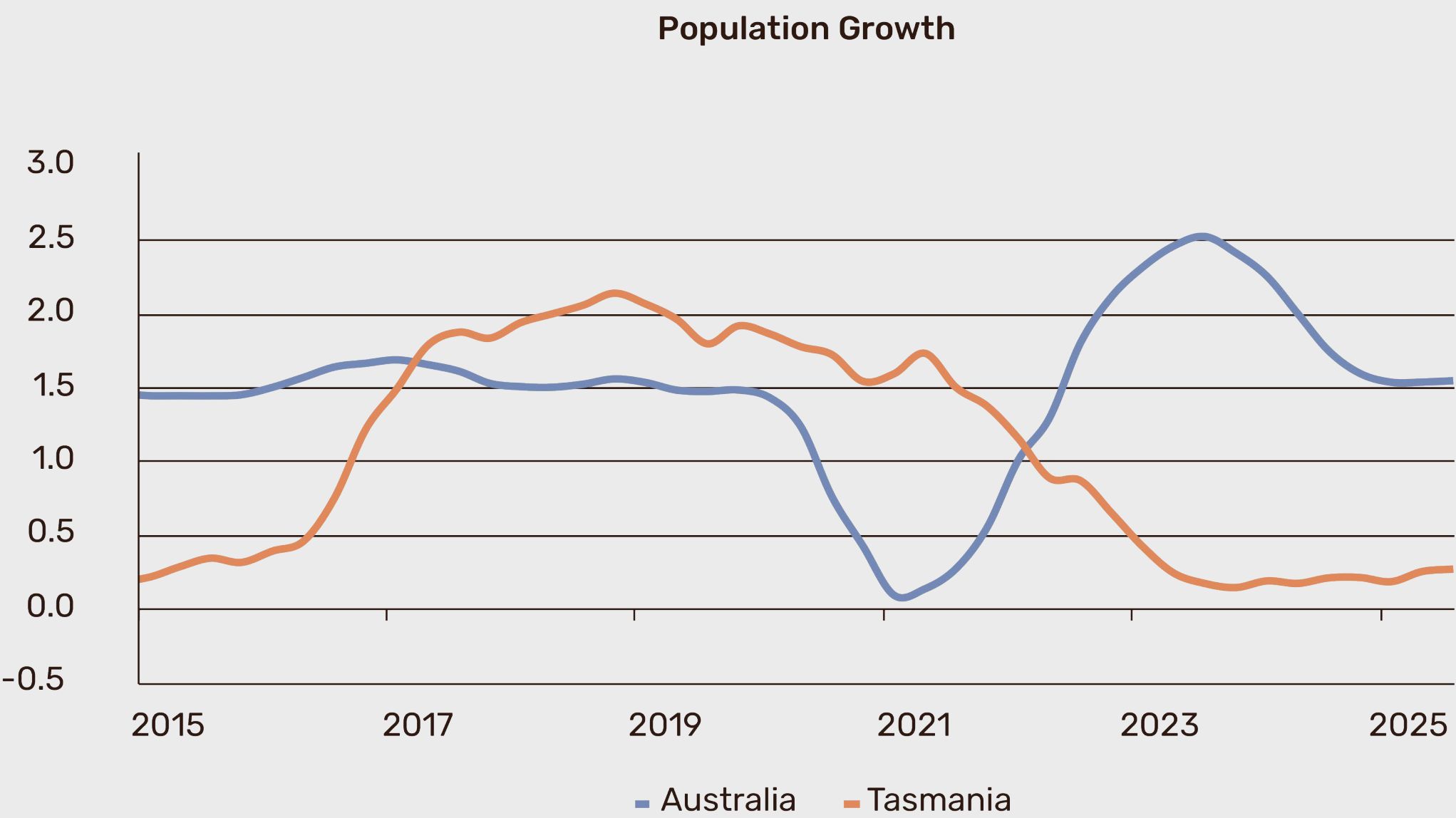
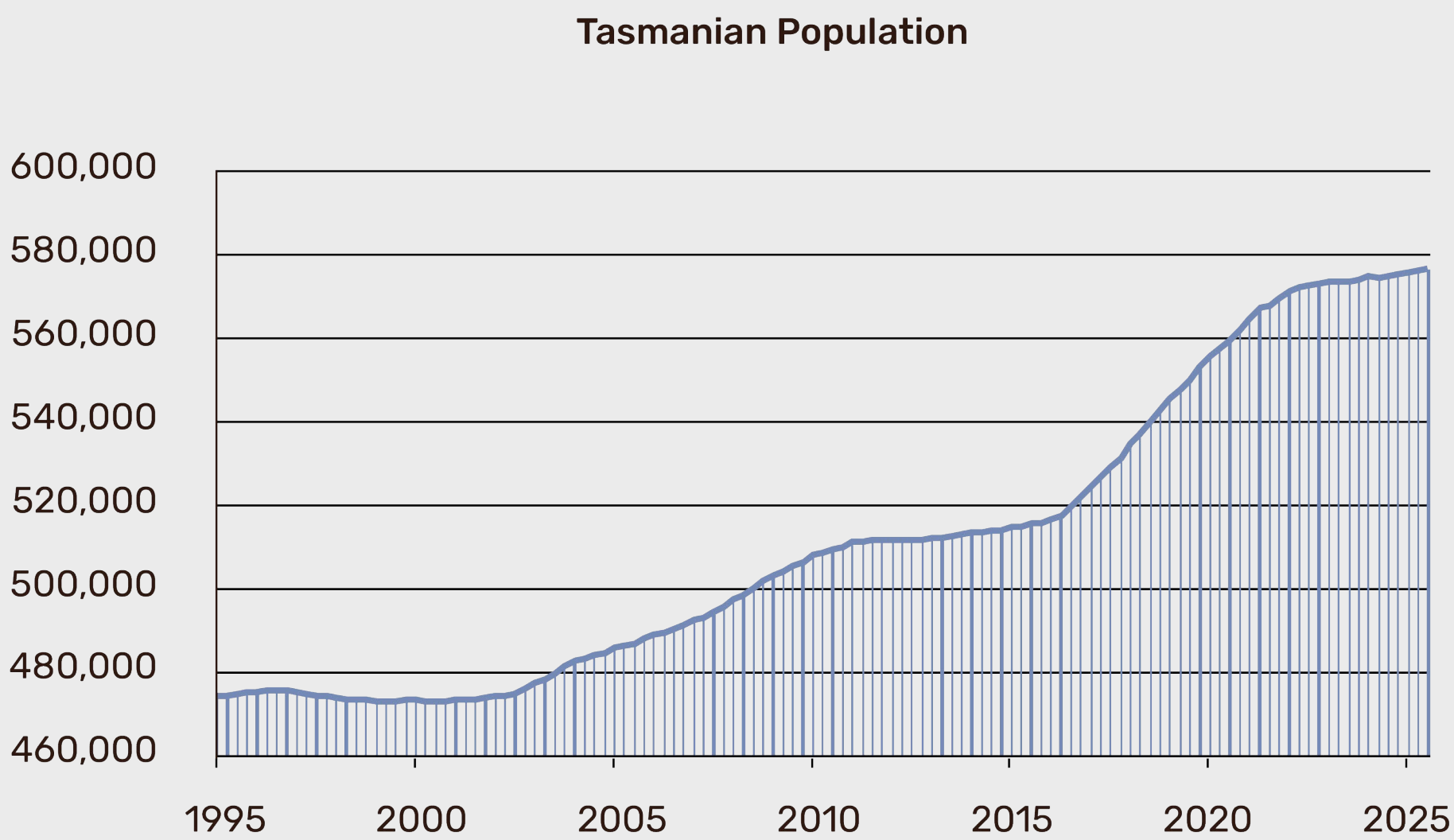
Structural Overview

Bicheno Coastline Aerial
Credit: Brand Tasmania

Tasmanian Economy

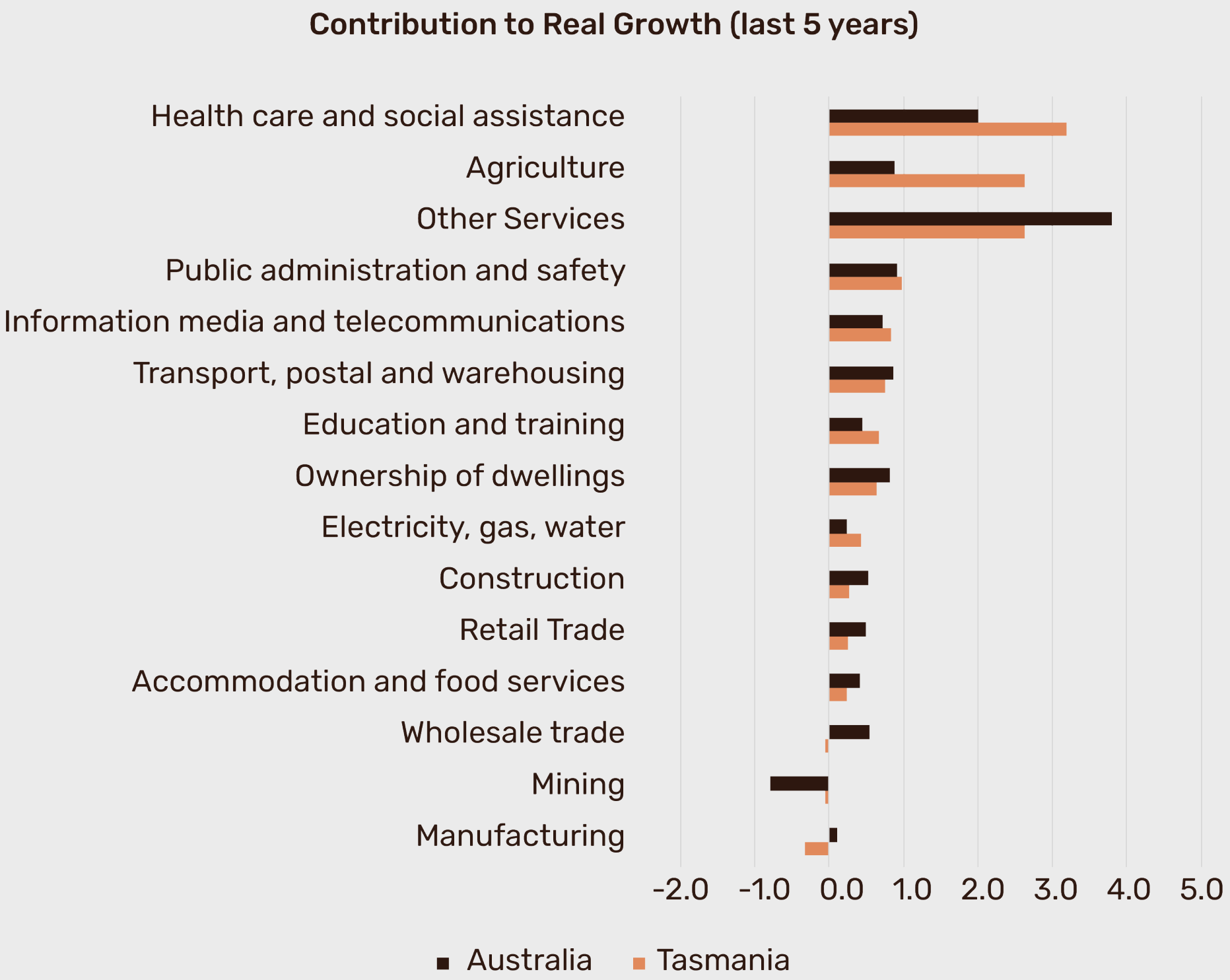
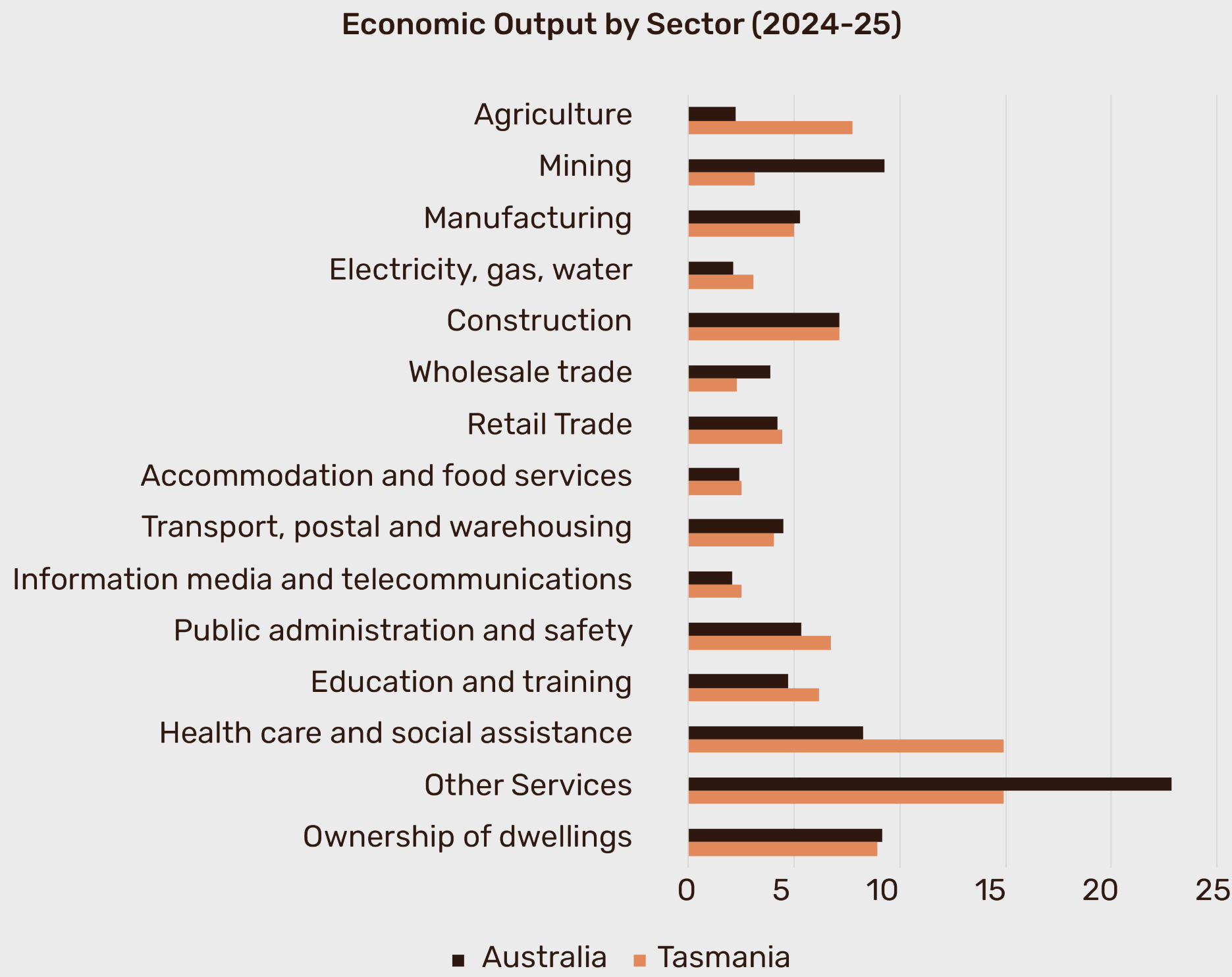
Population

- Following a prolonged period of strong population growth, it remains positive but is slowing.



Tasmanian Economy

- Economic Structure – key sectors and sources of growth over past 5 years

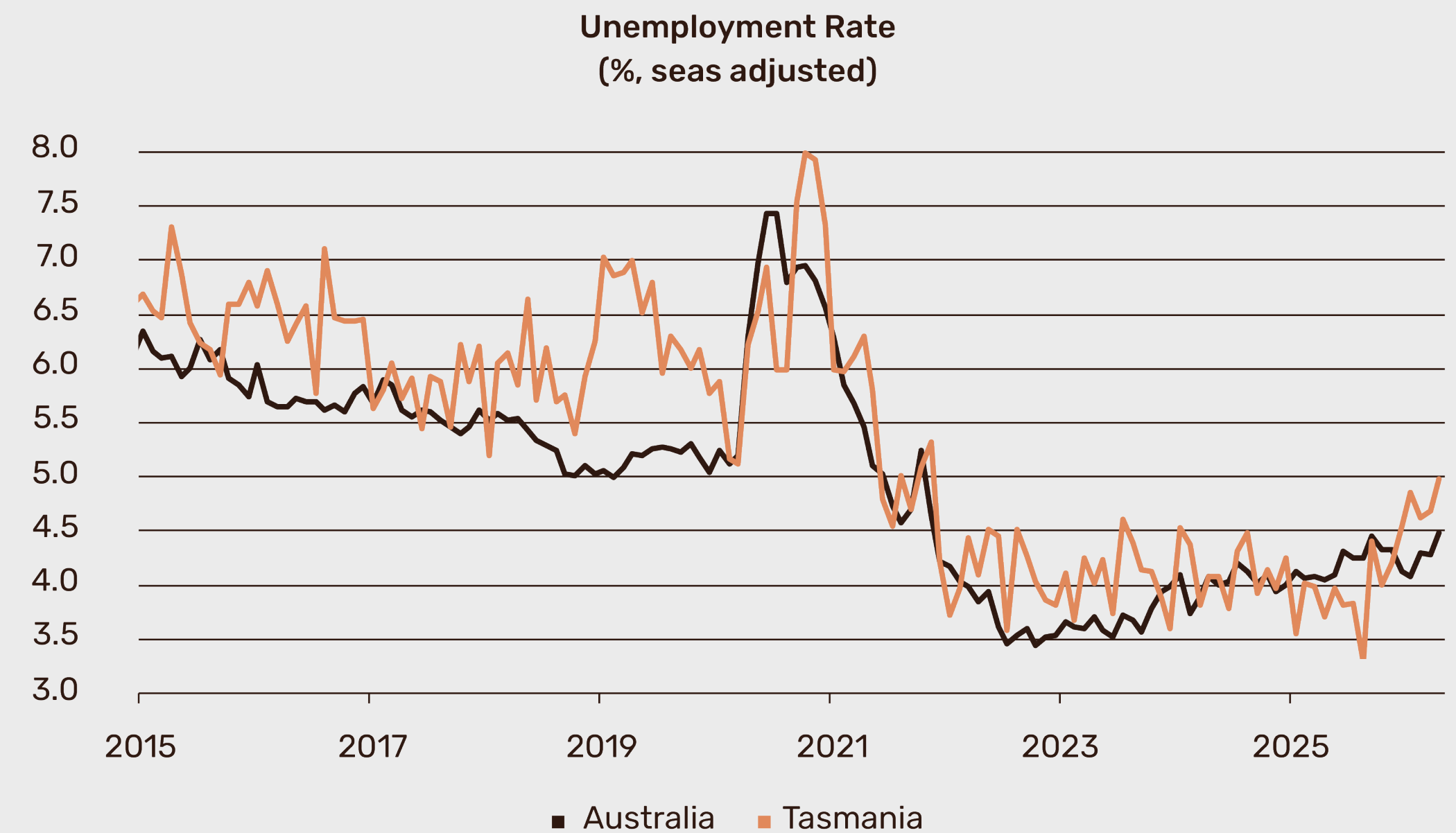


Source: ABS

Tasmanian Economy

Labour Market

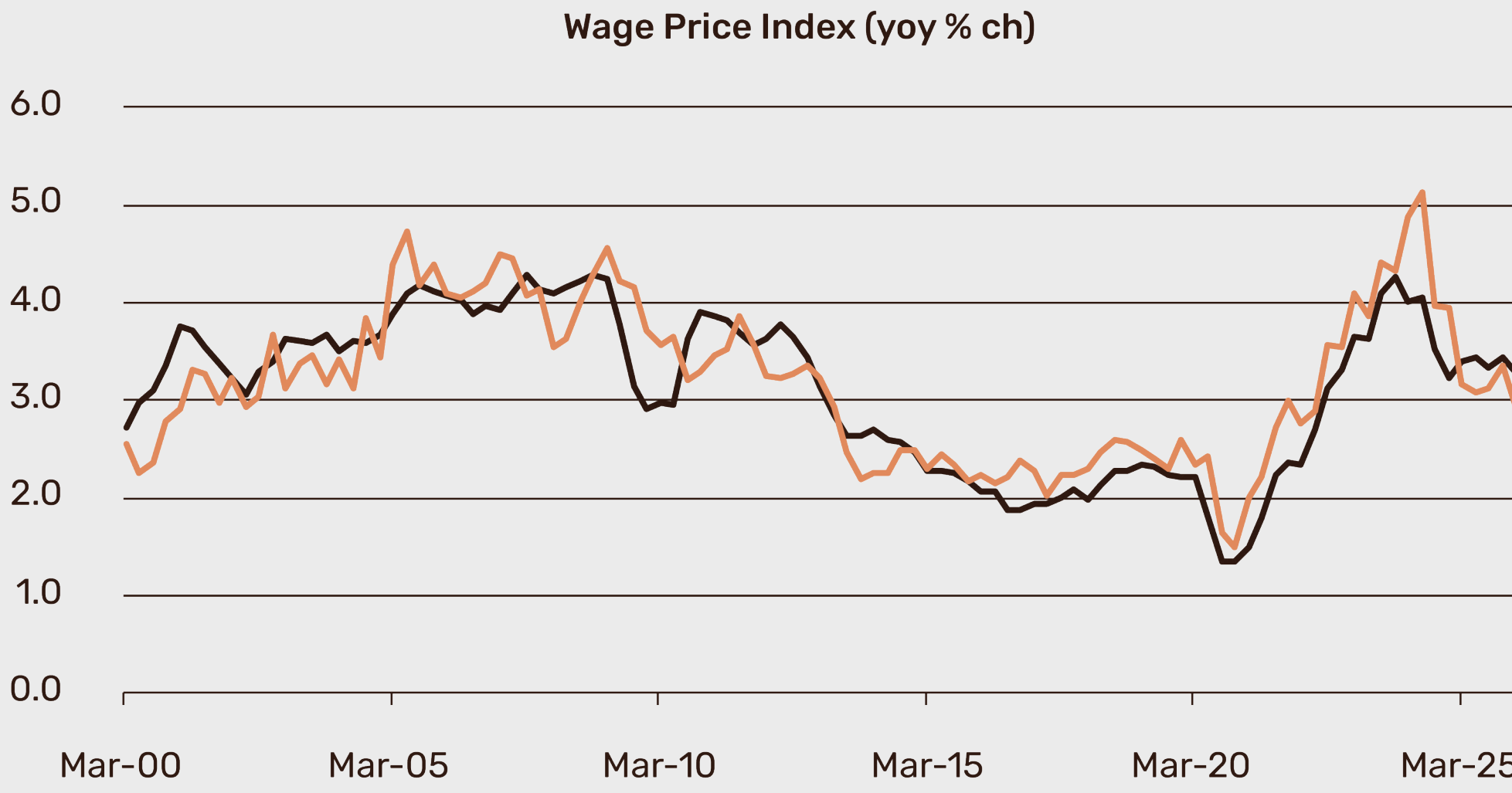
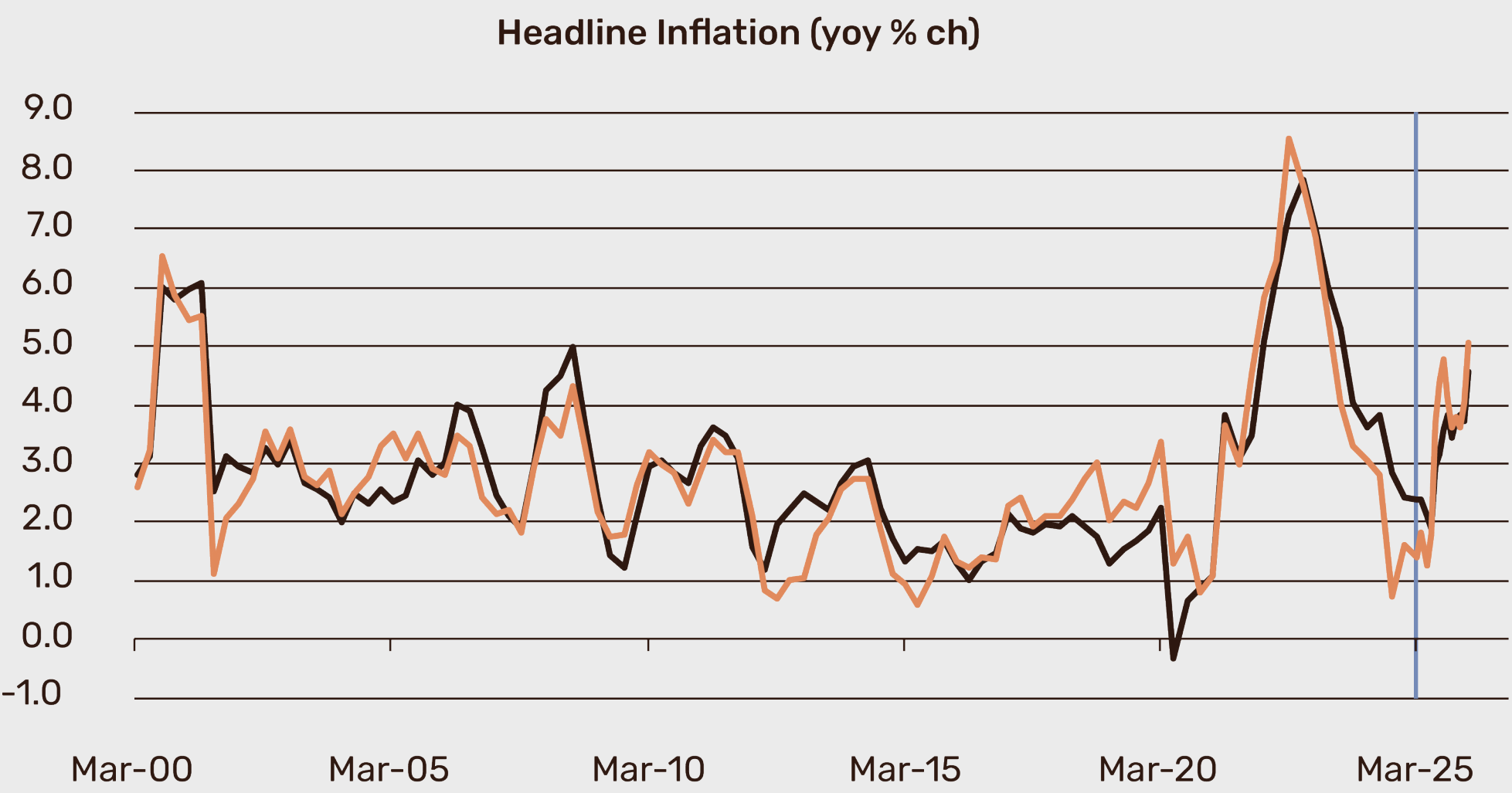
- Unemployment rate broadly tracking national trend. A slight uptick recently but remains below long run averages



Tasmanian Economy

Inflation

- Headline inflation has rebounded, following the national trend.
- Real wage growth stabilised around long run averages.

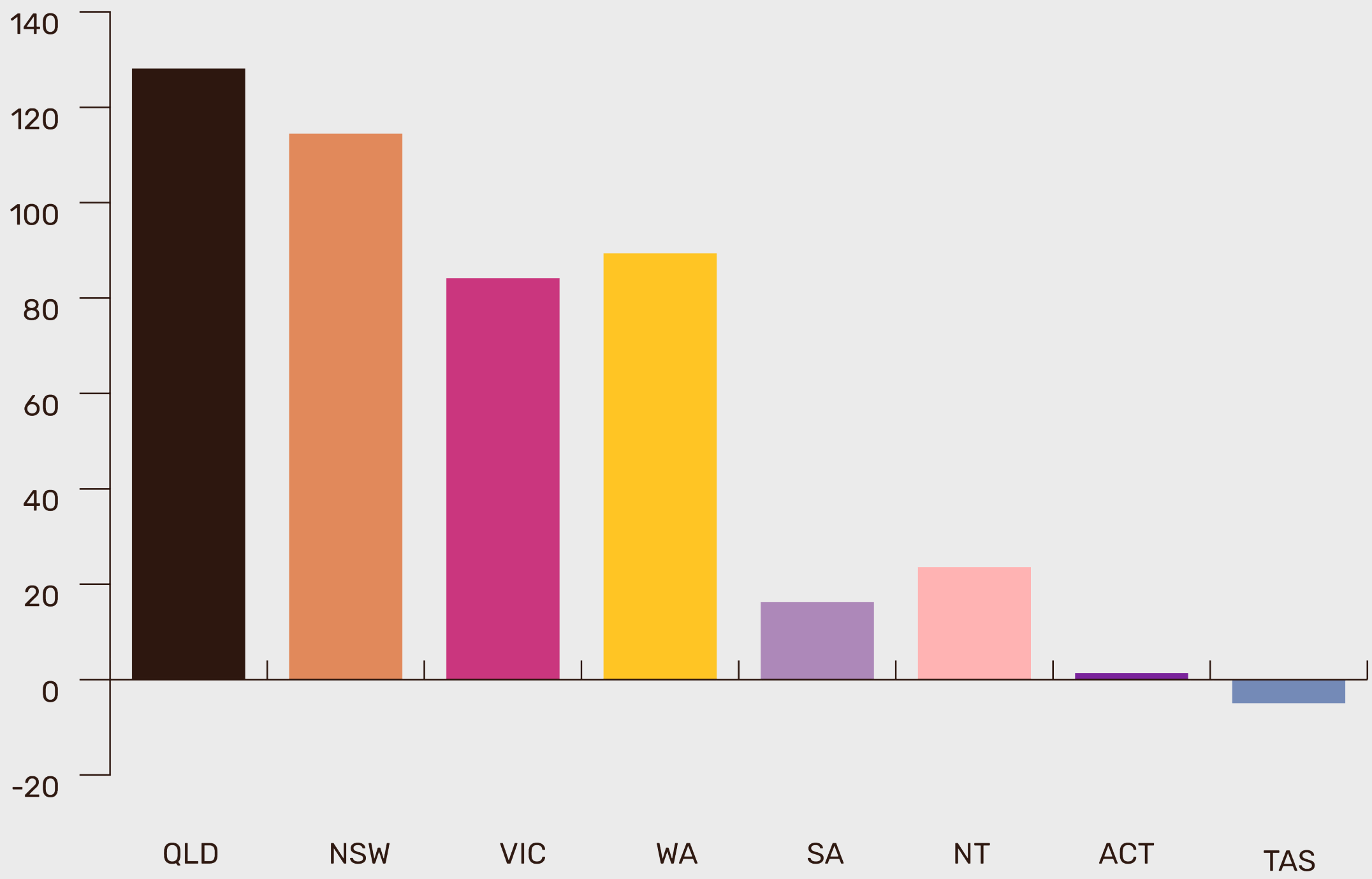


Sustainability

Tasmania's Emissions Snapshot

- First and only Australian jurisdiction to achieve net zero emissions in 2014 and has done so every year since.
- In 2023, Tasmania's net emissions were negative 4.9 megatonnes of carbon dioxide equivalent (Mt CO2e), down 0.6 megaton YoY and 125% lower than 1990.

2023 Emissions Data

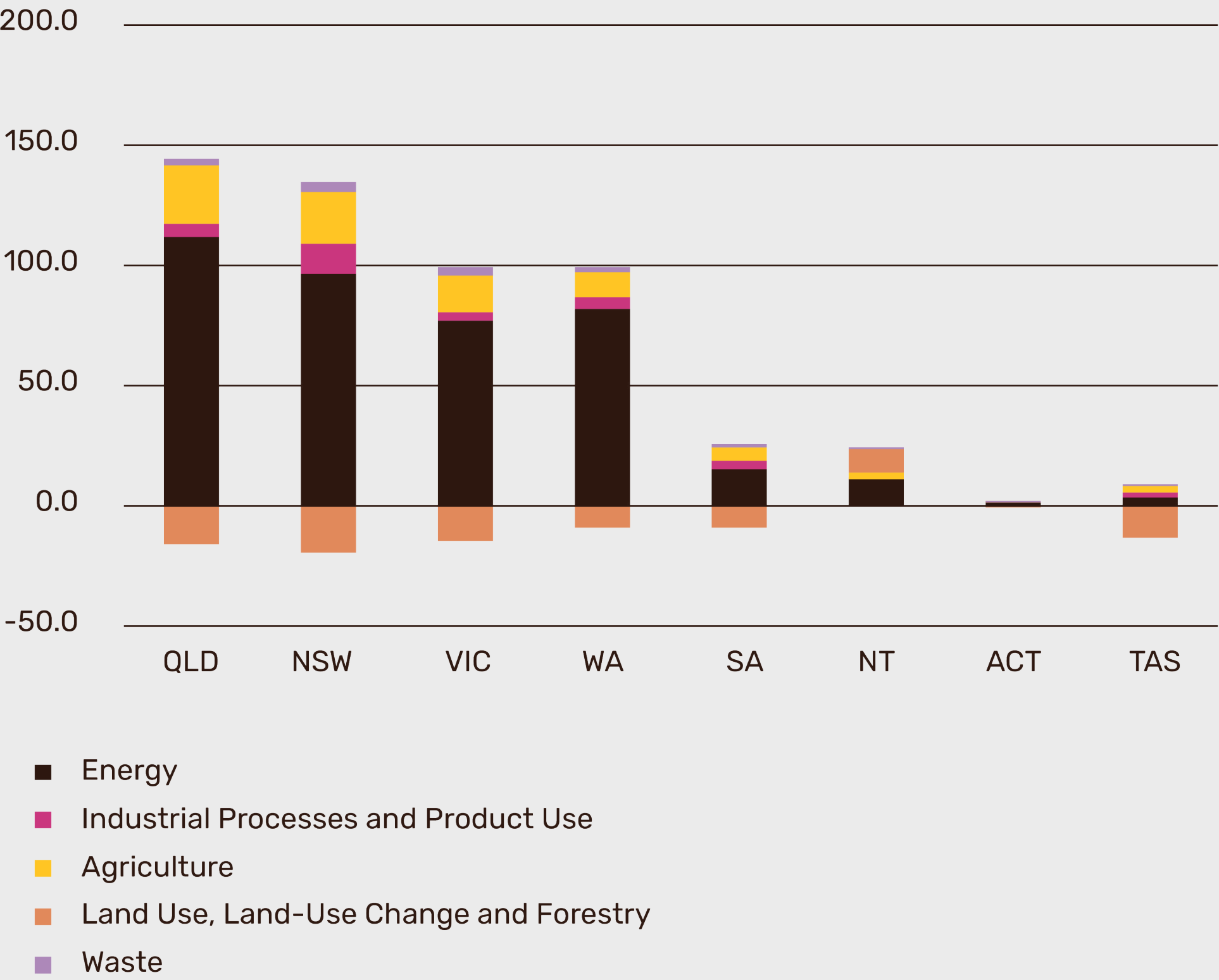


Sustainability

Tasmania's Emissions Breakdown

- Negative emissions driven by renewable energy profile and by Land use, land use change and forestry.

2023 Emissions Data

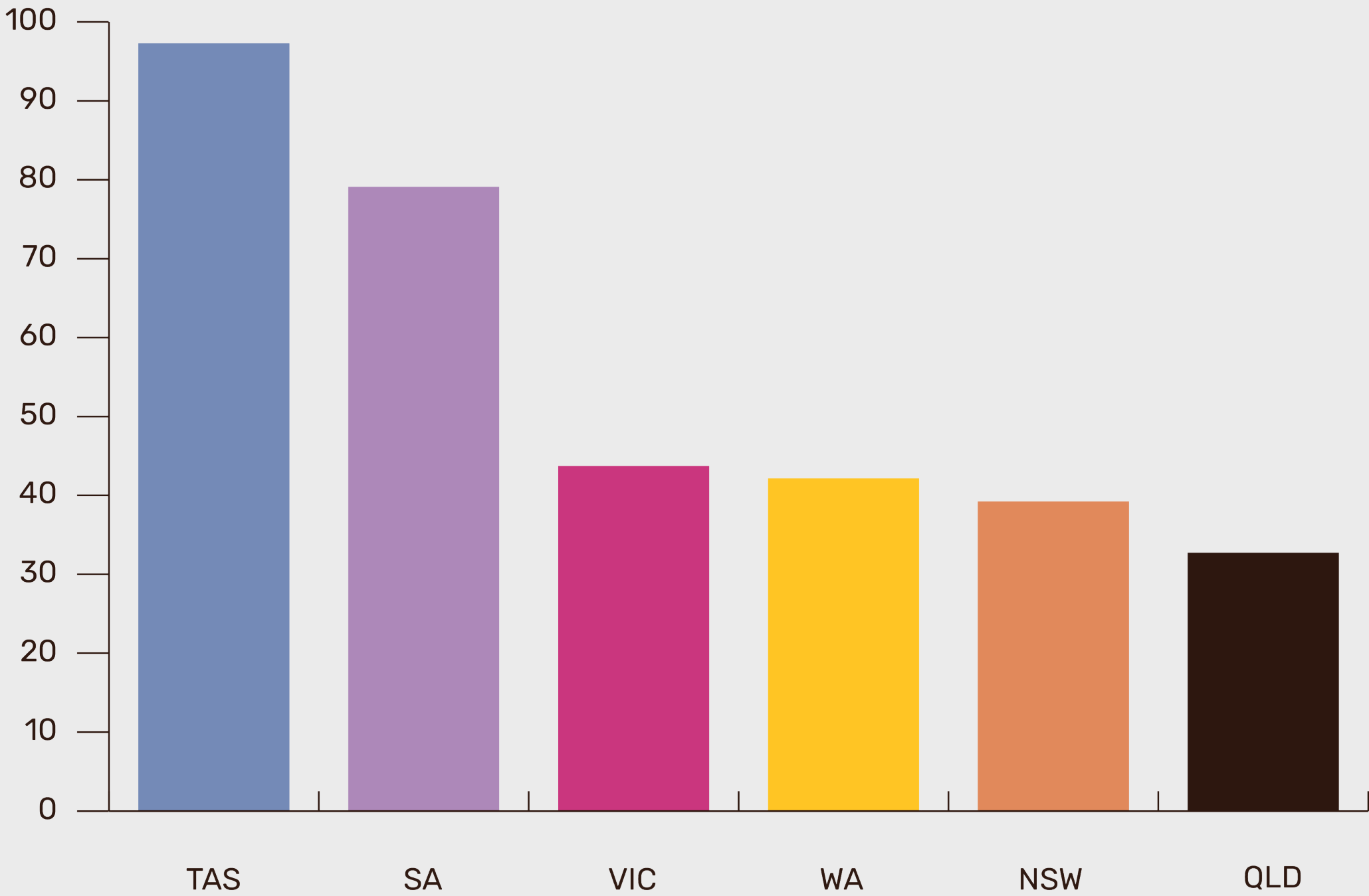


Sustainability

Renewable Energy Proportion

- Tasmania’s energy profile stands out compared to other states and jurisdictions, having completed its renewable energy transition.

Renewable Energy penetration by state
(proportion of generation)



Fiscal Structure

Charter of Budget Responsibility

The Charter of Budget Responsibility provides a framework to improve fiscal policy outcomes by requiring –

- a. a fiscal strategy statement based on principles of sound fiscal management; and
- b. regular reports to provide for the assessment of the Government's fiscal performance; and
- c. the publication of a pre-election financial outlook report; and
- d. a process for costing the election policies of parties represented in the House of Assembly.

The principles of sound fiscal management are to –

- a. manage the State's finances responsibly for the wellbeing of all Tasmanians; and
- b. provide for the future for the next generation of Tasmanians; and
- c. prepare for unexpected events by building a robust financial position; and
- d. improve services to Tasmanians by building a strong economy and efficiently allocating public resources to gain the maximum community benefit; and
- e. formulate spending and taxation policies that ensure a reasonable degree of equity, stability and predictability; and
- f. ensure transparency and accountability in developing, implementing and reporting on fiscal objectives.



Structural Overview

Fiscal Structure

2026-27 Budget

- 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.

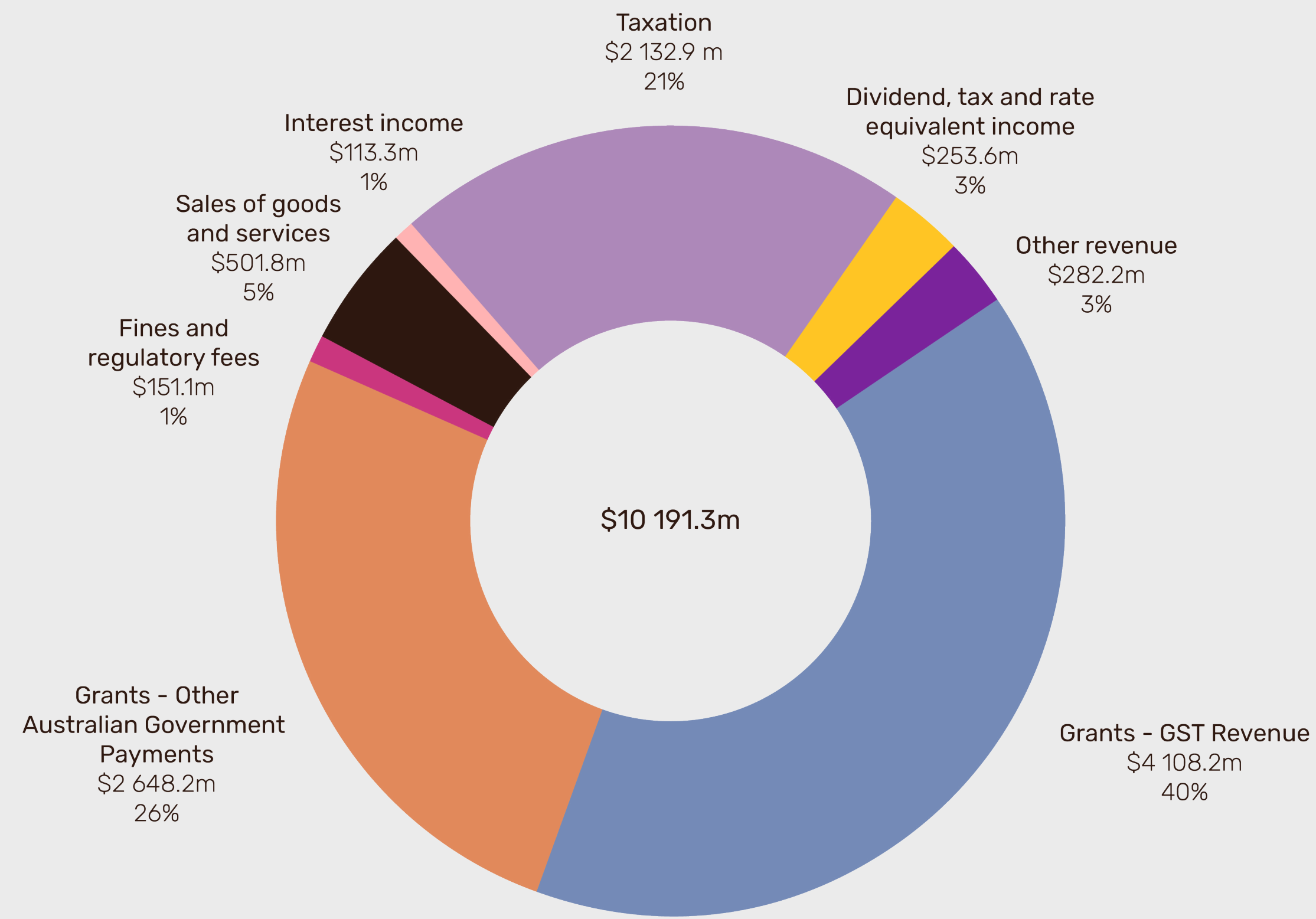
Sarah Island
Credit: Studio Hubert

Fiscal Structure

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.

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

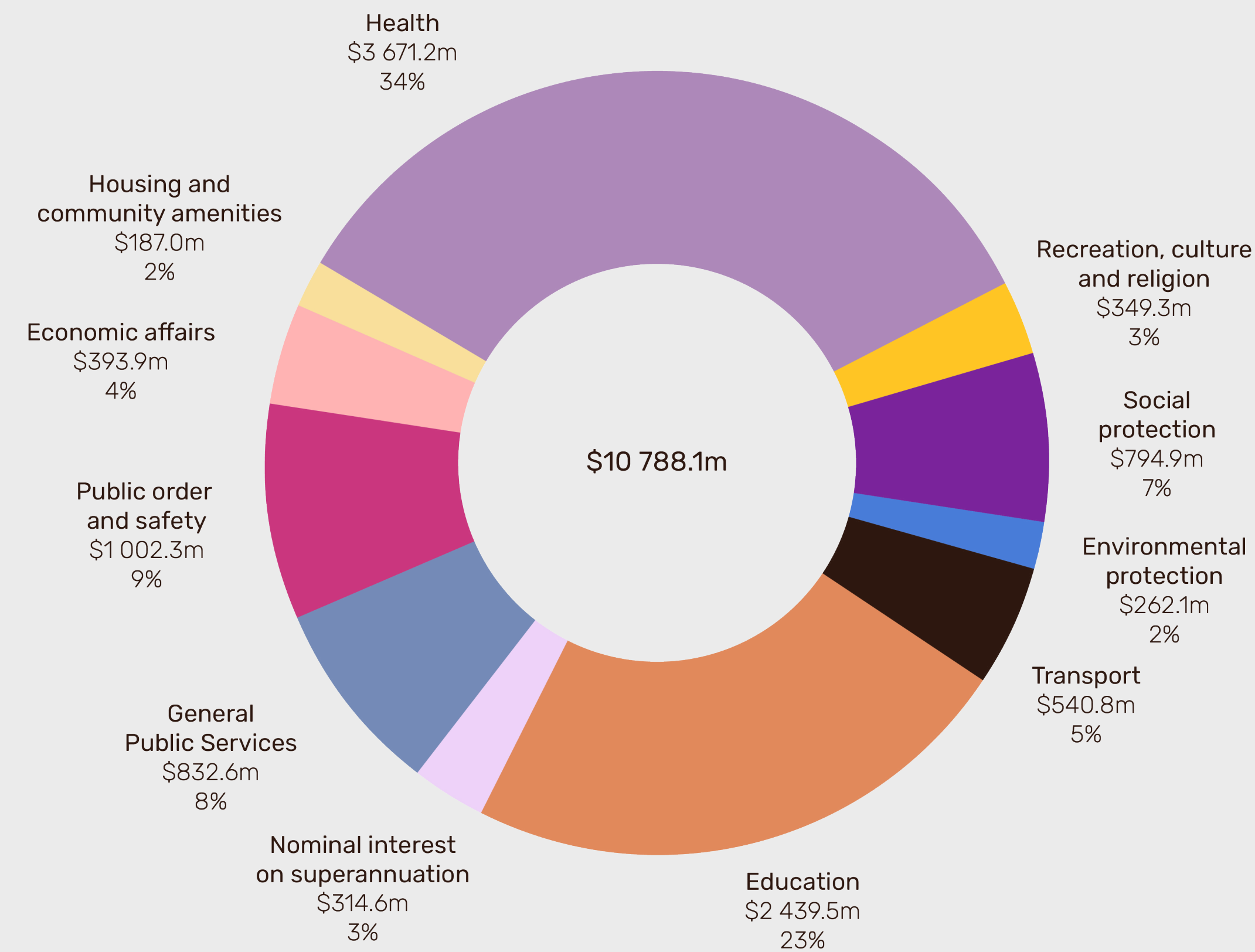


Fiscal Structure

Operating Expenditure:

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.

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



TASCORP

- The Central Financing Authority for the State of Tasmania.
- A Corporation established under the Tasmanian Public Finance Corporation Act 1985.
- Governed by an independent Board of Directors.
- Owned 100% by the Government of Tasmania.
- Debt issued by TASCORP is guaranteed by the State of Tasmania under Section 15 of the Act.

Credit rating of TASCORP and Tasmania

	Long Term	Short Term	Outlook
Standard and Poor's	AA	A-1+	Stable
Moody's Investor Service	Aa3	P-1	Stable

Moody's Ratings ESG considerations

ESG Credit Impact Score CIS-2	Environmental E-2	Social S-2	Governance G-2
↓	↓	↓	↓

TASCORP

As at 30 June 2026

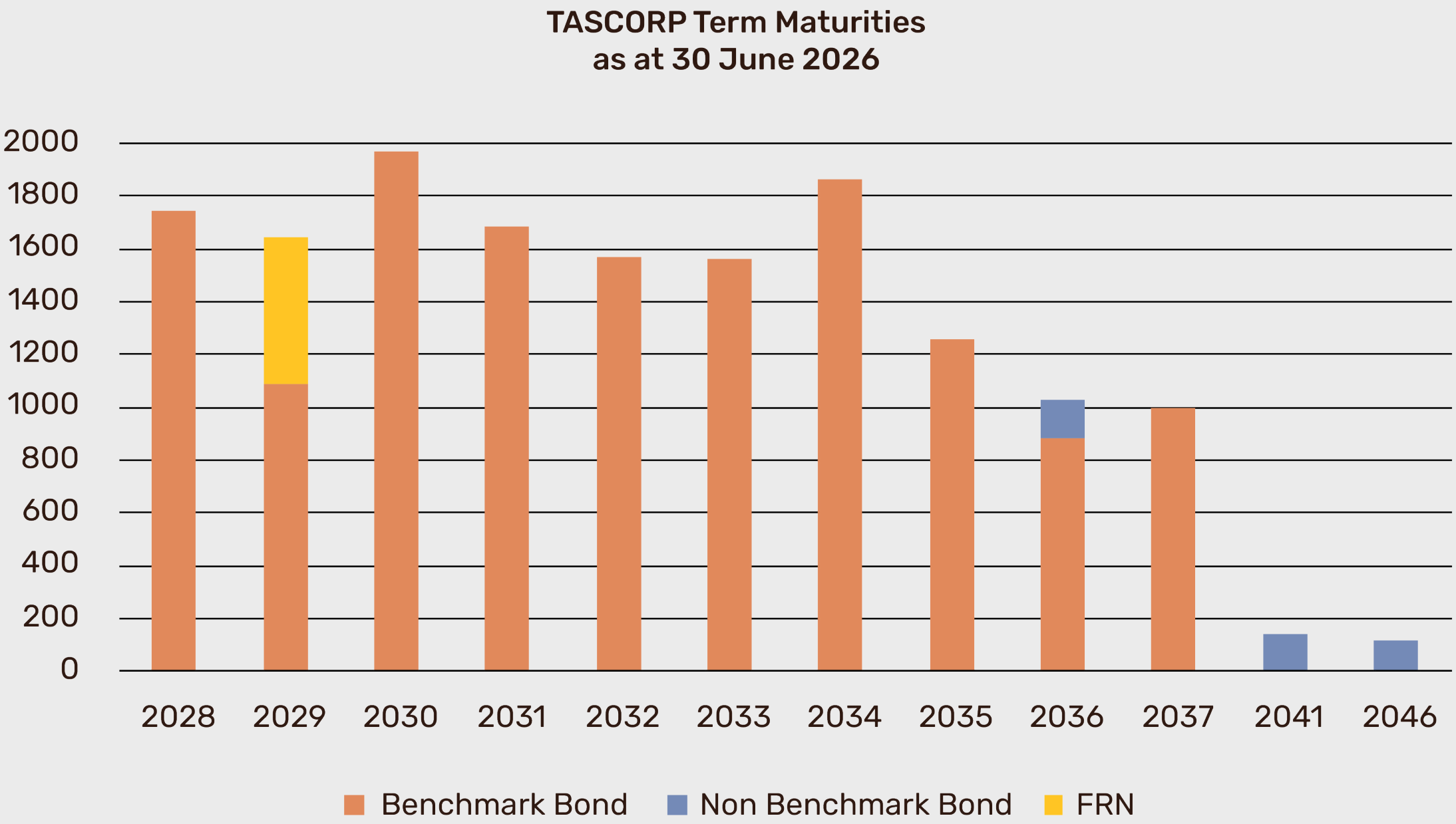
Medium Term Note \$25 billion	Domestic Short Term Note \$2.5 billion	Euro Commercial Paper USD \$2.5 billion
Dealer panel members ANZ Barrenjoey CBA Citi Deutsche Bank NAB UBS WBC	Dealer panel members ANZ CBA NAB WBC	Dealer panel members Barclays Bank PLC Citibank International PLC UBS AG, London Branch

* Actual dealer legal entities may vary depending on the facility and location of dealer

TASCORP

Term Borrowings

- Domestic benchmark bonds are TASCORP’s principal source of funding.
- Total bonds on issue in excess of \$15 billion.

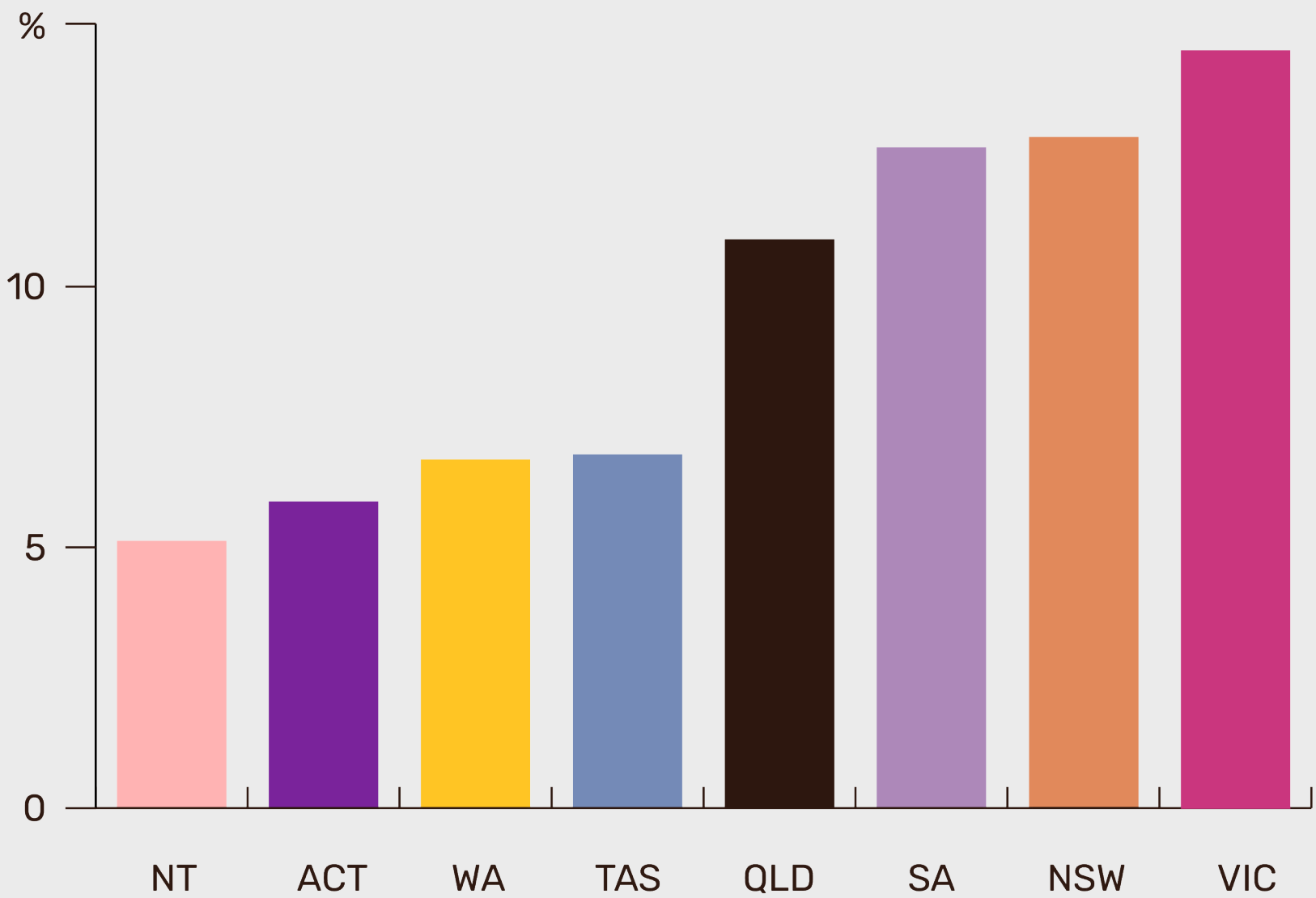


TASCORP

Liquidity

- The highest turnover among the smaller Semi-government issuers, as reported by the RBA.

Semi-government Bond Turnover Ratios*
Monthly average, by issuing state or territory**



* Amount bought or sold as a share of outstanding, excludes transactions involving the issuer.
** For data starting post-November 2021.

Sources: ASX Information Services; RBA; State and territory treasury corporations.

Current Conditions

The Gulch Bicheno
Credit: Jess Oakenfull

Economic Outlook

Key economic forecasts 2026-27 budget:

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		Projections ⁵		
Gross state product (real, % change) ¹	1.0	2¼	¾	2¼	2¼	2¼
State financial 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

Current Conditions

Fiscal Outlook

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 Government's new Fiscal Strategy is designed to closely align with the Charter of Budget Responsibility Act 2007.



Fiscal Outlook

Figure 3.1: Fiscal Strategy

Objectives	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	<table><tr><td><u>State's Credit Rating:</u></td><td><u>By 2032-33</u></td><td><u>Annually:</u></td></tr><tr><td>As a short term measure the Government seeks to maintain current credit ratings: - Moody's Aa3 (Stable) - S&P AA (Stable) By 2032-33 the Government aims to improve its credit ratings to: - Moody's Aa2 (Stable) - S&P AA+ (Stable) </td><td>Cost of Debt (Including defined benefit superannuation) to Cash Receipts Net Debt GSP (GGS) Net Debt GSP (TNFPS) Own-source Revenue as a % of a total Expenditure Employee Expenses as a % of a Total Revenue GGS Fiscal balance plus Equity Injections will be balanced over a rolling four-year average</td><td><7% <8% <12% >37% <44%</td><td>Annual Growth in Operating Expenses is lower than the average annual growth in Revenue Annual investment in infrastructure is no less than Depreciation Government businesses will have a positive impact on the General Government Sector's financial position</td></tr></table>					<u>State's Credit Rating:</u>	<u>By 2032-33</u>	<u>Annually:</u>	As a short term measure the Government seeks to maintain current credit ratings: - Moody's Aa3 (Stable) - S&P AA (Stable) By 2032-33 the Government aims to improve its credit ratings to: - Moody's Aa2 (Stable) - S&P AA+ (Stable)	Cost of Debt (Including defined benefit superannuation) to Cash Receipts Net Debt GSP (GGS) Net Debt GSP (TNFPS) Own-source Revenue as a % of a total Expenditure Employee Expenses as a % of a Total Revenue GGS Fiscal balance plus Equity Injections will be balanced over a rolling four-year average	<7% <8% <12% >37% <44%	Annual Growth in Operating Expenses is lower than the average annual growth in Revenue Annual investment in infrastructure is no less than Depreciation Government businesses will have a positive impact on the General Government Sector's financial position
<u>State's Credit Rating:</u>	<u>By 2032-33</u>	<u>Annually:</u>										
As a short term measure the Government seeks to maintain current credit ratings: - Moody's Aa3 (Stable) - S&P AA (Stable) By 2032-33 the Government aims to improve its credit ratings to: - Moody's Aa2 (Stable) - S&P AA+ (Stable)	Cost of Debt (Including defined benefit superannuation) to Cash Receipts Net Debt GSP (GGS) Net Debt GSP (TNFPS) Own-source Revenue as a % of a total Expenditure Employee Expenses as a % of a Total Revenue GGS Fiscal balance plus Equity Injections will be balanced over a rolling four-year average	<7% <8% <12% >37% <44%	Annual Growth in Operating Expenses is lower than the average annual growth in Revenue Annual investment in infrastructure is no less than Depreciation Government businesses will have a positive impact on the General Government Sector's financial position									
Targets	<table><tr><td>By 2028-29 the Government's Targets are to: 1. Reach GGS peak Net Debt, by having a zero Net Borrowing requirement; 2. Reduce PNFC Net Debt by \$500 million based on the 2025-26 Budget; and 3. Cap Total Infrastructure Investment Funding and other equity injections at \$1 billion.</td><td>To achieve this, the Government will progressively: Step 1: Realign Operating Expenditure with key Government priorities Step 2: Return to a Net Operating Balance surplus Step 3: Return to a Fiscal surplus</td></tr></table>					By 2028-29 the Government's Targets are to: 1. Reach GGS peak Net Debt, by having a zero Net Borrowing requirement; 2. Reduce PNFC Net Debt by \$500 million based on the 2025-26 Budget; and 3. Cap Total Infrastructure Investment Funding and other equity injections at \$1 billion.	To achieve this, the Government will progressively: Step 1: Realign Operating Expenditure with key Government priorities Step 2: Return to a Net Operating Balance surplus Step 3: Return to a Fiscal surplus					
By 2028-29 the Government's Targets are to: 1. Reach GGS peak Net Debt, by having a zero Net Borrowing requirement; 2. Reduce PNFC Net Debt by \$500 million based on the 2025-26 Budget; and 3. Cap Total Infrastructure Investment Funding and other equity injections at \$1 billion.	To achieve this, the Government will progressively: Step 1: Realign Operating Expenditure with key Government priorities Step 2: Return to a Net Operating Balance surplus Step 3: Return to a Fiscal surplus											

Source: Treasury Budget Strategy and Estimates, Budget Paper No. 1 (2026-27)

Fiscal Outlook

- The 2026-27 budget forecasts peak debt and a net surplus by the end of the forward estimates

Table 1.1: Key Fiscal Measures 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
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 June ¹	7 081.1	6 822.0	8 440.3	9 377.5	9 983.0	9 466.5
GFS Net Debt as at 30 June ²	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 liabilites 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.

Fiscal Outlook

(Continued)

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

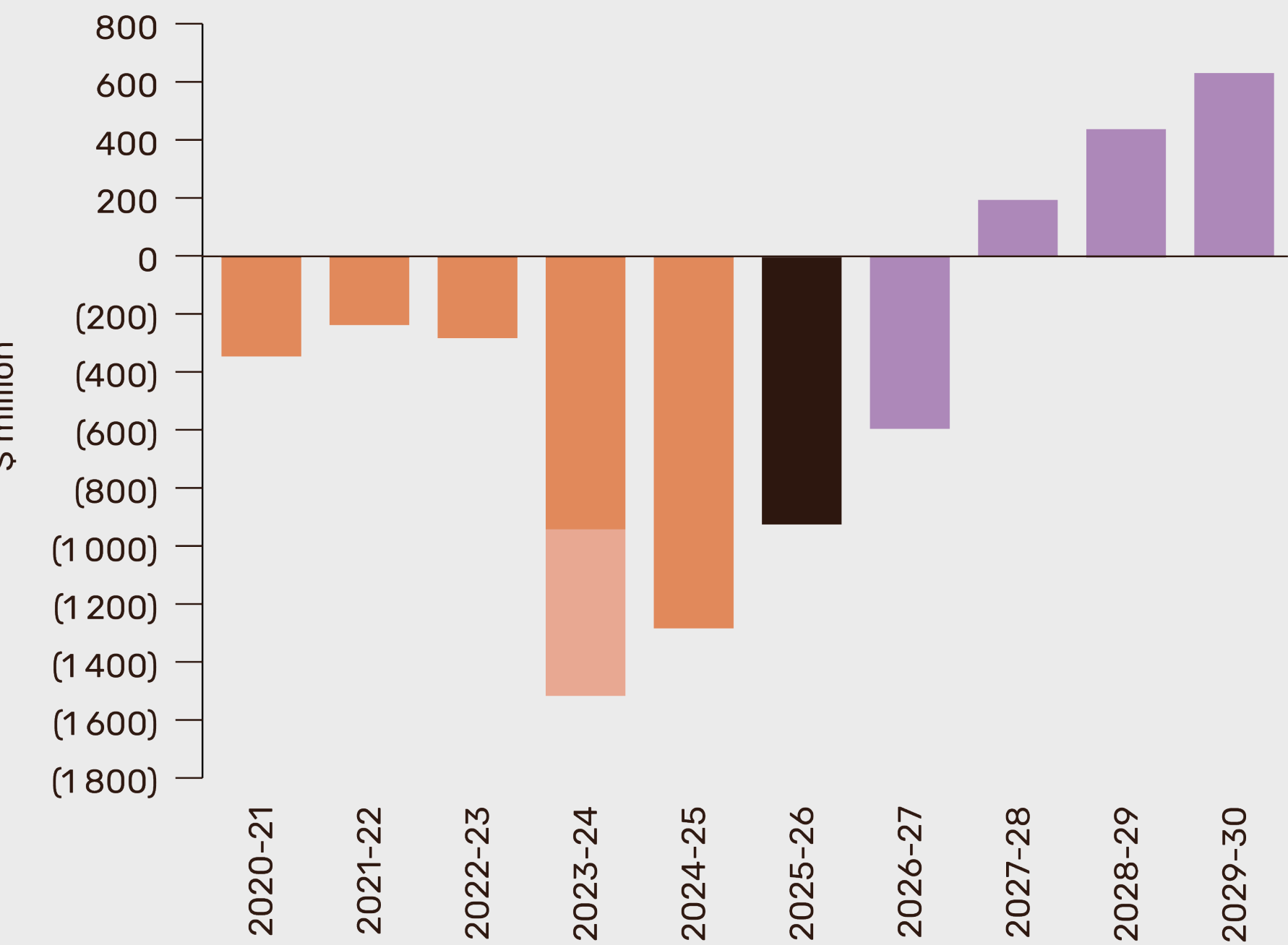
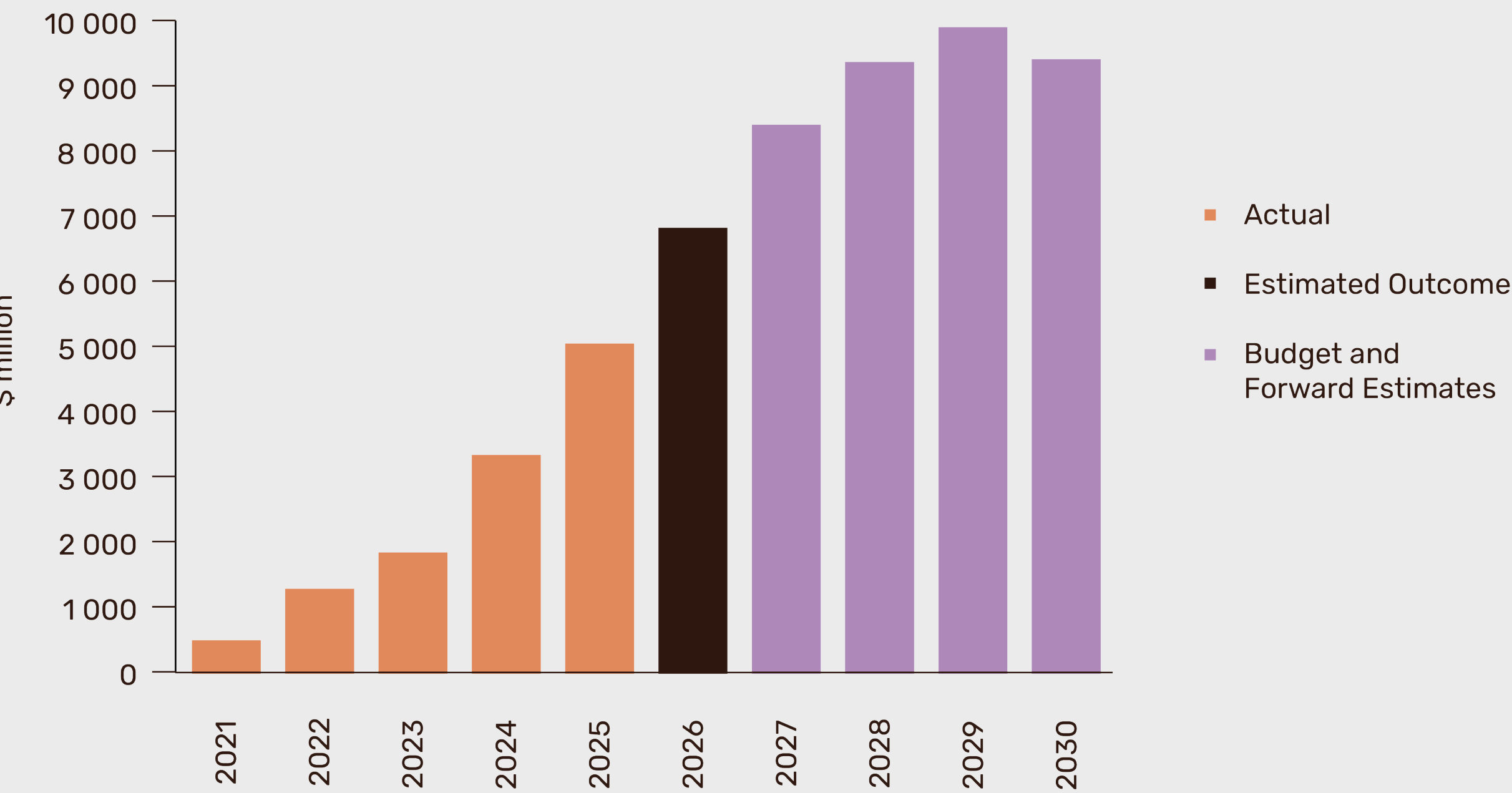


Chart 1.7: Net Debt as at 30 June, 2021 to 2030



Source: Treasury Budget Strategy and Estimates, Budget Paper No. 1 (2026-27)

Fiscal Outlook

Committed Infrastructure Spend

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

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

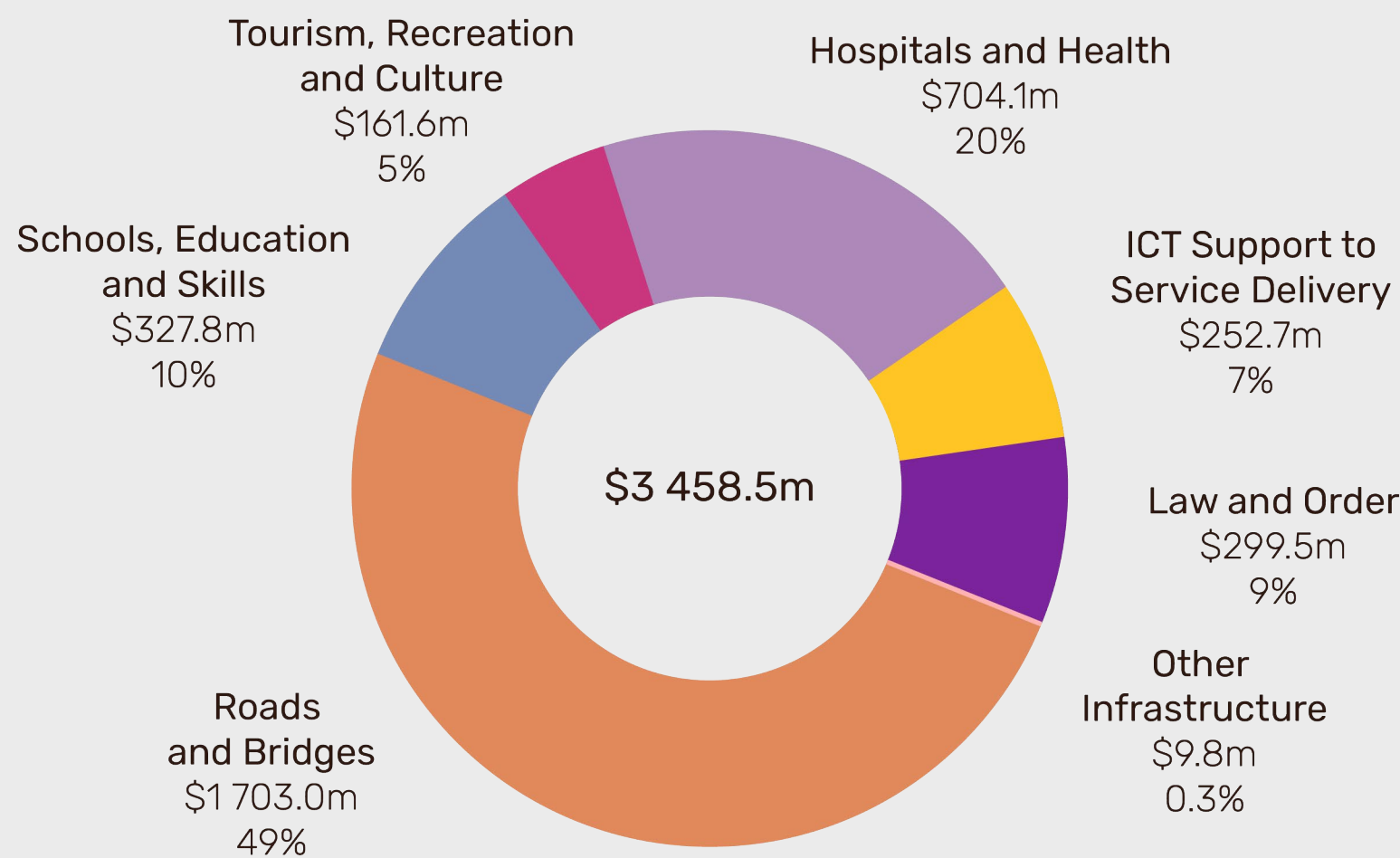
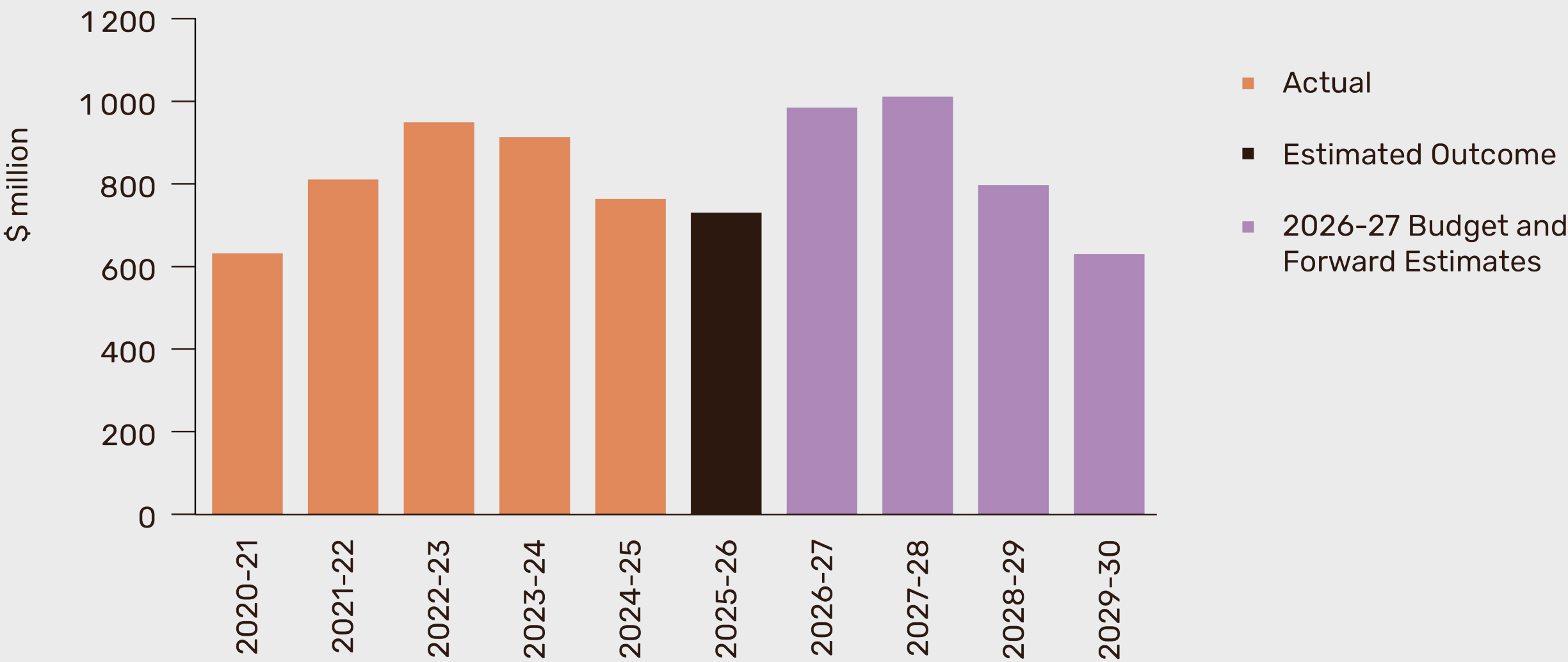


Chart 7.2: General Government Sector Infrastructure Investment, 2020-21 to 2029-30



Source: Treasury Budget Strategy and Estimates, Budget Paper No. 1 (2026-27)

Current Conditions

Fiscal Outlook

Budget and Forward Estimate Aggregates

- 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 Net Debt outlook has improved since the 2025-26 Budget, and is expected to peak in 2028-29, before declining. This improvement primarily reflects lower cumulative GGS cash deficits since the 2025-26 Budget, resulting in a reduced borrowing requirement.
- Based on the latest estimates released by each jurisdiction, Tasmania has the lowest nominal level of Net Debt, at \$8 440.3 million as at 30 June 2027. Tasmania has the fourth highest estimated GGS Net Debt as a percentage of GSP as at 30 June 2027 across all eight jurisdictions.

Source: Treasury Budget Strategy and Estimates, Budget Paper No. 1 (2026-27)

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

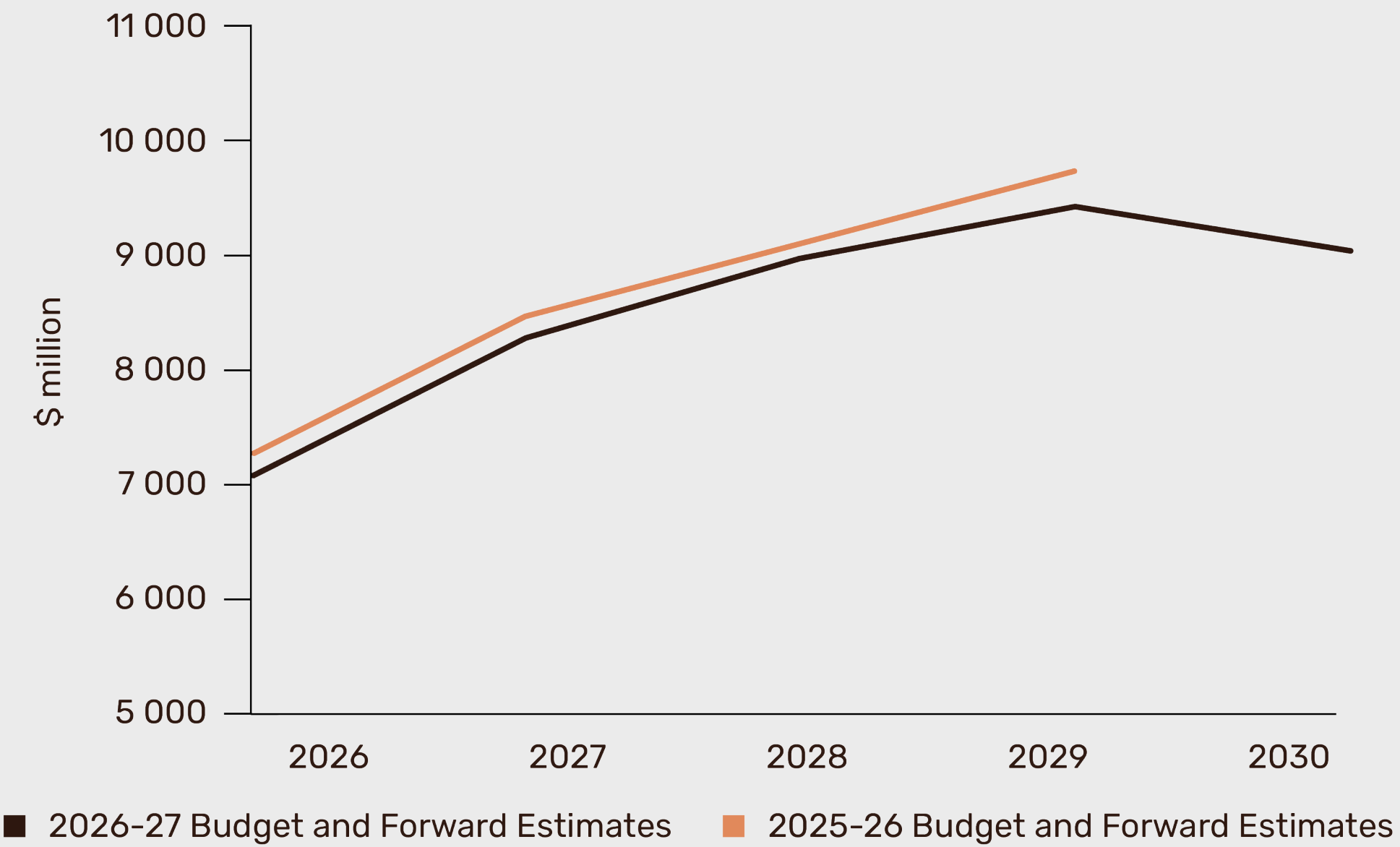
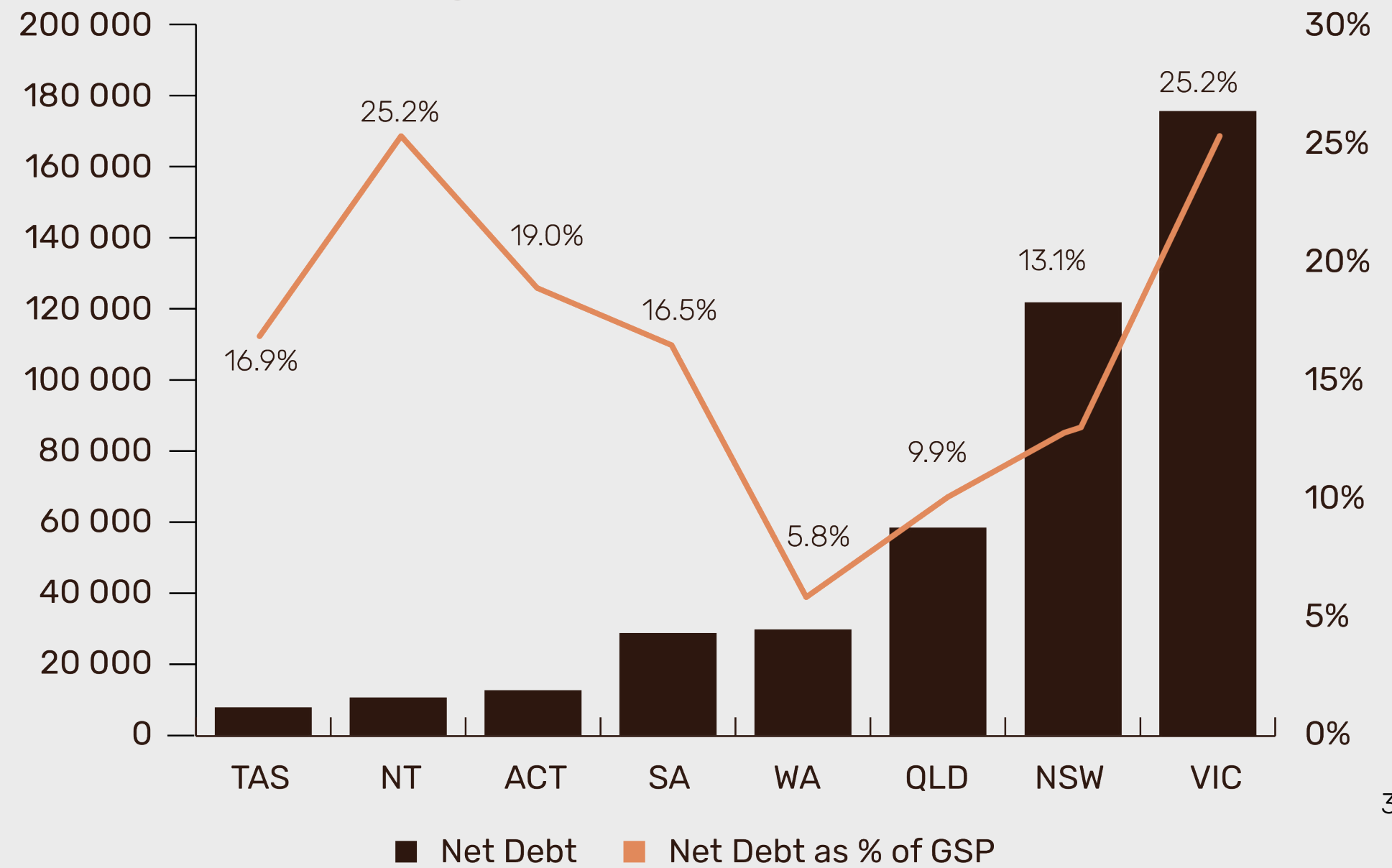


Chart 8.3 General Government Sector Net Debt and Net Debt as a percentage of GSP as at 30 June 2027, by jurisdiction



Near Term Funding Program

TASCORP 2026-27 Borrowing Program:

Following the delivery of the Tasmanian Government 2026-27 State Budget, the Tasmanian Public Finance Corporation (TASCORP) advises that its borrowing requirement for the 2026-27 financial year will be \$3.1 billion. The actual amount will be subject to market conditions and actual final client funding requirements.

TASCORP’s 2026-27 funding strategy may include:

- Extending TASCORP’s benchmark bond curve;
- Building outstandings in existing benchmark bond lines;
- Maximising diversity of the investor base;
- Issuance will be undertaken via syndication, tender and reverse enquiry

	2026-27 Forecast \$A billion	2027-28 Forecast \$A billion	2028-29 Forecast \$A billion	2029-30 Forecast \$A billion
New client loans	3.1	1.3	1.2	0.3
Term maturities	0.0	1.8	1.6	1.9
Total requirement	3.1	3.1	2.8	2.2

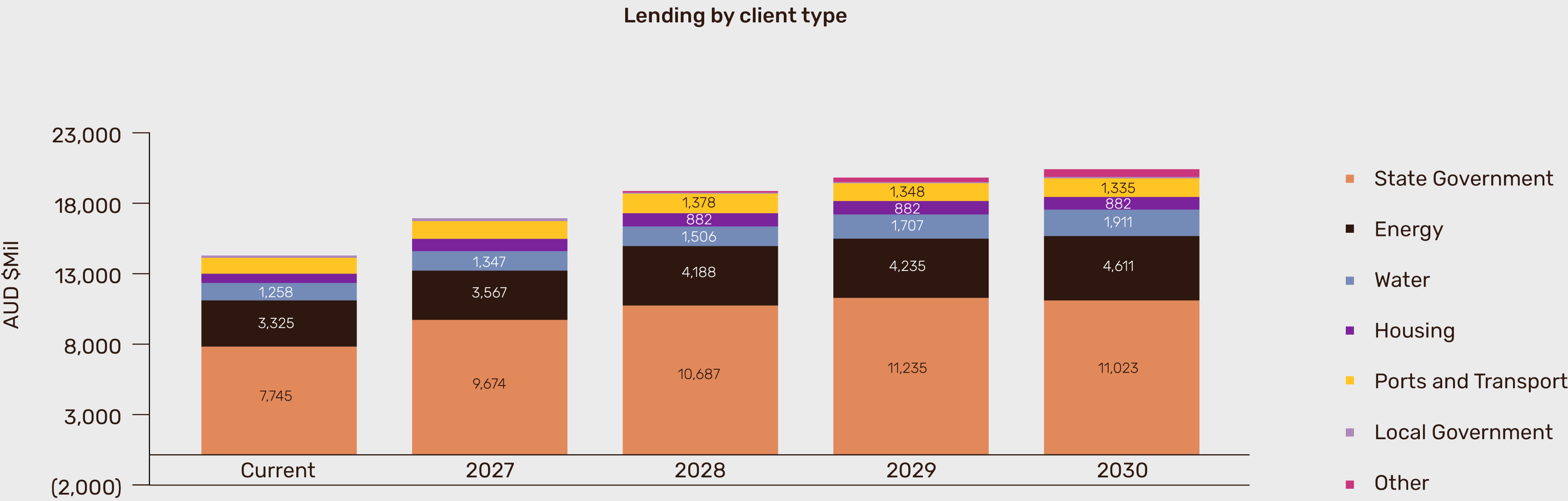


Fagus at Mt Field National Park
Credit: Studio Hubert

Lending Activities

TASCORP 2026-27 Borrowing Program:

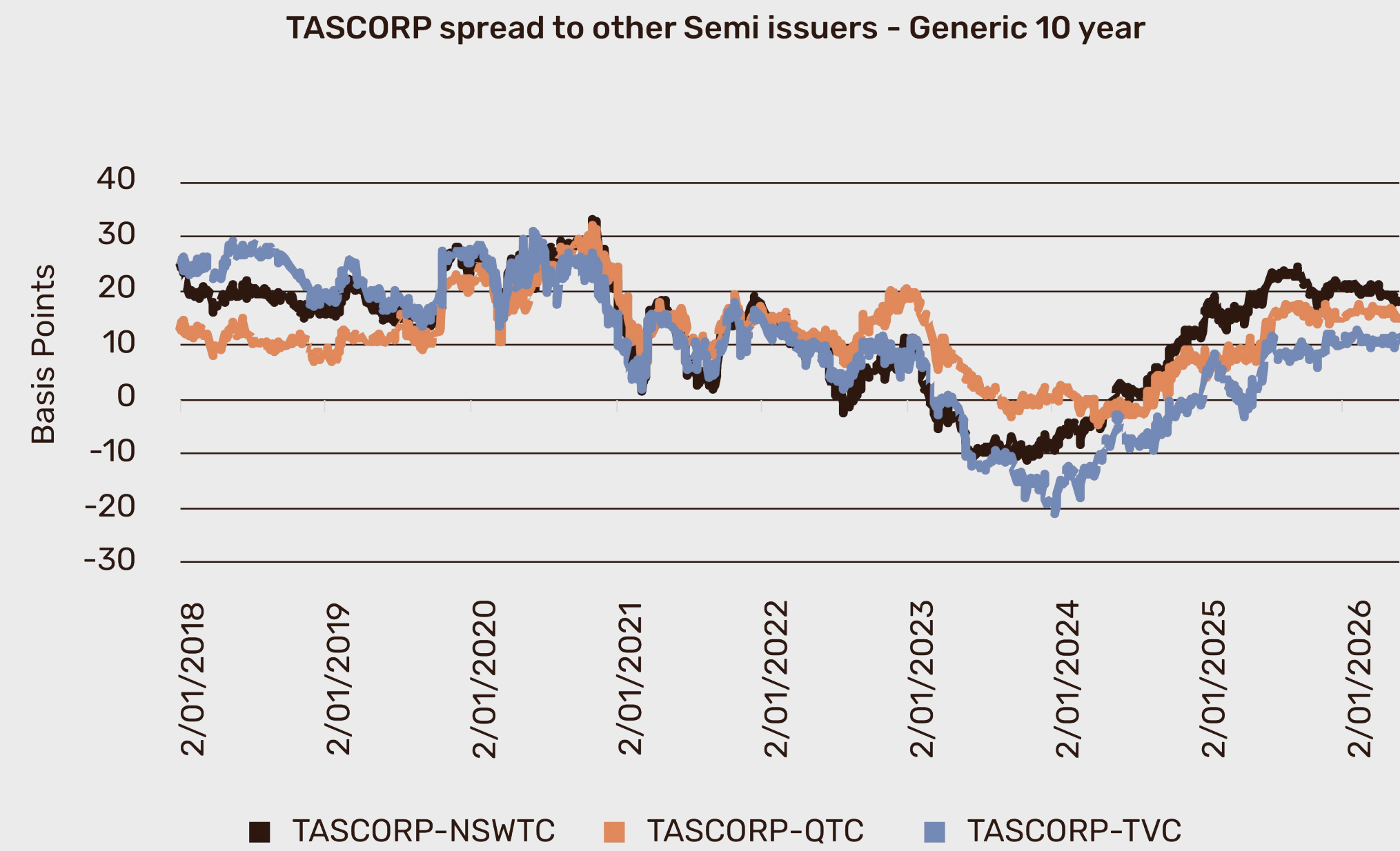
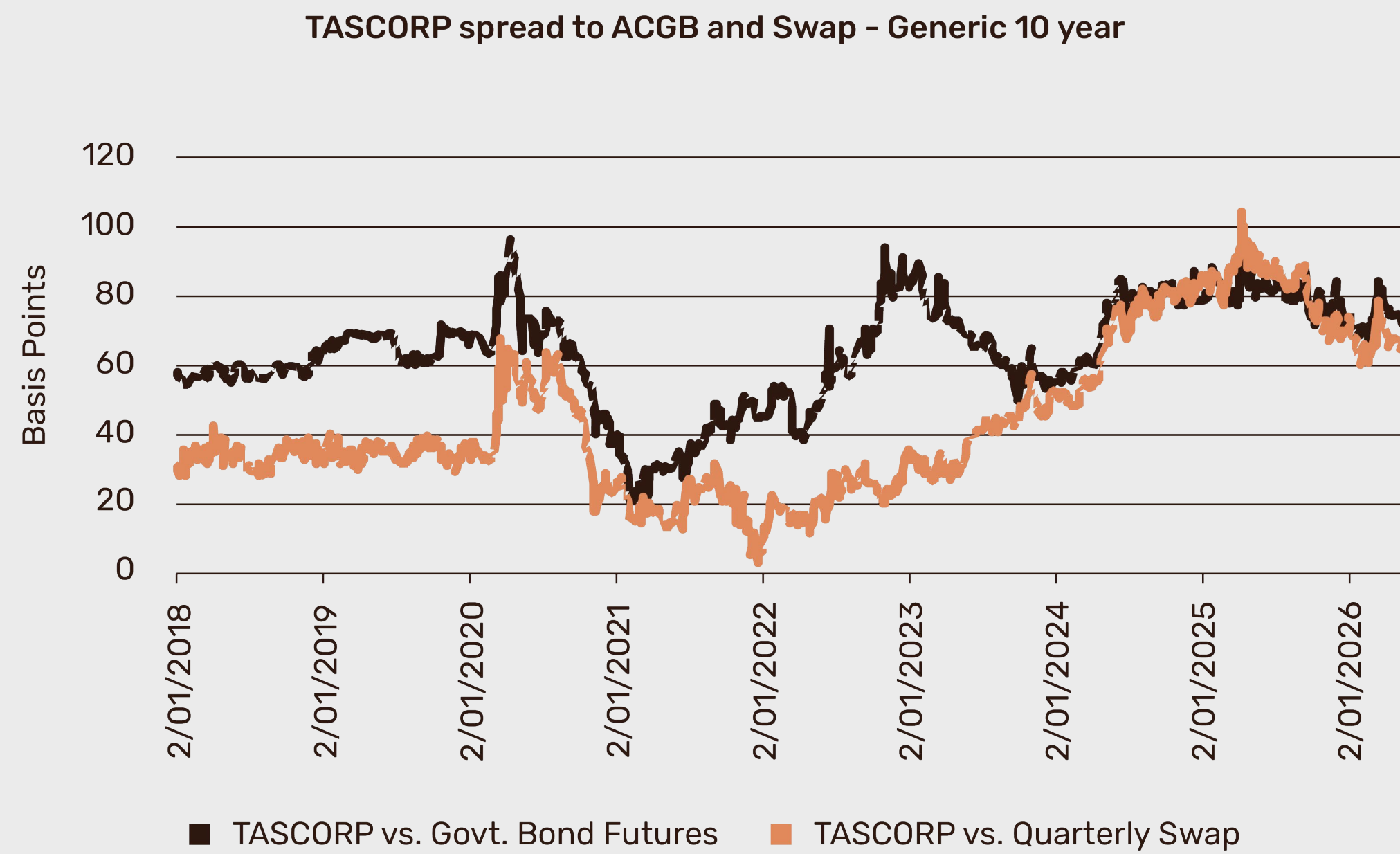
Recent balance sheet expansion being led by State Government borrowings
Lending across all sectors driven by infrastructure funding.



Appendix

Cataract Gorge Reserve
Credit: Nick Hanson

TASCORP Yields and Spreads



Appendix

Useful 2026–27 Budget and Government Websites

Contains the 2026–27 Budget Paper documents and related information including the Budget Booklet and Government Media Releases.

<https://www.treasury.tas.gov.au/budget-and-financial-management/2026-27-tasmanian-budget>

Contains the 2026–27 Budget Papers and Budget Paper archives.

<http://www.treasury.tas.gov.au/>

Provides links to the websites of Tasmanian public sector entities.

<http://www.tas.gov.au/>

Renewables, Climate and Future Industries Tasmania. Renewable Energy Action Plan found here.

<https://recfit.tas.gov.au/home>

Information on the Tasmanian Government's development of a sustainability strategy for Tasmania.

<https://www.sustainability.tas.gov.au/>

Tasmanian Greenhouse Gas Emissions Report.

https://recfit.tas.gov.au/__data/assets/pdf_file/0006/440592/Tasmanian_Greenhouse_Gas_Emissions_Report_2023.pdf

Gender Budget Statement.

<https://www.treasury.tas.gov.au/Documents/2024-25-Gender-Budget-Statement.pdf>

Sarah Island
Credit: Studio Hubert



Contact Details

Heath Baker

Chief Executive Officer

Phone +61 3 8396 1204

Email hbaker@tascorp.com.au

David Loveless

Senior Manager Financial Markets

Phone +61 3 8396 1233

Email dloveless@tascorp.com.au

Jy Webb

Manager, Funding

Phone +61 3 8396 1234

Email jwebb@tascorp.com.au

Nathan Skulander

Manager, Financial Markets Strategy

Phone +61 3 8396 1235

Email nskulander@tascorp.com.au

Stephen Cooper

Manager, Balance Sheet

Phone +61 3 8396 1236

Email scooper@tascorp.com.au



Fern Leaves
Credit: Studio Hubert

www.tascorp.com.au

Cover Image: Leaves at the Royal Hobart Botanical Gardens

Image Credit: Studio Hubert

Disclaimer

This material has been prepared by TASCORP for general information purposes only and does not take into account your investment objectives, financial situation or needs. Opinion and forecasts do not guarantee future outcomes or rates. Outcomes and rates will be subject to variations due to fluctuations and changed financial market or economic conditions. TASCORP is not under any obligation to update the information in this publication if it becomes aware of a change or inaccuracy in the information. Accordingly, TASCORP does not warrant or represent that the information contained in this publication is complete, accurate or suitable for use. To the fullest extent permitted by law, TASCORP accepts no liability to any person for any direct or indirect loss, damage, cost or expense whatsoever arising from use of information contained in this publication (whether arising from negligence or otherwise). Any reference to credit ratings has been provided solely for the information of “wholesale clients” and must not be directly or indirectly disclosed to “retail clients” within the meaning of section 761G of the Corporations Act 2001 (Cth).

