



The 2025–26 Tasmanian State Budget, themed “Building a Better Tasmania,” outlines significant investments aimed at bolstering economic growth and supporting businesses across Northern Tasmania, including Launceston. These initiatives are part of the government's 2030 Strong Plan for Tasmania’s Future, focusing on infrastructure development, healthcare, education, and cost-of-living relief.

Infrastructure and Economic Development

A substantial portion of the budget is allocated to infrastructure projects designed to stimulate economic activity and improve connectivity in the region:

- Launceston General Hospital (LGH) Redevelopment: Continuing the 10-year, \$580 million redevelopment, plans include doubling the emergency department, establishing a new
- Northern Heart Centre, constructing a dedicated mental health precinct, and introducing advanced surgical technologies.
- Ambulance Stations: New stations are planned for Legana and Longford, enhancing emergency response capabilities in these growing communities.
- Kings Meadows Community Centre Upgrade: Investments are earmarked for upgrading this key community facility, supporting local engagement and services.

Support for Small Businesses

The budget introduces measures to foster a conducive environment for small businesses:

- Red Tape Reduction: The government is implementing initiatives to streamline regulatory processes, making it easier for businesses to operate and expand.
- No New Taxes: A commitment to maintaining the current tax structure aims to provide stability and predictability for business planning.

Cost-of-Living Relief

To alleviate financial pressures on households and indirectly support local businesses, the budget allocates over \$550 million for cost-of-living measures, including:

- Energy Bill Discounts: Subsidies to reduce electricity costs for consumers.
- Food Relief Programs: Funding to support organizations providing food assistance to those in need.

Fiscal Outlook

While the budget projects a \$1.008 billion deficit for 2025–26, it outlines a pathway to return to surplus by 2029–30. Net debt is expected to rise from \$7.361 billion in 2025–26 to \$10.789 billion by 2029–30. The government emphasizes that these investments are crucial for long-term economic resilience and growth.

Implications for Launceston Businesses

The outlined investments in healthcare infrastructure, community facilities, and cost-of-living relief are poised to enhance the quality of life in Northern Tasmania, potentially attracting a skilled workforce and increasing consumer spending. The focus on reducing regulatory burdens and maintaining tax stability further supports a favorable business environment. Local businesses are encouraged to engage with these initiatives to capitalize on the opportunities presented.

Links and Commentary

[Tasmanian 2025–26 State Budget Overview](#)

[Premier of Tasmania – Budget 2025 Releases](#)

Tasmanian Chamber of Commerce and Industry (TCCI)

TCCI welcomed infrastructure and cost-of-living measures, but CEO Michael Bailey OAM highlighted concerns over rising debt and the need for cost control and productivity reform. TCCI called for structural reform to freight and energy systems to support long-term business viability.

Read more: <https://tcci.com.au/news/news-media/media-releases>

Saul Eslake (Independent Economist)

Saul Eslake warned that Tasmania's path to a budget surplus is reliant on optimistic assumptions and unsustainable asset sales. He criticised the lack of productivity-enhancing reforms and noted that the budget may underplay future risks.

Read more: <https://www.abc.net.au/news/2025-05-30/analysis-tasmanian-guy-barnett-budget-road-to-surplus/105337778>

TasFarmers

TasFarmers acknowledged positive investment in freight and agricultural R&D but expressed disappointment over the lack of federal support for the Greater South East Irrigation Scheme. They called for a stronger focus on freight reform and cost-of-production pressures.

Read more: <https://www.tasfarmers.com.au>

TasICT (Tasmanian Information Communication and Technology Industry Association)

TasICT welcomed continued investment in digital infrastructure and skills development. The sector stressed that digital connectivity is essential for regional economic participation and competitiveness.

Read more: <https://tasict.com.au>

TasCOSS (Tasmanian Council of Social Service)

TasCOSS supported fee removals and multi-year funding for community services but criticised the budget's focus on major infrastructure at the expense of urgent needs like housing and sector sustainability. CEO Adrienne Picone argued the budget lacked ambition to address structural disadvantage.

Read more

<https://tascoss.org.au/mr-2025-26-budget/>

<https://tascoss.org.au/budget-priorities/>

St Lukes Health

St Lukes called for a shift from reactive healthcare to proactive investment in preventative health. CEO Paul Lupo urged the establishment of a "Healthy Futures Fund" to support community-led wellbeing programs, arguing that smart health investment delivers long-term social and economic benefits.

Read more

<https://www.stlukes.com.au/news/a-conservative-budget-should-not-mean-conservative-thinking->