

Treasurer
Minister for Macquarie Point Urban Renewal
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: minister.abetz@dpac.tas.gov.au



Professor Alex Robson
Deputy Chair
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Dear Professor Robson

The Australian nation was founded on a very clear principle: a fair go.

A fair go for all states in the Federation, so a citizen's quality of life wasn't unfairly determined by the imbalance of resources providence had supplied to individual states.

Australia's GST system was built on a simple device that embodies that ethos.

The Horizontal Fiscal Equalisation (HFE) is one of the fundamental principles defining the Australian Federation, reflecting that all Australians have the equal right to be able to access similar levels of service, regardless of where they live.

Tasmania strongly supports a return to full HFE and a GST distribution system that is based on the egalitarian principles upon which Australia's Federation was built.

Full HFE allows Tasmanians, like all Australians, to access schools, hospitals, roads and bridges.

The restoration of full HFE will give certainty to our children and young people that their education and healthcare will be the same as the generations before them.

Anything that leaves Tasmanians worse off is unacceptable.

Please find attached the Tasmanian Government's initial submission to the Productivity Commission's Inquiry into the 2018 GST distribution reforms.

Tasmania's initial submission responds to the questions raised in the Commission's Issues Paper published in November 2025.

The information contained in the submission provides compelling evidence that the 2018 changes to the GST distribution system have not delivered their intended outcomes and as such, should be revoked.

Thank you for your consideration.

Yours sincerely

Hon Eric Abetz MP
Treasurer
Minister for Macquarie Point Urban Renewal