

Queensland
Budget 2026-27

BUDGET STRATEGY AND OUTLOOK

Budget Paper No. 2

DELIVERING
FOR QUEENSLAND



Queensland
Government

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State Budget 2026-27

Budget Strategy and Outlook

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Contents

Overview	4
Economic conditions and outlook.....	5
Fiscal conditions and outlook	8
Building a stronger and more productive economy	9
1 Economic performance and outlook	19
1.1 International conditions.....	20
1.2 National conditions.....	21
1.3 Queensland conditions and outlook.....	22
1.4 Risks to the outlook.....	32
2 Fiscal strategy and outlook	35
2.1 Fiscal outlook.....	36
2.2 Key fiscal aggregates.....	37
3 Revenue	46
3.1 2025-26 Estimated actual and 2026-27 forecast	46
3.2 Revenue initiatives	49
3.3 Revenue by operating statement category.....	50
4 Expenses	66
4.1 2025-26 Estimated actual.....	66
4.2 2026-27 Budget and outyears.....	67

4.3	Expenses by operating statement category	68
5	Balance sheet and cash flows	74
5.1	Overview	74
5.2	Balance sheet.....	75
5.3	Cash flows	78
6	Intergovernmental financial relations	80
6.1	Federal financial relations.....	81
6.2	Federal Government funding to Queensland	82
6.3	Payments to Queensland for specific purposes.....	85
6.4	State-local government financial relations.....	89
7	Public Non-financial Corporations Sector	91
7.1	Context.....	91
7.2	Finances and performance.....	96
8	Uniform Presentation Framework	103
8.1	Context.....	103
8.2	Uniform Presentation Framework financial information.....	103
8.3	General Government Sector time series	113
8.4	Other General Government Sector Uniform Presentation Framework data	114
8.5	Background and interpretation of Uniform Presentation Framework.....	117
8.6	Sector classification	119
8.7	Reporting entities	120

Appendix A: Concessions Statement 124

A.1 Concessions summary 129

A.2 Previously announced temporary cost of living concessions 130

A.3 Concessions by agency 131

A.4 Concessions by government-owned corporations 159

Appendix B: Tax expenditure statement 161

Context 161

Methodology 161

The tax expenditure statement 162

Appendix C: Revenue and expense assumptions and sensitivity analysis 171

Taxation revenue assumptions and risks 171

Royalty assumptions and revenue risks 172

Parameters influencing Federal Government GST payments to Queensland 174

Sensitivity of expenditure estimates and expenditure risks 175

Appendix D: Fiscal aggregates and indicators.... 176

Overview

The 2026-27 Queensland Budget continues to strengthen the foundations laid in the 2025-26 Budget in making Queensland safer, restoring health services when Queenslanders need them most, easing national cost-of-living pressures, as well as delivering generational infrastructure for all of Queensland.

Strengthening the foundations for a fresh start

Better services through a stronger economy

- Delivering the largest ongoing cost-of-living relief package in Queensland's history, including lowering power prices in 2026-27 as the Energy Roadmap delivers more affordable power for Queenslanders.
- Increasing access to essential health services for Queenslanders, with the Budget providing a record \$31.486 billion to continue reducing ambulance ramping, improve services and recruit more health workers, and stabilise elective surgery waitlists.
- Reducing cost pressures on families with a 50% increase to the Back to School Boost with \$150 for every primary school student, and \$200 Play On! Sports Vouchers.
- \$11.7 million per annum to boost the Patient Travel Subsidy Scheme fuel subsidy rate to a nation-leading 45 cents per kilometre and improve processing times.
- \$146.1 million to unlock critical minerals, \$50 million to supercharge Queensland's primary industries, \$330.5 million for the conservation of the Great Barrier Reef.
- \$19 million for the Queensland Fuel Security Plan to fast-track the Taroom Trough Development Plan and invest in new refining and storage capability in Queensland.

Building Queensland's future

- Delivering the largest ever infrastructure pipeline, with a \$119.2 billion capital program over four years.
- Queensland Transport and Roads Investment Program (QTRIP) 2026-27 to 2029-30 represents a \$55.9 billion investment. The program reflects the Queensland Government's dedication to building resilient generational infrastructure that gets Queenslanders home sooner and safer and meets the needs of our growing population.
- Delivering more than 2,600 hospital beds, through the *Hospital Rescue Plan*, which includes building three new hospitals and ten major expansions and upgrades.

- Building 22 new schools in a \$2.3 billion investment, including nine new special schools to provide more choice for parents.
- Delivering a record \$5.725 billion capital program for social and community housing over four years from 2026-27, and continuing to implement the \$2 billion Residential Activation Fund, including doubling Round Two funding to \$1 billion. These initiatives will help unlock more land and support the delivery of a record number of social and community homes.
- \$765.0 million in 2026-27 to progress planning and delivery of the new Brisbane Stadium and other Games venues and to progress the athlete villages.
- Reinforcing the Government's commitment to water security and dam safety, including investment in new weirs and water storage, and upgrades at existing dams with over \$500 million for water security projects and \$276.2 million towards dam improvement projects across the state in 2026-27.

Making Queensland Safer

- The Queensland Government is committed to making Queensland safer through delivery of stronger laws, and record investment in rehabilitation and early intervention to address crime and reduce victim numbers.
- Investment initiatives include:
 - over \$250 million to boost the safety of children at childcare, in schools and in the community by implementing *In Plain Sight* recommendations and establishing a new Queensland Protection Commission
 - delivering frontline police, with \$23 million to recruit more police officers, including from interstate and overseas, to restore safety where you live.
- Boosting education and extra-curricular activities with \$1,500 allowances for carers of children in care to help keep them on the right track, with the continued delivery of the \$70.1 million program.

Economic conditions and outlook

Despite challenges to the global economic outlook, Queensland's economic growth is expected to stay above the national average in 2025-26 and remain robust across the forward estimates.

Nationally, underlying inflation has picked up materially in 2025-26, reflecting broader capacity pressures. In addition, the conflict in the Middle East has resulted in sharply higher fuel and related commodity prices, which are adding to inflation.

Queensland's gross state product (GSP) growth is forecast to strengthen to 2½% in 2025-26, from 2.2% in 2024-25, which was the strongest amongst Australian states. Economic activity has been robust in the first three quarters of the 2025-26 financial year, driven by a rebalancing of growth drivers towards private domestic activity, in line with the government's objective to drive economic growth and foster more business investment in Queensland.

However, the conflict in the Middle East is expected to weigh on economic growth in the near term. The effects of higher interest rates and inflation are expected to be concentrated in 2026-27, causing economic growth to ease to 1¾%.

Growth is then expected to return to 2% in 2027-28, driven by domestic economic activity, including household consumption growth and ongoing investment in both new and renovated dwellings. Thereafter, growth is expected to rise to 2¼% in 2028-29 and 2029-30, consistent with estimates of potential output growth.

Labour market conditions in the state remain strong, with the unemployment rate persistently low even as employment growth has eased to an estimated 1½% in 2025-26. Employment growth is forecast to moderate to 1¼% in both 2026-27 and 2027-28 and average 1½% thereafter, in part reflecting a slowing in private final demand.

Headline inflation is expected to step up to 4¾% in 2025-26, driven by several factors including the initial effects of the global oil and gas supply shock related to the conflict in the Middle East. The inflation rate is forecast to remain at 3¾% in 2026-27, before easing to 2½% in 2027-28 and beyond.

Overview Table 1 Queensland economic forecasts/projections¹

	Actuals	Forecasts			Projections	
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Gross state product²	2.2	2½	1¾	2	2¼	2¼
Employment	3.1	1½	1¼	1¼	1½	1½
Unemployment rate³	4.0	4¼	4¾	4¾	4¾	4¾
Inflation⁴	2.2	4¾	3¾	2½	2½	2½
Wage Price Index	3.7	3½	3½	3¼	3¼	3
Population	1.9	1¾	1½	1¼	1¼	1¼
Notes:						
1. Unless otherwise stated, all figures are annual percentage changes.						
2. Chain volume measure, 2023-24 reference year. The comparable nominal GSP growth rates are 3.6% in 2024-25, 4¾% in 2025-26, 6½% in 2026-27, 3¾% in 2027-28, 4½% in 2028-29 and 4½% in 2029-30.						
3. %, year-average.						
4. Brisbane, %, year-average.						
<i>Sources: Australian Bureau of Statistics (ABS) Annual State Accounts, National, State and Territory Population, Labour Force, Wage Price Index, Consumer Price Index and Queensland Treasury.</i>						

Cost-of-living package

The Queensland Government is playing its part to ease national cost-of-living pressures.

This Budget delivers the largest ongoing cost-of-living relief package in Queensland's history, starting with the Energy Roadmap helping to ease power prices for Queenslanders.

In 2026-27, retail electricity prices are set to fall between 7% and 10% for typical households and between 8% and 14% for typical small businesses.

Other significant cost-of-living support measures for Queensland families include:

- \$141.2 million over four years for \$150 Back to School Boost for primary school students
- \$250 million over four years for \$200 Play On! Sports Vouchers
- continued indexation of the Electricity Rebate Scheme to \$399 in 2026-27
- freezing bulk water prices in South East Queensland for two years from 1 July 2026, saving households around \$130 on their water bills
- \$2.1 billion over four years to continue access to 15 hours per week of free kindy for all four year-olds for up to 40 weeks per year, and programs that support access to quality services
- \$37.5 million over five years (from 2025-26) for expanding free Kindy Kids Health Checks statewide
- \$11.7 million per annum to boost the Patient Travel Subsidy Scheme fuel subsidy rate to a nation-leading 45 cents per kilometre
- permanent 50 Cent Fares legislated.

As outlined in the Concessions Statement (Appendix A), approximately \$9.285 billion in concessions are forecast to be provided to Queenslanders in 2026-27, 5.4% more than the 2025-26 estimated actual amount.

Fiscal conditions and outlook

The 2026-27 Budget strengthens the foundations laid in the 2025-26 Budget to continue budget repair and restore fiscal sustainability.

After a period of unsustainable expense growth, the Government's commitment to fiscal discipline sees the Budget forecast a return to surplus in 2029-30, while delivering better services for Queenslanders.

This reflects a calm and methodical approach to the management of spending.

A \$500 million budget improvement will be delivered through better coordinating procurement, improving asset maintenance planning, reducing the cap on senior executive positions following a review of unfilled positions, consolidating office accommodation, and making better use of public sector expertise to reduce spending on contractors and consultants.

Net operating deficits are expected to progressively improve before a return to surplus as expense growth is maintained below revenue growth each year across the forward estimates.

A record \$119.2 billion four-year capital program to 2029-30 is underpinned by analysis of the state's current and future infrastructure requirements to provide for a growing and productive economy. The Government's improved capital program governance framework is also ensuring on-time and on-budget delivery.

The return to surplus and targeted capital program ensures the State's balance sheet continues to improve, with Non-Financial Public Sector (NFPS) borrowings forecast to be lower each year across the forward estimates than what was projected at the *2025-26 Mid-Year Fiscal and Economic Review (MYFER)* and 2025-26 Budget.

NFPS borrowings are estimated to reach \$183.7 billion in 2027-28, \$34.1 billion lower than forecast in the 2024-25 MYFER.

Overview Table 2 Key fiscal aggregates¹

	2024-25 Outcome \$ million	2025-26 MYFER \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
General Government Sector							
Revenue	88,966	91,102	92,018	99,671	104,354	107,835	112,311
Expenses	93,393	100,700	100,863	105,847	107,645	109,831	111,692
Net operating balance	(4,428)	(8,968)	(8,845)	(6,176)	(3,291)	(1,996)	619
PNFA ²	11,322	15,191	12,450	15,479	19,121	20,296	20,014
Fiscal balance	(11,119)	(18,917)	(16,897)	(15,254)	(15,035)	(14,349)	(10,736)
Net debt	16,727	38,713	33,440	51,329	69,024	85,980	98,057
Non-financial Public Sector							
Revenue	100,392	102,323	104,049	112,395	116,435	121,700	127,061
PNFA ²	19,268	24,678	20,231	23,437	27,137	27,248	26,327
Borrowing³	123,446	146,930	142,376	162,624	183,680	202,131	216,472
Notes:							
1. Numbers may not add due to rounding.							
2. PNFA: Purchases of non-financial assets.							
3. Comprised of borrowing with Queensland Treasury Corporation, leases and similar arrangements and securities and derivatives.							

Building a stronger and more productive economy

The 2026-27 Queensland Budget continues to strengthen the foundations for a strong and productive economy that delivers for all Queenslanders.

Productivity drives economic growth and improves living standards by increasing the economy's capacity to realise opportunities and adapt to challenges, such as geopolitical instability or rapid technological change.

Better services through a stronger economy

Reducing red and green tape

Reducing regulatory burden is critical to lifting productivity, improving business competitiveness and easing cost-of-living pressures. The 2026-27 Budget continues the Government's focus on simplifying regulation, removing duplication and promoting innovation.

The Government is progressing a targeted red tape reduction agenda to make it easier to start, run and grow a business in Queensland. The *Small and Family Business First Action Statement*, supported by more than \$100 million over four years, is delivering a supportive business environment for small and family businesses. Key measures include a new Small Business Concierge service to streamline access to government support and a strengthened Small Business Commissioner role focused on practical red tape reduction and timely dispute resolution. Updates to the Queensland Procurement Policy are also expanding opportunities for local suppliers, with a particular focus on small and family businesses.

Reforms to building regulation are reducing compliance costs and supporting more efficient project delivery. The Building Reg Reno reforms, which commenced in 2025, are reducing compliance costs and project delays through the removal of unnecessary financial reporting, streamlining of administrative processes, and removal of duplicate workplace safety notification requirements.

The Government is also reducing administrative burden across the public sector. The Government's commitment to cut red tape and administrative burden for Queensland state school teachers by 25% over four years is enabling teachers to spend more time with students, focused on teaching and learning.

Targeted legislative reforms are empowering local governments to operate more efficiently and respond to community needs. The *Local Government (Empowering Councils) and Other Legislation Amendment Act 2026*, alongside the work of the Local Government Red Tape Reduction Taskforce, is simplifying regulatory requirements so councils can better serve their communities.

Sector-specific reforms are improving the business environment. Streamlined engagement and government touchpoints in the tourism and events industry are making it easier for businesses to access targeted support, with the Tourism Support Hub service supporting over 100 businesses within its first 60 days. Planning and approval processes for hotels and clubs have also been simplified, enabling faster renovations and alterations.

The Government is also taking a coordinated approach to reducing green tape. This includes reducing duplication between federal and state processes, improving the efficiency of environmental approvals, and ensuring regulatory frameworks are fit for purpose and support timely investment and delivery.

The Queensland Productivity Commission (QPC) is examining the impacts of recent federal environmental reforms, while legislative changes introduced through the *Environment Protection (Efficiency and Streamlining) and Other Legislation Amendment Act 2026* will improve the administrative efficiency of Queensland's environmental laws, ensuring regulatory frameworks remain contemporary, effective and responsive.

Delivering a stronger productivity agenda

Productivity growth is central to Queensland's economic prosperity and long-term living standards.

The Queensland Government is taking action to revive productivity in the building and construction industry, given the industry's critical role in delivering housing and infrastructure and its marked decline in productivity over recent years.

The independent QPC conducted an inquiry into opportunities to improve construction industry productivity. The Government's response to this landmark inquiry sets out a comprehensive, whole-of-government reform agenda that includes:

- overhauling government procurement to make it easier to do business while delivering value for money for Queensland
- better guidance on health and safety regulation to ensure projects maintain safe and productive workplaces, including management of work during adverse weather
- less prescriptive and better targeted policy to boost the number of construction apprentices
- reviewing training courses to deliver skills needed for modern methods of construction
- streamlining licensing processes to fill skill shortages across Queensland's construction industry.

Implementation is underway, with early action including the permanent removal of Best Practice Industry Conditions, which is projected to save Queenslanders up to \$20.6 billion over the five years to 2030. Other actions already taken include simplification of government procurement to remove red tape, barriers to innovation and to competition, and streamlined workplace health and safety reporting.

The Government is progressing its broader productivity agenda through new and planned QPC inquiries. In 2026-27, the QPC will examine the impacts on Queensland of the 2025 reforms to the Federal Government's *Environment Protection and Biodiversity Conservation Act 1999*, including the regulatory burden, economic effects and implications for major projects, infrastructure, housing, jobs and land use.

Lifting Queensland's economic prosperity will continue to require action on a broad range of productivity-enhancing reforms.

Delivering the right skills

The Government's *Right Skills Strategy 2025-2028*, a more than \$5 billion investment, addresses skills shortages, and supports existing and emerging industries by aligning

training with industry needs. It aims to create 430,000 new jobs by 2028, enabling workers to upskill, reskill, and transition across industries, boosting productivity and growth.

In 2026-27, the Government is investing an additional \$149 million to expand apprenticeships in critical industries, support public providers in delivering skills in demand and strengthen access to training in regional communities.

The Budget also targets support to areas of greatest need, including disadvantaged job seekers, small businesses and priority sectors facing workforce pressures. This includes the \$19 million Small Business Apprenticeship Pilot Program that provides wage subsidies to help small businesses train and retain apprentices, as well as further support available to payroll tax-liable businesses through the newly extended 50% apprentice and trainee rebate. Additional targeted support is also available through ongoing funding of \$80 million per year for the Skilling Queenslanders for Work program.

The Government is also continuing to invest in vocational education and training infrastructure to support skills development with a \$201.1 million total investment over three years to construct four new TAFE Centres of Excellence in Rockhampton, Caloundra, Petrie and Moreton Bay surrounds.

Security for energy, fuel and water

The Government is strengthening Queensland's resilience to global uncertainty through strategic investments in energy, fuel, and water security.

The Queensland Energy Roadmap is a pragmatic plan for the state's energy system focused on leveraging existing infrastructure to put downward pressure on prices, optimising investments to respect taxpayer funds, and boosting private sector investment in new infrastructure to ease pressure on the Government's balance sheet.

In 2026-27, Queensland's state-owned energy businesses are investing over \$5 billion across the energy supply chain — generation, transmission, and distribution — to improve Queensland's energy assets while building what is needed for the future.

The Roadmap is putting downward pressure on power bills, demonstrating the Government's commitment to delivering affordable, reliable, and sustainable energy. In 2026-27, retail electricity prices are set to fall between 7% and 10% for typical households and between 8% and 14% for typical small businesses.

The Budget strengthens the ongoing commitment to energy security for North and North West Queensland, including a record investment of \$3.2 billion into the CopperString project.

The *Queensland Fuel Security Plan* is unlocking oil reserves in the Taroom Trough and expanding local fuel refining and storage capacity to reduce reliance on global supply chains and bolster long-term fuel security. Together with streamlined approvals and infrastructure development, these initiatives will help secure fuel supply, lower costs and support the economy.

The *Queensland Fuel Security Plan* includes:

- unlocking oil reserves — helping reduce reliance on imports and stabilise prices by fast tracking approvals to extract fuel from Queensland's Taroom Trough, through the Taroom Trough Development Plan
- refining more fuel here in Queensland — more fuel processed locally, keeping fuel costs lower and more predictable
- boosting fuel storage capacity — protecting against shortages and sudden price spikes that hit families hardest
- permanently locking in 50 cent fares on public transport
- improving transparency — backing states and territories in pushing Canberra to publish a dashboard with incoming fuel shipments to plan ahead for future pressures.

The Taroom Trough Development Plan will provide a streamlined development pathway and allow the Coordinator-General to lead whole-of-government planning and stakeholder engagement. This will effectively guide infrastructure and approvals, to provide greater certainty to support investment decisions, while also providing clarity on the nature, timing and opportunities associated with development for regional communities.

Under the new Accelerating Fuel Infrastructure Program, additional opportunities will be explored to unlock fuel refining and storage projects on government-owned industrial and port land across Queensland. The program includes a statewide audit of suitable land, rapid market engagement with industry and a coordinated framework to progress proposals efficiently.

The Budget reinforces the Government's commitment to water security and dam safety, including investment in new weirs and water storage, and upgrades at existing dams. In addition, bulk water prices in South East Queensland will be frozen for two years from 1 July 2026, saving households around \$130 on their water bills. These investments will protect agriculture, support families and businesses, and drive economic growth and diversification across Queensland.

Strong industries and sovereign capability

This Budget backs the industries, capabilities and partnerships that will strengthen productivity, resilience and private sector investment across the state.

It builds on Queensland's comparative advantages in resources, manufacturing, tourism and agriculture — industries that are central to regional prosperity, support more than 200,000 jobs and account for around half of economic activity outside South East Queensland.

To accelerate investment in priority sectors, the Queensland Government has established a \$180.6 million Sovereign Industry Development Fund to strengthen sovereign manufacturing capability, attract private investment, and support long-term economic

growth. Under this initiative, funding will be deployed into the biofuels, biomedical and defence industries to grow Queensland's sovereign capability.

The Government is supporting the long-term future of the resources sector by providing a stable regulatory and operating environment that gives investors confidence. Faster approvals, clearer decisions and stronger coordination across government are bringing projects forward, while maintaining strong environmental and safety standards.

Since 2024, the Government has backed in projects that will support more than 5,000 jobs, including up to 1,450 jobs through the Eva Copper mine project. Exploration opportunities have also been released across highly prospective resource areas to secure the pipeline of future energy and minerals projects across the state.

On 25 March 2026, the Federal Government and Queensland Government, together with Rio Tinto, announced a \$2 billion investment over ten years to 2040 to support the Boyne Island Aluminium Smelter, securing the long-term future of aluminium smelting in Central Queensland, and supporting 3,000 jobs in the region.

Unlocking Queensland's critical minerals

Queensland has globally significant deposits of the critical minerals that the world needs.

The Government has introduced new legislation that will fast-track the next wave of critical minerals and other state-significant projects, helping unlock extraction, processing and export opportunities that strengthen Queensland's economy.

The State Development and Public Works Organisation Act 1971 will be modernised to allow State strategic project declarations and new powers to support delivery of the highest-priority projects while responsibly managing impacts.

The 2026-27 Budget commits more than \$146 million towards a range of measures that will support innovation in extraction, processing and rehabilitation, including opportunities to re-commercialise legacy mine assets. These include:

- \$100 million in 2025-26 to the Queensland Critical Minerals Fund to accelerate strategically important projects, attract global partners and strengthen Queensland's role in emerging supply chains
- \$46.1 million over three years to enhance investment attraction, build critical minerals value chains and bring major projects online sooner, particularly in the North West Minerals Province and surrounding regions.

As part of the \$46.1 million investment, effort will be focused on initiatives that accelerate projects to final investment decisions and production, including targeted global

promotion, stronger project profiling, a dedicated concierge model for priority proponents and tailored investment readiness support for junior miners.

Queensland-based value chains will also be strengthened through infrastructure corridor assessments, processing opportunities and common-user infrastructure such as the Queensland Resources Common User Facility and the Resources Centre of Excellence.

All these measures will unlock Queensland's critical minerals opportunity and strengthen the state's role in global supply chains while supporting regional growth and jobs.

The *Destination 2045* plan is positioning Queensland to capture long-term growth in tourism by leveraging the state's natural assets, global profile and regional visitor economy. A record \$1 billion investment over four years from 2025-26 is supporting delivery of the plan. A further \$139 million over four years will go to growing World Class Protected Areas, delivering visitor infrastructure and ecotourism across national parks, and delivering on the next stage of the Wangetti Trail.

The *Reef 2050 Catchment Water Quality Strategy* is setting the long-term direction for improving water quality entering the Great Barrier Reef and the Government's Queensland Reef and Catchment Water Quality Program is providing \$330.5 million in funding over five years for reef conservation. The strategy provides a coordinated framework for governments, industry and communities to protect a globally significant environmental asset that also underpins tourism, regional jobs and long-term economic resilience.

The Government is also backing home-grown innovation and advanced technologies through the \$79.1 million Transforming Queensland Manufacturing Grant Program. This program is helping businesses lift capability, strengthen supply chains, expand export opportunities and improve the resilience and competitiveness of Queensland manufacturing. Further, to boost advanced manufacturing and secure local jobs, the 2026-27 Budget commits \$925,000 for a new Wide Bay Manufacturing Hub in the Maryborough region, with \$410 million also committed in 2026-27 for the Queensland Train Manufacturing Program, including the first train being manufactured in the Fraser Coast region.

The Government's *Primary Industries Prosper 2050* blueprint sets a long-term pathway to sustainably grow Queensland's food, fibre and foliage industries over the next 25 years. The Government has committed \$50 million to supercharge Queensland's primary industries with on-farm innovation and investing in projects to boost the industry's output to \$30 billion by 2030, while strengthening regional economies and long-term sector productivity.

The Budget provides \$164.5 million in 2026-27 for continued investment across Queensland's state-owned ports, supporting trade and economic growth.

Better services

Better services such as health and education strengthen workforce participation, build skills, improve productivity and make Queensland a more attractive place to live, work and invest. In turn, a strong economy generates the economic growth needed to fund those services sustainably over time.

The 2026-27 Budget continues restoring health services when Queenslanders need them most, with the Budget providing a record \$31.486 billion to continue reducing ambulance ramping, improve services and recruit more health workers and stabilise elective surgery waitlists.

This investment includes an additional \$750 million to support the delivery of critical health services across Queensland including operationalising new capacity in key locations across the state including Hervey Bay, Cairns, West Moreton, Gold Coast, Logan, Wide Bay and Central Queensland.

The Government is also providing support for families with young school-aged children. This includes an increase in the Back to School Boost from \$100 to \$150 for primary school students, which will provide cost-of-living relief to families and enable children to participate in school activities.

Strengthening social impact in Queensland

The Government is transforming social impact in Queensland by investing \$20 million each year to support vulnerable Queenslanders by empowering social enterprises and the broader for-purpose sector.

On 20 November 2025, the *Social Enterprise and Impact Investing Roadmap 2025* (Roadmap) was released, providing a framework for long-term, sustainable growth of the social impact sector in Queensland.

The Roadmap is now being implemented, with funding beginning to flow through its first initiatives. The first round of Impact Revenue Investments is already supporting 14 social enterprises to help Queenslanders in need with challenges like food security, social isolation and barriers to employment. A second round will open later in 2026 offering untied funding of up to \$200,000 over two years linked to revenue growth.

The Partnering for Impact Fund has also launched providing repayable funding of up to \$2 million to support investment-ready proposals that can attract co-investment and demonstrate high social impact potential.

Two more flagship impact investment initiatives will be launched before the end of 2026: the Ready to Launch Fund, enabling seed capital and capability support to help social

entrepreneurs navigate early growth, and the Financing Growth Fund, facilitating concessional lending and offering capability support. These funds will augment the impact of the Government's \$20 million annual investment by leveraging co-investment from institutional, philanthropic and other investment partners.

Building Queensland's future

The Government's \$119.2 billion capital program directly supports economic activity and job creation in the near term while also lifting the state's productive capacity over the long term by reducing bottlenecks that constrain growth. The \$29.6 billion capital program in 2026-27 is estimated to directly support 71,500 jobs.

The program leverages the 2032 Games to deliver generational infrastructure projects that will provide enduring economic and social benefits for communities across the state. A total expenditure of \$765.0 million is budgeted in 2026-27 to progress planning and delivery of the new Brisbane Stadium and other Games venues and to progress the athlete villages.

Transport

The program of works detailed in the Queensland Transport and Roads Investment Program (QTRIP) 2026-27 to 2029-30 represents a record \$55.9 billion investment across the state. The program reflects the Queensland Government's commitment to building the generational infrastructure needed to get people home sooner and safer.

Investment includes the \$9 billion Bruce Highway Targeted Safety Program, significant investment in rail infrastructure and investments to support the *2032 Delivery Plan*. Key initiatives include The Wave and Mooloolah River Interchange on the Sunshine Coast, faster rail to the Gold Coast, the Coomera Connector and the Gold Coast Transport Plan.

Health

The Government is investing \$4.040 billion in 2026-27 to advance the *Hospital Rescue Plan*, delivering more than 2,600 new beds. Regional health initiatives, such as the \$36.9 million Cardiac Hybrid Theatre at Rockhampton Hospital and the \$1 billion Cairns Hospital master plan, improve access to specialised care and support regional communities.

Education

This Budget continues to invest in new schools and the teachers to staff them, with \$2.3 billion to deliver 22 new schools including four new primary schools, three new high schools and nine new special schools.

Housing

To deliver on the Government's *Securing our Housing Foundation Plan*, the 2026-27 Budget allocates a total of \$1.024 billion over five years to 2029-30 for continued delivery of 53,500 social and community homes by 2044. This delivers a record capital program for social and community homes of \$5.725 billion over four years from 2026-27.

The Government is also supporting projects that will lay the groundwork for new housing through the \$2 billion Residential Activation Fund, delivering trunk and essential infrastructure to enable residential developments, with a \$1 billion minimum investment in regional communities. Round Two of the Fund has been doubled to \$1 billion to cater to the demand and overwhelming interest by councils and industry.

In addition, over the four years to 2029-30, \$83.4 million is committed to continue a number of private rental market tenancy support programs, and \$450.1 million for specialist homelessness services, and peak and industry bodies.

Making Queensland safer

This Budget is strengthening the foundation for safety where you live with stronger laws, more police, new early intervention and rehabilitation, better resourced courts, more domestic and family violence prevention, child protection and child safety reform, and more support for victims of crime. \$7.2 billion is being invested to deliver stronger laws, rehabilitation and early intervention, as well as better resourced courts, more police, reform for child protection and child safety.

The 2026-27 Budget is delivering more police to grow the frontline, stronger aerial crime-fighting capability and new and upgraded police stations. This includes \$23 million to recruit more police, including from interstate and overseas and continuing the operation of POLAIR services with long-term funding.

Over \$250 million is committed to boost the safety of children at childcare, in schools and in the community by implementing *In Plain Sight* recommendations and establishing a new Queensland Protection Commission. A total expenditure of \$70.1 million is committed to continue delivery of \$1,500 allowances for carers of children to help keep them engaged in extra curricular activities and on the right track.

1 Economic performance and outlook

Features

- Despite challenges to the global economic outlook, Queensland's economic growth is expected to stay above the national average in 2025-26 and remain robust across the forward estimates.
- The International Monetary Fund (IMF) forecasts global growth across 2026 and 2027 to be weaker than 2025.
- Nationally, inflation has accelerated materially in 2025-26, reflecting broader capacity pressures and sharply higher fuel and related commodity prices due to the conflict in the Middle East.
- The Federal Government forecasts national economic growth to moderate in 2026-27, as higher inflation and interest rates impact private consumption and investment. Growth is then expected to recover in 2027-28, as real incomes improve.
- Queensland is expected to deliver gross state product (GSP) growth of 2½% in 2025-26, up from 2.2% in 2024-25, which was the strongest amongst Australian states.
- GSP growth is expected to moderate to 1¾% in 2026-27, due to the challenging external environment and tighter financial conditions and gradually rise to 2¼% by 2028-29.
- Labour market conditions remain strong, with the unemployment rate persistently low even as employment growth eased to an estimated 1½% in 2025-26.
- Employment is forecast to grow at 1¼% in both 2026-27 and 2027-28 and average 1½% thereafter, in part reflecting a slowing in private final demand.
- As a result, the state's unemployment rate is forecast to rise from 4¼% in 2025-26 to 4¾% in 2026-27.
- Headline inflation is expected to step up to 4¾% in 2025-26, driven by several factors including the initial effects of the global oil and gas supply shock.
- Inflation is forecast to average 3¾% in 2026-27, before easing to 2½% in the years beyond.

1.1 International conditions

Prospects for the global economy have shifted notably in 2026 amid geopolitical shocks and renewed inflation pressures, leaving a challenging outlook. While concerns over a global trade war have eased, they have been replaced by oil and gas supply pressures arising from the conflict in the Middle East.

The global economy has been resilient so far, but consecutive and varied challenges in recent years have resulted in a state of persistent uncertainty, a realignment of trade relationships and now an oil and gas shock which has increased concerns about supply chains. These developments are expected to weigh on private demand, increase risk premiums and could result in tighter financial conditions.

Disruptions to oil and gas supply has led to a surge in global prices which are expected to flow into economy-wide inflation pressures in the near term. Global inflation, which had been declining, is now expected to accelerate again, reflecting higher oil, gas and food prices.

Consequently, global monetary policy settings have been reassessed, and major economy bond yields have shifted higher. Many central banks face the challenge of navigating slowing economic growth and rising inflation.

The IMF's April 2026 main forecast for world economic growth was 3.1% for 2026 and 3.2% for 2027. This represents a slowdown from 3.4% in 2025 and is approximately ¼ percentage point lower than recent history (the intervening period between the GFC and COVID-19 pandemic).

The range of plausible paths to resolution of the Middle East conflict and restoration of maritime transit and oil and gas production remains extensive. A more protracted disruption would result in substantially lower growth and higher inflation. Under the IMF's adverse scenario, which assumes oil prices falling back to about 20% above baseline in 2027, global growth would be 2.5% in 2026 and inflation would rise to 5.4%. Under a severe scenario where oil prices remain at a higher level for a longer period, GDP growth in 2026 would be 2%, considered recessionary for the global economy, and inflation rises above 6% in 2027.

The weighted average GDP growth across Queensland's major export markets is also expected to slow. This is in part due to a continued moderation in China's economic growth, where Queensland export demand is linked to steel demand and the construction cycle. Further, many Asian partners are highly exposed to oil and gas imports, and a protracted disruption to global flows could have implications for trading partner activity and demand for commodities.

Risks to the global outlook are mounting and skewed to the downside. Foremost are prolonged conflict in the Middle East, sustained higher global oil and gas prices, or supply deficiencies which impact aggregate demand or entrench higher inflation, and a re-intensification of protectionist trade policies which disrupt supply chains.

1.2 National conditions

Growth in the national economy has picked up over the past year, with annual growth at 2.5% in March quarter 2026, reflecting strength in real household consumption and real private investment.

The improved economic growth has seen the national labour market remain tight. In April 2026, trend employment was 1.3% higher over the year while the unemployment rate increased slightly to 4.3%. Per capita GDP has improved, after a period of decline, rising 1.0% over the year to March quarter 2026.

However, strength in real private demand from mid-2025 has contributed to increased capacity pressures in the national economy. Annual trimmed mean inflation picked up to 3.4% in April 2026, being above the Reserve Bank of Australia's (RBA) target range of 2% to 3% since September 2025.

In response to greater capacity pressures in the economy and rising inflation, the RBA has increased the cash rate by a cumulative 75 basis points in 2026, to 4.35%, with a further increase by the end of 2026 still possible.

In their May 2026 *Statement on Monetary Policy*, the RBA forecast annual trimmed mean inflation to rise to 3.8% in June quarter 2026 before gradually approaching the mid-point of the target range by December quarter 2027.

The conflict in the Middle East has placed additional pressure on near-term headline inflation in Australia. Consumer prices rose 1.1% in March 2026, driven by a sharp rise in fuel prices, seeing the annual rate jump to 4.6%, before it eased to 4.2% in April as the temporary reduction in fuel excise was implemented.

With the impacts softened by the temporary reduction in fuel excise, the RBA expect the higher prices for motor vehicle fuel and domestic and international travel to contribute 0.5 percentage points to annual headline inflation of 4.8% in June quarter 2026.

Solid growth in aggregate wages has continued to support household disposable income growth. This is expected to be partially offset by higher inflation and increased interest payments for indebted households from the start of 2026.

In the 2026-27 Federal Budget, national real GDP growth is forecast to strengthen from 1.3% in 2024-25 to 2¼% in 2025-26, before easing to 1¾% in 2026-27. This is due to higher prices associated with the conflict in the Middle East which will weigh on household consumption and put pressure on business operating costs. The Federal Government assumes the oil price will peak at US\$100 per barrel (bbl) in June quarter 2026, before moderating to US\$80/bbl by mid-2027. Growth is expected to pick up to 2¼% in 2027-28, driven by a recovery in household consumption as real household incomes improve.

The national labour market is expected to remain resilient. The unemployment rate is forecast to edge higher in coming years, from 4.2% in June quarter 2025, to 4¼% in June quarter 2026 and 4½% in June quarter 2027 and remain at this level across 2027-28 and 2028-29.

1.3 Queensland conditions and outlook

Queensland GSP growth is forecast to strengthen moderately in 2025-26, to 2½% from 2.2% in 2024-25. This was the strongest amongst Australian states. The domestic economy has been robust in the first three quarters of the financial year, driven by an anticipated rebalancing of growth drivers towards private domestic activity.

Despite Queensland's relative strength in the early part of 2025-26, the conflict in the Middle East is expected to weigh on economic growth in the near term. The effects of higher interest rates and inflation are expected to be concentrated in 2026-27, causing economic growth to ease to 1¾%.

Growth is then expected to return to 2% in 2027-28, driven by domestic economic activity, mainly household consumption growth and ongoing investment in both new and renovated dwellings. Thereafter, growth is expected to return to a robust 2¼% in 2028-29 and 2029-30, consistent with estimates of potential output growth.

Labour market conditions in the state remain strong, with the unemployment rate persistently low even as employment growth has eased to an estimated 1½% in 2025-26. In part reflecting a slowing in private final demand, employment growth is forecast to moderate to 1¼% in both 2026-27 and 2027-28 and average 1½% thereafter.

As a result, the unemployment rate is forecast to rise from 4¼% in 2025-26 to 4¾% in 2026-27, at which point labour demand is expected to be strong enough to absorb new entrants and stabilise the unemployment rate.

Headline inflation is expected to increase to 4¾% in 2025-26, driven by several factors, including the initial effects of the global oil and gas supply shock. The inflation rate is

forecast to ease but remain elevated at 3¾% in 2026-27, where the flow on impact of the Middle East crisis is concentrated, before moderating to 2½% in 2027-28 and beyond.

Queensland wages growth is forecast to be a relatively robust 3½% in 2025-26 and 2026-27 and 3¼% in the following two years. This profile reflects strong but easing labour demand, as well as expected compensation for an acceleration in inflationary pressures and productivity improvements.

Queensland's population growth is estimated to be 1¾% in 2025-26, easing to 1½% in 2026-27 and stabilising at 1¼% from 2027-28.

Table 1.1 Queensland economic forecasts/projections¹

	Actuals	Forecasts			Projections	
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Gross state product²	2.2	2½	1¾	2	2¼	2¼
Employment	3.1	1½	1¼	1¼	1½	1½
Unemployment rate ³	4.0	4¼	4¾	4¾	4¾	4¾
Inflation ⁴	2.2	4¾	3¾	2½	2½	2½
Wage Price Index	3.7	3½	3½	3¼	3¼	3
Population	1.9	1¾	1½	1¼	1¼	1¼
Notes:						
1. Unless otherwise stated, all figures are annual percentage changes.						
2. Chain volume measures (CVM), 2023-24 reference year. The comparable nominal GSP growth rates are 3.6% in 2024-25, 4¾% in 2025-26, 6½% in 2026-27, 3¾ in 2027-28, 4½% in 2028-29 and 4½% in 2029-30.						
3. %, year-average.						
4. Brisbane, %, year-average.						
<i>Sources: Australian Bureau of Statistics (ABS) Annual State Accounts, National, State and Territory Population, Labour Force, Wage Price Index, Consumer Price Index and Queensland Treasury.</i>						

1.3.1 Household consumption

After adjusting to a period of tight financial conditions, household spending growth in Queensland recovered during 2025.

This was driven by real per capita incomes being supported by a combination of strong growth in labour income, tax and interest rate cuts, and prior easing of underlying inflation. However, consistent with national trends, households overall remained price sensitive and discount driven, particularly in relation to discretionary goods and services.

The recurrence of broader inflationary pressures more recently, which have been impacted by the conflict in the Middle East through increased fuel prices, as well as higher mortgage rates, are forecast to negatively impact real income growth over the near term.

In year-average terms, real consumption growth in Queensland is forecast to slow from an estimated 3% in 2025-26 to 1½% in 2026-27 before rebounding towards the pre-COVID-19 decade average of around 2½% from 2027-28.

1.3.2 Dwelling investment

Queensland residential construction activity in recent years has been impacted by a range of factors including material and labour shortages, strong price growth, poor weather, construction company insolvencies and low productivity growth. However, in 2024-25, it appeared some of those headwinds eased marginally, seeing real dwelling investment grow 4.9% in the year.

Although remaining elevated from pre-COVID-19 levels, average residential construction completion times for low-rise dwellings and the pace of construction cost growth have moderated from recent peaks.

As construction capacity has struggled to keep up with the state's strong housing demand, the value of residential work in the pipeline has surged to record highs.

A pick-up in building approvals and the backlog of work in the pipeline is expected to drive construction activity demand in the coming years. Ongoing supply constraints and demand across the broader construction sector will continue to affect growth in dwelling investment, particularly if productivity does not improve and other constraining factors persist.

Recently, the evolving conflict in the Middle East presents a degree of risk and uncertainty to the construction industry. Higher fuel prices will likely contribute to construction price inflation. However, the scale of impact depends on the course and duration of the conflict.

Total real dwelling investment is expected to grow by 9% in 2025-26, before moderating to 4% in 2026-27 and 2¾% in 2027-28. Importantly, this growth is driven by the construction of new dwellings, which is forecast to grow an aggregate 21% between 2024-25 and 2027-28.

Box 1.1 Housing supply and home ownership

Housing market conditions

Median dwelling price growth has remained strong in Brisbane, in line with growth in the Perth and Adelaide markets which together with Brisbane have continued to outpace growth seen in the Sydney and Melbourne markets. Dwelling prices in regional Queensland have also seen robust growth.

Rental markets remain tight across Queensland, with the rental vacancy rate at only 1.0% in May 2026, which is a similar rate compared to the same month last year. There is some evidence conditions are stabilising with new rental price growth and dwelling price growth slowing a little in recent months.

The Queensland Government's persistent efforts to boost supply are yielding positive results, with green shoots evident across a number of measures. Queensland is currently building more homes with the number of dwellings under construction increasing to a record high of 48,044 in December quarter 2025 (latest available data). This is the highest level on record, surpassing the previous record achieved during the South East Queensland apartment boom in 2016.

There are also positive signs that construction commencement-to-completion times for low-rise dwellings in Queensland have improved. A new house in Queensland took 7.1 months on average to complete in 2024-25, which was one month quicker than the year prior, and the fastest of all states.

Queensland Government response

The Government is committed to improving housing affordability and lifting Queensland's home ownership rate. The Government is taking steps to unlock housing supply and meet our target of one million new homes, including 53,500 additional social and community homes by 2044. Since the 2025-26 Budget, the Government has:

- Supporting projects that will lay the groundwork for new housing through the \$2 billion Residential Activation Fund, delivering trunk and essential infrastructure to enable residential developments, with a \$1 billion minimum investment in regional communities.
- Doubled Boost to Buy funding to \$330 million, providing support for up to 2,000 first home buyers through the nation-leading home ownership scheme. Boost to Buy provides support to eligible Queensland first home buyers, with the Government providing an equity contribution to fund a portion of the cost of new or existing homes, making home ownership more attainable for more Queenslanders. Two rounds of the Boost to Buy scheme have been released, offering a total of 1,000

places (half of which are reserved for first home buyers outside of South East Queensland).

- Implemented several important reforms to boost the productivity of Queensland's construction industry, including implementing many of the recommendations from the Queensland Productivity Commission's Opportunities to Improve Productivity of the Queensland Construction Industry Final Report.
- Launched the Land Activation Program which identifies, activates, then releases to market underutilised government land for housing. The program has already released land for approximately 5,800 homes across 6 sites from Pimlico, in Townsville to Varsity Lakes, on the Gold Coast.
- Announced the Infrastructure Activation Fund, providing \$200 million to enable infrastructure works to unlock new homes in priority development areas and support the Federal Government's 100,000 Homes for First Home Buyers Program.
- Delivered record investment in the delivery of social and affordable homes with 6,500 new homes currently underway.

The Government is ensuring Queensland is a place of aspiration and opportunity, where home ownership is a realistic and attainable goal for hardworking Queenslanders. This is why the 2026-27 Budget includes new measures to lift supply and support first home buyers.

- Unlocking thousands of new homes across Queensland sooner, doubling Round Two of the Residential Activation Fund to \$1 billion.
- Increasing investment to support increased delivery of social and community housing by \$1.024 billion over 5 years, including youth foyers and domestic and family violence shelters and social homes in remote and discrete First Nations communities.
- Providing additional funding of \$2 million over ten years to support implementation of the Palm Island Rent-to-Buy Home Ownership Scheme, in collaboration with Palm Island Aboriginal Shire Council.
- Continuing the boosted \$30,000 first home owner grant (FHOG). Since July last year, the FHOG has supported over 3,500 first home buyers to purchase or build a new home.

1.3.3 Business investment

Despite solid growth in the first half of 2025-26, the outlook remains for moderate growth in business investment due to the lagged impact of higher interest rates and moderating business conditions, together with capacity constraints and higher costs in the construction

industry. Leading indicators such as non-residential building approvals, engineering commencements and surveys of firms' investment intentions all point to a relatively subdued outlook. At the same time, a reasonable volume of building and construction work in the pipeline should provide ongoing support.

Elevated global uncertainty, especially around the outlook for oil prices, is also likely to constrain business investment. Both business conditions and confidence in Queensland remain above the national average, although they have been weaker in recent months in line with national trends. The March 2026 fall in the national NAB Business Confidence Index, following the outbreak of the conflict in the Middle East was the largest since the COVID-19 period, although to date business conditions have only declined modestly.

Reflecting these constraints, overall business real investment is estimated to increase by 4% in 2025-26, before slowing to 1¾% in 2026-27 and ¾% in 2027-28.

1.3.4 Public final demand

Public final demand (combined government expenditure at the national, state, and local levels) has recorded strong growth in recent years, rising 5¼% per annum on average over the six years to 2024-25. Growth has moderated in the first three quarters of 2025-26, reflecting respect for taxpayers' money and moderation in investment expenditure. As a result, public final demand is forecast to grow a modest 1¾% in 2025-26.

Beyond 2025-26, the outlook for public final demand remains strong, supported by the Queensland Government's capital program. Public final demand growth is forecast to be 4¼% in 2026-27 and 4¾% in 2027-28.

1.3.5 Overseas exports and imports

Queensland's overseas exports are estimated to grow by 1¾% in 2025-26, driven by a recovery in coal exports, continued strong agricultural exports and solid growth in services.

Exports are then forecast to grow by ¾% in 2026-27, as the expected continued recovery in coal exports is partially offset by both demand factors — increased global economic uncertainty and inflation — and supply side factors, such as scheduled mine closures affecting metals exports and agricultural exports moderating from record levels amid expected drier weather conditions. Exports are forecast to grow a further ¾% in 2027-28, driven by a rebound in services exports which more than offsets a moderation in goods exports.

Growth in overseas imports is expected to be 3¼% in both 2025-26 and 2026-27, as the inflationary effects of the Middle East conflict affect real household incomes and overseas travel costs. Imports are forecast to grow by a further 4½% in 2027-28.

Overall, relative weakness in exports growth is expected to see net exports detract from GSP growth across the forecast period.

Coal

Queensland's coal exports are forecast to grow by 2¼% in 2025-26, with volumes recovering after a down year in 2024-25 underpinned by particularly strong growth in PCI/semi-soft volumes.

Tropical Cyclone Koji (TC Koji) caused the temporary closure of North Queensland coal ports for several days in early January. Weather induced lost production caused the premium hard coking coal spot price to rise from US\$218 per tonne (t) on 6 January to a peak of US\$252.50/t in early February before prices subsided. Premium hard coking coal prices are expected to gradually moderate over the medium term.

Overall, it is estimated that TC Koji caused the loss of around 4½ million tonnes (Mt) of coal exports in 2025-26 (around 2% of coal exports and ¼% of GSP). The losses are expected to have been experienced proportionately across all coal types.

Coal exports are forecast to grow 6% in 2026-27 and a further 2% in 2027-28, with hard coking exports recovering as supply conditions normalise, partially offset by a moderation in thermal coal exports.

The conflict in the Middle East has increased global demand for thermal coal, as an electricity generation alternative for natural gas. Premium thermal coal prices rose from around US\$117/t in late February 2026 to US\$142/t by early April. Thermal coal prices are expected to slowly moderate over the coming quarters as global markets readjust following the conflict.

Queensland's thermal coal producers have been operating close to capacity in recent years, supported by the easing of trade restrictions with China and continued growth in coal-fired power generation in Asia.

Demand for Queensland's metallurgical coal is expected to be supported by growing steel production in India and emerging markets such as Vietnam.

LNG

The volume of Queensland's LNG exports rose to a record 24Mt in 2024-25 and is expected to be similarly strong in 2025-26.

Global gas and LNG markets have been significantly impacted by the conflict in the Middle East, due to the closure of the Strait of Hormuz, through which 20% of global oil and gas is

shipped. This has put substantial upwards pressure on global oil and LNG prices, which will boost the value of Queensland LNG exports.

Elevated spot prices may encourage LNG producers in Queensland to export additional spot cargoes beyond contracted amounts, boosting LNG exports. However, this response might be constrained due to emerging domestic supply pressures, and policy and investment uncertainty.

LNG exports are expected to return to their contracted amounts and moderate 1½% in 2026-27 and a further 3% in 2027-28 as domestic gas fields in southern states deplete and conditions in the global market abate.

Metals and critical minerals

Queensland metals exports are forecast to decline in the near term as long-anticipated mine closures impact zinc/lead and copper production levels. Further, planned refinery output curtailment is expected to lower alumina exports from late 2026. Partly offsetting these declines are continued expansions across bauxite and refined zinc exports, and an improvement in domestic copper production as several operations commence, restart or expand.

Despite short-term challenges, the long-term outlook in Queensland is very strong with 51 of the world's most sought-after critical minerals found here. The Government's strategy to unlock Queensland's critical minerals sector is presented in the Overview Chapter.

Agriculture

Agricultural exports rose by 6.9% in 2024-25, driven by increases in beef and chickpea exports. Boosted by favourable seasonal conditions, the volume of agriculture exports is expected to grow a further 6¾% in 2025-26 to an all-time high, driven by strong crop exports, particularly wheat and cotton.

With the US continuing to rebuild its depleted cattle herd, it is anticipated strong demand for Australian beef over the forecast period will be maintained. Demand for premium Australian beef is also expected to be strong from key markets in Asia, including China, South Korea and Japan.

Wheat exports are predicted to strengthen considerably in 2025-26, as abundant rainfall in the first half of 2025 supported above average yields and production. Similarly, cotton has also benefited from sustained water availability, with high production catering to increased international demand from India for premium quality Australian cotton for textile production.

Over the medium term, Queensland agriculture exports are expected to moderate, as beef and crop exports (particularly chickpeas) recede from recent all-time highs. However, production and exports are still expected to remain above long-term averages.

Services exports

Since the middle of 2023, services exports have stabilised at around the pre-COVID-19 level. However, this remains well below the pre-COVID-19 growth trajectory.

Several policy changes at the national level have meant that previously strong growth in international students has ceased with numbers effectively capped at pre-COVID-19 levels.

At the same time, the recovery in tourism spending continues. Tourism Research Australia data shows 2.4 million international travellers spent a record \$7.485 billion in Queensland in 2025, an increase of 20.3%.

Imports

Overseas imports are expected to grow by 3¼% in 2025-26, supported by strong growth in services and modest growth in goods, as overseas travel returns to pre-COVID-19 trends.

The conflict in the Middle East has caused global oil prices to rise, increasing import and travel costs and weighing on household real incomes from June quarter 2026. As a result, growth in imports is expected to remain at 3¼% in 2026-27 and then rebound to 4½% in 2027-28, as oil prices normalise and consumption growth recovers.

1.3.6 Labour market

Conditions in the Queensland labour market remain strong.

The unemployment rate has averaged 4.2% during 2025-26, while labour force participation has been generally elevated, and trend employment has grown 1.4% (or 42,500 persons) over the year to April 2026 (slightly above the national average of 1.3%).

Leading indicators such as job vacancies suggest tightness in the labour market is persisting, although conditions are expected to soften somewhat over the forward estimates. The job vacancy rate, which measures the number of job vacancies as a proportion of the labour force, was 2.3% in March quarter 2026. While the rate has eased from an historic high of 3% recorded in 2022, it remains elevated compared with the pre-COVID-19 rate of 1.4%.

As higher inflation and interest rates impact real domestic activity, employment growth is forecast to moderate to 1¼% across both 2026-27 and 2027-28 before recovering to grow broadly in line with working-age population growth later in the forward estimates.

Reflecting in part the easing in employment growth, the unemployment rate is expected to rise modestly from an estimated 4¼% in 2025-26 to 4¾% in 2026-27 and stabilise at that rate over the remainder of the forward estimates.

Despite the overall increase, this forecast profile remains low compared with the long-run average unemployment rate in Queensland of around 7%.

1.3.7 Prices and wages

In year-average terms, growth in Brisbane's Consumer Price Index (CPI) continued to moderate in 2024-25, slowing to 2.2% from 4.0% in 2023-24 and 7.3% in 2022-23.

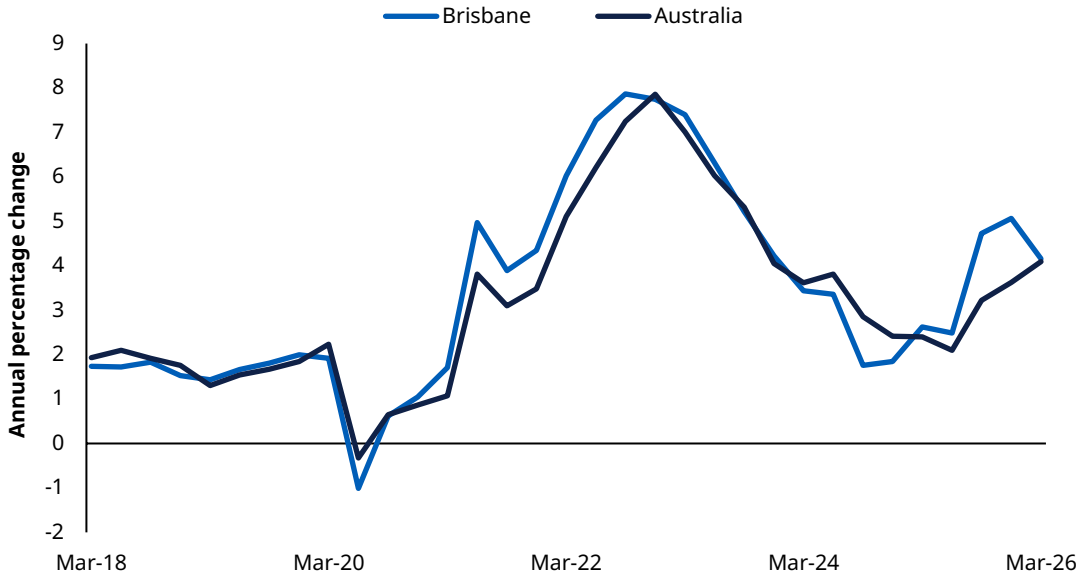
The scheduled expiry of temporary government rebates contributed to Brisbane's annual headline inflation rate of 4.7% in September quarter 2025 and 5.1% in December quarter 2025 (Chart 1.1), before easing to 3.7% in the February 2026 monthly CPI release, in line with the national result. More recently, the conflict in the Middle East has significantly increased global oil prices, directly flowing through to higher fuel prices.

The combined impacts of the scheduled expiry of 2024-25 temporary government rebates and the recent oil supply shock are expected to contribute to Brisbane's year-average CPI growth increasing to 4¾% in 2025-26. Higher global oil prices are also expected to impact CPI growth in 2026-27, seeing growth remain elevated at 3¾%, before moderating to 2½% in 2027-28 and beyond.

Queensland's labour market has remained tight in recent years. The tightness of the labour market supported annual Wage Price Index (WPI) growth in Queensland of 3.4% in March quarter 2026, similar to the national average.

Consistent with the lagged impact of lower inflation in 2024-25 and the expected easing in labour market conditions, Queensland's WPI growth is expected to slow from 3.7% in 2024-25 to 3½% in 2025-26 and 2026-27 and to 3¼% in 2027-28.

Chart 1.1 Consumer price index, Brisbane and Australia¹



Note:

1. Quarterly.

Source: ABS Consumer Price Index.

1.3.8 Population

Queensland’s population growth continues to moderate following a surge in recent years, which was largely driven by a rebound in net overseas migration (NOM).

The Federal Government’s decision to maintain the 2024-25 permanent Migration Program at 185,000 places into 2026-27 is expected to continue to temper NOM in the coming years.

Since its peak in 2021, net interstate migration has continued to ease and normalise, though it remains above all other states and territories.

Queensland’s overall population growth is projected to moderate from 1¾% in 2025-26 to 1½% in 2026-27, and 1¼% in 2027-28.

1.4 Risks to the outlook

Global geopolitical tensions remain a key risk to the outlook.

This is especially the case with the conflict in the Middle East and the impact on oil prices and fertiliser supplies. Heightened tensions in the Strait of Hormuz are in addition to other

ongoing conflicts (including the war in Ukraine) and global economic policy uncertainty, particularly in relation to tariffs and trade.

Domestically, a key risk is the inflation rate and its implications for monetary policy. Inflation had trended downwards for several years but progress in reducing the rate towards the RBA's target band stalled late last year.

Higher fuel prices are likely to push up the headline inflation rate in the near term. While this should be transitory, prolonged conflict and supply disruptions could cause a persistent elevation in inflation expectations, likely forcing the RBA to consider further monetary policy tightening.

Higher fuel prices serve to reduce disposable incomes, thereby reducing economic growth. Additional interest rate increases to combat inflationary expectations will exacerbate this effect.

There are also continued challenges for the national and Queensland construction industry which has faced significant capacity constraints over recent years. The uncertainty regarding the taxation changes announced in the 2026-27 Federal Budget pose a risk to investment, including in the property sector. Additionally, the uncertainty related to the Federal Budget risks damaging business confidence, especially in small and family business.

Table 1.2 below provides forecasts of the key macroeconomic variables relating to the Queensland economy.

Table 1.2 Queensland economic forecasts¹

	Actuals	Forecasts		
	2024-25	2025-26	2026-27	2027-28
Economic output²				
Household consumption	1.3	3	1½	2¼
Dwelling investment	4.9	9	4	2¾
New and used	4.1	11½	4½	3¾
Alterations and additions	6.2	5¼	3¼	1½
Business investment	-2.0	4	1¾	¾
Non-dwelling construction	-1.8	4	- ½	-2¾
Machinery and equipment	-4.4	3½	2¼	2¼
Private final demand	1.1	3½	1½	2
Public final demand	5.9	1¾	4¼	4¾
State final demand	2.5	3	2¼	2¾
Overseas exports ³	2.2	1¾	¾	¾
Overseas imports ³	3.8	3¼	3¼	4½
Gross state product	2.2	2½	1¾	2
Employment	3.1	1½	1¼	1¼
Unemployment rate ⁴	4.0	4¼	4¾	4¾
Inflation ⁵	2.2	4¾	3¾	2½
Wage Price Index	3.7	3½	3½	3¼
Population	1.9	1¾	1½	1¼
Notes:				
1. Unless otherwise stated, all figures are annual percentage changes.				
2. CVM, 2023-24 reference year.				
3. Includes goods and services.				
4. %, year-average.				
5. Brisbane, %, year-average.				
Note: Queensland economic forecasts are based on several key assumptions.				
<ul style="list-style-type: none"> • The RBA cash rate to peak at 4.6% in 2026 before progressively declining over 2027 and 2028. • In year-average terms, the A\$ exchange rate to move towards US\$0.72 by 2028-29. • The Brent oil price to move towards its assumed medium-term fair value of US\$75/bbl by late 2027. • Residential property price growth in Brisbane to moderate from the strong growth recorded in recent years, but remain positive across the forward estimates, consistent with strong underlying demand. • After several years of above average rainfall, weather conditions are expected to move in line with the BOM's latest outlook, before returning to historical averages by the end of the forward estimates. • The Federal Government's reforms to immigration will lead to a moderation in net overseas migration over the medium term. 				
Sources: ABS Annual State Accounts, Australian National Accounts, Balance of Payments and International Investment Position, National, State and Territory Population, Labour Force, Wage Price Index, Consumer Price Index and Queensland Treasury.				

2 Fiscal strategy and outlook

Features

- The 2026-27 Queensland Budget strengthens the foundations laid for a fresh start in 2025-26, continuing budget repair after a decade of unsustainable expenditure growth put significant strain on Queensland's fiscal capacity.
- The Government's commitment to fiscal discipline sees the Budget forecast a return to surplus in 2029-30, while delivering better services for Queensland's growing population.
- A net operating deficit of \$6.2 billion is forecast in 2026-27, consistent with the 2025-26 MYFER and a substantial improvement on the 2024-25 MYFER, which forecast a net operating deficit of \$9.2 billion for the same year.
- The Government's calm and methodical approach to management of spending maintains expense growth below revenue growth each year across the forward estimates, resulting in progressively improving operating deficits, before a return to surplus in 2029-30. Operating cash flows are also expected to turn positive from 2027-28, contributing funding for capital purchases.
- A record four-year capital program of \$119.2 billion will deliver the infrastructure required for Queensland's future and is being managed to ensure Queenslanders receive value for money from the Government's investment.
- The Government's responsible fiscal management and commitment to budget repair will result in a significant improvement in the Non-financial Public Sector's (NFPS) borrowing compared to the 2024-25 MYFER forecast. NFPS debt is forecast to be \$142.4 billion as at 30 June 2026, \$13.8 billion lower than the 2024-25 MYFER forecast. In 2027-28, NFPS debt of \$183.7 billion is forecast, \$34.1 billion lower than forecast in the 2024-25 MYFER.
- The NFPS interest expense has reduced by \$3.0 billion across the three years to 2027-28 compared to the forecast in the 2024-25 MYFER, driven by lower borrowings from an improved operating position along with targeted improvement in delivery of the capital program.
- The Fiscal Principles were refreshed in the 2025-26 Budget to support the Government's focus on budget improvement. When compared to the 2025-26 Budget, the 2026-27 Budget improves on all six Fiscal Principles, showing clear progress as the Government continues to undertake budget repair and focus on lifting productivity.

2.1 Fiscal outlook

The 2026-27 Queensland Budget continues the pathway set in the 2025-26 Budget towards sustained budget improvement.

The Government's commitment to fiscal discipline will see lower debt and smaller deficits moving forward compared with the former government, as reflected in the 2024-25 MYFER.

Over the four years to 2028-29, total key revenues (taxes, GST and royalties) are expected to improve compared to the 2025-26 MYFER reflecting higher royalties on the back of temporarily elevated coal, oil and gas prices, and higher taxation revenue underpinned by continued strength in Queensland's property and labour markets.

Total General Government Sector (GGS) revenue is expected to grow by an average of 5.1% over the four years to 2029-30. By comparison, total GGS expenses are expected to grow by an average of 2.6% over the same period.

The record \$119.2 billion four-year capital program to 2029-30 is underpinned by analysis of the state's current and future infrastructure requirements to provide for a growing and productive economy. The Government's improved capital program governance framework together with a significant construction productivity reform agenda are supporting the sustainability and deliverability of the program.

The return to surplus and targeted capital program sees the State's balance sheet continue to improve with NFPS borrowings forecast to be lower each year across the forward estimates than projected at the 2025-26 MYFER and 2025-26 Budget.

Improvement in key fiscal metrics is being driven by a continued focus on fiscal discipline and an improving revenue outlook. The 2026-27 Budget demonstrates clear progress against each of the Government's fiscal principles towards a strengthened and sustainable fiscal position.

2.2 Key fiscal aggregates

The key aggregates for the 2026-27 Queensland Budget are outlined in Table 2.1.

Table 2.1 Key fiscal aggregates¹

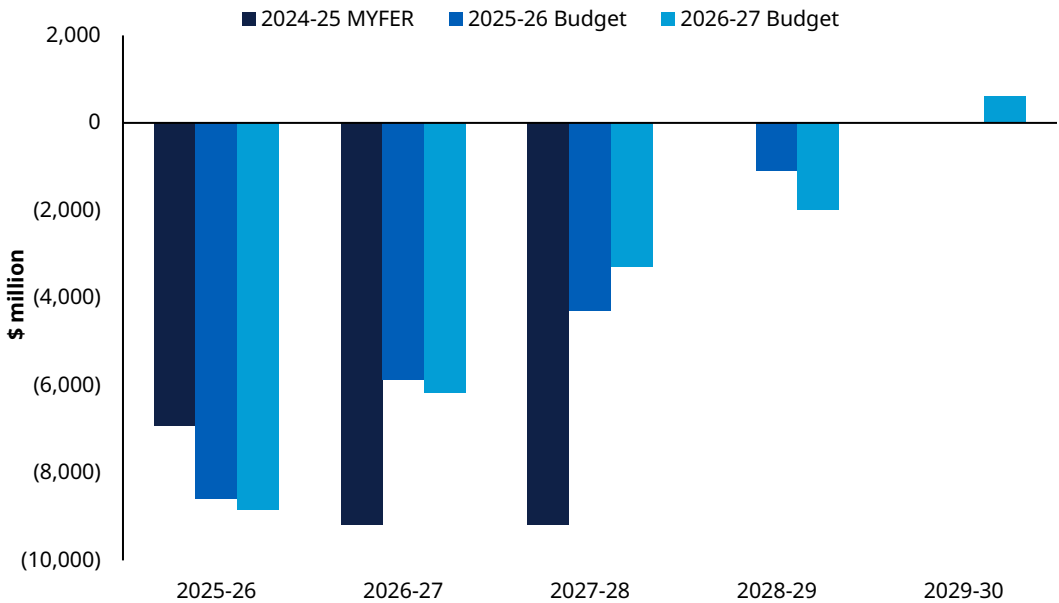
	2024-25 Outcome \$ million	2025-26 MYFER \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
GENERAL GOVERNMENT SECTOR							
Revenue	88,966	91,102	92,018	99,671	104,354	107,835	112,311
Expenses	93,393	100,700	100,863	105,847	107,645	109,831	111,692
Net operating balance	(4,428)	(8,968)	(8,845)	(6,176)	(3,291)	(1,996)	619
PNFA ²	11,322	15,191	12,450	15,479	19,121	20,296	20,014
Fiscal balance	(11,119)	(18,917)	(16,897)	(15,254)	(15,035)	(14,349)	(10,736)
Borrowing ³	72,864	93,918	89,828	108,042	125,365	141,914	154,848
Net debt	16,727	38,713	33,440	51,329	69,024	85,980	98,057
NON-FINANCIAL PUBLIC SECTOR							
Revenue	100,392	102,323	104,049	112,395	116,435	121,700	127,061
PNFA ²	19,268	24,678	20,231	23,437	27,137	27,248	26,327
Borrowing³	123,446	146,930	142,376	162,624	183,680	202,131	216,472
Notes:							
1. Numbers may not add due to rounding.							
2. PNFA: Purchases of non-financial assets.							
3. Comprising borrowing with Queensland Treasury Corporation, leases and similar arrangements, and securities and derivatives line items from the balance sheet							

2.2.1 Net operating balance

The GGS 2026-27 net operating deficit has narrowed to \$6.176 billion compared to \$6.318 billion in the 2025-26 MYFER. This is a slight downward revision from the 2025-26 Budget forecast of \$5.864 billion (see Chart 2.1).

Across the forward estimates, net operating balances are projected to improve, with a return to a net operating surplus of \$619 million forecast in 2029-30.

Chart 2.1 Outlook for GGS net operating balance



The improvement in the outyear trajectory reflects positive changes in the outlook for revenue, net of reductions in GST revenue (see section 2.2.3), with expense growth responsibly managed below revenue growth (see section 2.2.4).

The timing of payments under disaster recovery arrangements has also affected the outlook for the net operating balance (see Table 2.3).

Table 2.2 explains variations in the operating position from 2025-26 MYFER to the 2026-27 Budget.

The timing of payments from the Federal Government under disaster recovery arrangements do not always match timing of the state’s outlays for disaster recovery activities and works and can have a material effect on the net operating balance.

Table 2.2 Reconciliation of net operating balance, 2025-26 MYFER to 2026-27 Budget¹

	2025-26 \$ million	2026-27 \$ million	2027-28 \$ million	2028-29 \$ million
2025-26 MYFER net operating balance	(8,968)	(6,318)	(4,760)	(1,048)
Taxation revisions ²	1,003	549	824	1,165
Royalty and land rent revisions	(653)	1,981	775	800
GST revisions	130	89	(413)	(1,097)
Disaster Recovery Funding Arrangements (net) ³	167	524	(120)	(220)
Revenue measures ⁴	..	42	187	239
Expense measures ⁴	(602)	(2,477)	(511)	(594)
Other parameter adjustments ⁵	78	(565)	726	(1,240)
2026-27 Budget net operating balance	(8,845)	(6,176)	(3,291)	(1,996)
Notes:				
1. Numbers may not add due to rounding. Numbers indicate the impact on the operating balance. A number in brackets indicates a negative impact on the operating balance.				
2. Revisions exclude impact of revenue measures contained in Budget Paper 4 (BP4).				
3. Net operating funding impact under Disaster Recovery Funding Arrangements.				
4. Reflects the operating balance impact of government measures since the 2025-26 MYFER (refer to BP4 Budget Measures).				
5. Other parameter adjustments reflect Federal Government funding revisions, net flows from Public Non-financial Corporation Sector and Public Financial Corporations Sector entities and non-policy adjustments including changes in interest, depreciation, swaps, lapses and deferrals.				

Table 2.3 details the impact of disaster expenses and Federal Government payments for Disaster Recovery Funding Arrangements on the net operating balance as well as disaster-related capital purchases.

Table 2.3 Impact of disaster funding in the net operating balance¹

	2025-26 \$ million	2026-27 \$ million	2027-28 \$ million	2028-29 \$ million	2029-30 \$ million
Net Operating Balance	(8,845)	(6,176)	(3,291)	(1,996)	619
<i>less</i> Disaster revenue	2,324	2,938	922	..	..
<i>add</i> Disaster expenses	(2,206)	(2,150)	(1,395)	(345)	..
Underlying Net Operating Balance	(8,963)	(6,964)	(2,818)	(1,651)	619
Disaster capital expenditure	571	728	800	986	..
Note:					
1. Numbers may not add due to rounding.					

2.2.2 Fiscal Principles

Having robust fiscal principles and related targets is the basis for transparent and effective fiscal management. In 2025-26, the Government amended the Charter of Fiscal Responsibility to ensure it allows for an honest and credible analysis of the fiscal position, and a renewed focus on pursuing policy settings which reduce total government debt and drive productivity improvements across the economy.

The Government's disciplined and measured approach to budget repair is delivering improvement in the State's finances, with progress evident across the Fiscal Principles compared to last year's Budget.

Fiscal Principle 1 — Stabilise the Non-financial Public Sector debt to revenue ratio and General Government Sector net debt to revenue ratio at sustainable levels in the medium term, and target reductions in the debt to revenue ratio in the long term.

Stabilising the ratios at sustainable levels restores capacity to respond to future external shocks. Both ratios have improved against the 2025-26 Budget and continue to positively moderate across the forward estimates.

In 2026-27, the Non-financial Public Sector debt to revenue ratio is expected to be 145% compared to 159% in the 2025-26 Budget. In 2028-29, the ratio will be 166% compared to 176%.

Compared to the 2024-25 MYFER and 2025-26 Budget, the outlook for NFPS debt has improved with the rate of increase to the debt to revenue ratio moderating from 2027-2028 onwards. The ongoing stabilisation aligns with the Fiscal Principle and puts the Government in the position to target a reduction in the NFPS debt to revenue ratio in the longer term.

Stabilisation is also seen on the GGS net debt to revenue ratio which is expected to be 51% in 2026-27 compared to 65% in the 2025-26 Budget and 80% in 2028-29 compared to 91% in the 2025-26 Budget.

Fiscal Principle 2 — Ensure that average annual growth in General Government Sector expenditure in the medium term is below the average annual growth in General Government Sector revenue to deliver fiscally sustainable operating surpluses.

Maintaining a lower rate of expenses growth than revenue growth supports improvements in the operating position that, in turn, can assist with debt stabilisation.

Across the four years to 2029-30 average revenue growth is expected to be 5.1%, compared to expense growth of 2.6%. Revenue growth is forecast to outpace expense growth each year across the forward estimates, delivering a pathway to operating surplus in 2029-30.

Fiscal Principle 3 — Target continual improvements in net operating surpluses to ensure that, in the medium term, net cash flows from investments in non-financial assets will be funded primarily from net cash inflows from operating activities. The capital program will focus on supporting a productive economy, jobs, and ensuring a pipeline of infrastructure that responds to population growth.

Funding a large capital program primarily through operating cash surpluses rather than additional borrowings is key to stabilising borrowing. Volatility in revenue and expense growth combined with the uneven profile of capital expenditure can impact this fiscal principle on an individual year basis.

The improving operating position will see net cash inflows increasingly fund the capital program. The metric is expected to reach 44% by 2029-30 with the expected return to surplus. The Government will continue to target budget improvements to increase net operating cash flows, in addition to responsible management of the capital program.

Fiscal Principle 4 — Maintain competitive taxation by ensuring that, on a per capita basis, Queensland has lower taxation than the average of other states.

Queensland's taxation per capita is extremely competitive compared to other jurisdictions. It is estimated Queenslanders will pay around \$650 less tax per person than the average of other jurisdictions in 2026-27 and are estimated to continue to pay less tax going forward.

Fiscal Principle 5 — Target the full funding of long-term liabilities such as superannuation and workers' compensation in accordance with actuarial advice.

Full funding of superannuation and other long-term liabilities is a long-standing priority and a key element of financial management. Queensland remains the only jurisdiction in the country that fully funds all of its long-term liabilities.

The 2024 triennial actuarial investigation of the defined benefit scheme determined an asset coverage of liabilities of approximately 143%, or \$10 billion in surplus as at 30 June 2024. The scheme continues to remain in a very strong surplus position following the transfer of \$3 billion in surplus defined benefit investments to the Debt Retirement Fund to facilitate debt repayments as announced in the 2025-26 Budget.

As at 30 June 2025, WorkCover Queensland was fully funded.

Fiscal Principle 6 — Target productivity improvements across the private and public sectors to increase living standards for Queenslanders over the medium term.

Improvements in productivity ultimately benefit Queensland’s economy and living standards. As such, this principle will be measured in terms of Queensland’s real Gross State Product (GSP) per capita. The official data is released by the Australian Bureau of Statistics, as part of its *Australian National Accounts: State Accounts* publication on a financial year basis. Queensland Treasury estimates of real GSP per capita are presented in Table 2.4.

Table 2.4 Queensland real GSP per capita estimates

	2025-26	2026-27	2027-28	2028-29	2029-30
Real GSP Per Capita (2023-24 \$)	94,021	94,240	94,836	95,857	96,816
Real GSP Per Capita Growth Rate (%)	¾	¼	¾	1	1

Sources: Australian Bureau of Statistics (ABS) *Annual State Accounts, National, State and Territory Population and Queensland Treasury*.

2.2.3 Revenue

Queensland’s key state revenues are stabilising after a period of significant volatility related to the record year-on-year GST reduction in 2025-26 and a significant reduction of royalties from the 2022-23 peak. A recovery is expected in 2026-27, with continued growth from 2027-28 to 2029-30.

In 2026-27, key revenues of taxation, royalties, and GST are forecast to reach \$58.738 billion, \$6.753 billion higher than in 2025-26, a 13% increase. From 2027-28 to 2029-30, key revenues are expected to grow by an average of 5.4% annually.

Across the four years to 2028-29, total revenue is expected to improve by \$14.940 billion, or around 3.8%, compared to the 2025-26 MYFER. A significant driver behind the change in outlook is an uplift in Federal Government specific purpose grants and other grants and contributions, largely offset by associated expenses.

2.2.4 Expenses

The Government continues to drive ongoing fiscal discipline to manage expenses at sustainable levels and respect taxpayers’ money.

Building on measures implemented in the 2025-26 Budget, this budget will reduce the cap on senior executive positions following a review of unfilled positions and drive efficiencies in procurement and office accommodation.

GGs expenses are expected to grow by an average of 2.6% over the four years to 2029-30.

Across the four years to 2028-29, GGS expenses are expected to be \$14.154 billion higher than 2025-26 MYFER forecasts, mainly reflecting additional funding from the Federal Government.

2.2.5 Capital Investment

The Government is investing a record \$119.2 billion in the capital program over four years to 2029-30 to build Queensland's future.

The program is underpinned by analysis of the Government's current and future infrastructure requirements to provide for a growing and productive economy.

Key areas of focus in the forward estimates period and over the medium term include:

- the *Hospital Rescue Plan*
- providing the transport infrastructure to keep the state moving and the economy growing
- delivering on our commitment to the 2032 Olympic and Paralympic Games
- supporting sustainable delivery of Queensland's Housing Investment Pipeline.

Following the review by the Queensland Productivity Commission into the construction industry and the Government's decision to cease Best Practice Industry Conditions, there is an enhanced focus on productivity that over the medium term will yield benefits for the state's capital program in terms of efficiency and sustainability, in addition to benefits in the broader economy.

2.2.6 Borrowings

Non-financial Public Sector (NFPS) borrowings are estimated to be lower than the 2025-26 MYFER and 2025-26 Budget. NFPS debt is forecast to be \$142.376 billion as at 30 June 2026, \$5.464 billion lower than forecast in the 2025-26 Budget. By 2028-29, NFPS debt of \$202.131 billion will be \$3.529 billion lower than forecast in the 2025-26 Budget.

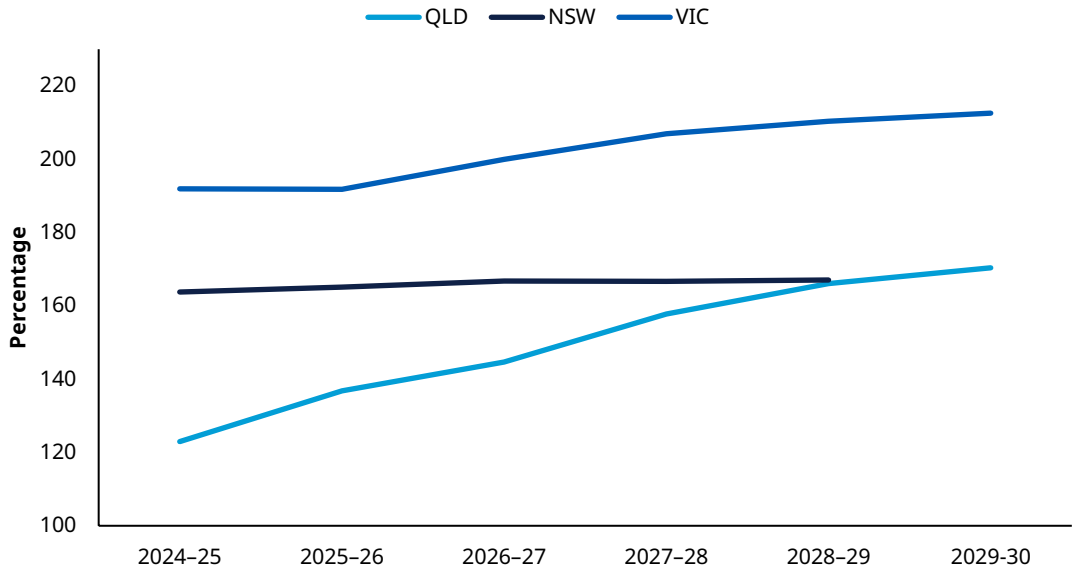
NFPS debt to revenue is expected to be 145% in 2026-27 (14 percentage points lower than the 2025-26 Budget) and 166% in 2028-29 (10 percentage points lower than the 2025-26 Budget).

The NFPS interest to revenue ratio is expected to be 6.1% in 2026-27 (0.5 percentage points lower than the 2025-26 Budget) and 8.0% in 2028-29 (0.5 percentage points lower than the 2025-26 Budget).

Reduced borrowings when compared to previous forecasts arise from calm and methodical fiscal management driving improvement in the operating position and ongoing prioritisation of the capital program.

Chart 2.2 demonstrates that Queensland's NFPS debt to revenue ratio, although increasing over time, is at a prudent level when compared to NSW and Victoria.

Chart 2.2 State comparison of NFPS Debt to Revenue Ratio



Sources: 2026-27 Budgets for Queensland and Victoria, New South Wales 2025-26 Half-Yearly Review.

The current credit ratings for Queensland are:

- Moody's Ratings: Aa1 (stable)
- S&P Global: AA+ (negative)
- Fitch Ratings: AA+ (stable)

Identified strengths that feature consistently across Queensland's credit ratings include a strong and diversified economic base, robust liquidity and effective and experienced financial management.

Queensland's AAA credit rating from S&P Global was downgraded to AA+ in 2009. Following the release of the 2024-25 MYFER, in which the true state of Queensland's finances under the policy settings of the previous government was presented, Queensland's credit rating outlook was downgraded from stable to negative by S&P Global. A rating downgrade would risk a further increase in the interest burden on the Budget. A long-term deterioration of

Queensland's fiscal position has increased the likelihood of further heightened interest payments across the foreseeable future. The outlook downgrade, that followed the release of the 2024-25 MYFER, shows ratings agencies have set a path toward higher interest payments.

2.2.7 Emerging Fiscal Pressures

Emerging fiscal issues include:

- servicing the needs of a growing state, especially health and child safety services, and maintenance of state assets that have been previously underfunded
- adverse weather events which may impact state infrastructure and services, and the share of disaster-related expenses provided by the Federal Government under the Disaster Recovery Funding Arrangements, as outlined in Box 6.2
- uncertainty around Queensland's future GST entitlement, including potential impacts of the forthcoming Productivity Commission inquiry on horizontal fiscal equalisation, and the status of the GST no worse off guarantee beyond 2029-30
- external risks to state revenues, including the impact of conflict in the Middle East on global markets, and the potential impacts of the tax changes included in the 2026-27 Federal Budget
- cost shifting from the Federal Government to the states and territories, as outlined in Box 6.1.

3 Revenue

Features

- Queensland's key state revenues are stabilising after a period of significant volatility related to the record year-on-year GST reduction in 2025-26 and a significant reduction of royalties from the 2022-23 peak. A recovery is expected in 2026-27, with continued modest growth from 2027-28 to 2029-30.
- GST outcomes driven by Federal Government decisions continue to disadvantage Queensland and weigh on the State's revenue outlook. The Queensland Government will continue to advocate firmly for Queenslanders to get their fair share of national GST payments.
- The key risks to the State's revenue outlook are largely external, including the impact of conflict in the Middle East on global markets, federal decisions on GST distributions, and the potential impacts of the tax changes included in the 2026-27 Federal Budget. These risks will continue to be monitored closely.

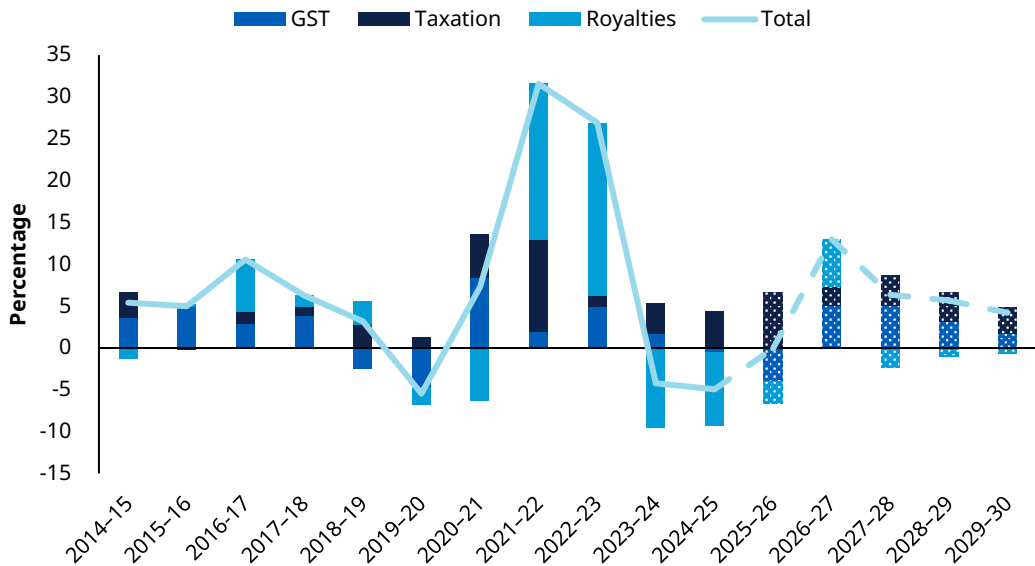
3.1 2025-26 Estimated actual and 2026-27 forecast

Total key state revenues¹ (taxes, royalties and GST) are expected to steadily increase across the forward estimates period.

Chart 3.1 outlines the growth in revenue across the three key revenue streams and the share of growth attributable to each item across the period to 2029-30.

¹ Key revenues (taxes, royalties and GST) are fundamental to the State's finances, as they make up the majority of Queensland's untied general revenue. Other revenue sources such as non-GST grants from the Federal Government, and revenues from sales of goods and services, are largely tied to corresponding expenses. As a result, movements in key revenues have a considerable impact on the state's fiscal position and capacity to fund priority state initiatives.

Chart 3.1 Outlook for growth in key revenues¹



Note:

1. Annual contribution to growth in key revenues. Total is the annual growth of the sum of the three categories.

Compared to the 2025-26 MYFER, key revenues have been revised up \$2.660 billion (4.7%) in 2026-27, primarily as a result of higher royalties on the back of temporarily elevated coal, oil and gas prices. Across the following two years to 2028-29, key revenues have been revised up by \$2.465 billion (2.0%), with higher taxation and royalties offsetting lower GST (in part reflecting higher royalties in the near term).

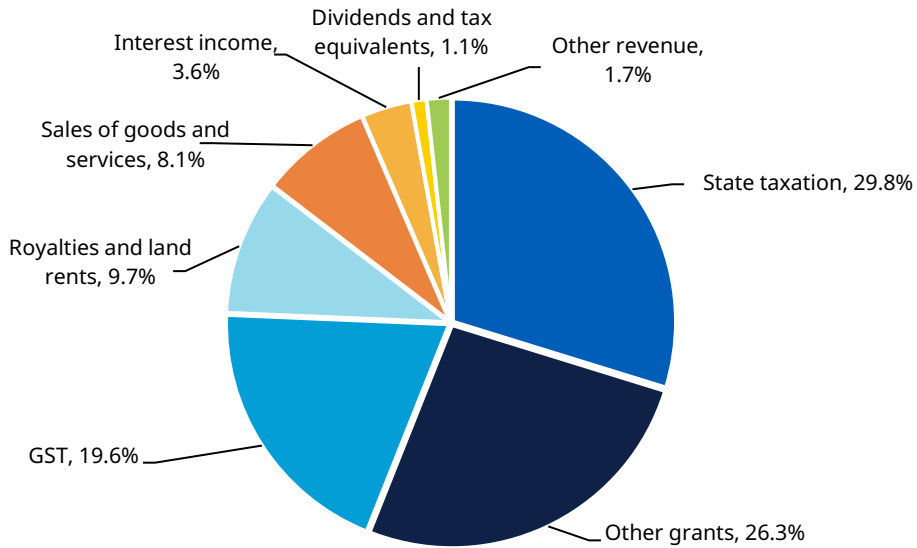
As outlined in Table 3.1, General Government Sector revenue is expected to increase by \$7.652 billion (8.3%) to \$99.671 billion in 2026-27, before growing by an annual average of 4.1% over the three years to 2029-30. Beyond the key revenues discussed above, this primarily reflects movements in non-GST Federal Government grants, which are expected to grow by \$1.294 billion (5.3%) in 2026-27 and by 2.2% on average per annum over the three years to 2029-30.

Table 3.1 General Government Sector revenue¹

	2024-25 Actual \$ million	2025-26 Est. Act \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Taxation revenue	25,033	28,474	29,676	31,775	33,924	35,966
Sales of goods and services	7,590	7,899	8,116	8,664	8,257	8,365
Interest income	3,773	3,539	3,621	3,514	3,475	3,439
Grants revenue						
GST revenue	19,044	16,932	19,577	22,567	24,567	25,744
Other Current grants	18,217	19,935	19,683	20,871	21,765	22,914
Capital grants	3,998	4,997	6,488	5,643	4,830	4,949
Dividend and income tax equivalent income						
Dividends	993	909	782	892	975	1,240
Income tax equivalent income	414	346	304	248	432	504
Other revenue						
Royalties and land rents	8,119	6,774	9,692	8,347	7,768	7,340
Other	1,785	2,214	1,735	1,832	1,842	1,849
Total revenue	88,966	92,018	99,671	104,354	107,835	112,311
Note:						
1. Numbers may not add due to rounding.						

The largest sources of total General Government Sector revenue in 2026-27 are grants revenue, which includes GST and Federal Government grants (45.9%) and taxation revenue (29.8%).

Chart 3.2 Revenue by operating statement category, 2026-27¹



3.2 Revenue initiatives

Box 3.1 Permanent cost-of-living measures

The Government is delivering cost-of-living relief through long-term, structural reforms. Legislative changes made by the Government will see Queenslanders pay less when they visit the doctor, by locking-in law the removal of the Patients' Tax, which is set to deliver savings to Queensland households of over \$100 million each year. The Government is making home ownership easier by locking-in law stamp duty relief for first home buyers on new builds. The budget also locks-in law permanent 50 Cent Fares.

Extending the apprentice and trainee payroll tax rebate for 12 months

The 50% payroll tax rebate for wages paid to apprentices and trainees will be extended for 12 months, until 30 June 2027. In addition to apprentice and trainee wages generally being exempt from payroll tax, this measure provides an additional rebate that can be used to offset payroll tax liabilities associated with wages paid to other employees. This initiative is expected to provide \$64 million in tax relief for eligible businesses in 2026-27.

Expanding compliance and debt recovery activities

The Queensland Revenue Office's compliance and debt recovery activities help maintain the integrity of Queensland's tax, royalty and penalty debt systems by ensuring taxpayers and debtors meet their obligations.

New legislation has increased enforcement activity in areas such as illicit tobacco, drug offending and unlawful use of e-mobility devices. In addition, broader population growth has expanded the client base. The Budget provides the Queensland Revenue Office with additional ongoing resources from 1 July 2026 to identify and bring taxpayers into compliance and ensure every avenue is pursued to collect existing tax and penalty debt. This is expected to raise \$220 million in revenue and \$612 million in additional debt recovery over the forward estimates.

Targeting transfer duty home concessions

The Government is targeting eligibility for home, first home and vacant land transfer duty concessions. From 1 August 2026, temporary residents will generally be ineligible for these concessions, and be required to pay transfer duty at standard rates (similar to investors). Certain retirement visa holders (subclass 405 or 410) who are exempt from additional foreign acquirer duty will be excluded from these changes.

The change enhances consistency with settings for duty concessions in other Australian jurisdictions, as well as with existing eligibility requirements for Queensland's first home owner grant. The measure is expected to reduce revenue foregone by \$28.9 million over four years, with annual impacts affected by the Federal Government's ban on foreign purchases of established dwellings in place until 2029-30.

Waste disposal levy

Following completion of a review of Queensland's waste disposal levy, metropolitan levy rates will continue the \$10 annual increase from 2028-29, while regional rates will continue to align with indexation. Revenue forecasts include changes to levy exemptions and zones.

The levy is expected to generate additional revenue of \$569.7 million over four years.

3.3 Revenue by operating statement category

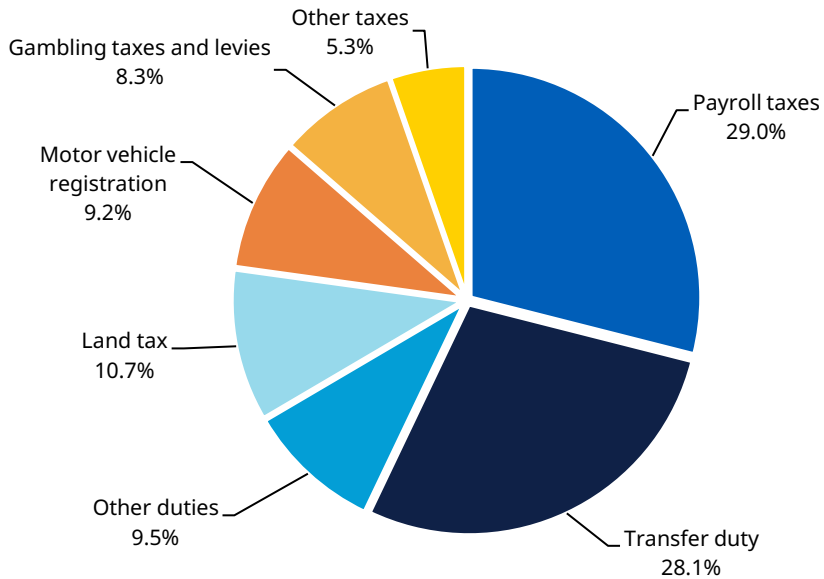
3.3.1 Taxation revenue

Compared to the 2025-26 MYFER, taxation revenue has been revised up by \$1.003 billion (3.6%) in 2025-26, and a total of \$3.976 billion (3.3%) over the four years to 2028-29. This primarily reflects higher-than-expected dwelling prices and volumes of large transactions in 2025-26, supporting transfer duty. Meanwhile, stronger-than-anticipated labour income,

including due to higher near-term inflation, has led to a marginally upgraded payroll tax outlook.

Chart 3.3 outlines the composition of estimated state tax revenue for 2026-27. The largest sources are payroll taxes and transfer duty, together representing 57.1% of the state’s total taxation revenue.

Chart 3.3 State taxation by category, 2026-27^{1,2,3}



Note:

1. Percentages may not add to 100% due to rounding.
2. 'Other duties' includes vehicle registration duty, insurance duty and other minor duties.
3. 'Other taxes' includes the emergency management levy, waste disposal levy, competitive neutrality fees and other minor taxes.

Table 3.2 shows the main components of taxation revenue across the forward estimates.

Table 3.2 State taxation revenue¹

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Actual	Est. Act	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Payroll taxes						
Payroll tax	6,796	7,429	7,957	8,407	8,865	9,349
Mental health levy	539	597	637	673	709	748
Total payroll tax	7,335	8,026	8,593	9,080	9,574	10,097
Duties						
Transfer duty	6,918	8,671	8,346	8,946	9,553	10,152
Vehicle registration duty	877	912	927	940	954	968
Insurance duties ²	1,633	1,730	1,832	1,940	2,054	2,157
Other duties ³	54	53	49	49	50	50
Total duties	9,482	11,366	11,154	11,875	12,611	13,328
Gambling taxes and levies						
Gaming machine tax	1,163	1,267	1,324	1,384	1,446	1,511
Health services levy	196	223	242	259	275	291
Lotteries taxes	389	400	420	441	463	486
Betting tax	305	315	324	333	342	351
Casino tax	111	111	114	118	124	129
Keno tax	30	32	33	34	35	36
Total gambling taxes and levies	2,194	2,349	2,459	2,570	2,685	2,806
Other taxes						
Land tax	2,353	2,690	3,162	3,715	4,322	4,826
Motor vehicle registration fees	2,152	2,525	2,724	2,843	2,967	3,074
Emergency management levy	668	700	735	771	809	841
Waste disposal levy	460	477	546	636	676	709
Competitive neutrality fees	356	302	268	249	245	247
Other taxes ⁴	33	39	35	36	37	38
Total taxation revenue	25,033	28,474	29,676	31,775	33,924	35,966
Notes:						
1. Numbers may not add due to rounding.						
2. Includes duty on accident insurance premiums.						
3. Includes duty on life insurance premiums.						
4. Includes the statutory insurance scheme levy and nominal defendant levy.						

Queensland's competitive tax status

The Government is committed to fostering tax settings which provide stability and certainty to position the state as an attractive destination for investment from interstate and overseas to stimulate growth.

In 2026-27, taxation per capita in Queensland is projected to be significantly lower than the average taxation per capita in the other states and territories.

Based on the latest budgets or mid-year reviews published by other states and territories, Queensland's taxation per capita in 2026-27 will be around \$650 lower than the average of other jurisdictions.

Taxation per capita is expected to remain materially below the average of other jurisdictions across the forward estimates.

Payroll tax and mental health levy

Combined payroll tax and mental health levy revenue is estimated to moderate from 9.4% estimated growth in 2025-26 to a compounded growth rate of 5.9% across the forward estimates, in line with broader wages and employment growth forecasts.

Duties

Total duties revenue is expected to moderate from 19.9% estimated growth in 2025-26 to a compounded growth rate of 4.1% across the forward estimates, primarily due to the impact of market conditions on transfer and insurance duty revenue, partly offset by lower revenue from other duties, including life insurance premiums.

Land tax

Queensland retains one of the highest land tax-free thresholds in Australia, 12 times higher than in Victoria, and is one of only three states and territories with multi-year averaging of land values.

The rate of growth in land tax is expected to moderate towards the end of the forward estimates as land values stabilise, with expected growth of 14.3% in 2025-26 tapering down to 11.7% in 2029-30.

Gambling taxes & levies

Total gambling tax and levy revenue is expected to moderate from 7.1% expected growth in 2025-26 to a compounded growth rate of 4.5% across the forward estimates, driven by relatively stable growth across a range of activities.

Other taxes

Growth in revenue from other taxes (including motor vehicle registration fees, the emergency management levy, waste disposal levy, competitive neutrality fees, and other minor taxes) is expected to moderate from 10.2% to a compounded growth rate of 5% across the forward estimates, as motor vehicle registration fees return to expected levels after the one-off reduction which was temporarily funded in the 2024-25 Budget and ceased as scheduled from mid-September 2025. There was no allocation to maintaining this discount in any of the forward years, which reflected public commentary at the time.

3.3.2 Grants revenue

Grants revenue comprises Federal Government grants (including GST), grants from the community and industry, and other miscellaneous grants.

A 9.3% increase in total grants revenue is forecast for 2026-27 compared to 2025-26, primarily driven by an increase in GST revenue and other current and capital grants from the Federal Government. Queensland is disadvantaged by the recent changes to GST distribution.

Table 3.3 summarises current and capital grants to the Queensland Government.

Table 3.3 Grants revenue^{1,2}

	2024-25 Actual \$ million	2025-26 Est. Act \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Current grants						
GST revenue grants ³	19,044	16,932	19,577	22,567	24,567	25,744
Federal Government grants ⁴	17,811	19,541	19,302	20,509	21,412	22,553
Other grants and contributions	405	393	380	362	353	360
Total current grants	37,261	36,867	39,259	43,438	46,333	48,658
Capital grants						
Federal Government capital grants	3,960	4,938	6,471	5,630	4,815	4,932
Other grants and contributions	37	59	17	13	15	17
Total capital grants	3,998	4,997	6,488	5,643	4,830	4,949
Total Federal Government payments	40,816	41,412	45,350	48,706	50,794	53,230
Total grants revenue	41,258	41,864	45,747	49,081	51,162	53,607
Notes:						
1. Numbers may not add due to rounding.						
2. Amounts in this table may differ to those outlined in Chapter 8 due to different classification treatments.						
3. Includes entitlements to payments associated with the 'no worse off' guarantee as part of the Federal Government changes to the GST distribution.						
4. Queensland Treasury estimates. Differs from Chapter 6 due to the inclusion of direct Federal Government payments to Queensland agencies for Federal Government own purpose expenditure.						

GST revenue

Queensland's GST revenue in 2025-26 is expected to be \$16.932 billion, \$2.111 billion (11.1%) lower than in 2024-25. This reflects the negative outcomes from the CGC's 2025 Review, where Queensland experienced the largest reduction of any jurisdiction since the introduction of GST.

GST revenue begins to recover in 2026-27 growing by 15.6% to \$19.577 billion, as the national GST pool grows and Queensland's GST relativity marginally recovers as the impact of previously elevated royalties and COVID-19 related costs in other jurisdictions drop out of the CGC's assessment period.

This is only 1.5% more than three years earlier despite national GST payments increasing by around 21% over the same period.

Beyond 2026-27, Queensland's GST relativity continues to increase as the effect of temporarily high coal royalties in prior years diminishes, supporting average annual GST revenue growth of 9.6% over the three years to 2029-30.

Revisions to the GST pool

The Federal Government's national GST pool forecasts were upgraded in the 2026-27 Federal Budget. In 2025-26, the GST pool is expected to be around \$697 million (0.7%) higher than forecast in the *2025-26 Federal Mid-Year Economic and Fiscal Outlook (MYEFO)*. The total national pool is forecast to be around \$4 billion higher across the four years to 2028-29, compared with the Federal MYEFO estimates.

The Federal Budget attributes this revision to stronger-than-expected collections in the near term, and higher nominal consumption subject to GST over the forward estimates.

Expected impact of the Middle East conflict on GST

At a time of significant global uncertainty and cost-of-living pressure, Queensland and other states and territories agreed to forego any GST 'windfall' generated from increased GST collections on higher fuel prices.

Collectively, states and territories agreed to contribute up to \$400 million to fund a 10.9% reduction in fuel excise — equivalent to 5.7 cents per litre — from 1 April 2026 to 30 June 2026.

Since then, the 2026-27 Federal Budget has confirmed no net GST 'windfall' is expected to be realised in 2025-26 due to the Middle East conflict. Over the five years to 2029-30, the Federal Government estimates the potential net GST impact to be less than half a percent.

Queensland is working to ensure that states' contribution to the Federal Government's fuel excise package is fully passed through at the bowser to provide timely cost-of-living relief to motorists.

Queensland's GST share

Queensland has typically received more than its per capita share of GST in recognition of the higher costs of providing services as Australia's most decentralised state, as well as its relative levels of disadvantage especially in regional and remote locations.

Despite this, Queensland has recently received less than its per capita share of GST revenue, driven primarily by external factors such as methodology changes by the CGC, including changes which negatively exacerbated the impact of elevated coal royalties in recent years.

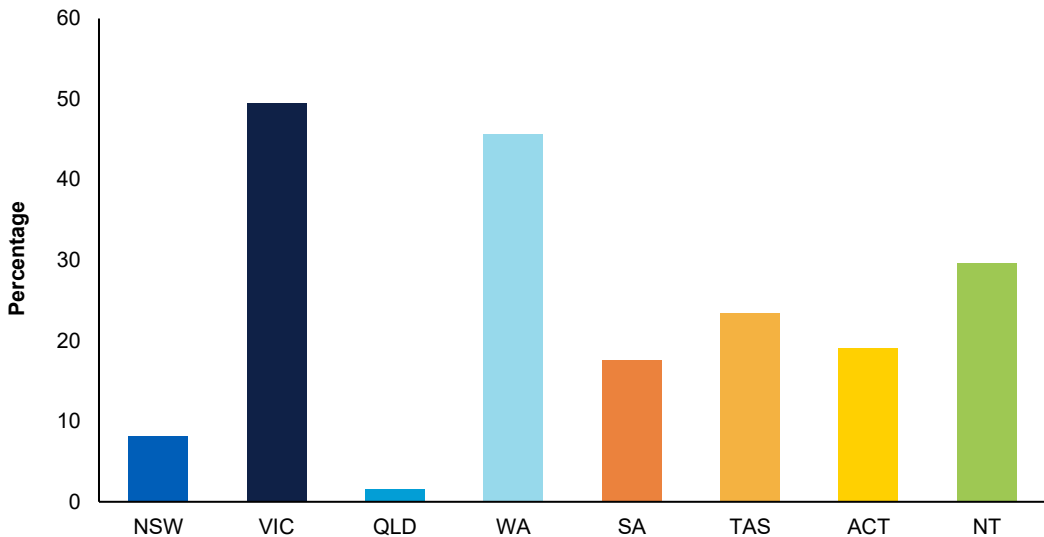
In its *2026 Update* released in March 2026, the CGC estimated that Queensland's share of the GST pool would increase from 17.4% in 2025-26 to 18.0% in 2026-27.

The three largest factors for this improvement, based on information published by the CGC were:

- COVID-19 expenses — the majority of COVID-19 health and business support spending has been removed, with the 2021-22 year dropping out of the CGC assessment period.
- Mining production and royalties — lower coal prices in 2024-25 compared with 2021-22 have lowered Queensland's capacity to raise coal royalties, outweighing the distorting impacts of the CGC's method changes from the 2025 Review.
- Natural disaster relief — a significant downward revision in New South Wales's disaster expenses in 2022-23 decreased its assessed GST needs relative to all other states.

As illustrated in Chart 3.4, Queensland is estimated to receive \$293 million (1.5%) more in 2026-27 than it received in 2023-24. Compared with 2023-24, the GST allocation for Victoria is up by 49.4%, Western Australia is up 45.6% and New South Wales is up 8.1%, while all other states and territories have recorded increases of between 17.6% and 29.6%.

Chart 3.4 Change in GST payments from 2023-24 to 2026-27



Source: Federal Government, *2023-24 Final Budget Outcome and 2026-27 Federal Budget*.

Box 3.2 Impacts of Federal changes to Australia's GST distribution system

The Federal Productivity Commission (PC) is undertaking an Inquiry into the efficiency, effectiveness, and fiscal implications of GST distribution reforms made in 2018. These reforms, intended to address perceived inequities, have instead created significant fiscal risks for Queensland and other states.

The 2018 reforms introduced a new equalisation benchmark, a GST relativity floor, and a temporary No Worse Off (NoWO) guarantee to ensure no state received less than under the previous system. However, the NoWO is set to expire in 2029-30, leaving states at risk of substantial revenue losses. Without the NoWO, Queensland could lose up to \$1 billion annually, severely impacting the state's ability to deliver essential services and infrastructure.

Queensland has consistently advocated for a fairer GST system that supports all Australians. In its submission to the PC, Queensland highlighted the inefficiencies and inequities of the current system and proposed practical, principle-based reforms to restore fairness, including:

- **Introducing a mining revenue discount:** This would address the volatility and policy disincentives created by the current system, particularly for resource-rich states like Queensland. The current system penalises states that develop their natural resources, while compensating states that restrict resource development.
- **Adjusting the treatment of key federal payments:** Queensland is calling for a discount to the treatment of certain Federal Government payments, such as those for health and infrastructure projects, to ensure they are not subject to GST redistribution. For example, Queensland is effectively losing \$3 billion of the \$7.2 billion in federal funding for the Bruce Highway Targeted Safety Program due to GST redistribution rules.

The Queensland Productivity Commission's (QPC's) final report on the *Economic Impacts of Australia's GST Distribution System on Queensland*, released on 12 May 2026, provides independent validation of these concerns. The QPC report highlights systemic inefficiencies and disincentives embedded in the current GST system, including:

- states with significant resource revenues, like Queensland, retaining only a small share of revenue changes due to GST redistribution, which discourages resource development
- states that restrict resource development being compensated for their inability to raise revenue, creating inefficiencies and undermining economic growth

- the potential for arbitrary decisions in the treatment of Commonwealth payments leading to inefficient outcomes.

Given the profound inequities of the CGC's 2025 Methodology Review in which Queensland experienced the largest negative redistribution of any state since the GST commenced, the Queensland Government will continue to fight for a fair share of GST at every available opportunity.

The PC's final report is due to be provided to the Federal Government by December 2026.

Federal Government payments (excluding GST)

Federal Government current grants (excluding GST) to Queensland in 2026-27 are expected to total \$19.302 billion, representing a decrease of \$239 million (1.2%) compared to 2025-26, predominantly reflecting lower grants for on-passing and National Partnership (NP) payments, which more than offset higher activity-based National Health Reform payments.

Following this, Federal Government current grants to Queensland (excluding GST) are forecast to grow by an average of 5.3% per annum over the three years to 2029-30.

Federal Government capital grants to Queensland in 2026-27 are expected to total \$6.471 billion, noting the timing of funding for previously agreed transport infrastructure and 2032 Olympic and Paralympic Games projects.

Chapter 6 provides a detailed overview of federal financial arrangements, including Federal Government payments to Queensland.

3.3.3 Royalty revenue

Royalty revenues are particularly sensitive to changes in commodity prices as well as the exchange rate, both of which are subject to volatility and uncertainty. Changes in commodity export volumes also impact Queensland's royalty estimates and may in turn also impact global prices.

Uncertainties have materially increased due to conflict in the Middle East. The primary impact on Queensland's royalties is through oil prices, to which LNG prices are also linked through contractual arrangements. The outlook for oil prices in particular — and their impact on petroleum royalties — remains subject to elevated uncertainty.

Despite this, across the forward estimates Queensland's total royalty and land rents revenue is estimated to remain steady as compared to recent historical volatility.

Table 3.4 Royalty revenue¹

	2024-25 Actual \$ million	2025-26 Est. Act \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Coal	5,474	4,799	6,948	6,332	5,777	5,374
Petroleum ²	1,690	1,122	1,863	1,171	1,118	1,084
Other royalties ³	772	658	676	632	640	638
Total royalties	7,936	6,579	9,486	8,135	7,534	7,097
Land rents	183	195	206	213	234	243
Total royalties and land rents	8,119	6,774	9,692	8,347	7,768	7,340
Notes:						
1. Numbers may not add due to rounding.						
2. Includes gas converted into liquefied natural gas (LNG).						
3. Includes base and precious metals, other minerals and other royalties.						

Appendix C outlines key parameter assumptions and sensitivities of royalty estimates to individual changes in price, volume and exchange rate parameters.

Coal royalties

In 2025, hard coking coal (HCC), used primarily in global steel production, accounted for around 54.7% of Queensland's total coal export value, semi soft/pulverized coal for injection (PCI) accounted for around 25.3%, and thermal coal accounted for around 19.9%.

Coal royalties are expected to total \$4.799 billion in 2025-26, \$675 million (12.3%) lower than in 2024-25. This is predominantly due to lower global coal prices.

Coal royalties are projected to increase in 2026-27 reflecting higher US\$-denominated coal prices supported by a recovery in export volumes, before declining steadily to 2029-30 in line with an expected normalisation in coal prices.

Compared to 2025-26 MYFER, coal royalties have been downgraded by \$586 million (10.9%) in 2025-26, but upgraded by \$1.530 billion in total across the four years ending 2028-29. Weakness in 2025-26 is driven by a combination of A\$/US\$ exchange rate leading to lower A\$ revenues for Queensland's coal exporters and reduced coal export volumes contributed to by flooding events in North Queensland in early 2026.

Export volumes are expected to remain lower compared with MYFER expectations as a result of a weak outlook for supply while the A\$/US\$ exchange rate has been upgraded across the forward estimates. These effects are more than offset from 2026-27 onwards by higher US\$ prices for metallurgical coal. In the near term, this reflects short-term supply disruptions and higher costs due to elevated oil prices.

The conflict in the Middle East represents a risk to coal royalties. For example, there is potential upside to thermal coal prices, an energy substitute for oil and gas, potentially offset by downside if a weaker global economy leads to reduced demand for metallurgical coal.

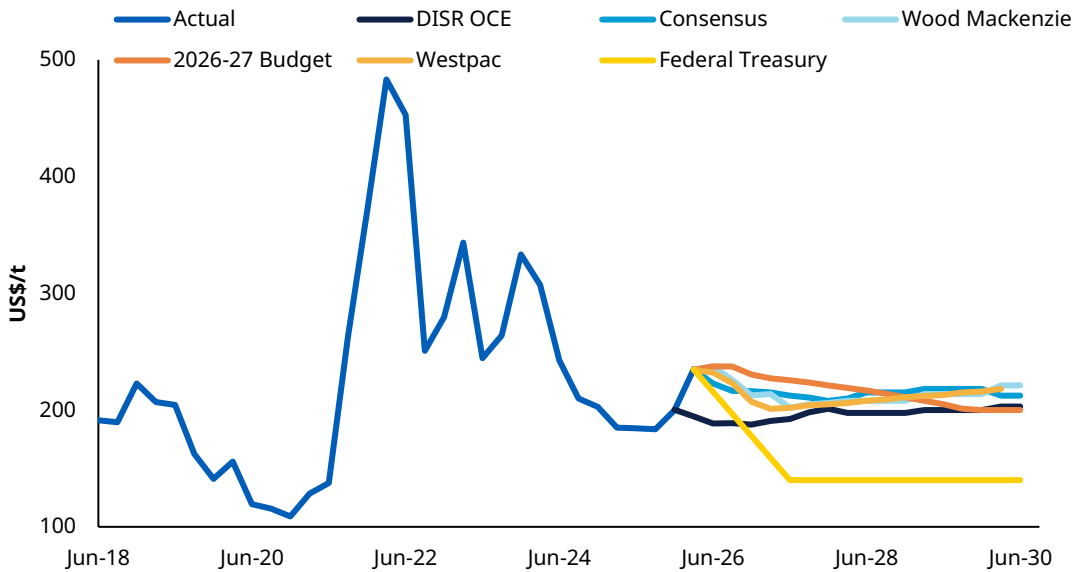
Coal export prices and volumes

Coking coal prices

Recent US\$ prices have been stronger than forecast at the 2025-26 MYFER, averaging US\$235 per tonne (t) for HCC in the March quarter 2026. This reflects short-term supply disruptions in Queensland and temporary restocking demand in India and China and follows relatively soft HCC prices earlier in 2025-26, with prices averaging just under US\$184/t in the September quarter 2025, their lowest quarterly average level since mid-2021.

Premium HCC prices are expected to gradually moderate towards the medium-term fair value estimate of US\$200/t over the forward estimates period.

Chart 3.5 Hard coking coal price forecasts



Sources: Consensus Economics (May-26), Wood Mackenzie (May-26 and Dec-25), Department of Industry Science and Resources Office of the Chief Economist (Dec-25 and Mar-25), Westpac (May-26), Federal Treasury (May-26), and Queensland Treasury.

Chart 3.5 shows HCC price forecasts compared to the latest quarterly price forecasts from a range of other forecasters. As seen above, though there are variations across forecasters in

terms of pathway, the 2026-27 Queensland Budget medium-term price assumption of US\$200/t for HCC is similar to most other forecasters.

Thermal coal prices

US\$ thermal coal prices have been higher than forecast since the 2025-26 MYFER, driven by reduced supply from other markets, particularly Indonesia, and higher premium thermal demand due to higher relative prices in substitutes such as oil and gas.

Average premium thermal coal prices across the first quarter of 2026 were US\$117/t and are expected to increase to US\$132/t in the June quarter. Prices are then expected to decline slowly towards the 2026-27 Queensland Budget medium-term assumption of US\$120/t by mid-2026. This is broadly similar to most other forecasters.

Coal export volumes

Total coal export tonnages over the four years ending 2028-29 have been revised downwards by around 3%, compared with the 2025-26 MYFER forecasts.

Weakness in production and export volumes is concentrated in HCC, which has been downgraded by 10% since MYFER, mainly driven by near-term weather disruptions in early 2026 along with a delay in the return to nameplate capacity for a number of key mines. This is partially offset by increases to semi soft/pulverising coal for injection driven by reclassifications of some lower quality HCC and near-term increases to Queensland's production capacity and demand outlook for thermal coal.

Petroleum royalties

Petroleum royalties are estimated to total \$1.122 billion in 2025-26, \$568 million (33.6%) lower than in 2024-25. This reflects lower oil prices which have prevailed for much of 2025-26, as well as the lag between changes in global oil prices and changes in LNG prices that impact Queensland's petroleum royalties.

Petroleum royalties are expected to increase by \$741 million (66.1%) to \$1.863 billion in 2026-27, \$958 million higher than forecast in the 2025-26 MYFER.

Annual growth and revision is driven by the sharp increase in global oil prices. Dated oil prices (the actual price paid for delivery of oil) averaged US\$106 per barrel (bbl) in March, US\$133/bbl in April, and US\$113/bbl in May—up sharply from US\$73/bbl in February. This situation contrasts with expectations within the 2025-26 MYFER, when an expected global production surplus was forecast to constrain oil prices to around US\$60/bbl in the short term before recovering to US\$70/bbl across the forward estimates.

Oil prices are forecast to begin to ease from the second half of 2026 and return to a medium-term price of US\$75/bbl by the end of 2027. As such petroleum royalties are

expected to decline towards more normal levels in 2027-28, and average around \$1.1 billion over the three years to 2029-30.

Other royalties

Revenue from other royalties (including base and precious metals, other minerals and other royalties) is estimated to total \$658 million in 2025-26, \$114 million (14.8%) lower than 2024-25. This reflects the varied movements across prices and volumes, as well as administrative factors which supported elevated outcomes in 2024-25.

Other royalties are forecast to increase slightly, by \$18 million (2.7%) to \$676 million in 2026-27, reflecting a combination of price and volume changes across commodities.

Revenue from other royalties is expected to average around \$637 million per annum across the three years ending 2029-30. This reflects several factors including an appreciating Australian dollar, and industry-wide expectations for mine production levels and scheduled closures. Although some new mines will inevitably open, potential royalties from these operations are only incorporated into forecasts once final investment decisions are made.

3.3.4 Sales of goods and services

Sales of goods and services revenue primarily comprises the cost recovery from the Queensland Government's provision of a range of goods or services.

Sales of goods and services revenue is expected to grow in the near term, reflecting broad-based growth, before declining in towards the end of the forward estimates, predominantly due to expected completion of the Cross River Rail project which drives significant sales from the General Government Sector to the Public Non-financial Corporations Sector.

Table 3.5 provides a breakdown of the categories of goods and services that comprise sales of goods and services revenue.

Table 3.5 Sales of goods and services¹

	2024-25 Actual \$ million	2025-26 Est. Act \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Fee for service activities	3,766	3,945	3,984	4,350	3,758	3,708
Public transport:						
South East Queensland	100	61	63	64	65	59
Rent revenue	665	660	712	748	792	814
Sale of land inventory	64	117	121	180	198	227
Hospital fees	1,055	1,115	1,121	1,153	1,185	1,216
Transport and traffic fees	537	603	635	665	702	728
Other sales of goods and services	1,403	1,398	1,479	1,504	1,558	1,614
Total	7,590	7,899	8,116	8,664	8,257	8,365
Note:						
1. Numbers may not add due to rounding.						

Government Indexation Policy

For the 2026-27 year, the Government has set the Government Indexation Rate for fees and charges at 3.4%. This is materially below estimated 2025-26 Brisbane Consumer Price Index growth of 4¾%.

3.3.5 Interest income

Interest income reflects interest earned on investments, including those placed to support debt, superannuation and insurance liabilities.

Interest income is expected to decline moderately over the forward estimates by an average of 0.7% over the four years to 2029-30. This reflects expected drawdowns on investments from the Debt Retirement Fund to repay debt along with investment drawdowns to support defined benefit scheme payments. Further details on investment consolidation and the debt repayment strategy are discussed in Chapter 5.

3.3.6 Dividend and income tax equivalent income

Revenues from dividend and income tax equivalent income is estimated to total \$1.254 billion in 2025-26. Dividend and income tax equivalent forecasts are expected to be

relatively stable in 2026-27 and 2027-28, before growing strongly from 2028-29 and 2029-30.

Key movements over the period include increases in electricity network and port dividends, in line with increased earnings, moderated by dividends and income tax equivalents from the electricity generation and rail sectors, as market electricity prices stabilise and major rail assets come into operation. Trends in dividends and income tax equivalent income from the Public Non-financial Corporations Sector are discussed in more detail in Chapter 7.

3.3.7 Other revenue

Other revenue, including royalty revenue, accounts for 11.5% of total General Government Sector revenue in 2026-27 (see Table 3.6).

Royalties (including land rents) account for 9.7% of total revenue in 2026-27 and are discussed in more detail above in section 3.4.3.

The major fines included in the fines and forfeitures category include speeding, red light, mobile phone and seatbelt camera detected offences and tolling offences.

Revenue from fines and forfeitures is expected to total \$823 million in 2025-26, \$27 million (3.2%) lower than expected at the 2025-26 Budget. The reduction is due to improved driver behaviour and revised timing of the camera program rollout. Revenue from camera detected offences is directed to road safety improvement projects across the state.

Fines and forfeitures are expected to grow by an average of 12.9% in 2026-27 and 2027-28 primarily driven by planned expansions of the camera program, before stabilising from 2028-29.

Table 3.6 Other revenue¹

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Actual	Est. Act	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Royalties and land rents	8,119	6,774	9,692	8,347	7,768	7,340
Fines and forfeitures	735	823	947	1,048	1,049	1,049
Revenue not elsewhere classified	1,050	1,391	787	784	794	800
Total other revenue	9,904	8,988	11,426	10,180	9,611	9,189
Note:						
1. Numbers may not add due to rounding.						

Revenue not elsewhere classified includes assets contributed to the state and payments received for works delivered on behalf of government-owned corporations (GOCs).

4 Expenses

Features

- The 2026-27 Queensland Budget continues to uphold fiscal discipline by managing expenses growth at sustainable levels, creating capacity to meet emerging pressures and demonstrating respect for taxpayers' money.
- General Government Sector expenses are estimated to be \$105.847 billion in 2026-27, 4.9% higher than the 2025-26 estimated actual.
- Total expenses are projected to grow at an average annual rate of 2.6% over the four years to 2029-30, well contained within the average annual revenue growth of 5.1% over the same period.
- In 2026-27, the major areas of expenditure are in the key frontline services of health and education, which account for more than 50% of General Government Sector expenses. Additional funding is also being provided to other priority areas including housing and community safety.

4.1 2025-26 Estimated actual

General Government expenses in 2025-26 are estimated to be \$100.863 billion, \$793 million higher than the *2025-26 Mid-Year Fiscal and Economic Review (MYFER)* estimate. The increase is largely due to:

- higher on-passed Federal Government grant payments for Financial Assistance Grants to local councils and to non-state schools
- additional service delivery within the health system
- acceleration of the Residential Activation Fund grant program
- additional funding for critical housing, homelessness and child safety services.

4.2 2026-27 Budget and outyears

Table 4.1 General Government Sector expenses¹

	2024-25 Outcome \$ million	2025-26 MYFER \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Employee expenses	36,147	38,368	38,433	40,510	41,673	42,983	44,216
Superannuation interest costs	825	703	699	767	717	643	569
Other superannuation expenses	4,365	4,646	4,645	4,827	4,936	5,008	5,023
Other operating expenses	25,961	27,225	27,344	27,716	27,825	28,407	28,524
Depreciation and amortisation	5,890	6,353	6,258	6,938	7,475	7,970	8,627
Other interest expenses	2,594	3,452	3,357	4,464	5,623	6,758	7,705
Grants expenses	17,611	19,324	20,126	20,624	19,395	18,061	17,028
Total Expenses	93,393	100,070	100,863	105,847	107,645	109,831	111,692
Note:							
1. Numbers may not add due to rounding.							

General Government expenses are projected to be \$105.847 billion in 2026-27, an increase of \$4.984 billion (or 4.9%) over the 2025-26 estimated actual. Key services and programs contributing to the growth in expenses in 2026-27 include:

- additional funding for the health system to improve performance and provide easier access to health services
- additional funding under the Better and Fairer Schools Agreement – Full and Fair Funding and associated Bilateral Agreement
- grants for housing and infrastructure programs
- higher grants to local councils to support recovery from the extensive disaster events that occurred in 2025-26
- wage increases associated with the Consumer Price Index (CPI) Uplift Adjustment built into renegotiated certified agreements
- borrowing costs in support of the state’s capital program.

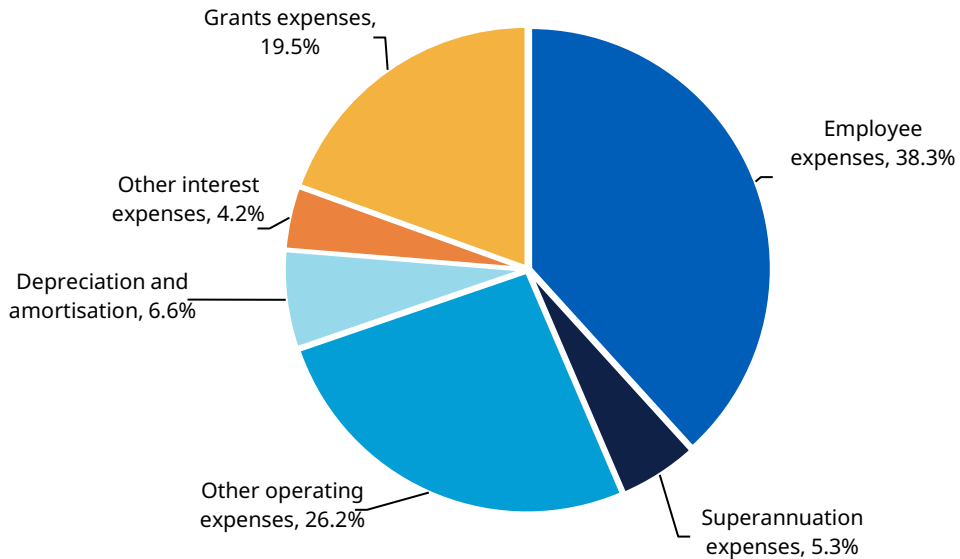
The Government is committed to returning the Budget to a fiscally sustainable position through strong expenditure management. General Government Sector expense growth falls from 4.9% in 2026-27 to an average annual growth of 2.6% over the four years to 2029-30.

The Government continues to uphold fiscal discipline by managing expenses at sustainable levels, creating capacity to meet emerging pressures. A \$500 million budget improvement will be delivered through better coordinating procurement, improving asset maintenance planning, reducing the cap on senior executive positions following a review of unfilled positions, consolidating office accommodation, and making better use of public sector expertise to reduce spending on contractors and consultants, including in areas such as recruitment.

4.3 Expenses by operating statement category

As Chart 4.1 shows, employee-related expenses are the largest component of General Government Sector expenses, accounting for 38.3% of total operating expenditure. Other operating expenses at 26.2% is the next largest category, reflecting non-labour costs associated with providing goods and services to government and non-government recipients including, for example, repairs and maintenance, transport service contract payments to Queensland Rail, and subsidies to households.

Chart 4.1 Expenses by operating statement category, 2026-27



4.3.1 Employee expenses

Employee expenses include salaries and wages, annual leave and long service leave.

Employee expenses are projected to be \$40.510 billion in 2026-27, \$2.077 billion or 5.4% higher than the 2025-26 estimated actual. Employee expenses growth represents the combined increase in full-time equivalent (FTE) employees and forecast wage rates. An allowance has been factored into the forward estimates for potential costs of a CPI Uplift Adjustment on enterprise bargaining agreements.

Health and education services account for just over 70% of employee expenses in 2026-27.

Full-time equivalents

The 2026-27 Queensland Budget continues to deliver better services and infrastructure for Queenslanders, where and when they are needed, with a clear focus on frontline services.

Approved funded FTE positions across government departments (refer Table 4.2) are estimated to increase by around 2,200 in 2026-27, driven principally by increases in Queensland Health, the Department of Education, the Queensland Police Service and the Department of Youth Justice and Victim Support.

The Public Sector Commission has primary responsibility for monitoring the number of FTEs and collating key human resource workforce metrics across the whole-of-sector (consisting of the agencies outlined in Table 4.2 plus selected other entities).

The Public Sector Commission's annual *State of the Sector Report* provides a summary of the Queensland whole-of-sector workforce as at the March quarter each year. The 2026 Report shows that:

- there was a total of 279,577 FTEs, representing an increase of 8,693 FTEs, or 3.21%, since March 2025
- the increase reflects growth of 8,660 FTEs in frontline and frontline support roles and 34 FTEs in non-frontline roles
- in total, 91.08% of public servants are engaged in frontline and frontline support roles, with 8.92% in corporate service roles.

This data is evidence of the Government's commitment to growing frontline service delivery while maintaining respect for taxpayers' money, with just 0.4% of whole-of-sector FTE increase in the year to March 2026 related to corporate roles, down from 17.5% in March 2024 and 6.5% in March 2025.

It is noted the reporting basis of the *State of the Sector Report* reflects active and paid FTEs engaged at March 2026 while FTE levels reported in Table 4.2 reflect approved funded FTE positions for the financial year.

Table 4.2 Funded Controlled FTE positions by department¹

	2025-26 Adjusted Budget ²	2025-26 Est. Act.	2026-27 Budget
Customer Services, Open Data and Small and Family Business	3,376	3,382	3,342
Education	78,148	79,534	79,944
Electoral Commission of Queensland	91	91	98
Environment, Tourism, Science and Innovation	3,118	3,116	3,129
Families, Seniors, Disability Services and Child Safety	5,940	5,937	6,016
Housing and Public Works	4,611	4,607	4,592
Justice	4,623	4,653	4,599
Local Government, Water and Volunteers	836	835	814
Natural Resources and Mines, Manufacturing and Regional and Rural Development	1,524	1,523	1,519
Office of the Inspector-General Emergency Management	22	22	22
Premier and Cabinet	534	599	647
Primary Industries	2,956	2,952	2,975
Public Sector Commission	90	82	79
Queensland Corrective Services	8,274	8,433	8,413
Queensland Fire Department	4,230	4,227	4,226
Queensland Health	119,438	120,160	121,477
Queensland Police Service	19,791	19,786	20,008
Queensland Treasury	1,983	1,981	2,071
Sport, Racing and Olympic and Paralympic Games	445	443	442
State Development, Infrastructure and Planning	1,865	1,862	1,851
The Public Trustee of Queensland	635	635	633
Trade, Employment and Training	4,924	4,922	4,883
Transport and Main Roads	6,801	6,817	6,810
Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism	432	431	428
Youth Justice and Victim Support	2,665	2,662	2,879
Total	277,352	279,692	281,897
Notes:			
1. Explanations for variances in departmental FTEs can be found in the Service Delivery Statements (SDS). Department total may include multiple tables from SDS due to separate FTE tables being provided for Departmental service areas and Commercialised Business Units.			
2. Adjusted Budget reflects movements of FTEs following Machinery of Government (MOG) changes.			

4.3.2 Superannuation expenses

The superannuation interest cost represents the imputed interest on the Government's accruing defined benefit superannuation liabilities.

The state's defined benefit superannuation liabilities are valued in accordance with the Australian Accounting Standards Board (AASB) 119 *Employee Benefits* which requires the discounting of future benefit obligations using yield rates on government bonds. Interest costs are calculated on a net liability approach by applying the discount rate to both the gross liability and superannuation plan assets.

Superannuation interest costs are dependent on the applicable discount rate at the beginning of the year. Superannuation interest costs are forecast to decline over the forward estimates. The defined benefit scheme is closed to new members and will progressively decline as members leave.

Other superannuation expenses represent employer superannuation contributions to accumulated superannuation and the current service cost of the state's defined benefit obligations (or the increase in the present value of the defined benefit obligation resulting from employee service in the current period).

4.3.3 Other operating expenses

Other operating expenses comprise non-labour costs necessary for the operation and delivery of government services. These costs include repairs and maintenance, information technology and communication services, water, electricity, subsidies to households, consultants and procurement of outsourced service delivery by contractors.

In 2026-27, other operating expenses are estimated to total \$27.716 billion, representing an increase of \$372 million or 1.4% compared to the 2025-26 estimated actual. Other operating expenses are expected to grow modestly across the rest of the forward estimates.

4.3.4 Depreciation and amortisation

Depreciation and amortisation expenses are an estimate of the progressive consumption of the state's assets through normal usage, wear and tear and obsolescence.

Depreciation and amortisation expenses are projected to be \$6.938 billion in 2026-27 and are forecast to grow over the forward estimates, effectively reflecting recent asset revaluations and the state's capital program.

4.3.5 Other interest expenses

Other interest expenses include interest paid on borrowings, finance leases and similar arrangements to acquire capital assets and infrastructure such as roads, hospitals, state schools and social and affordable housing.

In 2026-27, other interest expenses are estimated to be \$4.464 billion, \$1.107 billion higher compared to 2025-26 estimated actual. Interest expenses will rise across the forward estimates in line with increased borrowings, but the rate of increase is expected to moderate as improved operating cash flows fund an increasing proportion of capital investments.

4.3.6 Grants expenses

The Government provides recurrent and capital grants to non-government recipients. Recurrent grants are provided to support government service delivery or provide targeted assistance to specific recipient groups. Capital grants are provided to support infrastructure projects or transfer infrastructure assets. Table 8.12 provides further details.

Current grants include grants and subsidies to the community (such as non-state schools, hospitals, benevolent institutions and local governments) and personal benefit payments. Community Service Obligations are provided where Public Non-financial Corporations (PNFCs) are required to provide non-commercial services or services at non-commercial prices for the benefit of the community.

Recurrent grants are expected to total \$14.933 billion in 2026-27, representing an increase of \$133 million compared to payments in the 2025-26 estimated actual. The increase reflects higher on-passed Federal Government grant payments to non-state schools, Waste Strategy payments to local councils and community recovery grants for recent natural disasters. These increases are partly offset by advance payment of on-passed Federal Government Financial Assistance Grants to local councils in 2025-26.

Capital grants are transfers to the PNFC Sector, local governments, not-for-profit institutions and non-state schools, businesses and households (including the First Home Owner Grant) for capital purposes.

In 2026-27, capital grant expenses are estimated to total \$5.691 billion, before declining in 2027-28 and 2028-29. Higher capital grants in 2026-27 mainly reflect additional funding for social and affordable housing programs and disaster recovery funding to local councils. As detailed in Table 2.3, disaster expenses, mainly capital grants to local councils, decrease significantly in 2027-28, with recovery works largely completed in 2028-29. Disaster expenditure is jointly shared between the Federal Government and the states.

5 Balance sheet and cash flows

Features

- The 2026-27 Queensland Budget delivers a strengthened balance sheet through disciplined management of expenses and the capital program, with Non-financial Public Sector (NFPS) borrowings forecast to be lower each year across the forward estimates compared to the 2025-26 *Mid-Year Fiscal and Economic Review (MYFER)* and 2025-26 Budget.
- General Government Sector (GGS) gross borrowing is forecast to be \$108.042 billion for 2026-27, \$6.034 billion less than expected in the 2025-26 MYFER.
- The NFPS gross borrowing is expected to be \$162.624 billion in 2026-27, \$8.073 billion less than projected at 2025-26 MYFER.
- In 2028-29, total NFPS debt is forecast to be \$202.131 billion, \$2.768 billion lower than the 2025-26 MYFER forecast of \$204.899 billion.
- NFPS borrowing is expected to progressively increase to \$216.472 billion by 2029-30. The rate of increase slows each year as the general government operating position improves and the capital program stabilises.
- Over the four years to 2029-30, the NFPS capital program is forecast to be \$119.241 billion, which comprises \$104.149 billion of purchases of non-financial assets (PNFA), \$13.708 billion of capital grants expenses, and acquisitions of non-financial assets under finance leases and similar arrangements of \$1.384 billion.

5.1 Overview

The balance sheet shows the projected assets, liabilities and net worth of the GGS as at 30 June each year. A resilient balance sheet provides the Government with the capacity to respond to immediate financial and economic events.

The cash flow statement shows the expected cash flows of the GGS during each financial year of the forward estimates. While the operating statement is reported in accrual terms, when revenues and expenses are recognised, the cash flow statement is reported in cash terms when revenues are received, and payments are made.

5.2 Balance sheet

Table 5.1 Summary of budgeted balance sheets¹

	2024-25 Outcome \$ million	2025-26 MYFER \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
GENERAL GOVERNMENT SECTOR							
Financial assets	96,563	96,487	97,585	100,656	102,879	105,837	109,473
Non-financial assets	386,452	399,892	397,313	407,948	422,619	437,064	450,653
Total assets	483,015	496,378	494,899	508,604	525,497	542,901	560,126
Borrowings	72,864	93,918	89,828	108,042	125,365	141,914	154,848
Advances	3,630	1,260	1,856	1,301	1,132	1,027	980
Superannuation liability	18,821	17,360	16,416	15,586	15,104	14,479	13,919
Other provisions and liabilities	32,274	32,926	33,119	33,324	34,486	35,374	36,503
Total liabilities	127,588	145,464	141,219	158,253	176,086	192,794	206,250
Net worth	355,427	350,914	353,680	350,352	349,412	350,107	353,876
Net debt	16,727	38,713	33,440	51,329	69,024	85,980	98,057
NON-FINANCIAL PUBLIC SECTOR							
NFPS Borrowings	123,446	146,930	142,376	162,624	183,680	202,131	216,472
NFPS Purchases of non-financial assets	19,268	24,678	20,231	23,437	27,137	27,248	26,327
Note:							
1. Numbers may not add due to rounding.							

5.2.1 Financial assets

The major categories of financial assets are investments, loans and placements, and investments in other public sector entities.

Investments, loans and placements include investments held to meet future liabilities, such as superannuation and insurance, as well as investments relating to the Queensland Future Fund – Debt Retirement Fund.

The GGS also holds the equity in the state's public enterprises, principally the shareholding in GOCs but also Public Financial Corporations like Queensland Treasury Corporation.

Total financial assets of \$97.585 billion are estimated for 2025-26, \$1.022 billion higher than 2024-25 Outcome. Financial assets are forecast to rise steadily across the forward estimates

mainly due to increases in equity in public sector enterprises. Investment, loans and placements increase in 2029-30 with the conclusion of the 2025-26 Budget repair measure to utilise a proportion of Debt Retirement Fund investments to repay borrowings.

5.2.2 Non-financial assets

Non-financial assets consist primarily of land and other fixed assets, including roads, schools, hospitals and other infrastructure. Other non-financial assets held by the state include prepayments and deferred income tax assets relating to GOCs.

GGs non-financial assets are estimated to be \$397.313 billion at 30 June 2026, \$10.861 billion higher than the 2024-25 outcome. GGS non-financial assets are forecast to increase from \$407.948 billion in 2026-27 to \$450.653 billion by 30 June 2030.

The NFPS capital program for 2026-27 is forecast to be \$29.616 billion, which comprises \$23.437 billion of PNFA, \$5.678 billion of capital grant expenses and acquisitions of non-financial assets under finance leases and similar arrangements of \$501 million.

Over the four years to 2029-30, the NFPS capital program is forecast to be \$119.241 billion, which comprises \$104.149 billion of PNFA, \$13.708 billion of capital grants expenses, and acquisitions of non-financial assets under finance leases and similar arrangements of \$1.384 billion.

The finance leases and similar arrangements are mainly in relation to Public Private Partnerships and include construction of Cross River Rail infrastructure and Gold Coast Light Rail Stage 3.

Further discussion can be found in Budget Paper 3: Budget Capital Statement.

5.2.3 Liabilities

General Government Sector

Total GGS liabilities are estimated to be \$141.219 billion at 30 June 2026 of which the largest component is borrowings at \$89.828 billion. This is \$4.245 billion lower than the 2025-26 MYFER estimate.

By 30 June 2029, borrowing is expected to be \$141.914 billion, which is \$1.399 billion lower than the 2025-26 MYFER estimate.

The defined benefit superannuation liability is projected to be \$16.416 billion at 30 June 2026 and is expected to continue to decline over the forward estimates as members progressively retire. The fund has been closed to new entrants since 2008.

Non-financial Public Sector borrowing

The NFPS is a consolidation of the General Government and Public Non-financial Corporations (PNFC) sectors, with transactions between these sectors eliminated.

PNFC debt is primarily held by GOCs and is supported by income-generating assets including key economic infrastructure.

NFPS borrowing is expected to be \$142.376 billion by 30 June 2026, \$4.554 billion lower than the 2025-26 MYFER estimate.

NFPS borrowing of \$202.131 billion is forecast in 2028-29, \$2.768 billion lower than the 2025-26 MYFER estimate.

5.2.4 Net debt

Net debt is the sum of borrowing and advances received, less the sum of cash and deposits, advances paid, and investments, loans and placements.

Net debt excludes certain assets and liabilities, such as superannuation and insurance liabilities. Net debt is another metric used across jurisdictions to assess the soundness of the Government's fiscal position. Higher levels of net debt will require servicing through interest payments and limit flexibility to adjust expenditure.

Net debt for the GGS in 2025-26 is estimated to be \$33.440 billion, \$5.273 billion lower than expected in the 2025-26 MYFER. The lower net debt predominantly reflects lower borrowing requirements for capital purchases in both the GGS and PNFC sectors, and the impact of expected returns on the state's long-term assets.

The net debt to revenue ratio for the GGS is forecast to be 51% in 2026-27 compared to 65% in the 2025-26 Budget and 80% in 2028-29 compared to 91% in the 2025-26 Budget.

5.2.5 Net worth

The net worth, or equity, of the state is the amount by which the state's assets exceed its liabilities. This is the value of the investment held on behalf of the people of Queensland by public sector entities.

Changes in the state's net worth occur for several reasons including:

- operating surpluses (deficits) that increase (decrease) the Government's equity
- revaluation of assets and liabilities as required by accounting standards
- movements in the net worth of the state's investments in the PNFC and Public Financial Corporations sectors

- gains or losses on disposal of assets — where the selling price of an asset is greater (less) than its value in an agency's accounts, the resultant profit (loss) affects net worth.

GGs net worth is projected to be \$353.680 billion at 30 June 2026 and gradually decline in 2026-27 and 2027-28 due to the net operating deficits. From 2028-29, net worth is expected to improve as operating deficits reduce and is forecast to reach \$353.876 billion in 2029-30.

5.3 Cash flows

The cash flow statement provides the cash surplus (deficit) measure, which comprises the net cash flows from operating activities plus the net cash flows from investments in non-financial assets (or physical capital).

GGs net cash inflows from operating activities have improved compared to the 2025-26 MYFER estimates due to revised timing of capital purchases and moderately improved operating balances. The improvement in this measure over the forward estimates is shown in Chart 5.1.

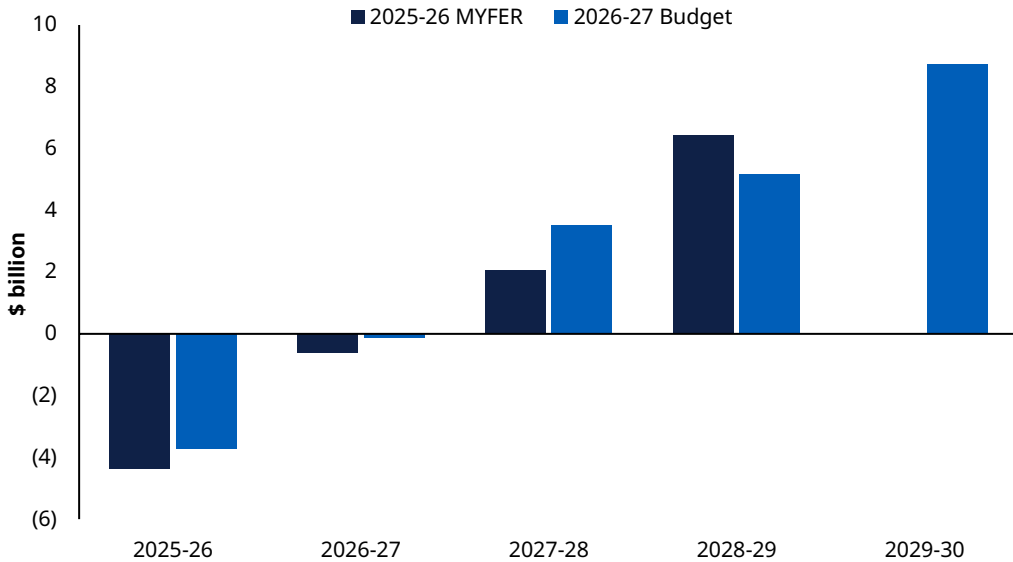
Net cash flows from investments in financial assets for policy purposes include net cash flows from disposal or return of equity, net equity injections into GOCs and concessional loans and advances. Cash flows from the injection of equity into the PNFC and Public Financial Corporations sectors are the primary driver of net outflows of \$4.879 billion over the period from 2026-27 to 2029-30.

Net cash flows from investments in financial assets for liquidity purposes represent net investment in financial assets to cover liabilities such as superannuation and insurance, as well as deposits and withdrawals to or from a redraw facility with Queensland Treasury Corporation and other specific investments.

In 2025-26, \$1.4 billion has been withdrawn from the Debt Retirement Fund and used to repay debt as per the measure announced in the 2025-26 Budget. From 2026-27 to 2028-29, cash flows for liquidity purposes will include further annual withdrawals of \$1.4 billion from the Debt Retirement Fund to repay debt.

Total GGS PNFA in 2025-26 are estimated to be \$12.450 billion. Over the period from 2026-27 to 2029-30, GGS PNFA are expected to total \$74.910 billion. By 2029-30, operating cash flows will fund 44% of capital purchases.

Chart 5.1 General Government Sector net cash inflows from operating activities



The GGS cash deficit for 2025-26 is estimated to be \$16.050 billion, which is \$3.311 billion lower than the deficit forecast at the 2025-26 MYFER.

A GGS cash deficit of \$15.400 billion is forecast for 2026-27, reducing to an estimated deficit of \$11.116 billion in 2029-30. The improvement in cash deficits across the forward estimates reflects the impact of Government’s commitment to return the Budget to an operating surplus in the medium term.

6 Intergovernmental financial relations

Features

- The federal financial relations framework recognises that coordinated action and clear lines of responsibility for funding and service delivery are crucial for maximising economic and social outcomes and to strategically position the nation for the future.
- One of the Federal Government's functions under this framework is to provide funding to states and territories to deliver essential services and infrastructure. It is estimated the Federal Government will provide the Queensland Government with \$45.350 billion in 2026-27 (\$3.938 billion more than in 2025-26), or approximately 45% of all Queensland's General Government Sector revenue in 2026-27.
- Federal Government funding to the Queensland Government comprises:
 - \$25.122 billion² in payments for specific purposes (\$2.090 billion more than 2025-26)
 - \$651 million in other Federal Government grants, including payments direct to Queensland Government agencies for Federal Government own-purpose expenditure (\$796 million less than 2025-26)
 - \$19.577 billion in GST payments (\$2.644 billion more than 2025-26). Further detail is provided in Chapter 3.
- Payments for specific purposes to Queensland in 2026-27 include:
 - \$8.766 billion for National Health Reform funding
 - \$7.976 billion for Better and Fairer Schools funding³
 - \$7.537 billion for National Partnership payments (including the Land Transport Infrastructure Projects Agreement, Disaster Recovery Funding Arrangements (DRFA), and the 2032 Olympic and Paralympic Games)
 - \$471 million for National Skills Agreement funding
 - \$372 million for National Agreement on Social Housing and Homelessness funding.

² Total payments for specific purposes may not add due to rounding.

³ Better and Fairer Schools funding includes payments for government schools (exclusive of GST) and non-government schools (inclusive of GST).

- The Queensland Government is committed to rebuilding and strengthening its relationship with local governments to improve outcomes for all Queenslanders, including through red tape reduction, the Local Government Depreciation Taskforce and ongoing advocacy to the Federal Government to increase Financial Assistance Grants paid to local governments.
- The Queensland Government is also supporting local governments to unlock new homes sooner by dedicating more than half of the \$2 billion Residential Activation Fund towards residential developments outside South East Queensland, and is supporting local communities across the state that have been affected by natural disasters since the beginning of 2026.

6.1 Federal financial relations

The Federal Government has greater capacity to raise revenue than is required to fund its service delivery responsibilities. Conversely, states and territories' (states) ability to raise revenue is less than required to meet their service delivery and infrastructure responsibilities. The resulting vertical fiscal imbalance (VFI) is bridged through a system of intergovernmental payments from the Federal Government to the states.

The Federal Government makes two types of payments:

- general revenue assistance payments (largely GST revenue) which can be used by states for any purpose ('unconditional' funding)
- payments for specific purposes ('conditional' funding) such as:
 - payments for National Health Reform, Better and Fairer Schools, the National Skills Agreement and the National Agreement on Social Housing and Homelessness, which are a contribution toward states' service delivery priorities
 - National Partnership payments, which represent funding to support the delivery of specific priorities, outputs, or projects and to facilitate or incentivise reforms.

As part of the national governance arrangements, the Council on Federal Financial Relations — chaired by the federal Treasurer and comprising all state Treasurers — oversees national agreements and transfers between the Federal Government and states.

States have also formed the Board of Treasurers (the Board) to collaborate on common issues, advance national reform priorities from state perspectives, and promote united agenda setting in federal affairs. The Board is chaired by a state Treasurer for a calendar year on a rotational basis.

Key priority areas for the Board in 2026 include health and disability services reform, the 2026 Federal Productivity Commission Inquiry on the 2018 GST distribution reforms, the impact of the conflict in the Middle East and overseeing negotiations of major funding agreements expiring within the next 18 months.

This chapter largely focuses on the Federal Government's payments for specific purposes (sections 6.2 and 6.3). Information on State-local government relations is provided in section 6.4.

6.2 Federal Government funding to Queensland

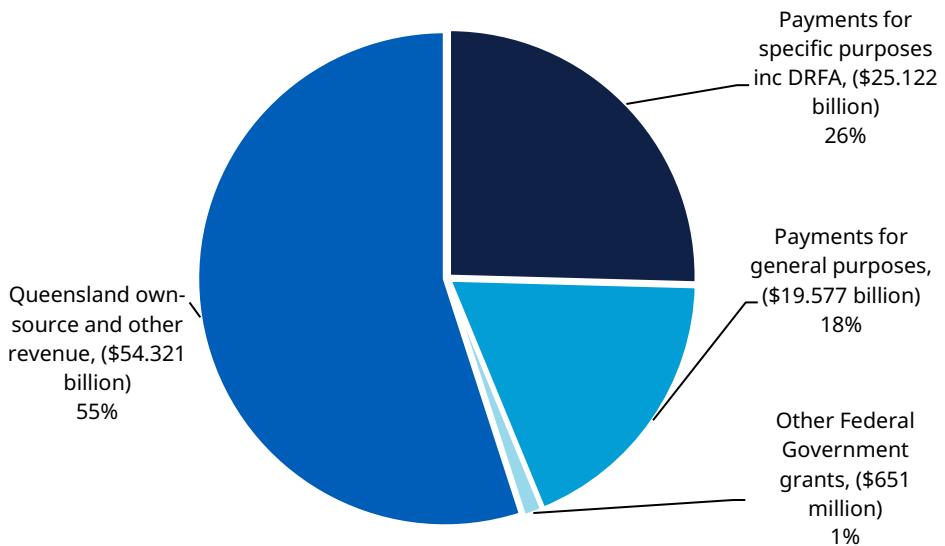
It is estimated the Federal Government will provide the Queensland Government with \$45.350 billion in 2026-27 (\$3.938 billion more than in 2025-26).

The primary drivers for the increase in Federal Government funding is an increase of \$2.644 billion in Queensland's GST revenue and an increase in total payments for specific purposes of \$2.090 billion in 2026-27.

A detailed discussion of Queensland's GST revenue, including the key factors driving the increase in GST in 2026-27, is provided in Chapter 3.

Federal Government funding is estimated to account for 45% of Queensland's total General Government Sector revenue sources in 2026-27 (shown in Chart 6.1).

Chart 6.1 General Government Sector revenue sources, Queensland 2026-27^{1,2}



Notes:

1. Queensland own-source and other revenue figure includes taxation revenue, sales of goods and services, royalties and land rents.
2. Other Federal Government grants include payments direct to Queensland Government agencies for Federal Government own-purpose expenditure.

Sources: 2026-27 Federal Budget Paper No. 3 and Queensland Treasury estimates.

Box 6.1 Changes in Federal Financial Relations

Since handing down its budget in May, the Federal Government has successively unveiled the detail of its proposals to change the National Disability Insurance Scheme (NDIS), Disaster Recovery Funding Arrangements, and Technical and Further Education (TAFE); and withdrawn support for national agreements. The Federal Government is ending long-standing arrangements as the chief funder of national and significant infrastructure projects and has not addressed Queensland’s concerns regarding the inequitable GST system (refer to Chapter 3).

The Federal Government’s Budget comes at the expense of Queensland. Together, the proposed changes could see Queensland worse off by \$1 billion or more each year. This means fewer health and care services, fewer education services, less support for disaster-affected communities; or more debt carried by Queenslanders affected by reduced Federal Government support.

- NDIS – The Federal Government’s new reforms are expected to reduce both the current and future number of people with access to the NDIS and the supports available, keeping annual growth as low as 0.2% over the next few years. Changes to access arrangements — particularly the shift from diagnosis-based eligibility to functional needs assessments, introduced without consultation with states and territories — could result in Queenslanders losing around \$1 billion in disability supports per annum by the end of the forward estimates.
- Disaster Recovery Funding Arrangements – The Federal Government has proposed a new framework for disaster recovery, including a blanket 50:50 funding arrangement that does not recognise the severity or frequency of disaster events that befall some states, including Queensland. This would have cost the state around an extra \$500 million each year on average to respond to recent events.
- National infrastructure – In 2024, the Federal Government ended the long-standing arrangement to be the predominant funder (80:20) of national and significant infrastructure (e.g. highways and roads that connect the nation). Without this arrangement, Queensland could be paying an additional \$150 million to \$250 million each year.
- National agreements – The Federal Government is withdrawing support for national agreements that are important for economic growth and community cohesion, including investment in TAFE and flood mitigation works in North Queensland. The Queensland Government will need to increase investment by hundreds of millions if these services are to continue operating at current levels.

More effective delivery of national outcomes could occur through the Federal Government genuinely consulting with states. For example, the Federal Government should not progress with system-level changes to bargaining and institutional arrangements for major government projects, like the now permanently abolished Best Practice Industry Conditions in Queensland. This is likely to lead to increased coordination of wages and conditions across industry at the expense of productivity and project delivery.

The Queensland Productivity Commission found that Best Practice Industry Conditions increased project costs by around 10% to 25% and imposed a net cost to Queensland of up to \$20.6 billion by 2029-30, without material improvements to worker safety.

6.3 Payments to Queensland for specific purposes

In 2026-27, Queensland expects to receive \$25.122 billion⁴ in payments for specific purposes, \$2.090 billion (9.1%) more than in 2025-26.

Payments for specific purposes comprise funding for National Health Reform, Better and Fairer Schools, National Skills Agreement, National Agreement on Social Housing and Homelessness, and National Partnership payments (refer to Table 6.1).

Table 6.1 Estimated payments of Federal Government grants¹

	2024-25 Actual \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million
Payments for specific purposes			
National Health Reform funding ²	7,072	7,537	8,766
Better and Fairer Schools funding ³	7,157	7,659	7,976
National Skills Agreement funding	451	459	471
National Agreement on Social Housing and Homelessness funding	355	363	372
National Partnership payments (incl. DRFA)	5,745	7,014	7,537
Total payments for specific purposes	20,780	23,032	25,122
Other Federal Government grants ⁴	992	1,447	651
Total payments for specific purposes and other Federal Government grants	21,772	24,479	25,773
Notes:			
1. Numbers may not add due to rounding.			
2. The 2026-2031 Addendum to the National Health Reform Agreement (NHRA) was agreed by National Cabinet in January 2026.			
3. Better and Fairer Schools funding includes payments for state schools (exclusive of GST) and non-government schools (inclusive of GST).			
4. Includes direct Federal Government payments to Queensland agencies for Federal Government own-purpose expenditure (e.g. financial assistance to local governments and funding to Hospital and Health Services).			
<i>Sources: 2026-27 Federal Budget Paper No. 3 and Queensland Treasury estimates.</i>			

From 2026-27, National Health Reform funding estimates are based on the new funding model under the 2026-2031 Addendum to the NHRA, agreed by National Cabinet on

⁴ Queensland Treasury estimates.

30 January 2026. The funding model provides for annual Federal Government cap increases of 10.25% in 2026-27 and 8.0% in 2027-28 to 2030-31.

In 2026-27, National Health Reform funding, which accounts for 34.9% of the total payments for specific purposes, is estimated to increase by \$1.229 billion (16.3%)⁵.

Queensland Government projections of National Health Reform funding differ from those in the 2026-27 Federal Budget. Federal Government projections represent cash payments made in the financial year (rather than the entitlement amount for the financial year) and include adjustments for services delivered in prior years.

Actual National Health Reform payments also vary from the Federal Budget as they are based on actual public hospital activity delivered each year.

Better and Fairer Schools funding, which accounts for around 31.7% of total payments for specific purposes, is estimated to increase by \$317 million (4.1%) to \$7.976 billion in 2026-27. This comprises \$2.877 billion (excluding GST) for state schools and \$5.099 billion (including GST) for non-state schools in 2026-27.

National Partnership payments (including DRFA) account for 30.0% of the total payments for specific purposes in 2026-27 and are estimated to increase by \$522 million (7.4%) from 2025-26 to 2026-27. A significant proportion of National Partnership payments in 2026-27 is allocated to infrastructure and DRFA payments (refer to Chart 6.2).

The estimated increase in National Partnership payments in 2026-27 primarily reflects:

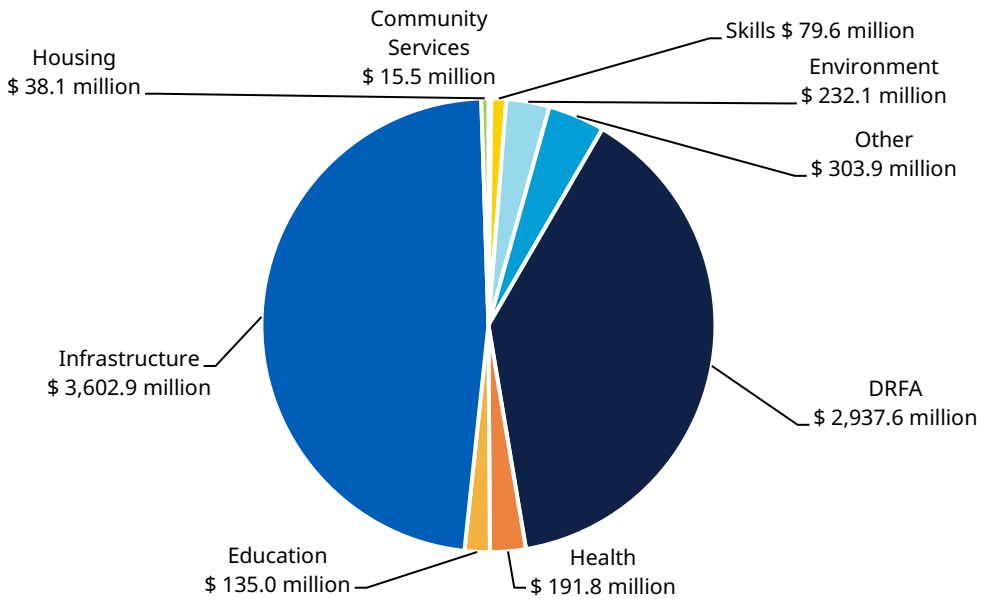
- significant DRFA payment in 2026-27 associated with 2025 disaster events
- anticipated payments for road and rail infrastructure under the Land Transport Infrastructure Projects Agreement
- the program for delivery of venues for the 2032 Olympic and Paralympic Games.

Other Federal Government grants include payments direct to Queensland Government agencies for Federal Government own-purpose expenditure.

In 2026-27, Queensland expects to receive \$651 million in other Federal Government grants, \$796 million (55%) less than in 2025-26. The significant decrease is mainly due to the Federal Government's bring forward of financial assistance to local governments from 2026-27 to 2025-26.

⁵ Per the terms of the 2026-2031 Addendum to the NHRA, the estimated increase for 2026-27 is 10.25% when accounting for \$414 million provided by the Federal Government in 2025-26 under a separate bilateral funding schedule as part of the interim NHRA funding arrangements.

Chart 6.2 National Partnership Payments by sector, 2026-27¹



Note:

1. Excludes Federal Government funding to local government and payments direct to Queensland Government agencies for Federal Government own-purpose expenditure.

Sources: 2026-27 Federal Budget Paper No. 3 and Queensland Treasury estimates.

Box 6.2 Proposed changes to Disaster Recovery Funding Arrangements

The Federal Government has proposed a Disaster Recovery Funding Framework to replace the Disaster Recovery Funding Arrangements (DRFA), which would materially reduce federal support for disaster recovery in Queensland by introducing a blanket 50:50 cost-sharing arrangement for eligible expenditure. This compares to current arrangements under which the Federal Government contributes up to 75% across the disaster recovery program and is consistent with a broader reduction in Federal Government support for Queensland.

This would increase the share of recovery costs borne by the state and local governments and weaken Queensland’s capacity to fund the timely restoration of essential public infrastructure following natural disasters.

Given Queensland’s exposure to frequent and severe disaster events, the proposed change would impose significant and ongoing fiscal pressure on disaster recovery budgets across the state.

The proposed revised funding model, following from a review of the DRFA released on 25 October 2024 (the 'Colvin Review'), would shift a greater proportion of recovery costs onto councils, including those with limited revenue bases and high exposure to recurrent disaster damage. This would intensify financial pressures on local governments, constrain the delivery of reconstruction activity and increase the likelihood of deferred repairs to damaged roads, bridges and community assets, particularly in regional and remote areas. In practice, these costs would need to be absorbed through expenditure reprioritisation, reduced service capacity or increased reliance on local revenue.

The proposed changes reportedly simplify administrative arrangements, but result in a material reduction in federal financial support available to Queensland. This would reduce the resilience of the state's disaster recovery arrangements and transfer a greater share of disaster risk to Queensland communities.

6.3.1 Projections of payments for specific purposes to Queensland

Across the forward estimates, total payments for specific purposes (including DRFA) are expected to increase slightly, with average growth of approximately 1.4% per annum between 2026-27 and 2029-30. DRFA payments are event-driven and do not indicate trends in Federal transfers. When DRFA payments are excluded from the calculation, the average growth of total payments for specific purposes is expected to be 5.7% per annum between 2026-27 and 2029-30. National Health Reform funding is expected to grow by an average of 8% per annum over the forward estimates in line with the Federal Government's funding cap under the new NHRA funding model.

Growth in Better and Fairer Schools funding for Queensland is expected to average 4.3% per annum between 2026-27 and 2029-30 in line with enrolment changes, increased funding per student and legislated Federal Government funding shares. Queensland is expecting to receive \$12.118 billion (excluding GST) for state schools and \$21.895 billion (including GST) for non-government schools from 2026-27 to 2029-30.

DRFA payments of \$3.860 billion estimated from 2026-27 to 2027-28 are primarily for disaster events in 2025 and 2026.

6.3.2 Expiring agreements

The Federal Government provides time-limited funding to states through National Partnership payments to support the delivery of specific projects, facilitate reforms or reward states that deliver on nominated reforms or service delivery improvements.

There are 11 agreements⁶ expected to expire in 2025-26. In the 2026-27 Federal Budget, the Federal Government allocated funding beyond 2025-26 for three expiring agreements, including agreements for Public Dental Services for Adults, Yellow Crazy Ant Control and Access to HIV treatment for people who are not eligible for Medicare.

The Queensland Government continues to advocate for the extension of the Comprehensive Palliative Care in Aged Care agreement as part of ongoing negotiations related to broader health and aged care reforms. The 2026-27 Federal Budget did not allocate funding beyond 2025-26.

Funding has not been extended for seven expiring agreements due to the intended short-term nature of the programs, such as the agreement for Addressing Protection Visa Backlogs, or following completion of the project, such as the agreement for Protecting Our Communities (Disaster Resilience) Program.

6.4 State-local government financial relations

The Queensland Government has committed to rebuilding and strengthening the relationship between state and local government by signing the *Equal Partners in Government* agreement in March 2025. This agreement recognises the importance of local governments and the shared desire to improve outcomes for all Queenslanders.

The Government has continued its commitment to empowering local governments through the Local Government Red Tape Reduction Taskforce and Local Government Depreciation Taskforce.

In March 2026, the Queensland Parliament passed the *Local Government (Empowering Councils) and Other Legislation Amendment Act 2026*, the first phase of legislative reform to reduce red tape and empower local governments and to provide the resources and framework needed to deliver for their communities.

Financial sustainability remains a key issue for local governments, particularly regional and remote communities. The Government has been advocating for an increased allocation of Financial Assistance Grants to local governments as many of them are reliant on these grants to fund essential services.

The Government made a submission to the Federal Parliamentary Inquiry into Local Government Funding and Fiscal Sustainability, emphasising the need for Queensland

⁶ Includes any expiring schedules to Federation Funding Agreements.

communities to receive increased funding through Financial Assistance Grants, particularly Queensland's Indigenous Councils, which cannot levy rates.

In recognition of the financial sustainability challenges faced by Queensland's Indigenous Councils, the 2026-27 Budget includes an additional \$40.5 million over two years for these local governments. This funding will support these local governments to deliver services for their communities.

The Government continues to support local government financial sustainability and infrastructure delivery through investments from the \$2 billion Residential Activation Fund for trunk infrastructure such as road, water and sewerage upgrades, which unlock land for new homes sooner. More than half of this funding is dedicated to fast-tracking residential developments located in regional, rural and remote areas, outside of South East Queensland.

This is in addition to the Works for Queensland program which the Queensland Government has made permanent, providing \$100 million in ongoing annual funding certainty to ensure regional Queensland councils can deliver local projects that create jobs and deliver better infrastructure and services.

The proposed changes to natural disaster funding arrangements by the Federal Government threaten the financial viability of many regional and rural local governments across Queensland. If the proposed changes are enacted, local governments may be forced to increase rates to recoup costs, while some smaller councils may not be financially viable.

Nearly all local governments in Queensland have been impacted by natural disasters since the beginning of 2026. The Government will continue to work closely with affected local governments to ensure the right targeted support is provided to assist with recovery needs.

7 Public Non-financial Corporations Sector

Features

- Entities in the Public Non-financial Corporations (PNFC) Sector provide essential services to communities across Queensland for electricity, bulk water supply, rail and port services.
- The Queensland Government is committed to efficient, safe, affordable and reliable service delivery for Queenslanders. Businesses are expected to improve performance by maximising value from existing assets and delivering investments on time and on budget.
- The PNFC Sector is estimated to achieve earnings before interest and tax (EBIT) of \$3.081 billion in 2026-27, increasing to \$4.314 billion in 2029-30, while returning total dividends and tax equivalent payments of \$4.505 billion over four years to 2029-30.
- Borrowings to 2029-30 primarily reflect capital requirements to deliver critical energy investments, transform the rail network and ensure water security across the state.
- In 2026-27, state-owned energy businesses are investing over \$5 billion across the energy supply chain to deliver the Energy Roadmap and affordable, reliable and sustainable energy for Queenslanders. The Roadmap is putting downward pressure on energy prices, with lower power bills for households and small businesses in 2026-27.
- The Electricity Maintenance Guarantee is supporting \$1.8 billion of investment over the five years to 2030-31 to properly maintain state-owned power plants.
- In the transport sector, investments will support reconfiguration of the South East Queensland rail network and port projects to expand capacity, support trade, and drive economic growth.

7.1 Context

The PNFC Sector provides vital services to Queenslanders such as electricity supply and distribution, water supply, rail and port services. This includes Queensland GOCs under the *Government Owned Corporations Act 1993* (GOC Act), commercialised statutory entities such

as Queensland Rail, Seqwater, local water boards, and other public corporations (including Queensland Hydro and Stadiums Queensland).

GOC boards are responsible and accountable to shareholding Ministers for financial and operational performance, and must operate commercially and efficiently. These requirements are legislated under the GOC Act, with similar provisions in enabling legislation for other entities.

Entities incur costs and bear commercial risks in service delivery, and target a commercial rate of return to sustain operations. Returns from the PNFC Sector support consolidated revenue and government service delivery, including critical infrastructure. The commercial nature of entities ensures debt servicing is self-supported and net worth continues to grow over the four years to 2029-30.

Table 7.1 Key financial aggregates¹

	2024-25 Outcome \$ million	2025-26 Budget \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Revenue	17,977	18,364	18,391	19,082	19,303	20,091	21,233
Expenses	17,369	17,618	17,902	18,647	18,958	19,698	20,544
EBIT²	2,821	3,387	2,963	3,081	3,263	3,724	4,314
PNFA ³	7,878	9,207	7,804	7,856	7,867	7,135	6,375
Assets	90,843	94,792	95,318	100,932	107,531	113,344	117,857
Borrowings	50,588	52,367	52,555	54,589	58,323	60,225	61,631
Notes:							
1. Numbers may not add due to rounding.							
2. EBIT reflects the commercial nature of the sector. Net operating balance is reported in Chapter 8.							
3. PNFA: Purchases of non-financial assets.							

7.1.1 Electricity networks

Queensland's two electricity network businesses are responsible for transporting electricity to consumers across the state.

- Powerlink Queensland (Queensland Electricity Transmission Corporation) owns and operates the electricity transmission network in Queensland.
- Energy Queensland Limited owns and operates the low-voltage distribution network connecting to households and businesses.

Revenues are largely derived from services regulated by the Australian Energy Regulator.

Box 7.1 Energy Roadmap and lower power bills

Delivering affordable, reliable and sustainable energy

The *Queensland Energy Roadmap*, released in October 2025, is a pragmatic plan for the state's energy system focused on the investment and market outlook to 2030 and beyond, providing certainty for investors, industry, communities and consumers.

Central to the Roadmap is a focus on leveraging existing assets to put downward pressure on prices, optimising investments to respect taxpayer funds, and boosting private sector investment in new assets to ease pressure on the State's balance sheet.

In 2026-27, Queensland's state-owned energy businesses are investing over \$5 billion across the energy supply chain — transmission, distribution and generation — to improve Queensland's energy assets while building what is needed for the future.

Investing in existing assets



Network businesses are investing \$2.1 billion in 2026-27 to maintain and extend the state's transmission and distribution network, ensuring the right investments are made at the right time.



The Electricity Maintenance Guarantee is supporting \$1.8 billion of investment over the next five years in existing state-owned power plants. This investment ensures state-owned coal assets can continue to operate as long as needed in Queensland's energy system and supported by the market.

Expanding firming capacity



QIC has commenced the Central Queensland Gas Power Tender, which will deliver 400 megawatts (MW) of new gas-fired generation capacity by 2032 to support long-term grid security and reliability.

Generator GOCs are progressing new gas assets, including the Brigalow Gas Peaker at Kogan Creek (a partnership between CS Energy and APA), Stanwell's Lockyer Energy Project and CleanCo's investigation of a new gas turbine at Swanbank.

Supporting private sector investment



The QIC Investor Gateway is matching investors and developers to drive new investment in more than 1,700 MW of capacity, in partnership with GOCs. This includes the 228 MW Boulder Creek and 285 MW Lotus Creek wind farms and 400 MW Brigalow Gas Peaker with CS Energy.



Through the \$200 million North West Energy Fund and \$400 million Queensland Energy Investment Fund, QIC is facilitating private sector capital into local generation and storage assets, including at Julia Creek and Dugald River Mine.

Progressing pumped hydro energy storage



In 2026-27, Queensland Hydro will invest \$324 million to continue early works and progress Borumba Pumped Hydro Energy Storage as part of a joint energy and water security project, subject to ongoing assessment through the QIC Review.

QIC is also leading the continued investigation of smaller, more manageable pumped hydro projects and private sector engagement on behalf of the State. Following the first stage of the review, QIC is progressing further investigations in relation to the Capricornia Pumped Hydro project.

Delivering major network infrastructure



The Government is delivering CopperString with a record capital investment of \$3.2 billion, including \$420 million in 2026-27, demonstrating the Government's commitment to ensure the Eastern Link of CopperString reaches commercial operations by 2032.

In 2026-27, Powerlink will invest \$501 million to commence construction on the Gladstone Project to reinforce the energy grid in Central Queensland, supporting system security and reliability.

7.1.2 Electricity generation

Queensland owns three electricity generation GOCs (Stanwell, CS Energy and CleanCo), with existing baseload capacity, and new generation and firming assets:

- Stanwell supplies around 30% of Queensland's electricity, with an owned and contracted portfolio of coal, firming and renewable energy assets. Stanwell is delivering the 300 MW Stanwell Battery and progressing the Lockyer Energy Project through the QIC Investor Gateway.
- CS Energy supplies around one quarter of Queensland's electricity, with an owned and contracted portfolio of coal, firming and renewable energy assets. CS Energy is constructing the 400 MW Brigalow Gas Peaker in partnership with APA Group, while continuing to underpin development of the Boulder Creek and Lotus Creek wind farms.
- CleanCo owns and operates a portfolio of low and no emissions assets, with additional contracted renewable energy across Queensland. Through the QIC Investor Gateway, CleanCo is investigating a new gas peaker at the Swanbank Energy Precinct.

All GOCs offer retail services to large commercial and industrial customers, with CS Energy also supplying residential and small business customers in South East Queensland through a joint venture with Alinta Energy.

Box 7.2 Energy security

The Queensland Government is enhancing energy security and customer outcomes through coordinated action to ensure reliability of electricity generation, improved network connections, and sustained fuel supply investment across the PNFC Sector.

In 2026-27, the Electricity Maintenance Guarantee will continue to deliver an investment, performance and accountability framework for asset maintenance on state-owned power

plants. Over the next five years, Stanwell, CS Energy and CleanCo will invest \$1.8 billion in existing assets, ensuring they operate effectively and place downward pressure on prices.

This builds on an investment of almost \$400 million in 2025-26, including four major overhauls at Callide C, Tarong and Wivenhoe Power Stations. In 2026-27, the Guarantee will support a further \$524 million of investment into existing state-owned generation assets.

GOCs are accountable for asset maintenance and performance, including key performance indicators (KPIs) in respect of maintenance investment, personal safety, process safety and plant performance. Building on strong performance in 2024-25, all generators achieved summer availability targets in 2025-26, with actual performance exceeding 90% on average.

The Connections Guarantee for electricity network GOCs — Powerlink and Energy Queensland — is a key deliverable under the Energy Roadmap. Supported by a \$418 million investment in 2026-27, the Connections Guarantee will strengthen public accountability by embedding clear KPIs and transparent reporting on how network GOCs engage with the private sector and deliver timely, efficient connection services.

Queensland's state-owned energy, ports, water, and rail businesses will also continue investing to support fuel security, with over \$100 million in 2026-27 for diesel and petroleum to ensure affordable and reliable service delivery for Queenslanders.

7.1.3 Rail

Queensland Rail is a state-owned rail operator, responsible for delivery of passenger transport in South East Queensland, long distance passenger services in rural and regional Queensland, and third-party access to networks for freight transport across the state.

Rail services are delivered under the Rail Transport Services Contract with the Government, which sets funding for rail infrastructure and passenger services in South East Queensland (CityTrain) and regional Queensland (TravelTrain). Queensland Rail is also supporting works associated with Cross River Rail and Department of Transport and Main Roads rail projects.

7.1.4 Ports

Queensland has a large network of coastline ports owned and operated by GOCs. Gladstone Ports Corporation, North Queensland Bulk Ports Corporation, Port of Townsville Limited, and Far North Queensland Ports Corporation Limited (trading as Ports North) manage assets ranging from small community facilities to large, world class multi-user and multi-cargo ports.

7.1.5 Water

Queensland's largest entities in the bulk water supply industry are Queensland Bulk Water Supply Authority (trading as Seqwater) and Sunwater. Seqwater is responsible for supplying bulk drinking water to over three million people across South East Queensland, while Sunwater supplies untreated bulk water to around 5,000 regional industrial, mining, urban and irrigation customers. The PNFC Sector also includes the Gladstone Area Water Board and Mount Isa Water Board.

7.1.6 Other

Queensland Hydro

Queensland Hydro is investing \$324 million in 2026-27 to support early works and progress of Borumba Pumped Hydro Energy Storage (PHES) as part of a joint energy and water security project, subject to ongoing QIC assessment. QIC's coordinated PHES review is ensuring state investments are progressed in a way that is affordable, deliverable and aligned to energy system needs.

CopperString

QIC is delivering CopperString with major construction on the Eastern Link commencing by 2028 and commercial operations by 2032, subject to approvals. At the same time, enabling works will begin on the Western Link in 2026-27, supported by the \$200 million North West Energy Fund in partnership with the private sector.

Stadiums Queensland

Stadiums Queensland is a statutory body which manages, develops, operates and promotes the use of the state's major sport, entertainment, high performance and recreation facilities. Stadiums Queensland currently owns nine venues across its diverse portfolio.

7.2 Finances and performance

7.2.1 Earnings before interest and tax

PNFC Sector EBIT is expected to increase to \$4.314 billion in 2029-30, with:

- electricity network sector EBIT increasing to \$2.627 billion in 2029-30, associated with expected regulated rate of return, revenue and expenditure movements

- electricity generation sector EBIT totalling \$636 million in 2029-30, reflecting increased generation and output, offset by lower wholesale energy prices and volatility
- rail sector EBIT trending lower over the next four years, reflecting Cross River Rail and other new major rail assets commencing operation
- port sector EBIT increasing to \$375 million in 2029-30, reflecting long-term customer revenue contracts and the commercial operation of port assets
- water sector EBIT trending higher over the next four years in line with forecast water demand, with a fall in 2027-28 reflecting the Government’s policy on recovery of dam improvement costs
- ‘other’ sector EBIT reflects Stadiums Queensland venue operations, which supports major events, and early works expenditure for Queensland Hydro to progress the Borumba PHES project.

Table 7.2 Earnings before interest and tax¹

	2024-25 Outcome \$ million	2025-26 Budget \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Electricity networks	1,142	1,412	1,228	1,578	1,866	2,315	2,627
Electricity generation	681	806	765	296	269	364	636
Rail	499	593	500	507	451	313	273
Ports	328	313	304	329	327	370	375
Water	517	354	447	483	467	486	536
Other ²	(345)	(92)	(282)	(113)	(117)	(124)	(135)
Total PNFC Sector	2,821	3,387	2,963	3,081	3,263	3,724	4,314
Notes:							
1. Numbers may not add due to rounding.							
2. Includes other public corporations.							

7.2.2 Borrowings

PNFC Sector entities use debt financing as a source of funds for asset renewal and capital investments, and to maintain an optimal capital structure. Borrowings also include derivative liabilities associated with hedging activities undertaken by GOCs.

Asset values are a relevant factor in considering borrowings, with PNFC Sector entities borrowing around 54% of their asset values in 2026-27 (on average). PNFC Sector borrowings are expected to increase to \$61.631 billion in 2029-30, with:

- electricity network sector borrowings increasing in line with capital expenditure commitments across critical infrastructure for system reliability, including the Gladstone Project
- electricity generation sector borrowings remain steady through to 2029-30 as entities invest in existing assets and manage debt balances
- rail sector borrowings increasing to support the delivery of major South East Queensland growth projects such as Cross River Rail and regional asset maintenance plans
- ports sector borrowings remaining steady to 2029-30 as entities complete major projects to support operations and trade growth, and manage debt balances
- water sector borrowings increasing to meet requirements for asset renewal and ongoing investment in water security and dam safety projects
- 'other' sector borrowings increasing to support early works for the Borumba PHES project, subject to the outcomes of the QIC coordinated PHES review.

Table 7.3 Borrowings and total assets¹

	2024-25 Outcome \$ million	2025-26 Budget \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Electricity networks	28,659	29,883	29,522	31,165	32,482	33,235	33,924
Electricity generation	5,128	4,188	5,599	4,574	4,990	4,758	3,585
Rail	5,884	6,600	6,076	6,868	7,932	8,380	8,644
Ports	1,161	1,162	1,214	1,197	1,189	1,192	1,178
Water	9,417	9,696	9,569	9,900	10,411	10,765	10,969
Other ²	339	838	576	885	1,318	1,895	3,332
Total PNFC Sector	50,588	52,367	52,555	54,589	58,323	60,225	61,631
Total Assets	90,843	94,792	95,318	100,932	107,531	113,344	117,857
Notes:							
1. Numbers may not add due to rounding.							
2. Includes other public corporations.							

7.2.3 Returns to government

Dividends

Dividends generated by the PNFC Sector form part of consolidated revenue used to fund a range of government services, including investment in critical infrastructure. Cumulative dividends across the PNFC Sector are forecast at \$3.267 billion over the four years to 2029-30, with:

- electricity network sector dividends increasing to \$518 million in 2029-30, consistent with earnings growth over the next four years
- electricity generation sector delivering stable dividends in line with earnings and market conditions
- rail sector dividends declining over the next four years, reflecting increased investment to bring major new assets into operation
- port sector dividends increasing to \$206 million in 2029-30 driven by stronger revenue growth associated with long-term contracts and new capital expansions
- water sector dividends relatively stable, reflecting forecast demand for water in South East Queensland and Government policy regarding recovery of dam improvement costs.

Table 7.4 Dividends¹

	2024-25 Outcome \$ million	2025-26 Budget \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Electricity networks	103	37	30	51	166	388	518
Electricity generation	336	504	211	144	127	145	279
Rail	192	312	284	206	197	..	..
Ports	158	175	163	184	177	208	206
Water	87	55	59	55	74	71	73
Total PNFC Sector	875	1,083	748	639	740	812	1,076
Note:							
1. Numbers may not add due to rounding.							

Tax equivalent payments

Tax equivalent payments are paid by PNFC Sector entities to ensure a uniform application of income tax laws between GOCs and the private sector. Tax equivalent payments are expected to increase to \$439 million in 2029-30. Sector level movements are mostly consistent with EBIT.

Table 7.5 Tax equivalent payments¹

	2024-25 Outcome \$ million	2025-26 Budget \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Electricity networks	47	6	..	8	15	167	246
Electricity generation	115	224	121	35	34	55	38
Rail	49	190	70	91	33	27	34
Ports	77	89	89	95	90	102	103
Water	58	3	4	14	16	16	18
Other ²	1	1	1	..	1	1	1
Total PNFC Sector	348	512	284	244	188	367	439
Notes:							
1. Numbers may not add due to rounding.							
2. Includes other public corporations.							

Competitive neutrality fees

The competitive neutrality fee is applied to a GOC's cost of debt to neutralise any advantage of government ownership related to the ability to borrow funds at a lower rate than private sector competitors. Changes generally reflect movements in borrowings, interest rate spreads and the entity's credit rating. Competitive neutrality fee payments are expected to decline and then stabilise.

Table 7.6 Competitive neutrality fee payments¹

	2024-25 Outcome \$ million	2025-26 Budget \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Electricity networks	140	133	122	99	72	57	58
Electricity generation	37	16	30	25	27	26	24
Rail	39	32	37	30	35	48	50
Ports	8	8	8	8	9	9	9
Water	6	5	5	4	4	4	4
Total PNFC Sector	231	194	200	166	147	143	145
Note:							
1. Numbers may not add due to rounding.							

7.2.4 Community service obligation and rail transport payments

Community Service Obligation (CSO) payments are used to subsidise particular services.

The CSO payment to Energy Queensland Limited under the Uniform Tariff Policy subsidises the higher cost of operating in regional Queensland so all customers, regardless of location, pay a similar price for electricity. The CSO payment is forecast at \$851 million by 2029-30, reflecting lower retail electricity prices.

Rail Transport Services Contract payments to Queensland Rail subsidise rail passenger services in South East Queensland, and uncommercial prices for travel and tourism markets. Rail Transport Services Contract payments are expected to increase to \$2.922 billion in 2029-30, reflecting growth, maintenance and safety of the rail network.

Seqwater and Sunwater own and operate water supply schemes, where irrigation prices for some schemes are set below supply cost levels and for which CSOs are paid.

Table 7.7 Community service obligation payments and transport service contracts¹

	2024-25 Outcome \$ million	2025-26 Budget \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Electricity networks	653	603	659	736	770	809	851
Rail	2,540	2,838	2,828	2,783	2,881	2,915	2,922
Water	22	18	19	18	6	5	4
Total PNFC Sector	3,215	3,459	3,507	3,537	3,656	3,729	3,777
Note:							
1. Numbers may not add due to rounding.							

7.2.5 Equity movements

Corporations may apply different target capital structures to optimise value and support business operations. Equity movements account for changes in contributed equity and special dividends.

The Government provides new equity to support state-owned businesses to invest in critical infrastructure projects across the state. Over the four years to 2029-30:

- electricity network sector movements reflect funding for local network batteries
- rail sector movements reflect Cross River Rail and other significant rail capital projects
- ports sector movements reflect investment in major port infrastructure projects, including Ports North's Cairns Marine Precinct Common User Facility

Budget Strategy and Outlook 2026-27

- water sector movements reflect the Government’s commitments to key projects including Paradise Dam and the Barlil and Cooranga weirs
- ‘other’ sector movements relate to investment in the Borumba PHES project, CopperString and state-owned Olympic venues.

Changes from the 2025-26 Budget include reprofiling for major projects based on updated delivery timeframes and project reviews.

Table 7.8 Equity movements¹

	2024-25 Outcome \$ million	2025-26 Budget \$ million	2025-26 Est. Act. \$ million	2026-27 Budget \$ million	2027-28 Projection \$ million	2028-29 Projection \$ million	2029-30 Projection \$ million
Electricity networks	395	409	18	36	..	..	..
Electricity generation	1,576	315	186	..	..	..	..
Rail	442	962	825	1,258	308	769	111
Ports	114	38	..	20	30	160	123
Water	318	59	(4)	43	323	..	..
Other ²	21	190	323	1,661	1,666	2,123	1,743
Total PNFC Sector	2,866	1,972	1,347	3,018	2,327	3,052	1,977
Notes:							
1. Numbers may not add due to rounding.							
2. Includes other public corporations.							

8 Uniform Presentation Framework

8.1 Context

This chapter contains detailed financial statements for the Queensland Public Sector prepared under the Uniform Presentation Framework (UPF) first agreed to at the Premiers' conference in 1991.

The UPF has been reviewed a number of times, more significantly following the release in October 2007 of the Australian Accounting Standards Board's (AASB) accounting standard, AASB 1049 Whole of Government and General Government Sector Financial Reporting. The standard aims to harmonise Government Finance Statistics (GFS) and Generally Accepted Accounting Principles (GAAP) with the objective of improving the clarity and transparency of government financial statements. The UPF was reviewed more recently in February 2019 following the 2015 update to the Australian GFS framework.

In addition, this chapter provides:

- a time series for the General Government Sector using the revised UPF
- background information on the revised UPF and disclosure of differences arising from it, including the conceptual basis and sector definitions, along with a list of reporting entities.

8.2 Uniform Presentation Framework financial information

The tables on the following pages present operating statements, balance sheets and cash flow statements prepared on the harmonised basis for the General Government Sector, Public Non-financial Corporations (PNFC) Sector and Non-financial Public Sector.

Budgeted financial information for the Public Financial Corporations Sector is not required by the UPF.

Table 8.1 General Government Sector Operating Statement¹

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue from Transactions							
Taxation revenue	25,033	26,907	28,474	29,676	31,775	33,924	35,966
Grants revenue	41,258	40,990	41,864	45,747	49,081	51,162	53,607
Sales of goods and services	7,590	8,057	7,899	8,116	8,664	8,257	8,365
Interest income	3,773	3,474	3,539	3,621	3,514	3,475	3,439
Dividend and income tax equivalent income	1,407	1,794	1,254	1,085	1,140	1,406	1,745
Other revenue	9,904	10,114	8,988	11,426	10,180	9,611	9,189
Total Revenue from Transactions	88,966	91,337	92,018	99,671	104,354	107,835	112,311
<i>Less</i> Expenses from Transactions							
Employee expenses	36,147	37,964	38,433	40,510	41,673	42,983	44,216
Superannuation expenses							
Superannuation interest cost	825	791	699	767	717	643	569
Other superannuation expenses	4,365	4,650	4,645	4,827	4,936	5,008	5,023
Other operating expenses	25,961	27,339	27,344	27,716	27,825	28,407	28,524
Depreciation and amortisation	5,890	6,447	6,258	6,938	7,475	7,970	8,627
Other interest expenses	2,594	3,501	3,357	4,464	5,623	6,758	7,705
Grants expenses	17,611	19,226	20,126	20,624	19,395	18,061	17,028
Total Expenses from Transactions	93,393	99,918	100,863	105,847	107,645	109,831	111,692
<i>Equals</i> Net Operating Balance	(4,428)	(8,581)	(8,845)	(6,176)	(3,291)	(1,996)	619
<i>Plus</i> Other economic flows - included in operating result	4,024	(589)	2,158	(197)	(384)	(556)	(492)
<i>Equals</i> Operating Result	(404)	(9,170)	(6,687)	(6,373)	(3,675)	(2,552)	126
Other Economic Flows - Other Movements in Equity							
<i>Plus</i> Other economic flows - other movements in equity	24,684	3,728	4,939	3,045	2,735	3,247	3,643
<i>Equals</i> Comprehensive Result - Total Change In Net Worth	24,280	(5,441)	(1,747)	(3,328)	(940)	695	3,769
KEY FISCAL AGGREGATES							
Net Operating Balance	(4,428)	(8,581)	(8,845)	(6,176)	(3,291)	(1,996)	619
<i>Less</i> Net Acquisition of Non-financial Assets							
Purchases of non-financial assets	11,322	14,639	12,450	15,479	19,121	20,296	20,014
<i>Less</i> Sales of non-financial assets	83	170	130	195	164	164	164
<i>Less</i> Depreciation	5,890	6,447	6,258	6,938	7,475	7,970	8,627
<i>Plus</i> Change in inventories	(17)	164	244	80	80	(17)	(55)
<i>Plus</i> Other movements in non-financial assets	1,359	866	1,746	652	182	209	187
<i>Equals</i> Total Net Acquisition of Non-financial Assets	6,691	9,052	8,052	9,078	11,744	12,353	11,355
<i>Equals</i> Fiscal Balance	(11,119)	(17,632)	(16,897)	(15,254)	(15,035)	(14,349)	(10,736)
Note:							
1. Numbers may not add due to rounding.							

Table 8.2 Public Non-financial Corporations Sector Operating Statement¹

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue from Transactions							
Grants revenue	863	817	875	952	973	1,017	1,065
Sales of goods and services	16,338	17,013	16,680	17,546	17,869	18,563	19,609
Interest income	311	176	271	262	268	277	290
Other revenue	465	359	564	321	193	233	268
Total Revenue from Transactions	17,977	18,364	18,391	19,082	19,303	20,091	21,233
<i>Less</i> Expenses from Transactions							
Employee expenses	3,521	3,525	3,499	3,505	3,582	3,617	3,651
Superannuation expenses							
Superannuation interest cost	(11)	..	..	..	..	..	..
Other superannuation expenses	486	511	552	572	594	591	604
Other operating expenses	7,871	7,353	7,794	8,050	7,792	7,665	7,971
Depreciation and amortisation	3,014	3,330	3,333	3,667	3,917	4,284	4,504
Other interest expenses	2,088	2,359	2,413	2,581	2,854	3,144	3,344
Grants expenses	24	24	22	23	23	23	23
Other property expenses	376	517	289	249	194	373	445
Total Expenses from Transactions	17,369	17,618	17,902	18,647	18,958	19,698	20,544
<i>Equals</i> Net Operating Balance	608	746	489	435	345	394	689
<i>Plus</i> Other economic flows - included in operating result	(484)	(188)	(266)	(235)	(237)	(147)	(166)
<i>Equals</i> Operating Result	124	558	223	201	108	247	523
Other Economic Flows - Other Movements in Equity							
<i>Plus</i> Other economic flows - other movements in equity	2,887	1,855	2,044	3,113	2,333	3,089	1,831
<i>Equals</i> Comprehensive Result - Total Change In Net Worth	3,011	2,413	2,267	3,314	2,441	3,336	2,354
KEY FISCAL AGGREGATES							
Net Operating Balance	608	746	489	435	345	394	689
<i>Less</i> Net Acquisition of Non-financial Assets							
Purchases of non-financial assets	7,878	9,207	7,804	7,856	7,866	7,135	6,374
<i>Less</i> Sales of non-financial assets	30	26	97	1,147	..	1	..
<i>Less</i> Depreciation	3,014	3,330	3,333	3,667	3,917	4,284	4,504
<i>Plus</i> Change in inventories	96	124	185	94	4	22	31
<i>Plus</i> Other movements in non-financial assets	200	89	96	107	783	209	86
<i>Equals</i> Total Net Acquisition of Non-financial Assets	5,131	6,064	4,656	3,243	4,737	3,082	1,988
<i>Equals</i> Fiscal Balance	(4,522)	(5,318)	(4,167)	(2,807)	(4,392)	(2,688)	(1,299)
Note:							
1. Numbers may not add due to rounding.							

Table 8.3 Non-financial Public Sector Operating Statement¹

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue from Transactions							
Taxation revenue	24,519	26,453	28,028	29,251	31,361	33,513	35,552
Grants revenue	41,284	41,059	41,939	45,833	49,172	51,258	53,709
Sales of goods and services	20,129	20,869	20,583	21,525	21,577	23,146	24,423
Interest income	3,930	3,584	3,723	3,836	3,740	3,712	3,691
Dividend and income tax equivalent income	184	199	225	203	212	227	229
Other revenue	10,344	10,473	9,551	11,747	10,372	9,843	9,457
Total Revenue from Transactions	100,392	102,638	104,049	112,395	116,435	121,700	127,061
<i>Less</i> Expenses from Transactions							
Employee expenses	39,425	41,247	41,705	43,774	45,008	46,351	47,617
Superannuation expenses							
Superannuation interest cost	814	791	699	767	717	643	569
Other superannuation expenses	4,851	5,161	5,197	5,399	5,531	5,599	5,627
Other operating expenses	29,997	30,477	31,129	31,615	30,648	32,384	32,930
Depreciation and amortisation	8,904	9,777	9,591	10,605	11,392	12,255	13,131
Other interest expenses	4,297	5,601	5,482	6,832	8,288	9,719	10,866
Grants expenses	16,799	18,501	19,348	19,782	18,537	17,163	16,089
Total Expenses from Transactions	105,086	111,555	113,151	118,774	120,120	124,114	126,829
<i>Equals</i> Net Operating Balance	(4,695)	(8,917)	(9,103)	(6,379)	(3,686)	(2,414)	232
<i>Plus</i> Other economic flows - included in operating result	3,539	(777)	1,892	(431)	(621)	(703)	(658)
<i>Equals</i> Operating Result	(1,155)	(9,694)	(7,211)	(6,811)	(4,307)	(3,117)	(426)
Other Economic Flows - Other Movements in Equity							
<i>Plus</i> Other economic flows - other movements in equity	25,435	4,253	5,462	3,482	3,365	3,810	4,194
<i>Equals</i> Comprehensive Result - Total Change In Net Worth	24,280	(5,441)	(1,749)	(3,329)	(941)	694	3,768
KEY FISCAL AGGREGATES							
Net Operating Balance	(4,695)	(8,917)	(9,103)	(6,379)	(3,686)	(2,414)	232
<i>Less</i> Net Acquisition of Non-financial Assets							
Purchases of non-financial assets	19,268	23,837	20,231	23,437	27,137	27,248	26,327
<i>Less</i> Sales of non-financial assets	163	196	227	1,342	164	165	163
<i>Less</i> Depreciation	8,904	9,777	9,591	10,605	11,392	12,255	13,131
<i>Plus</i> Change in inventories	79	288	429	174	85	5	(24)
<i>Plus</i> Other movements in non-financial assets	1,559	955	1,843	758	965	418	273
<i>Equals</i> Total Net Acquisition of Non-financial Assets	11,839	15,107	12,685	12,422	16,630	15,252	13,281
<i>Equals</i> Fiscal Balance	(16,534)	(24,024)	(21,787)	(18,801)	(20,316)	(17,665)	(13,049)
Note:							
1. Numbers may not add due to rounding.							

Table 8.4 General Government Sector balance sheet¹

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Assets							
Financial Assets							
Cash and deposits	2,552	1,426	1,761	1,771	1,728	1,699	1,567
Advances paid	1,052	1,298	1,012	1,358	1,263	1,152	1,065
Investments, loans and placements	56,164	52,222	55,471	54,885	54,483	54,109	55,139
Receivables	5,264	4,896	5,543	5,530	5,851	5,987	6,458
Equity							
Investments in other public sector entities	31,254	33,140	33,521	36,835	39,276	42,612	44,965
Investments - other	277	202	278	278	278	278	278
Total Financial Assets	96,563	93,185	97,585	100,656	102,879	105,837	109,473
Non-financial Assets							
Land and other fixed assets	378,867	371,561	388,939	399,301	413,563	427,673	440,944
Other non-financial assets	7,585	8,032	8,375	8,647	9,056	9,390	9,708
Total Non-financial Assets	386,452	379,593	397,313	407,948	422,619	437,064	450,653
Total Assets	483,015	472,778	494,899	508,604	525,497	542,901	560,126
Liabilities							
Payables	6,849	6,362	7,049	7,233	7,544	7,527	7,770
Superannuation liability	18,821	18,806	16,416	15,586	15,104	14,479	13,919
Other employee benefits	11,065	11,356	11,294	11,273	12,185	13,013	13,822
Advances received	3,630	1,269	1,856	1,301	1,132	1,027	980
Borrowing ²	72,864	95,480	89,828	108,042	125,365	141,914	154,848
Other liabilities	14,360	14,561	14,776	14,818	14,757	14,834	14,911
Total Liabilities	127,588	147,835	141,219	158,253	176,086	192,794	206,250
Net Worth	355,427	324,943	353,680	350,352	349,412	350,107	353,876
Net Financial Worth	(31,025)	(54,649)	(43,634)	(57,596)	(73,207)	(86,957)	(96,777)
Net Financial Liabilities	62,279	87,790	77,154	94,431	112,483	129,569	141,742
Net Debt	16,727	41,803	33,440	51,329	69,024	85,980	98,057
Notes:							
1. Numbers may not add due to rounding.							
2. Borrowing line comprised of:							
Borrowing with QTC	64,708	88,128	82,650	101,057	118,587	135,133	148,501
Leases and other similar arrangements	8,100	7,288	7,122	6,929	6,721	6,724	6,291
Securities and derivatives	57	64	56	56	56	56	56
	72,864	95,480	89,828	108,042	125,365	141,914	154,848

Table 8.5 Public Non-financial Corporations Sector balance sheet¹

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Assets							
Financial Assets							
Cash and deposits	1,557	1,129	996	1,108	1,378	1,353	1,235
Advances paid	3,433	1,117	1,695	1,180	1,052	986	977
Investments, loans and placements	2,014	1,615	2,249	1,776	1,517	1,436	1,391
Receivables	3,312	2,989	2,840	3,116	3,235	3,287	3,461
Equity							
Investments - other	..	26	..	..	..	..	..
Total Financial Assets	10,316	6,876	7,780	7,181	7,182	7,062	7,064
Non-financial Assets							
Land and other fixed assets	78,583	85,906	85,120	91,235	97,719	103,480	107,941
Other non-financial assets	1,944	2,010	2,418	2,516	2,630	2,802	2,852
Total Non-financial Assets	80,527	87,916	87,538	93,752	100,349	106,282	110,793
Total Assets	90,843	94,792	95,318	100,932	107,531	113,344	117,857
Liabilities							
Payables	3,366	2,538	2,875	2,796	2,850	3,055	3,462
Superannuation liability	(138)	(263)	(117)	(118)	(120)	(121)	(121)
Other employee benefits	1,404	1,432	1,378	1,391	1,412	1,434	1,480
Deposits held	11	11	11	11	11	11	11
Advances received	3	2	2	1	1	..	..
Borrowing ²	50,588	52,367	52,555	54,589	58,323	60,225	61,631
Other liabilities	8,666	9,438	9,404	9,739	10,090	10,439	10,739
Total Liabilities	63,901	65,525	66,109	68,409	72,567	75,044	77,204
Net Worth	26,942	29,267	29,209	32,523	34,964	38,300	40,654
Net Financial Worth	(53,585)	(58,649)	(58,329)	(61,229)	(65,384)	(67,982)	(70,139)
Net Debt	43,599	48,519	47,629	50,537	54,388	56,462	58,039
Notes:							
1. Numbers may not add due to rounding.							
2. Borrowing line comprised of:							
Borrowing with QTC	48,475	51,338	50,598	53,130	56,499	58,475	60,017
Leases and other similar arrangements	869	633	809	719	1,337	1,370	1,279
Securities and derivatives	1,244	396	1,148	741	488	380	335
	50,588	52,367	52,555	54,589	58,323	60,225	61,631

Table 8.6 Non-financial Public Sector balance sheet¹

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Assets							
Financial Assets							
Cash and deposits	4,109	2,555	2,757	2,879	3,106	3,052	2,802
Advances paid	1,056	1,298	1,007	1,354	1,259	1,150	1,063
Investments, loans and placements	58,178	53,836	57,720	56,661	55,999	55,544	56,530
Receivables	6,988	6,755	7,015	7,268	7,455	7,652	8,058
Equity							
Investments in other public sector entities	4,312	3,874	4,312	4,312	4,312	4,312	4,312
Investments - other	276	228	278	278	278	278	278
Total Financial Assets	74,918	68,546	73,088	72,752	72,410	71,988	73,043
Non-financial Assets							
Land and other fixed assets	457,449	457,466	474,058	490,536	511,281	531,153	548,885
Other non-financial assets	2,314	1,835	2,538	2,536	2,607	2,609	2,566
Total Non-financial Assets	459,763	459,301	476,596	493,072	513,888	533,761	551,451
Total Assets	534,681	527,847	549,684	565,825	586,299	605,749	624,494
Liabilities							
Payables	8,682	7,830	8,614	8,711	8,823	9,021	9,434
Superannuation liability	18,683	18,543	16,299	15,468	14,984	14,358	13,798
Other employee benefits	12,469	12,788	12,672	12,664	13,597	14,448	15,303
Deposits held	11	11	11	11	11	11	11
Advances received	203	153	159	118	78	38	..
Borrowing ²	123,446	147,840	142,376	162,624	183,680	202,131	216,472
Other liabilities	15,759	15,738	15,874	15,879	15,718	15,640	15,606
Total Liabilities	179,254	202,904	196,006	215,476	236,891	255,648	270,625
Net Worth	355,427	324,943	353,678	350,349	349,407	350,101	353,869
Net Financial Worth	(104,336)	(134,357)	(122,918)	(142,723)	(164,481)	(183,660)	(197,582)
Net Financial Liabilities	108,648	138,231	127,230	147,035	168,793	187,972	201,893
Net Debt	60,319	90,315	81,062	101,860	123,404	142,435	156,089
Notes:							
1. Numbers may not add due to rounding.							
2. Borrowing line comprised of:							
Borrowing with QTC	113,183	139,466	133,247	154,187	175,085	193,608	208,518
Leases and other similar arrangements	8,968	7,921	7,931	7,647	8,058	8,094	7,570
Securities and derivatives	1,294	453	1,197	790	537	429	384
	123,446	147,840	142,376	162,624	183,680	202,131	216,472

Table 8.7 General Government Sector Cash Flow Statement¹

	2024–25	2025–26	2025–26	2026–27	2027–28	2028–29	2029–30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Cash Receipts from Operating Activities							
Taxes received	24,854	26,915	28,482	29,674	31,773	33,922	35,964
Grants and subsidies received	40,949	40,987	41,884	45,735	49,072	51,161	53,609
Sales of goods and services	8,072	8,543	8,437	8,563	9,177	8,770	8,865
Interest receipts	3,767	3,472	3,539	3,613	3,511	3,473	3,438
Dividends and income tax equivalents	1,429	1,690	1,490	1,188	1,018	1,197	1,545
Other receipts	12,694	12,700	10,910	14,334	12,814	12,373	11,655
Total Operating Receipts	91,765	94,308	94,742	103,106	107,365	110,896	115,076
Cash Payments for Operating Activities							
Payments for employees	(41,515)	(43,521)	(44,349)	(46,925)	(47,400)	(48,855)	(49,822)
Payments for goods and services	(29,443)	(31,370)	(30,814)	(31,344)	(31,553)	(32,145)	(31,846)
Grants and subsidies	(18,118)	(19,165)	(20,062)	(20,580)	(19,352)	(18,018)	(16,982)
Interest paid	(2,482)	(3,359)	(3,245)	(4,367)	(5,560)	(6,701)	(7,687)
Other payments	(6)	..	(3)	(5)	(5)	(5)	(5)
Total Operating Payments	(91,563)	(97,415)	(98,473)	(103,222)	(103,870)	(105,725)	(106,342)
Net Cash Inflows from Operating Activities	203	(3,107)	(3,730)	(116)	3,495	5,171	8,734
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(11,322)	(14,639)	(12,450)	(15,479)	(19,121)	(20,296)	(20,014)
Sales of non-financial assets	83	170	130	195	164	164	164
Net Cash Flows from Investments in Non-financial Assets	(11,239)	(14,469)	(12,320)	(15,284)	(18,957)	(20,132)	(19,850)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	(1,826)	(1,346)	(915)	(1,730)	(1,381)	(1,111)	(657)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	2,734	498	3,216	648	502	452	(994)
Receipts from Financing Activities							
Advances received (net)	469	(1,261)	(1,763)	(553)	(166)	(103)	(45)
Borrowing (net)	9,827	19,643	14,722	17,044	16,463	15,694	12,680
Net Cash Flows from Financing Activities	10,296	18,383	12,959	16,491	16,297	15,591	12,635
Net Increase/(Decrease) in Cash held	167	(42)	(791)	10	(43)	(29)	(132)
Net cash from operating activities	203	(3,107)	(3,730)	(116)	3,495	5,171	8,734
Net cash flows from investments in non-financial assets	(11,239)	(14,469)	(12,320)	(15,284)	(18,957)	(20,132)	(19,850)
Surplus/(Deficit)	(11,036)	(17,576)	(16,050)	(15,400)	(15,461)	(14,961)	(11,116)
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(11,036)	(17,576)	(16,050)	(15,400)	(15,461)	(14,961)	(11,116)
Acquisitions under finance leases and similar arrangements	(1,051)	(407)	(1,053)	(471)	(2)	(28)	(6)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	(12,087)	(17,983)	(17,103)	(15,871)	(15,463)	(14,989)	(11,122)
Note:							
1. Numbers may not add due to rounding.							

Table 8.8 Public Non-financial Corporations Sector Cash Flow Statement¹

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Cash Receipts from Operating Activities							
Grants and subsidies received	829	809	867	938	956	1,002	1,050
Sales of goods and services	17,888	18,570	18,899	19,287	19,606	20,326	21,261
Interest receipts	312	114	180	137	127	123	124
Other receipts	376	368	549	100	160	241	275
Total Operating Receipts	19,405	19,861	20,495	20,461	20,849	21,693	22,711
Cash Payments for Operating Activities							
Payments for employees	(3,928)	(4,000)	(4,055)	(4,065)	(4,157)	(4,187)	(4,209)
Payments for goods and services	(9,981)	(9,264)	(10,001)	(9,735)	(9,333)	(8,934)	(9,224)
Grants and subsidies	(24)	(24)	(22)	(23)	(23)	(23)	(23)
Interest paid	(2,082)	(2,338)	(2,296)	(2,544)	(2,834)	(3,106)	(3,316)
Other payments	(734)	(862)	(793)	(642)	(564)	(641)	(907)
Total Operating Payments	(16,749)	(16,488)	(17,167)	(17,010)	(16,911)	(16,891)	(17,679)
Net Cash Inflows from Operating Activities	2,656	3,373	3,327	3,451	3,939	4,801	5,032
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(7,878)	(9,207)	(7,804)	(7,856)	(7,867)	(7,135)	(6,376)
Sales of non-financial assets	30	26	97	1,147	..	1	..
Net Cash Flows from Investments in Non-financial Assets	(7,849)	(9,181)	(7,707)	(6,709)	(7,867)	(7,135)	(6,376)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	(484)	1,230	1,737	515	128	66	9
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	225	(17)	(161)	44	39	(18)	(36)
Receipts from Financing Activities							
Advances received (net)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Borrowing (net)	4,185	3,776	2,218	2,384	3,230	1,807	1,331
Dividends paid	(968)	(900)	(882)	(733)	(635)	(748)	(808)
Other financing (net)	1,991	1,167	908	1,162	1,436	1,202	731
Net Cash Flows from Financing Activities	5,208	4,041	2,243	2,812	4,031	2,260	1,253
Net Increase/(Decrease) in Cash held	(244)	(554)	(561)	113	270	(26)	(118)
Net cash from operating activities	2,656	3,373	3,327	3,451	3,939	4,801	5,032
Net cash flows from investments in non-financial assets	(7,849)	(9,181)	(7,707)	(6,709)	(7,867)	(7,135)	(6,376)
Dividends paid	(968)	(900)	(882)	(733)	(635)	(748)	(808)
Surplus/(Deficit)	(6,161)	(6,708)	(5,262)	(3,991)	(4,563)	(3,082)	(2,152)
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(6,161)	(6,708)	(5,262)	(3,991)	(4,563)	(3,082)	(2,152)
Acquisitions under finance leases and similar arrangements	(138)	(11)	(19)	(31)	(706)	(132)	(9)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	(6,299)	(6,719)	(5,281)	(4,022)	(5,269)	(3,214)	(2,161)
Note:							
1. Numbers may not add due to rounding.							

Budget Strategy and Outlook 2026-27

Table 8.9 Non-financial Public Sector Cash Flow Statement¹

	2024-25	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30
	Outcome	Budget	Est.Actual	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Cash Receipts from Operating Activities							
Taxes received	24,339	26,462	28,037	29,249	31,360	33,511	35,550
Grants and subsidies received	40,974	41,047	41,951	45,806	49,146	51,243	53,696
Sales of goods and services	22,359	22,719	23,347	23,715	23,832	25,423	26,574
Interest receipts	3,925	3,520	3,631	3,702	3,593	3,556	3,525
Dividends and income tax equivalents	147	206	229	213	218	212	232
Other receipts	13,026	13,059	11,447	14,535	13,099	12,411	11,845
Total Operating Receipts	104,771	107,013	108,642	117,220	121,247	126,355	131,421
Cash Payments for Operating Activities							
Payments for employees	(45,200)	(47,279)	(48,177)	(50,750)	(51,309)	(52,792)	(53,780)
Payments for goods and services	(35,745)	(36,226)	(36,825)	(36,933)	(35,898)	(37,376)	(37,482)
Grants and subsidies	(17,337)	(18,440)	(19,284)	(19,737)	(18,493)	(17,120)	(16,042)
Interest paid	(4,178)	(5,438)	(5,254)	(6,698)	(8,201)	(9,623)	(10,821)
Other payments	(399)	(273)	(410)	(399)	(397)	(403)	(401)
Total Operating Payments	(102,859)	(107,656)	(109,950)	(114,516)	(114,299)	(117,314)	(118,526)
Net Cash Inflows from Operating Activities	1,911	(643)	(1,308)	2,704	6,949	9,041	12,895
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(19,268)	(23,837)	(20,231)	(23,437)	(27,137)	(27,248)	(26,327)
Sales of non-financial assets	163	196	227	1,342	164	165	163
Net Cash Flows from Investments in Non-financial Assets	(19,106)	(23,641)	(20,004)	(22,095)	(26,973)	(27,083)	(26,164)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	586	(181)	(107)	(522)	80	96	74
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	2,958	482	3,054	692	541	434	(1,030)
Receipts from Financing Activities							
Advances received (net)	(14)	(31)	(34)	(38)	(38)	(37)	(36)
Borrowing (net)	14,012	23,419	16,940	19,428	19,693	17,501	14,010
Other financing (net)	(426)	..	107	(47)	(26)	(5)	(1)
Net Cash Flows from Financing Activities	13,573	23,389	17,013	19,343	19,630	17,459	13,974
Net Increase/(Decrease) in Cash held	(77)	(595)	(1,352)	122	227	(54)	(250)
Net cash from operating activities	1,911	(643)	(1,308)	2,704	6,949	9,041	12,895
Net cash flows from investments in non-financial assets	(19,106)	(23,641)	(20,004)	(22,095)	(26,973)	(27,083)	(26,164)
Surplus/(Deficit)	(17,195)	(24,284)	(21,312)	(19,391)	(20,024)	(18,042)	(13,268)
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(17,195)	(24,284)	(21,312)	(19,391)	(20,024)	(18,042)	(13,268)
Acquisitions under finance leases and similar arrangements	(1,189)	(417)	(1,072)	(501)	(708)	(160)	(15)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	(18,384)	(24,701)	(22,384)	(19,893)	(20,732)	(18,203)	(13,283)
Note:							
1. Numbers may not add due to rounding.							

8.3 General Government Sector time series

Table 8.10 General Government Sector Time Series¹

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Revenue from Transactions												
Taxation revenue	11,840	12,598	12,547	12,919	13,244	14,165	14,585	16,249	20,011	20,601	22,659	25,033
Grant revenue	21,740	23,583	23,740	27,384	27,966	28,307	27,645	33,013	34,135	38,335	40,064	41,258
Sales of goods and services	5,039	5,443	5,712	5,642	5,884	5,783	5,618	6,105	5,896	6,483	7,143	7,590
Interest income	2,460	2,470	2,543	2,351	2,389	2,191	2,088	1,948	2,643	3,225	3,617	3,773
Dividend and income tax equivalent income	1,975	2,554	2,661	2,675	2,920	2,784	1,926	1,329	790	1,007	1,477	1,407
Other revenue	3,650	3,322	3,577	5,223	5,685	6,598	5,915	4,147	10,710	20,159	14,807	9,904
Total Revenue	46,705	49,970	50,780	56,194	58,087	59,828	57,778	62,791	74,185	89,809	89,768	88,966
Expenses from Transactions												
Employee expenses	17,816	18,592	20,045	21,258	22,681	24,019	25,662	26,385	28,068	30,558	33,264	36,147
Superannuation expenses												
Superannuation interest costs	963	878	767	514	667	653	354	246	377	776	789	825
Other superannuation expenses	2,277	2,319	2,507	2,661	2,741	3,012	3,183	3,073	3,387	3,756	4,071	4,365
Other operating expenses	13,108	14,539	14,811	15,578	17,259	16,480	17,085	16,500	18,229	20,013	25,901	25,961
Depreciation and amortisation	3,060	3,137	2,921	3,068	3,326	3,451	4,033	4,170	4,506	5,018	5,441	5,890
Other interest expenses	2,200	2,328	2,220	1,722	1,614	1,581	1,486	1,619	1,508	1,688	2,020	2,594
Grant expenses	6,792	7,758	6,841	8,568	8,048	9,647	11,702	11,713	13,827	14,072	16,555	17,611
Total Expenses	46,217	49,551	50,112	53,369	56,337	58,843	63,505	63,706	69,902	75,880	88,042	93,393
Net Operating Balance	488	420	668	2,825	1,750	985	(5,728)	(915)	4,284	13,928	1,726	(4,428)
OTHER KEY AGGREGATES												
Purchases of non-financial assets	6,323	4,635	4,044	4,620	5,126	5,764	6,306	6,682	7,878	9,899	10,553	11,322
Net acquisition of non-financial assets	3,087	992	1,164	2,265	2,337	3,192	3,436	3,942	4,356	5,838	5,729	6,691
Fiscal Balance	(2,599)	(572)	(497)	560	(587)	(2,207)	(9,164)	(4,857)	(72)	8,090	(4,003)	(11,119)
Cash Surplus/(Deficit)	(3,213)	(105)	866	1,448	337	302	(6,228)	(6,421)	2,816	10,167	(3,627)	(11,036)
Net Worth	166,492	171,933	188,099	194,988	195,038	200,861	195,646	209,464	249,590	303,994	331,316	355,427
Net Debt	5,208	5,749	653	(355)	(509)	(198)	14,036	11,344	10,997	2,608	5,687	16,727
Borrowing with QTC ²	39,864	41,343	34,200	31,358	29,256	29,468	37,570	46,153	49,000	46,166	50,950	64,708
Leases and similar arrangements	882	1,126	1,370	1,503	2,142	2,612	6,485	7,703	7,671	7,519	7,759	8,100
Borrowing with QTC (NFPs)	70,668	73,256	71,160	69,107	66,964	67,576	76,464	85,901	90,851	89,442	95,620	113,183
Leases and similar arrangements (NFPs)	1,752	1,802	1,316	1,882	2,142	2,612	6,977	8,157	8,028	7,887	8,504	8,968

Notes:
 1. Numbers may not add due to rounding.
 2. Borrowing in 2013-14 includes bank overdraft of \$1.434 billion.
 Source: Report on State Finances for Queensland 2012-13 to 2023-24. (Numbers have been recast for changes to UPF presentation.)

8.4 Other General Government Sector Uniform Presentation Framework data

8.4.1 Grants

Table 8.11 General Government Sector grant revenue¹

	2025–2026	2026–2027
	Est. Act. \$ million	Budget \$ million
Current grant revenue		
Current grants from the Commonwealth		
General purpose grants	16,933	19,577
General purpose grants for on-passing	12	6
Specific purpose grants	13,708	14,047
Specific purpose grants for on-passing	5,821	5,250
Total current grants from the Commonwealth	36,474	38,879
Other contributions and grants	393	380
Total current grant revenue	36,867	39,259
Capital grant revenue		
Capital grants from the Commonwealth		
Specific purpose grants	4,938	6,471
Total capital grants from the Commonwealth	4,938	6,471
Other contributions and grants	59	17
Total capital grant revenue	4,997	6,488
Total grant revenue	41,864	45,747
Note:		
1. Numbers may not add due to rounding.		

Table 8.12 General Government Sector grant expenses¹

	2025–2026 Est. Act \$ million	2026–2027 Budget \$ million
Current grant expense		
Private and Not-for-profit sector	4,456	4,754
Private and Not-for-profit sector on-passing	4,990	5,196
Local Government	478	615
Local Government on-passing	923	145
Grants to other sectors of Government	3,296	3,576
Other	657	647
Total current grant expense	14,800	14,933
Capital grant expense		
Private and Not-for-profit sector	1,801	2,194
Local Government	3,342	3,403
Grants to other sectors of Government	12	13
Other	170	81
Total capital grant expense	5,326	5,691
Total grant expense	20,126	20,624
Note:		
1. Numbers may not add due to rounding.		

8.4.2 Dividend and income tax equivalent income

Table 8.13 General Government Sector dividend and income tax equivalent income¹

	2025–2026 Est. Act. \$ million	2026–2027 Budget \$ million
Dividend and Income Tax Equivalent income from PNFC sector	1,029	882
Dividend and Income Tax Equivalent income from PFC sector	225	203
Total Dividend and Income Tax Equivalent income	1,254	1,085
Note:		
1. Numbers may not add due to rounding.		

8.4.3 Expenses by function

Table 8.14 General Government Sector expenses by function¹

	2025–2026	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030
	Budget	Est. Act.	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
General public services	10,802	9,750	10,857	11,660	13,045	13,420
Public order and safety	9,381	9,377	9,646	9,747	9,986	10,152
Economic affairs	3,536	3,320	3,550	3,168	2,949	3,006
Environmental protection	1,258	1,230	1,448	1,153	1,051	935
Housing and community amenities	1,851	2,320	2,692	1,987	1,347	1,382
Health	29,140	30,772	31,653	32,064	33,666	34,682
Recreation, culture and religion	1,763	1,583	2,277	2,886	2,333	1,840
Education	22,256	22,451	23,552	24,540	25,911	26,957
Social protection	8,749	9,318	8,807	8,394	8,792	8,719
Transport	11,182	10,743	11,363	12,046	10,752	10,599
Total Expenses	99,918	100,863	105,847	107,645	109,831	111,692

Note:
1. Numbers may not add due to rounding.

8.4.4 Purchases of non-financial assets by function

Table 8.15 General Government Sector purchases of non-financial assets by function¹

	2025–2026	2025–2026	2026–2027	2027–2028	2028–2029	2029–2030
	Budget	Est. Act.	Budget	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
General public services	481	305	300	220	110	48
Public order and safety	1,327	1,092	965	1,139	786	817
Economic affairs	67	43	45	29	24	28
Environmental protection	112	119	152	121	59	60
Housing and community amenities	653	926	771	799	1,227	897
Health	3,513	2,333	3,478	4,115	3,698	3,177
Recreation, culture and religion	424	263	805	575	1,128	1,769
Education	1,181	1,137	1,416	1,500	1,259	710
Social protection	119	23	73	89	34	36
Transport	6,762	6,208	7,474	10,533	11,971	12,472
Total Purchases	14,639	12,450	15,479	19,121	20,296	20,014

Note:
1. Numbers may not add due to rounding.

8.4.5 Taxes

Table 8.16 General Government Sector taxes¹

	2025–2026 Est. Act. \$ million	2026–2027 Budget \$ million
Taxes on employers' payroll and labour force	8,026	8,593
Taxes on property		
Land taxes	2,690	3,162
Stamp duties on financial and capital transactions	8,671	8,346
Other	1,533	1,597
Taxes on the provision of goods and services		
Taxes on gambling	2,349	2,459
Taxes on insurance	1,768	1,867
Taxes on use of goods and performance of activities		
Motor vehicle taxes	3,437	3,652
Total Taxation Revenue	28,474	29,676
Note:		
1. Numbers may not add due to rounding.		

8.5 Background and interpretation of Uniform Presentation Framework

As mentioned in the introduction to this chapter, the UPF was reviewed in 2007 following release of the accounting standard, AASB 1049 *Whole of Government and General Government Sector Financial Reporting* which aims to harmonise GFS and GAAP with the objective of improving the clarity and transparency of government financial statements.

8.5.1 Accrual Government Finance Statistics Framework

The GFS reporting framework, developed by the Australian Bureau of Statistics (ABS), is based on international statistics standards (the International Monetary Fund Manual on Government Finance Statistics and the United Nations System of National Accounts). This allows comprehensive assessments to be made of the economic impact of government.

The accrual GFS framework is based on an integrated recording of stocks and flows. Stocks refers to a unit's holding of assets and liabilities at a point in time, while flows represent the

movement in the stock of assets and liabilities between two points in time. Flows comprise two separate types: transactions and other economic flows. Transactions come about from mutually agreed interactions between units or within a single unit. Other economic flows would include revaluations and destruction or discovery of assets that do not result from a transaction.

In GFS operating statements, other economic flows, being outside the control of government, are excluded and do not affect the net operating balance or fiscal balance.

8.5.2 Harmonisation under AASB 1049

In addition to the GFS framework, public sector entities were previously required to report at year end against AAS 31 *Financial Reporting by Government*, which meant complying with the Accounting Standards issued by the AASB.

This dual reporting regime caused confusion for financial report users and the Financial Reporting Council asked the AASB to develop a framework harmonising GAAP and GFS and to issue an Australian accounting standard for a single set of government reports.

In the development of AASB 1049, the AASB adopted the following approaches:

- adoption of GAAP definition, recognition and measurement principles in almost all cases
- amended presentation requirements to encompass a comprehensive result that retains GAAP classification system but overlays it with a transaction and other economic flows classification system based on GFS
- expanding the disclosure requirements to incorporate key fiscal aggregates required by GFS.

8.5.3 Revisions to the Uniform Presentation Framework

Following the introduction of AASB 1049, the Federal, state and territory governments consider that the UPF will continue to be an important framework for ensuring comparability of financial information across jurisdictions. The UPF continues to apply to financial statements produced by government in budget, mid-year budget updates and final budget outcome reports, whereas the accounting standard applies only to outcome reports.

Aligning the framework with the AASB 1049 was not intended to create a UPF that complies with all the reporting requirements of AASB 1049. For example, the UPF does not include the same level of detail in relation to disclosure requirements of AASB 1049. Instead, the

revised UPF allows jurisdictions to utilise the framework as the base set of statements and add additional relevant information to comply with AASB 1049.

8.6 Sector classification

GFS data is presented in Budget Paper 2 by institutional sector, distinguishing between the General Government Sector and the PNFC Sector.

Budget reporting focuses on the General Government Sector, which provides regulatory services, and goods and services of a non-market nature that are provided at less than cost or at no cost. These services are largely financed by general revenue (Federal Government grants and state taxation). This service comprises government departments, their commercialised business units/shared service providers and certain statutory bodies.

The PNFC Sector comprises bodies that provide mainly market goods and services that are of non-regulatory and non-financial nature. PNFCs are financed through sales to customers of their goods and services and may be supplemented by explicit government subsidy to satisfy community service obligations. Examples of PNFCs include the energy entities and Queensland Rail.

Together, the General Government Sector and the PNFC Sector comprise the Non-financial Public Sector.

Further discussions of the GFS framework of reporting, including definitions of GFS terms, can be obtained from the website page of the ABS at <http://www.abs.gov.au>.

8.7 Reporting entities

The reporting entities included in the General Government and the PNFC sectors in these budget papers are included below:

8.7.1 General Government

Departments

Customer Services, Open Data and Small and Family Business

Education

Environment, Tourism, Science and Innovation

Families, Seniors, Disability Services and Child Safety

Housing and Public Works

Justice

Local Government, Water and Volunteers

Natural Resources and Mines, Manufacturing and Regional and Rural Development

Premier and Cabinet

Primary Industries

Queensland Corrective Services

Queensland Fire Department

Queensland Health

Queensland Police Service

Queensland Treasury

Sport, Racing and Olympic and Paralympic Games

State Development, Infrastructure and Planning

Trade, Employment and Training

Transport and Main Roads

Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism

Youth Justice and Victim Support

Commercialised Business Units

CITEC

QBuild

QFleet

RoadTek

Shared Service Providers

Corporate Administration Agency

Queensland Shared Services

Other General Government entities

Board of the Queensland Museum	Metro South
Crime and Corruption Commission	North West
Cross River Rail Delivery Authority	South West
Economic Development Queensland	Sunshine Coast
Electoral Commission of Queensland	Torres and Cape
Games Independent Infrastructure and Coordination Authority	Townsville
Gold Coast Waterways Authority	West Moreton
Health and Wellbeing Queensland	Wide Bay
Hospital and Health Services	Legal Aid Queensland
Cairns and Hinterland	Legislative Assembly
Central Queensland	Library Board of Queensland
Central West	Motor Accident Insurance Commission
Children's Health Queensland	Nominal Defendant
Darling Downs	Office of Industrial Relations
Gold Coast	Office of the Governor
Mackay	Office of the Health Ombudsman
Metro North	Office of the Information Commissioner

Officer of the Inspector-General Emergency Management	Queensland Mental Health Commission
Office of the Queensland Integrity Commissioner	Queensland Performing Arts Trust
Office of the Ombudsman	Queensland Racing Integrity Commission
Public Sector Commission	Queensland Reconstruction Authority
Queensland Academy of Sport	Queensland Rural and Industry Development Authority
Queensland Art Gallery Board of Trustees	Residential Tenancies Authority
Queensland Audit Office	South Bank Corporation
Queensland Building and Construction Commission	TAFE Queensland
Queensland Curriculum and Assessment Authority	The Council of the Queensland Institute of Medical Research
Queensland Family and Child Commission	The Public Trustee of Queensland
Queensland Human Rights Commission	Tourism and Events Queensland
	Trade and Investment Queensland

8.7.2 Public Non-financial Corporations

Brisbane Organising Committee for the 2032 Olympic and Paralympic Games

CleanCo Queensland Ltd

CS Energy Limited

Energy Queensland Limited

Far North Queensland Ports Corporations Limited

Gladstone Area Water Board

Gladstone Ports Corporation Limited

Mount Isa Water Board

North Queensland Bulk Ports Corporation Limited

Port of Townsville Limited

Powerlink Queensland

Queensland Bulk Water Supply Authority (Seqwater)

Queensland Hydro Pty Ltd

Queensland Rail

Queensland Treasury Holdings Pty Ltd

Stadiums Queensland

Stanwell Corporation Limited

Sunwater Limited

Appendix A: Concessions Statement

Queensland Government's commitment to ongoing support for households, families and businesses by reducing costs of goods and services

The 2026-27 Budget delivers the largest ongoing cost-of-living relief package in Queensland's history, starting with lower power prices due to the Energy Roadmap, which will be passed on in full to regional Queenslanders through the Energy Roadmap Price Drop, for all Ergon customers.

The range of concessions delivered through the 2026-27 Budget will support Queensland households, businesses and industries.

By making essential services, such as electricity, transport, health, housing, education and training services, more affordable and accessible through rebates, subsidies and discounts, these concessions help ease national cost-of-living pressures and strengthen communities.

In 2026-27, the Government will provide an estimated \$9.285 billion in concessions to support Queenslanders across the state.

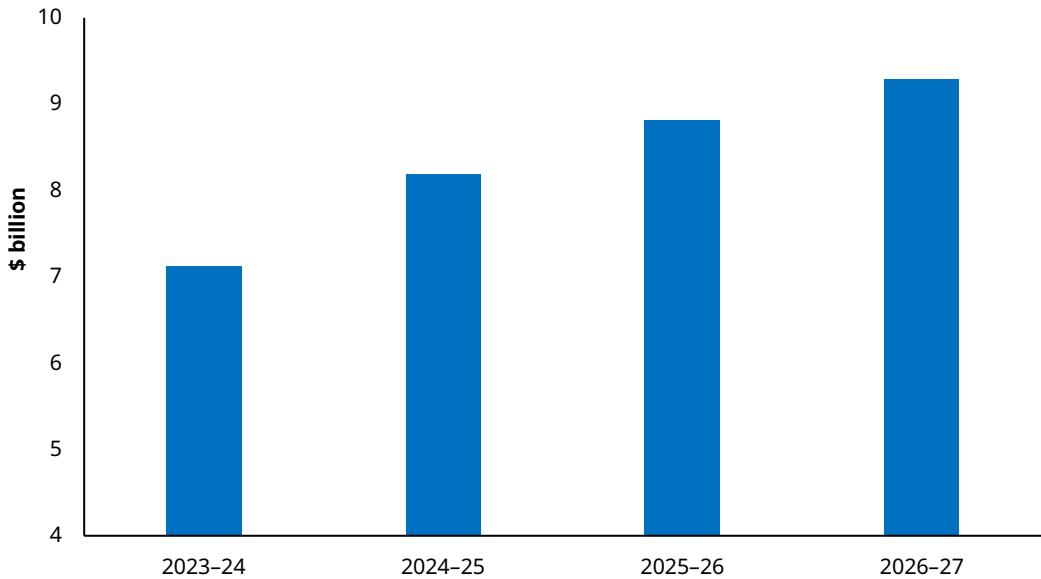
This significant funding support will improve the accessibility and affordability of a range of goods and services by reducing the price paid by consumers.

The total estimated concessions in 2026-27 is 5.4% higher than the 2025-26 estimated actual amount of \$8.814 billion.

This Budget also includes measures that will provide long-term cost-of-living support, including:

- permanent 50 cent fares legislated
- a larger \$150 Back to School Boost for primary school students as well as \$200 Play On! Sports Vouchers, so Queensland kids can stay active and take advantage of everything school has to offer
- indexation of the Electricity Rebate Scheme, providing vulnerable Queensland households with a \$399 rebate on their power bills
- boosting the Patient Travel Subsidy Scheme fuel subsidy rate to a nation-leading 45 cents per kilometre, an increase of 11 cents per kilometre.

Chart A.1 Total ongoing concessions value by year¹



Note:

1. This chart shows ongoing concessions only, with one-off concessions not included to avoid distortion and to focus on underlying ongoing benefits.

The Government provides a broad range of targeted concessions based on eligibility criteria relating to factors such as age, income and special needs or disadvantage.

The vast majority of Queenslanders benefit from at least one Queensland Government concession, while many Queensland households benefit from multiple concessions.

One of the most significant concessions provided by the Government is the public transport fare reduction on all TransLink networks across the state.

A flat fare of 50 cents per trip has been locked in permanently to make public transport more affordable, thereby increasing patronage and reducing road congestion. It is also providing relief to households impacted by higher fuel prices due to the conflict in the Middle East.

The Budget also continues to provide broad-based support for households and businesses through targeted transport concessions and investment in the state-supported rail network. Rail Network and Infrastructure Funding supports a safe, reliable and fit-for-purpose network, benefiting both freight and passenger users across Queensland.

In addition to some of the biggest reductions in retail electricity prices in a decade, the Government is continuing to deliver support through the Electricity Rebate Scheme, which

will be adjusted in line with the Government Indexation Rate of 3.4%. This will provide vulnerable Queenslanders with a \$399 rebate in 2026-27.

Eligible card holders may also access free dental care under the Oral Health Scheme, including general treatment, dentures and emergency dental care.

The Budget also provides targeted support for older Queenslanders through concessions that help reduce everyday costs. This includes a 50% concession on registration fees for a four-cylinder vehicle, a subsidy of up to \$200 per year for eligible pensioners to help offset local government rates and charges, and a rebate of up to \$96 per annum to assist with the cost of reticulated natural gas.

In addition, the Public Housing Rental Subsidy provides valuable support for low-income households by improving access to affordable housing. This support helps vulnerable Queenslanders manage housing costs by bridging the gap between private market rents and the rent charged for government housing.

The Budget continues to invest in education and parenting concessions to support families with the cost of schooling. This includes assistance for parents and carers of secondary school-age students attending government and non-government schools, as well as children registered for home education, to help meet the cost of textbooks and learning resources.

From 2026, the Government has provided \$100 for each student attending government and non-government primary schools, supporting families with the cost of school essentials. From 2027, the Back to School Boost payment is being increased to \$150 for each primary school-aged student.

The Government is continuing to fund 15 hours per week of free kindergarten for all four-year-old Queensland children. In 2026-27, a family attending a sessional kindergarten charging \$51.65 per day for 15 hours per week is expected to save, on average, \$5,165 a year in fees.

For young Queenslanders, the Budget supports pathways into work through concessions such as the Career Start General Training Subsidy and the Career Start Apprentices and Trainee Training Subsidy, reducing financial barriers to education, training and skills development.

Focus of Concessions Statement

The Concessions Statement highlights the cost and nature of concessions provided by the Queensland Government. It outlines the concessions that are direct budget outlays (e.g. fee subsidies) and concessions that result in foregone revenue through fees and charges being set at a lower rate than applies to the wider community and other businesses.

In the case of broader concessions, it also includes concessions related to the delivery of services to consumers at less than the full cost of service provision.

Section A.1 summarises the estimated total value of concessions provided by the Government, detailed by each agency and GOC.

Section A.2 outlines the previously announced temporary cost-of-living support measures.

Section A.3 sets out the specific concessions provided by the Government, detailed by agency.

Section A.4 sets out the concessions provided by GOCs and is separated into concessions by GOC and concessional leases (industry, commercial and community) by GOC. Within each agency or GOC, concessions are listed in descending order of value.

Explanation of scope

For the purposes of this document, concessions include:

- discounts, rebates and subsidies provided by the Government that improve access to, and affordability of, a range of goods or services for certain individuals, families or businesses based on eligibility criteria (e.g. relating to factors such as age, income, special needs, location or business characteristics)
- concessions where all consumers, including businesses, of a particular good or service pay a price that is below the full cost of service provision — that is, no eligibility criteria is applied.

Both General Government Sector and Public Non-financial Corporations (PNFC) Sector concessions are included in this statement. Where a payment is made from a General Government Sector agency to a PNFC entity for a concession arrangement, the expenditure is reported against the General Government Sector agency only to avoid double counting.

To be included in this statement, concessions must meet the minimum materiality threshold of estimated expenditure or revenue foregone of \$50,000 in either the budget year or previous year.

Varying methods have been used to estimate the cost of concessions, depending on the nature of the concessions, including:

- direct budget outlay cost (e.g. direct subsidy or rebate payments or the Government's contribution in the case of items such as rental subsidies)
- revenue foregone (e.g. concessional fees and charges)
- cost of goods and services provided.

For the purposes of illustrating the potential benefits of individual concessions, the document often uses averages to demonstrate the potential value of the concession to recipients. However, averages are not reflective of individual circumstances, meaning the actual dollar value of the concession to individual recipients may vary from person to person or business to business.

The Concessions Statement does not include tax expenditures (e.g. tax exemptions, reduced tax rates, tax rebates and deductions). Information on tax expenditures can be found in Appendix B.

A.1 Concessions summary

Table A.1.1 Concession by entity¹

Concession by entity	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Agency		
Department of Education	480.0	520.1
Department of Families, Seniors, Disability Services and Child Safety	363.4	393.2
Department of Housing and Public Works	972.2	977.7
Department of Justice	156.3	161.9
Department of Local Government, Water and Volunteers	33.3	44.0
Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development	44.3	57.1
Department of Primary Industries	5.8	9.0
Department of Sport, Racing and Olympic and Paralympic Games	66.1	65.8
Department of State Development, Infrastructure and Planning	0.4	0.5
Department of the Environment, Tourism, Science and Innovation	2.1	2.2
Department of Trade, Employment and Training	723.1	801.3
Department of Transport and Main Roads	4,792.1	4,955.7
Queensland Fire Department	12.2	12.8
Queensland Health	373.6	394.8
Queensland Treasury	663.0	748.0
Total Agency	8,687.9	9,144.1
Government-owned corporations		
Energy Queensland Limited	28.1	29.5
Far North Queensland Ports Corporation Limited	2.2	2.2
Gladstone Ports Corporation Limited	45.0	57.0
North Queensland Bulk Ports Corporation Limited	1.7	1.7
Port of Townsville Limited	6.9	7.0
Queensland Rail	2.8	2.9
Sunwater Limited	39.1	40.9
Total government-owned corporations	125.8	141.2
Total all entities	8,813.7	9,285.3
Note:		
1. Numbers may not add due to rounding.		

A.2 Previously announced temporary cost-of-living concessions

The 2024-25 Budget included measures which provided temporary elevated levels of assistance, with no funding allocated from 2026-27 onwards.

Table A.2.1 Previously announced temporary cost-of-living concessions¹

Concession by name	2025-26 Est. Act. \$ million	2026-27 Estimate \$ million
Name		
Cost of Living Electricity Rebate and National Energy Bill Relief ^{2,3}	353.0	..
Temporary Additional Vehicle Registration Concessions	36.0	..
Total	389.0	..
Notes:		
1. The table provides a summary of temporary cost-of-living support measures which did not have ongoing funding allocated.		
2. This consists of funding for Electricity Rebates from the Federal Government under the National Energy Bill Relief plan. The rebate ceased on 31 December 2025.		
3. The table above represents funding in line with appropriation payments, consistent with the presentation of other concessions throughout this document.		

A.3 Concessions by agency

Table A.3.1 Department of Education

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Queensland Kindergarten Funding	229.2	236.8
Textbook and Resource Allowance	93.4	97.4
Back to School Boost ¹	47.1	70.4
School Transport Assistance for Students with Disability	66.1	66.1
Tuition Fee Exemptions/Waivers – Dependants of International Students	10.9	13.2
Living Away from Home Allowance Scheme	12.2	12.5
Non-State Schools Transport Assistance Scheme	9.5	9.7
Queensland Museum – Arts Concessional Entry Fees ²	2.8	3.9
Queensland Performing Arts Trust – Arts Concessional Entry Fees	3.0	3.0
Distance Education – Information and Communication Technology Subsidy Scheme	2.1	2.1
Queensland Art Gallery – Arts Concessional Entry Fees ³	0.4	2.1
Arts Queensland – Discount on Property Lease Rentals ⁴	0.9	0.8
Distance Education – Non-Government Student Fee Subsidy	0.8	0.8
Queensland Performing Arts Trust – Venue Hire Rebates	0.8	0.7
Arts Queensland – Venue Hire Rebates	0.4	0.4
State Library of Queensland – Venue Hire Rebates ⁵	0.4	0.2
Total	480.0	520.1
Notes:		
1. Increase is due to uplift in annual payments from 2027.		
2. Increase is due to anticipated growth in ticketing revenue in relation to a new ticketed commercial exhibition at Queensland Museum Kurilpa, South Bank. Concessions are funded from Queensland Government Grant Funding, i.e. at Toowoomba and Ipswich, or non-government self-funded revenue, i.e. Brisbane and Townsville.		
3. Increase is due to the Asia Pacific Triennial occurring in 2025-26. The Asia Pacific Triennial is a free to attend, special exhibition being held in 2025-26 and reduced the number of ticketed exhibitions. 2026-27 is higher partly due to a family orientated exhibition, which is anticipated to result in a higher number of concessional attendances.		
4. Decrease is due to reduced rent foregone as a result of new lease offers to the tenant of the Judith Wright Centre following the Judith Wright Arts Centre Modernisation Project.		
5. Decrease is due to a reduction in venue bookings received to date for 2026-27.		

Queensland Kindergarten Funding

Queensland Kindergarten Funding provides funding to eligible kindergarten service providers to ensure greater access to a quality kindergarten program for Queensland children and to reduce out-of-pocket fees for many families.

Since 1 January 2024, the Government has provided an affordability subsidy of 15 hours per week to make kindergarten free for all four-year-olds for up to 40 weeks or 600 hours per year. In 2026-27, on average a family attending a sessional kindergarten that charges \$51.65 per day (15 hours per week) will save \$5,165 a year in fees.

These subsidies are funded by both the Queensland and Federal governments under the Preschool Reform Agreement 2022 to 2027.

Textbook and Resource Allowance

The Textbook and Resource Allowance is available for all parents/caregivers of secondary school age students attending state and non-government schools, and children registered in home education of equivalent age, to assist with the cost of textbooks and learning resources.

In schools, parents may assign this allowance to the school to reduce the fees associated with participating in the school's textbook and resource scheme. For children registered for home education, the allowance is paid directly to the parent.

In 2026, the rates per annum are \$164 for students in Years 7 to 10 and \$357 for students in Years 11 and 12.

Back to School Boost

The Back to School Boost concession provides annual payments in 2026 of \$100 for each student attending state and non-state primary schools to support parents and families with the cost of school essentials. From 2027, the concession payment is being increased to \$150 for each student.

School Transport Assistance for Students with Disability

The School Transport Assistance Program for Students with Disability assists eligible state school students whose disability impacts on their parents' or carers' ability to arrange their safe travel to and from school. This assistance includes coordinated service delivery in specially contracted taxis or minibuses, payment of fares on bus, ferry, tram and train, or an allowance for parents who make private travel arrangements for their children to school or a transport meeting point.

The benefit is generally a maximum of \$400 per week, per student, however in exceptional circumstances higher amounts may be approved. A separate scheme is in place for students

with disability attending non-state schools (refer 'Non-State Schools Transport Assistance Scheme').

Tuition Fee Exemptions/Waivers – Dependants of International Students

Adult International students who meet the approved exemption criteria and wish to enrol their child in Preparatory (Prep) Year to Year 12 of schooling are exempt from paying tuition fees for their dependant children. The exemption only applies for the duration of the main temporary visa holder's (parent) course of study in Queensland. A dependant student (Prep to Year 12) of a temporary visa holder may also be eligible for a tuition fee waiver in certain circumstances, including financial hardship.

The estimated average amount exempted or waived per student is \$12,102 in 2026-27.

Living Away from Home Allowance Scheme

The Living Away from Home Allowance Scheme provides financial assistance to support geographically isolated families. The scheme assists with the costs of children required to live away from home to attend school. This concession is available to Queensland students attending both state and non-state schools.

The benefits available for eligible students in 2026 are:

- Remote Area Tuition Allowance — assistance is available for primary students of up to \$8,860 per annum and secondary students of up to \$10,891 per annum for students who board at approved non-state schools
- Remote Area Travel Allowance — available where the distance from the family home to the boarding location is at least 50 kilometres (km). Benefit levels depend on the distance travelled and range from \$185 per annum to a maximum of \$2,266 per annum
- Remote Area Disability Supplement — available to students with disability who incur additional costs associated with living away from home to attend school. Benefits are up to \$10,045 per student per annum
- Remote Area Allowance — assistance of \$3,087 per annum is available to students attending the campus of a Queensland state high school and undertaking an approved agriculture course in lieu of Years 11 and 12.

Non-State Schools Transport Assistance Scheme

The Non-State Schools Transport Assistance Scheme directly assists families through the provision of funding towards the transport costs incurred for eligible students enrolled in non-state schools.

Under the Scheme, payments are made twice a year to the families of students enrolled in non-state schools located beyond the Brisbane City Council area where bus and ferry fare

expenses are above the annual Catholic Education Queensland Limited set weekly threshold amount.

In Semester 1 and Semester 2 2026, the weekly threshold is \$40 per family, or \$30 for families with a current Health Care Card, Pensioner Concession Card or Veterans' Affairs Pensioner Concession Card.

The program also assists families of eligible students with disability enrolled in non-state schools. The level of assistance provided is dependent on the type of transport needed and travel assistance already provided by the Department of Transport and Main Roads (DTMR). For families using taxi travel, the benefit level is to a maximum of \$300 per week, inclusive of any assistance provided through DTMR's Taxi Subsidy Scheme.

Queensland Museum – Arts Concessional Entry Fees

Queensland Museum provides concessional entry fees to seniors, students, children, families, and a variety of concession card holders for ticketed exhibitions at Queensland Museum Kurilpa (Brisbane) and Queensland Museum Tropics (Townsville) and, for general entry to Queensland Museum Cobb & Co (Toowoomba) and Queensland Museum Rail Workshops (Ipswich).

Concessions are also provided to targeted groups, such as schools, to encourage visits to museums. The level of concession provided varies depending on the venue and the event.

Queensland Performing Arts Trust – Arts Concessional Entry Fees

Concessional entry fees (i.e. projects that require subsidy) are offered for specific Queensland Performing Arts Trust productions that enable access by particular demographics (e.g. school audiences).

Distance Education – Information and Communication Technology Subsidy Scheme

The Distance Education Information and Communication Technology Subsidy provides assistance to Queensland state school students enrolled in a School of Distance Education and who are geographically isolated or in eligible categories.

The scheme has two components.

- **Computer Hardware Subsidy:** An annual payment of \$472 to eligible students to assist with purchasing, replacing or upgrading computer hardware. Hardware subsidies are available to support students who are identified as belonging to geographically isolated or medical categories.
- **Broadband Internet Subsidy:** An annual payment of \$517 to eligible students to assist with provision of broadband internet access. Internet subsidies are available to support students who are identified as belonging to the geographically isolated category.

Queensland Art Gallery – Arts Concessional Entry Fees

Queensland Art Gallery's ticket prices are set to ensure that they are affordable and to maximise attendance, with additional concessions provided to seniors, students, children, families and a variety of concession card holders. The purpose of the Queensland Art Gallery Arts entry fees concession is to contribute to the cultural, social and intellectual development of Queenslanders, and encourage diverse audiences.

Arts Queensland – Discount on Property Lease Rentals

A discount on property lease rentals is provided to arts and cultural organisations compared with market rental rates at the Judith Wright Arts Centre, Festival House and Bulmba-ja Arts Centre.

Distance Education – Non-Government Student Fee Subsidy

The Distance Education Non-Government Student Fee Subsidy is available to students who are enrolled in non-government schools and choose to access distance education subjects. It provides an average annual subsidy of approximately \$1,613 per distance education subject enrolment.

This subsidises approximately 50% of the total average cost per annum of providing a subject through distance education for non-government school students. The concession contributes towards the state continuing to make distance education available to non-government schools ensuring the widest possible subject choice for students, while recovering a proportion of the teaching and overhead costs.

Queensland Performing Arts Trust – Venue Hire Rebates

Venue hire rebates are offered to government-funded cultural organisations, charitable organisations, government departments and educational institutions. Organisations currently receiving discounts include Queensland Symphony Orchestra, Opera Queensland, Queensland Theatre Company and Queensland Ballet.

Arts Queensland – Venue Hire Rebates

Venue hire rebates support Queensland Government-funded arts organisations and professional artists to develop and present new work at the Judith Wright Arts Centre and Bulmba-ja Arts Centre.

State Library of Queensland – Venue Hire Rebates

State Library of Queensland provides venue hire concessions to targeted community and non-profit groups including cultural and charitable organisations and educational institutions in order to support events and programs directly linked to State Library of Queensland's services, programs, and activities.

Table A.3.2 Department of Families, Seniors, Disability Services and Child Safety

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Electricity Rebate Scheme ¹	261.9	286.4
Pensioner Rate Subsidy Scheme	62.7	66.0
South East Queensland Pensioner Water Subsidy Scheme	19.3	19.8
Home Energy Emergency Assistance Scheme	10.0	10.0
Medical Cooling and Heating Electricity Concession Scheme ²	3.4	3.9
Reticulated Natural Gas Rebate Scheme	3.3	3.9
Electricity Life Support Concession Scheme ²	2.8	3.2
Total	363.4	393.2
Notes:		
1. Adjusted by the Government Indexation Rate of 3.4%.		
2. Adjusted annually according to the Queensland Competition Authority (QCA) price determination for Tariff 11. For 2026-27, the QCA determined Tariff 11 will decrease by 6.9%. However, existing rebate values will remain at 2025-26 levels.		

Electricity Rebate Scheme

The Electricity Rebate Scheme provides a rebate of up to approximately \$399 per annum to assist with the cost of domestic electricity supply to the homes of eligible holders of a Pensioner Concession Card, Queensland Seniors Card, Health Care Card, Department of Veterans' Affairs Gold Card and asylum seekers. It is estimated that around 700,000 Queensland households will receive an electricity rebate in 2026-27.

Pensioner Rate Subsidy Scheme

The Pensioner Rate Subsidy Scheme offers a 20% subsidy (up to a maximum of \$200 per annum) to lessen the impact of local government rates and charges on pensioners, thereby assisting them to continue to live in their own homes.

South East Queensland Pensioner Water Subsidy Scheme

The South East Queensland Pensioner Water Subsidy Scheme provides a subsidy of up to \$120 per annum to eligible pensioner property owners in the South East Queensland Water Grid to lessen the impact of water prices. This subsidy is in addition to the Pensioner Rate Subsidy Scheme.

Home Energy Emergency Assistance Scheme

The Home Energy Emergency Assistance Scheme provides emergency assistance of up to \$720 once in a two-year period to assist low income households experiencing a short-term

financial crisis and who are unable to pay their current electricity and/or reticulated natural gas account. It is not a requirement for the claimant to hold a concession card.

Medical Cooling and Heating Electricity Concession Scheme

The Medical Cooling and Heating Electricity Concession Scheme provides a rebate of up to approximately \$522 per annum for eligible concession card holders with a medical condition who have dependence on air conditioning to regulate body temperature.

Reticulated Natural Gas Rebate Scheme

The Reticulated Natural Gas Rebate Scheme provides a rebate of up to approximately \$96 per annum to assist with the cost of reticulated natural gas supplied to the home of eligible holders of a Pensioner Concession Card, Queensland Seniors Card or a Department of Veterans' Affairs Gold Card.

Electricity Life Support Concession Scheme

The Electricity Life Support Concession Scheme is aimed at assisting seriously ill people who use home-based life support systems by providing a rebate of up to approximately \$1,063 per annum for users of oxygen concentrators and a rebate of up to approximately \$712 per annum for users of kidney dialysis machines to meet their electricity costs. The concession is subject to the patient being medically assessed in accordance with Queensland Health eligibility criteria.

Table A.3.3 Department of Housing and Public Works

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Public Housing Rental Subsidy	931.8	932.2
Home Assist Secure ¹	27.0	27.9
Non-residential Buildings - Subsidised Rents ²	9.1	12.9
Rental Bond Loans ³	3.3	3.7
Youth Subsidy - Community Housing	1.0	1.0
Community Housing ⁴	..	..
Total	972.2	977.7
Notes:		
1. The variance is based on the anticipated year on year demand for services provided under this scheme.		
2. The variance is primarily due to movements in comparative market rents based on prevailing conditions.		
3. The variance is based on the anticipated year on year demand for services provided under this scheme.		
4. The value of this concession arrangement cannot be easily quantified.		

Public Housing Rental Subsidy

The Public Housing Rental Subsidy targets low-income families and individuals and represents the difference between the estimated rents that would be payable in the private market and rent that is charged by the Government based on household income.

Assistance is provided to approximately 56,300 households. The estimated average yearly subsidy per household for 2026-27 is \$16,600.

Home Assist Secure

Home Assist Secure provides free safety-related information, referral and subsidised assistance for eligible clients unable to undertake or pay for critical maintenance services without assistance. To be considered for subsidised assistance, people with disability or 60 years or over must hold a Pensioner Concession Card and be unable to complete the work themselves. In addition, they must be unable to access assistance from other services.

Labour costs (up to \$500 per household per year) for the assistance provided are subsidised by Home Assist Secure while the balance of the costs (including the materials) are met by the client. Clients can also get a one-off subsidy of \$80 for the cost of materials for security related work (Security Hardware Subsidy).

Home Assist Secure targets homeowners and those in rental housing who are 60 years of age or older or have disability, and who require assistance to remain living in their home. In 2026-27, it is estimated that over 28,000 households will be assisted.

Non-residential Buildings – Subsidised Rents

Accommodation is provided to 34 community, education, arts and not-for-profit organisations in government-owned non-residential buildings. Tenures for the occupancies are by way of leases, licences or month-to-month arrangements. Rents paid by the organisations are often below independently assessed market rent levels. Subsidised rental arrangements are provided to 25 properties comprising a total floor area of approximately 41,720 square metres. The total subsidy is calculated by deducting the actual annualised amount paid by the occupants from the total estimated annual market rent for the space.

Rental Bond Loans

The Government provides interest-free rental bond loans to people who cannot afford to pay a full bond to move into private rental accommodation, thereby reducing the need for more costly, subsidised housing assistance, through three products:

- Bond Loans: equivalent to a maximum amount of four weeks rent
- Bond Loan Plus: equivalent to a maximum amount of six weeks rent
- Bridging Bond Loans: equivalent to a maximum amount of four weeks rent.

The interest-free bond loan targets low-income households and can stabilise tenancies, prevent households from entering the cycle of homelessness and engaging with fringe, high interest credit providers. The concession represents the interest saving for the client on the bond loan. In 2026-27, approximately \$38 million in bond loans, bond loan plus and bridging bond loans may be advanced to an estimated 16,000 clients, averaging approximately \$2,370 support per client.

Youth Subsidy – Community Housing

Funding has been provided for Registered Community Housing Providers (RCHPs) to help house more young people through a Youth Subsidy. Young people can face additional barriers when it comes to finding safe and affordable housing, including lower incomes, often while balancing study and work commitments, completing training and establishing their careers.

The subsidy will assist young people to access community housing by making it financially possible for RCHPs to house more young people. The department will provide RCHPs with a weekly subsidy for each eligible household where a young person is the primary tenant.

In 2026-27, the Government has allocated \$1 million for purposes of housing an estimated 1,000 young people under this program, based on anticipated demand for services provided under the scheme.

Community Housing

The Government provides contributions to RCHPs, including capital grants, granted land or properties, or recurrent funding, to assist in increasing housing affordability and access to social housing.

Due to the nature of the arrangement, particularly varying rents charged by providers based on individual circumstances of each household, the overall value of the concession provided by the Government cannot be easily quantified.

Rents charged for social housing managed by the RCHPs are based on 25% of a household's assessable income, 30% of a household's gross income, or the market rent, whichever is lower, which substantially reduces accommodation costs for eligible individuals and families. Many of these families may also be eligible for Commonwealth Rent Assistance to assist in the cost of their accommodation. Assistance is expected to be provided to approximately 16,500 households to access community housing in 2026-27.

Table A.3.4 Department of Justice

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Public Trustee of Queensland – Concessions ¹	45.3	47.9
Court Services – Civil Court	42.8	44.3
Queensland Civil and Administrative Tribunal	44.4	43.6
Blue Card – Volunteer Applicants ²	15.8	18.4
Body Corporate and Community Management – Dispute Resolution	5.1	4.2
Disability Worker Screening – Volunteer Applicants ²	2.4	3.0
Liquor Gaming and Fair Trading – Rural Hotel Concessions	0.4	0.4
Registry of Births, Deaths and Marriages – Fee Waivers	0.1	0.1
Total	156.3	161.9
Notes:		
1. The variance is due to indexation and an anticipated increase in service demand in 2026-27.		
2. The variance is due to indexation and an increase in forecast volume.		

Public Trustee of Queensland – Concessions

The Public Trustee of Queensland (The Public Trustee) uses a scale of fees which is designed to reflect a fair cost for the services provided.

The Public Trustee has established a safety net limit on the annual fees payable by certain customers which provides for a rebate of fees for some customers with limited assets. The rebate is applied to customers such as financial administration customers with impaired capacity, or estate administration customers of limited means. The Public Trustee also provides Will making services for Queenslanders at no cost.

Court Services – Civil Court

The Supreme, District and Magistrates Courts hear civil disputes between two or more parties (people or organisations) where one party sues the other, usually to obtain compensation, or seek some other remedy. These disputes may involve anything from defamation to outstanding debts.

Civil Court Fees are prescribed under the *Uniform Civil Procedure (Fees) Regulation 2019* for proceedings commenced in civil matters and are set below full cost recovery to ensure that civil remedies are accessible to all Queenslanders.

Queensland Civil and Administrative Tribunal

The Queensland Civil and Administrative Tribunal (QCAT) is an independent tribunal which makes decisions and resolves disputes across a wide range of jurisdictions for the community.

Fees for these services are set below cost recovery to ensure services are accessible, fair and inexpensive. QCAT provides human rights services with no application fees for matters related to guardianship and administration of adults, children and young people and anti-discrimination.

Blue Card – Volunteer Applicants

Individuals providing child-related services or conducting child-related activities in regulated service environments are required to undergo an assessment of their police and relevant disciplinary information, and if approved, are issued with a blue card. A blue card is valid for three years unless cancelled or suspended earlier.

The Government has met the cost of blue card assessment for volunteer applicants since the inception of the blue card system in 2001. This is to ensure children can continue to receive services and participate in activities which are essential to their development and wellbeing, in a safe and supportive environment.

Body Corporate and Community Management – Dispute Resolution

The Office of the Commissioner for Body Corporate and Community Management provides a dispute resolution service to parties unable to resolve disputes themselves. The service consists of conciliation, with the aim of achieving a voluntary agreement, and adjudication, which results in a formal order.

The service is delivered below full cost recovery so as not to restrict access to justice due to affordability reasons. The commissioner has the discretion to waive application fees on the grounds of financial hardship.

Disability Worker Screening – Volunteer Applicants

Individuals providing disability support activities in regulated service environments are required to undergo a suitability assessment to work with people with disability; and if approved, are issued with a National Disability Insurance Scheme (NDIS) Disability Worker Screening Clearance. A NDIS Worker Screening Clearance is valid for five years unless cancelled or suspended earlier.

The Government meets the cost of NDIS Disability Worker Screening assessment of volunteer applicants undertaken by the department.

The Government has committed to increasing volunteers within the disability sector to ensure that people with disability can continue to receive services and participate in activities which are essential for their support and wellbeing.

Liquor Gaming and Fair Trading – Rural Hotel Concessions

The Office of Liquor and Gaming Regulation licenses hotels and clubs under the *Liquor Act 1992*.

Under the *Liquor (Rural Hotels Concession) Amendment Act 2019*, the Rural Hotels Concession provides licence fee relief to establishments in remote communities by reducing the base licence fees for hotels and community clubs with no more than 2,000 members for eligible licences.

Registry of Births, Deaths and Marriages – Fee Waivers

The Registry of Births, Deaths and Marriages waives the fees for certificates provided to disadvantaged groups in the Queensland Community (e.g. Aboriginal and Torres Strait Islander peoples, people experiencing homelessness, domestic and family violence victims, etc.) and those impacted by major emergencies (e.g. natural disasters such as cyclones and bushfires).

The majority of concession waivers relate to the provision of birth certificates (\$56.20 per certificate in 2025-26), with approximately 2,000 individuals per annum receiving a benefit.

Table A.3.5 Department of Local Government, Water and Volunteers

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Rural Irrigation Water Price Discount	12.3	13.0
Sunwater Rural Irrigation Water Price Subsidy	10.7	10.8
Gladstone Water Security Subsidy	..	10.0
Cloncurry Pipeline Water Supply Subsidy	7.2	7.0
Seqwater Rural Irrigation Water Price Subsidy	2.1	2.0
Disaster Relief Arrangements – Annual Water Licence Fee Waiver	1.0	0.7
Drought Relief Arrangements – Annual Water Licence Fee Waiver	..	0.5
Total	33.3	44.0

Rural Irrigation Water Price Discount

An additional 15% discount provided as a rebate on irrigation water prices for eligible Sunwater and Seqwater customers, available to approved applicants for a two-year period including 2026-27.

Sunwater Rural Irrigation Water Price Subsidy

Sunwater's irrigation water prices for some schemes are set below the level necessary to recover the cost of supplying water to the irrigators.

Government funding is provided to Sunwater to offset the reduced revenue and to ensure irrigation prices gradually transition towards cost recovery.

Gladstone Water Security Subsidy

Water prices for urban customers supplied by Gladstone Area Water Board will be temporarily set below the level required to fully recover the costs of supplying water.

The Government will provide funding to the Gladstone Area Water Board to offset the resulting revenue shortfall, supporting the affordability of water services for urban customers while maintaining infrastructure sustainability.

Cloncurry Pipeline Water Supply Subsidy

North West Queensland Water Pipeline Limited (NWQWP), a Sunwater subsidiary, owns and operates the Cloncurry Pipeline between the Ernest Henry Mine and Cloncurry. The pipeline guarantees Cloncurry Shire Council's water supply and supports industrial development in the region.

The Government provides funding to NWQWP to ensure the pipeline remains commercially viable to operate while providing an affordable and safe water supply to Cloncurry.

Seqwater Rural Irrigation Water Price Subsidy

Seqwater's irrigation water prices for some schemes are set below the level necessary to recover the cost of supplying water to the irrigators.

Government funding is provided to Seqwater to offset the reduced revenue and to ensure that irrigation prices gradually transition towards cost recovery.

Disaster Relief Arrangements – Annual Water Licence Fee Waiver

Fees associated with annual water licences (\$98.34) will be waived for 2026-27 for disaster declared areas.

The waiver is available to landholders in Local Areas where Category B of the Disaster Recovery Funding Arrangements for Disaster Assistance (Primary Producer) Loans or Disaster Assistance (Essential Working Capital) Loans Scheme for Small Business is activated. In 2026-27, it is estimated 7,500 waivers will be issued to landholders.

Drought Relief Arrangements – Annual Water Licence Fee Waiver

To support landholders affected by drought, fees associated with an annual water licence invoice (\$98.34) and applications for stock or domestic water licences (\$156.24) will be waived for 2026-27. It is estimated 4,500 waivers may be issued to landholders.

The waiver is available to primary producers in drought declared areas and those who have an individually droughted property.

Table A.3.6 Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Primary Industry Productivity Enhancement Scheme (PIPES) ¹	28.4	40.6
Zero Rent for Exploration Permits for Minerals	15.9	16.5
Total	44.3	57.1
Note:		
1. The increase is mainly due to the anticipated increase in loan advances.		

Primary Industry Productivity Enhancement Scheme

Primary Industry Productivity Enhancement Scheme (PIPES) is administered by the Queensland Rural and Industry Development Authority and provides concessional rates of interest on loans to eligible primary producers in need of financial assistance.

First Start Loans and Sustainability Loans of up to \$2 million and \$1.3 million, respectively, support applicants to enter primary production and to improve productivity and sustainability. The amounts shown in the above table represent the fair values of the interest rate concessions pertaining to loans issued in the PIPES portfolio in each of the years shown.

Zero Rent for Exploration Permits for Minerals

The Government is reducing rent to \$0 for five years from 1 September 2023 for new and existing exploration permits for minerals other than coal.

Table A.3.7 Department of Primary Industries

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Drought Preparedness Grant Scheme	4.6	4.6
Sheep and Goat Electronic Identification (eID) Additional Assistance Scheme ¹	1.1	4.3
Stocked Impoundment Permit Scheme	0.1	0.1
Total	5.8	9.0
Note:		
1. The increase is due to the timing of scheme, which commenced on 30 March 2026.		

Drought Preparedness Grant Scheme

The Drought Preparedness Grant Scheme provides a rebate to eligible primary producers of up to \$50,000 for on-farm capital improvements identified in their Farm Business Resilience Plan to improve the drought preparedness of the producer's property.

Sheep and Goat Electronic Identification (eID) Additional Assistance Scheme

The Queensland Sheep and Goat eID Additional Assistance Scheme supports industry in the mandatory transition to sheep and goat individual eID to enhance national livestock traceability and biosecurity. The scheme provides financial assistance to eligible sheep and goat producers and businesses including:

- An eID reader and equipment rebate:
 - 50% rebate up to \$1,600 per property identification code for sheep and goat producers
 - 50% rebate ranging from \$2,500 to \$65,000 for saleyards
 - 50% rebate ranging from \$2,500 to \$85,000 for processors
 - 50% rebate up to \$1,600 for Queensland livestock agents and agricultural show sub-chambers.
- A point-of-sale discount of \$0.75 per eligible eID device (sheep and goats).

Stocked Impoundment Permit Scheme

The Stocked Impoundment Permit Scheme provides world class, sustainable fishing options in freshwater environments. It helps manage pressure on wild fish stocks through a requirement to hold a permit to fish in one of the state's 63 impoundments.

The scheme provides concessions if you have a Queensland Seniors Card, Pensioner Concession Card, Health Care Card or a Repatriation Health Card (Gold Card) and aims to facilitate participation in recreational fishing for seniors and concession card holders. The concession provides a discount of \$17.53 on the cost of an annual permit.

Table A.3.8 Department of Sport, Racing and Olympic and Paralympic Games

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Play On! Sports Vouchers	62.5	62.5
Sport and Recreation Venues – Concessional Usage Rates & Gym Fees	2.6	2.3
SwimStart	1.0	1.0
Total	66.1	65.8

Play On! Sports Vouchers

The Play On! Sports Vouchers are valued at up to \$200 each, with every Queensland child aged between 5 and 17 is eligible to apply for one each financial year, with two rounds offered annually to align with the winter and summer sports sign-on seasons. Play On! Sports Vouchers are particularly targeting supporting children in regional and remote communities, as well as children with disability, to help them access and participate in sports.

Sport and Recreation Venues – Concessional Usage Rates & Gym Fees

Concessional usage rates are offered to clients who meet the strategic objectives of the department, including gym members eligible for concessional rates, not-for-profit sport and recreation organisations, Queensland schools and Queensland state sporting organisations, for the use of Sport and Recreation owned and operated venues, including Queensland Recreation Precincts at Currimundi and Tallebudgera and the Gold Coast Performance Centre at Runaway Bay.

Table A.3.9 Department of State Development, Infrastructure and Planning

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
South Bank Corporation – Concessional Event Hire	0.4	0.5
Total	0.4	0.5

South Bank Corporation – Concessional Event Hire

Concessional event hire is offered for special events held in the Parklands by not-for-profit entities. The level of concession varies depending on the number and size of events being held each year.

Table A.3.10 Department of the Environment, Tourism, Science and Innovation

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Queensland Parks and Wildlife Service – Tour fee and Access Permits	2.1	2.2
Total	2.1	2.2

Queensland Parks and Wildlife Service – Tour Fee and Access Permits

A range of concessions are available through the Department of the Environment, Tourism, Science and Innovation.

Visitor admission and ranger-guided tour fees concessions of 10% to 100% are available at several attractions and visitor centres for eligible persons including infants, children,

pensioners, concession card holders and groups undertaking tours or access for educational purposes.

Vehicle access permit concessions of up to 100% are available in the Cooloola Recreation Area, Bribie, Moreton (Mulgumpin) and K'gari Islands for approved applicants, including First Nations peoples and local residents required to traverse the protected area estate.

Camping concessions of 45% to 100% are available in all national park and state forest camping areas for educational purposes and children under five years of age.

Table A.3.11 Department of Trade, Employment and Training

Concession	2025-26 Est. Act. \$ million	2026-27 Estimate \$ million
Career Start – Apprentices and Trainees Training Subsidy ¹	287.0	337.7
Career Start – General Training Subsidy ^{1,2}	299.9	296.3
Career Boost – General Training Subsidy ¹	128.7	164.3
Travel and Accommodation Subsidy ¹	7.0	3.0
Free Tools for First Years Program ³	0.5	..
Total	723.1	801.3
Notes:		
1. The variance is due to the demand-driven nature of the programs.		
2. The Department of Education shares funding responsibility of the VET in Schools program for state schools.		
3. The variance is due to the expected cessation of the program, with claims closed 30 June 2025.		

Career Start – Apprentices and Trainees Training Subsidy

The Career Start Apprentices and Trainees Training Subsidy provides funding towards the cost of training and assessment for eligible Queensland apprentices and trainees or complementary pathways leading to apprenticeship outcomes.

Subsidies are available to pre-approved public and private registered training organisations to support tuition fees to reduce the cost of nationally recognised entry-level training for apprentices and trainees. The Free Apprenticeships for under 25s component provides fully subsidised training for more than 130 priority apprenticeship and traineeship qualifications.

Apprentices and trainees and their employers have the flexibility to choose a training provider that suits their specific needs, supporting industry-aligned learning pathways. The value of this subsidy for each qualification ranges from \$1,390 to \$52,710, depending on student eligibility and qualification subsidised. The average subsidy value is \$11,118.

Career Start – General Training Subsidy

The Career Start General Training Subsidy supports Queenslanders to undertake entry-level vocational qualifications outside of apprenticeships and traineeships.

This program is targeted at jobseekers and individuals seeking their first post-school qualification, helping them gain job-ready skills or employment. It also includes training for eligible school students undertaking Certificate I or II qualifications that provide pathways to post-school employment or further vocational study.

Government subsidies are available to pre-approved registered training organisations (Skills Assure Suppliers) for a range of Certificate III-level qualifications aligned to industry need and workforce participation goals.

The value of this subsidy for each qualification ranges from \$552 to \$7,850, depending on student eligibility and qualification subsidised. The average subsidy value is \$3,614.

Career Boost – General Training Subsidy

The Career Boost General Training Subsidy helps Queenslanders progress into higher-level vocational training that supports job advancement, specialisation, or transition into further education. It funds training in priority and emerging industries such as health, energy, and advanced manufacturing.

The program provides subsidies for eligible students undertaking Certificate IV, diploma, and advanced diploma qualifications, as well as selected skill sets that respond to critical workforce needs.

Subsidies are available to pre-approved public and private registered training organisations (Skills Assure Suppliers).

In 2026-27 this program also includes targeted initiatives such as Free Nursing, which will reduce cost barriers for learners entering essential health and care occupations.

The value of this subsidy for each qualification ranges from \$1,390 to \$12,232, depending on student eligibility and qualification subsidised. The average subsidy value is \$5,284.

Travel and Accommodation Subsidy

The Travel and Accommodation Subsidy provides financial assistance to Queensland apprentices and trainees for travel expenses incurred in attending off-the-job training at a registered training organisation. To be eligible, apprentices must attend the closest registered training organisation that offers the required qualification and travel a minimum of 100 km return from their usual place of residence to the registered training organisation. The subsidy provides for:

- return land travel to the registered training organisation of 28 cents per km for distances between 100 km and 649 km, increasing to 34 cents per km for distances of 650 km or more
- a return economy air ticket to the location of the registered training organisation for distances of 1,100 km or more if necessary
- cost of ferry travel if necessary
- accommodation assistance of \$58 per day for overnight stay within Queensland and \$112 for interstate travellers, if it is necessary to live away from their usual place of residence to attend training.

Free Tools for First Years Program

The Free Tools for First Years Program provides a rebate to eligible first-year apprentices to help offset the cost of essential tools required to commence work in their trade. The program supports apprentice participation and retention by reducing upfront costs. It complements the department's broader investment in vocational education and training pathways.

Table A.3.12 Department of Transport and Main Roads

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
General Public Transport Concessions (South East Queensland) ¹	2,786.7	2,945.8
Rail Network and Infrastructure Funding	1,081.4	1,089.6
General Public Transport Concessions (Regional Queensland)	394.6	403.2
Vehicle and Boat Registration Concessions ²	223.2	234.6
School Transport Assistance Scheme	170.0	173.3
Livestock and Regional Freight Contracts	42.0	42.6
Rail Concession Scheme	29.9	29.9
Other Transport Concessions (Regional Queensland), Taxi Subsidies and Disability Parking Permits ³	22.4	19.6
Practical Driving Test	7.8	7.9
Designated Public Transport Concessions for Interstate Seniors Card Holders	4.7	4.8
Remote Communities Freight Assistance Scheme ⁴	29.4	4.4
Total	4,792.1	4,955.7
Notes:		
1. The increase is mainly due to indexation and growth in services for bus, ferry and demand-responsive transport services and significant investment in the South East Queensland rail network. The increase also continues to improve service availability while maintaining affordability for all modes.		
2. The increase is mainly due to indexation on the registration fee and population growth rate.		
3. The decrease is due to a timing difference in the receipt of Federal Government NDIS reimbursement.		
4. The decrease is due to the Northern Peninsular store subsidy component temporarily increasing from 5.2% to 20% in 2024-25 which accelerated the utilisation of the available funding.		

General Public Transport Concessions (South East Queensland)

The General Public Transport Concessions (South East Queensland) represents the direct funding contribution the Government makes towards the cost of operating public transport services within South East Queensland.

This contribution reduces the ticket price paid by all public transport users on bus, rail and ferry services, increasing the affordability of these services.

The Government made 50 cent fares permanent in February 2025.

Rail Network and Infrastructure Funding

The Rail Transport Service Contract (Rail TSC) provides funding to Queensland Rail to support major capital projects and related asset strategies. Rail network and infrastructure funding ensures that the state-supported rail network is safe, reliable and fit for purpose.

The funding provided via the Rail TSC directly benefits customers of the state-supported rail network, including both freight and passenger service users. Without this funding, rail access charges (including public transport fares) would be significantly higher for all users of the rail network.

General Public Transport Concessions (Regional Queensland)

The General Public Transport Concessions (Regional Queensland) represents the financial contribution that Government provides across a range of transport services in regional Queensland. The impact of this contribution benefits all public transport users through reduced transport fares. This concession covers:

- subsidies for regional bus and ferry operators (excluding concessional top up amounts and School Transport Assistance Scheme related amounts)
- subsidies for air services to remote and rural communities within the state
- subsidies for Kuranda Scenic Railway
- TravelTrain (excluding the 'Rail Concession Scheme' for eligible pensioners, veterans and seniors)
- subsidies for long-distance coach services to rural and remote communities within the state
- subsidies for Heritage Rail Services
- subsidies for the Rail XPT Service (Sydney-Brisbane) and Savannahlander (Atherton Tableland).

To provide assistance with cost-of-living pressures, the Government has provided fare reductions across the regional public transport network, with a flat fare of 50 cents per trip made available on a permanent basis in February 2025.

Vehicle and Boat Registration Concessions

Vehicle registration concessions for light and heavy motor vehicles are provided to a variety of individuals and organisations. For simplicity, this can be broken into two categories: person-based concessions and vehicle-based concessions.

Person-based concessions include concessions to holders of the Pensioner Concession Card, Queensland Seniors Card and to those assessed by the Department of Veterans' Affairs as meeting the necessary degree of incapacity or impairment. For most eligible card holders, a concession for a 4-cylinder vehicle would reduce the 12-month registration fee, excluding the Traffic Improvement Fee, by 50% from \$385.45 to \$192.75 (current at 1 July 2026). As at 31 March 2026, this concessional group applied to approximately 604,254 vehicles.

Vehicle-based concessions are offered to Charitable and Community Service Organisations, Primary Producers, Special Interest Vehicles, people living in remote areas, Consular and Local Governments. As at 31 March 2026, this concessional group applied to approximately 127,038 vehicles.

For a recreational boat up to and including 4.5 metres in length, the concession reduces the registration fee by 50% from \$100.65 to \$50.35. As at 31 March 2026, these concessions applied to approximately 35,634 vessels.

School Transport Assistance Scheme

The School Transport Assistance Scheme assists students that do not have a school in their local area or who are from defined low-income groups. The scheme provides funding to reduce the cost of travelling to school on bus, rail and/or ferry services, with allowances for private vehicle transport in certain circumstances. A typical concession would be to fully fund the cost of travel from home to the nearest state primary or high school where no local primary or high school is available (e.g. from Bargara to Bundaberg High School).

Livestock and Regional Freight Contracts

The Livestock and Regional Freight Contracts provide funding to support the movement of both cattle and freight via rail to and from regional areas of Queensland. The funding reduces the cost of rail freight services, directly benefiting the cattle industry and those communities who are reliant on rail freight services and enabling regional Queensland communities to maintain employment.

Rail Concession Scheme

The Queensland Rail Concession Scheme improves the affordability of long-distance rail services for eligible pensioners, veterans, seniors and current/past rail employees with 25 years of service. Assistance for long-distance rail services is provided through discounted fares and free travel vouchers.

For TravelTrain (long-distance rail) services, depending on the service, the concession may be for free travel for up to four trips per year for Queensland pensioners (subject to availability of seats and payment of an administration fee).

Other Transport Concessions (Regional Queensland), Taxi Subsidies and Disability Parking Permits

Other transport concessions (regional Queensland), taxi subsidies and disability parking permits are provided to ensure access and mobility for Queenslanders who require assistance because of age, disability or fixed low income.

Passengers entitled to receive public transport concessions include holders of a Pensioner Concession Card, Veterans' Affairs Gold or White Card, Seniors Card, Companion Card,

Vision Impairment Travel Pass, Total Permanent Incapacitated/Extreme Disablement Adjustment Veteran Travel Card, children, secondary and tertiary students, JobSeeker and Youth Allowance recipients and asylum seekers.

The Government made 50 cent fares permanent in February 2025, replacing concessions on these services for cardholders not eligible for free travel.

The Taxi Subsidy Scheme (TSS) aims to improve the mobility of persons with severe disabilities by providing a 50% concession fare up to a maximum subsidy of \$30 per trip. As at April 2026 there were 44,000 TSS members.

Practical Driving Test

As part of the state's driver licensing arrangements, applicants for new licences are required to undertake a practical driving test. The total cost to pre-book driver examinations and to perform the practical driver assessment is not fully recovered by the fee charged (\$69.40 (including GST) current at 1 July 2026). The objective of this concession is to assist predominantly young drivers and/or their parents with cost-of-living pressures. It is estimated that in 2026-27, 187,664 applicants will each receive a direct concession of \$42.

Designated Public Transport Concessions for Interstate Seniors Card Holders

Designated Public Transport Concessions for Interstate Seniors Card Holders allows visitors from interstate, who hold a state or territory Seniors Card, to access public transport concessions within Queensland and is fully funded by the Queensland Government.

The Queensland Government made 50 cent fares permanent in February 2025, replacing this concession for SEQ services. Concessions are still available for Queensland Rail Travel long-distance services, with a discount of 25% off the full adult rail fare.

Remote Communities Freight Assistance Scheme

The Remote Communities Freight Assistance Scheme is easing freight-related cost-of-living pressures across various remote and regional Queensland communities.

Communities in the Northern Peninsula, Torres Strait and Gulf regions are benefiting from a retail subsidy of 20% on essential goods at participating retailers.

The retail subsidy is being applied across 15 of the 17 nominated Local Government Areas in the Northern Peninsula, Torres Strait and Gulf Regions.

Communities in the South West region are benefiting from subsidised road freight services which reduce the cost of moving freight along the Balonne and Warrego highway supply chains.

The amounts shown are for the peninsular and South-West components of the scheme only.

Communities in the Central West region are benefiting from subsidised rail freight services along the central west rail line from Rockhampton to Longreach. Funding for rail freight services in Central West is identified under Livestock and Regional Freight Contracts.

Table A.3.13 Queensland Fire Department

Concession	2025-26	2026-27
	Est. Act.	Estimate
	\$ million	\$ million
Emergency Management Levy Concession	12.2	12.8
Total	12.2	12.8

Emergency Management Levy Concession

The emergency management levy is applied to all prescribed Queensland property via council rates to ensure there is a secure funding base for fire and emergency services when Queenslanders are at risk during emergencies such as fire and accidents, as well as floods, cyclones, and storms.

A 20% discount is available on the emergency management levy for a property that is the owner's principal place of residence and where the owner holds a Federal Pensioner Concession Card or a Repatriation Health Card (Gold Card). For example, an eligible owner of a house in a Class A Levy District will save an estimated \$52 on their total annual emergency management levy contribution for 2026-27. Class A Levy Districts include many metropolitan areas.

Approximately 291,000 eligible property owners are estimated to receive the benefit of the emergency management levy concession in 2026-27.

Table A.3.14 Queensland Health

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Oral Health Scheme ¹	203.7	200.1
Patient Travel Subsidy Scheme ²	119.8	140.4
Medical Aids Subsidy Scheme ³	40.1	42.6
Spectacle Supply Scheme ⁴	8.2	9.9
Hospital Car Parking Concession Scheme ⁵	1.8	1.8
Total	373.6	394.8
Notes:		
1. In 2026-27, Federal Government funding available under the Federation Funding Agreement on Public Dental Services for Adults will remain the same as previous years (no indexation provided). The variance is due to elevated activity in 2025-26.		
2. The 2026-27 Patient Travel Subsidy Scheme estimate reflects increased demand projections and an increased fuel mileage subsidy for 2026-27.		
3. The increase is due to expected cost escalations and service growth.		
4. Reduced demand in 2025-26 reflects decrease in overall applications. Demand fluctuates across financial years due to the two-year eligibility requirements for Queensland residents.		
5. The concession scheme funding allocation reached full expenditure in 2025-26.		

Oral Health Scheme

The Oral Health Scheme provides free dental care to eligible clients and their dependants who possess a current Health Care Card, Pensioner Concession Card, Queensland Seniors Card or Commonwealth Seniors Card.

The average value of a course of treatment for eligible clients is approximately \$910 for general care, \$2,460 for treatment involving dentures, and \$320 for emergency dental care. In rural and remote areas where no private dental practitioner exists, access to dental care for the general public is provided at a concessional rate, generally 15% to 20% less than average private dental fees.

Patient Travel Subsidy Scheme

The Patient Travel Subsidy Scheme provides financial assistance to eligible patients travelling for specialist medical services that are not available locally. The scheme provides a financial subsidy toward the cost of travel and accommodation for patients and, in some cases, an approved escort when patients are required to travel more than 50 km from their nearest public hospital or public health facility to access specialist medical services.

Under this scheme, patients receive either fully subsidised commercial transport for the most clinically appropriate cost-effective mode, or a subsidy at the appropriate discount rate, excluding GST and fees.

The Government is providing an uplift of \$11.7 million per annum from 2026-27 to improve processing times and increase affordability for patients and families travelling under the scheme. From 2026-27, the mileage subsidy will increase from 34 cents per kilometre to 45 cents per kilometre where patients travel by private car. Funding will support Queensland patients, particularly in regional areas, to better access specialist care by increasing assistance with travel costs when services are not available locally.

The scheme will continue to provide assistance with accommodation costs, with a subsidy of \$70 per night for commercial accommodation and \$10 per night for private accommodation available to eligible Queensland patients.

This funding will build on and complement existing supports.

Medical Aids Subsidy Scheme

The Medical Aids Subsidy Scheme provides access to funding assistance for the provision of a range of aids and equipment to eligible Queensland residents with permanent and established conditions or disabilities. Aids and equipment are provided primarily to assist people to live at home, therefore avoiding premature or inappropriate residential care or hospitalisation.

Subsidies vary based on service category and clinical criteria and are provided to assist with the costs of communication aids, continence aids, daily living aids, medical grade footwear, mobility aids, orthoses and oxygen.

Based on demand and current applications as at end of March 2026, the scheme has provided 54,148 occasions of service to 44,450 clients. The scheme is estimated to provide approximately 72,197 occasions of service to approximately 59,266 clients in 2025-26.

If growth continues at the same rate as 2025-26, the scheme is estimated to provide 74,429 occasions of service to approximately 61,043 clients in 2026-27.

Spectacle Supply Scheme

The Spectacle Supply Scheme provides eligible Queensland residents with free access to a comprehensive range of basic spectacles every two years including bifocals and trifocals. Applicants must be holders of an eligible concession card and be deemed by a prescriber to have a clinical need for spectacles.

In 2025-26, it is estimated that the scheme will provide over 81,000 items to approximately 55,000 clients (some clients require more than one pair of spectacles due to clinical need), with eligibility on a two-year basis. Demand can fluctuate across financial years.

Hospital Car Parking Concession Scheme

The Hospital Car Parking Concession Scheme supports Hospital and Health Services to provide affordable car parking for eligible patients and their carers at 17 Queensland public hospitals with paid parking.

Car parking concessions are available to eligible patients and their carers who attend hospital frequently, or for an extended period of time; patients and their carers with special needs who require assistance; and patients and carers experiencing financial hardship.

The scheme provides access to discounted parking with a year-to-date average parking discount of approximately 55% when compared to commercial rates.

Table A.3.15 Queensland Treasury

Concession	2025-26	2026-27
	Est. Act.	Estimate
	\$ million	\$ million
Uniform Tariff Policy – Energy Queensland (Excluding Isolated Systems) ¹	523.3	605.3
Uniform Tariff Policy – Energy Queensland (Isolated Systems) ¹	121.7	126.4
Supercharged Solar for Renters	8.8	8.8
Electricity Tariff Adjustment Scheme ²	4.9	4.5
Uniform Tariff Policy – Origin Energy ³	4.3	3.0
Total	663.0	748.0
Notes:		
1. Higher payments in 2026-27 reflect a reduction in electricity prices set by the Queensland Competition Authority, consistent with the Australian Energy Retailer's Default Market Offer for 2026-27.		
2. Reductions are in line with program expectations, as participants move out of the scheme over time.		
3. Annual changes are due to variations in regulated tariffs in regional Queensland relative to prices in regional New South Wales.		

Uniform Tariff Policy – Energy Queensland (Excluding Isolated Systems)

A customer service obligation payment is provided to the regional retailer, Ergon Energy, through Energy Queensland, and covers the difference between the revenue earned by charging customers notified prices and the actual costs in the regional areas (due to differences in network costs and energy losses).

Uniform Tariff Policy – Energy Queensland (Isolated Systems)

Energy Queensland, through the regional retailer Ergon Energy, owns and operates 33 isolated power systems which supply electricity in remote and isolated communities, and provides retail electricity services to customers in those communities at notified electricity prices.

This customer service obligation payment is provided to Ergon Energy, through Energy Queensland, and covers the difference between the revenue earned by charging customers notified prices and the actual cost of operating the isolated power systems.

Supercharged Solar for Renters

The Supercharged Solar for Renters program provides cost-of-living support through reducing energy bills for Queensland renters.

The program provides rebates of up to \$3,500 to eligible landlords for installing solar systems on rental properties.

Electricity Tariff Adjustment Scheme

The Electricity Tariff Adjustment Scheme provides targeted support to regional businesses materially impacted by the phase-out of obsolete electricity tariffs from 30 June 2021. This initiative provides eligible customers with individually tailored transitional rebates to help offset the removal of obsolete tariffs and incentivise a pathway to self-sufficiency over time. Eligible businesses will receive a subsidy payment for up to nine years.

Uniform Tariff Policy – Origin Energy

Origin Energy retails electricity to approximately 4,700 Queensland non-market customers in the Goondiwindi, Texas and Inglewood areas who are supplied electricity through the New South Wales Essential Energy distribution network.

The Government provides a subsidy to these customers, via rebate payments to Origin Energy, to ensure they pay a similar price for electricity as other Queenslanders. Therefore, the rebate amount depends on the relative difference between Queensland and New South Wales retail electricity tariffs for non-market customers.

A.4 Concessions by government-owned corporations

Table A.4.1 Energy Queensland Limited

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Regulated Service Charges – Energex	18.2	19.2
Regulated Service Charges – Ergon Energy	9.9	10.3
Total	28.1	29.5

Regulated Service Charges – Energex

Under Schedule 8 of the *Electricity Regulation 2006*, charges for a range of services provided by Energex Limited (Energex) to energy retailers, for example disconnection and reconnection of supply, are capped.

The maximum amount Energex is able to charge for these services is, on average, less than the value which the Australian Energy Regulator ascribes to the provision of these services by Energex, resulting in a concession provided to energy retailers and, in turn, to Queensland households.

Regulated Service Charges – Ergon Energy

Under Schedule 8 of the *Electricity Regulation 2006*, service charges for a range of services provided by Ergon Energy Corporation Limited (Ergon Energy) to energy retailers, for example disconnection and reconnection of supply, are capped.

The maximum amount Ergon Energy is able to charge for these services is, on average, less than the value which the Australian Energy Regulator ascribes to the provision of these services by Ergon Energy, resulting in a concession provided to energy retailers and, in turn, to Queensland households.

Table A.4.2 Gladstone Ports Corporation Limited

Concession	2025-26	2026-27
	Est. Act. \$ million	Estimate \$ million
Concessional Port Charges	39.0	51.0
Total	39.0	51.0

Concessional Port Charges

The Gladstone Ports Corporation Limited (GPC) is subject to a number of long-term major industry contracts where port charges are significantly lower than market rates. These historical contracts were entered into to support various industries and government

initiatives from time to time. The amounts shown are estimates of the revenue foregone by GPC as a result of being unable to charge commercial rates.

Table A.4.3 Sunwater Limited

Concession	2025-26	2026-27
	Est. Act.	Estimate
	\$ million	\$ million
Water Supply Contracts	39.1	40.9
Total	39.1	40.9

Water Supply Contracts

Sunwater has a number of historic non-commercial water supply contracts that benefit specific entities (including local governments). The amount shown represents the difference between the estimated revenue under these contracts and what could potentially be recovered under a commercial cost allocation pricing model.

Table A.4.4 Concessional Leases by Entity (Industry, Commercial and Community)

Concession	2025-26	2026-27
	Est. Act.	Estimate
	\$ million	\$ million
Port of Townsville Limited	6.9	7.0
Gladstone Ports Corporation Limited	6.0	6.0
Queensland Rail Limited	2.8	2.9
Far North Queensland Ports Corporation Limited	2.2	2.2
North Queensland Bulk Ports Corporation Limited	1.7	1.7
Total	19.6	19.8

Concessional Leases (Industry, Commercial and Community)

The above GOC entities provide leases to various community organisations, local councils, government departments and industry participants at below commercial rates. The amounts shown are estimates of the revenue foregone by not charging commercial rates.

Appendix B: Tax expenditure statement

Context

Governments employ a range of policy tools to achieve social and economic objectives. These include the use of direct budgetary outlays, regulatory mechanisms and taxation.

This Tax Expenditure Statement (TES) details revenue forgone as a result of Queensland Government decisions relating to the provision of tax exemptions or concessions. The TES is designed to improve transparency in the use of tax expenditures and increase public understanding of the fiscal process.

Tax expenditures are reductions in tax revenue that result from the use of the taxation system as a policy tool to deliver government policy objectives. Tax expenditures are provided through a range of measures, including:

- tax exemptions, rebates or deductions
- the application of reduced tax rates to certain groups or sectors of the community
- provisions which defer payment of a tax liability to a future period.

Labelling an exemption or concession as a tax expenditure does not necessarily imply any judgement as to its appropriateness. It merely makes the amount of the exemption or concession explicit and thereby facilitates scrutiny as part of the annual budget process.

Methodology

Revenue forgone approach

The method consistently used by governments to quantify the value of their tax expenditures is the revenue forgone approach. This method estimates the revenue forgone through use of the concession by applying the benchmark rate of taxation to the volume of activities or assets affected by the concession.

One of the deficiencies of the revenue forgone approach is that effects on taxpayer behaviour resulting from tax expenditures are not factored into the estimate. Consequently, the aggregation of costings for individual tax expenditure items presented in the TES will not necessarily provide an accurate estimate of the total level of assistance provided through tax expenditures.

Measuring tax expenditures requires the identification of:

- a benchmark tax base
- concessionally taxed components of the benchmark tax base such as a specific activity or class of taxpayer
- a benchmark tax rate to apply to the concessionally taxed components of the tax base.

Defining the tax benchmark

An important step in the preparation of a TES is the establishment of a benchmark for each tax included in the statement. The benchmark provides a basis against which each tax concession can be evaluated. The aim of the benchmark is to determine which concessions are tax expenditures as opposed to structural elements of the tax. The key features of a tax benchmark are:

- the tax rate structure
- any specific accounting conventions applicable to the tax
- the deductibility of compulsory payments
- any provisions to facilitate administration
- provisions relating to any fiscal obligations.

By definition, tax expenditures are those tax concessions not included as part of the tax benchmark.

Identification of what features of a tax constitute a tax expenditure, as well as the relevant benchmark revenue bases and rates, requires a degree of judgement and is not definitive. In addition, data limitations mean that the tax expenditures are approximations and are not exhaustive. This statement does not include estimates of revenue forgone from exemptions or concessions provided to government agencies. Very small exemptions or concessions are also excluded.

The tax expenditure statement

This year's statement includes estimates of tax expenditures in 2024-25 and 2025-26 for payroll tax, the mental health levy, land tax, duties, the waste disposal levy and gambling taxes. A summary of the major tax expenditures valued on the basis of revenue forgone is presented in Table B.1. Not all expenditures can be quantified at this time. Accordingly, the total value of tax expenditures should be considered as indicative only.

Table B.1 Tax expenditure summary¹

	2024-25 ²	2025-26
	\$ million	\$ million
Payroll tax		
Liability threshold	1,108	1,126
Graduated scale	34	37
Deduction scheme	741	776
Regional discount	109	117
Section 14 exemptions	1,079	1,134
<i>Local government</i>	187	197
<i>Education</i>	287	302
<i>Hospitals (excluding public hospitals)</i>	82	86
<i>Charities</i>	523	550
Apprentice and trainee exemption	123	127
Apprentice and trainee rebate	53	55
General practitioner amnesty and exemption ³	111	116
Total payroll tax	3,357	3,488
Mental health levy		
Graduated scale	206	221
Land tax		
Liability threshold	1,078	1,125
Graduated land tax scale	2,167	2,531
Principal place of residence exemption	832	1,022
Primary production exemption	433	532
Part 6 Divisions 2 and 3 exemptions not included elsewhere	220	221
Land developers' concession	10	8
Land tax foreign surcharge relief ⁴	109	208
Total land tax	4,848	5,647
Duties		
Transfer duty		
Home concession	486	499
First home concession ⁵	343	274
First home (new home) concession ⁶	3	38
First home vacant land concession ⁷	31	63
Additional foreign acquirer duty relief	13	24
Insurance duty		
WorkCover	124	132
Health insurance	563	588
Compulsory third party (CTP)	100	103
Vehicle registration duty		
Electric and hybrid vehicle concession	41	62
Total duties	1,704	1,784

Budget Strategy and Outlook 2026-27

	2024-25 ²	2025-26
	\$ million	\$ million
Waste disposal levy		
Exempt waste – general ⁸	40	72
Approved exemptions	225	229
Approved discounts	10	14
Total waste disposal levy	276	315
Taxes on gambling		
Gaming machine taxes	158	159
Casino taxes	15	14
Total taxes on gambling	173	173
Total	10,564	11,628
Notes:		
<ol style="list-style-type: none"> 1. Numbers may not add due to rounding. 2. 2024-25 estimates may have been revised since the 2025-26 Queensland Budget. 3. From 1 December 2024, a payroll tax exemption for payments to all general practitioners (GPs), including employed GPs, has applied under Section 14 of the <i>Payroll Tax Act 1971</i>. Prior to this date, a payroll tax amnesty was provided for contracted GPs, with the amnesty due to expire on 30 June 2025. Tax expenditures for each measure are combined as a standalone item in this table. 4. The increase in 2025-26 reflects a range of factors including administrative efforts to process aged applications, as well as the impact of land value growth. 5. The decrease in 2025-26 in part reflects that the first home (new home) concession applies to some transactions that previously would have had the first home concession applied. 6. The increase in 2025-26 reflects this concession type applies to contracts signed from 1 May 2025. 7. The increase in 2025-26 reflects the removal of vacant land value caps for contracts signed from 1 May 2025. 8. The increase in 2025-26 is primarily due to an increase in exempt asbestos waste. 		

Discussion of individual tax expenditures

Payroll tax

The benchmark tax base for payroll tax is assumed to be all taxable wages, salaries and supplements (including employer superannuation contributions) paid in Queensland, as defined in the *Payroll Tax Act 1971*.

Payroll tax liability threshold

From 1 July 2019, employers in Queensland with an annual Australian payroll of \$1.3 million or less have not been liable for payroll tax. On the basis of November 2025 average weekly adult total earnings, the threshold corresponded to businesses with payrolls equivalent to employing approximately 12 full-time equivalent employees. This threshold is designed to assist small and medium sized businesses.

Graduated payroll tax scale

Queensland employers with Australian payrolls between \$1.3 million and \$6.5 million are liable for payroll tax at a rate of 4.75%, and those with payrolls above \$6.5 million are liable at a rate of 4.95%. The benchmark tax rate for payroll tax is assumed to be 4.95%.

Deduction scheme

Queensland employers with Australian payrolls between \$1.3 million and \$10.4 million benefit from a deduction in taxable payrolls of \$1.3 million, which reduces by \$1 in every \$7 by which the annual payroll exceeds \$1.3 million. No deduction is available for employers or groups that have annual payroll in excess of \$10.4 million.

Regional discount

Employers who are based in regional Queensland and pay over 85% of taxable wages to regional areas may be entitled to a discount on the rate of payroll tax imposed on their taxable wages. The discounted payroll tax rates for regional businesses are 3.75% for employers who pay \$6.5 million or less in Australian taxable wages, or 3.95% for employers who pay more than \$6.5 million in Australian taxable wages.

From 1 July 2024, the regional discount does not apply for employers who pay more than \$350 million in Queensland taxable wages.

Section 14 exemptions

A number of organisations are provided with exemptions from payroll tax under Section 14 of the *Payroll Tax Act 1971*. The activities for which estimates have been calculated are wages paid by charities for employees working in hospitals, non-tertiary private educational institutions and for other qualifying exempt purposes, and for local governments (excluding commercial activities).

Apprentice and trainee exemptions

Most apprentice and trainee wages are exempt from payroll tax. To be eligible the employee must sign a training contract with their employer to undertake an apprenticeship or traineeship declared under the *Further Education and Training Act 2014*.

Apprentice and trainee rebate

In addition to being exempt wages for payroll tax, a rebate can be claimed that reduces the overall payroll tax liability of an employer. The rebate is calculated by multiplying 50% of the apprentice and trainee wages by the applicable payroll tax rate for each return period.

General practitioner amnesty and exemption

A payroll tax amnesty in relation to payments made to contracted general practitioners applied for the 5-year period until 30 November 2024. From 1 December 2024, wages paid by a medical practice (other than a hospital) to a contracted or employee general practitioner are exempt from payroll tax under Section 14 of the *Payroll Tax Act 1971*.

Mental health levy

The benchmark tax base for the mental health levy is assumed to be taxable wages, salaries and supplements (including employer superannuation contributions) paid in Queensland.

Queensland employers with Australian payrolls between \$10 million and \$100 million are liable for a primary rate of 0.25%, and those with payrolls above \$100 million are liable for the primary rate of 0.25% plus an additional rate of 0.5%. The benchmark rate for the mental health levy is assumed to be 0.75%.

Land tax

The benchmark tax base is assumed to be all freehold land within Queensland. As outlined below for each specific tax expenditure, the appropriate benchmark tax rate for land tax is

either the top rate of land tax applicable in Queensland (excluding surcharges) in each financial year, or the effective rate under the graduated scale of land tax rates for revenue foregone.

Liability threshold

Land tax is payable on the value of taxable land equal to or above a threshold which depends on the land's ownership. The threshold for companies, trusts and absentees is \$350,000 and for resident individuals the threshold is \$600,000.

Graduated land tax scale

A graduated (concessional) scale of land tax rates is applicable to land holdings with a taxable value of less than \$10 million for resident individuals and companies, trustees and absentees. The benchmark rates used for estimating the tax expenditures were the highest rates applicable for different types of owner, 2.25% for individuals, 2.5% for absentees and 2.75% for companies and trustees.

Principal place of residence exemption

Land owned by resident individuals as their principal place of residence is excluded from the estimate of taxable land value in calculating land tax. The benchmark rates used for estimating the tax expenditures were the effective rate under the graduated scale of land tax rates.

Primary production deduction

The taxable value of land owned by a resident individual, trustee or some absentees and companies does not include all or part of their land that is used for the business of agriculture, pasturage or dairy farming. The benchmark rates used for estimating the tax expenditures were the effective rate under the graduated scale of land tax rates.

Part 6 Divisions 2 and 3 exemptions (not elsewhere included)

A number of land tax exemptions are granted to eligible organisations in Part 6 Divisions 2 and 3 of the *Land Tax Act 2010*. These include, but are not limited to, public benevolent institutions, religious institutions and other exempt charitable institutions, retirement villages, trade unions and showgrounds.

Land developers' concession

Land tax payable by land developers is calculated on the basis that the unimproved value of undeveloped land subdivided in the previous financial year and which remains unsold at 30 June of that year is 60% of the Valuer-General's value. This concession is outlined in Section 30 of the *Land Tax Act 2010*.

Land tax foreign surcharge relief

An Australian-based foreign corporation or trust whose commercial activities make a significant contribution to the Queensland economy and community, including through property development, may be eligible for ex-gratia relief (financial years up to 2025-26) or an exemption (financial years from 2026-27 onwards) from the land tax foreign surcharge.

Duties

Home concession

A concessional rate of duty applies to purchases of a principal place of residence.

A 1% concessional rate applies on dutiable values up to \$350,000, rather than the normal schedule of rates between 1.5% and 3.5%. For properties valued over \$350,000, the scheduled rates of transfer duty apply on the excess.

First home concession

First home buyers purchasing an existing dwelling as their principal place of residence can benefit from the first home concession.

This concession comprises a rebate in addition to the home concession on properties (this concession may not be applicable if the purchase price is less than the full market value of the property). The size of the rebate depends on the value of the property.

For contracts signed on or after 9 June 2024, a full concession is provided for eligible purchases valued up to \$700,000, with a partial concession available for properties valued between \$700,000 and \$800,000.

First home (new home) concession

First home buyers purchasing a newly built dwelling as their principal place of residence can benefit from the first home (new home) concession.

For contracts signed on or after 1 May 2025, no transfer duty is payable by eligible first home buyers purchasing newly built homes, regardless of the property value.

First home vacant land concession

First home buyers purchasing vacant land on which they will build their new home can benefit from the first home vacant land concession.

For contracts signed on or after 9 June 2024 to 1 May 2025, a full concession is provided for eligible purchases valued up to \$350,000, with a partial concession available for properties valued between \$350,000 and \$500,000.

For contracts signed on or after 1 May 2025, no transfer duty is payable on vacant land purchased by eligible first home buyers on which they will build their new home, regardless of the land value.

Additional foreign acquirer duty relief

An Australian-based foreign corporation or trust whose commercial activities involve qualifying property development that adds to the supply of housing stock in Queensland, where such development is primarily residential, may be eligible for ex-gratia relief (up to 14 December 2025) or an exemption (from 15 December 2025) from additional foreign acquirer duty.

Insurance duty

The benchmark tax base is assumed to be all premiums for general insurance policies (not for life insurance). The benchmark tax rate is 9%. Accident insurance (WorkCover) duty is levied at a rate of 5%, health insurance is exempt from insurance duty, and CTP duty is levied at a rate of 10 cents per policy.

Vehicle registration duty

Vehicle registration duty rates are applied based on factors such as mass of the vehicle, market value, type of vehicle, type of engine and number of cylinders or rotors.

Lower duty rates apply to electric and hybrid vehicles. The benchmark rate applied is the rate for a 1 to 4 cylinder vehicle under \$100,000.

Waste disposal levy

The waste disposal levy applies to 39 local government areas, covering more than 90% of the state's waste generation and population. The levy is paid by landfill operators on waste

disposed to landfill. Queensland's levy zone is divided into two areas — metropolitan and regional — with differential annual increases of levy rates. In 2025-26, the metropolitan levy rate increased by \$10 to \$125 per tonne, and the regional levy rate increased by indexation of 3.4% to \$97.

General levy exemptions exist for particular wastes, such as those from declared disasters and severe local weather events. Also, levy exemptions are available on application for other particular wastes, such as waste from charitable recycling organisations and community clean-up events. Levy discounts of 50% are available on application for residue wastes from particular recycling activities.

Gambling taxes

Gaming machine tax concessions for licensed clubs

The benchmark tax base is assumed to be all gaming machines operated by licensed clubs and hotels in Queensland. The benchmark tax rate is assumed to be the highest marginal tax rate (as is applied to hotels) that actually applied in each financial year.

A progressive tax rate scale applies to gaming machines operated by licensed clubs. The tax rate is calculated monthly on the gaming machine taxable metered win and the top tax rate is only applied to the portion of gaming machine revenue where the monthly metered win exceeds \$1.4 million for any licensed club.

Casino tax concessions

The benchmark tax base is assumed to be all casinos operating in Queensland. The benchmark tax rate is assumed to be the highest tax rate that is actually applied in each financial year.

A tax rate of 20% of gross revenue applies for standard transactions in the Brisbane and Gold Coast casinos. A concessional tax rate of 10% applies for gross revenue from standard transactions in the Cairns and Townsville casinos. The tax rate applicable to gaming machines in casinos is 30% of gross revenue in the Brisbane and Gold Coast casinos, and 20% in the Cairns and Townsville casinos.

In addition, concessional rates of 10% also apply for revenue from high rollers table game play in all casinos. A GST credit is provided to casinos that approximates a reduction in the above tax rates of 9.09%.

Appendix C: Revenue and expense assumptions and sensitivity analysis

The 2026-27 Queensland Budget, similar to all other jurisdictions, is based in part on assumptions made about parameters, both internal and external to Queensland, which can impact directly on economic and fiscal forecasts.

The sensitivity of revenue and expense forecasts to movements in underlying assumptions is particularly relevant given the ongoing uncertainty in global and national economic conditions and other factors that can directly or indirectly impact key revenues.

The forward estimates in the 2026-27 Queensland Budget are framed on a no-policy-change basis. That is, the expenditure and revenue policies in place at the time of the Budget (including those announced in the budget) are applied consistently throughout the forward estimates period.

This appendix outlines the key assumptions, estimates and risks associated with key revenue and expenditure forecasts.

Taxation revenue assumptions and risks

The rate of growth in tax revenues is dependent on a range of factors linked to the rate of growth in economic activity in the state. Some taxes are closely related to activity in specific sectors of the economy, while others are broadly related to the general rate of economic growth, employment, inflation or wages.

Therefore, any change in the level of economic activity compared with that reflected in the economic forecasts outlined in this paper would impact a broad range of taxation receipts.

Wages and employment growth – payroll tax

Wages and employment growth have a direct impact on taxes on employer payrolls. Forecasts for these parameters are outlined in Chapter 1.

A one percentage point variation in either Queensland wages growth or employment is estimated to change total payroll tax and mental health levy collections by approximately \$85 million in 2026-27.

Property prices and transaction volumes – transfer duty

Transfer duty, as a transaction-based tax, can be volatile from year to year reflecting changes in residential and non-residential market conditions. Such market conditions are impacted by factors such as interest rates, population growth, market sentiment, and changes to policy settings.

This includes recent changes to taxation arrangements announced in the 2026-27 Federal Budget, which present a source of uncertainty to the outlook for both price levels and transaction volumes. The impact of these changes is uncertain and will take time to resolve.

A one percentage point variation in either the average value of property transactions or the volume of transactions is estimated to change transfer duty collections by approximately \$85 million in 2026-27.

Royalty assumptions and revenue risks

Table C.1 provides the key assumptions adopted for the 2026-27 Queensland Budget in relation to coal and petroleum royalties, which represent the bulk of Queensland's royalty revenue.

Table C.1 Key royalty assumptions¹

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Actual	Est. Act.	Budget	Projection	Projection	Projection
Tonnages – crown export ² coal (Mt)	191	197	204	206	205	211
Exchange rate US\$ per A\$ ³	0.65	0.68	0.71	0.71	0.72	0.72
Year average coal prices (US\$ per tonne)⁴						
Hard coking	195	214	230	220	210	200
PCI/Semi-soft	152	151	169	165	157	150
Thermal	121	116	123	120	120	120
Year average oil price (US\$ per barrel)						
Brent oil	75	86	89	75	75	75
Brent oil (lagged 4 months) ⁵	81	69	103	76	75	75
Notes:						
1. Numbers in this table may be affected by rounding.						
2. Excludes coal produced for domestic consumption and where royalties are not paid to the Government (private royalties). The 2026-27 estimated volume is approximately 20Mt and private coal is 8Mt.						
3. Estimated year-average.						
4. Estimated year-average spot prices for the highest quality coking and thermal coal. Lower quality coal can be sold below this price, with indicative average prices for 2026-27 as follows: hard coking coal US\$213/t and thermal coal US\$95/t.						
5. Annual averages with a lag of 4 months are also provided to better align with petroleum royalty revenue.						

Exchange rate and commodity prices and volumes

Estimates of mining royalties are sensitive to movements in the A\$-US\$ exchange rate, commodity prices, and production/export volumes.

Contracts for the supply of commodities are generally written in US dollar terms. Accordingly, a change in the exchange rate impacts on the Australian dollar price of commodities and, therefore, expected royalty collections. Due to the prevailing global economic uncertainty, the exchange rate has been particularly volatile.

Royalties for a range of commodities are based on progressive rates with higher royalty rates applying to higher prices. Conversely, as prices moderate downwards, only lower royalty rates apply.

Potential impact on coal royalty revenue⁷

For each one cent movement in the A\$-US\$ exchange rate in 2026-27, the impact on coal royalty revenue would be approximately \$206 million.

A 1% variation in export coking and thermal coal volumes would lead to an estimated change in royalty revenue of approximately \$66 million. A one million tonne variation in export volumes would lead to an estimated change in royalty revenue of approximately \$33 million.

A 1% variation in the average price of export coal would lead to an estimated change in royalty revenue of approximately \$143 million.

Potential impact on petroleum royalty revenue¹

Global oil prices factor strongly into petroleum royalty forecasts, given most of the LNG produced from Queensland gas is sold under long-term contracts linked to oil prices (with a lag).

A US\$1 per barrel variation in the price of oil would lead to an estimated change in petroleum royalty revenue of approximately \$25 million.

Parameters influencing Federal Government GST payments to Queensland

The 2026-27 Queensland Budget incorporates estimates of GST revenue grants to Queensland based on 2026-27 Federal Budget estimates of national GST collections and Queensland Treasury assumptions of Queensland's share.

Since Federal Government GST payments are based on the amount actually collected, it is the Queensland Budget that bears the risks of fluctuations in GST collections. There is a risk of lower collections than estimated if national economic growth and consumption are weaker than expected, or if the share of consumption subject to GST is lower than anticipated.

GST forecasts assume there are no changes to the underlying methodology or overarching objectives of the Commonwealth Grants Commission's assessment of horizontal fiscal equalisation.

⁷ Sensitivities represent the estimated change to royalty revenue accruing over the 2026–27 return period, if the parameter change was sustained throughout the year.

The Federal Productivity Commission is currently conducting an inquiry into the 2018 GST reforms, with a final report due to the Federal Government by the end of 2026. Recommendations arising from this inquiry, if adopted, could have significant implications for GST revenue across or beyond the forward estimates.

Due to the complexities associated with the GST base, the information provided in the Federal Budget papers is insufficient to prepare indicative estimates of the sensitivity of GST forecasts to key variables.

Sensitivity of expenditure estimates and expenditure risks

Interest rates

The General Government Sector has a total debt servicing cost forecast at \$4.464 billion in 2026-27. The current average duration of General Government Sector borrowing with the Queensland Treasury Corporation is 5.86 years.

The majority of General Government Sector debt is held under fixed interest rates and, therefore, the impact of interest rate variations on debt servicing costs in 2026-27 would be relatively modest, with the impact occurring progressively across the forward estimates.

Actuarial estimates of superannuation and long service leave

Liabilities for superannuation and long service leave are actuarially estimated with reference to, among other things, assumed rates of investment returns, salary growth, inflation and the discount rate. These liabilities are therefore subject to changes in these parameters. Similarly, the long service leave liabilities are subject to the risk that the actual rates of employee retention will vary from those assumed in the liability calculation.

Appendix D: Fiscal aggregates and indicators

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Est. Act.	Projection	Projection	Projection	Projection
	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
General Government												
Total revenue	59,828	57,778	62,791	74,185	89,809	89,768	88,966	92,018	99,671	104,354	107,835	112,311
Taxation revenue	14,165	14,585	16,249	20,011	20,601	22,659	25,033	28,474	29,676	31,775	33,924	35,966
Total expenses	58,843	63,505	63,706	69,902	75,880	88,042	93,393	100,863	105,847	107,645	109,831	111,692
Employee expenses	24,019	25,662	26,385	28,068	30,558	33,264	36,147	38,433	40,510	41,673	42,983	44,216
Net operating balance	985	(5,728)	(915)	4,284	13,928	1,726	(4,428)	(8,845)	(6,176)	(3,291)	(1,996)	619
Capital purchases	5,764	6,306	6,682	7,878	9,899	10,553	11,322	12,450	15,479	19,121	20,296	20,014
Net capital purchases	3,192	3,436	3,942	4,356	5,838	5,729	6,691	8,052	9,078	11,744	12,353	11,355
Fiscal balance	(2,207)	(9,164)	(4,857)	(72)	8,090	(4,003)	(11,119)	(16,897)	(15,254)	(15,035)	(14,349)	(10,736)
Borrowing with QTC	29,468	37,570	46,153	49,000	46,166	50,950	64,708	82,650	101,057	118,587	135,133	148,501
Leases and similar arrangements ¹	2,612	6,485	7,703	7,671	7,519	7,759	8,100	7,122	6,929	6,721	6,724	6,291
Securities and Derivatives	121	198	220	93	41	64	57	56	56	56	56	56
Net debt	(198)	14,036	11,344	10,997	2,608	5,687	16,727	33,440	51,329	69,024	85,980	98,057
Non-financial Public Sector												
Total revenue	68,329	66,171	71,318	85,485	100,820	100,258	100,392	104,049	112,395	116,435	121,700	127,061
Capital purchases	8,460	9,482	9,877	11,130	14,300	16,932	19,268	20,231	23,437	27,137	27,248	26,327
Borrowing with QTC	67,576	76,464	85,901	90,851	89,442	95,620	113,183	133,247	154,187	175,085	193,608	208,518
Leases and similar arrangements ¹	2,612	6,977	8,157	8,028	7,887	8,504	8,968	7,931	7,647	8,058	8,094	7,570
Securities and Derivatives	720	1,503	1,570	17,374	5,491	2,302	1,294	1,197	790	537	429	384
Note:												
1. Approximately \$2.2 billion increase in General Government and \$2.6 billion in NFPS in 2019-20 on adoption of the new lease accounting standard AASB 16.												

Budget Strategy and Outlook 2026-27

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
	Actual ¹	Actual ¹	Actual ¹	Actual ¹	Actual ¹	Actual ¹	Actual ¹	Est. Act.	Projection	Projection	Projection	Projection
	%	%	%	%	%	%	%	%	%	%	%	%
General Government												
Revenue/GSP	16.3	16.0	17.0	16.3	17.7	17.5	16.8	16.5	16.8	17.0	16.8	16.7
Tax/GSP	3.9	4.0	4.4	4.4	4.1	4.4	4.7	5.1	5.0	5.2	5.3	5.4
Own source revenue/GSP	8.6	8.3	8.1	8.8	10.1	9.7	9.0	9.0	9.1	9.0	8.8	8.7
Expenses/GSP	16.1	17.6	17.3	15.3	15.0	17.2	17.6	18.1	17.9	17.5	17.1	16.6
Employee expenses/GSP	6.6	7.1	7.2	6.2	6.0	6.5	6.8	6.9	6.8	6.8	6.7	6.6
Net operating balance/GSP	0.3	(1.6)	(0.2)	0.9	2.7	0.3	(0.8)	(1.6)	(1.0)	(0.5)	(0.3)	0.1
Capital purchases/GSP	1.6	1.7	1.8	1.7	2.0	2.1	2.1	2.2	2.6	3.1	3.2	3.0
Net cash inflows from operating activities/ Net cash flows from investments in non-financial assets	105.5	(2.5)	0.7	136.9	204.6	65.2	1.8	(30.3)	(0.8)	18.4	25.7	44.0
Fiscal balance/GSP	(0.6)	(2.5)	(1.3)	(0.0)	1.6	(0.8)	(2.1)	(3.0)	(2.6)	(2.4)	(2.2)	(1.6)
Total borrowings/GSP	8.8	12.2	14.7	12.5	10.6	11.5	13.7	16.1	18.2	20.4	22.1	23.1
Total Borrowings/Revenue	53.8	76.6	86.1	76.5	59.8	65.5	81.9	97.6	108.4	120.1	131.6	137.9
Lease and other liabilities/revenue	4.4	11.2	12.3	10.3	8.4	8.6	9.1	7.7	7.0	6.4	6.2	5.6
Net debt/revenue	(0.3)	24.3	18.1	14.8	2.9	6.3	18.8	36.3	51.5	66.1	79.7	87.3
Revenue growth	3.0	(3.4)	8.7	18.1	21.1	(0.0)	(0.9)	3.4	8.3	4.7	3.3	4.2
Tax growth	7.0	3.0	11.4	23.1	2.9	10.0	10.5	13.7	4.2	7.1	6.8	6.0
Expenses growth	4.4	7.9	0.3	9.7	8.6	16.0	6.1	8.0	4.9	1.7	2.0	1.7
Employee expenses growth	5.9	6.8	2.8	6.4	8.9	8.9	8.7	6.3	5.4	2.9	3.1	2.9
Non-Financial Public Sector												
Capital purchases/GSP	2.3	2.6	2.7	2.4	2.8	3.3	3.6	3.6	4.0	4.4	4.2	3.9
Total borrowings/GSP	19.3	23.5	25.9	25.5	20.3	20.8	23.2	25.6	27.4	29.9	31.5	32.2
Total Borrowings/Revenue	103.8	128.4	134.1	136.0	102.0	106.2	123.0	136.8	144.7	157.8	166.1	170.4
Net financial liabilities/revenue	114.9	158.3	142.5	117.8	90.5	94.9	108.2	122.3	130.8	145.0	154.5	158.9
Note:												
1. Actual GSP figures: as at 2024-25 ABS National Accounts: State Accounts.												



Queensland Budget 2026-27

Budget Strategy and Outlook Budget Paper No. 2

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