DELIVERING FOR QUEENSLAND

Queensland Budget 2025–26

BUDGET STRATEGY AND OUTLOOK

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Queensland Government

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Budget Strategy and Outlook
Budget Paper No. 2

ISSN 1445-4890 (Print)

ISSN 1445-4904 (Online)

Queensland Government

State Budget 2025–26

Budget Strategy and Outlook

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Overview

The 2025–26 Queensland Budget lays the foundation for a fresh start for households, communities and businesses across all regions of the state.

The Budget delivers on the government's election commitments and, consistent with the government's objectives for the community, is focused on delivering safety for Queenslanders, a better lifestyle through a strong economy, health services when and where Queenslanders need them and a plan for Queensland's future.

Delivering the foundation for a fresh start

Safety where you live

- $347.7 million to support the roll-out of the *Making Queensland Safer* laws
- Delivering more police on the beat with 1,600 new recruits by 2028, a $290.3 million investment for new and upgraded stations, facilities and police beats, and $147.9 million to provide frontline police with essential equipment
- Supporting victims of crime with $275 million in 2025–26 for financial assistance, and $50 million for a new Victims Advocate Service
- Protecting victims of domestic and family violence with a $37 million boost to support new laws, $18.8 million to upgrade safe spaces in courthouses, and funding to double the capacity of Womensline and Mensline
- $560 million for world-class early intervention and rehabilitation programs

A better lifestyle through a stronger economy

- Ongoing cost-of-living relief including permanent 50 cent public transport fares, Play On! vouchers and the Back to School Boost to reduce schooling costs
- Continuing the Electricity Rebate Scheme for vulnerable households and helping renters through solar installation rebates
- Making home ownership more attainable through new transfer duty concessions, kick-starting the $165 million Boost to Buy home ownership scheme – a nation leading home ownership scheme that will close the deposit gap for first home buyers, and getting land ready for new homes sooner through the $2 billion Residential Activation Fund
- Delivering a funding boost for specialist homelessness services and crisis accommodation, and investing $5.604 billion to build new social and community homes

Health services when you need them

- Boosting our health workforce with more than 4,500 additional health workers in 2025–26
- $24.3 billion for Hospital and Health Service operations

- A record capital investment in Queensland Health infrastructure of $18.526 billion across 5 years (including 2024–25), for the *Hospital Rescue Plan,* delivering more than 2,600 new beds for Queenslanders
- Additional investments in mental health, maternity services and the Queensland Ambulance Service

A plan for Queensland's future

- $41.7 billion investment in road and transport infrastructure over 4 years, including the Bruce Highway Targeted Safety Program, The Wave, Barron River Bridge and the Mooloolah River Interchange
- $831.9 million over the next 4 years to kick-start the 2032 Delivery Plan for procurement and delivery of the first 5 Games venues
- Building new schools at Caloundra South and Ripley Valley and 6 new special schools or campuses
- Delivering affordable, reliable and sustainable energy by bringing the total investment in CopperString to a record $2.4 billion by 2028–29, investing $1.6 billion in the Electricity Maintenance Guarantee, as well as ongoing investment in smaller pumped hydro and gas projects
- Delivering Faster Rail between Logan and the Gold Coast with $5.75 billion, jointly funded with the Australian Government.

Respect for Queenslanders' money is a foundational commitment of the government. The Budget has been developed in a calm and methodical manner to deliver a safe and secure pathway to a more sustainable budget position. The Budget also responds to the challenge of prioritising the public infrastructure required for a growing population and economy, noting increased construction costs, capacity constraints and the need to moderate growth in borrowing consistent with the government's fiscal principles.

Despite the strong performance of the state's economy in the face of global challenges, the state faces significant fiscal challenges. The Australian Government's unprecedented redistribution of Queensland's goods and services tax (GST) entitlement to other jurisdictions and other factors are impacting revenues. The Budget also begins the critical task of resetting expenses growth, providing funding security for service delivery and public sector employment, and a return to a fiscally sustainable position.

The government is focused on delivering long-term structural reforms that lift our state's productivity performance, which will increase living standards for all Queenslanders.

Productivity growth is critical to provide a buffer against impacts of global market volatility, ease cost-of-living pressures, address housing affordability challenges, and enhance the competitiveness and profitability of Queensland businesses.

The government is also committed to reducing costs for business and ensuring an attractive and competitive investment environment to drive productivity, build capability, boost resilience and grow the regions, ensuring businesses have the confidence to invest, employ and grow.

By leveraging private sector investment; delivering productive infrastructure and essential services; reducing costs for business; unlocking skills, training and entrepreneurial opportunities; and investing in Queensland's energy and water security, the government will deliver on its commitment to a better lifestyle for Queenslanders through a stronger economy.

Economic conditions and outlook

Queensland's economic growth is forecast to strengthen in the near term and remain robust across the forward estimates. However, enhanced geopolitical tensions and changes in global trade policies present material risks to the global, national and state economic outlook.

Queensland's Gross State Product (GSP) growth is forecast to strengthen to 2½ per cent in 2024–25, driven by stronger public final demand reflecting increased service delivery and a large capital program delivering essential economic and social infrastructure for a growing population.

Consecutive natural disasters affecting several areas of the state in early 2025 have weighed on growth in 2024–25. Along with the initial effects of global trade policies, these factors are estimated to have reduced GSP growth by around ¾ percentage point in 2024–25.

While public demand will remain robust beyond 2024–25, private sector consumption and investment are forecast to strengthen and be key drivers of overall activity, resulting in stronger GSP growth of 2¾ per cent in 2025–26. Queensland's economic growth is then forecast to ease slightly but remain robust at 2½ per cent in 2026–27.

Labour market conditions are also expected to remain strong. Ongoing jobs growth is expected to see employment growth average 3 per cent in 2024–25, before stabilising at 1½ per cent from 2025–26, broadly in line with population growth. The unemployment rate is forecast to remain lower for longer, but edge higher from 4 per cent in 2024–25 to reach 4¾ per cent in 2028–29, still well below the long-run average.

Growth in the wage price index is forecast to be 3¾ per cent in 2024–25 and 3½ per cent in 2025–26 before slowing to 3 per cent by 2028–29, in line with a gradual easing in labour market tightness, but delivering ongoing real wages growth for Queensland workers.

Population growth is projected to moderate across the forecast period, slowing from 2.5 per cent in 2023–24 to 1¾ per cent in 2024–25 and then 1½ per cent in 2025–26 and 2026–27. A key driver of this moderation is the reduction in the Australian Government's immigration program.

Overview Table 1 Queensland economic forecasts/projections[1]

	Actuals	Forecasts			Projections	
	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29
Gross state product[2]	**2.1**	**2½**	**2¾**	**2½**	**2½**	**2½**
Employment	3.0	3	1½	1½	1½	1½
Unemployment rate[3]	4.1	4	4¼	4½	4½	4¾
Inflation[4]	4.1	2	3¼	2½	2½	2½
Wage Price Index	4.7	3¾	3½	3¼	3¼	3
Population	2.5	1¾	1½	1½	1¼	1¼

Notes:
1. Unless otherwise stated, all figures are annual percentage changes.
2. Chain volume measure, 2022–23 reference year. The comparable nominal GSP growth rates are 1.1 per cent in 2023–24, 3¾ per cent in 2024–25, 4 per cent in 2025–26 and 5 per cent in 2026–27.
3. Per cent, year-average.
4. Brisbane, per cent, year-average.

Sources: Australian Bureau of Statistics Annual State Accounts, National, State and Territory Population, Labour Force, Wage Price Index, Consumer Price Index and Queensland Treasury.

Targeted cost-of-living relief to support Queensland families and households in need

Cost-of-living pressures have increased for many households in recent years. However, as inflation moderates, interest rates fall, and household incomes grow again due to a pick-up in real wages and tax cuts, these pressures will ease.

Headline inflation is expected to fall to 2 per cent in 2024–25 after the recent peak of 7.3 per cent in 2022–23.

Importantly, Queensland's strong labour market is delivering solid wages growth. In 2024–25 Queensland is expected to see the second consecutive year of real wages growth with ongoing real wage growth expected across the remainder of the forecast period.

The flow on impacts of Australian Government tax cuts are expected to provide $1,654 per year in additional disposable income for a person on an average wage of around $79,000 per year. Further, the two 25 basis points cuts in the Reserve Bank of Australia's cash rate announced in February and May this year are expected to save a household with a mortgage of $600,000 around $2,200 per year.

This Budget provides substantial ongoing concessions and a number of new and enhanced measures to support Queensland families and households across the state in most need of support.

As outlined in detail in Appendix A Concessions Statement, nearly $8.5 billion in ongoing concessions are forecast to be provided to Queenslanders in 2025–26, which includes $261.9 million in electricity rebates for vulnerable households and $223.6 million for 15 hours per week of free kindy for all 4-year-olds.

The Queensland Government is providing targeted cost-of-living support to hundreds of thousands of Queensland families through the $200 Play On! voucher program and $100 Back to School Boost for primary school students.

The government is ensuring every taxpayer dollar is invested to deliver the maximum benefit for Queenslanders.

That is why the government has made 50 cent fares on relevant public transport services permanent, and exempted payroll tax for General Practitioners (GPs) to support bulk billing rates and ease healthcare costs for Queenslanders.

Further, the government is delivering relief for first home buyers by providing an exemption from transfer duty when they buy or build a new home — helping them get into their first home faster while encouraging increased supply to enhance housing affordability in the longer term.

The government is focused on making long-term structural reform to ease cost-of-living pressures, through measures such as the $1.6 billion Electricity Maintenance Guarantee over the next 5 years and tackling crime to ease the pressure on insurance premiums.

Fiscal conditions and outlook

The 2025–26 Queensland Budget provides the foundations for improving Queensland's budget position to restore fiscal sustainability.

Through a calm and methodical approach, the Budget has provided the opportunity to address legacy funding issues identified in the 2024–25 Mid-Year Fiscal and Economic Review (MYFER) relating to key service delivery areas of health, education, housing, child safety, support for victims of crime and to deliver the government's election commitments.

After a period of rapid and unsustainable expenses growth over the 3 years from 2021–22 to 2023–24, this year's Budget begins the task of resetting expenses growth onto a more sustainable path so that community outcomes are delivered, and legacy issues are addressed but with a clear focus on maximising value.

The net operating deficit, while similar in 2024–25 to the 2024–25 MYFER estimate, is expected to deteriorate in 2025–26 before progressively improving across the forward estimates as more robust revenue growth returns from 2026–27 and grows faster than expenses.

The operating position is estimated to improve by $6.1 billion over the period from 2024–25 to 2027–28 compared with the 2024–25 MYFER.

The 4-year capital program is $116.8 billion and is underpinned by an analysis of the government's current and future infrastructure requirements to support a growing and decentralised state and manage cost pressures.

The opportunity to review capital funding has demonstrated that the former government's *Queensland Energy and Jobs Plan* was unrealistic and not achievable.

For example, the Pioneer-Burdekin Pumped Hydro Energy Storage project was stopped by the government because of cost, viability and deliverability – noting in reality it would have taken much longer and cost a lot more than the previous government expected. More generally, the Queensland Productivity Commission's current inquiry into the construction sector will deliver its final report to government in October 2025, while the immediate pause of Best Practice Industry Conditions is expected to result in productivity benefits to the program.

Boosting productivity and realistic scheduling of the capital program are making an important contribution to lower borrowings.

Non-financial Public Sector (NFPS) borrowings are estimated to reach $190.4 billion in 2027–28, $27.5 billion below the comparable 2024–25 MYFER estimate of $217.8 billion.

NFPS borrowings are still estimated to increase over the period, rising from $124.1 billion in 2024–25 to $205.7 billion in 2028–29. This reflects the need to borrow to fund most of the capital program. However, the rate of increase in borrowing is moderating over time as available cash flows increasingly fund more of the capital program.

Overview Table 2 Key fiscal aggregates

	2023–24 Outcome $ million	2024–25 MYFER $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
General Government Sector							
Revenue	89,768	88,071	89,476	91,337	94,886	97,748	102,457
Expenses	88,087	92,983	94,852	99,918	100,751	102,033	103,543
Net operating balance	1,681	(4,911)	(5,376)	(8,581)	(5,864)	(4,285)	(1,086)
PNFA[2]	10,507	14,189	13,370	14,639	18,554	19,124	18,655
Fiscal balance	(4,001)	(14,394)	(13,794)	(17,632)	(17,472)	(15,948)	(11,720)
Net debt	5,684	25,539	22,092	41,803	61,605	79,239	93,217
Non-financial Public Sector							
Revenue	100,258	99,141	100,978	102,638	107,256	111,693	117,106
PNFA[2]	16,887	25,760	21,583	23,837	26,749	26,221	25,326
Borrowing[3]	106,397	128,085	124,118	147,840	170,484	190,360	205,660

Notes:
1. Numbers may not add due to rounding.
2. PNFA: Purchases of non-financial assets.
3. Comprised of borrowing with QTC, Leases and similar arrangements and Securities and derivatives.

Building a stronger and more productive economy – laying the foundations for a fresh start

A strong and productive economy is integral to lay the foundations for a fresh start and deliver on the government's objectives for the community – safety where you live; a better lifestyle through a stronger economy; health services when you need them; and a plan for Queensland's future.

To drive economic growth and improved living standards in the face of global challenges, the government is focused on improving productivity across the economy, including continuing to leverage and expand the state's competitive and comparative advantages.

Productivity growth is critical to help cushion the adverse impacts of global market volatilities, ease cost-of-living pressures, address housing affordability challenges and enhance the competitiveness of Queensland businesses to create employment opportunities and support higher incomes, including for vulnerable cohorts.

Productivity – the key driver of growth and improved living standards

Productivity growth is the key to increasing living standards in a sustainable way.

The weak productivity growth seen in Queensland over most of the last decade is evident in the latest Australian Bureau of Statistics productivity growth estimates for 2023–24. Queensland's market sector labour productivity in 2023–24 declined by 1.0 per cent, while multifactor productivity growth was almost stagnant. Importantly, both these results trail almost all other states and territories.

The government's commitment to lift Queensland's productivity performance will require targeted improvements to policy and regulatory settings. Reflecting this, the government delivered on its commitment to re-establish the independent Queensland Productivity Commission (QPC), with the QPC commencing on 22 April 2025.

In line with a key election commitment, the QPC has already commenced its first task of conducting a comprehensive inquiry into opportunities to improve the productivity of the Queensland construction and building industry.

Reflecting the government's commitment to increasing productivity, the government has introduced a new fiscal principle – *Target productivity improvements across the private and public sectors to increase living standards for Queenslanders over the medium term*.

The addition of this principle highlights the importance, in the context of responsible and sustainable fiscal management of the state, of improving productivity to help drive enhanced economic outcomes and improve living standards across the state.

A key focus of the government's commitment to support productivity and sustainable economic growth is to reduce costs for business and ensure an attractive and competitive regulatory and investment environment in which the state's businesses and industries have the confidence to invest, employ and grow.

This will deliver a better lifestyle for Queenslanders through a stronger economy, and a plan for Queensland's future.

In particular, the government will drive productivity improvements and a stronger economy by:

- leveraging private sector investment
- delivering productive infrastructure and essential services
- reducing regulatory burden and costs for business
- unlocking skills, training and entrepreneurial opportunities
- investing in Queensland's energy and water security.

In line with the range of initial investments outlined in the 2025–26 Queensland Budget across these key areas, the government is committed to identifying and delivering whole-of-economy solutions and, where appropriate, targeted industry-specific responses to help improve productivity over the longer term.

Enhanced productivity and a stronger economy will improve the profitability of Queensland businesses and create higher incomes for Queensland households. A stronger economy will also generate additional capacity for government to deliver the essential services needed to make Queensland safer and healthier, improve living standards and create a better lifestyle for all Queenslanders.

In turn, this will ensure more Queenslanders can participate effectively and maximise their opportunities in the labour market and economy. This will enable the state to develop and attract private sector investment and the skills, innovation and entrepreneurship needed to deliver productive infrastructure and enhanced health and other essential services across the state.

Similarly, by reducing costs for business, including through investing in Queensland's energy and water security, this will enable businesses to employ more Queenslanders and generate greater incomes for Queensland families and communities, enabling them to better access health and other services that will enhance their lifestyles.

Leveraging private sector investment

The private sector plays a critical role in our economy, accounting for around 70 per cent of the economy.

This highlights the importance of supporting and investing to sustain, enhance and attract industry to drive economic growth and productivity, including through effective place-based solutions that also enhances vibrancy and resilience of regional economies.

Further, the government's approach to industry development and policies to build appropriate domestic capability in critical areas closely aligns with and leverages off Queensland's natural and competitive advantages to ensure these programs attract additional private sector investments that deliver sustained net benefits to Queensland.

A new whole-of-state industry framework is being developed, to guide investments in priority sectors, including defence, biofuels, and advanced medical manufacturing. This new framework will be underpinned by a $180.6 million investment to establish a new Sovereign Industry Development Fund.

Investments from the Fund will focus on building domestic capability, leveraging Queensland's industry strengths and growing our regions.

The government has also unveiled an ambitious 20-year tourism plan, *Destination 2045: Delivering Queensland's Tourism Future*, which will leverage opportunities for the lead up to and legacy of the Brisbane 2032 Olympic and Paralympic Games.

Key focus areas of Destination 2045 include: kick-starting ecotourism, with a bold vision to deliver 45 new ecotourism experiences by 2045; a new dedicated events fund to support Queensland's vision to be Australia's home of events, including in the regions; and a new Connecting Queensland aviation fund, to attract direct flights to new markets, and boosting connections to regional Queensland.

Destination 2045 is an important initiative that supports Queensland's tourism sector, with this Budget allocating an additional $446 million over 4 years to support delivery of *Destination 2045*. This brings the government's total investment in tourism to over $1 billion over 4 years.

The Budget also commits to a range of initiatives in the agriculture, manufacturing and mining industries.

These include the Sowing the Seeds of Farming Innovation Fund, Boosting Biosecurity in the regions, support for the Mossman cane industry, the Queensland Drought Resilience Program, Enhancing Mineral Exploration, the Queensland Resources Common User Facility and Transforming Queensland Manufacturing programs to support growth, employment and investment.

Delivering productive infrastructure and essential services

Investment in public infrastructure is crucial for delivering essential services, as well as driving productivity growth through improved physical and digital connectivity for businesses to support labour mobility and trade.

However, the government recognises that in recent years, a large, uncoordinated capital program has been crowding out private sector investment and putting upward pressure on input prices.

The capital program has been developed through a Capital Pipeline Sustainability Assessment approach to ensure optimisation and prioritisation of projects and programs to inform the sequencing of the program to support on-time and on-budget delivery.

The $116.8 billion capital program accommodates election commitments, provides critical infrastructure, addresses cost pressures and provides for future commitments.

The $29.3 billion capital program in 2025–26 is estimated to directly support 73,000 jobs.

The government is making significant investments to deliver essential services that Queenslanders expect and deserve, which should also support productivity over the long run.

The 2025–26 Queensland Budget is also delivering the foundations of a plan for Queensland's future and seizing the opportunity of the Brisbane 2032 Olympic and Paralympic Games to invest in the generational infrastructure and transport connections needed for our growing population.

The government is also prioritising delivering health services when you need them. The 2025–26 Queensland Budget is delivering on the government's *Easier Access to Health Services Plan*.

While strong demand for health services persists, driven by population growth and aging, the state's world-class health system is continuing to support healthy, active and productive Queenslanders.

This Budget provides Queensland Health with a record operating budget of $29.4 billion in 2025–26, a 10.2 per cent increase from 2024–25.

This uplift will support significant initiatives across the health system, including driving down ambulance ramping, hiring more frontline health workers across the state and addressing pressures on emergency departments and elective surgery wait times.

Following the independent review into the Capacity Expansion Program, which found that it was underfunded, delayed, did not deliver on critical service needs and was ultimately undeliverable, this Budget commits further funding to the State's transformational investment in health system capacity under the new *Hospital Rescue Plan*.

The record health infrastructure investment under the Plan will deliver 3 new hospitals, a new Queensland Cancer Centre, a new cardiac hybrid theatre in Rockhampton and 10 major hospital expansions across the state: a collective increase of more than 2,600 hospital beds.

Consistent with the government's commitment to Making Queensland Safer, the Budget supports strengthening frontline policing by increasing police numbers and police resources with a commitment to deliver 1,600 police recruits by 2028.

The Budget commits funding of $290.3 million over 5 years for new and upgraded police stations, facilities and beats, $147.9 million to provide frontline police with essential equipment, and more than $100 million in additional funding for airborne law enforcement in Cairns, Townsville, the Sunshine Coast and the Moreton Bay region.

The government is also supporting victims of crime, working to prevent crime before it happens through world-class early intervention, addressing the root causes of crime and giving young people the tools and support they require to break the cycle of youth offending.

Reducing regulatory burden and costs for business

Reducing red tape and unnecessary regulatory burden on businesses and households is a key driver of productivity and building a stronger economy.

Excessive regulation can hinder business growth and innovation, with the costs of unnecessary regulation being passed onto consumers or limiting consumer choice.

The government is committed to reviewing and streamlining regulations to ensure they are necessary, effective and efficient, while creating an environment where businesses are encouraged to innovate, and where new ideas and technologies can be easily adopted.

More specifically, this Budget commits to a range of initiatives to refocus the Queensland Small Business Commissioner on red tape reduction and dispute resolution, and to simplify small business procurement processes, standardise contracts and support smaller tenders.

The government has also unveiled a new Small and Family Business First Action Statement, underpinned by an investment of over $130 million.

The Action Statement has a clear focus on reducing costly red tape, streamlining government services and fostering innovation, making it easier for small and family businesses to do business.

This includes establishing a new dedicated $10.3 million Small Business Concierge service to streamline support and improve the ease of accessing government services, as well as $16.8 million for the Small Business Support Network that provides financial counselling and coaching.

Unlocking skills, training and entrepreneurial opportunities

Labour productivity is a critical element contributing to overall productivity gains in the economy.

Therefore, as part of its plan for Queensland's future, the government is making significant investments to unlock skills and training opportunities, including developing effective pathways to upskill and reskill.

The government has also committed $50 million towards programs such as User Choice and Free Apprenticeships for Under 25s, as well as additional funding for initiatives under the National Skills Agreement to support Queensland's critical skills needs.

In addition, 4 new TAFE Centres of Excellence are also being delivered, with $201.1 million in funding committed.

These measures, as well as significant ongoing investments in education and training, will support a more productive labour market and, importantly, enable Queensland workers to realise higher real wages over time.

Further, the 2025–26 Women's Economic Security Statement outlines key new initiatives and ongoing commitments designed to empower women and girls. These initiatives focus on workforce participation, secure housing, safer communities and better health services for women and girls.

The government is also transforming social enterprise and social impact investment to tackle important social challenges across our communities and change the lives of Queenslanders who need it most.

Strengthening social impact in Queensland

The Queensland Government is making a significant commitment to social change with an investment of $20 million each year directed toward empowering social enterprises and purpose-driven organisations.

The aim of this investment is to positively impact the lives of Queenslanders who need it most through a Social Entrepreneurs Fund of $80 million over 4 years and $20 million per annum ongoing.

The government has established Queensland's first Office of Social Impact (OSI) within Queensland Treasury to identify and amplify the state's social enterprise and impact investment sectors.

The OSI's mission is to improve outcomes for marginalised Queenslanders by leveraging the potential of social enterprise and impact investing, and by fostering the necessary conditions for these sectors to flourish in Queensland.

The OSI will oversee the Social Entrepreneurs Fund and lead the development and delivery of a strategic roadmap for social enterprise and impact investing. This will be done in consultation with a broad range of stakeholders, including investors, community and faith groups, philanthropists, corporates and social enterprises.

As part of this initiative, the government will make foundational investments from the Fund in the form of Impact Revenue Investments and continuing support for the peak body. An allocation of $1.6 million over 4 years from the Fund to the Queensland Social Enterprise Council will allow certainty for the sector and continuous peak body representation across the state.

With an indicative allocation of $8 million over 4 years from the Fund, Impact Revenue Investments aim to stimulate revenue growth and support eligible purpose-driven businesses to scale.

Further details about the first round of this initiative will be released in early 2025–26.

Investing in Queensland's energy and water security

Energy is the lifeblood of the state's economy, directly contributing to the costs of production for businesses and impacting export competitiveness.

The Queensland Government is developing a 5-year Energy Roadmap to deliver affordable, reliable and sustainable energy for Queenslanders.

The Roadmap to be released in the second half of 2025 will be a credible plan for the state's energy system focused on the investment and market outlook to 2030, providing certainty for investors, communities and consumers.

Setting a foundation for the Roadmap, in 2025–26, Queensland's state-owned energy businesses are investing over $5 billion across the energy supply chain.

The Electricity Maintenance Guarantee is supporting a $1.6 billion investment over the next 5 years to 2029–30, ensuring our state-owned generators align expenditure with delivery of affordable, reliable and sustainable energy to Queenslanders.

The government is also making significant investments in water infrastructure to ensure water security across the state and industry demand is met.

In this Budget, the government is investing $37.7 million from 2024–25 on initiatives to meet the state's regional water security needs.

The government is also investing $96.9 million in 2025–26 to progress planning and enabling works for the rebuild of Paradise Dam.

Across government water entities, over $1.1 billion in infrastructure is being invested to deliver increased water security, fortify the flood resilience of water infrastructure and ensure the ongoing safety and reliability of dams.

1 Economic performance and outlook

Features

- Queensland economic growth is forecast to strengthen in the near term and remain robust across the forward estimates. However, any escalation (or resolution) of global geopolitical tensions and trade policies present higher than usual uncertainty to the outlook.
- Reflecting intensifying downside risks to the outlook, in its April 2025 *World Economic Outlook* the International Monetary Fund (IMF) downgraded global growth forecasts from those published in January 2025.
- While cost-of-living pressures will remain a concern for Queensland households following a period of elevated growth in consumer prices, nationally, the Reserve Bank of Australia (RBA) forecasts underlying inflation to stabilise at the mid-point of their target band going forward. Lower interest rates, stronger consumer spending and business investment are forecast to support a gradual strengthening of national economic growth.
- Queensland's Gross State Product (GSP) growth is forecast to be 2½ per cent in 2024–25, accelerating from 2.1 per cent in 2023–24 supported by stronger public sector activity.
- Growth across major private investment components so far in 2024–25 has been constrained, while tight financial conditions have also subdued household consumption despite strong population growth.
- At the same time, the contribution from the overseas trade sector has moderated as exports growth eases from elevated levels.
- Consecutive natural disasters affecting several areas of the state in early 2025 have also weighed on growth. These events, along with potential effects of protectionist trade policies across the globe, are estimated to have reduced Queensland GSP growth by around ¾ percentage point in 2024–25.
- An expected rebalancing of economic drivers is forecast to deliver stronger GSP growth of 2¾ per cent in 2025–26. While public demand will remain robust, private sector spending, including private investment, is forecast to strengthen and be an important driver of activity.
- Economic growth is forecast to be 2½ per cent in 2026–27, with imports growing faster than exports. Goods imports are forecast to grow strongly in line with the recovery in domestic conditions, while strength in services imports continues.
- With state final demand forecast to be stronger than previously anticipated, labour market conditions are also expected to remain strong. Ongoing jobs growth is expected to see employment growth average 3 per cent in 2024–25, before stabilising at 1½ per cent from 2025–26, broadly in line with population growth.
- The unemployment rate is forecast to remain lower for longer, but edge higher from 4 per cent in 2024–25 to reach 4¾ per cent in 2028–29, still below the long-run average.

1.1 International conditions

The international economy has entered another period of uncertainty, primarily driven by new and wide-ranging tariff measures announced by the United States (US) and retaliatory measures by some key trading partners.

The ongoing conflicts in Ukraine and the Middle East also continue to contribute to a heightened level of uncertainty around the global economic outlook.

Global economic growth was 3.3 per cent in 2024, below the 20-year pre-COVID-19 average of 3.8 per cent. The IMF's April 2025 forecasts show global economic growth is expected to soften to 2.8 per cent in 2025 and 3.0 per cent in 2026, representing significant downgrades from the IMF's January 2025 forecasts – by 0.5 and 0.3 percentage points in 2025 and 2026, respectively.

The global interest rate outlook has changed in recent months. While the central banks of many advanced economies began reducing rates in the second half of 2024, interest rates are expected to be cut further over the remainder of 2025, reflecting a softer global economic growth outlook.

The impact of recently announced tariffs on inflation is uncertain. While tariffs on imported goods are expected to lead to a one-off increase in the price of these goods, there is also the potential for price rises to impact consumers' longer term inflation expectations.

The tariffs may also prove to be inflationary in the long-run due to the negative effect on productivity of countries onshoring historically less productive industries. Conversely, many analysts expect the tariffs could be disinflationary, driven by the expected moderation in growth.

The deterioration in the economic outlook extends to Queensland's major trading partners (MTPs), with the IMF forecasting growth for Queensland's MTPs of 2.9 per cent in 2025 and 3.0 per cent in 2026, representing downgrades since January 2025 of around ½ percentage point per year.

China's economy was already facing numerous headwinds prior to the escalation of the US–China trade tensions, including ongoing challenges with the country's property sector in recent years.

China's economic growth slowed to 5 per cent in 2024, down from 5.4 per cent the prior year and below the 20-year average of around 8 per cent. The IMF's latest forecasts show China's economic growth is expected to slow further to 4.0 per cent in both 2025 and 2026. A more severe slowdown in China's economy is likely to have flow-on impacts, including reducing demand for Queensland's exports.

Economic growth in the US was 2.8 per cent in 2024, outperforming other advanced economies. The US labour market has remained tight, with the unemployment rate around 4 per cent, and inflation has fallen from recent peaks. Further progress towards the Federal Reserve's 2 per cent target is likely to be affected by the imposition of tariffs on imported goods.

Since the announcement of tariffs, the IMF has forecast US economic growth to slow to 1.8 per cent in 2025 and 1.7 per cent in 2026. Risks remain skewed to the downside, with the IMF's latest *World Economic Outlook* report indicating rising fears that the world's largest economy could fall into recession.

1.2 National conditions

Growth in the national economy remains subdued, with annual growth at 1.3 per cent in March quarter 2025.

Despite sluggish growth, the labour market has remained strong. However, this is in part due to declining productivity, with Gross Domestic Product (GDP) per hour worked falling by 1.0 per cent over the year to March quarter 2025. In May 2025, national employment rose by 2.3 per cent over the year while the unemployment rate remained low at 4.1 per cent.

Subdued economic growth has supported a significant easing in inflationary pressures.

Annual underlying inflation has edged below the top of the RBA's target range at 2.9 per cent. The underlying inflation rate is expected to remain on a downward trend with the May RBA *Statement on Monetary Policy* (SoMP) forecasting inflation to fall to 2.6 per cent by June quarter 2025 and remain at that rate for the remainder of the forecast period.

Recent income tax reductions and improved real wages have supported growth in household disposable incomes. Financial markets are currently pricing in further reductions in interest rates over the next year.

These factors are expected to support stronger growth in household consumption spending and dwelling investment. Together with moderate improvements in business investment and continued growth in public final demand, this is expected to support stronger GDP growth.

The May 2025 SoMP projected that national GDP growth will gradually strengthen from 1.4 per cent in 2024–25 to 2.1 per cent in 2025–26 and 2.2 per cent in 2026–27.

In the near term, the recent softer GDP growth rate is expected to see the national unemployment rate rise modestly before stabilising at a still historically low rate of 4.3 per cent by the end of 2025.

1.3 Queensland conditions and outlook

Queensland's economic growth is forecast to strengthen in the near term and remain robust across the forward estimates. However, global geopolitical tensions and trade policies present higher than usual uncertainty to the outlook.

GSP growth is forecast to be 2½ per cent in 2024–25, accelerating from 2.1 per cent in 2023–24 driven by stronger public sector activity. Strong public final demand growth is expected to extend across the forecast period as service delivery and the infrastructure program delivers essential economic and social infrastructure for a growing population.

Consecutive natural disasters affecting the state in early 2025 have also weighed on growth.

These events, along with the initial effects of protectionist trade policies across the globe, are estimated to have reduced Queensland GSP growth by around ¾ percentage point in 2024–25.

An expected rebalancing of economic drivers is forecast to deliver stronger GSP growth of 2¾ per cent in 2025–26. While public demand will remain robust, private sector spending is forecast to strengthen and be a key driver of activity.

Slower underlying inflation, income tax cuts and further interest rate reductions are expected to underpin a strengthening in per capita real incomes. This will support a pick-up in consumer spending growth towards its historical average which will once again be an important driver of economic activity. Balancing this, elevated global uncertainties are likely to weigh on consumer and business sentiment.

Supply constraints have continued to restrict the ability of residential construction to meet demand. Supply constraints are expected to gradually ease over time, meaning dwelling investment is forecast to return to growth, albeit tempered by high construction costs.

Prevailing industry constraints are also impacting business investment, with momentum to be regained in 2025–26 as weather conditions are expected to normalise, borrowing costs fall and the sector progresses an elevated pipeline of non-dwelling construction work.

Noting the rebalancing in 2025–26, Queensland's economic growth is forecast to ease to 2½ per cent in 2026–27. Goods imports are forecast to grow strongly in line with the recovery in domestic conditions, while strength in services imports continues. Meanwhile, exports are expected to rise only marginally as increases in services and metallurgical coal exports are largely offset by lower metals and agricultural exports.

Domestically, major components of private demand are forecast to continue to strengthen in 2026–27 while growth in public demand is expected to ease slightly, though remaining in line with average growth across the past decade.

With ongoing momentum from rising real incomes, household consumption growth will strengthen, while a pipeline of projects is supportive of investment in new dwellings and renovation activity is also expected to improve.

Queensland's economic growth is projected to settle at a solid 2½ per cent from 2027–28, consistent with potential output growth.

With state final demand forecast to be higher than previously expected, labour market conditions are also forecast to remain strong and tight.

Ongoing jobs growth is expected to see employment growth average 3 per cent in 2024–25, before stabilising at 1½ per cent from 2025–26, broadly in line with population growth.

The unemployment rate is forecast to remain lower for longer, but edge higher from 4 per cent in 2024–25 to reach 4¾ per cent in 2028–29 (Table 1.1) — a rate more consistent with stable inflation but still well below the state's long-run average.

Growth in the wage price index (WPI) is forecast to be 3¾ per cent in 2024–25 and 3½ per cent in 2025–26 before moderating to 3 per cent by 2028–29, consistent with an easing in labour market tightness. This profile is expected to deliver ongoing real wage growth for Queensland workers.

Queensland's population growth is projected to moderate across the forecast period as overseas migration numbers normalise, slowing from 2.5 per cent in 2023–24 to 1¾ per cent in 2024–25 and 1½ per cent in 2025–26 and 2026–27.

Table 1.1 Queensland economic forecasts/projections[1]

	Actuals	Forecasts			Projections	
	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29
Gross state product[2]	**2.1**	**2½**	**2¾**	**2½**	**2½**	**2½**
Employment	3.0	3	1½	1½	1½	1½
Unemployment rate[3]	4.1	4	4¼	4½	4½	4¾
Inflation[4]	4.1	2	3¼	2½	2½	2½
Wage Price Index	4.7	3¾	3½	3¼	3¼	3
Population	2.5	1¾	1½	1½	1¼	1¼

Notes:

1. Unless otherwise stated, all figures are annual percentage changes.
2. Chain volume measure (CVM), 2022–23 reference year. The comparable nominal GSP growth rates are 1.1 per cent in 2023–24, 3¾ per cent in 2024–25, 4 per cent in 2025–26 and 5 per cent in 2026–27.
3. Per cent, year-average.
4. Brisbane, per cent, year-average.

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.

Box 1.1 Economic impacts of natural disasters

Over March quarter 2025, vast areas of the state were impacted by severe weather events, which inflicted flooding and storm damage to homes, businesses and infrastructure and caused personal devastation and hardship to many Queenslanders.

In addition to the financial costs to households, businesses, government and insurers, the severe weather events also resulted in measurable losses in economic output.

North Queensland flooding

The North Queensland floods in late January and early February 2025 impacted a region that accounts for a significant proportion of the state's overall economic activity. This event disrupted mining and port activities with February 2025 coal export volumes around 30 per cent below their levels in the same month in 2024.

While export volumes rebounded during March, overall exports for the quarter were weaker due to the flooding. It is estimated that lost exports across all impacted sectors could reduce the value of production by around $2 billion in 2024–25 or ⅓ percentage point of GSP.

Tropical Cyclone Alfred

Ex-Tropical Cyclone Alfred in March 2025 had a significant, albeit temporary, impact on economic activity in South East Queensland. This region accounts for over half of the state's population and economic activity.

The impacts were primarily through the tourism industry and general business disruption, especially due to the widespread power outages that occurred.

It is also likely that construction activity was impacted with unseasonable weather experienced in March and across the prior 2 quarters.

Overall, it is estimated that the value of lost activity due to the initial impact of Alfred will have been in the order of $1 billion or around ¼ percentage point of GSP.

Western Queensland floods

Shortly after ex-Tropical Cyclone Alfred, vast areas of western Queensland were impacted by significant flooding. The affected regions account for a substantial share of Queensland's rural industries, especially grazing.

The major impact was on livestock losses. It is estimated the affected region accounts for around 14 per cent of Queensland's cattle herd and around 46 per cent of the sheep flock.

Preliminary estimates suggest the value of lost production, principally in beef and wool, is likely to be around $300 million or less than 0.1 per cent of annual GSP. The loss of production is likely to be spread relatively evenly over the 3-year period from 2024–25 to 2026–27.

Overall impact

These 3 major natural disasters significantly impacted activity in March quarter 2025 and, to a lesser extent, 2024–25 as a whole. While the higher-than-average rainfall in key agricultural regions is positive for grazing and cropping, rain negatively impacted construction activity during late 2024. As a result, the combined impact of the various natural disasters affecting Queensland is expected to be around ¾ percentage point of GSP.

1.3.1 Household consumption

Growth in consumer spending slowed across 2023–24 and 2024–25 as Queensland households adapted to restrictive financial conditions.

Recent Australian Bureau of Statistics (ABS) data show that the treatment of state and national cost-of-living subsidies by the ABS in the National Accounts has also reduced measured household consumption in 2024–25 (with this spending being reallocated from household to public consumption).

Growth in household consumption is expected to pick up in 2025–26, reflecting an expected strengthening in real per capita incomes as inflation slows, interest rates reduce further and income tax cuts support household incomes.

However, ongoing uncertainty in the global environment may prompt households to exercise caution and increase savings buffers, moderating spending growth to around 2½ per cent in the forecast years, in line with the pre-COVID-19 decade average.

1.3.2 Dwelling investment

Despite significant and increasing demand for housing in recent years, Queensland residential construction activity has been stagnant.

Construction productivity was significantly impacted by many factors, including material and labour shortages, and Best Practice Industry Conditions which increased the cost and deliverability of projects across the sector, including residential construction. As a result, real dwelling investment has weakened over the past 2 years.

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.

Further, the impacts of Tropical Cyclone Alfred stopped work for several days across most construction sites in South East Queensland and followed unseasonable weather conditions in previous months. With the industry already at capacity, any lost output during the March quarter may be difficult to make up in the short term.

Dwelling investment is expected to grow by 3 per cent in 2024–25, before strengthening slightly to 3¼ per cent in 2025–26 and 4 per cent in 2026–27.

Box 1.2 Housing supply and home ownership

Housing market conditions

An ongoing shortage of housing supply relative to demand has driven dwelling price growth, low vacancy rates and rapid rent rises in recent years.

The growth in demand for housing during and since the COVID-19 pandemic has been driven by strong population growth, initially due to a surge in net interstate migration and then a period of exceptionally strong net overseas migration.

Several factors have contributed to housing supply not keeping pace with demand, including residential construction output being constrained by material shortages and ongoing labour shortages, company insolvencies and weak productivity growth.

As a result, the value of residential work in the pipeline has reached record highs and the cost of construction has increased rapidly in recent years.

Housing affordability has also deteriorated since the pandemic, impacted by higher dwelling prices and higher interest rates.

Brisbane dwelling prices have risen over 70 per cent since March 2020, to a median value of around $918,000 in May 2025. Brisbane's median dwelling price to income ratio has risen from 5.3 in 2019–20 to approximately 8.3 in May 2025.

Rental markets also remain tight across Queensland, with the rental vacancy rate at a low 1.0 per cent in May 2025.

There are some positive signs that construction commencement to completion times in Queensland have begun moderating off recent peaks and there is evidence conditions are easing with new rental price growth slowing in recent quarters.

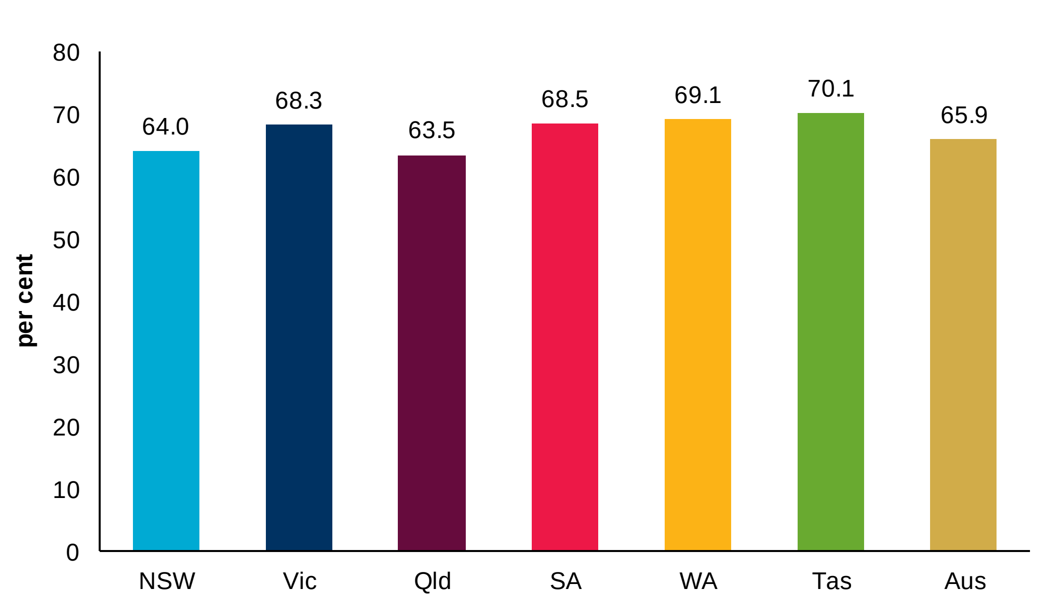
Home ownership rate

The rate of home ownership in Queensland is the lowest of any state in Australia (Chart 1.1).

In 2021, the proportion of owner-occupied dwellings (either owned outright or with a mortgage) in Queensland was 63.5 per cent — unchanged from a decade earlier and lower than the 65.4 per cent reported in 2006.

Home ownership supports the long-term economic security of individuals and families, including through increased wealth accumulation, improved labour market outcomes and greater community engagement.

Chart 1.1 Rate of home ownership[1]



Note:

1. Includes owned outright and owned with a mortgage.

Source: ABS 2021 Census of Population and Housing.

Queensland Government response

The Queensland Government is taking action to address housing market pressures and ensure home ownership is a realistic and attainable goal for households.

A Housing Ministerial Taskforce Cabinet Committee has been established to oversee actions to drive supply and provide a place to call home for more Queenslanders, sooner.

The government's *Securing our Housing Foundations Plan* will deliver one million new homes by 2044, including an additional 53,500 social and community housing dwellings.

Key initiatives implemented and announced by the government include:

- The Queensland Government is investing $165 million into Boost to Buy, a nation-leading home ownership scheme, commencing this year. Boost to Buy will close the deposit gap for eligible Queensland first home buyers, with the government funding a portion of the cost for new and existing homes.
- Since 1 May 2025, eligible first home buyers purchasing or building an eligible new home do not have to pay transfer duty. This measure will help get Queenslanders into their first home faster, while encouraging increased supply to deliver long-term affordability relief and support home ownership. Legislative amendments to allow transfer duty concession recipients to rent out part of their property during the first year of occupancy without having to repay the concession have also come into effect.
- In the 2025–26 Queensland Budget, the government has extended the $30,000 First home owner grant (FHOG) for a further 12 months to 30 June 2026. This will complement the significant relief provided by the government's removal of transfer duty for first home buyers building or purchasing a new home, as well as other existing concessions. The extension of the $30,000 FHOG will help more first home buyers unlock their first home all while driving increased supply to support broader affordability.
- Working with councils, the state will support the fast tracking of new housing developments through the $2 billion Residential Activation Fund. This includes a $1 billion minimum investment in regional communities. This program provides funding to local government and developers for trunk and essential infrastructure like water supply, sewerage, stormwater management, power, and transportation, which are needed to enable residential development.
- In this Budget, the government is also delivering increased investment of $1.967 billion over 4 years (including $1.892 billion capital funding) and an ongoing commitment of $500 million from 2029–30 to support increased delivery of social and community housing, including youth foyers and domestic and family violence shelters.

Broader supply side measures such as streamlining development approvals, ensuring appropriate planning frameworks and regulatory settings, and provision of essential trunk infrastructure to facilitate housing development, will continue to be key areas of focus for the government to improve housing affordability and home ownership rates across the state.

1.3.3 Business investment

After a strong recovery following the COVID-19 period, business investment growth slowed significantly, with business investment falling by 1.4 per cent in the year to March quarter 2025.

The lagged impact of higher interest rates and moderating business conditions, together with capacity constraints and higher costs in the construction industry, likely contributed to this weakness.

Weather conditions also played a role with the level of rainfall in the first 3 quarters of 2024–25 considerably higher than normal.

Ongoing global economic uncertainty is likely to have constrained investment activity in the first half of 2025. This will push investment activity into 2025–26 when a rebound is expected, subject to normal weather conditions being experienced.

Reflecting these constraints, overall business investment is expected to fall by 1 per cent in 2024–25 before recovering to grow by 1½ per cent in 2025–26 and 3¼ per cent in 2026–27. A rebound in non-dwelling construction is expected to be a key driver of the recovery.

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. The outlook is expected to remain strong.

1.3.5 Overseas exports and imports

In real terms, despite interruptions from extreme weather events, Queensland's overseas exports are estimated to grow by a further 3¼ per cent in 2024–25.

Looking ahead, supply constraints are expected to unwind and production increase across several of the state's key export sectors, including coal, liquefied natural gas (LNG), metals and agriculture.

Services exports are expected to remain unchanged in 2024–25.

Tourism has been hampered by high travel costs, airline capacity constraints and natural disasters, while international student numbers have been impacted by Australian Government policies.

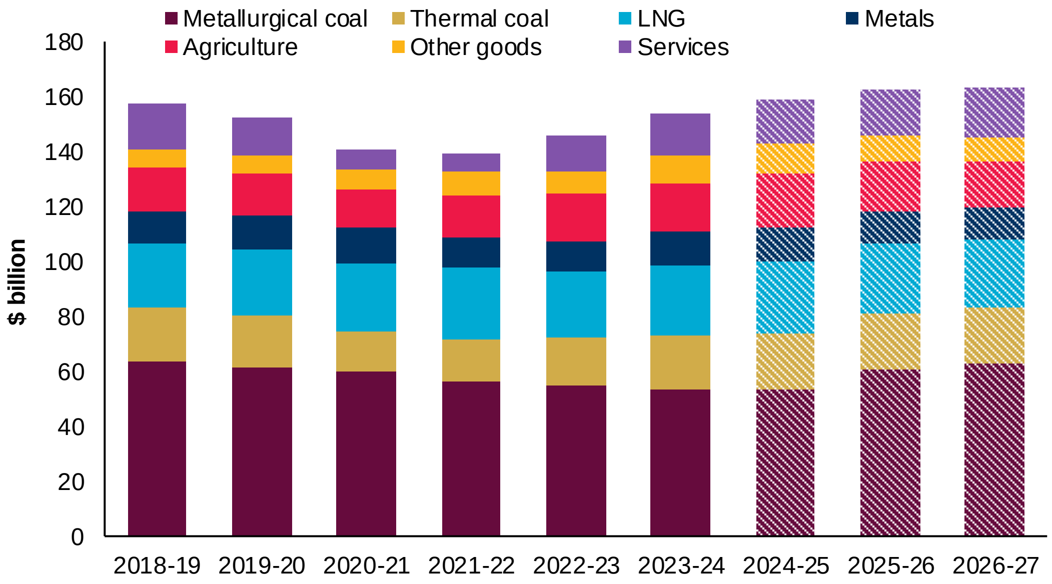
Growth in overseas exports is expected to be solid at 2¼ per cent in 2025–26 (Chart 1.2).

In 2026–27, exports are forecast to grow marginally, driven by growth in services and metallurgical coal exports, partially offset by lower metals and agriculture exports.

Growth in Queensland imports is expected to moderate to 3 per cent in 2024–25, consistent with subdued private demand and a weaker Australian dollar.

Growth is then expected to pick up to 4¾ per cent in 2025–26, in line with growth in household consumption and private investment.

Chart 1.2 Queensland real overseas exports[1]



Note:

1. Annual, CVM.

Sources: ABS Balance of Payments, ABS International Trade in Goods (unpublished), and Queensland Treasury.

Coal

Queensland's coal exports are expected to grow by 1¼ per cent in 2024–25, reflecting the easing of some supply constraints in recent years and the ramp-up of production at the Olive Downs and New Acland Stage 3 coal mines.

Coal exports were expected to grow much faster if not for the severe rainfall and flooding in North Queensland in February 2025. In the first 6 months of 2024–25, coal export volumes were 4.2 per cent above the corresponding period in 2023–24. However, coal exports fell to 10.9 million tonnes (Mt) in February 2025, down from 16.1Mt in February 2024 and the lowest monthly export total since April 2017, when exports were affected by Tropical Cyclone Debbie.

Exports subsequently rebounded to 17.4Mt in March 2025 (up from 16.5Mt in March 2024), however overall exports were still 4.6Mt (or 9.7 per cent) lower than in March quarter 2024.

Coal exports are forecast to grow by 10½ per cent in 2025–26, driven by the continued recovery of hard coking coal exports. Export volumes are expected to grow by a further 3 per cent in 2026–27 as supply conditions normalise.

Demand for Queensland's metallurgical coal is expected to be supported by growing steel production in India and emerging markets such as Vietnam. Retaliatory tariffs from China on US coal imports may provide further support for demand for Queensland's coal exports to the extent that China may seek alternative supply sources. However, concerns about the global economy more broadly following the escalating trade war present downside risks for global steel demand.

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 coal-fired power generation in the fast-growing Asian region.

LNG

The volume of Queensland’s LNG exports is estimated to grow a further 1½ per cent in 2024–25, following a record 23.7Mt in 2023–24. Global demand for LNG remains strong in Asia, as well as the Northern Hemisphere as Europe continues to moderate natural gas imports from Russia.

Domestically, it is expected that in the near term there will be sufficient production of natural gas to supply both the east coast domestic market and spot LNG cargoes above contracted amounts. However, LNG exports are expected to return to their contracted amounts and moderate 1½ per cent in 2025–26 and a further 3¾ per cent in 2026–27 as domestic southern gas fields deplete and conditions in the northern hemisphere market abate.

The Queensland Government is opening up new tenures for gas exploration and has provided funding to boost exploration in the Bowen Basin to support growth in gas supply. The government is working with the industry to unlock gas supply to bring down prices and attract investment, which will also create employment opportunities in Queensland including in regional communities over the medium-to-long term.

Metals

Queensland metals exports are forecast to rise 1¾ per cent in 2024–25 having normalised after several years of interruptions, and despite severe weather disruptions in early 2025.

From 2025–26, however, exports are expected to fall due to the closure of several large base metal mines, continuing the longer-term trend evident since 2013–14.

Agriculture

The volume of agricultural exports rose by 3.9 per cent in 2023–24, driven by increases in beef and sugar exports.

Agriculture exports are expected to strengthen by a further 11 per cent in 2024–25 to an all-time high, driven by strong beef, chickpea and wheat exports.

With the US currently in a herd rebuilding phase, it is anticipated strong demand for Australian beef over the forecast period will be maintained.

The trade conflict between US and China is also expected to benefit Australia’s beef industry, with China having placed restrictions on US beef imports, allowing Australia to expand access to its market.

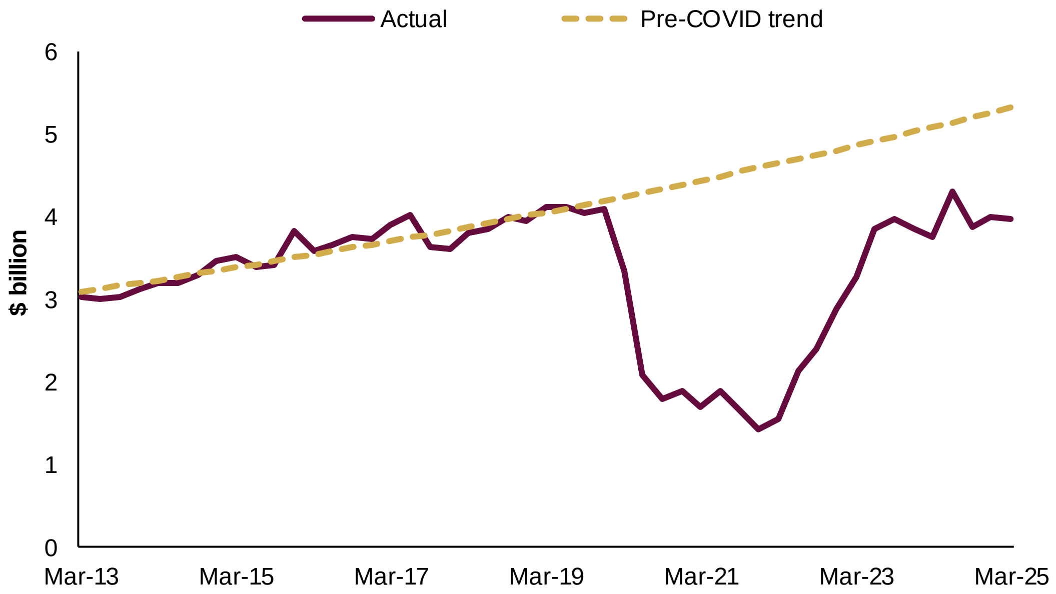
Over the medium term, agriculture exports are expected to moderate, driven by lower beef and cotton exports. Beef exports are expected to moderate from record highs, to facilitate a partial herd rebuild, with favourable weather conditions expected for pasture growth.

Services exports

International visitors and student arrivals recovered following the reopening of Australia's borders at the start of 2022. This was reflected in rapid growth in the level of services exports (Chart 1.3).

However, the rate of growth in the volume of services exports has started to ease, rising at a more moderate pace of 5.8 per cent in the year to March quarter 2025, with the level of services exports well below pre-COVID-19 trends.

Chart 1.3 Queensland services exports[1]



Note:

1. Quarterly, CVM, seasonally adjusted

Sources: ABS Balance of Payments and International Investment Position and Queensland Treasury.

The recovery in short-term visitor arrivals have been hampered by international airline capacity limitations and high travel costs.

However, on average, visitors are staying longer so the recovery in visitor nights spent in Queensland has been stronger than the recovery in visitor numbers.

The recovery in student numbers has also slowed with the Australian Government taking several policy measures to reduce overseas students as part of its migration strategy. The number of visas granted for overseas students to study in Queensland has fallen by 37.8 per cent over the 2 years to April 2025.

Imports

Growth in overseas imports to Queensland is expected to moderate to 3 per cent in 2024–25. Goods imports are expected to rise modestly, consistent with emerging private demand, while services imports are forecast to continue to grow strongly.

In 2025–26, growth in imports is expected to pick up to 4¾ per cent, in line with solid growth in household consumption and private investment. Beyond 2025–26, imports are forecast to grow strongly, reflecting solid domestic conditions and continued strength in services imports.

Box 1.3 US tariffs and implications for global trade

The global environment remains uncertain, with key risks to growth outlined in the 2024–25 Mid-Year Fiscal and Economic Review materialising.

Global trade tensions have escalated, with the US imposing new tariffs on multiple countries, resulting in retaliatory tariff announcements between the US and China — the world's 2 largest economies.

Most country-specific tariffs are currently subject to a 90-day pause, however a 10 per cent base rate and higher rates on specific goods remain (including 50 per cent on steel and aluminium articles). Trade policies are still evolving and where they settle remains uncertain.

The outlook for global trade has deteriorated, with associated uncertainty likely to constrain, or even shrink, global trade flows. Supply chains are being disrupted, some businesses are relocating production to avoid tariffs, while goods trade is likely to be redirected to avoid tariffs.

The World Trade Organisation now projects the volume of world merchandise trade to decline by 0.2 per cent in 2025, with trade policy shifts trimming nearly 3 percentage points from previously expected growth in global merchandise trade.

The possibility of a global trade war is ultimately expected to weaken economic activity, particularly for countries which have direct trade exposure and face higher tariffs. Major institutions, including the IMF, have cut growth forecasts with downgrades broad-based across countries. Negative risks prevail with the IMF recently expressing fears of recession in the US.

Modelling suggests relatively minor medium-term impacts on the Australian economy. For example, the 2025–26 Federal Budget presented modelling which indicated that such tariffs could reduce the level of Australian GDP by around 0.1 per cent and result in a temporary increase in 2025 inflation by around 0.1 percentage point.

While consumer prices are expected to rise in the US, the impact on Australian inflation is more complex and uncertain given the wide range of competing factors.

For Queensland, the US is not a significant export market, accounting for around 3 per cent of goods exports, mainly beef. Queensland steel and aluminium exports to the US account for a small proportion of exports, although Queensland is exposed to aluminium supply-chain linkages through other states and countries.

As a small open economy with substantial natural resources exports, the main risk to Queensland is reduced offshore demand for commodities and the displacement of private spending because of increased economic and financial uncertainty.

In particular, Queensland and Australian resources and agricultural exporters are exposed to potentially weaker demand from MTPs in Asia, particularly China.

Based on the IMF outlook, Queensland's major trading partner growth was downgraded by around ½ percentage point in both 2025 and 2026.

The actual impact on global trade, commodity prices and Queensland's MTPs will not be known for some time. Initial analysis suggests the impact on Queensland goods exports, as well as on spending decisions from households and businesses, is expected to lower GSP growth by ¼ of a percentage point in 2025–26 and for the level of GSP to remain around ¼ per cent lower across the forecast period.

While tariff negotiations are the remit of the Australian Government, trade missions provide an opportunity for the Queensland Government, through Trade and Investment Queensland (TIQ), to meet with our key trading partners, and communicate that Queensland is open for business.

In response to the US government tariff announcements, TIQ has formed a Tariff Response Unit, working to a 100-day plan to inform clients and stakeholders through stakeholder roundtables and a dedicated online Tariff Hub. As of 10 June 2025, the Tariff Response Unit had coordinated 15 roundtables and presentations, with 11 held to date reaching 210 businesses and stakeholders.

The dedicated online Tariff Hub is also the touch-point for Queensland exporters, where they can access the specially produced fact-sheets and resources produced by the Tariff Response Unit.

In the long-term, increased tariffs may lead to trade re-orientation, where regions and countries are seeking to mitigate potential tariffs and reinforce/create new strategic relationships. This is seeing potentially new structural shifts in trading relationships that present both opportunities and threats to Queensland and Australia, as partners consider longer-term commodity trades to mitigate trade deficits.

1.3.6 Labour market

Labour market conditions in Queensland remain strong.

The unemployment rate has averaged around 4 per cent during 2024–25, labour force participation has been elevated, and trend employment is up 2.8 per cent (or 83,400 persons) over the year to May 2025.

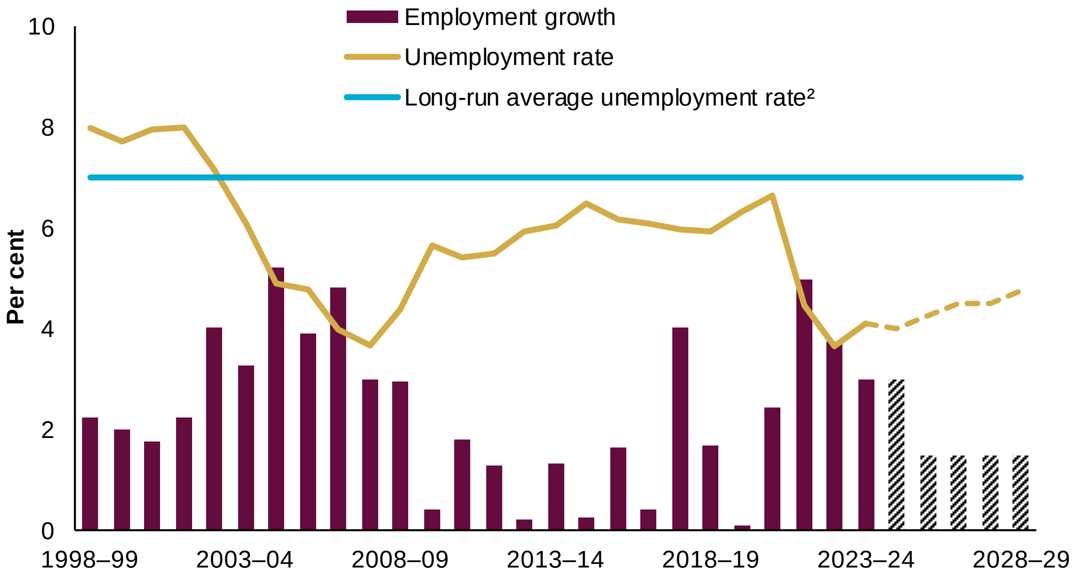
Leading indicators such as job vacancies suggest the tight labour market is persisting, although conditions are expected to soften gradually.

The job vacancy rate, which measures the number of job vacancies as a proportion of the labour force, has eased from an historic high of 3 per cent in September quarter 2022 to a still elevated 2¼ per cent in March quarter 2025.

Overall employment growth is expected to average 3 per cent in the year, before slowing to 1½ per cent in 2025–26, then stabilising over the remainder of the forward estimates period as the labour market continues to normalise and grow broadly in line with underlying population growth.

The unemployment rate is expected to average 4 per cent in 2024–25 and then gradually increase towards a rate more consistent with stable inflation, reaching 4¼ per cent in 2025–26, 4½ per cent in 2026–27, and eventually 4¾ per cent in 2028–29 (Chart 1.4).

Chart 1.4 Employment growth and unemployment rate, Queensland[1]



Notes:

1. Original, year-average. 2024–25 and beyond are forecasts/projections.
2. Long-run average unemployment rate since the inception of the ABS monthly series in 1978 is 7 per cent.

Sources: ABS Labour Force and Queensland Treasury.

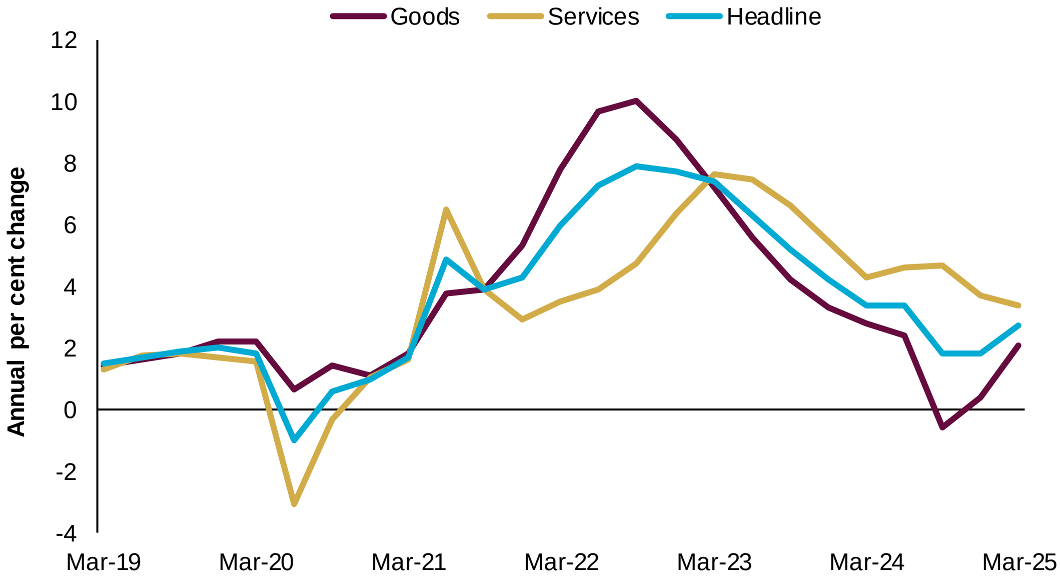
1.3.7 Prices and wages

In year-average terms, growth in Brisbane's CPI was 4.1 per cent in 2023–24, falling from 7.3 per cent in 2022–23, which was the highest year-average increase since 1989–90.

Brisbane's annual headline inflation fell to a low of 1.8 per cent in the September and December quarters of 2024, before rising to 2.7 per cent in March quarter 2025 as the impact of the government's temporary electricity rebate unwound.

Annual services inflation also continues to moderate, falling to 3.4 per cent in March quarter 2025, down from the recent peak of 7.6 per cent in March quarter 2023 (Chart 1.5).

Chart 1.5 Brisbane's consumer price index, by component[1]



Note:

1. Quarterly.

Source: ABS Consumer Price Index.

In year-average terms, Brisbane's overall CPI growth is expected to fall to 2 per cent in 2024–25. However, the scheduled unwinding of temporary government rebates is expected to see annual CPI growth strengthen to 3¼ per cent in 2025–26. This is in line with forecasts published in the 2024–25 Queensland Budget.

Queensland's tight labour market is continuing to support wages growth. Annual WPI growth in 2024–25 was 3.6 per cent in March quarter 2025, above the national average of 3.4 per cent.

Consistent with the expected gradual easing in labour market conditions, Queensland's WPI growth is expected to be 3¾ per cent in 2024–25, 3½ per cent in 2025–26 and 3¼ per cent in 2026–27. Queensland is expecting real wages growth in 2024–25, with ongoing real wage growth expected across the remainder of the forecast period.

1.3.8 Population

Queensland experienced a surge in population growth in recent years, primarily driven by a rebound in net overseas migration (NOM). Recent federal changes to Australia's Migration Strategy are expected to temper NOM from 2024–25 onwards.

Since its peak in 2022, net interstate migration has generally trended lower, moving towards pre-COVID-19 levels and this trend is expected to persist.

Taken together, Queensland's population growth is projected to moderate to 1¾ per cent in 2024–25, and 1½ per cent in 2025–26 and 2026–27.

1.4 Risks to the outlook

Global geopolitical tensions remain a key risk to the outlook. This includes the ongoing conflicts in Ukraine and the Middle East.

The heightened risk to global trade by US tariffs is likely to reduce global growth and potentially push up global inflation. Indirectly, shifting patterns of global trade are also likely to increase prices and reduce productivity.

Higher prices could impact central banks' decision-making, threatening the potential for the easing of monetary policy settings.

Australia is less directly impacted by US tariffs but there is a risk that renewed global uncertainty and financial market volatility could push up international risk premia and reduce both global and Australian investment.

Domestically, the risks of a hard economic landing have lessened with recent and prospective reductions in the cash rate. However, there is a risk disinflation could take longer than expected, which could delay monetary policy easing, potentially impacting economic growth.

There remains considerable uncertainty about the impact of policy changes on the number of international students and long-term migrants. Nationally, there are ongoing policy challenges in balancing national population growth to address skill shortages and support services exports against the risk of generating excess demand for housing.

There are continued challenges for the national and Queensland construction industry which has faced significant capacity constraints over recent years.

Competing demand for inputs given the substantial pipeline of public infrastructure investment also places pressure on the construction industry more broadly, which could lead to further supply constraints and higher prices which risk crowding out private business and residential investment.

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

Table 1.2 Queensland economic forecasts[1]

	Actuals	Forecasts		
	2023–24	2024–25	2025–26	2026–27
Economic output[2]				
Household consumption	2.1	1	2½	2½
Dwelling investment	-1.8	3	3¼	4
New and used	1.8	4	7	6¼
Alterations and additions	-6.0	1¾	-1½	¾
Business investment	2.8	-1	1½	3¼
Non-dwelling construction	2.9	-1½	1¾	1
Machinery and equipment	1.6	-3½	-½	1¾
Private final demand	1.9	¾	2¼	2¾
Public final demand	5.6	6¾	5½	4¾
State final demand	**2.9**	**2½**	**3¼**	**3½**
Overseas exports[3]	12.5	3¼	2¼	½
Overseas imports[3]	7.4	3	4¾	5¾
Gross state product	**2.1**	**2½**	**2¾**	**2½**
Employment	3.0	3	1½	1½
Unemployment rate[4]	4.1	4	4¼	4½
Inflation[5]	4.1	2	3¼	2½
Wage Price Index	4.7	3¾	3½	3¼
Population	2.5	1¾	1½	1½

Notes:

1. Unless otherwise stated, all figures are annual percentage changes.
2. CVM, 2022–23 reference year. The comparable nominal GSP growth rates are 1.1 per cent in 2023–24, 3¾ per cent in 2024–25, 4 per cent in 2025–26 and 5 per cent in 2026–27.
3. Includes goods and services.
4. Per cent, year-average.
5. Brisbane, per cent, year-average.

Note: Queensland economic forecasts are based on several key assumptions, including:

- The RBA cash rate to progressively decline over 2025 and 2026
- 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 2029
- Residential property price growth in Brisbane will remain strong amid tight supply and strong demand as lower interest rates improve buyer sentiment
- A return to average seasonal rainfall across the forecast period
- The Australian 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

- Respect for Queenslanders' money is a foundational commitment of the government. On coming to office, the government worked to identify funding shortfalls, known funding pressures in service delivery agencies and capital projects with cost overruns to create a baseline in the 2024–25 Mid-Year Fiscal and Economic Review (MYFER).
- In preparing the 2025–26 Budget the government has taken a calm and methodical approach to review and plan the ongoing robust management of spending.
- This has supported improvement in the outlook for key financial aggregates compared to the 2024–25 MYFER, and the first step towards sustained budget improvement.
- Relative to the 2024–25 MYFER, $6.1 billion in operating balance improvements are projected over the 4 years to 2027–28.
- In 2025–26, a net operating deficit of $8.581 billion is forecast compared to $6.926 billion in the 2024–25 MYFER. This results from the government's decisions to fund a range of programs announced but not funded by the former government, targeted funding to meet demand in priority service delivery areas including health, education, housing, child safety and victim support, and GST revenue being $1.3 billion lower than projected at the 2024–25 MYFER.
- Operating deficits are thereafter expected to progressively improve across the forward estimates as revenue improves from 2026–27 and grows faster than expenses. Operating cash flows are also expected to be positive from 2026–27 and contribute to funding capital purchases.
- The government's robust fiscal management and commitment to budget improvement will result in the Non-financial Public Sector's (NFPS) borrowing significantly improving compared to the 2024–25 MYFER forecast. NFPS debt is forecast to be $147.8 billion as at 30 June 2026, $8.3 billion lower than the 2024–25 MYFER forecast. In 2027–28, NFPS debt of $190.4 billion is forecast, $27.5 billion lower than forecast in the 2024–25 MYFER.
- The NFPS interest expenses have reduced by $2.3 billion across the 4 years to 2027–28 compared to the forecast in the 2024–25 MYFER.
- Fiscal Principles have been refreshed to support the government's focus on a sustainable balance sheet and driving productivity across the public and private sectors. The addition of the NFPS debt to revenue ratio in Fiscal Principle 1 increases focus on the gross debt the state needs to service. The new Fiscal Principle 6 recognises that productivity improvements are an important objective to drive better outcomes for Queensland's economy and living standards.

2.1 Fiscal outlook

The 2025–26 Queensland Budget is the start of a pathway towards sustained budget improvement. The first step is the delivery of a measurable improvement in the outlook for key 2025–26 Budget aggregates when compared to the 2024–25 MYFER.

The true state of Queensland's finances was presented in 2024–25 MYFER, which revealed significant funding shortfalls and under-funded service delivery, evidenced by an $11 billion deterioration in the net operating balance in 2027–28 compared to that presented in the 2024–25 Budget.

Over the 4 years to 2027–28, total key revenues (taxes, GST and royalties) are expected to improve by $2.7 billion compared to the 2024–25 MYFER. A portion of this revenue uplift will be used to fund some of the legacy issues from the previous government and introduce measures to reduce Queenslanders' tax burden, as outlined in Chapter 3.

Expenses growth over the forward estimates must also be sensibly managed to realise the operating balance improvements. Since the 2024–25 MYFER, the government has conducted a thorough review of programs and services to align funding with government priorities.

The capital program has also been assessed to meet critical investment priorities and enhancing on-time and on-budget deliverability.

The updated 4-year, $116.8 billion capital program has been underpinned by an assessment of the state's current and future infrastructure requirements, which addressed identified cost overruns and ensured revised costings are reliable and robust.

The governance framework for capital investment will be strengthened to ensure these gains continue in the future (see section 2.2.5).

Actions to reduce net operating deficits and configure a more sustainable capital program translate into lower projected levels of Non-financial Public Sector debt when compared to the 2024–25 MYFER (see section 2.2.6).

The government has also reviewed the Charter of Fiscal Responsibility to ensure the Fiscal Principles support a strong fiscal strategy and continuous improvement, given the legacy issues under the existing charter.

The refreshed Fiscal Principles have a renewed focus on addressing the state's gross debt, which best represents what the state must repay, and introduces an additional principle that targets productivity improvements to benefit Queensland's economy and living standards.

Reporting on Queensland's position will be clear and transparent and demonstrate continual progress towards the medium-term benchmarks.

2.2 Key fiscal aggregates

The key aggregates for the 2025–26 Queensland Budget are outlined in Table 2.1.

Table 2.1 Key fiscal aggregates[1]

	2023–24 Outcome	2024–25 MYFER	2024–25 Est. Act.	2025–26 Budget	2026–27 Projection	2027–28 Projection	2028–29 Projection
	$ million	$ million	$ million	$ million	$ million	$ million	$ million
GENERAL GOVERNMENT SECTOR							
Revenue	89,768	88,071	89,476	91,337	94,886	97,748	102,457
Expenses	88,087	92,983	94,852	99,918	100,751	102,033	103,543
Net operating balance	1,681	(4,911)	(5,376)	(8,581)	(5,864)	(4,285)	(1,086)
PNFA[2]	10,507	14,189	13,370	14,639	18,554	19,124	18,655
Fiscal balance	(4,001)	(14,394)	(13,794)	(17,632)	(17,472)	(15,948)	(11,720)
Borrowing[3]	58,773	77,627	74,843	95,480	114,301	131,696	145,176
Net debt	5,684	25,539	22,092	41,803	61,605	79,239	93,217
NON-FINANCIAL PUBLIC SECTOR							
Revenue	100,258	99,141	100,978	102,638	107,256	111,693	117,106
PNFA[2]	16,887	25,760	21,583	23,837	26,749	26,221	25,326
Borrowing[3]	106,397	128,085	124,118	147,840	170,484	190,360	205,660

Notes:
1. Numbers may not add due to rounding.
2. PNFA: Purchases of non-financial assets.
3. Comprised of borrowing with QTC, Leases and similar arrangements and Securities and derivatives line items in the Balance Sheet

2.2.1 Net operating balance

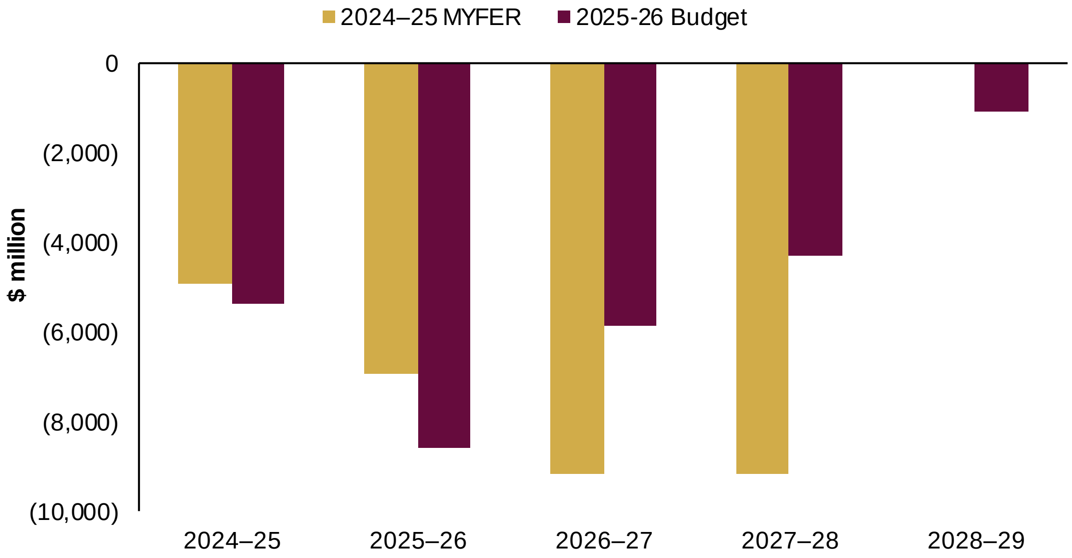
The General Government Sector 2025–26 net operating deficit has widened to $8.581 billion compared to $6.926 billion in the 2024–25 MYFER.

This is attributable to providing additional targeted funding not included in previous Budgets to support priority service delivery areas in health, housing, child safety and victim support, and GST revenue being $1.3 billion lower than projected at the 2024–25 MYFER.

Looking ahead, net operating deficits are projected to improve significantly, with $6.094 billion in operating balance improvements projected across the 4 years to 2027–28 compared to the 2024–25 MYFER.

Chart 2.1 shows the improved outlook for the General Government Sector net operating balance since the 2024–25 MYFER.

Chart 2.1 Outlook for General Government Sector 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), and expense growth to be 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 2024–25 MYFER to the 2025–26 Budget.

Table 2.2 Reconciliation of net operating balance, 2024–25 MYFER to 2025–26 Budget[1]

	2024–25 $ million	2025–26 $ million	2026–27 $ million	2027–28 $ million
2024–25 MYFER net operating balance	**(4,911)**	**(6,926)**	**(9,173)**	**(9,190)**
Taxation revisions[2]	31	146	495	903
Royalty and land rent revisions	(70)	1,417	1,759	1,493
GST revisions	(62)	(1,287)	(972)	(1004)
Updated service funding assumptions[3]	887	3,370	5,998	6,301
Revenue measures[4]	..	(77)	(16)	(6)
Expense measures[4]	(305)	(4,165)	(3,650)	(3,854)
Other parameter adjustments[5]	(947)	(1,059)	(305)	1,071
2025–26 Budget net operating balance	**(5,376)**	**(8,581)**	**(5,864)**	**(4,285)**

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. Taxation revisions exclude impact of revenue measures contained in Budget Paper 4 (BP4).
3. Adjustment to reflect re-assessment of under-funded legacy issues and approach to savings based on 2025–26 budget principles.
4. Reflects the operating balance impact of government measures since the 2024–25 MYFER (refer to BP4 Budget Measures).
5. Other parameter adjustments reflect Australian Government funding revisions, net impact of Disaster Recovery Funding Arrangements, net flows from Public Non-financial Corporation and Public Financial Corporation entities and non-policy adjustments including changes in interest, depreciation, swaps, lapses and deferrals.

The timing of payments from the Australian 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 2.3 details the impact of disaster expenses and Australian 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 on the net operating balance[1]

	2024–25 $ million	2025–26 $ million	2026–27 $ million	2027–28 $ million	2028–29 $ million
Net operating balance	(5,376)	(8,581)	(5,864)	(4,285)	(1,086)
less Disaster revenue	1,231	2,368	1,714	48	81
add Disaster expenses	1,969	2,020	1,722	468	60
Underlying net operating balance	**(4,638)**	**(8,929)**	**(5,856)**	**(3,865)**	**(1,107)**
Disaster capital expenditure	763	462	656	608	162

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

2.2.2 Fiscal Principles

Having robust fiscal principles and related targets is the strong basis needed for transparent and effective fiscal management. The government has approved amendments to 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.

Box 2.1: Revised Charter of Fiscal Principles

Amended Fiscal Principle 1

Queensland relies on borrowings to fund its infrastructure investment. If borrowings do not stabilise as a share of revenue, a higher level of borrowing costs will consume an increasing share of the budget over time. The previous measure of General Government Sector net debt does not address the government's call on financial markets.

The net debt measure also assumes that superannuation assets could be available in full to limit borrowing requirements, but this would conflict with Fiscal Principle 5 to target the full funding of long-term liabilities such as superannuation.

The addition of the Non-financial Public Sector gross debt to revenue ratio to Fiscal Principle 1, broadens the focus on the state's debt burden that needs to be serviced and closely aligns with credit rating agency measures of debt burden.

New Fiscal Principle 6

As productivity growth is a key means of achieving sustained improvement in living standards, a new Fiscal Principle has been introduced reflecting how improvements in productivity can ultimately benefit Queensland's economy and living standards, measured in terms of real Gross State Product (GSP) per capita.

Fiscal Principle 6 complements the other fiscal principles. Productivity growth generally leads to increased revenue or revenue raising capacity, which strengthens the state's fiscal position and can reduce reliance on external borrowing over time.

Productivity improvements in the public sector, including the efficient delivery of the capital program, can also reduce the risk of crowding out private sector activities and allow the government to invest in essential services. This creates greater net benefits for the community.

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 significantly against the 2024–25 MYFER but are still rising over time.

In 2025–26 the Non-financial Public Sector debt to revenue ratio is expected to be 144 per cent compared to 155 per cent in the 2024–25 MYFER. Similarly, by 2027–28 the ratio will be 170 per cent compared to 198 per cent.

The General Government net debt to revenue ratio will be 46 per cent in 2025–26 compared to 54 per cent in the 2024–25 MYFER and 81 per cent in 2027–28 compared to 103 per cent in the 2024–25 MYFER.

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 4 years to 2028–29 average revenue growth is expected to be 3.4 per cent, compared to expenses growth of 2.2 per cent.

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. However, 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 government's efforts to address legacy funding issues identified in the 2024–25 MYFER relating to key service delivery areas has put pressure on operating cash flows. However, as the operating position improves, net cash inflows will increasingly fund the capital program.

The metric is expected to reach 33 per cent by 2028–29 as revenue growth outpaces growth in expenses and the government's capital program moderates. 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 highly competitive compared to other jurisdictions. The government is committed to delivering stable and competitive tax settings in Queensland, noting early decisions of the government to reduce Queensland's tax burden by abolishing transfer duty for first home buyers on new builds and providing a full payroll tax exemption for general practitioners. It is estimated that Queenslanders will pay around $800 less tax per person than the average of other jurisdictions in 2025–26.

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.

The 2024 triennial actuarial investigation of the defined benefit scheme determined an asset coverage of liabilities of approximately 143 per cent, or $10 billion in surplus as at 30 June 2024. The proposed transfer of $3 billion in surplus defined benefit investments to the Debt Retirement Fund to facilitate debt repayments over the next 4 years has been carefully designed to ensure the defined benefit scheme remains in a very strong surplus position. Chapter 5 provides further information on this transfer of financial assets.

As at 30 June 2024, 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 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 Gross State Product per capita estimates

	2024–25	2025–26	2026–27	2027–28	2028–29
Real GSP Per Capita (2022–23 $)	93,639	94,708	95,728	96,798	97,938
Real GSP Per Capita Growth Rate	½	1¼	1	1	1¼

Sources: Australian Bureau of Statistics Annual State Accounts, National, State and Territory Population and Queensland Treasury

2.2.3 Revenue

Queensland's revenue outlook across the forward estimates faces significant challenges from negative impacts of the Commonwealth Grants Commission's (CGC) 2025 GST Review, global economic uncertainty and the normalisation of commodity prices from record high levels.

Across the 4 years to 2027–28, total revenue is expected to improve by $9.1 billion, or around 2.5 per cent, compared to the 2024–25 MYFER.

However, the main drivers behind the change in outlook are uplifts in Australian Government specific purpose grants and other grants and contributions. These revenue improvements are largely offset by associated expenses.

Key revenues are expected to improve by $2.7 billion, attributable to upgraded royalties revenue and higher taxation revenue, partially offset by lower GST revenue.

The redistribution of GST revenue away from Queensland to other states because of the CGC's Review is estimated to result in a reduction of $2.292 billion in 2025–26 compared with 2024–25, the largest GST redistribution in history. Across the 3 years to 2027–28, the negative impact on Queensland of the CGC's Review is estimated to be over $5 billion.

The 2025–26 Budget also incorporates revenue measures to reduce Queenslanders' tax burden. Further details are discussed in Chapter 3.

2.2.4 Expenses

While a portion of the revenue uplift has been used to fund some legacy issues from the previous government, over the forward estimates the government's management of recurrent spending reflects a strategy to control expenses growth through:

- a thorough review of programs and services identified at the 2024–25 MYFER as being under-funded
- aligning spending across the forward estimates with core government objectives.

The government has an ongoing commitment to drive efficiency in service delivery from departments, reflecting the commitment to restore respect for Queenslanders' money.

A starting point is the capping of the number of non-frontline senior executives in the public service at current levels, and the establishment of Queensland Government Consulting Services to provide in-house advice to agencies. Further details are discussed in Chapter 4.

General Government expenses are expected to grow by an average of 2.2 per cent over the 4 years to 2028–29.

Across the 4 years to 2027–28, General Government expenses are expected to be $3.0 billion higher than 2024–25 MYFER forecasts, reflecting additional funding from the Australian Government including for disaster recovery, and a decision to not allocate savings measures included in the 2024–25 MYFER to agencies given the quantum of under-funded services.

2.2.5 Investment

The updated 4-year capital program has been closely scrutinised by government. In doing so, the government is setting realistic ambitions that support an improving budget position, critical investment priorities and on-time and on-budget delivery.

The capital program is forecast to total $116.8 billion over 4 years to 2028–29. The 2025–26 Budget 4-year capital program is underpinned by considered analysis of the government's current and future infrastructure requirements to provide for a growing and productive economy. This analysis addresses cost overruns identified in the 2024–25 MYFER, incorporating more robust and reliable costings, and focusing on key priorities for Queensland.

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 Brisbane 2032 Olympic and Paralympic Games
- supporting sustainable delivery of Queensland's Housing Investment Pipeline.

The opportunity to review capital funding has further demonstrated the magnitude and pace of the former government's Queensland Energy and Jobs Plan was unrealistic and not achievable.

As the capital program is the biggest driver of the Non-financial Public Sector debt, the government is focused on robust oversight and monitoring for a more affordable and sustainable capital program spend.

The pause to Best Practice Industry Conditions and the decision for the Queensland Productivity Commission to review the construction industry will have a renewed focus on productivity that 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 borrowings are estimated to be lower than at the 2024–25 MYFER. NFPS debt is forecast to be $147.8 billion as at 30 June 2026, $8.3 billion lower than forecast in the 2024–25 MYFER. By 2027–28 NFPS debt of $190.4 billion will be $27.5 billion lower.

NFPS debt to revenue is expected to be 144 per cent in 2025–26 (11 percentage points lower than 2024–25 MYFER) and 170 per cent in 2027–28 (28 percentage points lower than 2024–25 MYFER). Chart 2.2 shows trends in the NFPS borrowings to revenue ratio.

The NFPS interest to revenue ratio is expected to rise from 4.2 per cent in 2024–25 to 8.4 per cent in 2028–29. Although borrowings are lower than the 2024–25 MYFER, they are still rising over time and this is reflected in rising interest expenses.

Reduced borrowings arise from decisions the government has taken to improve the operating balance and rigorous assessment of the capital program, further supported by prudent utilisation of the investment asset mix.

The Debt Retirement Fund was established in 2020–21 to repay debt but has not been used for this purpose to date. Consolidation of investments into the Debt Retirement Fund will support debt reduction with repayments commencing in 2025–26. Consequently, borrowings by 30 June 2029 are estimated to be $4.8 billion lower.

This measure will restructure the government's investment assets in a methodical manner, to deliver on the stated purpose of the Debt Retirement Fund.

Compared to the 2024–25 MYFER, the outlook for NFPS debt has improved noticeably with the rate of increase to the debt to revenue ratio moderating significantly in 2027–28 and 2028–29.

Chart 2.3 demonstrates that Queensland's NFPS borrowings to revenue ratio although increasing over time, is now expected to remain significantly lower than New South Wales and Victoria.

Chart 2.2 Queensland NFPS debt to revenue ratio

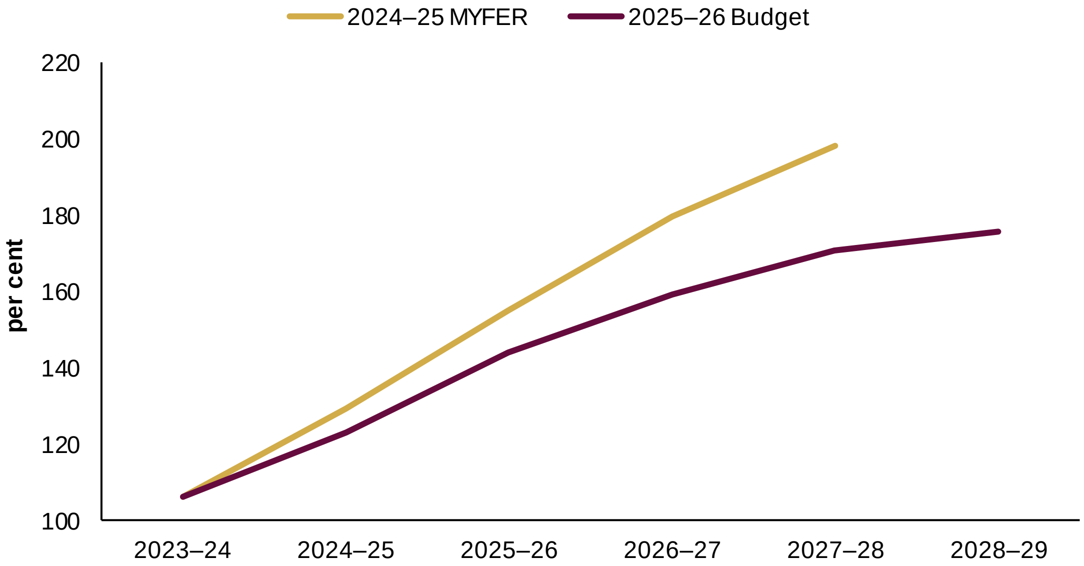
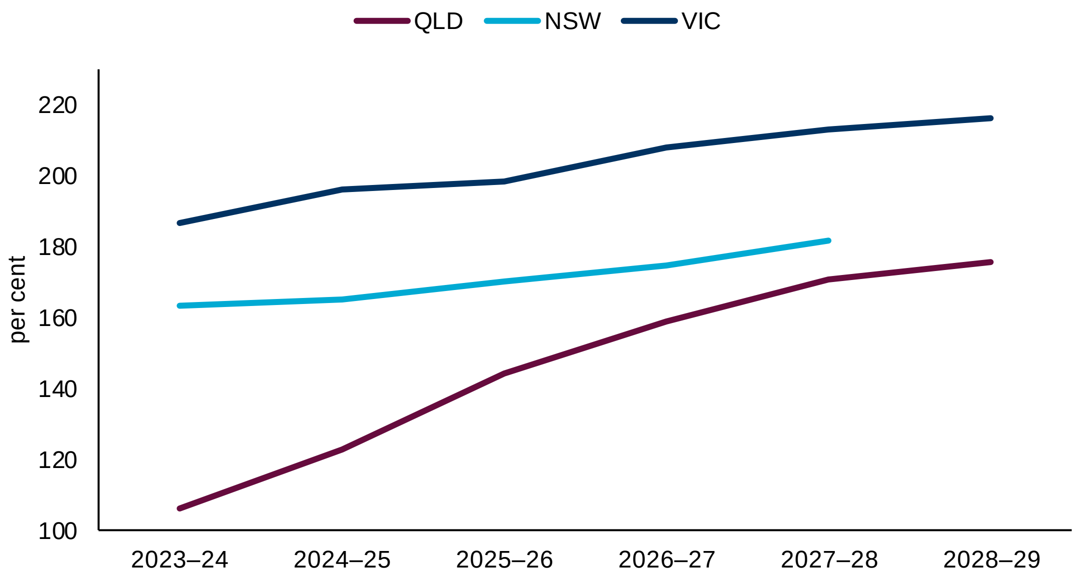


Chart 2.3 State comparison of NFPS debt to revenue ratio



Sources: 2025–26 Budgets for Queensland and Victoria, New South Wales 2024–25 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. Actions identified in the budget to consolidate investments into the Queensland Future Fund – Debt Retirement Fund demonstrates a commitment to active debt management and support Queensland's credit rating.

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 forseeable 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

Beyond general uncertainties related to parameter assumptions, emerging fiscal issues include:

- servicing the needs of a growing state, especially health and child safety services, and maintenance of state assets
- adverse weather events which may impact state infrastructure and services, noting disaster-related expenses are shared with the Australian Government under the Disaster Recovery Funding Arrangements
- 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.

3 Revenue

Features

- Queensland faces sustained revenue challenges due to the substantial negative impacts of the Commonwealth Grants Commission’s (CGC) 2025 GST Review, global economic uncertainty and the continued normalisation of commodity prices from record high levels.
- Total key state revenues (taxes, royalties and GST) are expected to be $51.515 billion in 2025–26, $335 million (0.6 per cent) lower than in 2024–25. This decline is due to a notable reduction in GST, outweighing strong growth in tax revenue. This is expected to be the third consecutive year of reduced key revenues since the peak in 2022–23.
- From 2026–27 onwards, key revenues are expected to return to growth, reflecting the ongoing strength of Queensland’s labour and housing markets and a rebound in GST as the impact of one-off transfers to other states for their COVID-19 related expenses is removed and the flow-on impact of exceptionally high royalties in previous years reduces.
- Queensland’s overall revenue outlook across the forecast period has been severely impacted by the redistribution of GST revenue away from Queensland to other states because of the CGC’s recent GST Methodology Review.
- The CGC’s Review outcomes are estimated to result in a reduction in Queensland’s GST of $2.292 billion in 2025–26 compared with 2024–25, the largest GST redistribution in history. The impacts of the CGC Review and Queensland’s significant concerns with the changes made are discussed in detail in Box 3.3.
- Over the forward estimates, royalties are expected to be materially lower than the extraordinary levels recorded in 2022–23 and 2023–24. Royalty revenue collected in that 2-year period alone is expected to be greater than combined royalty revenue in the next 4 years to 2028–29.
- Total General Government Sector revenue is estimated to total $91.337 billion in 2025–26, up $1.861 billion (2.1 per cent) from 2024–25, with total revenue to then grow by an average of 3.9 per cent across the 3 years to 2028–29.
- The Queensland Government has reduced the tax burden on Queenslanders by abolishing transfer duty for first home buyers on new properties and removing the requirement for general practitioners to pay payroll tax. These initiatives will improve access to housing for first home buyers and reduce the cost of healthcare for Queenslanders in need.
- The Budget will ensure Queensland has competitive taxation settings, with per capita state tax estimated to be around $800 lower than the average of other jurisdictions in 2025–26.

3.1 2024–25 Estimated actual

Total key state revenues (taxes, royalties and GST) are expected to be $51.850 billion in 2024–25, $2.863 billion (5.2 per cent) lower than in 2023–24 and $5.271 billion (9.2 per cent) lower than the peak level recorded in 2022–23.

This amount represents a marginal decrease of $97.7 million (0.2 per cent) compared to the 2024–25 Mid-Year Fiscal and Economic Review (MYFER) forecast, reflecting lower GST revenue due to an expected adjustment to the national GST pool, along with a period of temporarily weaker coal prices.

The continued decline of key state revenues from 2023–24 is due to the following key factors:

- lower GST, reflecting the CGC's 2024 recommendation that Queensland receives a smaller share of the GST pool in 2024–25 compared to 2023–24, despite the national pool increasing
- lower royalty revenue, driven by commodity prices, in particular hard coking coal prices, continuing to moderate after the elevated levels seen over the previous 3 years.

3.2 2025–26 Budget and outyears

General Government Sector revenue is forecast to increase by $1.861 billion (2.1 per cent) in 2025–26, to be $91.337 billion, as outlined in Table 3.1. This increase in revenue is driven by:

- a $1.892 billion (7.6 per cent) increase in taxation revenue, reflecting strength in the Queensland labour and property markets flowing through to higher payroll tax, transfer duty and land tax
- a $1.901 billion (8.6 per cent) increase in non-GST Australian Government grants, particularly grants provided as part of Disaster Recovery Funding Arrangements and National Health Reform funding, and grants for on-passing.

These increases in taxation and other revenues are partially offset by a $2.292 billion (12.1 per cent) decrease in GST revenue in 2025–26, reflecting the results of the CGC's 2025 review.

Total key revenues are forecast to decline by 0.6 per cent in 2025–26 as strong taxation revenue growth is more than offset by significant GST revenue falls, before growing by 8.7 per cent in 2026–27 as taxation revenue continues to grow strongly, and GST revenue rebounds as Queensland's share begins to recover.

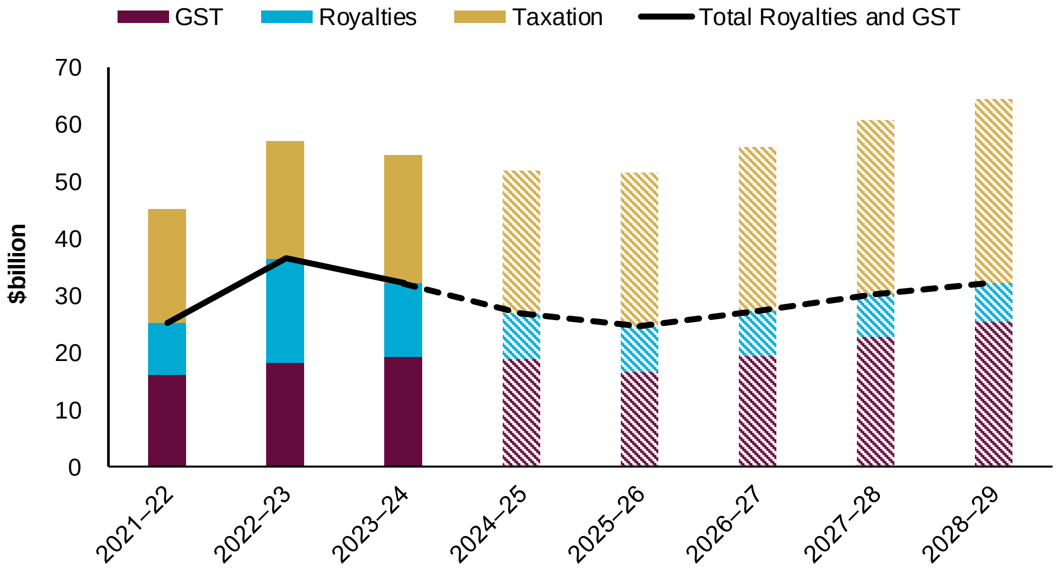
After being relatively flat in 2025–26, royalties are expected to decline from 2026–27 reflecting the gradual appreciation of the Australian dollar towards historical average levels.

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 Australian 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 state priority initiatives.

In 2025–26, royalties will remain considerably below previous highs. The impact on overall revenue growth will be compounded by the CGC's 2025 methodology changes which result in GST revenue declining materially and by more than previously expected, as shown in Chart 3.1.

Chart 3.1 Outlook for key revenues



Total key revenues are expected to continue to grow strongly in 2027–28 and 2028–29. However, importantly, total key revenues are still not expected to exceed the previous exceptional levels seen in 2022–23 until 2027–28.

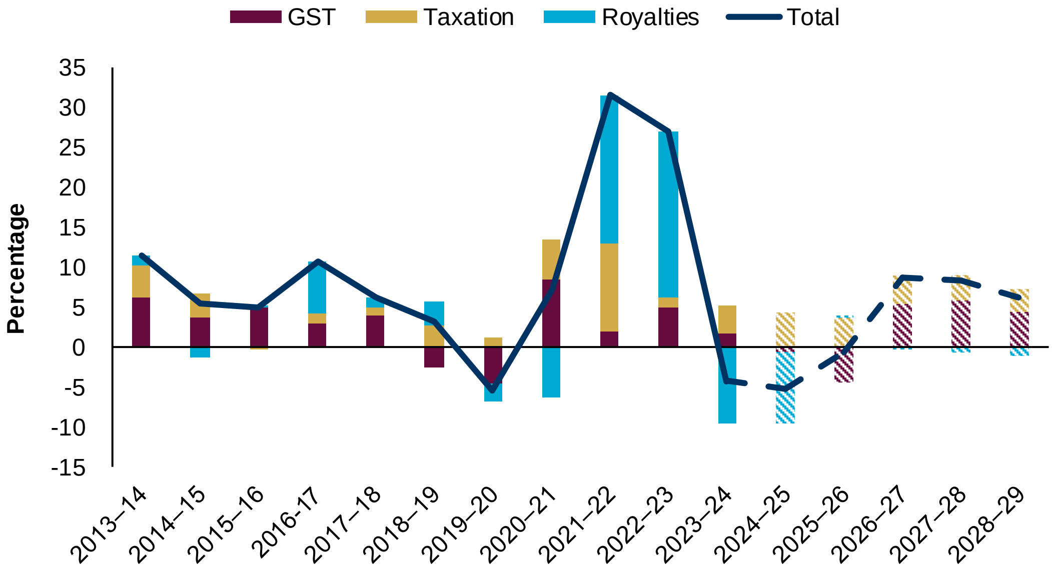
Chart 3.2 outlines the growth in revenue across the 3 key revenue streams and the share of growth attributable to each item across the period to 2028–29.

The chart highlights the strength of growth in 2021–22 and 2022–23 and the subsequent declines in key revenues in 2023–24 and 2024–25, primarily reflecting year on year falls in royalty revenue.

Taxation is expected to continue to grow steadily from 2024–25 onwards, while GST revenue is expected to fall significantly in 2025–26 before returning to growth in subsequent years.

However, GST revenues across the forecast period will be materially lower than would have otherwise been expected in the absence of the negative outcomes of the CGC's 2025 GST Methodology Review.

Chart 3.2 Outlook for growth in key revenues[1]



Note:
1. Annual contribution to growth in key revenues. Total is the annual growth of the sum of the 3 categories.

Table 3.1 General Government Sector revenue[1]

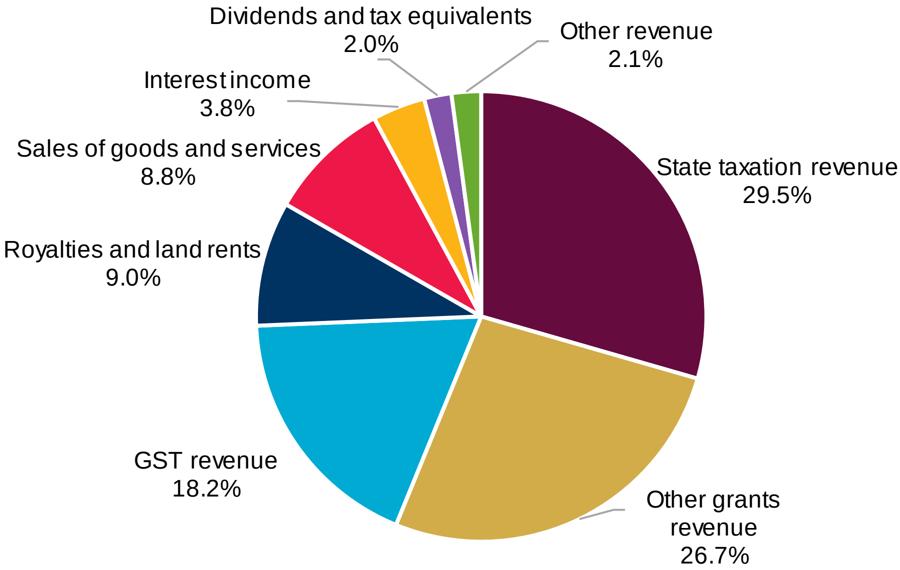
	2023–24 Actual $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Taxation revenue	22,659	25,015	26,907	28,723	30,442	32,154
Sales of goods and services	7,143	7,846	8,057	8,017	7,566	7,690
Interest income	3,617	3,645	3,474	3,387	3,335	3,310
Grants revenue						
GST revenue	19,283	18,917	16,625	19,422	22,720	25,414
Australian Government and other grants and contributions	16,924	18,609	19,115	18,830	19,307	20,044
Australian Government capital grants, other grants and contributions	3,857	3,880	5,250	5,167	3,515	3,440
Dividend and income tax equivalent income						
Dividends	1,089	1,037	1,226	1,122	1,030	1,216
Income tax equivalent income	389	492	568	437	384	396
Other revenue						
Royalties and land rents	12,959	8,108	8,181	8,053	7,708	7,050
Other	1,848	1,927	1,933	1,727	1,739	1,742
Total revenue	**89,768**	**89,476**	**91,337**	**94,886**	**97,748**	**102,457**

Note:

1. Numbers may not add due to rounding.

As outlined below in Chart 3.3, the major sources of total General Government Sector revenue expected in 2025–26 are grants revenue, which includes GST and Australian Government Grants (44.9 per cent) and taxation revenue (29.5 per cent).

Chart 3.3 Revenue by operating statement category, 2025–26[1]



Note:

1. Numbers may not add up to 100 per cent due to rounding.

3.3 Revenue initiatives

Extending the apprentice and trainee payroll tax rebate for 12 months

The 50 per cent payroll tax rebate for wages paid to apprentices and trainees will be extended for 12 months until 30 June 2026. In addition to apprentice and trainee wages generally being exempt from payroll tax, this measure provides an additional tax concession for businesses with annual Australian taxable wages of $1.3 million and above who employ trainees and apprentices.

It is estimated this initiative will result in tax relief of $58.1 million for eligible businesses in 2025–26.

Streamlining of ex gratia relief for land tax foreign surcharge and additional foreign acquirer duty to support investment and housing supply

The government has committed to streamlining and simplifying the ex gratia relief process for additional foreign acquirer duty and the land tax foreign surcharge. Ex gratia relief is available to foreign entities that are Australian based and where their contribution to residential housing development or the local economy and community meet certain thresholds.

Administrative changes to improve application processing will provide eligible applicants, particularly property developers who contribute to residential housing supply, with greater certainty and timely consideration. This change will also contribute to broader efforts to increase housing supply and affordability.

The government will work with industry, through the newly re-established Property Consultative Committee, to identify and implement appropriate changes to ex gratia criteria that will support new housing development and improve Queensland's position as a welcoming destination for investment. Details will be developed and finalised before the end of 2025.

The measures noted above are in addition to the tax reforms contained in the government's election commitments and included in the 2024–25 MYFER to remove transfer duty for first home buyers when they buy or build a new home, and to exempt payments by medical practices to general practitioners (GPs), as outlined in Box 3.1.

Box 3.1 Delivering tax reform for Queenslanders

Abolishing transfer duty for first home buyers buying a new home

Housing affordability is a concern for many Queenslanders, with dwelling prices increasing across the country in recent years. Median dwelling prices in Brisbane have increased to around $918,000 in May 2025, which is over a 70 per cent uplift since the outbreak of the COVID-19 pandemic in March 2020.

Challenges around housing affordability are particularly evident for first home buyers. The Queensland Government is taking action to address this by reducing the tax burden on first home buyers.

From 1 May 2025, transfer duty (often referred to as stamp duty) is abolished for first home buyers purchasing a new build or vacant land to build a home on. This applies to all new homes for first home buyers, allowing Queenslanders to save on the purchase of the home that best suits their circumstances.

This policy will provide material help to first home buyers. Compared to the duty payable under previous policy settings, a first home buyer purchasing a new median priced property could see tax savings of over $24,000 in Toowoomba and around $39,500 in Brisbane North.

These changes help young people put more money towards saving a deposit, and ultimately unlocking the door on a place to call home. By incentivising new builds, improved affordability across the whole housing market is supported.

For first home buyers purchasing existing dwellings, Queensland retains favourable transfer duty settings that result in homebuyers paying substantially less duty than if they had purchased in other states.

This measure is expected to reduce transfer duty revenue by $47 million per annum on average over the forward estimates.

Reducing the cost of healthcare for Queenslanders

The Queensland Government is reducing the tax burden on primary health care by providing a permanent payroll tax exemption for payments by medical practices to both contracted and employed GPs.

This recognises the essential services that GPs provide to communities and the importance of the primary care system in keeping Queenslanders out of emergency departments and in good health at home.

The payroll tax exemption helps protect Queenslanders' access to bulk billing and address the cost-of-living pressures at a time of rising healthcare costs.

Queensland's favourable tax settings will also support the retention and attraction of GPs across the state, supporting access to these vital services.

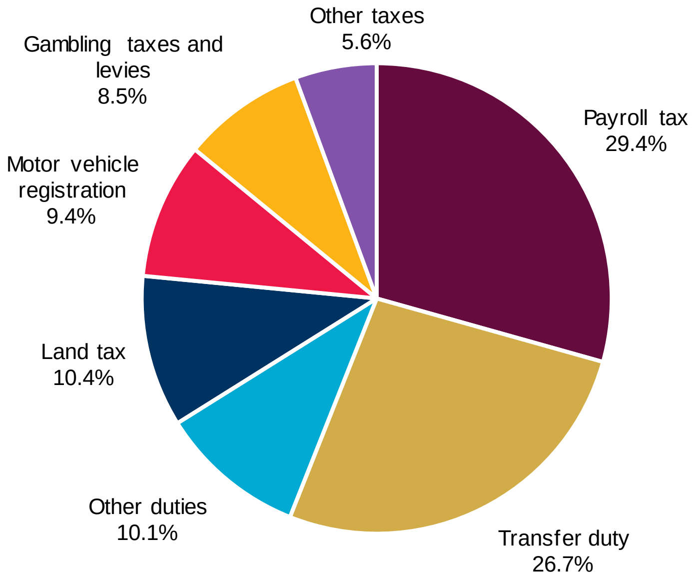
The revenue foregone due to the exemption over and above prior amnesty arrangements was incorporated into 2024–25 MYFER forecasts. Total revenue foregone is estimated to be around $130 million per annum on average over the forward estimates.

3.4 Revenue by operating statement category

3.4.1 Taxation revenue

Chart 3.4 outlines the composition of estimated state tax revenue for 2025–26. The largest sources are payroll tax and transfer duty, together representing 56.0 per cent of the state's total taxation revenue.

Chart 3.4 State taxation by tax category, 2025–26[1]



Note:

1. Percentages may not add to 100 per cent due to rounding. 'Other duties' includes vehicle registration duty, insurance duty and other minor duties. 'Other taxes' includes the emergency management levy, waste disposal levy, competitive neutrality fees and other minor taxes. 'Payroll tax' includes the mental health levy.

Table 3.2 shows the main components of taxation revenue and the forecast revenues for each revenue component across the forward estimates.

Table 3.2 State taxation revenue[1]

	2023–24 Actual $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Payroll tax						
Payroll tax	6,231	6,819	7,316	7,759	8,160	8,575
Mental health levy	492	545	582	616	650	682
Total payroll tax	**6,723**	**7,364**	**7,898**	**8,376**	**8,809**	**9,257**
Duties						
Transfer	5,492	6,866	7,175	7,627	8,049	8,503
Vehicle registration	893	873	886	908	936	964
Insurance[2]	1,526	1,662	1,783	1,904	2,017	2,136
Other duties[3]	54	47	45	46	46	47
Total duties	**7,964**	**9,448**	**9,889**	**10,486**	**11,048**	**11,650**
Gambling taxes and levies						
Gaming machine tax	1,054	1,149	1,201	1,249	1,299	1,351
Health services levy	168	195	209	224	237	251
Lotteries taxes	438	390	410	430	451	474
Betting tax	295	303	311	319	328	337
Casino tax	114	112	116	121	126	131
Keno tax	28	30	31	32	33	34
Total gambling taxes and levies	**2,097**	**2,179**	**2,278**	**2,375**	**2,474**	**2,578**
Other taxes						
Land tax	2,026	2,465	2,807	3,260	3,713	4,115
Motor vehicle registration	2,367	2,081	2,525	2,669	2,786	2,908
Emergency management levy	660	670	703	738	775	813
Waste disposal levy	429	462	477	494	508	500
Competitive neutrality fees	358	313	296	291	293	296
Other taxes[4]	35	34	34	35	36	37
Total taxation revenue	**22,659**	**25,015**	**26,907**	**28,723**	**30,442**	**32,154**

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.

Payroll tax and mental health levy

Payroll tax revenue is estimated to total $6.819 billion in 2024–25. Driven by the strength of Queensland's labour market, payroll tax is expected to grow by a further 7.3 per cent in 2025–26, with average annual growth of around 5.4 per cent forecast over the 3 years ending 2028–29.

Mental health levy revenue in 2024–25 is estimated to be $545.2 million, $52.8 million (10.7 per cent) higher than in 2023–24, due to the stronger than expected labour market. Over the forward estimates, mental health levy revenue is expected to grow largely in line with payroll tax growth, supporting the provision of enhanced mental health services in Queensland.

Duties

Transfer duty

Transfer duty is estimated to be $6.866 billion in 2024–25, driven by record large transactions in late 2024 and supported by ongoing strength in the residential housing market.

Revenue from large transactions is expected to return to normal levels but consistent activity in the housing market is expected to support solid average annual growth of around 5.5 per cent over the 4 years to 2028–29.

Other duties

Revenue from other duties, including vehicle registration duty and insurance duties, is expected to be $2.582 billion in 2024–25, reflecting stable motor vehicle transaction volumes and insurance premium growth.

Other duties revenue is forecast to grow by average annual growth of around 5.1 per cent forecast over the 4 years ending 2028–29.

Land tax

Land tax revenue is expected to be $2.465 billion in 2024–25, reflecting strong land value growth across the state.

The immediate impact on land tax of the recent value growth has been tempered by the 3-year averaging of land values that applies when determining land tax liabilities. However, sustained land value growth will continue to support solid growth in land tax in future years.

The rate of growth in land tax is expected to moderate over coming years as prices stabilise, but strong average annual growth of 13.7 per cent is forecast over the 4 years to 2028–29.

Gambling taxes & levies

Total gambling tax and levy collections are expected to total $ 2.179 billion in 2024–25, $81.7 million (3.9 per cent) higher than in 2023–24. This growth primarily reflects ongoing growth in various forms of gambling activity in the state's hotels and clubs.

Total gambling tax and levy collections are forecast to grow by an average of 4.3 per cent per annum over the 4 years ending 2028–29.

Other taxes

Other taxes include motor vehicle registration, the emergency management levy, waste disposal levy, competitive neutrality fees and other minor taxes.

Revenue from motor vehicle registrations is expected to total $2.081 billion in 2024–25, $286.2 million (12.1 per cent) lower than in 2023–24. The decline reflects the 20 per cent reduction in motor vehicle registration costs for all light vehicles for a 12-month period announced in the 2024–25 Budget.

Revenue from motor vehicle registrations is expected to grow by 21.4 per cent in 2025–26 as the one-off 20 per cent reduction unwinds, as was factored into the forecast published in the 2024–25 Queensland Budget. The reduction in registration costs was not budgeted to extend beyond the 12-month period ending in mid-September 2025. Following this, revenue is expected to grow on average by 4.8 per cent per annum over the 3 years ending 2028–29.

Overall, revenue from other taxes excluding motor vehicle registration is estimated to be $1.479 billion in 2024–25, $2.9 million (0.2 per cent) lower than in 2023–24. These revenues are forecast to grow by an average of 2.7 per cent per annum over the 4 years ending 2028–29.

Queensland’s competitive tax status

Delivering a competitive tax system is critical to providing the environment for Queensland businesses and industries to expand and grow, and to moderate the tax burden on hardworking citizens to ease cost-of-living pressures.

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 2025–26, 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 available budgets for states and territories published by the respective jurisdictions, Queensland’s taxation per capita in 2025–26 will be around $800 lower than the average of other jurisdictions.

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

3.4.2 Grants revenue

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

A 1.0 per cent decrease in total grants revenue is forecast for 2025–26 compared to 2024–25. This is primarily driven by an expected 12.1 per cent decrease in GST revenue.

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

Table 3.3 Grants revenue[1,2]

	2023–24 Actual $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Current grants						
GST revenue grants[3]	19,283	18,917	16,625	19,422	22,720	25,414
Australian Government grants[4]	16,575	18,233	18,727	18,468	18,949	19,693
Other grants and contributions	349	376	388	363	358	351
Total current grants	**36,208**	**37,526**	**35,741**	**38,253**	**42,028**	**45,458**
Capital grants						
Australian Government capital grants	3,832	3,836	5,242	5,167	3,515	3,440
Other grants and contributions	24	44	8	0	0	0
Total capital grants	**3,857**	**3,880**	**5,250**	**5,167**	**3,515**	**3,440**
Total Australian Government payments	39,690	40,986	40,595	43,057	45,184	48,547
Total grants revenue	**40,064**	**41,406**	**40,990**	**43,420**	**45,542**	**48,898**

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 Australian Government changes to the GST distribution.
4. Queensland Treasury estimates. Differs from Chapter 6 due to the inclusion of direct Australian Government payments to Queensland agencies for Australian Government own purpose expenditure.

GST revenue

Queensland's GST revenue in 2024–25 is expected to be $366 million (1.9 per cent) lower than in 2023–24, reflecting the CGC's recommendation that Queensland receives a smaller share of the GST pool in 2024–25 compared with 2023–24.

GST revenue is expected to fall by a further $2.292 billion (12.1 per cent) to $16.625 billion in 2025–26, following the negative outcomes of the CGC's recent 2025 Review.

This is the largest reduction across all jurisdictions since the introduction of GST in 2000.

GST revenue is expected to recover from 2026–27 as the exceptionally high royalty revenues received by Queensland in previous years (in particular in 2021–22 and 2022–23) rolls out of the CGC's 3-year assessment period.

The CGC's revised treatment to include very large New South Wales and Victorian COVID-19 related expenses, which suppresses Queensland's GST share in 2025–26, also drops out of the assessment period from 2026–27 onwards.

Box 3.2 Previous royalty windfalls and provisions for GST impacts

It is a long-established practice under the principles developed by the CGC that jurisdictions with strong resources industries like Queensland will receive a reduced share of GST revenue, all else being equal, in years subsequent to significant increases in royalty revenue. Changes made as part of the CGC's 2025 GST Methodology Review significantly exacerbate this challenge.

In the 2021–22 Queensland Budget Update, the former government reported a $2.9 billion royalty windfall due to an increase in coal prices and foreshadowed this would have an impact on future GST revenue up to and including the 2025–26 financial year.

A $2.5 billion Long Term Asset held by the Consolidated Fund was established to serve as a buffer against future GST revenue reductions. However, more than half of these funds were withdrawn in May 2024 to fund projects from the former government's Queensland Renewable Energy and Hydrogen Jobs Fund, and the 2024–25 Budget assumptions saw the remaining funds earmarked for projects from the Queensland Energy and Jobs Plan.

This means that the funds set aside as a buffer from adverse GST impacts are not available in the year when Queensland will experience the largest reduction in GST revenue in history.

Revisions to the GST pool

The Australian Government's national GST pool forecasts were downgraded in the 2025–26 Federal Budget. In 2024–25, the GST pool is expected to be around $353 million (or 0.4 per cent) lower than forecast in the 2024–25 Federal Mid-Year Economic and Fiscal Outlook (MYEFO), while the total national pool is forecast to be $521 million lower across the 4 years to 2027–28, compared with the Commonwealth's MYEFO estimates.

GST – Queensland's assessed fiscal capacity

Queensland typically has received a higher per capita share of GST in recognition of the higher cost of providing services to Australia's most decentralised state and levels of disadvantage, especially in regional and remote locations.

However, in early 2025, the CGC's 2025 GST Methodology Review recommended that Queensland be awarded a significantly lower share of GST revenue in 2025–26 compared with 2024–25. The CGC estimated that Queensland's share of the GST pool would decrease from 19.6 per cent in 2024–25 to 17.4 per cent in 2025–26, or by $2.292 billion.

The 3 largest factors for this reduction, based on information published by the CGC were:

- Mining production and royalties — Substantial changes to the methodology the CGC applies in assessing coal royalties, combined with higher coal prices and average royalty rates in 2023–24 compared with 2020–21, as well as Queensland's above-average share of coal production, significantly increased Queensland's relative capacity to raise revenue from coal royalties and reduced its assessed GST needs.

- COVID-19 services to industry expenses — The CGC introduced a new actual per capita assessment of COVID-19 business support expenses covered by the national partnership agreements. Queensland's below-average COVID-19 business support expenses reduced its assessed GST needs.
- COVID-19 health expenses — The CGC introduced a new actual per capita assessment of COVID-19 health expenses covered by the national partnership agreement. Queensland's below-average COVID-19 health expenses reduced its assessed GST needs.

GST revenue forecasts are informed by the CGC's 2025 Review assessment methodologies as set out in the 2025 Review Outcomes and 2025–26 GST Relativities reports, released on 14 March 2025. The forecasts are prepared on the basis that no further changes will be made to the methodologies underpinning the CGC's calculation of states' share of GST revenue over the forward estimates.

Box 3.3 Fighting for Queensland's fair share of GST

GST remains a critical revenue source for all jurisdictions and underpins the delivery of essential state Government services such as health, education, law and order, and transport.

The distribution of GST between jurisdictions is determined by the CGC through a complex methodology meant to balance the fiscal capacities of states, ensuring a similar standard of services and infrastructure can be delivered to all Australians regardless of where they live. This is known as horizontal fiscal equalisation (HFE).

The CGC's 2025 Methodology Review resulted in significant changes to the GST distribution methods from 2025–26 onwards, including in the assessment of key service delivery expenses, such as transport and health, and key state revenues such as coal and gas royalties.

The CGC's 2025 Review outcomes have resulted in a material reduction in Queensland's GST revenue, with an estimated $2.292 billion reduction in 2025–26 compared with 2024–25.

This is the largest GST redistribution across all jurisdictions since the introduction of the GST in 2000.

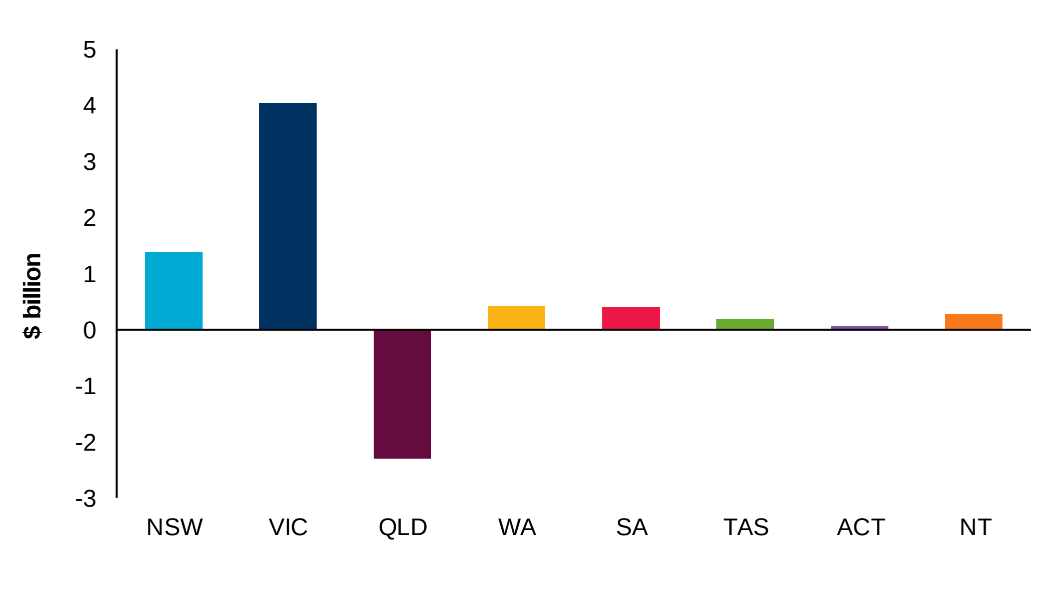
In fact, it is almost 50 per cent greater than the next largest GST reduction of $1.565 billion in 2019–20, which also applied to Queensland.

Importantly, the 2019-20 outcome was in the context of the significant negative impact of COVID-19 on the national GST pool, resulting in reduced GST revenue for most states at that time.

Queensland Treasury has estimated that the cumulative negative impact of the CGC's 2025 Review, compared with the GST Queensland would have received in absence of the methodology and data changes recommended by the CGC, to be around $5.3 billion over the 3 years to 2027–28.

As illustrated in Chart 3.5 below, Queensland is the only state to experience a reduction in GST in 2025–26, while Victoria and New South Wales are set to receive billions of dollars in extra GST as a result of the CGC's Review.

Chart 3.5 Change in total GST revenue by state, 2024–25 to 2025–26



Source: Queensland Treasury analysis based on 2025–26 Federal Budget.

This reduction in GST severely compromises Queensland's capacity to deliver essential services and infrastructure for our growing state.

The outcomes are largely based on methodology that has been strongly disputed by Queensland and include a number of subjective decisions made by the CGC which stand in conflict with long-standing principles and practice.

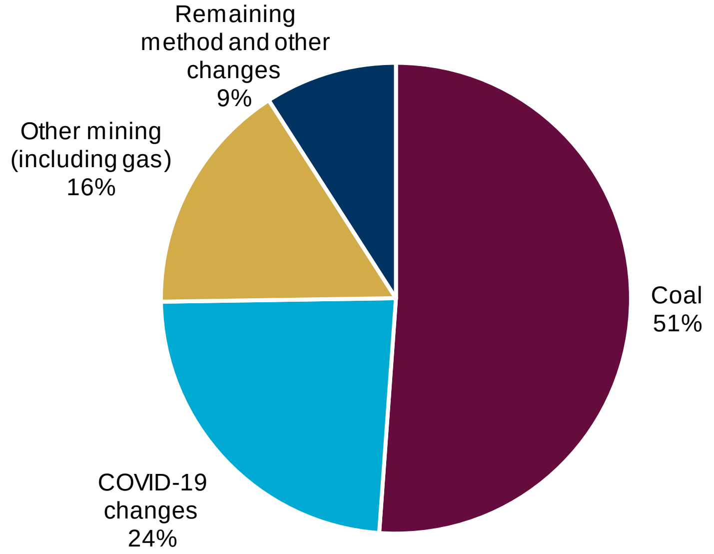
If the impacts of normal GST mechanics are excluded (e.g. changes in the national GST pool and state population shares which are outside of the CGC's assessment of state fiscal capacities), the annual reduction in Queensland's GST in 2025–26 due to the CGC's 2025 Review would have been even greater at $3.391 billion[1].

Importantly, the CGC's published data suggests only around half of this negative impact is driven by fiscal capacities due to changes in circumstances related to coal royalties.

The other half of the negative GST impact is due to other methodology and data decisions made by the CGC – decisions which Queensland contests.

The extent to which various changes made by the CGC have impacted Queensland's GST revenue in 2025–26 is outlined in Chart 3.6.

Chart 3.6 Drivers of change in Queensland's assessed fiscal capacity, 2025–26



Note:
Categories relate to the components (or summation of components) of the $3.391 billion change in Queensland's fiscal capacity in 2025–26 compared with 2024–25, as outlined in tables 2-4, 2-8 and on page 10 in the CGC's 2025–26 Update Report. Coal reflects impacts of changes in value of production, while COVID-19 changes reflect inclusion of COVID-19 related spending related to health and business support.

Source: Queensland Treasury analysis based on CGC, GST Relativities 2025–26

The CGC's decision to assess COVID-19 expenses 5 years after the pandemic results in Queenslanders losing over $800 million in GST in 2025–26 alone.

The CGC also decided to deem southern states as having no or limited ability to raise petroleum royalties, despite these states having significant gas resources. Rather, specific policy choices by those jurisdictions have restricted their gas production.

Queensland's sensible approach in continued support of gas production is a decision which has benefits beyond state borders and certainly should not lead to a reduction in its GST share.

The confluence of these factors in a single year has led to this historic single year cut to Queensland's share of the GST.

The government continues to advocate for the determination of the CGC to be rejected by the Federal Treasurer or, in the absence of this, for general revenue assistance to be provided to Queensland in 2025–26.

[1] Reflects the impact of CGC assessments in the 2025 Review, page 10 of GST Relativities 2025–26 Report i.e. excludes external drivers such as national GST growth, population shares, GST relativity blending, and GST no worse off guarantee. Note that the change in GST revenue for Queensland in 2025–26 compared to 2024–25 is $2.292 billion as per page 5 of Budget Paper 3 the 2025–26 Commonwealth Budget, which reflected updated GST pool and population forecasts. This final figure is slightly smaller than the CGC's estimate of $2.371 billion.

The Australian Government has previously provided general revenue assistance to Western Australia and the Northern Territory in circumstances where their GST shares fell, noting that these were smaller reductions than what Queensland is due to experience in 2025–26.

These methodology changes will have ongoing impacts. The Queensland Government continues to advocate strongly for a fair share of GST revenue for Queensland, both in the short term and in the context of the 2030 Methodology Review.

This includes fighting for critical Commonwealth funding, such as that provided to upgrade the nationally significant Bruce Highway, to be exempt from GST calculations, and actively engaging in the 2026 Australian Productivity Commission inquiry on HFE.

Bruce Highway funding

The Queensland Government is advocating for the Australian Government to quarantine $7.2 billion in committed funding to upgrade and fix the Bruce Highway from impacting on GST calculations.

Unless payments are quarantined, an estimated $3 billion could be at risk of redistribution away from Queensland through GST. This means the investment of $7.2 billion could effectively be reduced to around $4 billion after accounting for GST impacts.

The Bruce Highway is of national importance as the primary transport corridor to Northern Australia. This critical infrastructure plays a vital role in connecting regional centres from Brisbane to Cairns and facilitating the movement of passengers, freight and tourists in support of the national economy.

A commitment from the Australian Government to quarantine these payments would demonstrate its genuine willingness to work with the Queensland Government to improve the Bruce Highway and protect the lives and livelihoods of the drivers and communities relying on it.

2026 Australian Productivity Commission Inquiry on HFE

As part of new GST arrangements introduced in 2018, the Australian Government legislated an Australian Productivity Commission (PC) inquiry into new arrangements to be completed by 31 December 2026.

Having worked with jurisdictions to agree to a proposed scope and Terms of Reference for the Inquiry, the Queensland Government will push for the Australian Government to issue Terms of Reference that appropriately consider whether the GST system is fit for purpose.

It is important the Australian Government listen to states and directs the PC to examine whether the 2018 reforms are achieving HFE, whether the GST system's design is sustainable into the future to ensure every state has the fiscal capacity to deliver services and infrastructure to a similar standard, and whether the CGC's methods and practices in the 2025 Review have addressed issues highlighted by the PC's recommendations in 2018.

Australian Government payments

Australian Government current grants (excluding GST) to Queensland in 2025–26 are expected to total $18.727 billion, representing an increase of $494.1 million (2.7 per cent) compared to those received in 2024–25, predominantly due to grants provided as part of National Health Reform funding and grants for on-passing.

Over the 4 years ending 2028–29 Australian Government current grants to Queensland are forecast to grow by an average of 1.9 per cent per annum.

Australian Government capital grants to Queensland in 2025–26 are expected to total $5.242 billion, representing an increase of $1.406 billion (36.7 per cent) compared to payments received in 2024–25, largely due to an increase in capital grants under Disaster Recovery Funding Arrangements.

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

3.4.3 Royalty revenue

Royalty revenues are particularly sensitive to movements in global commodity prices as well as changes in the exchange rate, both of which are subject to a high degree of volatility and uncertainty over time.

Changes in commodity export volumes also have the potential to impact Queensland's royalty estimates, while changes in export volumes, in particular if driven by supply side constraints, may in turn also impact global prices.

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

Global coal and oil prices have fallen significantly since their peak, with hard coking coal (HCC) spot prices rising to over US$670/t in early 2022 before reducing to around US$185/t in the March quarter 2025. These movements reflect a range of factors including a decline in steel demand in China and India, global economic uncertainty and improving supply conditions.

Royalty revenues peaked in 2022–23 and are expected to remain considerably below this over the forward estimates.

This reduction is such that total royalties collected in the 2-year period of 2022–23 and 2023–24 are expected to be greater than combined royalties across the next 4 years to 2028–29, as shown below in Chart 3.7.

Chart 3.7 Total royalty revenue

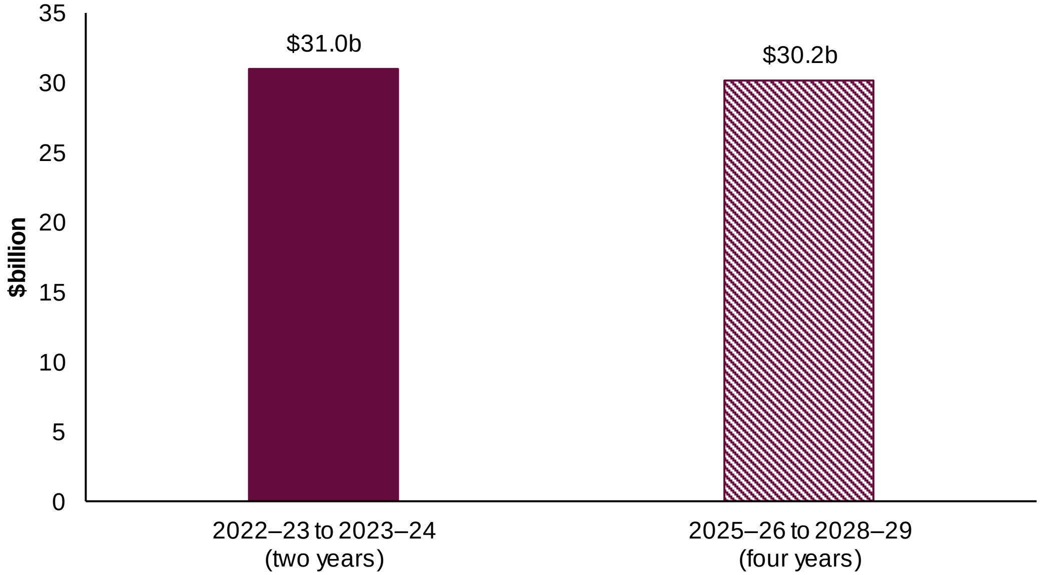


Table 3.4 Royalty revenue[1]

	2023–24 Actual $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Coal	10,521	5,494	6,172	6,158	5,824	5,251
Petroleum[2]	1,705	1,689	1,196	1,135	1,148	1,083
Other royalties[3]	545	734	615	554	523	496
Total royalties	**12,771**	**7,917**	**7,982**	**7,847**	**7,495**	**6,830**
Land rents	188	191	199	206	213	220
Total royalties and land rents	**12,959**	**8,108**	**8,181**	**8,053**	**7,708**	**7,050**

Notes:
1. Numbers may not add due to rounding.
2. Includes gas converted into liquefied natural gas.
3. Includes base and precious metals, other minerals and other royalties.

Coal royalties

As outlined above in Table 3.4, a large proportion of Queensland's royalties are sourced from coal mining, particularly in recent years due to the period of high global coal prices.

In 2024, HCC, used primarily in global steel production, accounted for around 61 per cent of Queensland's total coal export value, semi soft/pulverized coal injection coal accounted for around 20 per cent, and thermal coal accounted for around 19 per cent.

Coal royalties are expected to total $5.494 billion in 2024–25, $5.027 billion (or 47.8 per cent) lower than the amounts collected in 2023–24 and $344 million (5.9 per cent) lower than forecast at the 2024–25 MYFER.

Across the 4 years ending 2027–28, coal royalties have been upgraded by $3.903 billion compared to 2024–25 MYFER. This uplift in coal royalties is primarily driven by a lower A$/US$ exchange rate leading to higher Australian dollar revenues for Queensland's coal exporters. US$ coal prices over the forward estimates are expected to be higher than MYFER, reflecting forecast increases in the marginal cost of production and consistent with industry price benchmarks.

This is partially offset by lower export volumes, particularly in the near term, as a result of a weak outlook for supply and contributed to by flooding events in North Queensland and the fire at Moranbah North.

Current global trade tensions and the impact of tariffs present clear downside risks to the royalties outlook and will continue to be monitored closely.

Coal export prices and volumes

Coking coal prices

Recent US$ prices for HCC have been weaker than forecast at the 2024–25 MYFER, reflecting moderating economic growth in China reducing demand for steel, as well as a rebound in supply from Queensland.

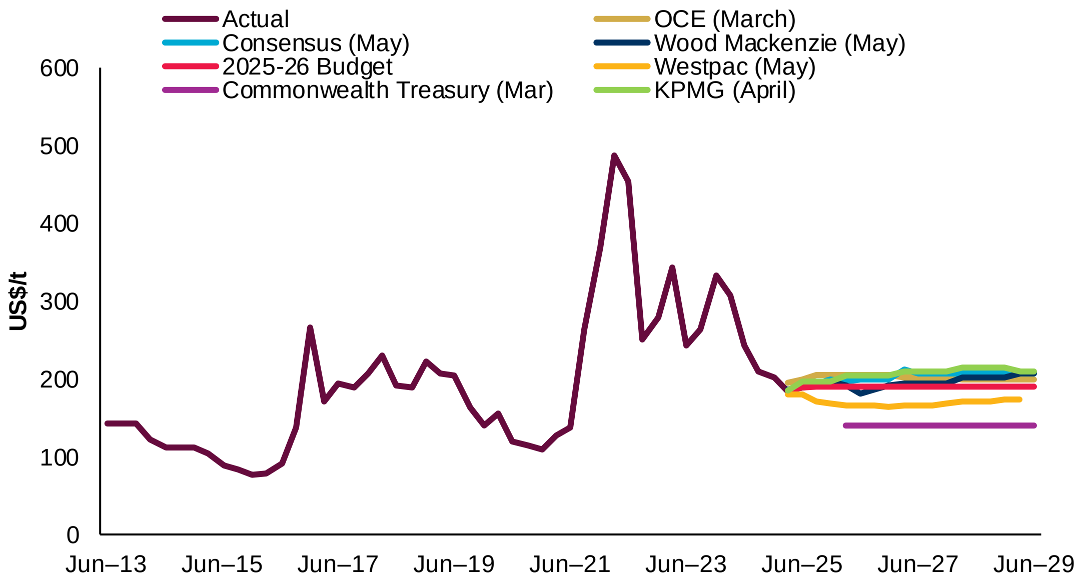
HCC prices averaged US$185/t in the first quarter of 2025, which is close to Queensland Treasury's expectations for the quarter.

However, notwithstanding a recent period of weakness following US tariff announcements, prices have recovered to around US$190/t since mid-April 2025. Prices are expected to stay at around this level across the forward estimates.

This reflects expectations for the marginal cost of production, incorporating information on operating costs and margins, and sits within the range of industry benchmarks. Chart 3.8 shows HCC price forecasts compared to the latest quarterly price forecasts from a range of other forecasters.

As demonstrated in Chart 3.8, Queensland Treasury's medium-term price expectation of reaching US$190/t for HCC is similar to most other forecasters.

Chart 3.8 Coking coal price forecasts



Sources: Consensus Economics, Wood Mackenzie, OCE, Westpac, KPMG, Commonwealth Treasury, and Queensland Treasury.

Thermal coal prices

US$ thermal coal prices have been lower than forecast since the 2024–25 MYFER, driven by increased supply from other markets, lower relative prices in substitutes such as natural gas and a warm northern hemisphere winter.

Average premium thermal coal prices across the first quarter of 2025 at US$107/t have been below Treasury's medium term price assumption but are expected to gradually increase as temporary factors impacting prices unwind to be in line with the 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 4 years ending 2027–28 have been revised downwards by around 2 per cent, compared with the 2024–25 MYFER forecasts.

This weakness in production and export volumes is concentrated in the near term and is driven by recent supply side disruptions relating to floods in North Queensland in early 2025 and the fire at the Moranbah North mine in April 2025. These impacts largely affect metallurgical coal and are expected to be temporary, with coal volumes broadly recovering in 2025–26.

Global demand for coal, particularly thermal coal, continues to be influenced by overall global economic activity and trade, and emissions reduction commitments from key trading partners.

Petroleum royalties

Revenue from petroleum royalties is estimated to total $1.689 billion in 2024–25 and fall by almost 30 per cent in 2025–26.

This is driven by steep declines in oil prices due to expectations of a slowdown in global demand. The expected fall in revenue also reflects the price impacts of an increase in supply driven by an OPEC+ commitment to raise production.

Oil prices are expected to continue to unwind before returning to a medium-term price of $US75/barrel by June 2029. Petroleum royalties remain subject to ongoing uncertainty driven by changes in oil prices and exchange rates.

Other royalties

Revenue from other royalties (including base and precious metals, other minerals and other royalties) are estimated to total $734.1 million in 2024–25, driven by the increasing price of gold as well as exchange rate movements.

Other royalties are expected to decline across the 4 years to 2028–29. This is driven by an expected ongoing reduction in copper, lead, and zinc volumes due to depletion of ore reserves and scheduled mine closures over coming years. Although some new mines will inevitably open, potential royalties from these operations are only incorporated into forecasts once final investment decisions are made.

3.4.4 Sales of goods and services

Sales of goods and services revenue comprises primarily 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 decline from current levels, which have been elevated following successive years of growth of around 10 per cent.

A forecast decline over the forward estimates period is predominantly due to the expected completion of the Cross River Rail project, which drives significant sales from the general government sector to the Public Non-financial Corporations sector. With completion of this project, there will also be offsetting reductions in expenditures.

Table 3.5 provides a breakdown of the categories of goods and services captured in terms of these revenues. The fall in public transport revenue reflects the impact of the decision to permanently adopt 50 cent fares.

Table 3.5 Sales of goods and services[1]

	2023–24 Actual $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Fee for service activities	3,310	4,155	4,316	4,027	3,454	3,429
Public transport	325	84	61	63	64	65
Rent revenue	638	632	690	772	802	818
Sale of land inventory	68	95	96	118	99	122
Hospital fees	1,035	1,005	1,048	1,076	1,104	1,130
Transport and traffic fees	572	533	598	631	662	700
Other sales of goods and services	1,195	1,342	1,249	1,329	1,380	1,427
Total	**7,143**	**7,846**	**8,057**	**8,017**	**7,566**	**7,690**

Note:

1. Numbers may not add due to rounding.

Government Indexation Policy

For the 2025–26 year, the government has set the Government Indexation Rate for fees and charges at 3.4 per cent. This is in line with the government's efforts to strengthen the state's financial position with a focus on respect for taxpayers' money.

To provide greater budget certainty, the government has determined this annual indexation rate will apply for each of the next 4 financial years until 2028–29.

3.4.5 Interest income

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

Interest income is expected to decline moderately over the forward estimates by an average of 2.4 per cent over the 4 years to 2028–29. This reflects expected drawdowns on investments from the Debt Retirement Fund to repay debt, and suspension of contributions to the defined benefit scheme. Further details on investment consolidation and the debt repayment strategy are discussed in Chapter 5.

3.4.6 Dividend and income tax equivalent income

Revenue from dividend and income tax equivalent income is estimated to total $1.529 billion in 2024–25, largely consistent with 2023–24, and $247.2 million lower than expected at the time of the 2024–25 MYFER.

Over the forward estimates, dividend and income tax equivalent forecasts remain relatively stable, increasing slightly to $1.613 billion over the 4 years to 2028–29.

Key movements over the period include steady growth in electricity network and port dividends, in line with increasing earnings, moderated by dividends and income tax equivalents from the electricity generation sector and rail sectors, as market electricity prices stabilise and major rail assets come into operation. Trends in dividends and income tax equivalent income are discussed in more detail in Chapter 7.

3.4.7 Other revenue

Other revenue, including royalty revenue, accounts for 11.1 per cent of total General Government Sector revenue in 2025–26 (see Table 3.6).

Table 3.6 Other revenue[1]

	2023–24 Actual $ million	2024–25 Est. Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Royalties and land rents	12,959	8,108	8,181	8,053	7,708	7,050
Fines and forfeitures	763	772	850	959	960	960
Revenue not elsewhere classified	1,085	1,155	1,083	768	780	782
Total other revenue	**14,807**	**10,035**	**10,114**	**9,780**	**9,447**	**8,792**

Note:

1. Numbers may not add due to rounding.

Royalties (including land rents) account for 9.0 per cent of total revenue in 2025–26 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 $772.3 million in 2024–25, $21.8 million (2.7 per cent) lower than expected at the 2024–25 Budget forecast due to lower infringement rates and revised timing of the camera program rollout.

Fines and forfeitures are expected to grow by an average of 11.4 per cent in 2025–26 and 2026–27 primarily driven by planned expansions of the camera program, before stabilising from 2027–28.

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

4 Expenses

Features

- The 2025–26 Budget begins the task of resetting expenses growth onto a more sustainable path so that community outcomes are delivered, and legacy issues are addressed whilst maintaining a clear focus on maximising value.
- The 2024–25 Mid-Year Fiscal and Economic Review (MYFER) highlighted the extent of under-funding across the forward budget years in the areas of health, education, housing, child safety and support for victims of crime.
- General Government Sector expenses are estimated to be $99.918 billion in 2025–26, 5.3 per cent higher than the 2024–25 estimated actual.
- Total expenses are projected to grow at an average annual rate of 2.2 per cent over the 4 years to 2028–29, reflecting an intentionally disciplined approach to expense management. Expenses grew at 11.6 per cent per annum over the 3 years to 2023–24, including year-on-year expense growth of 16.1 per cent in 2023–24.
- In 2025–26, the major areas of expenditure are in the key frontline services of health and education, which account for more the 50 per cent of operating expenses, while additional funding has been provided in priority areas including community safety, housing and child safety.

4.1 2024–25 Estimated actual

General government expenses in 2024–25 are estimated to be $94.852 billion, $1.869 billion higher than the 2024–25 MYFER estimate. The increase is largely due to:

- additional natural disaster expenditure, mainly relating to events in 2024 and 2025 — the funding of which is shared with the Australian Government
- additional funding for critical housing, homelessness and child safety services
- expedited delivery of the Residential Activation Fund for trunk and essential infrastructure to activate new residential developments as part of the plan to deliver 1 million homes by 2044
- additional Australian Government funding for education, health and housing
- demand for health services, including elective surgeries
- reclassification of capital expenditure to operating expenses.

4.2 2025–26 Budget and outyears

Table 4.1 General Government Sector expenses[1]

	2023–24 Outcome $ million	2024–25 MYFER $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Employee expenses	33,264	35,417	36,194	37,964	39,274	40,623	42,064
Superannuation interest costs	789	828	824	791	713	642	591
Other superannuation expenses	4,071	4,393	4,366	4,650	4,818	4,974	5,077
Other operating expenses	25,901	26,833	26,908	27,339	25,857	25,147	25,356
Depreciation and amortisation	5,441	5,754	5,932	6,447	6,965	7,495	8,027
Other interest expenses	2,020	2,401	2,500	3,501	4,710	5,928	7,090
Grants expenses	16,601	17,358	18,128	19,226	18,413	17,224	15,338
Total Expenses	**88,087**	**92,983**	**94,852**	**99,918**	**100,751**	**102,033**	**103,543**

Note:

1. Numbers may not add due to rounding.

General government expenses are projected to be $99.918 billion in 2025–26, an increase of $5.066 billion (or 5.3 per cent) over the 2024–25 estimated actual. Factors driving the uplift in expenses are:

- delivery of critical health services
- additional funding under the *Better and Fairer Schools Agreement – Full and Fair Funding* and associated Bilateral Agreement
- reforming the residential care system and protecting the most vulnerable children
- funding for crisis accommodation and a range of housing and homelessness services
- additional funding to maintain frontline police services
- financial support for victims of crime
- delivering priority actions under the *Destination 2045: Delivering Queensland's Tourism Future*.

The government has reviewed the funding shortfalls across frontline services identified in the 2024–25 MYFER and taken measures to address these in the 2025–26 Budget. An assessment of under-funded legacy issues and whole-of-government savings incorporated into the Budget at MYFER has been factored into revised funding levels and future expense growth rates to ensure the security of service delivery and employment, and a return to a fiscally sustainable position in the medium term.

Given the quantum of under-funded services addressed in this Budget, and the rigorous assessment of new funding bids, individual agency savings targets have not been applied.

General Government Sector expenses growth falls from 5.3 per cent in 2025–26 to an average annual growth of 2.2 per cent over the 4 years to 2028–29. Excluding disaster recovery expenses which fall significantly over time, the comparable average annual expenses growth is 2.7 per cent.

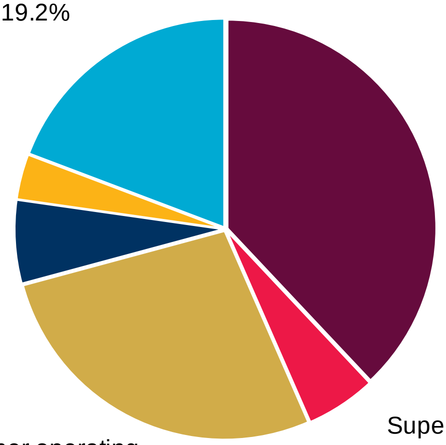
Expenditure growth eases from 2026–27 as employee expenses, the sector's largest expense category, are contained to a more sustainable average annual rate of 3.5 per cent over the remaining forward estimates. Grant expenses decline as disaster recovery works are completed.

An ongoing program of work will continue across government to identify operating efficiencies which will support agencies to keep expense growth to sustainable levels in the years ahead. Such measures include capping of non-frontline senior executive roles at current levels, implementing greater oversight of agency expense management, identification of greater value for money through procurement and establishment of Queensland Government Consulting Services (QGCS) to flatten the growth trajectory of government expenditure on consultants and contractors.

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 per cent of total operating expenditure. Other operating expenses at 27.4 per cent 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, subsidies to households and payments to contractors and consultants.

Chart 4.1 Expenses by operating statement category, 2025–26



4.3.1 Employee expenses

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

Employee expenses are projected to be $37.964 billion in 2025–26, $1.77 billion or 4.9 per cent higher than the 2024–25 estimated actual. Employee expenses growth represents the combined increase in full-time equivalent (FTE) employees and forecast wage rates.

An effective public service relies on attraction and retention through competitive remuneration and conditions balanced against prudent management of the growth in operating expenses, settings that are reflected in the government's wage offer for the current bargaining cycle.

Headline wage policy growth has historically moved in line and kept pace with inflation. However, since 2019–20 average remuneration of Queensland public service employees has grown much faster. This measure is impacted by a number of factors, including the composition of the workforce.

Full-time equivalents

The 2025–26 Budget has been developed to deliver a safe and secure pathway towards fiscal improvement, whilst also providing funding certainty needed to deliver more and better services to Queenslanders by addressing legacy funding issues identified in the 2024–25 MYFER. Government is providing the funding certainty to engage the public servants needed to deliver more and better services to Queenslanders, right across the state.

Approved funded FTE positions across government departments (refer Table 4.2) are estimated to increase by 6,073 (or 2.2 per cent) in 2025–26, driven principally by increases in Queensland Health, the Department of Education and Queensland Police Service.

The Public Sector Commission (PSC) 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 PSC'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 2025 State of the Sector report shows that:

- there was a total of 270,884 FTEs, representing an increase of 12,872 FTEs, or almost 5 per cent, since March 2024
- the increase reflects growth of 12,040 FTEs in frontline and frontline support roles and 832 FTEs in non-frontline roles
- in total, 90.8 per cent of public servants are engaged in frontline and frontline support roles, with 24,911 FTEs in corporate service roles.

It is noted that the reporting basis of the State of the Sector report reflects active and paid FTEs engaged at March 2025 while FTEs levels reported in Table 4.2 reflect approved funded FTE positions for the financial year.

Table 4.2 Funded Controlled FTE positions by Department[1]

	2024–25 Adjusted Budget[2]	2024–25 Est. Act.	2025–26 Budget
Customer Services, Open Data and Small and Family Business[3]	2,010	1,955	3,300
Education	77,602	77,655	78,148
Electoral Commission of Queensland	88	88	91
Environment, Tourism, Science and Innovation	3,102	3,119	3,106
Families, Seniors, Disability Services and Child Safety	5,650	5,851	5,940
Housing and Public Works	4,406	4,409	4,638
Justice	4,549	4,683	4,623
Local Government, Water and Volunteers	812	833	836
Natural Resources and Mines, Manufacturing and Regional and Rural Development	1,552	1,555	1,536
Office of the Inspector-General Emergency Management	22	22	22
Premier and Cabinet	507	535	534
Primary Industries	2,791	2,833	2,956
Public Sector Commission	100	100	90
Queensland Corrective Services	8,299	8,448	8,274
Queensland Fire Department	4,207	4,191	4,230
Queensland Health	110,837	114,734	119,438
Queensland Police Service	19,367	19,495	19,791
Queensland Treasury	1,944	1,926	1,983
Sport, Racing and Olympic and Paralympic Games	465	464	445
State Development, Infrastructure and Planning	1,804	1,829	1,865
The Public Trustee of Queensland	635	635	635
Trade, Employment and Training	4,930	4,922	4,924
Transport and Main Roads[3]	8,022	8,078	6,850
Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism	455	459	432
Youth Justice and Victim Support	2,437	2,460	2,665
Total	**266,593**	**271,279**	**277,352**

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 changes.
3. The increase in Customer Services, Open Data and Small and Family Business and reduction in Transport and Main Roads is largely attributable to the transfer of the Customer Services function (1,345 FTEs transferred).

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 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). This amount increases steadily across the forward estimates at a comparable rate to forecast employee expenses growth.

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, consultants and procurement of outsourced service delivery by contractors.

In 2025–26, other operating expenses are estimated to total $27.339 billion, representing an increase of $431 million or 1.6 per cent compared to the 2024–25 estimated actual. The increase largely reflects essential service delivery commitments including:

- transport service contract payments to Queensland Rail for rail services
- operating costs incurred in the delivery of transport infrastructure
- school operating costs
- law and order services.

Other operating expenses are forecast to decline over the next 2 financial years before increasing moderately in 2028–29. Expenses growth is forecast to moderate as improved efficiency in service delivery initiatives gain traction. Completion of works associated with the delivery of Cross River Rail is also expected to contribute to lower growth over the remainder of the forward estimates.

The government is committed to reducing reliance on consultants and contractors by establishing QGCS.

Box 4.1 Queensland Government Consulting Services

Established 1 July 2025 as a new business unit of Queensland Treasury Corporation

To give effect to the recommendations of the Coaldrake Review, the government is committed to reducing reliance on external consultants and contractors and enhancing capacity and capability across the public service.

QGCS will offer a world class source of quality advice, delivering on the government's election commitment.

QGCS will be established on 1 July 2025 as a new business unit of Queensland Treasury Corporation.

$15 million over 2 years will be allocated to support initial establishment, recruitment and operating costs, until QGCS becomes self-sustaining.

QGCS is one measure designed to reduce government spending on external contractors and consultants. In addition, a disciplined approach to engaging external advisors and delivering capital investments on time and on budget will also come into effect.

As reported by the Queensland Audit Office (QAO) in Report No. 11 (2024–25) State entities 2024, spending on external consultants and contractors increased from approximately $2.1 billion in 2020–21 to $3.7 billion in 2023–24, a Compound Annual Growth Rate of over 20 per cent. On this trajectory, total spending on external consultants and contractors could have reached $4.5 billion by 2024–25. Based on analysis of spending to March 2025, and pro-rated for the full year, the estimated consultant and contractor spend is $4.0 billion.

Identifying efficiencies in the delivery of major projects, such as pumped hydro energy storage, is also expected to yield savings. The abovementioned QAO report identified that expenditure on contractors and consultants represented more than 30 per cent of total construction costs.

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 $6.447 billion in 2025–26 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.

Interest expenses are expected to rise across the forward estimates in line with increased borrowings. By 2027–28, the interest to revenue ratio is forecast to be 6.1 per cent, which compares favourably to the interest to revenue ratio of 6.9 per cent in the 2024–25 MYFER.

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 $14.131 billion in 2025–26, representing an increase of $1.007 billion compared to payments in the 2024–25 estimated actual. The increase reflects higher on-passed Australian Government grant payments for Financial Assistance Grants to local councils and to non-government schools, as well as community recovery grants for recent natural disasters and financial assistance to victims of crime.

Capital grants represent 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 2025–26, capital grant expenses are estimated to total $5.094 billion, before declining substantially in 2027–28 and 2028–29. The impact from 3 severe weather events in 2025 has resulted in a substantial increase in disaster recovery funding to affected local council areas across the state for damaged infrastructure. As detailed in Table 2.3, disaster expenses, mainly capital grants to local councils, decrease significantly in 2027–28, with recovery works largely completed by 2028–29. Disaster expenditure is jointly shared between the Australian Government and the States.

5 Balance sheet and cash flows

Features

- The 2025–26 Budget delivers significant reductions in forecast debt across the forward estimates relative to the 2024–25 Mid-Year Fiscal and Economic Review (MYFER).
- The government is committed to managing the rate of growth in borrowings and recognises the benefits to Queenslanders of a calm and methodical approach to balance sheet management in support of fiscal objectives.
- The Budget provides for a significant and targeted capital investment program, while moderating growth in borrowings and limiting interest expenses to support improved cash flows, providing the foundations for balance sheet repair and ongoing sustainability.
- General Government Sector (GGS) gross borrowing is forecast to be $95.480 billion for 2025–26, $6.3 billion less than expected in the 2024–25 MYFER.
- The Non-financial Public Sector (NFPS) gross borrowing is expected to be $147.840 billion in 2025–26, $8.4 billion less than projected at 2024–25 MYFER.
- In 2027–28, total NFPS debt is forecast to be $190.360 billion, $27.5 billion lower than the 2024–25 MYFER forecast of $217.826 billion.
- NFPS borrowing is expected to progressively increase to $205.660 billion by 2028–29. The rate of increase slows each year as general government operating deficits improve and the capital program stabilises.
- In addition, investment returns from the Debt Retirement Fund and a redemption of surplus defined benefit assets will lower debt by $4.8 billion by 30 June 2029.

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 summarises the key balance sheet aggregates.

Table 5.1 Summary of budgeted balance sheets[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 MYFER $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
General Government								
Financial assets	89,221	91,386	92,042	90,946	93,185	93,553	94,977	97,551
Non-financial assets	356,110	355,190	369,157	367,342	379,593	394,956	410,821	425,462
Total assets	**445,331**	**446,575**	**461,199**	**458,288**	**472,778**	**488,510**	**505,798**	**523,013**
Borrowings	58,773	77,118	77,627	74,843	95,480	114,301	131,696	145,176
Advances	3,161	1,662	2,092	2,532	1,269	975	788	746
Superannuation liability	20,118	19,478	19,889	19,006	18,806	18,326	17,409	16,198
Other provisions and liabilities	32,132	32,744	31,907	31,522	32,280	32,444	33,258	34,083
Total liabilities	**114,184**	**131,002**	**131,515**	**127,903**	**147,835**	**166,045**	**183,151**	**196,204**
Net worth	**331,147**	**315,573**	**329,683**	**330,385**	**324,943**	**322,464**	**322,647**	**326,810**
Net debt	**5,684**	**27,407**	**25,539**	**22,092**	**41,803**	**61,605**	**79,239**	**93,217**
Non-Financial Public Sector								
NPFS Borrowings	106,397	124,707	128,085	124,118	147,840	170,484	190,360	205,660
NFPS Purchases of non-financial assets	16,887	22,241	25,760	21,583	23,837	26,749	26,221	25,326

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 (DRF).

The GGS also holds the equity in the state's public enterprises, principally the shareholding in government-owned corporations (GOCs) but also Public Financial Corporations like Queensland Treasury Corporation (QTC).

Total financial assets of $90.946 billion are estimated for 2024–25, $1.725 billion higher than 2023–24 Outcome. Financial assets are forecast to rise steadily across the forward estimates as increases in equity in public sector enterprises are slightly offset by modest declines in investments, loans and placements.

In recognition of the need for balance sheet repair, this Budget includes additional debt reduction measures to ensure available liquidity is used optimally to reduce pressure on NFPS borrowing.

Given the steep rise in long-term interest rates, this government is using the DRF for the purpose for which it was established in 2021 and is reducing the state's debt burden by drawing on the DRF investments to repay borrowings. Repaying borrowings will reduce the state's interest burden along with its exposure to significant financial market risks.

In 2025–26, a program of investment portfolio consolidation will combine $3 billion of surplus defined benefit investment assets with $5.35 billion of other long-term assets and contribute these investments to the DRF. As a result, the value of the DRF will increase to $19.4 billion in 2025–26. The revised structure of the DRF will allow for the repayment of $4.8 billion of debt by 30 June 2029.

The latest actuarial valuation of the defined benefit scheme shows a surplus of almost $10 billion. A drawdown of $3 billion for contribution to the DRF will still leave the scheme with a significant buffer against future risks, fulfilling the State's obligation to hold assets that are at least equal in value to the actuarial defined benefit liability.

The additional $5.35 billion contribution to the DRF will be sourced from a portfolio of long-term assets originally established to support appropriation payments mainly for housing and carbon reduction programs. The programs will continue to be fully funded through approved appropriation payments, with no change to service delivery.

Consolidating investment assets across the government's balance sheet will simplify portfolio management, reduce investment administration burden and support a unified debt reduction strategy.

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 $367.342 billion at 30 June 2025, $11.232 billion higher than the 2023–24 outcome. GGS non-financial assets are forecast to increase from $379.593 billion in 2025–26 to $425.462 billion by 30 June 2029.

The NFPS capital program for 2025–26 is forecast to be $29.318 billion, which comprises $23.837 billion of PNFA, $5.063 billion of capital grant expenses and acquisitions of non-financial assets under finance leases and similar arrangements of $417 million.

Over the 4 years to 2028–29, the NFPS capital program is forecast to be $116.840 billion, which comprises $102.132 billion of purchases of non-financial assets (PNFA), $13.511 billion of capital grants expenses, and acquisitions of non-financial assets under finance leases and similar arrangements of $1.196 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.

The government is reviewing the delivery approach for the capital program to improve governance and oversight coordination.

The reduction in the NFPS capital program over the forward estimates compared to 2024–25 MYFER has been achieved by working with agencies to assess government priorities while sequencing the capital program to support on-time and on-budget delivery. 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 $127.903 billion at 30 June 2025 of which the largest component is borrowings at $74.843 billion. This is $2.784 billion lower than the 2024–25 MYFER estimate.

By 30 June 2028 borrowing is expected to be $131.696 billion, which is $22.070 billion lower than the 2024–25 MYFER estimate. Lower than expected borrowing reflects the improved operating position, revised capital program and the impact of debt reduction measures discussed above.

The defined benefit superannuation liability is projected to be $19.006 billion at 30 June 2025 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.

Total assets covering the actuarial value of the accrued benefits at 30 June 2024 provided for a surplus of approximately $10 billion, representing a funding position of 143 per cent. The transfer of $3 billion in surplus defined benefit assets to the DRF is estimated to result in a fund surplus of around $7.4 billion, with an asset to liabilities funding ratio of 135 per cent by June 2026.

The funding position is then expected to improve further over time as returns are generated on surplus investments. It is expected that by the end of the forward estimates, asset coverage will return to the same level as determined in the 2024 triennial actuarial investigation (143 per cent).

The 2016–17 Budget approved the withdrawal of surplus defined benefit scheme assets of $4 billion, from a reported scheme surplus of over $10 billion as at 30 June 2015. Actual withdrawals of $3.5 billion occurred until 2020–21, with an additional withdrawal of $553.6 million approved by the former government in September 2024.

Non-financial Public Sector Borrowing

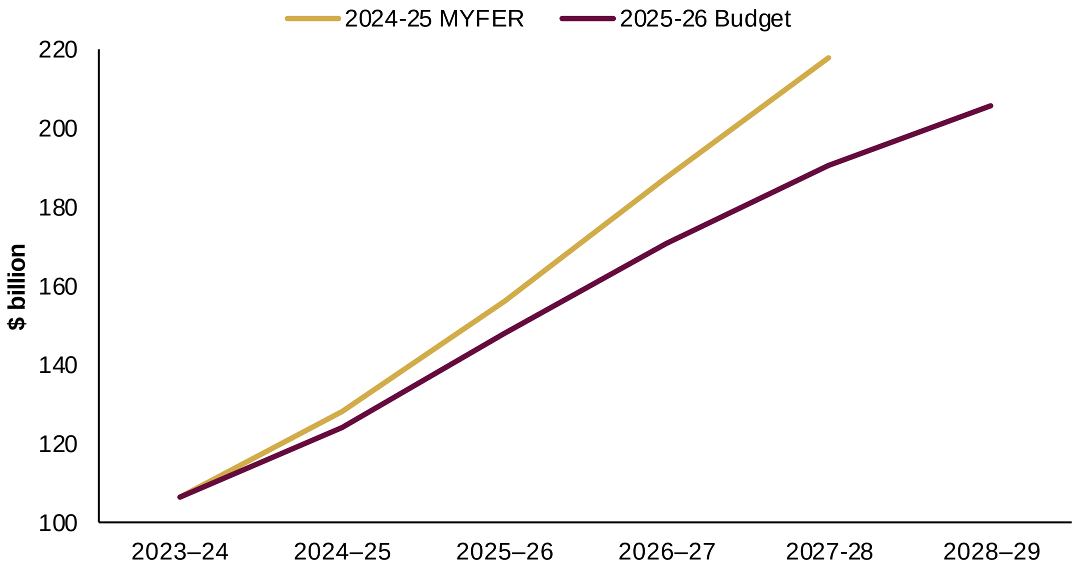
The NFPS is a consolidation of the General Government and PNFC sectors, with transactions between these sectors eliminated.

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

NFPS borrowing is expected to be $124.118 billion by 30 June 2025, $3.968 billion lower than the 2024–25 MYFER.

NFPS borrowing of $190.4 billion is forecast in 2027–28, $27.5 billion lower than the comparable 2024–25 MYFER estimates. Chart 5.1 shows the forecast growth in NFPS borrowing across the forward estimates in both the 2024–25 MYFER and 2025–26 Budget.

Chart 5.1 Non-financial Public Sector borrowings



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 2024–25 is estimated to be $22.092 billion, $3.447 billion lower than expected in the 2024–25 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 in 2025–26 is forecast to be 45.8 per cent. This compares very favourably to the ratio in the 2024–25 MYFER of 54.1 per cent.

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 (PFC) 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 $330.385 billion at 30 June 2025 and gradually decline in 2025–26 and 2026–27 due to the net operating deficits. From 2027–28 net worth is expected to improve as operating deficits reduce. GGS net worth is forecast to reach $326.810 billion in 2028–29.

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 2024–25 MYFER estimates due to the improved operating balances and moderation in capital purchases. The improvement in this measure over the forward estimates is shown in Chart 5.2.

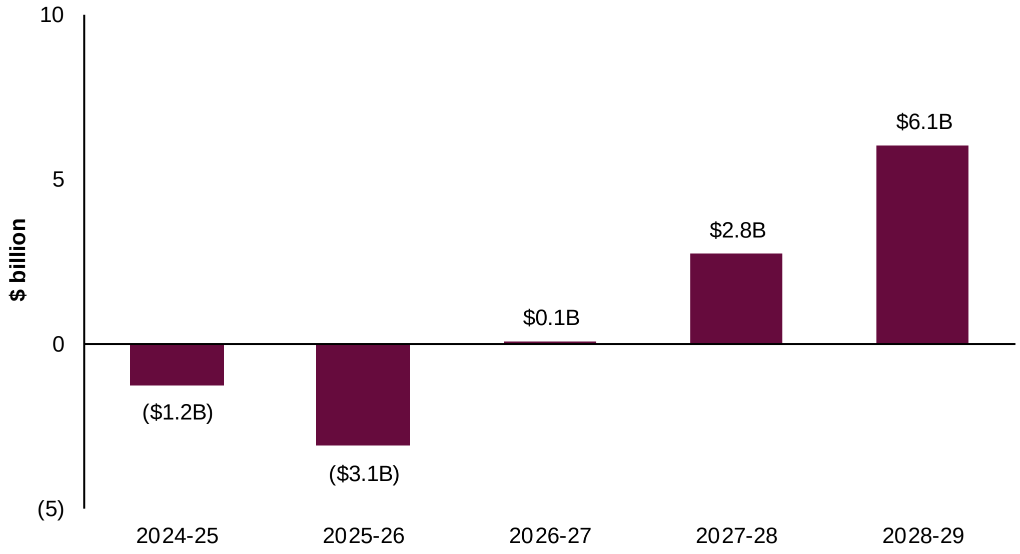
Net cash flows from investments in financial assets for policy purposes include net cash flows from disposal or return of equity, net equity injections into GOCs and concessional loans and advances. Cash flows from the injection of equity into the PNFC and PFC sectors are the primary driver of net outflows of $4.1 billion over the period from 2025–26 to 2028–29.

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 QTC and other specific investments.

From 2025–26 to 2028–29, liquidity purposes cash flows will include annual withdrawals of $1.4 billion from the Debt Retirement Fund to repay debt.

Total GGS purchases of non-financial assets (PNFA) of $13.370 billion are budgeted for 2024–25. Over the period from 2025–26 to 2028–29, GGS PNFA are expected to total $70.972 billion. Operating cash flows are positive from 2026–27 and by 2028–29 will fund 33 per cent of capital purchases.

Chart 5.2 General Government Sector net cash inflows from operating activities



The GGS cash deficit for 2024–25 is estimated to be $14.499 billion, which is $848 million lower than the deficit forecast at the 2024–25 MYFER.

A GGS cash deficit of $17.576 billion is forecast for 2025–26, reducing to an estimated deficit of $16.195 billion in 2027–28 and $12.429 billion in 2028–29. This is a significant improvement on the 2024–25 MYFER, which estimated a deficit of $22.058 billion in 2027–28.

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 Australian Government's functions under this framework is to provide funding to states to deliver essential services and infrastructure, representing approximately 44 per cent of all Queensland's General Government Sector revenue in 2025–26.
- It is estimated the Australian Government will provide the Queensland Government with $40.595 billion in 2025–26 ($391 million less than in 2024–25), comprising:
  - $22.851 billion[1] in payments for specific purposes ($1.381 billion more than 2024–25)
  - $1.119 billion in other Australian Government grants, including payments direct to Queensland Government agencies for Australian Government own-purpose expenditure ($519 million more than 2024–25)
  - $16.625 billion in payments for general purposes ($2.292 billion less than 2024–25).
  - Further detail is provided in Chapter 3.
- Payments for specific purposes to Queensland in 2025–26 include:
  - $7.531 billion for National Health Reform funding
  - $7.393 billion for Better and Fairer Schools funding[2]
  - $7.105 billion for National Partnership payments (including the Infrastructure Investment Program, Disaster Recovery Funding Arrangements (DRFA), National Energy Bill Relief, the South East Queensland City Deal and the Brisbane 2032 Olympic and Paralympic Games)
  - $460 million for National Skills Agreement funding
  - $363 million for National Agreement on Social Housing and Homelessness funding.
- The Queensland Government is committed to rebuilding and strengthening its relationship with local governments, recognising the important services they provide to the community. In this regard, the Queensland Government has made permanent the Works for Queensland program and will provide $100 million ongoing to deliver local projects.
- The Queensland Government is also delivering the $2 billion Residential Activation Fund to accelerate delivery of essential infrastructure to fast-track new homes.

[1] Total payments for specific purposes may not add due to rounding.

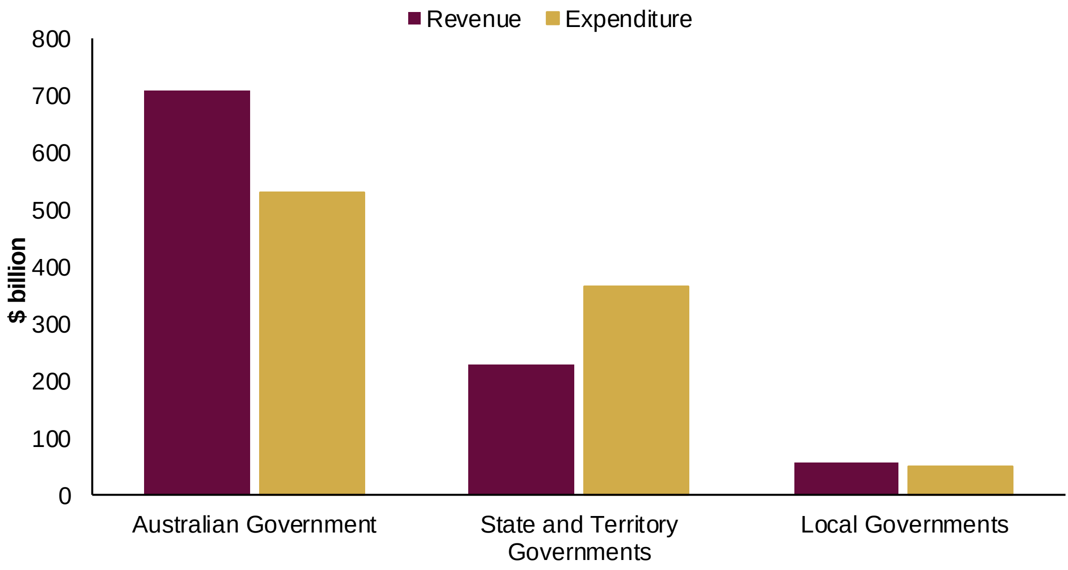
[2] Better and Fairer Schools funding includes payments for government schools (exclusive of GST) and non-government schools (inclusive of GST).

6.1 Federal financial arrangements

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

In 2023–24, the Australian Government collected 71.1 per cent of government revenue nationally, while states collected 23.2 per cent, and local governments the balance (5.7 per cent). Chart 6.1 illustrates the revenue and expense disparity between the different levels of government.

Chart 6.1 Own-source revenue and expenses by levels of government, 2023–24[1,2]



Notes:

1. Revenue calculated as total revenue minus grant revenue.
2. Expenses calculated as total expenses minus grant expenses.

Source: ABS Government Finance Statistics.

To address VFI, the Australian Government makes 2 types of payments:

- general revenue assistance payments (largely GST revenue) which can be used by states for any purpose ('untied' funding)
- payments for specific purposes ('tied' 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 (NP) 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 Australian Treasurer and comprising all state Treasurers – oversees national agreements and transfers between the Australian 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 2025 include health and disability services reform, early engagement on the 2026 Australian Productivity Commission inquiry on Horizontal Fiscal Equalisation and overseeing negotiations of major funding agreements expiring within the next 12 months.

This chapter largely focuses on the Australian 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 Australian Government funding to Queensland

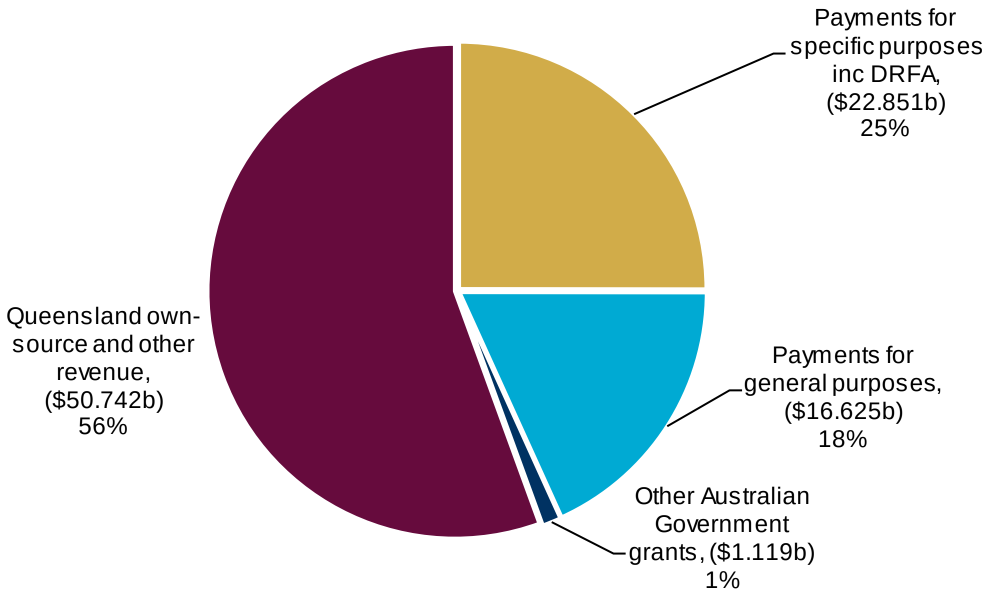
It is estimated the Australian Government will provide the Queensland Government with $40.595 billion in 2025–26.

The primary driver for the decrease in Australian Government funding in 2025–26 is a significant reduction in Queensland's GST revenue of $2.292 billion.

A detailed discussion of Queensland's GST revenue, including the key factors leading to the reduced GST in 2025–26, is provided in Chapter 3.

Australian Government funding is estimated to account for 44 per cent of Queensland's total General Government Sector revenue sources in 2025–26 (shown in Chart 6.2).

Chart 6.2 General Government Sector revenue sources, Queensland 2025–26[1,2]



Notes:

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

Sources: 2025–26 Federal Budget Paper No. 3 and Queensland Treasury estimates.

Box 6.1 Major agreements to be negotiated in the next 12 months

The Queensland Government will collaborate with the Australian Government to secure sustainable, long-term funding arrangements for agreements expiring within the next 12 months.

Major agreements to be renegotiated in the next year include the National Health Reform Agreement (NHRA), the National Mental Health and Suicide Prevention Agreement and the Preschool Reform Agreement. All are set to expire on 30 June 2026.

Combined, these 3 agreements account for $7.602 billion[1] in funding that Queensland will receive for 2025–26.

Health and disability

On 6 December 2023, National Cabinet agreed that the Australian Government and state and territory governments would work together to deliver system-wide structural health reform and

[1] This excludes $414 million of additional funding in 2025–26 provided by the Australian Government under a separate bilateral funding schedule, in line with the agreement to extend the NHRA for one year.

work to secure the future of the National Disability Insurance Scheme (NDIS), including jointly designing and funding new Foundational Supports to improve services outside of the NDIS.

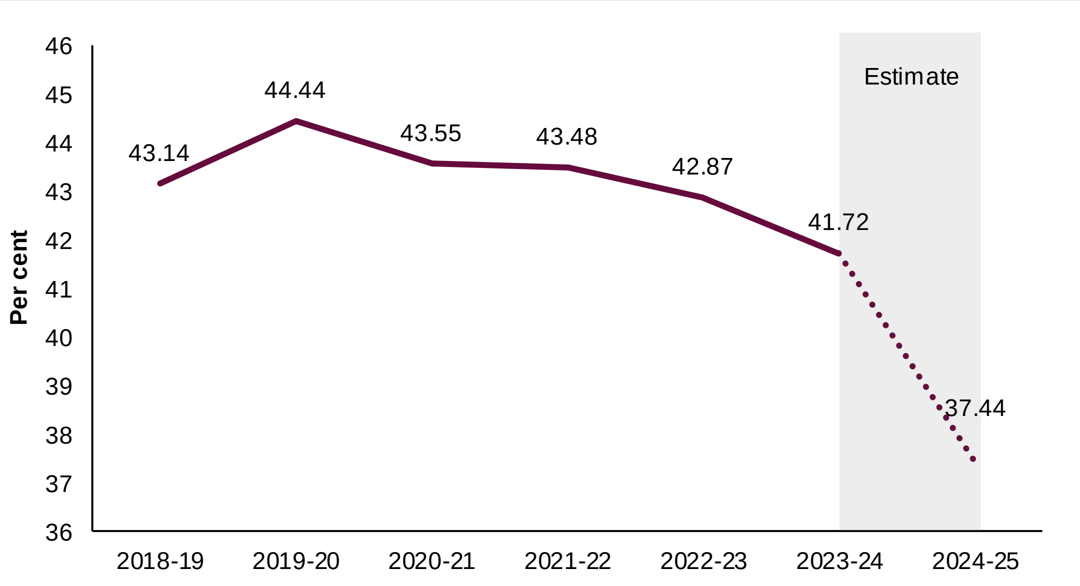
To enable more time for negotiations on health and disability reform, an interim one-year NHRA extension has been agreed with the Australian Government, providing an additional $1.7 billion in 'top-up' funding across states and territories for 2025–26 under separate bilateral funding schedules. For Queensland, the top-up funding will provide $414 million in 2025–26 in addition to the $7.531 billion under the extended NHRA arrangements ($7.945 billion in total). The one-year extension allows for negotiations on long-term NHRA arrangements to continue in 2025.

National Cabinet committed in December 2023 to increasing the Australian Government's NHRA contributions to public hospitals to 45 per cent, and establishing a more generous funding cap. This commitment is to be realised over a 10-year period, from 1 July 2025 to 30 June 2035, with the Australian Government to increase its contribution to 42.5 per cent of public hospital funding by 2030.

To ensure the ongoing sustainability of Queensland's public hospital system, it will be vital the Australian Government upholds its commitment to increase its contributions under the next NHRA, which has been declining under the current arrangements. While demand and cost pressures have continued to be experienced in recent years, the impact of the 6.5 per cent annual national growth cap on Commonwealth contributions has resulted in the Commonwealth contribution rate in Queensland falling from 44.44 per cent in 2019–20 to an estimated 37.44 per cent in 2024–25, as shown in Chart 6.3.

The Queensland Government is working with the other states territories to ensure that the National Cabinet commitment is reflected in the next long-term NHRA.

Chart 6.3 Commonwealth contribution rate, activity based funding, Queensland[1]



Notes:

1. 2024–25 is a projection only based on Queensland Health estimates and is subject to change.

6.3 Payments to Queensland for specific purposes

In 2025–26, Queensland expects to receive $22.851 billion[1] in payments for specific purposes, $1.381 billion (6.4 per cent) more than in 2024–25.

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 NP payments (refer to Table 6.1).

Table 6.1 Estimated payments of Australian Government grants[1]

	2023–24 Actual $ million	2024–25 Est. Act. $ million	2025–26 Budget $ million
Payments for specific purposes			
National Health Reform funding[2]	6,663	7,071	7,531
Better and Fairer Schools funding[3]	6,758	7,187	7,393
National Skills Agreement funding	390	451	460
National Agreement on Social Housing and Homelessness funding	355	355	363
National Partnership payments (incl. DRFA)	5,046	6,406	7,105
Total payments for specific purposes	**19,212**	**21,470**	**22,851**
Other Australian Government grants[4]	1,196	600	1,119
Total payments for specific purposes and other Australian Government grants	**20,407**	**22,069**	**23,970**

Notes:

1. Numbers may not add due to rounding.
2. The one-year extension to National Health Reform funding arrangements commences 1 July 2025.
3. Better and Fairer Schools Agreement (BFSA) commenced on 1 January 2025 and replaces Quality Schools funding under the National School Reform Agreement. It includes payments for government schools (exclusive of GST) and non-government schools (inclusive of GST). Funding for 2025–26 does not include additional funding under the BFSA as negotiations with the Australian Government were not finalised until late March 2025.
4. Includes direct Australian Government payments to Queensland agencies for Australian Government own-purpose expenditure (e.g. financial assistance to local governments and funding to Hospital and Health Services).

Sources: 2025–26 Federal Budget Paper No. 3 and Queensland Treasury estimates.

In 2025–26, National Health Reform funding, which accounts for 33 per cent of the total payments for specific purposes, is estimated to increase by $460 million (6.5 per cent).[2]

[1] Queensland Treasury estimates.

[2] This excludes $414 million of additional funding in 2025–26 provided by the Australian Government under a separate bilateral funding schedule, in line with the agreement to extend the NHRA for one year.

Queensland Government projections of National Health Reform funding differ from the projections contained in the 2025–26 Federal Budget. Australian 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 vary from estimates provided in budget papers as they are based on actual public hospital activity delivered each year.

Better and Fairer Schools funding, which accounts for around 32.4 per cent of total payments for specific purposes, is estimated to increase by $206 million (2.9 per cent) to $7.393 billion in 2025–26.

On 24 March 2025, the Australian and Queensland Governments signed the Heads of Agreement for the new 10-year Better and Fairer Schools Agreement – Full and Fair Funding. The new agreement represents a record investment into Queensland's public schooling system over the term of the agreement.

Under the agreement, the Australian Government will increase its contribution from 20 per cent to 25 per cent of the Schooling Resource Standard by 2034, with Queensland increasing its contribution to 75 per cent.

Queensland will also remove the provision to claim 4 per cent of state school funding for indirect school costs such as capital depreciation and replace it with 4 per cent of recurrent funding on eligible expenses.

National Skills Agreement funding is estimated to increase by $9 million (2.1 per cent) to $460 million in 2025–26. Similarly, funding under the National Agreement on Social Housing and Homelessness is estimated to increase by $7 million (2.1 per cent) from 2024–25.

NP payments (including DRFA) account for 31.1 per cent of the total payments for specific purposes in 2025–26. It is estimated to increase by $699 million (10.9 per cent) from 2024–25 to 2025–26. A significant proportion of NP payments in 2025–26 is allocated to infrastructure, and DRFA payments (refer to Chart 6.4).

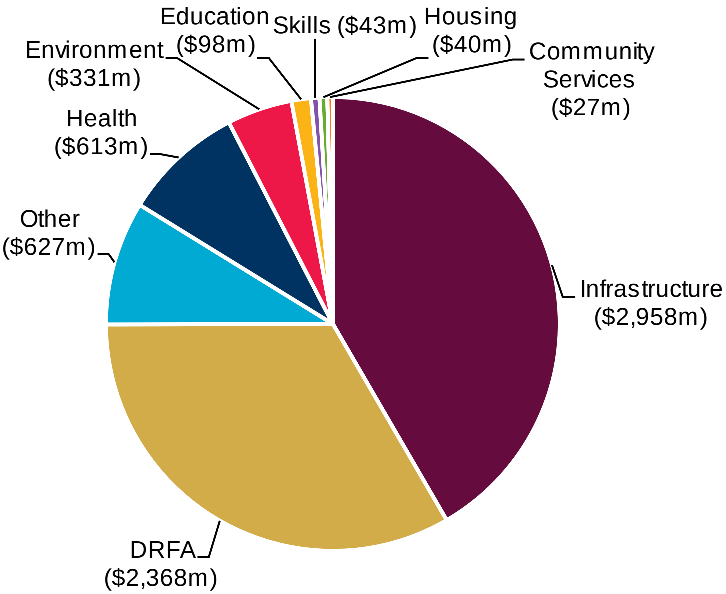
The increase in NP payments in 2025–26 is mainly due to:

- a significant DRFA payment in 2025–26 relating to disaster events in 2024
- fixed funding of $414 million in 2025–26 provided by the Australian Government as part of the one-year extension of the 2020–2025 Addendum to the National Health Reform Agreement—which is being provided under the separate bilateral schedule Health Reform – Additional Funding Support for Hospital and Related Health Services 2025–26 (Queensland).

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

In 2025–26, Queensland expects to receive $1.119 billion in other Australian Government grants, $519 million (86.6 per cent) more than in 2024–25. The significant increase is mainly due to the Australian Government's bring forward of financial assistance to local governments from 2024–25 to 2023–24.

Chart 6.4 National Partnership Payments by sector, 2025–26[1]



Note:

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

Sources: 2025–26 Federal Budget Paper No. 3 and Queensland Treasury estimates.

6.3.1 Projections of payments for specific purposes to Queensland

Across the forward estimates, total payments for specific purposes (including DRFA payments) are expected to decrease slightly, with average growth of approximately -0.5 per cent between 2025–26 and 2028–29. If the impact of DRFA payments is removed, the average growth of total payments for specific purposes is expected to be 3.1 per cent between 2025–26 and 2028–29.

National Health Reform funding is expected to grow by an average of 6.5 per cent over the forward estimates. Under the current NHRA arrangements, the Australian Government will fund 45 per cent of efficient growth in hospital activity subject to a national growth cap of 6.5 per cent per annum. Current estimates are based on this methodology.

Growth in Better and Fairer Schools funding for Queensland is expected to average 3.8 per cent between 2025–26 and 2028–29 in line with enrolment changes, increased funding per student and legislated Australian Government funding shares. Queensland is expecting to receive $11.269 billion for state schools and $20.038 billion (including GST) for non-government schools from 2025–26 to 2028–29.

DRFA payments of $4.211 billion estimated from 2025–26 to 2028–29 are principally for disaster events in 2024 and 2025.

6.3.2 Expiring agreements

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

There are 26 agreements[1] expected to expire in 2024–25. At the 2025–26 Federal Budget, the Australian Government allocated funding beyond 2024–25 for 14 expiring agreements, including agreements for Public Dental Services for Adults, Family Law Information Sharing and Rheumatic Fever Strategy.

The 2025–26 Federal Budget did not allocate funding beyond 2024–25 for one expiring funding agreement — DisabilityCare Australia Fund. The Queensland Government is continuing to advocate for the extension of the DisabilityCare Australia Fund agreement as part of ongoing negotiations related to broader health and disability reforms.

A funding extension or renewal was not sought for the remaining 11 expiring agreements due to the short-term nature of the program or completion of the project.

6.4 State-local government financial relations

The Queensland Government is committed to rebuilding and strengthening its relationship with local governments, the level of government closest to the community, who can provide a unique perspective on what services are required and when.

To formalise this commitment and recognise this partnership, the *Equal Partners in Government* agreement was signed in March 2025, in conjunction with the Local Government Association of Queensland (LGAQ).

This Agreement recognises the roles and responsibilities of both parties, and provides a set of principles to guide the relationship. A key principle includes the Queensland Government providing funding programs to local governments to support financial sustainability and deliver benefits for advancing local communities in Queensland.

In this regard, the Queensland Government has made permanent the Works for Queensland program and will provide $100 million ongoing, to ensure all local councils can deliver local projects that create jobs and deliver better infrastructure and services.

In addition, the Queensland Government is delivering the $2 billion Residential Activation Fund to accelerate delivery of essential infrastructure to fast-track new homes, supporting local governments bringing forward planned housing projects.

[1] Includes any expiring schedules to Federation Funding Agreements.

The Queensland Government is also committed to stepping out of the way and empowering local governments to deliver for their communities by:

- setting up a taskforce to look into removing unnecessary regulatory burden on councils, removing red tape and providing more support for councils to deliver what is needed on the ground in communities across Queensland
- ensuring that local government operates in a fit for purpose framework that, in a relationship of mutual respect, delivers the best outcomes.

An example of this close collaborative relationship is the way the Queensland and local governments have worked with the Queensland Reconstruction Authority (QRA). QRA administers funding available under the DRFA, which is a joint funding initiative of the Queensland and Australian Governments to provide disaster relief and recovery payments to help communities recover following the effects of natural disasters. These funds are provided to local governments to deliver these initiatives.

Three natural disasters have occurred in Queensland since the beginning of 2025.

Nearly every local government in Queensland has been impacted by one of these events. The Queensland Government worked closely with these councils and the LGAQ to ensure that the right targeted support was provided to each council to assist with their unique path to recovery.

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 $3.387 billion in 2025–26, increasing to $4.168 billion in 2028–29, while returning total dividends and tax equivalent payments of $5.524 billion over the 4 years to 2028–29.
- Borrowings to 2028–29 primarily reflect capital requirements to deliver critical energy investments, transform the rail network and ensure water security across the state.
- The Electricity Maintenance Guarantee is supporting approximately $1.6 billion of investment over the 5 years to 2029–30, to properly maintain state-owned power plants and deliver affordable, reliable and sustainable energy supply.
- In the transport sector, investments will support reconfiguration of the South East Queensland rail network and port projects to facilitate trade and economic growth.
- Significant water projects to ensure supply security and reliability include the Toowoomba to Warwick Pipeline, dam improvement works at the Paradise, Somerset, North Pine and Lake Macdonald Dams, and the new Barlil and Cooranga Weirs in southern Queensland.

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 government-owned corporations (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 ongoing investment and performance. Returns from the PNFC Sector support consolidated revenue and government service delivery, including critical infrastructure maintenance and delivery. The commercial nature of PNFC Sector entities ensures debt is self-supporting and net worth continues to grow over the 4 years to 2028–29.

Table 7.1 Key financial aggregates[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Revenue	17,360	16,963	17,977	18,364	18,901	19,869	20,626
Expenses	15,543	16,347	17,453	17,618	18,182	19,234	19,841
EBIT[2]	3,319	3,062	2,483	3,387	3,409	3,756	4,168
PNFA[3]	6,402	9,410	8,206	9,207	8,241	7,103	6,671
Assets	85,044	94,090	89,016	94,792	100,636	105,415	110,597
Borrowings	47,631	47,596	49,282	52,367	56,190	58,671	60,491

Notes:

1. Numbers may not add due to rounding.
2. EBIT (earnings before interest and tax) 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 2 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 (EQL) 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.

7.1.2 Electricity generation

Queensland owns 3 electricity generation GOCs (Stanwell, CS Energy and CleanCo), with existing baseload capacity, and new generation and firming assets.

- Stanwell supplies around 30 per cent of Queensland's electricity, with an owned energy portfolio of around 3,300 megawatts (MW) from its 3 coal-fired power stations. Stanwell is investing in new renewables and firming assets while it also manages additional contracted renewable energy.
- CS Energy supplies around a quarter of Queensland's electricity, with an owned or contracted portfolio of around 4,000 MW including thermal, renewable and firming assets. CS Energy is currently progressing the 400 MW Brigalow Gas Peaker.
- CleanCo owns and operates a 1,100 MW portfolio of low and no emissions assets, with additional contracted renewable energy across Queensland. CleanCo is continuing to progress its 250 MW Swanbank Battery.

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.

Box 7.1 Electricity Maintenance Guarantee

The Electricity Maintenance Guarantee is a new investment, performance and accountability framework for asset maintenance on publicly owned power plants. This investment will assist in delivering an affordable, reliable and sustainable energy system for Queenslanders.

Through the Guarantee, shareholding Ministers have provided upfront approval of all investment required by Stanwell, CS Energy and CleanCo to implement 5-year asset management plans — capturing all overhaul and sustaining capital expenditure — to ensure safety, statutory compliance, asset integrity and asset performance.

GOCs are accountable for asset maintenance investment and performance, including key performance indicators in respect of maintenance investment, personal safety, process safety and plant performance.

All GOCs achieved their 2024–25 summer availability targets to March 2025 with actual performance exceeding 90 per cent on average. The Guarantee is driving improvements in management reporting and oversight of statutory maintenance performance.

In 2024–25, the Guarantee supported over $450 million of investment in existing assets, including 5 major unit overhauls at the Callide B, Stanwell, Tarong and Swanbank Power Stations.

Over the next 5 years, the Guarantee is underpinning a $1.6 billion investment in Queensland's state-owned generation assets, including major overhauls at Callide C, Tarong and Wivenhoe Power Stations, and a minor overhaul of Callide Unit C4 in 2025–26.

7.1.3 Rail

Queensland Rail is a publicly 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 a Rail Transport Services Contract (TSC) with 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 facilities serving local communities, to large, world class multi-user and multi-cargo ports, which have public and privately owned import and export facilities. Efficient operation of ports is critical to economic growth, trade and employment across the state.

Box 7.2 Energy Roadmap

The Queensland Government is developing a 5-year Energy Roadmap to deliver affordable, reliable and sustainable energy for Queenslanders.

The Roadmap — to be released in the second half of 2025 — will be a credible plan for the state's energy system focused on the investment and market outlook to 2030, providing certainty for investors, communities and consumers.

Setting a foundation for the Roadmap, in 2025–26, Queensland's state-owned energy businesses are investing over $5 billion across the energy supply chain — transmission, distribution and generation — with further investments to be made under the Roadmap.

Investing in existing assets

Network businesses are investing over $2 billion in 2025–26 to maintain and extend the state's transmission and distribution network, ensuring the right investment is made in core infrastructure.

The Electricity Maintenance Guarantee is supporting around $1.6 billion of investment over the next 5 years in existing state-owned power plants, building on a $450 million investment in 2024–25.

Over $100 million will be invested at the Meandu and Kogan Creek Mines in 2025–26.

Expanding firming capacity

In 2025–26, $479 million is allocated for CS Energy to continue development of the 400 MW Brigalow Gas Peaker to be located near Chinchilla.

Stanwell will continue to work with Quinbrook on the proposed 114 MW Lockyer Energy Project near Gatton in Southern Queensland, while CleanCo will also investigate a new gas turbine at Swanbank.

In 2025–26, GOCs will also invest $379 million in new utility-scale batteries at existing power station sites and $135 million to install network-scale batteries across the distribution network.

Supporting private sector investment

GOCs will continue to partner with industry to enable greater private sector investment in renewable energy and firming assets. This includes Stanwell's Wambo Wind Farm in partnership with Cubico, energy offtake agreements across all generator GOCs, and connecting new customers to the grid.

Energy generator GOCs are also progressing smaller, more manageable pumped hydro investments in partnership with the private sector, including the Mount Rawdon, Big T and Capricornia smaller, more manageable Pumped Hydro Energy Storage (PHES) projects.

Progressing pumped hydro energy storage

In 2025–26, Queensland Hydro will invest $355 million towards early works on the Borumba PHES ($3.0 billion over 4 years to 2028–29).

In 2025–26, $79 million will be invested in the acquisition of the Mount Rawdon and Big T PHES projects to proceed with ongoing development activities. Additionally, CS Energy will continue to progress the Capricornia PHES project.

Delivering major network infrastructure

The 2025–26 Budget allocates $2 billion over 4 years to 2028–29 for CopperString, including $403 million in 2025–26. This brings total government funding to a record investment of $2.4 billion.

In 2025–26, Powerlink is expected to invest $221 million to progress early works on the Gladstone Project to reinforce the grid in Central Queensland.

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 safe, secure and reliable bulk drinking water to over 3 million people across South East Queensland, while Sunwater supplies untreated bulk water to around 5,000 industrial, mining, urban and irrigation customers outside of South East Queensland. The PNFC Sector also includes the Gladstone Area Water Board and Mount Isa Water Board.

7.1.6 Other

Queensland Hydro

Queensland Hydro is responsible for the development, delivery, ownership and operation of the Borumba PHES.

A detailed review is underway to ensure the project is progressed in a way that is affordable and deliverable, with Queensland Investment Corporation (QIC) appointed investment manager of Queensland Hydro to support this work. All works on Pioneer-Burdekin PHES have ceased, with site demobilisation and project land divestment underway. Proactive and fulsome consultation and cooperation with landholders is a key priority of government as these processes are undertaken.

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 9 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 $4.168 billion over the 4 years to 2028–29, with:

- electricity network sector EBIT increasing to $2.333 billion in 2028–29, associated with expected regulated rate of return, revenue and expenditure movements
- electricity generation sector EBIT achieving $806 million in 2025–26, reflecting the value of hedging contracts as wholesale prices stabilise, with steady earnings to 2028–29
- rail sector EBIT moderating over the next 4 years as additional TSC revenue is offset by higher expenses associated with major new rail assets
- port sector EBIT increasing to $386 million in 2028–29, reflecting long-term customer revenue contracts and the commercial operation of new port assets
- water sector EBIT trending higher over the next 4 years in line with forecast water demand

- ‘other’ sector EBIT reflects early works expenditure for Queensland Hydro to progress the Borumba PHES, and for Stadiums Queensland on venues to support ongoing events.

Table 7.2 Earnings before interest and tax[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Electricity networks	895	1,280	1,231	1,412	1,581	1,866	2,333
Electricity generation	1,081	1,107	548	806	579	510	637
Rail	287	452	485	593	575	517	353
Ports	308	289	282	313	345	373	386
Water	980	221	352	354	474	638	613
Other[2]	(231)	(287)	(414)	(92)	(144)	(149)	(155)
Total PNFC sector	**3,319**	**3,062**	**2,483**	**3,387**	**3,409**	**3,756**	**4,168**

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 55 per cent of their asset values in 2025–26 (on average). PNFC Sector borrowings are expected to increase to $60.491 billion by 2028–29, with:

- electricity network sector borrowings increasing in line with capital expenditure commitments, including critical network infrastructure for system reliability
- electricity generation sector borrowings remaining steady to 2028–29 as entities complete major construction activities on existing projects and manage debt balances
- rail sector borrowings increasing to support new investment in Cross River Rail and other network reconfiguration works
- ports sector borrowings increasing to support infrastructure investment, including the East Port Laydown Area at the Port of Townsville and other works at Ports North
- water sector borrowings increasing to reflect asset renewal and investment in water security and dam safety projects
- ‘other’ sector borrowings increasing to support early works and construction activities for the Borumba PHES.

Table 7.3 Borrowings and total assets[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Electricity networks	26,324	26,733	28,253	29,883	31,500	32,752	33,688
Electricity generation	5,437	4,306	4,342	4,188	4,515	4,297	3,813
Rail	5,084	5,753	5,766	6,600	7,583	8,009	8,317
Ports	1,131	1,043	1,118	1,162	1,155	1,162	1,162
Water	9,511	8,767	9,201	9,696	10,232	10,597	10,801
Other[2]	145	993	601	838	1,206	1,854	2,708
Total PNFC sector	**47,631**	**47,596**	**49,282**	**52,367**	**56,190**	**58,671**	**60,491**
Total Assets	85,044	94,090	89,016	94,792	100,636	105,415	110,597

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 $3.980 billion over the 4 years to 2028–29, with:

- electricity network sector dividends increasing to $370 million by 2028–29, consistent with earnings growth over the next 4 years
- electricity generation sector dividends moderating to $260 million by 2028–29 in line with earnings as market electricity prices stabilise
- rail sector dividends declining over the next 4 years, reflecting increased investment to bring major new assets into operation
- port sector dividends increasing to $217 million in 2028–29, due to higher revenue growth associated with long-term contracts and new capital expansions
- water sector dividends reflecting forecast demand for water in South East Queensland and government policy regarding recovery of dam improvement costs.

Table 7.4 Dividends[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Electricity networks	50	39	88	37	73	169	370
Electricity generation	594	520	336	504	318	202	260
Rail	141	221	217	312	282	197	134
Ports	162	162	155	175	196	210	217
Water	23	106	101	55	103	101	66
Other[2]	30	0	0	0	0	0	0
Total PNFC sector	**1,001**	**1,048**	**897**	**1,083**	**971**	**879**	**1,047**

Notes:
1. Numbers may not add due to rounding.
2. Includes other public corporations.

Tax equivalent payments

Tax equivalent payments (TEPs) are paid by PNFC Sector entities to ensure a uniform application of income tax laws between GOCs and the private sector. TEPs are expected to decline to $329 million by 2028–29, with movements at the sector level consistent with EBIT.

Table 7.5 Tax Equivalent Payments[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Electricity networks	46	15	38	6	19	52	72
Electricity generation	157	241	144	224	144	94	119
Rail	29	155	165	190	102	62	14
Ports	85	90	82	89	95	101	105
Water	11	1	8	3	17	16	18
Other[2]	1	0	0	1	1	1	1
Total PNFC sector	**329**	**503**	**437**	**512**	**377**	**325**	**329**

Notes:
1. Numbers may not add due to rounding.
2. Includes other public corporations

Competitive neutrality fees

The competitive neutrality fee (CNF) 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. CNF payments are expected to remain relatively stable.

Table 7.6 Competitive neutrality fee payments[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Electricity networks	152	157	139	133	119	110	112
Electricity generation	36	24	20	16	20	22	11
Rail	32	30	39	32	35	44	57
Ports	8	8	8	8	10	10	10
Water	6	5	5	5	5	5	5
Total PNFC sector	**233**	**225**	**211**	**194**	**189**	**191**	**194**

Note:

1. Numbers may not add due to rounding.

7.2.4 Community service obligation and rail transport services contract payments

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

A CSO payment is made to EQL under the government's Uniform Tariff Policy to compensate its retail subsidiary, Ergon Energy, for a higher cost of operating in regional Queensland. This ensures Queenslanders, regardless of their geographic location, pay a similar price for their electricity. The CSO payment is forecast to increase to $735 million by 2028–29, reflecting changes in regulated network revenue and retail pricing outcomes.

TSC payments are made to Queensland Rail to deliver rail passenger services in South East Queensland, and to support the delivery of non-commercial (subsidised) prices for travel and tourism markets. TSC payments are expected to increase to $2.895 billion by 2028–29, reflecting a range of adjustments for 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. Over the next 2 years, the current irrigation discount will be delivered through a rebate to eligible customers, rather than a CSO.

Table 7.7 Community service obligation payments and transport service contracts[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Electricity networks	619	605	650	603	642	701	735
Rail	2,282	2,662	2,594	2,838	2,849	2,879	2,895
Water	25	28	29	18	11	0	0
Total PNFC sector	**2,926**	**3,295**	**3,273**	**3,459**	**3,502**	**3,580**	**3,630**

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 publicly-owned businesses to invest in critical infrastructure projects across the state. Over the 4 years to 2028–29:

- electricity network and generation sector movements reflect investments in CopperString, local network batteries and committed investment in renewable and firming projects
- 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
- water sector movements reflect government commitments to key projects including Sunwater's Paradise Dam Improvement Project, Seqwater's Toowoomba to Warwick Pipeline and Gladstone Area Water Board's Fitzroy to Gladstone Pipeline
- 'other' sector movements primarily relate to investment in the Borumba PHES project and the transfer of state-owned Olympic venues to Stadiums Queensland.

Equity injections are lower than in the 2024–25 Budget, primarily reflecting the decision not to progress the Pioneer Burdekin project and reprofiling of the Borumba PHES project to reflect updated delivery timeframes and the review of the project.

Table 7.8 Equity movements[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Electricity networks	410	795	431	409	500	500	400
Electricity generation	635	1,808	1,576	315	0	0	0
Rail	0	168	369	962	25	0	0
Ports	121	57	114	38	50	50	100
Water	779	363	327	59	314	0	0
Other[2]	327	429	21	190	636	878	1,579
Total PNFC sector	**2,272**	**3,618**	**2,838**	**1,972**	**1,524**	**1,428**	**2,079**

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 (GGS), 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 Statement[1]

		2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
	Revenue from Transactions							
	Taxation revenue	22,659	24,799	25,015	26,907	28,723	30,442	32,154
	Grants revenue	40,064	40,278	41,406	40,990	43,420	45,542	48,898
	Sales of goods and services	7,143	7,333	7,846	8,057	8,017	7,566	7,690
	Interest income	3,617	3,501	3,645	3,474	3,387	3,335	3,310
	Dividend and income tax equivalent income	1,477	1,771	1,529	1,794	1,559	1,415	1,613
	Other revenue	14,807	10,425	10,035	10,114	9,780	9,447	8,792
	Total Revenue from Transactions	**89,768**	**88,107**	**89,476**	**91,337**	**94,886**	**97,748**	**102,457**
Less	**Expenses from Transactions**							
	Employee expenses	33,264	35,217	36,194	37,964	39,274	40,623	42,064
	Superannuation expenses							
	Superannuation interest cost	789	758	824	791	713	642	591
	Other superannuation expenses	4,071	4,108	4,366	4,650	4,818	4,974	5,077
	Other operating expenses	25,901	25,153	26,908	27,339	25,857	25,147	25,356
	Depreciation and amortisation	5,441	5,716	5,932	6,447	6,965	7,495	8,027
	Other interest expenses	2,020	2,655	2,500	3,501	4,710	5,928	7,090
	Grants expenses	16,601	17,131	18,128	19,226	18,413	17,224	15,338
	Total Expenses from Transactions	**88,087**	**90,738**	**94,852**	**99,918**	**100,751**	**102,033**	**103,543**
Equals	**Net Operating Balance**	**1,681**	**(2,631)**	**(5,376)**	**(8,581)**	**(5,864)**	**(4,285)**	**(1,086)**
Plus	Other economic flows - included in operating result	4,038	85	1,454	(589)	(473)	(297)	(133)
Equals	**Operating Result**	**5,719**	**(2,547)**	**(3,922)**	**(9,170)**	**(6,337)**	**(4,582)**	**(1,219)**
Plus	Other economic flows - other movements in equity	21,456	3,235	3,160	3,728	3,858	4,765	5,381
Equals	**Comprehensive Result - Total Change In Net Worth**	**27,174**	**689**	**(762)**	**(5,441)**	**(2,479)**	**183**	**4,162**
	KEY FISCAL AGGREGATES							
	Net Operating Balance	1,681	(2,631)	(5,376)	(8,581)	(5,864)	(4,285)	(1,086)
Less	**Net Acquisition of Non-financial Assets**							
	Purchases of non-financial assets	10,507	12,831	13,370	14,639	18,554	19,124	18,655
	Less Sales of non-financial assets	147	74	103	170	167	168	168
	Less Depreciation	5,441	5,716	5,932	6,447	6,965	7,495	8,027
	Plus Change in inventories	(3)	38	(3)	164	..	16	(18)
	Plus Other movements in non-financial assets	766	1,079	1,086	866	186	186	191
	Equals **Total Net Acquisition of Non-financial Assets**	5,682	8,159	8,418	9,052	11,608	11,662	10,634
Equals	**Fiscal Balance**	**(4,001)**	**(10,790)**	**(13,794)**	**(17,632)**	**(17,472)**	**(15,948)**	**(11,720)**

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

Table 8.2 Public Non-financial Corporations Sector Operating Statement[1]

		2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
	Revenue from Transactions							
	Grants revenue	1,251	850	918	817	788	831	862
	Sales of goods and services	15,215	15,377	16,098	17,013	17,604	18,544	19,242
	Interest income	219	149	269	176	155	177	184
	Other revenue	675	588	692	359	353	318	338
	Total Revenue from Transactions	**17,360**	**16,963**	**17,977**	**18,364**	**18,901**	**19,869**	**20,626**
Less	**Expenses from Transactions**							
	Employee expenses	3,075	3,241	3,434	3,525	3,658	3,723	3,800
	Superannuation expenses							
	Superannuation interest cost	(16)	..	..	..	..	..	..
	Other superannuation expenses	375	413	474	511	530	547	566
	Other operating expenses	7,027	6,628	7,950	7,353	7,369	7,790	7,898
	Depreciation and amortisation	2,873	3,395	3,054	3,330	3,615	3,965	4,190
	Other interest expenses	1,832	2,135	2,072	2,359	2,605	2,857	3,029
	Grants expenses	22	28	29	24	24	24	24
	Other property expenses	354	507	441	517	382	329	333
	Total Expenses from Transactions	**15,543**	**16,347**	**17,453**	**17,618**	**18,182**	**19,234**	**19,841**
Equals	**Net Operating Balance**	**1,817**	**616**	**523**	**746**	**719**	**634**	**785**
Plus	Other economic flows - included in operating result	(833)	(299)	(507)	(188)	(348)	(162)	(130)
Equals	**Operating Result**	**983**	**316**	**16**	**558**	**371**	**472**	**655**
Plus	Other economic flows - other movements in equity	1,539	3,398	2,906	1,855	1,385	1,421	1,967
Equals	**Comprehensive Result - Total Change In Net Worth**	**2,523**	**3,714**	**2,922**	**2,413**	**1,756**	**1,893**	**2,622**
	KEY FISCAL AGGREGATES							
	Net Operating Balance	1,817	616	523	746	719	634	785
Less	**Net Acquisition of Non-financial Assets**							
	Purchases of non-financial assets	6,402	9,410	8,206	9,207	8,241	7,103	6,671
	Less Sales of non-financial assets	27	14	13	26	731	9	..
	Less Depreciation	2,873	3,395	3,054	3,330	3,615	3,965	4,190
	Plus Change in inventories	91	1	50	124	105	5	26
	Plus Other movements in non-financial assets	712	102	99	89	768	86	143
	Equals **Total Net Acquisition of Non-financial Assets**	4,304	6,103	5,288	6,064	4,768	3,219	2,650
Equals	**Fiscal Balance**	**(2,487)**	**(5,487)**	**(4,764)**	**(5,318)**	**(4,049)**	**(2,585)**	**(1,865)**

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

Table 8.3 Non-financial Public Sector Operating Statement[1]

		2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
	Revenue from Transactions							
	Taxation revenue	22,198	24,345	24,559	26,453	28,267	29,975	31,678
	Grants revenue	40,165	40,350	41,462	41,059	43,486	45,610	48,963
	Sales of goods and services	18,802	19,010	20,215	20,869	21,661	22,657	23,640
	Interest income	3,758	3,579	3,820	3,584	3,498	3,476	3,459
	Dividend and income tax equivalent income	147	219	195	199	210	211	236
	Other revenue	15,188	11,012	10,726	10,473	10,134	9,765	9,130
	Total Revenue from Transactions	**100,258**	**98,517**	**100,978**	**102,638**	**107,256**	**111,693**	**117,106**
Less	**Expenses from Transactions**							
	Employee expenses	36,138	38,247	39,401	41,247	42,683	44,089	45,601
	Superannuation expenses							
	Superannuation interest cost	773	758	824	791	713	642	591
	Other superannuation expenses	4,446	4,521	4,840	5,161	5,348	5,520	5,643
	Other operating expenses	29,348	28,068	31,114	30,477	29,252	29,468	29,947
	Depreciation and amortisation	8,314	9,111	8,986	9,777	10,580	11,460	12,217
	Other interest expenses	3,541	4,496	4,267	5,601	7,083	8,559	9,891
	Grants expenses	15,201	16,380	17,295	18,501	17,715	16,485	14,565
	Total Expenses from Transactions	**97,761**	**101,581**	**106,728**	**111,555**	**113,373**	**116,223**	**118,455**
Equals	**Net Operating Balance**	**2,497**	**(3,064)**	**(5,750)**	**(8,917)**	**(6,116)**	**(4,530)**	**(1,349)**
Plus	Other economic flows - included in operating result	3,135	(215)	946	(777)	(821)	(459)	(262)
Equals	**Operating Result**	**5,631**	**(3,279)**	**(4,803)**	**(9,694)**	**(6,938)**	**(4,989)**	**(1,611)**
Plus	Other economic flows - other movements in equity	21,543	3,967	4,041	4,253	4,458	5,172	5,773
Equals	**Comprehensive Result - Total Change In Net Worth**	**27,174**	**689**	**(762)**	**(5,441)**	**(2,479)**	**183**	**4,162**
	KEY FISCAL AGGREGATES							
	Net Operating Balance	2,497	(3,064)	(5,750)	(8,917)	(6,116)	(4,530)	(1,349)
Less	**Net Acquisition of Non-financial Assets**							
	Purchases of non-financial assets	16,887	22,241	21,583	23,837	26,749	26,221	25,326
	Less Sales of non-financial assets	174	88	116	196	899	177	168
	Less Depreciation	8,314	9,111	8,986	9,777	10,580	11,460	12,217
	Plus Change in inventories	87	39	47	288	105	21	8
	Plus Other movements in non-financial assets	1,478	1,181	1,184	955	954	271	334
	Equals **Total Net Acquisition of Non-financial Assets**	9,964	14,261	13,712	15,107	16,329	14,876	13,283
Equals	**Fiscal Balance**	**(7,467)**	**(17,325)**	**(19,462)**	**(24,024)**	**(22,445)**	**(19,406)**	**(14,632)**

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

Table 8.4 General Government Sector Balance Sheet[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Assets							
Financial Assets							
Cash and deposits	2,386	1,289	1,468	1,426	1,327	1,461	1,481
Advances paid	1,137	1,331	1,122	1,298	1,406	1,439	1,398
Investments, loans and placements	52,727	48,753	52,693	52,222	50,938	50,344	49,826
Receivables	4,980	5,289	4,733	4,896	4,785	4,742	5,233
Equity							
Investments in other public sector entities	27,786	34,548	30,727	33,140	34,896	36,789	39,411
Investments - other	205	175	203	202	202	202	202
Total Financial Assets	**89,221**	**91,386**	**90,946**	**93,185**	**93,553**	**94,977**	**97,551**
Non-financial Assets							
Land and other fixed assets	349,040	344,437	359,605	371,561	386,526	401,923	416,040
Other non-financial assets	7,070	10,752	7,737	8,032	8,430	8,898	9,422
Total Non-financial Assets	**356,110**	**355,190**	**367,342**	**379,593**	**394,956**	**410,821**	**425,462**
Total Assets	**445,331**	**446,575**	**458,288**	**472,778**	**488,510**	**505,798**	**523,013**
Liabilities							
Payables	7,010	5,596	6,232	6,362	6,435	6,581	6,758
Superannuation liability	20,118	19,478	19,006	18,806	18,326	17,409	16,198
Other employee benefits	10,277	10,680	10,644	11,356	11,514	12,336	12,980
Advances received	3,161	1,662	2,532	1,269	975	788	746
Borrowing[2]	58,773	77,118	74,843	95,480	114,301	131,696	145,176
Other liabilities	14,845	16,467	14,646	14,561	14,496	14,341	14,345
Total Liabilities	**114,184**	**131,002**	**127,903**	**147,835**	**166,045**	**183,151**	**196,204**
Net Worth	**331,147**	**315,573**	**330,385**	**324,943**	**322,464**	**322,647**	**326,810**
Net Financial Worth	(24,963)	(39,617)	(36,957)	(54,649)	(72,492)	(88,174)	(98,653)
Net Financial Liabilities	52,749	74,164	67,684	87,790	107,388	124,963	138,063
Net Debt	5,684	27,407	22,092	41,803	61,605	79,239	93,217

Notes:
1. Numbers may not add due to rounding.
2. Borrowing line comprised of:

Borrowing with QTC	50,950	68,902	66,766	88,128	107,149	124,871	138,524
Leases and other similar arrangements	7,759	8,177	8,013	7,288	7,087	6,761	6,588
Securities and derivatives	64	39	64	64	64	64	64
	58,773	**77,118**	**74,843**	**95,480**	**114,301**	**131,696**	**145,176**

Table 8.5 Public Non-financial Corporations Sector Balance Sheet[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Assets							
Financial Assets							
Cash and deposits	1,802	1,411	1,683	1,129	1,078	1,247	1,310
Advances paid	2,946	1,515	2,347	1,117	862	717	713
Investments, loans and placements	3,239	2,089	2,066	1,615	1,450	1,395	1,377
Receivables	3,034	2,926	2,772	2,989	3,160	3,184	3,245
Equity							
Investments - other	..	..	26	26	26	26	26
Total Financial Assets	**11,021**	**7,941**	**8,894**	**6,876**	**6,576**	**6,568**	**6,670**
Non-financial Assets							
Land and other fixed assets	72,030	82,078	78,061	85,906	92,046	96,820	101,913
Other non-financial assets	1,993	4,071	2,061	2,010	2,015	2,027	2,013
Total Non-financial Assets	**74,023**	**86,148**	**80,123**	**87,916**	**94,061**	**98,847**	**103,927**
Total Assets	**85,044**	**94,090**	**89,016**	**94,792**	**100,636**	**105,415**	**110,597**
Liabilities							
Payables	3,808	2,949	2,660	2,538	2,416	2,401	2,660
Superannuation liability	(250)	(354)	(262)	(263)	(262)	(263)	(263)
Other employee benefits	1,336	1,204	1,394	1,432	1,466	1,492	1,515
Deposits held	11	14	11	11	11	11	10
Advances received	3	3	3	2	1	..	..
Borrowing[2]	47,631	47,596	49,282	52,367	56,190	58,671	60,491
Other liabilities	8,573	11,776	9,075	9,438	9,792	10,188	10,646
Total Liabilities	**61,112**	**63,187**	**62,163**	**65,525**	**69,614**	**72,499**	**75,059**
Net Worth	**23,932**	**30,903**	**26,854**	**29,267**	**31,023**	**32,916**	**35,537**
Net Financial Worth	(50,091)	(55,245)	(53,269)	(58,649)	(63,038)	(65,931)	(68,389)
Net Debt	39,659	42,597	43,200	48,519	52,812	55,323	57,101

Notes:
1. Numbers may not add due to rounding.
2. Borrowing line comprised of:

Borrowing with QTC	44,669	46,358	47,604	51,338	54,736	57,324	59,167
Leases and other similar arrangements	745	589	698	633	1,236	1,158	1,133
Securities and derivatives	2,217	649	979	396	218	189	190
	47,631	**47,596**	**49,282**	**52,367**	**56,190**	**58,671**	**60,491**

Table 8.6 Non-financial Public Sector Balance Sheet[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Assets							
Financial Assets							
Cash and deposits	4,188	2,700	3,151	2,555	2,404	2,708	2,791
Advances paid	1,137	1,330	1,120	1,298	1,407	1,441	1,402
Investments, loans and placements	55,966	50,842	54,759	53,836	52,388	51,740	51,203
Receivables	6,630	6,629	6,488	6,755	6,973	6,978	7,288
Equity							
Investments in other public sector entities	3,855	3,645	3,874	3,874	3,874	3,874	3,874
Investments - other	204	174	229	228	228	228	228
Total Financial Assets	**71,979**	**65,320**	**69,620**	**68,546**	**67,274**	**66,969**	**66,785**
Non-financial Assets							
Land and other fixed assets	421,069	426,514	437,666	457,466	478,571	498,742	517,953
Other non-financial assets	1,500	1,448	1,670	1,835	1,833	1,831	1,835
Total Non-financial Assets	**422,569**	**427,962**	**439,336**	**459,301**	**480,404**	**500,573**	**519,788**
Total Assets	**494,547**	**493,282**	**508,956**	**527,847**	**547,678**	**567,542**	**586,573**
Liabilities							
Payables	9,490	7,016	7,934	7,830	7,941	8,098	8,293
Superannuation liability	19,868	19,123	18,744	18,543	18,063	17,146	15,935
Other employee benefits	11,613	11,885	12,039	12,788	12,980	13,828	14,495
Deposits held	11	14	11	11	11	11	11
Advances received	218	148	186	153	114	74	36
Borrowing[2]	106,397	124,707	124,118	147,840	170,484	190,360	205,660
Other liabilities	15,803	14,815	15,540	15,738	15,620	15,378	15,334
Total Liabilities	**163,399**	**177,710**	**178,571**	**202,904**	**225,214**	**244,895**	**259,764**
Net Worth	**331,148**	**315,573**	**330,385**	**324,943**	**322,464**	**322,647**	**326,810**
Net Financial Worth	(91,421)	(112,389)	(108,951)	(134,357)	(157,940)	(177,926)	(192,978)
Net Financial Liabilities	95,276	116,035	112,825	138,231	161,814	181,800	196,852
Net Debt	45,336	69,998	65,285	90,315	114,411	134,556	150,312

Notes:
1. Numbers may not add due to rounding.
2. Borrowing line comprised of:

Borrowing with QTC	95,619	115,260	114,371	139,466	161,885	182,195	197,692
Leases and other similar arrangements	8,504	8,766	8,711	7,921	8,324	7,919	7,721
Securities and derivatives	2,274	681	1,036	453	275	246	247
	106,397	**124,707**	**124,118**	**147,840**	**170,484**	**190,360**	**205,660**

Table 8.7 General Government Sector Cash Flow Statement[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Cash Receipts from Operating Activities							
Taxes received	22,842	24,798	25,015	26,915	28,721	30,440	32,153
Grants and subsidies received	40,307	40,290	41,361	40,987	43,406	45,537	48,900
Sales of goods and services	7,272	7,520	8,358	8,543	8,464	8,091	7,999
Interest receipts	3,613	3,499	3,646	3,472	3,385	3,333	3,309
Dividends and income tax equivalents	799	1,584	1,514	1,690	1,640	1,420	1,340
Other receipts	17,006	12,842	12,323	12,700	12,579	12,103	11,322
Total Operating Receipts	**91,837**	**90,532**	**92,217**	**94,308**	**98,195**	**100,925**	**105,022**
Cash Payments for Operating Activities							
Payments for employees	(39,013)	(40,342)	(41,820)	(43,521)	(45,568)	(46,340)	(48,001)
Payments for goods and services	(28,501)	(29,002)	(30,443)	(31,370)	(29,547)	(28,784)	(28,643)
Grants and subsidies	(15,662)	(17,005)	(18,828)	(19,165)	(18,369)	(17,181)	(15,295)
Interest paid	(1,928)	(2,501)	(2,357)	(3,359)	(4,610)	(5,859)	(7,024)
Total Operating Payments	**(85,104)**	**(88,850)**	**(93,448)**	**(97,415)**	**(98,093)**	**(98,164)**	**(98,963)**
Net Cash Inflows from Operating Activities	**6,734**	**1,682**	**(1,232)**	**(3,107)**	**102**	**2,761**	**6,058**
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(10,507)	(12,831)	(13,370)	(14,639)	(18,554)	(19,124)	(18,655)
Sales of non-financial assets	147	74	103	170	167	168	168
Net Cash Flows from Investments in Non-financial Assets	**(10,360)**	**(12,757)**	**(13,267)**	**(14,469)**	**(18,387)**	**(18,956)**	**(18,488)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**(2,159)**	**(2,984)**	**(1,933)**	**(1,346)**	**(1,105)**	**(835)**	**(799)**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**2,581**	**1,394**	**4,677**	**498**	**1,314**	**604**	**532**
Receipts from Financing Activities							
Advances received (net)	1,252	(1,088)	(628)	(1,261)	(293)	(184)	(41)
Borrowing (net)	1,974	13,935	11,467	19,643	18,270	16,745	12,758
Net Cash Flows from Financing Activities	**3,227**	**12,847**	**10,839**	**18,383**	**17,977**	**16,561**	**12,717**
Net Increase/(Decrease) in Cash held	**23**	**181**	**(916)**	**(42)**	**(99)**	**135**	**20**
Net cash from operating activities	6,734	1,682	(1,232)	(3,107)	102	2,761	6,058
Net cash flows from investments in non-financial assets	(10,360)	(12,757)	(13,267)	(14,469)	(18,387)	(18,956)	(18,488)
Surplus/(Deficit)	**(3,626)**	**(11,076)**	**(14,499)**	**(17,576)**	**(18,285)**	**(16,195)**	**(12,429)**
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(3,626)	(11,076)	(14,499)	(17,576)	(18,285)	(16,195)	(12,429)
Acquisitions under finance leases and similar arrangements	(826)	(692)	(699)	(407)	(5)	(5)	(10)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**(4,452)**	**(11,768)**	**(15,197)**	**(17,983)**	**(18,291)**	**(16,200)**	**(12,439)**

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

Table 8.8 Public Non-financial Corporations Sector Cash Flow Statement[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Cash Receipts from Operating Activities							
Grants and subsidies received	1,298	836	904	809	772	813	847
Sales of goods and services	16,701	16,860	17,979	18,570	19,087	20,181	20,967
Interest receipts	219	152	236	114	84	104	114
Other receipts	501	576	617	368	423	332	298
Total Operating Receipts	**18,719**	**18,425**	**19,736**	**19,861**	**20,366**	**21,430**	**22,226**
Cash Payments for Operating Activities							
Payments for employees	(3,134)	(3,558)	(3,869)	(4,000)	(4,153)	(4,245)	(4,343)
Payments for goods and services	(7,631)	(8,516)	(10,345)	(9,264)	(9,024)	(8,940)	(9,169)
Grants and subsidies	(22)	(28)	(29)	(24)	(24)	(24)	(24)
Interest paid	(1,836)	(2,111)	(2,042)	(2,338)	(2,574)	(2,868)	(3,036)
Other payments	(822)	(633)	(639)	(862)	(598)	(527)	(572)
Total Operating Payments	**(13,445)**	**(14,846)**	**(16,924)**	**(16,488)**	**(16,374)**	**(16,603)**	**(17,143)**
Net Cash Inflows from Operating Activities	**5,273**	**3,579**	**2,812**	**3,373**	**3,992**	**4,827**	**5,083**
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(6,402)	(9,410)	(8,206)	(9,207)	(8,241)	(7,103)	(6,671)
Sales of non-financial assets	27	14	13	26	731	9	..
Net Cash Flows from Investments in Non-financial Assets	**(6,375)**	**(9,395)**	**(8,193)**	**(9,181)**	**(7,510)**	**(7,094)**	**(6,671)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**(1,339)**	**1,047**	**600**	**1,230**	**255**	**146**	**3**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**(281)**	**9**	**(21)**	**(17)**	**(20)**	**(22)**	**(22)**
Receipts from Financing Activities							
Advances received (net)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Borrowing (net)	1,953	2,108	3,185	3,776	3,322	2,469	1,720
Dividends paid	(490)	(1,021)	(968)	(900)	(1,086)	(961)	(883)
Deposits received (net)	(3)	..	..	..	..	..	..
Other financing (net)	2,050	3,417	2,468	1,167	996	805	833
Net Cash Flows from Financing Activities	**3,509**	**4,504**	**4,685**	**4,041**	**3,231**	**2,312**	**1,669**
Net Increase/(Decrease) in Cash held	**788**	**(256)**	**(119)**	**(554)**	**(51)**	**169**	**63**
Net cash from operating activities	5,273	3,579	2,812	3,373	3,992	4,827	5,083
Net cash flows from investments in non-financial assets	(6,375)	(9,395)	(8,193)	(9,181)	(7,510)	(7,094)	(6,671)
Dividends paid	(490)	(1,021)	(968)	(900)	(1,086)	(961)	(883)
Surplus/(Deficit)	**(1,592)**	**(6,837)**	**(6,350)**	**(6,708)**	**(4,604)**	**(3,228)**	**(2,471)**
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(1,592)	(6,837)	(6,350)	(6,708)	(4,604)	(3,228)	(2,471)
Acquisitions under finance leases and similar arrangements	(360)	(25)	(23)	(11)	(689)	(7)	(64)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**(1,952)**	**(6,862)**	**(6,372)**	**(6,719)**	**(5,292)**	**(3,235)**	**(2,535)**

Note:

1. Numbers may not add due to rounding.

Table 8.9 Non-financial Public Sector Cash Flow Statement[1]

	2023–24 Outcome $ million	2024–25 Budget $ million	2024–25 Est.Actual $ million	2025–26 Budget $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
Cash Receipts from Operating Activities							
Taxes received	22,381	24,344	24,559	26,462	28,265	29,974	31,677
Grants and subsidies received	40,407	40,351	41,404	41,047	43,456	45,587	48,950
Sales of goods and services	20,383	20,269	22,415	22,719	23,397	24,626	25,480
Interest receipts	3,756	3,577	3,791	3,520	3,425	3,401	3,388
Dividends and income tax equivalents	120	186	183	206	205	215	215
Other receipts	17,498	13,418	12,947	13,059	12,944	12,424	11,620
Total Operating Receipts	**104,545**	**102,145**	**105,299**	**107,013**	**111,692**	**116,227**	**121,330**
Cash Payments for Operating Activities							
Payments for employees	(41,946)	(43,688)	(45,462)	(47,279)	(49,472)	(50,327)	(52,081)
Payments for goods and services	(32,546)	(33,396)	(36,855)	(36,226)	(34,392)	(34,059)	(34,313)
Grants and subsidies	(14,491)	(16,256)	(17,995)	(18,440)	(17,671)	(16,442)	(14,522)
Interest paid	(3,456)	(4,315)	(4,097)	(5,438)	(6,952)	(8,501)	(9,832)
Other payments	(610)	(251)	(270)	(273)	(244)	(277)	(324)
Total Operating Payments	**(93,049)**	**(97,906)**	**(104,680)**	**(107,656)**	**(108,731)**	**(109,607)**	**(111,072)**
Net Cash Inflows from Operating Activities	**11,497**	**4,240**	**619**	**(643)**	**2,961**	**6,620**	**10,258**
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(16,887)	(22,241)	(21,583)	(23,837)	(26,749)	(26,221)	(25,326)
Sales of non-financial assets	174	88	116	196	899	177	168
Net Cash Flows from Investments in Non-financial Assets	**(16,712)**	**(22,152)**	**(21,467)**	**(23,641)**	**(25,850)**	**(26,044)**	**(25,159)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**110**	**433**	**537**	**(181)**	**(110)**	**(32)**	**33**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**2,300**	**1,404**	**4,655**	**482**	**1,294**	**583**	**510**
Receipts from Financing Activities							
Advances received (net)	(17)	(41)	(31)	(31)	(38)	(38)	(37)
Borrowing (net)	3,927	16,043	14,653	23,419	21,592	19,214	14,477
Deposits received (net)	(3)	..	..	..	..	..	..
Other financing (net)	(291)	..	..	..	..	..	..
Net Cash Flows from Financing Activities	**3,616**	**16,002**	**14,622**	**23,389**	**21,554**	**19,177**	**14,441**
Net Increase/(Decrease) in Cash held	**810**	**(75)**	**(1,035)**	**(595)**	**(151)**	**304**	**82**
Net cash from operating activities	11,497	4,240	619	(643)	2,961	6,620	10,258
Net cash flows from investments in non-financial assets	(16,712)	(22,152)	(21,467)	(23,641)	(25,850)	(26,044)	(25,159)
Surplus/(Deficit)	**(5,216)**	**(17,913)**	**(20,848)**	**(24,284)**	**(22,889)**	**(19,423)**	**(14,901)**
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(5,216)	(17,913)	(20,848)	(24,284)	(22,889)	(19,423)	(14,901)
Acquisitions under finance leases and similar arrangements	(1,186)	(717)	(721)	(417)	(694)	(11)	(74)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**(6,402)**	**(18,630)**	**(21,569)**	**(24,701)**	**(23,583)**	**(19,435)**	**(14,974)**

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

8.3 General Government Sector time series

Table 8.10 General Government Sector Time Series[1]

	2012–13 Actual $ million	2013–14 Actual $ million	2014–15 Actual $ million	2015–16 Actual $ million	2016–17 Actual $ million	2017–18 Actual $ million	2018–19 Actual $ million	2019–20 Actual $ million	2020–21 Actual $ million	2021–22 Actual $ million	2022–23 Actual $ million	2023–24 Actual $ million
Revenue from Transactions												
Taxation revenue	10,937	11,840	12,598	12,547	12,919	13,244	14,165	14,585	16,249	20,011	20,601	22,659
Grant revenue	18,322	21,740	23,583	23,740	27,384	27,966	28,307	27,645	33,013	34,135	38,335	40,064
Sales of goods and services	5,087	5,039	5,443	5,712	5,642	5,884	5,783	5,618	6,105	5,896	6,483	7,143
Interest income	2,644	2,460	2,470	2,543	2,351	2,389	2,191	2,088	1,948	2,643	3,225	3,617
Dividend and income tax equivalent income	1,351	1,975	2,554	2,661	2,675	2,920	2,784	1,926	1,329	790	1,007	1,477
Other revenue	3,415	3,650	3,322	3,577	5,223	5,685	6,598	5,915	4,147	10,710	20,159	14,807
Total Revenue	**41,755**	**46,705**	**49,970**	**50,780**	**56,194**	**58,087**	**59,828**	**57,778**	**62,791**	**74,185**	**89,809**	**89,768**
Expenses from Transactions												
Employee expenses	18,130	17,816	18,592	20,045	21,258	22,681	24,019	25,662	26,385	28,068	30,558	33,264
Superannuation expenses												
Superannuation interest costs	923	963	878	767	514	667	653	354	246	377	776	789
Other superannuation expenses	2,420	2,277	2,319	2,507	2,661	2,741	3,012	3,183	3,073	3,387	3,756	4,071
Other operating expenses	12,817	13,108	14,539	14,811	15,578	17,259	16,480	17,085	16,500	18,229	20,013	25,901
Depreciation and amortisation	2,902	3,060	3,137	2,921	3,068	3,326	3,451	4,033	4,170	4,506	5,018	5,441
Other interest expenses	1,940	2,200	2,328	2,220	1,722	1,614	1,581	1,486	1,619	1,508	1,688	2,020
Grant expenses	7,182	6,792	7,758	6,841	8,568	8,048	9,647	11,702	11,713	13,827	14,072	16,601
Total Expenses	**46,312**	**46,217**	**49,551**	**50,112**	**53,369**	**56,337**	**58,843**	**63,505**	**63,706**	**69,902**	**75,880**	**88,087**
Net Operating Balance	**(4,558)**	**488**	**420**	**668**	**2,825**	**1,750**	**985**	**(5,728)**	**(915)**	**4,284**	**13,928**	**1,681**
OTHER KEY AGGREGATES												
Purchases of non-financial assets	7,001	6,323	4,635	4,044	4,620	5,126	5,764	6,306	6,682	7,878	9,899	10,507
Net acquisition of non-financial assets	3,389	3,087	992	1,164	2,265	2,337	3,192	3,436	3,942	4,356	5,838	5,682
Fiscal Balance	**(7,947)**	**(2,599)**	**(572)**	**(497)**	**560**	**(587)**	**(2,207)**	**(9,164)**	**(4,857)**	**(72)**	**8,090**	**(4,001)**
Cash Surplus/(Deficit)	(8,585)	(3,213)	(105)	866	1,448	337	302	(6,228)	(6,421)	2,816	10,167	(3,626)
Net Worth	172,963	166,492	171,933	188,099	194,988	195,038	200,861	195,646	209,464	249,590	303,994	331,147
Net Debt	2,399	5,208	5,749	653	(355)	(509)	(198)	14,036	11,344	10,997	2,608	5,684
Borrowing with QTC[2]	36,508	39,864	41,343	34,200	31,358	29,256	29,468	37,570	46,153	49,000	46,166	50,950
Leases and similar arrangements	734	882	1,126	1,370	1,503	2,142	2,612	6,485	7,703	7,671	7,519	7,759
Borrowing with QTC (NFPS)	67,116	70,668	73,256	71,160	69,107	66,964	67,576	76,464	85,901	90,851	89,442	95,619
Leases and similar arrangements (NFPS)	1,559	1,752	1,802	1,316	1,882	2,142	2,612	6,977	8,157	8,028	7,887	8,504

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 revenue[1]

	2024–2025 Est. Act. $ million	2025–2026 Budget $ million
Current grant revenue		
Current grants from the Commonwealth		
General purpose grants	18,917	16,625
General purpose grants for on-passing	6	6
Specific purpose grants	13,530	13,312
Specific purpose grants for on-passing	4,698	5,409
Total current grants from the Commonwealth	37,150	35,353
Other contributions and grants	376	388
Total current grant revenue	**37,526**	**35,741**
Capital grant revenue		
Capital grants from the Commonwealth		
Specific purpose grants	3,836	5,242
Total capital grants from the Commonwealth	3,836	5,242
Other contributions and grants	44	8
Total capital grant revenue	**3,880**	**5,250**
Total grant revenue	**41,406**	**40,990**

Note:

1. Numbers may not add due to rounding.

Table 8.12 General Government Sector grant expenses[1]

	2024–2025 Est. Act $ million	2025–2026 Budget $ million
Current grant expense		
Private and Not-for-profit sector	4,440	4,507
Private and Not-for-profit sector on-passing	4,658	4,822
Local Government	292	391
Local Government on-passing	105	679
Grants to other sectors of Government	3,188	3,206
Other	440	526
Total current grant expense	**13,124**	**14,131**
Capital grant expense		
Private and Not-for-profit sector	1,499	1,641
Local Government	3,252	3,196
Grants to other sectors of Government	82	31
Other	171	226
Total capital grant expense	**5,004**	**5,094**
Total grant expense	**18,128**	**19,226**

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 income[1]

	2024–2025 Est. Act. $ million	2025–2026 Budget $ million
Dividend and Income Tax Equivalent income from PNFC sector	1,334	1,595
Dividend and Income Tax Equivalent income from PFC sector	195	199
Total Dividend and Income Tax Equivalent income	**1,529**	**1,794**

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

8.4.3 Expenses by function

Table 8.14 General Government Sector expenses by function[1]

	2024–2025 Budget $ million	2024–2025 Est. Act. $ million	2025–2026 Budget $ million	2026–2027 Projection $ million	2027–2028 Projection $ million	2028–2029 Projection $ million
General public services	8,690	8,636	10,802	11,323	11,873	12,596
Public order and safety	8,426	8,543	9,381	9,046	9,111	9,232
Economic affairs	3,098	3,940	3,536	3,057	2,835	2,583
Environmental protection	1,137	1,019	1,258	1,179	1,276	1,042
Housing and community amenities	1,916	1,926	1,851	1,575	1,618	1,258
Health	26,739	28,613	29,140	29,733	30,459	31,571
Recreation, culture and religion	1,335	1,443	1,763	1,896	2,070	1,713
Education	21,275	21,370	22,256	23,106	24,195	25,132
Social protection	7,808	8,831	8,749	8,575	8,514	8,721
Transport	10,313	10,531	11,182	11,262	10,080	9,696
Total Expenses	**90,738**	**94,852**	**99,918**	**100,751**	**102,033**	**103,543**

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 function[1]

	2024–2025 Budget $ million	2024–2025 Est. Act. $ million	2025–2026 Budget $ million	2026–2027 Projection $ million	2027–2028 Projection $ million	2028–2029 Projection $ million
General public services	403	342	481	261	89	60
Public order and safety	1,288	1,218	1,327	1,929	1,027	845
Economic affairs	130	64	67	41	41	34
Environmental protection	101	129	112	41	27	25
Housing and community amenities	430	597	653	769	929	1,254
Health	2,381	2,729	3,513	4,340	3,614	3,122
Recreation, culture and religion	227	123	424	787	1,028	1,286
Education	1,341	1,365	1,181	1,655	1,634	1,175
Social protection	111	93	119	102	96	76
Transport	6,420	6,710	6,762	8,628	10,637	10,779
Total Purchases	**12,831**	**13,370**	**14,639**	**18,554**	**19,124**	**18,655**

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

8.4.5 Taxes

Table 8.16 General Government Sector taxes[1]

	2024–2025 Est. Act. $ million	2025–2026 Budget $ million
Taxes on employers' payroll and labour force	7,364	7,898
Taxes on property		
Land taxes	2,465	2,807
Stamp duties on financial and capital transactions	6,866	7,175
Other	1,492	1,522
Taxes on the provision of goods and services		
Taxes on gambling	2,179	2,278
Taxes on insurance	1,696	1,817
Taxes on use of goods and performance of activities		
Motor vehicle taxes	2,954	3,411
Total Taxation Revenue	**25,015**	**26,907**

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 2 points in time. Flows comprise 2 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 Australian, 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 GGS, 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 (Australian 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 GGS 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 (renamed from Environment, Science and Innovation)

Families, Seniors, Disability Services and Child Safety (renamed from Child Safety, Seniors and Disability Services)

Housing and Public Works (renamed from Housing, Local Government, Planning and Public Works)

Justice (renamed from Justice and Attorney-General)

Local Government, Water and Volunteers (renamed from Regional Development, Manufacturing and Water)

Natural Resources and Mines, Manufacturing and Regional and Rural Development (renamed from Resources)

Premier and Cabinet

Primary Industries (renamed from Agriculture and Fisheries)

Queensland Corrective Services

Queensland Fire Department (renamed from Queensland Fire and Emergency Services)

Queensland Health

Queensland Police Service

Queensland Treasury

Sport, Racing and Olympic and Paralympic Games (renamed from Tourism and Sport)

State Development, Infrastructure and Planning (renamed from State Development and Infrastructure)

Trade, Employment and Training (renamed from Employment, Small Business and Training)

Transport and Main Roads

Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism (renamed from Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts)

Youth Justice and Victim Support (renamed from Youth Justice)

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

Crime and Corruption Commission

Cross River Rail Delivery Authority

Economic Development Queensland

Electoral Commission of Queensland

Games Independent Infrastructure and Coordination Authority

Gold Coast Waterways Authority

Health and Wellbeing Queensland

Hospital and Health Services

- Cairns and Hinterland
- Central Queensland
- Central West

- Children's Health Queensland
- Darling Downs
- Gold Coast
- Mackay
- Metro North
- Metro South
- North West
- South West
- Sunshine Coast
- Torres and Cape
- Townsville
- West Moreton
- Wide Bay

Legal Aid Queensland

Legislative Assembly

Library Board of Queensland

Motor Accident Insurance Commission

Nominal Defendant

Office of Industrial Relations

Office of the Governor

Office of the Health Ombudsman

Office of the Information Commissioner

Officer of the Inspector-General Emergency Management

Office of the Queensland Integrity Commissioner

Prostitution Licensing Authority

Public Sector Commission

Queensland Art Gallery Board of Trustees

Queensland Audit Office

Queensland Building and Construction Commission

Queensland Curriculum and Assessment Authority

Queensland Family and Child Commission

Queensland Human Rights Commission

Queensland Mental Health Commission

Queensland Performing Arts Trust

Queensland Racing Integrity Commission

Queensland Reconstruction Authority

Queensland Rural and Industry Development Authority

Residential Tenancies Authority

South Bank Corporation

TAFE Queensland

The Council of the Queensland Institute of Medical Research

The Public Trustee of Queensland

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 Queensland Government provides substantial concessions in the form of rebates, subsidies and discounts to improve access to, and the affordability of, a range of essential goods and services for Queenslanders.

Concessions assist households, businesses and industries across the state, providing support for essential services such as electricity, transport, health, housing, education and training services.

The 2025–26 Budget includes the following measures which will provide ongoing cost-of-living support:

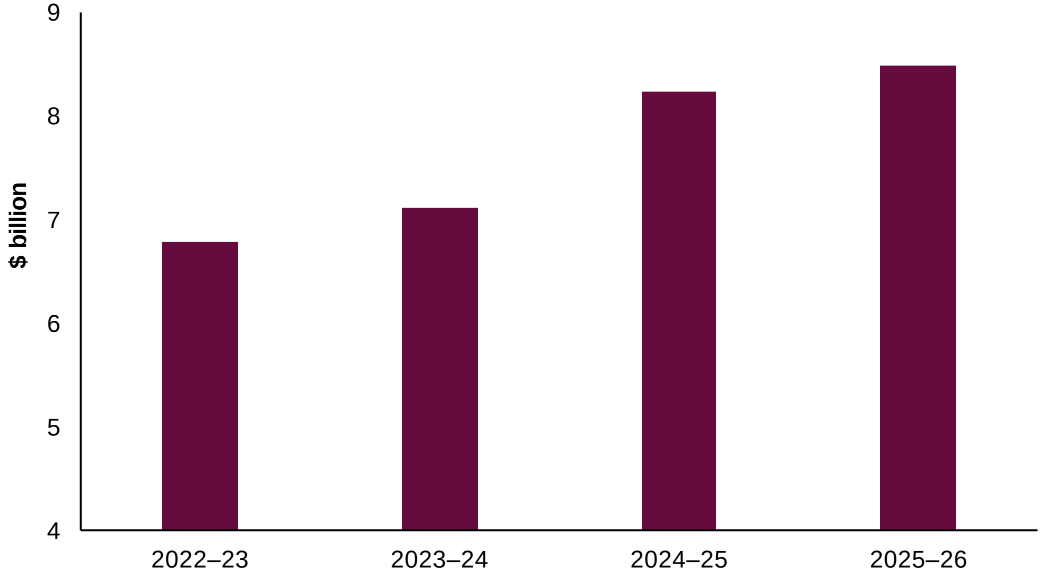
- permanent funding for 50 cent fares for all public transport across the TransLink network in Queensland
- $100 Back to School Boost for primary school students (Prep to Year 6) across the state to support parents and families with the cost of school essentials
- $200 Play On! vouchers for children aged between 5 to 17 to reduce the costs of participation in sport
- Electricity Rebate Scheme for vulnerable Queensland households, with the rebate increasing to $386 in 2025–26
- Supercharged Solar for Renters program to provide rebates to eligible landlords for installing solar systems to help lower living costs for renters.

The total value of all concessions provided by the Queensland Government to Queenslanders is estimated to be $8.493 billion in 2025–26.

This represents a substantial commitment to improve the accessibility and affordability of a range of goods and services on an ongoing basis by reducing the price paid by consumers.

The total estimated ongoing concessions in 2025–26 is 3.2 per cent higher than the 2024–25 estimated actual amount of $8.229 billion.

Chart A.1 Total ongoing concessions value by year[1]



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 variety of targeted concessions based on eligibility criteria relating to factors such as age, income and special needs or disadvantage.

Most Queenslanders benefit from at least one Queensland Government concession, while many Queensland households and families 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.

Households and businesses across the state also benefit from broader transport concessions. Rail Network and Infrastructure Funding ensures the state-supported rail network is safe, reliable and fit for purpose. The funding supports both freight and passenger service users.

Many Queenslanders benefit from the electricity rebate of up to $386 per annum to assist with the cost of electricity supply to the homes of eligible card holders, including but not limited to seniors, pensioners and Commonwealth Health Care Card holders.

Another key concession that helps to alleviate the financial burden of energy costs for Queenslanders, particularly those in regional and rural areas, is the Uniform Tariff Policy which ensures that all Queensland non-market electricity customers pay a similar price for electricity, regardless of location.

Many card holders may also be eligible for free dental care under the Oral Health Scheme, which includes services such as general care, treatment involving dentures and emergency dental care.

The government provides substantial support for low-income families and individuals through the Public Housing Rental Subsidy.

This concession is designed to make housing more affordable for vulnerable Queenslanders, by bridging the gap between private market rents and the rent charged by government.

The government provides generous concessions for education and parenting. For instance, an allowance is available for parents/caregivers of secondary school-age students attending state and non-government schools, and children registered in home education of equivalent age, to help with the costs of textbooks and learning resources. Additionally, the government will provide schools with annual payments of $100 for each student attending government and non-government primary schools for 4 school years from 2026 to support parents and families in meeting the cost of school essentials.

The government is continuing to fund 15 hours per week of free kindergarten for all 4-year-old Queensland children. In 2025–26, on average a family attending a sessional kindergarten that charges $50 per day (15 hours per week) will save $5,000 a year in fees.

For young Queenslanders, concessions such as the Career Start General Training Subsidy and the Career Start Apprentices and Trainee Training Subsidy, provide opportunities for professional growth by reducing financial barriers to education and training.

Common concessions for older Queenslanders include a 50 per cent concession on the registration fees for a 4-cylinder vehicle, a subsidy of up to $200 per year for eligible pensioners to help lessen the impact of local government rates and charges, and a rebate of up to $92 per annum to assist with the cost of reticulated natural gas.

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 Queensland Government, detailed by each agency and government-owned corporation (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 Queensland 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 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 entity[1,2]

Concession by entity	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Agency		
Department of Education	409.3	469.7
Department of Families, Seniors, Disability Services and Child Safety	348.3	363.4
Department of Housing and Public Works	938.2	886.5
Department of Justice	140.3	149.0
Department of Local Government, Water and Volunteers	29.2	33.3
Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development	31.9	42.0
Department of Primary Industries	6.8	4.7
Department of Sport, Racing and Olympic and Paralympic Games	3.6	66.2
Department of State Development, Infrastructure and Planning	0.8	1.5
Department of the Environment, Tourism, Science and Innovation	1.6	1.7
Department of Trade, Employment and Training	708.6	710.0
Department of Transport and Main Roads	4,469.5	4,638.6
Queensland Fire Department	11.7	12.3
Queensland Health	359.6	371.1
Queensland Treasury	656.0	618.1
Total Agency	**8,115.4**	**8,368.1**
Government-owned corporations		
Energy Queensland Limited	19.2	28.0
Far North Queensland Ports Corporation Limited	2.0	2.0
Gladstone Ports Corporation Limited	43.4	45.0
North Queensland Bulk Ports Corporation Limited	1.6	1.6
Port of Townsville Limited	6.8	6.9
Queensland Rail	2.7	2.8
Sunwater Limited	37.7	38.7
Total government-owned corporations	**113.4**	**125.0**
Total all entities	**8,228.8**	**8,493.1**

Notes:

1. Numbers may not add due to rounding.
2. For previously announced temporary cost-of-living support measures see Table A.2.1.

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

The 2024–25 Budget included measures which provided temporary elevated levels of assistance that were not ongoing.

Table A.2.1 Previously announced temporary cost-of-living concessions[1]

Concession by name	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Name		
Cost of Living Electricity Rebate and National Energy Bill Relief[2,3]	963.7	353.0
Temporary Additional Vehicle Registration Concessions	399.0	36.0
Fairplay	42.0	..
Total	**1,404.7**	**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 includes funding for the 2023–24 and the 2024–25 Cost of Living Electricity Rebates, as well as funding from the Australian Government under the National Energy Bill Relief plan. Funding for the 2024–25 Cost of Living Electricity Rebate was applied to household bills in 2024–25 but appropriated in 2023–24, resulting in appropriation payments of $2.003 billion in 2023–24.
3. The table above represents funding in line with appropriation payments, consistent with the presentation of other concessions throughout this document.

Cost of Living Rebate and National Energy Bill Relief

The 2024–25 Budget delivered temporary electricity bill support to households and small businesses.

As stated in the 2024–25 Budget, temporary assistance was not intended to be ongoing.

The Commonwealth is providing an Electricity Rebate to eligible account holders in 2025–26. Eligible Australian households and small businesses will receive up to $150 in energy bill rebates.

Temporary Additional Vehicle Registration Concessions

In addition to the general vehicle and boat registration concessions, the Queensland Government temporarily reduced all light vehicle registration fees and some heavy vehicle registration fees by 20 per cent for a period of 12 months, starting from 16 September 2024.

This assistance was not ongoing, with the 2024–25 Queensland Budget assuming registration costs would return to normal levels plus indexation in 2025–26.

A.3 Concessions by agency

Table A.3.1 Department of Education[1]

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Queensland Kindergarten Funding[2]	215.1	223.6
Textbook and Resource Allowance[3]	89.2	92.5
School Transport Assistance for Students with Disability	63.2	63.2
Back to School Boost[4]	..	47.1
Living Away from Home Allowance Scheme[5]	11.8	12.2
Tuition Fee Exemption/Waivers – Dependents of International Students[5]	10.6	10.9
Non-State Schools Transport Assistance Scheme[6]	9.0	9.5
Queensland Museum – Arts Concessional Entry Fees[7]	2.6	2.9
Queensland Performing Arts Trust – Arts Concessional Entry Fees	2.4	2.5
Distance Education – Information and Communication Technology Subsidy Scheme	2.1	2.1
Distance Education – Non-Government Student Fee Subsidy	0.8	0.8
Queensland Performing Arts Trust – Venue Hire Rebates	0.6	0.6
Arts Queensland – Discount on Property Lease Rentals[8]	0.7	0.5
Queensland Art Gallery – Arts Concessional Entry Fees	0.4	0.5
Arts Queensland – Venue Hire Rebates	0.4	0.4
State Library of Queensland – Venue Hire Rebates	0.4	0.4
Total	**409.3**	**469.7**

Notes:

1. Across July to December 2024, a cumulative total of $3.6 million in concessions were related to Dalby State High School, Spinifex State College and Western Cape College to operate residential facilities in Dalby, Mount Isa and Weipa respectively. However, following a change in approach in January 2025, funding under this program is now paid as appropriations to schools based on the number of enrolments, rather than as concessions. As such, no funding as concessions has been included above in 2024–25 to ensure consistency in reporting across years.
2. Increase is due to indexation that will be applied to all kindergarten funding from 1 July 2025.
3. Increase is due to enrolment growth and consumer price index (CPI) indexation.
4. This is a new program starting in 2025–26.
5. Increase is due to CPI indexation.
6. Increase is due to CPI indexation and increased demand for assistance under the scheme.
7. Increase is due to anticipated growth in ticketing revenue in relation to a longer run-time for ticketed commercial exhibitions at Queensland Museum Kurilpa, South Bank. Concessions are funded from State Government Grant Funding, i.e. at Toowoomba and Ipswich, or non-government self-funded revenue, i.e. Brisbane and Townsville.
8. Reduced rent foregone is due to new lease offers to the tenant of the Judith Wright Centre following the Judith Wright Arts Centre Modernisation Project.

Back to School Boost

The Back to School Boost concession provides annual payments of $100 for each student attending government and non-government primary schools to support parents and families with the cost of school essentials.

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.

From 1 January 2024, the Queensland Government has provided an affordability subsidy of 15 hours per week to make kindergarten free for all 4-year-olds for up to 40 weeks or 600 hours per year. In 2025–26, on average a family attending a sessional kindergarten that charges $50 per day (15 hours per week) will save $5,000 a year in fees.

These subsidies are funded by both the Queensland Government and the Australian Government under the Preschool Reform Agreement 2022 to 2025.

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 2025, the rates per annum are $160 for students in Years 7 to 10 and $348 for students in Years 11 and 12.

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').

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 2025 are:

- Remote Area Tuition Allowance – assistance is available for primary students of up to $8,644 per annum and secondary students of up to $10,625 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 $180 per annum to a maximum of $2,211 per annum
- Remote Area Allowance – assistance of $3,012 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
- 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 $9,800 per student per annum.

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 dependent 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 $13,491 in 2025–26.

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 Queensland Catholic Education Commission set weekly threshold amount.

In Semester 1, 2025, the weekly threshold is $35 per family, or $25 for families with a current Health Care Card, Pensioner Concession Card or Veterans' Affairs Pensioner Concession Card. From Semester 2, 2025, the weekly threshold rates will be increased to $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 are offered for specific Queensland Performing Arts Trust productions and to provide support for other not-for-profit theatre companies to enable tickets to be sold at concessional prices. The level of concession provided varies depending on the number and size of events being held each year.

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 2 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.

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 $1,560 per distance education subject enrolment.

This subsidises approximately 50 per cent 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 are Queensland Symphony Orchestra, Opera Queensland, Queensland Theatre Company and Queensland Ballet.

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.

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 – 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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Electricity Rebate Scheme[1]	248.5	261.9
Pensioner Rate Subsidy Scheme	59.7	62.7
South East Queensland Pensioner Water Subsidy Scheme	20.5	19.3
Home Energy Emergency Assistance Scheme	10.0	10.0
Medical Cooling and Heating Electricity Concession Scheme[1]	3.4	3.4
Reticulated Natural Gas Rebate Scheme	3.1	3.3
Electricity Life Support Concession Scheme[1]	3.1	2.8
Total	**348.3**	**363.4**

Notes:

1. Adjusted annually according to the Queensland Competition Authority (QCA) price determination for Tariff 11. For 2025–26, the QCA determined Tariff 11 will increase by 3.8 per cent.

Electricity Rebate Scheme

The Electricity Rebate Scheme provides a rebate of up to approximately $386 per annum to assist with the cost of electricity supply to the homes of eligible holders of a Pensioner Concession Card, Queensland Seniors Card, Commonwealth Health Care Card, Department of Veterans' Affairs Gold Card (who receive a War Widow/er Pension or special rate Totally or Permanently Incapacitated Pension) and asylum seekers.

It is estimated that over 600,000 Queensland households will receive an electricity rebate in 2025–26.

Pensioner Rate Subsidy Scheme

The Pensioner Rate Subsidy Scheme offers a 20 per cent 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 2-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 $92 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 (who receive the War Widow/er Pension or special rate Totally or Permanently Incapacitated Pension).

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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Public Housing Rental Subsidy[1]	849.1	844.9
Home Assist Secure[2]	27.8	26.8
Non-residential Buildings – Subsidised Rents	8.7	9.0
Rental Bond Loans[2]	2.6	3.0
Youth Subsidy – Community Housing[2]	1.5	2.8
Helping Seniors Secure Their Homes[3]	42.3	..
National Rental Affordability Scheme[4]	6.2	..
Community Housing[5]	..	..
Total	**938.2**	**886.5**

Notes:

1. This program was previously known as the Government Managed Housing Rental Rebate.
2. The variance is based on the anticipated year on year demand for services provided under this scheme.
3. The variance is due to the end of the time-limited program in December 2024.
4. The variance is primarily due to cessation of the scheme, being a decision of a former Australian Government.
5. 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 government based on household income.

Assistance is provided to approximately 56,200 households. The estimated average yearly subsidy per household for 2025–26 is $15,000.

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 2025–26, it is estimated that up to 33,000 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 24 properties comprising a total floor area of approximately 41,300 square metres. The total subsidy is calculated by deducting the actual 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 3 products:

- Bond Loans: equivalent to a maximum amount of 4 weeks rent
- Bond Loan Plus: equivalent to a maximum amount of 6 weeks rent
- Bridging Bond Loans: equivalent to a maximum amount of 4 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 2025–26, approximately $35.8 million in bond loans, bond loan plus and bridging bond loans may be advanced to an estimated 15,700 clients, averaging approximately $2,300 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 2025–26, the government has allocated $2.8 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 registered community housing providers (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 per cent of a household's assessable income, 30 per cent 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 2025–26.

Table A.3.4 Department of Justice

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Public Trustee of Queensland – Concessions	43.4	44.9
Queensland Civil and Administrative Tribunal[1]	39.7	44.4
Court Services – Civil Court	39.2	40.4
Blue Card – Volunteer Applicants[2]	10.8	12.1
Body Corporate and Community Management – Dispute Resolution	4.6	4.6
Disability Worker Screening – Volunteer Applicants	2.0	2.0
Liquor Gaming and Fair Trading – Rural Hotel Concessions	0.4	0.4
Registry of Births, Deaths and Marriages – Fee Waivers	0.2	0.2
Total	**140.3**	**149.0**

Notes:

1. The variance reflects the anticipated increase in service demand in 2025–26
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.

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.

Court Services – Civil Court

The Supreme, District and Magistrates Courts hear civil disputes between 2 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.

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 3 years unless cancelled or suspended earlier.

The Queensland 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 a 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 5 years unless cancelled or suspended earlier.

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

The Queensland Government has committed to increasing volunteers within the disability sector to ensure that people with a 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 ($54.40 per certificate in 2024–25), with approximately 3,000 individuals per annum receiving a benefit.

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

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Rural Irrigation Water Price Discount	..	12.3
Sunwater Rural Irrigation Water Price Subsidy	18.9	10.7
Cloncurry Pipeline Water Supply Subsidy	7.0	7.2
Seqwater Rural Irrigation Water Price Subsidy	2.3	2.1
Disaster Relief Arrangements – Annual Water Licence Fee Waiver	1.0	1.0
Total	**29.2**	**33.3**

Rural Irrigation Water Price Discount

An additional 15 per cent discount provided as a rebate on irrigation water prices for eligible Sunwater and Seqwater customers, available to approved applicants for a 2-year period ending 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.

Cloncurry Pipeline Water Supply Subsidy

North West Queensland Water Pipeline Limited (NWQWP), a Sunwater Limited (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 irrigation prices gradually transition towards cost recovery.

Disaster Relief Arrangements – Annual Water Licence Fee Waiver

Fees associated with annual water licences ($95.13) will be waived for 2025–26 for disaster declared areas.

The waiver is available to landholders in Local Government 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 2025–26, it is estimated 10,000 waivers will be issued to landholders.

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

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Primary Industry Productivity Enhancement Scheme (PIPES)[1]	21.7	30.7
Zero Rent for Exploration Permits for Minerals	10.2	11.3
Total	**31.9**	**42.0**

Notes:
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 *Queensland Critical Minerals Strategy* reduced rent to $0 for 5 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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Drought Preparedness Grant Scheme[1]	6.2	4.6
Stocked Impoundment Permit	0.1	0.1
Drought Ready and Recovery Finance Loan Scheme[2]	0.2	..
Sheep and Goat Electronic Identification (eID) Rebate Scheme[3]	0.3	..
Total	**6.8**	**4.7**

Notes:
1. The reduction is mainly due to the anticipated reduced demand for this scheme.
2. No funding for this scheme has been allocated for 2025–26 given Queensland is not currently drought-declared.
3. The scheme ceases on 30 June 2025.

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.

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 $16.96 on the cost of an annual permit.

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

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Play On! voucher program	..	62.5
Sport and Recreation venues – Concessional Usage Rates & Gym Fees	2.8	2.9
SwimStart	0.8	0.8
Total	**3.6**	**66.2**

Play On! Voucher Program

The government has established a new sport voucher program. The Play On! vouchers are valued up to $200 each, with every Queensland child aged between 5 and 17 eligible to apply for one each year, with 2 rounds annually to line up with winter and summer sports sign-on seasons. Play On! is particularly targeting kids in regional and remote communities across the state. The program is set to open on 4 August 2025.

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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
South Bank Corporation – Concessional event hire	0.8	0.8
Growth Acceleration Fund – Concessional Loan Scheme	..	0.7
Total	**0.8**	**1.5**

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.

Growth Acceleration Fund – Concessional Loan Scheme

The Growth Acceleration Fund is a $35 million fund offering low-interest loans to accelerate the delivery of essential infrastructure such as roads, water supply, wastewater and stormwater, required to unlock land for housing in South East Queensland high-growth areas.

The concession represents the interest savings for the client on the low-interest loan. In 2025–26, approximately $23.3 million in low-interest loans will be provided to unlock essential infrastructure, providing over $670,000 in estimated interest savings to recipients.

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

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Queensland Parks and Wildlife Service – Tour fee and Access Permits	1.6	1.7
Total	**1.6**	**1.7**

Queensland Parks and Wildlife Service – Tour Fee and Access Permits

Visitor admission and ranger guided tour fees concessions of 10 to 100 per cent 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 per cent 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 per cent are available in all national park and state forest camping areas for educational purposes and children under 5 years of age.

Table A.3.11 Department of Trade, Employment and Training

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Career Start – General Training Subsidy[1,2]	269.2	304.8
Career Start – Apprentices and Trainees Training Subsidy[1,3]	264.1	286.0
Career Boost – General Training Subsidy[1,4]	165.1	111.7
Travel and Accommodation Subsidy	7.0	7.0
Free Tools for First Years Program[5]	3.2	0.5
Total	**708.6**	**710.0**

Notes:

1. The variance is due to the demand-driven nature of the programs.
2. This name applies from 1 July 2025. This program was previously known as Certificate III Guarantee.
3. This name applies from 1 July 2025. The program was previously known as the User Choice Program.
4. This name applies from 1 July 2025. This program was previously known as Higher Level Skills.
5. The variance is due to the expected cessation of the program, with claims open until 30 June 2025 or until funds are exhausted.

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 $512 to $7,310, depending on student eligibility and qualification subsidised. The average subsidy value is $3,483.

Career Start – Apprentices and Trainees Training Subsidy

The Career Start Apprentices and Trainees Training Subsidy provides government 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 $1,300 to $50,720, depending on student eligibility and qualification subsidised. The average subsidy value is $10,609.

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 2025–26 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 $696 to $11,390, depending on student eligibility and qualification subsidised. The average subsidy value is $4,116.

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 100km 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 27 cents per km for distances between 100km and 649km, increasing to 33 cents per km for distances of 650km or more

- return economy air ticket to the location of the registered training organisation for distances of 1,100km or more if necessary
- cost of ferry travel if necessary
- accommodation assistance of $57 per day for overnight stay within Queensland and $109 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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
General Public Transport Concessions (South East Queensland)[1]	2,566.3	2,657.5
Rail Network and Infrastructure Funding[2]	1,016.2	1,082.3
General Public Transport Concessions (Regional Queensland)	380.0	393.0
Vehicle and Boat Registration Concessions	200.2	203.5
School Transport Assistance Scheme	168.4	171.4
Livestock and Regional Freight Contracts[3]	47.4	42.0
Remote Communities Freight Assistance Scheme[4]	21.3	29.3
Rail Concession Scheme	27.8	27.8
Other Transport Concessions (Regional Queensland) and Taxi Subsidies[5]	23.2	19.5
Practical Driving Test	7.6	7.7
Designated Public Transport Concessions for Interstate Seniors Card Holders	4.5	4.6
E-Mobility Rebate Scheme[6]	1.9	..
TransLink Transport Concessions (South East Queensland)[7]	4.7	..
Total	**4,469.5**	**4,638.6**

Notes:

1. The increase reflects the full year impact of 50 cent fares whilst operating costs have increased, increasing the value of travel subsidised by the government. There is also significant investment in the South East Queensland rail network to improve service availability whilst maintaining affordability for all modes.
2. The increase is due to operating costs associated with investment in rail infrastructure and other general costs.
3. Variance is due to one off implementation of Remote Community Freight Contract in 2024–25. No reduction in funding of critical services.
4. The increase reflects subsidy for stores subscribing to the freight reduction model. All stores subscribed to the scheme will receive a 20 per cent discount for 2025–26.
5. The decrease is due to a timing difference in the receipt of Australian Government National Disability Insurance Scheme (NDIS) reimbursement.
6. This program ceased on 25 October 2024.
7. The 50 per cent discount concessions were replaced with the 50 cent fares.

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 Queensland Government made 50 cent fares permanent in February 2025.

Free travel will continue to be provided to holders of a Companion Card, Vision Impairment Travel Pass (VITP), TransLink Access Pass (TAP) and a Total Permanent Incapacitated/Extreme Disablement Adjustment (TPI/EDA) Veteran Travel Card. Free travel is not measured for VITP, TPI/EDA and TAP eligible passengers as they are not required to tap on and off.

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)
- air services to remote and rural communities within the state
- Kuranda Scenic Railway
- TravelTrain (excluding the 'Rail Concession Scheme' for eligible pensioners, veterans and seniors)
- long distance coach services to rural and remote communities within the state
- Heritage Rail Services
- the Rail XPT Service (Sydney-Brisbane) and Savannahlander (Atherton Tableland).

To provide assistance with cost-of-living pressures, the Queensland 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 2 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 per cent from $288.45 to $144.25 (until 15 September 2025) and from $372.85 to $186.45 (post 15 September 2025). As at 31 March 2025, this concessional group applied to approximately 597,488 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 2025, this concessional group applied to ap proximately 121,935 vehicles.

For a recreational boat up to and including 4.5 metres in length, the concession reduces the registration fee by 50 per cent from $97.35 to $48.70. As at 31 March 2025, these concessions applied to approximately 35,555 vessels.

School Transport Assistance Scheme

The School Transport Assistance Scheme (STAS) assists students that do not have a school in their local area or who are from defined low-income groups. The STAS 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.

Remote Communities Freight Assistance Scheme

The Remote Communities Freight Assistance Scheme is easing freight-related cost pressures across various remote and regional Queensland communities.

Communities in the Northern Peninsula, Torres Strait and Gulf region are benefiting from a retail subsidy of 20 per cent (which increased from 5.2 per cent on 9 September 2024) off essential goods at participating retailers.

The Scheme discount is being applied by 40 retailers across 14 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.

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 4 trips per year for Queensland pensioners (subject to availability of seats and payment of an administration fee)

Other Transport Concessions (Regional Queensland) and Taxi Subsidies

Other transport concessions (regional Queensland) and taxi subsidies 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 Queensland 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 per cent concession fare up to a maximum subsidy of $30 per trip. As at April 2025 there were 48,000 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 ($67.15 (including GST) current at 1 July 2025).

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 2025–26, 198,000 applicants will each receive a direct concession of $39.

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 per cent off the full adult rail fare.

Table A.3.13 Queensland Fire Department

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Emergency Management Levy Concession	11.7	12.3
Total	**11.7**	**12.3**

Emergency Management Levy Concession

The Emergency Management Levy (EML) is applied to all prescribed Queensland property via council rates to ensure there is a secure funding base for fire and emergency services for Queenslanders at risk during emergencies such as fire and accidents, floods, cyclones and storms.

A 20 per cent discount is available on the EML for a property that is the owner's principal place of residence and where the owner holds a Commonwealth Pensioner Concession Card or a Repatriation Health Card (Gold Card). In 2025–26, 348,000 property owners are estimated to receive the concession.

Table A.3.14 Queensland Health

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Oral Health Scheme[1]	194.5	197.1
Patient Travel Subsidy Scheme[2]	116.8	123.4
Medical Aids Subsidy Scheme[3]	37.7	38.9
Spectacle Supply Scheme[4]	8.8	9.9
Hospital Car Parking Concession Scheme[5]	1.8	1.8
Total	**359.6**	**371.1**

Notes:

1. In 2025–26, Commonwealth funding available under the Federation Funding Agreement on Public Dental Services for Adults will remain the same as previous years (no indexation provided).
2. Reflects increased demand projections and increased concession rate subsidies.
3. The increase is due to expected cost escalations and service growth.
4. Increase in 2025–26 reflects improved awareness of the new procurement arrangements that increase patient access to spectacles.
5. The concession scheme funding allocation reached full expenditure in 2024–25.

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 $830 for general care; $2,200 for treatment involving dentures; and $290 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 per cent to 20 per cent less than average private dental fees.

Patient Travel Subsidy Scheme

The Patient Travel Subsidy Scheme (PTSS) provides financial assistance to patients travelling for specialist medical services that are not available locally. The PTSS 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 kilometres from their nearest public hospital or public health facility to access specialist medical services.

Patients receive fully subsidised commercial transport for the most clinically appropriate cost-effective mode or will be subsidised at the appropriate discount rate (less GST and fees). The mileage subsidy is 34 cents per kilometre where patients travel by private car.

Accommodation subsidies are $70 per person, per night, for the patient and approved escort if they stay in commercial accommodation. Should the patient or escort stay with family or friends, a subsidy of $10 per person per night is available.

Repatriation costs are also provided for deceased patients under the PTSS to their Queensland place of residence or their Queensland Traditional Homelands, or their Queensland First Nations Country.

Medical Aids Subsidy Scheme

The Medical Aids Subsidy Scheme provides access to subsidy 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 2025, the scheme has provided year-to-date 52,913 occasions of service to 42,546 clients to the end of March 2025. The scheme is estimated to provide approximately 66,892 occasions of service to approximately 53,074 clients in the 2024–25 financial year.

If growth continues at the same rate as forecast in 2024–25, the scheme is estimated to provide approximately 73,581 occasions of service to approximately 63,688 clients in 2025–26.

Spectacle Supply Scheme

The Spectacle Supply Scheme (SSS) provides eligible Queensland residents with free access to a comprehensive range of basic spectacles every 2 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.

The SSS provides around 90,000 items each year to approximately 70,000 clients (some clients require more than one pair of spectacles due to clinical need), with eligibility on a 2-year basis. Demand can fluctuate across financial years.

During 2025–26, it is estimated that SSS will provide approximately 97,000 items to 58,580 clients.

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 per cent when compared to commercial rates.

Table A.3.15 Queensland Treasury

Concession	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Uniform Tariff Policy – Energy Queensland (Excluding Isolated Systems)[1]	534.4	473.9
Uniform Tariff Policy – Energy Queensland (Isolated Systems)[2]	109.6	126.3
Supercharged Solar for Renters[3]	..	8.8
Electricity Tariff Adjustment Scheme[4]	5.5	5.0
Uniform Tariff Policy – Origin Energy	4.0	4.1
Queensland Business Energy Saving and Transformation Rebates Program[5]	2.5	..
Total	**656.0**	**618.1**

Notes:

1. Higher payments in 2024–25 reflect methodology differences between the Queensland Competition Authority's calculation for retail electricity prices and the Australian Energy Regulator's for the Default Market Offer. Differences are substantially smaller in 2025–26, reducing the estimated cost.
2. Increases are due to rising operating costs, including higher fuel expenses.
3. This is a new program starting in 2025–26.
4. Reductions are in line with program expectations, as participants move out of the scheme over time.
5. This program closed on 19 September 2024.

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 of supply 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 will provide cost-of-living support through reducing energy bills for Queensland renters.

The program will provide rebates of up to $3,500 to eligible landlords for installing solar panels 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 9 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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Regulated Service Charges – Energex	12.5	18.0
Regulated Service Charges – Ergon Energy	6.7	10.0
Total	**19.2**	**28.0**

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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Concessional Port Charges	38.0	39.0
Total	**38.0**	**39.0**

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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Water Supply Contracts	37.7	38.7
Total	**37.7**	**38.7**

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	2024–25 Est. Act. $ million	2025–26 Estimate $ million
Port of Townsville Limited	6.8	6.9
Gladstone Ports Corporation Limited	5.4	6.0
Queensland Rail Limited	2.7	2.8
Far North Queensland Ports Corporation Limited	2.0	2.0
North Queensland Bulk Ports Corporation Limited	1.6	1.6
Total	**18.5**	**19.3**

Concessional Leases (Industry, Commercial and Community)

The above government-owned corporation 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 its 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 2023–24 and 2024–25 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 summary[1]

	2023–24 $ million	2024–25 $ million
Payroll tax		
Liability threshold	1,094	1,122
Graduated scale	32	35
Deduction scheme	688	733
Regional discount	115	122
Section 14 exemptions	993	1,049
Local government	173	183
Education	266	281
Hospitals (excluding public hospitals)	80	85
Charities	474	500
Apprentice and trainee exemption	117	127
Apprentice and trainee rebate	51	55
General practitioner amnesty and exemption[2]	100	109
Total payroll tax	**3,190**	**3,352**
Mental health levy		
Graduated scale	188	201
Land tax		
Liability threshold	1,029	1,089
Graduated land tax scale	1,832	2,304
Principal place of residence exemption	591	804
Primary production exemption	313	417
Part 6 Divisions 2 and 3 exemptions not included elsewhere	196	216
Land developers’ concession	9	10
Land tax foreign surcharge (LTFS) exemption/ex gratia[3]	70	54
Total land tax	**4,041**	**4,894**
Duties		
Transfer duty[4]		
Home concession[5]	542	488
First home concession[5]	147	359
First home vacant land concession[5]	15	30
Additional foreign acquirer duty exemption/ex gratia	19	12
Insurance duty		
WorkCover	108	122
Health insurance	516	535
Compulsory third party (CTP)	95	98
Total duties	**1,442**	**1,644**

	2023–24 $ million	2024–25 $ million
Queensland waste levy		
Exempt waste – general	17	40
Approved exemptions	172	225
Approved discounts	9	10
Total waste levy	**199**	**276**
Taxes on gambling		
Gaming machine taxes	149	158
Casino taxes	14	15
Total gambling tax	**163**	**173**
Total	**9,223**	**10,540**

Notes:

1. Numbers may not add due to rounding.
2. 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 *Payroll Tax Act 1971*. 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.
3. Subject to revision as further LTFS ex gratia applications are processed.
4. Tax expenditures related to the removal of transfer duty for first home buyers buying or building a new home will be included separately from the 2026–27 Queensland Budget.
5. Changes from 2023–24 to 2024–25 reflect the raising of the property value thresholds for first home buyer concessions from 9 June 2024 (which reduced the number of first home buyer transactions receiving the home concession only), and the removal of transfer duty for first home buyers purchasing or building new homes from 1 May 2025.

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 2024 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 per cent, and those with payrolls above $6.5 million are liable at a rate of 4.95 per cent. The benchmark tax rate for payroll tax is assumed to be 4.95 per cent.

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 per cent 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 per cent for employers who pay $6.5 million or less in Australian taxable wages, or 3.95 per cent 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 per cent 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 per cent, and those with payrolls above $100 million are liable for the primary rate of 0.25 per cent plus an additional rate of 0.5 per cent. The benchmark rate for the mental health levy is assumed to be 0.75 per cent.

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 per cent for individuals, 2.5 per cent for absentees and 2.75 per cent 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 per cent of the Valuer-General's value. This concession is outlined in Section 30 of the *Land Tax Act 2010*.

Land tax foreign surcharge exemption/ex gratia

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 from the land tax foreign surcharge.

Duties

Home concession

A concessional rate of duty applies to purchases of a principal place of residence.

A one per cent concessional rate applies on dutiable values up to $350,000, rather than the normal schedule of rates between 1.5 per cent and 3.5 per cent. For properties valued over $350,000, the scheduled rates of transfer duty apply on the excess.

First home concession

Where a purchaser has not previously owned a residence in Queensland or elsewhere, the purchaser of a home receives a more generous concession on duty.

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 before 9 June 2024, a full concession is provided for purchases of a first principal place of residence valued up to $500,000, phasing out at $550,000.

For contracts signed on or after 9 June 2024, a full concession is provided for eligible purchases of a first principal place of residence valued up to $700,000, phasing out at $800,000.

From 1 May 2025, no transfer duty will be payable on newly built homes purchased by eligible first home buyers, regardless of the property value.

First home vacant land concession

For contracts signed before 9 June 2024, a first home concession was available for the purchase of certain vacant land up to the value of $400,000, with a full concession available on certain vacant land up to the value of $250,000.

For contracts signed on or after 9 June 2024 to 1 May 2025, a full concession is provided for eligible vacant land purchases valued up to $350,000, phasing out at $500,000.

From 1 May 2025, no transfer duty will be 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 exemption

An Australian-based foreign corporation or trust whose commercial activities involve significant development by adding to the supply of housing stock in Queensland, where such development is primarily residential, may be eligible for ex-gratia relief 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 per cent. Accident insurance (WorkCover) duty is levied at a rate of 5 per cent, health insurance is exempt from insurance duty, and CTP duty is levied at a rate of 10 cents per policy.

Queensland Waste Levy

The Queensland Waste Levy is payable by landfill operators on waste disposed to landfill, except waste generated and disposed in the non-levy zone. In 2024–25, the levy rate was $115 per tonne in the metropolitan levy area and $94 per tonne in the regional levy area (higher for regulated wastes).

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 per cent 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 per cent of gross revenue applies for standard transactions in the Brisbane and Gold Coast casinos. A concessional tax rate of 10 per cent applies for gross revenue from standard transactions in the Cairns and Townsville casinos. The tax rate applicable to gaming machines in casinos is 30 per cent of gross revenue in the Brisbane and Gold Coast casinos, and 20 per cent in the Cairns and Townsville casinos.

In addition, concessional rates of 10 per cent 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 per cent.

Appendix C: Revenue and expense assumptions and sensitivity analysis

The 2025–26 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 2025–26 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, whilst 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 payroll tax collections. 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 collections by approximately $79 million in 2025–26.

Property prices and transaction volumes – transfer duty

Transfer duty, as a transaction-based tax, can be volatile from year to year reflecting cyclical residential and non-residential market conditions.

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 $72 million in 2025–26.

Royalty assumptions and revenue risks

Table C.1 provides the key assumptions adopted for the 2025–26 Queensland Budget in relation to coal and petroleum royalties, which represent the bulk of Queensland’s royalty revenue.

Table C.1 Taxation and royalty revenue[1]

	2023–24 Actual	2024–25 Est. Act.	2025–26 Budget	2026–27 Projection	2027–28 Projection	2028–29 Projection
Tonnages – crown export[2] coal (Mt)	193	196	214	219	217	213
Exchange rate US$ per A$[3]	0.66	0.65	0.64	0.65	0.68	0.72
Year average coal prices (US$ per tonne)[4]						
Hard coking	287	196	190	190	190	190
PCI/Semi-soft	171	152	141	143	143	143
Thermal	136	120	113	120	120	120
Year average oil price						
Brent (US$ per barrel)[5]	84	81	66	68	71	73

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 2025–26 estimated domestic coal volume is approximately 24.5 million tonnes (Mt) and private coal is 6.0 Mt.
3. Estimated year-average.
4. Estimated year-average spot prices for highest quality coking and thermal coal. Lower quality coal can be sold below this price, with indicative average prices for 2025–26 as follows: hard coking coal US$176/t and thermal coal US$83/t.
5. Published Brent oil prices are lagged by 4 months to better align with royalty revenue.

Exchange rate and commodity prices and volumes

Estimates of mining royalties are sensitive to movements in the A$-US$ exchange rate and commodity prices and 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, even as prices and volumes continue to normalise from recent peaks seen between 2021–22 and 2023–24.

Coal royalties are based on progressive rates with higher royalty rates applying to higher coal prices. Conversely, as coal prices moderate downwards, only lower royalty tiers and rates apply.

Potential impact on coal royalty revenue[1]

For each one cent movement in the A$-US$ exchange rate in 2025–26, the impact on royalty revenue would be approximately $199 million.

A one per cent variation in export coking and thermal coal volumes would lead to an estimated change in royalty revenue of approximately $60 million.

[1] Sensitivities represent the estimated change to royalty revenue accruing over the 2025–26 return period.

A one million tonne variation in export volumes would lead to an estimated change in royalty revenue of approximately $28 million.

A one per cent variation in the average price of export coal would lead to an estimated change in royalty revenue of approximately $100 million.

Parameters influencing Australian Government GST payments to Queensland

The 2025–26 Queensland Budget incorporates estimates of GST revenue grants to Queensland based on 2025–26 Federal Budget estimates of national GST collections and Queensland Treasury assumptions of Queensland's share.

Since the Australian Government 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 revenue forecasts are informed by the Commonwealth Grants Commission's (CGC) 2025 Review assessment methodologies as set out in the Review Outcomes and GST Relativities 2025–26 reports, released on 14 March 2025. The forecasts are on the basis that no further changes will be made to the methodologies underpinning the CGC's calculation of states' share of GST revenue over 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 GGS has a total debt servicing cost forecast at $3.501 billion in 2025–26. The current average duration of GGS borrowing with the Queensland Treasury Corporation is 5.96 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 2025–26 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 estimated by the State Actuary 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

	2017–18 Actual[1] $ million	2018–19 Actual[1] $ million	2019–20 Actual[1] $ million	2020–21 Actual[1] $ million	2021–22 Actual $ million	2022–23 Actual $ million	2023–24 Actual $ million	2024–25 Est. Act. $ million	2025–26 Projection $ million	2026–27 Projection $ million	2027–28 Projection $ million	2028–29 Projection $ million
General Government												
Total revenue	58,087	59,828	57,778	62,791	74,185	89,809	89,768	89,476	91,337	94,886	97,748	102,457
Taxation revenue	13,244	14,165	14,585	16,249	20,011	20,601	22,659	25,015	26,907	28,723	30,442	32,154
Total expenses	56,337	58,843	63,505	63,706	69,902	75,880	88,087	94,852	99,918	100,751	102,033	103,543
Employee expenses	22,681	24,019	25,662	26,385	28,068	30,558	33,264	36,194	37,964	39,274	40,623	42,064
Net operating balance	1,750	985	(5,728)	(915)	4,284	13,928	1,681	(5,376)	(8,581)	(5,864)	(4,285)	(1,086)
Capital purchases	5,126	5,764	6,306	6,682	7,878	9,899	10,507	13,370	14,639	18,554	19,124	18,655
Net capital purchases	2,337	3,192	3,436	3,942	4,356	5,838	5,682	8,418	9,052	11,608	11,662	10,634
Fiscal balance	(587)	(2,207)	(9,164)	(4,857)	(72)	8,090	(4,001)	(13,794)	(17,632)	(17,472)	(15,948)	(11,720)
Borrowing with QTC	29,256	29,468	37,570	46,153	49,000	46,166	50,950	66,766	88,128	107,149	124,871	138,524
Leases and similar arrangements[2]	2,142	2,612	6,485	7,703	7,671	7,519	7,759	8,013	7,288	7,087	6,761	6,588
Securities and Derivatives	122	121	198	220	93	41	64	64	64	64	64	64
Net debt	(509)	(198)	14,036	11,344	10,997	2,608	5,684	22,092	41,803	61,605	79,239	93,217
Non-financial Public Sector												
Total revenue	66,164	68,329	66,171	71,318	85,485	100,820	100,258	100,978	102,638	107,256	111,693	117,106
Capital purchases	7,643	8,460	9,482	9,877	11,130	14,300	16,887	21,583	23,837	26,749	26,221	25,326
Borrowing with QTC	66,964	67,576	76,464	85,901	90,851	89,442	95,619	114,371	139,466	161,885	182,195	197,692
Leases and similar arrangements[2]	2,142	2,612	6,977	8,157	8,028	7,887	8,504	8,711	7,921	8,324	7,919	7,721
Securities and Derivatives	405	720	1,503	1,570	17,374	5,491	2,274	1,036	453	275	246	247

Notes:

1. With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability.
2. 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.

	2017–18 Actual[1] %	2018–19 Actual[1] %	2019–20 Actual[1] %	2020–21 Actual[1] %	2021–22 Actual %	2022–23 Actual %	2023–24 Actual %	2024–25 Est. Act. %	2025–26 Projection %	2026–27 Projection %	2027–28 Projection %	2028–29 Projection %
General Government												
Revenue/GSP	16.6	16.3	16.0	17.1	16.3	17.8	17.6	16.9	16.6	16.4	16.1	16.1
Tax/GSP	3.8	3.9	4.0	4.4	4.4	4.1	4.4	4.7	4.9	5.0	5.0	5.1
Own source revenue/GSP	8.6	8.6	8.4	8.1	8.8	10.2	9.7	9.1	9.1	8.9	8.6	8.4
Expenses/GSP	16.1	16.1	17.6	17.3	15.4	15.0	17.2	17.9	18.2	17.4	16.8	16.3
Employee expenses/GSP	6.5	6.6	7.1	7.2	6.2	6.0	6.5	6.8	6.9	6.8	6.7	6.6
Net operating balance/GSP	0.5	0.3	(1.6)	(0.2)	0.9	2.8	0.3	(1.0)	(1.6)	(1.0)	(0.7)	(0.2)
Capital purchases/GSP	1.5	1.6	1.7	1.8	1.7	2.0	2.1	2.5	2.7	3.2	3.2	2.9
Net cash inflows from operating activities/net cash flows from investments in non-financial assets	107.0	105.5	(2.5)	0.7	136.9	204.6	65.0	(9.3)	(21.5)	0.6	14.6	32.8
Fiscal balance/GSP	(0.2)	(0.6)	(2.5)	(1.3)	(0.0)	1.6	(0.8)	(2.6)	(3.2)	(3.0)	(2.6)	(1.8)
Total borrowings/GSP	9.0	8.8	12.3	14.7	12.5	10.6	11.5	14.1	17.3	19.8	21.7	22.8
Total borrowings/revenue	54.3	53.8	76.6	86.1	76.5	59.8	65.5	83.6	104.5	120.5	134.7	141.7
Lease and other liabilities/revenue	3.7	4.4	11.2	12.3	10.3	8.4	8.6	9.0	8.0	7.5	6.9	6.4
Net debt/revenue	(0.9)	(0.3)	24.3	18.1	14.8	2.9	6.3	24.7	45.8	64.9	81.1	91.0
Revenue growth	3.4	3.0	(3.4)	8.7	18.1	21.1	(0.0)	(0.3)	2.1	3.9	3.0	4.8
Tax growth	2.5	7.0	3.0	11.4	23.1	2.9	10.0	10.4	7.6	6.7	6.0	5.6
Expenses growth	5.6	4.4	7.9	0.3	9.7	8.6	16.1	7.7	5.3	0.8	1.3	1.5
Employee expenses growth	6.7	5.9	6.8	2.8	6.4	8.9	8.9	8.8	4.9	3.5	3.4	3.5
Non-Financial Public Sector												
Capital purchases/GSP	2.2	2.3	2.6	2.7	2.5	2.8	3.3	4.1	4.3	4.6	4.3	4.0
Total borrowings/GSP	19.9	19.4	23.6	26.0	25.6	20.4	20.8	23.4	26.9	29.5	31.4	32.3
Total borrowings/revenue	105.1	103.8	128.4	134.1	136.0	102.0	106.1	122.9	144.0	159.0	170.4	175.6
Net financial liabilities/revenue	111.5	114.9	158.3	142.5	117.8	90.5	95.0	111.7	134.7	150.9	162.8	168.1

Notes:

1. With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability. Actual GSP figures: as at 2023-24 ABS National Accounts: State Accounts.

Queensland Government

Queensland Budget 2025–26

Budget Strategy and Outlook **Budget Paper No.2**

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