

# Barton Deakin Brief: Queensland Budget 2026–27

## Strengthening the Foundations

23 June 2026

### Summary

Treasurer David Janetzki has delivered the Crisafulli Government's second Budget. It strengthens the fiscal position established twelve months ago while honouring the Government's major election commitments.

- No new or increased taxes for a second consecutive year.
- A pathway back to surplus in 2029–30.
- Lower debt than the former government's trajectory.
- Record investment in frontline services and infrastructure.

The Budget has been framed against serious external pressures, including conflict in Iran, disruption in the Strait of Hormuz, elevated inflation and increasing cost-shifting from Canberra to the states. Against that backdrop, Janetzki has charted a course of fiscal discipline, structural cost-of-living relief, restored sovereign capability and infrastructure delivery at scale.

The signal to business is clear: Queensland is open for investment, stable in governance and playing the long game.

### The Key Numbers

- Operating deficit in 2026–27: \$6.2 billion, improved from \$8.8 billion.
- Return to surplus: 2029–30, forecast at \$619 million.
- Total state debt in 2026–27: \$142.4 billion.
- Debt at the end of the forward estimates: \$216.5 billion, compared with \$290 billion under Labor's trajectory.
- Four-year capital program: \$116.8 billion.
- Expense growth: 4.9 per cent, down from Labor's 6.6 per cent average.
- New frontline FTEs: 8,693, with only 34 corporate roles.
- New or increased taxes: none.

## Fiscal Strategy

The Crisafulli Government has chosen to grow services while constraining expense growth, reduce debt relative to Labor's forecasts and deliver an operating surplus within the forward estimates. It has done so without increasing taxes or cutting frontline services.

- Expense growth of 4.9 per cent compares with Labor's historic average of 6.6 per cent.
- The non-frontline senior executive cap has been reduced from 842 to 793 positions.
- The senior executive cap is expected to save \$54.2 million over the forward estimates.
- The surplus target of 2029-30 sits one year beyond the next state election, giving the Government a full-cycle fiscal narrative.
- Construction productivity remains a live reform area through the Productivity Commission and the CFMEU Commission of Inquiry.

**Client implications:** The improved operating trajectory, constrained expense growth and commitment to no new taxes for a second consecutive year provide credible medium-term fiscal certainty. This supports investment planning for clients with multi-year projects in Queensland. Property, infrastructure and construction clients should monitor the Productivity Commission's construction productivity work and the CFMEU Commission of Inquiry for opportunities to shape reform settings.

## Cost of Living: Structural Relief, Not Temporary Rebates

This Budget delivers what the Treasurer described as the largest ongoing cost-of-living relief package in Queensland's history: \$9.3 billion in 2026-27, an increase of around \$700 million on last year.

- Regional power prices down 6.9 per cent for households and 8.1 per cent for small business through Ergon.
- South East Queensland household power prices down 7.2 to 10.7 per cent under the Default Market Offer.
- Electricity Maintenance Guarantee increased to \$1.8 billion over five years.
- Bulk water prices frozen for two years in South East Queensland, saving households about \$130.
- Back to School Boost increased to \$150 per primary student.
- Permanent 50-cent fares to be legislated.
- Vulnerable household electricity rebate indexed to almost \$400, covering around 700,000 households.
- Patient Travel Subsidy Scheme fuel subsidy increased to 45 cents per kilometre.

- First Home Owner Grant extended at \$30,000 for another four years.

**Client implications:** Energy-intensive industries benefit from structural wholesale price reductions rather than ongoing subsidy dependence. The Electricity Maintenance Guarantee and indexed vulnerable household rebate provide medium-term certainty on baseload availability and household support. Retailers have been put on explicit notice to pass savings through in full; clients in retail and hospitality should factor this into pricing and margin planning.

### Energy and Sovereign Capability

The Budget contains the most resource-positive state investment program in Australia in over a decade. It amounts to a comprehensive reversal of the former government's Energy and Jobs Plan.

- \$5.2 billion Energy Roadmap allocation in 2026–27.
- Record \$3.2 billion allocation for CopperString.
- \$1.8 billion Electricity Maintenance Guarantee for major power station overhauls.
- \$19 million over two years to fast-track the Taroom Trough Development Plan and increase local fuel capability.
- BP unlocked to invest up to \$100 million in additional fuel storage near ports.
- \$146 million over three years for critical minerals extraction, processing and export.
- \$100 million Critical Minerals Fund managed through Queensland Investment Corporation.
- Eighteen new exploration areas released for petroleum, gas, coal and minerals.
- \$180 million Sovereign Industry Development Fund for biomedical, defence and biofuels capability.

**Client implications:** This is the most resource-positive state Budget in over a decade and a clear reversal of the former government's Energy and Jobs Plan. Record CopperString funding, the \$1.8 billion Electricity Maintenance Guarantee, the new \$100 million Critical Minerals Fund (via QIC) and fuel sovereignty measures create tangible engagement pathways. Resources, energy, critical minerals and manufacturing clients should map priorities against the Energy Roadmap and QIC co-investment processes now.

### Housing Supply

The Government's housing strategy rests on supply. Land for more than 98,000 new homes has been unlocked through the Residential Activation Fund, with Round 2 doubled to \$1 billion.

- 48,044 homes are currently under construction in Queensland, a record level.
- Dwelling approvals are up 19.4 per cent year-on-year.
- Infrastructure Activation Fund totals \$2.4 billion in cumulative funding, including federal contributions.
- The fund will deliver development-ready land for 20,500 homes.
- Stamp duty on new homes for first home buyers has been abolished.
- The \$30,000 First Home Owner Grant has been extended for another four years.
- 6,500 social and community homes are under contract or construction.
- \$5.7 billion over four years is allocated toward the target of 53,500 new social and community homes by 2044.

**Client implications:** The supply-side emphasis – Residential Activation Fund Round 2 doubled to \$1 billion, new Priority Development Areas and land release for more than 98,000 homes – is directly beneficial for developers and landholders. Demand-side measures (extended \$30,000 First Home Owner Grant and stamp duty abolition on new homes) provide complementary support. Clients should track Round 2 allocations closely and note the contrast with Commonwealth tax settings on negative gearing and capital gains.

### Infrastructure Pipeline

The four-year capital program of \$116.8 billion will directly support 71,500 Queensland jobs.

- \$55.9 billion over four years for transport and roads.
- \$9 billion Bruce Highway targeted safety program continues under a restored 80:20 federal-state partnership.
- The Wave Stage 1 to the Sunshine Coast Airport progresses through design with \$460 million in 2026-27.
- \$7.1 billion in joint venue funding for the 2032 Olympic and Paralympic Games program.
- \$300 million Queensland Legacy Fund for Suncorp Stadium upgrades and grassroots sport.
- \$545 million over six years for water security and dam upgrades.
- \$2.3 billion for 22 new schools, including nine special schools.
- Four new TAFE Centres of Excellence at Rockhampton, Caloundra, Petrie and Moreton Bay.

**Client implications:** The \$116.8 billion four-year capital program provides strong multi-year procurement visibility and directly supports 71,500 jobs. Flagship opportunities include CopperString, The Wave to Sunshine Coast Airport, Bruce Highway safety upgrades, 2032

Games venues, dam and water security works, and new TAFE Centres of Excellence. Engineering, construction, environmental services and professional services clients should align business development and tender strategies with the specific project timelines and lead agencies.

### Community Safety

The Government has invested \$7.2 billion in making Queensland safer. The 1,600 police recruit commitment has been delivered, with the Queensland Police Service now exceeding 13,000 officers for the first time.

- A further \$23 million is allocated for additional frontline recruitment.
- Victim numbers have fallen 7.2 per cent in the first year of Adult Crime, Adult Time.
- Funding is provided for expansion of Woodford Youth Detention Centre.
- \$80 million is allocated to Circuit Breaker Sentencing for court-ordered remote rehabilitation.
- More than \$250 million over four years is allocated to implement the In Plain Sight review.
- \$37.1 million over four years will clear the DNA forensic backlog.
- The Director of Public Prosecutions receives \$10.6 million to bring more cases to court faster.

**Client implications:** Delivery of the 1,600 police recruit commitment, expanded youth detention capacity and funding to clear the DNA forensic backlog and implement the In Plain Sight review may reduce crime-related operational and insurance costs for retail, hospitality and regional clients over time. Justice sector and social services clients will have direct interest in the rollout of Circuit Breaker Sentencing and court resourcing measures.

### Federal-State Tensions

The Treasurer used the Budget speech to directly attack the Federal Government's approach to fiscal federalism. This was not incidental commentary; it was a structural feature of the address.

- NDIS cost-shifting described as being in the billions.
- Changes to natural disaster funding after 74 of 77 Queensland local governments were disaster-declared.
- Uncertainty on previously agreed 80:20 Bruce Highway funding arrangements.
- Queensland inland rail funding redirected to Victoria.

- More than 1,000 patients stranded in hospital awaiting federally responsible aged care places.
- Federal intervention in the Queensland-supplied east coast gas market described as ill-defined and ill-conceived.
- TAFE funding cuts said to jeopardise more than 10,000 placements.

**Client implications:** Ongoing disputes over NDIS cost-shifting, natural disaster funding, Bruce Highway 80:20 arrangements, inland rail redirection and aged care placements create material execution risk for projects reliant on federal-state co-funding. Conversely, the State Government's determination to progress its own major infrastructure pipeline (Games venues, CopperString, dams, schools) offers greater certainty at state level. Clients with exposure in infrastructure, health, disability and disaster recovery should scenario-plan for potential delays and maintain strong engagement with state agencies and ministers.

#### What to Watch

- **Immediate:** Credit rating agency response, Opposition Budget Reply, parliamentary debate, energy retailer behaviour and business confidence surveys.
- **Short-term:** Residential Activation Fund Round 2 allocations, first Critical Minerals Fund investments via QIC, CopperString construction milestones and Productivity Commission inquiry terms of reference.
- **Medium-term:** Operating deficit trajectory, Games venue procurement, federal-state fiscal negotiations and Energy Roadmap delivery.

For more information, please contact [Matthew Harris](#) on 0410 839 586.

To stay up to date with the affairs of Coalition Governments and Oppositions around Australia, you can follow Barton Deakin on [X](#) and [LinkedIn](#).