

2025-26

State & Territory

Budgets

Overview



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Queensland

State of the economy

The Queensland economy is projected to grow by 2.75 per cent in 2025–26 and by 2.5 per cent each year until 2028–29.

Business investment is forecast to increase by 1.5 per cent in 2025–26 to 3.25 per cent in 2026–27.

Employment growth is forecast to remain at 1.5 per cent per year over the forward estimates.

The unemployment rate is expected to increase to 4.25 per cent in 2025–26 and then reach 4.75 per cent by 2028–29.

A net operating deficit of \$8.581 billion is forecast in 2025–26.

Net debt is forecast to reach \$205.7 billion over the forward estimates to 2028–29.

Total revenue is expected to improve by \$9.1 billion, or around 2.5 per cent, over the forward estimates to 2027–28.

Government expenditure is expected to increase by an average of 2.2 per cent over the 4 years to 2028–29.

Estimated investment in generational infrastructure expected to be \$116.8 billion over four years, including **\$41.7 billion for transport infrastructure**.

Transport infrastructure

- **\$9 billion** for the Bruce Highway Targeted Safety Program in an 80:20 funding deal with the Australian Government, with \$1.8 billion additional funding to deliver safety improvements.
- **\$5.75 billion** with the Australian Government for Faster Rail between Logan and the Gold Coast.
- **\$5.5 billion** to deliver ‘The Wave’ with seamless public transport to the Sunshine Coast Airport, with heavy passenger rail to Birtinya and metro all the way to the Sunshine Coast Airport.
- **\$100 million** for the Country Roads Connect program to boost road safety and resilience.
- **\$28 million** to deliver new bus services.
- **\$27.5 million** for the Schools Transport Infrastructure Program.

Programs & initiatives

- **\$4.7 billion** to implement the 2032 Delivery Plan for the Olympic Games.
- **\$1.5 billion** to continue 50 cent public transport fares.

Skills & training

- **\$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.



New South Wales

State of the economy

The NSW economy is projected to grow by 1.75 per cent in 2024-25, increasing by 2.25 per cent in 2026-27 and then by 2 per cent in 2028-29.

The unemployment rate is expected to remain relatively steady from a forecast of 4-4.5 per cent in 2024-25, dropping to 4.25 per cent in 2026-27 and 4 per cent in 2027-28 and 2028-29.

The State's operating position is set to improve from an expected \$5.7 billion deficit in 2024-25 to a deficit of \$3.4 billion in 2026-27, followed by a surplus of \$1.1 billion in each of 2027-28 and 2028-29. As a per cent of GSP, the State's cash operating position is expected to grow from 0.3 per cent in 2024-25 to 1.2 per cent in 2028-29.

This Budget projects gross debt to drop to \$178.8 billion by June 2026, which is \$9.4 billion below the \$188.2 billion projected at the 2023 Pre-election Budget Update. Gross debt as a per cent of

GSP is projected to fall from a peak of 20.4 per cent by June 2027 to 19.6 per cent by June 2029.

Total revenue as a per cent of GSP is projected to remain stable from 13.9 per cent in 2024-25 to 14 per cent in 2025-26. The forward estimates expect this to drop slightly from 13.9 per cent in 2026-27 to 13.5 per cent in 2028-29.

Total expenses as a per cent of GSP is projected to decrease from 14.5 per cent in 2024-25 to 13.4 per cent by 2028-29.

Capital expenditure as a per cent of GSP is projected to decrease from 2.6 per cent in 2024-25 to 2 per cent in 2028-29.

Infrastructure investment in the non-financial public sector is projected to be \$118.3 billion over the four years to 2028-29, including **\$55.6 billion for transport infrastructure**.

Transport infrastructure

- **\$1.0 billion** for the first stage of the Fifteenth Avenue Upgrade between Liverpool and the new airport, jointly funded by the NSW and Australian Governments.
- **\$500.0 million** for Mona Vale Road West Upgrade.
- **\$369.9 million** to maintain and uplift bus services, including bus service improvements, improved connections to train and metro services and increased school services in priority areas.
- **\$200.0 million** for Homebush Bay Drive.
- **\$115.0 million** for Terrigal Drive Upgrade.
- **\$82.3 million** for 75 new buses, which includes \$56.3 million to deliver 50 articulated diesel buses to address the bus shortages within the Sydney Metropolitan bus network.
- **\$70.0 million** for a 35-metre ferry wharf and upgrading the Wentworth Park Light Rail stop at the new Sydney Fish Market.

Programs & initiatives

- **\$731.7 million** for road safety in 2025-26, jointly with the Australian Government. This will provide thousands of kilometres of line markings, school safety infrastructure and crash barriers.



- **\$58.0 million** to establish, operate and manage the NSW Motorways Entity and continue the Toll Reform Program.
- Creation of a new Investment Delivery Authority to fast-track proposals valued over \$1.0 billion through the planning system.
- Road-user charging for electric vehicles is in the budget from 2027 onwards and is forecast to raise \$73 million in its first year.¹

Skills & training

- **\$1.2 billion** injection into TAFE training, including funding to accelerate the delivery of 4,800 construction trades workers to support our home building agenda.
- **\$79.2 million** over four years for the Innovation Blueprint package to cement New South Wales as the best place to innovate, including \$20 million for the Emerging Technology Commercialisation Fund to help businesses commercialise research into marketable products and services.
- **\$4.0 million** to establish the Diversity Pre-accelerator Program supporting founders from diverse backgrounds with tools to develop their business models and secure seed investment.

¹ **Note:** The decision in *Vanderstock v. The State of Victoria* (2023) (“Vanderstock”) determined that the Victorian Government’s Zero and Low Emission Vehicle Distance-based Charge Act was invalid. The NSW Government is working to assess the potential implications of the decision for NSW’s electric vehicle road user charge.



Victoria

State of the economy

Victoria's economy is projected to grow in 2025-26, with estimated real GSP growth of 2.50 per cent.

Business investment is expected to continue to rise in 2024-25 and 2025-26, though moderating from its recent high growth rates.

Employment growth is forecast to be 2.50 per cent in 2024-25 and a further 0.50 per cent in 2025-26.

The unemployment rate is expected to rise to 4.75 per cent in 2025-26.

The Victorian Government is forecasting operating surpluses across the budget and forward estimates of \$600 million in 2025-26, \$1.9 billion in 2026-27, \$2.4 billion in 2027-28 and \$1.5 billion in 2028-29.

Net debt is expected to rise to \$194.0 billion over the forward estimates to 2028-29. As a proportion of GSP, net debt is projected to be 25.2 per cent at June 2027, before declining to 25.0 per cent by June 2028 and then falling further to 24.9 per cent by June 2029.

Total revenue is forecast to be \$108.3 billion in 2025-26 and then is expected to grow by an average of 2.6 per cent a year over the forward estimates, reaching \$116.9 billion in 2028-29.

Government expenditure is expected to be \$107.7 billion in 2025-26 and is expected to increase by an average of 2.3 per cent a year over the forward estimates, reaching \$115.4 billion in 2028-29.

Government infrastructure investment is projected to be \$213 billion over four years, including \$6.6 billion for transport infrastructure.

Transport infrastructure

- **\$4.1 billion** to build the Sunshine Station Transport Superhub, in partnership with the Commonwealth Government – the essential first step in delivering Airport Rail.
- **\$1.2 billion** to maintain and improve Victoria's public and active transport network, including:
 - **\$162 million** to deliver new and improved bus services
 - **\$124 million** to prepare the network for next generation of trams and trains
 - **\$46 million** to deliver additional train services.
- **\$1.2 billion** for the Road Blitz including upgrades in Donnybrook, Carrum and Altona Meadows.
- **\$727 million** to switch on the Metro Tunnel in 2025.
- **\$270 million** to deliver a more reliable rail network for regional Victorians.
- **\$250 million** from 2025-26 to 2028-29 to upgrade Werribee Main Road.
- **\$53.3 million** in 2025-26 for road maintenance activities, including planned pavement renewal works, landslip repairs, routine maintenance and road resurfacing and rehabilitation.
- **\$50.4 million** from 2025-26 to 2027-28 for the San Remo Bridge rehabilitation to ensure the safety and reliability of local transport and freight movements.



Programs & initiatives

- **\$412 million** to deliver the second action plan in the Government's 10-year road safety strategy.
- **\$318 million** to provide free public transport for all children aged under 18.
- **\$2.2 million** for free statewide public transport travel for seniors on weekends.

Skills & training

- **\$11.5 million** in 2025-26 and \$11.3 million in 2026-27 for Apprenticeships Victoria to continue to support apprentices, trainees and their employers to meet Victoria's workforce priorities, including delivery of the Priority Apprenticeship Model.
- **\$26.8 million** in 2025-26 and \$144.5 million in 2026-27 to boost access to Free TAFE and training services, including for the Asylum Seeker VET program.



Western Australia

State of the economy

The Western Australian economy is projected to continue to grow, with estimated GSP growth of between 2 per cent and 3 per cent per annum across the forecast period.

Business investment is expected to grow by 2.75 per cent in 2025-26, and between 2.0 per cent and 2.25 per cent over the remaining forecast period.

Employment growth has declined from 3.0 per cent in 2024-25 to the forecast 1.75 per cent in 2025-26, and it is projected to continue to decline with a growth of 1.5 per cent in 2028-29.

The unemployment rate is expected to remain low at 3.75 per cent in 2025-26 but then forecast to grow reaching 4.25 per cent by 2027-28.

The WA Government records its seventh consecutive operating surplus of \$2.5 billion expected in 2024-25, projects a \$2.4 billion surplus

for 2025-26 and similar surpluses are forecast for the three years to 2028-29.

Net debt projected to be \$33.6 billion by 30 June 2025 and then rise to \$42.5 billion by 30 June 2029. WA's net debt as a percentage of GSP is expected to be 7.5 per cent in 2024-25 and then increase to 9.2 per cent in 2028-29.

General government revenue is forecast to increase by 3.9 per cent in 2025-26, to a total of \$50.3 billion.

General government expenditure is forecast to increase by 4.3 per cent equating to \$47.8 billion in 2025-26.

Total estimated infrastructure investment across the forward estimates is \$38 billion, **including \$10.7 billion for transport infrastructure**.

Transport infrastructure

- **\$700 million** to widen and upgrade the Kwinana Freeway, helping to ease congestion and support future economic activity in the Western Trade Coast.
- **\$450 million** for the Reid Highway and Erindale Road grade separated intersection.
- **\$250 million** for a Regional Road Safety Program for safety upgrades on local government roads.
- **\$107 million** to expand the ferry system with METRONET on Swan.
- **\$36 million** for upgrades along the Wanneroo Road corridor.
- **\$25 million** to improve the South Coast Highway.
- **\$25 million** for the Northam-Pithara road to realign sections of the road and replace the ageing bridges.

Programs & initiatives

- **\$1.4 billion** to deliver our Made in WA plan to support WA's future economic growth through a pipeline of work building household batteries, ferries, electric buses and more here in WA.
- **\$152 million** to deliver the Suburban Flat Fare.
- **\$103 million** for the transition to a fully electric bus fleet.
- **\$40 million** boost to the New Industries and Innovation Fund to support development and acceleration of innovation-based technologies.
- **\$10 million** to keep public transport free for students in 2026.



Skills & training

- **\$100 million** investment to continue lower fee and Fee-Free TAFE.
- **\$75 million** to support more apprenticeships and traineeships through the Construction Training Fund.
- **\$34 million** to ensure TAFEs have the modern equipment they need to deliver the best training outcomes.
- **\$25 million** to increase the number of subsidised construction trade apprentices to 1,000 through the GTO wage subsidy.
- **\$22 million** to increase the number of Fee-Free TAFE courses for the construction sector to train more tradies such as plumbers, bricklayers and plasterers.
- **\$17 million** to extend and expand Heavy Vehicle Driver Training facilities and program.
- **\$8 million** to support employers to take on more mature-aged apprentices.



South Australia

State of the economy

The South Australian economy is projected to continue its growth, with an annual GSP growth rate of between 1.25 and 2 per cent over the forward estimates.

The employment rate is expected to grow by 1 per cent each year.

Government is forecasting an operating surplus to grow from \$18 million in 2024-25 to \$179 million in 2025-26 and \$315 million by 2028-29.

This Budget forecasts net debt to GSP will increase from 14.2 per cent in 2024-25, up to 20 per cent by 2028-29.

Total revenue growth as a share of the economy is projected to increase and average 18.9 per cent over the period 2024-25 to 2028-29.

Government expenditure as a percentage of GSP is forecast to drop to 18.0 per cent by 2028-29.

Total estimated public sector infrastructure spend over the next four years is \$27.3 billion, **including \$17 billion for transport infrastructure.**

Transport infrastructure

- **\$9.4 billion** up to 2028-29 for the River Torrens to Darlington project, totalling \$15.4 billion to 2031.
- **\$656.3 million** from 2025-26 for the High Productivity Vehicle Network – Stage 1, funded in partnership with the Commonwealth Government on an 80:20 basis.
- **\$601.3 million** over the forward estimates for the Princes Highway Corridor project.
- **\$400 million** in 2026-27 for the Marion Road – ANZAC Highway to Cross Rd project.
- **\$350 million** over the forward estimates for the South Eastern Freeway Upgrade.
- **\$250 million** over five years for the Curtis Road Level Crossing Removal, funded in partnership with the Commonwealth Government.
- **\$200 million** in 2025-26 for the Morphett Road – Level Crossing Removal delivered as part of the North-South Corridor - River Torrens to Darlington project.
- **\$110.6 million** road safety package including:
 - \$20 million over two years to deliver additional road safety maintenance works for regional and metropolitan roads such as road resurfacing, and maintenance of electrical assets, including traffic signals.
 - \$7.5 million over three years towards regional road safety infrastructure upgrades, including audio tactile line marking, safety barriers and rural junction activated warning system signage.
 - \$4.3 million in 2025-26 to upgrade the existing heavy vehicle rest area at Arcoona and construct a new rest area at Pimba on the Stuart Highway, supporting heavy vehicle drivers in managing fatigue and improving road safety.
 - \$46.8 million over four years for additional road safety cameras.
 - \$9.7 million over four years for up to 20 police vehicles with a mobile automated number plate recognition system to increase police capabilities in road safety.
- **\$80 million** over five years for the Main South Road Safety Upgrade between Myponga and Yankalilla, including new overtaking lanes and road widening. Funded in partnership with the Commonwealth Government.



- **\$12.5 million** over five years to make the Mount Barker On-Demand (Keoride) trial service a permanent Adelaide Metro service, and for the purchase of six new electric vehicle buses and associated infrastructure upgrades to the Mount Barker Depot to support electric vehicle charging.

Programs & initiatives

- **\$9.6 million** over four years to improve safety and security on the bus network.
- **\$2.4 billion** for a Sovereign Steel Package to secure the long-term future of the Whyalla steelworks.

Skills & training

- **\$185.9 million** in 2025-26 for new technical colleges.



Australian Capital Territory

State of the economy

The ACT economy is projected to grow by around 3 per cent each year over the forward estimates.

The employment rate is expected to grow by around 2 per cent each year over the forward estimates.

The ACT Government is forecasting an operating deficit of \$1.1 billion in 2024-25, which is projected to reduce to a deficit of \$429 million in 2025-26, **returning to a surplus of \$47 million in 2027-28 and growing to a surplus of \$330 million in 2028-29.**

Net debt as a percentage of GSP is expected to be 17.7 per cent at 30 June 2026.

Total revenues are expected to be \$209.4 million higher over four years.

General Government Sector expenses are forecast to be \$9.6 billion in 2025-26, or 15.4 per cent of GSP. Expenses are expected to grow at an annual rate of 2.6 per cent from 2024-2029.

Estimated investment in infrastructure is \$8.1 billion, which includes \$341 million for transport infrastructure.

Transport infrastructure

- **\$82 million** for Athlon Drive duplication.
- **\$45 million** for delivering Light Rail Stage 2.
- **\$16.2 million** for the City Precinct Renewal Program.
- **\$9.6 million** to upgrade public space and connectivity to shopping centres.
- **\$3.8 million** for Gundaroo Drive Duplication Stage 3.
- **\$3.4 million** for local roads safety upgrades.

Programs & initiatives

- **\$31.5 million** for more electric buses to grow the bus network.
- **\$6.4 million** for bus fleet repairs and maintenance.
- **\$3.6 million** for the Continuing the Zero Emissions Vehicle Strategy.
- **\$3.4 million** for expanding driver safety assessments.
- **\$2.5 million** for more weekend bus services.
- **\$1.6 million** for maintaining inclusive transport services.

Skills & training

- **\$75 million** for supporting more local construction apprentices.
- **\$14.6 million** for delivering the Electric Vehicle TAFE Centre of Excellence.
- **\$1.4 million** for Try-a-Trade program expansion.



Northern Territory

State of the economy

The Northern Territory economy is projected to grow by 7.8 per cent. GSP is forecast to grow a further by 5.9 per cent in 2026-27 and slow to 1.5 per cent in 2027-28 and 3 per cent in 2028-29.

The unemployment rate is expected to decrease slightly over the forward estimates, from 5 per cent in 2025-26 down to 4.5 per cent in 2028-29.

The NT Government is forecasting an operating deficit of \$265 million in 2025-26, returning to surplus from 2027-28.

Territory revenue is expected to be \$10.04 billion for the non-financial public sector in 2025-26, rising to \$10.55 billion by 2028-29.

In 2025-26, total expenditure is estimated to be \$12.19 billion, and then average \$11.78 billion per annum over the forward estimates.

The 2025-26 infrastructure program totals \$4.34 billion, including more than **\$2 billion in transport infrastructure projects**.

Transport infrastructure

- **\$289 million** for upgrades to the Tanami Road.
- **\$223.1 million** for the Territory national network highway upgrades.
- **\$205.4 million** for the Central Arnhem Road upgrade program.
- **\$181.3 million** for Territory gas industry roads.
- **\$161 million** for the Outback Way corridor.
- **\$122.6 million** for the Northern Territory Strategic Roads Package.
- **\$117.4 million** for Buntine Highway upgrade program and rest areas.
- **\$89.7 million** to upgrades on Port Keats Road between Wadeye and Palumpa.
- **\$80 million** for the Arnhem Highway duplication between the Stuart Highway and Kostka Road.
- **\$66.2 million** to upgrade roads within Kakadu National Park to support tourism growth.

Skills & training

- **\$120 million** for training and higher education to ensure the skill requirements of the Territory economy are met through responsive training and higher education sectors that are aligned to the needs of Territorians and Territory employers.
- **\$2 million** per annum in 2025-26 and 2026-27 to attract workers and students to grow the Territory's population and address workforce shortages.