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Queensland and the 2026–27 Federal Budget

Implications for Queensland and the Road Freight Industry

Executive Summary

Queensland’s road freight industry receives modest indirect benefits from the 2026–27 Federal Budget through fuel security initiatives, housing growth, productivity reforms and selective infrastructure investment. However, the Budget falls short in delivering the scale of nationally significant road freight corridor investment required to support Queensland’s rapidly growing freight task.

While Queensland benefits from continued population growth, Olympics-related investment and some targeted road upgrades, the state remains disadvantaged by reduced federal funding ratios for major freight corridors, GST distribution concerns, and ongoing infrastructure and workforce pressures.

For the road freight industry, the Budget creates opportunities in logistics growth, construction activity and workforce reform, but operating costs, congestion, fuel price volatility and infrastructure bottlenecks continue to present major business challenges.

2026 FEDERAL BUDGET

WHAT IT MEANS FOR QUEENSLAND & ROAD FREIGHT

The 2026–27 Federal Budget delivers some positive signals for Queensland and the road freight industry – but critical gaps remain.

KEY TAKEAWAYS



\$812.5M for Bruce Highway upgrades – but funding still at a 50:50 split, not 80:20.



\$10B fuel security package boosts supply confidence, but no change to fuel tax credits.



Housing & productivity reforms will drive growth – and **40%** more freight demand over the next 6 years.



Changes to rail investment mean **more pressure on road infrastructure upgrades.**



Workforce & heavy vehicle reforms could help tackle driver and skills shortages.



Queensland continues to face GST distribution disadvantages and infrastructure funding shortfalls.

MODERATE NET BENEFIT, BUT MORE MUST BE DONE TO SUPPORT QUEENSLAND’S ROAD FREIGHT FUTURE.



IMPACTS ON ROAD FREIGHT BUSINESSES



Higher freight demand ahead



Ongoing fuel cost pressure



Infrastructure gaps impact productivity



Workforce reforms offer opportunity



Growth opportunities remain



Read the full analysis for a deep dive into the budget, its impacts and our policy recommendations.

CLICK HERE
to read the full report



Recommended Federal Priorities

- Restore the traditional 80:20 federal-state funding split for nationally significant freight corridors
- Increase investment in Bruce Highway safety, flood resilience and freight productivity upgrades
- Accelerate heavy vehicle productivity and access reforms
- Expand investment in regional heavy vehicle rest areas and fatigue management infrastructure
- Maintain long-term Fuel Tax Credit stability
- Support zero-emission freight transition infrastructure
- Prioritise freight access and supply chain resilience in Brisbane 2032 infrastructure planning

Where Queensland Benefits

- **Business and Productivity Reforms** - Measures include permanent instant asset write-offs, company loss carry-back provisions and heavy vehicle reform initiatives.
- **Major Infrastructure Funding** - Queensland secured investment in Bruce Highway upgrades and broader transport infrastructure linked to population growth and Brisbane 2032.
- **Housing and Population Growth Support** - Housing infrastructure and enabling investment should support Queensland's rapidly growing population and freight demand.
- **Fuel Security Package** - Fuel security and diesel reserve measures improve national supply resilience for freight-intensive industries.
- **Olympics and Long-Term Economic Positioning:** Brisbane 2032-related infrastructure continues to support urban renewal and long-term economic development.

Direct Impacts on Queensland Road Freight Businesses

- **Limited Productivity Gains from Infrastructure Spending** - The Budget does not fully address congestion, corridor resilience or freight efficiency constraints.
- **Fuel Security Measures Improve Supply Confidence — But Not Operating Costs** - There are no changes to Fuel Tax Credits and temporary fuel relief measures expire on 30 June 2026.
- **Population Growth Will Increase Freight Demand** - Freight operators will experience growing freight volumes, construction logistics demand and increased supply chain pressure.
- **Workforce Reforms Could Ease Driver Shortages** - Migration and skills recognition reforms may improve labour availability over time.
- **Housing Tax Changes Could Increase Industrial Cost Pressure** - Housing affordability pressures may increase workforce recruitment challenges for freight businesses.
- **Inland Rail Funding Decisions Create Long-Term Freight Concerns** - Reduced investment in parts of Inland Rail raises concerns about future freight network efficiency.

Where Queensland May Be Worse Off

- **Road Investment Challenges** - Queensland continues facing freight corridor investment shortfalls despite strong population growth.
- **Bruce Highway Funding Model Dispute** - Queensland remains concerned about reduced federal-state infrastructure funding ratios.
- **Housing Tax Reform Impacts** - Tax changes may reduce investor activity and affect housing supply and labour mobility.
- **Structural Fiscal Pressures** - The state continues to face rising debt, infrastructure demand and Olympics-related expenditure.

Regional Queensland Impacts

Regional Queensland freight operators remain particularly exposed to fuel costs, flood resilience issues, workforce shortages and freight corridor reliability challenges. Without accelerated investment in regional infrastructure, congestion and supply chain disruption risks are likely to worsen.

Overall Assessment

Queensland appears to be a moderate net beneficiary of the 2026–27 Federal Budget due to targeted infrastructure investment, fuel security initiatives and productivity reforms. However, the Budget does not deliver the scale of freight corridor investment required to support Queensland’s rapidly growing freight task.

Queensland’s road freight industry remains central to the state’s economic growth and national supply chain resilience. While some positive reforms are included, major challenges remain around congestion, infrastructure resilience, workforce availability and operating costs.

Indicative References

This summary draws on reporting and analysis from budget.gov.au, national media reporting, industry commentary, QTA analysis and public reporting regarding the 2026–27 Federal Budget.

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