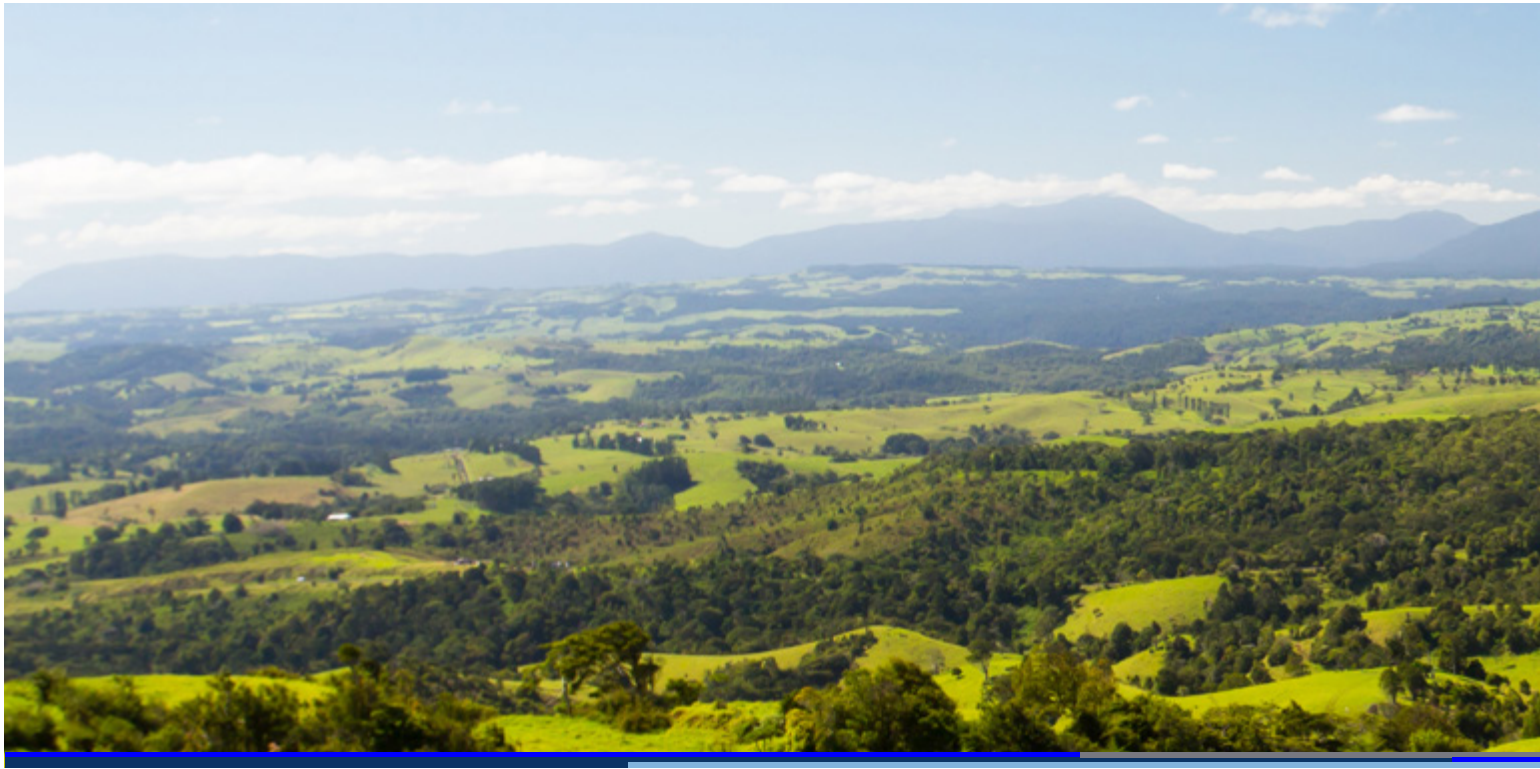



GREEN BOND REPORT 2018



QUEENSLAND
TREASURY
CORPORATION







This is the first annual green bond report from Queensland Treasury Corporation (QTC). The report discloses information regarding the allocation of proceeds from QTC's inaugural green bond issuance. All proceeds from the issuance have been fully allocated to a selection of eligible projects which are focused on low carbon, climate resilient and environmentally sustainable outcomes in Queensland.

QTC's award-winning inaugural green bond

In March 2017, QTC issued its inaugural AUD750 million, 7-year fixed rate green bond.

It was the largest AUD green bond on issue at the time of issuance and was recognised as a market-leading transaction, winning the Finance Asia Deal Achievement Award for Best Green Bond Deal of 2017.

QTC continues to monitor the market for opportunities to issue non-benchmark term debt instruments, which may include the issuance of green bonds to complement benchmark issuance.

QTC is now a programmatic issuer of Climate Bonds Initiative (CBI) certified green bonds and remains committed to participating in the development of the green bond market.

QTC's Green Bond Framework

The global green bond market has grown and changed significantly in recent years. It is continuously evolving as issuers, investors and other market participants strive to define and adopt best practice.

QTC understands that to be effective in a changing market it is important to be agile. In addition to this, the Queensland Government continues to search for new and innovative ways to transition to a low carbon, climate resilient and environmentally sustainable economy.

To support this transition, QTC may now issue two different types of green bonds:

1. CBI certified green bonds that are issued in accordance with QTC's Green Bond Framework (Framework) and the Climate Bonds Standard; and
2. Green bonds that are issued in accordance with the Framework and are consistent with the International Capital Market Association's (ICMA) green bond principles (Green Bond Principles).

This multi-faceted approach to issuing green bonds may enable QTC to fund a broader range of projects that contribute to the mitigation of and adaptation to climate change.

The Framework is available to appropriately qualified investors on the institutional investors section of QTC's website.

Assurance

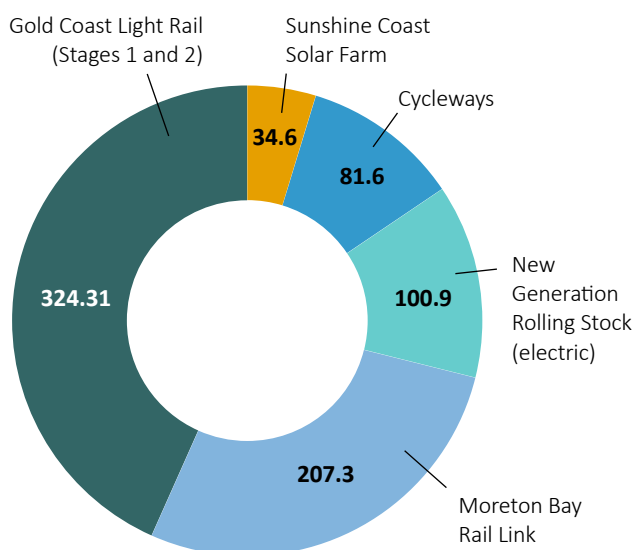
DNV GL, an independent third party, has provided a third-party assurance opinion confirming that QTC's Framework accords with the Green Bond Principles.

DNV GL has also provided third party verification, confirming QTC's green bond is in accordance with the post-issuance requirements set out in the Climate Bonds Standard.

Both documents are available on the institutional investors section of QTC's [website](#).

Allocation of proceeds

All proceeds from the issuance of QTC's inaugural green bond have been fully allocated to a selection of eligible projects as detailed below. Total net proceeds from the issuance of QTC's inaugural green bond were AUD748,710,000.



Low carbon transport

Gold Coast Light Rail stages 1 and 2

Green bond proceeds allocated: \$324.31 million

The Gold Coast Light Rail has the intended benefits of easing traffic congestion and reducing emissions by taking cars off the road. The project improves accessibility between Brisbane and the Gold Coast, while providing a low carbon public transport alternative on the Gold Coast, where population growth and tourism is expected to increase.

Stage 1 has been operating since June 2014. It consists of a 13km, 16 station electric transport corridor connecting high-density precincts using 14 electric trams.

Stage 2 is a 7.3km, three station electric transport corridor that enables the transportation of approximately 3000 passengers per hour. Using four additional electric trams, Stage 2 connects the light rail from the northern terminus at Gold Coast University Hospital to the electrified rail network at Helensvale. As part of the project, 1400 'Park and ride' spaces were also provided.

Since revenue operating services began in July 2014, approximately 29 million passenger trips have been taken on the Gold Coast Light Rail. This is estimated to be around 93 million passenger kilometres travelled (as at 5 April 2018).

Further information on the Gold Coast Light Rail and future stages can be found on the City of Gold Coast [website](#).



Moreton Bay Rail Link

Green bond proceeds allocated: \$207.3 million

The Moreton Bay Rail Link, a 12.6km dual-track passenger line, also known as the Redcliffe Peninsula Line, connects the Moreton Bay region to Brisbane. The region is estimated to be home to over 430,000 people and is the third largest local government population in Queensland and Australia. It is identified as a key growth corridor north of Brisbane and is expected to grow to over 618,000 people by 2036.

This project provides integrated low carbon public transport in a region heavily-geared towards transport by car. Each full train is estimated to take approximately 600 cars off the road. Since revenue operating services began in October 2016, it is estimated that around 88 million passenger kilometres have been travelled (as at 5 April 2018).

Further information can be found on the Department of Transport and Main Roads [website](#).

New Generation Rolling Stock

Green bond proceeds allocated: \$100.9 million

This new generation rolling stock advances the South-East Queensland electric train fleet to meet the growing demand for low carbon public transport services. The 75 new six-car electric trains will constitute a significant portion of the total train fleet once fully deployed. The electric trains also feature energy efficient LED cabin lighting and the project includes a new purpose-built maintenance centre using solar panels to supplement power usage.

The trains will operate across the entire South East Queensland passenger rail network, some of which have already been deployed on the Gold Coast and Brisbane Airport lines to meet high demand. The trains are expected to increase the efficiency and reliability of the low carbon transport network in the area of Queensland with the highest population density.

Further information can be found on the Department of Transport and Main Roads [website](#).



New Generation Rolling Stock



Cycleway



Sunshine Coast Solar Farm

Various cycleways

Green bond proceeds allocated: \$81.6 million

These cycleway projects are part of the Queensland Government's Principal Cycle Network Plan that creates marked bicycle lanes, dedicated crossing facilities, cycle paths, shared paths, continuous networks and end-of-trip facilities.

Proceeds from QTC's inaugural green bond were allocated to 56 cycleway projects.

The intention of these projects is to create high quality bikeways and shared path infrastructure that encourages Queenslanders to cycle or walk to their destinations, instead of relying on cars.

A number of larger capital projects are underway, including the Veloway, North Brisbane Bikeway, Gateway upgrade North, and Bruce Highway Intersection upgrade.

Further information can be found on the Department of Transport and Main Roads [website](#).

Renewable energy

Sunshine Coast Solar Farm

Green bond proceeds allocated: \$34.6 million

The Sunshine Coast Regional Council is Australia's first local government to offset its entire electricity consumption across all its facilities and operations from renewable energy generated at the 15MW Sunshine Coast Solar Farm. The Council is striving to become Australia's most sustainable region and the Sunshine Coast Solar Farm is part of its plan to achieve that vision. Construction on the 49-hectare site was completed in May 2017.

The electricity generated from the solar farm over one year is estimated to be sufficient to power 5,000 homes and, since the array was installed, the development has saved over 16,000 tonnes of carbon dioxide emissions (as at 1 May 2018). Live solar energy generation data from the Sunshine Coast Solar Farm can be viewed [online](#).

Further information can be found on the Sunshine Coast Council website [here](#).



Additional projects

South East Queensland has an expansive inter-urban electrified rail network that provides significant social utility and is crucial to the sustainability of the region. QTC has identified additional low carbon transport projects currently funded by the Queensland Government that are now eligible for refinancing with future CBI certified green bonds.

The below projects have not yet been allocated any green bond proceeds and account for just over \$3.3 billion in funding. QTC expects to partially refinance these projects with green bonds in future.

QTC's eligible project pool as verified by DNV GL now totals just over \$4.6 billion.

Low carbon transport

Electric Tilt Trains

Queensland Rail operates and owns two electric powered tilt trains for long distance travel between Brisbane, Bundaberg and Rockhampton. The trains consist of six cars each and cover approximately 350,000 kilometres annually. These recently refurbished tilt trains carry approximately 180,000 passengers per year, for journeys usually completed by car or air travel.

Citytrain network and rolling stock

The Citytrain network is an integrated passenger rail service connecting South East Queensland's population centres and Brisbane's domestic and international airports by electrified rail. The Citytrain network includes 146 stations, 880km of tracks, platforms, signalling and other infrastructure crucial to the operation of the network. This existing urban network pre-dates the Moreton Bay Rail Link and New Generation Rolling Stock projects, both of which physically form part of the broader Citytrain network.

The Citytrain fleet is made up of 207 three-car trains and it is estimated that 51.7 million passenger trips were taken on the network during the 2016/17 financial year. The average daily patronage is approximately 141,000 passengers and each weekday, more than 900 services are operated on the Citytrain network.

An efficient electrified rail network should assist with contributing to commuter preferences for low carbon transport in Queensland.

INFORMATION SOURCES FOR QTC INVESTORS



INVESTOR BOOKLET

QTC's investor booklet contains detailed information and data about Australia, Queensland and QTC.



REGULAR UPDATES

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WEBSITE

QTC's website provides information for institutional investors about QTC's funding programs, annual borrowing program, credit rating, and recent news and publications.



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