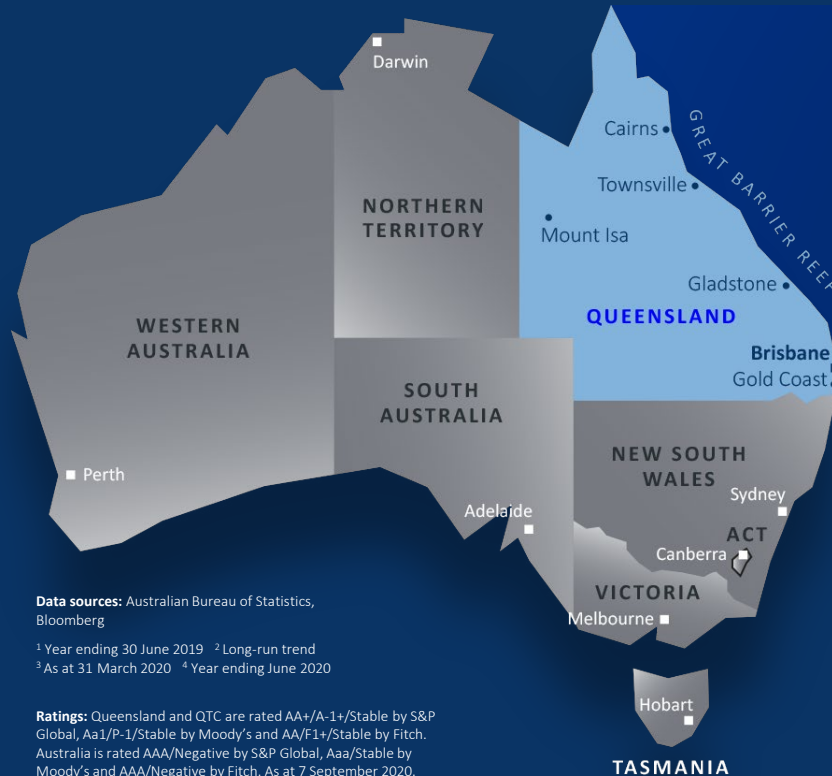




QUEENSLAND
TREASURY
CORPORATION

Queensland



Data sources: Australian Bureau of Statistics, Bloomberg

¹ Year ending 30 June 2019 ² Long-run trend
³ As at 31 March 2020 ⁴ Year ending June 2020

Ratings: Queensland and QTC are rated AA+/A-1+/Stable by S&P Global, Aa1/P-1/Stable by Moody's and AA/F1+/Stable by Fitch. Australia is rated AAA/Negative by S&P Global, Aaa/Stable by Moody's and AAA/Negative by Fitch. As at 7 September 2020.

QUEENSLAND

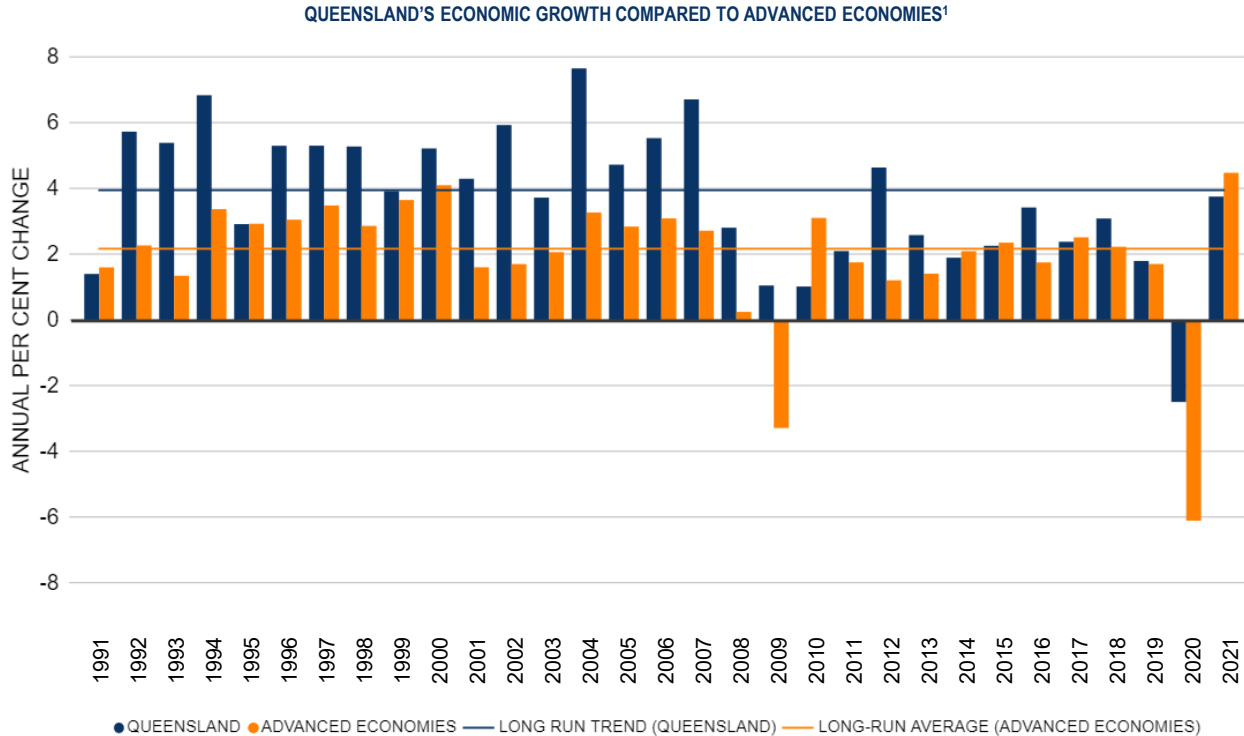
- AUD370 billion Gross State Product (GSP)¹
- 3.9% GSP annual growth rate²
- 5.2 million people³
- Rated AA+/Aa1/AA

AUSTRALIA

- AUD1,982 billion Gross Domestic Product (GDP)⁴
- 2.9% GDP annual growth rate²
- 25.6 million people³
- Rated AAA by all major rating agencies

QUEENSLAND

Economic growth has consistently outperformed the average of advanced economies

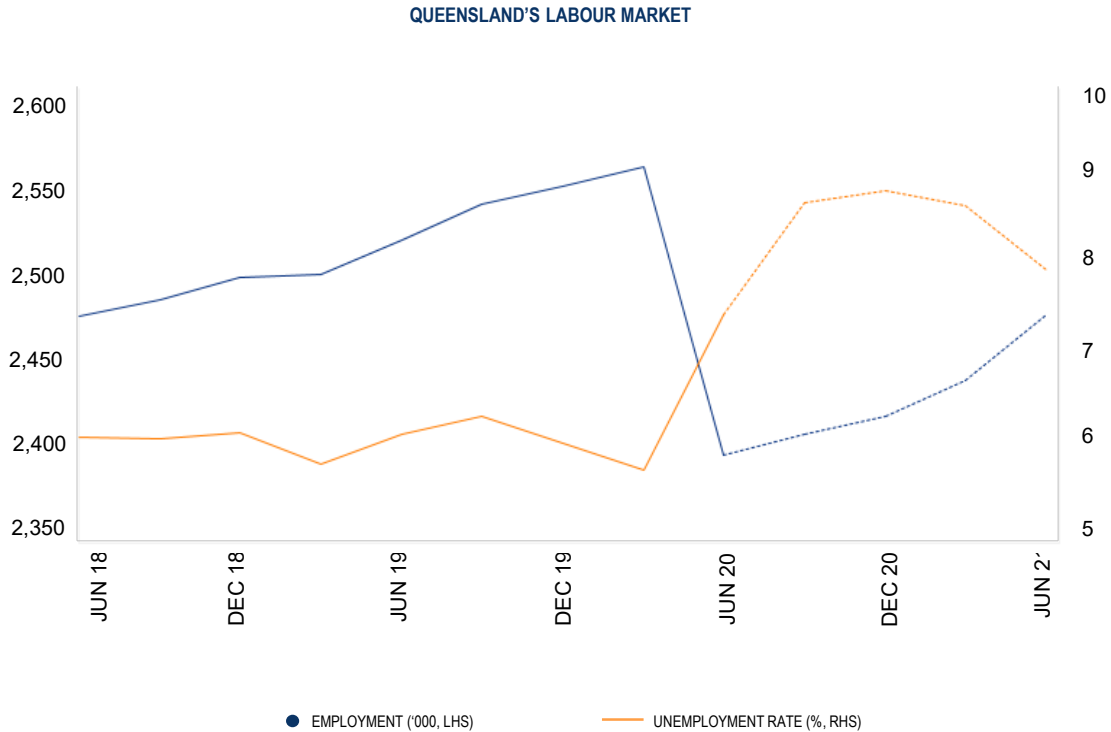


¹ Advanced economy data are calendar year terms, while Queensland data are financial year terms. Advanced economy data are constant prices.

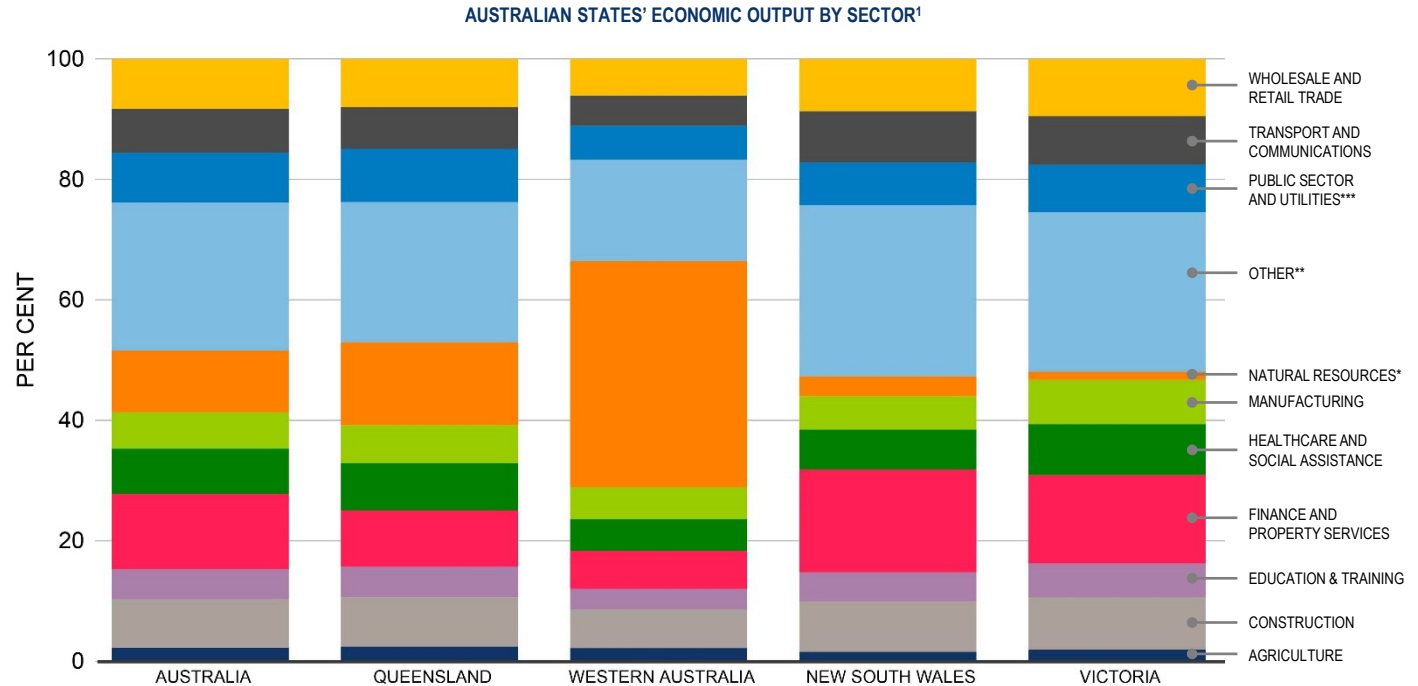
QLD data are Chain volume measure (CVM), 2017-18 reference year.

Data sources: IMF, ABS, Queensland Treasury.

Labour market set to recover



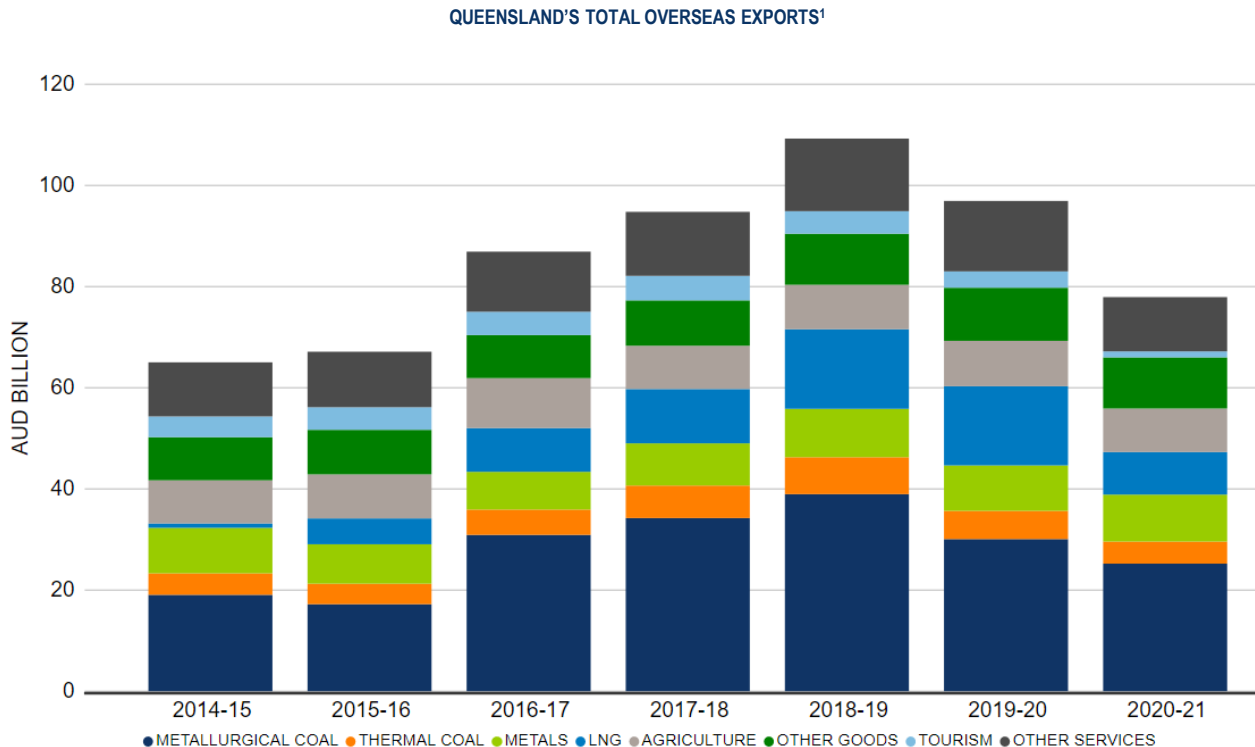
Diverse and resilient economy – output similar to Australia



¹2018-19, gross value added, current prices. * Natural resources includes the extraction of naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. ** Other includes: dwellings; professional, scientific and technical services, accommodation and food services; other services; administrative and support services; arts and recreation. *** Public sector and utilities includes: public administration and safety; and electricity, gas, water, waste services.

Data source: ABS.

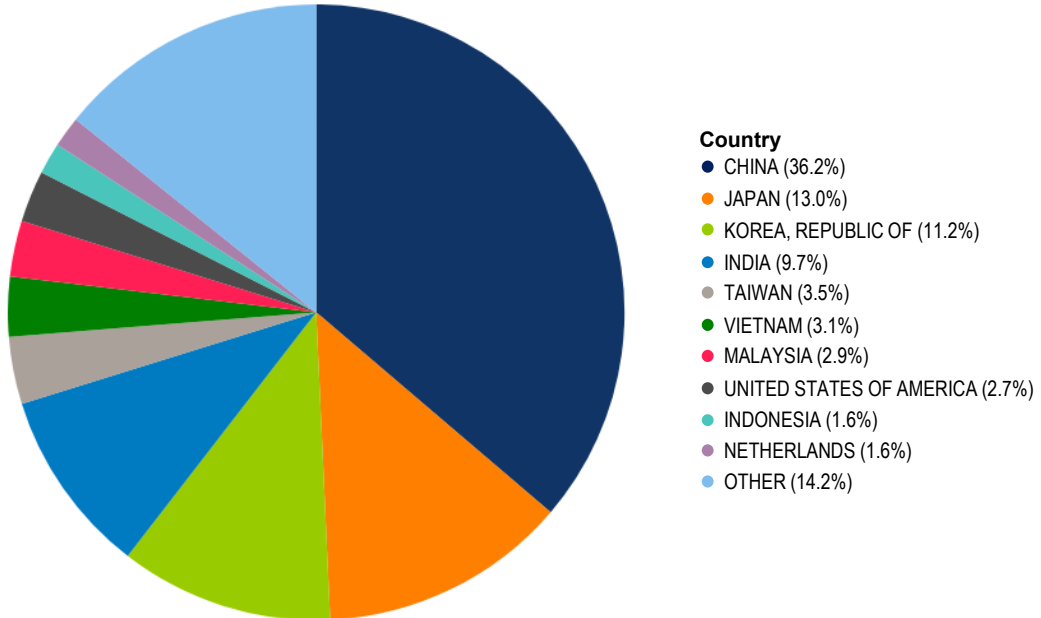
Similar to its diversified domestic economy, Queensland has a well-balanced mix of goods and services exports



¹ Nominal terms. Data sources: ABS unpublished trade data, Queensland Treasury.

More than three-quarters of goods exports go to the fast growing Asian region

QUEENSLAND'S GOODS EXPORTS BY COUNTRY¹



¹ Share of total value of goods exports, per cent. Data sources: ABS unpublished trade data for 2019-20, Queensland Treasury.

Queensland has its own taxation powers and receives federal fiscal support

The states' sources of revenue

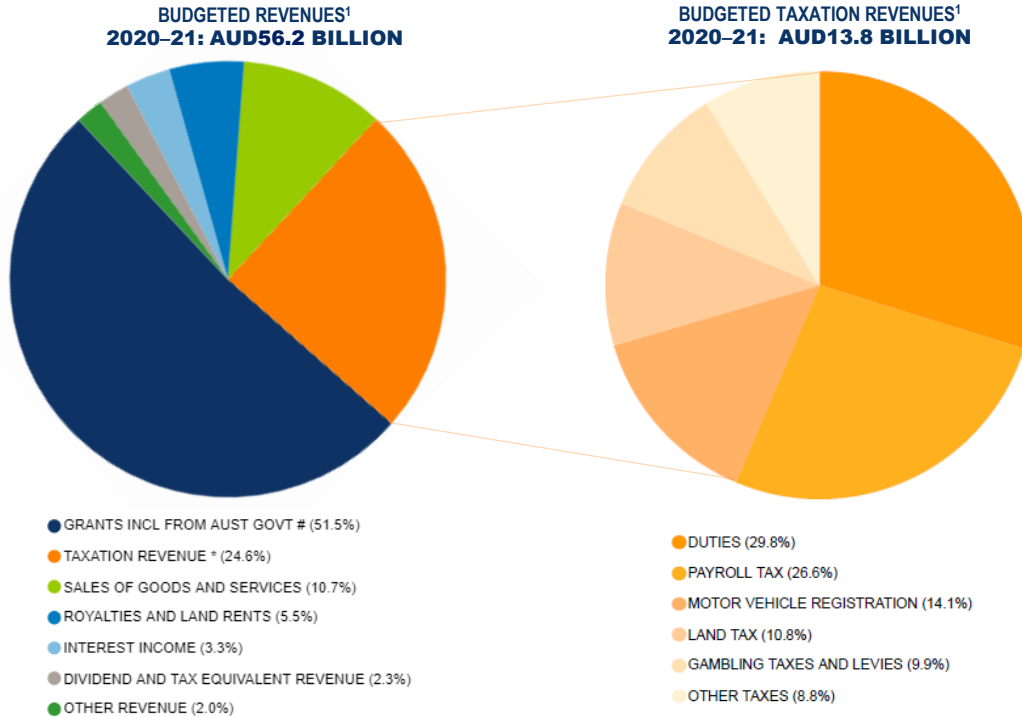
- Australian states and territories (states) impose taxes, duties and charges in areas distinct from those where the Australian Government has authority. Examples of state taxes include payroll taxes, royalties, stamp duties and land taxes.
- The Australian Government provides explicit and predictable financial support to all states in the form of:

General purpose payments – ‘untied’ grants which are funded by the Goods and Services Tax (GST) revenue and are used for both recurrent and capital purposes.

Payments for specific purposes – ‘tied’ grants to fund specific projects or programs in order to support service delivery and facilitate reforms.

The Australian Government’s Disaster Recovery Funding Arrangements, which provide partial (up to 75 per cent) reimbursement for eligible costs incurred as a result of natural disasters, are also classified as a payment for specific purposes.

Queensland has a diversified and stable revenue mix

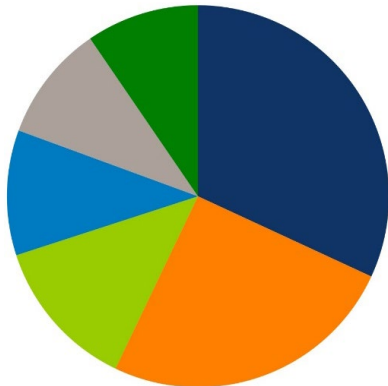


¹ May not add to 100 per cent due to rounding. [#]Grants from the Australian Government are almost evenly split between general and specific purpose payments. General purpose payments include GST revenue grants, are 'untied' and used for both recurrent and capital purposes. Specific purpose payments are 'tied' and used to fund specific projects or programs in order to support service delivery and facilitate reforms. * This comprises the taxes and levies listed in the budgeted taxation revenues chart.

Data source: Queensland Government COVID-19 Fiscal and Economic Review.

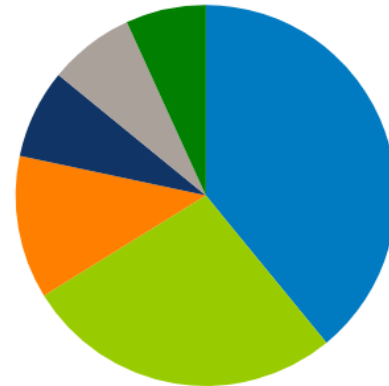
Prior to COVID-19, health and education were the State’s major operating expenses with transport infrastructure the biggest area of focus in terms of capital spending

**BUDGETED OPERATING EXPENDITURE (2019–20):
AUD59.8 BILLION**



- HEALTH (31.9%)
- EDUCATION (25.2%)
- ECONOMIC AND OTHER SERVICES* (12.9%)
- TRANSPORT (10.6%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (9.9%)
- PUBLIC ORDER AND SAFETY (9.5%)

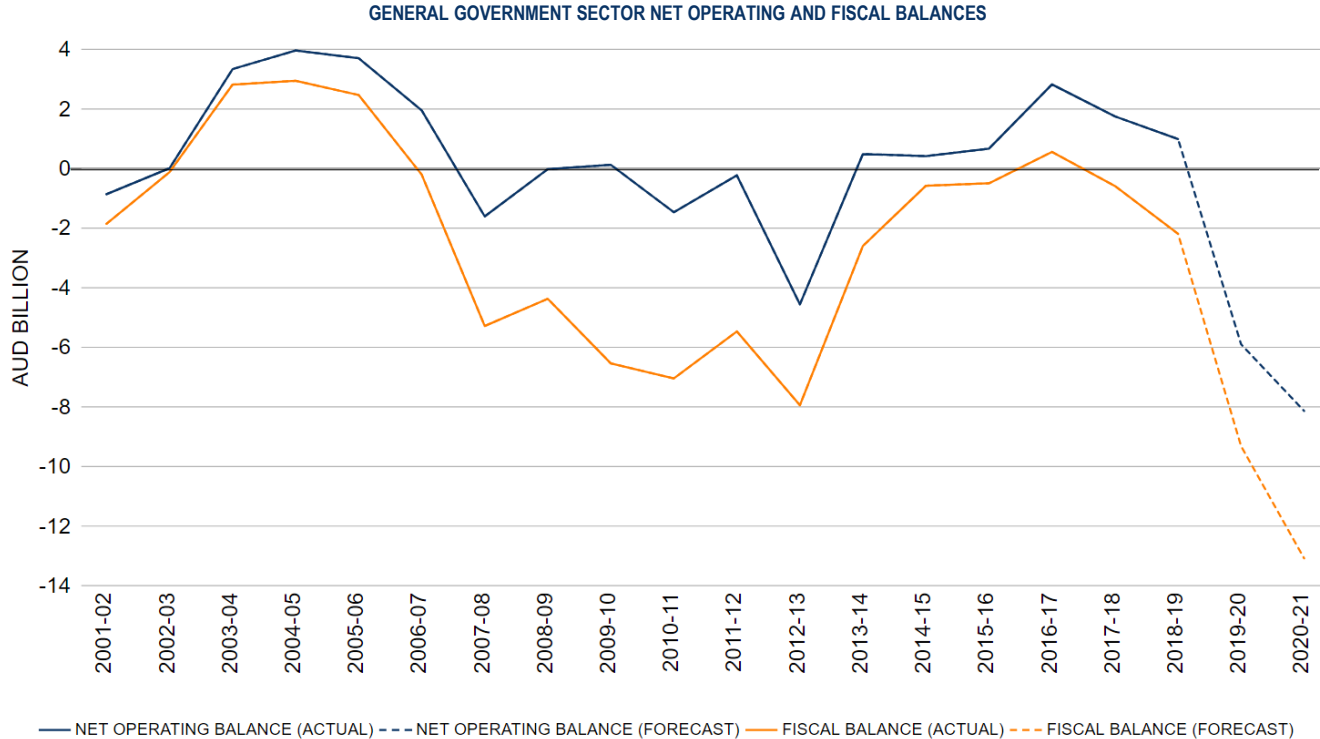
**BUDGETED CAPITAL EXPENDITURE (2019–20):
AUD10.2 BILLION**



- TRANSPORT (39.1%)
- ECONOMIC AND OTHER SERVICES* (27.1%)
- EDUCATION (12.2%)
- HEALTH (7.5%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (7.3%)
- PUBLIC ORDER AND SAFETY (6.8%)

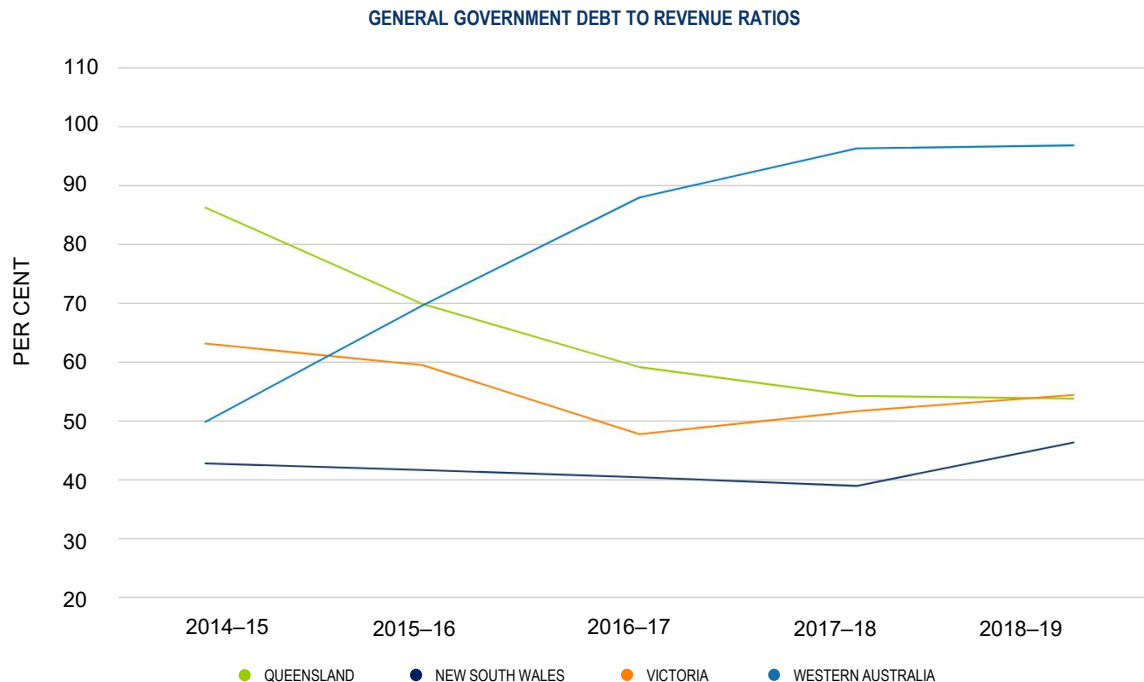
May not add to 100 per cent, due to rounding. *Mainly includes expenditures on economics services and those not classified elsewhere.
Data source: Queensland Government Budget 2019-20.

Operating and fiscal deficits expected in FY21 as a result of COVID-19 impact



Data sources: Actuals data from Queensland Treasury, Forecasts from Queensland Government COVID-19 Fiscal and Economic Review.

Queensland entered COVID-19 in a sound position, having significantly reduced its debt to revenue ratio



Queensland's strong commitment to ESG



ENVIRONMENTAL

- State support for the Australian Government's commitment to the Paris Agreement.
- State signatory to *Under2MOU* global climate change agreement.
- Strong environmental and climate change adaptation frameworks.



SOCIAL

- Keeping Queenslanders healthy – investing in Queensland's high-quality health services.
- Access to quality education for primary, secondary and tertiary level Queenslanders.
- Subsidies for social housing, public transport, energy and water.
- Commitment of more than AUD7 billion in COVID-19 support initiatives for impacted businesses, workers, households, communities and the health sector, with an additional AUD4 billion commitment over the medium-term. A further AUD51.8 billion investment in infrastructure over four years to 2022–23.



GOVERNANCE

- Stable system of government and political framework.
- *Queensland Human Rights Act 2019* protects the right to education, privacy, freedom of speech and protection of children.
- Strong financial management and liquidity.

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Queensland is transitioning to a low carbon, climate resilient and environmentally sustainable economy



The Queensland Government has two climate change strategies that support Australia's commitment to the Paris Agreement:

[Queensland Climate Transition Strategy](#)

[Queensland Climate Adaptation Strategy](#)

Three key climate commitments are outlined in the *Queensland Climate Transition Strategy*:

1. Powering Queensland with 50% renewable energy by 2030.
2. Achieving zero net emissions by 2050.
3. Interim target for at least a 30% reduction in emissions on 2005 levels by 2030.

The *Queensland Climate Adaptation Strategy* is based around four objectives:

1. Recognise the risks of a changing climate.
2. Equip with the best available science.
3. Integrate climate adaptation considerations into policies and processes.
4. Collaborate to achieve effective climate adaptation through partnerships.



Examples of the Queensland Government's sustainability initiatives

INVESTING IN RENEWABLE ENERGY

- 21 large-scale renewable energy projects commenced since 2017¹.
- New, publicly-owned, clean energy generation company (CleanCo) established.
- Queensland's coal-fired power stations forecast to close between late 2020s-2055².

LAND RESTORATION FUND TO REDUCE CARBON EMISSIONS

- First tranche of funding under AUD500 million Land Restoration Fund announced in September 2020³.
- Up to AUD93 million was awarded to 21 projects to reduce carbon emissions, while delivering additional environmental, social and economic co-benefits to Queensland³.

PROTECTING THE GREAT BARRIER REEF

- AUD330 million committed over five years to protect against the effects of climate change⁴.
- Initiatives to protect marine and island ecosystems, reduce agricultural runoff and improve water quality.

HYDROGEN, BIOFUELS AND ELECTRIC VEHICLES

- Queensland is developing sustainable hydrogen and biofuels industries, with the potential to reduce emissions for nations that are traditionally energy importers.
- The *Electric Super Highway* provides fast chargers to support update of electric vehicles.

Links to further examples are available at www.qtc.qld.gov.au

QTC's Green Bond program enables investors to support Queensland's transition to a low carbon, climate resilient and environmentally sustainable economy.

Summary of key points

The State of Queensland has:

- a diverse and resilient economy
- a stable revenue stream in the form of grants it receives from the Australian Government
- State-owned assets that generate dividend payments
- a unique position with financial holdings greater than its superannuation obligations
- a strong commitment to ESG, with a number of sustainability initiatives in place
- General Government debt levels relative to revenue that had fallen prior to COVID-19, and
- a rating of AA+/Stable/A-1+ by S&P Global; Aa1/Stable/P-1 by Moody's and AA/F1+/Stable by Fitch.