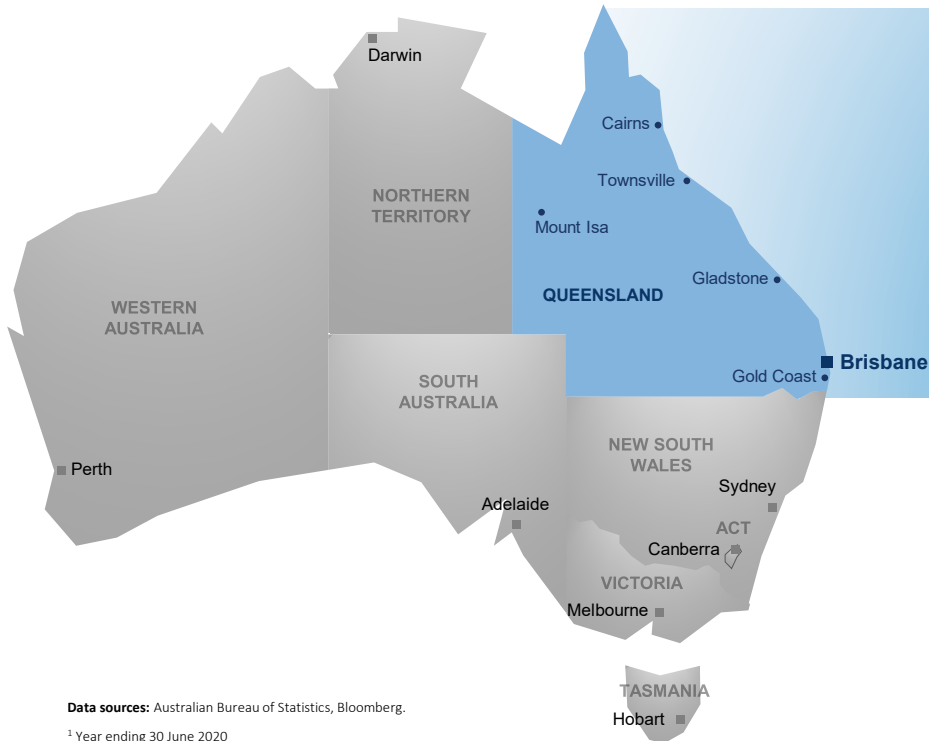




QUEENSLAND
TREASURY
CORPORATION

Queensland



QUEENSLAND

- AUD364 billion Gross State Product (GSP)¹
- 3.8% GSP annual growth rate²
- 5.2 million people³
- Rated AA+/Aa1/AA

AUSTRALIA

- AUD1,984 billion Gross Domestic Product (GDP)¹
- 2.9% GDP annual growth rate²
- 25.7 million people³
- Rated AAA by all major rating agencies

Data sources: Australian Bureau of Statistics, Bloomberg.

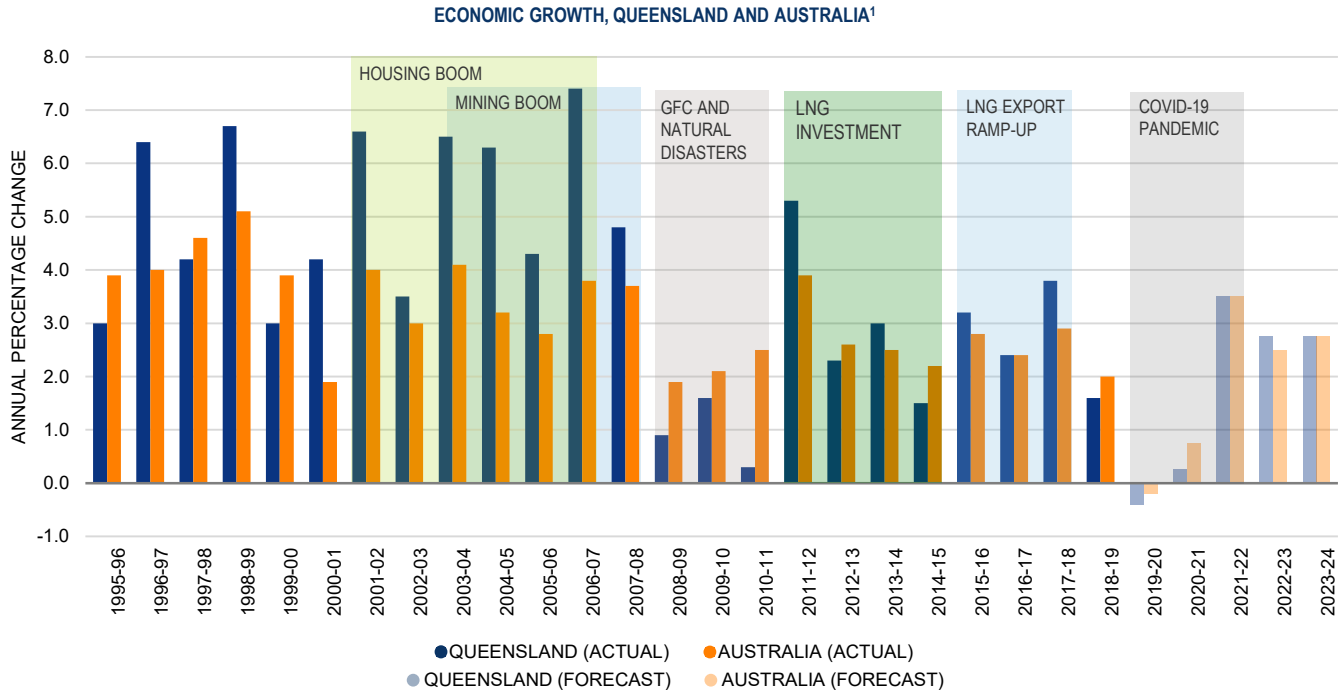
¹ Year ending 30 June 2020

² Long-run trend

³ As at 30 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 31 December 2020.

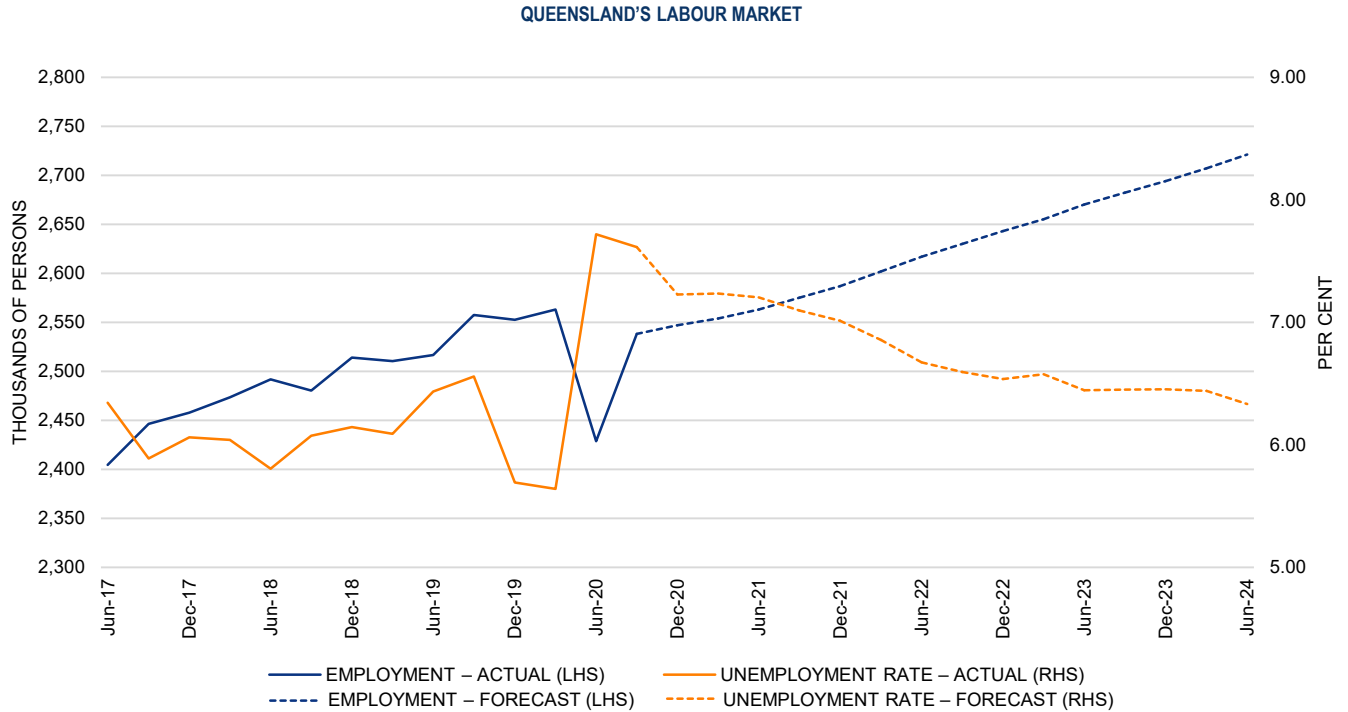
Queensland's economic growth has generally been higher than Australia's



¹ Chain volume measure (CVM), 2017-18 reference year.

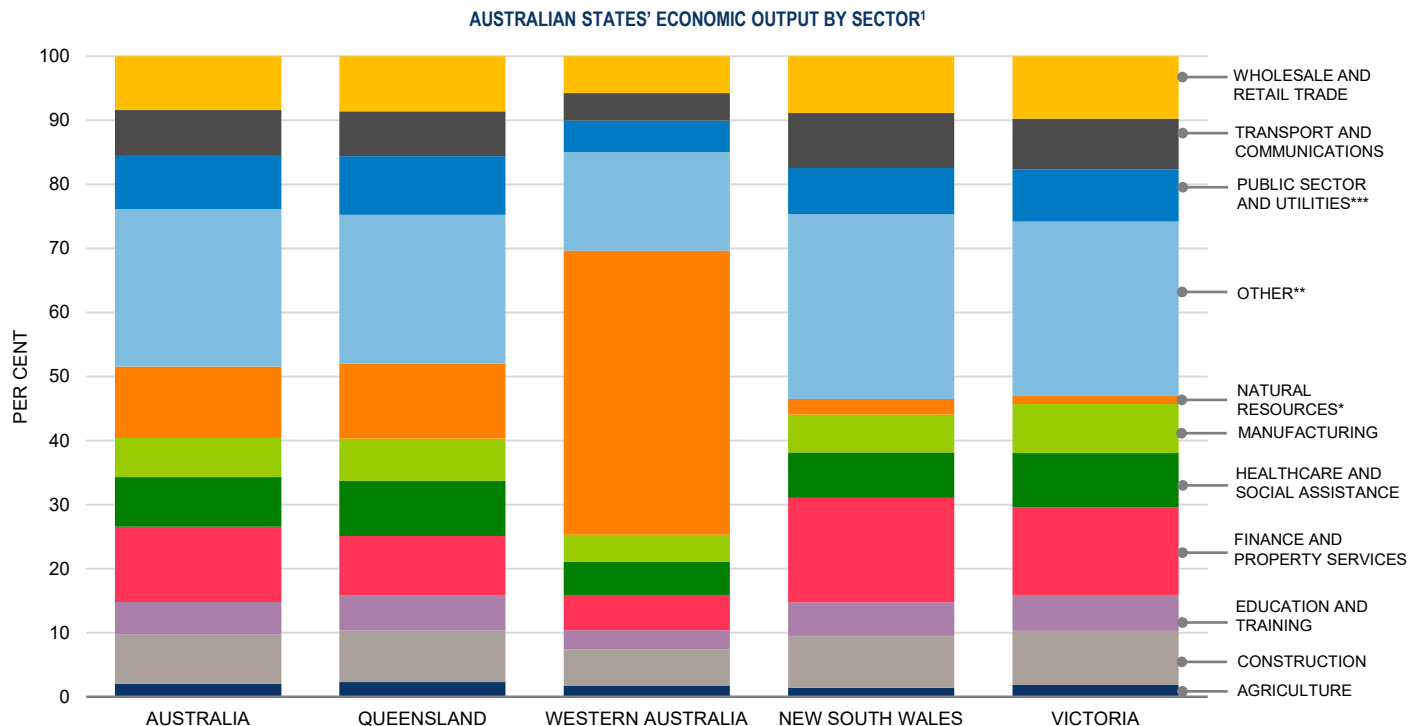
Data sources: ABS National Accounts, Australian Treasury and Queensland Government 2020-21 Budget.

Employment has rebounded quickly



Data source: Queensland Government 2020–21 Budget.

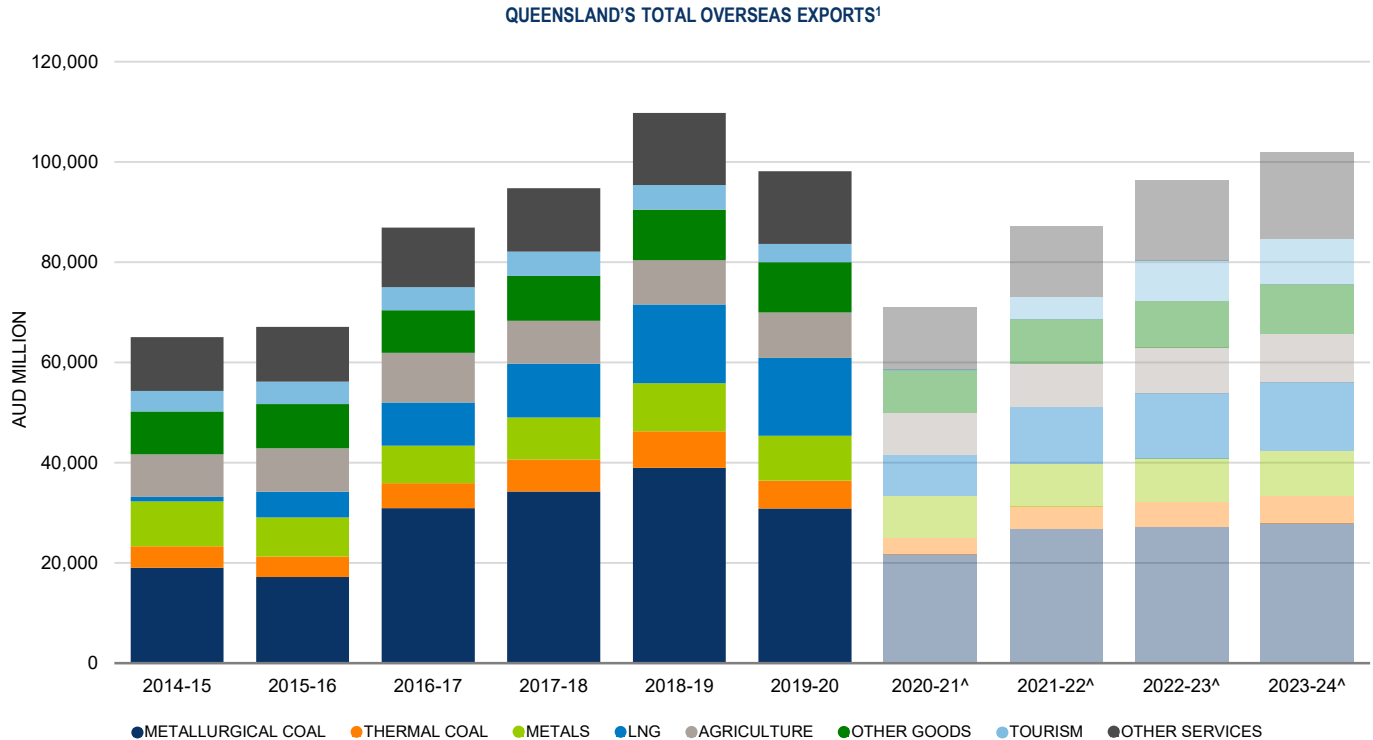
Diverse and resilient economy – output shares similar to Australia



¹2019–20, 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

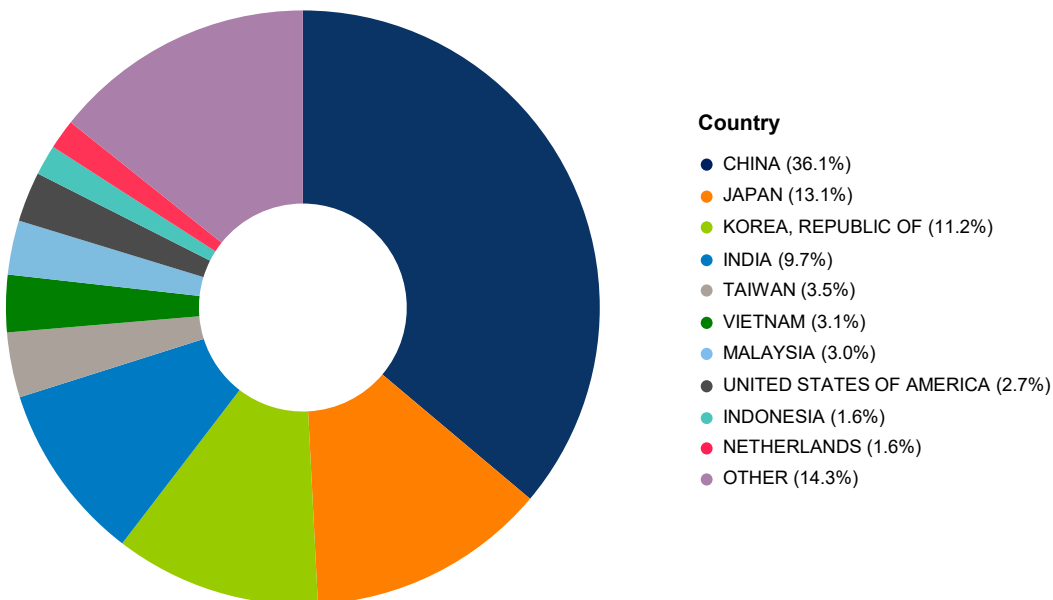


¹ Nominal terms. [^] Shaded areas represent forecasts.

Data sources: Queensland Government 2020-21 Budget.

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

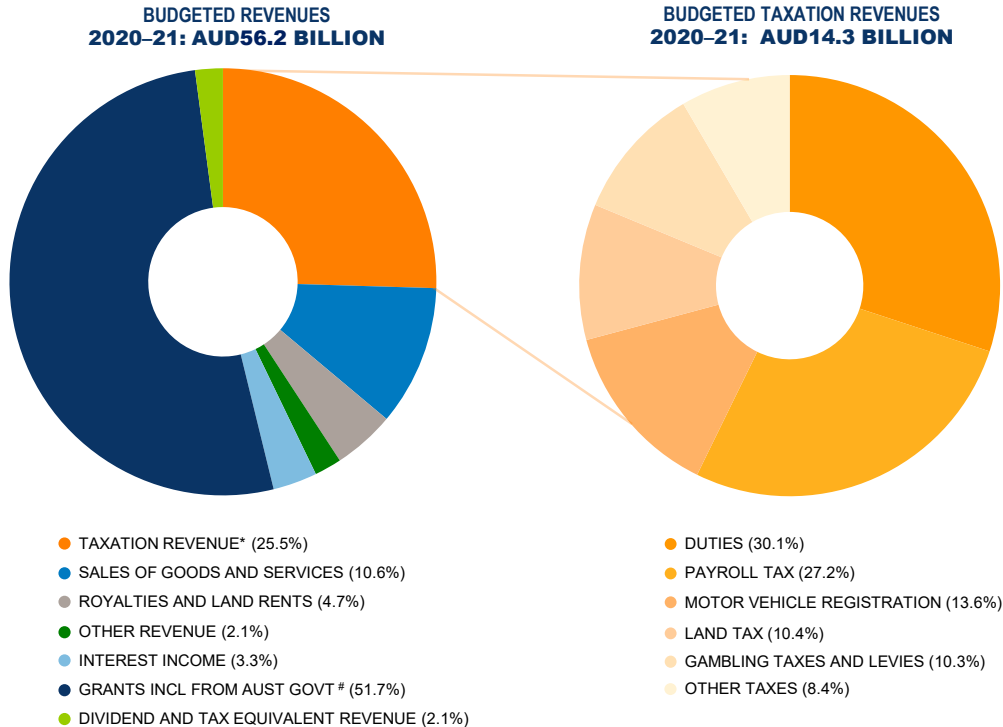
- Australian states and territories (states) impose taxes, duties and charges in areas distinct from those where the Australian Government has authority. Examples of state taxes include payroll taxes, royalties, stamp duties and land taxes.
- The Australian Government provides explicit and predictable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

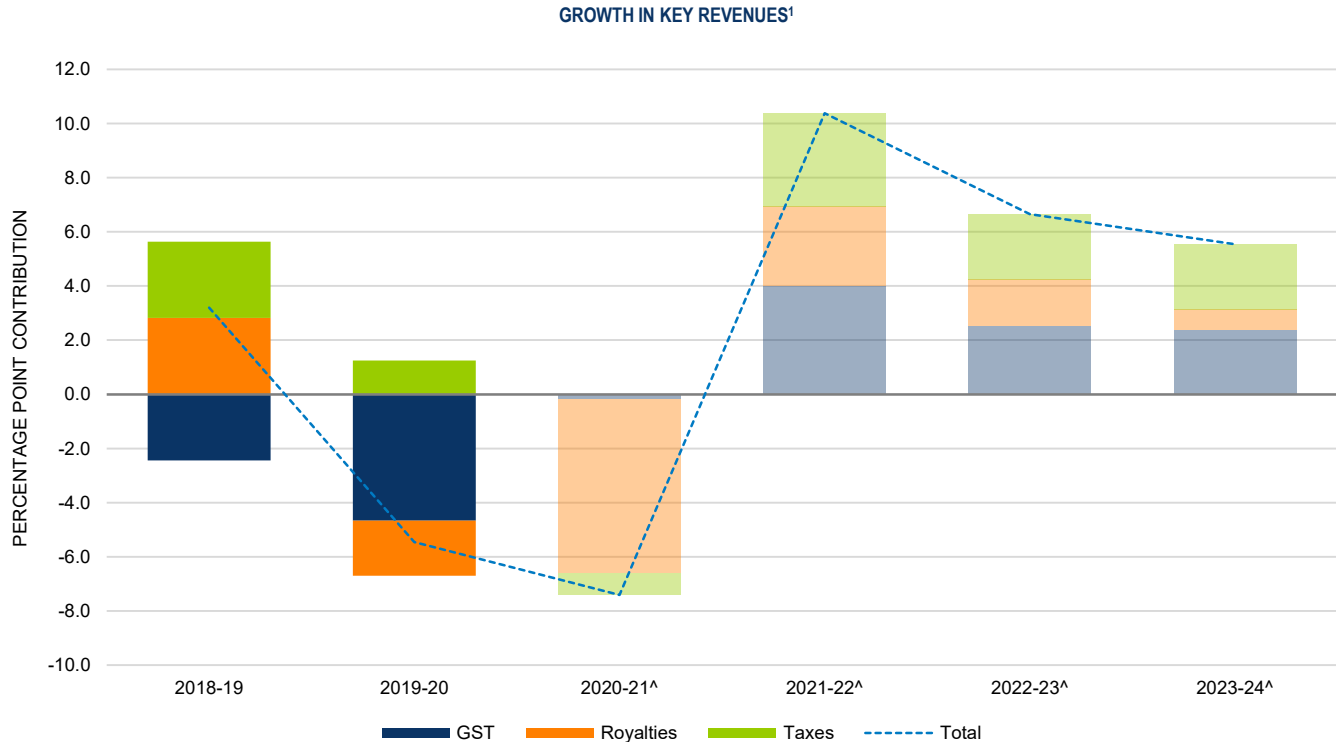
Queensland has a diversified and stable revenue mix



* This comprises the taxes and levies listed in the budgeted taxation revenues chart. #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.

Data source: Queensland Government 2020-21 Budget.

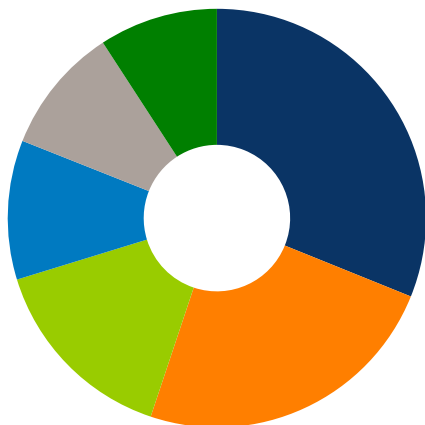
Queensland's budget position has been impacted by a decline in revenues on account of the disruptive economic conditions caused by COVID-19



¹ Annual contribution to growth in key revenues. Total is the annual growth of the sum of the three categories. [^] Shaded areas represent forecasts.
Data source: Queensland Government 2020-21 Budget.

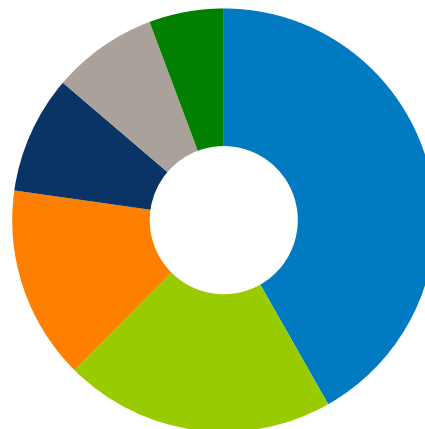
Health and education are the State's major operating expenses, while transport infrastructure is the biggest area of focus in terms of capital spending

**GGS¹ BUDGETED OPERATING EXPENDITURE:
2020-21: AUD64.9 BILLION**



- HEALTH (31.1%)
- EDUCATION (24.0%)
- ECONOMIC AND OTHER SERVICES* (15.1%)
- TRANSPORT (10.8%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (9.8%)
- PUBLIC ORDER AND SAFETY (9.2%)

**NFPS² BUDGETED CAPITAL EXPENDITURE:
2020-21: AUD11.0 BILLION**



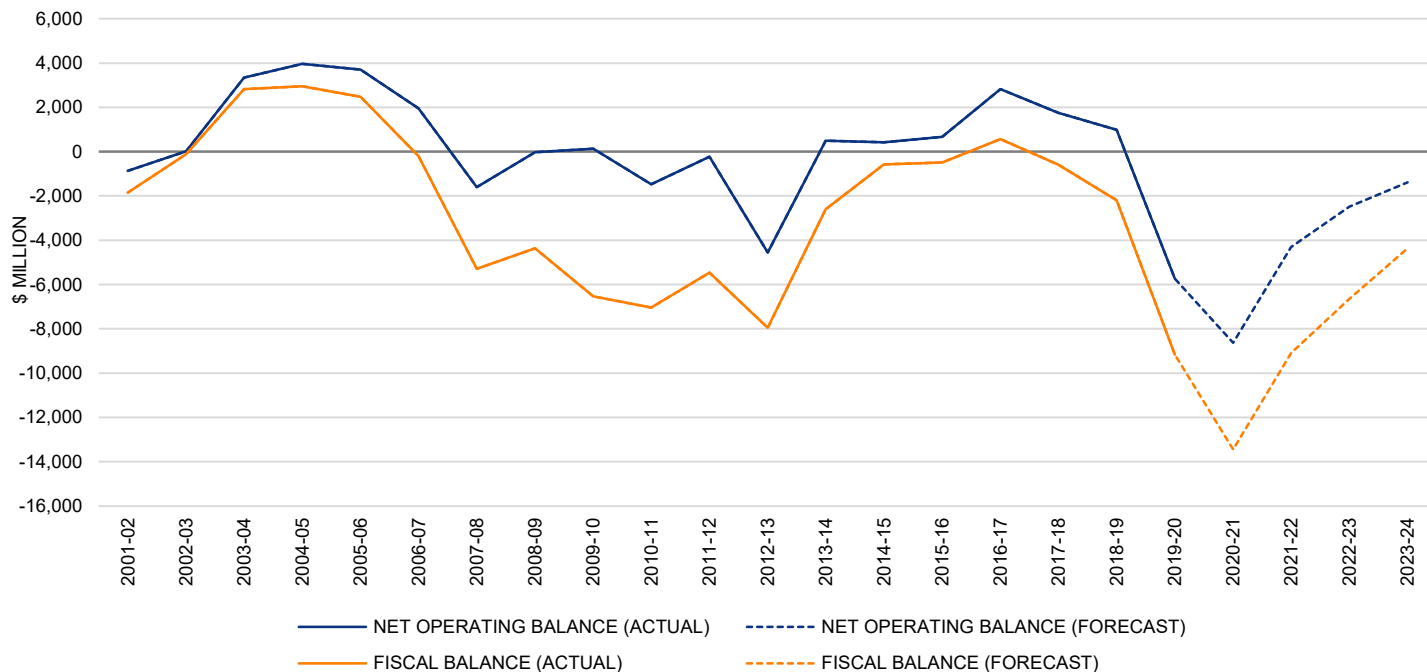
- TRANSPORT (41.8%)
- ECONOMIC AND OTHER SERVICES* (20.7%)
- EDUCATION (14.8%)
- HEALTH (9.0%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (8.1%)
- PUBLIC ORDER AND SAFETY (5.7%)

¹ GGS – general government sector. ² NFPS - non-financial public sector. * Mainly includes expenditures on economic services and those not classified elsewhere.

Data source: Queensland Government 2020-21 Budget.

Operating and fiscal deficits expected due to COVID-19 impact

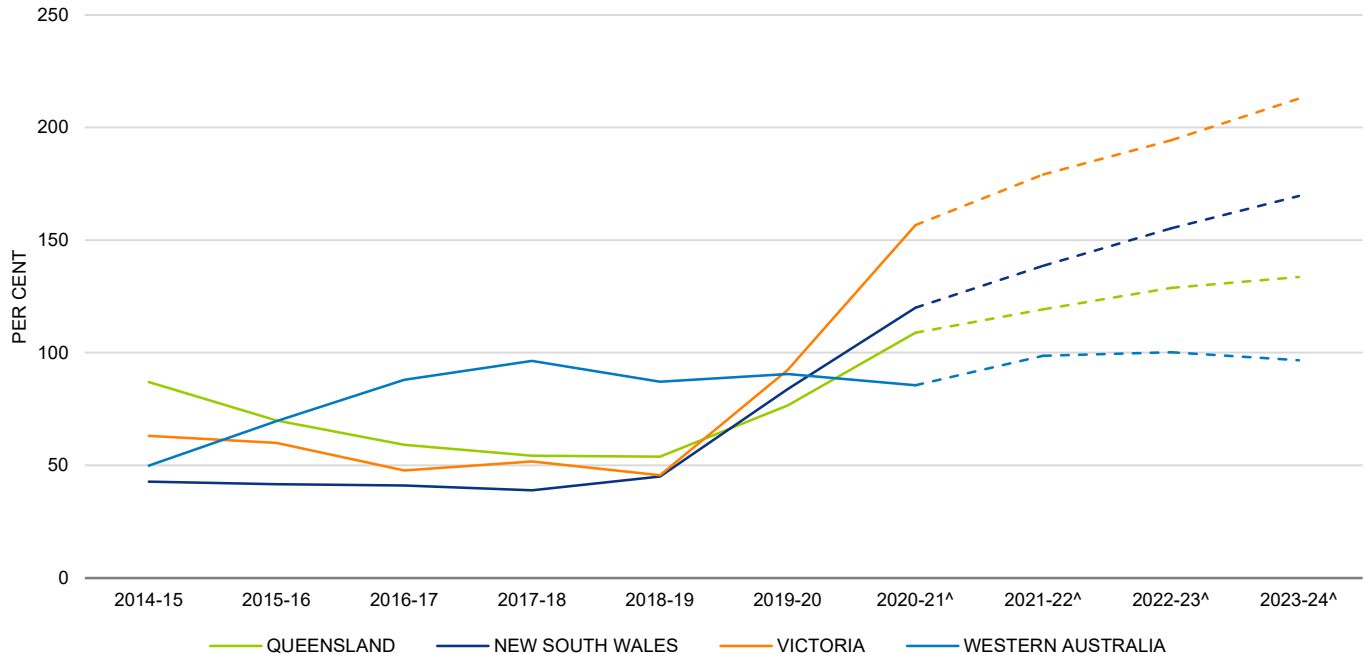
GENERAL GOVERNMENT SECTOR NET OPERATING AND FISCAL BALANCES



Data sources: Actuals data from Queensland Treasury, Forecasts data from Queensland Government 2020-21 Budget.

Debt levels for Queensland relative to revenue are expected to remain below those in New South Wales and Victoria over the forward estimates period

GENERAL GOVERNMENT DEBT TO REVENUE RATIOS



[^] Dotted lines represent forecasts.

Data source: 2020-21 Budgets for Queensland, New South Wales, Victoria and Western Australia.

Queensland's strong commitment to ESG



ENVIRONMENTAL

- State commitment to achieving zero net emissions by 2050
- State signatory to *Under2MOU* global climate change agreement
- Environmental and climate change transition and adaptation strategies



SOCIAL

- Ongoing investment in health services and education
- Subsidies for social housing, public transport, energy and water
- Commitment of more than AUD11 billion in COVID-19 support initiatives*



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

* Queensland Government 2020–21 Budget.

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



The Queensland Government has two key climate change strategies:

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

- 44 large-scale renewable energy projects operational, committed or under construction since 2015¹.
- New, publicly-owned, clean energy generation company (CleanCo) established.
- New renewable energy zones and AUD500 million Renewable Energy Fund established².

Low emission fuels and transport

- 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 the uptake of electric vehicles.

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

- More than AUD450 million committed by the government since 2015².
- Initiatives to protect marine and island ecosystems, reduce agricultural runoff and improve water quality.

Links to further examples of the Queensland Government's sustainability initiatives are available at www.qtc.qld.gov.au

Data sources: ¹ Queensland Government Media Statement 'Renewable zones to position Queensland into a clean energy powerhouse' 11 December 2020. ² Queensland Budget 2020–21, Budget Paper No. 2.

³ Queensland Government Media Statement 'Land Restoration Fund to create jobs and environmental benefits' 1 September 2020.

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
- General Government debt levels relative to revenue that had fallen prior to COVID-19, and
- a strong commitment to ESG, with a number of sustainability initiatives in place
- a rating of AA+/Stable/A-1+ by S&P Global; Aa1/Stable/P-1 by Moody's and AA/F1+/Stable by Fitch.