

# QUEENSLAND AND QTC



QUEENSLAND  
TREASURY  
CORPORATION

30 June 2021 edition

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# Queensland Treasury Corporation (QTC)

QTC is committed to protecting and advancing the financial interests of Queensland

QTC is the central financing authority for the Queensland Government and provides financial resources and services for the State.

With a statutory role to advance the financial interests and development of the State, QTC works in partnership with Queensland Treasury and its clients to:

- deliver sustainable and cost-effective borrowings for its clients – managing the State’s funding program in global capital markets,
- advance the financial interest and development of Queensland – partnering to solve complex commercial, policy and economic issues, and
- protect Queensland’s financial interests and delivering better financial outcomes – helping identify opportunities for clients to minimise costs and risks, working closely with them on their balance sheet management and centralising the management of borrowings, cash investments and foreign exchange.

All data and charts in this book are as dated.

## Forecasts and projections:

- 2019–20 is actual as at 30 June 2020
- Queensland Government fiscal forecasts refer to 2020–21 and 2021–22
- Queensland Government fiscal projections refer to 2022–23 to 2024–25
- Queensland Government economic forecasts refer to 2020–21 to 2022–23
- Queensland Government economic projections refer to 2023–24 and 2024–25

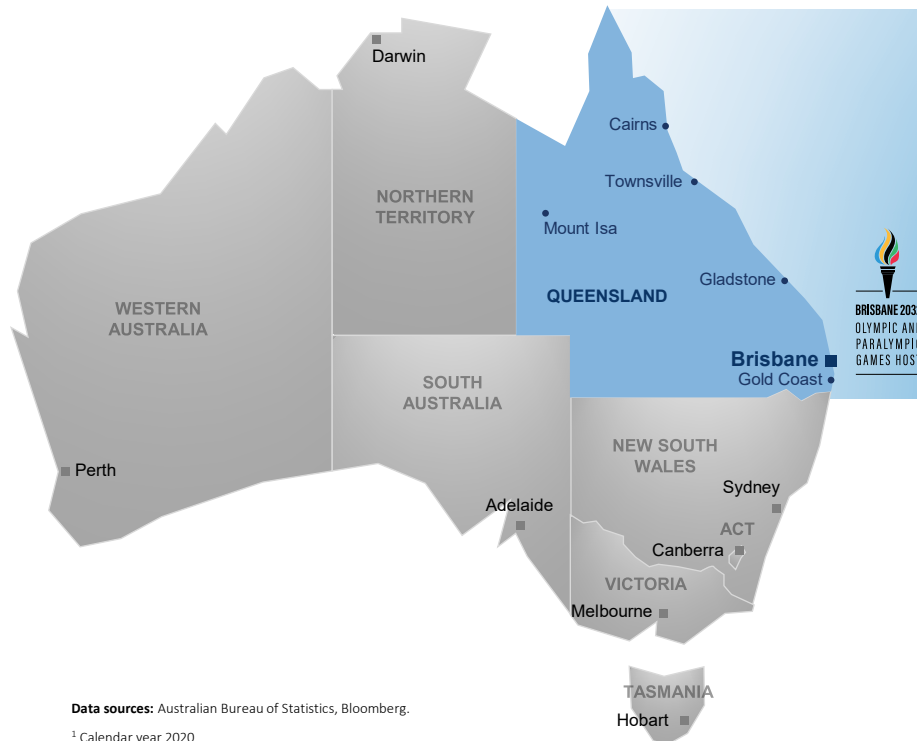
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QUEENSLAND  
TREASURY  
CORPORATION

# Queensland



## QUEENSLAND

- AUD358 billion Gross State Product (GSP)<sup>1</sup>
- 3.8% real GSP annual growth rate<sup>2</sup>
- 5.2 million people<sup>3</sup>
- Rated AA+/Aa1/AA



## AUSTRALIA

- AUD1,972 billion Gross Domestic Product (GDP)<sup>1</sup>
- 2.9% real GDP annual growth rate<sup>2</sup>
- 25.7 million people<sup>3</sup>
- Rated AAA by all major rating agencies

**Data sources:** Australian Bureau of Statistics, Bloomberg.

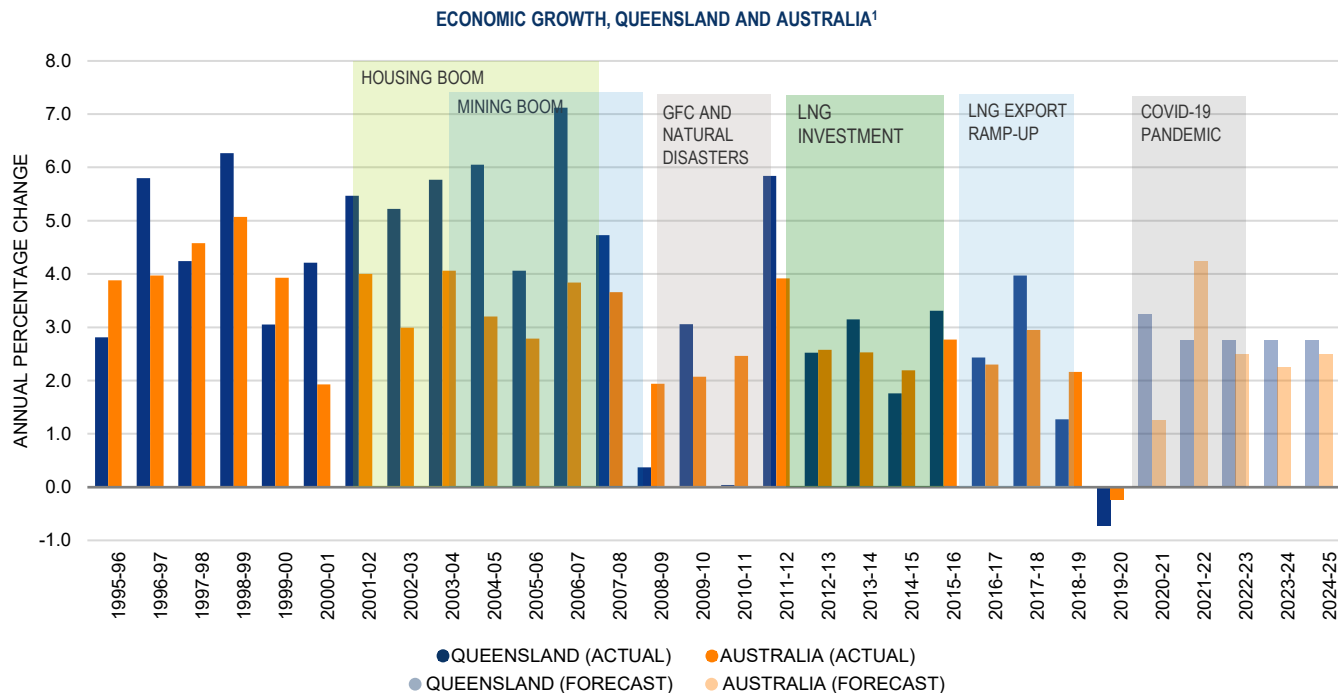
<sup>1</sup> Calendar year 2020

<sup>2</sup> Long-run trend

<sup>3</sup> As at 31 December 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/Stable by S&P Global, Aaa/Stable by Moody's and AAA/Negative by Fitch. As at 30 June 2021.

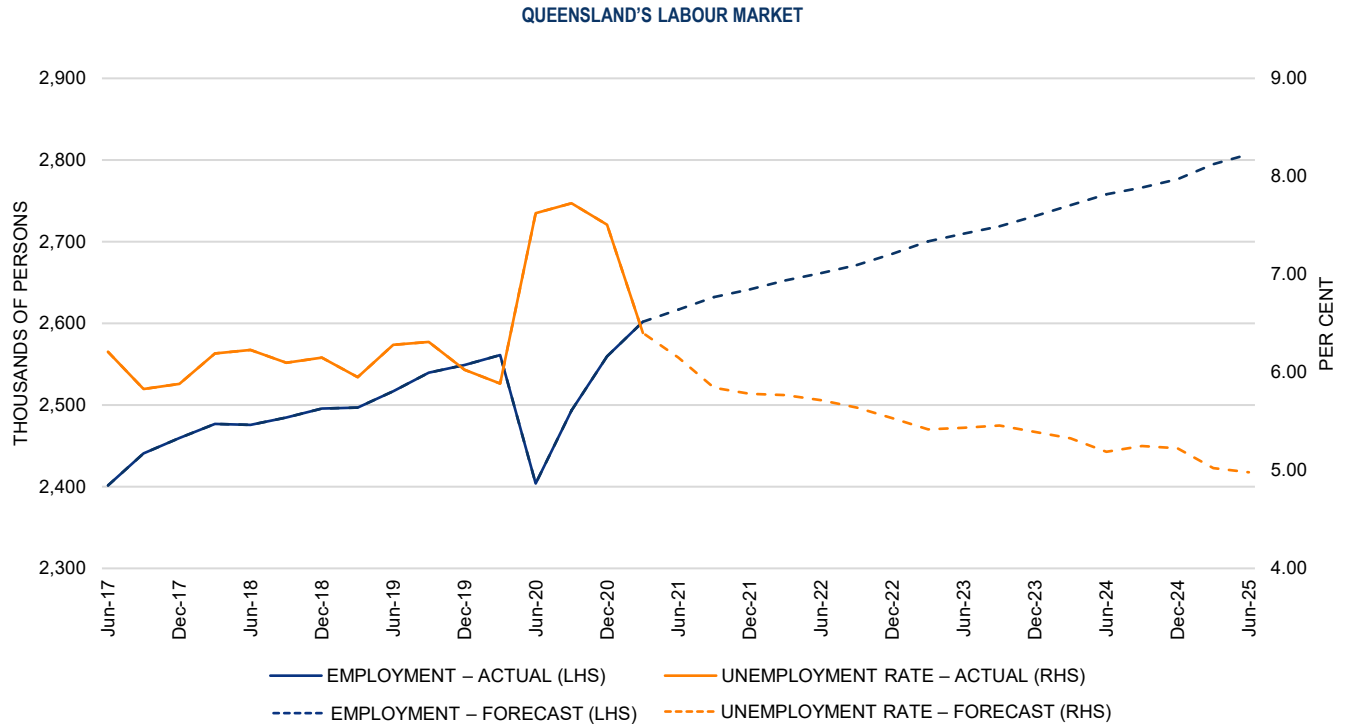
# Queensland's economic growth has generally been higher than Australia's



<sup>1</sup> Chain volume measure (CVM), 2018–19 reference year.

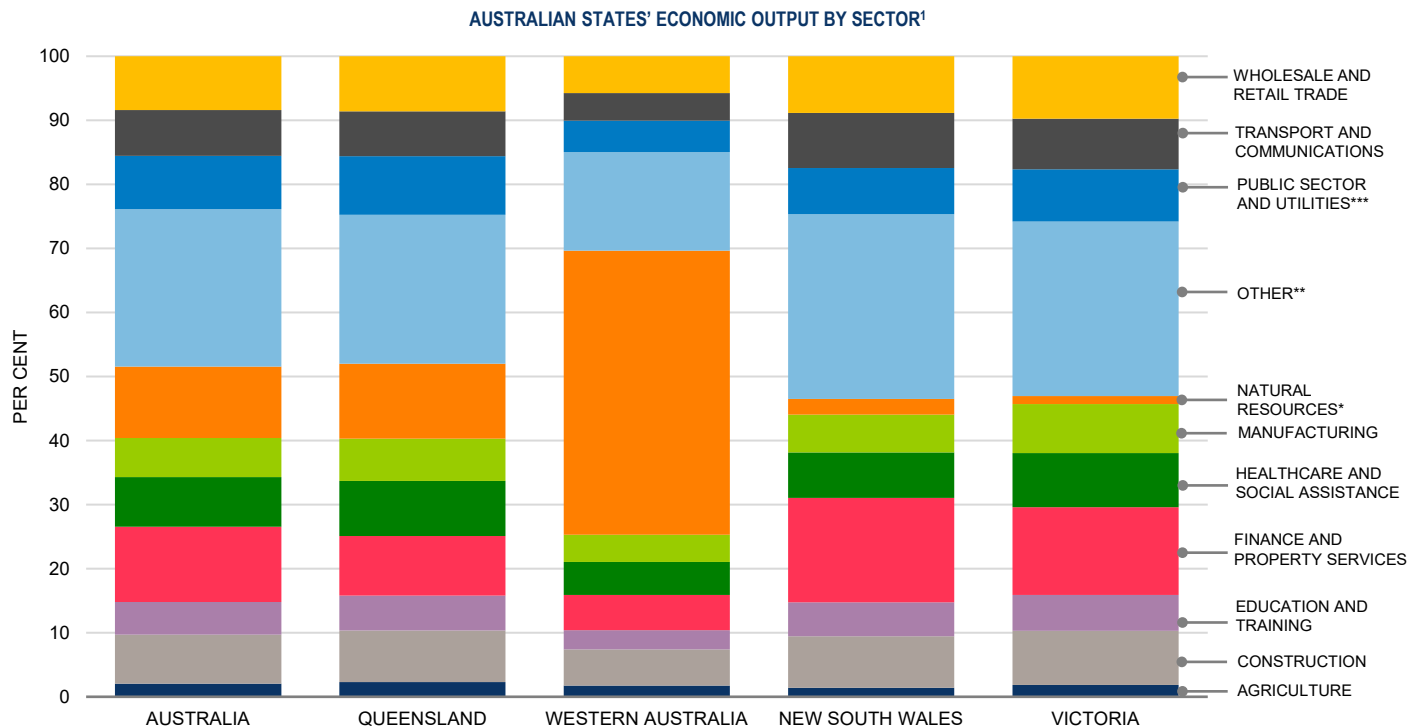
Data sources: ABS National Accounts, Australian Treasury and Queensland Government 2021–22 Budget.

## Employment back to pre-pandemic trend, unemployment rate to decline





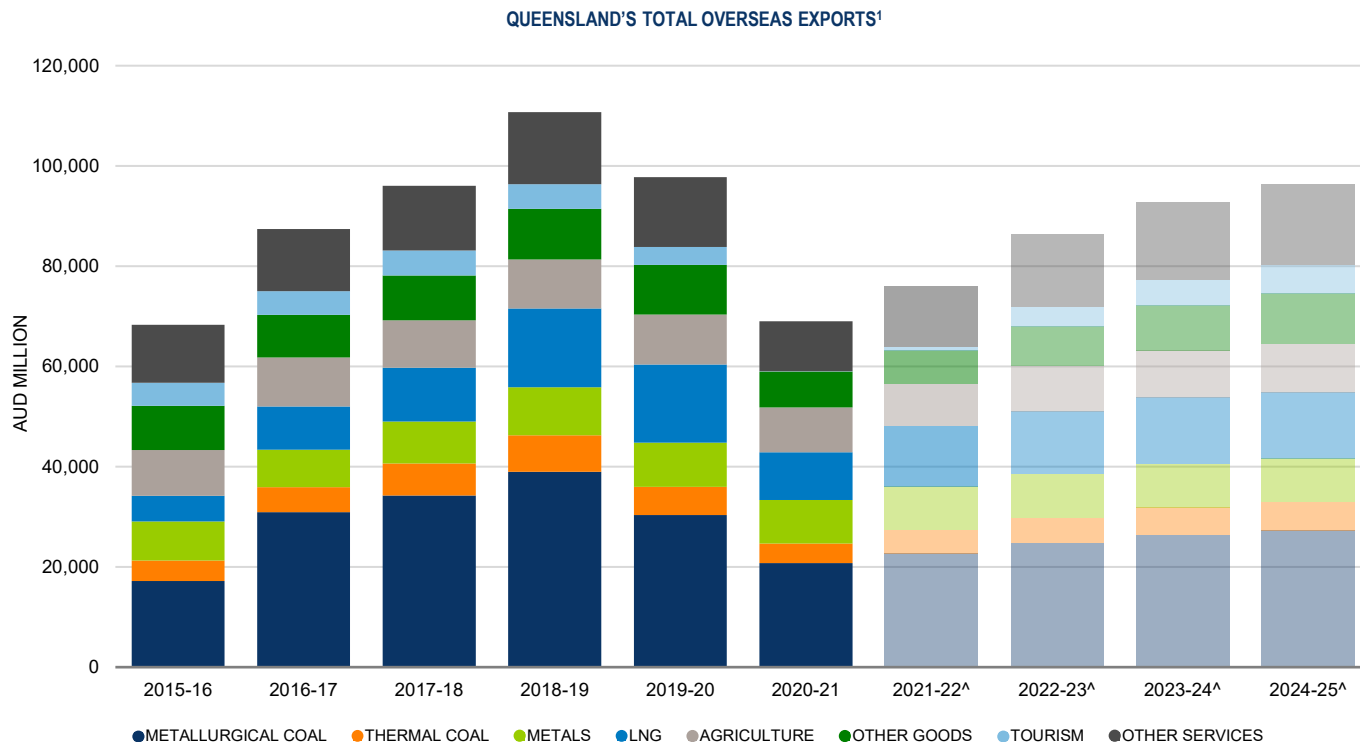
## Diverse and resilient economy – industry split of output similar to Australia



<sup>1</sup>2019-20, 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



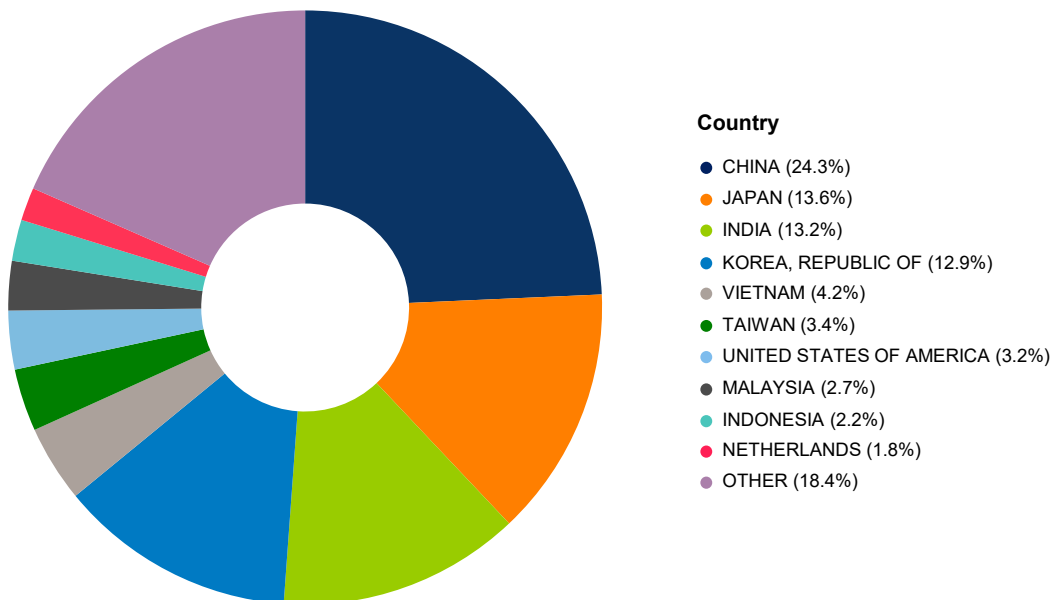
<sup>1</sup> Nominal terms. <sup>^</sup> Shaded areas represent forecasts.

**Note:** Tourism and Other Services are estimates in 2020-21 as actuals data is not yet available.

**Data sources:** ABS, Queensland Government 2021-22 Budget.

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

QUEENSLAND'S GOODS EXPORTS BY COUNTRY<sup>1</sup>



<sup>1</sup> Share of total value of goods exports, per cent.

**Data sources:** ABS unpublished trade data for 2020-21, Queensland Treasury.

# Queensland has its own taxation powers and receives federal fiscal support

## The states' sources of revenue

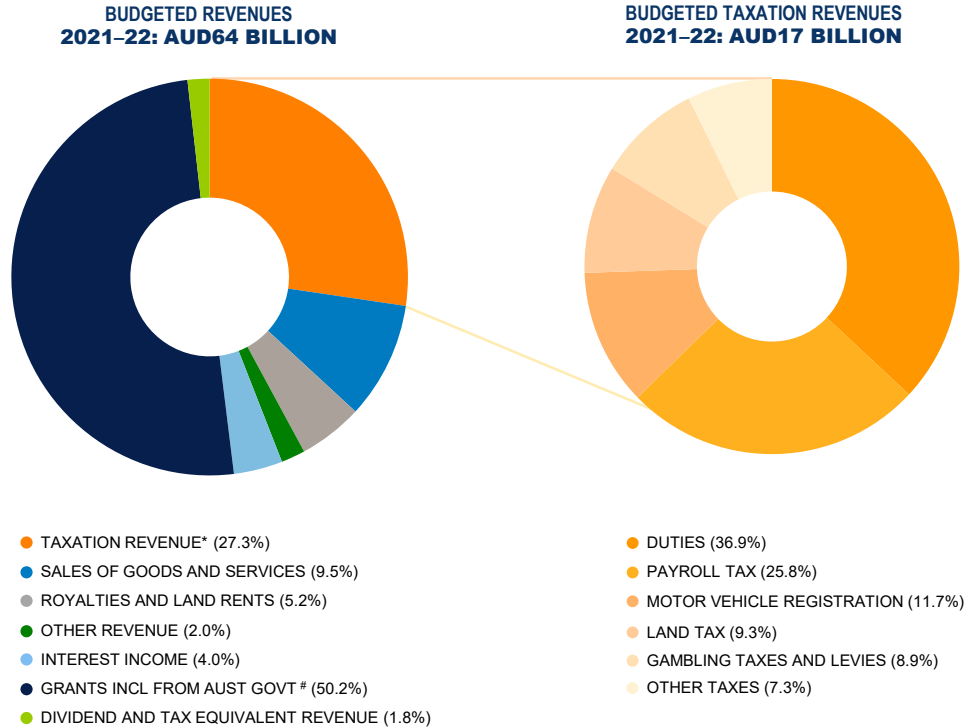
- Australian states and territories (states) impose taxes, duties and charges in areas distinct from those where the Australian Government has authority. Examples of state taxes include payroll taxes, royalties, stamp duties and land taxes.
- The Australian Government provides explicit and predictable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

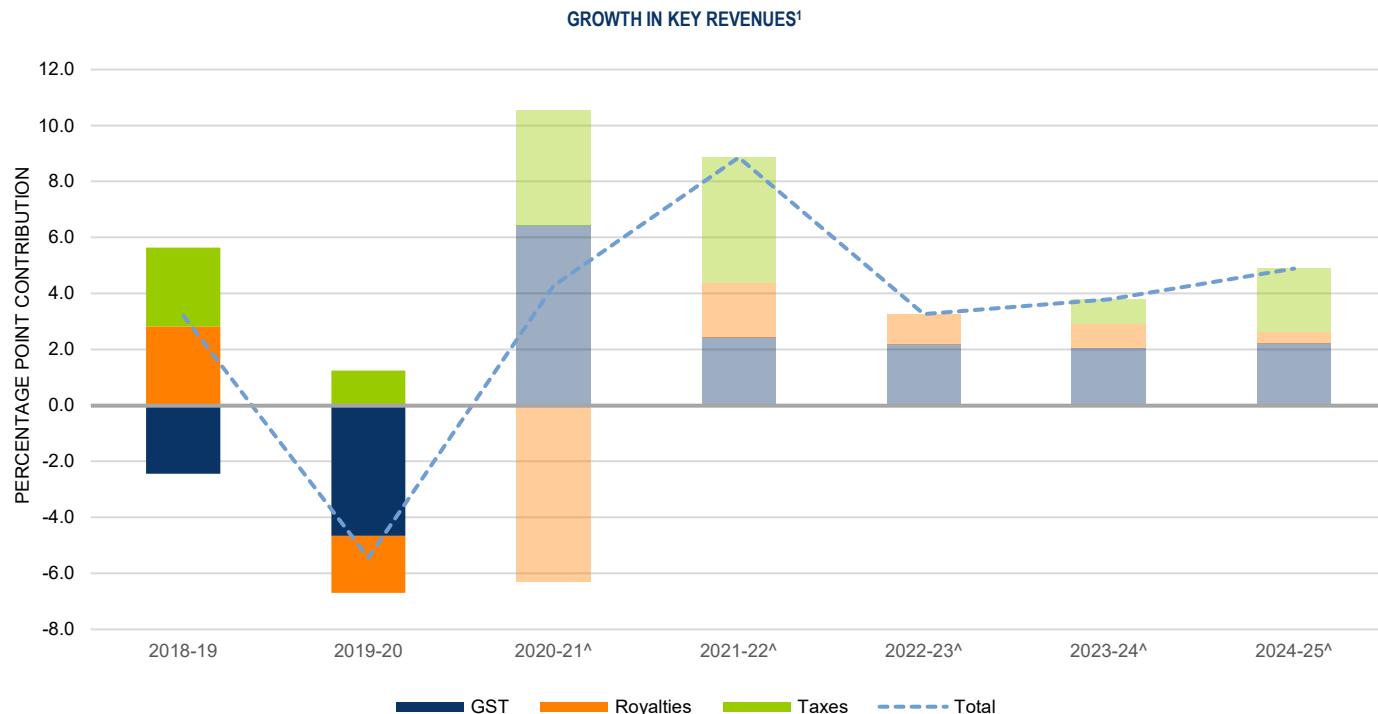
## Queensland has a diversified and stable revenue mix



*\* 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 2021–22 Budget.

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

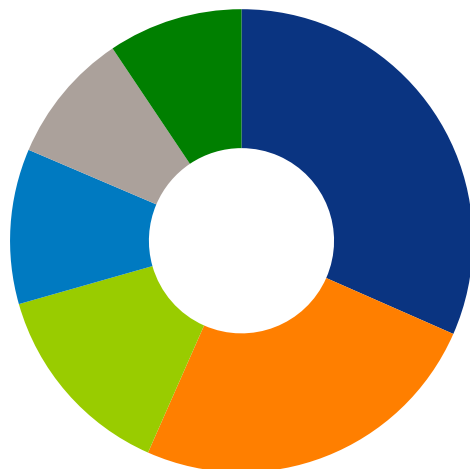


<sup>1</sup> Annual contribution to growth in key revenues. Total is the annual growth of the sum of the three categories. <sup>^</sup> Shaded areas represent forecasts.

Data source: Queensland Government 2021-22 Budget.

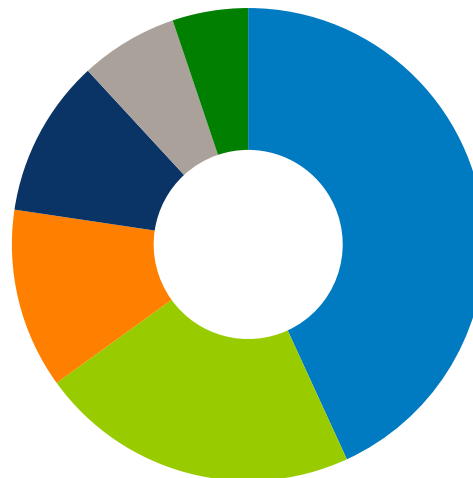
Health and education are the State's major operating expenses, while transport infrastructure is the biggest area of focus in terms of capital spending

GGS<sup>1</sup> BUDGETED OPERATING EXPENDITURE:  
2021–22: AUD67.1 BILLION



- HEALTH (31.6%)
- EDUCATION (25.0%)
- ECONOMIC AND OTHER SERVICES\* (14.0%)
- TRANSPORT (10.8%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (9.2%)
- PUBLIC ORDER AND SAFETY (9.4%)

NFPS<sup>2</sup> BUDGETED CAPITAL EXPENDITURE:  
2021–22: AUD11.5 BILLION



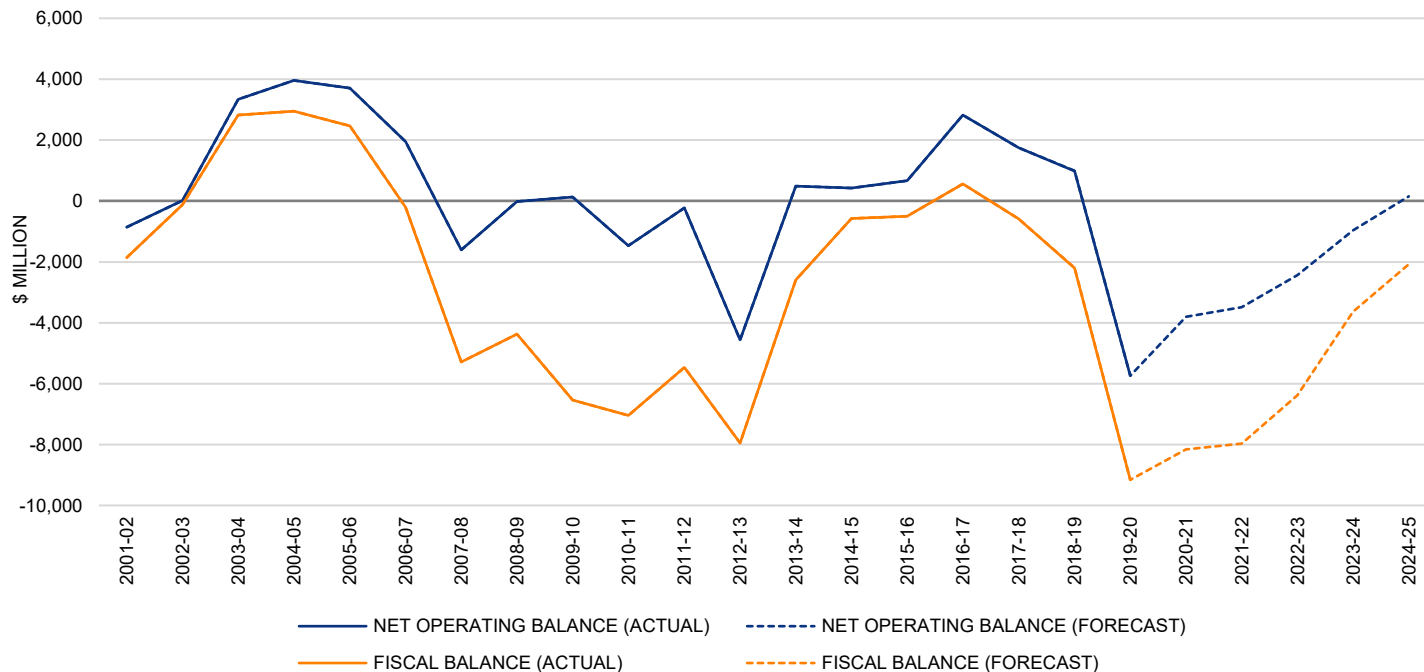
- TRANSPORT (43.1%)
- ECONOMIC AND OTHER SERVICES\* (21.9%)
- EDUCATION (12.3%)
- HEALTH (10.8%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (6.7%)
- PUBLIC ORDER AND SAFETY (5.2%)

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

Data source: Queensland Government 2021–22 Budget.

# Operating and fiscal deficits expected due to COVID-19 impact

GENERAL GOVERNMENT SECTOR NET OPERATING AND FISCAL BALANCES

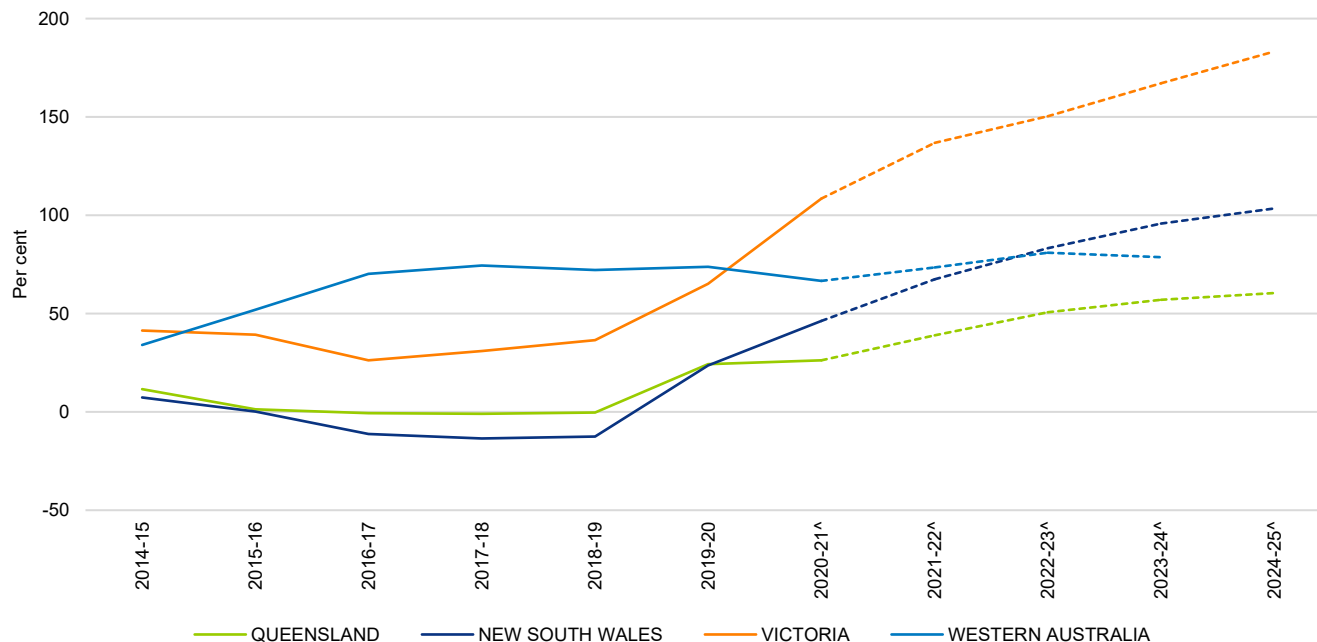


Data sources: Actuals data from Queensland Treasury. Forecasts data from Queensland Government 2021-22 Budget.



## 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 NET DEBT TO REVENUE RATIOS



<sup>\*</sup> Dotted lines represent forecasts.

**Data source:** 2021-22 Budget for New South Wales, Victoria and Queensland. Pre-election budget update for Western Australia.

# Queensland's commitment to positive Environmental, Social and Governance (ESG) outcomes



## ENVIRONMENTAL

- State target to reach zero net emissions by 2050
- State signatory to *Under2 Memorandum Of Understanding* climate agreement for subnational governments
- Climate Action Plan 2030, including transition and adaptation initiatives



## SOCIAL

- Ongoing investment in health and education
- Targeted subsidies for social housing, public transport, energy and water
- Legislation and policies to support human rights and equal opportunities



## GOVERNANCE

- Stable system of government and political framework
- Strong financial management
- COVID-19 pandemic support initiatives

The Queensland Government acknowledges the increasing expectations of the global community to demonstrate its approach to considering ESG risk factors and sustainability issues in its decision making. Queensland's ESG Statement is available at [www.treasury.qld.gov.au/programs-and-policies/esg-statement/](http://www.treasury.qld.gov.au/programs-and-policies/esg-statement/)

As of July 2021, the State of Queensland received an MSCI ESG Rating of AA, ESG Trend Negative. Certain information ©2021 MSCI ESG Research LLC. Data reproduced with permission from MSCI ESG Research LLC. No use or distribution without written consent. Data provided "as is" without any warranties. MSCI ESG Research LLC and affiliates assume no liability for or in connection with the data. Please see complete disclaimer and MSCI ESG Badge disclaimer in [www.qtc.com.au/queenslands-sustainability-initiatives/](http://www.qtc.com.au/queenslands-sustainability-initiatives/).

# Queensland's action on climate change



The Queensland Government has set targets for reducing emissions while creating jobs.

1. 50%<sup>1</sup> renewable energy target by 2030
2. 30% emissions reduction below 2005 levels by 2030
3. zero net emissions by 2050

The Climate Action Plan 2030 at [www.des.qld.gov.au/climateaction](http://www.des.qld.gov.au/climateaction) outlines the State's initiatives to reach its emissions and renewables targets, create jobs and drive economic recovery from COVID-19.

The plan builds on the Government's work-to-date, including two climate change strategies released in 2017—The Climate Transition Strategy and Climate Adaptation Strategy.

The [Queensland Climate Adaptation Strategy](#) provides a guide for Queensland to become more climate resilient and manage the risks associated with a changing climate.

<sup>1</sup> For the purposes of measuring performance against this target, the Queensland Government currently reports a measure of renewable energy generation in Queensland as a proportion of electricity consumption within Queensland (excluding exports). i.e. An estimate of the proportion of electricity consumed in Queensland that is generated from renewable sources.

## 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 are less than other large states
- a commitment to positive ESG outcomes, 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.

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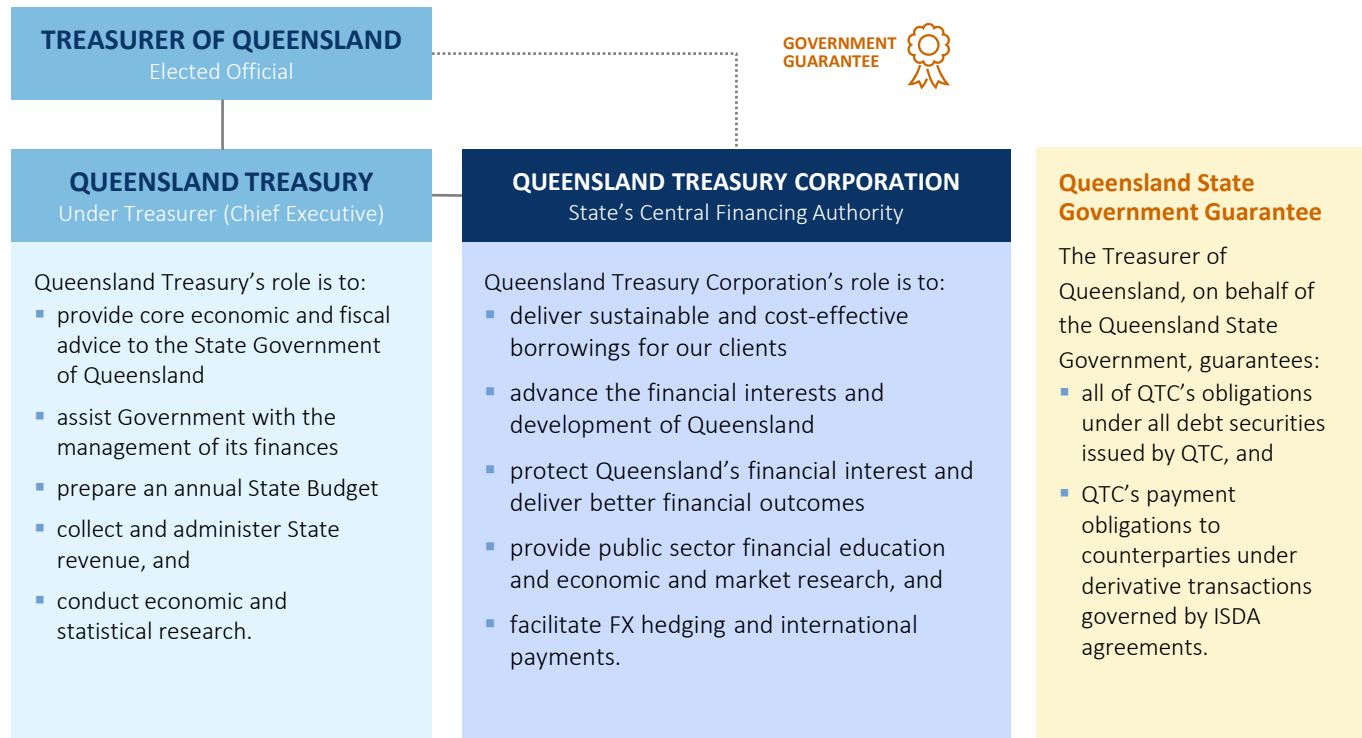


QUEENSLAND  
TREASURY  
CORPORATION

# Queensland Treasury Corporation

# QTC is government-owned and its debt is government guaranteed

QTC is the central financing authority for the Queensland Government and provides financial resources and services for the State



## QTC is rated AA+/Aa1/AA

### Credit ratings

QTC carries the same credit ratings as the State of Queensland – founded on its diverse economic base, established institutional framework, significant liquidity levels and Federal fiscal support.

Queensland has financial holdings greater than its superannuation obligations.



#### LOCAL CURRENCY

##### S&P Global

Long-term **AA+**

Short-term **A-1+**

Outlook **Stable**

##### Moody's

Long-term **Aa1**

Short-term **P-1**

Outlook **Stable**

##### Fitch

Long-term **AA**

Short-term **F1+**

Outlook **Stable**



#### FOREIGN CURRENCY

##### S&P Global

Long-term **AA+**

Short-term **A-1+**

Outlook **Stable**

##### Moody's

Long-term **Aa1**

Short-term **P-1**

Outlook **Stable**

##### Fitch

Long-term **AA**

Short-term **F1+**

Outlook **Stable**



# Consolidated asset base

## Clients

- Principally Queensland's public sector (also entities guaranteed, supported or approved by the State).
- 126 borrowing clients (government-owned corporations, government departments, local governments and statutory bodies).
- 199 investors in QTC's Capital Guaranteed Cash Fund (government-owned corporations, government departments, local governments and statutory bodies).

*As the State's central financing authority, QTC only charges for services on a cost recovery basis.*

## MARKET VALUE – AS AT 30 JUNE 2021

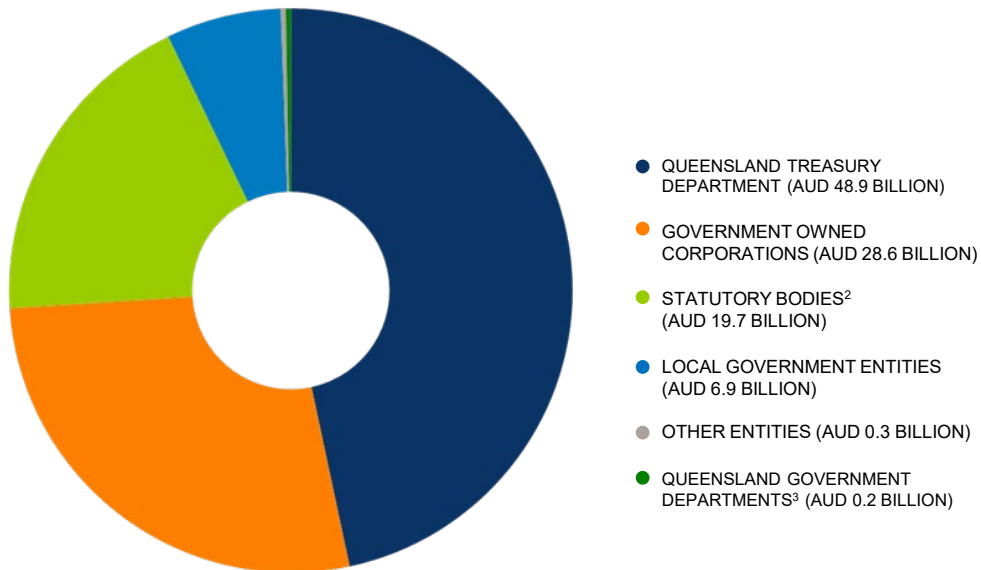
	Capital markets operations	State investment operations <sup>#</sup>	QTC consolidated
	AUD bn	AUD bn	AUD bn
Loan to clients	104.6	-	104.6
Liquidity/management reserves*	18.6	-	18.6
<b>Sub-total</b>	<b>123.2</b>	<b>-</b>	<b>123.2</b>
Assets under management-client deposits	8.1	-	8.1
Other managed investments <sup>#</sup>	-	37.8	37.8
<b>Total</b>	<b>131.3</b>	<b>37.8</b>	<b>169.1</b>

As at 30 June 2021. \* Excludes any QTC bonds held as assets. <sup>#</sup> The Queensland Government transferred to QTC the States' long-term assets which are held to meet the future superannuation and other long-term obligations of the State. These assets are managed by QIC Limited.

## Since 1988, QTC has funded the State's public sector programs

- Under the Industry Support Package, QTC has extended AUD36.5 million\* in loans to non-State entities to support the State's COVID-19 response. QTC's exposures are guaranteed by the Queensland Government.

LOANS TO CLIENTS<sup>1</sup> (MARKET VALUE) **AUD104.6 BILLION**

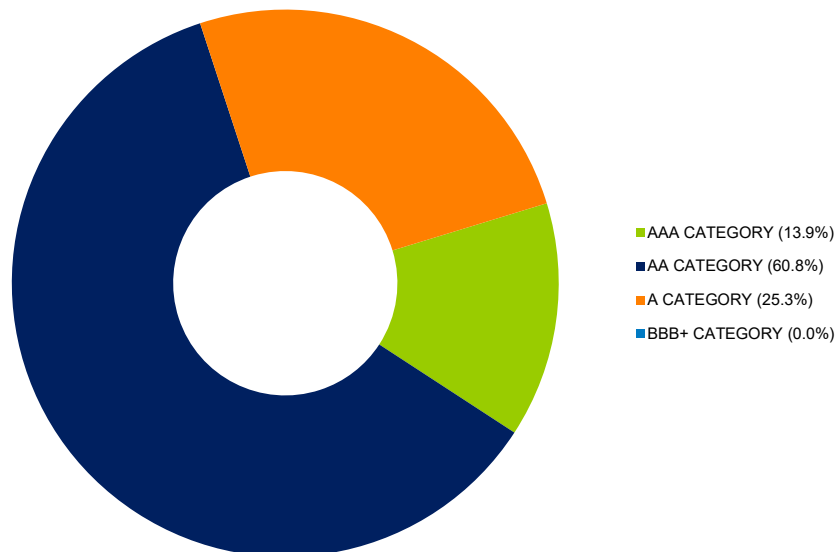


As at 30 June 2021. <sup>1</sup> Figures are rounded. <sup>2</sup> Includes Queensland water entities, universities, grammar schools and water boards. <sup>3</sup> Includes other bodies within the public accounts. \* As at 30 June 2021

## QTC has a conservative approach to risk management

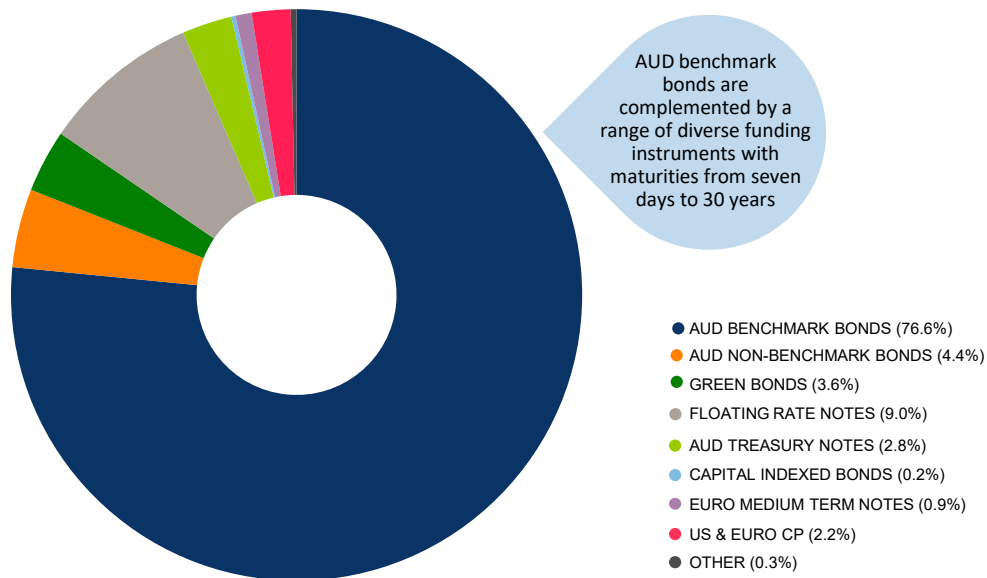
- Approximately 75 per cent of QTC's counterparty credit exposures are rated AA- or higher.
- All types of financial risk, including interest rate, foreign exchange and counterparty risk, are managed within QTC's Board approved risk parameters.
- Enterprise risk management processes are independent to operational activities.
- Risk provisions are in line with industry best practice.
- Diversified funding instruments and regular issuances are used to mitigate funding risks.
- A portfolio of diverse, liquid financial securities is held to meet the State's liquidity requirements.
- Market credit exposure is restricted to dealings with counterparties rated BBB+ or higher.

COUNTERPARTY CREDIT EXPOSURES



## QTC uses a diverse range of funding instruments

FUNDING SOURCES BY INSTRUMENT (FACE VALUE) ~AUD112.19 BILLION



As at 30 June 2021. Figures are rounded.

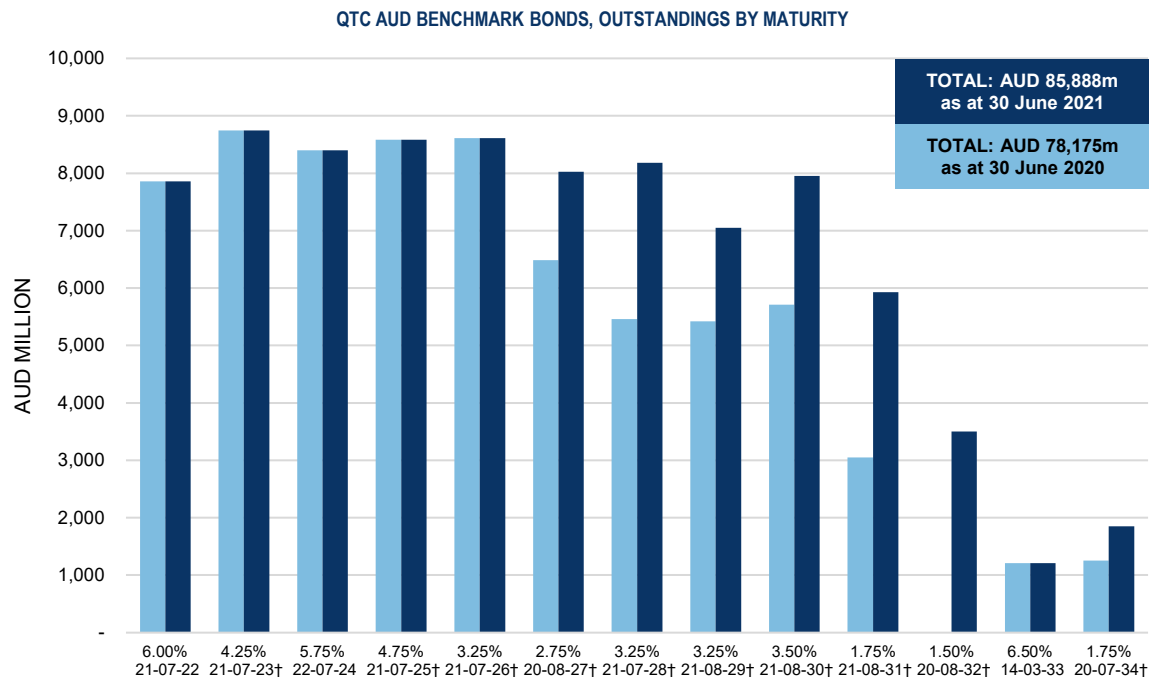
## A diverse investor base by geography and type

- QTC's domestic and global investors include central banks and other sovereign investors, multi-national finance, superannuation and investment corporations, and major domestic and international banks.
- Approximately 25% of Australian semi-issuance is held offshore<sup>1</sup>.
- QTC's established issuance program is built on more than 30 years' experience in global capital markets.
- New bond lines may be offered in the US to 'qualified institutional buyers' pursuant to Rule 144A.



## AUD benchmark bond lines are QTC's principal source of funding

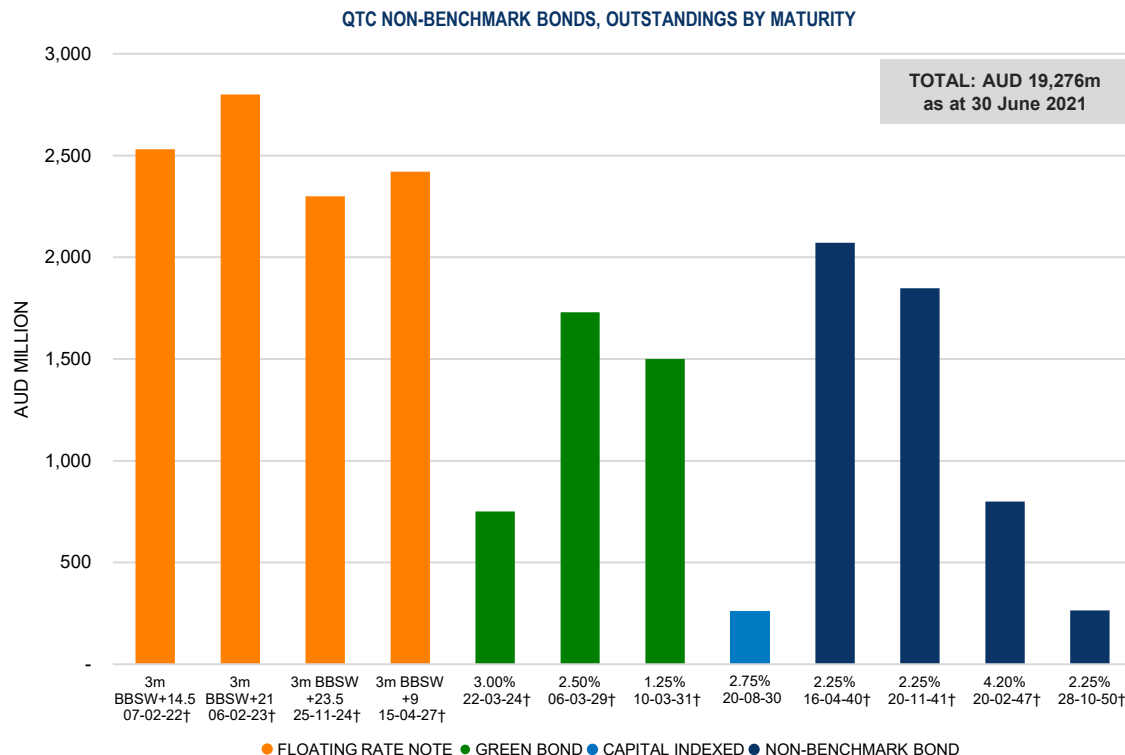
- 13 established lines with various maturities across the curve.
- New bond lines issued under the domestic program may be offered in the US to 'qualified institutional buyers' pursuant to Rule 144A.
- In January 2021, QTC issued a new AUD 2032 maturity, further establishing its benchmark curve.



As at 30 June 2021. † 144A capability. QTC trades in its own securities in the open market. Such securities may be held, resold or cancelled at QTC's discretion.

## Non-benchmark bonds complement AUD benchmark bonds

- QTC monitors the market to issue other instruments, taking into account investor demand, client funding requirements and market conditions.
- In FY20-21, QTC issued a new 2031 green bond, a new 2027 FRN and a new 2050 maturity.
- QTC has a total of AUD3.98 billion outstanding across three CBI certified green bond lines.



As at 30 June 2021. †144A capability. QTC trades in its own securities in the open market. Such securities may be held, resold or cancelled at QTC's discretion

**Note:** The 2.75% 20 Aug 2030 outstandings do not include indexation of AUD106.8 million.

# QTC Green Bonds

Supporting Queensland's transition to a low carbon, climate resilient and environmentally sustainable economy



Eligible project and asset pool of approximately AUD16.8 billion, of which approximately AUD4.03 billion of green bond proceeds have been allocated.



Green bonds are issued in accordance with QTC's Green Bond Framework, and either, the Climate Bonds Standard or the ICMA Green Bond Principles.



Committed to a high standard of transparency – annual reporting and independent third-party assurance.



Climate Bonds Programmatic Certification from CBI provides a more streamlined certification process for greater flexibility in issuance.

**Climate Bonds**  
AWARDS\*2020

Climate Bonds Initiative Annual Green Bond Pioneer Awards: Largest Subnational Deal of 2019

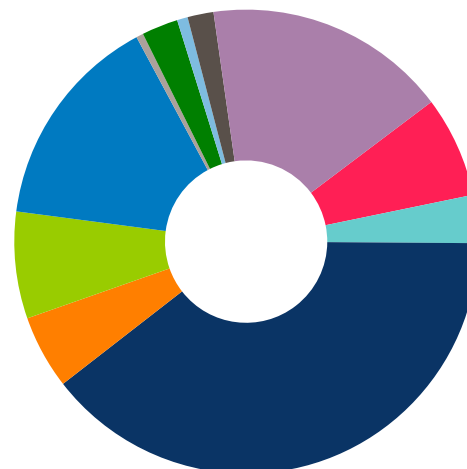
**FinanceAsia**

Finance Asia Deal Achievement Award for Best Green Bond Deal of 2017

QTC's Green Bond Annual Report is available at:

<https://www.qtc.qld.gov.au/institutional-investors/green-bonds>

**ALLOCATION OF GREEN BOND PROCEEDS  
APPROXIMATELY AUD4.03 BILLION**

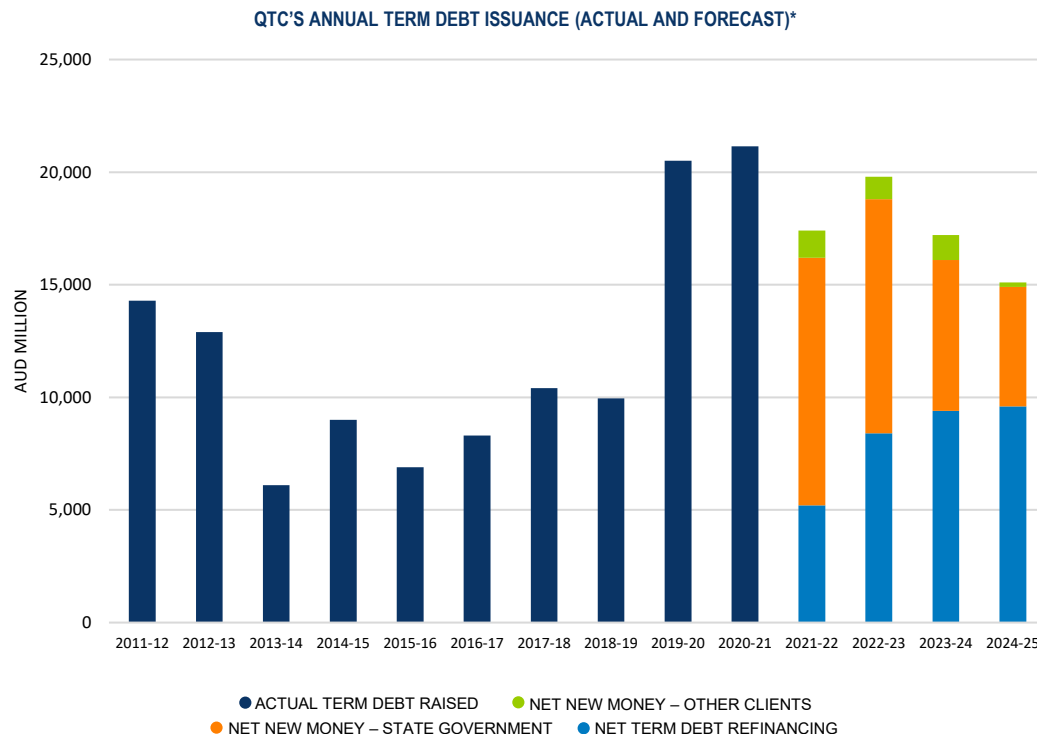


- CITYTRAIN NETWORK (1,587.0M)
- REDCLIFFE PENINSULA LINE (207.3M)
- CITYTRAIN ROLLING STOCK (300.0M)
- NEW GENERATION ROLLING STOCK (607.8M)
- TILT TRAINS ROLLING STOCK (20.0M)
- CYCLEWAYS (102.0M)
- SUNSHINE COAST SOLAR FARM (30.0M)
- WARWICK SOLAR FARM (73.0M)
- GOLD COAST DESALINATION PLANT (684.0M)
- GOLD COAST LIGHT RAIL STAGE 1 (283.7M)
- GOLD COAST LIGHT RAIL STAGE 2 (134.8M)



## QTC's annual term debt issuance

- Since 2020, the State Government has committed more than AUD11 billion in COVID-19 support initiatives.
- AUD52.2 billion, four-year capital works program.
- In addition to the total term debt requirement, QTC expects to maintain a minimum of approximately AUD5 billion of short-term debt.



As at 15 June 2021. \*Does not include short-term debt of approximately AUD5 billion each year. Actual debt raised is calculated from Annual Borrowing Program release to the release of the next Annual Borrowing Program, except for 2019–20 due to out of cycle Annual Borrowing Program release.

## QTC's 2021–22 indicative term debt borrowing program

In addition to the total term debt requirement, QTC expects to maintain a minimum of approximately AUD5 billion of short-term debt.

Requirements	2021–22 AUD M <sup>1</sup>	2022–23 AUD M <sup>1</sup>	2023–24 AUD M <sup>1</sup>	2024–25 AUD M <sup>1</sup>
State <sup>2</sup>	11,000	10,400	6,700	5,300
Local Government and other entities <sup>3</sup>	1,200	1,000	1,100	200
<b>Total new money</b>	<b>12,200</b>	<b>11,400</b>	<b>7,800</b>	<b>5,500</b>
<b>Net term debt refinancing<sup>4</sup></b>	<b>5,200</b>	<b>8,400</b>	<b>9,400</b>	<b>9,600</b>
<b>Total term debt requirement</b>	<b>17,400</b>	<b>19,800</b>	<b>17,200</b>	<b>15,100</b>

As at 15 June 2021. <sup>1</sup> Numbers are rounded to the nearest AUD100 million. <sup>2</sup> Includes general government and government-owned corporations. <sup>3</sup> Other entities include: universities, grammar schools, retail water entities and water boards. <sup>4</sup> Includes term debt maturities, net issuance undertaken in advance of borrowing requirements and scheduled client principal repayments.

**Note:** Funding activity may vary depending upon actual client requirements, the State's fiscal position and financial market conditions.

## Summary of key points

### Queensland Treasury Corporation:

- funds the Queensland Government public sector
- is 100 per cent government-owned
- has all debt security and derivative ISDA obligations fully guaranteed by the State of Queensland
- issues debt that carries the following credit rating (identical to the State of Queensland)
  - S&P Global: AA+/Stable/A-1+
  - Moody's: Aa1/Stable/P-1
  - Fitch: AA/Stable/F1+
- has 13 AUD benchmark bond lines on issue
- has an indicative term debt borrowing program of AUD17.4 billion for 2021–22
- employs a conservative and transparent funding strategy, and
- has more than 30 years' experience in global debt capital markets.



QUEENSLAND  
TREASURY  
CORPORATION

# Appendices

# Queensland Treasury Corporation



## About QTC

- Founded in 1988, Queensland Treasury Corporation (QTC) is a corporation sole, constituted by the Under Treasurer in accordance with the Queensland Treasury Corporation Act 1988.
- QTC has responsibility for the State of Queensland's debt funding and financial risk management. In its funding role, QTC borrows funds in the domestic and international markets by issuing a variety of debt instruments.
- Its clients include Queensland Government departments and agencies, local governments, government-owned corporations, and statutory bodies and universities.
- QTC is able to capture significant economies of scale and scope in the issuance, management and administration of the State's debt.

# Queensland State Government Guarantee

The Treasurer of Queensland, on behalf of the State Government, guarantees:

- QTC's obligations under the debt securities issued by QTC, and
- QTC's payment obligations to counterparties under derivative transactions governed by ISDA agreements.

In respect to all domestic securities issued by QTC, section 32 of the *Queensland Treasury Corporation Act 1988* provides a statutory guarantee of QTC's obligations to stockholders:

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**Section 32** The due repayment of principal on inscribed stock issued in accordance with this Act and, where payable, the due payment of interest relating to the inscribed stock are guaranteed by the Treasurer, on behalf of the Government.

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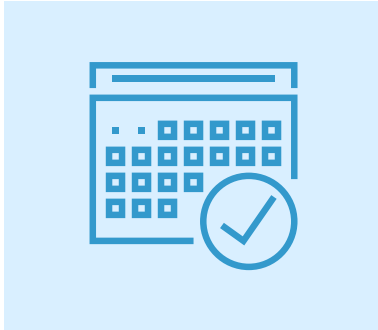
Section 33 of the *Queensland Treasury Corporation Act* empowers the Treasurer to guarantee due payment of moneys and due performance of obligations in accordance with financial arrangements or other arrangements entered into by QTC. Such discretionary guarantees have been granted by the Treasurer and continue to operate in support of QTC's offshore debt facilities.

All payments by the State Government under these guarantees are appropriated under section 34 of the *Queensland Treasury Corporation Act*, meaning they can be paid from the State's Consolidated Fund without any further legislative approval.

## Key funding principles

<b>CONSERVATIVE</b>	Balanced debt maturity profile supported by liquid reserves
<b>PRUDENT</b>	Disciplined approach to financial risk management
<b>TRANSPARENT</b>	Comprehensive, regular market updates
<b>COMMITTED</b>	Valued long-term investor and intermediary relationships

## Queensland's long-term assets



- Queensland's long-term assets comprise investments set aside to fund long-term obligations of the State. These assets were transferred to QTC by the Queensland Government and in return QTC issued fixed-rate notes that provide a fixed rate of return. These assets are split into two investment funds:
  - Long Term Assets Fund comprises assets to fund the State's defined benefit superannuation scheme and other long-term State initiatives. In 2008, the Queensland Government transferred assets to support the defined benefit superannuation scheme. In June 2021, more assets were transferred to fund other long-term State initiatives.
  - Queensland Future Fund comprises assets invested to reduce the debt of the State. In August 2020, the Queensland Future Fund Bill 2020 was passed, establishing the Queensland Future Fund and its first sub fund, the Debt Retirement Fund.
- The Long Term Assets Fund and the Queensland Future Fund are overseen by the State Investment Advisory Board and managed by Queensland Investment Corporation (QIC). They include cash, fixed interest, international equities and other diversified alternative investments.
- Queensland is in a unique position with financial holdings greater than its superannuation obligations, with assets under management of approximately AUD37.8 billion as at 30 June 2021.



# Australia's federal and state system

## Federalism

The Commonwealth of Australia ('Australian Government' or the 'Commonwealth') was formed as a federal union on 1 January 1901, when the six British colonies of New South Wales, Victoria, Queensland, South Australia, Western Australia and Tasmania were united as states in a federation. In addition to the six states, Australia has two territories — Northern Territory and the Australian Capital Territory — the latter hosting the nation's capital of Canberra.

## Powers

### **Australian Government**

The Australian Parliament has power to legislate on specific matters of national interest, such as defence, external affairs, overseas and interstate trade and commerce, currency and banking. The Australian Government also has primary responsibility for overall economic management in Australia. For example, they have responsibility for monetary policy, national budget policy, fiscal policy, exchange rates and external policy.

### **State Government**

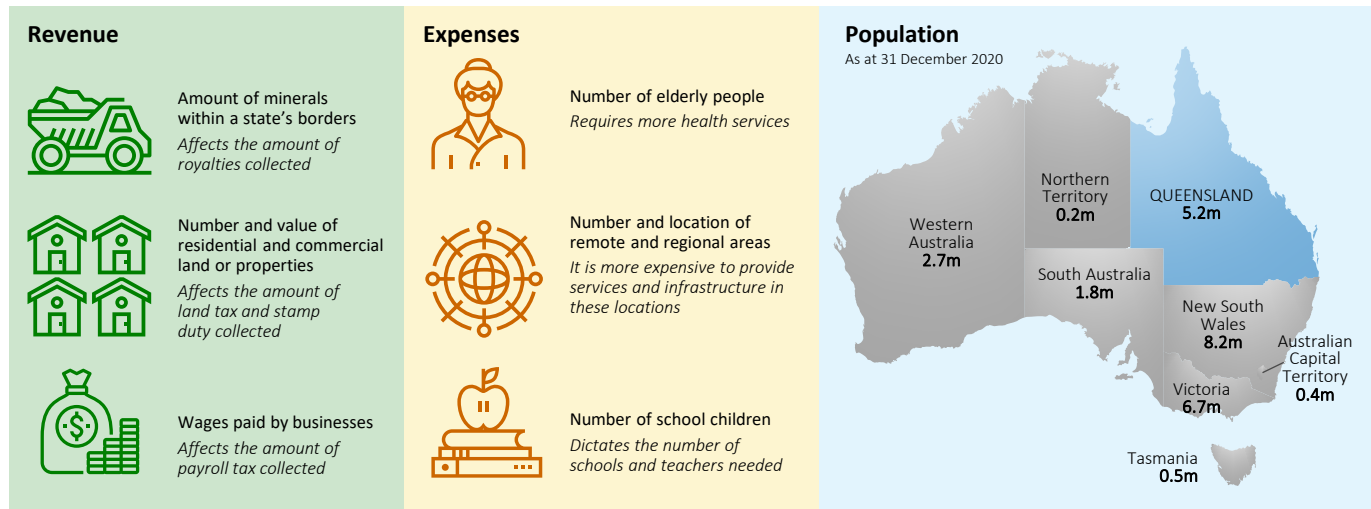
The state parliaments retain powers over all matters other than those granted to the Australian Government under the Constitution.

State powers include control over education, public health, police and justice, transport, roads and railways, industry, mining and agriculture, public works, ports, forestry, electricity, gas, and water supply and irrigation.

## Distribution of GST

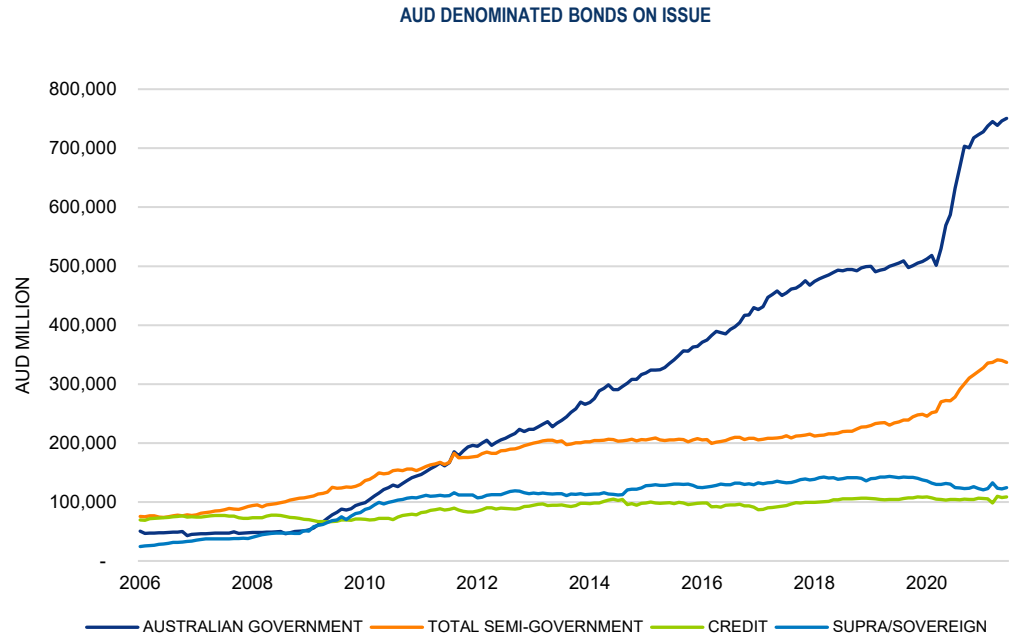
- States and territories (states) receive all revenue collected by the Australian Government via the Goods and Services Tax (GST).
- It is allocated using the principles of horizontal fiscal equalisation, which is designed to equalise the states' fiscal capacity to provide public services to the same standard.
- Under this system, some states with below average revenue raising capacity or above average spending requirements receive a larger share of GST (and vice versa).
- The independent Commonwealth Grants Commission determines the annual allocation across the states.

### Examples of differences between states to raise revenue and their expenses



## AUD denominated bonds on issue

It is widely expected that under current fiscal estimates, the volume of Australian semi-government benchmark bonds on issue will continue to increase.



**Data source:** Bloomberg Composite Bond Index as at 30 June 2021.

**Note:** The change to Bloomberg Composite Index has resulted in changes to the credit and supra/sovereign data.

## Queensland's peers' credit ratings

Australian	Rating agency		
	S&P Global	Moody's	Fitch
<b>Queensland</b>	AA+/Stable/A-1+	Aa1/Stable/P-1	AA/F1+/Stable
<b>Australian Capital Territory</b>	AAA/Negative/A-1+	Rating withdrawn 20 August 2005 (from Aaa)	
<b>New South Wales</b>	AA+/Stable/A-1+	Aaa/Stable/P-1	
<b>Northern Territory</b>	Not rated by S&P	Aa3/Stable/--	
<b>South Australia</b>	AA+/Negative/A-1+	Aa1/Stable/P-1	AA/F1+/Stable
<b>Tasmania</b>	AA+/Stable/A-1+	Aa2/Stable/P-1	
<b>Victoria</b>	AA/Stable/A-1+	Aa1/Negative/P-1	
<b>Western Australia</b>	AA+/Stable/A-1+	Aa1/Stable/P-1	

## Funding instruments

QTC has a diverse range of funding instruments in a variety of markets and currencies.

The majority of QTC's funding is sourced through long-term debt instruments, with QTC's AUD benchmark bonds being the principal source of funding.

Overview as at 30 June 2021		Size \$M	Maturities available	Currencies
Short-term	Domestic T-Note	Unlimited	7–365 days	AUD
	Euro CP	USD10,000	1–364 days	Multi-currency
	US CP	USD10,000	1–270 days	USD
Long-term	AUD Bond	Unlimited	13 benchmark lines: 2022–2034  A range of non-benchmark lines (e.g. Green Bonds, FRNs etc)	AUD
	Euro MTN	USD10,000	Any maturity subject to market regulations	Multi-currency
	US MTN	USD10,000	9 months–30 years	Multi-currency

## AUD Benchmark Bond Distribution Group\*



QTC's Fixed Income Distribution Group of 12 banks is committed to providing investors with two way pricing in the secondary market, as well as supporting primary issuance activity.

- ANZ Banking Group Limited
- BofA Securities
- Citi
- Commonwealth Bank of Australia
- Deutsche Bank
- J.P. Morgan
- National Australia Bank
- Nomura International plc
- RBC Capital Markets
- TD Securities
- UBS Investment Bank
- Westpac Banking Corporation



As at 30 June 2021.

\* Actual dealer legal entities may vary depending on the facility and location of the dealer.

# Medium-Term Note (MTN) Programs

- Queensland State Government guaranteed
- Australian interest withholding tax exempt
- Multi-currency
- Euro and US programs
- Structured to meet investor requirements (currency, coupon, maturity etc.)
- Reverse enquiry placement through MTN Distribution Group
- Reverse enquiry placement through non-Distribution Group members ('Dealer for a Day')

## MTN Distribution Group\*

### Euro MTN

- ANZ Banking Group Limited
- BofA Securities
- Citi
- Commonwealth Bank of Australia
- Deutsche Bank
- J.P. Morgan
- National Australia Bank
- Nomura International plc
- RBC Capital Markets
- TD Securities
- UBS Investment Bank
- Westpac Banking Corporation

### US MTN

- ANZ Securities
- BofA Securities
- Citi
- Commonwealth Bank of Australia
- Daiwa Capital Markets
- Deutsche Bank Securities
- J.P. Morgan
- NAB Securities, LLC
- RBC Capital Markets
- TD Securities
- UBS Investment Bank

As at 30 June 2021.

\* Actual dealer legal entities may vary depending on the facility and location of the dealer.

# Treasury Note (T-Note) and Commercial Paper (CP) programs



- Queensland State Government Guaranteed
- Australian, Euro and US programs
- AUD and multi-currency
- Reverse enquiry placement through dealer panels
- T-Note, Euro and US CP programs are Australian interest withholding tax exempt

## T-Note and CP Dealer Panels\*

### Domestic T-Note

- ANZ Banking Group Limited
- Commonwealth Bank of Australia
- Deutsche Bank
- National Australia Bank Limited
- Westpac Banking Corporation

### Euro CP

- Barclays
- BofA Securities
- Citi
- UBS Investment Bank

### US CP

- BofA Securities
- Citi
- UBS Investment Bank

As at 30 June 2021.

\* Actual dealer legal entities may vary depending on the facility and location of the dealer.



# Glossary

<b>ABS</b>	Australian Bureau of Statistics	<b>ISDA</b>	International Swaps and Derivatives Association
<b>APRA</b>	Australian Prudential Regulation Authority	<b>IWT</b>	Interest withholding tax
<b>AUD</b>	Australian dollar	<b>LNG</b>	Liquefied natural gas
<b>CBI</b>	Climate Bonds Initiative	<b>(mv)</b>	Market value
<b>CGS</b>	Commonwealth Government Securities	<b>MTN</b>	Medium-term note
<b>CIB</b>	Capital indexed bond	<b>MYEFO</b>	Mid-Year Economic and Fiscal Outlook
<b>CP</b>	Commercial paper	<b>MYFER</b>	Mid-Year Fiscal and Economic Review
<b>CPI</b>	Consumer price index	<b>QIC</b>	Queensland Investment Corporation
<b>DTC</b>	The Depository Trust Company	<b>QTC</b>	Queensland Treasury Corporation
<b>ESG</b>	Environmental, Social, Governance	<b>RBA</b>	Reserve Bank of Australia
<b>(fv)</b>	Face value	<b>RHS</b>	Right hand side
<b>GDP</b>	Gross Domestic Product	<b>SGG</b>	State Government Guarantee (Queensland)
<b>FRN</b>	Floating rate note	<b>T-Note</b>	Treasury note
<b>ICMA</b>	International Capital Market Association		



The Queensland Coat of Arms, represented in Queensland Treasury Corporation's logo, was granted by Queen Victoria in 1893 and symbolises her constitutional authority for the State.

At the top, the State badge is surrounded by two stems of sugar cane. Below the badge, the shield features the heads of a bull and a merino ram, a sheaf of wheat, and a column of gold rising from a pile of quartz, over a spade and pick. These elements symbolise Queensland's strong agricultural and mining industries.

In 1977, during her Silver Jubilee year, Queen Elizabeth II granted the Arms two 'supporters', a red deer and Queensland's native brolga.

The State motto, Audax at Fidelis, means 'Bold but Faithful'.

[www.qtc.qld.gov.au](http://www.qtc.qld.gov.au)  
BLOOMBERG TICKER: QTC

T: +61 7 3842 4600  
F: +61 7 3221 4122

GPO Box 1096, Brisbane  
Queensland Australia 4001