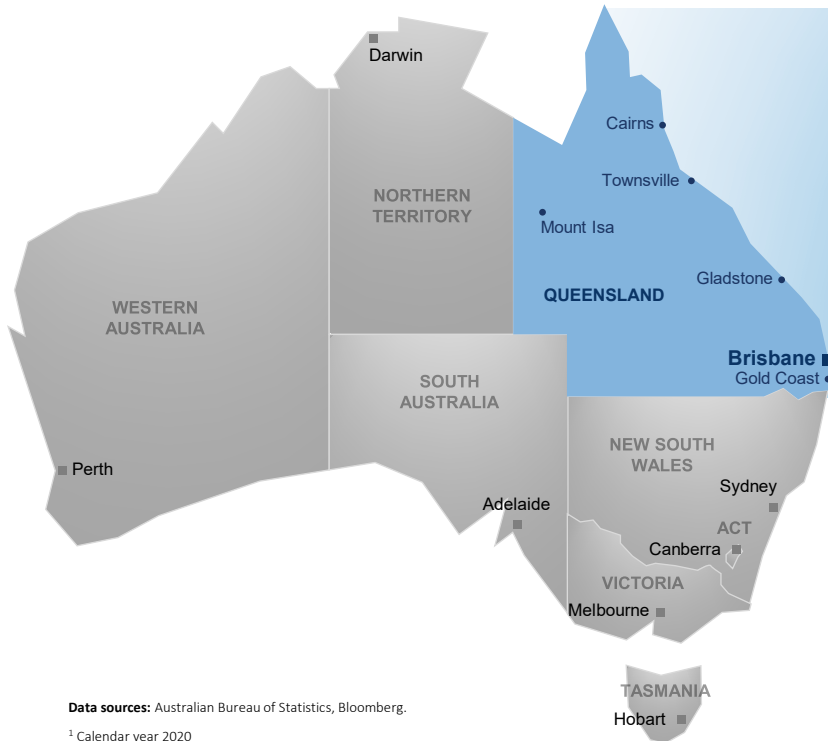




QUIDAM AT FIDELIS

QUEENSLAND
TREASURY
CORPORATION

Queensland



QUEENSLAND

- AUD358 billion Gross State Product (GSP)¹
- 3.8% real GSP annual growth rate²
- 5.2 million people³
- Rated AA+/Aa1/AA



AUSTRALIA

- AUD1,972 billion Gross Domestic Product (GDP)¹
- 2.9% real GDP annual growth rate²
- 25.7 million people³
- Rated AAA by all major rating agencies

Data sources: Australian Bureau of Statistics, Bloomberg.

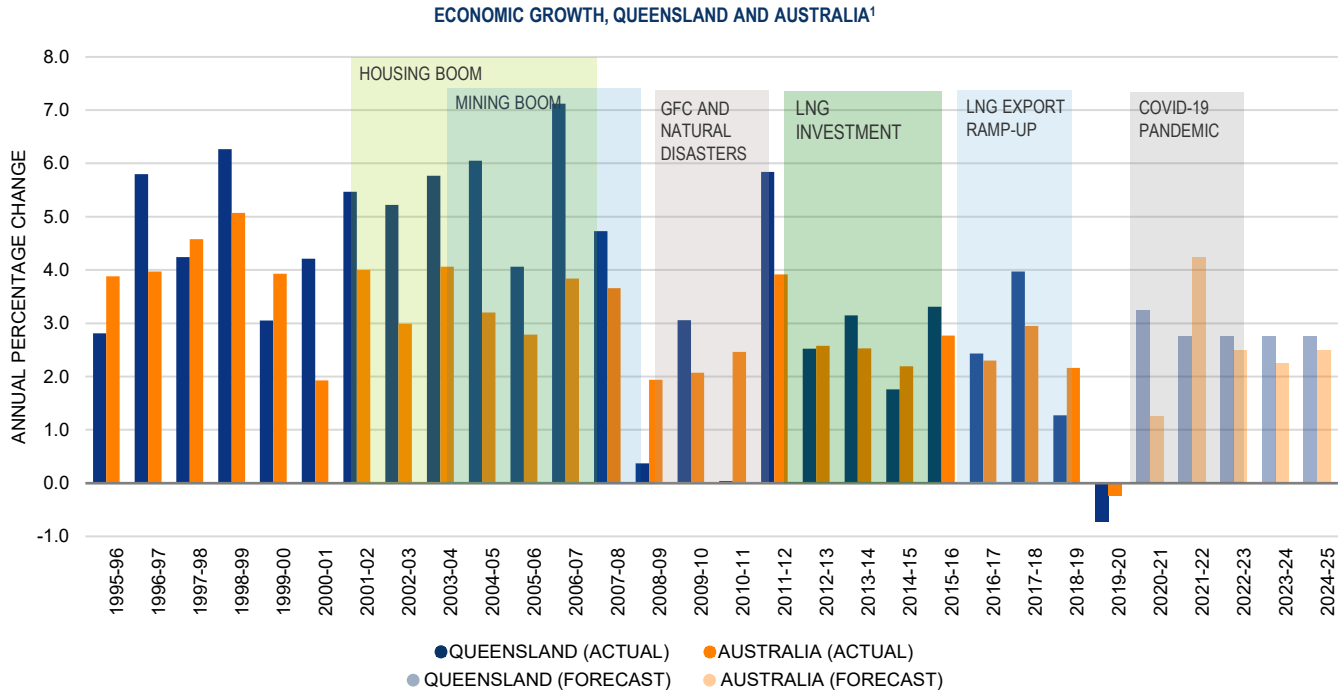
¹ Calendar year 2020

² Long-run trend

³ 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.

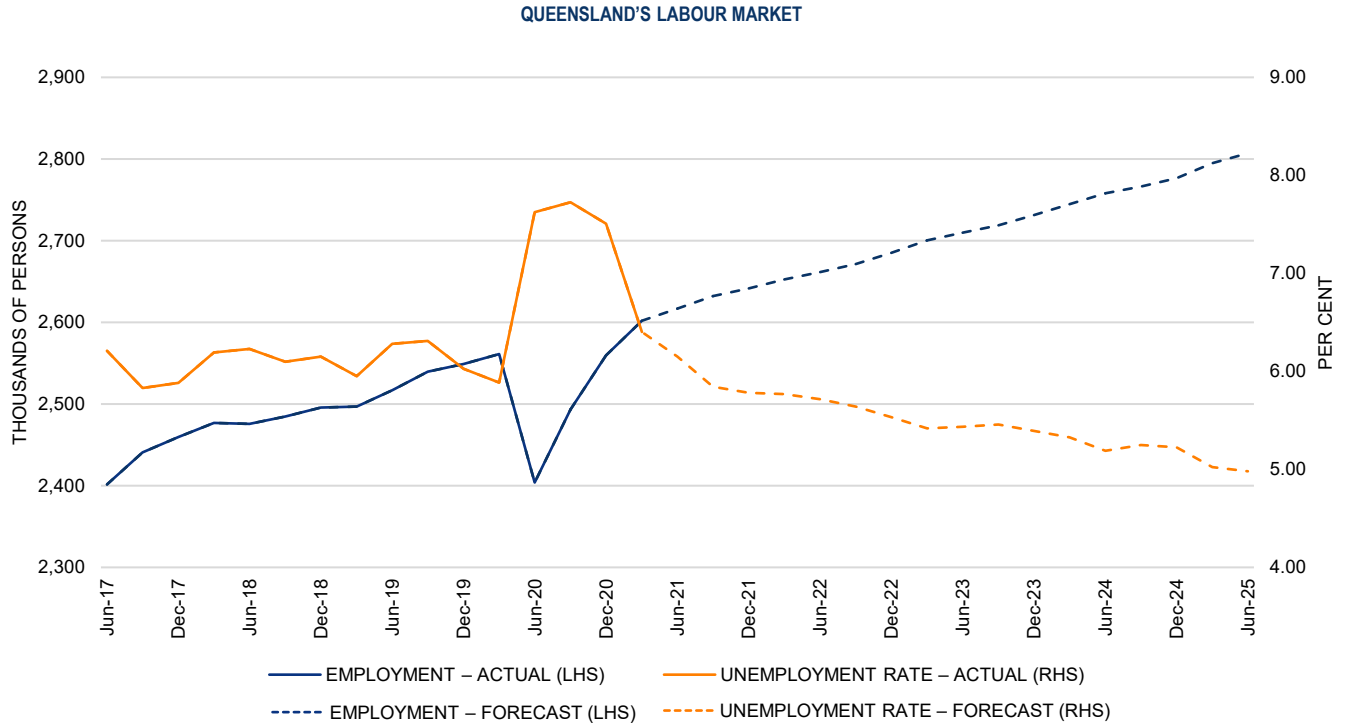
Queensland's economic growth has generally been higher than Australia's



¹ Chain volume measure (CVM), 2018–19 reference year.

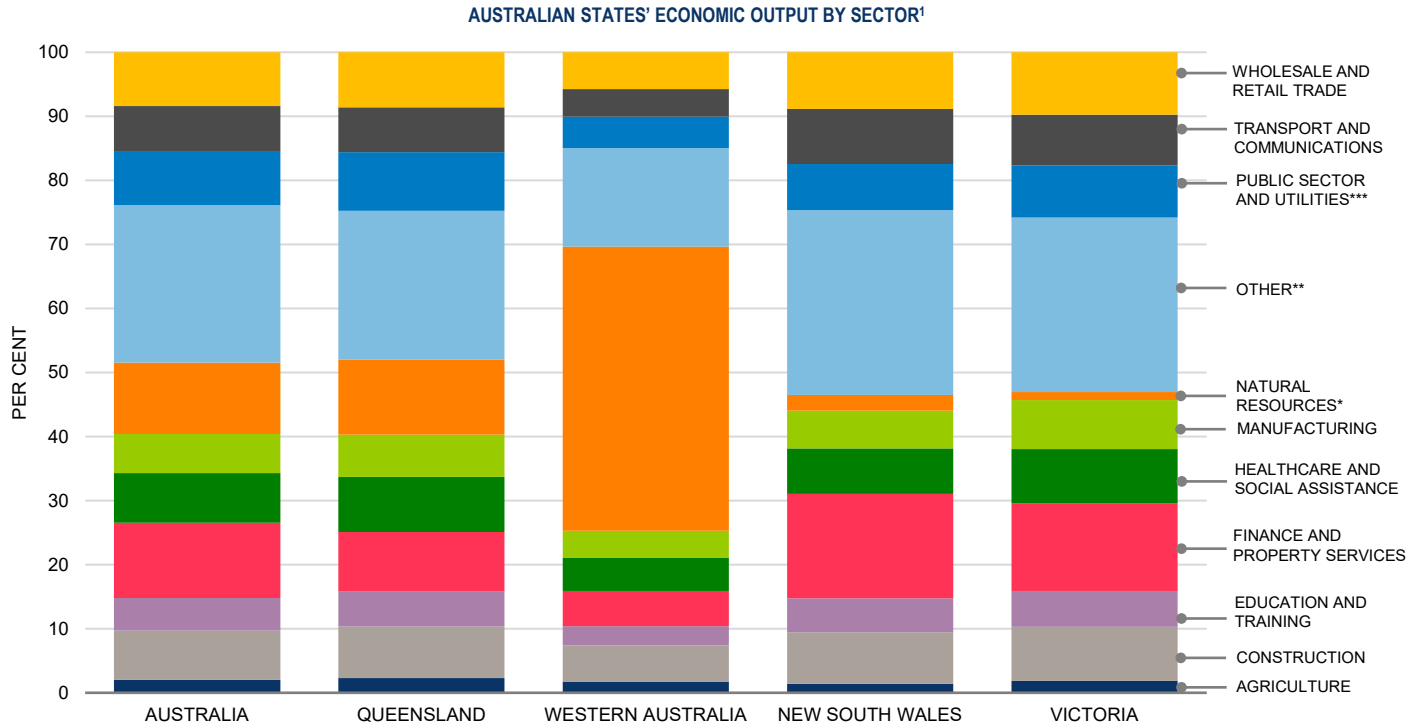
Data sources: ABS National Accounts, Australian Treasury and Queensland Government 2021–22 Budget.

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



Data source: ABS, Queensland Government 2021–22 Budget.

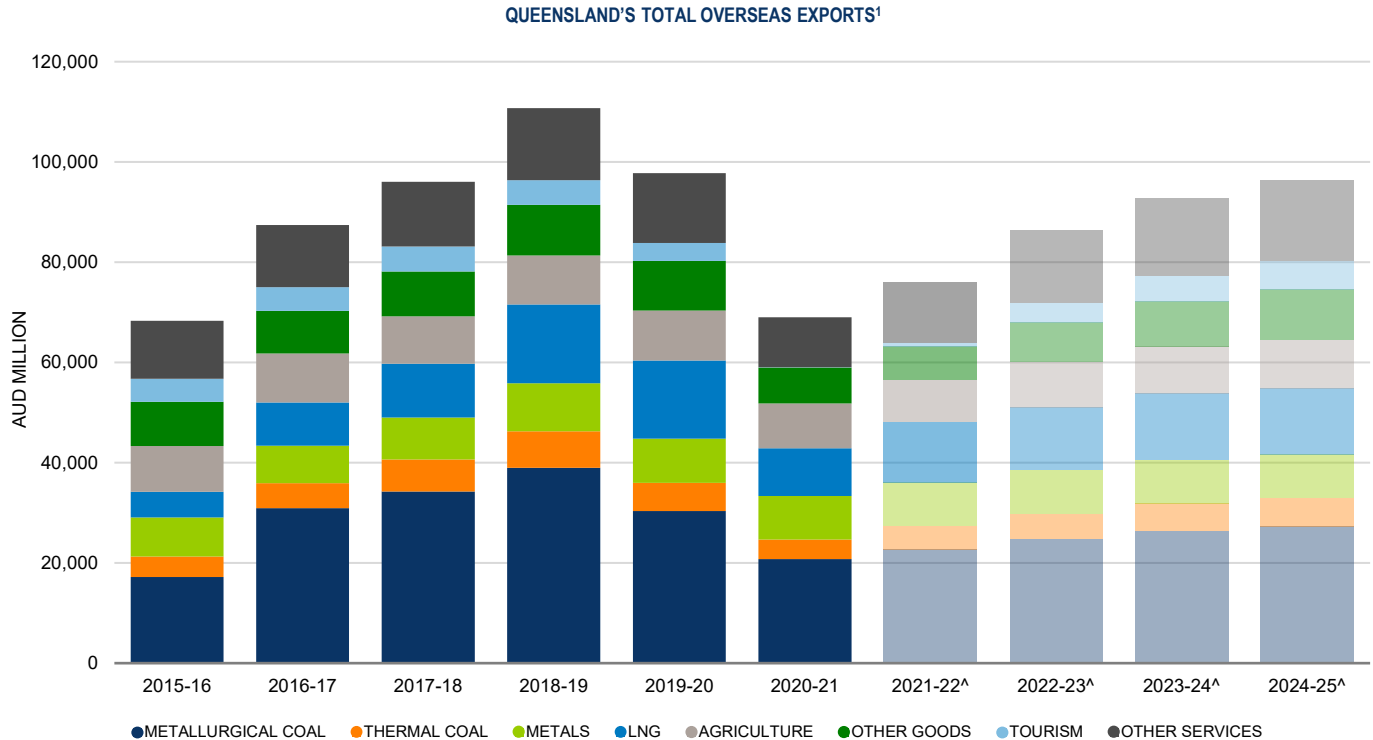
Diverse and resilient economy – industry split of output similar to Australia



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



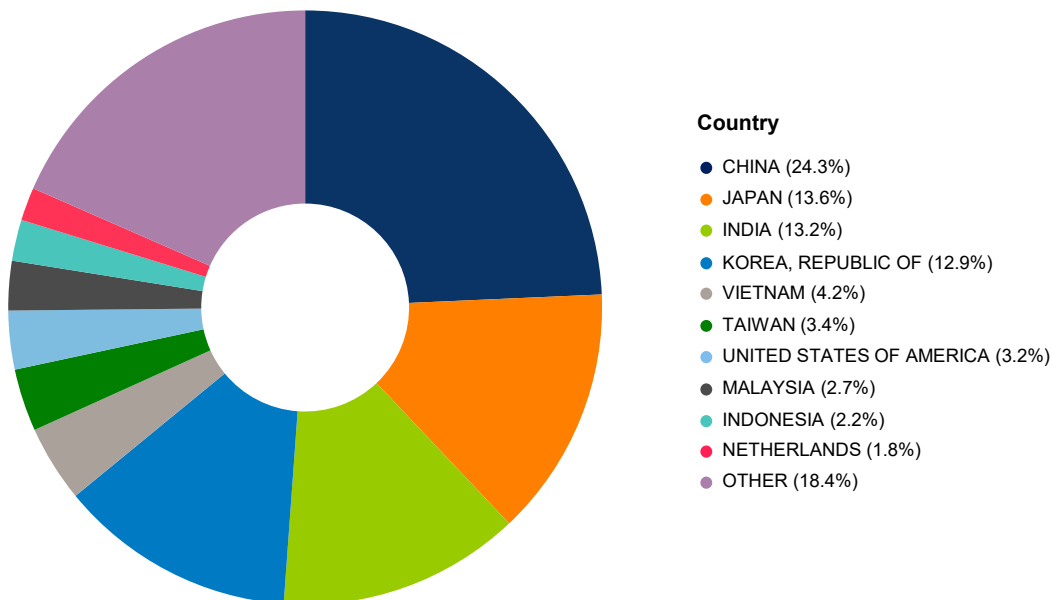
¹ Nominal terms. [^] Shaded areas represent forecasts.

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 COUNTRY¹



¹ 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:

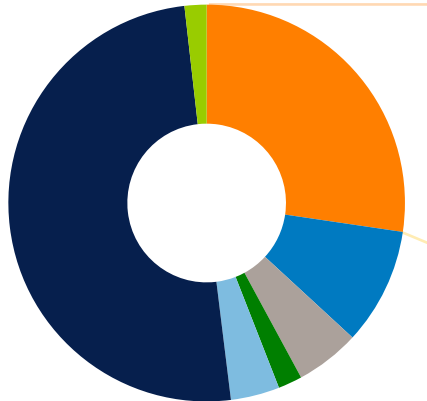
General purpose payments – ‘untied’ grants which are funded by the Goods and Services Tax (GST) revenue and are used for both recurrent and capital purposes.

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.

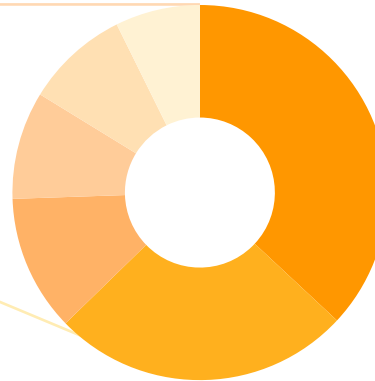
Queensland has a diversified and stable revenue mix

**BUDGETED REVENUES
2021–22: AUD64 BILLION**



- TAXATION REVENUE* (27.3%)
- SALES OF GOODS AND SERVICES (9.5%)
- ROYALTIES AND LAND RENTS (5.2%)
- OTHER REVENUE (2.0%)
- INTEREST INCOME (4.0%)
- GRANTS INCL FROM AUST GOVT # (50.2%)
- DIVIDEND AND TAX EQUIVALENT REVENUE (1.8%)

**BUDGETED TAXATION REVENUES
2021–22: AUD17 BILLION**

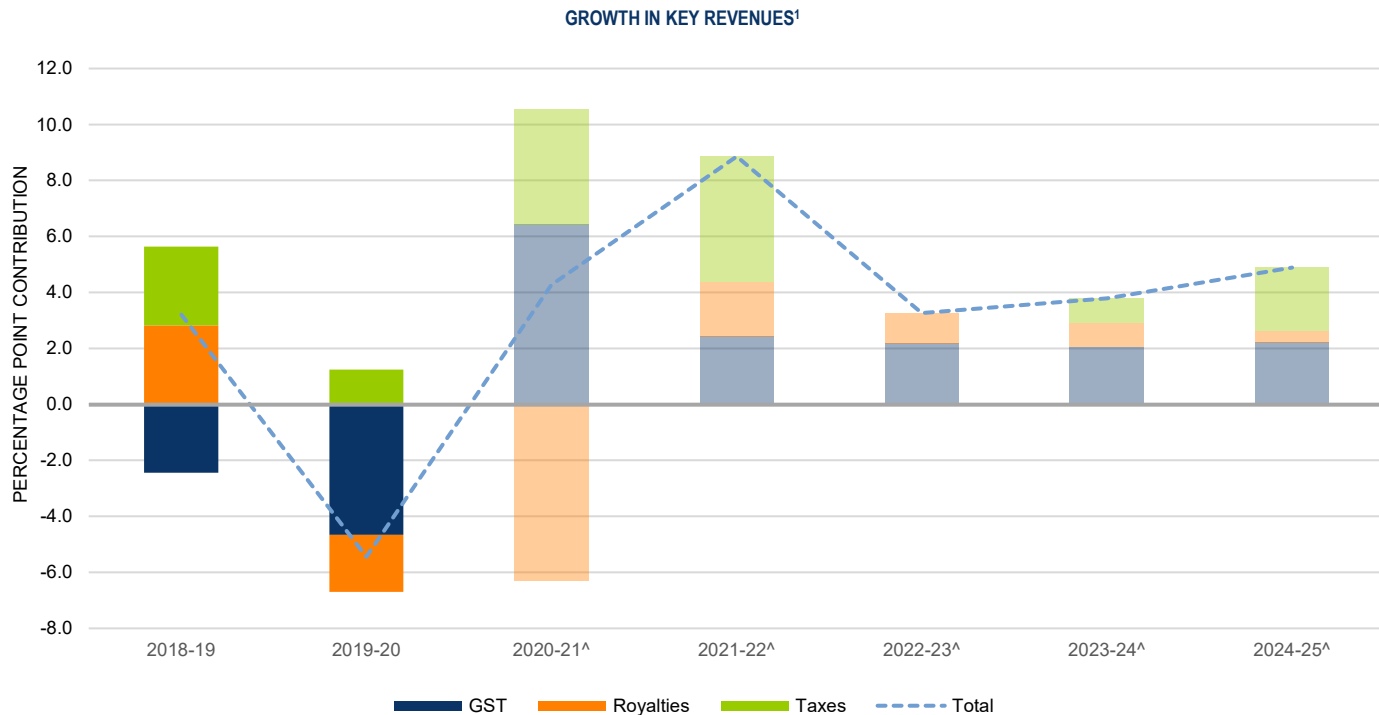


- DUTIES (36.9%)
- PAYROLL TAX (25.8%)
- MOTOR VEHICLE REGISTRATION (11.7%)
- LAND TAX (9.3%)
- GAMBLING TAXES AND LEVIES (8.9%)
- OTHER TAXES (7.3%)

* 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

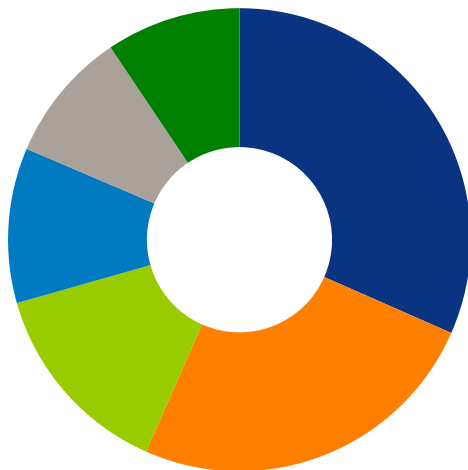


¹ Annual contribution to growth in key revenues. Total is the annual growth of the sum of the three categories. [^] Shaded areas represent forecasts.

Data source: Queensland Government 2021-22 Budget.

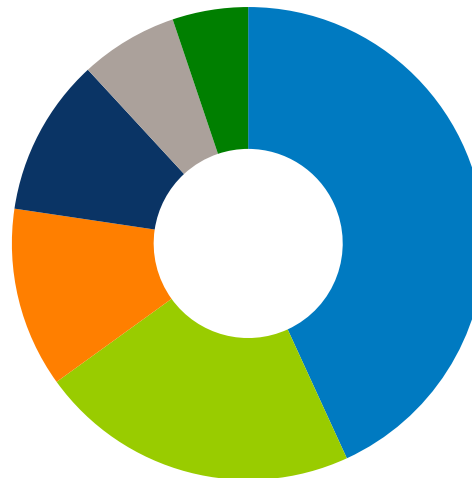
Health and education are the State's major operating expenses, while transport infrastructure is the biggest area of focus in terms of capital spending

**GGS¹ 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%)

**NFPS² BUDGETED CAPITAL EXPENDITURE:
2021-22: AUD11.5 BILLION**



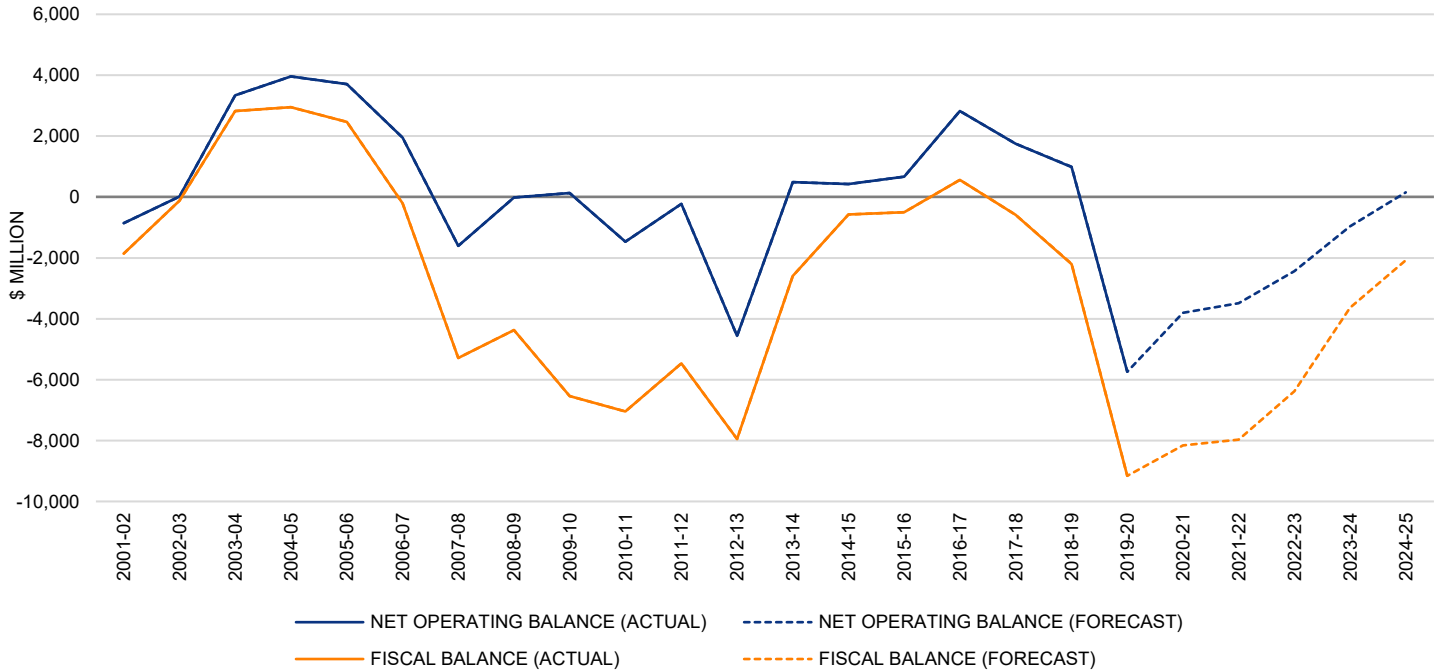
- TRANSPORT (43.1%)
- ECONOMIC AND OTHER SERVICES* (21.9%)
- EDUCATION (12.3%)
- HEALTH (10.8%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (6.7%)
- PUBLIC ORDER AND SAFETY (5.2%)

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 2021-22 Budget.

Operating and fiscal deficits expected due to COVID-19 impact

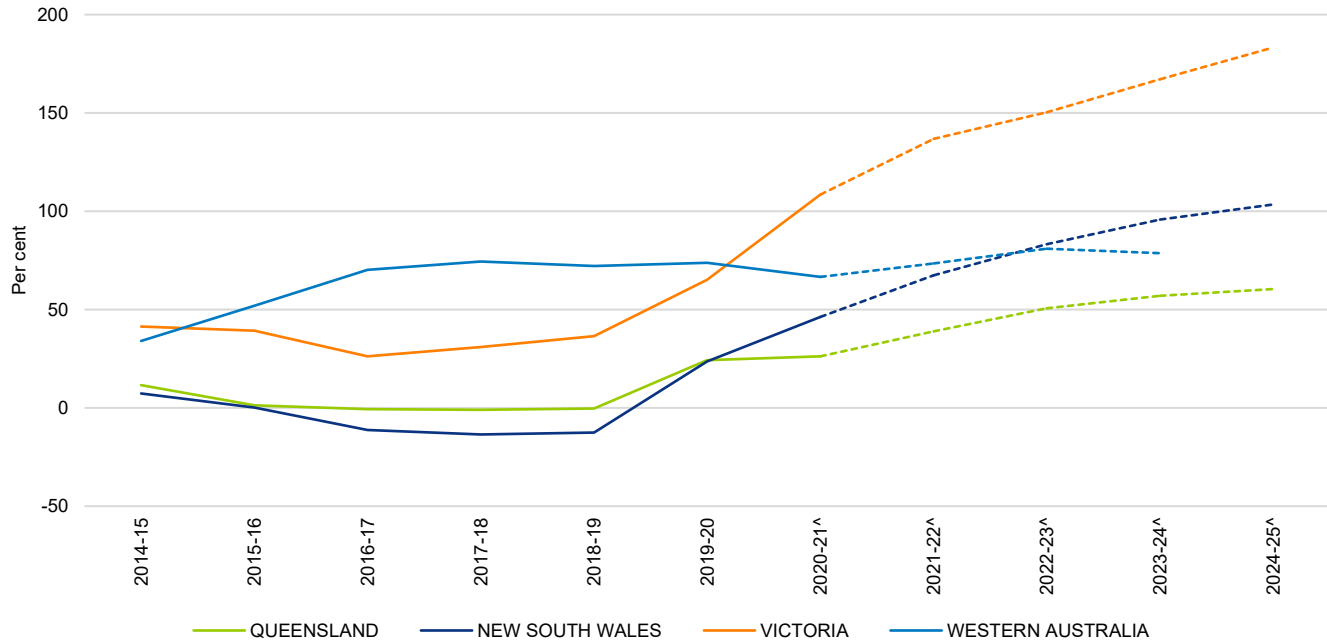
GENERAL GOVERNMENT SECTOR NET OPERATING AND FISCAL BALANCES



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



[^] 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/

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/.

Queensland's action on climate change



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

1. 50%¹ 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 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.

¹ 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.