FORM 18-K

For Foreign Governments and Political Subdivisions Thereof

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

ANNUAL REPORT
of

QUEENSLAND TREASURY CORPORATION

(registrant)

a Statutory Corporation of

THE STATE OF QUEENSLAND, AUSTRALIA

(co-registrant)
(Names of Registrants)

Date of end of last fiscal year:
June 30, 2022

SECURITIES REGISTERED

(As of the close of the fiscal year)

Title of Issue	Amounts as to which registration is effective	Names of exchanges on which registered
Global A$ Bonds	A$—	None (1)
Medium-Term Notes	US$—	None (1)

(1) This Form 18-K is being filed voluntarily by the registrant and co-registrant.

Names and addresses of persons authorized to receive notices and communications of behalf of the registrant and co-registrant from the Securities and Exchange Commission:

Neville Ide
Interim Chief Executive
Queensland Treasury Corporation
Level 31, 111 Eagle Street
Brisbane, Queensland 4000
Australia

Leon Allen
Under Treasurer of the State of Queensland
Level 38, 1 William Street
Brisbane, Queensland 4000
Australia

THE REGISTRANT

The information set forth below is to be furnished:

1. In respect of each issue of securities of the registrant registered, a brief statement as to:

   (a) The general effect of any material modifications, not previously reported, of the rights of the holders of such securities.

   No such modifications.

   (b) The title and the material provisions of any law, decree or administrative action, not previously reported, by reason of which the security is not being serviced in accordance with the terms thereof.

   No such provisions.

   (c) The circumstances of any other failure, not previously reported, to pay principal, interest, or any sinking fund or amortization installment.

   No such failure.

2. A statement as of the close of the last fiscal year of the registrant giving the total outstanding of:

   (a) Internal funded debt of the registrant. (Total to be stated in the currency of the registrant. If any internal funded debt is payable in a foreign currency it should not be included under paragraph (a), but under paragraph (b) of this item.)

   The face value of internal funded debt of the registrant as of June 30, 2022 totaled AUD 122.0 billion. This represents all of the registrant's fixed and floating indebtedness issued within Australia.

   (b) External funded debt of the registrant. (Totals to be stated in the respective currencies in which payable. No statement need be furnished as to intergovernmental debt.)

   As of June 30, 2022, the external funded debt of the registrant, excluding the net value of currency swaps and forwards contracts, was as follows (in millions):

	Face Value
Repayable in United States dollars	USD 1,481
Repayable in Japanese yen	JPY 160
Repayable in Euros	EUR 693
Repayable in Swiss francs	CHF 167

3. A statement giving the title, date of issue, date of maturity, interest rate and amount outstanding, together with the currency or currencies in which payable, of each issue of funded debt of the registrant outstanding as of the close of the last fiscal year of the registrant.

   See Exhibit (d).

4. (a) As to each issue of securities of the registrant which is registered, there should be furnished a breakdown of the total amount outstanding, as shown in Item 3, into the following:

(1) Total amount held by or for the account of the registrant.

Nil.

(2) Total estimated amount held by nationals of the registrant (or if registrant is other than a national government, by the nationals of its national government); this estimate need be furnished only if it is practicable to do so.

Nil.

(3) Total amount otherwise outstanding.

As of June 30, 2022, the registrant had no outstanding registered securities under the Global A$ Bond Facility or the Medium-Term Note Facility.

(b) If a substantial amount is set forth in answer to paragraph (a)(1) above, describe briefly the method employed by the registrant to reacquire such securities.

Not applicable.

5. A statement as of the close of the last fiscal year of the registrant giving the estimated total of:

(a) Internal floating indebtedness of the registrant. (Total to be stated in the currency of the registrant.)

Apart from the internal floating indebtedness noted in Exhibit (e) under "Public Debt—Outstanding Domestic Australian Dollar Indebtedness as at June 30, 2022", as of June 30, 2022, the registrant had no internal floating indebtedness.

(b) External floating indebtedness of the registrant. (Total to be stated in the respective currencies in which payable.)

Apart from the external floating indebtedness noted in Exhibit (e) under "Public Debt—Outstanding Offshore Indebtedness", as of June 30, 2022, the registrant had no external floating indebtedness.

6. Statements of the receipts, classified by source, and of the expenditures, classified by purpose, of the registrant for each fiscal year of the registrant ended since the close of the latest fiscal year for which such information was previously reported. These statements should be itemized as to be reasonably informative and should cover both ordinary and extraordinary receipts and expenditures; there should be indicated separately, if practicable, the amount of receipts pledged or otherwise specifically allocated to any issue registered, indicating the issue.

Reference is made to the registrant's Financial Statements and the notes thereto contained in the Consolidated Financial Statements of the registrant for the fiscal year ended June 30, 2022 filed herewith as Exhibit (c)(i).

7. (a) If any foreign exchange control, not previously reported, has been established by the registrant (or if the registrant is other than a national government, by its national government), briefly describe the effect of any such action, not previously reported.

Not applicable.

(b) If any foreign exchange control previously reported has been discontinued or materially modified, briefly describe the effect of any such section, not previously reported.

Not applicable.

8. Brief statements as of a date reasonably close to the date of the filing of this report (indicating such date) in respect of the note issue and gold reserves of the central bank of issue of the registrant, and of any further gold stocks held by the registrant.

Not applicable.

9. Statements of imports and exports of merchandise for each year ended since the close of the latest year for which such information was previously reported. The statements should be reasonably itemized so far as practicable as to commodities and as to countries. They should be set forth in terms of value and of weight or quantity; if statistics have been established only in terms of value, such will suffice.

Not applicable.

10. The balance of international payments of the registrant for each year ended since the close of the latest year for which information was previously reported. The statements of such balances should conform, if possible, to the nomenclature and form used in the “Statistical Handbook of the League of Nations”. (These statements need be furnished only if the registrant has published balances of international payments.)

Not applicable.

THE CO-REGISTRANT

The information set forth below is to be furnished:

1. In respect of each issue of securities of the registrant registered, a brief statement as to:

   (a) The general effect of any material modifications, not previously reported, of the rights of the holders of such securities.

   No such modifications.

   (b) The title and the material provisions of any law, decree or administrative action, not previously reported, by reason of which the security is not being serviced in accordance with the terms thereof.

   No such provisions.

   (c) The circumstances of any other failure, not previously reported, to pay principal, interest, or any sinking fund or amortization installment.

   No such failures.

2. A statement as of the close of the last fiscal year of the co-registrant giving the total outstanding of:

   (a) Internal funded debt of the co-registrant. (Total to be stated in the currency of the co-registrant. If any internal funded debt is payable in a foreign currency it should not be included under paragraph (a), but under paragraph (b) of this item.)

   The co-registrant's only direct indebtedness is that owed to the Commonwealth Government of Australia (the "Commonwealth"). As of June 30, 2022, the co-registrant had no direct internal funded debt. Public debt levels for the years 2017 to 2022 are detailed in Exhibit (e).

   (b) External funded debt of the co-registrant. (Totals to be stated in the respective currencies in which payable. No statement need be furnished as to intergovernmental debt.)

   As of June 30, 2022, the co-registrant had no external funded debt other than the debt it guarantees, which is described in 2(b) of the registrant's statement.

3. A statement giving the title, date of issue, date of maturity, interest rate and amount outstanding, together with the currency or currencies in which payable, of each issue of funded debt of the co-registrant outstanding as of the close of the last fiscal year of the co-registrant.

   Exhibit (e) lists the debt outstanding to the Commonwealth and outstanding debt of other entities guaranteed by the co-registrant contained in the statement of the co-registrant's outstanding debt to the Commonwealth as of June 30, 2022 and its contingent liability as guarantor of the outstanding debt of other entities as of the end of the last five fiscal years.

4. (a) As to each issue of securities of the co-registrant which is registered, there should be furnished a breakdown of the total amount outstanding, as shown in Item 3, into the following:

(1) Total amount held by or for the account of the co-registrant.

Not applicable.

(2) Total estimated amount held by nationals of the co-registrant (or if co-registrant is other than a national government, by the nationals of its national government); this estimate need be furnished only if it is practicable to do so.

Not applicable.

(3) Total amount otherwise outstanding.

Refer to 4(a)(3) of the registrant's statement for registered securities guaranteed by co-registrant.

(b) If a substantial amount is set forth in answer to paragraph (a)(1) above, describe briefly the method employed by the co-registrant to reacquire such securities.

Not applicable.

5. A statement as of the close of the last fiscal year of the co-registrant giving the estimated total of:

(a) Internal floating indebtedness of the co-registrant. (Total to be stated in the currency of the co-registrant.)

As at June 30, 2022, the co-registrant had no internal floating indebtedness, other than the debt it guarantees, which is described in 5(a) of the registrant's statement.

(b) External floating indebtedness of the co-registrant. (Total to be stated in the respective currencies in which payable.)

As at June 30, 2022, the co-registrant had no external floating indebtedness, other than the debt it guarantees, which is described in 5(b) of the registrant's statement.

6. Statements of the receipts, classified by source, and of the expenditures, classified by purpose, of the co-registrant for each fiscal year of the co-registrant ended since the close of the latest fiscal year for which such information was previously reported. These statements should be itemized as to be reasonably informative and should cover both ordinary and extraordinary receipts and expenditures; there should be indicated separately, if practicable, the amount of receipts pledged or otherwise specifically allocated to any issue registered, indicating the issue.

Reference is made to the co-registrant's Consolidated Financial Statements for the fiscal year ended June 30, 2022, and the notes thereto filed herewith as Exhibit (c)(ii).

7. (a) If any foreign exchange control, not previously reported, has been established by the co-registrant (or if the co-registrant is other than a national government, by its national government), briefly describe the effect of any such action, not previously reported.

Not applicable.

(b) If any foreign exchange control previously reported has been discontinued or materially modified, briefly describe the effect of any such section, not previously reported.

Not applicable.

8. Brief statements as of a date reasonably close to the date of the filing of this report (indicating such date) in respect of the note issue and gold reserves of the central bank of issue of the co-registrant, and of any further gold stocks held by the co-registrant.

Not applicable.

9. Statements of imports and exports of merchandise for each year ended since the close of the latest year for which such information was previously reported. The statements should be reasonably itemized so far as practicable as to commodities and as to countries. They should be set forth in terms of value and of weight or quantity; if statistics have been established only in terms of value, such will suffice.

Reference is made to the co-registrant's statements of exports of merchandise, major overseas markets and imports attached as part of Exhibit (f).

10. The balance of international payments of the co-registrant for each year ended since the close of the latest year for which information was previously reported. The statements of such balances should conform, if possible, to the nomenclature and form used in the Statistical Handbook of the League of Nations. (These statements need be furnished only if the co-registrant has published balances of international payments.)

Not applicable.

EXHIBITS

The following exhibits are filed as part of this annual report:

(a) Copies of any amendments or modifications, other than such as have been previously filed, to all exhibits previously filed other than annual budgets. If such amendments or modifications are not in the English language, there should be furnished in addition a translation into English if the original exhibit was translated into English.

(b) A copy of any law, decree, or administrative document outlined in answer to Item 1(b). If such law, decree, or document is not in the English language, there should be furnished in addition thereto a translation thereof into English.

(c) A copy of the latest annual budget of the co-registrant, if not previously filed, as presented to its legislative body. This document need not be translated into English.

The registrant may file such other exhibits as it may desire, marking them so as to indicate clearly the items to which they refer.

This annual report comprises:

(1) The cover page and pages numbered 2 to 12 consecutively.

(2) The following exhibits:

Exhibit (a)	-	None.
Exhibit (b)	-	None.
Exhibit (c)(i)	-	Consolidated Financial Statements of the Registrant for the fiscal year ended June 30, 2022.
Exhibit (c)(ii)	-	Consolidated Financial Statements of the Co-Registrant for the fiscal year ended June 30, 2022.
Exhibit (c)(iii)	-	Budget Papers of the Co-Registrant for 2022-23.
Exhibit (c)(iv)	-	2022-23 Budget Update.
Exhibit (c)(v)	-	Queensland Energy and Jobs Plan.
Exhibit (c)(vi)	-	Queensland Treasury Corporation's 2022-23 Indicative Borrowing Program Update.
Exhibit (c)(vii)	-	Queensland Energy and Jobs Plan Announcement.
Exhibit (c)(viii)	-	Queensland Sustainability Report 2022.

Additional exhibits:

Exhibit (d)	-	Securities of the Registrant Outstanding as of June 30, 2022.

Exhibit (e)	-	Co-registrant's outstanding debt to the Commonwealth as of June 30, 2022, and its contingent liability as guarantor of the outstanding debt of other entities as of the end of the last five fiscal years.
Exhibit (f)	-	Description of Queensland and Queensland Treasury Corporation.
Exhibit (g)	-	The following consents:

(1) Consent of Philip Noble, Former Chief Executive, Queensland Treasury Corporation.

(2) Consent of Damien Frawley, Chair, Queensland Treasury Corporation.

(3) Consent of Brendan Worrall, Auditor-General, State of Queensland.

This annual report is filed subject to the Instructions for Form 18-K for Foreign Governments and Political Subdivisions Thereof.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, at Brisbane, Australia, on the 13th day of January, 2023.

QUEENSLAND TREASURY CORPORATION

By: /s/ Neville Ide

Name: Mr. Neville Ide
Title: Interim Chief Executive

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, at Brisbane, Australia, on the 13th day of January, 2023.

GOVERNMENT OF QUEENSLAND

By: /s/ Maryanne Kelly
on behalf of
Name: The Honourable Cameron Dick MP
Title: Treasurer and Minister for Trade and Investment

INDEX TO EXHIBITS

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Exhibit (c)(iii)	-	Budget Papers of the Co-Registrant for 2022-23.
Exhibit (c)(iv)	-	2022-23 Budget Update.
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This annual report is filed subject to the Instructions for Form 18-K for Foreign Governments and Political Subdivisions Thereof.

EXHIBIT (c)(i)

Consolidated Financial Statements of the Registrant for the fiscal year ended June 30, 2022

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the Queensland Treasury Corporation's (the "Corporation" or "QTC") and the State of Queensland's (the "State" or "Queensland") beliefs and expectations, are forward-looking statements. These statements are based on current plans, budgets, estimates and projections and therefore you should not place undue reliance on them. The words "believe", "may", "will", "should", "estimate", "continue", "anticipate", "intend", "expect", "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements speak only as of the date they are made, and neither the Corporation nor the State undertake any obligation to update publicly any of them in light of new information or future events.

Forward-looking statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Although the Corporation and the State believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forward-looking statements involve inherent risks and uncertainties. We caution you that actual results may differ materially from those contained in any forward-looking statements.

A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. Factors that could cause the actual outcomes to differ materially from those expressed or implied in forward-looking statements include:

- the international and Australian economies, and in particular the rates of growth (or contraction) of the State's major trading partners;
- the effects, both internationally and in Australia, of any subsequent economic downturn, as well as the effect of ongoing economic, banking and sovereign debt risk;
- the effect of natural disasters, epidemics and geopolitical events, such as the novel coronavirus (COVID-19) pandemic and the Russia-Ukraine conflict;
- increases or decreases in international and Australian domestic interest rates;
- changes in and increased volatility in currency exchange rates;
- changes in the State's domestic consumption;
- changes in the State's labor force participation and productivity;
- downgrades in the credit ratings of the State and Australia;
- changes in the rate of inflation in the State;
- changes in environmental and other regulation; and
- changes in the distribution of revenue from the Commonwealth of Australia Government to the State.

QUEENSLAND
TREASURY
CORPORATION

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CONTENTS

Level 31, 111 Eagle Street
Brisbane Queensland Australia

Telephone: +61 7 3842 4600
Email: enquiry@qtc.com.au

19 August 2022

The Honourable Cameron Dick
Treasurer and Minister for Trade and Investment
GPO Box 611
Brisbane QLD 4001

Dear Treasurer and Minister for Trade and Investment

I am pleased to present the Annual Report 2021–22 and financial statements for Queensland Treasury Corporation.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual Report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 68 of this Annual Report.

Sincerely

Damien Frawley
Chair

LEVEL 31, 111 EAGLE STREET, BRISBANE QUEENSLAND AUSTRALIA 4000
GPO BOX 1096, BRISBANE QUEENSLAND AUSTRALIA 4001
T: 07 3842 4600 , F: 07 3221 4122

QUEENSLAND TREASURY CORPORATION

Queensland Treasury Corporation (QTC) has a statutory responsibility to advance the financial position and development of the State. Established under the Queensland Treasury Corporation Act 1988, QTC is a corporation sole, reporting through the Under Treasurer to the Treasurer and the Queensland Parliament.

Vision

Protecting and advancing Queensland's financial interests

Mission

To deliver optimal financial outcomes through sound funding and financial risk management

2021–25 Strategic Goals

1 Sustainable funding

2 State and client value

3 Organisational excellence

Values

Client focus

We build strong partnerships with our clients to deliver simple and well-designed solutions that achieve quality outcomes for Queensland.

Team spirit

We work as one team, taking joint responsibility for achieving our vision and collaborating to achieve outstanding performance.

Excellence

We aim for excellence using flexible and agile processes to continuously improve.

Respect

We show respect by recognising contributions, welcoming ideas, acting with honesty, being inclusive and embracing diversity.

Integrity

We inspire trust and confidence in our colleagues, clients, stakeholders and investors by upholding strong professional and ethical standards.

ROLE AND RESPONSIBILITIES

QTC is the central financing authority for the Queensland Government and provides financial resources and services for the State. We manage the State's funding program in the global capital markets to deliver sustainable and cost-effective borrowings for the Queensland Government departments and agencies, local governments, and other related entities (our clients).

With a statutory role to advance the financial interests and development of the State, we work in partnership with Queensland Treasury and our clients to solve complex commercial, policy and economic issues. We help to deliver innovative, long-term solutions that contribute to the growth of Queensland's economy.

We protect Queensland's financial interests and deliver better financial outcomes by centralising the management of our clients' borrowings, cash investments, and financial risks. We play an integral role in managing the State's finances, working closely with our clients on their balance sheet management and helping to identify opportunities to minimise costs and risks.

At QTC, we are committed to protecting and advancing the financial interests of Queensland.

CHAIR'S REPORT

DAMIEN FRAWLEY
CHAIR

On behalf of the Queensland Treasury Corporation Capital Markets Board, I am pleased to present Queensland Treasury Corporation's Annual Report for 2021–22, following my appointment as Chair on 1 July 2022.

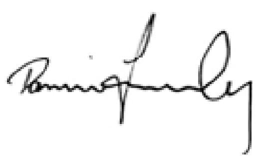
It is a privilege to be appointed Chair of QTC, an organisation with a legacy of sound financial stewardship for the State of Queensland. I am fortunate that, through my former role as Chief Executive of QIC, I have had the opportunity to work with QTC's Chief Executive and observe the organisation's strong relationships with, and extensive knowledge of, both the Queensland Government and global financial markets.

In the year under review, QTC raised $15.3 billion to fund the State's borrowing program, and delivered solutions for clients that helped manage their financial risks, created economic benefits and enhanced the State's fiscal position. QTC also delivered $464.2 million of returns to Queensland Government stakeholders through debt management and Cash Fund returns.

With its dedicated leadership team and high-performing workforce, I am confident that QTC will continue to provide the funding and financial risk management advice to support the key financial decisions that underpin Queensland's economic recovery and future growth.

As I begin my Chairmanship with QTC, I would also like to extend my sincere gratitude to former Chair, Gerard Bradley AO, for his leadership and service to QTC and the State of Queensland.

In the coming year, the Board will be committed to guiding QTC to deliver its strategic objectives as the State's central financing authority. I look forward to working with my fellow Board members and the Executive Leadership Team to set a continued successful path for QTC in the future.



D J FRAWLEY
Chair
19 August 2022

CHIEF EXECUTIVE'S REPORT

PHILIP NOBLE
CHIEF EXECUTIVE

In 2021–22, QTC faced challenging market conditions with central banks increasing interest rates to combat elevated inflation and significant yield movements. This was coupled with extreme volatility in the bond markets that was higher than during the European Sovereign Debt Crisis and on-par with the outset of the COVID-19 shock.

Despite this backdrop, QTC's established reputation as a leading semi-government issuer supported its ability to achieve $15.3 billion issuance during the year. QTC delivered $464.2 million of returns to its Queensland Government stakeholders, including a $404.6 million interest rate reduction through debt management and $59.6 million in Cash Fund returns.

This year, QTC continued its ongoing alignment with Queensland Treasury to support the delivery of the Government's priorities and help identify opportunities for our clients to minimise their costs and risks.

QTC's ability to navigate the complex market environment, and protect and advance Queensland's financial interests, was underpinned by its strong operational performance. QTC has continued to be recognised in the industry and won a national '2022 5-Star Employer of Choice' award for its third consecutive year from Human Resources Director.

At the close of the 2021–22 financial year, we welcomed Damien Frawley as the new Chair of the QTC Capital Markets Board. His appointment followed the retirement of former QTC Board Chair, Gerard Bradley AO on 30 June 2022. QTC extended its sincere thanks to Mr Bradley for his significant contribution and service to QTC from 2012–2022.

Funding the State

$15.3 billion issuance to fund the State

$404.6 million interest rate reduction to the State through debt management

$59.6 million returns through the Capital Guaranteed Cash Fund

QTC continued to demonstrate its reputation as a highly regarded bond issuer through the execution of term debt issuance in what has been a volatile year in bond markets. QTC's liquidity position remained strong over the year with all debt servicing obligations met as required. The strength of QTC's liquidity was recognised by the credit rating agencies when they assessed the State's credit position during the year.

In 2021–22, QTC completed its borrowing program of $14.3 billion, ahead of schedule, and raised an additional $1.0 billion of funding. The issuance was executed through $6.5 billion in syndicated deals, $3.5 billion in seven tenders and $5.3 billion via reverse enquiry. This included the establishment of three new bond lines, including a $3.0 billion 1.50% 2 March 2032 CBI certified Green Bond, a $1.5 billion 2.00% 22 August 2033 benchmark bond, and a $2.0 billion 3m BBSW+1bp 3 March 2026 floating rate note.

The Queensland Government and QTC continued to provide transparent and regular updates to the market on Queensland's fiscal position and borrowing program throughout the year. QTC's borrowing program was reduced by $3.1 billion to $14.3 billion following the Queensland 2021–22 Budget Update released on 16 December 2021. The reduction was a result of lower client borrowings and general government revenue uplifts.

Following the Queensland 2022–23 State Budget, released on 21 June 2022, QTC estimates it will borrow $14.4 billion of term debt in the 2022–23 financial year.

ESG initiatives

QTC worked closely with its stakeholders and the Queensland Government to deliver initiatives that support environmental, social and governance (ESG) outcomes for Queensland. This included collaborating with the Queensland Government on the development of the inaugural Queensland Sustainability Report with information about the State's ESG commitments and outcomes.

In September 2021, QTC issued $3.0 billion of a new 1.50% 2 March 2032 Green Bond, supporting Queensland's pathway to climate resilience and an environmentally sustainable economy. This was the fourth and longest tenor Green Bond for QTC, further diversifying funding alternatives and continuing to build QTC's Green Bond curve.

Operating results

QTC continued to protect client's interest rate risk with effective management activities. For the year under review, QTC's management of the State's debt enabled an interest rate reduction equivalent to $404.6 million.

QTC's asset management strategy to provide protection against rising outright yields and widening credit spreads allowed QTC to deliver $59.6 million (2020–21: $71.0 million) in investment returns to its government clients through the QTC Capital Guaranteed Cash Fund (the Cash Fund). The Cash Fund retained its position as one of the largest managed cash funds in Australia with $9.6 billion under management at 30 June 2022 and outperformed the Bloomberg AusBond Bank Bill Index by 52 basis points.

In 2021–22, QTC reported an operating loss after tax from its capital markets operations of $36.2 million (2020–21: $115.1 million profit after tax). While QTC earns a profit in most years, it also holds capital in reserve to cover potential financial losses. The loss incurred this financial year was a result of a reduction in the mark-to-market value of the securities held in the Cash Fund. The Cash Fund operations have been set-up to enable QTC to provide clients with stable returns on their investments over the medium term.

QTC's retained earnings balance of $555.4 million, demonstrates its continued strong financial position with retained earnings closely monitored to ensure QTC's Board prescribed capital requirements are met.

Over the past five years, the returns from debt management have lowered the State's costs by a total of $728.7 million. In addition, QTC's net earnings have contributed to the payment of $150.0 million in dividends to the State. QTC's dividend payments to Treasury are made on a needs basis, with no dividend required in 2021–22.

Value delivered for the State

QTC worked closely with Queensland Treasury to support the Queensland Government's priority initiatives with advisory work focused on enhancing the institutional and financial strength of the State.

Highlights during the year included projects to support the Government to meet its energy policy commitments, the development of the SEQ Waste Management Plan, the identification of financial sustainability and efficiency initiatives for agencies delivering community and social services, and the provision of ongoing support for the Government's COVID-19 response.

QTC continued to assist Queensland's government-owned corporations and local governments with a range of advisory work in risk management, forecasting, asset and debt strategies and financial sustainability.

QTC also helped enhance financial capability across the public sector through its education collaboration with the University of Queensland. This year, the program has reached 2,900 participants from across the State.

Credit and ESG ratings

In the year under review, Standard & Poor's and Moody's Investors Service reaffirmed Queensland's and QTC's credit ratings. Fitch upgraded Queensland's credit rating in December 2021. QTC is rated AA+/A-1+/Stable, Aa1/P-1/Stable and AA+/F1+/Stable by Standard & Poor's, Moody's Investors Service and Fitch Ratings respectively. These stable ratings are a key reason for continued demand from domestic and global investors for QTC debt, and for QTC's ability to meet the larger issuance requirements through the COVID-19 period.

In addition, Queensland is currently rated AA for ESG by MSCI*.

Organisational excellence

With its ongoing focus on organisational excellence, QTC met its statutory obligations, completed core business activities on time and delivered initiatives focused on continuous improvement. QTC continued its focus on talent, engagement and development practices that support a high-performance workforce.

Independent recognition of QTC's leadership and culture continued in 2021–22 and for the third consecutive year, QTC was recognised as one of Australia's best places to work, receiving the '2022 5-Star Employer of Choice' award from Human Resources Director.

Positioned for ongoing success

QTC's achievements in the 2021–22 financial year have demonstrated significant performance outcomes against each of its strategic goals—to deliver sustainable funding, State and client value and organisational excellence. QTC is well positioned to continue its focus on strong issuance and asset management, prudent financial risk management, and supporting the government's priority projects.

P C NOBLE
Chief Executive
19 August 2022

**As of June 2022, the State of Queensland received a MSCI ESG Rating of AA, ESG Trend Negative. Certain information ©2022 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.*

ACHIEVING SUSTAINABLE ACCESS TO FUNDING

In 2021–22, QTC raised $ 15.3 billion in an environment of elevated volatility in bond markets. QTC continued to attract a diversified investor base, further supported by the establishment of three new bond lines, including a $ 3.0 billion, 2 March 2032 Green Bond, which is the largest AUD Green Bond deal to date.

Issued approx. $9.0 billion of benchmark bonds

Recognised for $3.0 billion 2032 Green Bond in the 2021 FinanceAsia Deal Achievement Awards*

Issued $2.0 billion into a new floating rate note

Liquidity in QTC bonds with approximately $128.0 billion traded in the secondary market**

Collaborated with the Queensland Government on the development of the Queensland Sustainability Report 2021

Meeting the State's funding requirements

QTC is a highly regarded bond issuer in global fixed-income markets and raises the funds needed by the State each year, often ahead of time, with its bond issues consistently over-subscribed. On 15 June 2021, following the release of the 2021–22 State Budget, QTC announced it would raise $ 17.4 billion to meet the State's term debt borrowing requirement. On 16 December 2021, the requirement was decreased by $3.1 billion to $ 14.3 billion, following the Queensland 2021–22 Budget Update. The reduction was a result of lower client borrowings and general government revenue uplifts.

QTC met its borrowing requirement of $ 14.3 billion and raised an additional $1.0 billion that was used to reduce the 2022–23 term debt borrowing requirement. The issuance during the year was executed through $ 6.5 billion in syndicated deals, $3.5 billion across seven tenders and $ 5.3 billion via reverse enquiry.

QTC's well-managed funding program and reputation for high-quality debt issuance, means Queensland can access the funds it needs at cost-effective rates. To attract a broad investor base, QTC offers investors a diverse range of high-quality financial securities.

2021–22 funding highlights included:

- $ 3.0 billion 1.50% 2 March 2032 CBI certified Green Bond
- $ 1.5 billion 2.00% 22 August 2033 benchmark bond
- $ 2.0 billion 3m BBSW+1bp 3 March 2026 floating rate note, and
- $ 3.5 billion of issuance through seven tenders.

In 2021–22, QTC maintained the State's strong liquidity position, which supports the State's credit rating and provides reserves during periods of market volatility.

On 21 June 2022, QTC announced its indicative $ 14.4 billion term debt borrowing requirement for 2022–23.

Funding performance

QTC's proactive management of its borrowing program and the management of its client funding and balance sheet activities helped to smooth its maturity profile, reducing its refinancing risk by achieving more evenly distributed maturities across the curve. All fixed rate debt issued in 2021–22 was in maturities 2027 and longer.

In 2021–22, QTC continued to keep the market informed with open and transparent information provided to investors on QTC's funding activity and the Queensland Government's economic and fiscal strategy. This included regular engagements through its Funding and Markets Division, digital communication channels, and virtual and face-to-face meetings. At the start of the year, in an environment of restricted travel, QTC utilised virtual channels to engage with both onshore and offshore investors. During the second half of the year, both domestic and international borders reopened and QTC was able to begin in-person activities.

**In the 2021 FinanceAsia Deal Achievement Awards in Australia and New Zealand for the Best Local Bond Deal and Best Sustainable Finance Deal for a Financial Institution.*

***Turnover for period 1 July 2021 to 30 June 2022.*

Sustainable finance

The global Green Bond market has continued to grow rapidly with a record amount issued in 2021. In September 2021, QTC issued its fourth Green Bond line, extending QTC's Green Bond curve for investors—with maturities of 2024, 2029, 2031 and 2032. The $3.0 billion issuance of QTC's new 2032 Green Bond was QTC's largest Green Bond deal to date, demonstrating a growing demand from investors for Green Bonds. More than 40 per cent of the new 2032 Green Bond deal was allocated to offshore investors and this deal also attracted a number of first-time investors. QTC received recognition for its 2032 Green Bond in the 2021 FinanceAsia Deal Achievement Awards in Australia and New Zealand for the Best Local Bond Deal and Best Sustainable Finance Deal for a Financial Institution.

QTC remains a leading semi-government issuer of Green Bonds in Australia, with $6.98 billion in Green Bonds on issue as at 30 June 2022. The size of the current eligible project and asset pool allows QTC to remain a regular Green Bond issuer. QTC continues to actively look for ways to further grow and diversify its pool, and support the State in highlighting Queensland's pathway to climate resilience and an environmentally sustainable economy.

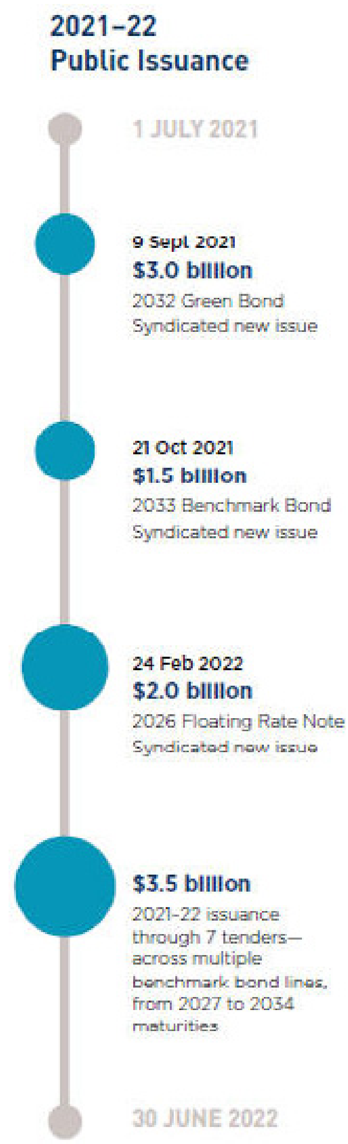
In 2021, QTC also collaborated with the Queensland Government on the development of the Queensland Sustainability Report 2021 with information about the State's environmental, social and governance (ESG) commitments and outcomes.

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. As at 30 June 2022, QTC's total debt outstanding was approximately $125.0 billion at face value.

OVERVIEW AS AT 30 JUNE 2022		SIZE (AUDM)	MATURITIES	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 and a range of non-benchmark lines with various maturities*	AUD
	Euro MTN	USD10,000	Any maturity subject to market regulations	Multi-currency
	US MTN	USD10,000	9 months–30 years	Multi-currency

** See QTC's website for further details on non-benchmark bond lines.*



CREATING VALUE FOR THE STATE AND CLIENTS

In 2021–22, QTC partnered with Queensland Treasury and its Queensland Government clients to deliver financial, economic and social outcomes to enhance Queensland's future and economic prosperity. This work delivered cost-savings, economic benefits and analysis to inform enhanced decision-making. The positive outcomes generated for clients were achieved through delivering financial advisory and project implementation services; and providing high-quality services for borrowing, debt and cash management, and foreign exchange.

Financial advice for the State's public sector

In the year under review, QTC worked closely with Queensland Treasury to deliver a program of work aligned with government priorities to provide the maximum financial and social outcomes for the State.

In 2021–22, QTC delivered a broad range of financial advisory assignments for Queensland Treasury and its public sector clients that address financial risk management issues and assist in making pragmatic business decisions.

QTC supports its clients to implement significant transformation projects within their own environments and enhance their project delivery capability. In 2021–22, QTC's advisory work centred around projects that would enable significant benefits to the financial health of the State, with particular focus on local governments and government-owned corporations (GOCs).

Supporting the government's priorities

QTC focuses on supporting its clients to implement projects that deliver maximum value to the State in terms of minimising risk, increasing revenue and reducing costs, while delivering broader social and economic benefits. The key priority projects QTC delivered include:

- **Queensland Sustainability Report 2021:** QTC collaborated with the Queensland Government on the development of the inaugural Queensland Sustainability Report 2021 with information about the State's environmental, social and governance (ESG) commitments and outcomes.
- **Energy reforms:** QTC supported Queensland Treasury and other agencies with market modelling and research to assist the Queensland Government meet its energy policy commitments.
- **SEQ Waste Management Plan:** On behalf of the 11 councils in South-East Queensland, QTC developed the SEQ Waste Management Plan—a 10-year roadmap that identifies the sequence of levers and investments required to improve the economics of waste management operations, encourage economic development and deliver social and environmental benefits for the region. QTC has now established a project management office with the councils to implement the recommendations.
- **Queensland Police Service:** QTC supported the Queensland Police Service (QPS) by providing insights into financial sustainability.
- **Financial Provisioning Scheme:** In a multi-year project, QTC has continued to provide ongoing support to the Financial Provisioning Scheme Manager and ongoing implementation of the Financial Provisioning Scheme, which supports the assessment of the estimated rehabilitation cost of mining activities to enable risk assessed decisions.
- **COVID-19:** QTC provided resources to support the Government's COVID-19 response initiatives.

Supported the Queensland Government's energy policy commitments

Developed the SEQ Waste Management Plan on behalf of SEQ councils

Financial risk management for government owned corporations

QTC has assisted Queensland's GOCs with a range of advisory work in risk management, forecasting, asset and debt strategies and commercial evaluations. This includes continuing the core GOC performance reviews for Queensland Treasury as part of QTC's annual credit review process. QTC combines its deep quantitative and technical skills with a unique combination of equity and debt perspectives, to deliver timely commercial advice. This advice was leveraged during the extreme volatility experienced in electricity pricing this year where QTC provided strategic, market and credit advice to Queensland Treasury on energy pricing to support their critical decision-making framework.

Fostering strong relationships with local government

QTC has continued to work closely with local governments and key stakeholders to help deliver positive community outcomes in a financially responsible way. This work included delivering and embedding capability improvements and assisting councils progress efficiency initiatives. QTC has also supported economic development initiatives and provided advice about financially managing the complexities of community requirements in regional centres.

In 2021–22, QTC delivered a number of initiatives for the Department of State Development, Infrastructure, Local Government, and Planning (DSDILGP) to support financial sustainability and expanding capabilities in local government.

QTC was engaged by the DSDILGP and the Electoral Commission of Queensland to assess the viability of the proposed boundary change between Livingstone Shire Council and Rockhampton Regional Council. QTC worked with both councils to estimate the financial impacts, including how the change could affect council rates.

During the year, QTC delivered economic updates for councils, bespoke workshops for elected members and council officers, and a Local Government Finance Professionals forum and masterclass with a focus on assisting local governments understand the demand-supply imbalance and its implications on their council's operations and regional industries.

High-quality debt, cash and risk management products and services

QTC has continued to work closely with Queensland Treasury and its government clients to improve whole-of-State balance sheet outcomes. QTC continued to provide low-cost loans and high-performing investment facilities throughout 2021–22.

Debt and risk management

In the year under review, QTC continued to successfully deliver its core mandate of providing clients with a low cost of funds by capturing the significant economies of scale and scope in the issuance, management and administration of the State's debt.

QTC's active management of the State's debt provided a reduction of $132.0 million in the market value of Queensland Treasury's borrowings, equivalent to a 0.06% decrease in the notional book interest rate.

Since late 2019, the combined duration of the Treasury Core and Super-Long Portfolio-Linked Loans (PLL) has been progressively lengthened at relatively low interest rates. This has resulted in the PLL book rate being further protected from the increase in yields that began in September 2021.

$9.6 billion in funds under management in QTC's Cash Fund

Finance education courses provided to more than 2,900 participants

QTC has proactively managed the timing of drawdowns, use of facilities and book rate reviews to capture the above value in FY2022–23 interest costs paid by Treasury. This contributed to a cash flow saving for General Government of $102.0 million against the projected budgeted interest cost for the full financial year. This benefit is now crystalised into the Treasury Core PLL book rate providing a stable book rate for the upcoming FY2022–23 financial year and expected to deliver more cash flow savings against budgeted interest costs.

Proactive GOC refinancing and interest rate risk management generated savings of $13.3 million. QTC also completed a number of financial assessments on behalf of government, relating to requests by Queensland local governments for financial assistance to help fund the costs of proposed significant water infrastructure.

Cash management

QTC offers cash management products that enable its clients to maximise the value of their surplus funds, including Fixed Rate Deposits, a Working Capital Facility and a Capital Guaranteed Cash Fund (the Cash Fund).

In 2021–22, the Cash Fund delivered $59.6 million in investment returns to its government clients during the year and retained its position as one of the largest managed cash funds in Australia with $9.6 billion under management at 30 June 2022. The Cash Fund provided strong relative returns and outperformed the Bloomberg AusBond Bank Bill Index by 52 basis points.

Throughout the year, QTC focused on an asset management strategy to provide protection against rising outright yields and widening credit spreads. This asset strategy included shortening asset duration at very tight levels due to the end of the Reserve Bank of Australia liquidity support programs. The Cash Fund's security is underpinned by the asset's investment profile, with 100 per cent of the Cash Fund invested in entities rated 'BBB+' or higher by Standard & Poor's Global Ratings at 30 June 2022.

Throughout the year, QTC continued to meet with clients to provide insights into the Cash Fund's structure, strategy and performance, and dynamically managed credit and money market positions in a challenging environment due to higher inflation and rising interest rates.

Foreign exchange

QTC's foreign exchange (FX) services, including its online platform, enable its public sector clients to access wholesale market rates and hedge against currency fluctuations. In 2021–22, the FX service has continued to grow its transaction volumes. QTC continued to work with agencies to increase cost saving opportunities through dual currency pricing for the procurement of goods sourced from offshore.

In addition, this year QTC enhanced its FX online platform with new functionality that allows QTC clients to manage their foreign rate risk online with FX Forward contracts that are executed via QTC's FX Dealing Desk. The management of these contracts online allows clients to draw down on their FX Forwards to facilitate foreign currency payments electronically, streamlining their payment processes. QTC does not retain any FX exposure as a result of FX activities.

Economic research

QTC provided clients with a variety of economic publications, including a Weekly and Monthly Economic Review, and published research articles on the demand-supply imbalance, inflation, the possible path for the RBA's cash rate, as well as the potential for recession risks in the US.

Enhancing financial capability in Queensland's public sector

QTC provides education services to enhance financial decision-making and support effective engagement with its clients. Since 2017, the QTC Education Program collaborates with the University of Queensland (UQ) to facilitate the design and delivery of specialised content to public sector employees across the State. In 2021–22, the QTC Education Program delivered financial workshops to more than 2,900 participants through a combination of workshops, webinars, and masterclass sessions.

Key outcomes were achieved through delivering custom training programs to several Hospital and Health Services, the Department of State Development, Infrastructure, Local Government, and Planning (DSDILGP), and the Department of Health over the course of the past twelve months. Additionally, the QTC Education Program reached a wide range of public sector employees in a variety of different financial literacy topics.

The QTC webinar series continues to provide new and returning learners complimentary experiences to expand their understanding of financial management concepts. In the past twelve months, the QTC Education Program has seen record return rates with learners continuing to access the webinar content live and on-demand.

The QTC Education Program collaboration has been extended for another three years. This program aims to improve its educational offerings by revising the content and introducing a new dispersed learning model that will provide learners multiple touchpoints with educators throughout their development journey. Additionally, the education program will endeavour to increase learning opportunities through maximising regional travel opportunities; providing multiple packaged training events to regional, rural, and remote areas.

Loans to clients

	TOTAL DEBT OUTSTANDING (MARKET VALUE) 30 JUNE 22 A$000	TOTAL DEBT OUTSTANDING (MARKET VALUE) 30 JUNE 21 A$000
General Government*	**44 146 056**	49 276 839
Energy	**25 791 568**	27 140 983
Water	**12 785 013**	14 915 274
Local governments	**6 192 908**	6 883 658
Transport	**4 804 668**	5 257 510
Education	**624 475**	878 616
Other	**237 560**	258 349
Total	**94 582 248**	104 611 229

** General Government includes Queensland Treasury and Arts Queensland.*
** The large decrease in Market Value has been driven by market yields.*

ACHIEVING ORGANISATIONAL EXCELLENCE

QTC's performance in 2021–22, and its ability to manage ongoing disruption from COVID-19 and external market forces, was underpinned by its operational excellence, risk management, high performance workforce, and culture. QTC is committed to maintaining high organisational standards to enable an environment where corporate goals can be achieved, and organisational risks are actively monitored and managed.

Operational excellence

Throughout the year, QTC has continued its ongoing focus on continuous improvement of its organisational capability through system enhancements, data governance, and the supplier ecosystem. These improvements have optimised the foundation of how QTC's core funding and advisory functions are delivered and provide the platform for our organisation to maximise the delivery of value to the State.

In response to COVID-19, QTC has enhanced its readiness for business disruption, moving from a dedicated disaster recovery site to a more practical facility that can also be used as a project office when required. The new site was leveraged during the lockdown period in 2021 to enact a separated core business team at the height of the pandemic response in Queensland. QTC also continued to enhance its virtual capabilities and led key engagements using virtual channels with investors, clients and employees.

Technology, system and process enhancements

In the year under review, QTC settled $354.3 billion in transaction volume, with no cost of errors and implemented a number of initiatives to automate process, simplify reporting and improve data quality.

QTC renewed its contract with its primary information technology service provider with a commercial agreement for core IT services for a further three years.

QTC performed three updates to its core finance system and implemented a new reporting process to report on QTC's payment times to small businesses, in-line with the requirements of the *Payment Times Reporting Act 2020*.

QTC enhanced its client transaction portal, allowing faster and improved access for clients to their data and reports. In addition, client reporting improvements have enabled increased flexibility for clients to generate loan statements and streamline monthly reporting processes.

Data governance

Following the review of QTC's Enterprise Data Strategy, QTC developed a roadmap to realise its target state data architecture through a Strategic Data Program. Detailed program planning is underway, with consideration of resourcing and capability requirements, and a cost versus benefit analysis.

In 2021–22, QTC implemented new frameworks to guide the governance of its evolving systems and data platforms. This included a data governance solution to help manage and govern data locations and a new governance framework for the use of the Microsoft Power Platform.

Corporate risk management and efficiency

QTC continues to cultivate a healthy risk environment, with a proactive approach to identifying and mitigating risks within enterprise-wide risk management. This includes developing a risk appetite statement that establishes clear boundaries within which QTC's material risks are managed. The framework incorporates key internal controls, and through periodic attestation by control owners, assurance is given to management and the Board that these controls are operating effectively. Throughout 2021–22, QTC managed its portfolio market risk exposures, including interest rate, foreign exchange and counterparty risk, within its Board-approved risk management framework. QTC continues to hold a portfolio of diverse, liquid financial securities to meet the State's liquidity requirements, consistent with policy requirements.

The outcome of the 2021–22 internal audit program was positive with 13 internal audits conducted and completed successfully, with ratings demonstrating a well-controlled environment.

QTC manages its operational cyber risk through continual improvement and the coordination of four key elements: people, process, technology, and threat monitoring. This year, QTC enhanced its cyber security awareness program and training, and conducted workshops to identify opportunities to improve its resilience in a threat environment that is becoming increasingly sophisticated. A range of activities to assess and test its defences were undertaken, and infrastructure upgrades were also implemented in the period to improve detection and protection capabilities.

The benefits of QTC's new Enterprise Design Committee (established in 2020–21) were realised in 2021–22 and resulted in improved prioritisation of organisational initiatives, and efficiencies for their implementation. The committee's key objectives are to ensure a current state view of QTC's Enterprise Architecture is maintained and to approve and prioritise change initiatives impacting people, technology, data and information and process. Change initiatives undertaken during the past year predominantly related to the maintenance and enhancement of QTC's technology and data environments.

QTC prides itself on its high standards of integrity and ethics and has a comprehensive compliance training program designed to ensure QTC staff are risk aware and understand their obligations. In addition to mandatory online compliance training, QTC staff also participated in face-to-face conduct training that provided guidance on ethical matters and expected conduct, including market conduct. The training also highlighted the importance of speaking up and protections available to staff under the *Public Interest Disclosure Act 2010 (Qld)*.

QTC employees also completed an ongoing program of mandatory compliance training with an emphasis on code of conduct, workplace health and safety, financial crime awareness, and privacy. Annual targeted and tailored training is completed by all employees to ensure they are continuously informed of their compliance obligations.

High-performance workforce

QTC's talent, engagement and development practices continue to support a high-performance workforce.

QTC competes in the global financial industry to attract and retain its high calibre employees. Under the *Queensland Treasury Corporation Act 1988*, QTC employees are hired on individual contracts, with employment practices aligned to the financial markets in which it operates.

QTC's remuneration framework is a key driver of attracting and retaining our high-performing employees and enabling our culture. Employees' total compensation packages are comprised of fixed and variable remuneration elements (with entitlement to the variable component based on eligibility). Total compensation is benchmarked against remuneration data from the Financial Institutions Remuneration Group Inc (FIRG), which provides salary survey data for the Australian finance industry. QTC's variable remuneration element of total compensation provides an opportunity for an annual short-term incentive for eligible employees, designed to ensure market competitiveness and reward outstanding organisational and individual performance. The QTC Board approves the entitlement to, and the quantum of, the annual review of fixed remuneration and variable short-term incentives.

The Board regularly reviews QTC's remuneration framework to ensure that it aligns to the financial services market and meets its strategic priorities. This year was the first year following an independent review of the framework with key changes implemented to the mix of fixed and variable remuneration, short-term incentive (STI) percentage targets, and simplified STI elements to ensure that remuneration elements continued to align to the market.

The current employment market has been influenced by the impacts of COVID-19 and the strength in the broader economy. In 2021–22, QTC has experienced a higher turnover rate and has implemented a variety of retention and engagement strategies to combat these challenges and minimise workforce and culture risk.

QTC continued its professional development strategy, offering employees opportunities for individual growth and career development aligned to the capabilities required to meet future business objectives. To deliver on this strategy and strengthen organisational capability, QTC has continued to focus on leadership, talent and professional development.

QTC values employee feedback and regularly initiates 'listening' channels. In September 2021, QTC conducted a Mercer Culture Survey with results demonstrating strong cultural alignment and engagement. Opportunities for continual improvement were also identified, which has provided valuable data to inform QTC's future people strategies and initiatives.

In the year under review, there have been multiple ways of working, with all non-critical employees working off-site during lockdowns, and then able to access flexibility to work from home or in the office as circumstances required. QTC has actively managed in-office COVID-19 cases and activated ongoing employee communication initiatives to ensure staff health and business continuity.

In 2021–22, key people initiatives included:

- aligning employees with strategic initiatives and providing further clarity on the organisation's purpose through a range of staff forums and workshops
- continuing strategic workforce planning to align to our organisational vision and strategy, while incorporating the consideration of the future of work, digital transformation, and impacts of automation
- introducing performance indicators aligned to QTC's cultural pillars and 'how' employees deliver performance outcomes
- enhancing employee benefits and the options available for employees to manage their work and life responsibilities
- focusing on leadership development and leadership excellence, including a senior leaders' development program and a leading-self program
- delivering development programs with a focus on individual development and resilience, encouraging a risk aware culture, and team culture and effectiveness
- providing on-demand professional development resources via our learning platforms
- providing employees with project opportunities embedded within client organisations
- driving active talent management and succession planning programs, and
- continuing the Chief Executive Awards recognition program—aligned to QTC's values.

Organisational culture

In 2021–22, QTC continued to embed and elevate its culture strategy based on the three cultural pillars of clarity, candour, and connection. The strategy is focused on ensuring the alignment of focus and purpose, direct and healthy challenge, and increased collaboration. QTC continues to cultivate a risk culture that ensures issues and risks in the business environment are anticipated and any impacts for QTC and stakeholders are managed effectively. This has been further strengthened by a focus on candour as part of QTC's cultural development strategy.

For the third consecutive year, QTC was recognised as one of Australia's best places to work, receiving the '2022 5-Star Employer of Choice' award from Human Resources Director (HRD). In winning this award, HRD acknowledged QTC's exceptional leadership, employee benefits, professional development programs and culture.

Diversity and wellbeing

QTC's Inclusion and Diversity Strategy recognises that diversity of perspective and experience improves performance, manages risk, and enhances decision making. In 2021–22, under the strategy's priority streams of gender and inclusion, QTC:

- continued its partnership with Stepping Stone, supporting people living with mental illness
- continued its partnership with the Australian Network on Disability, as part of QTC's intern program
- continued its range of mental and physical health programs to support employee wellbeing
- supported flexible and adaptive working, by offering a range of working arrangements to enable business outcomes and remain responsive and agile
- raised awareness for inclusivity and diversity by supporting a number of initiatives, including a walking tour visiting significant cultural sites in Brisbane City during National Reconciliation Week
- elevated employees understanding of the benefits of an inclusive working environment, and the neuroscience of inclusion, to highlight the importance inclusion at work
- embraced community giving by continuing our support of FareShare with QTC employees helping to prepare free and nutritious meals for people in need, and
- initiated new outreach with secondary school students to provide information about the Banking and Finance Industry, to encourage gender equal interest in STEM subjects and future careers in the industry.

QTC wins HRD's '2022 5-Star Employer of Choice'

For the third consecutive year, QTC was recognised as one of Australia's best places to work, receiving the '2022 5-Star Employer of Choice' award from Human Resources Director (HRD) as an employer that provides outstanding initiatives for career growth with learning and development opportunities, recognition programs and an all-encompassing, constructive culture.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITMENT

In 2021–22, QTC worked closely with its stakeholders to deliver key Environmental, Social and Governance (ESG) initiatives, including:

- providing institutional investors with green investment opportunities
- supporting the Queensland Government to deliver initiatives that support ESG outcomes for Queensland
- ESG reporting of QTC's Capital Guaranteed Cash Fund (the Cash Fund), and
- providing organisational contributions that benefit the community.

Supporting the development of the inaugural Queensland Sustainability Report 2021

QTC collaborated with the Queensland Government on the development of the inaugural Queensland Sustainability Report 2021. The report contains information about the State's ESG commitments and outcomes. It provides information on identified ESG focus areas, the policies supporting the management of those focus areas and relevant reporting data, and public non-financial data for a broader range of relevant ESG factors.

Supporting ESG outcomes for Queensland

QTC supported Queensland Treasury and other agencies with projects to enhance environmental outcomes for the State, including working on behalf of South-East Queensland's councils to develop the SEQ Waste Management Plan, and assisting the Queensland Government with market modelling and research to support its energy policy commitments.

QTC has also worked closely with its clients on initiatives that support social outcomes for the State, including projects to support the Government and industries through COVID-19, significant outcomes to improve health services, and building solutions for children's social services and regional local governments.

QTC has continued to support the financial governance of the State by providing accounting and administration services to the Queensland Treasury Holdings Group and the State Investment Operations Board in its oversight of the Land Restoration Fund and the State's Long-Term Assets.

Expanding QTC's Green Bond issuance

QTC Green Bonds support Queensland's pathway to climate resilience and an environmentally sustainable economy. In September 2021, QTC issued $3.0 billion of a new 1.50% 2 March 2032 Green Bond. This was the fourth and longest tenor Green Bond for QTC, further diversifying funding alternatives and continuing to build QTC's Green Bond curve. QTC received recognition for its 2032 Green Bond in the 2021 FinanceAsia Deal Achievement Awards in Australia and New Zealand for the Best Local Bond Deal and Best Sustainable Finance Deal for a Financial Institution.

QTC is currently the largest Australian semi-government, Climate Bonds Initiative (CBI) Certified, Green Bond issuer with $6.98 billion on issue as at 30 June 2022.

Helping to manage Queensland's emissions

To support the Department of Environment and Science (DES) with the administration of the Land Restoration Fund (LRF), QTC acts as the Trustee and is responsible for the transaction processes and management reporting for the LRF. In 2021–22, QTC provided support in relation to the LRF $35.0 million investment to launch the Queensland Natural Capital Fund.

ESG reporting for QTC's Capital Guaranteed Cash Fund

In 2021–22 QTC reported on the Cash Fund's ESG profile, using the globally recognised ESG reporting provider Morgan Stanley Capital International (MSCI). The Cash Fund's monthly ESG score is based on the weighted average ESG score of each of the Cash Fund's bond investments. The Cash Fund's ESG score is reported monthly in the Cash Fund client report.

Contributing to our community

In 2021–22, QTC contributed at an organisational, team and individual level to a number of social and community initiatives. QTC employees can access one day of paid leave each year to volunteer with its recognised charity.

QTC continued its partnership with Stepping Stone and the Australian Network on Disability, and supported a range of diversity and inclusion initiatives, including National Reconciliation Week during NAIDOC Week, RUOK Day, Harmony Day and International Women's Day.

QTC employees volunteered at FareShare and raised money for the Wesley Mission through the Red Bag Appeal.

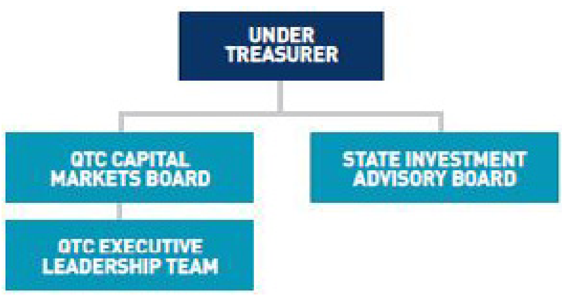
CORPORATE GOVERNANCE

QTC is committed to maintaining high standards of corporate governance to support its strong market reputation, ensure that organisational goals are met, and manage and monitor risks. QTC's corporate governance practices are continually reviewed and updated in line with industry guidelines and standards.

QTC and its Boards

QTC was established by the *Queensland Treasury Corporation Act 1988* (the QTC Act) as a corporation sole (ie, a corporation that consists solely of a nominated office holder). The Under Treasurer of Queensland is QTC's nominated office holder and has delegated QTC's powers to its two Boards:

- the Queensland Treasury Corporation Capital Markets Board (the Board), which was established in 1991 and manages all of QTC's operations except those relating to certain superannuation and other long-term assets, and
- the State Investment Advisory Board, which was established in July 2008 to manage the State's long-term assets.



QTC Capital Markets Board

The Under Treasurer, as QTC's corporation sole, and the QTC Capital Markets Board have agreed the terms and administrative arrangements for the exercise of the powers that the corporation sole has delegated to the Board.

The Board operates in accordance with its charter, which sets out its commitment to various corporate governance principles and standards, its roles and responsibilities (based on its delegated powers), and the conduct of meetings. The charter provides that the role and functions of the Board are to:

- lead and oversee QTC
- approve the strategic direction and significant strategic initiatives of QTC
- approve Board-owned policies and charters
- oversee organisational culture, values, behaviours and risk
- ensure compliance with relevant legal, tax and regulatory obligations
- approve the annual financial statements and the annual report
- approve the annual administration budget and the total full-time equivalent complement
- approve major contracts and agreements
- approve the Corporate Plan, including the corporate performance measures
- approve the annual assessment of corporate performance
- approve the Remuneration Framework, the remuneration pool and short-term incentive targets
- approve the appointment/reappointment/dismissal of the Chief Executive and assess the Chief Executive's performance against annual performance objectives
- approve the appointment of the internal audit partner and oversee the annual Internal Audit Plan
- oversee the external audit program, and
- evaluate Board and Board committee performance.

The Board typically holds nine meetings each year and may, whenever necessary, hold additional meetings.

Board appointments

The Board comprises members who are appointed by the Governor-in-Council, pursuant to section 10(2) of the QTC Act. Consideration is given to each Board member's qualifications, experience, skills, strategic ability and commitment to contribute to QTC's performance and achievement of its corporate objectives. QTC's Board is constituted entirely of non-executive directors.

Conflict of interest

Board members are required to monitor and disclose any actual or potential conflicts of interest. Unless the Board determines otherwise, a conflicted Board member may not receive any Board papers, attend any meetings or take part in any decisions relating to declared interests.

Performance and remuneration

To ensure continuous improvement and to enhance overall effectiveness, the Board conducts an annual assessment of its performance. Board members' remuneration is determined by the Governor-in-Council (details are disclosed in QTC's financial statements).

Board committees

The Board has established three committees, each with its own charter, to assist it in overseeing and governing various QTC activities. The complete roles and responsibilities of each committee are outlined in the charters available on the QTC website.

Funding and Markets Committee

The Funding and Markets Committee is a decision-making and advisory body responsible for overseeing and assisting the Board with:

- funding and markets-related key policies and compliance with relevant legislation
- the alignment of funding and markets activities with QTC's policies and risk appetite
- QTC's risk appetite, risk tolerance and risk mitigation strategies for funding and markets activities
- assessing QTC's ability to access suitable funding markets to meet the State's borrowing requirements and maintain appropriate levels of liquidity
- liquidity pool performance, and
- Cash Fund and Asset Liability Management Portfolio performance.

The Funding and Markets Committee must have at least three members and meet at least four times a year.

Human Resources Committee

The Human Resources Committee is a decision-making and advisory body responsible for overseeing and assisting the Board with:

- human resources-related key policies and compliance with relevant legislation
- the framework for remuneration and performance reviews
- the integrity and consistency of QTC's corporate culture
- succession planning for the executive leadership team, executive development and talent pipeline risks
- strategic workforce planning and operational resource planning, and
- people material risks.

The Human Resources Committee must have at least three members and meet at least three times a year.

Risk and Audit Committee

The Risk and Audit Committee is a decision-making and advisory body responsible for overseeing and assisting the Board with:

- the appropriateness and effectiveness of QTC's enterprise-wide risk management system (including the enterprise-wide risk management framework, the risk appetite statement, and risk management strategies and policies) and the internal control framework
- risk and risk management, including carriage of the risks attributed to the Risk and Audit Committee
- the effectiveness of internal control processes
- the integrity of the financial statements and associated year-end and interim processes, and
- the adequacy and effectiveness of audit activities.

The Risk and Audit Committee must have at least three members and meet at least four times a year.

During the year, the Risk and Audit Committee recommended the adoption of annual financial statements, reviewed external and internal audit reports and the progress in implementing the recommendations from those reports, approved QTC's Internal Audit Plan and reviewed the Queensland Audit Office's External Audit Plan.

Meetings held

	BOARD		FUNDING AND MARKETS COMMITTEE		HUMAN RESOURCES COMMITTEE		AUDIT COMMITTEE RISK AND	
ORDINARY MEETINGS HELD	**9**		**4**		**4**		**5**	
	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND
Gerard Bradley[1] – Chair	9	9	4	4	4	4	1	1
Leon Allen[2]	8	9	3	4	-	-	-	-
Neville Ide[3]	9	9	4	4	-	-	5	5
Anne Parkin	7	9	-	-	3	4	5	5
Karen Smith-Pomeroy	9	9	-	-	4	4	5	5
Jim Stening	8	9	4	4	-	-	-	-
Rosemary Vilgan	9	9	-	-	4	4	-	-

1 *Gerard Bradley retired from the QTC Board, effective 30 June 2022. Damien Frawley was appointed as the QTC Board Chair from 1 July 2022.*
2 *Leon Allen's appointment is an ex officio appointment within Queensland Treasury.*
3 *Neville Ide was reappointed from 1 October 2021 to 30 September 2025.*

QTC'S CAPITAL MARKETS BOARD

as at 30 June 2022

GERARD BRADLEY AO

BCOM, DIPADVACC, FCA,
FCPA, FAICD, FIML

Chair

Appointed 10 May 2012.
Tenure to 30 June 2022.

Board Committees

- Member, Human Resources Committee
- Member, Funding and Markets Committee

Prior to his appointment as the Chair of QTC's Board, Mr Bradley was the Under Treasurer and Under Secretary of the Queensland Treasury Department, a position he held from 1998 to 2012. He was also a QTC Board member from 2000–2007.

Mr Bradley has extensive experience in public sector finance gained in both the Queensland and South Australian treasury departments. He was Under Treasurer of the South Australian Department of Treasury and Finance from 1996 to 1998, and of Queensland's Treasury Department from 1995 to 1996. Mr Bradley held various positions in Queensland Treasury from 1976 to 1995, with responsibility for the preparation and management of the State Budget and the fiscal and economic development of Queensland.

He is currently a Non-Executive Director of Star Entertainment Group Ltd, Pinnacle Investment Management Group Limited and the Winston Churchill Memorial Trust, a Member of the Queensland regional selection committee for Churchill fellowships, and a Director of the Pinnacle Charitable Foundation.

LEON ALLEN

BA (HUM), GRAD DIP
PUBLIC POLICY, MAICD

Appointed 16 July 2020.
Tenure to 30 June 2023.

Board Committees

- Member, Funding and Markets Committee

Leon Allen was appointed Under Treasurer of Queensland Treasury in September 2021, having joined the Department as Deputy Under Treasurer in May 2020, with responsibility for economic, fiscal and commercial policy.

Mr Allen's appointment came after 13 years with the Institutional Banking and Markets division of the Commonwealth Bank of Australia where he held senior leadership positions both domestically and internationally.

Mr Allen's career also includes periods with the Australian Government's Department of Finance, Queensland Treasury and Ergon Energy. In addition to his role on the QTC Capital Markets Board, Mr Allen is a member of the State Investment Advisory Board.

NEVILLE IDE

BBUS (ACCTG),
MCOMM (ACCTG AND FIN),
FCPA, FAICD

Appointed 1 October 2018.
Tenure to 30 September 2025.

Board Committees

- Member, Risk and Audit Committee
- Member, Funding and Markets Committee

Neville Ide has more than 40 years' experience in finance and treasury management having held executive roles in the government, finance and banking sectors, including Queensland Treasury Corporation for 12 years and as Group Treasurer at Suncorp Metway Limited.

Mr Ide's industry knowledge and experience covers banking, insurance, infrastructure and corporate treasury management, including debt and equity capital markets, balance sheet structuring and financial risk management.

Mr Ide has served as a Non-Executive Director on several public and private company boards since 2006, including appointments to Queensland Motorways Limited, RACQ Insurance, RACQ Bank, Retech Technology Limited, SunWater Limited, and as a previous QTC Board member. He is currently a Director of QBANK.

ANNE PARKIN

B SCIENCE (HONS), DIP ED,
GRAD DIP SEC, MBA,
MAICD, F FIN

Appointed 1 July 2016.
Tenure to 30 September 2022.

Board Committees

- Member, Risk and Audit Committee
- Member, Human Resources Committee

Anne Parkin has more than 25 years' international management and board level experience across Asia-Pacific banking and financial services.

Ms Parkin has held diverse leadership roles in domestic and global broking and banking, superannuation administration, retail management and education in both the public and private sectors. At an executive level, she has experience operating in highly regulated businesses including banking with Credit Suisse and UBS, and in Australian superannuation.

Ms Parkin is currently the Chair of an SME in the energy sector. She is the former Chair of a start-up company and a former Non-Executive Director of both Credit Suisse Securities Malaysia and Credit Suisse Securities Philippines. Ms Parkin was also the Executive Director of the Hong Kong Control Committee, responsible for oversight of operational risk for Credit Suisse Hong Kong and its affiliates, and the executive in charge of operational matters with local regulators, including the Hong Kong Monetary Authority and Hong Kong Securities and Futures Commission.

KAREN SMITH-POMEROY

ADIP (ACCOUNTING), GAICD, FIPA, SF FIN

Appointed 9 July 2015.
Tenure to 30 September 2022.

Board Committees

- Chair, Risk and Audit Committee
- Member, Human Resources Committee

Karen Smith-Pomeroy is an experienced financial services senior executive with a specialty in risk and governance.

Ms Smith-Pomeroy held senior executive roles with Suncorp Group Limited from 1997 to 2014, including Chief Risk Officer Suncorp Bank from 2009 to 2013, and Executive Director, Suncorp Group subsidiary entities from 2009 to 2014. She has also held non-executive roles on a number of Government and commercial boards and committees including CS Energy Limited and Tarong Energy Corporation Limited.

Ms Smith-Pomeroy is currently Chair of National Affordable Housing Consortium Limited and the Regional Investment Corporation, and a Non-Executive Director of Stanwell Corporation Limited and Kina Securities Limited. She is also an Independent Chair of the Audit and Risk Committee of South Bank Corporation and an Independent Audit Committee member of the Department of State Development, Infrastructure, Local Government and Planning.

JIM STENING

DIP FIN SERV, FAICD

Appointed 13 November 2014.
Tenure to 30 June 2023.

Board Committees

- Chair, Funding and Markets Committee

Jim Stening has more than 30 years' experience in financial markets in the fixed income asset class, including hands-on trading and investing in Australian and global capital markets.

Mr Stening has extensive experience in debt markets, business development, executive management and corporate governance across a diverse range of economic cycles. He has held senior roles at NAB, Merrill Lynch and Banco Santander.

Mr Stening is the founder and Managing Director of FIIG Securities Limited, Australia's largest specialist fixed-income firm and a Non-Executive Director of related companies, and a Fellow of the Australian Institute of Company Directors.

ROSEMARY VILGAN

BBUS, DIP SUPN MGT, FAICD, FASFA

Appointed 1 October 2020.
Tenure to 30 September 2023.

Board Committees

- Chair, Human Resources Committee

Rosemary Vilgan is an experienced Non-Executive Director, with expertise in financial services and business leadership and transformation. She was the Chief Executive of QSuper, a global financial services business with $90.0 billion in accounts, from 1998 until 2015.

Ms Vilgan is currently the Chairperson of the Commonwealth Bank Group Staff Superannuation Fund, a Member of the Board of the Guardians of New Zealand Superannuation and a Member of the Cambooya Investment Committee. Her former roles include Chairperson of the Federal Government's Safety, Rehabilitation and Compensation Commission, a member of the Board of the Children's Hospital Foundation (Qld) and a Queensland Council member of AICD. She is a former Councillor, Deputy Chancellor and Chairperson of the Audit and Risk Committee at Queensland University of Technology (QUT), and a former director and Chair of the Board of the Association of Superannuation Funds of Australia (ASFA).

In 2013, Ms Vilgan was named the Telstra Australian Businesswoman of the Year. She holds qualifications in business and superannuation and is a Fellow of both AICD and ASFA and a Member of Chief Executive Women.

New Chair appointed 1 July 2022

DAMIEN FRAWLEY

Chair

Appointed 1 July 2022.
Tenure to 30 June 2025.

Board Committees

- Member, Funding and Markets Committee
- Member, Human Resources Committee

Damien Frawley was appointed Chair of the QTC Capital Markets Board on 1 July 2022, following the retirement of Gerard Bradley AO.

Mr Frawley has more than 35 years' experience in the financial services sector, both domestically and internationally. From 2012 to 2022, he was the Chief Executive of Queensland Investment Corporation (QIC), responsible for more than $88.0 billion in assets under management for a range of government, domestic and global institutional investors.

Prior to QIC, Mr Frawley was Blackrock's Australian Managing Director and Chief Executive Officer from 2010 to 2012, after joining as their Head of Institutional and Retail in 2007. He also held senior roles at Merrill Lynch Investment Management, Barclays Global Investors and Citibank.

Mr Frawley is also the Independent Chair of Hostplus, a Non-Executive Director of Mirvac Group, an Alternate Director of The North Australian Pastoral Company Pty Ltd, a Director and the Chair of AMPS Agribusiness Limited, and a Director of Blue Sky Beef.

QTC Executive Leadership Team

The responsibility for the day-to-day operation and administration of QTC is delegated by the Board to the Chief Executive and the Executive Leadership Team. The Chief Executive is appointed by the Board and executives are appointed by the Chief Executive. Executive Leadership Team appointments are made on the basis of qualifications, experience, skills, strategic ability, and commitment to contribute to QTC's performance and achievement of its corporate objectives.

QTC's Executive Leadership Team as at 30 June 2022

Philip Noble	Chief Executive
Grant Bush	Deputy Chief Executive and Managing Director, Funding and Markets
Mark Girard	Managing Director, Clients
Rupert Haywood	Managing Director, Corporate Services and Chief Risk Officer
Jane Keating	Managing Director, Finance, Data and Compliance

Internal audit

The Financial and Performance Management Standard 2019 (Qld) (Standard) governs the operation of QTC's internal audit function. QTC outsourced its independent internal audit function to EY for the 2020–21 financial year. Internal audit reports to the Risk and Audit Committee and is conducted under an Internal Audit Policy, consistent with the relevant audit and ethical standards. The role of internal audit is to support QTC's corporate governance framework by providing the Board (through the Risk and Audit Committee) with:

- assurance that QTC has effective, efficient and economical internal controls in place to support the achievement of its objectives, including the management of risk, and
- advice with respect to QTC's internal controls and business processes.

Internal audit is responsible for:

- developing an annual audit plan, based on the assessment of financial and business risks aligned with QTC's strategic goals and objectives, as well as material risks, and approved by the Risk and Audit Committee
- providing regular audit reports and periodic program management reports to the management team and the Risk and Audit Committee, and
- working constructively with QTC's management team to challenge and improve established and proposed practices and to put forward ideas for process improvement.

In the year under review, EY completed its internal audits in accordance with the approved annual audit plan.

External audit

In accordance with the provisions of the *Auditor-General Act 2009*, the Queensland Audit Office is the external auditor for QTC. The Queensland Audit Office has the responsibility for providing Queensland's Parliament with assurances as to the adequacy of QTC's discharge of its financial and administrative obligations.

All audit recommendations raised by the Queensland Audit Office that were due during the reporting period were addressed.

State Investment Advisory Board

The State Investment Advisory Board (SIAB) was established in 2008 as an advisory Board of Queensland Treasury Corporation under section 10 of the QTC Act. SIAB was established to manage long-term assets for the State by a board independent of QTC's capital markets operations. The long-term assets have no impact on QTC's capital markets operations and there is no cash flow affect for QTC.

In 2021–22, with power delegated from QTC, the SIAB was responsible for:

- providing governance oversight of the financial assets set aside by the Queensland Government to meet future employee liabilities and other long-term obligations of the State
- providing governance oversight of the financial assets set aside to support long term initiatives of the Queensland Government
- providing investment governance assistance in connection with the Financial Provisioning Fund established under the *Mineral and Energy Resources (Financial Provisioning) Act 2018* and the National Injury Insurance Scheme Fund, Queensland.

The SIAB members are appointed by the Governor-in-Council, pursuant to section 10(2) of the QTC Act. Remuneration for the SIAB members is determined by the Governor-in-Council. In 2021–22, the members of the SIAB were:

	POSITION	ATTENDED	ELIGIBLE TO ATTEND
Board meetings held: 4			
Leon Allen[1], Acting Under Treasurer	Chair	3	4
William Ryan[2], Queensland Treasury	Member	3	4
Philip Graham, External member	Member	4	4
Tony Hawkins, External member	Member	4	4
Maria Wilton, External member	Member	4	4

[1] The Chair of SIAB is an ex officio role. Leon Allen's term ended on 30 June 2022 and Mr Allen was reappointed from 7 July 2022 to 30 September 2025.
[2] This position is an ex officio appointment within Queensland Treasury. William Ryan's term ended on 30 June 2022 and Mr Ryan was reappointed from 7 July 2022 to 30 September 2025.
[3] Philip Graham's term ended on 30 June 2022 and Mr Graham was reappointed from 7 July 2022 to 30 September 2024.
[4] Tony Hawkins' term ended on 30 June 2022. Catherine Wood was appointed from 7 July 2022 to 30 September 2025.
[5] Maria Wilton's term ended on 30 June 2022 and Ms Wilton was reappointed from 7 July 2022 to 30 September 2024.

SIAB Board Members

as at 30 June 2021

LEON ALLEN

BA (HUM), GRAD DIP PUBLIC POLICY, MAICD
Chairman Appointed 29 April 2021.
Tenure to 30 June 2025.

Leon Allen was appointed Under Treasurer of Queensland Treasury in September 2021. He joined as Deputy Under Treasurer, Queensland Treasury in May 2020 with responsibility for economic, fiscal and commercial policy.

Mr Allen's appointment came after 13 years with the Institutional Banking and Markets division of the Commonwealth Bank of Australia where he held senior leadership positions both domestically and internationally.

Mr Allen's career also includes periods with the Australian Government's Department of Finance, Queensland Treasury and Ergon Energy. He is also a member of the QTC Capital Markets Board.

WILLIAM RYAN

BBUS (BANKING AND FIN), GRAD CERT POLICY ANALYSIS
Appointed 19 November 2020.
Tenure to 30 June 2025.

William Ryan is the Head of Fiscal, Queensland Treasury, with responsibilities for managing the State's budget and balance sheet, and ensuring the long-term sustainability of Queensland's fiscal position. He forms part of Queensland Treasury's Senior Leadership Team and serves as a member of the Queensland Government Insurance Fund Governance Committee.

Prior to his current role, Mr Ryan held senior leadership roles in Queensland Treasury over a 20-year career. These roles have included developing investment programs, financial assurance modelling, infrastructure program and economic policy analysis.

PHILIP (PHIL) GRAHAM

BA (ECON, HONS), MCOM (FIN, HONS), CFA, GAICD
Appointed 4 July 2019.
Tenure to 30 June 2024.

Phil Graham has extensive experience in investment management, financial markets, and economic policy. He is an independent member of the Lonsec Asset Allocation Committee and a consultant to AustralianSuper.

Mr Graham was Senior Portfolio Strategist and Deputy Chief Investment Officer at Mercer from 2007–2018. He also held senior roles at QIC and Access Capital Advisors, and prior to this he worked for the Reserve Bank of Australia and the ANZ Banking Group.

Mr Graham is a past-President of the CFA Society of Melbourne and was the Presidents Council Representative for the CFA Asia Pacific North and Oceania region in 2015–2019. He currently serves on the CFA Disciplinary Review Committee.

TONY HAWKINS AM

B COMM, DIP OF FIN MGT, FCPA, GAICD
Appointed 4 July 2019.
Tenure to 30 June 2022.

Tony Hawkins has more than 45 years' experience in the insurance, financial services, mining, building and construction industries. He was the CEO of WorkCover Queensland from 1998–2016 and was responsible for a turnover of $1.5 billion.

Prior to this, Mr Hawkins held management positions at AXA Australia, National Mutual and Australian Casualty and Life.

Mr Hawkins is currently a Director at Lexon Insurance Pty Ltd and the Operations Manager at KA Hawkins Constructions Pty Ltd. He has previously held directorships at QSuper Limited and the Queensland Workplace Health and Safety Board.

MARIA WILTON AM

BEC, CFA, FAICD, FAIST
Appointed 4 July 2019.
Tenure to 30 June 2024.

Maria Wilton has more than 30 years' experience in the financial services industry. Ms Wilton was Chair and Managing Director of Franklin Templeton Investments Australia from 2006–2018. She previously held roles with BT Financial Group, County Investment Management, JP Morgan Investment Management and Commonwealth Treasury.

Ms Wilton is a member of the Global Board of Governors of the Chartered Financial Analyst Institute and Vice Chair of Infrastructure Victoria. She is a Director of Post Super Ltd, Dexus Wholesale Property Fund, VFMC and the Confident Girls Foundation.

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FINANCIAL STATEMENTS

For the year ended 30 June 2022

Statement of comprehensive income

For the year ended 30 June 2022

	NOTE	2022 $000	RESTATED 2021 $000
CAPITAL MARKETS OPERATIONS			
Net gain/(loss) on financial instruments at fair value through profit or loss			
(Loss) on financial assets	3	**(12 367 842)**	(243 309)
Gain on financial liabilities	3	**12 324 996**	354 846
		(42 846)	111 537
Other income			
Fee income		**96 525**	91 879
		96 525	91 879
Expenses			
Administration expenses	4	**(76 442)**	(78 493)
Depreciation of right-of-use assets	14	**(1 919)**	(1 713)
		(78 361)	(80 206)
(Loss)/profit from Capital Markets Operations before income tax		**(24 682)**	123 210
Income tax expense	5	**(11 552)**	(8 065)
(Loss)/profit from Capital Markets Operations after income tax		**(36 234)**	115 145
STATE INVESTMENT OPERATIONS			
Net return from investments			
Net change in fair value of unit trusts		**1 602 754**	4 676 076
Net change in fair value of fixed rate notes		**1 073 122**	(2 653 028)
Interest on fixed rate notes		**(2 446 413)**	(1 864 990)
Management fees		**(229 463)**	(158 058)
Profit/(loss) from State Investment Operations		**-**	-
Total net (loss)/profit for the year after tax		**(36 234)**	115 145
Total comprehensive (loss)/income attributable to the owner		**(36 234)**	115 145
Total comprehensive (loss)/income derived from:			
Capital Markets Operations		**(36 234)**	115 145
State Investment Operations		**-**	-
Total comprehensive (loss)/income		**(36 234)**	115 145

The accompanying notes form an integral part of these financial statements.

See Note 2(a) for details regarding the restatement as a result of a change in accounting policy.

Throughout these financial statements the Capital Markets Operations and the State Investment Operations have been disclosed separately to distinguish between QTC's main central financing authority role and its additional responsibilities following the transfer of the State's superannuation and other long term investment assets (refer Note 1).

Balance sheet

As at 30 June 2022

	NOTE	2022 $000	RESTATED 2021 $000
ASSETS – CAPITAL MARKETS OPERATIONS			
Cash and cash equivalents	6	**5 247 278**	11 803 213
Receivables		**6 448**	7 262
Financial assets at fair value through profit or loss	7	**28 529 672**	14 958 589
Derivative financial assets	8	**297 945**	336 836
Onlendings	9	**94 582 248**	104 611 229
Property, plant and equipment	13	**2 277**	2 967
Right-of-use assets	14	**7 026**	8 278
Intangible assets		**2 838**	8 410
Deferred tax asset		**3 944**	4 893
		128 679 676	131 741 677
ASSETS - STATE INVESTMENT OPERATIONS			
Financial assets at fair value through profit or loss	16	**40 372 412**	37 814 711
		40 372 412	37 814 711
Total Assets		**169 052 088**	169 556 388
LIABILITIES – CAPITAL MARKETS OPERATIONS			
Payables		**25 458**	26 263
Derivative financial liabilities	8	**300 604**	238 187
Financial liabilities at fair value through profit or loss			
- Interest-bearing liabilities	10(a)	**119 347 440**	122 755 935
- Deposits	10(b)	**8 431 220**	8 107 683
Lease liabilities	14	**12 823**	15 165
Other liabilities		**6 727**	6 806
		128 124 272	131 150 039
LIABILITIES – STATE INVESTMENT OPERATIONS			
Financial liabilities at fair value through profit or loss	16	**40 372 412**	37 814 711
		40 372 412	37 814 711
Total Liabilities		**168 496 684**	168 964 750
NET ASSETS		**555 404**	591 638
EQUITY – CAPITAL MARKETS OPERATIONS			
Retained surplus		**555 404**	591 638
		555 404	591 638
EQUITY – STATE INVESTMENT OPERATIONS*			
Retained surplus		**-**	-
		-	-
Total Equity		**555 404**	591 638

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2022

	NOTE	CAPITAL MARKETS OPERATIONS RETAINED SURPLUS $000	STATE INVESTMENT OPERATIONS RETAINED SURPLUS $000	TOTAL EQUITY $000
Balance at 1 July 2020		526 723	-	526 723
Net effect of change in accounting policy		(230)	-	(230)
Restated balance at 1 July 2020		**526 493**	**-**	**526 493**
Restated profit for the year		115 145	-	115 145
Transactions with owners in their capacity as owners:				
Dividend provided for or paid	24	(50 000)	-	(50 000)
Restated balance at 30 June 2021		**591 638**	**-**	**591 638**
Balance at 1 July 2021		591 638	-	591 638
Loss for the year		(36 234)	-	(36 234)
Transactions with owners in their capacity as owners:				
Dividend provided for or paid	24	-	-	-
Balance at 30 June 2022		**555 404**	**-**	**555 404**

The accompanying notes form an integral part of these financial statements.

Statement of cash flows

For the year ended 30 June 2022

	NOTE	2022 $000	RESTATED 2021 $000
CAPITAL MARKETS OPERATIONS			
Cash flows from operating activities			
Interest received from onlendings		**2 889 314**	3 190 892
Interest received from investments and other sources		**530 119**	279 835
Fees received		**95 051**	93 390
Net GST		**(294)**	208
Interest paid on interest-bearing liabilities		**(3 847 128)**	(2 800 272)
Administration expenses paid		**(74 713)**	(72 280)
Interest paid on deposits		**(55 913)**	(64 617)
Income tax paid		**(8 607)**	(7 153)
Net cash (used in)/provided by operating activities	15(a)	**(472 171)**	620 003
Cash flows from investing activities			
Proceeds from sale of investments		**27 200 288**	33 681 434
Payments for investments		**(41 161 982)**	(26 578 979)
Net client onlendings		**(5 323 857)**	(9 977 168)
Payment for intangibles		**-**	(83)
Payments for property, plant and equipment		**(709)**	(13)
Net cash used in investing activities		**(19 286 260)**	(2 874 809)
Cash flows from financing activities			
Proceeds from interest-bearing liabilities		**35 113 381**	40 285 045
Repayment of interest-bearing liabilities		**(22 233 304)**	(27 908 582)
Net client deposits		**322 419**	(755 875)
Dividends paid		**-**	(50 000)
Net cash provided by financing activities	15(b)	**13 202 496**	11 570 588
Net (decrease)/increase in cash and cash equivalents held		**(6 555 935)**	9 315 782
Cash and cash equivalents at 1 July		**11 803 213**	2 487 431
Cash and cash equivalents at 30 June	6	**5 247 278**	11 803 213

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2022

Contents

1 General information

Queensland Treasury Corporation (QTC) is the Queensland Government's central financing authority. It also provides a range of financial services to State public sector entities, local governments and universities.
QTC is constituted under the *Queensland Treasury Corporation Act 1988* (the Act), with the Under Treasurer designated as the Corporation Sole under section 5(2) of the Act. QTC is domiciled in Queensland, Australia, with its principal place of business being 111 Eagle Street, Brisbane, Queensland. QTC's ultimate parent is the State of Queensland.

QTC's business operations are made up of two segments, namely Capital Markets Operations and State Investment Operations (SIO).

Capital Markets Operations

The remit of Capital Markets Operations includes debt funding, cash management, financial risk management advisory and specialist public finance education.

These services are undertaken on a cost-recovery basis with QTC lending to its clients at an interest rate based on its cost of funds plus a loan administration fee to cover the cost of administering the loans. QTC passes on the returns of asset management to its clients and retains the unrealised gains/losses associated with credit spread movements on its balance sheet until the sale of the asset or its maturity. The gains/losses associated with QTC's management of these loans is passed on annually to the State Consolidated Fund.

Capital Markets Operations also generates a net return from financial markets instruments held for capital and liquidity purposes.

In undertaking its capital markets activities, QTC maintains adequate capital to manage its risks having regard to its Capital Policy.

State Investment Operations

SIO consists of portfolios of assets that were transferred to QTC by the State Government.

The assets of this segment are held in unit trusts managed by QIC Limited (QIC) and overseen by the State Investment Advisory Board (SIAB). These assets are invested in two portfolios, the Long Term Assets (LTA) portfolio and the Queensland Future Fund (QFF) portfolio. Each portfolio has its own investment management agreement. In the case of the Long Term Assets portfolio, a number of sub portfolios exist.

Long Term Assets Portfolio

The LTA portfolio consists of assets that were transferred to QTC by the State and invested in several sub-portfolios:

(a) Endowment Portfolio

In 2008, the State transferred assets to fund the State's superannuation and other long-term obligations and in April 2022, $2.5 billion in cash was transferred into the portfolio.

(b) State Initiatives Portfolio

In June 2021, assets worth $2.0 billion were transferred to support a number of Government initiatives.

(c) Government Holdings Portfolio

The State transferred $118.6 million in securities of strategic holdings in April 2022.

Queensland Future Fund

The QFF and its sub portfolio, the Debt Retirement Fund (DRF) were established as funds under the *Queensland Future Fund Act 2020*. The DRF was set up to support both the State's credit rating and generate returns to reduce the State's debt burden.

Withdrawals from the DRF are limited to amounts to reduce the State's debt, and fees or expenses associated with administering the fund by the *Queensland Future Fund Act 2020*.

Fixed Rate Notes

A Fixed Rate Note (FRN) has been issued by QTC for each of the portfolios of SIO in return for the transfer of assets from the State.

The FRN issued to match the LTA portfolio has an interest rate of 6.5% per annum (2021: 6.5%) which accrues on the book value of the FRN and is for the benefit of the State's Consolidated Fund.

The FRN issued in return for the initial transfer of assets to the QFF is for the benefit of Queensland Treasury. Interest at a rate of 6.5% per annum (2021: 6.5%) accrues on the book value of this FRN.

Recognising the direct relationship between the FRNs and the assets of SIO, any difference between the return paid by QTC on the FRNs and the return received by QTC on the invested assets is recognised in the financial statements annually as a market value adjustment to the value of the FRNs. Any market value adjustment does not impact QTC's Capital Markets Operations or its ability to meet its obligations.

SIAB members include representatives from Queensland Treasury and external members with experience in investment management and governance. SIAB has been delegated all responsibility for overseeing SIO within a framework provided by the State Government. This includes determining an appropriate investment strategy, monitoring investment performance and the performance of the investment manager (QIC), and monitoring compliance with relevant internal controls, standards and legislation. The formulation of strategic asset allocation, performance and monitoring of SIO's assets is therefore distinct from QTC's Capital Markets Board and day-to-day Capital Markets Operations and is the responsibility of SIAB and its appointed investment manager (QIC).

Each year, QTC's Capital Markets Board receives relevant information about the assets of SIO in order to prepare financial statements in accordance with Australian Accounting Standards and other prescribed requirements. QIC is responsible for assisting SIAB to provide this relevant information to the QTC Capital Markets Board.

Notes to the Financial Statements

For the year ended 30 June 2022

2 Significant accounting policies and other explanatory information

The principal accounting policies adopted in the preparation of the financial report are set out below and in the relevant notes to the financial statements.

(a) Basis of preparation

These general purpose financial statements for the year ended 30 June 2022 have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB), the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2019*, and the Financial Reporting Requirements for Queensland Government Agencies (as applicable to statutory bodies) for reporting periods beginning on or after 1 July 2021.

Compliance with International Financial Reporting Standards

QTC's financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. QTC has elected to comply with the requirements of IFRS as if it is a for-profit entity.

Changes in accounting policy, disclosures, standards and interpretations

New accounting standards and interpretations

During the year, QTC revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software as a Service (SaaS) arrangements in response to the IFRS Interpretations Committee agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. This has resulted in QTC changing its accounting policy for the recognition of intangible assets.

The below section shows the restatement of each line of the historical financial information affected by this change in accounting policy.

	ACTUAL 2021 $000	CHANGE IN ACCOUNTING POLICY ADJUSTMENT $000	RESTATED 2021 $000
STATEMENT OF COMPREHENSIVE INCOME (EXTRACT)			
Capital Markets Operations			
Expenses			
Administration expenses	(77 770)	(723)	(78 493)
Total Expenses	(79 483)	(723)	(80 206)
Income tax expense	(8 282)	217	(8 065)
Profit from capital Market Operations after income tax	**115 651**	**(506)**	**115 145**
BALANCE SHEET (EXTRACT)			
Capital Markets Operations			
Intangible assets	9 462	(1 052)	8 410
Total Assets	131 742 729	(1 052)	131 741 677
Payables	26 579	(316)	26 263
Total Liabilities	**131 150 355**	**(316)**	**131 150 039**
Net Assets	**592 374**	**(736)**	**591 638**
STATEMENT OF CHANGES IN EQUITY (EXTRACT)			
Balance at 1 July 2020	526 723	(230)	526 493
Capital Markets Operations			
Profit for the year	115 651	(506)	115 145
Balance as at 30 June 2021	**592 374**	**(736)**	**591 638**
STATEMENT OF CASH FLOWS (EXTRACT)			
Cash flows from operating activities			
Administration expenses paid	(71 654)	(626)	(72 280)
Net cash provided by operating activities	620 629	(626)	620 003
Cash flows from investing activities			
Payment for intangibles	**(709)**	**626**	**(83)**
Net cash used in investing activities	**(2 875 435)**	**626**	**(2 874 809)**

Standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been issued that are not mandatory for the current reporting period. The future adoption of Australian Accounting Standards and Interpretations issued but not yet effective are not expected to have a material impact on QTC's financial statements, however they may result in minor changes to how information is currently disclosed.

Basis of measurement

These financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. Fair value is the amount for which an asset could be exchanged, or liability settled between knowledgeable, willing parties in an arm's length transaction.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is QTC's functional currency.

Classification of assets and liabilities

The balance sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

Notes to the Financial Statements

For the year ended 30 June 2022

2 Significant accounting policies and other explanatory information continued

(b) Foreign currency

Foreign currency transactions are initially translated into Australian dollars at the rate of exchange applying at the date of the transaction. At balance date, amounts payable to and by QTC in foreign currencies have been valued using current exchange rates after considering interest rates and accrued interest. Exchange gains/losses are brought to account in the statement of comprehensive income.

(c) Collateral

QTC enters into a range of transactions with counterparties, which require the lodgement of collateral subject to agreed market thresholds. Where these thresholds are exceeded, QTC may be required to either pledge assets to, or be entitled to receive pledged assets from the counterparty to secure these transactions. The assets pledged or received are primarily in the form of cash.

(d) Financial assets and liabilities

Financial assets on initial recognition are classified at fair value through profit or loss and include:

- cash and cash equivalents
- financial assets at fair value through profit or loss
- derivative financial instruments, and
- onlendings

Financial liabilities are measured at fair value through profit or loss and include:

- interest-bearing liabilities
- deposits, and
- fixed rate notes

Financial assets and liabilities are recognised on the balance sheet when QTC becomes party to the contractual provisions of the financial instrument, which is the settlement date of the transaction. A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by QTC.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. Financial assets and liabilities are measured at fair value through profit or loss by reference to quoted market exit prices where available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques.

QTC uses mid-market rates as the basis for establishing fair values of quoted financial instruments with offsetting risk positions. In general, the risk characteristics of funds borrowed, together with the financial derivatives used to manage interest rate and foreign currency risks, closely match those of funds on-lent. In all other cases, the bid-offer spread is applied where material.

Gains and losses on financial assets and liabilities at fair value through profit or loss are brought to account in the statement of comprehensive income.

(e) Offsetting financial instruments

QTC offsets financial assets and liabilities where there is a legally enforceable right to set-off, and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously (refer note 11(c)(iv)).

(f) Repurchase agreements

Securities sold under agreements to repurchase at an agreed price are retained within the financial assets at fair value through profit or loss category while the obligation to repurchase is disclosed as a financial liability at fair value through profit or loss.

(g) Fee income

Fee income includes:

- management fee income, which represents income earned from the management of QTC's onlendings and deposits, and is recognised over time when the service has been provided in accordance with client mandates
- other fees, which are recognised in the period the services are provided to the extent that it is probable that the economic benefits will flow to QTC and can be measured reliably, and
- revenue on financial guarantees, which is recognised on an ongoing basis over the contract term. The probability of default on a financial guarantee is extremely low due to counter indemnities and therefore, revenue receivable is reflective of fair value.

(h) Profits/losses

Unless otherwise determined by the Governor in Council, the *Queensland Treasury Corporation Act 1988* requires that all profits shall accrue to the benefit of the State Consolidated Fund and all losses shall be the responsibility of the State Consolidated Fund. Return of profits to the State Consolidated Fund is made by way of dividends, which are provided for following approval by the Board after considering QTC's capital requirements.

(i) Receivables

Receivables are measured at amortised cost, which approximates their fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Other debtors generally arise from transactions outside the usual operating activities of the corporation and are recognised at their assessed values with terms and conditions similar to trade debtors.

(j) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives, which is usually between three and seven years. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Costs incurred to acquire on premise computer software licences and for the development of software code that enhances, modifies, or creates additional capability to these systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible assets.

Software-as a-Service (SaaS) arrangements are service contracts providing QTC with the right to access the provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

(k) Impairment

Where an impairment is recognised the following methodology is applied:

Receivables: The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting QTC's debtors and relevant industry data form part of QTC's impairment assessment. No loss allowance is recorded for receivables from Queensland Government agencies or Australian Government agencies on the basis of materiality.

Where there is no reasonable expectation of recovering an amount owed by a debtor, the debt is written off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Non-financial Assets: The carrying value of non-financial assets is reviewed at each reporting date or where there is an indication of impairment. If an indication of impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The asset's recoverable amount is determined as the higher of the asset's fair value less cost of disposal or value in use.

(l) Employee benefits

A liability is recognised for employee benefits including salaries, superannuation, annual leave, long service leave and short-term incentives where there is a present or constructive obligation as a result of past service. The liability is based on the amount expected to be paid provided that the obligation can be measured reliably. These are measured on an undiscounted basis where the amounts are expected to be paid within the next 12 months. For amounts where the payment date is expected to exceed 12 months, such as long service leave, future pay increases are projected and then discounted using the Australian Government Bond Generic Yield Rates. As sick leave is non-vesting, this is recognised as and when this leave is taken.

(m) Rounding

Amounts have been rounded to the nearest thousand dollars except as otherwise stated.

(n) Comparative figures

Comparative figures have been restated to account for the change in accounting policy as detailed in Note 2(a).

(o) Judgements and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management evaluates its judgements, estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates may be significant to the financial statements are shown below:

Fair value of financial assets and financial liabilities

Financial assets and financial liabilities (including derivatives) are measured at fair value by reference to quoted market prices where available. The fair value of financial instruments that are not traded in an active market is determined by reference to market quotes for similar instruments or by use of valuation techniques. Valuation techniques may include applying trading margins to the swap curve or counterparty credit spreads for similar instruments, adjusted for changes in the credit worthiness of the counterparty. A margin may be applied based on the original purchase margin where an instrument is not actively traded.

Judgement may be applied in selecting valuation methods or assumptions where an active market quote is not available (refer notes 12 and 18).

Investments in Queensland Treasury Holdings Pty Ltd (QTH)

Queensland Treasury holds a 60% beneficial interest in QTH and 76% of the voting rights. The remaining 40% beneficial interest and 24% voting rights is held by QTC. QTC does not apply the equity method to its investment in QTH as it does not have control or significant influence over the entity, exposure or rights to variable returns or the power to affect those returns. Queensland Treasury controls the significant transactions and bears all the risks and benefits of QTH and accordingly, QTH is consolidated into the financial statements of Queensland Treasury.

COVID-19 and other Environmental, Social, and Governance (ESG) related impacts

The majority of QTC's assets (onlendings and cash and cash equivalents) are valued daily at fair value and therefore no further adjustment is required as a result of COVID-19, climate change, changes to laws and regulations or other policies adopted by governments or regulatory authorities. Counterparty credit risk and credit risk associated with QTC's clients is separately monitored by QTC (refer note 11(c)). ESG and other sustainability risks are key considerations in determining credit ratings. The majority of QTC's onlendings are guaranteed by the State, including lending to carbon intensive businesses.

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

3 Net (loss)/gain on financial instruments at fair value through profit or loss

Accounting Policy

Gain/(loss) on financial assets and financial liabilities at fair value through profit or loss includes:

- net interest income and expense recognised under the accrual basis
- net realised gain/(loss) resulting from market rate movements recognised on settlement date from the sale of investments and the pre-redemption of borrowings, and
- net unrealised gain/(loss) resulting from market rate movements from investments, certain onlendings and borrowings.

	2022 $000	2021 $000
Net (loss)/gain on financial assets at fair value through profit or loss		
Cash and cash equivalents	**15 026**	16 690
Financial assets at fair value through profit or loss	**(241 375)**	81 683
Derivatives	**323 965**	30 951
Onlendings	**(12 465 458)**	(372 633)
	(12 367 842)	(243 309)
Net gain/(loss) on financial liabilities at fair value through profit or loss		
Derivatives	**292 155**	(87 578)
Financial liabilities at fair value through profit or loss		
- Short-term	**(142 743)**	169 285
- Long-term	**12 240 121**	354 350
Deposits	**(54 031)**	(62 922)
Other	**(10 506)**	(18 289)
	12 324 996	354 846

During the year ended 30 June 2022, long term yields rose leading to a decline in the market value of financial assets and in particular QTC's onlendings. This loss was offset by a decrease in the market value of financial liabilities.

4 Administration expenses

	2022 $000	RESTATED 2021(1) $000
Salaries and related costs	**43 427**	44 803
Superannuation contributions	**3 374**	3 603
Contractors	**854**	1 863
Consultants' fees	**2 721**	1 107
Information and registry services	**3 516**	3 380
Depreciation on property, plant and equipment	**733**	680
Amortisation and impairment on intangible assets (1)	**5 572**	5 498
Office occupancy	**1 202**	1 967
Information and communication technology	**11 312**	12 295
Other administration expenses	**3 731**	3 297
	76 442	78 493

(1) The amounts have been restated for the change in accounting policy set out in Note 2(a) in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements.

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

5 Income tax expense

Accounting Policy
QTC is exempt from the payment of income tax under section 50-25 of the *Income Tax Assessment Act 1997* (as amended). QTC makes a payment in lieu of income tax to the State Consolidated Fund. The calculation of the income tax liability is based on the income of certain activities controlled by QTC's Capital Markets Operations. No income tax is payable on the SIO segment or a large part of the net gain/(loss) on financial instruments.

	2022 $000	RESTATED 2021[1] $000
Current tax	**10 617**	8 389
Deferred tax (income)/expense	**935**	(324)
Total income tax expense recognised in the year	**11 552**	8 065
Numerical reconciliation between income tax expense and pre-tax accounting profit		
(Loss)/profit for the year before tax	**(24 682)**	123 210
Less (loss)/profit from non-taxable portfolios:		
- Capital Markets Operations	**(63 159)**	96 022
- State Investment Operations	**-**	-
Operating profit from taxable portfolios	**38 477**	27 188
Tax at the Australian tax rate of 30% on taxable portfolios	**11 543**	8 156
Effect of non-deductible items	**9**	(91)
Income tax expense	**11 552**	8 065

(1) *The amounts have been restated for the change in accounting policy set out in Note 2(a) in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements.*

6 Cash and cash equivalents

Accounting Policy

Cash and cash equivalents include cash on hand and on demand deposits which are highly liquid investments and readily convertible to cash.

	2022 $000	2021 $000
Cash at bank	**5 247 278**	11 803 213
	5 247 278	11 803 213

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

7 Financial assets at fair value through profit or loss

Accounting Policy
Financial assets are recognised on the balance sheet when QTC becomes party to the contractual provisions of the financial instrument with gains and losses recognised in the income statement.

All financial assets are measured at fair value by reference to quoted market exit prices where available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques.

	2022 $000	2021 $000
Discount securities	**9 015 293**	1 404 764
Commonwealth and state securities [1]	**2 137 752**	1 840 526
Floating rate notes	**8 772 443**	8 254 147
Term deposits	**7 940 159**	2 776 061
Other investments	**664 025**	683 091
	28 529 672	14 958 589

[1] QTC maintains holdings of its own stocks. These holdings are netted off and therefore excluded from financial assets and financial liabilities at fair value through profit or loss.

As at 30 June 2022, $8.6 billion (2021: $9.4 billion) of financial assets will mature after 12 months.

8 Derivative financial assets and derivative financial liabilities

Accounting Policy
All derivatives are measured at fair value through profit or loss with gains and losses recognised in the income statement. Derivatives are carried on the balance sheet as assets when the fair value is positive and as liabilities when the fair value is negative.

QTC uses derivative financial instruments to hedge its exposure to interest rate, foreign currency and credit risks as part of its asset and liability management activities. In addition, derivatives may be used to deliver long term floating rate or long term fixed rate exposure.

	2022 $000	2021 $000
Derivative financial assets		
Interest rate swaps	**183 379**	224 737
Cross currency swaps	**19 761**	49 657
Foreign exchange contracts	**86 132**	59 924
Futures contracts	**8 673**	2 518
	297 945	336 836
Derivative financial liabilities		
Interest rate swaps	**(169 475)**	(177 299)
Cross currency swaps	**(75 901)**	(51 758)
Futures contracts	**(55 228)**	(9 130)
	(300 604)	(238 187)
Net derivatives	**(2 659)**	98 649

As at 30 June 2022, derivatives with a net liability position of $58.5 million have maturity dates exceeding 12 months (2021: net liability position of $38.9 million).

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

9 Onlendings

Accounting Policy

QTC borrows on behalf of its clients and lends at an interest rate based on QTC's cost of funds plus an administration fee to cover the cost of QTC's operations.

Onlendings are initially recognised at the amount drawn-down. Following initial recognition, onlendings are included in the balance sheet at fair value by reference to either the underlying debt portfolio, or in the case of fixed rate loans, on a discounted cash flow basis.

	2022 $000	2021 $000
Government departments and agencies	**43 704 767**	48 965 762
Government owned corporations	**27 123 470**	28 609 158
Statutory bodies	**17 222 205**	19 744 887
Local governments	**6 192 908**	6 883 658
QTC related entities (1)	**101 339**	102 898
Other bodies (2)	**237 559**	304 866
	94 582 248	104 611 229

(1) QTC related entities includes DBCT Holdings Pty Ltd.
(2) Other bodies include loans advanced under the Industry Support Package.

At 30 June 2022, client deposits of $2.4 billion were placed in redraw facilities and offset the value of onlendings in the balance sheet (2021: $2.3 billion). The gross value of onlendings at 30 June 2022 was $97.0 billion (2021: $106.9 billion).

As at 30 June 2022, $94.7 billion of principal repayments of a total book value of $101.1 billion is expected to be received after 12 months (2021: $91.6 billion of a total $95.7 billion).

The State continues to provide financial assistance in the form of loans and grants to various Queensland private sector entities. This program is called the Industry Support Package (ISP) and was established to enable entities to trade through the COVID-19 pandemic and facilitate a period of recovery. At 30 June 2022, $25.3 million (2021: $36.5 million) remained outstanding on loans advanced under the ISP. Each loan in this package was negotiated individually and contains different terms and conditions and is guaranteed by the State. The maximum term for the ISP loans was 10 years from inception, with the final repayments from a loan in the program due on 17 September 2030.

10 Financial liabilities at fair value through profit or loss

(a) Interest-bearing liabilities

Interest-bearing liabilities mainly consist of short-term treasury notes, Australian bonds and floating rate notes. Australian bonds include QTC's domestic, capital indexed and public bonds.

	2022 $000	2021 $000
Interest-bearing liabilities		
Short-term		
Treasury notes	**4 778 349**	3 174 801
Commercial paper	**1 474 609**	2 460 771
	6 252 958	5 635 572
Long-term		
AUD Bonds	**100 868 073**	105 388 979
Floating rate notes	**10 858 377**	10 082 630
Medium-term notes	**936 475**	1 276 180
Other	**431 557**	372 574
	113 094 482	117 120 363
Total interest-bearing liabilities	**119 347 440**	122 755 935

QTC borrowings are guaranteed by the Queensland Government under the *Queensland Treasury Corporation Act 1988*. As at 30 June 2022, $102.8 billion (2021: $114.6 billion) of debt securities are expected to be settled after more than 12 months.

Instruments denominated in foreign currency are fully hedged resulting in no net exposure to any foreign currency. Details of QTC's exposure to foreign currencies and the derivatives used to hedge this exposure are disclosed in note 11(a)(i).

QTC's Green Bond program supports the State's pathway to a low carbon, climate resilient and environmentally sustainable economy. As at 30 June 2022, QTC has issued Green Bonds with a market value of $5.93 billion (2021: $4.13 billion).

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

10 Financial liabilities at fair value through profit or loss continued

(a) Interest-bearing liabilities continued

The difference between the carrying amount of financial liabilities and the amount contractually required to be paid at maturity to the holder of the obligation is set out in the following table:

AS AT 30 JUNE 2022	FAIR VALUE $000	REPAYMENT AT MATURITY $000	DIFFERENCE $000
Interest-bearing liabilities			
Short-term			
Treasury notes	**4 778 349**	**4 810 000**	**(31 651)**
Commercial paper	**1 474 609**	**1 481 324**	**(6 715)**
	6 252 958	**6 291 324**	**(38 366)**
Long-term			
AUD Bonds	**100 868 073**	**105 892 029**	**(5 023 956)**
Floating rate notes	**10 858 377**	**10 825 000**	**33 377**
Medium-term notes	**936 475**	**1 020 241**	**(83 766)**
Other	**431 557**	**459 720**	**(28 163)**
	113 094 482	**118 196 990**	**(5 102 508)**
Total interest-bearing liabilities	**119 347 440**	**124 488 314**	**(5 140 874)**

AS AT 30 JUNE 2021	FAIR VALUE $000	REPAYMENT AT MATURITY $000	DIFFERENCE $000
Interest-bearing liabilities			
Short-term			
Treasury notes	3 174 801	3 175 000	(199)
Commercial paper	2 460 771	2 594 228	(133 457)
	5 635 572	5 769 228	(133 656)
Long-term			
AUD Bonds	105 388 979	115 650 611	(10 261 632)
Floating rate notes	10 082 630	10 292 668	(210 038)
Medium-term notes	1 276 180	1 486 560	(210 380)
Other	372 574	376 977	(4 403)
	117 120 363	127 806 816	(10 686 453)
Total interest-bearing liabilities	122 755 935	133 576 044	(10 820 109)

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

10 Financial liabilities at fair value through profit or loss continued

(b) Deposits

Client deposits are accepted to either the QTC Cash Fund or Working Capital Facility. Income derived from the investment of these deposits accrues to depositors daily. The amount shown in the balance sheet represents the market value of deposits held at balance date.

Collateral held and securities that are sold under agreements to repurchase are disclosed as deposits.

	2022 $000	2021 $000
Client deposits		
Local governments	**4 691 689**	4 029 212
Statutory bodies	**3 131 029**	3 404 693
Government departments and agencies	**93 862**	78 308
Government owned corporations	**42 074**	144 543
QTC related entities (1)	**101 288**	114 683
Other depositors	**224 978**	189 180
	8 284 920	7 960 619
Collateral held	**146 300**	147 064
Repurchase agreements	**-**	-
	146 300	147 064
Total deposits	**8 431 220**	8 107 683

(1) QTC related entities include Queensland Treasury Holdings Pty Ltd and its subsidiaries Brisbane Port Holdings Pty Ltd, DBCT Holdings Pty Ltd and Queensland Lottery Corporation Pty Ltd.

As at 30 June 2022, $8.3 billion (2021: $8.0 billion) will mature within 12 months.

11 Financial risk management

QTC's activities expose it to a variety of financial risks including market (including foreign exchange risk and interest rate risk), funding, liquidity and credit risk. QTC's financial risk management focuses on minimising financial risk exposures and managing volatility and seeks to mitigate potential adverse effects of financial risks on the financial performance of QTC and its clients. To assist in managing financial risk, QTC uses derivative financial instruments such as foreign exchange contracts, interest rate swaps and futures contracts.

Robust systems are in place for managing financial risk and compliance. Adherence to financial risk policies is monitored daily. To ensure independence, measurement and monitoring of financial risks is performed by teams separate to those transacting.

All financial risk management activities are conducted within Board-approved policies, as set out in the Financial Markets Risk Policy with new financial instruments approved by the QTC Executive Leadership Team under delegated authority from the Board. All breaches of the Financial Markets Risk Policy are escalated to management, the Chief Executive and the Funding and Markets Committee and presented at the next Board meeting.

QTC ensures that in undertaking its capital markets activities it has regard to its Capital Policy. QTC has no legal, regulatory or accounting requirement to hold capital however, its Capital Policy sets out how QTC should manage its capital. QTC endeavours to maintain adequate capital to support its business activities risk profile and risk appetite.

(a) Market risk

Market risk is the risk of incurring losses in positions arising from adverse movements in financial market prices. QTC is exposed to market risk arising from the impact of movements in foreign exchange rates and interest rates. QTC's exposure to market risk is through its borrowing and investment activities. This includes borrowing in advance of requirements to ensure Queensland public sector entities have ready access to funding when required and to reduce the risk associated with refinancing maturing loans.

As a consequence of market price movements, there are residual risk positions that may result in realised and unrealised accounting gains or losses being recorded during the year. Depending on whether these transactions are held to maturity, the unrealised gains or losses may be reversed in subsequent accounting periods.

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

11 Financial risk management continued

(a) Market risk continued

(i) Foreign exchange risk

QTC has funding facilities that allow for borrowing in foreign currencies. At times, QTC's Cash Fund invests in foreign currency assets. QTC enters into both forward exchange contracts and cross currency swaps to hedge the exposure of foreign currency borrowings and offshore investments from fluctuations in exchange rates. The following table summarises the hedging effect, in Australian dollars, that cross currency swaps and forward exchange contracts have had on the face value of offshore borrowings and investments.

	BORROWINGS		OFFSHORE INVESTMENTS		DERIVATIVE CONTRACTS		NET EXPOSURE	
	2022 $000	2021 $000	2022 $000	2021 $000	2022 $000	2021 $000	2022 $000	2021 $000
USD	**(1 481 325)**	(2 311 346)	**-**	-	**1 481 325**	2 311 346	-	-
CHF	**(167 333)**	(158 715)	**-**	-	**167 333**	158 715	-	-
JPY	**(159 877)**	(180 376)	**-**	-	**159 877**	180 376	-	-
EUR	**(693 031)**	(721 451)	**75 990**	79 106	**617 041**	642 345	-	-

(ii) Interest rate risk

QTC lends to clients based on a duration profile specified in the client mandates. QTC then manages any mismatch between the duration profile of client loans and QTC's funding within an Asset and Liability Management Portfolio. Duration is a direct measure of the interest rate sensitivity of a financial instrument or a portfolio of financial instruments and quantifies the change in value of a financial instrument or portfolio due to interest rate movements. All costs or benefits of managing any mismatch between client loans and QTC's funding are passed on to the State, ensuring that QTC is effectively immunised from interest rate risk with respect to these portfolios.

QTC's interest rate risk, which results from borrowing in advance and investing surplus funds in high credit quality, highly liquid assets, is managed with consideration given to duration risk, yield curve risk, basis risk and Value-at-Risk (VaR).

QTC uses a Board-approved VaR framework to manage QTC's exposure to market risk complemented by other measures such as defined stress tests. The VaR measure estimates the potential mark-to-market loss over a given holding period at a 99% confidence level. QTC uses the historical simulation approach to calculate VaR with a holding period of ten business days.

To manage the risk of non-parallel yield curve movements, QTC manages portfolio cash flows in a series of time periods so that the net interest rate risk in each time period can be measured. QTC enters into interest rate swaps and futures contracts to assist in the management of interest rate risk.

In QTC's Funding and Liquidity portfolios, interest rate swaps may be utilised to change the interest rate exposure of medium to long-term fixed rate borrowings into that of a floating rate borrowing. Also, at times, floating to fixed swaps may be undertaken to generate a fixed rate term funding profile. QTC is exposed to basis risk when interest rate swaps are used in the Funding and Liquidity portfolios. Basis risk represents a mark-to-market exposure due to movements between the swap curve, as well as cash, bank bill and bond futures contracts and QTC's yield curve.

Client deposits in the QTC Cash Fund are invested on behalf of clients and returns received from these investments are passed onto QTC's clients except for mark-to-market gains or losses from credit spread movements. QTC generally holds these investments to maturity and therefore any mark-to-market impacts from credit spread changes are typically reversed over the life of the assets.

(iii) Commodity price risk

QTC is not directly exposed to commodity price changes.

(b) Funding and liquidity risks

QTC has a robust internal framework whereby extensive liquidity scenario analysis and forecasting is undertaken to understand assumption sensitivities to ensure there is appropriate forward looking visibility of the State's liquidity position.

QTC debt is a Level 1 (prudentially required) asset for Australian banks under Basel III reforms with a zero per cent capital risk weighting. Even in difficult market circumstances, this generally ensures QTC debt is in high demand. Demand is further supported by the fact that QTC borrowings are guaranteed by the Queensland Government, (QTC has been rated AA+/Aa1/AA+ by ratings agencies Standard & Poors, Moody's and Fitch respectively) and that QTC benchmark bonds are Reserve Bank of Australia (RBA) repurchase agreement eligible (repo eligible). The ability to readily issue debt is considered a potential source of liquidity.

QTC maintains appropriate liquidity to meet minimum requirements as defined by the Board. Limits are set by the Board and reviewed annually for the following liquidity metrics:

- QTC Liquidity Coverage Ratio – QTC must maintain a minimum liquidity balance sufficient to cover a stressed liquidity requirement over a set horizon.
- Standard & Poor's Liquidity Ratio – QTC must maintain a minimum ratio of liquid assets to debt servicing requirements at all times over a rolling 12 month horizon.
- Cash Flow Waterfall – QTC must maintain positive cash equivalents net of all inflows and outflows over a set horizon.

In addition to adhering to Board-approved liquidity metrics, QTC holds contingent liquid assets in the form of public sector entity deposits and investments owned by SIO.

QTC maintains its AUD benchmark bond facility as its core medium to long-term funding facility and its domestic treasury note facility as its core short-term funding facility. In addition, QTC has in place a Green Bond Program, Euro and US medium-term note facilities and Euro and US commercial paper facilities to take advantage of alternative funding opportunities in global markets. These facilities ensure that QTC is readily able to access both the domestic and international financial markets.

Deposits on account of the Cash Fund and Working Capital Facility are repayable at call while deposits held as security for stock lending and repurchase agreements are repayable when the security is lodged with QTC.

Except for deposits and payables, the maturity analysis for liabilities has been calculated based on the contractual cash flows relating to the repayment of the principal (face value) and interest amounts over the contractual terms.

Except for cash and receivables, the maturity analysis for assets has been calculated based on the contractual cash flows relating to repayment of the principal (face value) and interest amounts over the contractual terms.
In relation to client onlendings, certain loans are interest only with no fixed repayment date for the principal component (i.e. loans are made based on the quality of the client's business and its financial strength). For the purposes of completing the maturity analysis, the principal component of these loans has been included in the greater than five-year time band with no interest payment assumed in this time band.

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

11 Financial risk management continued

(b) Funding and liquidity risks continued

The following table sets out the contractual cash flows relating to financial assets and financial liabilities held by QTC at balance date.

CONTRACTUAL MATURITIES AS AT 30 JUNE 2022	3 MONTHS OR LESS $000	3 - 6 MONTHS $000	6 - 12 MONTHS $000	1 - 5 YEARS $000	MORE THAN 5 YEARS $000	TOTAL $000	FAIR VALUE $000
Financial assets							
Cash and cash equivalents	5 247 278	-	-	-	-	5 247 278	5 247 278
Receivables	6 448	-	-	-	-	6 448	6 448
Onlendings [(1)]	2 985 180	1 324 708	1 325 159	15 229 417	97 015 633	117 880 097	94 582 248
Financial assets at fair value through profit or loss	13 820 378	4 669 322	1 766 746	7 033 406	4 074 183	31 364 035	28 529 672
Total financial assets	22 059 284	5 994 030	3 091 905	22 262 823	101 089 816	154 497 858	128 365 646
Financial liabilities							
Payables	(25 458)	-	-	-	-	(25 458)	(25 458)
Deposits	(8 320 769)	(2 416)	(23 235)	(7 378)	(92 327)	(8 446 125)	(8 431 220)
Financial liabilities at fair value through profit or loss							
- Short-term	(2 600 043)	(3 191 282)	(500 000)	-	-	(6 291 325)	(6 252 958)
- Long-term	(9 018 229)	(145 184)	(4 618 907)	(53 511 926)	(72 518 410)	(139 812 656)	(113 094 482)
Total financial liabilities	(19 964 499)	(3 338 882)	(5 142 142)	(53 519 304)	(72 610 737)	(154 575 564)	(127 804 118)
Derivatives							
Interest rate swaps	5 978	(10 003)	(13 969)	(31 233)	82 323	33 096	13 904
Cross currency swaps	1 020	(6 886)	(20 141)	(112 388)	(458 418)	(596 813)	(56 140)
Foreign exchange contracts	61 007	26 846	-	-	-	87 853	86 132
Futures contracts	8 851 400	-	-	-	-	8 851 400	(46 555)
Net derivatives	8 919 405	9 957	(34 110)	(143 621)	(376 095)	8 375 536	(2 659)
Net (liabilities)/assets	11 014 190	2 665 105	(2 084 347)	(31 400 102)	28 102 984	8 297 830	558 869
Cumulative	11 014 190	13 679 295	11 594 948	(19 805 154)	8 297 830	-	-

(1) A large proportion of QTC's onlendings are based on the quality of the business and financial strength of the client. Funds are on-lent on the basis of these businesses being going concerns and continuing to meet key credit metric criteria such as debt to capital and interest coverage ratios. Accordingly, a significant portion of the onlendings portfolio has a loan maturity profile that is greater than five years with the interest rate risk of these loans being managed based on the client's business risk such that the funding is structured on the underlying business profile. Despite QTC's attempt to structure funding that matches the underlying business profile, QTC's liability maturity profile can be shorter than the asset maturity profile. While interest rate risk mismatches are hedged with swap and futures contracts, this approach requires QTC to undertake periodic refinancing of its liabilities.

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

11 Financial risk management continued

(b) Funding and liquidity risks continued

CONTRACTUAL MATURITIES AS AT 30 JUNE 2021 RESTATED(2)	3 MONTHS OR LESS $000	3 - 6 MONTHS $000	6 - 12 MONTHS $000	1 - 5 YEARS $000	MORE THAN 5 YEARS $000	TOTAL $000	FAIR VALUE $000
Financial assets							
Cash and cash equivalents	11 803 213	-	-	-	-	11 803 213	11 803 213
Receivables	7 262	-	-	-	-	7 262	7 262
Onlendings(1)	1 133 459	1 108 672	1 284 119	14 068 787	95 460 106	113 055 143	104 611 229
Financial assets at fair value through profit or loss	2 529 589	2 450 967	698 604	6 831 173	3 908 991	16 419 324	14 958 589
Total financial assets	15 473 523	3 559 639	1 982 723	20 899 960	99 369 097	141 284 942	131 380 293
Financial liabilities							
Payables(2)	(26 263)	-	-	-	-	(26 263)	(26 263)
Deposits	(7 779 197)	(377 209)	(20 809)	(9 013)	(92 327)	(8 278 555)	(8 107 683)
Financial liabilities at fair value through profit or loss							
- Short-term	(3 715 528)	(1 903 701)	(150 000)	-	-	(5 769 229)	(5 635 572)
- Long-term	(1 811 267)	(78 646)	(4 334 921)	(49 840 758)	(71 741 222)	(127 806 814)	(117 120 363)
Total financial liabilities	(13 332 255)	(2 359 556)	(4 505 730)	(49 849 771)	(71 833 549)	(141 880 861)	(130 889 881)
Derivatives							
Interest rate swaps	6 103	(6 027)	5 147	(27 875)	72 267	49 615	47 438
Cross currency swaps	(1 198)	(5 928)	(19 058)	(108 264)	(432 061)	(566 509)	(2 101)
Foreign exchange contracts	2 350	-	-	-	-	2350	59 924
Futures contracts	(1 536 000)	-	-	-	-	(1 536 000)	(6 612)
Net derivatives	(1 528 745)	(11 955)	(13 911)	(136 139)	(359 794)	(2 050 544)	98 649
Net (liabilities)/assets	612 523	1 188 128	(2 536 918)	(29 085 950)	27 175 754	(2 646 463)	589 061
Cumulative	612 523	1 800 651	(736 237)	(29 822 217)	(2 646 463)	-	-

(1) A large proportion of QTC's onlendings are based on the quality of the business and financial strength of the client. Funds are on-lent on the basis of these businesses being going concerns and continuing to meet key credit metric criteria such as debt to capital and interest coverage ratios. Accordingly, a significant portion of the onlendings portfolio has a loan maturity profile that is greater than five years with the interest rate risk of these loans being managed based on the client's business risk such that the funding is structured on the underlying business profile. Despite QTC's attempt to structure funding that matches the underlying business profile, QTC's liability maturity profile can be shorter than the asset maturity profile. While interest rate risk mismatches are hedged with swap and futures contracts, this approach requires QTC to undertake periodic refinancing of its liabilities.

(2) The amounts have been restated for the change in accounting policy set out in Note 2(a) in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements.

(c) Credit risk

(i) Financial markets counterparties

Financial markets credit exposure is estimated as the potential loss at balance date associated with QTC's investments in the cash fund and other direct investments in financial instruments. In addition, QTC has credit exposure in the form of derivative contracts. Credit risk is the risk that these counterparties are not able to meet the payment obligations associated with QTC's investments.

The credit exposure for non-derivative investments is calculated daily based on the higher of the market value or face value of the instrument. In contrast, exposure to derivative contracts is based only on a notional 'add-on' factor applied to the value of the instrument. Derivatives are marked-to-market daily with zero thresholds under all QTC's credit support annexes. QTC uses collateral arrangements to limit its exposure to counterparties with which it trades derivatives (refer (iv) master netting arrangements).

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

11 Financial risk management continued

(c) Credit risk continued

(i) Financial markets counterparties continued

The following tables represent QTC's exposure to credit risk at 30 June:

BY CREDIT RATING (1) 30 JUNE 2022	AAA $000	AA+ $000	AA $000	AA- $000	A+ $000	A $000	OTHER(2) $000	TOTAL $000
Cash & cash equivalents	**-**	**-**	**-**	**5 247 278**	**-**	**-**	**-**	**5 247 278**
Financial assets(3)	**2 769 577**	**1 115 703**	**371 200**	**18 889 841**	**3 043 093**	**1 784 349**	**514 661**	**28 488 424**
Derivatives	**-**	**-**	**-**	**34 523**	**14 390**	**-**	**-**	**48 913**
	2 769 577	**1 115 703**	**371 200**	**24 171 642**	**3 057 483**	**1 784 349**	**514 661**	**33 784 615**
	8%	**3%**	**1%**	**72%**	**9%**	**5%**	**2%**	**100%**

BY CREDIT RATING (1) 30 JUNE 2021	AAA $000	AA+ $000	AA $000	AA- $000	A+ $000	A $000	OTHER(2) $000	TOTAL $000
Cash & cash equivalents	-	-	-	11 803 213	-	-	-	11 803 213
Financial assets(3)	2 069 924	1 083 854	451 715	7 456 454	2 957 201	797 203	-	14 816 351
Derivatives	-	-	-	48 403	12 795	-	-	61 198
	2 069 924	1 083 854	451 715	19 308 070	2 969 996	797 203	-	26 680 762
	8%	4%	2%	72%	11%	3%	0%	100%

(1) Credit rating as per Standard & Poor's or equivalent agency.

(2) Includes long-term ratings of A- and BBB+, or a short-term rating of A-1+ & A-2.

(3) Financial assets are based on unsettled face value and consist mainly of discount securities, Commonwealth & State securities, floating rate notes and term deposits.

QTC has a significant concentration of credit risk to the banking sector and in particular, the domestic banking sector. At 30 June 2022, QTC's exposure to systemically important domestic banks (which are rated AA-) was approximately 61% (2021: 40%). The exposure to domestic banks reflects the structure of the Australian credit markets, which are themselves dominated by issuance from these entities. Key characteristics of these entities are continuously monitored including their regulatory requirements, additional capital buffers, type of issuance and the impact of exigent developments.

QTC adopts a conservative approach to the management of credit risk with a strong bias to high credit quality counterparties. QTC has a requirement to invest with counterparties rated BBB+ or better, and that have their head offices in politically stable countries with strong legal and regulatory frameworks associated with financial institutions and financial markets.

QTC's Board establishes maximum counterparty dollar value and term limits related to issuer credit ratings. Actual limits for individual counterparties will be within these Board limits and depend on the country of domicile, performance against key credit metrics and other factors related to asset quality, level of capital and size of funding program.

Ratings agencies are used as the prime source of credit ratings information by QTC's credit team. This information is supported by the credit team's own credit analysis methodology and practice for exposure monitoring and reporting.

(ii) Onlending counterparties

QTC is also exposed to the credit risk associated with onlendings to clients. Except for some small exposures to private companies and exposures as part of the ISP (refer Note 9) portfolio, QTC on-lends funds to Queensland Government sector entities (including Queensland Treasury, statutory bodies and Government owned corporations) and non-State Government entities (including, local governments, universities and grammar schools).

Most of QTC's onlendings (72.2% in 2022 and 72.0% in 2021) are explicitly guaranteed by the State, including the loans that form the ISP and all debt held by clients operating in key Environmental, Social and Governance (ESG) impacted areas such as coal-based power generation. QTC is directly exposed to credit default risk to the extent of its non-guaranteed lending of approximately $26.5 billion at 30 June 2022 (2021: $29.6 billion).

QTC's outstanding client onlending exposures are actively monitored in accordance with an approved Client Credit Procedure. This procedure includes regular Credit Reviews and covenant monitoring to ensure all counterparties maintain adequate debt serviceability and long term financial stability.

QTC has a robust credit assessment and ratings methodology in place that informs its onlending recommendations to the State. This methodology includes analysis of quantitative and qualitative factors (industry, regional, demographic, and economic characteristics) across a number of years. An assessment of a client's performance against key credit metrics is made and borrowing recommendations are appraised by an independent Credit Committee prior to being communicated to the State.

QTC adopts a cautious risk appetite to ensure onlendings are provided to clients with satisfactory credit profiles. The majority of QTC's onlending clients maintain an adequate financial buffer to manage short term financial shocks, though longer term financial impacts may adversely affect their performance. Of the non-guaranteed onlending, 99 per cent has been provided to clients that have been assigned a credit rating of Moderate or above by QTC. QTC's Moderate credit rating approximates to an Investment Grade rating used by the major Rating Agencies.

(iii) Fair value attributable to credit risk of QTC's liabilities

QTC's borrowings are largely guaranteed by the State Government. As a result, credit risk is not a significant factor in the determination of fair value. Changes in fair value are mainly attributable to the market fluctuations.

(1) As noted in Note 9, during the year ended 30 June 2021, the State provided financial assistance in the form of loans and grants to various Queensland private sector entities. This program was called the ISP.

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

11 Financial risk management continued

(c) Credit risk continued

(iv) Master netting arrangements

QTC enters into all derivative transactions under International Swaps and Derivatives Association (ISDA) Master Agreements. QTC does not currently have any master netting arrangements where a default event has occurred, and therefore presents all derivative financial instruments on a gross basis in the statement of comprehensive income. QTC also has Credit Support Annexes (CSAs) in place with each ISDA, under which collateral is transferred every business day. This further reduces QTC's credit exposure.

The following table presents the financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset. The column 'net amount' shows the impact on QTC's balance sheet if all set-off rights were exercised.

		RELATED TO AMOUNTS NOT SET OFF IN THE BALANCE SHEET		
	GROSS AND NET AMOUNTS ON THE BALANCE SHEET $000	FINANCIAL INSTRUMENTS COLLATERAL $000	CASH COLLATERAL RECEIVED OR GIVEN $000	NET AMOUNT $000
2022				
Derivative assets: - subject to master netting arrangements	**297 945**	**-**	**(275 954)**	**21 991**
Derivative liabilities: - subject to master netting arrangements	**(300 604)**	**-**	**300 604**	**-**
Net exposure	**(2 659)**	**-**	**24 650**	**21 991**
2021				
Derivative assets: - subject to master netting arrangements	336 836	-	54 880	391 716
Derivative liabilities: - subject to master netting arrangements	(238 187)	-	(147 060)	(385 247)
Net exposure	98 649	-	(92 180)	6 469

12 Fair value hierarchy

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13 *Fair Value Measurement*. The fair value hierarchy is categorised into three levels based on the observability of the inputs used.

Level 1 – quoted prices (unadjusted) in active markets that QTC can access at measurement date for identical assets and liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All QTC's financial instruments at fair value through profit or loss are valued with reference to either quoted market prices or observable inputs, with no significant adjustments applied to instruments held. QTC holds no Level 3 financial instruments.

Financial assets classified as Level 1 consist primarily of short-term and tradeable bank deposits, Commonwealth and semi-government bonds and futures contracts where an active market has been established.

Financial assets classified as Level 2 include non-actively traded corporate and semi-government bonds, certain money market securities, floating rate notes, term deposits, QTC onlendings and all over the counter derivatives. The principal inputs in determining fair value include benchmark interest rates such as interbank rates, quoted interest rates in the swap, bond and futures markets, trading margins to the swap curve and counterparty credit spreads for similar instruments adjusted for changes in the credit worthiness of the counterparty. A margin may be applied based on the original purchase margin where the instrument is not actively traded. QTC onlendings are priced based on the underlying liability portfolio.

Financial liabilities classified as Level 1 consist of QTC benchmark bonds.

Financial liabilities classified as Level 2 include commercial paper, treasury notes, medium-term notes, floating rate notes, and client deposits. The principal inputs in determining fair value include benchmark interest rates such as interbank rates and quoted interest rates in the swap and bond markets. Valuations may include a fixed margin to LIBOR or swap curve. Client deposits are principally held in the QTC Cash Fund, which is capital guaranteed.

Over the counter derivatives are typically valued as Level 2 and include FX forwards, FX swaps, interest rate and cross currency swaps. The principal inputs in determining fair value include quoted interest rates in the swap market, spot FX rates and basis curves.

QTC applies mid-market pricing as a practical and consistent method for fair value measurements within the bid-ask spread.

Classification of instruments into fair value hierarchy levels is reviewed annually and where there has been a significant change to the valuation inputs and a transfer is deemed to occur, this is effected at the end of the relevant reporting period.

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

12 Fair value hierarchy continued

AS AT 30 JUNE 2022	QUOTED PRICES LEVEL 1 $000	OBSERVABLE INPUTS LEVEL 2 $000	TOTAL $000
Financial assets			
Cash and cash equivalents	**5 247 278**	**-**	**5 247 278**
Financial assets through profit or loss	**14 879 212**	**13 650 458**	**28 529 671**
Derivative financial assets	**8 674**	**289 272**	**297 945**
Onlendings	**-**	**94 582 248**	**94 582 248**
Total financial assets	**20 135 164**	**108 521 978**	**128 657 142**
Financial liabilities			
Derivative financial liabilities	**55 228**	**245 376**	**300 604**
Financial liabilities through profit or loss			
- Short-term	**-**	**6 252 958**	**6 252 958**
- Long-term	**90 548 996**	**22 545 486**	**113 094 482**
Deposits	**-**	**8 431 220**	**8 431 220**
Total financial liabilities	**90 604 224**	**37 475 040**	**128 079 264**

AS AT 30 JUNE 2021	QUOTED PRICES LEVEL 1 $000	OBSERVABLE INPUTS LEVEL 2 $000	TOTAL $000
Financial assets			
Cash and cash equivalents	11 803 213	-	11 803 213
Financial assets through profit or loss	9 042 835	5 915 754	14 958 589
Onlendings	-	104 611 229	104 611 229
Derivative financial assets	168	336 668	336 836
Total financial assets	20 846 216	110 863 651	131 709 867
Financial liabilities			
Financial liabilities through profit or loss			
- Short-term	-	5 635 572	5 635 572
- Long-term	100 786 473	16 333 890	117 120 363
Deposits	-	8 107 683	8 107 683
Derivative financial liabilities	9 129	229 058	238 187
Total financial liabilities	100 795 602	30 306 203	131 101 805

QTC holds no Level 3 financial instruments.

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

13 Property, plant and equipment

Accounting Policy

Items with a cost or other value equal to or exceeding $5,000 are reported as property, plant and equipment. Items with a lesser value are expensed in the year of acquisition. Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on a straight line basis over the estimated useful life of the assets. Depreciation rates are as follows:

Asset class	Depreciation rate
Information technology & office equipment	6 – 40%

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year end.

Reconciliations of the carrying amounts for property, plant and equipment are set out below:

	2022 $000	2021 $000
Cost at balance date	**5 645**	5 765
Accumulated depreciation and impairment	**(3 368)**	(2 798)
Net carrying amount	**2 277**	2 967
Movement		
Net carrying amount at beginning of the year	**2 967**	3 633
Additions	**43**	14
Depreciation expense	**(733)**	(680)
Net carrying amount at end of the year	**2 277**	2 967

14 Right-of-use assets and lease liabilities

Accounting Policy

All leases, other than short-term leases and leases of low value assets, are recognised on balance sheet as lease liabilities and right-of-use assets.

On initial recognition the carrying amount of the lease liability is measured at the present value of the current leasing commitments. Lease payments are discounted at the rate implicit in the lease or at QTC's incremental borrowing rate if the implicit interest rate cannot be readily determined.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of the lease liability
- Lease payments made at or before the commencement date and any lease incentives received
- Initial direct costs incurred, and
- The initial estimate of restoration costs.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. Depreciation rates are as follows:

Asset class	Depreciation rate
Lease property	7%

Carrying amounts of right-of-use assets and the movements during the year are set out below:

	2022 $000	2021 $000
Cost at balance date	**12 368**	11 702
Accumulated depreciation and impairment	**(5 342)**	(3 424)
Net carrying amount at end of the year	**7 026**	8 278
Movement		
Net carrying amount at beginning of the year	**8 278**	9 991
Additions	**667**	-
Depreciation expense	**(1 919)**	(1 713)
Net carrying amount at end of the year	**7 026**	8 278

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2022 $000	2021 $000
Net carrying amount at beginning of the year	**15 165**	17 826
Additions	**667**	-
Interest	**233**	270
Lease repayments	**(3 242)**	(2 931)
Net carrying amount at end of the year	**12 823**	15 165

Notes to the Financial Statements

Capital Markets Operations

For the year ended 30 June 2022

15 Notes to the statement of cash flows

(a) Reconciliation of profit after tax to net cash provided by operating activities

	2022 $000	RESTATED 2021[1] $000
(Loss)/profit for the year[1]	**(36 234)**	115 145
Non-cash flows in operating surplus		
Gain on interest-bearing liabilities	**(14 660 103)**	(3 552 597)
Gain on deposits held	**(273)**	(838)
Loss on onlendings	**15 348 389**	3 550 453
Loss on financial assets at fair value through profit or loss	**382 210**	176 137
Depreciation and amortisation[1]	**8 225**	7 891
Changes in assets and liabilities		
Decrease/(increase) in financial assets at fair value through profit or loss	**47 292**	(25 626)
Decrease/(increase) in deferred tax asset	**949**	(303)
Decrease in onlendings	**4 449**	12 743
Decrease/(increase) in receivables	**880**	(1 042)
(Decrease)/increase in interest-bearing liabilities	**(1 566 051)**	334 558
Increase/(decrease) in deposits	**1 390**	(857)
(Decrease)/increase in payables and other liabilities[1]	**(3 294)**	4 339
Net cash (used in)/provided by operating activities	**(472 171)**	620 003

[1] *The amounts have been restated for the change in accounting policy set out in Note 2(a) in relation to upfront configuration and customisation costs incurred in implementing SaaS arrangements.*

(b) Reconciliation of liabilities arising from financing activities

AS AT 30 JUNE 2022	OPENING BALANCE $000	CASH FLOWS $000	FAIR VALUE MOVEMENT $000	FOREIGN EXCHANGE MOVEMENT $000	OTHER NON-CASH MOVEMENT $000	CLOSING BALANCE $000
Interest-bearing liabilities [1]	**122 994 122**	**12 880 077**	**(14 758 621)**	**98 518**	**(1 566 052)**	**119 648 044**
Deposits	**8 107 683**	**322 419**	**(273)**	**-**	**1 391**	**8 431 220**
Dividend paid	**-**	**-**	**-**	**-**	**-**	**-**
	131 101 805	**13 202 496**	**(14 758 894)**	**98 518**	**(1 564 661)**	**128 079 264**
AS AT 30 JUNE 2021						
Interest-bearing liabilities [1]	113 835 698	12 376 463	(3 318 628)	(233 969)	334 558	122 994 122
Deposits	8 865 253	(755 875)	(838)	-	(857)	8 107 683
Dividend paid	-	(50 000)	-	-	50 000	-
	122 700 951	11 570 588	(3 319 466)	(233 969)	383 701	131 101 805

[1] *Includes derivatives.*

Notes to the Financial Statements
State Investment Operations
For the year ended 30 June 2022

16 Financial instruments at fair value through profit or loss

Accounting Policy – Classification and measurement

Financial instruments on initial recognition are classified into the following categories:

- Financial assets at fair value through profit or loss, and
- Financial liabilities at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include investments held in unit trusts managed by QIC. These investments include cash, international equities and other diversified products, which are measured at market value based on a hard close unit price quoted by QIC (adjusted for fees outstanding on the account and net of any GST recoverable) for the end of the financial year.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist of FRNs issued to the State in exchange for portfolios of assets. The FRNs were initially recognised at a value that equated to the fair value of the financial assets contributed by the State. The FRNs will terminate upon the greater of 50 years from the initial transaction date or the date that the FRNs are repaid in full. The market value of the FRNs is payable by QTC to the State. Interest on the FRNs is capitalised monthly. The FRN interest rate may be varied by the State under the terms of their corresponding agreements.

Recognising the direct relationship between the FRNs and the assets of SIO, financial liabilities at fair value through profit or loss are determined by reflecting the changes (including market value movements) in the value of the invested assets of the portfolio, as equivalent market value movements in the FRNs. That is, any difference between the return paid by QTC on the FRNs and the return received by QTC on the invested assets is recognised as a market value adjustment to the value of the FRNs, eliminating any accounting mismatch between the financial assets and liabilities in this segment.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	$000 LTA[1]	2022 $000 QFF[2]	$000 TOTAL STATE INVESTMENT OPERATIONS
Investments in unit trusts and other holdings - QIC:			
Movement during the year:			
Opening balance	**30 072 492**	**7 742 219**	**37 814 711**
Deposits [3]	**3 202 792**	**-**	**3 202 792**
Withdrawals [3]	**(2 018 382)**	**-**	**(2 018 382)**
Fees paid	**(181 302)**	**(48 161)**	**(229 463)**
Net change in fair value of unit trusts	**1 578 792**	**23 962**	**1 602 754**
Closing balance	**32 654 392**	**7 718 020**	**40 372 412**

(1) The LTA are assets held to fund the defined benefit superannuation and other long term obligations of the State as well as assets to support other State initiatives.

(2) At 30 June 2022, the only sub fund of the QFF is the DRF. The DRF was established to support both the State's credit rating and generate returns to reduce the State's debt burden.

(3) For every investment deposited or withdrawal from the LTA or QFF, there is an equivalent increase or decrease to the corresponding FRN.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	$000 LTA[1]	2021 $000 QFF[2]	$000 TOTAL STATE INVESTMENT OPERATIONS
Investments in unit trusts and other holdings - QIC:			
Movement during the year:			
Opening balance	26 216 930	-	26 216 930
Deposits [3]	2 747 056	6 195 724	8 942 780
Transfers	(1 500 000)	1 500 000	-
Withdrawals [3]	(1 863 018)	-	(1 863 018)
Fees paid	(155 387)	(2 671)	(158 058)
Net change in fair value of unit trusts	4 626 911	49 166	4 676 077
Closing balance	30 072 492	7 742 219	37 814 711

(1) The LTA are assets held to fund the defined benefit superannuation and other long term obligations of the State as well as assets to support other State initiatives.

(2) At 30 June 2022, the only sub fund of the QFF is the DRF. The DRF was established to support both the State's credit rating and generate returns to reduce the State's debt burden.

(3) For every investment deposited or withdrawal from the LTA or QFF, there is an equivalent increase or decrease to the corresponding FRN.

Notes to the Financial Statements

State Investment Operations

For the year ended 30 June 2022

16 Financial instruments at fair value through profit or loss continued

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	$000 LTA[1]	2022 $000 QFF[2]	$000 TOTAL STATE INVESTMENT OPERATIONS
Comprised of the following asset classes:			
Defensive assets			
Cash	**3 128 932**	**1 095 673**	**4 224 605**
Fixed interest	**1 449 208**	**511 381**	**1 960 589**
Growth assets			
Equities	**8 572 442**	**2 969 947**	**11 542 389**
Diversified alternatives	**5 648 794**	**532 557**	**6 181 351**
Unlisted assets			
Infrastructure	**7 807 543**	**1 748 002**	**9 555 545**
Private equity	**3 749 903**	**403 795**	**4 153 698**
Real estate	**2 297 570**	**456 665**	**2 754 235**
	32 654 392	**7 718 020**	**40 372 412**

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	$000 LTA[1]	2021 $000 QFF[2]	$000 TOTAL STATE INVESTMENT OPERATIONS
Comprised of the following asset classes:			
Defensive assets			
Cash	2 069 345	2 731 104	4 800 449
Fixed interest	3 689 262	584 512	4 273 774
Growth assets			
Equities	8 207 274	2 116 604	10 323 878
Diversified alternatives	4 439 721	-	4 439 721
Unlisted assets			
Infrastructure	7 097 897	1 605 433	8 703 330
Private equity	3 252 069	359 610	3 611 679
Real estate	1 316 924	344 956	1 661 880
	30 072 492	7 742 219	37 814 711

(1) The LTA are assets held to fund the defined benefit superannuation and other long term obligations of the State.

(2) At 30 June 2022, the only sub fund of the QFF is the DRF. The DRF was established to support both the State's credit rating and generate returns to reduce the State's debt burden.

Notes to the Financial Statements

State Investment Operations

For the year ended 30 June 2022

16 Financial instruments at fair value through profit or loss continued

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	$000 LTA (1)	2022 $000 QFF (2)	$000 TOTAL STATE INVESTMENT OPERATIONS
Fixed rate notes			
Movement during the year:			
Opening balance	**30 072 492**	**7 742 219**	**37 814 711**
Increases (3)	**3 202 792**	**-**	**3 202 792**
Interest	**1 944 485**	**501 928**	**2 446 413**
Decreases (3)	**(2 018 382)**	**-**	**(2 018 382)**
Net change in fair value of the fixed rate note (4)	**(546 995)**	**(526 127)**	**(1 073 122)**
Closing balance	**32 654 392**	**7 718 020**	**40 372 412**

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	$000 LTA (1)	2021 $000 QFF (2)	$000 TOTAL STATE INVESTMENT OPERATIONS
Fixed rate notes			
Movement during the year:			
Opening balance	26 216 930	-	26 216 930
Increases (3)	2 747 056	6 195 724	8 942 780
Transfers	(1 500 000)	1 500 000	-
Interest	1 838 728	26 263	1 864 991
Decreases (3)	(1 863 018)	-	(1 863 018)
Net change in fair value of the fixed rate note (4)	2 632 796	20 232	2 653 028
Closing balance	30 072 492	7 742 219	37 814 711

(1) *The LTA are assets held to fund the defined benefit superannuation and other long term obligations of the State.*

(2) *At 30 June 2022, the only sub fund of the QFF is the DRF. The DRF was established to support both the State's credit rating and generate returns to reduce the State's debt burden.*

(3) *For every investment deposited or withdrawal from the LTA or QFF, there is an equivalent increase or decrease to the corresponding FRN.*

(4) *The net change in the fair value of the fixed rate notes was negative in 2022, reflecting the lower returns achieved on the assets invested when compared to the interest paid by QTC on the FRN of 6.5%. In the previous year, the return on assets invested was positive, reflecting higher returns achieved on the assets invested when compared to the interest paid on the FRN of 6.5%.*

Notes to the Financial Statements
State Investment Operations
For the year ended 30 June 2022

17 Financial risk management

QTC also holds a portfolio of assets that were transferred to QTC by the State Government but are managed by QIC on behalf of SIAB. SIAB members include representatives from Queensland Treasury and three external members with experience in investment management and governance.

The assets of SIO are invested in unlisted unit trusts held with QIC. The trusts hold investments in a variety of financial instruments including derivatives, which expose these assets to credit risk, liquidity risk and market risk. Market risk arises due to changes in interest rates, foreign exchange rates, property prices and equity prices. However, as these investments are long-term in nature, market fluctuations are expected to even out over the term of the investment.

SIAB determines the investment objectives, risk profiles and strategy for the invested assets of the SIO segment within the framework provided by the State Government. It is responsible for formulating a strategic asset allocation to achieve the objectives of the investments in line with the required risk profile. The invested assets of the SIO segment are therefore distinct from QTC's Capital Markets Board and day-to-day Capital Markets Operations and are the responsibility of SIAB and its appointed investment manager (QIC).

QIC provides assistance to SIAB in discharging its responsibilities. As the Queensland Government's

investment manager, QIC is responsible for implementing the investment strategy of each portfolio of invested assets of the SIO segment. QIC's role includes recommending investment product objectives, risk profiles and strategic asset allocations to achieve objectives within the targets and risk controls set. SIAB oversees QIC's implementation and monitors adherence to the targets, risk controls and limits under which QIC is approved to manage the invested assets of the SIO segment.

QIC has established risk management policies to identify and analyse risk, and to set risk limits and controls that comply with SIAB's instructions. QIC's risk control framework is confirmed in a GS 007 report signed by the Auditor-General of Queensland.

The interest rate applicable on the FRN liabilities of QTC for both the LTA and the QFF portfolios is set at 6.5% per annum on the book value of the notes.

(a) Market risk

The assets of SIO expose QTC to market risk, including interest rate risk, foreign currency risk, property price risk and equity price risk, resulting from its investments in unit trusts and the underlying movement in the net asset values through these trusts. While the portfolios do not have direct exposure to interest rate, foreign currency and credit risk, the unit price of the fund in which the assets are invested will change in response to the market's perception of changes in these underlying risks.

Market risk is mitigated through diversified portfolios of investments in unit trusts held with QIC in accordance with the investment strategies approved by SIAB. The investment strategy targets a diversified portfolio across a broad range of asset classes.

QIC adheres to prudential controls contained in the Investment Management Agreement for each portfolio of assets. Under these agreements, derivative products are not permitted to be used for speculative purposes but are used as hedging instruments against existing positions or for efficient trading and asset allocation purposes to assist in achieving the overall investment returns and volatility objectives of the portfolio.

A sensitivity analysis for the key types of market risk that apply to the investments of the funds has been undertaken by QIC. QIC has provided a range of reasonably possible changes in key risk variables including the S&P/ASX 200 Index, the MSCI World ex Australia Equities Index, the Reserve Bank of Australia official cash rate, the US Federal Reserve official cash rate and real estate capitalisation rates.

QTC's foreign currency exposure is managed at a whole of portfolio level rather than at an individual asset class level. For this reason, sensitivity to foreign exchange rate movements has been shown as a currency overlay on the whole portfolios.

Based on these changes to key risk variables and applying a range of valuation methodologies, a reasonably possible change in value of applicable investments held at 30 June is as follows:

	2022 CHANGE		2022 PROFIT/EQUITY		2021 CHANGE		2021 PROFIT/EQUITY	
	Low %	High %	Decrease $000	Increase $000	Low	High %	Decrease $000	Increase $000
Cash and fixed interest [1]	**-3%**	**3%**	**(187 149)**	**187 149**	-4%	4%	(350 837)	350 837
Equities	**-10%**	**10%**	**(1 154 239)**	**1 154 239**	-10%	10%	(1 032 629)	1 032 629
Diversified alternatives [2]	**-10%**	**10%**	**(617 948)**	**617 948**	-10%	10%	(444 076)	444 076
Infrastructure	**-10%**	**10%**	**(955 940)**	**955 940**	-10%	10%	(870 536)	870 536
Private equities	**-10%**	**10%**	**(415 244)**	**415 244**	-9%	9%	(325 283)	325 283
Real estate	**-13%**	**16%**	**(343 605)**	**444 914**	-22%	35%	(367 115)	578 903
Currency overlay	**-10%**	**10%**	**(876 129)**	**876 129**	-10%	10%	(732 642)	732 642
			(4 550 254)	**4 651 563**			(4 123 118)	4 334 906

(1) Cash and fixed interest includes exposure to interest rate and inflation overlays on hedging instruments.
(2) Diversified alternatives include exposure to both price and interest rate risk.

(b) Liquidity risk

No external cash flows are generated by QTC from SIO. Deposits and withdrawals from SIO result in a corresponding change to the value of the FRNs. Interest owing to Treasury on the FRNs is capitalised, as are returns and fees to the SIO. As such, daily movements in these cash flows do not expose QTC to liquidity risk.

(c) Credit risk

QIC is responsible for implementing the investment strategy for SIO. The investment strategy targets a widely diversified portfolio of assets across a broad range of asset classes, helping to minimise credit risk.

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State Investment Operations

For the year ended 30 June 2022

18 Fair value hierarchy

Financial instruments have been classified in accordance with the hierarchy described in AASB 13 *Fair Value Measurement*, as per note 12.

AS AT 30 JUNE 2022	OBSERVABLE INPUTS LEVEL 2 $000	UNOBSERVABLE INPUTS LEVEL 3 $000	TOTAL $000
Financial assets			
Cash	**4 224 605**	**-**	**4 224 605**
Fixed interest	**1 960 589**	**-**	**1 960 589**
Equities	**11 542 389**	**-**	**11 542 389**
Diversified alternatives	**2 115 368**	**4 065 983**	**6 181 351**
Infrastructure	**-**	**9 555 545**	**9 555 545**
Private equities	**-**	**4 153 698**	**4 153 698**
Real estate	**-**	**2 754 235**	**2 754 235**
Total financial assets	**19 842 951**	**20 529 461**	**40 372 412**
Financial liabilities			
Fixed rate note - LTA	**-**	**32 654 392**	**32 654 392**
Fixed rate note - QFF	**-**	**7 718 020**	**7 718 020**
Total financial liabilities	**-**	**40 372 412**	**40 372 412**
AS AT 30 JUNE 2021			
Financial assets			
Cash	4 800 449	-	4 800 449
Fixed interest	4 273 774	-	4 273 774
Equities	10 323 878	-	10 323 878
Diversified alternatives	1 290 496	3 149 225	4 439 721
Infrastructure	-	8 703 330	8 703 330
Private equities	-	3 611 679	3 611 679
Real estate	-	1 661 880	1 661 880
Total financial assets	20 688 597	17 126 114	37 814 711
Financial liabilities			
Fixed rate note- LTA	-	30 072 494	30 072 494
Fixed rate note- QFF	-	7 742 217	7 742 217
Total financial liabilities	-	37 814 711	37 814 711

Investments in unit trusts are valued by QIC using fair value methodologies adjusted for fees outstanding. QIC reports the net asset value based on the unit price at measurement date.

Notes to the Financial Statements

State Investment Operations

For the year ended 30 June 2022

18 Fair value hierarchy continued

(a) Level 3 financial assets and liabilities - valuation techniques utilising significant unobservable inputs

Valuations of investments in unit trusts that are Level 3 in the fair value hierarchy are based on the prices of the assets underlying these unit trusts. Investments in unlisted externally managed investment schemes are valued by QIC based on the latest available net asset value advised by the fund manager. Where the fund invests in illiquid assets, the investments are priced by independent valuers as there is no readily observable market price.

In some instances, the prices advised by QIC are based on unaudited valuation statements provided by the external managers of underlying investments that relate to a date prior to 30 June 2022. QIC continues to monitor and provide updated advice to QTC on the potential impact on the value of these investments arising from the subsequent receipt of updated valuations from external managers and audited financial statements.

While QTC utilises the unit price of investments provided by QIC at the relevant reporting date to report the fair value of the investments, the table below shows the valuation techniques used to calculate the unit price for the Level 3 fair values and the significant unobservable inputs used.

CLASS	VALUATION TECHNIQUE	UNOBSERVABLE INPUTS
Diversified alternatives	Based on valuations provided by an independent external valuer or external manager in accordance with relevant industry standards	The valuation model considers the future net cash flows expected to be generated from the asset and are discounted using a risk adjusted discount rate
Infrastructure	Based on valuations provided by an independent external valuer or external manager in accordance with industry standards	The valuation model considers the future net cash flows expected to be generated from the asset and are discounted using a risk adjusted discount rate
Private equities	Based on valuations provided by an independent external valuer or external manager in accordance with International Private Equity and Venture Capital Valuation Guidelines	The valuation model considers the future net cash flows expected to be generated from the asset and are discounted using a risk adjusted discount rate
Real estate	Based on valuations provided by an independent external valuer or external manager in accordance with Australian Property Institute's valuation and Property Standards	The valuation model considers the future net cash flows expected to be generated from the asset and are discounted using a risk adjusted discount rate
Fixed Rate Notes	Based on the value of the corresponding portfolio of assets in the SIO segment	The valuation is based on the fair values of the related assets which are derived using level 3 inputs

(b) Reconciliation of Level 3 fair value movements

The table below shows the breakdown of gains and losses in respect of Level 3 fair values.

30 JUNE 2022 ASSET CLASS	OPENING BALANCE $000	DISTRIBUTIONS(1) $000	UNREALISED MARKET MOVEMENTS(1) $000	SETTLEMENTS(1) $000	CLOSING BALANCE $000
Diversified alternatives	**3 149 225**	(513 803)	466 868	963 693	**4 065 983**
Infrastructure	**8 703 331**	(107 211)	1 308 889	(349 464)	**9 555 545**
Private equities	**3 611 679**	(453 054)	941 950	53 123	**4 153 698**
Real estate	**1 661 880**	-	(20 469)	1 112 824	**2 754 235**

30 JUNE 2021 ASSET CLASS	OPENING BALANCE $000	DISTRIBUTIONS(1) $000	UNREALISED MARKET MOVEMENTS(1) $000	SETTLEMENTS(1) $000	CLOSING BALANCE $000
Diversified alternatives	**4 882 357**	(870 939)	91 042	(953 235)	**3 149 225**
Infrastructure	**3 190 411**	(79 420)	402 922	5 189 418	**8 703 331**
Private equities	**2 799 276**	(392 689)	1 433 742	(228 650)	**3 611 679**
Real estate	**1 939 790**	(12 339)	(396 182)	130 611	**1 661 880**

(1) Data in the above table is based on movements in the unit trusts that hold the assets.

FRN movements are disclosed in note 16.

(c) Level 3 – Sensitivity Analysis

Note 17 provides the impact to a change in market prices in respect of all asset classes including those categorised as Level 3.

Notes to the Financial Statements

Other information

For the year ended 30 June 2022

19 Contingent liabilities

The following contingent liabilities existed at balance date:

- QTC has provided guarantees to the value of $2.8 billion (2021: $2.5 billion) to support the commercial activities of various Queensland public sector entities. In each case, a counter indemnity has been obtained by QTC from the appropriate public sector entity.

20 Related party transactions

QTC's related parties are those entities that it controls, is controlled by, under common control or can exert significant influence over. This includes controlled entities of the State of Queensland, being Queensland Treasury, government departments, statutory bodies (excluding universities) and Government owned corporations, and also includes QTC's key management personnel and their related parties. Along with universities, local governments are not considered as related parties of QTC.

(a) Ultimate controlling entity

The immediate controlling entity is the Under Treasurer of Queensland as the Corporation Sole of QTC and the ultimate controlling entity is the State of Queensland. No remuneration is payable by QTC to the Under Treasurer in relation to this role.

(b) Key management personnel

Disclosures relating to key management personnel are set out in note 21.

(c) Investments in companies

Details of investments in associates and other companies are set out in note 23.

(d) Transactions with related parties

Transactions undertaken with related parties during the year include:

- loans $90.9 billion (2021: $93.8 billion) and interest received $2.5 billion (2021: $2.7 billion)
- investment of cash surpluses $1.9 billion (2021: $1.9 billion) and interest paid $11.4 million (2021: $14.3 million)
- fees received $75.4 million (2021: $71.9 million)
- No dividends were declared or paid to Queensland Treasury during the year (2021: $50 million)
- $118.6 million investment in the Dalrymple Bay Coal terminal was transferred from the Backing Queensland Investment Fund to the LTA portfolio, and
- The State transferred $2.5 billion to the LTA portfolio of the SIO segment.

QTC may from time to time indirectly hold a small amount of investments in QTC Bonds via its investments in unit trusts managed by QIC. QTC does not have direct legal ownership of these assets and therefore, no adjustment has been made in the financial statements. QTC through SIO has paid $236.7 million in management fees to QIC (2021: $157.5 million) and $0.5 million (2021: $0.5 million) to Queensland Treasury for board secretariat services to SIAB.

The nature and amount of any individually significant transactions with principal related parties are disclosed below.

- QTC sometimes acts as an agent to government entities in the procurement of advice from consultants. In these situations, QTC does not bear any significant risks or benefits associated with the advice and is generally reimbursed for the costs of the consultant by the government entity. The funds received as reimbursement offset consultant costs in the financial statements providing a nil net effect. The amount of costs reimbursed to QTC during the financial year totalled $1.4 million (2021: $6.0 million).
- QTC has a shareholding in QTH and its associated entities (QTH group). The QTH group hold deposits of $101.3 million (2021: $114.1 million) and loans of $101.3 million (2021: $102.9 million) with QTC that are provided on an arm's length basis and are subject to QTC's normal terms and conditions. QTC also provides company secretariat services to the QTH group on a cost recovery basis and received fees of $0.4 million (2021: $0.3 million) for the provision of these services.

(e) Agency arrangements

QTC undertakes the following agency arrangements on behalf of its clients.

- QTC provides services on behalf of Queensland Treasury under a GOC Cash Management Facility. QTC is not exposed to the risks and benefits of this facility and therefore does not recognise these deposits on its balance sheet. QTC charges a fee for this service. The balance of deposits under this facility at year end was $1.0 billion (2021: $1.1 billion).
- QTC may enter into derivative transactions from time to time on behalf of its clients. These arrangements have back to back contracts between QTC and the client and QTC and the market. In this way QTC is not exposed to the risks and benefits of these contracts and does not recognise these on-balance sheet. The notional value of these derivative arrangements at year end was $31.4 million (2021: $36.7 million).

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For the year ended 30 June 2022

21 Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of QTC, being members of the Board and the Executive Leadership Team.

(a) QTC's Boards

QTC has delegated its powers to its two boards, the Capital Markets Board and SIAB. Both boards are appointed by the Governor-in-Council, pursuant to section 10(2) of the *Queensland Treasury Corporation Act 1988*.

(b) Remuneration principles

Capital Markets Board - Directors

Any changes to Board remuneration require consideration by Queensland Treasury and the Department of the Premier and Cabinet to ensure remuneration is commensurate with government policy. Cabinet endorsement of any changes is required prior to approval by the Governor in Council. Remuneration was last increased effective 1 July 2012.

State Investment Advisory Board - Directors

When the Long Term Asset Advisory Board was renamed and reconstituted as SIAB on 4 July 2019, new external Board members were appointed who were entitled to remuneration. Remuneration for the new Board members was set by Queensland Treasury in consultation with the Department of the Premier and Cabinet prior to approval by the Governor in Council.

Executives and employees

QTC employees (including the Executive Leadership Team) are employed on individual contracts and are appointed pursuant to the *Queensland Treasury Corporation Act 1988*. As the majority of QTC's employees are sourced from the financial markets in which it operates, QTC's employment practices are competitive with these markets. The remuneration framework comprises both fixed and variable remuneration (in the form of an annual short-term incentive (STI) opportunity), which are approved by the QTC Board annually. The fixed remuneration component is market-competitive and the variable remuneration component is linked to performance.

Remuneration governance

The Human Resources Committee of the Board is responsible for governance of remuneration practices and arrangements, with the Board maintaining absolute responsibility and decision making for remuneration matters. QTC receives annual industry benchmarking data from the Financial Institutions Remuneration Group (FIRG), which captures remuneration data from organisations within the financial services industry. QTC uses a subset of the data mapped to relevant organisations within the FIRG membership. Analysis and advice are obtained from external consultants to ensure that QTC continues to align roles to the market.

Total compensation

The total compensation fixed remuneration of each QTC employee is reviewed each year and is benchmarked against the FIRG remuneration data. Total compensation levels are set around the FIRG market median position of a relevant sub-set of the FIRG database. Role scope and complexity, knowledge experience, skills and performance are considered when determining the remuneration level of each employee.

Variable remuneration – short-term incentives for employees

QTC's variable remuneration framework provides an annual short-term incentive opportunity for eligible employees, aligned to financial year performance. This opportunity is designed to differentiate and reward outstanding organisational and individual performance, and to align performance at these levels with incentive outcomes. It also aims to ensure market competitiveness, with 'target' STI outcomes aligned to the relevant market position of the FIRG database (i.e. the median incentive potential for FIRG members within QTC's peer group) and approved at Board level each year. For the year ended 30 June 2022, STI payments will be made to eligible staff in September 2022.

Variable remuneration – short term incentives for the Executive Leadership Team

For the year ended 30 June 2022, where the Executive Leadership Team performed strongly against corporate and individual KPIs, they were eligible to receive a short-term incentive payment based on a percentage of their total fixed remuneration. Short term incentives are at risk with no payment made for underperformance and additional premiums of up to 30% of the target paid for above expected performance.

The outcomes for the Executive Leadership Team are aligned to achievements measured against corporate and individual KPIs. For 2021-22, short-term incentive 'targets' for the Executive Leadership Team ranged between 40% and 60% of their total fixed remuneration. The proportion of each executive's short-term incentive 'target' opportunity is based on corporate and individual performance, and the achievement of targets set out in QTC's Strategic Plan 2021-25.

QTC's overall performance for 2021-22, documented in the annual performance assessment reviewed and approved by QTC's Board, was assessed as exceeding benchmark. This reflects a strong performance across QTC's whole-of-State, client, funding and operational activities. This performance assessment led to short-term incentives for the Executive Leadership Team of between 46% and 71% of fixed remuneration.

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21 Key management personnel continued

(c) Remuneration by category

	2022 $	2021 $
Capital Markets Operations		
Directors		
Short-term employment benefits (1)	**350 563**	332 066
Post-employment benefits (4)	**21 350**	21 391
Total	**371 913**	353 457
Executive Leadership Team		
Short-term employment benefits (2)	**4 031 798**	3 961 409
Long-term employment benefits (3)	**81 437**	60 059
Post-employment benefits (4)	**128 063**	108 890
Termination benefits	**141 424**	-
Total	**4 382 722**	4 130 358

	2022 $	2021 $
State Investment Operations		
Directors		
Short-term employment benefits (1)	**100 653**	100 653
Post-employment benefits (4)	**10 065**	9 561
Total	**110 718**	110 214

(1) Directors' short-term benefits include Board member and committee fees, and in relation to the Chairman of the Capital Markets Board,also includes the provision of a car park.

(2) Executive management personnel's short-term benefits include wages, annual leave taken, short-term incentives and non-monetary benefits such as car parks and motor vehicle benefits (where applicable).

(3) Long-term employment benefits relate to long service leave.

(4) Post-employment benefits include superannuation contributions made by the Corporation.

Capital markets operations

(i) Directors

Details of the nature and amount of each major element of the remuneration are as follows:

	SHORT-TERM EMPLOYMENT BENEFITS		POST-EMPLOYMENT BENEFITS		TOTAL	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Gerard Bradley – Chair (1)	**137 069**	130 176	**-**	2 213	**137 069**	132 389
Leon Allen (2)(3)	**-**	-	**-**	-	**-**	-
Anne Parkin	**43 856**	44 360	**4 386**	4 214	**48 242**	48 574
Karen Smith-Pomeroy	**45 362**	45 362	**4 536**	4 309	**49 898**	49 671
Jim Stening	**40 210**	38 709	**4 021**	3 677	**44 231**	42 386
Neville Ide	**43 856**	43 856	**4 386**	4 166	**48 242**	48 022
Rosemary Vilgan (4)	**40 210**	29 603	**4 021**	2 812	**44 231**	32 415
Total	**350 563**	332 066	**21 350**	21 391	**371 913**	353 457

(1) Term expired 30 June 2020, reappointed 16 July 2020 and resigned effective 30 June 2022.

(2) Appointed 16 July 2020.

(3) No remuneration is payable to the Queensland Treasury representative.

(4) Appointed 1 October 2020.

Notes to the Financial Statements

Other information

For the year ended 30 June 2022

21 Key management personnel continued

(c) Remuneration by category continued

(ii) Executive Leadership Team

Details of the nature and amount of each major element of the remuneration of the executive management personnel are as follows:

30 JUNE 2022	BASE $	SHORT-TERM EMPLOYMENT BENEFITS: SHORT-TERM INCENTIVE $	SHORT-TERM EMPLOYMENT BENEFITS: NON-MONETARY $	POST-EMPLOYMENT BENEFITS $	LONG-TERM BENEFITS $	TERMINATION BENEFITS	TOTAL $
Chief Executive	**752 689**	**492 085**	**17 273**	**25 630**	**22 532**	**-**	**1 310 209**
Deputy Chief Executive and Managing Director, Funding and Markets	**600 627**	**446 030**	**18 887**	**25 601**	**17 475**	**-**	**1 108 620**
Managing Director, Client	**396 972**	**220 980**	**17 273**	**25 630**	**11 646**	**-**	**672 501**
Managing Director, Corporate Services and Chief Risk Officer	**391 541**	**191 820**	**15 036**	**25 601**	**16 381**	**-**	**640 379**
Managing Director, Finance, Data and Compliance	**295 512**	**157 800**	**17 273**	**25 601**	**13 403**	**141 424**	**651 013**
Total	**2 437 341**	**1 508 715**	**85 742**	**128 063**	**81 437**	**141 424**	**4 382 722**

30 JUNE 2021	BASE $	SHORT-TERM EMPLOYMENT BENEFITS: SHORT-TERM INCENTIVE $	SHORT-TERM EMPLOYMENT BENEFITS: NON-MONETARY $	POST-EMPLOYMENT BENEFITS $	LONG-TERM BENEFITS $	TOTAL $
Chief Executive	738 627	449 410	17 767	21 778	18 277	1 245 859
Deputy Chief Executive and Managing Director, Funding and Markets	583 564	424 710	19 842	21 778	14 459	1 064 353
Managing Director, Client	393 486	203 800	17 767	21 778	9 685	646 516
Managing Director, Corporate Services and Chief Risk Officer	368 475	185 600	16 047	21 778	9 078	600 978
Managing Director, Finance, Data and Compliance	348 467	176 080	17 767	21 778	8 560	572 652
Total	2 432 619	1 439 600	89 190	108 890	60 059	4 130 358

State Investment Operations

(iii) Directors

Details of the nature and amount of each major element of the remuneration are as follows:

	SHORT-TERM EMPLOYMENT BENEFITS 2022 $	SHORT-TERM EMPLOYMENT BENEFITS 2021 $	POST-EMPLOYMENT BENEFITS 2022 $	POST-EMPLOYMENT BENEFITS 2021 $	TOTAL 2022 $	TOTAL 2021 $
Leon Allen - Chair (1)	**-**	-	**-**	-		-
William Ryan (1)	**-**	-	**-**	-		-
Maria Wilton	**33 551**	33 551	**3 355**	3 187	**36 906**	36 738
Philip Graham	**33 551**	33 551	**3 355**	3 187	**36 906**	36 738
Tony Hawkins	**33 551**	33 551	**3 355**	3 187	**36 906**	36 738
Total	**100 653**	100 653	**10 065**	9 561	**110 718**	110 214

(1) Queensland Treasury representative. No additional remuneration is paid for this appointment.

(d) Other transactions

QTC's Capital Markets Board members' directorships are disclosed in the corporate governance section of the Annual Report. No remuneration is paid or payable by QTC to the Under Treasurer as QTC's Corporation Sole.

There were no transactions between QTC and entities controlled by key management personnel or loans to/from key management personnel during the financial year.

Notes to the Financial Statements

Other information

For the year ended 30 June 2022

22 Auditor's remuneration

The external auditor (Auditor-General of Queensland) does not provide any consulting services to QTC. Details of amounts paid or payable to the auditor of QTC (GST exclusive) are shown below:

	2022 $	2021 $
Audit services		
Audit and review of QTC financial statements	**387 000**	368 000

23 Investments in companies

Investments in the following companies are held at cost:

NAME	PRINCIPAL ACTIVITIES
Queensland Treasury Holdings Pty Ltd (QTH)	Holding company for several subsidiaries and strategic investments held on behalf of the State of Queensland
Queensland Lottery Corporation Pty Ltd	Holds the Golden Casket lottery licence and trademarks
DBCT Holdings Pty Ltd	Holds the bulk coal terminal tenure and facilities at Dalrymple Bay near Mackay, which it has leased under a long term lease arrangement
Queensland Airport Holdings (Mackay) Pty Ltd	Owns the Mackay airport land and infrastructure, which it has leased under a 99 year lease arrangement
Queensland Airport Holdings (Cairns) Pty Ltd	Owns the Cairns airport land and infrastructure, which it has leased under a 99 year lease arrangement
Brisbane Port Holdings Pty Ltd	Owns the Port of Brisbane tenure and infrastructure, which it has leased under a 99 year lease arrangement

QTH is incorporated and domiciled in Brisbane, Australia. QTH holds a 100% beneficial interest in the companies listed above. QTC does not apply the equity method to its investment in QTH (refer note 2(o) Judgments and assumptions).

24 Dividends

Each year the Board determines the appropriate level of dividends to be declared taking into consideration the financial situation of the Corporation. No dividend was declared or paid during the year. A dividend of $50 million was paid to the Queensland Government in June 2021.

25 Events subsequent to balance date

In early July 2022 $906 million of invested assets which previously belonged to the Residential Tenancies Authority were transferred to the Queensland General Insurance Fund investment account of the LTA. In return for these assets the LTA FRN will be increased by the corresponding amount.

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the Capital Markets Operations segment of QTC, the results of these operations or the state of affairs of QTC's Capital Markets Operations segment in future years.

Certificate of the Queensland Treasury Corporation

The foregoing general purpose financial statements have been prepared pursuant to section 62(1) of the Financial *Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements.

The Directors draw attention to note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

In accordance with section 62(1)(b) of the Act we certify that in our opinion:

(i) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects, and

(ii) the foregoing annual financial statements have been drawn up so as to present a true and fair view of Queensland Treasury Corporation's assets and liabilities, financial position and financial performance for the year ended 30 June 2022.

We acknowledge responsibility under section 7 and section 11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

The financial statements are authorised for issue on the date of signing this certificate which is signed in accordance with a resolution of the Capital Markets Board.

D J FRAWLEY
Chair

P C NOBLE
Chief Executive

Brisbane
19 August 2022

Independent Auditor's report

Queensland Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Capital Markets Board of Queensland Treasury Corporation (QTC)

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Treasury Corporation.

In my opinion, the financial report:

a) gives a true and fair view of the entity's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended

b) complies with the *Financial Accountability Act 2009,* the Financial and Performance Management Standard 2019 and Australian Accounting Standards

c) also complies with International Financial Reporting Standards as disclosed in Note 2(a).

The financial report comprises the balance sheet as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate given by the Chairman and Chief Executive.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards,* which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matter

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of the audit of the financial report as whole, and in forming the auditor's opinion thereon, and I do not provide a separate opinion on these matters.

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Valuation, presentation and disclosure of financial assets at fair value through profit or loss for State Investment Operations (S1O) ($40.4 billion as at 30 June 2022)

(Refer Notes 16, 17 and 18)

Key audit matter	How my audit addressed this key audit matter

Financial assets at fair value through profit or loss held by SIO (which incorporates the Long Term Assets (LTA) and the Queensland Future Fund (QFF)) represent investments in unlisted unit trusts ('the trusts') managed by QIC Limited (QIC). The trusts in turn invest in various asset classes, some of which are illiquid in nature ('underlying investments').
 	
The fair value of these underlying investments is based on the pre-distribution exit prices as at 30 June 2022 as advised by QIC to OTC on 8 August 2022.
 	
In some instances, the prices advised by QIC are based on unaudited valuation statements provided by the external managers of the underlying investments that relate to a date prior to 30 June 2022. Significant judgement is required to determine whether the unaudited valuations advised by QIC are materially consistent with the fair value as at 30 June 2022, or if an adjustment is required.
 	
QIC continues to monitor and provides updated advice to QTC on the potential impact on the value of these investments arising from the subsequent receipt of updated valuations from external managers and audited financial statements.
 	
Additionally, there is a high level of subjectivity in classifying the investments in the appropriate level within the fair value hierarchy for the following reasons:
a. some of the underlying assets are considered illiquid in nature (i.e., these are not readily convertible to cash)
b. SIO is the sole investor in some of the trusts, and as a result there are restrictions that may be imposed by QIC on SIO to liquidate the investments.
	My procedures included but were not limited to:
	• evaluating the audited assurance report on controls over investment management services for the year 1 July 2021 to 30 June 2022 to confirm that the controls at QIC are appropriately designed and implemented, and operated effectively.
	• assessing the representation letter provided by QIC to QTC confirming the following processes were performed by QIC:
	  • checks performed over pricing of the underlying assets at 30 June 2022 and
	  • checks performed post balance date on prices for highly illiquid investments.
	• confirming the value of the investments reported at 30 June 2022 by:
	  • agreeing the reported value in QIC's confirmation to the financial statements
	  • obtaining a confirmation from QIC on any changes to the value initially reported and assessing the impact of changes in value to the financial statements. Where the change in prices is materially different to the prices initially determined at 30 June 2022, we request management to recognise the change in the prices to reflect the correct valuation.
	• obtaining an understanding of the underlying investments in the trusts and the pricing mechanism adopted by QIC. This in turn determines the appropriate fair value hierarchy disclosure in the financial statements of OTC under AASB13 *Fair Value Measurement*.
	• evaluating the fair value hierarchy disclosure in note 18 to ensure the classification is in accordance with my understanding of the underlying investment and pricing mechanism, and in accordance with AASB 13 *Fair Value Measurement*.

Queensland Audit Office

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Other information

Other information comprises financial and non-financial information (other than the audited financial report).

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the Board for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009,* the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.

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- Conclude on the appropriateness of the entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated with the Board, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Statement

In accordance with s.40 of the *Auditor-General Act 2009,* for the year ended 30 June 2022:

a) I received all the information and explanations I required.

b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009,* any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.

B.P. Worrall

22 August 2022

Brendan Worrall
Auditor-General

Queensland Audit Office
Brisbane

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APPENDICES

Appendix A – Statutory and mandatory disclosures

QTC is required to make various disclosures in its Annual Report. QTC is also required to make various disclosures on the Queensland Government's Open Data website in lieu of inclusion in its Annual Report. This appendix sets out those mandatory disclosure statements that are not included elsewhere in the report or made available on the Open Data website.

QTC is committed to providing accessible services to Queensland residents from culturally and linguistically diverse backgrounds. QTC did not receive any requests for interpreters and there was no overseas travel in 2021–22.

Information systems and record keeping

Information and Data are vital assets and QTC is committed to continuously improving and maintaining information and data management practices that meet its business needs, legislative requirements and stakeholder expectations. QTC adheres to the *Public Records Act 2002* and the General Retention and Disposal Schedule with respect to information and records management.

QTC continues to evolve its electronic document and information management systems for improved management of both digital and physical records particularly in relation to expanding cloud technologies. QTC has also transitioned its paper based records in its core operations division to digital record keeping. QTC is maturing its information security capabilities to protect internally and externally accessible records.

QTC has not experienced any serious breaches and continues to place focus on education, communication and evolving our technical environment to manage information and data security risk.

Public Sector Ethics Act

QTC provides the following information pursuant to obligations under section 23 of the *Public Sector Ethics Act 1994* (Qld) to report on action taken to comply with certain sections of the Act.

QTC employees are required to comply with QTC's Code of Conduct, which aligns with the ethics principles and values in the *Public Sector Ethics Act 1994* (Qld), as well as the Code of Conduct and market standards established by the Australian Financial Markets Association of which QTC is a member. Both codes are available to employees via QTC's intranet. A copy of QTC's Code of Conduct can be inspected by contacting QTC's Human Resources Group (see Appendix D for contact details). Appropriate education and training about the Code of Conduct, expected standards of conduct and ethical issues has been provided to all new and existing QTC staff.

QTC's human resource management and corporate governance policies and practices ensure that QTC:

- acts ethically with regard to the conduct of its business activities and within appropriate law, policy and convention, and
- addresses the systems and processes necessary for the proper direction and management of its business and affairs.

QTC is committed to:

- observing high standards of integrity and fair-dealing in the conduct of its business, and
- acting with due care, diligence and skill.

QTC's Compliance Policy requires that QTC and all employees comply with the letter and the spirit of all relevant laws and regulations, industry standards, and relevant government policies, as well as QTC's own policies and procedures.

Human Rights Act

QTC's strategic and operational plans are in line with the objectives of the *Human Rights Act 2019* (the Act). The plans aim to ensure QTC is respecting, protecting and promoting human rights in decision making and actions.

The Act requires QTC to consider human rights when performing functions of a public nature and only limit human rights after careful consideration. QTC's internal policies and practices are aligned to the Act, as guided by external advice.

Remuneration: Board and Committee

For the year ending 30 June 2022, the remuneration and committee fees of the QTC Capital Market Board members (excluding superannuation contributions and non-monetary benefits) were as follows:

Board		Committee	
Chairperson	$100, 527	Chairperson	$6,658
Member	$33,551	Member	$5,152

The total remuneration payments made to the members of the QTC Capital Markets Board was $356,761 and the total on-costs (including travel, accommodation, car parking and professional memberships for members) was $22,642.

For the year ending 30 June 2022, the remuneration and committee fees of the QTC State Investment Advisory Board members (excluding superannuation contributions and non-monetary benefits) were as follows:

Board	
Member	$33,551

The total remuneration payments made to the members of the QTC State Investment Advisory Board was $110,718 and the total on-costs (including travel, accommodation, car parking and professional memberships for members) was $1,382.

Related entities

The related entities in Note 23 are not equity accounted in the financial report of the Queensland Treasury Corporation. These entities are consolidated into Queensland Treasury's financial report.

Appendix B – Glossary

Basis point: One hundredth of one per cent (0.01 per cent).

Bond: A financial instrument where the borrower agrees to pay the investor a rate of interest for a fixed period of time. A typical bond will involve regular interest payments and a return of principal at maturity.

Budget Update: Mid-Year Fiscal and Economic Review.

CP (commercial paper): A short-term money market instrument issued at a discount with the full face value repaid at maturity. CP can be issued in various currencies with a term to maturity of less than one year.

Credit rating: Measures a borrower's creditworthiness and provides an international framework for comparing the credit quality of issuers and rated debt securities. Rating agencies allocate three kinds of ratings: issuer credit ratings, long-term debt and short-term debt. Issuer credit ratings are among the most widely watched. They measure the creditworthiness of the borrower including its capacity and willingness to meet financial obligations.

Fixed Income Distribution Group: A group of financial intermediaries who market and make prices in QTC's debt instruments.

Floating rate notes (FRNs): A debt instrument which pays a variable rate of interest (coupon) at specified dates over the term of the debt, as well as repaying the principal at the maturity date. The floating rate is usually a money market reference rate, such as BBSW, plus a fixed margin. Typically the interest is paid quarterly or monthly.

GOC: Government-owned Corporation.

Green Bonds: QTC Green Bonds on issue are guaranteed by the Queensland State Government, issued under the AUD Bond Program with Rule 144A capability and certified by the Climate Bonds Initiative (CBI). Proceeds from QTC Green Bonds are allocated against eligible projects and assets in accordance with QTC's Green Bond Framework. Eligible projects and assets are those funded, entirely or in part, by the Queensland Government, State-Government related entities and local governments that support Queensland's pathway to climate resilience and an environmentally sustainable economy. QTC's Green Bond Framework is aligned with the CBI Climate Bonds Standard 3.0 and the International Capital Market Association (ICMA) Green Bond Principles 2018 allowing QTC to issue both CBI certified Green Bonds and ICMA aligned Green Bonds. An independent third party provides assurance of QTC's framework, eligible project and asset pool and Green Bonds on issue.

Issue price: The price at which a new security is issued in the primary market.

Liquid: Markets or instruments are described as being liquid, and having depth, if there are enough buyers and sellers to absorb sudden shifts in supply and demand without price distortions.

Market value: The price at which an instrument can be purchased or sold in the current market.

MTN (Medium-Term Note): A financial debt instrument that can be structured to meet an investor's requirements in regards to interest rate basis, currency and maturity. MTNs usually have maturities between nine months and 30 years.

QTC: Queensland Treasury Corporation.

RBA: Reserve Bank of Australia.

T-Note (Treasury Note): A short-term money market instrument issued at a discount with the full face value repaid at maturity. T-Notes are issued in Australian dollars with a term to maturity of less than one year.

Appendix C – Compliance checklist

SUMMARY OF REQUIREMENT		BASIS FOR REQUIREMENT	ANNUAL REPORT REFERENCE
LETTER OF COMPLIANCE	A letter of compliance from the accountable officer or statutory body to the relevant Minister/s	ARRs – section 7	Page 2
ACCESSIBILITY	Table of contents	ARRs – section 9.1	Page 1
	Glossary	ARRs – section 9.1	Appendix B
	Public availability	ARRs – section 9.2	Page 1 , Appendix D
	Interpreter service statement	*Queensland Government Language Services Policy* ARRs – section 9.3	Appendix D
	Copyright notice	*Copyright Act 1968* ARRs – section 9.4	Back cover
GENERAL INFORMATION	Introductory information	ARRs – section 10	Page 3-7
NON-FINANCIAL PERFORMANCE	Government's objectives for the community	ARRs – section 11.1	Pages 8-13
	Agency objectives and performance indicators	ARRs – section 11.2	Pages 4, 6-13
FINANCIAL PERFORMANCE	Summary of financial performance	ARRs – section 12.1	Pages 6-7, Notes to Financial Statements: Pages 30-58
GOVERNANCE – MANAGEMENT AND STRUCTURE	Organisational structure	ARRs – section 13.1	Pages 18-22
	Executive management	ARRs – section 13.2	Page 22
	Public Sector Ethics	*Public Sector Ethics Act 1994* ARRs – section 13.4	Page 15, Appendix A
	Human Rights	*Human Rights Act 2019* ARRs – section 13.5	Appendix A
GOVERNANCE – RISK MANAGEMENT AND ACCOUNTABILITY	Risk management	ARRs – section 14.1	Pages 14-15
	Audit committee	ARRs – section 14.2	Page 19
	Internal audit	ARRs – section 14.3	Page 22
	Information systems and record keeping	ARRs – section 14.5	Appendix A
GOVERNANCE – HUMAN RESOURCES	Strategic workforce planning and performance	ARRs – section 15.1	Pages 15-16
OPEN DATA	Statement advising publication of information	ARRs – section 16	Appendix A
	Consultancies	ARRs – section 33.1	Appendix A
	Overseas travel	ARRs – section 33.2	Appendix A
	Queensland Language Services Policy	ARRs – section 33.2	Appendix A
FINANCIAL STATEMENTS	Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Page 59
	Independent Auditor's Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Pages 60-63

***Note**: This checklist excludes reference to any requirements that do not apply to QTC for the current reporting period.*

FAA: Financial Accountability Act 2009.

FPMS: Financial and Performance Management Standard 2019.

ARRs: Annual report requirements for Queensland Government agencies.

Appendix D – Contacts

Queensland Treasury Corporation

Level 31, 111 Eagle Street
Brisbane Queensland Australia

GPO Box 1096
Brisbane Queensland
Australia 4001

Telephone: +61 7 3842 4600
Email: enquiry@qtc.com.au

If you would like a copy of a report posted to you, please call QTC's reception on +61 7 3842 4600. If you would like to comment on a report, please complete the online enquiry form located on our website.

	Telephone
Queensland Treasury Corporation (Reception)	+61 7 3842 4600
Stock Registry (Link Market Services Ltd)	1800 777 166

QTC is committed to providing accessible services to Queensland residents from culturally and linguistically diverse backgrounds. If you have difficulty understanding this report, please contact QTC's reception on +61 7 3842 4600 and we will arrange for an interpreter to assist you.

Information for institutional investors

Core to its key funding principles, QTC is committed to being open and transparent with investors and its partners in the financial markets.

Through its website, QTC provides a range of information for institutional investors on its various funding instruments, its indicative term debt borrowing requirement (including daily outstandings) and its Fixed Income Distribution Group. The website also provides information and links about Australia and Queensland to help investors gain a better understanding of:

- the different levels of government in Australia
- the forms of fiscal support the Australian Government provides to the states and territories
- relevant governance practices, legislation and policies
- financial data and budget information, and
- economic and trade data.

QTC also offers institutional investors the ability to subscribe from its institutional investor section of the website to quarterly funding and market announcement updates, and QTC's weekly AUD Bond Outstandings report.

Bloomberg ticker: qtc

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QUEENSLAND
TREASURY
CORPORATION

GPO Box 1096
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Australia 4001
T: +61 7 3842 4600

EXHIBIT (c)(ii)

Consolidated Financial Statements of the Co-Registrant for the fiscal year ended June 30, 2022

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the State of Queensland's (the "State" or "Queensland") beliefs and expectations, are forward-looking statements. These statements are based on current plans, budgets, estimates and projections and therefore you should not place undue reliance on them. The words "believe", "may", "will", "should", "estimate", "continue", "anticipate", "intend", "expect", "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements speak only as of the date they are made, and neither the Queensland Treasury Corporation nor the State undertake any obligation to update publicly any of them in light of new information or future events.

Forward-looking statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Although the Queensland Treasury Corporation and the State believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forward-looking statements involve inherent risks and uncertainties. We caution you that actual results may differ materially from those contained in any forward-looking statements.

A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. Factors that could cause the actual outcomes to differ materially from those expressed or implied in forward-looking statements include:

- the international and Australian economies, and in particular the rates of growth (or contraction) of the State's major trading partners;
- the effects, both internationally and in Australia, of any subsequent economic downturn, as well as the effect of ongoing economic, banking and sovereign debt risk;
- the effect of natural disasters, epidemics and geopolitical events, such as the novel coronavirus (COVID-19) pandemic and the Russia-Ukraine conflict;
- increases or decreases in international and Australian domestic interest rates;
- changes in and increased volatility in currency exchange rates;
- changes in the State's domestic consumption;
- changes in the State's labor force participation and productivity;
- downgrades in the credit ratings of the State and Australia;
- changes in the rate of inflation in the State;
- changes in environmental and other regulation; and
- changes in the distribution of revenue from the Commonwealth of Australia Government to the State.

QUEENSLAND **TREASURY**

2021–22
Report on State Finances
of the Queensland Government – 30 June 2022

Incorporating the Outcomes Report and
the AASB 1049 Financial Statements

Queensland Government

Contents

Message from the Treasurer

I present Queensland's 2021-22 Report on State Finances which includes the Outcomes Report and AASB 1049 Financial Statements.

This Report shows that, in 2021-22, global and national economic conditions improved.

In Queensland, this meant that stronger than expected revenues from the economic rebound and lower expenditure have resulted in Queensland delivering an operating surplus of $4.3 billion for 2021-22, up from $1.9 billion estimated in the most recent budget (2022-23). This is an improvement of $2.4 billion, which can be principally attributed to non-royalty revenues performing above projections, including for payroll tax, transfer duty, and Commmonwealth grants.

The Outcomes Report

The Outcomes Report contains financial statements that are presented in accordance with the Uniform Presentation Framework (UPF) which provides comparable reporting of Commonwealth, State and Territory Governments' financial information.

Queensland's annual Budget was prepared in accordance with the UPF. The Outcomes Report compares the 2021-22 actual results with the revised forecasts contained in the 2022-23 Budget papers.

The UPF presentation is structured on a sectoral basis with a focus on the General Government and Public Non-financial Corporations Sectors.

AASB 1049 Financial Statements

The AASB 1049 Financial Statements outline the operations of the Queensland Government in accordance with Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting* and other applicable standards and are audited.

These statements focus on the General Government Sector (GGS) and Total State Sector (TSS) and include detailed notes.

The statements include comparatives for the 2020-21 year, as well as analysis of variances between the published 2021-22 Budget and the 2021-22 outcome.

AASB 1049 aims to harmonise the Government Finance Statistics (GFS) and Accounting Standard frameworks. The GFS reporting framework, developed by the Australian Bureau of Statistics (ABS), is based on international statistical standards and allows comprehensive assessments to be made of the economic impact of government.

I note the assurances of Treasury officials that both the Outcomes Report and the audited financial statements are presented on a true and fair basis and that the independent auditor's report is unqualified.

In endorsing this report, I place on record my appreciation of the professionalism and co-operation extended to Queensland Treasury by agency personnel and of the Treasury staff involved in its preparation.

The Honourable Cameron Dick MP
Treasurer
Minister for Trade and Investment

Related Publications

This report complements other key publications relating to the financial performance of the Queensland Public Sector including:

- the annual Budget papers;
- the Treasurer's Consolidated Fund Financial Report;
- the annual reports of the various departments, statutory bodies, Government-owned corporations and other entities that comprise the Queensland Government; and
- the Queensland Sustainability Report.

QUEENSLAND **TREASURY**

2021–22
Outcomes Report

Uniform Presentation Framework of the
Queensland Government – 30 June 2022

Queensland
Government

Outcomes Report - Overview and Analysis

Overview

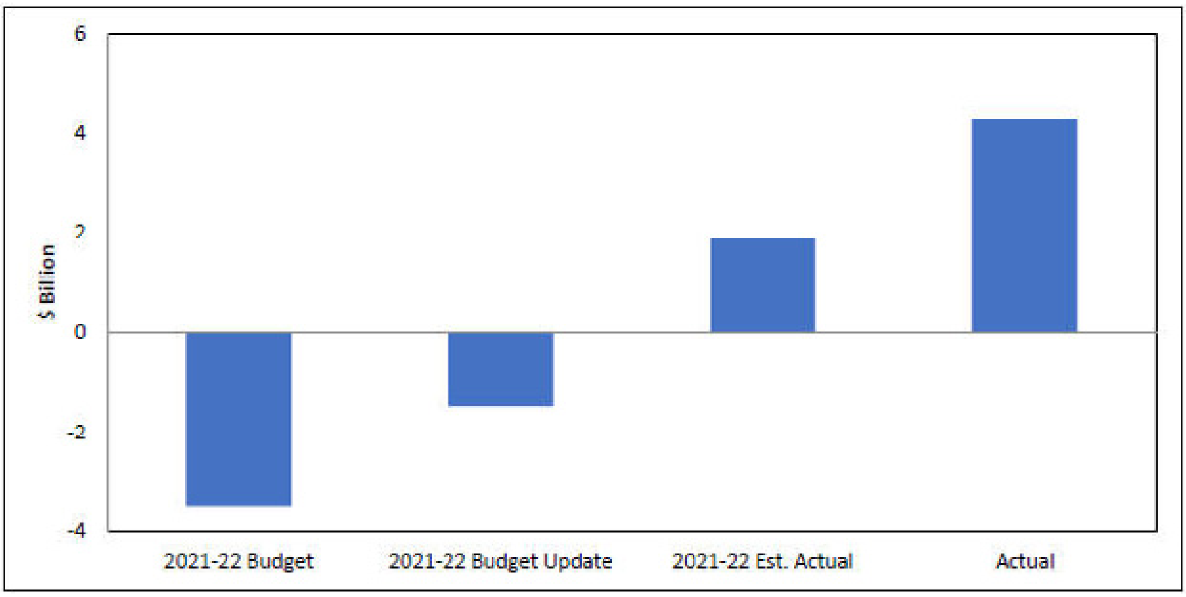
Queensland Government's sound financial management and strong health response throughout the COVID-19 pandemic has supported Queensland's swift economic recovery. As a result, the State's fiscal position in 2021-22 has improved substantially compared to the original 2021-22 Budget forecasts.

This result for 2021-22 provides an opportunity to start rebuilding buffers against significant emerging economic and financial risks.

The International Monetary Fund has downgraded the world economic outlook, and stronger than expected inflation is leading central banks to raise interest rates, while the consequences of the Russian invasion of Ukraine amplify uncertainty. A third La Niña event will no doubt present further challenges.

The General Government Sector (GGS) realised a Uniform Presentation Framework (UPF) net operating surplus of $4.296 billion for 2021-22. Stronger revenue performance and lower than expected operating expenditure has resulted in a $2.381 billion improvement in the net operating surplus relative to the estimated operating surplus of $1.915 billion reported in the 2022-23 Budget, and a substantial turnaround relative to the original 2021-22 Budget operating deficit estimate of $3.485 billion. Refer Chart 3.1.

Chart 3.1: 2021-22 General Government Sector UPF net operating balance compared to budget forecasts



Source: Queensland State Budgets 2021-22 and 2022-23 and Queensland Report on State Finances 2021-22

In 2021-22, GGS revenue totalled $74.185 billion, up $1.45 billion on the 2022-23 Budget estimated actual revenue of $72.735 billion. The increase in revenue reflects the stronger rebound in both the Queensland and national economy in the first half of 2022, contributing to higher taxation revenue and GST receipts. Additional COVID-19 funding from the Australian Government under the National Partnership Agreement, together with higher than forecast tax equivalent income from the State's Government-owned electricity businesses also contribute to the increase in revenue.

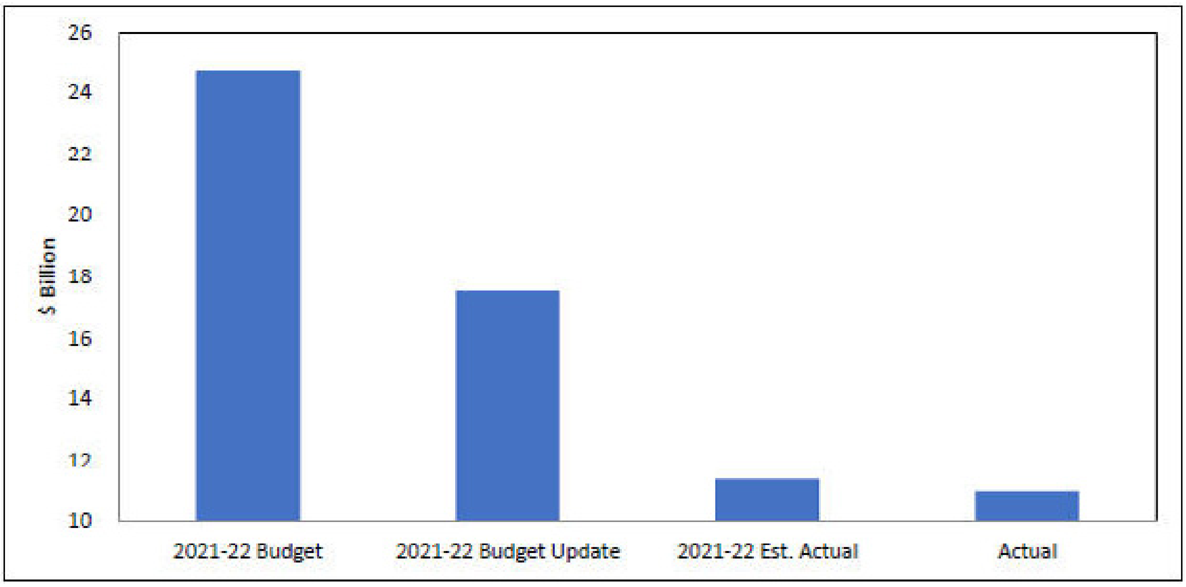
The significant improvement in the operating position from 2021-22 Budget to 2021-22 Actual is attributable to much stronger revenue. In 2021-22, GGS revenue increased by over 18 per cent on the previous year, compared to average annual revenue growth of 6.1% over the previous decade. The highest single contributor was growth in other revenue, including royalties, which was over $6 billion higher compared to the original budget. This was driven by unprecedented strength in coal prices which materialised from the second quarter of 2021.

Lower GGS expenses also contributed to the improved fiscal position in 2021-22. GGS expenses totalled $69.889 billion in 2021-22, $931 million less than the 2022-23 Budget estimated actual. The decrease in expenses partly reflects lower than anticipated COVID-19 quarantine and compliance costs, lower than anticipated education expenses partially due to COVID-19 restrictions in the second half of 2021-22 , timing of various grant programs and lower interest costs due to lower than expected borrowings.

Overview continued

GGS net debt in 2021-22 is $10.997 billion, a $393 million improvement since the 2022-23 Budget. Refer Chart 3.2.

Chart 3.2: 2021-22 General Government Sector net debt compared to budget forecasts



Source: Queensland State Budgets 2021-22 and 2022-23 and Queensland Report on State Finances 2021-22

Net debt has strengthened significantly since the original 2021-22 Budget forecast of $24.75 billion predominantly due to lower borrowing requirements as result of the improved operating cash flows and lower net debt rolling forward from the 2020-21 Outcome, with a significant contribution also coming from higher investments, loans and placements.

As at 30 June 2022, GGS borrowings totalled $56.764 billion, $1.451 billion lower than the 2022-23 Budget estimated actual. Lower borrowings are largely due to the improved net cash inflows from operating activities, partly offset by modestly higher than expected purchases of non-financial assets.

Non-financial Public Sector (NFPS) borrowings as at 30 June 2022 were $116.252 billion, $9.479 billion higher than the forecast in the 2022-23 Budget. In large part, the increase in NFPS borrowings reflects short-term upwards valuations to hedging contracts entered into by energy Government-owned corporations (GOCs) prior to an upward shift in electricity prices.

NFPS net debt is $52.379 billion, largely consistent with the 2022-23 Budget forecast. The impact of higher securities and derivatives is to a large extent offset by the associated increase in the value of derivative assets held by energy GOCs, reducing the impact to NFPS net debt metric. These derivative assets and liabilities are expected to reverse over subsequent years as forward contracts unwind when electricity is delivered.

Fiscal principles

In the 2021-22 Queensland Budget, the Government set out its medium-term strategy for fiscal recovery, including a new Charter of Fiscal Responsibility. The aim of the Charter is to guide Budget strategy in the medium term in response to the fiscal challenges brought on by the COVID-19 pandemic. The Charter includes Fiscal Principles to support the delivery of net operating surpluses and the stabilisation of net debt.

Principle 1 – Stabilise the General Government Sector net debt to revenue ratio at sustainable levels in the medium term, and target reductions in the net debt to revenue ratio in the long term.

Net debt is a key fiscal measure of the overall strength of State's fiscal position and the net debt to revenue ratio indicates the Government's ability to service this debt.

Like other Australian jurisdictions, Queensland's strong public health response to the COVID-19 virus and its decision to prioritise economic recovery has resulted in an increase in gross borrowings and net debt. The Government is focussed on stabilising net debt in the medium term by restoring operating surpluses, as per Fiscal Principle 2.

Fiscal principles continued

Queensland's net debt to revenue ratio was 15 per cent in 2021-22, a reduction from the 18 per cent ratio reported in the 2020-21 Outcome. The reduction in the GGS net debt to revenue ratio reflects the Government's prudent management of short term revenue uplifts to restore fiscal buffers, such as the investment of $2.5 billion of the royalties windfall for future critical infrastructure.

Principle 2 – Ensure that average annual growth in General Government Sector expenditure in the medium term is below the average annual growth in General Government Sector revenue to deliver fiscally sustainable net operating surpluses.

Fiscal Principle 2 is designed to provide a broad measure of expenditure growth management. Delivering operating surpluses will assist debt stabilisation.

Queensland's net operating balance has improved substantially since the 2021-22 Budget, from an operating deficit of $3.485 billion to an operating surplus of $4.296 billion.

In 2021-22, revenues grew by 18.1 per cent and expenses by 9.7 per cent compared to 2020-21.

Principle 3 – Target continual improvements in net operating surpluses to ensure that, in the medium term, net cash flows from investments in non-financial assets (capital) will be funded primarily from net cash inflows from operating activities. The capital program will focus on supporting a productive economy, jobs and ensuring a pipeline of infrastructure that responds to population growth.

The capital program includes purchases of non-financial assets, capital grants and new finance leases and similar arrangements. The capital program delivered by the State Non-financial Sector in 2021-22 was $14.294 billion, $240 million higher than the estimated actual forecast in the 2022-23 Budget.

The Government's $50 billion Infrastructure Guarantee has ensured the maintenance of a substantial capital program through the COVID-19 crisis and a capital program of $59.126 billion is planned over the 4 years to 2025-26, as detailed in the 2022-23 Budget papers.

In 2021-22, the GGS net investments in non-financial assets were funded in full through net cash flows inflows from operating activities.

Principle 4 – Maintain competitive taxation by ensuring that, on a per capita basis, Queensland has lower taxation than the average of other states.

The fiscal principles will ensure that Queenslanders continue to pay less tax than Australians in other states and territories, providing a meaningful indication of the comparative impact of Queensland's tax regime and policies.

Based on the latest available data at the time of the 2022-23 Budget, Queensland's taxation per capita was $647 less than the average of other jurisdictions in 2020-21.

Principle 5 – Target full funding of long term liabilities such as superannuation and WorkCover in accordance with actuarial advice

Consistent with the long-standing practice of successive governments, the Queensland Government is committed to ensuring that the State sets aside assets, on an actuarially determined basis, to meet long term liabilities such as superannuation and WorkCover. The latest full actuarial review of the QSuper scheme was as at 30 June 2021 and was published in a report dated 3 December 2021. The report found the scheme to be fully funded.

As at 30 June 2022, WorkCover Queensland was fully funded.

Key UPF Financial Aggregates

Outlined in the table below are the key aggregates, by sector for 2021-22. The actual outcome for 2021-22 is compared to the estimated actual (Est. Actual) per the 2022-23 Budget.

	General Government Sector		Public Non-financial Corporations Sector		Non-financial Public Sector	
	Est. Actual $ million	Outcome $ million	Est. Actual $ million	Outcome $ million	Est. Actual $ million	Outcome $ million
Revenue	72,735	74,185	13,750	15,951	82,027	85,485
Expenses	70,820	69,889	13,212	14,888	79,766	80,335
Net operating balance	**1,915**	**4,296**	**538**	**1,062**	**2,260**	**5,150**
Capital purchases	**7,533**	**7,889**	**3,055**	**3,134**	**10,588**	**11,140**
Fiscal balance	**(2,386)**	**(71)**	**266**	**601**	**(2,313)**	**205**
Borrowing with QTC	50,451	49,000	42,148	41,851	92,599	90,851
Leases and similar arrangements	7,544	7,671	354	357	7,898	8,028
Securities and derivatives	220	93	6,064	17,288	6,277	17,374
Borrowings	**58,215**	**56,764**	**48,566**	**59,495**	**106,774**	**116,252**
Net Debt	**11,390**	**10,997**	**41,029**	**41,389**	**52,412**	**52,379**

Notes:
1. Numbers may not add due to rounding.
2. Non-financial Public Sector consolidates the General Government and Public Non-financial Corporations Sectors and excludes inter-sector transactions and balances.

General Government Sector

Revenue

General Government Revenue	2021-22 Est. Actual $ million	2021-22 Outcome $ million
Taxation revenue	19,500	20,011
Grants revenue	33,376	34,135
Sales of goods and services	6,032	5,896
Interest income	2,561	2,643
Dividend and income tax equivalent income	672	790
Other revenue	10,594	10,710
Total Revenue	**72,735**	**74,185**

Note:
1. Numbers may not add due to rounding.

General Government revenue totalled $74.185 billion in 2021-22, up $1.45 billion or 2.0 per cent compared to the 2022-23 Budget estimated actual projection of $72.735 billion.

The increase in revenue since the 2022-23 Budget reflects further strengthening in Queensland and national economic activity following the initial impacts of COVID-19.

Taxation revenue increased $510 million due to higher transfer duty reflecting increases in both property transaction volumes and strong growth in dwelling prices as well as higher collections from large and non-residential transactions. Payroll tax revenue was also higher relative to the estimated actual forecast due to the strong labour market conditions in Queensland.

Key UPF Financial Aggregates continued

General Government Sector continued

Revenue continued

Additional COVID-19 funding from the Australian Government under the National Partnership Agreement, and higher GST revenue due to growth in the national GST pool contribute to the $759 million increase in grants revenue compared to the 2022-23 Budget estimated actual projection.

Expenses

General Government Expenses	2021-22 Est. Actual $ million	2021-22 Outcome $ million
Employee expenses	27,931	28,068
Superannuation expenses		
Superannuation interest cost	378	377
Other superannuation expenses	3,421	3,387
Other operating expenses	19,002	18,228
Depreciation and amortisation	4,474	4,506
Other interest expenses	1,563	1,508
Grants expenses	14,051	13,817
Total Expenses	70,820	69,889

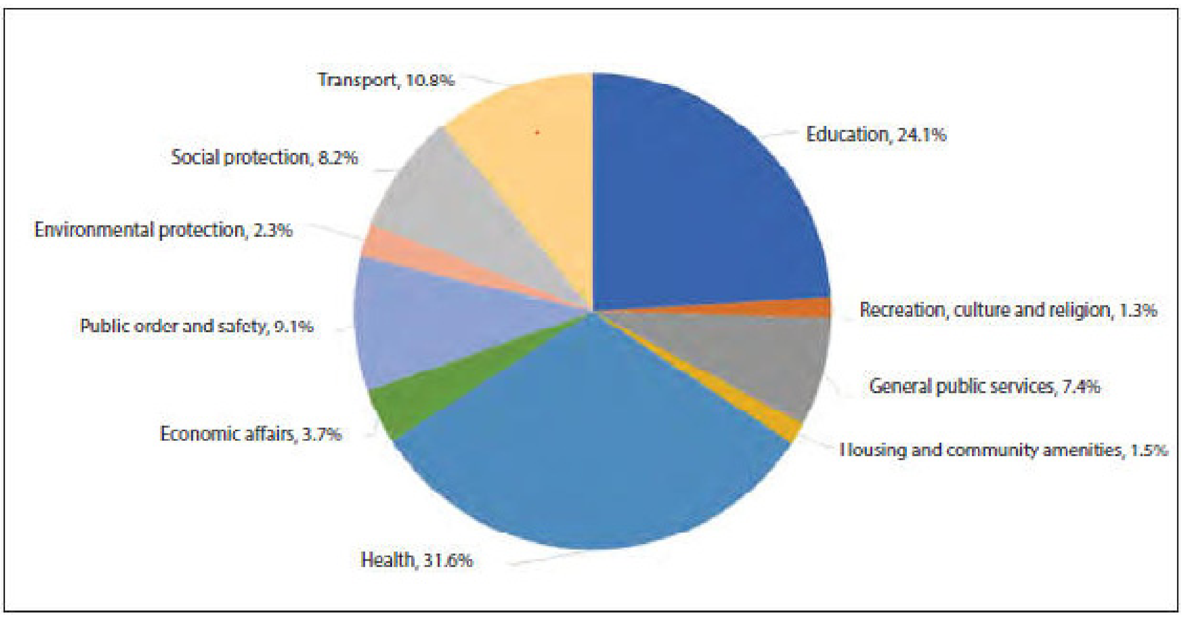
Note:
1. Numbers may not add due to rounding.

Total GGS expenses for 2021-22 were $931 million or 1.3 per cent lower than expected in the 2022-23 Budget.

The decrease in expenses partly reflects lower than anticipated COVID-19 quarantine and compliance costs, lower education expenses partially due to COVID-19 restrictions in the second half of 2021, timing of various grant programs and lower interest costs as a result of lower borrowing requirements.

GGS expenditure is focused on the delivery of core services to the community. As shown in Chart 3.4 below, education and health account for over half of the total expenses, consistent with their share in other jurisdictions.

Chart 3.3: 2021-22 General Government Sector expenses by function [1]



1 Refer to page 3-13 for further detail of expenses in each function.

Key UPF Financial Aggregates continued

General Government Sector continued

Net Operating Balance

The net operating balance is the net of revenue and expenses from transactions and was an operating surplus of $4.296 billion for 2021-22. The was a $2.381 billion improvement on the $1.915 billion operating surplus forecast at the time of the 2022-23 Budget, for the reasons discussed above.

Capital Purchases

GGS purchases of non-financial assets are the actual cash outlays per the Cash Flow Statement and totalled $7.889 billion, which was $356 million higher than the 2021-22 estimated actual and mostly relates to transport infrastructure.

Fiscal Balance

The fiscal deficit of $71 million for 2021-22 was substantialy smaller than the estimated actual projection of an $2.386 billion deficit. The smaller than forecast fiscal deficit is mainly due to the improved net operating surplus.

Borrowing

Borrowings were $56.764 billion, compared to the 2022-23 Budget projection of $58.215 billion, a decrease of $1.451 billion. The lower balance partly reflects the increase in cash flows from operating activities brought on by the rebound in revenues, and lower expenses. Not all of the improved operating position flows through as a corresponding decrease in borrowings, as some of the revenue improvement (e.g. transfer duty) had not been received at year end.

Net Worth

The GGS net worth was $249.624 billion as at 30 June 2022, $35.69 billion higher than the estimated actual included in the 2022-23 Budget. The increase is predominantly due to upward valuations of roads infrastructure, land under roads, public housing and school buildings.

Net Debt

Net debt is the sum of deposits held, advances received and borrowings (financial liabilities) less cash and deposits, advances paid and investments, loans and placements (financial assets). Financial liabilities exceeded financial assets in the GGS by $10.997 billion at 30 June 2022, a $393 million reduction in net debt from the 2022-23 Budget estimate of $11.390 billion.

Net debt has decreased since the 2022-23 Budget due to lower borrowings from the improved net cash flows from operating activities partly offset by modestly higher capital purchases. Downward market valuations of investments, loans and placements, due to weakened market returns on underlying investments, offset to a large extent, the improvement in net debt from the lower borrowings.

Operating Result

The operating result measures the outcome for the State under the Accounting Standards framework, rather than the GFS framework. The GGS operating result of $3.383 billion differs from the net operating balance as it includes valuation adjustments such as gains and losses on financial and non-financial assets. The operating result has improved $901 million since the 2022-23 Budget reflecting the better than expected net operating surplus, offset in large part by downward market value adjustments to investments, loans and placements, inventory write downs and lower deferred tax revenue from PNFC and PFC sector entities.

Comprehensive Result - Total Change in Net Worth

The comprehensive result includes the revaluation of assets taken to reserves and actuarial adjustments to defined benefit superannuation liabilities.

The increase in the actual comprehensive result from the 2021-22 estimated actual is mainly due to significant upward valuations of non-financial assets and the improved operating result.

Key UPF Financial Aggregates continued

Public Non-financial Corporations (PNFC) Sector

The Public Non-financial Corporations Sector comprises bodies such as Government-owned corporations (GOCs) that mainly engage in the production of goods and services (of a non-financial nature) for sale in the market place at prices that aim to recover most of the costs involved.

- The PNFC Sector recorded a net operating surplus of $1.062 billion, $524 million higher than the 2022-23 Budget forecast mainly due to higher than forecast revenue by electricity GOCs.
- The fiscal balance was a surplus of $601 million, compared to an estimated surplus of $266 million, reflecting the relative increase in the net operating surplus, offset to some extent, by higher net acquisitions of non-financial assets.
- PNFC borrowings with Queensland Treasury Corporation (QTC) were $297 million lower than budgeted due to the improved fiscal balance. However, securities and derivative liabilities were $17.288 billion at year end, $11.224 billion higher compared to the 2021-22 estimated actual projection. Higher securities and derivatives were primarily driven by movements in the value of electricity hedging contracts entered into prior to an upward shift in market conditions within the electricity sector. These liabilities are expected to reverse over subsequent years as these contracts unwind as electricity is delivered.
- Net debt for the PNFC sector was $41.389 billion, $360 million higher than the 2022-23 Budget estimated actual forecast. The impact of higher derivative liabilities were to a large extent negated by the associated increase in electricity derivative assets, minimising the impact to the PNFC net debt metric.

State Financial Sector (SFS)

The State Financial Sector is the GFS terminology used for the consolidation of all State Government departments and other General Government entities, Public Non-financial Corporations, Public Financial Corporations and their controlled entities. The equivalent term for SFS used in the AASB 1049 section of this report is Total State Sector. All material inter-entity and intra-entity transactions and balances have been eliminated to the extent practicable.

- The net operating balance for 2021-22 was a surplus of $1.344 billion.
- Purchases of non-financial assets for the SFS were $11.146 billion.
- The SFS net worth was $255.672 billion, an increase of $53.962 billion compared to that published in the 2020-21 Outcomes Report. This was mainly due to non-financial asset revaluations, market value adjustments to QTC's external borrowings and actuarial adjustments to the superannuation liability.

2021 - 22 Operating Statement by Sector ($ million)

	General Government Sector		Public Non-financial Corporations Sector		Non-financial Public Sector (b)		Public Financial Corporations Sector (b)	State Financial Sector
	Est. Actual	Outcome	Est. Actual	Outcome	Est. Actual	Outcome	Outcome (c)	Outcome (c)
Revenue from Transactions								
Taxation revenue	19,500	20,011	-	-	19,157	19,640	-	19,508
Grants revenue	33,376	34,135	734	687	33,401	34,148	-	34,034
Sales of goods and services	6,032	5,896	12,656	14,905	15,908	17,960	2,726	20,282
Interest income	2,561	2,643	52	66	2,609	2,703	3,467	1,188
Dividend and income tax equivalent income	672	790	-	-	51	49	-	-
Other revenue	10,594	10,710	308	293	10,900	10,984	179	11,164
Total Revenue from Transactions	**72,735**	**74,185**	**13,750**	**15,951**	**82,027**	**85,485**	**6,372**	**86,176**
Expenses from Transactions								
Employee expenses	27,931	28,068	2,241	2,245	30,044	30,177	398	30,242
Superannuation expenses								
Superannuation interest cost	378	377	-	(5)	378	372	-	372
Other superannuation expenses	3,421	3,387	229	260	3,650	3,647	26	3,673
Other operating expenses	19,002	18,228	5,832	7,484	22,046	22,843	3,229	26,063
Depreciation and amortisation	4,474	4,506	2,859	2,719	7,333	7,225	25	7,250
Other interest expenses	1,563	1,508	1,606	1,610	2,959	2,905	6,336	4,064
Grants expenses	14,051	13,817	14	25	13,356	13,167	114	13,167
Other property expenses	-	-	431	550	-	-	49	-
Total Expenses from Transactions	**70,820**	**69,889**	**13,212**	**14,888**	**79,766**	**80,335**	**10,178**	**84,832**
Net Operating Balance	**1,915**	**4,296**	**538**	**1,062**	**2,260**	**5,150**	**(3,806)**	**1,344**
Other economic flows - included in operating result	567	(913)	(456)	(126)	(59)	(1,119)	3,384	16,227
Operating Result	**2,482**	**3,383**	**82**	**936**	**2,201**	**4,030**	**(421)**	**17,571**
Other economic flows - other movements in equity	1,827	36,616	(876)	(1,971)	2,108	35,970	10	36,391
Comprehensive Result - Total Change in Net Worth (d)	**4,309**	**39,999**	**(793)**	**(1,035)**	**4,309**	**40,000**	**(411)**	**53,962**
KEY FISCAL AGGREGATES								
Net Operating Balance	**1,915**	**4,296**	**538**	**1,062**	**2,260**	**5,150**	**(3,806)**	**1,344**
Net Acquisition/(Disposal) of Non-financial Assets								
Purchases of non-financial assets	7,533	7,889	3,055	3,134	10,588	11,140	6	11,146
Less Sales of non-financial assets	183	255	37	63	220	317	3	320
Less Depreciation	4,474	4,506	2,859	2,719	7,333	7,225	25	7,250
Plus Change in inventories	3	(77)	33	48	35	(29)	-	(29)
Plus Other movements in non-financial assets	1,422	1,315	80	60	1,503	1,376	6	1,382
Equals **Total Net Acquisition of Non-financial Assets**	**4,302**	**4,367**	**272**	**462**	**4,573**	**4,945**	**(16)**	**4,929**
Fiscal Balance	**(2,386)**	**(71)**	**266**	**601**	**(2,313)**	**205**	**(3,790)**	**(3,585)**

Notes:

(a) Numbers may not add due to rounding and have been restated w here necessary to ensure comparability.

(b) The Non-financial Public Sector (NFP) consolidates the GGS and PNFC Sectors, eliminating inter-sector balances and transactions such as dividend and income tax equivalent income. The State Financial Sector consolidates the NFP and the PFC Sectors.

(c) In accordance w ith UPF, estimates for Public Financial Corporations (PFC) and State Financial Sectors are not required in Budget documentation.

(d) For GFS, the change in Net Worth is the change from the previous published outcome. This differs from the AASB 1049 statements w here prior year adjustments are permitted under IFRS.

2021 - 22 Balance Sheet by Sector ($ million)

	General Government Sector		Public Non-financial Corporations Sector		Non-financial Public Sector (b)		Public Financial Corporations Sector (b)	State Financial Sector
	Est. Actual	Outcome	Est. Actual	Outcome	Est. Actual	Outcome	Outcome (c)	Outcome (c)
Assets								
Financial assets								
Cash and deposits	981	1,710	925	1,162	1,906	2,872	5,401	6,481
Advances paid	1,426	1,233	608	1,053	1,320	1,216	-	1,216
Investments, loans and placements	45,265	44,135	6,123	15,926	51,387	60,060	172,701	107,585
Receivables	3,284	4,166	2,260	2,624	4,954	5,958	439	6,329
Equity								
Investments in other public sector entities	20,302	19,980	-	-	2,442	2,363	-	-
Investments - other	164	165	7	6	171	171	-	171
Total financial assets	**71,422**	**71,389**	**9,922**	**20,770**	**62,179**	**72,640**	**178,542**	**121,782**
Non-Financial Assets								
Land and other fixed assets	248,729	282,272	64,619	64,642	313,347	346,914	145	347,059
Other non-financial assets	6,375	10,065	1,420	5,926	1,174	1,259	277	1,249
Total Non-financial Assets	**255,104**	**292,337**	**66,039**	**70,568**	**314,521**	**348,173**	**422**	**348,308**
Total assets	**326,526**	**363,726**	**75,962**	**91,338**	**376,701**	**420,813**	**178,964**	**470,089**
Liabilities								
Payables	4,926	5,488	1,412	2,472	5,798	7,182	100	7,244
Superannuation liability	24,810	22,168	(273)	(400)	24,537	21,768	-	21,768
Other employee benefits	9,220	9,026	934	927	10,154	9,953	174	10,127
Deposits held	-	-	12	11	12	11	8,420	6,639
Advances received	847	1,310	106	22	239	262	-	262
Borrowing (d)	58,215	56,764	48,566	59,495	106,774	116,252	160,093	145,122
Other liabilities	14,575	19,347	7,343	11,191	15,253	15,758	7,815	23,254
Total liabilities	**112,592**	**114,102**	**58,100**	**73,719**	**162,767**	**171,187**	**176,601**	**214,417**
Net Worth	**213,934**	**249,624**	**17,861**	**17,619**	**213,934**	**249,625**	**2,363**	**255,672**
KEY FISCAL AGGREGATES								
Net Financial Worth	(41,170)	(42,713)	(48,178)	(52,949)	(100,587)	(98,547)	1,941	(92,635)
Net Financial Liabilities	61,473	62,694	NA	NA	103,029	100,911	NA	92,635
Net Debt	11,390	10,997	41,029	41,389	52,412	52,379	(9,590)	36,742

Notes:

(a) Numbers may not add due to rounding and have been restated where necessary to ensure comparability.

(b) The Non-financial Public Sector (NFP) consolidates the GGS and PNFC Sectors, eliminating inter-sector balances and transactions such as dividend and income tax equivalent income. The State Financial Sector consolidates the NFP and the PFC Sectors.

(c) In accordance with UPF, estimates for Public Financial Corporations (PFC) and State Financial Sectors are not required in Budget documentation.

(d) Borrowing line is comprised of

Borrowing with QTC	50,451	49,000	42,148	41,851	92,599	90,851	-	-
Leases and other similar arrangements	7,544	7,671	354	357	7,898	8,028	504	8,531
Securities and derivatives	220	93	6,064	17,288	6,277	17,374	159,589	136,591
	58,215	**56,764**	**48,566**	**59,495**	**106,774**	**116,252**	**160,093**	**145,122**

2021 - 22 Cash Flow Statement by Sector ($ million)

	General Government Sector		Public Non-financial Corporations Sector		Non-financial Public Sector (b)		Public Financial Corporations Sector (b)	State Financial Sector
	Est. Actual	Outcome	Est. Actual	Outcome	Est. Actual	Outcome	Outcome (c)	Outcome (c)
Cash Receipts from Operating Activities								
Taxes received	20,758	20,766	-	-	20,416	20,400	-	20,273
Grants and subsidies received	33,915	34,377	717	676	33,928	34,390	-	34,276
Sales of goods and services	6,342	6,298	14,140	16,497	17,287	20,095	2,890	22,582
Interest receipts	2,587	2,638	52	66	2,634	2,698	3,467	1,183
Dividends and income tax equivalents	1,088	1,202	-	-	90	79	-	-
Other receipts	12,159	12,472	257	235	12,405	12,782	176	12,954
	76,848	**77,753**	**15,166**	**17,474**	**86,759**	**90,445**	**6,533**	**91,269**
Cash Payments for Operating Activities								
Payments for employees	(31,705)	(31,739)	(2,500)	(2,493)	(34,076)	(34,096)	(402)	(34,165)
Payments for goods and services	(21,002)	(20,506)	(7,813)	(8,941)	(25,611)	(26,697)	(1,953)	(28,640)
Grants and subsidies	(13,971)	(13,617)	(14)	(25)	(13,276)	(12,979)	(114)	(12,979)
Interest paid	(1,495)	(1,441)	(1,595)	(1,606)	(2,882)	(2,837)	(6,330)	(3,996)
Other payments	(1)	-	(866)	(976)	(599)	(570)	(285)	(820)
	(68,175)	**(67,303)**	**(12,788)**	**(14,042)**	**(76,443)**	**(77,179)**	**(9,085)**	**(80,599)**
Net Cash Flows from Operating Activities	**8,674**	**10,451**	**2,378**	**3,432**	**10,316**	**13,266**	**(2,551)**	**10,669**
Cash Flows from Investing Activities								
Non-financial Assets								
Purchases of non-financial assets	(7,533)	(7,889)	(3,055)	(3,134)	(10,588)	(11,140)	(6)	(11,146)
Sales of non-financial assets	183	255	37	63	220	317	3	320
	(7,351)	**(7,635)**	**(3,018)**	**(3,071)**	**(10,368)**	**(10,823)**	**(3)**	**(10,826)**
Financial Assets (Policy Purposes)	**60**	**127**	**357**	**4**	**(23)**	**112**	**-**	**112**
Financial Assets (Liquidity Purposes)	**(3,470)**	**(3,889)**	**(1,169)**	**899**	**(4,640)**	**(2,990)**	**(13,563)**	**(13,041)**
Net Cash Flows from Investing Activities	**(10,761)**	**(11,397)**	**(3,830)**	**(2,168)**	**(15,030)**	**(13,701)**	**(13,567)**	**(23,755)**
Net Cash Flows from Financing Activities								
Advances received (net)	(584)	(126)	(1)	(1)	(57)	(39)	-	(39)
Borrowing (net)	2,580	1,653	2,163	223	4,743	1,876	(5,394)	(3,518)
Dividends paid	-	-	(735)	(735)	-	-	(45)	-
Deposits received (net)	-	-	-	(1)	-	(1)	316	255
Other financing (net)	-	-	(209)	(705)	(297)	(776)	14,734	10,446
Net Cash Flows from Financing Activities	**1,995**	**1,527**	**1,218**	**(1,220)**	**4,389**	**1,061**	**9,611**	**7,145**
Net Increase/(Decrease) in Cash Held	**(92)**	**581**	**(234)**	**44**	**(326)**	**625**	**(6,507)**	**(5,942)**
KEY FISCAL AGGREGATES								
Net cash from operating activities	8,674	10,451	2,378	3,432	10,316	13,266	(2,551)	10,669
Net cash from investments in non-financial assets	(7,351)	(7,635)	(3,018)	(3,071)	(10,368)	(10,823)	(3)	(10,826)
Dividends paid	-	-	(735)	(735)	-	-	(45)	-
Cash Surplus/(Deficit)	**1,323**	**2,816**	**(1,375)**	**(375)**	**(52)**	**2,443**	**(2,600)**	**(157)**
Derivation of ABS GFS Cash Surplus/Deficit								
Cash surplus/(deficit)	1,323	2,816	(1,375)	(375)	(52)	2,443	(2,600)	(157)
Acquisitions under finance leases and similar arrangements	(1,251)	(1,051)	(10)	(13)	(1,261)	(1,064)	(6)	(1,070)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**72**	**1,765**	**(1,385)**	**(388)**	**(1,313)**	**1,379**	**(2,606)**	**(1,227)**

Notes:

(a) Numbers may not add due to rounding and have been restated where necessary to ensure comparability.

(b) The Non-financial Public Sector (NFP) consolidates the GGS and PNFC Sectors, eliminating inter-sector balances and transactions such as dividend and income tax equivalent income. The State Financial Sector consolidates the NFP and the PFC Sectors.

(c) In accordance with UPF, estimates for Public Financial Corporations (PFC) and State Financial Sectors are not required in Budget documentation.

Outcomes Report - Other General Government UPF Data

Data in the following tables is presented in accordance with the Uniform Presentation Framework.

General Government Sector

Taxes	2021-22 Outcome $ million
Taxes on employers' payroll and labour force	5,001
Taxes on property	
Land taxes	1,633
Other	604
Taxes on the provision of goods and services	
Stamp duties on financial and capital transactions	6,376
Financial institutions' transactions taxes	333
Taxes on gambling	1,645
Taxes on insurance	1,263
Taxes on use of goods and performance of activities	
Motor vehicle taxes	2,807
Other	350
Total Taxation Revenue	**20,011**

Note:
1. Numbers may not add due to rounding.

Dividend and Income Tax Equivalent Income	2021-22 Outcome $ million
Dividend and Income Tax Equivalent income from PNFC sector	741
Dividend and Income Tax Equivalent income from PFC sector	49
Total Dividend and Income Tax Equivalent income	**790**

Note:
1. Numbers may not add due to rounding.

General Government Sector continued

Grants Revenue	**2021-22 Outcome $ million**
Current grants revenue	
Current grants from the Commonwealth	
General purpose grants	16,083
Specific purpose grants	10,643
Specific purpose grants for on-passing	4,325
Total current grants from the Commonwealth	31,051
Other contributions and grants	335
Total current grants revenue	**31,387**
Capital grants revenue	
Capital grants from the Commonwealth	
Specific purpose grants	2,705
Other contributions and grants	44
Total capital grants revenue	**2,749**
Total grants revenue	**34,135**

Note:
1. Numbers may not add due to rounding.

Grants Expense	**2021-22 Outcome $ million**
Current grants expenses	
Private and not-for-profit sector	2,790
Private and not-for-profit sector on-passing	3,687
Local Government	892
Local Government on-passing	689
Grants to other sectors of Government	2,752
Other	876
Total current grants expense	**11,686**
Capital grants expenses	
Private and not-for-profit sector	445
Local Government	1,262
Grants to other sectors of Government	41
Other	383
Total capital grants expenses	**2,130**
Total grants expenses	**13,817**

Note:
1. Numbers may not add due to rounding.

Outcomes Report - Other General Government UPF Data

General Government Sector continued

Expenses by Function	2021-22 Outcome $ million		2021-22 Outcome $ million
General Public Services	**5,182**	**Health**	**22,045**
Executive and legislative organs, financial and fiscal affairs, external affairs	784	Outpatient services	3,309
General services	263	Hospital services	11,869
Public debt transactions	1,428	Mental health institutions	639
Transfers of a general character between level of government	689	Community health services	4,815
General public services n.e.c.	2,018	Public health services	582
		R&D - Health	209
		Health n.e.c.	622
Public Order and Safety	**6,323**	**Recreation, Culture and Religion**	**936**
Police services	2,884	Recreation and sporting services	397
Civil and fire protection services	860	Cultural services	397
Law courts	1,030	Recreation, culture and religion n.e.c.	142
Prisons	1,508		
Public order and safety n.e.c.	40	**Education**	**16,871**
		Pre-primary and primary education	8,235
Economic Affairs	**2,609**	Secondary education	5,659
General economic, commercial and labour affairs	318	Tertiary education	1,389
Agriculture, forestry, fishing and hunting	421	Subsidiary services to education	179
Fuel and energy	589	Education n.e.c.	1,408
Mining, manufacturing and construction	426	**Social Protection**	**5,743**
R&D - Economic affairs	170	Sickness and disability	2,179
Other industries	362	Old age	17
Economic affairs	322	Family and children	1,908
		Housing	673
Environmental Protection	**1,586**	Social exclusion n.e.c.	219
Protection of biodiversity and landscape	564	Social protection n.e.c.	748
Environmental protection n.e.c.	1,023		
		Transport	**7,568**
Housing and Community Amenities	**1,028**	Road transport	3,303
Housing development	720	Bus transport	84
Community development	101	Water transport	186
Water supply	161	Railway transport	2,290
Housing and community amenities n.e.c.	46	Multi-mode urban transport	952
		Transport n.e.c.	754
		Total	**69,889**

Note:
1. Numbers may not add due to rounding.

General Government Sector continued

Purchases of Non-financial Assets by Function	2021-22 Outcome $ million
General public services	441
Public order and safety	400
Economic affairs	16
Environmental protection	70
Housing and community amenities	395
Health	910
Recreation, culture and religion	58
Education	1,132
Social protection	1
Transport	4,467
Total	**7,889**

Note:
1. Numbers may not add due to rounding.

Certification of Outcomes Report

Management Certification

The foregoing Outcomes Report contains financial statements for the Queensland State Government, prepared and presented in accordance with the Uniform Presentation Framework (UPF) agreed to at the 1991 Premiers' Conference and revised in 2008 to align with AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

This report separately discloses outcomes for the General Government, Public Non-financial Corporations, Public Financial Corporations and State Financial Sectors within Queensland. Entities excluded from this report include local governments and universities. Queensland public sector entities consolidated for this report are listed in the AASB 1049 Financial Statements, taking into account intra and inter-agency eliminations.

Only those agencies considered material by virtue of their financial transactions and balances are consolidated in this report.

We certify that, in our opinion, the Outcomes Report has been properly drawn up, in accordance with UPF requirements, to present a true and fair view of:

(i) the Operating Statement and Cash Flows of the Queensland State Government for the financial year; and

(ii) the Balance Sheet of the Government at 30 June 2022.

At the date of certification of this report, we are not aware of any material circumstances that would render any particulars included in the Outcomes Report misleading or inaccurate.

William Ryan	Leon Allen
Head of Fiscal	Under Treasurer
Queensland Treasury	Queensland Treasury

17 October 2022

QUEENSLAND **TREASURY**

2021–22 AASB 1049 Financial Statements

Overview and Analysis – 30 June 2022

Queensland Government

AASB 1049 - Overview and Analysis

The following analysis compares current year General Government Sector (GGS) and Total State Sector (TSS) performance with last year's balances, restated for changes in accounting policies, presentational and timing differences and errors.

AASB 1049 Whole of Government and General Government Sector Financial Reporting aims to harmonise the disclosure presentation to be consistent with the Uniform Presentation Framework disclosed in the Outcomes Report.

Summary of Key Financial Aggregates of the Consolidated Financial Statements

The table below provides aggregate information under AASB1049:

	General Government Sector		Total State Sector	
	2022 $ million	2021 $ million	2022 $ million	2021 $ million
Taxation revenue	20,011	16,249	19,508	15,798
Grants revenue	34,135	33,013	34,034	32,910
Sales of goods and services	5,896	6,105	20,282	17,840
Interest income	2,643	1,948	1,188	1,228
Dividend and income tax equivalent income	790	1,329	-	15
Other revenue	10,710	4,147	11,164	4,610
Continuing Revenue from Transactions	**74,185**	**62,791**	**86,176**	**72,401**
Employee expenses	28,068	26,385	30,242	28,440
Superannuation expenses	3,763	3,319	4,045	3,591
Other operating expenses	18,228	16,500	26,063	21,788
Depreciation and amortisation	4,506	4,170	7,250	6,836
Other interest expenses	1,508	1,619	4,064	3,821
Grants expenses	13,817	11,713	13,167	11,129
Continuing Expenses from Transactions	**69,889**	**63,706**	**84,832**	**75,604**
Net Operating Balance	**4,296**	**(915)**	**1,344**	**(3,203)**
Other Economic Flows - Included in Operating Result	(913)	9,785	16,227	15,025
Operating Result	**3,383**	**8,870**	**17,571**	**11,821**
Other Economic Flows - Other Movements in Equity	36,777	4,948	36,552	5,298
Comprehensive Result [1]	**40,160**	**13,818**	**54,123**	**17,119**
Purchases of non-financial assets	7,889	6,682	11,146	9,891
Fiscal Balance	(71)	(4,857)	(3,585)	(7,718)
Borrowing with QTC	**49,000**	**46,153**	**-**	**-**
Leases and other similar arrangements	7,671	7,703	8,531	8,604
Securities and derivatives	93	220	136,591	124,191
Assets	363,726	321,638	470,089	407,091
Liabilities	114,102	112,174	214,417	205,541
Net Worth	**249,624**	**209,464**	**255,672**	**201,549**
Net Debt	10,997	11,344	36,742	47,585

Note:
1. Comprehensive result is different to the Outcomes Report as it reflects the movement from the 2021 recast position, rather than the 2021 published position.
2. Numbers may not add due to rounding.

Net Operating Balance

The GGS net operating balance was a surplus of $4.296 billion compared to a restated deficit of $915 million in 2020-21. Queensland's economy continued to grow in 2021-22, despite the outbreak of the Omicron variant of COVID-19 and major flooding in South East Queensland. Improved economic conditions within Queensland and the national economy, as well as high commodity prices, led to a strong rebound in revenue and significant recovery in net operating balance.

GGS revenue rose by around 18 per cent ($11.394 billion) while expenses grew by 10 per cent ($6.183 billion).

The Total State Sector (TSS) net operating balance showed an operating surplus of $1.344 billion compared to a restated deficit of $3.203 billion in 2020-21.

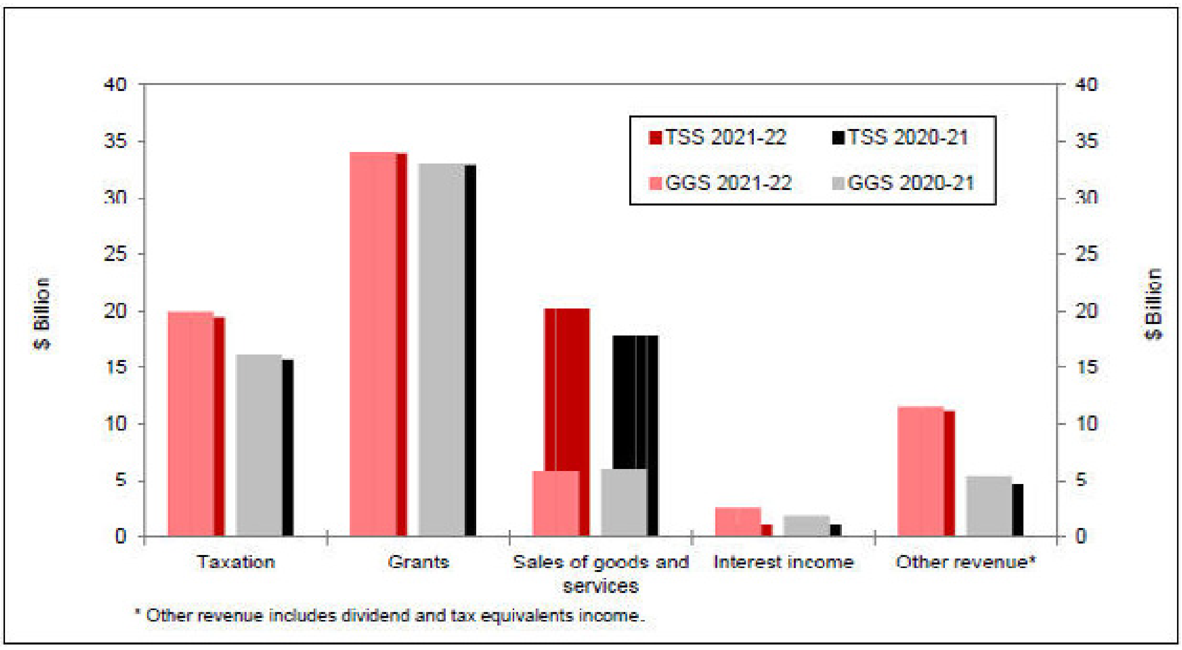
The variances are explained below.

Revenue

Revenue from transactions increased from $62.791 billion in 2020-21 to be $74.185 billion in the GGS and totalled $86.176 billion in the TSS, a rise of $13.775 billion over 2020-21.

Revenues by type for the GGS and TSS are shown in the following chart:

Chart 4.1: General Government Sector and Total State Revenue by type compared to 2020-21



Taxation revenue increased in 2021-22 by $3.761 billion for GGS and $3.71 billion for the TSS.

The increase in GGS taxation revenue is largely a result of strong housing and labour market conditions in Queensland. Transfer duty increased $2.382 billion or 60 per cent on the previous year reflecting a significant increase in property transaction volumes and strong growth in dwelling prices, as well as a recovery in large and non-residential transactions. Payroll tax increased $835 million, or 20 per cent in 2021-22. The increase in payroll tax revenue was due to improved labour market conditions in Queensland and the impact of COVID-19 payroll tax measures reducing collections in 2020-21.

Revenue continued

Commonwealth and other grants comprised 46 per cent of GGS revenue and 39 per cent of TSS revenue. Grant revenue increased $1.122 billion from 2020-21 for the GGS and $1.125 billion for the TSS. The increase was due to

- higher GST revenue of $660 million reflective of improvements in the national GST pool and Queensland receiving a larger share of the GST pool in 2021-22;
- an uplift in Specific Purpose payments of $1.021 billion, mainly due to increases in COVID-19-related health response payments and funding for Quality Schools. This is inclusive of offsets, including a decrease in payments from the DisabilityCare Australia Fund compared to 2020-21. The Australian Government made additional back payments in that year for previous expenditure on the National Disability Insurance Scheme.

Partly offsetting these increases were lower National Partnership Payments of $540 million, reflecting the Australian Government's COVID-19 response packages in 2020-21 for roads infrastructure stimulus and accelerated roads infrastructure.

GGS sales of goods and services were $208 million lower than 2020-21 partly due to the transfer of the State's titles registry functions to a QIC managed trust as part of establishing the Queensland Future Fund in June 2021. TSS sales of goods and services increased $2.443 billion compared to 2020-21 mainly due to higher sales by the GOC electricity generator businesses.

Dividend and income tax equivalent revenue for the GGS decreased $539 million in comparison to 2020-21, mostly driven by the government's decision to allow GOCs to retain 2021-22 dividends for reinvestment in critical infrastructure.

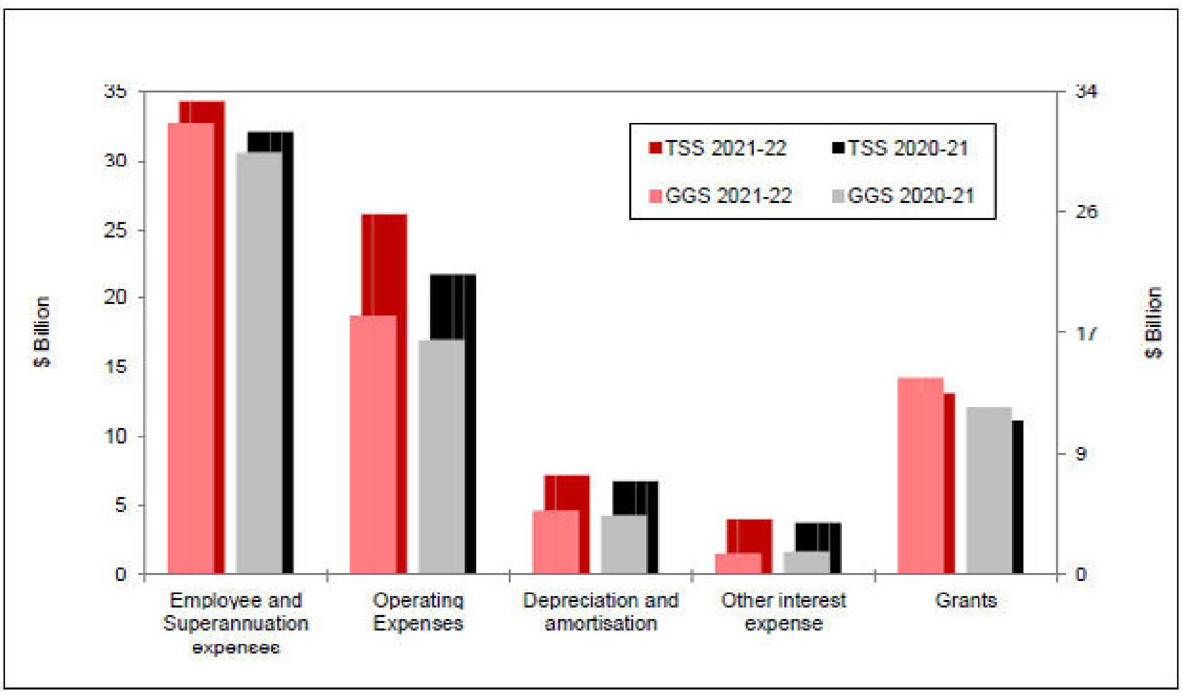
GGS other revenue was $6.563 billion higher in 2021-22 predominantly due to an increase in royalties and land rents, reflecting a temporary surge in coal and oil prices. This increase flows through to the TSS.

Expenses

Total expenses for 2021-22 were $69.889 billion for the GGS and $84.832 billion for the TSS, $6.183 billion and $9.227 billion more than the previous year respectively.

Expenses by type are shown in the following chart:

Chart 4.2: General Government Sector and Total State Expenses by Type compared to 2020-21



Expenses continued

GGS employee and superannuation expenses were 7.2 per cent higher in 2021-22, broadly consistent with the estimate in the 2022-23 Budget. Employee and superannuation expenses are higher in 2021-22 compared to the previous financial year due in part to the deferral of scheduled increases in GGS wages from 2020-21 into the following two years to assist in funding its response to the COVID-19 pandemic, growth in key frontline services and higher defined benefit superannuation costs due to change in actuarial assumptions.

Other operating expenses were $1.727 billion higher in 2021-22 for the GGS mainly due to growth in demand for public hospital and health services, including the State's response and management of COVID-19, growth in demand within the Child Protection System and Domestic and Family Violence Services, higher school education services and an increase in operating costs associated with the delivery of the State's road and rail infrastructure program. TSS other operating expenses were $4.275 billion higher in comparison to 2020-21 due to the higher costs in the GGS and higher costs in the electricity sector.

Depreciation and amortisation increased by $336 million for the GGS mainly due to increases in the stock of infrastructure.

Interest costs of $1.508 billion were $111 million below the previous year as lower average book rates more than offset the impact of higher borrowing balances. Grant expenses totalled $13.817 billion in the GGS, $2.104 billion higher on previous financial year. Contributing to the increase in grants expenses were lump sum waste reform annual payments in advance to local councils (to reduce the household impact of the waste levy), COVID-19 Business Support Grants (incorporating Tourism and Hospitality Sector Hardship Grants), higher Australian Government grants on-passed to non-government schools and Disaster Recovery Funding Arrangement payments following significant flooding in the 2021-22 disaster season.

Operating Result

The operating result is the surplus or deficit for the year under the Australian Accounting Standards framework. Valuation and other adjustments such as deferred tax, capital returns and market value interest are shown as other economic flows and are included in the operating result.

The GGS operating result for the 2021-22 year was a surplus of $3.383 billion, compared to a surplus of $8.87 billion in 2020-21. To a large extent, the comparatively lower operating result in 2021-22 reflects the one-off gain on transfer of the Titles Registry business to a QIC managed unit trust in the previous year, and downward market valuation adjustments to the fixed rate notes with QTC, partially offset by the improved net operating balance and actuarial adjustments to liabilities.

The TSS operating result was a surplus of $17.571 billion compared to a surplus of $11.821 billion in 2020-21. The improvement in 2021-22 arose mainly from the improved net operating balance, the net effect of realised and unrealised market value adjustments to borrowings and actuarial adjustments to liabilities.

Fiscal Balance

The GGS fiscal deficit was $71 million for 2021-22 compared to a deficit of $4.857 billion for 2020-21. The TSS fiscal deficit was $3.585 billion for 2021-22 compared to a deficit of $7.718 billion for 2020-21. The changes are driven by the improved net operating balances offset to an extent by higher purchases of non-financial assets in each case.

Assets

Assets controlled by the GGS at 30 June 2022 totalled $363.726 billion, an increase of $42.088 billion on 2020-21, while assets controlled by the TSS at 30 June 2022 totalled $470.089 billion. This is an increase of $62.999 billion from the 2020-2021 balance of $407.091 billion.

Financial assets in the GGS were $71.389 billion as at 30 June 2022, a modest increase on 2020-21.

Financial assets of the TSS increased by $23.118 billion, reflecting higher holdings of securities and bonds by QTC, investment of the $2.5 billion royalty revenue windfall and market value adjustments to derivatives held by government-owned electricity generation businesses. These increases were partly offset by lower cash balances, mainly in QTC.

Non-financial assets increased by $42.016 billion in the GGS due to revaluations of land under roads, road infrastructure and schools, as well as capital purchases exceeding depreciation. The increase at the TSS level was $39.881 billion.

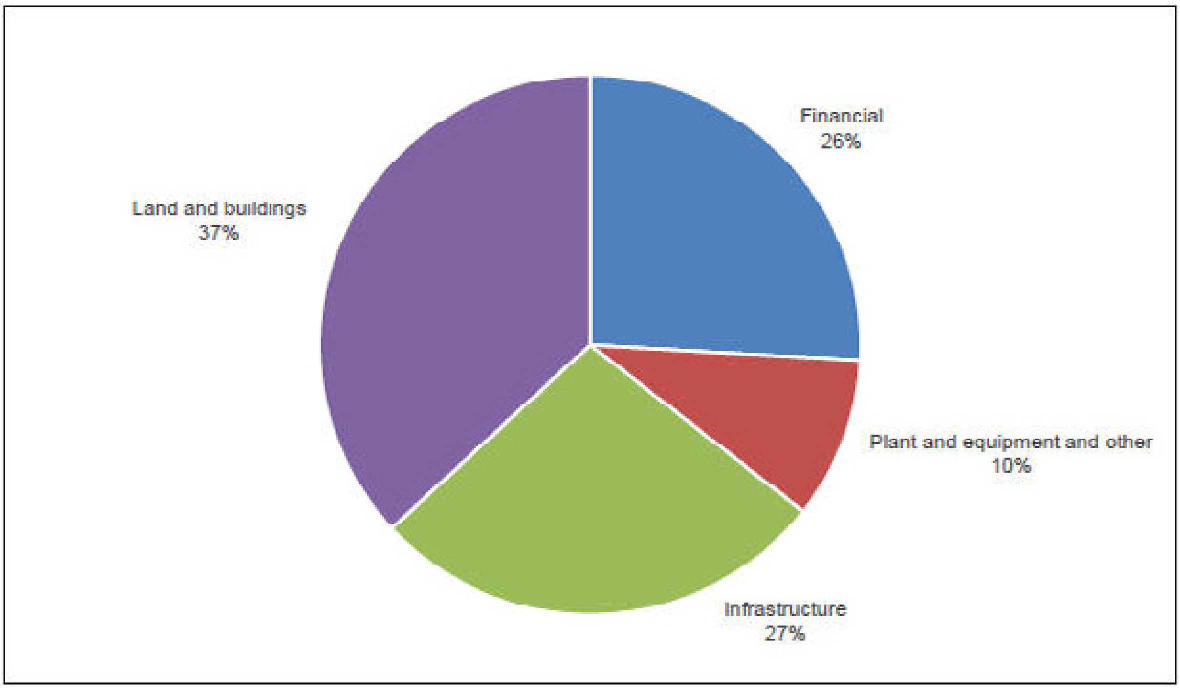
Assets continued

Of the TSS assets, GGS assets comprised 77 per cent. Total assets are made up of:

	General Government	Total State
	$M	$M
Financial	71,389	121,782
Infrastructure	76,800	129,397
Land and buildings	168,497	173,418
Plant and equipment and other	47,040	45,493
	363,726	470,089

The main types of assets owned by the State are detailed in the following chart:

Chart 4.3: Total State Assets by Type



Liabilities

Liabilities at 30 June 2022 totalled $114.102 billion for the GGS and $214.417 billion for the TSS, an increase of $1.928 billion over 2020-21 for the GGS and an increase of $8.876 billion for the State.

The overall increase in liabilities for the GGS is due to higher deferred tax liabilities ($4.053 billion), mainly from Stanwell Corporation, and additional borrowing with QTC ($2.846 billion). Partly offsetting these increases was a decrease in defined benefit superannuation liabilities ($5.164 billion) as a result of changes in actuarial assumptions.

For the TSS, derivatives, largely held by GOC electricity generation businesses, increased $15.867 billion, reflecting upward valuations to hedging contracts entered into by energy GOCs prior to an upward shift in electricity prices. This increase was partly offset by the decline in the defined benefit superannuation liabilities mentioned above and the decrease in securities ($3.467 billion) as market value adjustments more than offset new borrowing.

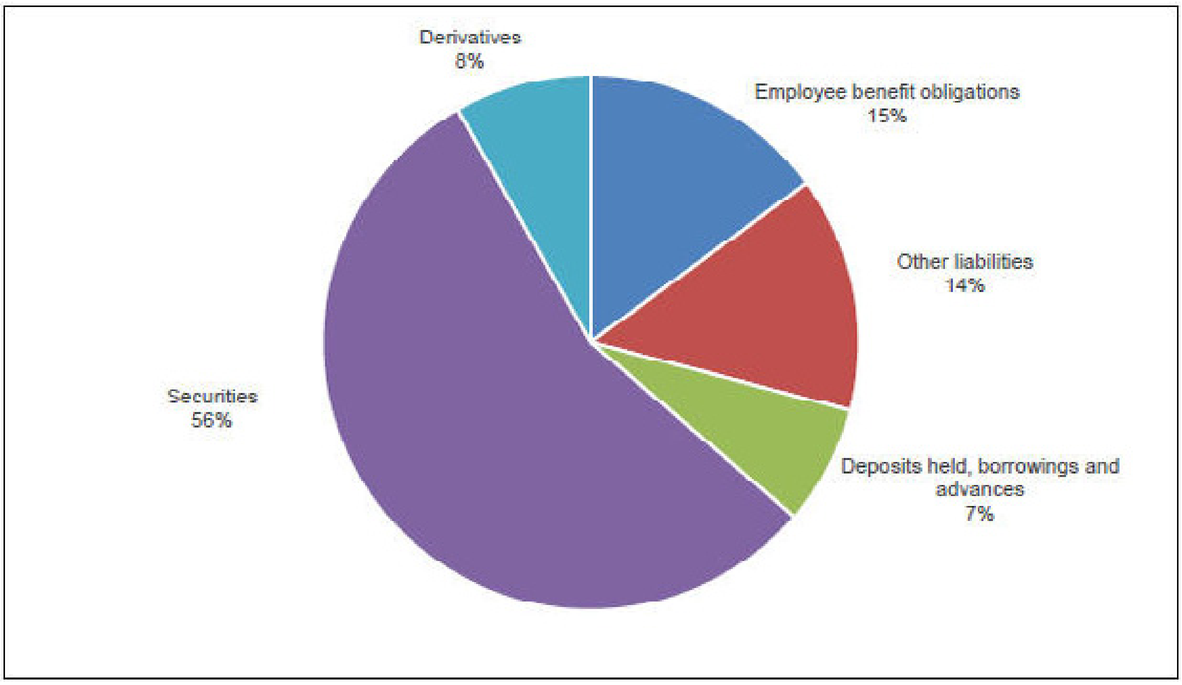
Liabilities continued

Of the TSS liabilities, GGS liabilities comprised 53 per cent. Total liabilities are made up of:

	General Government	Total State
	$M	$M
Securities	—	118,916
Derivatives	93	17,675
Deposits held, borrowings and advances	57,981	15,433
Employee benefit obligations	31,194	31,895
Other liabilities	24,835	30,499
	114,102	214,417

The components of State liabilities are shown in the following chart:

Chart 4.4: Total State Liabilities by Type



Net Debt

The GGS net debt was $10.997 billion at 30 June 2022, compared to $11.344 billion in 2021-22, an improvement of of $347 million.

TSS net debt at 30 June 2022 was $36.742 billion, an improvement of $10.843 billion on 2021, largely due to market value adjustments reducing QTC's external borrowing, partly offset by the net increase in derivative liabilities and decrements to investments.

Cash Flow Statement

The GGS recorded positive net cash flows from operating activities of $10.451 billion which were used to fund net investments in non-financial assets of $7.635 billion, resulting in a cash surplus of $2.816 billion (cash deficit of $6.421 billion in 2020-21).

The TSS recorded net cash outflows from operating activities for the 2021-22 financial year of $10.669 billion. After net investments in non-financial assets of $10.826 billion, the resulting cash surplus is $6.481 billion, compared to a $12.423 billion cash surplus for 2020-21.

QUEENSLAND **TREASURY**

2021–22
Audited Information

Queensland General Government and Whole of Government Consolidated Financial Statements
30 June 2022

Queensland Government

Operating Statement for Queensland
for the Year Ended 30 June 2022

	Notes	*General Government* 2022 $M	2021 $M	*Total State* 2022 $M	2021 $M
Continuing Operations					
Revenue from Transactions					
Taxation revenue	3	20,011	16,249	19,508	15,798
Grants revenue	4	34,135	33,013	34,034	32,910
Sales of goods and services	5	5,896	6,105	20,282	17,840
Interest income	6	2,643	1,948	1,188	1,228
Dividend and income tax equivalent income	7	790	1,329	-	15
Other revenue	8	10,710	4,147	11,164	4,610
Total Revenue from Transactions		**74,185**	**62,791**	**86,176**	**72,401**
Expenses from Transactions					
Employee expenses	9	28,068	26,385	30,242	28,440
Superannuation expenses	10	3,763	3,319	4,045	3,591
Other operating expenses	11	18,228	16,500	26,063	21,788
Depreciation and amortisation	12	4,506	4,170	7,250	6,836
Other interest expenses	13	1,508	1,619	4,064	3,821
Grants expenses	14	13,817	11,713	13,167	11,129
Total Expenses from Transactions		**69,889**	**63,706**	**84,832**	**75,604**
Net Operating Balance from Continuing Operations		**4,296**	**(915)**	**1,344**	**(3,203)**
Other Economic Flows - Included in Operating Result					
Gains/(losses) on sale of assets/settlement of liabilities	15	(6)	8,004	1,822	8,434
Revaluation increments/(decrements) and impairment (losses)/reversals	16	(1,087)	2,700	26	5,265
Asset write-downs	17	(516)	(228)	(535)	(287)
Actuarial adjustments to liabilities	18	906	(1,318)	1,523	(1,227)
Deferred income tax equivalents		(446)	29	-	-
Dividends and tax equivalents treated as capital returns	19	80	449	-	-
Other	20	155	150	13,391	2,840
Total Other Economic Flows - Included in Operating Result		**(913)**	**9,785**	**16,227**	**15,025**
Operating Result from Continuing Operations		**3,383**	**8,870**	**17,571**	**11,821**
Other Economic Flows - Other Movements in Equity					
Adjustments to opening balances *		-	(151)	-	(168)
Revaluations		36,777	5,182	36,552	5,548
Other		-	(82)	-	(82)
Total Other Economic Flows - Other Movements in Equity	21	**36,777**	**4,948**	**36,552**	**5,298**
Comprehensive Result/Total Change in Net Worth		**40,160**	**13,818**	**54,123**	**17,119**
KEY FISCAL AGGREGATES					
Net Operating Balance		**4,296**	**(915)**	**1,344**	**(3,203)**
Net Acquisition/(Disposal) of Non-Financial Assets					
Purchases of non-financial assets		7,889	6,682	11,146	9,891
Less Sales of non-financial assets		255	216	320	274
Less Depreciation		4,506	4,170	7,250	6,836
Plus Change in inventories		(77)	46	(29)	46
Plus Other movement in non-financial assets		1,315	1,599	1,382	1,688
Equals **Total Net Acquisition/(Disposal) of Non-Financial Assets**		**4,367**	**3,942**	**4,929**	**4,515**
Fiscal Balance		**(71)**	**(4,857)**	**(3,585)**	**(7,718)**

This Operating Statement should be read in conjunction with the accompanying notes. Note 2 provides disaggregated information in relation to the above components.

* Refer to Statement of Changes in Equity (Net Worth).

Balance Sheet for Queensland
as at 30 June 2022

	Notes	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Assets					
Financial Assets					
Cash and deposits	22	1,710	1,129	6,481	12,423
Receivables and loans					
Receivables	23(a)	4,166	5,577	6,329	6,598
Advances paid	23(b)	1,233	1,297	1,216	1,272
Loans paid	23(c)	330	375	12,355	11,582
Securities other than shares	24(a)	43,805	41,366	95,230	66,616
Shares and other equity investments					
Investments in public sector entities	24(b)	19,980	21,408	-	-
Investments in other entities		6	6	6	6
Investments accounted for using the equity method	25(a)	159	159	166	166
Total Financial Assets		**71,389**	**71,317**	**121,782**	**98,663**
Non-Financial Assets					
Inventories	27	650	725	1,410	1,456
Assets held for sale	28	84	109	84	113
Investment properties	29	498	348	838	675
Property, plant and equipment	31	269,720	230,963	332,643	293,412
Intangibles	32	739	794	1,753	1,733
Service concession assets - GORTO	33	10,608	9,996	10,608	9,996
Deferred tax asset		9,270	6,545	-	-
Other non-financial assets	34	767	841	972	1,042
Total Non-Financial Assets		**292,337**	**250,321**	**348,308**	**308,427**
Total Assets		**363,726**	**321,638**	**470,089**	**407,091**
Liabilities					
Payables	35	5,488	4,740	7,244	6,194
Employee benefit obligations					
Superannuation liability	36(a)	22,168	27,332	21,768	27,059
Other employee benefits	36(b)	9,026	8,914	10,127	10,035
Deposits held	37(a)	-	-	6,639	6,384
Advances received	37(b)	1,310	1,435	262	300
Borrowing with QTC	37(c)	49,000	46,153	-	-
Leases and other loans	37(d)	7,671	7,703	8,531	8,604
Securities and derivatives	37(e)	93	220	136,591	124,191
Deferred tax liability		5,695	1,642	-	-
Provisions	38	5,120	5,368	13,888	13,352
Service concession liabilities - GORTO	33	7,442	7,677	7,442	7,677
Other liabilities	39	1,089	990	1,925	1,744
Total Liabilities		**114,102**	**112,174**	**214,417**	**205,541**
Net Assets		**249,624**	**209,464**	**255,672**	**201,549**
Net Worth					
Accumulated surplus		95,196	87,251	101,539	78,724
Reserves		154,428	122,213	154,133	122,825
Total Net Worth		**249,624**	**209,464**	**255,672**	**201,549**
KEY FISCAL AGGREGATES					
Net Financial Worth		(42,713)	(40,857)	(92,635)	(106,878)
Net Financial Liabilities		62,694	62,265	92,635	106,878
Net Debt		10,997	11,344	36,742	47,585

This Balance Sheet should be read in conjunction with the accompanying notes. Note 2 provides disaggregated information in relation to the components of the net assets.

Statement of Changes in Equity (Net Worth) for Queensland General Government Sector for the Year ended 30 June 2022

	Opening Balance	Adjustments to Opening Balances	Comprehensive Result for Period			Closing Balance
			Movements	Transfers /Entity Cessation	Actuarial Gain / (Loss) on Superannuation [1]	
	$M	$M	$M	$M	$M	$M
2022						
Accumulated surplus	87,251	-	3,383	(27)	4,589	95,196
Revaluation reserve - financial assets	13,339	-	(2,305)	27	-	11,060
Revaluation reserve - non-financial assets	108,759	-	34,493	9	-	143,260
Other reserves	116	-	-	(9)	-	107
Total equity at the end of the financial year	**209,464**	**-**	**35,571**	**-**	**4,589**	**249,624**

	Opening Balance	Adjustments to Opening Balances	Comprehensive Result for Period			Closing Balance
			Movements	Transfers /Entity Cessation	Actuarial Gain / (Loss) on Superannuation [1]	
	$M	$M	$M	$M	$M	$M
2021						
Accumulated surplus [2]	78,590	(148)	8,870	106	(168)	87,251
Revaluation reserve - financial assets [3]	14,027	(3)	(614)	(70)	-	13,339
Revaluation reserve - non-financial assets	102,912	-	5,964	(118)	-	108,759
Other reserves	117	-	-	(1)	-	116
Total equity at the end of the financial year	**195,646**	**(151)**	**14,220**	**(82)**	**(168)**	**209,464**

Statement of Changes in Equity (Net Worth) for Queensland General Government Sector for the Year Ended 30 June 2022 continued

Notes:

1. Refer to Note 21 – Other economic flows – other movement in equity.

The following notes relate to prior year adjustments to equity arising during the 2021-22 year:

2. The opening accumulated surplus at 1 July 2020 has decreased by $148 million, primarily as a result of the change in accounting policy for cloud computing arrangements (refer Note 1(e)) and further adjustments as a result of the adoption of AASB1059 Service *Concession Arrangements, Grantors* in 2020-21.

3. The financial asset revaluation reserve opening balance has decreased $3 million and the movement for the period has decreased by $18 million. This is mainly due to the change in the GGS Net Worth in relation to the fair valuation of the Public Non-financial and Public Financial Sectors.

Statement of Changes in Equity (Net Worth) for Queensland Total State Sector for the Year ended 30 June 2022

	Opening Balance	Adjustments to Opening Balances	Comprehensive Result for Period: Movements	Comprehensive Result for Period: Transfers / Entity Cessation	Comprehensive Result for Period: Actuarial Gain / (Loss) on Superannuation [1]	Closing Balance
	$M	$M	$M	$M	$M	$M
2022						
Accumulated surplus	78,724	-	17,571	551	4,693	101,539
Revaluation reserve - financial asset	604	-	(2,857)	27	-	(2,226)
Revaluation reserve - non-financial assets	120,744	-	34,716	(160)	-	155,300
Other reserves	1,477	-	-	(418)	-	1,059
Total equity at the end of the financial year	**201,549**	**-**	**49,430**	**-**	**4,693**	**255,672**

	Opening Balance	Adjustments to Opening Balances	Comprehensive Result for Period: Movements	Comprehensive Result for Period: Transfers / Entity Cessation	Comprehensive Result for Period: Actuarial Gain / (Loss) on Superannuation [1]	Closing Balance
	$M	$M	$M	$M	$M	$M
2021						
Accumulated surplus [2]	67,021	(165)	11,821	112	(66)	78,724
Revaluation reserve - financial assets	1,401	(3)	(724)	(70)	-	604
Revaluation reserve - non-financial assets	114,642	-	6,337	(236)	-	120,744
Other reserves	1,366	-	-	111	-	1,477
Total equity at the end of the financial year	**184,430**	**(168)**	**17,435**	**(82)**	**(66)**	**201,549**

Statement of Changes in Equity (Net Worth) for Queensland Total State Sector for the Year Ended 30 June 2022 continued

Notes:

1. Refer to Note 21 – Other economic flows – other movement in equity.

The following notes relate to prior year adjustments to equity arising during the 2021-22 year:

2. The opening accumulated surplus at 1 July 2020 has decreased by $165 million, primarily as a result of the change in accounting policy for cloud computing arrangements (refer Note 1(e)) and further adjustments as a result of the adoption of AASB1059 Service Concession Arrangements, Grantors in 2020-21.

Cash Flow Statement for Queensland
for the Year Ended 30 June 2022

	Notes	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Cash Flows from Operating Activities					
Cash received					
Taxes received		20,766	15,882	20,273	15,441
Grants and subsidies received		34,377	31,226	34,277	31,123
Sales of goods and services		6,298	6,217	22,582	19,559
Interest receipts		2,638	2,077	1,183	1,222
Dividends and income tax equivalents		1,202	1,673	-	16
Other receipts		12,472	5,745	12,954	6,047
		77,753	**62,820**	**91,269**	**73,409**
Cash paid					
Payments for employees		(31,739)	(30,205)	(34,165)	(32,413)
Payments for goods and services		(20,506)	(19,287)	(28,640)	(24,462)
Grants and subsidies paid		(13,617)	(11,713)	(12,979)	(11,132)
Interest paid		(1,441)	(1,568)	(3,996)	(3,778)
Other payments		-	(2)	(820)	(705)
		(67,303)	**(62,775)**	**(80,599)**	**(72,490)**
Net Cash Flows from Operating Activities	40(a)	**10,451**	**45**	**10,669**	**920**
Cash Flows from Investing Activities					
Non-Financial Assets					
Purchases of non-financial assets		(7,889)	(6,682)	(11,146)	(9,891)
Sales of non-financial assets		255	216	320	274
		(7,635)	**(6,466)**	**(10,826)**	**(9,617)**
Financial Assets (Policy Purposes)					
Equity acquisitions		(90)	(242)	-	1
Equity disposals		102	223	3	(20)
Advances and concessional loans paid		(157)	(196)	(161)	(196)
Advances and concessional loans received		272	243	270	242
		127	**28**	**112**	**28**
Financial Assets (Liquidity Purposes)					
Purchases of investments		(6,470)	(15,656)	(45,758)	(41,366)
Sales of investments		2,580	12,143	32,718	49,050
		(3,889)	**(3,513)**	**(13,041)**	**7,684**
Net Cash Flows from Investing Activities		**(11,397)**	**(9,951)**	**(23,755)**	**(1,905)**
Cash Flows from Financing Activities					
Cash received					
Advances received		2,339	1,629	1	5
Proceeds of borrowing		3,088	10,916	1,048	1,813
Deposits received		-	-	641	937
Other financing (including interest bearing liabilities)		-	-	30,244	37,012
		5,427	**12,545**	**31,935**	**39,767**
Cash paid					
Advances paid		(2,465)	(2,039)	(40)	(60)
Borrowing repaid		(1,435)	(691)	(4,566)	(3,086)
Deposits withdrawn		-	-	(386)	(1,722)
Other financing (including interest bearing liabilities)		-	-	(19,798)	(24,537)
		(3,900)	**(2,731)**	**(24,790)**	**(29,404)**
Net Cash Flows from Financing Activities		**1,527**	**9,814**	**7,145**	**10,363**
Net Increase/(Decrease) in Cash and Deposits Held		**581**	**(92)**	**(5,942)**	**9,378**
Cash and deposits at the beginning of the financial year		1,129	1,221	12,423	3,045
Cash and Cash Equivalents Held at the End of the Financial Year	22	**1,710**	**1,129**	**6,481**	**12,423**

Cash Flow Statement for Queensland
for the Year Ended 30 June 2022 continued

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
KEY FISCAL AGGREGATES				
Net Cash from Operating Activities	10,451	45	10,669	920
Net Cash Flow from Investments in Non-Financial Assets	(7,635)	(6,466)	(10,826)	(9,617)
CASH SURPLUS/(DEFICIT)	**2,816**	**(6,421)**	**(157)**	**(8,697)**
Derivation of ABS GFS Cash Surplus/Deficit				
Cash surplus/(deficit)	2,816	(6,421)	(157)	(8,697)
Acquisitions under finance leases and similar arrangements	(1,051)	(1,547)	(1,070)	(1,576)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**1,765**	**(7,968)**	**(1,227)**	**(10,273)**

This Cash Flow Statement should be read in conjunction with the accompanying notes. Note 2 provides disaggregated information in relation to the components of the net cash flows.

Notes to the Financial Statements

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Notes to the Financial Statements

1. Basis of financial statements preparation

(a) General information

This financial report is prepared for the Queensland General Government Sector (GGS) and the consolidated Total State Sector (TSS).

The GGS is a component of the TSS. The GGS is determined in accordance with the principles and rules contained in the Australian Bureau of Statistics' (ABS) *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015* (ABS GFS Manual). According to the ABS GFS Manual, the GGS consists of all government units and non-profit institutions controlled and mainly financed by government. Government units are legal entities established by political processes that have legislative, judicial or executive authority over other units and which provide goods and services to the community or to individuals on a non-market basis and make transfer payments to redistribute income and wealth. Non-profit institutions are created for the purpose of producing or distributing goods and services but are not a source of income, profit or other financial gain for the Government. Refer Note 1(c) for further information on sectors.

Unless otherwise stated, references in this report to "the State" include both the GGS and TSS.

(b) The Government reporting entity

The Queensland Government economic entity (Total State Sector) includes all State Government departments, other General Government entities, Public Non-financial Corporations (PNFC), Public Financial Corporations (PFC) and their controlled entities. Refer Note 50 for a full list of controlled entities included in each sector.

Under AASB 1049 *Whole of Government and General Government Sector Financial Reporting*, the preparation of the GGS financial report does not require full application of AASB 10 *Consolidated Financial Statements* and AASB 9 *Financial Instruments*. The GGS includes the value of all material assets, liabilities, equity, revenue and expenses of entities controlled by the GGS of Queensland. Assets, liabilities, revenue, expenses and cash flows of Government controlled entities that are in the PNFC and the PFC are not separately recognised in the GGS.

Instead, the GGS recognises an asset, being the controlling equity investment in those entities and recognises an increment or decrement relating to changes in the carrying amount of that asset, measured in accordance with AASB 1049.

Where control of an entity is obtained during the financial year, its results are included in the Operating Statement from the date control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

Generally, only those agencies considered material by virtue of the size of their financial transactions and/or resources managed are consolidated for the purposes of this report (refer Note 50 for further details).

In the process of reporting the Queensland Government as a single economic entity, all material inter-entity and intra-entity transactions and balances have been eliminated to the extent practicable.

The ABS GFS Manual provides the basis upon which GFS information contained in the financial report is prepared. In particular, Note 51 discloses how key fiscal aggregates of net worth, net operating balance, fiscal balance and cash surplus/(deficit), determined using the principles and rules in the ABS GFS Manual, differ from the aggregates included in this financial report.

(c) Sectors

Assets, liabilities, revenue and expenses that are attributed reliably to each sector of the Queensland Government economic entity are disclosed in Note 2. For disclosure purposes, transactions and balances between entities within each sector have been eliminated in the sector. The financial impact of inter-sector transactions and balances is also disclosed under the heading of Consolidation Adjustments.

A brief description of each broad sector of the Government's activities, determined in accordance with the ABS GFS Manual follows:

General Government Sector (GGS)

The primary function of GGS agencies is to provide public services that:
– are non-trading in nature and that are for the collective benefit of the community;
– are largely financed by way of taxes, fees and other compulsory charges; and
– involve the transfer or redistribution of income.

Public Non-financial Corporations Sector (PNFC Sector)

The primary function of enterprises in the PNFC Sector is to provide goods and services that:
– are trading, non-regulatory or non-financial in nature; and
– are financed by way of sales of goods and services to consumers.

Notes to the Financial Statements

1. Basis of financial statements preparation continued

(c) Sectors continued

Public Financial Corporations Sector (PFC Sector)

The PFC Sector comprises publicly-owned institutions which provide financial services, usually on a commercial basis.

Functions they perform may include:
- central bank functions;
- accepting on-call, term or savings deposits;
- investment fund management;
- having the authority to incur liabilities and acquire financial assets in the market on their own account; or
- providing insurance services.

(d) Compliance with prescribed requirements

This financial report has been prepared in accordance with the *Financial Accountability Act 2009*. In addition, the financial statements comply with AASB 1049 which requires compliance with all Australian Accounting Standards and Concepts, Interpretations and other authoritative pronouncements, except those identified below.

With respect to compliance with Australian Accounting Standards and Interpretations, the GGS and the TSS have applied those requirements applicable to not-for-profit entities, as the GGS and the TSS are classified as such. It is, however, recognised that the TSS is an aggregation of both for-profit and not-for-profit entities.

Unless otherwise stated, the accounting policies adopted for the reporting period are consistent with those of the previous reporting period. In accordance with AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, changes to accounting policies are applied retrospectively unless specific transitional provisions apply.

The financial report of the TSS is a general purpose financial report. The financial report of the GGS is included as two separate columns adjacent to the TSS financial information. GGS information is shaded.

The statements have been prepared on an accrual basis that recognises the financial effects of transactions and events when they occur.

AASB 1049 harmonises GFS with Generally Accepted Accounting Principles (GAAP) to the extent that GFS does not conflict with GAAP. This requires the selection of options within the Australian Accounting Standards that harmonise with the ABS GFS Manual.

The purpose of this financial report is to provide users with information about the stewardship by the Government in relation to the GGS and TSS and accountability for the resources entrusted to it, information about the financial performance, position and cash flows of the GGS and TSS and information that facilitates assessments of the macro-economic impact of the Government

(e) New and changed accounting standards and accounting policies

Accounting Standards applied for the first time in 2021-22

There were no new accounting standards effective in 2021-22.

Changes in accounting policies

Configuration or Customisation Costs in a Cloud Computing Arrangement (IFRIC agenda decision)

In April 2021, the International Financial Reporting Standards (IFRS) Interpretation Committee (IFRIC) issued an agenda decision on whether configuration or customisation costs in cloud computing or software-as-a-service arrangements should be capitalised as intangible assets, and if not, whether the expense should be recognised upfront or over the life of the contract.

The State changed its accounting policies in 2021-22 to align with the IFRIC agenda decision, and the changes have been applied retrospectively with restatements to comparative opening balances at 1 July 2020, balances at 30 June 2021, and revenue, expenses and cash flows for 2020-21. A separate statement of financial position as at 1 July 2020 is not provided because the overall impact of these changes is not material. Refer to the Statement of Changes in Equity for further details.

1. Basis of financial statements preparation continued

(e) New and changed accounting standards and accounting policies continued

Future impact of accounting standards not yet effective

AASB 17 Insurance Contracts

This standard applies to insurance contracts and, as per the latest exposure draft (ED 319), is proposed to be effective for the public sector in 2025-26. The Australian Accounting Standards Board (AASB) is still deliberating on the scope of public sector activities to which the standard will be applied and what other public sector specific modifications or guidance are required. As such, the State has not yet commenced in-depth analysis of the potential accounting impact of AASB 17 for its insurance contracts and will continue to monitor the progress of this standard.

The State's insurance liabilities are currently accounted for under AASB 1023 *General Insurance Contracts* or AASB 137 *Provisions, Contingent Liabilities* and *Contingent Assets*, and are reported in Note 38.

(f) Reporting period

The reporting period of the GGS and TSS is the financial year ended 30 June 2022.

(g) Presentation

Currency and rounding

All amounts in these statements are in Australian dollars and have been rounded to the nearest $1 million or where the amount is less than $500,000, to zero, unless otherwise indicated. Accordingly, numbers may not add due to rounding.

Comparative information and errors

Where applicable, comparatives have been restated, to be consistent with changes in presentation for the current reporting period. The impact of any prior year adjustments on net worth is noted in the Statement of Changes in Equity.

AASB 108 *Accounting Policies*, *Changes in Accounting Estimates and Errors* requires that material prior period errors be corrected retrospectively by either restating comparative amounts if the errors occurred in the prior year or restating the opening balances of assets, liabilities and equity of the prior year where the error occurred before the prior year.

Foreign currency

Foreign currency transactions are translated into Australian dollars at the rate of exchange prevailing at the date of the transaction. Amounts payable and receivable in foreign currencies at balance date are translated to Australian dollars at rates of exchange current at 30 June 2022.

Translation differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in other economic flows in the operating result, except when deferred in equity as qualifying cash flow hedges and net investment hedges.

Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in other economic flows in the operating result as part of the fair value gain or loss. Translation differences on non-monetary assets such as equities at fair value through other comprehensive income are included in the fair value reserve in equity.

Translation differences relating to borrowings are accounted for as exchange gains or losses in other economic flows in the operating result.

(h) Basis of measurement

These financial statements use historical cost accounting principles as the measurement basis unless otherwise stated in the report. Other significant valuation methodologies used include:

– Financial assets;
  - receivables and loans (except onlendings by Queensland Treasury Corporation (QTC)) are measured at amortised cost;
  - term deposits are measured at amortised cost;
  - corporate bonds and investments in other public sector entities within GGS are measured at fair value through other comprehensive income (FVTOCI); and
  - other financial assets, including onlendings by QTC, securities and derivatives, are recorded at fair value through profit or loss;

1. Basis of financial statements preparation continued

(h) Basis of measurement continued

- Financial liabilities;
  - payables are measured at amortised cost;
  - lease liabilities, Service Concession Arrangements (SCA) - non-GORTO (Grant of Right to Operate) liabilities, advances, interest bearing deposits and GGS loans from QTC are measured at amortised cost; and
  - other financial liabilities, including securities and derivatives, are recorded at fair value through profit or loss;
- Non-financial assets;
  - inventories (other than those held for distribution) are valued at the lower of cost and net realisable value under AASB 102 *Inventories*; and
  - land, buildings, infrastructure, major plant and equipment and heritage and cultural assets are valued at fair value. Other classes of assets are valued at cost, which approximates fair value; and
  - service concession assets are recorded at fair value; and
- Non-financial liabilities;
  - provisions in relation to superannuation, long service leave, workers' compensation, insurance and redress are based on actuarial valuations, measured at the present value of the estimate of the expenditure required to settle the present obligation at the reporting date; and
  - Service concession liabilities in relation to GORTOs are valued at amortised cost.

(i) Commonwealth taxation and income tax equivalents

The Government is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax (GST). Revenue, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO), in which case, the GST is recognised as part of the acquisition cost of the asset or as part of the item of expense.

Receivables and payables include GST. The amounts of GST receivable from, or payable to, the ATO are included as a current asset or liability in the Balance Sheet. Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

The GGS is the collector of income tax equivalents from the PNFC and PFC Sectors. Current income tax is included in the net operating balance while deferred tax is treated as an other economic flow. The deferred tax assets and liabilities with other public sector entities are reflected on the face of the GGS Balance Sheet and are eliminated in the TSS.

(j) Classification

AASB 1049 requires the Operating Statement to include all items of revenue and expenses recognised in a period. All amounts relating to an item included in the determination of comprehensive result (total change in net worth) are classified as transactions or other economic flows in a manner that is consistent with the ABS GFS Manual. Key technical terms from the ABS GFS Manual that are used in this financial report are outlined in Notes 1(c) and 1(k).

Transactions are interactions between two units by mutual agreement or an action within a unit that is analytically useful to treat as a transaction. Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions (e.g. revaluations and other changes in the volume of assets).

Where application of accounting standards results in a variance to GFS, Note 51 describes the differences.

(k) Key GFS technical terms

ABS GFS Manual

The ABS GFS Manual refers to the ABS publication *Australian System of Government Finance Statistics: Concepts, Sources and Methods 2015* as updated from time to time.

Cash surplus/(deficit)

The cash surplus/(deficit) is calculated as net cash flows from operating activities plus net cash flows from acquisition and disposal of non-financial assets less distributions paid. GFS cash surplus/(deficit) also deducts the value of assets acquired under finance leases and similar arrangements.

1. Basis of financial statements preparation continued

(k) Key GFS technical terms continued

Comprehensive result - total change in net worth before transactions with owners as owners

This is the net result of all items of revenue and expenses recognised for the period. It is the aggregate of the operating result and other movements in equity, other than transactions with owners as owners.

Financial asset

A financial asset is any asset that is:
- cash;
- an equity instrument of another entity;
- a contractual right:
  - (a) to receive cash or another financial asset from another entity; or
  - (b) to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - (a) a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - (b) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Key fiscal aggregates

Key fiscal aggregates are referred to as analytical balances in the ABS GFS Manual. These are data identified in the ABS GFS Manual as useful for macro-economic analysis purposes, including assessing the impact of a Government on the economy. They are opening net worth, net operating balance (which equals change in net worth due to transactions), fiscal balance, change in net worth due to revaluations and changes in the volume of assets, total change in net worth, closing net worth and cash surplus/(deficit).

Net debt

Net debt in these statements is disclosed as per the UPF and equals (deposit liabilities held plus advances and borrowing liabilities) less (cash and deposits plus investments and loans plus asset advances outstanding). (GFS now has a wider definition of net debt which includes all liabilities in the calculation.)

Fiscal balance

Also known as Net lending/(borrowing), this measures the financing requirements of a government and is calculated as the net operating balance, less the net acquisition of non-financial assets. A positive result reflects a fiscal surplus (net lending position) and a negative result reflects a fiscal deficit (net borrowing position), based on the definition in the ABS GFS Manual.

Net operating balance

This is calculated as income from transactions less expenses from transactions, based on the definition in the ABS GFS Manual.

Net worth

For the GGS, net worth is the result of assets less liabilities and shares/contributed capital. For the State, net worth is assets less liabilities since shares and contributed capital is zero. It is an economic measure of wealth and reflects the contribution of governments to the wealth of Australia.

Non-profit institution

A non-profit institution is a legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

Non-financial assets

These are all assets that are not 'financial assets'.

1 Basis of financial statements preparation continued

(k) Key GFS technical terms continued

Operating result

Operating result is a measure of financial performance of the operations of the State for the period. It is the net result of items of revenue and gains, and expenses and losses recognised for the period, excluding those that are classified as other movements in equity.

Other economic flows

Changes in the volume or value of an asset or liability that do not result from transactions (e.g. revaluations and other changes in the volume of assets) are other economic flows.

(l) Impacts from the COVID-19 pandemic

The outbreak of the novel coronavirus disease (COVID-19) was declared by the World Health Organisation as a global pandemic on 11 March 2020. The Queensland Government has implemented measures to support Queenslanders' health, jobs and businesses in response to the COVID-19 pandemic and the resulting global economic downturn.

The pandemic continues to have significant impacts on the State's finances in 2021-22 through health responses, economic stimulus packages. The major impacts are summarised below. Individual agency financial statements contain details of quantitative financial impacts arising from the pandemic.

– The cost of health services has increased from COVID-19 related expenses, primarily in employee expenses and supplies and services. The State received additional Health funding from the Australian Government to cover some of the COVID-19 expenses.

– The State incurred grant expenses on various COVID-19 responses, support and recovery programs, primarily COVID-19 Business Support Grants and the Tourism and Hospitality Sector Hardship Program, totalling $455 million.

– The State also incurred compliance and quarantine-related expenditure, some of which has been capitalised.

– Fare revenue, included in sale of goods and services, was lower than expected due to reduced public transport patronage.

– The State issued loans in prior years to assist industries and businesses, including COVID-19 Jobs Support Loans and Industry Support Package loans. Remaining balances of these loans are included in loans and advances in Note 23.

– The State's overall debt has increased significantly as a result of the additional expenditure and lost revenue arising from the pandemic. However, the amount of the increase that is specifically attributable to COVID-19 cannot be reliably quantified.

2. Disaggregated information

Operating Statement

	General Government * 2022 $M	General Government * 2021 $M	Public Non-financial Corporations * 2022 $M	Public Non-financial Corporations * 2021 $M	Public Financial Corporations * 2022 $M	Public Financial Corporations * 2021 $M	Consolidation Adjustments 2022 $M	Consolidation Adjustments 2021 $M	Total State 2022 $M	Total State 2021 $M
Continuing Operations										
Revenue from Transactions										
Taxation revenue	20,011	16,249	-	-	-	-	(503)	(451)	19,508	15,798
Grants revenue	34,135	33,013	687	615	-	-	(788)	(718)	34,034	32,910
Sales of goods and services	5,896	6,105	14,905	12,228	2,726	2,462	(3,245)	(2,955)	20,282	17,840
Interest income	2,643	1,948	66	65	3,467	3,679	(4,989)	(4,464)	1,188	1,228
Dividend and income tax equivalent income	790	1,329	-	15	-	-	(790)	(1,329)	-	15
Other revenue	10,710	4,147	293	345	179	134	(19)	(17)	11,164	4,610
Total Revenue from Transactions	**74,185**	**62,791**	**15,951**	**13,269**	**6,372**	**6,276**	**(10,332)**	**(9,935)**	**86,176**	**72,401**
Expenses from Transactions										
Employee expenses	28,068	26,385	2,245	2,124	398	366	(468)	(436)	30,242	28,440
Superannuation expenses	3,763	3,319	255	247	26	26	-	-	4,045	3,591
Other operating expenses	18,228	16,500	7,484	4,873	3,229	3,024	(2,878)	(2,609)	26,063	21,788
Depreciation and amortisation	4,506	4,170	2,719	2,636	25	30	-	-	7,250	6,836
Other interest expenses	1,508	1,619	1,610	1,691	6,336	5,337	(5,391)	(4,825)	4,064	3,821
Grants expenses	13,817	11,713	25	24	114	110	(788)	(718)	13,167	11,129
Other property expenses	-	-	550	476	49	40	(599)	(516)	-	-
Total Expenses from Transactions	**69,889**	**63,706**	**14,888**	**12,071**	**10,178**	**8,932**	**(10,124)**	**(9,104)**	**84,832**	**75,604**
Net Operating Balance from Continuing Operations	**4,296**	**(915)**	**1,062**	**1,198**	**(3,806)**	**(2,656)**	**(209)**	**(831)**	**1,344**	**(3,203)**
Other Economic Flows - Included in Operating Result										
Gains/(losses) on sale of assets/settlement of liabilities	(6)	8,004	199	6	1,629	425	-	-	1,822	8,434
Revaluation increments/(decrements) and impairment (losses)/reversals	(1,087)	2,700	(513)	(384)	1,626	2,949	-	-	26	5,265
Asset write-downs	(516)	(228)	(8)	(46)	(11)	(12)	-	-	(535)	(287)
Actuarial adjustments to liabilities	906	(1,318)	-	-	617	91	-	-	1,523	(1,227)
Deferred income tax equivalents	(446)	29	294	13	152	(42)	-	-	-	-
Dividends and tax equivalents treated as capital returns	80	449	-	-	-	-	(80)	(449)	-	-
Other	155	150	(98)	(102)	(628)	(509)	13,962	3,301	13,391	2,840
Total Other Economic Flows - Included in Operating Result	**(913)**	**9,785**	**(126)**	**(513)**	**3,384**	**2,900**	**13,882**	**2,852**	**16,227**	**15,025**

* See Note 1(c) for explanation of sectors

2. Disaggregated information continued

Operating Statement continued

	*General Government**		*Public Non-financial Corporations**		*Public Financial Corporations**		*Consolidation Adjustments*		*Total State*	
	2022 $M	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*
Operating Result from Continuing Operations	**3,383**	**8,870**	**936**	**685**	**(421)**	**244**	**13,673**	**2,021**	**17,571**	**11,821**
Other Economic Flows - Other Movements in Equity										
Adjustments to opening balances	-	(151)	-	(17)	-	-	-	-	-	(168)
Revaluations	36,777	5,182	(1,728)	(27)	11	(5)	1,493	398	36,552	5,548
Other	-	(82)	-	-	-	-	-	-	-	(82)
Total Other Economic Flows - Other Movements in Equity	**36,777**	**4,948**	**(1,728)**	**(44)**	**11**	**(5)**	**1,493**	**398**	**36,552**	**5,298**
Comprehensive Result/Total Change in Net Worth	**40,160**	**13,818**	**(793)**	**642**	**(411)**	**240**	**15,166**	**2,420**	**54,123**	**17,119**
Transactions With Owners In Their Capacity as Owners										
Ordinary dividends provided or paid	-	-	(209)	(735)	-	(95)	209	831	-	-
Dividends treated as capital returns paid or provided	-	-	(80)	(449)	-	-	80	449	-	-
Equity injections/(withdrawals)	-	-	66	187	-	50	(66)	(237)	-	-
Total Transactions With Owners In Their Capacity as Owners	**-**	**-**	**(223)**	**(998)**	**-**	**50**	**223**	**1,043**	**-**	**-**
Total Change In Net Worth	**40,160**	**13,818**	**(1,015)**	**(356)**	**(411)**	**290**	**15,389**	**3,463**	**54,123**	**17,119**
KEY FISCAL AGGREGATES										
Net Operating Balance	**4,296**	**(915)**	**1,062**	**1,198**	**(3,806)**	**(2,656)**	**(209)**	**(831)**	**1,344**	**(3,203)**
Net Acquisition/(Disposal) of Non-Financial Assets										
Purchases of non-financial assets	7,889	6,682	3,134	3,139	6	14	117	56	11,146	9,891
Less Sales of non-financial assets	255	216	63	69	3	2	-	(12)	320	274
Less Depreciation	4,506	4,170	2,719	2,636	25	30	-	-	7,250	6,836
Plus Change in inventories	(77)	46	48	-	-	-	-	-	(29)	46
Plus Other movement in non-financial assets	1,315	1,599	60	77	6	11	-	-	1,382	1,688
Equals **Total Net Acquisition/(Disposal) of Non-Financial Assets**	**4,367**	**3,941**	**461**	**511**	**(16)**	**(6)**	**117**	**68**	**4,929**	**4,515**
Fiscal Balance	**(71)**	**(4,856)**	**601**	**687**	**(3,790)**	**(2,650)**	**(325)**	**(899)**	**(3,585)**	**(7,718)**

* See Note 1(c) for explanation of sectors

2. Disaggregated information continued

Balance Sheet

	General Government*		Public Non-financial Corporations*		Public Financial Corporations*		Consolidation Adjustments		Total State	
	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M
Assets										
Financial Assets										
Cash and deposits	1,710	1,129	1,162	1,117	5,401	11,908	(1,792)	(1,732)	6,481	12,423
Receivables and loans										
Receivables	4,166	5,577	2,624	1,732	439	370	(901)	(1,081)	6,329	6,598
Advances paid	1,233	1,297	1,053	1,135	-	-	(1,070)	(1,159)	1,216	1,272
Loans paid	330	375	2,190	355	94,639	104,667	(84,804)	(93,815)	12,355	11,582
Securities other than shares	43,805	41,366	13,736	1,084	78,061	61,981	(40,373)	(37,815)	95,230	66,616
Shares and other equity investments										
Investments in public sector entities	19,980	21,408	-	-	-	-	(19,980)	(21,408)	-	-
Investments in other entities	6	6	-	-	-	-	-	-	6	6
Investments accounted for using the equity method	159	159	6	7	-	-	-	-	166	166
Total Financial Assets	**71,389**	**71,317**	**20,770**	**5,430**	**178,542**	**178,926**	**(148,919)**	**(157,010)**	**121,782**	**98,663**
Non-Financial Assets										
Inventories	650	725	760	731	-	-	-	-	1,410	1,456
Assets held for sale	84	109	-	3	-	-	-	-	84	113
Investment properties	498	348	339	326	-	-	-	-	838	675
Property, plant and equipment	269,720	230,963	62,799	62,327	124	123	(1)	(1)	332,643	293,412
Intangibles	739	794	993	913	21	26	-	-	1,753	1,733
Service concession assets - GORTO	10,608	9,996	-	-	-	-	-	-	10,608	9,996
Deferred tax asset	9,270	6,545	5,431	1,536	266	108	(14,967)	(8,189)	-	-
Other non-financial assets	767	841	247	270	11	11	(53)	(80)	972	1,042
Total Non-Financial Assets	**292,337**	**250,321**	**70,568**	**66,108**	**422**	**269**	**(15,020)**	**(8,270)**	**348,308**	**308,427**
Total Assets	**363,726**	**321,638**	**91,338**	**71,538**	**178,964**	**179,195**	**(163,939)**	**(165,281)**	**470,089**	**407,091**

* See Note 1(c) for explanation of sectors

2. Disaggregated information continued

Balance Sheet continued

	*General Government**		*Public Non-financial Corporations**		*Public Financial Corporations**		*Consolidation Adjustments*		*Total State*	
	2022	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*
Liabilities										
Payables	5,488	4,740	2,472	2,321	100	139	(815)	(1,006)	7,244	6,194
Employee benefit obligations										
Superannuation liability	22,168	27,332	(400)	(273)	-	-	-	-	21,768	27,059
Other employee benefits	9,026	8,914	927	970	174	152	-	-	10,127	10,035
Deposits held	-	-	11	12	8,420	8,104	(1,792)	(1,732)	6,639	6,384
Advances received	1,310	1,435	22	24	-	-	(1,070)	(1,159)	262	300
Borrowing with QTC	49,000	46,153	41,851	39,747	-	-	(90,851)	(85,901)	-	-
Leases and other loans	7,671	7,703	357	454	504	447	-	-	8,531	8,604
Securities and derivatives	93	220	17,288	1,357	159,589	160,436	(40,379)	(37,822)	136,591	124,191
Deferred tax liability	5,695	1,642	9,248	6,526	22	19	(14,965)	(8,187)	-	-
Provisions	5,120	5,368	1,098	976	7,749	7,078	(79)	(69)	13,888	13,352
Service concession liabilities - GORTO	7,442	7,677	-	-	-	-	-	-	7,442	7,677
Other liabilities	1,089	990	846	790	44	47	(54)	(82)	1,925	1,744
Total Liabilities	**114,102**	**112,174**	**73,719**	**52,904**	**176,601**	**176,421**	**(150,005)**	**(135,957)**	**214,417**	**205,541**
Net Assets	**249,624**	**209,464**	**17,619**	**18,635**	**2,363**	**2,774**	**(13,934)**	**(29,323)**	**255,672**	**201,549**
Net Worth										
Contributed equity	-	-	8,890	8,824	690	690	(9,580)	(9,514)	-	-
Accumulated surplus	95,196	87,251	(284)	(1,205)	683	695	5,945	(8,017)	101,539	78,724
Reserves	154,428	122,213	9,014	11,015	991	1,389	(10,299)	(11,792)	154,133	122,825
Total Net Worth	**249,624**	**209,464**	**17,619**	**18,635**	**2,363**	**2,774**	**(13,934)**	**(29,323)**	**255,672**	**201,549**
KEY FISCAL AGGREGATES										
Net Financial Worth	(42,713)	(40,857)	(52,949)	(47,473)	1,941	2,505	1,086	(21,053)	(92,635)	(106,878)
Net Financial Liabilities	62,694	62,265	NA	NA	NA	NA	NA	NA	92,635	106,878
Net Debt	10,997	11,344	41,389	37,903	(9,590)	(9,570)	(6,054)	7,908	36,742	47,585

* See Note 1(c) for explanation of sectors

2. Disaggregated information continued

Cashflow Statement

	General Government*		Public Non-financial Corporations*		Public Financial Corporations*		Consolidation Adjustments		Total State	
	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M
Cash Flows from Operating Activities										
Cash received										
Taxes received	20,766	15,882	-	-	-	-	(492)	(441)	20,273	15,441
Grants and subsidies received	34,377	31,226	676	614	-	-	(777)	(718)	34,277	31,123
Sales of goods and services	6,298	6,217	16,497	13,655	2,890	2,630	(3,104)	(2,943)	22,582	19,559
Interest receipts	2,638	2,077	66	66	3,467	3,679	(4,988)	(4,600)	1,183	1,222
Dividends and income tax equivalents	1,202	1,673	-	15	-	-	(1,202)	(1,672)	-	16
Other receipts	12,472	5,745	235	193	176	145	72	(36)	12,954	6,047
	77,753	**62,820**	**17,474**	**14,544**	**6,533**	**6,454**	**(10,492)**	**(10,409)**	**91,269**	**73,409**
Cash paid										
Payments for employees	(31,739)	(30,205)	(2,493)	(2,295)	(402)	(354)	468	441	(34,165)	(32,413)
Payments for goods and services	(20,506)	(19,287)	(8,941)	(6,008)	(1,953)	(1,844)	2,761	2,677	(28,640)	(24,462)
Grants and subsidies paid	(13,617)	(11,713)	(25)	(24)	(114)	(110)	777	716	(12,979)	(11,132)
Interest paid	(1,441)	(1,568)	(1,606)	(1,684)	(6,330)	(5,471)	5,382	4,946	(3,996)	(3,778)
Other payments	-	(2)	(976)	(1,002)	(285)	(224)	442	523	(820)	(705)
	(67,303)	**(62,775)**	**(14,042)**	**(11,013)**	**(9,085)**	**(8,005)**	**9,830**	**9,303**	**(80,599)**	**(72,490)**
Net Cash Flows from Operating Activities	**10,451**	**45**	**3,432**	**3,531**	**(2,551)**	**(1,551)**	**(662)**	**(1,106)**	**10,669**	**920**
Cash Flows from Investing Activities										
Non-Financial Assets										
Purchases of non-financial assets	(7,889)	(6,682)	(3,134)	(3,139)	(6)	(14)	(117)	(56)	(11,146)	(9,891)
Sales of non-financial assets	255	216	63	69	3	2	-	(12)	320	274
	(7,635)	**(6,466)**	**(3,071)**	**(3,070)**	**(3)**	**(12)**	**(117)**	**(68)**	**(10,826)**	**(9,617)**
Financial Assets (Policy Purposes)										
Equity acquisitions	(90)	(242)	(0)	1	-	-	90	242	-	1
Equity disposals	102	223	(80)	(96)	-	-	(20)	(147)	3	(20)
Advances and concessional loans paid	(157)	(196)	(2,406)	(1,621)	-	-	2,402	1,621	(161)	(196)
Advances and concessional loans received	272	243	2,490	1,978	-	-	(2,492)	(1,979)	270	242
	127	**28**	**4**	**262**	**-**	**-**	**(19)**	**(262)**	**112**	**28**
Financial Assets (Liquidity Purposes)										
Purchases of investments	(6,470)	(15,656)	(563)	(23)	(44,547)	(38,086)	5,821	12,400	(45,758)	(41,366)
Sales of investments	2,580	12,143	1,462	75	30,983	40,286	(2,309)	(3,455)	32,718	49,050
	(3,889)	**(3,513)**	**899**	**52**	**(13,563)**	**2,200**	**3,512**	**8,945**	**(13,041)**	**7,684**
Net Cash Flows from Investing Activities	**(11,397)**	**(9,951)**	**(2,168)**	**(2,756)**	**(13,567)**	**2,188**	**3,376**	**8,614**	**(23,755)**	**(1,905)**

* See Note 1(c) for explanation of sectors

2. Disaggregated information continued

Cashflow Statement continued

	General Government *		Public Non-financial Corporations *		Public Financial Corporations *		Consolidation Adjustments		Total State	
	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M
Cash Flows from Financing Activities										
Advances received (net)	(126)	(411)	(1)	(1)	-	-	88	357	(39)	(55)
Proceeds of borrowing (net)	1,653	10,225	223	669	(5,394)	(12,176)	-	9	(3,518)	(1,273)
Dividends paid (net)	-	-	(735)	(1,071)	(45)	(94)	781	1,165	-	-
Deposits received (net)	-	-	(1)	(1)	316	(721)	(60)	(63)	255	(785)
Other financing (net)	-	-	(705)	(144)	14,734	21,658	(3,583)	(9,039)	10,446	12,475
Net Cash Flows from Financing Activities	**1,527**	**9,814**	**(1,220)**	**(547)**	**9,611**	**8,667**	**(2,774)**	**(7,571)**	**7,145**	**10,363**
Net Increase/(Decrease) in Cash and Deposits Held	**581**	**(92)**	**44**	**228**	**(6,507)**	**9,304**	**(60)**	**(62)**	**(5,942)**	**9,378**
Cash and deposits at the beginning of the financial year	1,129	1,221	1,117	889	11,908	2,604	(1,732)	(1,669)	12,423	3,045
Cash and Cash Equivalents Held at the End of the Financial Year	**1,710**	**1,129**	**1,162**	**1,117**	**5,401**	**11,908**	**(1,792)**	**(1,732)**	**6,481**	**12,423**
KEY FISCAL AGGREGATES										
Net Cash from Operating Activities	10,451	45	3,432	3,531	(2,551)	(1,551)	(662)	(1,106)	10,669	920
Net Cash Flow from Investments in Non-Financial Assets	(7,635)	(6,466)	(3,071)	(3,070)	(3)	(12)	(117)	(68)	(10,826)	(9,617)
Dividends Paid	-	-	(735)	(1,071)	(45)	(94)	781	1,165	-	-
CASH SURPLUS/(DEFICIT)	**2,816**	**(6,421)**	**(375)**	**(610)**	**(2,600)**	**(1,657)**	**2**	**(9)**	**(157)**	**(8,697)**

* See Note 1(c) for explanation of sectors

3. Taxation revenue

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Stamp duties				
Transfer	6,336	3,954	6,336	3,954
Motor vehicles	703	662	703	662
Insurance	1,219	1,095	1,219	1,095
Other duties	40	31	40	31
	8,298	5,742	8,298	5,742
Payroll tax	5,001	4,166	4,858	4,034
Vehicle registration fees	2,103	2,011	2,102	2,009
Gaming taxes and levies	1,645	1,586	1,645	1,586
Land tax	1,633	1,524	1,607	1,499
Fire levy	604	581	604	581
Guarantee fees	333	292	-	-
Other taxes	393	348	393	348
	20,011	**16,249**	**19,508**	**15,798**

Taxation revenue is recognised when one or more of the following events are satisfied:

- the underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably;
- the assessment is raised by the self-assessor (a person who lodges transactions online); and/or
- the assessment is issued as a result of Commissioner-assessed transactions or following compliance activities such as reviews and audits.

4. Grants revenue

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Commonwealth				
General purpose payments				
GST revenue grants	16,079	15,419	16,079	15,419
Other general purpose payments	4	37	4	37
Specific purpose payments	10,225	9,848	10,228	9,851
National partnership payments	3,123	3,663	3,123	3,663
Grants for on-passing to non-Queensland Government entities	4,325	3,682	4,325	3,682
	33,756	32,649	33,759	32,652
Other				
Industry/community contributions	148	136	153	139
Other grants	231	228	123	119
	379	364	275	257
	34,135	**33,013**	**34,034**	**32,910**

Commonwealth and other grants are recognised as revenue when the State obtains control over the grant, usually upon receipt. Where the grant is enforceable and contains sufficiently specific performance obligations for the State to transfer goods or services, revenue is recognised as and when the obligations are satisfied.

Specific purpose payments include $5.2 billion (2021: $4.7 billion) of activity based funding for health services received from the Australian Government's National Health Funding Pool. This funding is assessed as sufficiently specific and enforceable and is classified as revenue from contracts with customers. Substantially all of the performance obligations under this funding contract are satisfied in the same financial year that the funding is received, through health services delivered by Queensland Health. A contract liability of $11 million (2021: $58 million) was recognised at year end, reflecting unfulfilled performance obligations, included in unearned revenue in Note 39. The State does not have other material grants that are considered revenue from contracts with customers.

5. Sales of goods and services

	General Government		Total State	
	2022	2021	2022	2021
	$M	$M	$M	$M
User charges				
Sale of goods and services	4,064	3,911	17,863	15,148
Rental income	553	533	628	595
	4,617	4,444	18,491	15,743
Fees				
Transport and other licences and permits	893	854	893	854
Other regulatory fees	387	807	898	1,243
	1,280	1,661	1,791	2,097
	5,896	**6,105**	**20,282**	**17,840**

Revenue from sales of goods and services and licences are recognised when the State satisfies performance obligations for the transfer of goods or services to the customer. When revenue has been received in advance for services or works still to be completed at balance date, this revenue is considered to be unearned and is reported in other liabilities (refer Note 39).

Sales of goods and services includes revenue from contracts with customers totalling $5.2 billion (2021: $5.3 billion) for the GGS and $17.5 billion (2021: $15.3 billion) for the TSS. Below are details about the nature and timing of the satisfaction of performance obligations and related revenue recognition policies for the State's major types of revenue from contracts with customers.

Electricity supply and distribution

- Electricity wholesale revenue is recognised at a point in time when the electricity is dispatched to the National Electricity Market. Retail sales revenue is recognised either at a point in time when the electricity is dispatched to the customer or over time where there are a series of performance obligations in the contract. Progress is measured based on units of electricity delivered.
- Network tariffs revenue is recognised over time as customers are provided with access to the network and simultaneously receive and consume energy delivered to their premises.
- Payment terms are usually 10-14 business days.

Other

- Fare revenue and water grid sales revenue are recognised as the services are provided to the customer and the performance obligations are met.
- Revenue from bulk water sales to distributor retailers is recognised monthly based on the actual megalitres supplied to the grid customer during the calendar month.
- Port cargo handling charges and harbour dues are recognised at a point in time based on tonnage processed and payment is generally due upon completion of cargo handling services. To the extent that customers carry forward unused take-or-pay, revenue is deferred until such time that the tonnes have been utilised by the customers.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Revenue from regulatory fees is recognised when the taxable event giving rise to the receivable occurs.

6. Interest income

	General Government		Total State	
	2022	2021	2022	2021
	$M	$M	$M	$M
Interest on fixed rate notes	2,446	1,865	-	-
Distributions from managed funds	116	157	499	481
Other interest	80	(74)	688	747
	2,643	**1,948**	**1,188**	**1,228**

Other interest was negative in 2021 due to the reversal of an interest accrual resulting from the change in timing of the Assets / Liability Management Portfolio sweep for GGS.

7. Dividend and income tax equivalent income

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Dividends	209	831	-	15
Income tax equivalents	581	498	-	-
	790	**1,329**	**-**	**15**

For the GGS, dividends from PNFC and PFC Sector entities are recorded as revenue from transactions where the dividends are declared out of current profits. Refer Note 19 for dividends and tax equivalents paid out of prior accumulated profits and reserves or from the sale of businesses.

Dividends from the PNFC and PFC Sectors are eliminated in the TSS.

8. Other revenue

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Royalties	8,917	2,536	8,902	2,524
Land rents	171	126	172	127
Donations, gifts and services received at below fair value	166	150	167	157
Contributed assets	395	235	442	295
Fines	558	450	558	450
Other	504	650	923	1,059
	10,710	**4,147**	**11,164**	**4,610**

Royalties are recognised when one or more of the following events are satisfied:

– the underlying transaction or event which gives rise to the right to collect the revenue occurs and can be measured reliably;
– the assessment is raised by the self-assessor (a person who lodges transactions online); and/or
– the assessment is issued as a result of Commissioner-assessed transactions or following compliance activities such as reviews and audits.

Assets received at below fair value, including those received free of charge and that can be measured reliably, are recognised as revenue at their fair value when control over the assets is obtained, normally either on receipt of the assets or on notification that the assets have been secured.

9. Employee expenses

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Salaries and wages	24,331	23,157	26,470	25,174
Annual leave	2,393	2,151	2,575	2,322
Long service leave	736	611	782	664
Workers' compensation	317	293	17	13
Other employee related expenses	291	173	399	267
	28,068	**26,385**	**30,242**	**28,440**

The number of full time equivalent employees in the GGS at 30 June 2022 relating to the GGS entities listed in Note 50 totalled 245,835 (2021: 241,439). Per Budget Paper 2, Table 5.2, the estimated number of full time equivalents for 2022 was 242,656. Using the same scope as Budget Paper 2, the actual number of full time equivalents is 239,889 (2021: 234,591).

The number of Total State full time equivalent employees at 30 June 2022 relating to the consolidated entities listed in Note 50 totalled 267,686 (2021: 262,970).

10. Superannuation expenses

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Defined Benefit (refer Note 48 for additional disclosures)				
Current service cost	930	806	959	837
Interest cost	377	246	372	243
	1,307	1,052	1,331	1,080
Accumulation contributions	2,456	2,266	2,714	2,511
	3,763	**3,319**	**4,045**	**3,591**

11. Other operating expenses

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Supplies and services	14,862	13,390	21,768	17,911
Transport service contract	2,001	1,913	-	-
WorkCover Queensland and other claims	403	235	3,506	3,064
Other expenses	962	962	790	813
	18,228	**16,500**	**26,063**	**21,788**
Audit fees charged by the Queensland Audit Office to entities included in these financial statements amounted to:	14	14	19	20

12. Depreciation and amortisation

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Depreciation and amortisation expenses for the financial year were charged in respect of:				
Buildings	2,002	1,758	2,139	1,891
Infrastructure	1,076	989	3,128	3,026
Major plant and equipment	51	50	129	94
Other plant and equipment	601	604	892	888
Heritage and cultural assets	37	37	37	37
ROU assets	580	551	646	624
SCA - non-GORTO	41	51	41	51
Software development	117	129	265	261
Capitalised depreciation expense	-	-	(28)	(38)
	4,506	**4,170**	**7,250**	**6,836**

A number of assets held by the State have been determined to have indefinite useful lives and are therefore not depreciated. Such assets include land, certain road formation earthworks, the Reference Collection of the State Library of Queensland, the Art Collection and Library Heritage Collection held by the Queensland Art Gallery, the State Collection and Library Heritage Collection of the Queensland Museum, and certain other heritage and cultural assets that are subject to preservation requirements to maintain these assets in perpetuity.

Other non-financial assets are depreciated or amortised on a straight-line basis, from their date of acquisition (or in respect of internally constructed assets, from the time the asset is completed and held ready for use), over their estimated useful lives to the agency.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable value is depreciated over the remaining useful life of the asset.

12. Depreciation and amortisation continued

Right-of-use (ROU) assets are depreciated over the lease term, except where the State expects to obtain ownership of the asset at the end of the lease, in which case depreciation is over the useful life of the underlying asset.

Leasehold improvements are depreciated over the estimated useful lives of the improvements or the remaining lease term, whichever is shorter. The remaining lease term includes any option period/s where exercise of the option is reasonably certain.

Capital work in progress is not depreciated until it reaches service delivery capacity.

Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

Estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period. Reference should be made to individual agency reports for details of depreciation and amortisation methodologies.

The State has a broad range of property, plant and equipment and estimated useful lives vary widely depending on the agency. The following provides an indication of the range of estimated useful lives of the different non-financial asset classes held by the State:

Asset class	***Useful life range***
Property, plant and equipment	
Buildings	up to 80 years
Infrastructure	up to 80 years
Plant and equipment	up to 50 years
Heritage and cultural assets that do not have an indefinite life	up to 100 years
Intangibles	
Computer software	up to 30 years

13. Other interest expenses

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Interest	1,351	1,481	3,925	3,690
Leases and service concession finance charges	122	104	128	112
Other	35	34	11	18
	1,508	**1,619**	**4,064**	**3,821**

Interest and other finance charges are recognised as expenses in the period in which they are incurred.

14. Grants expenses

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Grants - recurrent	10,895	8,905	10,836	8,838
Grants - capital	1,987	1,952	1,946	1,908
Grants to first home owners	143	183	143	183
Personal benefit payments	242	200	242	200
Community service obligations	550	474	-	-
	13,817	**11,713**	**13,167**	**11,129**

15. Gains/(losses) on sale of assets/settlement of liabilities

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Financial assets/settlement of liabilities				
Derivatives	-	-	949	(767)
Other investments/settlement of liabilities	(11)	7,995	892	9,200
	(11)	7,995	1,840	8,433
Non-financial assets	5	9	(19)	1
	(6)	**8,004**	**1,822**	**8,434**

16. Revaluation increments/(decrements) and impairment (losses)/reversals

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Revaluation increments/(decrements)				
Financial assets				
Derivatives	127	(22)	(499)	697
Fixed rate notes*	(1,073)	2,653	-	-
Other investments (mainly managed funds)	(185)	74	452	4,912
	(1,132)	2,705	(47)	5,609
Non-financial assets	131	3	117	5
Impairment (losses)/reversals				
Receivables and loans	(84)	(2)	(92)	(8)
Non-financial assets	(2)	(5)	48	(341)
	(86)	(8)	(44)	(349)
	(1,087)	**2,700**	**26**	**5,265**

* Adjustment to reflect market value of underlying investments managed by QIC limited.

Impairment of non-financial assets

At each reporting date, an assessment is undertaken as to whether there are any indications that an asset is impaired. If impairment indicators exist, an impairment loss is recognised when an asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Value in use is based on discounted cash flows using a risk adjusted discount rate where assets are held primarily for the generation of cash flows.

Assets that have previously been impaired are assessed annually to determine if there has been a reversal in impairment. Where this exists, the impairment is reversed only to the extent that the re-assessed value does not exceed the original carrying amount net of depreciation and amortisation, had no impairment been recorded.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the State and that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Impairment - electricity generators

The value-in-use of electricity generators is determined on the estimated future cash flows based on the continuing use of the asset, discounted to a present value.

16. Revaluation increments/(decrements) and impairment (losses)/reversals continued

Impairment of non-financial assets continued

Impairment - electricity generators continued

The cash flow projections are prepared using forecast economic, market and industry trends, market based assumptions (such as demand, pricing and operational costs), and capital expenditure programs that willing market participants might reasonably adopt. The present value of projected cash flows is determined using a discount rate which is based on the weighted-average cost of capital (WACC). Determination of the WACC is based on separate analysis of debt and equity costs, utilising information (some of which is publicly available), including the risk free interest rate, an industry risk premium, and the underlying cost of debt.

Stanwell did not recognise any reversal of prior year impairments in relation to the Tarong Precinct (2021: $119 million impairment expense) with there being insufficient evidence to support that there has been sustainable improvement, given the volatile and uncertain outlook for conditions in the energy sector.

CS Energy recognised a partial impairment reversal of assets at its Callide B and C cash generating units of $133 million (2021: $123 million impairment expense). Included in the recoverable amount is the remaining forecast cost of rebuilding the damaged Callide Unit C4.

Impairment - water assets

Queensland Bulk Water Supply Authority (Seqwater) charges South East Queensland distributor-retailers, local governments and other customers for the supply of bulk water, with bulk water prices passed through to customers. From 2007-08, a price path was implemented to phase in price rises associated with the construction of the South East Queensland water grid. Under the price path, prices progressively transitioned to full cost recovery, with price path debt to be repaid by 2027-28.

Seqwater has performed an impairment assessment on its bulk water asset base reflecting the three most likely bulk water pricing scenarios up to and post 2028, consistent with the previous year's methodology, and impairment for 2021-22 is immaterial (2020-21: nil).

Sunwater recognised an impairment loss of $64 million (2020-21: $85 million), largely in relation to 2021-22 capital expenditure on its Mareeba Water Supply Scheme and Dam Improvement Program which will likely not generate additional future revenue.

Impairment of financial assets

Impairment for financial assets is determined on the basis of lifetime expected credit losses based on reasonable and supportable forward-looking information that is available without undue cost or effort. Expected credit losses are a probability weighted estimate of the present value of the difference between the cash flows that are due to the entity and the cash flows it expects to receive. Lifetime expected credit losses refers to the expected credit losses that result from all possible default events over the expected life of the financial asset.

Significant judgement is applied in determining the effects of future changes to macroeconomic factors (e.g. economic growth, unemployment, household debt levels, etc.) on the measurement of expected credit losses. The amount of expected credit losses (or reversal) is recognised in profit or loss as an impairment gain or loss. Refer also to Note 23(e).

17. Asset write-downs

	General Government		*Total State*	
	2022 *$M*	*2021* *$M*	*2022* *$M*	*2021* *$M*
Bad debts written off not previously impaired	(202)	(106)	(213)	(153)
Non-financial assets written off	(314)	(122)	(322)	(134)
	(516)	**(228)**	**(535)**	**(287)**

18. Actuarial adjustments to liabilities

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Long service leave - gains/(losses)	552	(428)	552	(428)
Insurances and other - gains/(losses)	355	(890)	971	(799)
	906	**(1,318)**	**1,523**	**(1,227)**

19. Dividends and tax equivalents treated as capital returns

For GGS, dividends and tax equivalents from PNFC and PFC Sector entities paid out of prior accumulated profits and reserves or from the sale of businesses represent a return of Government's initial equity investment under ABS GFS principles and are disclosed as other economic flows.

There were no tax equivalents treated as capital returns in 2021-22 or 2020-21.

20. Other economic flows - included in operating result - other

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Net market value interest revenue/(expense)	-	(13)	13,333	2,778
Time value adjustments	33	47	48	40
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method	(3)	3	(3)	2
Onerous contracts expense	-	-	(107)	(85)
SCA - assets - GORTO depreciation	(137)	(136)	(137)	(136)
SCA - liabilities - GORTO amortisation	235	235	235	235
Other economic flows not elsewhere classified	27	14	23	7
	155	**150**	**13,391**	**2,840**

21. Other economic flows - other movements in equity

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Revaluations				
Revaluations of financial assets - increments/(decrements)				
Investments in Public Sector entities	(1,488)	(396)	5	2
Other financial assets	(817)	(218)	(2,862)	(726)
	(2,305)	(614)	(2,857)	(724)
Revaluations of non-financial assets - increments/(decrements)				
Property, plant and equipment	33,744	5,890	33,967	6,263
SCA - GORTO	750	74	750	74
	34,493	5,964	34,716	6,337
Actuarial gain/(loss) on defined benefit superannuation plans	4,589	(168)	4,693	(66)
	36,777	**5,182**	**36,552**	**5,548**
Other				
Equity transfers and adjustments including those from ceased entities	**-**	**(82)**	**-**	**(82)**

Of the above revaluation movements, balances relating to financial assets at fair value through other comprehensive income and cash flow hedges may subsequently be recycled to the Operating Result.

22. Cash and deposits

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Cash and Deposits on call	738	194	6,481	12,423
QTC cash funds	972	935	-	-
	1,710	**1,129**	**6,481**	**12,423**
Reconciliation to Cash Flow Statement				
Balances per Cash Flow Statement	**1,710**	**1,129**	**6,481**	**12,423**

All material cash balances held by agencies are managed and invested by QTC daily to maximise returns in accordance with agreed risk profiles on a whole of Government basis.

Cash and deposits include cash on hand, cash at bank, deposits at call (which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value) and money market deposits, net of outstanding bank overdrafts. Where a net overdraft arises on cash at bank, the overdraft is included in loans - other on the Balance Sheet.

23. Receivables and loans

(a) Receivables

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Trade debtors	1,162	1,159	3,004	2,754
GST input tax credits receivable	321	304	378	340
Income tax equivalent, dividends and guarantee fees receivable	500	898	-	-
Royalties and land rents revenue receivable	57	26	57	26
Taxes receivable	578	1,344	573	1,339
Other receivables	2,128	2,381	2,450	2,316
	4,746	6,112	6,461	6,776
Less: Loss allowance	694	614	755	678
	4,052	**5,498**	**5,706**	**6,098**
Non-current				
Trade debtors	21	26	365	324
Other	105	76	275	203
	127	102	639	528
Less: Loss allowance	12	23	16	28
	115	**79**	**623**	**500**
	4,166	**5,577**	**6,329**	**6,598**

23. Receivables and loans continued

(b) Advances paid

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Advances	110	115	97	95
Less: Loss allowance	17	15	17	15
	93	**100**	**80**	**80**
Non-current				
Advances	1,236	1,297	1,234	1,294
Less: Loss allowance	96	100	98	102
	1,139	**1,197**	**1,136**	**1,193**
	1,233	**1,297**	**1,216**	**1,272**

(c) Loans paid

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Finance leases	11	17	13	19
Other loans	16	20	2,081	242
	27	**37**	**2,095**	**261**
Non-current				
Onlendings	-	-	9,833	10,851
Finance leases	174	195	275	296
Other loans	131	145	154	175
	304	**340**	**10,262**	**11,322**
Less: Loss allowance	1	1	1	1
	303	**339**	**10,261**	**11,321**
	330	**375**	**12,355**	**11,582**

Loans include finance leases and loans supporting policy objectives of the Government rather than for liquidity management purposes. Settlement on finance leases is within the terms of the lease, ranging from 2 to 99 years. Title is passed to the purchaser on full repayment.

Receivables and loans are initially measured at fair value plus any directly attributable transaction costs. Subsequently, receivables and loans (except onlendings by QTC) are recorded at amortised cost using the effective interest method less any loss allowances. Onlendings are recognised at fair value through profit or loss.

Any interest income is recognised in the operating result in the period in which it accrues. For further details on the State revenue recognition policies, refer to the relevant revenue notes (Notes 3 to 8).

(d) Contractual maturities of lease receivables

Minimum operating lease receivable not recognised in the financial statements:

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Not later than 1 year	54	47	115	102
Later than 1 year but not later than 5 years	150	129	341	310
Later than 5 years	241	185	897	842
	445	**360**	**1,353**	**1,254**

23. Receivables and loans continued

(e) Impairment of receivables and loans

The loss allowances for receivables reflect lifetime expected credit losses, while the loss allowances for loans and advances reflect either 12-month expected credit losses or lifetime expected credit losses depending on whether there has been a significant increase in credit risk.

Expected credit loss calculations incorporate both historical credit loss data and reasonable and supportable forward-looking information. Forward-looking information includes forecast economic changes expected to impact the State's debtors, along with relevant industry and statistical data where applicable.

Loss allowances for receivables are assessed by agencies either individually by debtor or on a collective basis using provision matrices. Where a provision matrix is used, loss rates are determined separately for groupings of customers with similar loss patterns.

Areas of significant credit risk concentrations for the GGS and TSS are unpaid penalties and fines within the State Penalties Enforcement Registry (SPER), taxation debtors of the Queensland Revenue Office (QRO), COVID-19 Jobs Support Loans issued by the Queensland Rural and Industry Development Authority (QRIDA), Queensland Health's hotel quarantine fee recoveries, and Queensland Building and Construction Commission (QBCC) claims receivables which are primarily Insurance Fund Group debtors.

SPER penalties and fines receivables, quarantine fee receivables and QRO tax receivables all exhibit high credit loss rates due to their nature, further, tax receivables include amounts owed by companies that have already gone into liquidation. QBCC insurance claims are recoverable from at-fault builders who, in the majority of cases, have ceased trading due to bankruptcy or insolvency.

The COVID-19 Jobs Support Loans scheme was launched in March 2020. The interest repayment cycle only commenced for these loans on 30 April 2021, with no principal repayments required until April 2023. The loss allowance for COVID-19 Jobs Support Loans is subject to significant estimation uncertainty due to its dependence on data that is not yet observable, the current economic environment, and the nature of the scheme. There is therefore a significant risk of a material adjustment to the carrying amount of the loans within the next financial year. These uncertainties were not resolved by 30 June 2022 as principal repayments do not commence until April 2023.

2022

	Gross receivables *$M*	*Average loss rate*	*Expected credit losses* *$M*	*Carrying amount* *$M*
Receivables				
SPER penalties and fines receivable	1,117	29.4%	329	789
Queensland Health quarantine fees receivable	109	63.4%	69	40
Queensland Revenue Office taxes receivable*	311	21.2%	66	245
QBCC claims receivable	81	75.7%	61	20
Other receivables	5,482	4.5%	247	5,236
	7,101		**772**	**6,329**
Loans and Advances paid				
QRIDA COVID-19 Jobs Support Loans receivable	746	12.3%	91	655
Other advances	584	4.2%	25	561
	1,330		**116**	**1,216**

23. Receivables and loans continued

(e) Impairment of receivables and loans continued

2021

	Gross receivables *$M*	***Average loss rate***	***Expected credit losses*** *$M*	***Carrying amount*** *$M*
Receivables				
SPER penalties and fines receivable	1,082	27.4%	296	786
Queensland Health quarantine fees receivable	137	39.8%	55	82
Queensland Revenue Office taxes receivable*	922	6.0%	56	866
QBCC claims receivable	73	72.8%	53	20
Other receivables	5,090	4.8%	247	4,844
	7,304		**706**	**6,598**
Loans and Advances paid				
QRIDA COVID-19 Jobs Support Loans receivable	795	11.9%	95	700
Other advances	595	3.7%	22	573
	1,390		**117**	**1,272**

* Tax receivables in 2020-21 include $667 million of payroll tax debts which have been deferred from collection until January 2022 as part of the COVID-19 relief measure. A loss rate of 1.2% has been applied to these receivables. Excluding these deferred payroll taxes, the loss rate for tax receivables in 2020-21 would have been approximately 18.7%.

The State typically considers a financial asset to be in default when it is over 90 days past due. However, debts referred to SPER are usually over 90 days past due, and SPER will continue enforcement activity on those debts as long as it is cost effective to do so. A financial asset can also be in default before becoming 90 days past due if information indicates that the State is unlikely to receive the outstanding amounts in full.

Where the State has no reasonable expectation of recovering an amount owed by a debtor, the debt is written off by directly reducing the receivable against the loss allowance. SPER debts are written off in accordance with internal policy guidelines when it becomes unlikely that the debts could be recovered cost-effectively. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

	General Government		*Total State*	
	2022 *$M*	*2021* *$M*	*2022* *$M*	*2021* *$M*
Loss allowance as at 1 July	754	761	824	852
Amounts written off during the year	(146)	(72)	(156)	(98)
Increase/decrease in allowance recognised in operating result	213	65	220	70
Loss allowance as at 30 June	**820**	**754**	**888**	**824**

24. Securities and shares

(a) Securities other than shares

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Term deposits and other investments held at amortised cost	78	81	78	81
Rental purchase plan	7	6	7	6
Securities/bonds	239	264	11,885	2,822
Fixed rate notes	2,496	2,208	-	-
Investments managed by QIC Limited*	2,005	1,920	8,261	7,850
Derivatives				
Cash flow hedges	-	-	1,380	66
Other derivatives	-	-	8,708	670
Other	30	31	8,371	3,060
	4,854	**4,510**	**38,691**	**14,555**
Non-current				
Term deposits and other investments held at amortised cost	53	111	64	118
Rental purchase plan	200	178	200	178
Securities/bonds	-	-	8,279	8,942
Fixed rate notes	37,876	35,607	-	-
Investments managed by QIC Limited*	644	799	43,676	41,604
Derivatives				
Cash flow hedges	-	-	398	56
Other derivatives	-	-	3,445	528
Other	177	162	476	635
	38,950	**36,857**	**56,539**	**52,061**
	43,805	**41,366**	**95,230**	**66,616**

* Investments managed by QIC Limited were allocated over the following categories:

	Debt Retirement Fund 2022 $M	Debt Retirement Fund 2021 $M	Total State 2022 $M	Total State 2021 $M
Cash	1,096	2,731	8,988	11,254
Fixed interest	511	585	4,164	6,570
Global equities	2,970	2,117	10,539	9,596
Property and infrastructure	2,205	1,950	14,087	11,966
Other	936	360	14,159	10,069
	7,718	**7,742**	**51,938**	**49,454**

Debt Retirement Fund

The Debt Retirement Fund (DRF) is a sub fund of the Queensland Future Fund (QFF). The DRF was established for the purpose of providing funding for reducing the State's debt. Funds invested in the DRF are held for future growth and are offset against state debt to support Queensland's credit rating. In accordance with the *Queensland Future Fund Act 2020*, payments from the DRF may only be made to reduce the State's debt or pay fees or expenses relating to the administration of the fund.

Further information on the DRF can be found in Note 41 of Queensland Treasury's audited financial statements.

24. Securities and shares continued

(b) Investments in public sector entities

The GGS has equity investments in PNFCs and PFCs that are measured at fair value as the Government's proportional share of the carrying amount of net assets of the PNFC and PFC Sector entities on a GAAP basis. Investments in public sector entities on this basis differ from valuations under GFS. Refer to Note 51 for a discussion of differences between GAAP and GFS.

Note 1(c) outlines the functions of the PNFC and PFC Sectors. Refer to Note 50 for a comprehensive list of entities consolidated within each sector. Investments in the PNFC and PFC Sectors are eliminated on consolidation of the TSS.

Accounting Policy

Financial assets disclosed in this note are classified as either financial assets held at amortised cost, financial assets at fair value through other comprehensive income or financial assets at fair value through profit or loss. The carrying amount of financial assets in each of the categories is disclosed in Note 47.

Financial assets at amortised cost

Term deposits are measured at amortised cost, these are held for collecting contractual cash flows.

Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at FVOCI are valued at fair value at balance date. Unrealised gains and losses are brought to account in equity and included as 'Other economic flows - other movements in equity' on the Operating Statement.

For the GGS, securities/bonds are measured at FVOCI as they are held for the purpose of both selling and collecting contractual cash flows. These include corporate bonds, corporate notes and government bonds.

For GGS, controlling investments in other public sector entities (PNFCs and PFCs) are also measured at FVOCI. The State has not disposed of any FVOCI equity investments during this reporting period.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are valued at fair value at balance date. Unrealised gains and losses are brought to account as 'Other economic flows - included in operating result' on the Operating Statement.

Under Rental Purchase Plan agreements and Pathways Shared Equity program, the State has a proportional interest in the underlying properties and those interests meet the definition of a financial instrument. They are measured at FVTPL with fair value being based on the net market value of the State's proportion of the underlying properties.

For GGS, fixed rate notes held with QTC are measured at FVTPL because the cash flows do not solely represent payments of principal and interest. Fixed rate notes are eliminated on consolidation of the TSS.

Other financial assets at fair value through profit or loss held by the State include discount securities, Commonwealth and State securities, floating rate notes, medium term notes, fixed interest deposits, investments managed by QIC Limited, other investments in managed funds, shares and derivatives. The accounting policy for derivatives is further discussed in Note 37.

The significant increase in derivatives balances this year was due to increases in the value of electricity derivatives held by electricity GOCs, arising from large increases in energy prices in the second half of the 2021-22 financial year.

25. Other investments

Other investments refer to claims on other entities (or arrangements) entitling the State to a share of the income of the entity and a right to a share of the residual assets of the entity should it be wound up (in the case of associates and joint ventures) or a share of revenue, expenses, assets and liabilities of the arrangement (in the case of joint operations). These investments are held at fair value.

25. Other investments continued

(a) Investments accounted for using the equity method

Associates are those entities over which the State has significant influence but not control. Joint ventures are joint arrangements whereby the State has joint control and rights to the net assets of the arrangements. Such entities are accounted for using the equity method of accounting in accordance with AASB 128 *Investments in Associates and Joint Ventures*. The State's share of its associates' or joint ventures' post-acquisition profits or losses (less dividends) is recognised in the Operating Statement as an other economic flow and its share of post-acquisition movements in reserves is recognised in the reserves. The cumulative post-acquisition movements are recognised against the carrying amount of the investment. Dividends from associates and joint ventures are recognised as revenue from transactions in the Operating Statement.

The State has a number of investments in unlisted associated and joint venture entities that are accounted for using the equity method.

The most material of these are the 50% share in the Dumaresq-Barwon Border Rivers Commission and the 25% interest in the Translational Research Institute Trust.

(i) Dumaresq-Barwon Border Rivers Commission is a joint authority constituted by an agreement between the Queensland and New South Wales Governments.

(ii) Translational Research Institute (TRI) Trust is a Discretionary Unit Trust founded by four members, of which Queensland Health is one. Each founding member holds 25 units in the TRI Trust and equal voting rights. The TRI Trust's objectives are to operate and manage the TRI Facility to promote medical study, research and education.

(b) Investments in joint operations

Joint operations are joint arrangements whereby the State has control and rights to the assets and obligations for the liabilities relating to the arrangements. Such arrangements are accounted for in accordance with AASB 11 *Joint Arrangements*. The State recognises its share of jointly held or incurred assets, liabilities, revenue and expenses in the joint operations.

General Government Sector

Joint arrangements are as follows:

Queensland Health

Queensland Health is a partner to the Australian e-Health Research Centre (AEHRC) joint operation under the current agreement which runs to 30 June 2022. As at 30 June 2022, a renewal of the agreement was being negotiated.

Sunshine Coast Hospital and Health Service

The Sunshine Coast Hospital and Health Service has a 28.9% (2021: 28.9%) interest in the Sunshine Coast Health Institute (SCHI). TAFE Queensland, Griffith University and the University of the Sunshine Coast each have a 23.7% interest in the SCHI. SCHI's primary aims are to advance the education of trainee medical officers, nurses, midwives and other health care professional, while providing outstanding patient care and extending research knowledge.

Metro North Hospital and Health Service

Metro North HHS has joint control over two arrangements, namely Herston Imaging Research Facility (HIRF) and the Oral Health Centre (OHC).

Total State Sector

Joint arrangements for the TSS include the GGS joint arrangements above, as well as the following:

CS Energy Limited

The following are the joint operations in which CS Energy Limited has an interest:

Name of entity	*Principal activity*	*Ownership interest* 2022 %	*Ownership interest* 2021 %
Callide Power Management Pty Ltd	Joint Operation Manager	50	50
Callide Power Trading Pty Ltd	Electricity Marketing Agent	50	50

25. Other investments continued

(b) Investments in joint operations continued

Total State Sector continued

CS Energy Limited continued

CS Energy Limited, has a 50% interest in Callide C Power Station through the unincorporated Callide Power Project Joint Venture and is entitled to 50% of the earnings generated by Alinta Energy Retail Sales Pty Ltd in the residential retail energy market in South East Queensland.

CleanCo Queensland Limited

CleanCo Queensland Limited has a 50% interest in Kogan North Joint Venture operation with the principal activities being exploration and production of gas.

26. Public private partnerships

The State has entered into a number of Public Private Partnerships (PPPs) over time. The accounting treatment of these PPPs varies according to the terms of the arrangements. They may be:

– Directly owned by the State, but partly privately financed;

– Right of use (ROU) assets held through leases and similar arrangements; or

– Service Concession Arrangement (SCA) assets and liabilities, either GORTO (Grant of Right to Operate) or non-GORTO.

The purpose of this note is to describe the various arrangements the State has entered into and how and when they are accounted for as well as aggregating the future cash flows the State is committed to under these arrangements.

The following PPPs apply to both the GGS and TSS statements.

Education

(a) South East Queensland schools - Aspire

In April 2009, the State Government entered into a contractual arrangement with Aspire Schools (Qld) Pty Limited (Aspire) to design, construct, maintain and partially finance seven State schools for a period of 30 years on the State's land.

Construction work was finalised in January 2014. This is a social infrastructure arrangement whereby the State pays for the third party use of the asset through regular service payments to Aspire over the life of the contract.

The State pays Aspire abatable, undissected service payments for the operation, maintenance and provision of the schools. At the expiry of the agreement in 2039, the buildings will revert to the State for nil consideration. The land on which the schools are constructed is owned and recognised as an asset of the State.

The fair value of the buildings is recognised as an asset in Note 31 with the corresponding recognition for future payments as a loan liability in Note 37(d).

(b) Queensland schools - Plenary

In December 2013, the State Government entered into a contractual arrangement with Plenary Schools Pty Ltd (Plenary) for the construction and management of 10 schools in South East Queensland on State land. This is a social infrastructure arrangement whereby the State pays for the third party use of the asset through regular service payments to Plenary over the life of the contract. The project period is for 30 years and is expected to end in December 2043.

Construction work was finalised in January 2019. The State paid a series of capital contributions during the construction phase of the project totalling $190 million. These contribution payments result in lower service payments over the period of the concession.

The fair values of the buildings is recognised as an asset in Note 31 with the corresponding recognition for future payments as a loan liability in Note 37(d).

26. Public private partnerships continued

Employment, Small Business & Training

(a) Southbank Education and Training Precinct

In April 2005, the State Government entered into a contractual arrangement with Axiom Education Queensland Pty Ltd (Axiom) to design, construct, maintain and finance the Southbank Education and Training Precinct for a period of 34 years on State land. This is a social infrastructure arrangement whereby the State pays for the third party use of the asset through regular service payments to Axiom over the life of the contract. The arrangement involved the refurbishment or demolition of existing buildings and the development of new buildings.

Construction work was completed on 31 October 2008. The State pays abatable, undissected service payments to Axiom for the operation, maintenance and provision of the precinct. At the expiry of the agreement in 2039, the buildings will revert to the State for nil consideration.

The fair value of the buildings is recognised as an asset in Note 31 with the corresponding recognition for future payments as a loan liability in Note 37(d).

Queensland Health and Hospital and Health Services (HHSs)

(a) Sunshine Coast University Hospital (SCUH)

In 2012, the State entered into a PPP with Exemplar Health (EH) to finance, design, build and operate the SCUH. The 25-year operating phase of the PPP commenced on 16 November 2016. The fair value of the liability payable to EH for the construction of SCUH was $538 million. Other than certain assets contained within the Sunshine Coast Health Institute, Sunshine Coast HHS (SCHHS) has full control of all SCUH buildings, land, specialist medical assets and all other equipment. EH ensures all infrastructure is fit for use throughout the operating term, but SCHHS operates the facility and manages all healthcare provided. At the end of the 25-year term, the assets will remain in the control of SCHHS. These assets are included in the building asset class in Note 31.

As part of the SCUH PPP, EH constructed two carparks on the SCUH site. These carparks are legally owned by the SCHHS and recorded in the building asset class in Note 31. The State has granted EH a licence to undertake carparking operations for the duration of the 25-year operating term which entitles EH to generate revenue from the operations themselves. The State has unearned revenue from the carpark licence included in Note 39.

(b) Surgical, Treatment and Rehabilitation Service (STARS)

In 2017, the State entered into a PPP with Australian Unity. Australian Unity's scope of work includes the construction of a new Surgical, Treatment and Rehabilitation Service (STARS) at Herston. The land on which STARS was developed is owned by the State and leased to Australian Unity for 99 years. The State was contractually obligated to occupy the STARS building upon completion and entered into a lease on 4 November 2020 for an initial 20-year period, with an option to extend this lease by two periods of 10 years. The assets are included as right of use (ROU) assets in Note 31 and the lease liability is included in Note 37(d).

(c) Other public infrastructure facilities

The State Government has entered into a number of other contractual arrangements with private sector entities for the construction and operation of public infrastructure facilities on State land for a period of time. After an agreed period of time, ownership of these facilities will pass to the State.

Entity	Facility	Counterparty	Term of Agreement	Commencement Date
Gold Coast HHS	Western car park	SurePark Pty Ltd	31 years	July 2010
Metro North HHS	Butterfield Street car park	International Parking Group Pty Ltd	30 years	January 1998
Metro North HHS	The Prince Charles Hospital car park	International Parking Group Pty Ltd	22 years	November 2000
Metro South HHS	The Princess Alexandra Hospital multi storey car park	International Parking Group Pty Ltd	25 years	February 2008
Sunshine Coast HHS	Noosa Hospital	Noosa Privatised Hospital Pty Limited	10 years	July 2020
Townsville HHS	Medilink	Trilogy Funds Management Ltd	30 years	January 2012
Townsville HHS	Goodstart Early Learning	Trilogy Funds Management Ltd	32 years	February 2012

26. Public private partnerships continued

Queensland Health and Hospital and Health Services (HHSs) *continued*

(c) Other public infrastructure facilities continued

The Gold Coast University Hospital western car park is a SCA under AASB1059 and is included in Note 33 as a GORTO asset.

The Metro North car parks are not considered SCAs under AASB 1059 and are included in land and buildings in Note 31, with unearned revenue included in Note 39.

The Princess Alexandra Hospital car park is a SCA under AASB 1059 and is included in Note 33 as a GORTO asset.

The SCHHS funds Noosa Hospital Pty Limited for the provision of Combined Services which includes Public Patient Services and Ambulatory Services. This is not considered a SCA under AASB 1059.

The Medilink and GoodStart Early Learning centres are not controlled by the Townsville HHS and are not included on the Balance Sheet.

(d) Co-location agreements

The State has also entered into a number of contractual arrangements (termed co-location agreements) with private sector entities for the construction and operation of private health facilities for a period of time on State land. After an agreed period, ownership of these facilities will pass to the State. The State does not control the facilities associated with these arrangements and accordingly, does not recognise these facilities and any rights or obligations that may attach to these arrangements, other than those recognised under generally accepted accounting principles.

Entity	**Facility**	**Counterparty**	**Term of Agreement**	**Commencement Date**
Gold Coast HHS	Gold Coast Private Hospital	Healthscope Ltd	50 years	March 2016
Metro North HHS	Caboolture Private Hospital	Affinity Health Ltd	25 years	May 1998
Metro North HHS	St Vincent's Private Hospital Northside (formerly known as Holy Spirit Northside Private Hospital)	St Vincent's Private Hospital Northside Ltd	66 years	September 1999
Metro South HHS	Mater Private Hospital Redland	Sisters of Mercy in Queensland	25 years + 30 years	August 1999
Metro South HHS	Translational Research Institute Building	Translational Research Institute Pty Ltd	30 years + 20 years	May 2013
Metro South HHS	University of Queensland Training Facility – Redland Hospital	University of Queensland	20 years	August 2015
Metro South HHS	University of Queensland Training Facility – Queen Elizabeth II Jubilee Hospital	University of Queensland	20 years	September 2015

Transport and Main Roads

(a) Gold Coast Light Rail - G:link (GCLR)

In May 2011, the State entered into a contractual arrangement with GoldLinQ Consortium (GoldLinQ) to finance, design, build, operate and maintain the Gold Coast light rail system linking key activity centres from Griffith University (Gold Coast Campus) and the Gold Coast University Hospital to Broadbeach via Southport. The operation of the system commenced in July 2014.

GoldLinQ partially financed construction of the system, with the State providing a capital contribution. During operations, GoldLinQ paid monthly performance-based payments for operations, maintenance and repayment of the debt finance used to construct the system. The State receives fare-box and advertising revenue generated by the system.

In April 2016, the State entered into a contractual arrangement with GoldLinQ for stage two of the Gold Coast Light Rail system. Stage two connects the existing light rail system at Gold Coast University Hospital Light Rail station to heavy rail at the Helensvale station. Stage two of the system commenced operations on 18 December 2017.

26. Public private partnerships continued

Transport and Main Roads continued

(a) Gold Coast Light Rail - G:link (GCLR) continued

In March 2022 the State entered into a contractual arrangement with GoldlinQ for Stage three of the Gold Coast Light Rail system. Early works have been completed and construction on Stage three of the system has commenced. Stage three will extend the light rail from Broad Beach to Burleigh Heads. The 6.7km extension south of the existing tram network will link Helensvale to Burleigh Heads and provide eight additional stations and 5 new light rail vehicles.

Planning has begun for the Gold Coast Light Rail Stage four, a 13km extension south of the light rail Stage three, linking Burleigh Heads to Coolangatta via the Gold Coast Airport.

At the end of the operation period, ownership of the system will transfer to the State.

The GCLR assets are disclosed as non-GORTO service concession assets in Note 31 and liabilities in Note 37(d).

(b) Toowoomba Second Range Crossing (TSRC)

In August 2015, the State entered into a contractual arrangement with Nexus Infrastructure Consortium to finance, design, build, operate and maintain a range crossing connecting the Warrego Highway at Helidon Spa in the east with the Gore Highway at Athol in the west, via Charlton.

The bypass opened to traffic in September 2019 and toll collection commenced in December 2019, with Transurban Queensland contracted to provide the tolling collection service on behalf of the State.

The State will make ongoing quarterly service payments over the 25-year operation and maintenance period, which includes repayment of the debt finance used to construct the bypass. Maintenance payments will be expensed during the relevant year. At the expiry of the concession period, the State will retain ownership of the range crossing.

The TSRC assets are disclosed as non-GORTO service concession assets in Note 31 and liabilities in Note 37(d).

(c) New Generation Rollingstock

In January 2014, the State entered into a 32-year contractual arrangement with NGR Project Company Pty Ltd (Bombardier NGR Consortium) for the design, construction and maintenance of 75 new six car train sets and a new purpose-built maintenance centre. The arrangement involves the State paying the consortium a series of availability payments over the concession period.

In June 2016, the maintenance centre was accepted by the State. By December 2019, all train sets had been accepted and recognised on the Balance Sheet.

In March 2019, an amendment deed was signed to modify the trains in accordance with the Disability Standards for Accessible Public Transport 2002. Modifications to all 75 trains will be completed by 2024. Rectification works have been completed for 15 trains in 2021-22, with a total of 18 units upgraded to date under this agreement.

At the expiry of the concession period, the State will retain ownership of the trains and the maintenance centre.

The rollingstock assets are disclosed in Note 31 as major plant and equipment and liabilities as other loans in Note 37(d).

(d) Airportlink M7

In June 2008, the State entered into a 45-year SCA with BrisConnections to design, construct and maintain the Airport Link toll road (Airportlink). In April 2016, Transurban Queensland assumed responsibility for Airportlink and now operates Airportlink under the SCA.

In return for collecting the tolls, Transurban Queensland must maintain, operate and manage the toll road for the concession period and also assume the demand and patronage risk. At the end of the service concession period, Airportlink assets will be transferred to the State for nil consideration.

Airportlink is disclosed as a GORTO in Note 33.

(e) Gateway and Logan Motorways and Port Drive

A Road Franchise Agreement (RFA) was established between the State and Queensland Motorways Limited (QML) in April 2011 for the operation, maintenance and management of the Gateway and Logan Motorways for a period of 40 years. In 2014, Transurban Queensland acquired QML and now operates the Gateway Motorway and Logan Motorway toll roads under the RFA with the State.

26. Public private partnerships continued

Transport and Main Roads continued

(e) Gateway and Logan Motorways and Port Drive continued

In return for collecting the tolls, Transurban Queensland must maintain, operate and manage the toll roads for the period of the franchise and also assumes the demand and patronage risk for the franchise period. At the end of the RFA concession period, the toll roads infrastructure assets will be transferred to the State.

An RFA was also established with Port of Brisbane to maintain and manage the Port Drive motorway. The operator obtains indirect benefits from ongoing maintenance through this increased capacity and access to the port precinct.

All the Gateway and Logan Motorways and Port Drive assets and liabilities are disclosed as GORTOs in Note 33.

(f) Brisbane Airport Rail Link

In 1998, the State Government entered into a 35-year concession agreement with Airtrain Citylink Limited (Airtrain) to design, construct, maintain and operate the Brisbane Airport Rail Link (BARL), a public passenger rail system connecting the Queensland Rail City network to the Brisbane Domestic and International Airports. The BARL is currently in the maintenance and operating phase of the agreement after commencement of operations on 7 May 2001.

In return for collecting passenger fares, Airtrain must maintain, operate and manage the BARL for the period of the concession and also assume the demand and patronage risk for the concession period. At the end of this period, the agreement provides for Airtrain to transfer the BARL assets to the State for nil consideration.

The State Government leases airport land from the Brisbane Airport Corporation and sub-leases the land to Airtrain. The State recognises the assets and liabilities associated with the arrangement as GORTOs in Note 33.

Energy and Public Works

(a) Development at 1 William Street Brisbane

1 William Street is a commercial office tower development. Cbus Property was the successful tenderer with a bid of $653 million and on 21 December 2012, the State entered into a project deed, development lease, 99-year ground lease and a sub-lease from the developer for 15 years. The building was occupied in October 2016.

The asset is disclosed as a ROU asset in Note 31 and the lease liability is included in Note 37(d).

(b) Queen's Wharf Precinct

On 16 November 2015, the State entered into contractual arrangements with the Destination Brisbane Consortium (the Consortium) to redevelop the Queen's Wharf Precinct in the centre of Brisbane into an Integrated Resort Development (IRD) Project. A leasehold development lease and a freehold development lease for the project commenced on 22 February 2018, transferring responsibility of the whole of the site from the State to the Consortium. As at 30 June 2022, the land and buildings in the precinct have been valued on the basis that the contractual arrangements are considered to be non-cancellable and the highest and best use of the land and buildings in the precinct is that of an IRD.

Cross River Rail Delivery Authority

On 4 April 2019, the State announced the companies selected to build one of the key Cross River Rail Project works packages. The Tunnel, Stations and Development (TSD) PPP will be delivered by the Pulse consortium.

The TSD PPP will deliver the underground section of the project, including the tunnel from Dutton Park to Normanby and the construction of four new underground stations at Boggo Road, Woolloongabba, Albert Street and Roma Street.

The TSD package reached financial close on 1 July 2019 and is accounted for as a construction contract with a service outsourcing arrangement. The State is contracted to make payments between 2019-20 and 2049-50 covering the capital cost and financing of the TSD component, as well as maintenance.

The asset is included in Note 31 as capital work in progress and the liability as other loans in Note 37(d).

26. Public private partnerships continued

The estimated net cash flows resulting from PPPs are reflected below:

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Inflows				
Not later than 1 year	71	82	71	82
Later than 1 year but not later than 5 years	315	334	315	334
Later than 5 years but not later than 10 years	378	416	378	416
Later than 10 years	610	663	610	663
	1,374	**1,495**	**1,374**	**1,495**
Outflows				
Not later than 1 year	(1,347)	(1,545)	(1,347)	(1,545)
Later than 1 year but not later than 5 years	(3,388)	(4,318)	(3,388)	(4,318)
Later than 5 years but not later than 10 years	(3,141)	(3,097)	(3,141)	(3,097)
Later than 10 years	(7,013)	(7,438)	(7,013)	(7,438)
	(14,889)	**(16,398)**	**(14,889)**	**(16,398)**
Net Cash Outflows	**(13,515)**	**(14,903)**	**(13,515)**	**(14,903)**

27. Inventories

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Raw materials, work in progress and finished goods	235	257	806	797
Land held for resale	265	316	265	317
Inventories held for distribution	143	143	143	143
Environmental certificates held for sale/surrender	-	-	82	102
Other	8	9	114	98
	650	**725**	**1,410**	**1,456**

Inventories (other than those held for distribution) are carried at the lower of cost and net realisable value under AASB 102 *Inventories*. Cost is determined on the weighted average cost basis and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition. Where inventories are acquired for nil or nominal consideration, the cost is the current replacement cost as at the date of acquisition.

Land held for resale is stated at the lower of cost and net realisable value. Such cost is assigned by specific identification and includes the cost of acquisition and development.

Inventories held for distribution are those inventories which the State distributes for nil or nominal consideration. These are measured at cost, adjusted for any loss of service potential.

Environmental certificates are recognised in the financial statements at fair market value.

28. Assets held for sale

Non-current assets classified as held for sale, mainly land and buildings, are determined to be available for immediate sale in their present condition and, where their sale is highly probable, within the next twelve months.

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated or amortised.

29. Investment properties

Properties held to earn rental income or for capital gains purposes are classified as investment properties and held at fair value. Changes in fair value are recognised in the Operating Statement as other economic flows and no depreciation expense or asset impairment is recognised. Movements in investment properties in the current year largely relate to revaluations.

30. Restricted assets

A number of assets included in the consolidated financial statements are classified as restricted assets because their use is wholly or partially restricted by externally imposed requirements. These assets include:

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Rental bond receipts held in managed funds restricted by legislation	903	960	903	960
Funding held for specific assistance programs approved under regulation	209	253	209	253
Cash and property, plant and equipment to be used for other specific purposes	260	239	267	239
	1,373	**1,452**	**1,380**	**1,452**

31. Property, plant and equipment

General Government Sector

	Gross		Accumulated depreciation/impairment		Written down value	
	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M
Land	122,975	102,311	(8)	(8)	122,967	102,303
Buildings	74,413	66,244	(28,883)	(25,014)	45,530	41,230
Infrastructure	101,310	85,972	(24,511)	(21,445)	76,800	64,527
Major plant and equipment	1,384	1,321	(162)	(134)	1,223	1,187
Other plant and equipment	7,439	7,246	(4,634)	(4,335)	2,805	2,911
Heritage and cultural assets	2,579	2,367	(639)	(773)	1,939	1,595
ROU assets	5,100	4,689	(1,679)	(1,172)	3,421	3,517
SCA - non-GORTO	2,584	2,565	(190)	(272)	2,394	2,293
Capital work in progress	12,640	11,399	-	-	12,640	11,399
	330,425	**284,115**	**(60,705)**	**(53,152)**	**269,720**	**230,963**

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:

	Land		Buildings		Infrastructure		Major plant and equipment	
	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M	2022 $M	2021 $M
Carrying amount at beginning of year	102,303	100,126	41,230	39,213	64,527	62,160	1,187	1,185
Acquisitions	477	151	851	790	-	1	-	-
Disposals	(36)	(71)	(31)	(11)	(4)	(3)	(4)	(5)
Revaluation increments/(decrements)	20,026	2,102	3,978	1,378	9,250	2,210	28	2
Depreciation and amortisation	-	-	(2,002)	(1,758)	(1,076)	(989)	(51)	(50)
Net asset transfers	198	(6)	1,504	1,618	4,101	1,148	64	56
Carrying amount at end of year	**122,967**	**102,303**	**45,530**	**41,230**	**76,800**	**64,527**	**1,223**	**1,187**

31. **Property, plant and equipment** continued

General Government Sector continued

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below continued:

	Other Plant and equipment		*Heritage and cultural assets*		*ROU assets*		*SCA-non-GORTO*	
	2022	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*
Carrying amount at beginning of year	2,911	2,856	1,595	1,557	3,517	3,410	2,293	2,414
Acquisitions	355	439	9	2	975	1,547	76	-
Disposals	(27)	(10)	-	-	(4)	(1)	-	-
Revaluation increments/(decrements)	(3)	(1)	353	59	74	7	242	131
Depreciation and amortisation	(601)	(604)	(37)	(37)	(580)	(551)	(41)	(51)
Net asset transfers	169	231	21	14	(561)	(896)	(176)	(200)
Carrying amount at end of year	**2,805**	**2,911**	**1,939**	**1,595**	**3,421**	**3,517**	**2,394**	**2,293**

	Capital work in progress		*Total*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Carrying amount at beginning of year	11,399	8,052	**230,963**	**220,973**
Acquisitions	6,195	5,219	**8,937**	**8,151**
Disposals	(1)	(4)	**(106)**	**(105)**
Revaluation increments/(decrements)	-	-	**33,948**	**5,889**
Depreciation and amortisation	-	-	**(4,388)**	**(4,041)**
Net asset transfers	(4,952)	(1,869)	**367**	**97**
Carrying amount at end of year	**12,640**	**11,399**	**269,720**	**230,963**

31. Property, plant and equipment continued

Total State Sector

	Gross		*Accumulated depreciation/impairment*		*Written down value*	
	2022 $M	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*
Land	125,654	104,779	(66)	(67)	125,588	104,712
Buildings	78,941	70,335	(31,111)	(27,038)	47,830	43,297
Infrastructure	189,352	173,390	(59,955)	(56,036)	129,397	117,353
Major plant and equipment	3,151	3,040	(925)	(885)	2,226	2,154
Other plant and equipment	12,631	12,326	(7,925)	(7,493)	4,706	4,833
Heritage and cultural assets	2,580	2,368	(639)	(773)	1,940	1,596
ROU assets	5,689	5,341	(1,927)	(1,366)	3,763	3,975
SCA - non-GORTO	2,584	2,565	(190)	(272)	2,394	2,293
Capital work in progress	14,798	13,199	-	-	14,798	13,199
	435,380	**387,343**	**(102,738)**	**(93,931)**	**332,643**	**293,412**

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:

	Land		*Buildings*		*Infrastructure*		*Major plant and equipment*	
	2022 $M	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*
Carrying amount at beginning of year	104,712	102,514	43,297	41,256	117,353	115,464	2,154	1,931
Acquisitions	477	153	851	790	12	68	2	-
Disposals	(39)	(74)	(40)	(14)	(42)	(41)	(5)	(5)
Revaluation increments/(decrements)	20,226	2,133	4,259	1,487	8,792	2,240	114	208
Impairment (losses)/reversals	1	(10)	6	(10)	72	(234)	-	-
Depreciation and amortisation	-	-	(2,139)	(1,891)	(3,128)	(3,026)	(129)	(94)
Net asset transfers	211	(4)	1,596	1,678	6,338	2,881	89	115
Carrying amount at end of year	**125,588**	**104,712**	**47,830**	**43,297**	**129,397**	**117,353**	**2,226**	**2,154**

31. Property, plant and equipment continued

	Other Plant and equipment		*Heritage and cultural assets*		*ROU assets*		*SCA - non-GORTO*	
	2022	*2021*	*2022*	*2021*	*2022*	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*
Carrying amount at beginning of year	4,833	4,644	1,596	1,558	3,975	3,911	2,293	2,414
Acquisitions	387	498	9	2	995	1,576	76	-
Disposals	(44)	(27)	-	-	(7)	(2)	-	-
Revaluation increments/(decrements)	(30)	(3)	353	59	9	6	242	131
Impairment (losses)/reversals	2	(45)	-	-	(1)	(2)	-	-
Depreciation and amortisation	(892)	(888)	(37)	(37)	(646)	(624)	(41)	(51)
Net asset transfers	451	653	21	14	(563)	(890)	(176)	(200)
Carrying amount at end of year	**4,706**	**4,833**	**1,940**	**1,596**	**3,763**	**3,975**	**2,394**	**2,293**

	Capital work in progress		*Total*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Carrying amount at beginning of year	13,199	9,347	293,412	283,039
Acquisitions	9,197	8,042	12,005	11,130
Disposals	(21)	(4)	(198)	(167)
Revaluation increments/(decrements)	-	-	33,964	6,262
Impairment (losses)/reversals	(32)	(44)	48	(343)
Depreciation and amortisation	-	-	(7,012)	(6,612)
Net asset transfers	(7,544)	(4,143)	423	104
Carrying amount at end of year	**14,798**	**13,199**	**332,643**	**293,412**

31. Property, plant and equipment continued

Recognition and measurement

Acquisition

Items of property, plant and equipment with a cost or other value greater than the asset recognition thresholds below are initially capitalised and recorded at cost. *Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector* mandates asset recognition thresholds for departments and not-for-profit statutory bodies as follows:

Asset class	Asset recognition threshold
Land	$1 (all land)
Buildings and infrastructure	$10,000
Plant & equipment	$5,000
Major plant & equipment	An amount greater than or equal to $5,000, the exact amount of which is at the agency's discretion.
Heritage & cultural assets	$5,000
Work in progress	n/a
Library reference collections	$1,000,000

Asset recognition thresholds for other entities within the TSS do not exceed the thresholds above.

Items with a cost or other value below the relevant recognition threshold are expensed in the year of acquisition. Cost is determined as the value given as consideration, plus costs incidental to the acquisition including all other costs incurred in getting the assets ready for use. Assets acquired at no cost or for nominal consideration are recognised at the asset's fair value where that fair value can be measured reliably and exceeds the recognition threshold.

Training, promotional, administration and general overhead costs are expensed as incurred.

Recording and valuation

Land, buildings, infrastructure, major plant and equipment, heritage and cultural assets, and SCA assets are valued at fair value in accordance with AASB 13 *Fair Value Measurement*, AASB 116 *Property, Plant and Equipment* and AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Other classes of assets are valued at cost which approximates fair value.

On initial recognition, all costs incurred in purchasing or constructing the asset and getting it ready for use are capitalised to the value of the asset. Costs also include the initial estimate of the costs of dismantling and restoring the site on which it is located, where that obligation is recognised and measured in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Subsequent costs are added to the carrying amount of the asset when it improves the condition of the asset beyond its originally assessed standard of performance or capacity. Otherwise, subsequent costs are expensed.

Non-current physical assets measured at fair value are comprehensively revalued once every five years or as appropriate, with interim valuations using relevant indices being otherwise performed on an annual basis. Separately identified components of assets are measured on the same basis as the assets to which they relate.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve for that class of assets, except to the extent it reverses a revaluation decrement for the class of assets previously recognised as an other economic flow included in the operating result. A decrease in the carrying amount on revaluation is charged as an other economic flow included in the operating result, to the extent it exceeds the balance of the relevant asset revaluation reserve for the same class of assets.

Items or components that form an integral part of an asset are recognised as a single asset (functional asset). The recognition threshold is applied to the aggregate cost of each functional asset. Energy entities' easements are disclosed as part of property, plant and equipment because they are considered to be an integral part of the property, plant and equipment of those entities.

31. Property, plant and equipment continued

Recognition and measurement continued

***Recording and valuation** continued*

Land under roads

The value included in the balance of land under roads is approximately $77 billion (2021: $63 billion).

All land under roads acquired is recorded at fair value in accordance with AASB 13 and AASB 116 using an englobo basis based on the statutory land valuations (as agreed by all state Valuers-General in 2009).

The englobo method reflects the characteristics that would be taken into account by a potential buyer of land under roads that is made available for sale (after having the legislative restriction removed). Englobo valuation is inclusive of all potential land uses and assumes that if removal of the legislative restriction occurred, land under roads would revert to its original state before subdivision. The methodology is appropriate for all land under roads, regardless of its location or whatever type of road infrastructure (if any) is currently on it.

Fair value is determined by the State Valuation Services using an acceptable, reliable valuation methodology which is undertaken by multiplying the total area of land under roads within each local government area by the average statutory value of all freehold and leasehold land within the corresponding local government area. The statutory valuations for non-rural land are determined on the basis of site value, with the unimproved value used for rural land.

Railway corridor land

Under the *Transport Infrastructure Act 1994*, railway corridor land is rendered State land under the control of the Department of Resources which, for reporting purposes, records the land at nil value. This land is on-leased to Queensland Rail via the Department of Transport and Main Roads at no cost.

Right-of-use (ROU) assets

Right-of-use assets, including those from concessionary leases, are measured at cost on initial recognition, and are subsequently measured using the cost model. ROU assets are depreciated over the lease term, except where the State expects to obtain ownership of the asset at the end of the lease, in which case depreciation is over the useful life of the underlying asset.

The State has elected not to recognise ROU assets arising from short-term leases and leases of low value assets. The lease payments are instead expensed on a straight-line basis over the lease term. An asset is considered low value if it is expected to cost less than $10,000 when new.

Where a contract contains both lease and non-lease components such as asset maintenance services, the State allocates the contractual payments to each component on the basis of their stand-alone prices, except for leases of plant and equipment, where the State accounts for them as a single lease component. This is also the case for accommodation leases where the base rent is ‘all inclusive’ as the non-lease component cannot be reliably measured.

The State’s ROU assets are predominantly for leases of buildings including the following:

Commercial office accommodation - $1.72 billion (2021: $1.9 billion)

The State leases a portfolio of commercial accommodation, primarily through the Queensland Government Accommodation Office, represented by ROU assets (buildings).

These leases are negotiated on an individual basis and contain a wide range of different terms and conditions in order to achieve the best whole of Government outcome. The State is exposed to potential future increases in variable lease payments based on CPI or market rates, which make up approximately 12% of the portfolio and these are not included in the lease liability until they take effect. When adjustments to lease payments based on CPI or market rates do take effect, the lease liability is reassessed and adjusted against the ROU asset.

Extension options are included in the majority of office accommodation leases, however these are not included in the lease term assessed at commencement date due to the State not being reasonably certain that they will be exercised. In determining whether these options should be included in the lease term assessed at commencement date, the State considers its current office accommodation strategic plan and its history of exercising extension options. The lease term is reassessed if the State becomes reasonably certain that an extension option will be exercised.

The lease agreements do not impose any covenants other than the security interests in the leased assets that may be held by the lessor.

31. Property, plant and equipment continued

Recognition and measurement continued

Recording and valuation *continued*

Right-of-use (ROU) assets continued

Buildings on Deed of Grant in Trust land - $819 million (2021: $820 million)

The State has concessionary leases consisting of buildings on Deed of Grant in Trust land. These buildings are leased from a number of Aboriginal and Torres Strait Islander councils on below-market rental terms.

The leases facilitate the construction and/or refurbishment of properties on communal land in accordance with the National Partnership on Remote Housing, entered into between the Australian Government and the Queensland Government. The State is responsible for construction, upgrades, maintenance and insurance of the properties and the use of the properties is restricted to social housing purposes.

The State also has a lease with Australian Unity for the Surgical, Treatment and Rehabilitation Services (STARS) facility. See Note 26 for further details.

Interest expense on lease liabilities is disclosed in Note 13. Cash outflows for leases are disclosed in Note 40(b). The State's expenses relating to short-term leases, leases of low value assets and variable lease payments are not material.

Service concession assets – non-GORTO

Non-GORTO refers to those SCAs where the State pays the operator to construct, maintain and operate an asset that delivers public services. This is distinct from Grant of Right to Operate (GORTO) arrangements where the State grants the operator a right to charge for third party usage of the asset or a right to access a revenue-generating asset located on State land. Service concession assets and liabilities arising from GORTO arrangements are separately disclosed in Note 33 because they do not fit within the Government Finance Statistics framework.

The State's non-GORTO arrangements at 30 June 2022 are the Toowoomba Bypass and Gold Coast Light Rail - G:link. More details about these arrangements can be found in Note 26.

Service concession assets are measured at current replacement cost on initial recognition or reclassification and are subsequently measured at fair value determined using current replacement cost. The assets are depreciated on a straight-line basis over their components' useful lives which range from 29 to 82 years. The assets are categorised at level 3 in the fair value hierarchy. The valuation methodology and significant unobservable inputs are the same as for level 3 buildings and roads and track infrastructure, as disclosed in this note.

Impairment

With the exception of certain specialised assets as noted below, property, plant and equipment are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the State determines the asset's recoverable amount, being the higher of the asset's fair value less costs to sell and value in use. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

An impairment loss is recognised as an other economic flow included in the operating result, unless the asset is carried at a revalued amount. When assets are measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimated recoverable amount.

Specialised aseets held for their service capacity and not for generation of cash flows that are measured at fair value are not subject to impairment processes, because their annual revaluations adequately account for any impairment and loss of service capacity.

Refer to Note 16 for further information on the State's policy on impairment and for any impairment losses recognised in the Operating Statement.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

31. Property, plant and equipment continued

Recognition and measurement continued

Fair value measurement continued

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued, for example, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the State include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the State's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the State for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1: represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2: represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- Level 3: represents fair value measurements that are substantially derived from unobservable inputs.

None of the State's valuations of non-financial assets are eligible for categorisation into level 1 of the fair value hierarchy.

More specific fair value information about the State's property, plant and equipment is outlined below.

31. **Property, plant and equipment** continued

Level 3 fair value reconciliation

General Government Sector	*Land*		*Buildings*		*Infrastructure*		*Major plant and equipment*	
	2022 $M	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*
Carrying amount at beginning of year	14,602	13,714	37,037	35,250	64,526	62,168	1,130	1,104
Acquisitions	21	9	706	725	-	-	-	-
Disposals	(21)	(52)	(27)	(22)	(3)	(3)	-	-
Revaluation increments/(decrements)	2,156	925	3,705	1,258	9,250	2,205	19	19
Impairment (losses)/reversals	-	-	(1)	-	-	-	-	-
Depreciation and amortisation	-	-	(1,875)	(1,630)	(1,075)	(988)	(43)	(41)
Net asset transfers	222	7	1,595	1,458	4,101	1,143	64	47
Carrying amount at end of year	**16,981**	**14,602**	**41,140**	**37,037**	**76,798**	**64,526**	**1,170**	**1,130**

	Heritage and cultural assets		*SCA - non-GORTO*		*Total*	
	2022 $M	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*
Carrying amount at beginning of year	1,568	1,534	2,293	2,209	**121,156**	**115,979**
Acquisitions	15	6	76	-	**817**	**740**
Disposals	(3)	-	-	-	**(54)**	**(77)**
Revaluation increments/(decrements)	325	51	242	136	**15,698**	**4,594**
Impairment (losses)/reversals	-	-	-	-	**(1)**	**-**
Depreciation and amortisation	(36)	(22)	(41)	(51)	**(3,069)**	**(2,732)**
Net asset transfers	29	(1)	(176)	-	**5,835**	**2,653**
Carrying amount at end of year	**1,898**	**1,568**	**2,394**	**2,293**	**140,380**	**121,156**

31. Property, plant and equipment continued

Level 3 fair value reconciliation continued

Total State Sector

	Land		*Buildings*		*Infrastructure*		*Major plant and equipment*	
	2022 $M	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*
Carrying amount at beginning of year	15,890	14,991	39,162	37,362	117,204	115,314	2,097	1,850
Acquisitions	21	10	706	725	11	63	2	-
Disposals	(21)	(56)	(29)	(35)	(37)	(42)	-	-
Revaluation increments/(decrements)	2,191	956	3,985	1,366	8,792	2,244	105	225
Impairment (losses)/reversals	2	(6)	5	(10)	75	(154)	-	-
Depreciation and amortisation	-	-	(2,009)	(1,761)	(3,112)	(3,011)	(120)	(84)
Net asset transfers	237	(5)	1,677	1,515	6,347	2,790	89	106
Carrying amount at end of year	**18,319**	**15,890**	**43,496**	**39,162**	**129,279**	**117,204**	**2,172**	**2,097**

	Heritage and cultural assets		*SCA - non-GORTO*		*Total*	
	2022 $M	*2021 $M*	*2022 $M*	*2021 $M*	*2022 $M*	*2021 $M*
Carrying amount at beginning of year	1,568	1,534	2,293	2,209	**178,213**	**173,259**
Acquisitions	15	6	76	-	**830**	**804**
Disposals	(3)	-	-	-	**(89)**	**(133)**
Revaluation increments/(decrements)	325	51	242	136	**15,640**	**4,978**
Impairment (losses)/reversals	-	-	-	-	**81**	**(170)**
Depreciation and amortisation	(36)	(22)	(41)	(51)	**(5,318)**	**(4,929)**
Net asset transfers	29	(1)	(176)	-	**8,202**	**4,404**
Carrying amount at end of year	**1,898**	**1,568**	**2,394**	**2,293**	**197,559**	**178,213**

31. **Property, plant and equipment** continued

Level 3 significant valuation inputs and relationship to fair value

General Government Sector

Description	Fair value 2022 $M	Significant unobservable inputs
Land	**16,981**	Level 3 land assets are mainly held by the Department of Resources and Department of Environment and Science. These assets are classified as reserves, unallocated state land, national parks and leasehold land. The valuation of reserves and unallocated state land is based, where possible, on recent sales in the general location of the land, adjusted for specific attributes of, and restrictions on, the land being valued. As such, the most significant unobservable input into the valuation of reserves and unallocated state land is the valuers' professional judgement applied in determining the fair value. **National park** land is valued with reference to sales of land with a similar topography and location. This market data is adjusted by the valuer to reflect the nature of restrictions upon national park land. Accordingly, the most significant input to the valuation of national park land is the valuers' judgement in relation to the adjustments potential market participants would make to the price paid for this land in light of the restrictions. **Leasehold land** is valued using the present value of the future income from leases over the land. In calculating the value of leasehold land, the discount rate applied to the leases is a significant unobservable input.
Buildings	**41,140**	Buildings classified as Level 3 are those which, due to their specialised nature and/or construction, do not have an active market. Within level 3 buildings, major sub-groups exist which are valued using similar methods. The most significant of these groups are valued at **current replacement cost** listed below: – **Schools and early childhood buildings** – The valuation utilises published current construction costs for the standard components of the buildings. Adjustment and allowances are made for specialised fit out requirements and more contemporary construction/design approaches. Significant judgement is also required in determining the remaining service life of these buildings. – **Correctional centres, court houses and juvenile justice facilities** – Significant inputs into this approach are construction costs, locality allowances for regional and remote facilities, remaining useful life and current condition assessments. – **Health services buildings (including hospitals)** – In determining the replacement cost of each building, the estimated replacement cost of the asset, or the likely cost of construction including fees and on costs at the valuation date, is assessed based on historical records and adjusted for contemporary design/construction practices. The resulting values are adjusted using published locality indices to allow for regional and remote location. The valuers apply professional judgement in assessing the assets' current condition and remaining service lives. **Market based inputs**

		Social housing is valued using market based inputs. However, because multi-unit properties do not have separate titles, significant adjustments are made by valuers. Significant unobservable inputs to the valuers' adjustments are the discount rates applied to represent the cost of obtaining strata title.

31. Property, plant and equipment continued

Level 3 significant valuation inputs and relationship to fair value continued

General Government Sector continued

Description	Fair value 2022 $M	Significant unobservable inputs
Infrastructure	**76,798**	Level 3 infrastructure within the GGS is primarily roads held by the Department of Transport and Main Roads, and roads and tracks within National Park and State Forest land. Due to their specialised nature and the lack of an active market for infrastructure, these assets are valued using a current replacement cost methodology. Assets in the SCA non-GORTO class are mainly the Gold Coast Light Rail and Toowoomba Second Range Crossing and are measured at fair value using the same valuation methodology as infrastructure assets.
SCA - non-GORTO	**2,394**	**Road infrastructure, and roads, tracks and rail** are valued based on a combination of raw materials and other costs of construction compiled by an external expert and internal assumptions based on engineering professional judgement. As part of this process, road stereotypes (ranging from unformed roads through to major motorways) are assigned to each road segment and are further defined by variables such as terrain, environment, surface types and costing regions. These inputs are also adjusted for contemporary technology and construction techniques. Accordingly, the most significant unobservable input to the valuation of roads is the calculated replacement cost which is heavily reliant upon engineers' and valuers' professional judgement.
Major plant and equipment	**1,170**	Major plant and equipment in the GGS primarily consists of New Generation Rollingstock assets held by the Department of Transport and Main Roads. **Rollingstock** is valued using a current replacement cost approach. The significant unobservable inputs to the valuation of rollingstock are estimated costs to replace existing assets and the assumptions made about current asset condition and remaining useful life.
Heritage and cultural assets	**1,898**	Heritage and cultural assets are mainly comprised of unique or iconic items which are considered to be of historical or cultural significance. These assets are primarily held by the Queensland Art Gallery and the Queensland Museum. While some of these items are able to be traded, such transactions are highly individualised and accordingly it is not considered that there is an active market for these types of assets. **Collections held by the Queensland Art Gallery and Queensland Museum** are largely valued on an individual basis with reference to recent transactions in similar works or the cost of replicating or recollecting items. Due to the unique nature of these items, despite some reliance on recent transactions in similar items, the most significant input to the valuation of collections held by the Queensland Art Gallery and Queensland Museum is the professional judgement of the valuer.

31. **Property, plant and equipment** continued

Level 3 significant valuation inputs and relationship to fair value continued

Total State Sector

Description	Fair value 2022 $M	Significant unobservable inputs
Infrastructure	**129,279**	In addition to the infrastructure assets identified above in the GGS, level 3 infrastructure for the TSS includes rail, ports, electricity and water infrastructure assets. **<u>Income based approach</u>** The majority of **water infrastructure** assets (mainly Seqwater) – Unobservable inputs in this type of valuation include assumptions about future market conditions and selection of an appropriate discount rate. The discount rate is a significant unobservable input to the valuation of water infrastructure. **Port infrastructure** – Inherent in this valuation process are assumptions in relation to future operating cash flows, projected capital replacement and selection of an appropriate discount rate (equal to the Weighted Average Cost of Capital) for the organisation holding the assets. The discount rate has a significant impact upon the final valuation and, being based upon professional judgement, is an unobservable input. **Electricity distribution and transmission infrastructure** – Being regulated assets, significant professional judgement is required in forecasting future cash flows. The significant unobservable inputs affecting the valuation of electricity infrastructure include assumptions about future revenue cash flows, future capital expenditure requirements and selection of an appropriate discount rate. **National Electricity Market connected power stations** – using a pre-tax nominal cash flow and discount rate model and various demand, supply and Renewable Energy Target scenarios. The significant unobservable inputs affecting the valuation include assumptions about electricity spot prices, contract load and premium and discount rate. **<u>Current replacement cost</u>** The majority of rail infrastructure is valued using a current replacement cost methodology except for regional freight assets which are valued on a discounted cash flow basis. The significant unobservable inputs to the current replacement cost valuation are costs to replace existing assets and the assessments of current asset condition and remaining useful life.
Major plant and equipment	**2,172**	Major plant and equipment in the TSS, in addition to that in the GGS, is primarily Queensland Rail rollingstock.

32. Intangibles

General Government Sector	Gross		Accumulated Amortisation		Written down value	
	2022	*2021*	*2022*	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*	*$M*	*$M*
Software development	2,063	2,056	(1,415)	(1,357)	647	699
Purchased software	345	341	(287)	(277)	58	64
Other	61	62	(27)	(32)	34	31
General Government Sector	**2,469**	**2,459**	**(1,730)**	**(1,665)**	**739**	**794**

Total State Sector	Gross		Accumulated Amortisation		Written down value	
	2022	*2021*	*2022*	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*	*$M*	*$M*
Software development	3,744	3,587	(2,369)	(2,223)	1,375	1,364
Purchased software	691	655	(513)	(486)	178	169
Licences and rights	116	116	(103)	(103)	13	13
Other	369	367	(182)	(179)	187	187
Total State Sector	**4,920**	**4,725**	**(3,167)**	**(2,992)**	**1,753**	**1,733**

Most intangibles arise from software development.

Intangible assets are recognised in accordance with AASB 138 Intangible Assets. Software is classified as an intangible asset, rather than property, plant and equipment unless it is an integral part of the related hardware. The State has changed its accounting policy for Software as a service and prior year balances have been restated. Refer to Note 1(e) for further details.

Internally generated goodwill, brands and items of similar substance, as well as expenditure on initial research, are specifically excluded from being recognised in the Balance Sheet.

In accordance with the Non-Current Assets Policies for the Queensland Public Sector, the recognition threshold for departments and statutory bodies is $100,000. Items with a lesser value are expensed. The threshold for other entities does not exceed this amount.

Internally generated intangible assets are only revalued where an active market exists for the asset in question, otherwise they are measured at cost.

For information on impairment policies, refer to Note 16.

33. Service Concession Arrangements – Grant of Right to Operate (SCA - GORTO)

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Gross	12,391	11,639	12,391	11,639
Less: Accumulated depreciation	1,783	1,643	1,783	1,643
	10,608	**9,996**	**10,608**	**9,996**
GORTO movement reconciliation:				
Service concession assets				
Carrying amount at beginning of year	9,996	10,090	9,996	10,090
Net revaluation increments	750	74	750	74
Depreciation expense	(137)	(136)	(137)	(136)
Transfers	-	(32)	-	(32)
Carrying amount at end of year	**10,608**	**9,996**	**10,608**	**9,996**
Service concession liabilities				
Carrying amount at beginning of year	7,677	7,913	7,677	7,913
Amortisation	(235)	(235)	(235)	(235)
Carrying amount at end of year	**7,442**	**7,677**	**7,442**	**7,677**

Arrangements where the State grants the operator a right to charge for third party usage of an asset that provides public services, such as a toll road, or a right to access a revenue-generating asset located on State land, in return for the construction and operation of that asset and return of the asset to the State at the end of the PPP are, for convenience, referred to as GORTO arrangements in this document.

Service concession assets are measured at current replacement cost and are depreciated over their useful lives. GORTO liabilities (which are unearned revenue) are amortised straight-line over the terms of the service concession arrangements. The net Operating Statement impact is reflected in Note 20.

Refer Note 26 for further details of individual GORTO arrangements.

34. Other non-financial assets

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Prepayments	492	553	646	660
Other	73	63	84	77
	565	**616**	**730**	**736**
Non-current				
Prepayments	194	217	219	242
Other	7	8	24	64
	202	**225**	**243**	**306**
	767	**841**	**972**	**1,042**

Other non-financial assets primarily represent prepayments by the State. These prepayments include salaries and wages, grant payments, prepayments under finance lease agreements and payments of a general nature made in advance.

35. Payables

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Trade creditors	2,816	2,352	4,384	3,629
Grants and other contributions	320	299	260	250
GST payable	52	50	152	138
Other payables	2,175	1,914	2,265	2,002
	5,362	**4,615**	**7,061**	**6,018**
Non-current				
Trade creditors	121	120	176	169
Other payables	5	5	7	7
	126	**125**	**183**	**176**
	5,488	**4,740**	**7,244**	**6,194**

Payables mainly represent amounts owing for goods and services provided to the State prior to the end of the financial year. The amounts are unsecured, are usually paid within 30 days of recognition and are non-interest bearing.

Payables are recognised at amortised cost using the effective interest rate method.

36. Employee benefit obligations

(a) Superannuation liability

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Superannuation	1,938	1,808	1,938	1,808
Judges' pensions	29	27	29	27
	1,967	**1,836**	**1,967**	**1,836**
Non-current				
Superannuation	19,376	24,369	18,976	24,096
Judges' pensions	825	1,127	825	1,127
	20,201	**25,496**	**19,801**	**25,223**
Total superannuation liability (refer Note 48)	**22,168**	**27,332**	**21,768**	**27,059**

The State recognises a superannuation liability in respect of the various employees' accrued superannuation benefits which represents the difference between the net market value of plan assets and the estimated accrued superannuation benefits at year end.

The present value of the accrued benefits is calculated using the projected unit credit method and represents the actuarial value of all benefits that are expected to become payable in the future in respect of contributions made or periods of service completed prior to the valuation date, allowing for future salary increases.

The costs of providing future benefits to employees are recognised over the period during which employees provide services. All superannuation plan costs, excluding actuarial gains and losses, are recognised in the Operating Statement. Actuarial gains and losses are recognised directly in equity on an annual basis and represent experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred e.g. investment returns on plan assets) and the effects of changes in actuarial assumptions underlying the valuation.

For the Government Division of Australian Retirement Trust (QSuper), expected future payments are discounted using market yields at the reporting date on Government bonds with terms to maturity that match the estimated future cash outflows. The gross discount rate for 10 year Commonwealth bonds at 30 June 2022 was 3.7% (2021: 1.5%).

36. Employee benefit obligations continued

(a) Superannuation liability continued

Employees in the electricity industry contribute to an industry multiple employer superannuation fund, Energy Super, a sub-fund within the Local Government Investment Australia Super Fund (ES LGIA). The ES LGIA uses discount rates that are more closely aligned to corporate bond rates (refer Note 48).

Future taxes are part of the provision of the existing benefit obligations and are taken into account in measuring the net liability or asset.

(b) Other employee benefits

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Current				
Salary and wages payable	776	609	914	749
Annual leave	2,749	2,466	3,029	2,729
Long service leave	652	622	1,150	1,156
Other employee entitlements	41	56	149	169
	4,218	**3,754**	**5,242**	**4,804**
Non-current				
Long service leave	4,794	5,147	4,855	5,206
Other employee entitlements	14	14	30	26
	4,808	**5,160**	**4,885**	**5,232**
	9,026	**8,914**	**10,127**	**10,035**

Wages, salaries and sick leave

Liabilities for wages and salaries are accrued at year end. For most agencies, sick leave is non-vesting and is expensed as incurred. Liabilities have been calculated based on wage and salary rates at the date they are expected to be paid and include related on-costs.

Annual leave

The Annual Leave Central Scheme (ALCS) was established on 30 June 2008 to centrally fund annual leave obligations of departments, commercialised business units and shared service providers. Members pay a levy equal to their accrued leave cost into the scheme and are reimbursed by the scheme for annual leave payments made to their employees. Entities that do not participate in the ALCS continue to determine and recognise their own leave liabilities.

The State's annual leave liability has been calculated based on wage and salary rates at the date they are expected to be paid and includes related on-costs. In accordance with AASB 119 Employee Benefits, where annual leave is not expected to be paid within 12 months, the liability is measured at the present value of the future cash flows.

Long service leave

The Long Service Leave Central Scheme was introduced in 1999-2000 to centrally manage long service leave liabilities within the General Government Sector. Participating agencies (predominantly Government departments) pay a levy into the scheme. From 1 January 2022, the long service leave levy increased from 2.35% to 2.6% of salary and wages costs. Amounts paid to employees for long service leave are then claimed from the scheme as a reimbursement. The liability is assessed annually by the State Actuary.

The valuation method used incorporates consideration of expected future wage and salary levels, experience of employee departures and periods of service. On-costs have been included in the liabilities and expenses for the Long Service Leave Central Scheme. These amounts have not been separately identified as they are not material in the context of the State's overall employee entitlement liabilities.

The State's long service leave provisions are calculated in accordance with AASB 119 using yield rates of Government bonds at reporting date and actuarial assumptions which are mutually compatible. The gross discount rate for 10 year Commonwealth bonds at 30 June 2022 was 3.7% (2021: 1.5%).

Entities that do not participate in the Long Service Leave Central Scheme determine their liability for long service leave based on the present value of estimated future cash outflows to be made.

36. Employee benefit obligations continued

(b) Other employee benefits continued

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts a voluntary redundancy in exchange for these benefits. The State recognises termination benefits when it is demonstrably committed to either terminating the employment of employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance date are discounted to present value.

37. Deposits, borrowings and advances, securities and derivatives

(a) Deposits held

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Current				
Deposits at fair value through profit or loss	-	-	6,628	6,373
Interest bearing security deposits	-	-	11	12
	-	**-**	**6,639**	**6,384**

(b) Advances received

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Current				
Commonwealth	30	40	30	40
Public Non-financial Corporations	1,048	1,135	-	-
	1,077	**1,174**	**30**	**40**
Non-current				
Commonwealth	233	260	233	260
	1,310	**1,435**	**262**	**300**

(c) Borrowing with QTC

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Current	23	37	-	-
Non-current	48,976	46,116	-	-
	49,000	**46,153**	**-**	**-**

At 30 June 2022, $2.415 billion (2021: $2.260 billion) was held in a redraw facility, offsetting borrowing with QTC in the Balance Sheet.

37. Deposits, borrowings and advances, securities and derivatives continued

(d) Leases and other loans

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Lease liability	508	473	555	540
SCA - non-GORTO liabilities	37	33	37	33
Loans - other	974	1,084	1,059	1,164
	1,518	**1,591**	**1,650**	**1,737**
Non-current				
Lease liability	2,568	2,718	2,926	3,158
SCA - non-GORTO liabilities	701	661	701	661
Loans - other	2,884	2,733	3,254	3,048
	6,153	**6,112**	**6,881**	**6,867**
	7,671	**7,703**	**8,531**	**8,604**

Lease liabilities are effectively secured, as the rights to the leased assets revert to the lessor in the event of a default. Interest on leases is recognised as an expense as it accrues.

(e) Securities and derivatives

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Government securities issued	-	-	16,448	8,112
Derivatives				
Cash flow hedges	-	-	3,718	253
Other derivatives	-	-	8,706	589
	-	**-**	**28,872**	**8,955**
Non-current				
Government securities issued	-	-	102,468	114,271
Derivatives				
Cash flow hedges	-	-	1,409	94
Other derivatives	93	220	3,841	871
	93	**220**	**107,719**	**115,236**
	93	**220**	**136,591**	**124,191**

Financial liabilities disclosed above are classified as either financial liabilities held at amortised cost or as financial liabilities at fair value through profit or loss. The carrying amount of financial liabilities in each of the categories is disclosed in Note 47.

Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are initially measured at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities measured at amortised cost include interest bearing security deposits, borrowing with QTC, advances from the Australian Government and PNFCs, lease liabilities, service concession liabilities and other loans (except those held by QTC). The borrowing with QTC and advances from PNFCs are eliminated on consolidation of the TSS.

Financial liabilities at fair value through profit or loss

Financial liabilities are categorised as fair value through profit or loss if they are classified as held for trading or designated so upon initial recognition. Financial liabilities at fair value through profit or loss are valued at fair value at balance date. Unrealised gains and losses are brought to account as other economic flows included in the operating result.

37. Deposits, borrowings and advances, securities and derivatives continued

Financial liabilities at fair value through profit or loss *continued*

Financial liabilities at fair value through profit or loss include deposits and other loans held by QTC, Government securities issued by QTC, and derivatives. In relation to deposits, income derived from their investment accrues to depositors daily. The amount shown in the Balance Sheet represents the market value of deposits held at balance date. Collateral held and securities which are sold under agreements to repurchase are disclosed as deposits.

Government securities issued include short-term treasury notes, Australian bonds and floating rate notes principally raised by QTC.

Derivative financial instruments

The State, through its controlled entities, enters into derivative financial instruments in the normal course of business in order to hedge exposure to movements in interest rates, electricity prices and foreign currency exchange rates.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting period.

Some derivatives are used in cash flow hedges for highly probable forecast transactions, as detailed in subsection (i) below. Gains or losses on the effective portion of cash flow hedges are recognised in the cash flow hedge reserve in equity, while the ineffective portion is recognised immediately as other economic flows included in the operating result. Amounts taken to equity are transferred to the operating result when the hedged transaction affects the operating result, such as when a forecast sale or purchase occurs, or when the hedge becomes ineffective. Where the forecast transaction that is hedged results in recognising a non-financial asset or liability, the gains or losses previously deferred in equity are transferred to the carrying amount of the asset or liability.

All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative assets are disclosed in Note 24(a) and derivative liabilities are disclosed in part (e) of this note. Derivative instruments used by the State include options, futures contracts, electricity derivative contracts, forward starting loans, forward rate agreements, foreign exchange contracts, cross currency swaps and interest rate swaps.

(i) Cash flow hedges

Risk management strategy

The State applies hedge accounting on eligible electricity derivatives (mostly price swaps, futures, and options) that are used to protect against movements in the price of electricity. The economic relationship is determined by matching the critical terms, such as forecasted volume and time period, between the hedging instrument and the hedged item. The hedge ratio for these hedging relationships is intended to be 100 per cent. However, the inherent variability in the volume of electricity demand and sales means that actual sales and purchases volumes can vary from the forecasts. These variances are the main source of hedge ineffectiveness.

The State also enters into forward exchange contracts and interest rate swaps to protect against foreign exchange and interest rate movements. The total amount of these derivatives is not material.

Amount, timing and uncertainty of future cash flows

The electricity derivatives are recognised at trade date and settled net, with the majority of cash flows expected within five years. The nominal amount of electricity hedges outstanding and their price average are as follows:

Total State Sector

	Nominal quantity *GWh*	***Price average*** *$ / MWh*
2022		
Electricity derivatives designated as cash flow hedges of electricity sales	44,635	69
Electricity derivatives designated as cash flow hedges of electricity purchases	13,077	85
2021		
Electricity derivatives designated as cash flow hedges of electricity sales	32,117	47
Electricity derivatives designated as cash flow hedges of electricity purchases	9,653	48

37. Deposits, borrowings and advances, securities and derivatives continued

Derivative financial instruments *continued*

Effects of cash flow hedge accounting on financial position and performance

	Total State 2022 $M	Total State 2021 $M
Carrying amount of cash flow hedging instruments - assets	1,778	122
- liabilities	5,127	348
Change in fair value of hedging instruments - gain/(loss) - for calculating hedge ineffectiveness	(3,823)	(790)
Change in value of hedged items - gain/(loss) - for calculating hedge ineffectiveness	3,222	768
Hedge ineffectiveness recognised in profit or loss (See Note 16)	71	6
Cash flow hedge reserve reconciliation:		
Opening balance	(314)	400
Effective portion of hedging gains or losses recognised in equity	(3,609)	(765)
Amounts reclassified to profit or loss - hedged item has affected profit or loss [1]	776	40
Amounts reclassified to profit or loss - hedged future cash flows no longer expected to occur	(6)	10
Amounts included in the carrying amount of a non-financial asset or liability	1	1
Closing balance	**(3,153)**	**(314)**

[1] Reclassification adjustments are included in sales of goods and services (for sales) in Note 5 or other operating expenses (for purchases) in Note 11.

The closing balance of the cash flow hedge reserve relates to continuing hedges, with the exception of $42 million of losses (2021: $39 million losses) that relates to hedge relationships for which hedge accounting is no longer applied.

No amounts were recognised in or transferred from hedging reserves by GGS entities in 2022 or 2021.

(ii) Derivatives which do not qualify for hedge accounting

Certain derivatives do not qualify for hedge accounting as they are held for trading or not designated as hedges. These instruments typically include some electricity derivatives such as swaps, caps and options and load following hedges, and environmental derivatives contracts, such as forward contracts and options. Interest rate swaps, forward rate agreements, options and credit default swaps are also used to hedge exposure to interest rate movements, foreign currency and credit risks but are not hedge accounted.

38. Provisions

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Current				
Outstanding claims				
Workers' compensation	-	-	1,590	1,506
Other	262	216	276	228
Onerous contracts	-	-	39	23
National Injury Insurance Scheme Queensland	-	-	143	108
Queensland Government Insurance Fund	361	372	361	372
Other	267	218	369	276
	890	**807**	**2,777**	**2,513**

38. Provisions continued

	General Government		Total State	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Non-current				
Outstanding claims				
Workers' compensation	-	-	2,643	2,392
Other	691	1,093	708	1,110
Onerous contracts	-	-	189	114
National Injury Insurance Scheme Queensland	-	-	3,340	3,043
Queensland Government Insurance Fund	3,262	3,128	3,262	3,128
Other	278	340	969	1,053
	4,231	**4,561**	**11,111**	**10,840**
	5,120	**5,368**	**13,888**	**13,352**

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow will be required is determined by considering the class of obligations as a whole. Provisions are measured at the present value of the estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessment of the time value of money and risks specific to the liability.

Outstanding claims

The liability for outstanding claims is measured as the present value of expected future payments, the majority of which are actuarially assessed. The liability includes outstanding claim recoveries and reinsurance receivables.

In accordance with AASB 1023 *General Insurance Contracts*, the claims liability includes a risk margin in addition to expected future payments. These liabilities are discounted for the time value of money using risk-free discount rates that are based on current, observable, objective rates.

(i) Workers' Compensation

WorkCover Queensland is the main provider of workers' compensation insurance in Queensland. The discount rate applied to Workers' Compensation gross outstanding claims as at 30 June 2022 was 3.9% (2021: 1.8%) and the inflation rate was 3.5% (2021: 2.5%). The risk margin applied was 9% (2021: 9%).

(ii) National Redress Scheme for Survivors of Institutional Child Sexual Abuse (National Redress Scheme)

The National Redress Scheme for Survivors of Institutional Child Sexual Abuse commenced on 1 July 2018 and will run for ten years. Queensland Government will pay 50% of redress cost for Queensland institutions under the expanded Funder of Last Resort (FoLR) arrangements that commenced 27 October 2021.

The Scheme provides eligible applicants support through a monetary payment capped at $150,000.

The provision for the National Redress Scheme includes an estimate of Queensland's future payments to the Commonwealth including amounts for monetary payments, counselling, psychological care, legal and administrative costs and offsets for payments previously made to survivors, largely under the previous National Redress Scheme.

(iii) National Injury Insurance Scheme Queensland (NIISQ)

NIISQ was established on 1 July 2016 to provide ongoing lifetime treatment, care and support services for people who sustain eligible, serious personal injuries in a motor vehicle accident on or after 1 July 2016, regardless of fault.

The NIISQ is funded via a levy which Queensland motorists pay in conjunction with their Compulsory Third Party (CTP) premium and registration. The levy is set annually and is based on actuarial advice to fully fund present and likely future liabilities of the scheme. Scheme liabilities are long term in nature and estimates of costs are sensitive to underlying financial assumptions for inflation and the discount rate. Actuarial assumptions underpinning the levy adopt long-term assumptions for inflation and the discount rate to support year to year levy stability (3.2% p.a. and 4.0% p.a. respectively for 2021-22).

38. Provisions continued

Outstanding claims continued

(iii) National Injury Insurance Scheme Queensland (NIISQ) continued

NIISQ provisions are assessed annually by independent actuaries and are measured in accordance with AASB 137 as the present value of the expected future payments for claims of the NIISQ incurred up to 30 June 2022, including claims incurred but not reported. The estimate of the NIISQ provision is based on market consistent assumptions of 3.4% inflation and a discount rate of 4% as at 30 June 2022 (2.9% and 2.7% respectively for 2021).

(iv) Queensland Government Insurance Fund (QGIF)

QGIF was established as a centrally managed self-insurance fund for the State's insurable liabilities covering property, medical and other liabilities and is an administrative arrangement within the Consolidated Fund. QGIF aims to improve the management of insurable risks through identifying, providing for and funding the Government's insurance liabilities. Participating Government agencies pay premiums into the fund to meet the cost of claims and future insurable liabilities. QGIF outstanding claim liabilities are reported at the whole of Government level, with claims paid out of Queensland Treasury's Administered accounts.

The State's QGIF provisions are actuarially assessed annually and are calculated in accordance with AASB 137. The liabilities relate to all claims incurred prior to 30 June 2022 and include an estimate of the cost of claims that are incurred but not reported. Expected future payments are discounted using yields on Australian government bonds. This risk free discount rate applied as at 30 June 2022 was 3.8% (2021: 1.4%).

(v) Queensland Floods

In 2020, the State provided for the best estimate of its obligation in relation to the 2011 South-east Queensland Floods Class Action. During 2021 and 2022, the Court approved settlements with the Plaintiff and final payments were made.

Other provisions

(i) Power Purchase/Pooling Agreement provisions

A provision for onerous contracts has been recognised in relation to long-term power purchase/pooling agreements (PPAs) when the unavoidable costs of meeting the ongoing obligations under these agreements exceed the expected benefits to be received. The provision for onerous contracts reflects the net present value of the least net cost of exiting these onerous PPAs, which is the lower of the cost of fulfilling the agreements or the compensation payable, as defined in these agreements, for early termination.

An onerous contract provision exists in relation to the Gladstone Interconnection and Power Pooling Agreement and was remeasured upwards by $84 million (2021: $71 million) during the year due to a change in future cash flow assumptions.

The extent of the future losses from the power purchase/pooling agreements will depend on future wholesale pool prices as well as the need for the State to meet its network support obligations. The future level of Queensland wholesale pool prices remains significantly uncertain. The critical determinants of future pool prices will be the bidding behaviour of participants in the National Electricity Market, load growth, network reliability and the introduction of new generation capacity. The discount rate used reflects current market assessments of the time value of money and the risks specific to these obligations.

(ii) Restoration provisions

Provisions are recognised for dismantling, removal and restoration costs where a constructive obligation exists. The present value of the obligation is recorded in the initial cost of the asset.

38. Provisions continued

Movements in provisions

General Government Sector	Outstanding Claims 2022 $M	QGIF 2022 $M	Other Provisions 2022 $M	Total 2022 $M
Carrying amount at beginning of year	1,309	3,501	558	5,368
Additional provisions recognised	213	255	58	526
Reductions in provisions and payments	(215)	(189)	(65)	(469)
Transfers and reclassifications	-	-	(2)	(2)
Change from remeasurement and discounting adjustments	(355)	55	(4)	(303)
Carrying amount at end of year	**953**	**3,622**	**545**	**5,120**

Total State Sector	Outstanding Claims 2022 $M	NIISQ 2022 $M	QGIF 2022 $M	Other Provisions 2022 $M	Total 2022 $M
Carrying amount at beginning of year	5,236	3,151	3,501	1,465	13,352
Additional provisions recognised	2,515	1,063	255	101	3,934
Reductions in provisions and payments	(2,180)	(114)	(189)	(92)	(2,575)
Transfers and reclassifications	-	-	-	30	30
Change from remeasurement and discounting adjustments	(355)	(617)	55	62	(854)
Carrying amount at end of year	**5,216**	**3,483**	**3,622**	**1,566**	**13,888**

39. Other liabilities

	General Government		Total State	
	2022 $M	2021 $M	2022 $M	2021 $M
Current				
Unearned revenue	719	636	931	811
Environmental surrender obligations (RECs, GECs, NGACs)	-	-	174	140
Other	158	147	131	99
	877	**783**	**1,236**	**1,050**
Non-current				
Unearned revenue	204	204	671	682
Other	8	2	17	12
	212	**207**	**688**	**694**
	1,089	**990**	**1,925**	**1,744**

40. Notes to the Cash Flow Statement

(a) Reconciliation of operating result to net cash flows from operating activities

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Operating result	3,383	8,870	17,571	11,821
Non-cash movements:				
Depreciation and amortisation	4,644	4,310	7,391	6,983
Net (gain)/loss on disposal of Non-current assets	6	(8,004)	(1,819)	(8,433)
Impairment and write-off of bad debts	86	8	44	349
Equity accounting (profit)/loss	3	(3)	3	(2)
Unrealised net (gain)/loss on borrowings/investments	30	11	(13,318)	(2,781)
Revaluation (increments)/decrements	1,000	(2,708)	(70)	(5,614)
Net asset write downs, transfers and donations	(391)	(148)	(432)	(200)
Other	(347)	(309)	(724)	135
(Increase)/decrease in receivables	1,330	(925)	610	(1,759)
(Increase)/decrease in inventories	32	(30)	(116)	(182)
(Increase)/decrease in prepayment and other assets	157	(65)	(259)	(47)
Increase/(decrease) in payables	1,011	(1,194)	1,366	(840)
Increase/(decrease) in provisions	(612)	140	115	1,260
Increase/(decrease) in other liabilities	118	93	306	230
Total non-cash movements	7,068	(8,825)	(6,901)	(10,902)
Cash flows from operating activities	**10,451**	**45**	**10,669**	**920**

40. Notes to the Cash Flow Statement continued

(b) Changes in liabilities arising from financing activities

General Government Sector

2022

	Opening Balance	Cash Flows: Cash Received	Cash Flows: Cash Payments	Non-Cash Changes: New leases and similar arrangements	Non-Cash Changes: Market Value Adjustment	Non-Cash Changes: Time Value Adjustment	Non-Cash Changes: Transfers/ Reclass	Non-Cash Changes: Other	Closing Balance
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Advances received	1,435	2,339	(2,465)	-	-	1	-	-	1,310
Borrowing with QTC	46,153	3,038	(36)	-	-	-	(155)	-	49,000
Other loans	3,817	-	(842)	815	-	-	-	67	3,858
Leases	3,191	-	(504)	160	-	74	154	1	3,076
SCA non-GORTOs	694	-	(36)	76	3	-	-	1	737
Securities and derivatives	220	-	-	-	(127)	-	-	-	93
	55,511	**5,377**	**(3,883)**	**1,051**	**(124)**	**75**	**(1)**	**69**	**58,074**

2021

	Opening Balance	Cash Flows: Cash Received	Cash Flows: Cash Payments	Non-Cash Changes: New leases and similar arrangements	Non-Cash Changes: Market Value Adjustment	Non-Cash Changes: Time Value Adjustment	Non-Cash Changes: Transfers/ Reclass	Non-Cash Changes: Other	Closing Balance
	$M	$M	$M	$M	$M	$M	$M	$M	$M
Advances received	1,845	1,629	(2,039)	-	-	1	-	-	1,435
Borrowing with QTC	37,570	10,874	(54)	-	13	-	(2,260)	10	46,153
Other loans	2,746	-	(37)	1,074	-	-	(5)	41	3,817
Leases	3,013	-	(552)	474	-	7	249	1	3,191
SCA non-GORTOs	725	-	(30)	-	-	-	-	-	694
Securities and derivatives	198	(1)	-	-	22	-	1	-	220
	46,096	**12,502**	**(2,713)**	**1,547**	**35**	**8**	**(2,016)**	**51**	**55,511**

40. Notes to the Cash Flow Statement continued

(b) Changes in liabilities arising from financing activities continued

Total State Sector
2022

		Cash Flows		Non-Cash Changes					
	Opening Balance	*Cash Received*	*Cash Payments*	*New leases and similar arrangements*	*Market Value Adjustment*	*Time Value Adjustment*	*Transfers/ Reclass*	*Other*	*Closing Balance*
	$M	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*
Advances received	300	1	(40)	-	-	1	-	-	262
Other loans	4,212	113	(862)	815	(31)	-	-	67	4,313
Leases	3,697	-	(566)	180	1	9	151	9	3,481
SCA non-GORTOs	694	-	(36)	76	3	-	-	1	737
Deposits held	6,384	641	(386)	-	-	-	-	-	6,639
Securities and derivatives	124,191	30,244	(19,798)	-	1,953	-	-	-	136,590
	139,479	**30,999**	**(21,688)**	**1,070**	**1,925**	**10**	**151**	**77**	**152,024**

2021

		Cash Flows		Non-Cash Changes					
	Opening Balance	*Cash Received*	*Cash Payments*	*New leases and similar arrangements*	*Market Value Adjustment*	*Time Value Adjustment*	*Transfers/ Reclass*	*Other*	*Closing Balance*
	$M	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*	*$M*
Advances received	354	5	(60)	-	-	1	-	-	300
Other loans	3,093	70	(53)	1,074	(6)	-	(5)	41	4,212
Leases	3,563	-	(632)	503	-	8	244	11	3,697
SCA non-GORTOs	725	-	(30)	-	-	-	-	-	694
Deposits held	7,169	938	(1,722)	-	(1)	-	-	-	6,384
Securities and derivatives	115,025	37,011	(24,537)	-	(3,317)	-	10	-	124,192
	129,929	**38,023**	**(27,033)**	**1,576**	**(3,324)**	**9**	**248**	**51**	**139,479**

41. Capital expenditure commitments

As at 30 June 2022, State Government entities had entered into the following capital commitments. Commitments are exclusive of anticipated recoverable GST. Commitments in this note have not been recognised as liabilities in the Balance Sheet.

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Capital expenditure commitments	**8,727**	**8,453**	**10,287**	**9,514**

42. Cash and other assets held in trust

Various monies and other assets were held in trust by State Government agencies at year end and have not been included as assets / liabilities in the Balance Sheet. The following is a summary of entities holding assets in trust:

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
QIC Limited	-	-	46,616	42,758
The Public Trustee of Queensland	1,937	1,997	1,937	1,997
Other	424	456	425	456
	2,361	**2,453**	**48,978**	**45,211**

Security, tender and other deposits administered by the State in a fiduciary or trust capacity are not recognised in the financial statements but are disclosed for information purposes. Whilst these transactions and balances are in the care of the State, they are subject to the normal internal control and external audit requirements.

43. Contingent assets and liabilities

Contingent assets and liabilities represent items that are not recognised in the Balance Sheet because at balance date:

- there is a possible asset or obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Government; or
- there is a present obligation arising from past events, but it is not recognised because it is either not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

Below are details of the more significant contingent assets and liabilities from a GGS and TSS perspective.

Pursuant to section 15 of the *Queensland Treasury Corporation Act 1988*, any losses of QTC are the responsibility of the Consolidated Fund. On this basis, the contingent assets and liabilities of QTC, which forms part of the PFC Sector, are also incorporated in GGS statements.

(a) Contingent liabilities – quantifiable

		General Government		*Total State*	
		2022	*2021*	*2022*	*2021*
Nature of contingency		*$M*	*$M*	*$M*	*$M*
Guarantees and indemnities	(i)	53,646	57,984	12,842	13,497
Other		174	169	178	172
		53,821	**58,153**	**13,020**	**13,669**

43. Contingent assets and liabilities continued

(a) Contingent liabilities – quantifiable continued

(i) Guarantees and indemnities

General Government Sector

For the GGS, these mainly comprise guarantees of borrowings by local governments and PNFCs from QTC of $8.955 billion and $40.777 billion (2021: $9.882 billion and $44.494 billion) respectively. QTC also provided guarantees of $1.84 billion (2021: $1.84 billion) relating to Australian Financial Services Licences for CS Energy Limited, Energy Queensland Limited, Stanwell Corporation Limited and CleanCo Queensland Limited, and guarantees of $300 million (2021: $160 million) relating to the trading activities in the National Electricity Market of subsidiaries of Energy Queensland Limited.

Total State Sector

From a TSS perspective, borrowings by PNFCs from QTC as disclosed above are eliminated on consolidation.

(b) Contingent liabilities - not quantifiable

General Government Sector

Legal proceedings and disputes

A number of legal actions have been brought against the State Government and its agencies. Notification has also been received of a number of other cases that are not yet subject to court action but which may result in subsequent litigation. Due to the wide variety and nature of the claims and the uncertainty of any potential liability, no value has been attributed to these actions / claims.

Native title

A number of native title claims that affect the Queensland Government have been filed with the National Native Title Tribunal under the *Native Title Act 1993 (Commonwealth)*.

The *Native Title Act 1993* provides for payment of compensation to native titleholders for a variety of acts that may affect native title. The Government has a potentially significant liability in respect of compensation arising from acts that have extinguished or impaired native title since 1975. The High Court decision in relation to *Griffiths v Northern Territory of Australia* (known as the Timber Creek case), handed down on 13 March 2019, provides some guidance for calculating native title compensation.

At 30 June 2022, 169 claimant applications have been finalised in Queensland (over 33% of the State's land area) with 155 settled by agreement without going to trial (92%). At 30 June 2022, there were 47 active claimant applications and 19 active non-claimant applications in Queensland. Any, or all of these determinations or applications may lead to a native title compensation claim. The State is responding to three native title compensation claims that are currently before the Federal Court.

Guarantees

The State has provided a number of guarantees in the normal course of business. The amount of any future claims against these guarantees cannot be reliably estimated.

Financial assurance liability gap for mining projects

Financial assurances are required for mining projects to cover the rehabilitation liability should a mining leaseholder fail to undertake rehabilitation. The liability to undertake rehabilitation work remains the responsibility of the mining leaseholder. The State's responsibility regarding rehabilitation is limited to managing any potential public safety and health risks only. At reporting date, it is not possible to determine the extent or timing of any potential financial effect of this responsibility.

Long-term sales permits

The Department of Agriculture and Fisheries has issued long-term permits to various sawmilling businesses regarding the supply of log timber from State-owned native forests. These sales permits provide for the payment of compensation by the State to the holder to the extent that the specified quantity of log timber is not harvested from the particular State-owned forests.

Collingwood Park guarantee

Due to a mine subsidence event that occurred at Collingwood Park in 2008, the State, under the *Mineral Resources Act 1989*, provides a guarantee to owners of affected land to stabilise land, repair subsidence related damage (if cost effective to do so), or purchase land beyond economic repair.

43. Contingent assets and liabilities continued

(b) Contingent liabilities – not quantifiable continued

General Government Sector continued

Legal proceedings and disputes continued

Impact of disasters

As a result of disasters impacting Queensland, further claims are anticipated on the State via the Queensland Reconstruction Authority. As per the 2022-23 Budget, the expected future expenditure in relation to past disasters is $4.129 billion (2021: $1.229 billion), the majority of which is expected to be recovered from the Australian Government.

Contaminated land

The State Government controls certain areas of land that are affected by pollutants. The agencies involved will be obliged to restore these assets to a safe and useable condition if their use changes, for example, when the land is sold. Given its nature, it is not possible to provide an estimate of the potential liability of this exposure.

Total State Sector

The following PNFC and PFC non-quantifiable contingent liabilities are in addition to the GGS items above.

WorkCover Queensland

The *Workers' Compensation and Rehabilitation Act 2003* provides that the State Government guarantees every WorkCover policy or other insurance contract with WorkCover Queensland, a statutory body. Given the nature of this contingency, it is not possible to estimate the liability, if any, due under this heading.

QIC Limited

QIC Limited, in its capacity as trustee, is potentially liable for the unsettled liabilities of a number of trusts that it administers. However, under the respective trust deeds, the Corporation is entitled to be indemnified out of the assets of the trusts for any losses or outgoings that may be sustained in its role as trustee, provided the trustee has acted within the terms of the trust deeds.

The directors have assessed the recoverable amounts of the assets of the trusts and concluded that currently they have excess assets over liabilities.

State asset sales

As part of the State's asset sales process in 2011 and 2012 (the initial public offering of shares in QR National Limited (now Aurizon Limited), the Forestry Plantations business, the Port of Brisbane business, the Abbot Point Coal Terminal (X50) business and Queensland Motorways Limited), the State put in place contractual arrangements which result in contingent liabilities as follows:

- Superannuation indemnity for QR National and Forestry Plantations Queensland for the cost of employer contributions above a particular threshold for their employees who remained as members of QSuper's defined benefit category;
- State indemnities for directors and officers of relevant Government-owned corporations and State public servants were put into place in relation to liabilities which might arise out of the restructuring and sale of the various sale entities;
- Indemnities as to tax and other liabilities accrued during the State's ownership;
- Compensation potentially payable in the event that the leases issued over land and infrastructure by State agencies are terminated;
- Compensation potentially payable for improvements in the event of the termination of relevant leases; and
- Various warranties in relation to the businesses sold.

At present, the State is unaware of any breaches of agreements and there are no claims being made. As such, it is not possible to estimate any potential financial effect should such a claim arise in the future.

43. Contingent assets and liabilities continued

(c) Contingent assets - quantifiable

		General Government		Total State	
		2022	2021	2022	2021
		$M	$M	$M	$M
Nature of contingency					
Guarantees and indemnities	(i)	6,468	7,000	7,232	7,740
Other		11	11	11	11
		6,478	**7,010**	**7,243**	**7,751**

(i) Guarantees and indemnities

General Government Sector

The Financial Provisioning Scheme (FPS) manages the State's financial risk from the potential failure of a resource activity holder of an environmental authority or small-scale mining tenure to meet their rehabilitation and environmental obligations under various legislation. Over time, the scheme will also provide funds to support rehabilitation of abandoned mines and expand research into mine rehabilitation.

Queensland Treasury holds non-cash surety totalling $6.066 billion (2021: $6.672 billion), made up of bank guarantees $4.482 billion (2021: $5.290 billion) and insurance bonds $1.584 billion (2021: $1.382 billion).

Total State Sector

In addition to the above GGS quantifiable guarantees and indemnities, the following relate specifically to the PNFC and PFC.

WorkCover Queensland held bank guarantees on behalf of self-insurers totalling $494 million (2021: $467 million).

(d) Contingent assets - not quantifiable

Total State Sector

PNFC and PFC non-quantifiable contingent assets include insurance claims yet to be finalised, including the Callide Unit C4 claim, bank guarantees in the event of non-payment of services, and performance fees yet to be received.

44. Post balance date events

Queensland Energy and Jobs Plan

The Queensland Energy and Jobs Plan (QEJP) was released on 28 September 2022. The QEJP outlines the least cost infrastructure investment pathway to decarbonise the State's electricity system over the next 15 years. The QEJP includes a cost estimate of $62 billion.

This estimate is indicative only and is expected to be be funded through a mix of private sector funding, federal government contributions, PNFC debt and GGS equity contributions.

Specific projects and associated financial structures will be subject to evaluation through business cases consistent with standard practice.

Under the QEJP, publicly owned coal fired-power stations will convert to clean energy hubs by 2035 (transitioning to, for example, hydrogen power), with jobs guarantees for workers.

Due to the long duration of the Energy Plan, and the transitional pathway outlined, any immediate impacts on the valuation of existing State assets (particularly generation assets), are not expected to be significant.

Queensland Regional Accommodation Centre

On 19 August 2021, the Queensland Government approved funding for the construction of a 1,000 bed dedicated regional quarantine facility at the Wellcamp Business Park at Toowoomba, known as the Queensland Regional Accommodation Centre (QRAC).

QRAC was operated as a public health response for the COVID-19 pandemic in support of the Queensland Government's Quarantine and Isolation Network Strategy. The facility continued to deliver to its intended purpose, of providing contingency accommodation in support of the Queensland Government's Quarantine and Isolation Network Strategy during the 2021- 22 reporting period and as at 30 June 2022.

44. Post balance date events continued

Queensland Regional Accommodation Centre continued

On 26 July 2022, the Queensland Government considered advice from Queensland Health and the Chief Health Officer that there is no longer a public health requirement for dedicated quarantine and isolation facilities, or for any contingency to be held including at QRAC. On this date, the Queensland Government approved that isolation guests are no longer accepted at QRAC and that QRAC from 1 August 2022, is placed into a minimum care and maintenance mode until the end of the lease arrangement.

The carrying value of right-of-use and property, plant and equipment assets held at 30 June 2022 of $128 million will be depreciated over the remainder of the lease term or the remaining useful life of QRAC, whichever is shorter. The commitments under the lease for provision for infrastructure services will also be settled over the remainder of the lease term.

Under the minimum care and maintenance model in place the Queensland Government continues to have control over the facility, if required for COVID emergencies or for potential alternative uses.

There were no material events after the reporting date of 30 June 2022 that have a bearing on the State's operations, the results of those operations or these financial statements.

45. Climate change

Climate change is a risk for the State. The Government both impacts, and is impacted by, climate change in many ways. The impacts of climate change have the potential to affect the State's ability to provide essential services to the community, the operations of State entities and the value of State assets.

The government acknowledges the increasing expectations of the global community to demonstrate its approach to considering Environmental (including physical and transition climate change risks), Social and Governance (ESG) risks factors in its decision making.

The Queensland Sustainability Report (the Report) provides detailed ESG information to meet developing expectations and information needs of investors, financial markets and rating agencies. The Report includes the Government's sustainability disclosures on matters of governance, strategy, risk management, and metrics/targets to support positive ESG outcomes for a resilient and sustainable future. While outlined in further detail in the Report, the Government's response to climate change risk is underpinned by several key policies, frameworks and strategies including:

(i) The Queensland Climate Action Plan 2030 (QCAP)

QCAP provides a central framework and coordinated approach to reach zero-net emissions by 2050, by bringing together actions across departments and areas of ministerial responsibility. It supports the management of key risks and opportunities by Cabinet through the responsible minister and administering departments.

(ii) Queensland Energy and Jobs Plan

The recently released Queensland Energy and Jobs Plan outlines Queensland's pathway to a clean, reliable and affordable electricity system that will achieve the government's renewable energy targets with three focus areas:

☒ Clean energy economy: Build a clean and competitive energy system for the Queensland economy and industries as a platform for accelerating growth

☒ Empowered households and businesses: Deliver affordable energy for households and businesses, and support more rooftop solar and batteries; and

☒ Secure jobs and communities: Drive better outcomes for workers and communities as partners in the energy transformation.

(iii) Metrics and Targets – Renewable Energy and Emissions Reductions

The Queensland Government has set renewable energy and emissions reduction targets to meet government objectives of achieving net zero and decarbonising the energy sector.

- ❑ 50% renewable energy target by 2030
- ❑ 70% renewable energy target by 2032
- ❑ 80% renewable energy target by 2035
- ❑ 30% emissions reduction below 2005 levels by 2030
- ❑ zero net emissions by 2050.

The Department of Environment and Science reports progress on its climate targets on the Queensland Climate Action Plan 2020-2030 website.

45. Climate change continued

Queensland monitors progress on its targets using the State and Territory Greenhouse Gas Inventories prepared by the Australian Federal Government. All national and state/territory inventory data is publicly available from *Australia's National Greenhouse Accounts* (National Greenhouse Gas Inventory – UNFCCC classifications).

The government takes a risk management approach to climate change to ensure significant climate change risks are addressed in the government's culture, policies, systems and processes by building on existing organisational strategic planning, performance management and risk and governance frameworks. Queensland Climate Ready (QCR) program supports agencies to identify and implement climate risk management within their risk management practices.

46. Financial risk management disclosure

The State's activities expose it to a variety of financial risks such as credit risk, liquidity risk and market risk (including interest rate risk, price risk and foreign exchange risk). The State's overall risk management objectives, policies and strategies focus on minimising financial risk exposures and seek to mitigate potential adverse effects. The diverse nature of the financing and investing activities undertaken by agencies across the Queensland Government supports a decentralised approach to risk management. Individual agencies are responsible for managing risks to which they are exposed.

Risk management strategies in relation to the State's financial assets and liabilities are summarised below. Additional risk management information can be found in individual agencies' general purpose financial reports.

(a) Credit risk

Credit risk exposure represents the potential loss that would be recognised if counterparties failed to meet contractual obligations in relation to receivables, loans and other financial assets.

Receivables and loans

Queensland Treasury's credit management strategy in respect of tax, royalties, and fines and penalties receivables focuses on the prompt collection of revenues and follow up of outstanding amounts within specified timeframes. Risk assessments are performed upon non-payment of debt, risk ratings are assigned and compliance plans are developed with reference to the debt management strategies.

The State operates in the National Electricity Market, operated by the Australian Energy Market Operator, which has strict prudential guidelines that minimise the potential for credit related losses. This is supported by individual GOCs' Board approved policies. Where appropriate, collateral in the form of security deposits, letters of credit or bank guarantees are obtained from customers to mitigate possible losses. Concentration of credit risk for retail electricity customers is minimised due to transactions being with a large number of customers and limiting credit to any individual customer.

Advances made under the COVID-19 Jobs Support Loans scheme are managed by credit assessment procedures, annual loan reviews, reporting of arrears, monitoring undertaken by an external credit reference bureau, and requiring security on loans over $100,000. Repayments do not commence until April 2023. $54 million of COVID-19 Jobs Support Loans are credit-impaired as at 30 June 2022 (2021: $50 million).

Onlendings made to local governments, universities, grammar schools and private companies as part of the Industry Support Package are actively monitored through credit reviews and covenant monitoring to ensure all counterparties maintain adequate debt serviceability and long-term financial stability.

Details of credit risk exposure and expected credit losses for receivables and loans are disclosed in Note 23.

Cash, securities and derivatives

In respect of cash, deposits, securities and bonds, the State is exposed to significant concentrations of credit risk in the finance sector, in particular, the domestic banking sector. While the State has been focused on diversifying its investment portfolio, investments in bank credit predominate because of the State's requirement to invest with counterparties rated BBB+ or better and to invest in highly liquid securities. Key characteristics of these entities are monitored including their regulatory requirements, additional capital buffers, type of issuance and the impact of exigent developments. A ratings based approach is used to determine maximum credit exposure, as well as the counterparty's credit metrics, country of domicile, size of its funding programs, asset composition and quality of the underlying security.

46. Financial risk management disclosure continued

(a) Credit risk continued

Cash, securities and derivatives continued

The State's largest holder of investments and non-electricity derivatives is QTC. QTC's credit risk exposures and its counterparty exposures by rating are as follows:

2022	**Cash & equivalent** *$M*	**Financial assets** *$M*	**Derivatives** *$M*	**Total** *$M*	**% of Total**
AAA	-	2,770	-	**2,770**	8%
AA+	-	1,116	-	**1,116**	3%
AA	-	371	-	**371**	1%
AA-	5,247	18,890	35	**24,172**	72%
A+	-	3,043	14	**3,057**	9%
A	-	1,784	-	**1,784**	5%
Other	-	515	-	**515**	2%
	5,247	**28,488**	**49**	**33,785**	**100%**

2021	**Cash & equivalent** *$M*	**Financial assets** *$M*	**Derivatives** *$M*	**Total** *$M*	**% of Total**
AAA	-	2,070	-	**2,070**	8%
AA+	-	1,084	-	**1,084**	4%
AA	-	452	-	**452**	2%
AA-	11,803	7,456	48	**19,308**	72%
A+	-	2,957	13	**2,970**	11%
A	-	797	-	**797**	3%
Other	-	-	-	**-**	0%
	11,803	**14,816**	**61**	**26,681**	**100%**

Credit risk exposures that relate to electricity derivatives are managed under International Swaps and Derivatives Association (ISDA) agreements. The ISDA also has a strict credit policy, based on counterparties' credit ratings and requiring appropriate security.

Collateral and other credit enhancements

The maximum exposure to credit risk for the GGS and TSS on recognised financial assets, including derivatives, without taking account of any collateral or other credit enhancements is the carrying amount of these assets on the Balance Sheet.

The State holds as security, collateral in the form of charges over real property, business stock and assets, cash deposits, and bank, insurance company and other guarantees. Refer to Note 43 for details of guarantees and indemnities.

Master netting arrangements

The GGS does not have financial instruments that are subject to enforceable master netting arrangements or similar agreements.

The TSS enters into derivative transactions under ISDA Master Agreements and similar agreements. Under the terms of these agreements, the right to set off is enforceable only on the occurrence of default or other credit events. The Total State's ISDA agreements do not currently meet the criteria for offsetting at balance date, and accordingly the relevant assets and liabilities are shown grossed up.

Collateral is also transferred with derivative counterparties to reduce the Total State's credit exposure.

46. Financial risk management disclosure continued

(a) Credit risk continued

Master netting arrangements continued

The following table presents financial instruments that are subject to enforceable master netting or similar agreements but not yet offset in the balance sheet. The column 'net amount' shows the impact on Total State if all set off rights were exercised.

	Gross amount	Master netting & collateral	Net amount
	$M	*$M*	*$M*
2022			
Financial assets:			
Derivative assets	15,533	(9,733)	5,800
Financial liabilities:			
Derivative assets	17,638	(9,752)	7,886
Non derivative financial assets	6	(6)	-
Net exposure	**(2,110)**	**25**	**(2,086)**
2021			
Financial assets:			
Derivative assets	1,453	(673)	781
Financial liabilities:			
Derivative liabilities	1,655	(579)	1,076
Non derivative financial liabilities	2	(2)	-
Net exposure	**(203)**	**(92)**	**(295)**

(b) Liquidity risk

Liquidity risk arises from the possibility that individual agencies may be unable to settle a transaction on the due date. A range of funding strategies is used to ensure funds are available, such as maintaining a sufficient level of cash holdings to fund unexpected cash flows. QTC maintains appropriate liquidity to meet minimum requirements for the following liquidity metrics, which are reviewed annually:

- Standard & Poor's Liquidity Ratio – maintaining a minimum ratio of liquid assets to debt serving requirements at all times over a rolling 12 month horizon;
- Liquidity coverage ratio – maintaining a minimum liquidity balance sufficient to cover a stressed liquidity requirement over a set of horizon; and
- Cash flow waterfall – maintaining positive cash equivalents net of all inflows and outflows over a set horizon.

Liquidity risk of electricity market trading is controlled by the Australian Energy Market Operator, whereby all market participants are required to deliver irrevocable bank guarantees as security for timely settlement.

The contractual cash flow maturities of financial liabilities are included in the tables below. They are calculated based on undiscounted cash flows relating to the repayment of principal and interest amounts outstanding at balance date:

46. Financial risk management disclosure continued

(b) Liquidity risk continued

General Government Sector

2022

	1 Year or Less $M	*1 to 5 Years $M*	*Over 5 Years $M*	*Total $M*	*Carrying Value $M*
Payables	8,928	140	-	9,068	9,068
Commonwealth advances	40	117	190	348	262
Lease liabilities	548	1,552	1,336	3,437	3,076
SCA - non-GORTO liabilities	155	325	621	1,102	737
Other liabilities at amortised cost	2,147	1,947	2,986	7,081	4,905
Borrowing with QTC	1,241	4,975	48,943	55,158	49,000
Derivatives	-	40	78	118	93
	13,060	**9,096**	**54,155**	**76,311**	**67,142**

2021

	1 Year or Less $M	*1 to 5 Years $M*	*Over 5 Years $M*	*Total $M*	*Carrying Value $M*
Payables	7,746	139	-	7,885	7,885
Commonwealth advances	50	131	217	398	300
Lease liabilities	520	1,529	1,536	3,585	3,191
SCA - non-GORTO liabilities	79	323	703	1,105	694
Other liabilities at amortised cost	2,381	1,872	3,179	7,432	4,952
Borrowing with QTC	1,220	4,867	46,077	52,164	46,153
Derivatives	-	56	197	253	220
	11,996	**8,916**	**51,908**	**72,821**	**63,396**

Total State Sector

2022

	1 year or less $M	*1 to 5 years $M*	*Over 5 years $M*	*Total $M*	*Carrying value $M*
Payables	11,152	213	-	11,366	11,366
Commonwealth advances	40	117	190	348	262
Lease liabilities	601	1,778	1,439	3,818	3,481
SCA - non-GORTO liabilities	155	325	621	1,102	737
Other liabilities at amortised cost	1,100	1,971	2,986	6,057	3,882
Government securities and other loans at fair value	26,806	53,519	72,611	152,936	125,987
Derivatives	15,110	5,182	590	20,882	17,675
	54,965	**63,107**	**78,437**	**196,509**	**163,389**

46. Financial risk management disclosure continued

(b) Liquidity risk continued

Total State Sector continued

2021	***1 year or less*** *$M*	***1 to 5 years*** *$M*	***Over 5 years*** *$M*	***Total*** *$M*	***Carrying value*** *$M*
Payables	9,662	203	-	9,865	9,865
Commonwealth advances	50	131	217	398	300
Lease liabilities	591	1,795	1,669	4,054	3,697
SCA - non-GORTO liabilities	79	323	703	1,105	694
Other liabilities at amortised cost	1,246	1,894	3,179	6,319	3,840
Government securities and other loans at fair value	18,451	49,850	71,834	140,134	129,140
Derivatives	2,860	751	736	4,347	1,808
	32,939	**54,946**	**78,338**	**166,223**	**149,344**

(c) Market risk

(i) Interest rate and unit price risk

Interest income

The GGS and TSS are exposed to interest rate risk through investments managed by QIC Limited and cash deposits with the Commonwealth Bank of Australia. The GGS is also exposed to interest rate risk through its deposits and fixed rate notes with QTC. The State Investment Advisory Board (SIAB) determines the investment objectives, risk profiles and strategy for the Long Term Assets and Queensland Future Fund (Debt Retirement Fund) within the framework provided by the Government. The long term expected equilibrium rate of return on the portfolios remains unchanged at 6.5%. The Long Term Assets are held to fund superannuation and other long term obligations of the State, while the Debt Retirement Fund was established to provide funding to reduce the State's debt.

The GGS does not undertake hedging in relation to interest rate risk on cash deposits or borrowings. This is managed as per the liquidity risk management strategy.

Interest expense

The GGS and TSS are exposed to interest rate risk through borrowings. For the GGS, this includes borrowing with QTC and the Commonwealth Government. A number of other State-owned entities enter into interest rate swaps, forward rate agreements and futures contracts to assist in the management of interest rate risk. In some instances, interest rate swaps are utilised to swap medium to long term fixed rate borrowings into floating rate. At times, floating to fixed swaps may be undertaken to generate a fixed rate term funding profile.

General Government Sector

The GGS is exposed to movements in interest rates and managed fund unit prices through its cash deposits, investments and borrowings.

The effect of a 1% movement in interest rates on the GGS cash balances would be an $17 million (2021: $11 million) change in the GGS operating result and equity.

The GGS has fixed rate notes with QTC and other investments with QIC Limited that are exposed to interest rate changes and changes in the unit price of the funds managed. The rate on the fixed rate notes is reviewed annually and remains unchanged at 6.5%. Assuming all other variables remained constant, if the return on the notes moved by +/-1%, the GGS net operating balance would be approximately $414 million higher or lower (2021: $352 million). A +/-1% change in the market value of the underlying QIC investments on QTC's Balance Sheet would be reflected in an increment / decrement in the GGS other economic flows included in the operating result. If the return on other GGS investments, including with QIC, moved by +/-1%, the GGS operating result and equity would be approximately $30 million higher or lower (2021: $31 million).

GGS borrowing with QTC is in the form of fixed rate loans, generic debt pool borrowings (which are akin to fixed rate loans) or floating rate loans. Although the majority of the GGS borrowings are either fixed rate loans or generic debt pool loans, the Consolidated Fund bears the risk of movements between the fixed rate and market rate. Consequently, if interest rates on borrowing with QTC were to change by 1%, the effect on the GGS operating result and equity would be approximately $490 million (2021: $462 million).

46. Financial risk management disclosure continued

(c) Market risk continued

(i) Interest rate and unit price risk continued

Total State Sector

As the State's corporate treasury, QTC undertakes portfolio management activities on behalf of the State and raises funding in advance of requirements to ensure Queensland public sector entities have ready access to funding when required and also to reduce the risk associated with refinancing maturing loans. In addition, QTC holds and invests surplus funds on behalf of its clients and for liquidity management purposes.

These activities expose the State to interest rate risk, which is managed with consideration given to duration risk, yield curve risk, basis risk and a value at risk (VaR) framework, complemented by other measures such as defined stress tests.

To manage the risk of non-parallel yield curve movements, QTC manages portfolio cash flows in a series of time periods so that the net interest rate risk in each time period can be measured. QTC enters into interest rate swaps, forward rate agreements and futures contracts to assist in the management of interest rate risk.

	Total State	
	2022	*2021*
	$M	*$M*
Interest rate risk VaR at 30 June	47	23
Average for the year	27	24
Financial year - minimum	54	16
Financial year - maximum	8	44

The effect of a 1% movement in interest rates on the TSS cash balances would result in a $65 million (2021: $124 million) change to the State's operating result and equity.

The State has other investments exposed to interest rate changes and changes in the unit price of the funds managed by QIC Limited. Assuming all other variables remained constant, if the return on these investments moved by 1%, the effect on the State's operating result and equity would be approximately +499 million / -$496 million (2021: +$474 million / -$470 million). For the range of changes to the operating result and equity that are considered reasonably possible at year end, refer to individual agency statements, particularly QTC.

(ii) Commodity price risk

The State is exposed to commodity price risk resulting from changes in electricity, coal, gas, diesel, environmental certificates and other commodity prices.

As a result of its ownership of electricity generating GOCs, the State is exposed to electricity price risk. Electricity derivatives (price swaps, futures, caps and option contracts) are used to protect against movements in the price of electricity in the National Electricity Market. Longer term fixed price supply agreements are utilised to manage risk in relation to coal and gas.

Each entity is responsible for its own risk management and may make varying assumptions in assessing its sensitivity to such movements. The agencies with a material impact for TSS are CS Energy, Energy Queensland Limited, Stanwell Corporation Limited and CleanCo Queensland Limited.

On the assumption that all other variables remain constant, the impact of a +20% / -20% movement in electricity forward prices will impact the State's operating result by +$457 million / -$474 million (2021: +$348 million / -$352 million) and equity by -$883 million / +$884 million (2021: -$237 million / +$234 million).

(d) Foreign exchange risk

The State is exposed to movements in foreign currencies as a result of future commercial transactions and recognised assets and liabilities denominated in currencies other than the Australian dollar. The State enters into forward exchange contracts, currency options and swaps to effectively manage the exposure resulting from purchases of plant, equipment and materials in foreign currencies. Foreign exchange risk is managed by individual agencies which hedge significant proportions of anticipated transactions in line with their respective risk management strategies.

46. Financial risk management disclosure continued

Foreign exchange risk continued

The State also borrows offshore to provide access to additional sources of funding and diversify risk and undertakes investments in foreign currency assets. Foreign exchange contracts and cross currency swaps are used to effectively manage the exposure to fluctuations in exchange rates.

The State's exposure to foreign exchange risk is not considered material due to the effectiveness of risk management strategies.

47. Net fair value of financial instruments

The carrying amounts of the GGS and TSS financial assets and financial liabilities by category are:

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Financial assets				
Amortised cost	7,570	8,570	16,690	21,223
FVTPL - designated upon initial recognition	3,062	3,095	104,682	77,004
FVTPL - mandatorily measured at FVTPL	40,372	37,815	-	-
FVTOCI - debt instruments	239	264	239	264
FVTOCI - equity instruments	19,986	21,414	6	6
	71,230	**71,158**	**121,616**	**98,497**
Financial liabilities				
Amortised cost	67,049	63,176	19,739	18,407
FVTPL - designated upon initial recognition	-	-	131,103	129,476
FVTPL - held for trading	93	220	12,547	1,460
	67,142	**63,396**	**163,389**	**149,344**

The carrying amounts of GGS and TSS financial assets and liabilities, including cash, deposits, receivables and payables, equate approximately to their net fair value, except as outlined below:

General Government Sector

	Carrying amount	***Fair value***	***Carrying amount***	***Fair value***
	2022	*2022*	*2021*	*2021*
	$M	*$M*	*$M*	*$M*
Financial assets				
QRIDA loans	1,108	1,146	1,165	1,309
Financial liabilities				
Commonwealth Borrowings	262	346	299	407
Education non-concessional loans	373	241	382	344
QTC borrowings	49,000	43,983	46,153	49,277

Total State Sector

	Carrying amount	***Fair value***	***Carrying amount***	***Fair value***
	2022	*2022*	*2021*	*2021*
	$M	*$M*	*$M*	*$M*
Financial assets				
QRIDA loans	1,108	1,146	1,165	1,309
Financial liabilities				
Commonwealth Borrowings	262	346	299	407
Education non-concessional loans	373	241	382	344

47. Net fair value of financial instruments continued

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13, except the GGS equity investments in PNFCs and PFCs that are measured at fair value as the Government's proportional share of the carrying amount of net assets of the PNFC and PFC Sector entities on a GAAP basis.

The three levels of fair value hierarchy reflect the significance of the inputs used to determine the valuation of these instruments.

Level 1

The fair value of financial assets and liabilities with standard terms and conditions and traded in an active market is based on unadjusted quoted market prices. Financial instruments in this category include certain equity and debt investments where quoted prices are available from an active market, such as publicly traded derivatives, short-term and tradeable bank deposits, actively traded Commonwealth and semi-Government bonds and futures contracts and investments in certain unit trusts.

Level 2

The fair value of financial assets and liabilities is determined by using quoted market prices in active markets for similar instruments or quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly (prices) or indirectly (derived from prices) observable from market data, other than quoted prices included in Level 1. Financial instruments in this category include fixed interest deposits, fixed term notes, floating rate notes, commercial paper, non-actively traded corporate and semi-Government bonds, certain money market securities, onlendings, treasury notes, medium-term notes, client deposits, unit trusts and other derivatives such as over-the-counter derivatives, including forward exchange contracts, commodity swaps, interest rate and cross currency swaps and some electricity derivatives.

Level 3

Where financial instruments are measured using valuation techniques based on unobservable inputs or observable inputs to which significant adjustments have been applied, such instruments are included in Level 3 of the fair value hierarchy. These may include some unit trusts, power purchase agreements and other electricity derivative contracts.

Valuation policies and procedures of the GGS and TSS are developed and reviewed by management of respective agencies. Major valuation techniques adopted by the GGS and TSS include market comparison techniques, option valuation models, forecasting, estimated discounted cash flow techniques, and extrapolation, scalar and translation techniques. There have been no material changes in the above valuation techniques used during the year.

Significant valuation inputs used to value financial instruments categorised within Level 2 and Level 3 of the fair value hierarchy are:

- Interest rates;
- Trading margins;
- Exchange rates;
- Market indices;
- Credit spreads;
- Expected cash flows;
- Discount rates;
- Exchange traded market prices;
- Broker quotes or market prices for similar instruments
- Credit risk;
- Forward curve prices;
- Electricity settled prices;
- Forecast generation;
- Extrapolation rates;
- Scalar and translation factors;
- Market volatility;
- Renewable energy and greenhouse gas targets;
- Emerging technologies

47. Net fair value of financial instruments continued

The following table presents the GGS and TSS financial assets and liabilities recognised and measured at fair value.

General Government Sector	***Level 1*** ***$M***	***Level 2*** ***$M***	***Level 3*** ***$M***	***Total*** ***$M***
2022				
Assets				
Financial assets at fair value through profit or loss				
Rental purchase plan	-	207	-	207
Other investments	210	2,449	40,569	43,228
Financial assets at fair value through equity				
Corporate bonds	239	-	-	239
	449	**2,656**	**40,569**	**43,674**
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	93	93
	-	**-**	**93**	**93**
2021				
Assets				
Financial assets at fair value through profit or loss				
Rental purchase plan	-	184	-	184
Other investments	208	2,578	37,940	40,726
Financial assets at fair value through equity				
Corporate bonds	264	-	-	264
	472	**2,763**	**37,940**	**41,174**
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	220	220
	-	**-**	**220**	**220**

Total State Sector	*Level 1* *$M*	*Level 2* *$M*	*Level 3* *$M*	*Total* *$M*
2022				
Assets				
Financial assets at fair value through profit or loss				
Rental purchase plan	-	207	-	207
Derivatives	12,089	1,143	686	13,917
Securities and bonds	14,435	5,490	-	19,925
Loans	-	9,833	-	9,833
Other investments	752	34,026	26,006	60,783
Financial assets at fair value through equity				
Corporate bonds	239	-	-	239
	27,514	**50,700**	**26,691**	**104,905**
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives	13,960	3,073	649	17,682
Deposits	-	6,628	-	6,628
Government securities issued	90,549	28,367	-	118,916
Borrowings	-	432	-	432
	104,509	**38,499**	**649**	**143,657**

47. Net fair value of financial instruments continued

Total State Sector continued

2021

Assets				
Financial assets at fair value through profit or loss				
Rental purchase plan	-	184	-	184
Derivatives	881	424	17	1,321
Securities and bonds	8,360	3,140	-	11,499
Shares	-	-	-	-
Loans	-	10,851	-	10,851
Other investments	957	33,243	18,949	53,148
Financial assets at fair value through equity				
Corporate bonds	264	-	-	264
	10,461	**47,841**	**18,966**	**77,268**
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives	1,082	322	411	1,815
Deposits	-	6,372	-	6,372
Government securities issued	100,786	21,597	-	122,383
Borrowings	-	373	-	373
	101,869	**28,663**	**411**	**130,943**

Classification of instruments into fair value hierarchy levels is reviewed annually and the GGS and TSS recognise any transfers between levels of the fair value hierarchy during the reporting period in which the transfer has occurred.

The following table presents the net changes in Level 3 instruments:

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Opening balance asset / (liability)	37,720	26,141	18,555	14,269
Purchases	3,705	8,943	495	118
Sales	(2,028)	(1,866)	(28)	(3)
Settlements	-	-	1,803	4,133
Movements in other comprehensive income	-	-	(126)	(61)
Movements recognised in profit or loss	1,012	4,501	2,286	104
Transfers into Level 3	67	-	3,059	-
Transfers out of Level 3 into Level 2	-	-	(2)	(5)
Closing balance asset / (liability)	**40,475**	**37,720**	**26,042**	**18,555**

The sensitivity of the State's financial instruments is disclosed in Note 46.

48. Retirement benefit obligations

Retirement benefit liabilities include the following final salary defined benefit schemes:

- Defined benefit entitlements under the Government Division of the Australian Retirement Trust (QSuper);
- Pensions provided in accordance with the Judges (Pensions and Long Leave) Act 1957 (Judges' Scheme);
- Pensions provided in accordance with the Governors (Salary and Pensions) Act 2003 (Governors' Scheme); and
- Energy Super, a sub-fund within the Local Government Investment Australia Super Fund (ES LGIA).

48. Retirement benefit obligations continued

QSuper, Judges' Scheme and Governors' Scheme

The QSuper defined benefit schemes, which are closed to new members, provide accrued benefits based on a member's salary, contribution rate and length of membership. State Government budget-dependent agencies, together with certain statutory bodies and GOCs (excluding principally the Queensland electricity supply industry), make employer contributions as required. Employer contributions are held by the State, with the State meeting its share of liabilities when defined benefits become payable.

On 28 February 2022, QSuper and Sunsuper merged to form the Australian Retirement Trust. On this date, *the Superannuation (State Public Sector) Deed 1990* was repealed and its provisions incorporated under the Government Division Rules of the Australian Retirement Trust Deed. No changes were made to the rules of QSuper's defined benefit schemes.

Australian Retirement Trust, including its Government Division (QSuper), is a regulated scheme under the prudential supervision of the Australian Prudential Regulation Authority (APRA) and its trustee, Australian Retirement Trust Pty Ltd, is subject to the *Superannuation Industry (Supervision) Act 1993* and Regulations. The provisions of the *Superannuation (State Public Sector) Act 1990* and the Government Division Rules of the Australian Retirement Trust Deed govern the operation of QSuper.

The QSuper scheme is subject to an actuarial investigation at least every three years although this has been performed annually by the State Actuary since 2016. The latest actuarial investigation of QSuper was as at 30 June 2021 and was presented in a report dated 3 December 2021. Actuarial reviews have returned to the triennial cycle utilised prior to 2016, so the next actuarial investigation will be as at 30 June 2024.

The Judges' Scheme provides defined benefit pension entitlements to serving judges, Crime and Corruption Commission Queensland Commissioners and Parole Board Presidents and Deputy Presidents and is governed by the provisions of the *Judges (Pensions and Long Leave) Act 1957*, the *Crime and Corruption Act 2001* and the *Corrective Services Act 2006*. The Judges' Scheme is a wholly unfunded scheme. Due to materiality, the Governors' pension liability is included with the Judges' Scheme liabilities.

These schemes expose the State to the following:

- Inflation risk - the defined benefit obligations are linked to employees' salaries and therefore the net liability position can be adversely affected by an increase in the defined benefit obligation resulting from unexpected wage inflation. Similarly, the proportion of the defined benefit obligation linked to the consumer price index (pensions) is also subject to the risk of unexpected price inflation;
- Interest rate risk - a decrease in the discount rate will increase the defined benefit obligations;
- Investment risk - resulting from the mismatch between the current investment strategy and the liabilities; and
- Demographic risk - resulting from unexpected employee movements.

QSuper also incorporates defined contribution categories, for which the State has no further legal or constructive obligation other than to pay contributions. These liabilities and assets have been accounted for in accordance with the standards relevant to defined contribution schemes. In particular, no assets or liabilities relating to the funded defined contribution scheme have been included in the Balance Sheet. The expense relating to these schemes is the amount of employer contributions.

Energy Super – a sub-fund of Local Government Investment Australia Super Fund (ES – LGIASuper)

On 1 July 2021, Energy Super Fund and LGIASuper merged, creating one fund which is managed by LGIASuper Trustee.

Queensland electricity entities contribute to an industry multiple employer superannuation fund, the Energy Super – LGIASuper fund. Members are entitled to benefits from the fund on retirement, resignation, retrenchment, disability or death.

ES - LGIASuper is regulated by APRA under the *Superannuation Industry (Supervision)* Act 1993.

The defined benefit account (which is now closed to new members) of this fund is a funded plan which provides defined lump sum benefits based on years of service and average final salary. Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary. The actuary has adopted the aggregate funding method to ensure that the benefit entitlements of members and other beneficiaries are fully funded by the time they become payable. This funding method seeks to have benefits funded by a total contribution which is expected to be a constant percentage of members' salaries and wages over their working lifetimes. Actuarial assessments are made at no more than three yearly intervals, with the most recent actuarial assessment undertaken as at 30 June 2019 by Mercer Consulting (Australia) Pty Ltd.

48. Retirement benefit obligations continued

Energy Super – a sub-fund of Local Government Investment Australia Super Fund (ES – LGIASuper) continued

The ES - LGIASuper does not impose a legal liability on employer agencies to cover any deficits that may exist in the Fund. If the Fund was to be wound up, there would be no legal obligation on employer agencies to make good any shortfall. The Trust Deed of the Fund states that if the Fund is terminated, after payment of all costs and member benefits in respect for the period up to the date of termination, any remaining assets are to be distributed by the Trustees of the Fund, acting on the advice of the actuary, to participating employers.

Employer agencies may benefit from any surplus in the Fund in the form of a contribution reduction or contribution holiday. Any reduction in contributions would normally be implemented only after advice from the Fund's actuary.

The defined benefit account of this Fund is closed to new members.

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Present value of the defined benefit obligation				
QSuper DB	27,523	32,713	27,523	32,713
Judges	854	1,155	854	1,155
ES - LGIA Super	-	-	738	934
Total present value of the defined benefit obligation	**28,377**	**33,868**	**29,115**	**34,802**
Fair value of plan assets				
QSuper DB	6,209	6,536	6,209	6,536
ES - LGIA Super	-	-	1,138	1,207
Total fair value of the plan assets	**6,209**	**6,536**	**7,347**	**7,743**
Defined benefit obligation Liability/(Asset) recognised in Balance Sheet				
QSuper DB	21,314	26,177	21,314	26,177
Judges	854	1,155	854	1,155
ES - LGIA Super	-	-	(400)	(273)
Liability/(Asset) recognised in Balance Sheet	**22,168**	**27,332**	**21,768**	**27,059**

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
Reconciliation of the present value of the defined benefit obligation				
Opening balance	33,868	33,358	34,802	34,326
Current service cost	930	806	959	837
Contributions by plan participants	165	175	175	185
Interest cost	466	294	485	313
Benefits paid (including contributions tax)	(2,400)	(2,312)	(2,482)	(2,379)
Actuarial (gain)/loss	(4,652)	1,547	(4,824)	1,520
Closing balance	**28,377**	**33,868**	**29,115**	**34,802**
Reconciliation of the fair value of plan assets				
Opening balance	6,536	5,558	7,743	6,677
Return on plan assets at discount rate	89	48	113	70
Return on plan assets above/(below) discount rate (actuarial gain)	(108)	1,335	(131)	1,455
Employer contributions - State share of beneficiary payments	1,900	1,707	1,900	1,707
Employer contributions	-	-	2	3
Contributions by plan participants	165	175	175	185
Benefits paid (including contributions tax)	(2,374)	(2,286)	(2,456)	(2,354)
Closing balance	**6,209**	**6,536**	**7,347**	**7,743**

48. Retirement benefit obligations continued

	General Government 2022 $M	General Government 2021 $M	Total State 2022 $M	Total State 2021 $M
Present value of the obligation by funding policy				
Present value of the obligation - wholly unfunded	854	1,155	854	1,155
Present value of the obligation - wholly/partly funded	27,523	26,167	27,123	25,904
	28,377	**27,322**	**27,977**	**27,059**
Amounts recognised in Operating Statement				
Current service cost (including employer contributions)	930	806	959	837
Superannuation interest cost	377	246	372	243
Total amounts recognised in Operating Statement	**1,307**	**1,052**	**1,331**	**1,080**
Remeasurements of net defined benefit obligation				
Actuarial gain/(loss) due to changes in demographic assumptions	(103)	211	(103)	211
Actuarial gain/(loss) due to changes in financial assumptions	5,094	(1,473)	5,124	(1,460)
Actuarial gain/(loss) due to changes in experience adjustments	(339)	(285)	(197)	(271)
Return on plan assets above/below discount rate	(108)	1,335	(131)	1,454
Amounts recognised in Statement of Changes in Net Assets (Equity)	**4,545**	**(212)**	**4,693**	**(66)**

Plan Asset Allocations

The Government Division of the Australian Retirement Trust (QSuper) holds investments with the following asset allocations:

	Quoted 2022 $M	Unquoted 2022 $M	Quoted 2021 $M	Unquoted 2021 $M
Global equities	4,794	-	5,325	-
Global private equity	-	62	-	69
Global real estate	-	-	-	905
Cash and fixed interest	-	1,352	-	237
	4,794	**1,414**	**5,325**	**1,211**

QSuper plan assets are those held within the Government Division of the Australian Retirement Trust Fund only. QSuper holds investments in unit trusts that hold financial instruments issued by the State. These instruments are difficult to value accurately and are immaterial in proportion to the value of the unit trusts. In addition, these trusts own properties which are used by Government agencies. Again, the exact values attributable to these tenancies are difficult to determine accurately, nor do they represent a material proportion of the fair value of plan assets.

No plan assets are held in respect of the Judges' Scheme or Governors' Pensions.

48. Retirement benefit obligations continued

Plan Asset Allocations

The major categories of Energy Super Fund plan assets are as follows:

	2022 *$M*	*2021* *$M*
Global equities	307	495
Cash and fixed interest	432	265
Real estate	182	97
Other	216	350
	1,138	**1,207**

	QSuper DB *2022* *$M*	**QSuper DB** *2021* *$M*	**ES - LGIA** *2022* *$M*	**ES - LGIA** *2021* *$M*
Actual return on plan assets	(18)	1,383	1	142

The estimate of employer contributions to be paid in 2021-22 is $1.999 billion for QSuper DB and $2 million for ES-LGIA.

At 30 June 2022, the weighted average duration of the QSuper defined benefit obligation is 7 years (2021: 9 years).

Principal actuarial assumptions at:	**QSuper DB** *2022*	**QSuper DB** *2021*	**Judges** *2022*	**Judges** *2021*	**ES - LGIA** *2022*	**ES - LGIA** *2021*
Discount rate (gross)	3.70%	1.50%	3.70%	1.50%	4.9 - 5.1%	1.7 - 2.5%
Future inflationary salary increases	3.40%	3.10%	3.40%	3.10%	3 - 3.5%	3.00%
Expected CPI increases	2.40%	2.10%	N/A	N/A	N/A	N/A

Sensitivity Analysis for each significant actuarial assumption

	QSuper DB *2022* *$M*	**Judges** *2022* *$M*
Change in defined benefit obligation brought about by a 1% increase in:		
Discount rate	(1,909)	(111)
Future inflationary salary increases	1,978	136
Expected CPI increases	155	N/A

The sensitivity analysis shown above represents the effects of notional changes in each of the key parameters underlying the obligations, while holding all other assumptions constant. The sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions are correlated. They are not intended to represent any particular probability of occurrence.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

48. Retirement benefit obligations continued

QSuper funding arrangements and funding policy that affect future contributions

QSuper defined benefit category members are required to contribute a percentage of salary. Standard member contributions range between 2 - 6% of salary.

Unlike typical regulated defined benefit schemes, only the employee contributions are held within the QSuper Fund. Employer contributions received from employing authorities are held separate from the QSuper Fund in the Long Term Asset portfolio held by QTC. The State makes a last minute contribution to the QSuper Fund when a member exits the defined benefit scheme. Employer contributions to the QSuper Fund are based on 92% share of benefit payments and capitalised new pensions.

The Long Term Asset portfolio held by the Government, within the TSS, to fund the employee entitlement liabilities includes interest rate and inflation linked portfolios intended to partially hedge the corresponding liability risks.

49. Related parties and Ministerial remuneration

Key Management Personnel

All Ministers in the Queensland Cabinet are considered to be Key Management Personnel (KMP) of the State (including the GGS).

The aggregate remuneration of all Ministers (according to the period of time each Member of Parliament served as Minister) is as follows:

	2022 *$M*	*2021* *$M*
Short-term benefits	6.6	6.3
Post-service benefits	0.8	0.7
Total	**7.4**	**7.0**

Short-term benefits include base and additional salary entitlements, motor vehicle allowances, personal use of motor vehicles, chauffeur services and other entitlements. Post-service benefits comprise Government superannuation contributions for Ministers.

There are no material transactions between the State and Key Management Personnel and their related entities.

Transactions between the GGS and entities within the PNFC and PFC Sectors

Note 1(b) describes the reporting relationship between the GGS and entities within the PNFC and PFC Sectors. These entities are partially consolidated and are disclosed as investments in public sector entities on the face of the Balance Sheet. Names of these individual entities can be found in Note 50.

The following are the major transactions and balances (>$100 million) between the GGS and other public sector entities:

Revenue and assets

The GGS records dividend and income tax equivalent income from entities within the PNFC and PFC Sectors as per Note 7, with the related receivables per Note 23(a). Deferred tax equivalent income from the PNFC and PFC Sectors is shown on the Operating Statement and deferred tax equivalent assets and liabilities are shown on the Balance Sheet.

The GGS has cash fund balances with QTC which are disclosed in Note 22.

The GGS holds fixed rate notes from QTC which earn interest that is included in Note 6 and incurs a market value adjustment included in Note 16. The carrying value of the notes in the Balance Sheet is disclosed in Note 24(a). The rate on the fixed rate notes is also discussed in Note 46(c)(i).

The GGS receives competitive neutrality fees from entities within the PNFC and PFC Sector which are included in guarantee fees per Note 3. GGS payroll tax revenue per Note 3 includes $143 million (2021: $132 million) from entities within PNFC and PFC Sectors. GGS sales of goods and services (including revenue from contracts with customers) with the PNFC Sector are included in Note 5.

49. Related parties and Ministerial remuneration continued

Transactions between the GGS and entities within the PNFC and PFC Sectors continued

Expenses and liabilities

The GGS has borrowings with QTC. Note 13 discloses the interest expense which is predominantly with QTC and the borrowing balances are shown in Note 37(c). Further information on the terms of the QTC loans can be found in Note 46(c)(i).

Under the State's cash management regime, GOCs advance surplus cash to the GGS. The GGS pays interest on these advances at the QTC Cash Fund rate. The balance outstanding on these GOC advances is per Note 37(b).

The GGS has a transport service contract expense with Queensland Rail, disclosed in Note 11, and pays community service obligations to electricity and water PNFC entities as per Note 14. Electricity expenses, also disclosed in Note 11, are paid by the GGS to electricity entities in the PNFC Sector.

Workers' compensation premiums are paid to WorkCover by the GGS as per Note 9.

50. Controlled entities

Public sector entities are generally considered material for the purposes of this report if they meet either of the following criteria:

– net operating result in excess of $5 million; or

– net assets in excess of $100 million (2021: $100 million).

However, in addition to material entities, the State consolidates some entities which are not material in terms of the operating position or net asset position criteria if they are either a department or if they are funded for the delivery of services.

When financial results are available in respect of non-material entities, they are reviewed with the aim of including any newly material entities in the following year's consolidated financial statements.

Newly created entities that are expected to meet the materiality criteria on the basis of their initial budget estimates are included in the consolidated financial statements from the time of their establishment.

The GGS has 100% ownership and voting power in other Queensland public sector entities, classified as either PNFCs or PFCs.

The following controlled entities of the Government have been included in the consolidated financial statements for the year ended 30 June 2022. The list has been classified by activity sectors as outlined in Note 1(c). Entities denoted with an asterisk are consolidated with the accounts of the preceding entity.

General Government

Departments

Agriculture and Fisheries
Children, Youth Justice and Multicultural Affairs
Communities, Housing and Digital Economy
    * Arts Queensland
    * CITEC - commercialised business unit
    * Corporate Administration Agency - shared service provider
    * Queensland Shared Services - shared service provider
Education
Employment, Small Business and Training
Energy and Public Works
    * QBuild - commercialised business unit
    * QFleet - commercialised business unit
Environment and Science
Justice and Attorney-General
Premier and Cabinet
    * Screen Queensland Pty Ltd
Queensland Corrective Services
Queensland Fire and Emergency Services
Queensland Health

50. Controlled entities continued

General Government continued

Departments continued

Queensland Police Service
Queensland Treasury
Regional Development, Manufacturing and Water
Resources
Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships
State Development, Infrastructure, Local Government and Planning
* Economic Development Queensland - commercialised business unit
Tourism, Innovation and Sport
Transport and Main Roads
* RoadTek - commercialised business unit

Other General Government entities

Board of the Queensland Museum
* Queensland Museum Foundation Trust
Crime and Corruption Commission
Cross River Rail Delivery Authority
Electoral Commission of Queensland
Gold Coast Waterways Authority
Hospital and Health Services
Cairns and Hinterland
Central Queensland
Central West
Children's Health Queensland
Darling Downs
Gold Coast
Mackay
Metro North
Metro South
North West
South West
Sunshine Coast
Torres and Cape
Townsville
West Moreton
Wide Bay
Legal Aid Queensland
Legislative Assembly
Library Board of Queensland
* Queensland Library Foundation
Motor Accident Insurance Commission
Nominal Defendant
Office of the Governor
Office of the Health Ombudsman
Office of the Information Commissioner
Office of the Inspector-General of Emergency Management
Office of the Ombudsman
Prostitution Licensing Authority
Public Service Commission
Queensland Art Gallery Board of Trustees
* Queensland Art Gallery I Gallery of Modern Art (QAGOMA) Foundation
Queensland Audit Office
Queensland Building and Construction Commission
Queensland Curriculum and Assessment Authority
Queensland Family and Child Commission
Queensland Human Rights Commission
Queensland Mental Health Commission
Queensland Performing Arts Trust
Queensland Racing Integrity Commission

50. Controlled entities continued

Other General Government entities continued

Queensland Reconstruction Authority
Queensland Rural and Industry Development Authority
Residential Tenancies Authority
South Bank Corporation
TAFE Queensland
  * Aviation Australia Pty Ltd
The Council of the Queensland Institute of Medical Research
The Public Trustee of Queensland
Tourism and Events Queensland
  * Gold Coast Events Management Ltd
Trade and Investment Queensland

Public Non-financial Corporations

Brisbane Organising Committee for the 2032 Olympic and Paralympic Games (established on 20 December 2021)
CleanCo Queensland Limited
CS Energy Limited
  * Aberdare Collieries Pty Ltd
  * Callide Energy Pty Ltd
  * CS Energy Group Holdings Pty Ltd
  * CS Energy Group Operations Holdings Pty Ltd
  * CS Energy Kogan Creek Pty Ltd
  * CS Energy Oxyfuel Pty Ltd
  * CS Kogan (Australia) Pty Ltd
  * Kogan Creek Power Pty Ltd
  * Kogan Creek Power Station Pty Ltd
  * T75 CS Energy Segregated Cell
Energy Queensland Limited
  * Energex Limited
  * Ergon Energy Corporation Limited
  * Ergon Energy Queensland Pty Ltd
  * Ergon Energy Telecommunications Pty Ltd
  * Metering Dynamics Pty Ltd
  * SPARQ Solutions Pty Ltd
  * Varnsdorf Pty Ltd
  * VH Operations Pty Ltd
  * Yurika Pty Ltd
Far North Queensland Ports Corporation Limited
Gladstone Area Water Board
Gladstone Ports Corporation Limited
  * Gladstone Marine Pilot Services Pty Ltd
Mount Isa Water Board
North Queensland Bulk Ports Corporation Limited
  * Ports Corporation of Queensland Limited (dormant)
  * Mackay Ports Limited (dormant)
Port of Townsville Limited
Powerlink Queensland
  * Harold Street Holdings Pty Ltd
  * Powerlink Transmission Services Pty Ltd
  * Queensland Capacity Network Pty Ltd
Queensland Bulk Water Supply Authority (trading as Seqwater)
Queensland Rail
  * Queensland Rail Limited
    * On Track Insurance Pty Ltd
Queensland Treasury Holdings Pty Ltd (controlled entity of Queensland Treasury)
  * Brisbane Port Holdings Pty Ltd
  * DBCT Holdings Pty Ltd
  * Queensland Airport Holdings (Cairns) Pty Ltd (dormant)
  * Queensland Airport Holdings (Mackay) Pty Ltd (dormant)
  * Queensland Lottery Corporation Pty Ltd

50. Controlled entities continued

Public Non-financial Corporations continued

Stadiums Queensland
Stanwell Corporation Limited
- * Energy Portfolio 1 Pty Ltd (dormant)
- * Glen Wilga Coal Pty Ltd (dormant)
- * Goondi Energy Pty Ltd
- * Mica Creek Pty Ltd
- * SCL North West Pty Ltd
- * Tarong Energy Corporation Pty Ltd (dormant)
- * Tarong Fuel Pty Ltd
- * Tarong North Pty Ltd
- * TEC Coal Pty Ltd
- * TN Power Pty Ltd

SunWater Limited
- * Burnett Water Pty Ltd
- * Eungella Water Pipeline Pty Ltd
- * North West Queensland Water Pipeline Pty Ltd

Public Financial Corporations

QIC Limited (non-trading entities are not included in this list)
- * QIC European Investment Services Limited
- * QIC Infrastructure Management Pty Ltd
- * QIC Infrastructure Management No.2 Pty Ltd
- * QIC Investments No. 1 Pty Ltd
- * QIC Investments No. 2 Pty Ltd
- * QIC Investments No. 3 Pty Ltd
- * QIC Investment Holdings Pty Ltd
- * QIC Investment Holdings Trust
- * QIC Private Capital Pty Ltd
- * QICP Pty Ltd
- * QIC Retail Pty Ltd
- * QIC (UK) Management Limited
- * QIC US Management, Inc.
  - * QIC Corporate Management, Inc.
  - * QIC Global Infrastructure (US), Inc.
  - * QIC Properties US, Inc.
  - * QIC US Investment Services Inc
    - * QIC Non-Member Manager LLC
    - * QIC QGIF GP Co No. 1 Inc
    - * QIC US Private Equity, LLC
    - * QIC US Private Equity No. 2 LLC
    - * QIC US Regional Shopping Center Fund GP LLC
    - * QIC US Shopping Centre Fund No.1 GP LLC
    - * South Bay Managing Member LLC
  - * QIDP GP1 S.a.r.l.

Queensland Treasury Corporation
The National Injury Insurance Agency, Queensland
WorkCover Queensland

51. Reconciliation to GFS

As required by AASB1049, this note identifies the convergence differences between the key aggregates per AASB1049 and the calculations in terms of the GFS Manual.

AASB 1049 Treatment	ABS GFS Treatment
Reconciliation to GFS Net Operating Balance	
Onerous contract expenses are recognised as other economic flows included in the operating result.	Onerous contract expenses are recognised expenses from transactions when payments are made from the provision. This difference flows through to the TSS.
Dividends to owners are treated as a distribution to owners and therefore a direct debit to equity.	Dividends to owners are treated as an expense. The differences do not flow through to the TSS as they arise from inter-sector transactions.
AASB 16 Leases Lease expenses related to leased assets recognised on the Balance Sheet have been reallocated from supplies and services to lease amortisation and lease finance charges	Operating leases are recognised as other operating expenses.
An elimination difference arises in respect of social benefits. Under AASB 10, intragroup transactions are eliminated in full.	Certain transactions within and between the GGS and the PNFC Sector are not eliminated on consolidation of the GGS or TSS. These benefits are grossed up for GFS reporting in sales of goods and services and other operating expenses and there is no net effect on the net operating balance.
Reconciliation to GFS Fiscal Balance	
Purchases and sales of land inventories and assets held for rental and subsequently held for sale are reflected in changes in net inventories	Purchases and sales of land inventories and assets held for rental and subsequently held for sale are treated as purchases and sales of non-financial assets.
Reconciliation to GFS Net Worth and Change in net worth	
Equity investments in PNFCs and PFCs are measured as the Government's proportional share of the carrying amount of net assets of the PNFC and PFC Sector entities on a GAAP basis.	Equity investments in PNFCs and PFCs are impacted by the above convergence differences.
AASB 16 Leases Operating leases are recognised on the balance sheet under AASB 16 Leases unless the lease is shorter than 12 months or where the underlying assets are worth less than $10 000.	Operating leases are not recognised on the balance sheet.
Restoration assets and provisions Restoration assets and restoration provisions have been recognised in the Balance Sheet.	Restoration assets and restoration provisions are not recognised. This difference flows through to the TSS.
Deferred tax assets and liabilities Deferred tax assets are classified as non-financial assets and deferred tax liabilities are classified as non-financial liabilities in the Balance Sheet.	Deferred tax assets and deferred tax liabilities are not recognised. The difference does not flow through to the TSS as it arises from inter-sector transactions.
AASB 1059 Service concession arrangements SCA – GORTO assets and GORTO liabilities have been recognised in the Balance Sheet.	SCA – GORTO assets and GORTO liabilities are not recognised.
A provision for onerous contracts is recognised in the Balance Sheet.	A provision for onerous contracts is not recognised. This difference flows through to the TSS.
Net Worth is calculated as assets less liabilities.	Net worth is measured as assets less liabilities less shares/contributed equity.

51. Reconciliation to GFS continued

Reconciliation to GFS Cash Surplus/(Deficit)	
Cash Flow Statement does not recognise notional cash flows.	A notional cash outflow relating to new finance leases and similar arrangements is recognised in calculating cash surplus/(deficit). This total difference flows through to the TSS.

52. Expenses from transactions by function

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
General public services	5,174	4,803	10,349	9,578
Public order and safety	6,328	5,973	6,205	5,858
Economic affairs	2,595	1,961	10,980	7,929
Environmental protection	1,605	979	1,603	978
Housing and community amenities	1,031	1,047	1,861	1,773
Health	22,045	20,148	21,846	19,970
Recreation, culture and religion	936	818	1,017	911
Education	16,871	15,431	16,740	15,296
Social protection	5,738	5,582	6,664	6,329
Transport	7,568	6,964	7,567	6,981
	69,889	**63,706**	**84,832**	**75,604**

53. Sector assets by function

	General Government		*Total State*	
	2022	*2021*	*2022*	*2021*
	$M	*$M*	*$M*	*$M*
General public services[1]	55,102	55,313	88,587	81,401
Public order and safety	9,205	8,637	9,009	8,476
Economic affairs	13,530	10,372	60,380	43,725
Environmental protection	95,973	79,123	95,910	79,081
Housing and community amenities	21,632	19,127	34,750	32,721
Health	17,690	16,893	17,538	16,739
Recreation, culture and religion	5,213	4,717	6,125	5,440
Education	29,954	26,469	29,923	26,452
Social protection	2,764	3,011	5,184	5,249
Transport	112,663	97,976	122,683	107,807
	363,726	**321,638**	**470,089**	**407,091**

[1] For GGS, includes fixed rate notes and investments in other public sector entities. For TSS, includes investments managed by QIC, securities and bonds.

54. General Government Sector Budget to actual comparison

Operating Statement

	Variance Notes	Published Budget 2022 $M	Actual 2022 $M	Change $M	Change %
Continuing Operations					
Revenue from Transactions					
Taxation revenue	1	17,399	20,011	2,612	15.0%
Grants revenue	2	31,936	34,135	2,199	6.9%
Sales of goods and services		6,062	5,896	(165)	(2.7%)
Interest income		2,537	2,643	106	4.2%
Dividend and income tax equivalent income	3	1,142	790	(352)	(30.8%)
Other revenue	4	4,589	10,710	6,121	133.4%
Total Revenue from Transactions		**63,664**	**74,185**	**10,521**	**16.5%**
Expenses from Transactions					
Employee expenses	5	27,474	28,068	594	2.2%
Superannuation expenses	6	3,528	3,763	235	6.7%
Other operating expenses		17,964	18,228	264	1.5%
Depreciation and amortisation		4,356	4,506	150	3.4%
Other interest expenses	7	1,667	1,508	(159)	(9.5%)
Grants expenses	8	12,160	13,817	1,657	13.6%
Total Expenses from Transactions		**67,149**	**69,889**	**2,740**	**4.1%**
Net Operating Balance from Continuing Operations		**(3,485)**	**4,296**	**7,781**	
Other Economic Flows - Included in Operating Result					
Gains/(losses) on sale of assets/settlement of liabilities		24	(6)	(30)	
Revaluation increments/(decrements) and impairment (losses)/reversals		19	(1,087)	(1,106)	
Asset write-downs		(93)	(516)	(423)	
Actuarial adjustments to liabilities		51	906	855	
Deferred income tax equivalents		(48)	(446)	(398)	
Dividends and tax equivalents treated as capital returns		90	80	(10)	
Other		152	155	3	
Total Other Economic Flows - Included in Operating Result	9	**195**	**(913)**	**(1,108)**	
Operating Result from Continuing Operations		**(3,290)**	**3,383**	**6,673**	
Other Economic Flows - Other Movements in Equity					
Adjustments to opening balances		-	-	-	
Revaluations		1,780	36,777	34,997	
Other		(7)	-	7	
Total Other Economic Flows - Other Movements in Equity	10	**1,773**	**36,777**	**35,004**	
Comprehensive Result/Total Change in Net Worth		**(1,517)**	**40,160**	**41,677**	
KEY FISCAL AGGREGATES					
Net Operating Balance		**(3,485)**	**4,296**	**7,781**	
Net Acquisition/(Disposal) of Non-Financial Assets					
Purchases of non-financial assets		7,800	7,889	89	
Less Sales of non-financial assets		240	255	15	
Less Depreciation		4,356	4,506	150	
Plus Change in inventories		9	(77)	(87)	
Plus Other movement in non-financial assets		1,266	1,315	49	
Equals **Total Net Acquisition/(Disposal) of Non-Financial Assets**		**4,480**	**4,367**	**(113)**	
Fiscal Balance		**(7,965)**	**(71)**	**7,894**	

54. General Government Sector Budget to actual comparison continued

Balance Sheet

	Variance Notes	*Published Budget 2022 $M*	*Actual 2022 $M*	*Change $M*	*Change %*
Assets					
Financial Assets					
Cash and deposits	11	860	1,710	850	98.9%
Receivables and loans					
Receivables	12	3,305	4,166	862	26.1%
Advances paid		1,545	1,233	(312)	(20.2%)
Loans paid		399	330	(69)	(17.2%)
Securities other than shares	13	38,921	43,805	4,884	12.5%
Shares and other equity investments					
Investments in public sector entities	14	22,857	19,980	(2,877)	(12.6%)
Investments in other entities		4	6	2	36.6%
Investments accounted for using the equity method		157	159	2	1.3%
Total Financial Assets		**68,047**	**71,389**	**3,342**	**4.9%**
Non-Financial Assets					
Inventories		740	650	(89)	(12.1%)
Assets held for sale		138	84	(54)	(39.1%)
Investment properties		340	498	158	46.4%
Property, plant and equipment	15	231,929	269,720	37,792	16.3%
Intangibles		778	739	(39)	(5.0%)
Service concession assets - GORTO	16	9,367	10,608	1,242	13.3%
Deferred tax asset	17	6,239	9,270	3,031	48.6%
Other non-financial assets		633	767	134	21.2%
Total Non-Financial Assets		**250,163**	**292,337**	**42,174**	**16.9%**
Total Assets		**318,210**	**363,726**	**45,516**	**14.3%**
Liabilities					
Payables	18	4,673	5,488	815	17.4%
Employee benefit obligations					
Superannuation liability		22,686	22,168	(518)	(2.3%)
Other employee benefits	19	8,513	9,026	513	6.0%
Deposits held		-	-	-	
Advances received		1,432	1,310	(122)	(8.5%)
Borrowing with QTC	20	57,240	49,000	(8,241)	(14.4%)
Leases and other loans		7,603	7,671	68	0.9%
Securities and derivatives		198	93	(104)	(52.7%)
Deferred tax liability	17	1,126	5,695	4,570	405.9%
Provisions	21	3,637	5,120	1,483	40.8%
Service concession liabilities - GORTO		7,052	7,442	390	5.5%
Other liabilities		875	1,089	213	24.4%
Total Liabilities		**115,037**	**114,102**	**(934)**	**(0.8%)**
Net Assets		**203,174**	**249,624**	**46,450**	**22.9%**
Net Worth					
Accumulated surplus		84,019	95,196	11,177	13.3%
Reserves		119,155	154,428	35,273	29.6%
Total Net Worth		**203,174**	**249,624**	**46,450**	**22.9%**
KEY FISCAL AGGREGATES					
Net Financial Worth		(46,989)	(42,713)	4,276	
Net Financial Liabilities		69,847	62,694	(7,153)	
Net Debt		24,750	10,997	(13,753)	

54. General Government Sector Budget to actual comparison continued

Cash Flow Statement

	Variance Notes	Published Budget 2022 $M	Actual 2022 $M	Change $M	Change %
Cash Flows from Operating Activities					
Cash received					
Taxes received	22	18,657	20,766	2,109	11.3%
Grants and subsidies received	23	31,907	34,377	2,471	7.7%
Sales of goods and services		6,312	6,298	(15)	(0.2%)
Interest receipts		2,535	2,638	103	4.1%
Dividends and income tax equivalents	24	897	1,202	305	33.9%
Other receipts	25	5,730	12,472	6,742	117.7%
		66,039	**77,753**	**11,715**	**17.7%**
Cash paid					
Payments for employees		(31,442)	(31,739)	(296)	0.9%
Payments for goods and services		(20,403)	(20,506)	(103)	0.5%
Grants and subsidies paid	26	(12,100)	(13,617)	(1,517)	12.5%
Interest paid	27	(1,600)	(1,441)	159	(9.9%)
		(65,545)	**(67,303)**	**(1,757)**	**2.7%**
Net Cash Flows from Operating Activities		**493**	**10,451**	**9,957**	**2018.3%**
Cash Flows from Investing Activities					
Non-Financial Assets					
Purchases of non-financial assets		(7,800)	(7,889)	(89)	1.1%
Sales of non-financial assets		240	255	15	6.2%
		(7,561)	**(7,635)**	**(74)**	**1.0%**
Financial Assets (Policy Purposes)					
Equity acquisitions		(563)	(90)	473	(84.0%)
Equity disposals		113	102	(11)	(9.7%)
Advances and concessional loans paid		(277)	(157)	120	(43.2%)
Advances and concessional loans received		91	272	181	199.1%
	28	**(636)**	**127**	**763**	**(119.9%)**
Financial Assets (Liquidity Purposes)					
Purchases of investments		(3,392)	(6,470)	(3,078)	90.7%
Sales of investments		2,571	2,580	10	0.4%
	29	**(821)**	**(3,889)**	**(3,068)**	**373.8%**
Net Cash Flows from Investing Activities		**(9,017)**	**(11,397)**	**(2,380)**	**26.4%**
Cash Flows from Financing Activities					
Cash received					
Advances received	30	163	2,339	2,176	1331.4%
Proceeds of borrowing	31	10,203	3,088	(7,115)	(69.7%)
		10,367	**5,427**	**(4,939)**	**(47.6%)**
Cash paid					
Advances paid	30	(232)	(2,465)	(2,233)	960.9%
Borrowing repaid	31	(1,702)	(1,435)	267	(15.7%)
Deposits withdrawn		-	-	-	100%
		(1,934)	**(3,900)**	**(1,966)**	**101.6%**
Net Cash Flows from Financing Activities		**8,433**	**1,527**	**(6,905)**	**(81.9%)**
Net Increase/(Decrease) in Cash and Deposits Held		**(91)**	**581**	**672**	**(735.1%)**
Cash and deposits at the beginning of the financial year		951	1,129	**178**	18.7%
Cash and Cash Equivalents Held at the End of the Financial Year		**860**	**1,710**	**850**	**98.9%**

54. General Government Sector Budget to actual comparison continued

Cash Flow Statement continued

KEY FLISCAL AGGREGATES	*Published Budget 2022 $M*	*Actual 2022 $M*	*Change $M*	*Change %*
Net Cash from Operating Activities	493	10,451	9,957	
Net Cash Flow from Investments in Non-Financial Assets	(7,561)	(7,635)	(74)	
CASH SURPLUS/(DEFICIT)	**(7,067)**	**2,816**	**9,883**	
Derivation of ABS GFS Cash Surplus/Deficit				
Cash surplus/(deficit)	(7,067)	2,816	9,883	
Acquisitions under finance leases and similar arrangements	(1,088)	(1,051)	37	(3.4%)
ABS GFS Cash surplus/(Deficit) Including Finance leases and Similar Arrangements	**(8,155)**	**1,765**	**9,921**	

Explanations of major variances between AASB 1049 actual amounts and corresponding original Budget amounts for GGS

Operating Statement

1. Taxation revenue was $2.612 billion or 15% higher than the 2021-22 Budget estimate driven by the continued recovery in Queensland and national economic activity following the initial impacts of COVID- 19. Transfer duty increased compared to the Budget estimate reflecting increases in property transaction volumes and strong growth in dwelling prices as well as higher collections from large and non-residential transactions. Payroll tax revenue also improved relative to the Budget estimate due to the strengthening labour market conditions in Queensland.
2. Grant revenue was $2.199 billion higher than the 2021-22 Budget forecast reflecting growth in the national GST pool and higher specific purpose payments from the Australian Government, including additional National Health Reform Agreement funding for the COVID-19 health response, advance payment of the Financial Assistance Grants for local councils and higher on-passed grant funding to non-government schools.
3. Dividend and income tax equivalent income was $352 million lower compared to the 2021-22 Budget estimate mainly due to the Government's decision to allow GOCs to retain 2021-22 dividends for reinvestment in future critical infrastructure.
4. Other revenue increased $6.121 billion, or 133%, over the 2021-22 Budget estimate driven in large part by the increase in royalty income ($5.75 billion), reflecting a temporary surge in coal and oil prices.
5. Employee expenses were $594 million or 2.2% higher than the 2021-22 Budget, with the increase mostly in key frontline areas of health services and policing.
6. Superannuation expenses were $235 million higher than forecast in part due to a change in financial assumptions used in the actuarial valuation of the defined benefit superannuation liabilities.
7. Interest expenses were lower than the 2021-22 Budget estimate largely due to lower new borrowing requirements in the financial year as a result of the better than expected net operating balance.
8. Grants expenses were $1.657 billion higher than Budget due to advance annual payments to local councils, to reduce the household impact of the waste levy, COVID-19 Business Support Grants (incorporating Tourism and Hospitality Sector Hardship Grants) and advance payment by the Australian Government for Financial Assistance Grants on-passed to local councils and higher on-passed grants to non-government schools.

54. General Government Sector Budget to actual comparison continued

Explanations of major variances between AASB 1049 actual amounts and corresponding original Budget amounts for GGS continued

Operating Statement continued

9. Other economic flows included in operating result were $1.108 billion lower than the 2021-22 Budget. This variance was due in large part to:
   - The fair value decrement on the fixed rate notes with QTC which are linked to the fair value of QTC's corresponding Long Term Asset and Debt Retirement Fund portfolios held with QIC.
   - Write down of medical supplies inventories, including Rapid Antigen Tests.
   - Lower deferred income tax equivalent income from electricity generation businesses and WorkCover Queensland.

   These adjustments were partially offset by actuarial adjustments to the long service leave, Queensland Government Insurance Fund (QGIF) and other provisions.

10. Other movements in equity were $34.997 billion higher than estimated in the 2021-22 Budget due to an increase in property, plant and equipment (PPE) mainly from upward valuation of road infrastructure and land under roads and downward actuarial adjustment to defined benefit superannuation liabilities. PPE adjustments were largely driven by significant increases in the cost of inputs into roads infrastructure, such as raw materials, plant and labour as well as an increase in the market value for land in Queensland. These adjustments were partially offset by downward valuation of the investment in the PNFC and PFC Sector entities.

Balance Sheet

11. Refer to Cash Flow Statement for movements in the cash balance.

12. Receivables were $862 million higher than the 2021-22 Budget, partly reflecting the GST grant receivable at year end, higher than forecast transfer duties receivable and Commonwealth grants receivable for health funding, offset in part, by lower dividends receivable from GOCs following the government's decision for these entities to retain 2021-22 dividends for future critical infrastructure.

13. Securities other than shares were $4.884 billion higher than the 2021-22 Budget reflecting the roll forward of the upward market valuation of the fixed rate notes with QTC as at 30 June 2021 and investment of $2.5 billion royalty revenue windfall in the 2021-22 financial year. These increases were partly offset by the fair value decrement on the fixed rate notes with QTC at 30 June 2022 (refer variance Note 9).

14. The reduction of $2.877 billion in the investments in public enterprises is due to the combined movements in the net worth of PNFC and PFC Sector entities and mainly results from market value adjustments to derivative liabilities by electricity GOCs at 30 June 2022.

15. The increase of $37.792 billion in property, plant and equipment over the 2021-22 Budget is mainly due to road infrastructure and land under roads revaluations made post the original Budget estimate.

16. The increase of $1.242 billion for SCA – GORTO over the 2021-22 Budget estimate is largely due to upward valuation to SCAs for Gateway Motorway and Airportlink M7.

17. Deferred tax assets and liabilities were higher than the 2021-22 Budget largely due to deferred tax asset and liability movements being netted off for budget reporting by Stanwell Corporation Limited. Stanwell Corporation's net deferred tax liability is partly higher than budget forecast as a result of net market value adjustments on its derivative contracts following higher than expected electricity prices.

18. Payables were $815 million higher than the Budget projection partly due to an increase in trade payables by various departments, including Queensland Health, and higher capital payables in the Department of Education.

19. Other employee benefit obligations were $513 million higher than the 2021-22 Budget due to actuarial valuation adjustments to the Long Service Leave Central Scheme liabilities and higher than projected liabilities for the State's Annual Leave Central Scheme.

20. Borrowing with QTC were $8.241 billion lower than projected at the time of the 2021-22 Budget, in the main due to the improved net operating balance as a result of the rebound in royalty and taxation revenue.

21. Provisions were $1.483 billion higher than the 2021-22 Budget forecast primarily due to the roll forward of actuarial adjustments to QGIF liabilities reported at 30 June 2021, which were made post the original budget estimate.

54. General Government Sector Budget to actual comparison continued

Explanations of major variances between AASB 1049 actual amounts and corresponding original Budget amounts for GGS continued

Cash Flow Statement

22. Tax receipts were $2.1 billion above the 2021-22 Budget estimate, which is lower than the increase in the Operating Statement (refer variance Note 1) due to additional receivables at year end.

23. Grants and subsidies received are $2.471 billion higher than budgeted. This variance is higher than the operating statement (refer variance Note 2), due to the timing of receipts from the Commonwealth for GST.

24. Dividend and tax equivalent receipts are $305 million higher than expected at Budget.This variance is higher than the operating statement (refer variance Note 5), due to dividend receipts in 2021-22 being based on higher dividends declared in the 2020-21 year than were expected at the time of the 2021-22 Budget.

25. In addition to the increase per the Operating Statement (refer variance Note 4) other receipts are higher than budget mainly due to higher than expected net GST receipts from the ATO.

26. Grants and subsidies paid are $1.517 billion higher than expected at budget. Further details can be found in variance Note 8.

27. Interest paid is $159 million less than budget mainly due to a lower new borrowing requirement predominantly due to better than expected net operating receipts.

28. Net cash outflows from policy purposes are $763 million lower than budget, mainly due to the timing of equity investments in GOCs, now expected to made in later years, and higher than expected concessional loan repayments as well as lower new loans.

29. Net cash outflows from liquidity purposes are $3.068 billion higher than budget, mainly due to the investment of the royalties windfall and additional investment in the QTC redraw facility.

30. While gross advances received and paid are higher than budgeted, the net impact is only $57 million.

31. Net proceeds from borrowing are $6.848 billion lower than budget mainly due to the improved operating cash position reducing the State's expected funding requirements.

Certification of Queensland State Government Financial Statements

General Government Sector and Total State Sector Consolidated Financial Statements

2021-22

Management Certificate

The foregoing GGS and TSS consolidated financial statements have been prepared pursuant to section 25(1)(a) and (b) of the *Financial Accountability Act 2009* and other prescribed requirements.

In our opinion and in terms of section 25(3) of the *Financial Accountability Act 2009*, we certify that the GGS and TSS consolidated financial statements have been properly drawn up, under the prescribed requirements, to present a true and fair view of:

(i) the financial operations and cash flows of the Government of Queensland for the financial year; and

(ii) the financial position of the Government of Queensland at 30 June 2022.

At date of certification of the statements, we are not aware of any material circumstances that would render any particulars included in the GGS and TSS consolidated financial statements misleading or inaccurate.

David Newby, CA
Director, Financial Reporting
Queensland Treasury

Leon Allen
Under Treasurer
Queensland Treasury

The Honourable Cameron Dick MP
Treasurer
Minister for Trade and Investment

17 October 2022

Queensland Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Treasurer of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying consolidated financial report of the Queensland Government including the General Government Sector and Total State Sector as set out on pages 5-1 to 5-102.

In my opinion, the financial report:

a) gives a true and fair view of the Queensland Government's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended

b) complies with the *Financial Accountability Act 2009* and Australian Accounting Standard AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

The financial report comprises the balance sheets as at 30 June 2022, operating statements, statements of changes in equity (net worth), and cash flow statements for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificate given by the Treasurer, Under Treasurer and Director, Financial Reporting.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the Queensland Government in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional* Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Queensland Audit Office
Better public services

Valuation of property, plant and equipment (Total State Sector $332.64 billion; General Government Sector $269.72 billion at 30 June 2022)

Refer to Note 31 in the financial report.

Key audit matter	How my audit addressed this key audit matter
Property, plant and equipment is the most material balance on the Balance Sheet and is reported at fair value in compliance with AASB 13 *Fair Value Measurement*. The valuation of some assets requires significant management judgement due to the uncertainties inherent in the valuation of these significant physical assets. Complex valuation methodologies are applied to certain government assets including infrastructure assets, and some asset classes are difficult to value due to their nature. The inputs to valuation models are subjective and are reliant upon significant estimates and judgements. Not all entities that are consolidated into the Whole of Government financial statements are required to report their material assets at fair value in their own general purpose financial statements. This increases the risk that material assets may not be reported at fair value in the consolidated financial statements.	For material assets that were reported at fair value in entity financial statements, my procedures included, but were not limited to: • confirming, on a sample basis, the fair value of material assets included in the consolidated statements to the public sector entity's audited financial statements • confirming the appropriateness of the approach used to measure the fair value for each type of asset class, and identifying the significant judgements made by management in determining fair value • confirming the appropriateness of disclosures made under AASB 13 *Fair Value Measurement* by agreeing them to the entity's audited financial statements. For material assets that were not reported at fair value in entity financial statements, my procedures included, but were not limited to: • assessing the methodology used to derive the fair values of those assets • agreeing with component auditors the approach for auditing those values within materiality levels directed • confirming with the component auditors the results of testing performed over the fair values and the significant judgements used by management • assessing the impact of fair value adjustments on other balances in the financial statements, including depreciation and movements in the asset revaluation surplus • assessing the reasonableness of values of remaining assets not reported at fair value to ensure that the values are not likely to be materially different to their fair value • assessing the appropriateness of disclosures under AASB 13 *Fair Value Measurement*.

Valuation of defined benefit superannuation liability (Total State Sector $21.77 billion; General Government Sector $22.17 billion at 30 June 2022)

Refer to Notes 36 and 48 in the financial report.

Key audit matter	How my audit addressed this key audit matter
The Queensland Government defined benefit superannuation liability is a material amount on the Balance Sheet. The underlying model used to value the liability is complex and involves a significant degree of management judgement and estimation in the selection of long-term assumptions, including salary growth, discount rates and expected CPI increases, to which the valuation of the scheme is highly sensitive. The State Public Sector Superannuation Fund (QSuper) defined benefit scheme is assessed annually by the State Actuary.	My procedures included, but were not limited to: • obtaining management's actuarial report and: – assessing the appropriateness of any changes to the methodology used by the State Actuary – assessing the reasonableness of any material changes to the underlying assumptions and judgements used in estimating the liability – confirming the accuracy of the value reported in the consolidated financial statements • assessing the appropriateness and adequacy of related disclosures in the financial statements against the requirements of applicable Australian accounting standards.

Consolidation of financial information

Key audit matter	How my audit addressed this key audit matter
The consolidated financial statements require the consolidation of financial information from over 90 public sector entities. Entities may apply different financial reporting frameworks or apply accounting standards and accounting policies differently in the preparation of their individual financial statements. AASB 1049 *Whole of Government and General Government Sector Financial Reporting* requires restatement or reclassification of certain information prepared under generally accepted accounting principles (GAAP) to comply with the Government Financial Statistics (GFS) requirements developed by the Australian Bureau of Statistics.	My procedures included, but were not limited to: • verifying the completeness of material public sector entities included in the consolidated financial statements • obtaining assurance over the completeness and accuracy of the financial information of individual entities consolidated in the financial statements by agreeing the financial information back to the audited financial statements for material public sector entities • verifying compliance with the ABS GFS manual with respect to accounting treatment and disclosures in the financial statements and the classification of entities into the relevant sectors of government • assessing the quality of the process used to identify and eliminate transactions and balances occurring between public sector entities and sectors of government • reviewing material manual adjustments and reclassification of amounts for reasonableness • for those public sector entities not consolidated into the financial statements, we confirmed that they did not exceed the thresholds for reporting and therefore were not material.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) included in the Queensland Government's Report on State Finances for the year ended 30 June 2022.

The Treasurer, through Queensland Treasury, is responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Responsibilities of the Treasurer and Queensland Treasury for the financial report

The Treasurer, through Queensland Treasury, is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009* and Australian Accounting Standard 1049 *Whole of Government and General Government Sector Financial Reporting*, and for such internal control as is determined necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. AASB 1049 requires compliance with other applicable Australian Accounting Standards.

The Treasurer, through Queensland Treasury, is also responsible for disclosing matters related to going concern and using the going concern basis of accounting in the preparation of the financial statements, unless this is assessed as not being appropriate.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Queensland Government's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the Queensland Government's use of the going concern basis of accounting.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Treasurer, through Queensland Treasury, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

From the matters communicated, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

19 October 2022

Brendan Worrall — Queensland Audit Office

Auditor-General — Brisbane

Queensland
Government

EXHIBIT (c)(iii)

Budget Papers of the Co-Registrant for 2022-23

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the State of Queensland's (the "State" or "Queensland") beliefs and expectations, are forward-looking statements. These statements are based on current plans, budgets, estimates and projections and therefore you should not place undue reliance on them. The words "believe", "may", "will", "should", "estimate", "continue", "anticipate", "intend", "expect", "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements speak only as of the date they are made, and neither the Queensland Treasury Corporation nor the State undertake any obligation to update publicly any of them in light of new information or future events.

Forward-looking statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Although the Queensland Treasury Corporation and the State believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forward-looking statements involve inherent risks and uncertainties. We caution you that actual results may differ materially from those contained in any forward-looking statements.

A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. Factors that could cause the actual outcomes to differ materially from those expressed or implied in forward-looking statements include:

- the international and Australian economies, and in particular the rates of growth (or contraction) of the State's major trading partners;
- the effects, both internationally and in Australia, of any subsequent economic downturn, as well as the effect of ongoing economic, banking and sovereign debt risk;
- the effect of natural disasters, epidemics and geopolitical events, such as the novel coronavirus (COVID-19) pandemic and the Russia-Ukraine conflict;
- increases or decreases in international and Australian domestic interest rates;
- changes in and increased volatility in currency exchange rates;
- changes in the State's domestic consumption;
- changes in the State's labor force participation and productivity;
- downgrades in the credit ratings of the State and Australia;
- changes in the rate of inflation in the State;
- changes in environmental and other regulation; and
- changes in the distribution of revenue from the Commonwealth of Australia Government to the State.

QUEENSLAND BUDGET 2022–23

BUDGET SPEECH
BUDGET PAPER NO. 1

2022–23 Queensland Budget Papers

1. Budget Speech

2. Budget Strategy and Outlook

3. Capital Statement

4. Budget Measures

Service Delivery Statements

Appropriation Bills

Budget Highlights

Regional Action Plans

Translating and interpreting assistance

The Queensland Government is committed to providing accessible services to Queenslanders from all cultural and linguistic backgrounds. If you have difficulty in understanding this publication, you can contact us on telephone (07) 3035 3503 and we will arrange an interpreter to effectively communicate the report to you.

Budget Speech
Budget Paper No. 1
ISSN 1445-4890 (Print)
ISSN 1445-4904 (Online)

Appropriation Bill 2022

The Honourable Cameron Dick MP

Treasurer

Minister for Trade and Investment

Speaker,

The budget that I deliver today delivers good jobs.

It provides better services.

And it supports Queensland's great lifestyle.

It is a budget that marks our state's emergence from the sacrifice and resilience shown by Queenslanders during a pandemic that has shaken and disrupted us like nothing before.

A pandemic whose impacts have been felt in our homes, our businesses, our schools, and our hospitals.

Notwithstanding these challenges, the great resilience of Queenslanders won through, built on perseverance, discipline and hard work.

And that has allowed this Budget to build on our extraordinary economic standing.

An extraordinary economic standing that sees Queensland, on almost every indicator we have seen this year, outperforming the rest of Australia.

It is a budget that puts health care first.

It is a budget to propel us from times of tremendous disruption and turbulence towards a brighter horizon.

A new era is dawning for Queensland.

We are taking advantage of global shifts, like decarbonisation and digitalisation, to realise opportunities in our traditional and emerging industries and to help create more jobs.

We are building the infrastructure for tomorrow.

We are providing better services for all Queenslanders.

And we are doing all of this, without compromising our cherished lifestyle.

The starter's gun has sounded on the maroon, decade-long race towards the Brisbane 2032 Olympic and Paralympic Games.

And the decade beyond.

Our nation leading response to COVID-19 underpins the greatest ever investment in Queensland's future.

HEALTH

Despite the lockdowns and isolation, Queenslanders have rightly rallied behind our frontline workers.

Day after day, shift after shift, they continue to be at the forefront of our response to the COVID-19 pandemic.

They put themselves in harm's way, treating thousands afflicted with severe virus symptoms and comforting their families.

Doctors, nurses, paramedics, and health workers continue to give Queenslanders the very best care, because they care.

Under pop-up tents, in all kinds of weather conditions, they have administered millions of PCR tests.

In the middle of the night, they have transported patients struggling to find their breath, to receive world class health care.

For our health workers, their daily routine involves multiple changes of personal protective equipment, surgical masks, respirators, gloves, goggles, glasses, face shields, gowns, and aprons.

Their daily ordeal has saved countless lives.

To pay tribute to their service, we must make sure our health system has the infrastructure, technology and resources it needs to meet the future demands of a growing state.

These demands, and the pressures they create, are not confined to Queensland.

As in many parts of the world, healthcare is facing short and long-term challenges.

The short-term challenges range from rising emergency department presentations to forced postponement of non-urgent elective surgeries to accommodate COVID-19 related priority care.

The outbreak of influenza A has also made its presence felt, which is why Queensland became the first Australian state to provide free flu vaccines.

There is also an increasing prevalence of complex and chronic illness.

An estimated 4 out of 5 Australians aged 65 and over have at least one chronic illness.

Rising private health insurance premiums are also placing additional pressure on our public hospital network.

Across Queensland the level of private health insurance coverage is near the lowest level seen for the last 20 years.

There are now more Queenslanders without any form of private health insurance than at any other period, with 3.1 million Queenslanders uninsured.

Of those who do still have private insurance, less than 40 per cent have a policy which covers all hospital admissions.

That means, less than one in 4 Queenslanders have private cover for all hospital admissions.

Over the longer term there are also pressures associated with a growing and ageing population.

Queensland has the fastest population growth of all states and territories.

By 2036, our current population of 5.24 million is expected to increase by around 20 per cent, or over one million new Queenslanders.

And the number of Queenslanders aged over 65 is projected to grow from 865,000 to 1.3 million people in 2036, an increase of 50 per cent.

Demands on our health system can never be addressed by cuts to frontline services.

That is why the Palaszczuk Labor Government will always put health care first.

Today, I am pleased to announce that this year's Budget will deliver a record commitment of $23.6 billion for frontline health services and high-quality healthcare infrastructure.

Today, our government commits $9.8 billion for a funding program to expand the capacity of Queensland's health system, the biggest hospital building program in the history of Queensland.

That commitment will deliver 2,200 additional overnight hospital beds.

There will be new hospitals in Bundaberg, Toowoomba and at Coomera.

There will be hospital expansions in Cairns, Townsville, Robina, Mackay, Redcliffe, Ipswich and Hervey Bay.

Metropolitan Hospitals like the Princess Alexandra Hospital, the QEII Hospital, the Prince Charles Hospital and Logan Hospital will all be expanded.

And in an Australian-first, a comprehensive Queensland Cancer Centre will be built at the Royal Brisbane and Women's Hospital.

In addition, our government will reallocate $229.7 million of existing funding to increase bed capacity under the Accelerated Infrastructure Delivery Program over the next 2 years.

This program will deliver 289 beds across 7 projects in the Metro South, Gold Coast, West Moreton, and Cairns and Hinterland Hospital and Health Services.

In total, this budget provides for an additional 2,509 beds across the state.

New ambulance stations will be delivered at Caloundra South, Lawnton, Morayfield, Ormeau, and Ripley, along with redeveloped stations at Southport, Pimpama and Toowoomba.

From the election of our government until today:

- the number of nurses in Queensland has increased by 10,638, or 38.1 per cent;
- the number of doctors has increased by 3,106, or 39.2 per cent; and
- the number of ambulance officers has increased by 1,103, or 29.7 per cent.

We will deliver 9,475 jobs for frontline staff – including doctors and nurses, paramedics and allied health professionals – across this term of government.

This is a record budget for health.

Every year, the health budget grows.

But this year, the increase is much more than just the usual.

We have listened to stakeholders in the health system, who tell us that they need greater budget certainty to plan and deliver high quality health care.

They have told us that if we can give them that certainty, they will find smarter and better ways to deliver healthcare.

They have spoken.

And our government has listened.

This year, for the first time, we are providing a sustained, long-term uplift to Queensland Health funding across the forward estimates.

This means that total budget funding for Queensland Health will grow by $8.5 billion over the forward estimates

This is the largest total uplift in budgeted health expenditure in the history of Queensland.

Not only are we substantially increasing the funding to Queensland Health, we are also improving how we fund Queensland Health.

Prevention of illness, early intervention, and new models of care that help patients stay out of hospital in the first place, are all activities that are front and centre when it comes to the work of our Hospital and Health Services.

That is why, in this budget, we are freeing up our hospitals to put even greater focus on outcomes, not just activity.

There will, of course, be accountability for funds spent.

There are no blank cheques.

Because every dollar matters.

But very importantly, Queensland Health will have much greater flexibility on how to invest state-provided funds on achieving outcomes.

MENTAL HEALTH

The pandemic has painted a stark picture of the importance of mental health care.

It is a picture that became even clearer with the release of the report by the parliamentary Mental Health Select Committee earlier this month.

I thank the members of that committee, particularly the Chair, the Member for Greenslopes Joe Kelly, and all those who made submissions to this important inquiry.

The issues caused by mental health seep insidiously into so many other areas of life, from substance abuse and domestic violence to homelessness and unemployment.

And it affects every part of our state.

There is no community that is spared its impact.

To all those who made submissions to the Committee, to all those dealing with the challenge of mental illness, to all those who have lost a loved one to mental illness, we hear you.

And now we will act.

Our government will not leave behind those Queenslanders and their families living with the challenge of mental illness.

Our record health budget will commit an additional $1.6 billion for mental health services over 5 years, together with $28.5 million in capital funding, to support plans that focus on addressing issues around mental health, addiction, substance abuse and suicide.

It will focus on rehabilitation care, additional community care units, adolescent day programs and Step-Up Step-Down services to help people transition from hospital or avoid hospital admission in the first instance.

This is the biggest ever investment in mental health services in Queensland.

But in order to deliver this funding, we must have a sustainable funding model.

To that end, our government will introduce a 0.25 per cent mental health levy on businesses with annual taxable Australian wages of over $10 million from 1 January 2023.

Businesses with annual wages over $100 million will pay an additional 0.5 per cent levy.

Treasury modelling indicates this levy will only apply to around one per cent of all Queensland businesses.

By the end of the forward estimates, the mental health levy will generate $425 million each year, a sustainable and ongoing source of funding to assist Queenslanders in need.

Our record health budget also aims to give First Nations people and others living in rural and remote parts of Queensland access to the best possible health care.

In this Budget our government commits almost $1 billion over 7 years for a Building Rural and Remote Healthcare Program to replace ageing health infrastructure in rural and remote parts of the state.

This will ensure Queenslanders living in these areas can receive adequate and contemporary health care.

This investment builds on our government's proud legacy of delivering new or renewed hospitals and health clinics across our state, including major new hospitals at Roma and Kingaroy.

We will also make sure the Royal Flying Doctor Service, born in our state, is adequately resourced to provide aeromedical evacuations throughout our regions for the seriously injured or those requiring urgent medical attention.

Budget funding of $334 million over 10 years will enable the RFDS to take care of those in need, no matter where they live.

We will also allocate an additional $60.3 million towards Brisbane Airport Corporation's new aeromedical infrastructure upgrade that will feature new patient transfer facilities and state-of-the-art hangars for fixed and rotary wing aircraft.

GOOD JOBS

Since our health response to COVID-19 enabled Queensland to start accelerating away from the pandemic last year, there is one statistic where Queensland has consistently led the nation.

The creation of new jobs.

Since March 2020, our job creation has tracked in line with the combined number of jobs created in the 2 largest states, New South Wales and Victoria.

Last week's Labour Force data from the Australian Bureau of Statistics shows that figure is now 206,000 new Queensland jobs created since March 2020.

That May Labour Force data also showed something quite remarkable.

In the month of May, 46,600 new jobs were created in our state.

We are one in 5 Australians, but in the month of May, Queensland created 3 out of every 4 new Australian jobs.

That nation leading jobs growth is something our government will continue to pursue relentlessly.

As Queensland's economy continues to gather speed, our government is actively seeking to identify and support the industries that will deliver the well-paying, secure, highly skilled jobs of the future.

That means jobs in hydrogen and renewables, critical minerals, advanced manufacturing, resource recovery, biomedical technology, aerospace, defence, tourism and the innovation, creative and design industries.

We are determined to maintain Queensland's traditional role as Australia's energy powerhouse.

More than that, Queensland is rapidly becoming a global energy superpower through investment in our state's renewable energy future, helping us to deliver more jobs in more industries.

Later this year, our government will deliver our Energy Plan, setting out the next steps on our journey from national to global leadership.

Embracing decarbonisation does not need to come at the expense of the economy or jobs.

To the contrary, it presents the opportunity for us to be a home to more energy-intensive heavy industry, including traditional and advanced manufacturing.

Queensland can supply the world with new economy minerals and manufacture the equipment it needs to tackle climate change, while supporting our growing workforce to acquire new skills.

By investing in renewable generation now, Queensland can leverage our world class renewable resources to deliver a reliable and efficient energy system.

This will also give Queensland manufacturing a strong competitive advantage to attract investment in low emissions manufacturing and to help enhance the competitiveness of our exporters.

Since 2015, 50 large-scale renewable energy projects have been committed, commenced, or constructed in Queensland.

These projects will support almost 8,000 construction jobs, most of them in regional Queensland.

Importantly, they will produce 5,774 megawatts of clean energy.

That represents more than 13.8 million tonnes of avoided emissions each year.

And we are only just beginning.

Large-scale pumped hydroelectric storage will be an essential part of this transformation.

The Budget commits $48 million over 2 years to advance early works on the Borumba Pumped Hydro Energy Storage project and will also support further investigation into other prospective pumped hydro storage sites across Queensland.

Our reputation as a resource powerhouse is growing, with strong global demand for new economy materials like vanadium and cobalt as key inputs for the world's decarbonisation technologies.

At least $10 million from the $520 million Invested in Queensland program will support Queensland's first vanadium processing plant in Townsville.

We are committing $15 million to support the National Battery Testing Centre in Brisbane, a facility that gives prospective battery manufacturers the opportunity to calibrate and certify their products.

Building on our strong economic recovery and outlook, we are focused on achieving even more export growth to generate additional jobs and greater economic benefits for Queensland.

Our dynamic, diversified, and growing economy, highly skilled workforce, pro-growth, pro-business environment and advanced infrastructure offer businesses the best climate to expand and prosper.

On the back of a global pandemic, as economies look to recoup and recover, the importance of trade and investment has never been stronger.

That is why our government will invest an extra $150 million to deliver a new 10-year trade and investment strategy.

This strategy will ensure we continue to support our exporters as they reach for new markets, and boost sales where they are already currently trading.

Queensland's Workforce Summit held in March with business and community leaders highlighted that our emerging and traditional industries must be sustained by a skilled workforce.

Our government will have more to say on our Workforce Strategy later this year, but we will continue to invest in our workforce, and provide greater opportunities for disadvantaged jobseekers, through our Skilling Queenslanders for Work and Back to Work programs.

We will keep providing training opportunities to upskill workers for more secure, well-paid existing jobs and future jobs.

While the pandemic has significantly impacted tourism, hospitality and international education, other sectors like mining, agriculture and the construction sector continue to power our economy.

This budget aims to ensure ongoing success in those sectors performing well, and speed up recovery in others.

Our government keeps its promises.

We promised the people of Queensland we would not raise their taxes.

And the people of Queensland will not pay one dollar of the revenue measures I announce in this budget.

And we promised the coal companies, we would freeze their royalties until 30 June 2022.

We will keep that promise.

This will mean that, for a decade, multinational coal companies have benefited from royalty arrangements that have been frozen by successive Queensland Governments.

Few industries in the world have enjoyed such a long period without change.

But from 1 July, the 10-year freeze comes to an end.

It is time for new arrangements to be implemented.

Arrangements that reflect coal prices in excess of $500 per tonne, not the $150 per tonne for which the existing royalties were designed.

Three new progressive royalty tiers will be introduced.

20 per cent for prices above $175 per tonne, 30 per cent for prices above $225 per tonne and 40 per cent for prices above $300 per tonne.

Each of these new tiers applies only on the margin, so at a coal price of $302 per tonne, the 40 per cent rate would only apply to the last $2.

We know the foreign shareholders of coal companies won't like these changes.

But they can rest easy.

We are not increasing the rates that apply at the existing tiers, as the former LNP Government did in 2012, during an industry downturn.

The new regime is forecast to deliver an additional $1.2 billion in royalties over the forward estimates, 30 per cent less than was forecast through the changes made by the former LNP Government in 2012.

All of that $1.2 billion, and more, will be going into regional Queensland.

We will build a new hospital for Moranbah.

We will expand Mackay Hospital, Townsville Hospital, and Cairns Hospital.

More beds in hospitals at Rockhampton, at Hervey Bay, and at Sarina.

And we will deliver 2 new major hospitals, in Bundaberg and Toowoomba.

And we will continue to back the future of the resources industry.

To support the future of our resources sector, $68.5 million over 5 years will be invested through the Queensland Resources Industry Development Plan.

That includes a further $17.5 million to encourage exploration and make new mineral discoveries.

Alongside resources, we will be working with other industries because we want advanced manufacturing to flourish, to grow and to create jobs.

Our $350 million Industry Partnership Program is designed to unlock our advanced manufacturing potential in hydrogen, biofutures, biomedical, defence, aerospace, space, and resource recovery.

To help small and medium sized manufacturers build advanced manufacturing capability in our regions, the budget commits $50 million to the Made in Queensland and Manufacturing Hubs Grant programs.

Our agricultural sector, with its heart in regional Queensland, is continuing to diversify with potential growth opportunities in high-value horticulture, seafood, and livestock.

Our Drought Assistance and Reform Package of up to $79.6 million over the forward estimates will support regions affected by drought, while $150 million over 3 years will be available to help farmers prepare, manage, and recover from the impacts of drought.

Few sectors have felt the impacts of the COVID-19 pandemic more than Queensland’s tourism sector.

Yet there is growing optimism about tourism’s future.

This sentiment was tangible when the first cruise ship returned to the Port of Brisbane just weeks ago, with 1,500 passengers who embarked on day trips around South East Queensland.

With both domestic and international borders open, visitors are returning but we are doubling efforts to accelerate the sector’s recovery and growth.

This Budget commits up to $66.4 million over 4 years for an action plan to help our tourism operators rebound even more strongly, particularly in regional communities.

Our tourism sector has endured challenge after challenge.

Before COVID, it was a series of natural disasters, including the fires that tore through so many parts of our state, including the Scenic Rim.

As the then Minister responsible for the Queensland Reconstruction Authority, I went into the Lamington National Park.

I saw first-hand the destruction of our iconic Binna Burra Lodge.

While I was there, Steve Noakes, the Chair of Binna Burra, dragged the iconic dinner bell from the wreckage, as a symbol of hope that Binna Burra could be rebuilt.

As a result of today's budget, we are taking the next step forward so that the bell of Binna Burra will ring again.

$18 million will be donated to the Binna Burra foundation to help rebuild this iconic lodge.

In addition, we will also invest $2 million for improvements at Lamington National Park, working closely with O'Reilly's.

Binna Burra and O'Reilly's are just 2 of countless Queensland small and medium businesses that have done it tough, year after year.

Through their hard work and sacrifice, they have been an integral part of our economic recovery, and for that they deserve to be supported.

Our approach has always been to keep business costs low through competitive tax arrangements, making Queensland an attractive place to invest.

Targeted regulatory reform has been a key part of our COVID-19 response, enabling businesses to grow.

Today, through this budget, we will provide payroll tax relief to more than 12,000 small and medium-sized Queensland businesses.

This will be achieved by increasing the payroll tax deductions to businesses with annual Australian taxable wages between $1.3 million and $10.4 million.

Currently, the deduction phases out above $1.3 million at a rate of 25 cents per dollar of wages, or one dollar for every 4 dollars of wages.

We will reduce that phase out rate to 14.3 cents per dollar of wages, or one dollar for every 7 dollars of wages.

Put simply, we are increasing the number of businesses who will now be eligible for a deduction from payroll tax, and we will significantly increase the deduction available to businesses already getting it.

This means a business with $6.5 million of taxable wages will see over $26,000 extra each year in its bank account.

BETTER SERVICES

Speaker, the Queensland Government interacts with hundreds of thousands of people every day.

Often during some of the most difficult times in their lives.

As we grow and transform, we must remember that we live in a community, not just an economy.

That means we need to ensure all Queenslanders benefit fairly from our growth and prosperity regardless of where they live or who they are.

This is particularly true for our most valuable resource.

Our children.

That's why the Palaszczuk Government's record education and training budget of $19.6 billion will set the next generation of Queenslanders up for a productive career in whatever field they choose.

No matter what background they are from.

This budget takes our total investment in our Building Future Schools commitment to $3 billion.

We have already opened 21 schools since 2015, and today we are announcing another 5 for 2025 and 2026.

More schools are currently under construction, and this budget commits a further $390 million to build 5 new schools where they are needed most.

Primary schools in Caboolture West, Caloundra South, Ripley Valley, Greater Flagstone and Bahrs Scrub.

It also includes another $742 million for additional and renewed infrastructure in our existing state schools, and $20 million to upgrade school playgrounds and tuckshops.

Our government has rightfully acknowledged the extraordinary dedication and service of our health workers.

However, teachers, principals and school staff are among the unsung heroes of this ongoing pandemic.

They have exemplified Queensland's fighting spirit with their response to COVID-19, followed by the SEQ floods earlier this year.

They have adapted and embraced technology to encourage home learning under extraordinary circumstances.

They have restructured activities and classrooms and school timetables to keep students as safe as possible.

They are deserving of our heartfelt thanks.

Teachers are the engine room of our education system which is why we have created an additional 7,165 teacher and teacher aide positions since 2015.

The budget provides for 675 more teachers and nearly 200 more teacher aides in 2022–23.

We will continue to invest in students with a disability to make sure they get ease of access to the best education services possible.

Funding of $80.6 million over 3 years will support the transition of a new resourcing model for students with a disability.

Providing even better and fairer services is also about making sure we continue to protect our most vulnerable Queenslanders.

Particularly children and young people who have been harmed or who may be at risk of harm.

This Budget supports child protection services with $2.2 billion in funding over 5 years.

We recognise vulnerable young people in care face many challenges as they transition to adulthood.

We want to see them succeed, to get a qualification and to find work.

That is why we are committing to providing additional support to young people leaving care.

From 2023–24, we will be extending availability of the foster care allowance for carers of young people who remain living with them, up to the age of 21.

Those aged 18 to 21 years leaving non-family-based care will also be mentored and supported financially by non-government organisations to live independently.

Our government recognises that the pandemic, along with required periods of isolation, has impacted on mental health, including exacerbating loneliness.

The Budget commits $126 million over 4 years and $19 million ongoing to help address social isolation and support our invaluable Neighbourhood and Community Centres throughout Queensland.

This follows from the work of another important parliamentary inquiry led by the Member for Mansfield, Corinne McMillan.

In a state where the Premier, Governor, Chief Justice and Police Commissioner are all women, it is no surprise that the Palaszczuk Government is committed to ensuring women and girls have equal rights and access to opportunities.

Women and girls should feel safe and valued.

We want women to have opportunities to succeed in economic, social, and cultural endeavours.

The Queensland Women's Strategy will underpin this important work.

We are focused on securing better outcomes for women who have been victims of domestic violence.

This Budget commits $363 million over 5 years and $61.3 million ongoing for an historic overhaul of laws and practices to better protect Queensland women from domestic and family violence.

And hold perpetrators to account through legislation to criminalise coercive control.

A further $19.2 million over 4 years will go towards specialist women in custody and domestic and sexual violence support services, and programs for women in custody.

Queensland has the best police service in Australia.

The men and women of the Queensland Police Service work tirelessly around the clock, sometimes placing themselves in dangerous situations to keep us safe.

Population shifts, the way we live and work, and the demands of a growing state all require careful consideration in how we plan for police resourcing needs.

That's why we are delivering more police with more resources through budget spending of $2.9 billion.

The biggest increase in police resourcing in 30 years will continue as we deliver on our commitment to see an additional 2,025 police personnel engaged by 2025.

We will make sure they have the facilities, stations, vehicles, and equipment they need through a $174.6 million capital program to support the frontline against crime.

I know many families and individuals outside of this building, all over Queensland, are working hard to cope with cost-of-living pressures.

This is often a week-to-week proposition compounded by a feeling of uncertainty.

We understand the impact the rising cost of fuel and groceries is having on Queenslanders, especially on those with low incomes.

That is why we continue to provide a wide range of concessions to help with transport, housing, healthcare, education, water, and energy costs.

This will amount to $6.8 billion over the next financial year.

That is a rise of 10 per cent on last year, benefiting millions of Queensland households.

Because Queenslanders own the state's power assets, earlier this year we announced Queensland households would receive $50 off their power bills

As part of the budget, that is being increased to $175, at a cost of $385 million.

It takes the total value of asset ownership dividends Queenslanders have received over the past 4 years to $575 per household, a program costing $1.2 billion.

The Palaszczuk Queensland Government is also taking substantial action to support Queenslanders facing the challenge of accessing housing.

The 2021-22 Budget included $1.9 billion for the *Queensland Housing and Homelessness Action Plan 2021–2025*, a plan also supported by returns from the $1 billion Housing Investment Fund.

Under the plan, the government will deliver 7,400 new dwelling commencements.

We are working on strategies to unlock development and increase the supply of housing in Priority Development Areas with $150 million in budget funding over the next 3 years.

A further $50 million will be allocated to the Growth Acceleration Fund, so we can speed up economic recovery, increase construction activity and support jobs.

This budget builds on our housing investment, with $29.8 million over 4 years and $10 million per year ongoing to support initiatives to address youth homelessness.

Speaker, housing affordability affects all parts of the country.

It is pleasing to see the new Federal Labor Government has a dedicated Minister for Housing as part of the Prime Minister's Cabinet.

We look forward to working with them, and other states, to support delivery of quality, affordable housing for all Queenslanders.

GREAT LIFESTYLE

Speaker, Queensland has always been one of the best places in Australia to live, work and raise a family.

And our government intends to keep it that way.

We are the destination of choice for so many, given our stunning beaches, theme parks, hinterland, reefs, rainforests, and outback.

Net interstate migration to Queensland was the highest of all Australian states and territories in 2020-21 reaching a record quarterly increase of more than 16,600 in the September quarter 2021.

While there are clear economic benefits to interstate migration, this Budget invests in measures to protect and enhance our lifestyle through this period of growth.

That includes investment in roads, rail, bus, cycleways, and marine infrastructure to improve the way people travel.

Front and centre is a $59 billion capital investment across Queensland over 4 years.

Of the $15.5 billion capital program for 2022-23, $9.8 billion, or 63.3 per cent, will be spent outside Greater Brisbane.

This vital capital works investment will better connect communities and businesses while driving economic activity.

Our capital program will support 48,000 jobs in 2022–23.

Protecting our lifestyle and protecting our environment are not mutually exclusive.

Our diverse natural environment is not only the envy of other Australian states, but the world.

As such, it is forever linked to our economic fortune.

We must look after it and this Budget does just that.

The Palaszczuk Government commits $262.5 million over the forward estimates to our 10-year strategy to better manage our protected areas, including our magnificent national parks and Great Barrier Reef.

We are investing almost $40 million to help protect our threatened species, including one of Queensland's most loved native animals, the koala.

This funding will continue the work of our strategy to boost their numbers in South East Queensland and restore key habitats.

Our single biggest economic opportunity – hosting the 2032 Olympic and Paralympic Games – gives us a once-in-a lifetime opportunity to put Queensland on the world map.

The 10-year runway of investment and infrastructure, built in time for the Games, will deliver benefits for generations to come.

But it's about more than concrete and construction.

It is a chance to unite Queenslanders behind an aspirational plan for our future.

We have already seen tremendous interest in the Youfor2032 campaign to set potential young Olympians on a path to glory.

And community interest is high around taking up volunteering opportunities for the games.

We are investing $59.3 million over the forward estimates to support the Brisbane 2032 Taskforce as it leads 2032 Olympic and Paralympic Games activities across government.

This will support preparation of the 2032 Games Legacy Program and inform design of Games infrastructure, including venues and athlete's villages.

Our best Queensland athletes will be supported through a $31.4 million contribution over 2 years to extend the 2032 High Performance Strategy.

And to create further pathways to Brisbane 2032, and encourage sports participation, $100 million will establish a schools program to deliver new and upgraded sports infrastructure across Queensland.

ECONOMIC UPDATE

Speaker, the Palaszczuk Government has never relied on hope or wishful thinking to get through tough times and secure better outcomes for all Queenslanders, whether they live in Weipa or Woodridge.

Our response to the COVID-19 crisis has been no accident.

It has been a response informed by sound, responsible economic and fiscal management geared towards recovery and growth.

While the pandemic is not over, Queensland's economic recovery is well advanced.

By the March quarter 2022, Queensland's domestic economy was 7.8 per cent larger than it was pre-COVID, much stronger than the 6.9 per cent growth in the rest of Australia.

206,000 extra Queenslanders have found jobs since the start of the pandemic, as many as New South Wales and Victoria combined.

Our unemployment rate of 4.0 per cent in May, is well below its pre-COVID rate of 5.8 per cent.

Our focus on regional jobs is also delivering great outcomes for Queenslanders.

Mackay has the lowest unemployment rate in Queensland at 2.4 per cent.

The Australian Bureau of Statistics tells us Queensland created 1,500 new jobs each and every day for the month of May.

The value of Queensland's overseas merchandise exports totalled $99 billion in the 12 months to April 2022.

This is 72.3 per cent higher than the corresponding period a year ago, and the State's highest 12-month total on record.

Our strong economic recovery stood the state in good stead when faced with a range of economic challenges earlier this year.

The Omicron outbreak, major flooding in South East Queensland, and the global impact of the Russian invasion of Ukraine.

These shocks have all impacted the supply side of the economy and have exacerbated inflationary pressures.

In spite of this, the Queensland economy is forecast to grow by 3 per cent in 2021–22, and then average ongoing growth of 2¾ per cent per annum over the rest of the forward estimates.

This growth means even more jobs for Queenslanders.

Year-average employment is forecast to grow by an exceptional 4¾ per cent in 2021–22, the strongest rate of jobs growth in 15 years.

Employment is then expected to grow by a further 3 per cent in 2022–23.

Reflecting this strong jobs' growth, the state's unemployment rate is expected to remain around its current low level for the duration of the forward estimates.

Responsible management of our finances, growing jobs and growing the economy, is recognised by rating agencies.

Queensland retains the equal highest credit rating among all states with S&P Global.

FISCAL OUTLOOK

Our nation's 4 largest governments – the Australian Government, the New South Wales Government, the Victorian Government and the Queensland Government – all went into deficit to respond to COVID-19.

At last budget, we were the first of those governments to announce a return to surplus.

Today I am pleased to announce that Queensland will be the first of those governments to deliver a surplus.

Today, I can announce that we will achieve a surplus of $1.9 billion for the 2021-22 Financial Year.

That compares to a projected deficit of $1.4 billion at the Budget Update in December, and a projected deficit of $3.4 billion at the time of last year's budget.

I am also pleased to announce that this financial year our net debt will be reduced by $6.146 billion compared to the forecast in December last year.

CONCLUSION

Speaker, much has changed from when I stood here to deliver last year's budget.

We are back in black.

We have a new Federal Government.

Queensland can proudly call itself a future Olympic and Paralympic Games Host.

And we are one-up in this year's State of Origin series.

But the challenges facing the world have changed as well.

From rising tensions in our region to the war in Ukraine, the rising spectre of global inflation, and labour and supply chain constraints, Queensland is not immune to these external disruptions.

But one thing remains constant.

And that is the commitment of the Palaszczuk Labor Government to deliver for the people of Queensland.

To deliver good jobs.

To deliver better services.

And to preserve and protect the great lifestyle of the place we all call home, the most wonderful place on earth:

Queensland.

I commend the Bill to the House.

Queensland Budget 2022–23

Budget Speech Budget Paper No.1

QUEENSLAND BUDGET 2022–23

BUDGET STRATEGY AND OUTLOOK
BUDGET PAPER NO. 2

Queensland Government

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The Queensland Government is committed to providing accessible services to Queenslanders from all cultural and linguistic backgrounds. If you have difficulty in understanding this publication, you can contact us on telephone (07) 3035 3503 and we will arrange an interpreter to effectively communicate the report to you.

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Queensland Government

State Budget
2022–23

Budget Strategy and Outlook

Budget Paper No. 2

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Overview

Queensland led the nation in its health response and economic recovery from COVID-19, with the state's domestic economy growing much faster than the rest of Australia. Queensland has created significantly more jobs than any other jurisdiction since the onset of the pandemic.

Queensland families, communities, businesses and the state's economy have also continued to show resilience and strength in the face of the Omicron outbreak, devastating floods and increasing global geopolitical uncertainty across the first half of 2022.

Building on the rapid and strong recovery from the COVID-19 crisis, the 2022–23 Queensland Budget will help further enhance employment opportunities for all Queenslanders, foster and support private sector investment and growth, maintain Queensland's enviable lifestyle, and deliver record levels of infrastructure investment and funding for essential services.

To drive these outcomes, this year's Budget provides substantial capital investment and funding in areas such as health, energy transformation, social and economic infrastructure, education, family services, justice and policing, protecting the environment and reducing the cost of living.

This includes a $59.126 billion infrastructure investment program over the 4 years to 2025–26 to enhance the state's productive capacity, improve service delivery and sustain jobs across all regions of the state.

Importantly, the Budget also provides $6.8 billion in concessions (including subsidies, discounts and rebates) to individuals and families to ease cost of living pressures and reduce costs for business.

In line with the Queensland Government's economic strategy, this investment will continue to drive improved economic, employment and social outcomes for all Queenslanders over coming years and decades, as Queensland sets its sights on the milestone of hosting the Brisbane 2032 Olympic and Paralympic Games.

Queensland's strong economy and labour market performance is also supporting an enhanced fiscal outlook, consistent with the government's fiscal principles to drive improved fiscal performance over the medium term. The 2022–23 Budget presents a lower net debt burden compared to the 2021–22 Budget Update, expenses growth that continues to be lower than revenue growth, and an expectation that, over time, operational cash surpluses will be making a growing and material contribution towards the funding of investment in non-financial assets.

Queensland's budget priorities

Queensland's nation-leading response to COVID-19 has underpinned the state's strong economic and labour market recovery.

While Queensland continues to transition from recovery to a focus on creating more, productive jobs in more industries across Queensland, the 2022–23 Queensland Budget still puts the health of Queenslanders first.

This budget provides a record $23.6 billion in 2022–23 for the Queensland health system to help meet growing demand. This includes operating funding of $22.044 billion for health and ambulance services, a 5.6 per cent increase from 2021–22. This significant boost to health funding will support thousands of additional frontline staff including doctors, nurses and paramedics.

The Mental Health Select Committee has recommended that the Queensland Government increase funding for mental health services and create a dedicated funding stream for mental health. This Budget provides $1.645 billion in operating funding over 5 years for improved mental health services. To fund the enhancements to mental health services, the Queensland Government will introduce a mental health levy to provide a sustainable funding source for the additional mental health related services and investment.

This budget also commits to a transformational investment of $9.785 billion over the next 6 years to boost health system capacity. The substantial capital investment in health is part of a $59.126 billion capital program over 4 years to 2025–26, estimated to support around 48,000 construction jobs across the state in 2022–23, which will provide the essential social and economic infrastructure needed for the state's growing population.

Queensland is leveraging off the momentum of its strong recovery from COVID-19 and driving a growing economy through 3 priorities: more jobs in more industries; better services; and protecting Queenslanders' lifestyle.

More jobs in more industries - The government's economic strategy will build on Queensland's traditional strengths and comparative advantages to support the creation of more employment opportunities and well-paid high-value jobs in traditional, emerging and new industries across all regions of the state.

This includes opportunities to drive a growing, innovative economy and create jobs in industries such as new energy, new economy minerals, advanced manufacturing including defence and biomedical products, agriculture, tourism, research and education services, and creative and design industries. The 2022–23 Budget contains a provision for the Queensland Energy Plan - to be released later in 2022 - which will chart a course to ensure a sustainable and affordable energy future for the state.

By getting the state's economic settings and enablers right, the economic strategy will underpin the enhanced competitiveness and productivity of Queensland businesses so they can take advantage of these opportunities, enabling them to grow, invest, innovate, export and employ.

These key enablers of a thriving economy include: expanded trade opportunities, a larger skilled workforce, enhanced innovation and digitalisation, continued investment in public and private infrastructure, strengthened Environmental, Social and Governance credentials, and a competitive investment environment.

To enhance Queensland's trade opportunities, a new Queensland Trade and Investment Strategy will be backed by $150 million over 10 years, while flagship industry development programs under the $3.34 billion Queensland Jobs Fund will continue to facilitate investment and enable Queensland businesses and industries to prosper.

Better services – A growing economy will allow the government to continue investing in critical health, education, social and justice services, thereby increasing living standards for all Queenslanders. These services also help provide the skills and wellbeing needed to enable individuals to participate in the economy and their community.

To support quality learning and education outcomes, this budget provides $19.6 billion for education and training in 2022–23, including significant investments in new schools, upgraded campus facilities, and additional classrooms at schools experiencing increased enrolment.

The Queensland Government is also committed to supporting vulnerable Queenslanders across the state by meeting increased demand for child protection services, delivering the Youth Justice Strategy, strengthening social services, and enhancing women's economic security and safety.

As Queensland continues its transition from recovery to ongoing growth and prosperity, these priorities will ensure every Queenslander shares in the benefits of the state's thriving economy.

Protecting our Queensland lifestyle - The economic strategy will deliver a growing economy in a balanced way, by protecting Queensland's great lifestyle, alleviating cost of living pressures, investing in transport infrastructure and taking care of the environment.

This will position Queensland to showcase its great lifestyle at the Brisbane 2032 Olympic and Paralympic Games. In addition to the direct benefits and jobs from Brisbane 2032, the event will create ongoing benefits through increased trade and investment activity.

Cost-of-living pressures, including higher inflation, are being experienced around the world. This Budget provides $6.8 billion in concessions for Queenslanders in 2022–23, including $385 million for a $175 Cost of Living Rebate on Queensland households' power bills to provide support for households. The Budget also includes $200 million over 3 years in growth infrastructure to unlock housing supply, including $150 million for the Catalyst Infrastructure Fund.

The 2022–23 Queensland Budget also includes a range of initiatives to protect the natural environment that underpins the state's economy and supports the quality of life of Queenslanders. This includes $262.5 million over 4 years to continue delivery of *Queensland's Protected Area Strategy 2020–2030*, providing conservation and carbon positive outcomes.

Economic outlook

Queensland's economy and labour market has outperformed the rest of the nation since the onset of the COVID-19 pandemic, including the largest rise in employment in the country, with 206,000 more Queenslanders employed in May 2022 than before the pandemic.

Strong demand, particularly for goods, combined with severe supply chain disruptions saw global inflationary pressures surge in the latter half of 2021.

Surges in Omicron variant cases, major flooding in South East Queensland and the Russian invasion of Ukraine and subsequent global sanctions have all impacted the supply side of the Queensland economy in the first half of 2022 and exacerbated inflationary pressures.

In particular, the overall economic impact of the floods in February/March 2022 is estimated to be around $1 billion or ¼ percentage point of Queensland's Gross State Product.

Despite these shocks, Queensland's domestic economy continued to grow in the first quarter of 2022, to be 7.8 per cent higher than its pre-pandemic level, maintaining its stronger performance compared with the major southern states since the onset of the COVID-19 crisis.

While Queensland has recently experienced subdued population growth, the state has seen elevated levels of interstate migration which has helped support overall activity. In net terms, more than 40,000 people moved from interstate to Queensland over the year to September quarter 2021 and this momentum is expected to have carried through to the final quarter of 2021.

On balance, after rising 2.0 per cent in 2020–21, the Queensland economy is forecast to grow solidly, by a further 3 per cent, in 2021–22 and then average 2¾ per cent per annum growth over the rest of the forward estimates.

Consistent with the ongoing robust growth in domestic activity, year-average employment is forecast to grow by 4¾ per cent in 2021–22, its strongest growth in 15 years, followed by further solid employment growth of 3 per cent in 2022–23.

After falling to 4½ per cent in 2021–22, the state's unemployment rate is forecast to remain low across the rest of the forward estimates, between 4 and 4¼ per cent, as sustained employment growth and a pick-up in wages growth keep the participation rate elevated.

Reflecting higher housing costs, global oil prices and ongoing supply chain disruptions, consumer price inflation in Brisbane is forecast to remain elevated in the medium term, in particular in 2021–22 and 2022–23. Inflation is then expected to return to within the RBA's target band for national inflation of 2 to 3 per cent over the remainder of the forward estimates. This reflects a combination of factors, including the gradual easing of global supply chain constraints and a slowing in growth of fuel and food prices as global oil prices return to more sustainable levels and agricultural production recovers from the impacts of recent floods.

The key risks to the outlook are centred around global geopolitics and potential ongoing impacts of the pandemic, as well as the global and national inflationary and interest rate settings.

In particular, there is a risk that any extended conflict in Ukraine could result in a decline in global growth and have negative implications for Queensland over the medium term. The International Monetary Fund and World Bank have both downgraded their latest global growth forecasts, partly as a result of this conflict.

Overview Table 1 Queensland economic forecasts/projections[1]

	Actuals	Forecasts			Projections	
	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26
Gross state product[2]	**2.0**	**3**	**2¾**	**2¾**	**2¾**	**2¾**
Employment[3]	2.4	4¾	3	1½	1½	1½
Unemployment rate[4]	6.8	4½	4	4¼	4¼	4¼
Inflation[5]	2.1	5¼	3¾	2½	2½	2½
Wage Price Index	1.6	2½	3½	3½	3½	3½
Population	1	1¼	1½	1½	1½	1½

Notes:

1. Unless otherwise stated, all figures are annual percentage changes.
2. Chain volume measure (CVM), 2019–20 reference year.
3. Comparable through the year seasonally adjusted employment growth rates to the June quarter are 9.9 per cent, 4¼ per cent, 1¼ per cent, 2 per cent, 1½ per cent and 1½ per cent, from June quarter 2021 to June quarter 2026 respectively.
4. Per cent, year-average.
5. Brisbane, per cent, year-average.

Sources: ABS Annual State Accounts, National, State and Territory Population, Labour Force, Wage Price Index, Consumer Price Index, and Queensland Treasury.

Fiscal outlook

The Queensland Government's fiscal strategy continues to be framed by the Fiscal Principles that are guiding progress towards improved fiscal performance over the medium term.

The 2022–23 Budget presents a lower net debt burden compared to the 2021–22 Budget Update, expenses growth that continues to be lower than revenue growth, and an expectation that, over time, operational cash surpluses will be making a growing and material contribution towards the funding of investment in non-financial assets.

Despite the economic impacts in early 2022 from Omicron, devastating floods and the Russian invasion of Ukraine, Queensland is still positioned for strong economic growth.

Improving economic conditions since mid-2020 are translating into stronger revenue performance. Despite volatility in some revenue lines, revenue is expected to remain elevated over the forward estimates compared to the 2021–22 Budget Update.

The additional revenue in the 2022–23 Budget is being directed towards measures that address the increasing demand for key services. Over the 5 years to 2025–26, revenue is expected to grow at 4.5 per cent on average per annum, compared to 4.1 per cent for expenses.

A substantial net operating surplus of $1.915 billion is expected for 2021–22, driven by the revenue impacts of the temporary surge in coal and oil prices and increase in housing activity. As these factors unwind, the net operating position reverts to a modest deficit across 2022–23 and 2023–24 and is then expected to return to surplus from 2024–25 consistent with previous forecasts.

Adjustments to the levels of government spending in the 2022–23 Budget are targeted to meet increasing demand for services in key sectors such as health, education and child safety. This Budget also includes substantial commitments to reduce the cost of living for Queenslanders, and significant investments to support trade development, enhance digitalisation and facilitate and attract investment and employment growth in traditional and emerging industries.

The government's public infrastructure investment over 4 years maintains a focus on enhancing productive capacity, supporting service delivery and sustaining jobs.

The capital program continues to meet government's $50 billion infrastructure guarantee and to ensure a continual pipeline of key priority projects. The 4-year program from 2022–23 to 2025–26 amounts to $59.126 billion. Over the 11 years to 2025–26, the government will have supported over $138 billion in infrastructure works.

Forecast borrowings have been progressively revised downwards since the 2020–21 Budget due to prudent fiscal management. General government borrowings are expected to be $3.618 billion lower by 2024–25 than forecast in the 2021–22 Budget Update, and almost $4.480 billion lower than forecast in the 2021–22 Budget.

This has had a positive impact on the outlook for the general government net debt to revenue ratio. Compared to the 2021–22 Budget Update, the ratio is expected to be 6 percentage points lower by 2024–25. The improvement is even larger relative to the 2021–22 Budget estimate, with the net debt to revenue ratio for 2024–25 sitting 17 percentage points lower.

Overview Table 2 Key fiscal aggregates[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
General Government Sector							
Revenue	62,732	63,664	72,735	73,886	75,034	76,728	78,019
Expenses	63,669	67,149	70,820	74,915	76,116	76,591	77,836
Net operating balance	(937)	(3,485)	1,915	(1,029)	(1,083)	137	183
PNFA[2]	6,835	7,800	7,533	8,478	9,106	9,439	9,264
Fiscal balance	(5,015)	(7,965)	(2,386)	(5,635)	(5,631)	(5,008)	(3,969)
Borrowings	54,078	65,041	58,215	66,459	74,224	81,102	87,284
Net debt	11,360	24,750	11,390	19,772	27,603	33,667	39,214

Notes:

1. Numbers may not add due to rounding. Bracketed numbers represent negative amounts.
2. PNFA: Purchases of non-financial assets.

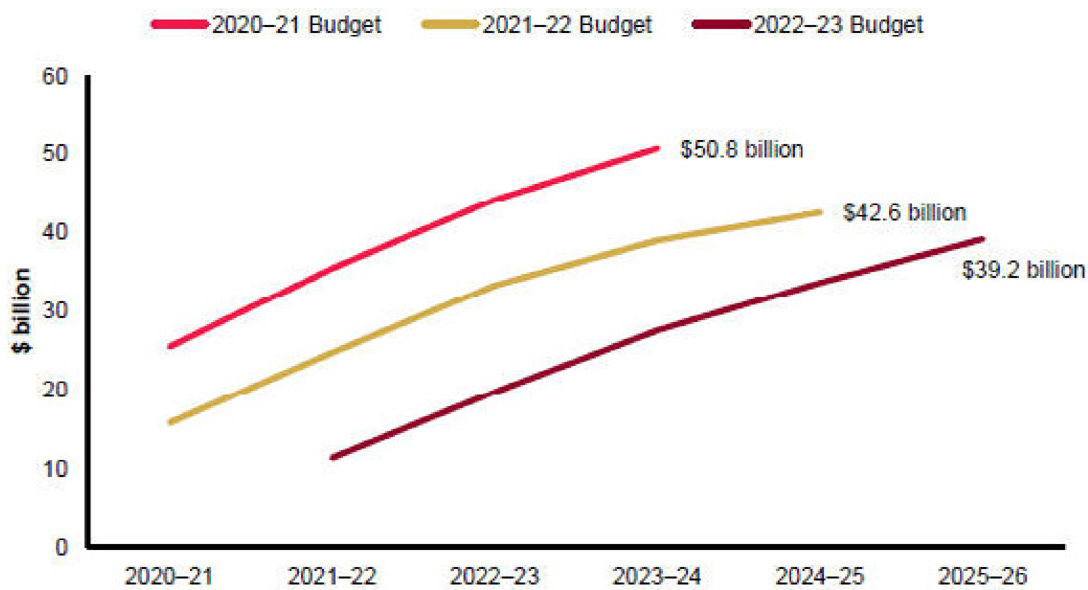
General Government Sector net debt has improved over the forward estimates and over successive budgets.

The 2020–21 Budget forecast net debt in 2023–24 to reach $50.8 billion. In this Budget, for the same year net debt is forecast to almost halve to be $27.6 billion.

By 2025–26, net debt is forecast to be $39.2 billion, more than $11 billion lower and reflecting 2 additional years of managing the state's finances.

Chart 1 highlights the substantially improved net debt position and outlook compared with the outlook at the time of the 2020–21 Budget and 2021–22 Budget.

Overview Chart 1 **Net General Government Sector debt forecasts by budget**



1 Queensland's budget priorities

Features

- Queensland is leveraging the benefit of its strong health response to drive recovery and a growing economy through 3 priorities: *more jobs in more industries; better services; and protecting Queenslanders' lifestyle.*
- Queensland has led the nation and the world in its response to COVID-19, and the state has shown resilience in the face of the recent floods. This strong health and economic response has seen 206,000 more Queenslanders employed as at May 2022 than before COVID-19, the largest increase in Australia.
- Protecting the health of Queenslanders remains vital to the state's future. The 2022–23 Queensland Budget provides a record $23.6 billion in 2022–23 for the health system, including operating funding of $22.044 billion for health and ambulance services, an increase of 5.6 per cent from 2021–22.
- Health commitments include a transformational $9.785 billion capital boost to build around 2,200 additional hospital beds over the next 6 years, as well as $1.645 billion over 5 years for mental health services. This investment will support thousands of additional frontline staff including doctors, nurses and paramedics.
- This boost to health infrastructure is part of a $59.126 billion capital program over 4 years to 2025–26 which is expected to support 48,000 construction jobs in 2022–23.
- Building on the state's traditional strengths and with 2032, the year of the Olympic and Paralympic Games as a focus, the economic strategy will drive the creation of more productive jobs in more industries across Queensland.
- There are opportunities to drive a growing, innovative economy across industries including new energy, new economy minerals, advanced manufacturing, biomedical products, agriculture, tourism, research and education services, and creative and design industries. The 2022–23 Budget contains a provision for the Queensland Energy Plan which will chart a course to a sustainable and affordable energy future.
- Queensland's economic strategy will focus on the enablers of a thriving economy including expanded trade opportunities, a larger skilled workforce, enhanced innovation and digitalisation, continued investment in public and private infrastructure, strengthened Environment, Social and Governance credentials, and a competitive investment environment. To enhance Queensland's trade opportunities, a new Queensland Trade and Investment Strategy will be backed by $150 million over 10 years.
- A growing economy will allow the government to deliver better services across the state, including in education, justice and social services.
- This growing economy will also be delivered while protecting Queensland's great lifestyle and alleviating cost of living pressures. The Budget includes $6.8 billion in concessions for Queenslanders in 2022–23, including $385 million for a $175 Cost of Living Rebate to help manage electricity costs. The Budget also includes $200 million over 3 years in growth infrastructure to unlock housing supply.
- As Queensland continues its remarkable transition from recovery, these Budget priorities will make sure every Queenslander shares in the benefits of a thriving economy.

1.1 Advancing Queensland's health system

As Queensland continues to transition from recovery, the 2022–23 Queensland Budget still puts the health of Queenslanders first.

Like in many parts of the world, the Queensland healthcare system is facing unprecedented challenges including rising presentations to emergency departments, forced postponement of non-urgent elective surgeries in response to COVID-19 surges and a redirection of available public hospital beds into COVID-19 dedicated wards.

The government is continuing to provide record investments in the health system to meet these unprecedented challenges and ensure the delivery of first-class health services to Queenslanders.

Box 1.1 Increasing health expenditure

Queensland continues to experience very strong ongoing demand for public hospital services such as emergency departments, mental health, specialist outpatients and elective surgery. Data for the period June 2015 to June 2021 indicates the number of admitted hospitalisations in Queensland's public hospitals has increased by 40 per cent, at an annual average growth rate of 5.8 per cent.

Despite these demands, Queensland's health performance remains strong, supported by record health budgets, with a focus on recruiting frontline staff, meeting increased demand for health services, and continuing to protect the state from COVID-19.

Since 2015–16, Queensland Health's operating budget has increased from $14.183 billion to $22.044 billion in the 2022–23 Queensland Budget. Faced with responding to the COVID-19 pandemic, the government has grown the Queensland Health budget by over 19 per cent over the last 3 years.

This investment has focused on supporting the health frontline by employing more staff in Queensland Health and the Queensland Ambulance Service. Between March 2015 and March 2022:

- the number of nurses increased by 10,638 (or 38.1 per cent)
- the number of doctors increased by 3,106 (or 39.2 per cent)
- the number of ambulance officers increased by 1,103 (or 29.7 per cent).

Queensland Health Capacity Expansion

The number of available hospital beds has also increased by 1,350 between June 2015 and June 2022. There are also 869 beds in the pipeline for delivery over coming years. Building on this, the 2022–23 Queensland Budget makes a significant investment to protect the health of Queenslanders through world-class health facilities across the state.

An additional $9.785 billion has been provided to Queensland Health for a range of projects to expand system capacity over the next 6 years ($5.708 billion over the forward estimates). With early works commencing in 2022–23, this will deliver around 2,200 additional overnight beds at 15 facilities by 2028, through the following projects:

- Cairns Hospital expansion
- New Toowoomba Hospital
- New Coomera Hospital
- Robina expansion
- Mackay Hospital expansion
- Princess Alexandra Hospital expansion
- Further Logan Hospital expansion
- QEII Hospital expansion
- New Queensland Cancer Centre
- The Prince Charles Hospital expansion
- Redcliffe Hospital expansion
- Townsville University Hospital expansion
- Ipswich Hospital expansion
- New Bundaberg Hospital
- Hervey Bay Hospital expansion

In total, the 2022–23 Budget will increase the number of hospital beds in the pipeline from 869 to 3,378. Further detail on these projects is available in the *Better Health and Hospitals Plan*.

The 2022–23 Queensland Budget folds remaining funds from the $2 billion Hospital Building Fund, established as part of the 2021–22 Budget, into this program. Projects originally funded through the Hospital Building Fund remain funded and will continue to be delivered.

Supporting Mental Health

In any one year, one in 5 Queenslanders will experience mental illness, including substance use disorders. State-funded mental health services have a critical role in providing treatment, care and support for Queenslanders experiencing severe mental illness and substance misuse issues. However, the system is impacted by some key challenges, including increasing service demand, workforce constraints and the continuing impact of COVID-19.

The Mental Health Select Committee, in its report to Parliament – *Report No. 1, 57th Parliament – Inquiry into the opportunities to improve mental health outcomes for Queenslanders* – identified significant opportunities to improve the mental health and wellbeing of Queenslanders, including:

- greater involvement of people with lived experience in the system
- greater use of health data to inform service delivery
- expanded GP and other community-based mental health services
- greater support services in schools
- expanding alternative entry points and emergency department diversion services
- utilising health practitioners’ full scope of practice.

The Chair's Foreword in the Report acknowledged it would be rare to find someone in our community who has not been impacted by one or more of: mental ill-health, suicidality and alcohol and other drugs issues. The Committee received 164 written submissions, heard evidence from 243 witnesses and conducted 11 site visits across Brisbane, Hervey Bay, Gold Coast, Yarrabah and Cairns.

Queensland Health advised the Committee that it spent an estimated $1.35 billion on mental health in 2020–21 and a further $139 million on alcohol and other drug (AOD) services. Even so, the Committee considered it was evident that to reform Queensland's mental health and AOD system, a substantial increase in investment is required.

The Committee's first recommendation included recommending that the Queensland Government:

- increase funding and expenditure for mental health and alcohol and other drugs services in Queensland
- creates a dedicated funding stream for mental health and alcohol and other drug services and explores all options to create it.

In the 2022–23 Budget, the Queensland Government is providing an additional $1.645 billion in operating funding plus an additional $28.5 million in capital funding to support a new 5-year plan, the *Better Care Together: a plan for Queensland's state-funded mental health alcohol and other drug services*, and to meet Queensland's obligations under the *National Agreement on Mental Health and Suicide Prevention*.

This funding will support new beds for adolescent, young adult, adult, perinatal, eating disorder and older person mental health services. It also supports beds for new crisis response services and will provide more than 1,000 new staff to operationalise this plan. Additional funding is also being provided to support enhanced provision of psychological supports to be delivered by non-government providers.

To fund the enhancements to mental health services, the Queensland Government will introduce a mental health levy to provide a sustainable funding source for the additional mental health related services and investment (see Chapter 4 for more detail).

1.2 Good jobs, better services, great lifestyle

While the Queensland Government continues to put the health of people first, Queensland is leveraging the momentum of its strong recovery to grow the economy and enhance the quality of life of all Queenslanders through 3 priorities.

More jobs in more industries – Queensland will take advantage of global shifts and build on its strengths to realise opportunities in traditional and emerging industries that support good, secure jobs. By focusing on critical economic settings and enablers, the Queensland Government's economic strategy will improve the competitiveness and productivity of Queensland businesses so that they can take advantage of opportunities to drive a growing, innovative economy and job creation.

Better services – Growing the economy will give government the capacity to deliver better and fairer services. These services will improve the lives of Queenslanders while also enhancing the opportunity for all Queenslanders to benefit from participation in the economy and community.

Protecting Queenslanders' lifestyle – A growing economy will also be achieved while protecting Queensland's great lifestyle through addressing the cost of living, investing in the infrastructure needed to support the state's growing population and taking care of the environment.

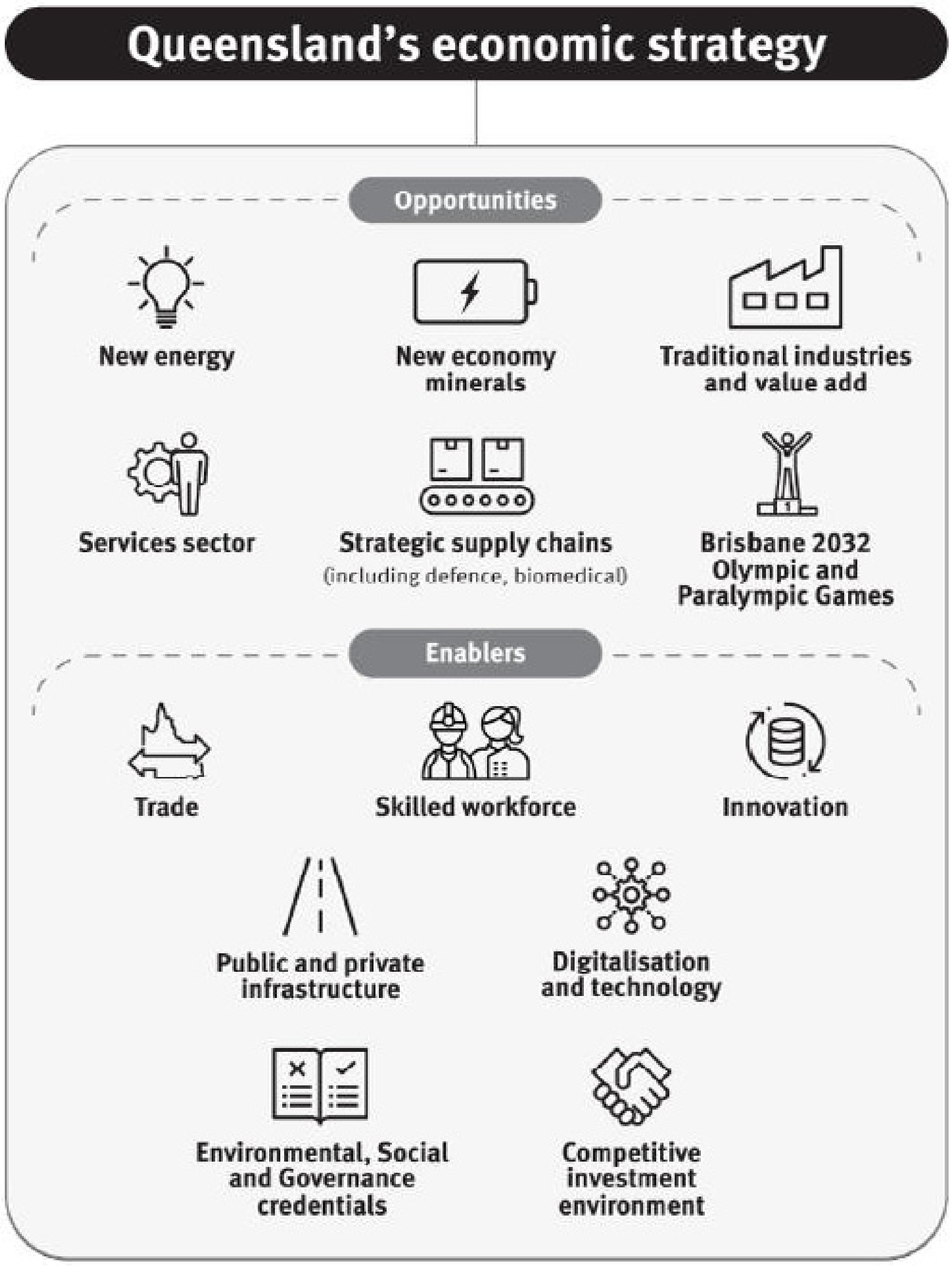
1.3 More jobs in more industries – Queensland's economic strategy

Queensland's economic strategy will create more good, secure jobs in more industries across the state by providing the environment for Queensland businesses to be competitive, attract private investment and thrive as the world changes.

It recognises the opportunities possible for Queensland in global shifts such as a lower emissions global economy, demand for Environmental, Social and Governance credentials, increasing digitalisation and supply chain diversification.

These opportunities leverage Queensland's economic strengths and comparative advantages to drive a growing, innovative economy and job creation across the state. This will occur across a range of traditional and emerging industries and sectors, including: new energy, new economy minerals, advanced manufacturing, biomedical products, agriculture, tourism, research and education services, and creative and design industries.

To facilitate and support the private sector growth and investment needed to maximise the benefits of these opportunities, the economic strategy is underpinned by a focus on enablers that will enhance the state's competitiveness and productivity, including expanded trade opportunities, a larger skilled workforce, enhanced innovation and digitalisation, continued investment in public and private infrastructure, strengthened Environment, Social and Governance credentials, and a competitive investment environment.


Queensland's economic strategy
Opportunities
New energy
New economy minerals
Traditional industries and value add
Services sector
Strategic supply chains
(including defence, biomedical)
Brisbane 2032 Olympic and Paralympic Games
Enablers
Trade
Skilled workforce
Innovation
Public and private infrastructure
Digitalisation and technology
Environmental, Social and Governance credentials
Competitive investment environment

1.3.1 Industry and business opportunities to create more jobs

Queensland has a diverse and resilient economy with competitive advantages and economic strengths across regions and industries such as agriculture, mining, tourism, and the services sector. These industries will remain important to the Queensland economy, while emerging industries will provide opportunities to diversify and grow.

In an increasingly competitive environment where investors have multiple locations to choose from, having a broad investment facilitation and assistance program enhances the state's attractiveness as a place to do business. The Queensland Government established the $3.34 billion Queensland Jobs Fund to capture future opportunities in traditional and emerging industries. Each program in the Queensland Jobs Fund has a targeted set of objectives. These programs include:

- Industry Partnership Program – $350 million to grow and create jobs across priority industry sectors
- Backing Queensland Business Investment Fund – to provide direct investment in Queensland business and industry
- Queensland Renewable Energy and Hydrogen Jobs Fund – $2 billion to allow energy government-owned corporations (GOCs) to increase ownership of renewable energy and hydrogen projects, and supporting infrastructure, including in partnership with the private sector
- Building Acceleration Fund – to invest in catalyst infrastructure projects
- Made in Queensland – to help small and medium sized manufacturers to increase international competitiveness, productivity and innovation
- Manufacturing Hubs – to assist manufacturers to become more productive and create the jobs of the future
- Hydrogen Industry Development Fund – to drive investment and accelerate development of hydrogen projects
- Queensland Recycling Modernisation Fund – to support industry infrastructure expansions or upgrades (a joint initiative with the Australian Government)
- Invested in Queensland program – to boost job creation and supply chain opportunities by supporting major private sector investment.

The 2022–23 Queensland Budget also includes further investments targeted to assist the state's businesses and industries to realise economic opportunities in traditional and emerging sectors.

New energy

Queensland is well placed to deliver more renewable, reliable and competitively priced energy for domestic and international markets, continuing the state's role as an energy leader. The 2022–23 Queensland Budget contains a provision for the Queensland Energy Plan, which will chart a course to ensure a sustainable and affordable energy future for the state. Specific initiatives will be finalised as part of the release of the Queensland Energy Plan later in 2022.

Queensland's renewable sector has continued to grow since the Queensland Government established a 50 per cent renewable energy target by 2030. More than 20 per cent of electricity used in Queensland is now met by renewables with 50 large-scale renewable energy projects operating, under construction or financially committed since 2015.

This equates to some $11 billion of investment, supporting 7,900 construction jobs and producing 5,774 megawatts (MW) of clean energy such as wind and solar, with more than 13.8 million tonnes of avoided emissions each year.

The 2022–23 Queensland Budget continues to support Queensland's energy transformation. Through the $2 billion Queensland Renewable Energy and Hydrogen Jobs Fund, the government has committed $192.5 million for Stanwell's investment in the 252 MW Wambo Wind Farm, and $43.9 million to support Stanwell and CS Energy hydrogen projects.

In addition, GOCs are retaining 2021–22 dividends for critical infrastructure and growth initiatives, supporting continued renewable energy, storage and strategic network investments across Queensland. This recognises the need to capitalise businesses to undertake strategically important investment in transformational growth opportunities, and the government's commitment to public ownership for the benefit of all Queenslanders.

CS Energy is investing $150 million to deliver the 100 MW Chinchilla battery, and Stanwell is investing $207 million to deliver a 150 MW battery at Tarong.

The 2022–23 Queensland Budget delivers up to $10 million for a pilot to improve supply and storage of energy in regional communities through local solutions such as microgrids.

Queensland is also investing to deliver the new large-scale pumped hydro energy storage capacity essential for Queensland's energy future. In 2021–22, $22 million was committed over 2 years to undertake a detailed feasibility study for a pumped hydro energy storage project at Borumba and concept studies for other sites.

This Budget allocates up to $48 million more for pumped hydro energy storage investments, including $13 million to fast-track a final investment decision on the proposed Borumba pumped hydro energy storage project and $35 million towards feasibility work on a second pumped hydro energy project.

These investments will further strengthen the supply of affordable, reliable and clean energy across Queensland, while also supporting regional jobs and investment.

Box 1.2 Hydrogen

The Queensland Renewable Energy and Hydrogen Jobs Fund will directly support the state's potential to be at the forefront of Australia's hydrogen industry, and facilitate future production and supply of renewable hydrogen for both domestic and export markets over the next decade and beyond. This underlines the possibility of significant industry development, supply chain and employment opportunities being generated across regional Queensland.

In 2021–22, CS Energy announced it is part of a partnership demonstrating the production of renewable hydrogen to power Queensland's heavy transport sector. A $28.9 million allocation from the Queensland Renewable Energy and Hydrogen Jobs Fund will support CS Energy's partnership with Queensland energy company Senex to build the Kogan Renewable Hydrogen Project, including a demonstration plant and refuelling facilities near Chinchilla.

Once operational, the project will produce up to 50,000 kilograms of renewable hydrogen per annum and includes a potential refueller network.

Also in 2021–22, Stanwell, as part of a world-class consortium including Iwatani Corporation, Kawasaki Heavy Industries, Kansai Electric Power Company and Marubeni, and Australian energy infrastructure business, APA Group, commenced a $10 million feasibility study into the development of the Central Queensland Hydrogen Project (CQ-H2) near Gladstone Port.

CQ-H2 is a cornerstone opportunity for Queensland, with the project seeking to commercialise the production and liquefaction of renewable hydrogen and large-scale export to Japan. In 2022–23, the project will progress detailed feasibility and engineering design work into the development of a large-scale electrolyser and liquefaction facility in Central Queensland.

In demonstrating the government's commitment to this project, Stanwell has been allocated an additional $15 million towards the Front-End Engineering Design Study for the project.

Queensland's port-based GOCs (Gladstone Port Corporation Limited, North Queensland Bulk Ports Corporation Limited, Port of Townsville Limited) are continuing to plan for the development of hydrogen export facilities, primarily in the ports of Gladstone, Hay Point, Abbot Point and Townsville.

The port-based GOCs have various commercial agreements with private consortiums seeking to progress hydrogen export facilities and will continue to actively work with them and other state agencies to investigate and plan for the infrastructure required to facilitate their respective developments.

New economy minerals

Working with industry and stakeholders, the Queensland Government is developing a Queensland Resources Industry Development Plan that will establish a 30-year vision for Queensland's resources industry, to ensure it continues to grow and diversify. The government is committing $68.5 million over 5 years to implement the package.

Expansion of Queensland's resources sector will be driven by the production of new economy minerals needed for global decarbonisation technologies. The International Energy Agency estimates that total mineral demand for clean energy technologies will double between 2020 and 2040 under current energy policies that are either in place or announced. Concerted efforts to transition to global net zero emissions by 2050 would require 6 times more mineral inputs in 2040 compared with 2020.

Queensland will produce and deliver many of the new economy minerals the world needs like copper, vanadium and cobalt used to make renewable energy and electrification technologies. Queensland also has the genuine potential for downstream processing capability from extraction to manufacturing.

Box 1.3 New economy minerals and batteries

The Queensland Resources Industry Development Plan aims to fast track new economy minerals production and processing. The government is committing $68.5 million over 5 years to implement the package, including an additional $17.5 million over 4 years to enhance the Collaborative Exploration Initiative, to make more mineral discoveries in Queensland.

Through the $520 million Invested in Queensland program, at least $10 million will be put towards building a new common-user processing plant in Townsville with a focus on vanadium, a critical battery mineral.

The Queensland Government will partner with the Australian Government to create a local Battery Manufacturing Precinct in Queensland. This initiative is backed by a $100 million equity investment by the Australian Government. The Queensland Government's Buy Queensland Procurement Policy will also support demand for local battery manufacturing.

In recognition of the potential opportunities in the battery supply chain, the government will also invest $5 million in a Queensland Battery Industry Development Strategy. The Strategy will identify where Queensland has potential to value-add to battery minerals in the state.

This strategy will also be backed by up to $15 million in 2022–23 to support scaling-up of the National Battery Testing Centre, subject to contractual arrangements being finalised. This will position Queensland to be Australia's gateway for battery innovation.

Advanced manufacturing

Future opportunities in Queensland's advanced manufacturing sector align with Queensland's traditional areas of economic strength, including value-adding and export opportunities in the resources and agricultural sectors. There are also emerging opportunities in industries such as defence, given the need to strengthen sovereign capability, and in the supply of high-value goods and services in biomedicine and health.

Building Queensland's advanced manufacturing capabilities will help secure reliable domestic supplies of essential products and support Queensland's economic resilience in the face of future global disruptions. However, for such projects to be sustainable they must be internationally competitive.

The government's Industry Roadmaps and initiatives such as the $3.34 billion Queensland Jobs Fund will grow and create jobs in advanced manufacturing and priority sectors. Developed with industry, 10-year roadmaps in sectors such as hydrogen, biofutures, biomedical, defence, aerospace and resource recovery are driving innovation-led jobs for the future.

Defence – The defence roadmap is being realised through cutting-edge projects such as Boeing's 'MQ-28A Ghost Bat' unmanned aircraft, which is set to be produced and assembled in Queensland, subject to defence orders. This facility, to be built in Toowoomba's Wellcamp Aerospace and Defence Precinct, is expected to support around 300 construction jobs, with at least 70 high-skilled advanced manufacturing jobs to be created once the facility is operational.

Biomedical – Biomedical technology projects, like the new facility to produce Vaxxas' needle-free vaccines, support the Queensland Government's aim to make the state a globally competitive Asia-Pacific biomedical hub. This facility is expected to employ up to 110 high-skilled biomedical experts when operating in early 2023. This could grow to more than 139 new jobs over 5 years.

In addition, the 2022–23 Queensland Budget commits $50 million over 2 years to continue the Made in Queensland and Manufacturing Hubs Grant programs. These programs help small and medium sized manufacturers across the state to increase their international competitiveness and build advanced manufacturing capability in Queensland's regions.

Agriculture

Agriculture is a traditional economic strength, employing 69,100 Queenslanders and with 84 per cent of Queensland's agricultural economic output originating from regional Queensland. Diversification and value-chain innovation will provide major opportunities to grow the industry in areas such as high-value horticulture, seafood, livestock and other value-added products.

This will be backed by a Low Emissions Agriculture Roadmap as well as an AgTech Roadmap currently under development in collaboration with industry and other stakeholders.

The Budget also continues to deliver support to drought affected regions through the delivery of the Drought Assistance and Reform Package of up to $79.6 million over 4 years, and $150 million over 3 years for drought preparedness and emergency loans to help primary producers prepare, manage, recover and mitigate the impacts of drought.

The Budget is also supporting industry sustainability with up to $45.9 million over 5 years in new biosecurity funding, including $37.1 million over 5 years for fire ant suppression, up to $7.8 million over 4 years (and $1.5 million) ongoing towards the National Biosecurity System and $1 million in 2022–23 for the Queensland Feral Pest Initiative Round 7.

Tourism

Tourism is an important part of many regional Queensland economies and communities. Prior to the pandemic, 147,000 Queenslanders were employed in the sector in 2018–19, including in South East Queensland, tropical North Queensland, the Whitsundays and Fraser Coast.

Recognising the importance of the sector, the Queensland Government provided more than $1 billion to support tourism and hospitality operators during the COVID-19 pandemic. With the reopening of domestic and international borders, tourism has started to recover, led by domestic tourism.

The most recent data from Tourism Research Australia indicates that domestic tourism in Queensland has largely recovered to pre-pandemic levels, while the recovery in international tourism is progressing. The number of short-term international arrivals to Queensland has increased strongly since late 2021, however it remains well below pre-pandemic levels.

The ongoing return of domestic and international tourists to Queensland will drive industry growth and the government will continue working with industry to realise future opportunities, culminating in delivery of the Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032).

To support tourism operators and regional communities, this Budget commits up to $66.4 million over 4 years to support initiatives for tourism recovery and growth.

Research and education, creative and design services

Research, education and training services directly employed 221,100 Queenslanders in 2021. These sectors also provide the training and education to increase the skills of the state's broader workforce.

These industries are also an important part of Queensland's innovation ecosystem. They develop the ideas and technologies for future Queensland businesses, products and services and apply overseas innovation to domestic applications. The easing of COVID-19 restrictions and the opening of international borders will support recovery of international education.

The government directly supports scientific research in Queensland through funding assistance and financial incentives, with this support creating a collaborative network of institutes and precincts across the state.

Reflecting this, the government has launched 3 regional science and innovation hubs in the first half of 2022 that aim to provide people living in regional Queensland with opportunities for skills development and establish local networks that will drive growth, development and capability in the science sector and innovation economy throughout the state's regions.

The government's Production Attraction Strategy continues to deliver outcomes for Queensland's thriving film and screen industry. Building on this momentum, the 2022–23 Queensland Budget provides $13.8 million over 6 years to deliver a new film studio in Far North Queensland which will attract more local and international productions.

1.3.2 Economic settings and enablers

Ensuring the state remains a competitive and attractive destination for investment and talent is essential for a growing economy that creates good, secure jobs. By optimising the state's economic settings and enablers, Queensland's economy will be more flexible and resilient, and able to respond to new challenges and opportunities.

In particular, the economic strategy will be focused on facilitating trade opportunities, a skilled workforce, innovation, infrastructure, digitalisation and technology, Environment, Social and Governance credentials, and a competitive investment environment.

Trade

Trade is essential for Queensland as a trade-oriented economy, with one in 4 jobs across the state directly dependent on interstate or international trade. The state's exports were worth $67.5 billion in 2020–21, accounting for 18.4 per cent of Gross State Product.

Queensland can leverage its international reputation, strong trade relationships and opportunities like Brisbane 2032 to promote and grow exports. A new Queensland Trade and Investment Strategy will be backed by a $150 million investment over 10 years to deliver new specialist staff, export clusters and trade delegations targeted to the state's high value opportunities and markets.

Through facilitation services and industry development programs under the $3.34 billion Queensland Jobs Fund, the Queensland Government is helping attract investment and support Queensland businesses to take their products and services to the world.

Investment attraction initiatives, such as the Invested in Queensland program, aim to unlock the potential of investment projects in Queensland, accelerate the expansion and scale-up of local production capabilities, and create more jobs across the state.

Skilled workforce

Developing home-grown skills and attracting new talent will support both emerging industries that are growing and traditional industries that are constantly adapting to remain competitive. This is a challenge with industries and businesses across the state currently facing labour and skill shortages. Quality, responsive training is essential to position Queensland to compete internationally.

Investments in skills and training such as through Skilling Queenslanders for Work, will keep creating opportunities for Queenslanders to upskill, reskill and prepare for high value, highly skilled future job opportunities, helping to deliver higher incomes for Queenslanders.

In the 2021–22 Budget, the government provided $320 million over 4 years and $80 million ongoing to extend the Skilling Queenslanders for Work program, which assists up to 15,000 Queenslanders facing disadvantage in the labour market each year. Permanent funding for Skilling Queenslanders for Work has embedded the program into the core business of the state.

Queensland's Workforce Summit, held in March 2022, brought together the community, industry and government to build innovative solutions that support a ready workforce for future opportunities.

Queensland's Workforce Strategy will focus on how the Queensland Government can support development of a dynamic workforce, noting current challenges are being faced nationally. All levels of government and industry have a responsibility to contribute to solutions, including the Australian Government which has policy responsibility for tertiary education and migration which are critical to future outcomes.

Based on outcomes from the Summit, Queensland's Workforce Strategy will focus on promoting local opportunities to address labour shortages, maximising participation, supporting school-to-work transitions, developing emerging and innovative models of training, attracting and retaining staff, and seizing future opportunities for skills in rapidly growing sectors.

Measures announced at the Summit include $15 million for the VET Emerging Industries initiative to develop flexible industry strategies and a Growing Workforce Participation Fund pilot to help employers to hire more diverse Queenslanders.

The Queensland Government's commitment to skills and training remains a priority with more than $1.2 billion invested to continue delivering high quality training and creating career pathways for Queenslanders.

Innovation

Widespread creation and diffusion of innovative ideas, technologies and practices will support Queensland businesses to improve productivity, profitability and competitiveness, as well as deliver new products and services into global markets.

The government has a strong history of promoting innovation through investments such as the $755 million Advance Queensland initiative. To date, Advance Queensland has funded more than 140 programs during its lifetime, helping to establish new industries that will underpin a growing economy. These programs include the Industry Research Fellowships Program which has helped partner researchers with industry, and The Precinct innovation hub that has connected Queensland start-ups, investors, and mentors to drive innovation.

The state's innovation ecosystem has also been enhanced by the establishment of a new leadership and engagement model. The new Queensland Chief Entrepreneur is working with government to connect the innovation ecosystem, support capital pathways and maximise the economic opportunity for Queensland from Brisbane 2032. The Innovation Advisory Council, established in 2021, will support the Queensland Chief Entrepreneur by attracting investment and providing a platform for setting new direction on priority outcomes.

New initiatives to foster and accelerate innovation across industries are being developed to further the innovation agenda and economic development across the state. To support the translation of research and innovation into improved healthcare outcomes, this Budget provides up to $35.5 million in additional funding over 4 years to support the $80 million expansion of the Translational Research Institute.

Public and private infrastructure

The delivery of productive infrastructure, including digital connectivity, will make it easier to do business in Queensland, facilitate greater mobility of labour and improve supply chains, as well as enabling better services to be delivered across the state and supporting Queensland's great lifestyle.

As part of a $59.126 billion capital program over 4 years to 2025–26, $15.510 billion in 2022–23 will directly support around 48,000 jobs during the construction phase, including 31,100 jobs outside of greater Brisbane. Many more jobs will also be indirectly supported through the increased economic activity and connectivity generated by this infrastructure investment.

The government's commitment to facilitate and deliver the critical infrastructure needed for a growing Queensland is outlined further in sections 1.4 and 1.5.

Environment, Social and Governance credentials

In the context of the continuing transition to a lower emissions global economy, maintenance and enhancement of the state's Environment, Social and Governance (ESG) credentials will be critical to support Queensland's competitiveness.

Realising Queensland's future Energy Plan will demonstrate the pathway to meeting the Queensland Renewable Energy Target. This will further bolster the state's ESG credentials, as will continued targeted investment in social services and justice reforms that strengthen communities and support vulnerable Queenslanders.

In tandem with Queensland's institutional stability, the state's financial management is a recognised strength. Queensland has a prudent approach of long-term planning and transparency, and exceptional debt and liquidity management that has contributed to its strong ESG credentials, being awarded an ESG rating of AA by MSCI in July 2021. Maintaining this strong position will be vital for attracting future investment.

Competitive investment environment

Maintaining a competitive business environment attracts investment and supports the establishment and expansion of industry and businesses across the state.

The government has implemented a range of regulatory reforms as part of its response to the COVID-19 pandemic, making it easier for businesses to recover, invest and employ. There will continue to be a focus on reducing the regulatory burden and compliance costs for business, including by improving the provision of information to businesses, removing duplication and reducing compliance and reporting requirements.

This complements existing industry attraction and facilitation services that assist businesses to establish or expand in Queensland. These include identifying suitable site options, streamlining approvals, advising on the development approval process and facilitating introductions to service providers.

Investment schemes under the $3.34 billion Queensland Jobs Fund further strengthen Queensland's competitive position. The Strategic Investment Scheme provides tailored assistance packages to support large-scale projects and the Investment Support Scheme incentivises businesses to invest in Queensland through a rebate program for payroll tax and other state-managed taxes.

The government is also introducing a new Significant Investment Facilitation approach to enhance cross-government coordination of the most significant investment opportunities, which will deliver more timely and successful outcomes.

In recognition of the important role that small to medium businesses play in the Queensland economy, the government is providing payroll tax relief to small and medium businesses across the state, through adjustments to the existing payroll tax deduction framework from 1 January 2023.

This targeted payroll support measure will help to minimise the cost pressures on eligible businesses and provide confidence to those businesses to employ additional Queenslanders to take advantage of economic opportunities emerging across the state.

The reform is estimated to benefit over 12,000 Queensland businesses and will save a business paying $6.5 million in annual taxable wages over $26,000 in payroll tax each year.

In addition, the 2022–23 Queensland Budget commits funding of $39.1 million over 4 years and $12.6 million ongoing to permanently fund Small Business Grants and the Mentoring for Growth program. Further, the permanent appointment of the Queensland Small Business Commissioner allows the government to continue to provide small businesses with ready access to support, information and advice, and will reduce the time and costs associated with resolving disputes.

Box 1.4 Productivity

A more productive economy improves the living standards of all Queenslanders and allows real wages to grow.

While many factors influence productivity, the government can play an important role through robust policy and regulatory settings and the efficient delivery of services.

The Queensland Government is progressing its productivity reform agenda by:

- developing productivity-enhancing reforms and initiatives across a broad range of priority areas, including:
    - investments in better services such as health, mental health and education that will improve social and economic participation
    - infrastructure that improves mobility and supply chain connectivity through the government's capital program of $59.126 billion over 4 years to 2025–26.
- ensuring new and existing regulations are necessary, fit-for-purpose and well designed
- identifying and progressing regulatory reforms where regulation may impede investment in new industries and technologies
- improving the way regulators administer and enforce regulation to reduce the regulatory burden on business and the community
- working with the Queensland Small Business Commissioner to identify regulatory reform priorities to support small business.

1.4 Better services

Queensland's investment in the provision of health, education, justice and social services will raise living standards, provide the skills and wellbeing for individuals and households to participate in the economy, and help achieve a fairer environment that drives job creation.

1.4.1 Enhancing education and digital services

Access to quality learning and education is essential for young Queenslanders to thrive and participate in the state's growing economy. Since March 2015 there has been a 13.75 per cent increase in the numbers of teachers in state schools. Overall, the 2022–23 Queensland Budget provides $19.6 billion for education and training statewide in 2022–23.

The 2022–23 Queensland Budget includes $389.5 million for new primary schools to open in 2025 and 2026 in Caboolture West, Caloundra South, Ripley Valley, Greater Flagstone and Bahrs Scrub, $20 million over 2 years to upgrade school playgrounds and tuckshop facilities, and $118.6 million over 2 years for additional classrooms at schools experiencing increases in enrolment.

This investment builds on the government's $1 billion Great Schools, Great Future infrastructure commitment and brings total investment under the Building Future Schools Program to $3 billion since 2015.

This Budget also includes additional funding of $80.6 million over 3 years to support the transition to a new resourcing model for students with disability, and $13.3 million in 2022–23 to expand the Share the Dignity in Queensland Schools initiative, which provides free period packs to all state schools, outdoor education centres and student residential facilities.

To improve the delivery of education services to young people in the youth justice system, additional funding of $27.6 million over 5 years and $6.5 million per year ongoing is also provided to increase the teacher to student ratio for education staff working in Queensland's 3 youth detention centres.

Digitalisation benefits Queensland households and businesses and is a catalyst for skills development, creating and communicating knowledge, innovation and service delivery.

Adoption of technology enables businesses to expand their delivery of goods and services to new customers and markets and increase their competitiveness. Households also gain access to more channels to purchase goods and services, and can improve access to services, such as education and telehealth.

Recognising that telecommunications is an Australian Government responsibility, the Queensland Government still plays a critical role in enhancing the growth of the digital economy in Queensland and its economic benefit by investing in essential infrastructure and skills development.

The government previously announced up to $190 million over 5 years to make internet speeds 200 times faster for all Queensland state schools. This partnership with Telstra includes $110 million for exchange upgrades, benefitting communities and businesses in hundreds of regional and remote areas.

Digitalisation also improves the delivery of government services. This Budget includes $126.9 million over 5 years to digitise Queensland Courts and the Queensland Civil and Administrative Tribunal and $30.4 million over 4 years to upgrade Queensland Corrective Services' Integrated Offender Management System.

1.4.2 Supporting communities and keeping Queenslanders safe

The Queensland Government is committed to supporting vulnerable Queenslanders, with substantial funding commitments in the 2022–23 Queensland Budget including:

- Child Protection Services – $2.2 billion over 5 years and $500 million per year ongoing for out of home care services in response to significant, ongoing pressures arising from an increase in demand in the child protection system
- Youth Justice Investment – $78.8 million over 4 years and $18.9 million per year ongoing from 2025–26 to continue the Youth Justice Strategy reforms
- Strengthening Social Services in Queensland – $125.6 million over 4 years and $19 million per year ongoing to strengthen the community and social services sector with a focus on elevating the role and function of neighbourhood and community centres and to support delivery of the government's response to the Parliamentary Inquiry into Social Isolation and Loneliness

Box 1.5 Parliamentary Inquiry into Social Isolation and Loneliness

The government is delivering on its commitment to address social isolation and loneliness.

On 27 May 2021, the Legislative Assembly agreed to a motion that the Community Support and Services Committee inquire into and report on social isolation and loneliness in Queensland. The Committee issued its report, which contained 14 recommendations, on 6 December 2021, and the government tabled its final response on 6 June 2022.

The government response supported, or supported in principle, all of the recommendations of the Committee.

The 2022–23 Budget includes a significant investment to support this response, providing $51.8 million to increase existing neighbourhood and community centre base operational funding, ensuring the ongoing viability and maximum benefit from this important part of our social services infrastructure. The Inquiry report highlighted the invaluable role that neighbourhood and community centres play in promoting social inclusion and reducing loneliness.

This Budget also provides $4 million over 4 years for a new Innovation Fund that will support the delivery of community-led responses to local issues, with a focus on responding to the causes and impacts of social isolation and loneliness.

Additional funding of $2.1 million has also been provided to support activities recommended by the inquiry report, including to support the further development of plans and initiatives to address social isolation and loneliness, and development of training and resources to support workers and volunteers in the community and social services sector.

This forms part of the government's total funding of $125.6 million over 4 years and $19 million ongoing to strengthen social services in Queensland.

The government is also protecting communities and keeping Queenslanders safe through the $2.878 billion provided in 2022–23 for policing services. The government is continuing to provide an additional 2,025 police personnel by 2025, which is the biggest increase in police resourcing in almost 30 years.

This Budget also includes $174.6 million to fund the police capital program, including facilities, motor vehicles, vessels and other essential equipment, to support quality frontline police services.

Women's economic security and safety is an important focus of the government's 5-year *Queensland Women's Strategy 2022–27*. The strategy provides a framework for improving outcomes for women and girls, supporting them to freely participate and succeed in economic, social and cultural opportunities.

The 2022–23 Queensland Budget commits $363 million over 5 years and $61.3 million ongoing as part of the Queensland Government response to the Queensland Women's Safety and Justice Taskforce *Hear her voice – Report one – Addressing coercive control and domestic family violence in Queensland,* for system-wide reform and criminalising coercive control. A further $19.2 million is provided over 4 years for specialist domestic, family and sexual violence support services and programs for women in custody.

1.5 Protecting Queenslanders' lifestyle

Queensland's strong economy and enviable lifestyle have made the state a destination of choice for Australians, with net interstate migration in Queensland the highest of all states and territories during 2020–21. Net interstate migration rose even higher in the September quarter 2021, to an annual change of 40,600 persons, the highest annual change since the December quarter 1994 and well above the next highest state of Western Australia with 6,100 persons.

The 2022–23 Queensland Budget continues to invest in protecting the environment and maintaining Queensland's great way of life while Queenslanders and Queensland businesses realise the opportunities of a growing economy.

1.5.1 Cost of living support

The current global inflationary environment is driving up the cost of living around the world. This is the result of a combination of factors, including the easing of COVID-19 restrictions supporting strong domestic demand, COVID-related disruptions to global supply chains and geo-political instability driving a surge in commodity prices.

While Queensland's housing prices remain broadly less expensive than in many of the other states and territories, Queensland has also experienced significant inflationary pressures.

The 2022–23 Queensland Budget is progressing several initiatives that will provide short-term and long-term solutions to reduce cost of living pressures.

Box 1.6 Concessions, subsidies and discounts

The Queensland Government provides a significant range of concessions, subsidies, discounts and rebates every year which help reduce transport, housing, healthcare, education, water and energy costs for millions of Queensland households.

In 2022–23, the value of these concessions is $6.786 billion, an increase of more than 10 per cent from 2021–22.

This includes a total of $385 million in 2022–23 to support Queensland households with a $175 Cost of Living Rebate, with the government having allocated a total of $1.185 billion to provide households with a total of $575 in direct financial assistance through electricity bill rebates since April 2018.

Since the Palaszczuk Government's first budget in 2015–16, total government spending on concessions has increased by 44 per cent. This increase has, on average, outpaced inflation by 1.4 per cent per annum.

As part of the government's commitment to address housing affordability challenges, the *government managed housing rental rebate* supports approximately 54,700 low income households and has increased from $363.1 million in 2015–16 to $541.3 million in 2022–23.

General Transport Concessions for bus, rail and ferry services have risen from $1.357 billion in 2015–16 to $2.140 billion in 2022–23. *Energy concessions* help provide affordable power to households and businesses and have increased from $689.5 million in 2015–16 to $1.336 billion in 2022–23. Significant concessions provided in the 2022–23 Budget include:

- $153.9 million for the School Transport Assistance Scheme, which provides funding for low-income households to reduce the costs of travelling to school
- $180.7 million for the Oral Health Scheme, providing free dental care to eligible clients and their dependents
- $195.8 million for Vehicle and Boat Registration Concessions available to a range of groups, including Queensland Seniors Card holders, to reduce registration fees
- $799.1 million in rail network and infrastructure funding to ensure the safety and reliability of the rail network and reduce access charges for users
- $245.7 million for the User Choice Training Subsidy which helps fund training and assessment costs for Queensland apprentices and trainees
- $201.2 million for the Certificate 3 Guarantee Tuition Fee Subsidy, which supports eligible Queenslanders to obtain their first post-school Certificate III qualification.

These concessions make a real difference to the lives of Queenslanders. For example, in 2022–23 a retired couple in their seventies living in their own home in South East Queensland with no dependents, both with a Queensland Seniors Card and on the pension, will receive concessions including a $372 electricity rebate, a $120 South East Queensland water subsidy, $200 for council rates and $81 for reticulated natural gas.

They will also receive a reduction of around $174 on the annual registration of their small 4 cylinder car, and a $175 Cost of Living Rebate on their electricity bill. In total they save $1,122 on these concessions. In addition, they are entitled to discounted travel on public transport, saving 50 per cent on fares.

A low-income family in social housing with 2 children in senior high school could be eligible for around $10,600 in Queensland Government concessions in 2022–23, including up to $590 in school textbook and resources allowance, a $175 Cost of Living Rebate on their electricity bill and an average rental benefit of around $9,900.

Housing affordability is a national issue requiring action from all levels of government.

Finding appropriate and affordable housing has become more challenging for many Australians in light of the exceptionally strong performance of the housing market in recent times.

The resulting higher prices, record low rental vacancy rates, and increased rents underscore the need for well-targeted government support and action.

Box 1.7 Housing affordability

The Queensland Government is committed to ensuring policy and regulatory settings support the delivery of quality housing at an accessible price for all Queenslanders, including through investments in affordable and social housing, an effective planning system, and direct support for home buyers.

Queensland's $15,000 Queensland First Home Owners' Grant is one of the most generous in Australia and is available for properties up to a value of $750,000, enabling more first home buyers to get into the market while also boosting housing supply.

Queensland's transfer duty settings are also highly competitive, with lower effective rates of duty than other states and territories for most home values and providing generous concessions for first home buyers worth up to $15,925.

Increased supply of land and development opportunities support more affordable housing. The Queensland Government is planning and supporting the delivery of new land supply and homes across Queensland communities through a broad range of initiatives, including through progressing a new legislative framework for Priority Growth Areas that will better integrate land use and infrastructure planning.

The 2022–23 Queensland Budget builds on existing actions with funding of:

- $150 million over 3 years to increase the Catalyst Infrastructure Fund (subject to a minimum co-investment by developers) to unlock development and increase the supply of housing in the state's Priority Development Areas
- $50 million over 3 years, $35 million held centrally, for the Growth Acceleration Fund to support the delivery of priority trunk infrastructure in the Caboolture West growth area and other targeted growth areas in South East Queensland

- $10 million over 2 years to support the Growth Areas Team to address land supply, population growth and property development challenges across South East Queensland.

The Queensland Government is backing the largest concentrated investment in social housing in Queensland's history, with $1.9 billion in funding over 4 years under the *Housing and Homelessness Action Plan 2021–2025*. This is supported by returns from the $1 billion Housing Investment Fund, a long-term fund with returns to drive new supply to support current and future social and affordable housing needs.

Under the Action Plan, the Queensland Government will deliver 7,400 new dwelling commencements across Queensland.

The 2022–23 Queensland Budget builds on this investment with further targeted support to address youth homelessness across Queensland, with $29.8 million over 4 years and $10 million per year ongoing. This will deliver new frontline service initiatives that provide housing with support for young people as they work toward social and economic independence. This is a key action under the Queensland *Housing and Homelessness Action Plan 2021–2025*.

1.5.2 Transport infrastructure that keeps pace with population

Over $7.3 billion is budgeted for transport portfolio capital investment in 2022–23, such as road, rail, port, bus, cycling and marine infrastructure to meet the needs of the growing population and mitigate risks, such as traffic congestion.

Critical projects include the Cross River Rail Project to improve travel across South East Queensland, construction of the Coomera Connector Stage 1 and Gold Coast Light Rail Stage 3 and priority upgrades to the Pacific Motorway.

The 2022–23 capital program also includes investment in several key projects on the Bruce Highway, improving safety and supporting jobs across the regions, including:

- $1.065 billion to plan, preserve and construct the Rockhampton Ring Road
- $1 billion to construct Cooroy to Curra (Section D)
- $662.5 million to upgrade the highway from 4 to 6 lanes between Caboolture-Bribie Island Road and Steve Irwin Way
- $500 million funding injection for the Bruce Highway, noting the Queensland Government's priority for upgrades between Mackay and Proserpine, and between Gladstone and Rockhampton
- $481 million to duplicate the highway from 2 to 4 lanes as part of the Cairns Southern Access Corridor (Stage 3), from Collinson Creek in Edmonton to the Wrights Creek area near Gordonvale
- $350 million for the Mackay Port Access upgrade, to improve access to the Port of Mackay while addressing urban congestion in North Mackay

- $336 million to increase the flood immunity, safety and efficiency of the Bruce Highway and future-proof the road to cater for growing traffic volumes at Tiaro.

These investments will connect businesses and regions across the state, mobilise people and goods, help enhance the state's productivity, and drive economic activity and job creation.

1.5.3 Towards the Brisbane 2032 Olympic and Paralympic Games

The announcement of Queensland as the host of Brisbane 2032 presents Queensland with the opportunity to showcase the state on the global stage and leave a legacy that will define the state for decades to come. In addition to the direct benefits and jobs from Brisbane 2032, the event will create ongoing benefits through increased trade and investment activity.

The 10-year horizon to Brisbane 2032 provides for the state to effectively progress planning, design and delivery of critical infrastructure which will both support South East Queensland's long-term growth and enable successful delivery of Brisbane 2032. The Queensland Government continues to work closely with Games Partners, including the Australian Government, on funding arrangements for Brisbane 2032 as part of this critical planning work.

The establishment of the Organising Committee for the Brisbane 2032 Olympic and Paralympic Games (OCOG) in December 2021 and inaugural meeting of the OCOG Board in April 2022 were important milestones for Brisbane 2032. A key priority for the OCOG Board is securing third party funding arrangements so its responsibilities for delivering Brisbane 2032 are achieved on a cost neutral basis.

To support effective planning for Brisbane 2032, the government is investing $59.3 million over 4 years and $4.7 million per year ongoing for the Brisbane 2032 Taskforce to lead activities across the Queensland Government. This will support preparation of the 2032 Games Legacy Program and planning and design of infrastructure to support delivery of Brisbane 2032, including venues and athletes' villages. It will also support priority transport projects being delivered in South East Queensland to manage growth in the region and support the Games transport task.

The 2022–23 Queensland Budget provides $31.4 million over 2 years from 2023–24 to extend the 2032 High Performance Strategy to help prepare elite Queensland athletes to achieve world class success at Paris 2024 and leading up to Brisbane 2032.

A further $100 million over 4 years is being invested to establish the Go for Gold Fund (School Sports Infrastructure). This program will deliver new and upgraded sports infrastructure for schools across the state, with a focus on encouraging sports participation.

1.5.4 Protecting Queensland's environment

Queensland has a diverse natural environment that underpins the economy and allows Queenslanders to enjoy recreational activities, events and sports that support wellbeing.

To ensure protection of this valuable space, the government has committed $262.5 million over 4 years to continue delivery of *Queensland's Protected Area Strategy 2020–2030*, providing conservation and carbon positive outcomes. This 10-year plan is directly supporting the growth, better management and sustainability of the state's protected areas.

Resource recovery and recycling policies and initiatives, with an investment of $291.8 million over 4 years, will contribute to implementation of waste management plans, expand resource recovery programs and support environmental activities.

Queensland has also committed to the target of zero net emissions by 2050, consistent with the national commitment to this target. The Budget also provides an additional $14 million over 2 years for a community-based pilot program to reduce emissions by partnering with local government and industry.

Biodiversity is an invaluable part of Queensland's environmental heritage. To ensure that Queensland's precious wildlife remains protected, the government is providing $14.7 million over 4 years and $1 million per year ongoing to continue the Saving Queensland's Threatened Species Program.

A further $24.6 million over 4 years and $1 million per year ongoing will also be invested into continuing implementation of the *South East Queensland Koala Conservation Strategy 2020–2025*, including an increased commitment to the South East Queensland Wildlife Hospitals that help rescue and rehabilitate sick and injured koalas.

Recognising its significant environmental and economic importance, the Queensland Government continues to invest in the protection of the Great Barrier Reef. Last year, the Queensland Government committed $270.1 million over 5 years to 2025–2026 to continue the Queensland Reef Water Quality Program, which funds a range of projects working with industry, agricultural producers and communities. The government is also working with councils and the urban development industry to better manage urban run-off.

2 Economic performance and outlook

Features

- The rollout of COVID-19 vaccines and substantial fiscal and monetary stimulus supported a strong rebound in global and national economic growth in 2021. However, the Queensland economy and labour market has outperformed the rest of the nation.
- Strong demand, particularly for goods, combined with severe supply chain disruptions saw global inflationary pressures surge in the latter half of that year. This has prompted central banks, including the Reserve Bank of Australia, to begin monetary policy tightening from the historically low settings in place during the pandemic, to dampen excessive demand while allowing supply chains to hopefully regularise.
- Surges in Omicron variant cases in early 2022, major flooding in South East Queensland, and the Russian invasion of Ukraine and subsequent global sanctions have all impacted the supply side of the economy and exacerbated inflationary pressures.
- The Omicron outbreaks in early 2022 impacted activity and the Queensland economy through widespread initial impacts on labour supply, feeding into some supply chain disruptions. However, Queensland's domestic economic activity still rose in the first quarter of 2022, to be 7.8 per cent higher than its pre-pandemic level, and maintained its stronger performance compared with the major southern states during the COVID-19 crisis.
- The overall economic impact of the floods in February/March 2022, estimated to be around $1 billion, or ¼ percentage point of Queensland's Gross State Product (GSP), is expected to be relatively limited compared with previous major natural disasters as key mining and agriculture regions outside of South East Queensland were mostly unaffected.
- Despite Queensland recently experiencing subdued population growth, the state has seen elevated levels of net interstate migration to Queensland during the pandemic, which has helped support overall population growth and activity.
- On balance, after rising 2.0 per cent in 2020–21, the Queensland economy is now forecast to grow by a further 3 per cent in 2021–22, slightly slower than the 3¼ per cent expected at the time of the 2021–22 Budget Update, reflecting the combined impacts of the 3 major shocks experienced in the first half of 2022.
- Queensland's GSP growth is then forecast to average 2¾ per cent per annum over the rest of the forward estimates, driven mainly by continued growth in the domestic economy.
- Consistent with the ongoing robust growth in domestic activity, in year-average terms employment is forecast to grow by 4¾ per cent in 2021–22—its strongest rate in 15 years—followed by further solid growth of 3 per cent in 2022–23.
- After falling to 4½ per cent in 2021–22, the state's unemployment rate is forecast to remain low across the rest of the forward estimates, between 4 and 4¼ per cent, as sustained employment growth and a pick-up in wages growth keep the participation rate elevated.

2.1 International conditions

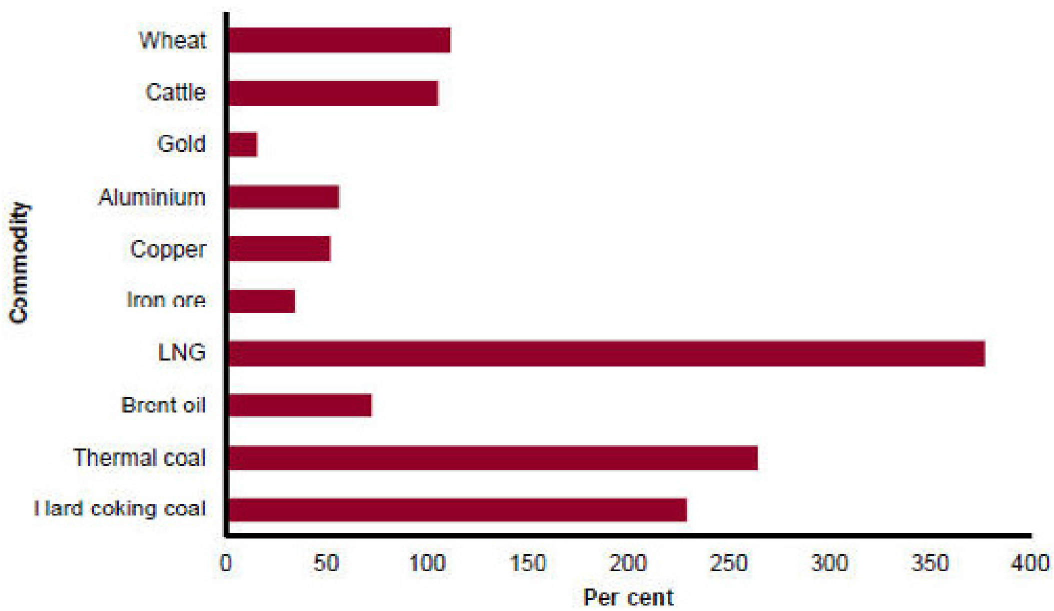
The global economy has undergone immense change since last year's Budget, including a range of key factors impacting significantly on global economic conditions since the 2021–22 Budget Update in December 2021.

At the time of the 2021–22 Budget there were clear signs that the global economic recovery from COVID-19 had begun, with the ongoing rollout of vaccines and substantial fiscal and monetary stimulus programs supporting strong rebounds in sentiment and economic activity. The International Monetary Fund's (IMF) latest estimate indicates global growth rebounded by 6.1 per cent in 2021, following the COVID-19 driven fall of 3.1 per cent in 2020.

Throughout 2021 it became evident that inflationary pressures were building in many advanced economies, with regions including the United States and Europe recording their highest annual inflation in more than 40 years. Strong demand, particularly for goods, combined with severe supply chain disruptions, contributed to elevated inflationary outcomes.

Russia's invasion of Ukraine and ongoing impacts of COVID-19 in China, with several cities in China re-entering strict COVID-19 lockdowns, have exacerbated global supply chain disruptions, adding further upward pressure to global inflation. Russia's and Ukraine's positions as significant producers and exporters of various commodities, including crude oil, natural gas, coal, iron ore and wheat, have contributed to sharp global price rises for these commodities (Chart 2.1).

Chart 2.1 Commodity price growth (January 2020 to May 2022)[1]



Note:

1. Percentage change, in A$ terms.

Sources: Refinitiv, Platts and Meat and Livestock Australia.

While these inflationary pressures were initially thought to be largely transitory in nature, it became increasingly evident that they had become more embedded in the global economy and central banks responded. As a result, there has been a global move to sharply raise interest rates, with many central banks beginning to normalise monetary policy from the historically low ‘emergency’ settings in place during the pandemic.

Reflecting the inflationary pressures and rising interest rates, along with Russia’s invasion of Ukraine and its subsequent spillover effects to broader economic activity, the IMF in April 2022 revised down its most recent forecasts for global growth to 3.6 per cent in both 2022 (down from 4.4 per cent) and 2023 (down from 3.8 per cent). Echoing similar sentiments as the IMF, more recently, the World Bank also downgraded its global growth outlook in 2022 (to 2.9 per cent, down from 4.1 per cent) and 2023 (to 3.0 per cent, down from 3.2 per cent).

In response to the strongest inflation in the country in more than 40 years, the rise in interest rates in **the United States** has been amongst the most aggressive. The United States 2 year Treasury bond yield has risen around 300 basis points since the beginning of September 2021, to be near its highest levels since 2007.

The IMF downgraded its forecast for United States Gross Domestic Product (GDP) growth by 0.3 percentage point in both 2022 and 2023, partly reflecting the expected impacts of higher interest rates. While employment and labour force participation in the United States have yet to return to pre-pandemic levels, the country’s labour market is very tight, with the unemployment rate having fallen to 3.6 per cent and job vacancies remaining at a near record high level.

In **China**, the IMF expect GDP growth to slow from 8.1 per cent in 2021 to 4.4 per cent in 2022 and 5.1 per cent in 2023, with growth in 2022 impacted by extended COVID-19 lockdowns in major cities including Shanghai and Beijing.

The IMF has also revised down the **Euro area and United Kingdom’s** (UK) GDP growth forecasts in 2022 by at least a full percentage point each, largely reflecting both jurisdictions’ heavy dependence on Russian energy. The war in Ukraine is expected to be a major drag on Euro area growth in 2022, while **Russia** and **Ukraine’s** economies are forecast to contract by 8.5 per cent and 35 per cent respectively in 2022.

The IMF forecast that **India’s** GDP growth will slow from 8.9 per cent in 2021 to 8.2 per cent in 2022 and 6.9 per cent in 2023. These moderations in part reflect weaker domestic demand due to higher oil prices weighing on private consumption and investment.

Aggregate GDP growth of Queensland’s **major trading partners** (4.2 per cent in 2022 and 4.3 per cent in 2023) is expected to be slightly stronger than the global average. This primarily reflects key trading partners such as China and India (which combined represented around 38 per cent of Queensland’s merchandise exports in 2020–21) both being expected to record stronger economic growth across 2022 and 2023 than the global average.

However, there are substantial risks to the global economic outlook, largely centred around the resolution of the conflict in Ukraine (and related sanctions) as well as global central banks’ ability to curtail some of the strongest inflation outcomes in decades. The impact on global demand from an aggressive and synchronised rise in global interest rates is a risk to the medium-term outlook.

Additionally, there remains ongoing risks associated with the COVID-19 pandemic. In particular, the recent lockdowns of major cities in China highlight the ongoing risks to health and economic activity, as well as flow-on impacts to global supply chains. Despite China's restrictions on the importation of Australian coal and other commodities, China remained Queensland's largest goods export market in 2020–21, representing 24 per cent of total merchandise exports.

2.2 National conditions

The Australian economy rebounded by 4.8 per cent in 2021 following the 2.2 per cent decline in GDP in 2020 as a result of the COVID-19 pandemic. Australia's economy has performed well since the onset of the pandemic compared with most other countries, supported by the relative success in containing outbreaks of the virus, significant fiscal and monetary policy support, and more recently, elevated commodity prices.

Strong rebounds in household consumption and dwelling investment were the main contributors to the rebound in Australia's economic growth in 2021. Substantial fiscal and monetary stimulus, including national and state level support enabling employers and employees to remain engaged throughout the pandemic, assisted the rebound in consumption.

In the dwelling sector, investment in alterations and additions was particularly strong, rising 17.8 per cent in 2021 to a record level. The pandemic driven increase in work-from-home arrangements, combined with the inability to travel overseas and record low interest rates, resulted in many Australians choosing to invest substantially in their own homes.

The economic recovery is continuing in 2022, with GDP up a further 0.8 per cent in March quarter 2022. This recovery has been underpinned by high vaccination rates, accumulated savings throughout the pandemic, increased wealth due to higher housing and equity prices, record amounts of construction work in the pipeline and a strong labour market.

The national labour market has proved resilient throughout the pandemic. The unemployment rate has averaged 3.9 per cent in the 3 months to May 2022, its lowest level since the inception of the monthly series in 1978, while employment has surged to beyond its pre-COVID level and the participation rate is at a record high.

However, the pace of recovery in the labour market has differed across states and territories. Stronger health outcomes and rising commodity prices have seen employment in Queensland and Western Australia in May 2022 increase 206,000 persons and 94,200 persons respectively since March 2020, combining for 59 per cent of nation-wide employment growth over the period.

In contrast, the extended lockdowns enforced in New South Wales and Victoria throughout September quarter 2021 hindered the recoveries in those states, with employment up 134,000 and 72,600 persons respectively since March 2020.

Similar to other advanced economies, Australia experienced a build-up of inflationary pressures throughout 2021. Australia's annual headline consumer inflation rose to 5.1 per cent in March quarter 2022, the highest rate since 1995, excluding the impact of the introduction of the goods and services tax (GST) in 2000–01.

The stronger than anticipated inflation outcomes have brought forward the timing and number of expected cash rate increases in the second half of 2022 and throughout 2023. The capacity of Australian households to absorb the impact of higher interest rates, given the currently elevated levels of household debt, provides near-term uncertainty for the national economic outlook.

2.3 Key assumptions

Key assumptions underpinning the economic forecasts include:

- the RBA to continue its monetary policy normalisation over the course of 2022 and 2023
- the A$ exchange rate to move toward its assumed medium-term anchor of around US$0.75
- Brent oil prices to remain elevated in 2022 but ease towards US$75 per barrel by the end of 2024
- the Brisbane residential property price cycle to peak in June quarter 2022 and ease over the following 2 years, before growing again toward the end of the forward estimates
- according to the Bureau of Meteorology, the present La Niña weather pattern, which is resulting in substantial rainfall across eastern Australia, is expected to fade by early winter. Thereafter, average seasonal rainfall is assumed for the remainder of the 2022 and 2023 seasons
- Queensland Health will continue to prioritise management of the COVID-19 pandemic as well as the transition to the endemic phase, with a focus on progressive resumption to planned care, responding to strong demand for services and a return to pre-pandemic access to services
- in line with 2022–23 Federal Budget assumptions, Australia's international borders are expected to remain open to migrants and fully vaccinated tourists. This is expected to support further recovery in population growth, boost overseas tourism and education exports, and assist in filling skills gaps, but also increase tourism imports as Queenslanders return to overseas travel.

2.4 Queensland conditions and outlook

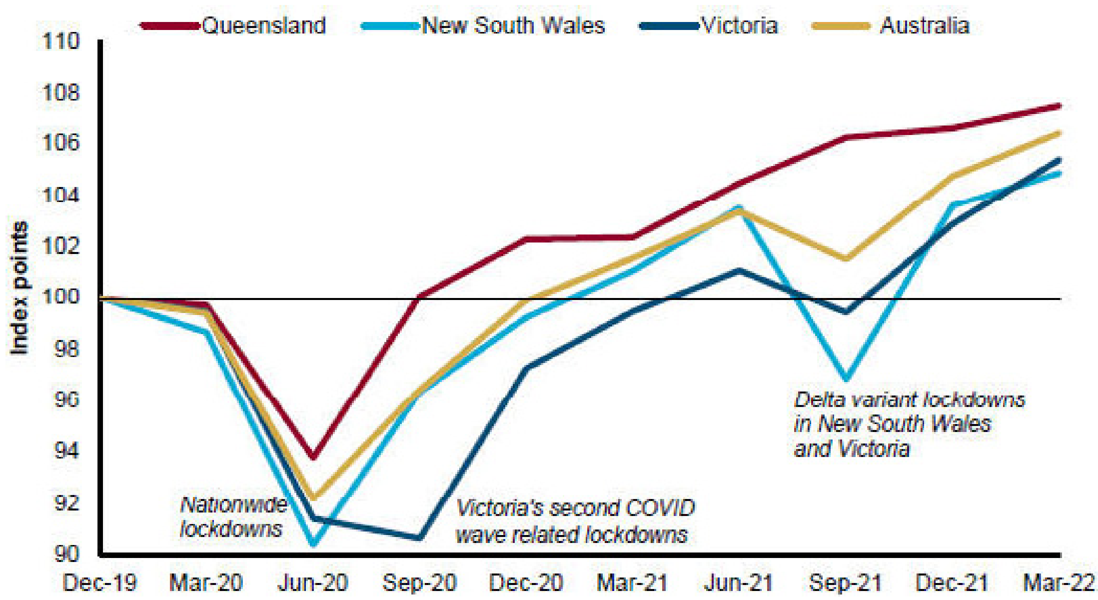
At the time of the 2021–22 Budget Update in December 2021, the state's economy and labour market were in a strong position and had outperformed the rest of the nation, underpinned by strong growth in household spending and dwelling investment.

In December quarter 2021, Queensland's domestic economy, as measured by state final demand, was 6.9 per cent higher than its pre-pandemic level in March quarter 2020, much stronger than the 5.1 per cent increase in the rest of Australia. In addition, employment in Queensland in December 2021 was more than 128,400 persons higher than pre-COVID levels and the unemployment rate had fallen to 4.6 per cent, the lowest in almost 13 years.

Since then, surges in Omicron variant cases in early 2022, major flooding in South East Queensland, and the Russian invasion of Ukraine and subsequent global sanctions have all impacted the supply side of the economy and further exacerbated the inflationary pressures that were emerging in the latter half of 2021.

The Omicron outbreaks in early 2022 impacted activity and the Queensland economy differently from previous COVID-19 outbreaks, with widespread initial impacts on labour supply feeding into some supply chain disruptions. However, Queensland's overall domestic economic activity still rose in March quarter 2022, to be 7.8 per cent higher than the pre-pandemic level, and maintained its stronger performance compared with the major southern states during the COVID-19 crisis (Chart 2.2).

Chart 2.2 Growth in state/domestic final demand[1]



Note:

1. Seasonally adjusted, chain volume measure, index points, December quarter 2019 = 100.

Source: ABS National Accounts.

The overall economic impact of the floods in February/March 2022 is expected to be relatively limited compared with some previous major natural disasters in Queensland, as key mining and agriculture regions outside of South East Queensland were largely unaffected. Queensland Treasury estimates the impact on economic output in 2021–22 to likely be around $1 billion, or ¼ percentage point of Queensland's GSP (see Box 2.1).

The impacts of the Russian invasion of Ukraine and associated sanctions are still evolving and remain highly uncertain. As a commodity exporter sharing several key markets with Russia, Queensland is expected to initially benefit from the higher commodity prices, which should support domestic income and spending. However, the broader impacts of any lower global growth induced by the conflict will likely have negative implications for the Queensland economy over the medium to longer term.

Offsetting some of the negative impacts of these major developments on the Queensland economy has been the high level of net interstate migration to Queensland, which is supporting overall population growth. In net terms, more than 40,000 people moved from interstate to Queensland over the year to September quarter 2021, a period which included the Delta variant lockdowns in New South Wales and Victoria. This momentum is expected to have carried through to the final quarter of 2021.

In addition, with the reopening of the international border, net overseas migration is expected to gradually recover in 2022 and 2023 and support activity, including by increasing labour supply in the context of the current tight labour market.

This population growth has supported jobs growth in the state. May 2022 Labour Force data showed that employment in Queensland had grown a further 77,700 persons in the first 5 months of 2022, taking the total increase in employment since pre-COVID March 2020 to 206,000 persons. The unemployment rate had fallen from a pre-COVID rate of 5.8 per cent to 4.0 per cent in May, at the same time as the state's participation rate had increased from 65.5 per cent to 67.2 per cent.

On balance, after rising 2.0 per cent in 2020–21, the Queensland economy is now forecast to grow by a further 3 per cent in 2021–22, slightly slower than the 3¼ per cent expected at the time of the 2021–22 Budget Update, reflecting the combined impacts of the 3 major shocks experienced in the first half of 2022.

Further solid growth of 2¾ per cent is forecast for 2022–23 as the dwelling construction boom regains momentum and overseas services exports rebound from the impacts of the pandemic and related travel restrictions of the past 2 years.

Queensland's GSP growth is then expected to average 2¾ per cent per annum over the remainder of the forward estimates, driven mainly by continued growth in the domestic economy.

Consistent with this ongoing robust growth in domestic activity, in year-average terms employment is forecast to grow by 4¾ per cent in 2021–22 and 3 per cent in 2022–23. Employment growth is expected to ease to around 1½ per cent per annum later in the forward estimates, as the state's dwelling construction cycle matures.

After falling to 4½ per cent in 2021–22, the state's unemployment rate is forecast to remain low across the remainder of the forward estimates, between 4 and 4¼ per cent, as sustained employment growth and a pick-up in wages growth keep the participation rate elevated at an estimated 66½ per cent in 2021–22, and 66¾ per cent in both 2022–23 and 2023–24.

Reflecting higher housing costs, global oil prices and ongoing supply chain disruptions, consumer price inflation in Brisbane is forecast to remain elevated in the medium term, averaging 5¼ per cent in 2021–22 and 3¾ per cent in 2022–23, before returning to within the RBA's target band for national inflation of 2 to 3 per cent over the remainder of the forward estimates.

Table 2.1 Queensland economic forecasts/projections[1]

	Actuals	Forecasts			Projections	
	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26
Gross state product[2]	**2.0**	**3**	**2¾**	**2¾**	**2¾**	**2¾**
Employment[3]	2.4	4¾	3	1½	1½	1½
Unemployment rate[4]	6.8	4½	4	4¼	4¼	4¼
Inflation[5]	2.1	5¼	3¾	2½	2½	2½
Wage Price Index	1.6	2½	3½	3½	3½	3½
Population	1.0	1¼	1½	1½	1½	1½

Notes:

1. Unless otherwise stated, all figures are annual percentage changes.
2. Chain volume measure (CVM), 2019–20 reference year.
3. Comparable through the year seasonally adjusted employment growth rates to the June quarter are 9.9 per cent, 4¼ per cent, 1¼ per cent, 2 per cent, 1½ per cent and 1½ per cent, from June quarter 2021 to June quarter 2026 respectively.
4. Per cent, year-average.
5. Brisbane, per cent, year-average.

Sources: ABS Annual State Accounts, National, State and Territory Population, Labour Force, Wage Price Index, Consumer Price Index, and Queensland Treasury.

Box 2.1 Economic impacts of the SEQ floods

Intense weather events, particularly floods and cyclones, are, unfortunately, an integral part of the Queensland climate. In addition to the potential for tragic loss of life, these events can cause substantial damage to private property and public infrastructure, as well as considerable losses to economic output, including substantial impacts on mining and agricultural production in some cases.

The severe flooding events experienced across the South East corner of the state in late February and early March of 2022 resulted in substantial damage to assets and infrastructure such as roads, business premises and residential property.

However, since this event mainly occurred in South East Queensland, its impact on the state's mining sector has been minimal. In addition, while the Wide Bay and Lockyer Valley regions saw substantial impacts on their agriculture and horticulture sectors, the overall impact in these industries has not been as significant to the statewide economy as seen in some previous disasters.

The impacts on overall economic output (as measured by GSP) from this latest event is estimated to be substantially less than for some other major natural disasters over recent decades. The impact on economic output in 2021–22 is estimated to be approximately $1 billion, or around ¼ percentage point of Queensland's GSP.

In addition to agriculture, other key sectors impacted in the regions include construction, tourism (including accommodation and hospitality) and a wide range of other services industries, such as wholesale trade, retail trade, transport and sectors related to recreational and entertainment activities. In some cases, this lost economic activity will likely be partly recouped over time as people defer their expenditure. In other key sectors, such as agriculture and tourism, this is likely to be more of a permanent loss of economic output.

In comparison, the 2010–11 floods and Severe Tropical Cyclone Yasi resulted in flooded coal mines, extensive damage to rail transport and port operations, reduction in sugar, horticulture, and other crop harvests, as well as severely impacting tourism across the state. That event significantly reduced economic output, estimated at the time to be equal to around 2¼ percentage points of GSP.

Similarly, the impact of Severe Tropical Cyclone Debbie, which saw coal rail lines shut for an extended period and major damage to tourism infrastructure in the Whitsundays, was estimated to be around ¾ percentage point of GSP, spread across 2016–17 and 2017–18.

Financial impacts of the 2022 floods on the 2022–23 Queensland Budget, including the costs to rebuild damaged roads and local government infrastructure, as well as assisting individuals, families and businesses impacted by the disasters, are addressed in Chapter 3.

2.4.1 Household consumption

Following the nationwide lockdowns in 2020, a combination of factors, such as strong labour market conditions, substantial government stimulus and acceleration in asset prices, placed household balance sheets in a strong position and elevated savings. As shown by Chart 2.3, these improvements in household income and wealth led real household consumption in Queensland to generally strengthen over this period, and by the end of 2021 was 6.8 per cent above pre-pandemic levels.

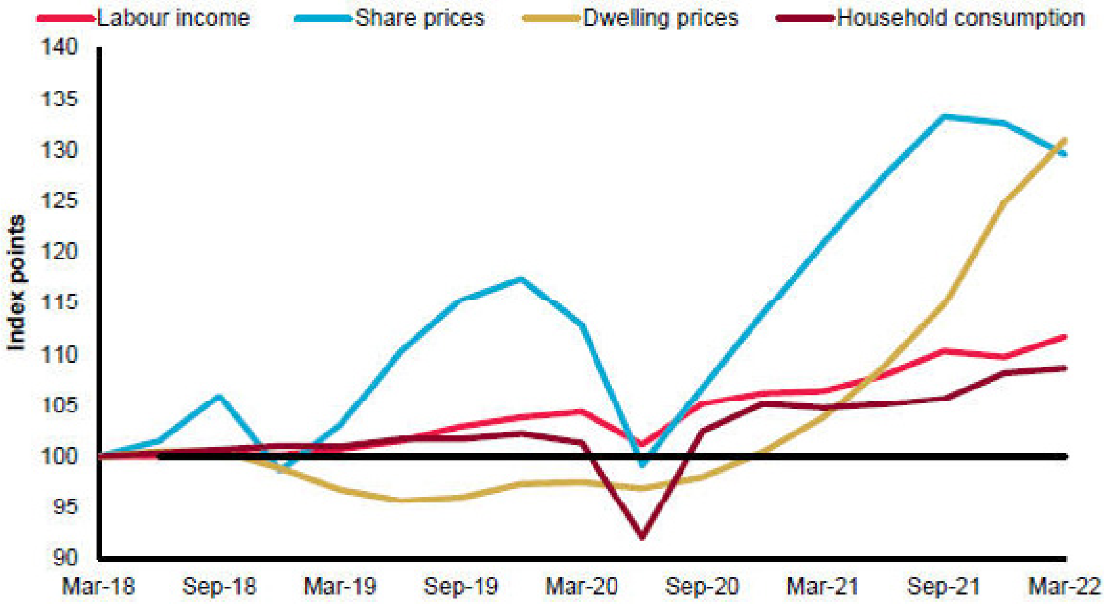
The Omicron variant outbreaks in early 2022 and related supply chain disruptions, as well as rising inflationary pressures and temporary impacts from the severe flooding events in South East Queensland, weighed on household spending intentions and constrained consumption growth in March quarter 2022. However, strong outcomes in the first half of 2021–22 are still expected to lead to year-average growth of around 3¼ per cent in that year.

Since the start of the pandemic, there has been a shift towards increased spending on some discretionary items such as recreation, clothing and footwear, and household furnishings and equipment, while border closures and virus restrictions had severely reduced Queenslander's spending on transport services. The recent reopening of the international borders, which will allow Queenslanders to again travel and spend overseas, is expected to result in a re-adjustment of the composition of expenditure seen during the COVID-19 crisis over the rest of 2022 and into 2023.

Driven by sustained growth in labour income, a lagged impact of the terms of trade boom, a pick-up in population growth and further strong growth in dwelling construction, real consumption growth in Queensland is expected to remain solid at around 2¾ per cent in 2022–23.

As monetary policy tightens and the dwelling construction cycle matures, consumption growth is expected ease to around 2¼ per cent in 2023–24.

Chart 2.3 Queensland's[1] key household income indicators (labour income[2], share prices[3], dwelling prices[4]) and household consumption[5]



Notes:

1. Index points, March quarter 2018 = 100.
2. Seasonally adjusted nominal compensation of employees deflated by the household consumption deflator.
3. ASX200 Accumulation Index deflated by the household consumption deflator.
4. ABS Residential Property Price Index, Brisbane, deflated by the household consumption deflator.
5. Chain volume measure, quarterly, seasonally adjusted.

Sources: ABS National Accounts, Residential Property Price Indexes and Refinitiv.

2.4.2 Dwelling investment

Dwelling investment rebounded strongly from the pandemic-induced low during the nationwide lockdowns in June quarter 2020, rising 30.6 per cent over the year to June quarter 2021. The boom in dwelling investment was evenly split between the construction of new dwellings and renovation activity.

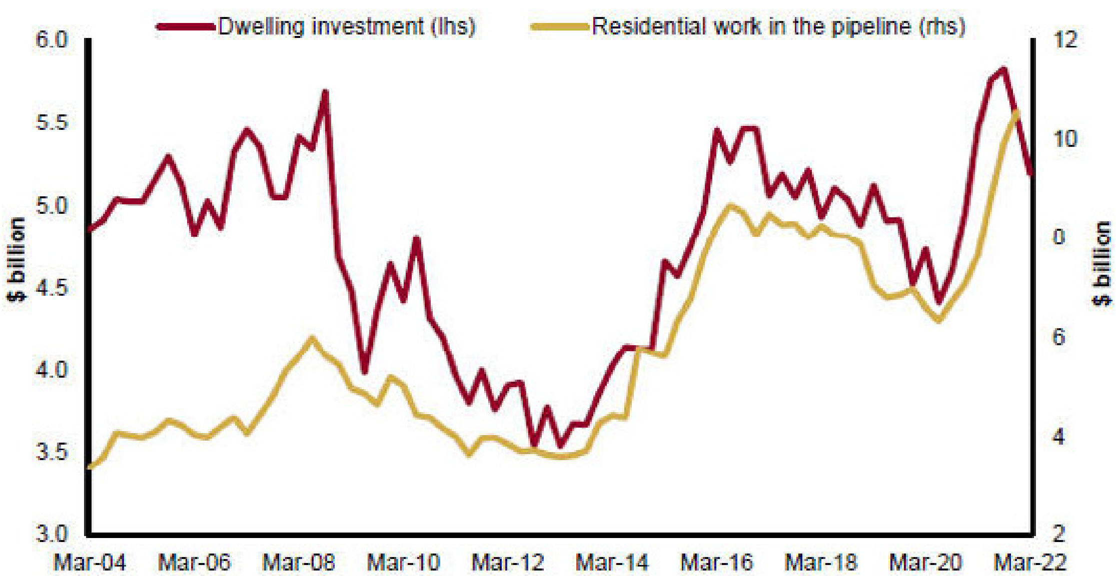
Renovation activity in Queensland has more than doubled to record levels since 2013, with households having preferred to improve existing homes rather than build new homes. In 2015 and 2016, renovation activity accounted for around one third of dwelling investment in Queensland. However, more recently in 2020 and 2021, renovation activity has risen to almost half of all dwelling investment, just below new and used construction.

The combination of record low interest rates, indications by the RBA that rates would remain low for an extended period and generous government incentives underpinned the boom in dwelling investment. Measures such as the Queensland Government's reaffirmed commitment to the $15,000 First Home Owners' Grant program and the $5,000 Regional Home Building Boost Grant, along with the Australian Government's First Home Loan Deposit Scheme and *HomeBuilder* Grant (which ended in March 2021), underpinned strong growth in residential construction and continue to support activity.

Reflecting this strong demand, there was a record $10.6 billion of residential work in the pipeline in December quarter 2021, easily eclipsing the previous record in 2016 during the inner-city apartment boom in Brisbane (Chart 2.4). However, despite the record amount of work in the pipeline, dwelling investment fell in December quarter 2021 and March quarter 2022 (although remains elevated). This suggests that prevailing labour and material shortages, along with the recent severe flooding in South East Queensland, have partially constrained construction output in the near term.

Dwelling investment in Queensland is expected to grow strongly, by 10 per cent in 2021–22, with pandemic-related supply chain issues pushing a substantial portion of work in the pipeline into 2022–23, where dwelling investment is expected to grow a further 10 per cent. As the current backlog of work is completed, the anticipated further interest rate increases are expected to begin tempering dwelling construction activity from 2023–24 onwards.

Chart 2.4 Queensland's dwelling investment[1] and residential work in the pipeline[2]



Notes:

1. Quarterly, chain volume measures, seasonally adjusted.
2. Quarterly, nominal, original. December quarter 2021 data the latest available.

Sources: ABS National Accounts and Building Activity.

Box 2.2 Housing and rental market dynamics

Population dynamics impacting the housing and rental markets

Despite the easing of overall population growth, strong net interstate migration and higher population growth in some key regions has contributed to the strength of activity in the housing and residential construction sector.

Exacerbating the housing market challenges, rental vacancy rates are at historic lows across many Queensland regions, with a similar phenomenon apparent nationally. The sharp decrease in the rental vacancy rate, along with strong house price growth, has seen rents also rise sharply across Australia and Queensland.

According to SQM Research, the residential rental vacancy rate in Brisbane dropped to 0.7 per cent in May 2022, the lowest in decades. The vacancy rate in Brisbane has been on a downward trend since the end of 2016. However, this trend accelerated during the COVID-19 pandemic.

These trends have also been consistent across most of Queensland's key regions. As of May 2022, Cairns (0.5 per cent), Central Queensland (0.4 per cent), North Queensland (0.8 per cent), Southern Queensland (0.4 per cent), Sunshine Coast (0.6 per cent), Toowoomba (0.3 per cent) and the Gold Coast (various sub-regions between 0.6 per cent and 0.3 per cent) all had vacancy rates fall below one per cent.

During the pandemic, growth in the rental stock in Brisbane slowed significantly before declining, which along with continued population growth, caused rental vacancies to fall sharply. A recent speech by Luci Ellis, an Assistant Governor of the Reserve Bank, highlighted survey data which showed that the average household size has fallen since the pandemic began. This is likely to be a key factor driving the very low rental vacancy rates across Queensland.

There are several hypotheses which may explain how the pandemic has lowered the average household size and consequently increased demand for rentals and decreased the supply of rental stock. These potential factors include (but are not limited to);

- The surge in first home buyers during the pandemic (partially driven by a switching of expenditure to housing due to reduced travel, etc.) would have seen a larger than normal number of young people formerly living with their parents moving into their own homes, potentially turning rental stock into an owner-occupier dwelling without an offsetting reduction in rental demand.
- Lockdowns, restrictions and increased working from home arrangements greatly increased the amount of time people spent at home and, therefore, the desire for more space at home. For example, people may have turned a spare bedroom or granny flat into an office instead of renting it out, reducing rental stock without reducing rental demand.

- People living or renting with others (share houses) may wish to be less crowded due a range of reasons including COVID-19 health concerns or the need to establish effective working from home arrangements in their dwellings. This is likely to have incentivised renters to reduce the number of people in their share house, or people to move into larger or separate dwellings. Recent survey data from the RBA shows a sharp decline during the pandemic in the proportion of Australian households which are share houses.
- Additionally, the substantial take-up of *HomeBuilder* resulted in large scale renovations on family homes, some of which may have required people to move out of their homes into rentals while renovations progress, increasing demand for rentals without an offsetting increase in supply of rental stock.

Data from the 2021 Census of Population and Housing, due to be released by the ABS from late June 2022 onwards, will provide useful insights on the specific changes in housing formation and the factors influencing these trends.

2.4.3 Business investment

The onset of the COVID-19 pandemic saw an initial sharp decline in business investment in Queensland, falling by 10.3 per cent during the year to March quarter 2021. Since then, the general trend in business investment has been upward, with an increase of 10.7 per cent in the year to March quarter 2022. This recovery was supported by strong levels of business confidence and low interest rates.

While business confidence has fallen from the exceptionally high levels of a year ago, it remains well above its long-run average level, while profitability and capacity utilisation remain strong.

Engineering construction, which primarily involves longer-term projects, held up well during the past 2 years and a considerable pipeline of committed work is yet to be done. Survey measures of business investment intentions have been revised higher while other leading indicators such as non-residential building approvals also remain strong. Finally, the prevailing tight labour market may also encourage firms to substitute capital for labour.

Underpinned by these factors and in line with the ongoing global and national recovery from the COVID-19 crisis, business investment is expected to continue to grow over the forecast horizon, despite the expected increases in interest rates.

2.4.4 Public final demand

Public final demand has grown strongly in recent years, averaging 4.8 per cent growth over the 6 years to 2020–21. In addition to the Queensland Government's substantial response to the COVID-19 pandemic, public final demand growth has been supported by a range of initiatives, including the National Disability Insurance Scheme, the NBN, substantial investment in roads and the Cross River Rail project.

State and local general government investment has made a significant contribution to the domestic economy since the start of the pandemic, rising by 7.7 per cent over the 2 years to March quarter 2022.

Growth in public final demand is expected to remain solid in 2021–22, driven by the construction of the Cross River Rail project and the ongoing rollout of spending measures implemented in response to COVID-19 to help support and stimulate the Queensland economy.

The 2022–23 Budget continues the commitment, consistent with the government's economic strategy, to provide the support, investment and reform needed to drive the transition from recovery to sustainable strong economic growth across the state.

The government's statewide response to COVID-19 provided $15.2 billion in support to businesses, workers and communities, while the $59.126 billion 4-year capital program outlined in this Budget will continue the essential productivity-enhancing economic and social infrastructure required to support ongoing growth and job creation.

2.4.5 Overseas exports and imports

Queensland's exports of goods and services are estimated to have grown by ¾ per cent in real terms in 2021–22, driven by a strong rebound in agricultural exports. Exports of goods and services are forecast to grow by 4 per cent in both 2022–23 and 2023–24, as international tourism and education exports recover from the COVID-19 induced lows.

Queensland's imports of goods and services are estimated to grow by 6 per cent in 2021–22, as the strong domestic economy encouraged goods imports. Overseas imports are forecast to grow strongly in both 2022–23 and 2023–24, as Queenslanders return towards pre-COVID levels of international travel.

Although real exports are estimated to rise modestly in 2021–22, nominal exports are expected to almost double to over $125 billion, supported by record high coal prices, elevated prices for oil (with LNG contract prices linked to oil prices), and strong growth in nominal metals and beef exports. The strong growth in nominal exports is expected to flow through to strong income growth in 2021–22, supporting domestic activity. As prices moderate, nominal exports are expected to moderate over the forward estimates but remain above 2019–20 levels.

Coal

Queensland's coal export volumes have held up well despite restrictions on Chinese coal imports from October 2020. By November 2021, almost 90 per cent of the reduction in Queensland export tonnages to China had been offset by increased exports to other countries, including India (up 17.2 million tonnes (Mt) to 58.1 Mt), Japan (up 11.5 Mt to 47.8 Mt) and South Korea (up 8.9 Mt to 32.7 Mt).

Sustained exceptionally high prices for both metallurgical and thermal coal in late 2021, and so far in 2022, have tempered demand for coal, causing export tonnages to fall between December 2021 and April 2022 by 7.9 Mt (or 9.4 per cent) compared with the same period a year earlier.

Despite this easing in export tonnages, the value of Queensland overseas coal exports has more than doubled over the past year, to $52.3 billion in the 12 months to April 2022. This has been driven by substantial increases in the prices for all 3 major types of coal, which are all near historic highs. Global supply issues due to COVID-19, and more recently Russia's invasion of Ukraine, combined with recovering global demand have resulted in the record price spike.

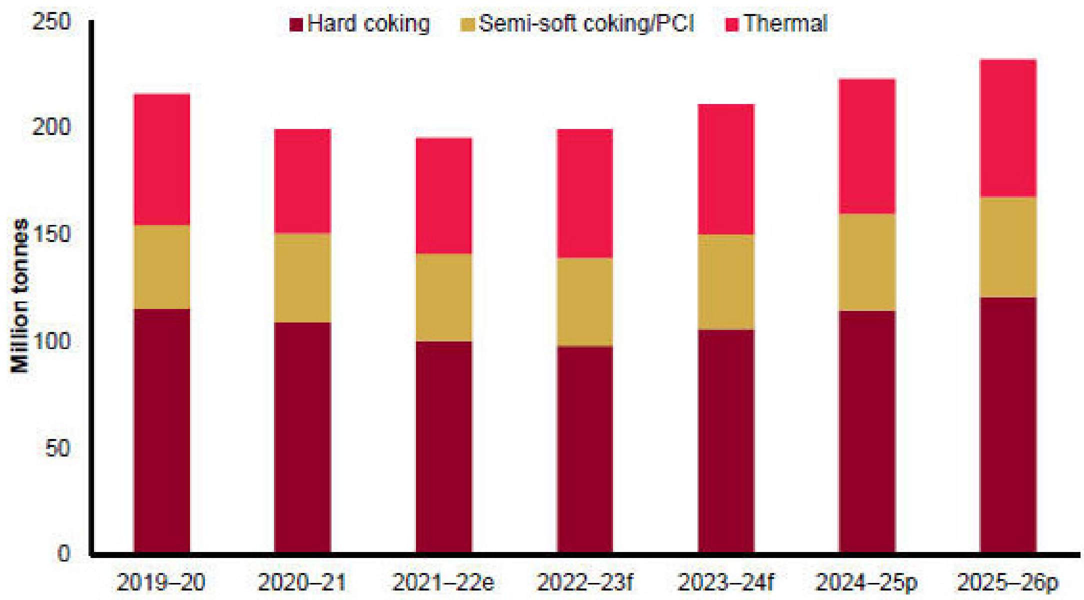
Since September 2021, the spot price for benchmark premium hard coking coal has averaged around US$432 per tonne, well above the historical average of around US$150 per tonne across the 7 years prior to the onset of COVID-19. Similarly, the spot price for benchmark thermal coal since September 2021 has averaged around US$159 per tonne, compared with the pre-COVID historical average of around US$60 per tonne.

As a result of the sustained higher prices in recent months, combined with some supply disruptions due to Omicron in early 2022, Queensland's coal export volumes are estimated to have fallen by 3¾ per cent in 2021–22 (Chart 2.5). As coal prices return to more sustainable levels, Queensland's coal exports are forecast to recover modestly in 2022–23 (up by ¾ per cent) and then grow more strongly in 2023–24 (up by 6½ per cent).

Restrictions on Chinese coal imports are assumed to remain in place over the forecast period. However, as noted above, Queensland's coal exporters have been successful in finding alternative markets and have benefitted substantially from surging prices.

Looking further ahead, the volume of Queensland's coal exports is projected to continue to grow solidly in 2024–25 and 2025–26, especially hard coking coal, supported by continued industrial production growth in emerging markets.

Chart 2.5 Queensland coal exports[1]



1. 2019–20 and 2020–21 are actuals; 2021–22 is estimated actual.

Sources: Unpublished ABS trade data and Queensland Treasury.

LNG

The volume of Queensland's LNG exports is estimated to grow by a further 3¼ per cent to 23.7 million tonnes in 2021–22, as another colder than expected winter in the northern hemisphere boosted demand for gas.

The majority of Queensland's LNG exports are sold under long-term contracts linked to global oil prices, with several months lag. Global oil prices rebounded throughout 2021 as the unwinding of global production cuts was outpaced by a faster than anticipated recovery in global oil consumption. As a result, the prices for Queensland's LNG exports have rebounded sharply, which is expected to nearly double the value of LNG exports in 2021–22.

The Russian invasion of Ukraine sparked concerns about an oil supply shortfall in the market, which saw the Brent crude oil price rise above US$100 per barrel in February and peak at nearly US$140 per barrel in early March 2022. While numerous moves by the United States to boost global oil supply appear to have helped reduce market concerns to a degree, oil prices remain elevated above US$100 per barrel throughout April to June, which will push the value of LNG exports even higher in 2022–23.

Queensland's record LNG export volumes are expected to moderate only slightly in 2022–23, as sanctions on Russian gas exports cause the US to divert cargos from Asia to supply the tight European gas market, which in turn will tighten supply in Asia and maintain strong demand for Queensland's LNG.

Metals

The impact of COVID-19 on Queensland industrial metals production was minimal, although miners benefited from higher prices, and export volumes are forecast to be relatively stable across the forecast period. After modest growth in 2020–21, Queensland's metals exports are estimated to have fallen by 1¼ per cent in 2021–22, driven by a decline in exports of lead (down by 11¼ per cent) and zinc (down by 6 per cent), more than offsetting an increase in copper exports (up by 5 per cent).

A rebound in zinc exports (up by 7¼ per cent) and a modest recovery in aluminium (including bauxite and alumina) exports (up by 2½ per cent) are forecast to drive growth in metals exports by 2¼ per cent in 2022–23.

Metals exports are then forecast to be relatively flat over 2023–24 and 2024–25.

Agriculture

The volume of agriculture exports fell by around 7 per cent in 2020–21, driven by a sharp decline in beef exports, as improved rainfall encouraged producers to retain stock for breeding purposes. This follows dry conditions in previous years that had incentivised high production and depleted herd numbers. Reflecting the improved growing conditions, agriculture exports in Queensland are expected to return to growth in 2021–22, driven by cotton and other crop exports.

Beef exports are expected to grow modestly in 2021–22, as re-stocking and feeder demand at the saleyards contribute to record high domestic cattle prices, thereby making export prices relatively less competitive. Queensland beef production is likely to rebound in 2022, as new stock from spring 2020 and autumn 2021 reach processor weights, while processing rates are expected to remain steady due to some improvement in rainfall across key supply regions.

There is continued strong interest in Australian beef internationally, and with improving supply of processor-ready cattle, exports of beef are expected to grow modestly over the medium term. Australian beef will also enjoy greater access to the high value export market in the UK, following signing of the Australia-United Kingdom Free Trade Agreement in 2021.

Queensland cotton exports are expected to increase significantly in 2021–22, driven by high global prices and with favourable growing conditions resulting in a substantial increase in the area of cotton planted. Cotton exports are forecast to remain elevated in 2022–23, as the La Niña weather system, which delivered above average rainfall in cropping regions, sustains strong production.

Supply constraints in key sugar producing countries such as Brazil have led to elevated international prices and a reduction in global sugar stocks. Queensland's sugar exports are forecast to grow by 5¼ per cent in 2022–23, in response to these elevated global prices. Exports are expected to decline slightly in the following years as global prices moderate.

Services exports

The closure of international borders in early 2020 resulted in a collapse in international tourist and student arrivals, with overall services exports falling by $6.4 billion (43.7 per cent or equating to 1.8 per cent of GSP) during 2020.

The impact on overseas tourism spending was immediate, with a decline of $4 billion (79 per cent) during 2020. The impact on spending by international students was more gradual (down by $1.2 billion or 21.2 per cent) as many students were already in Australia and able to continue their studies.

The reopening of international borders should lead to a reversal of these trends over time. However, the recovery is expected to be gradual over the forecast horizon, as it will take some time for confidence to return to the international tourism market and for international transport capacity to recover.

Short-term international arrivals have increased substantially since late 2021 as the international border has reopened. In the 4 months to April 2022 however, international arrivals to Queensland had only recovered to 15.5 per cent of their pre-COVID levels during the same period in 2019. While it is expected the inflow of new international students will recover relatively rapidly, after several years of no inflows, it will take some time for total overall enrolments to return to pre-COVID trend levels.

Imports

Overseas goods imports rebounded strongly in 2020–21, driven by the significant rebound in economic activity following the easing of COVID-19 restrictions. This growth is expected to continue in the coming years, in line with solid domestic activity.

However, overseas services imports remained significantly constrained by the pandemic, with international travel bans in place for most of 2020 and 2021 preventing most Australians from travelling abroad. Ahead of the pandemic, spending by Queenslanders abroad on personal (non-education) travel totalled $8.5 billion in 2019. This fell to only $1.7 billion in 2020, a decline of $6.8 billion or 80.1 per cent.

In year-average terms, Queensland's overseas imports (goods and services) are forecast to rise by 6 per cent in 2021–22 and 12 per cent in 2022–23 as overseas travel begins ramping back up to pre-pandemic levels.

2.4.6 Labour market

Queensland's labour market has continued to perform exceptionally in the recovery from the COVID-19 crisis but this has also resulted in a very tight labour market throughout 2021–22. The job vacancy rate (the number of job vacancies as a proportion of the labour force) rose to a record high of 2.7 per cent in March quarter 2022, while the employment to population ratio reached 64.5 per cent in May 2022, its highest level since early 2009.

The unemployment rate has fallen to 4.0 per cent in May 2022, as it had in March 2022, to be at its lowest level since December 2008.

Driven by the state's strong recovery from the COVID-19 induced downturn in mid-2020, employment in May 2022 was 206,000 persons (8.0 per cent) above its pre-COVID level of March 2020, the largest rise of any state or territory.

This strong jobs recovery has also benefitted the youth (15-24 years) labour market, driving the year-average youth unemployment rate down from 14.5 per cent in March 2020 to 10.1 per cent in May 2022, its lowest since September 2009.

In addition, the spread of the Omicron variant in early 2022 resulted in the proportion of people working fewer hours than usual due to '*illness or injury or sick leave*' rising to 6.1 per cent in January 2022 and remaining materially higher than the 5-year pre-COVID average (of around 3.0 per cent) in February to May 2022. This exacerbated the labour supply issues already being felt across the state.

The severe flooding in South East Queensland and the Darling Downs in late February/early March further reduced available labour supply in the first 2 weeks of March. In March, there were 280,700 persons in Queensland who worked fewer hours than usual due to '*bad weather or plant breakdown*', equating to 10.3 per cent of total employment in the month.

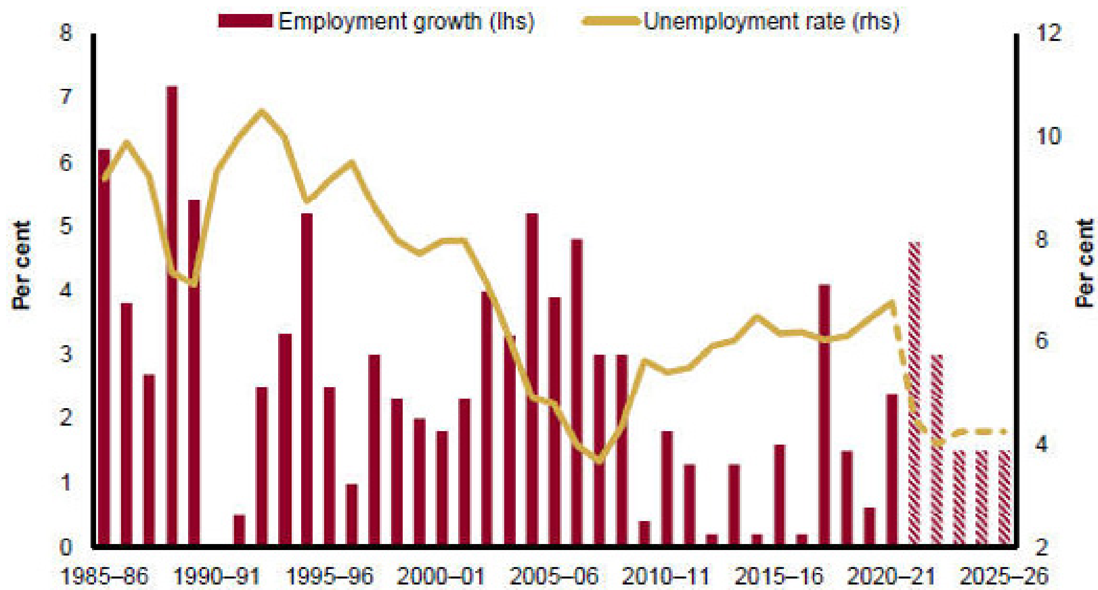
In comparison, during the previous significant flooding event in January 2011, 9.3 per cent of employed persons in Queensland worked fewer hours than usual due to '*bad weather or plant breakdown*'. Hours worked recovered strongly in April and May, rising by 3.3 and 2.3 per cent, to be 3.9 per cent above the pre-flood level in February 2022.

Strong jobs growth so far in 2021–22 is expected to result in year-average employment growth of 4¾ per cent (Queensland's strongest employment growth since 2006–07), before growth moderates somewhat to 3 per cent in 2022–23. Beyond 2022–23, as the economy returns to more sustainable growth rates, employment growth is expected to move broadly in line with population growth, at 1½ per cent per annum through to 2025–26 (Chart 2.6).

This strong employment growth is expected to see Queensland's participation rate rise from an estimated 66½ per cent in 2021–22 to 66¾ per cent in both 2022–23 and 2023–24. The participation rate is then expected to moderate slightly to 66½ per cent in 2024–25 and 2025–26.

Queensland's exceptional employment growth and tight labour market has pushed the unemployment rate down to an estimated 4½ per cent in 2021–22. The unemployment rate is forecast to fall further in 2022–23, averaging 4 per cent across the year, which would be Queensland's lowest year-average unemployment rate since 2007–08. In 2023–24, as employment grows broadly in line with population, the unemployment rate is forecast to increase slightly to 4¼ per cent and remain at that level in 2024–25 and 2025–26.

Chart 2.6 Employment growth and unemployment rate, Queensland[1]



Note:

1. Original, year-average. 2021–22 is estimated actual; 2022–23 and 2023–24 are forecasts; and 2024–25 and 2025–26 are projections.

Sources: ABS Labour Force and Queensland Treasury.

Regional labour markets

Employment in many regions of the state has rebounded strongly since the COVID-19 pandemic.

Employment in South East Queensland has risen 7.0 per cent in the year ended April 2022, led by the Gold Coast (up 35,600 persons, or 10.6 per cent), supported by elevated internal migration and construction activity.

Moreton Bay – North (up 11.3 per cent), Logan–Beaudesert (up 10.5 per cent), Moreton Bay – South (up 6.0 per cent), Ipswich (up 5.7 per cent) and the Sunshine Coast (up 4.7 per cent) also recorded strong employment growth during the period.

Meanwhile, Queensland's regions have also generally recovered well from the COVID-19 pandemic, with key sectors supported by high commodity prices, solid domestic tourism, improved rainfall and the strong dwelling sector.

Employment in regional Queensland grew 1.9 per cent in the year ended April 2022, with Townsville (up 8.8 per cent) and Cairns (up 5.6 per cent) recording the strongest employment growth.

The average unemployment rate across regional Queensland fell 2.1 percentage points to 5.1 per cent in the year to April 2022.

The average regional unemployment rate in the year ended March 2022 of 5.0 per cent was regional Queensland's lowest unemployment rate since mid-2009, with Cairns (4.4 per cent), Townsville (3.2 per cent) and Wide Bay (6.7 per cent) all recording their lowest unemployment rates in more than a decade in March or April 2022.

Further, the resources-rich Mackay–Isaac–Whitsunday region recorded the lowest unemployment rate in the state, at only 2.4 per cent in April 2022.

Box 2.3 Participation and unemployment rate trends

The decision to seek work and therefore participate in the labour force is strongly influenced by the likelihood of finding employment. Reflecting the "encouraged worker effect", robust employment growth can lead to a higher participation rate, as prevailing labour market conditions make potential workers more confident of securing work.

A key driver of high labour force growth is population growth, including net interstate and overseas migration. Historically, periods of strong employment growth have coincided with high migration, as interstate and overseas residents relocate to Queensland to pursue better employment opportunities.

As a result, periods of strong jobs growth in Queensland do not always translate directly into a falling unemployment rate. Instead, employment growth encourages rising participation, including via migration, with many new labour force participants not finding work immediately. Additionally, many new participants may be entering the labour market for the first time or may be re-entering the labour force after a long time.

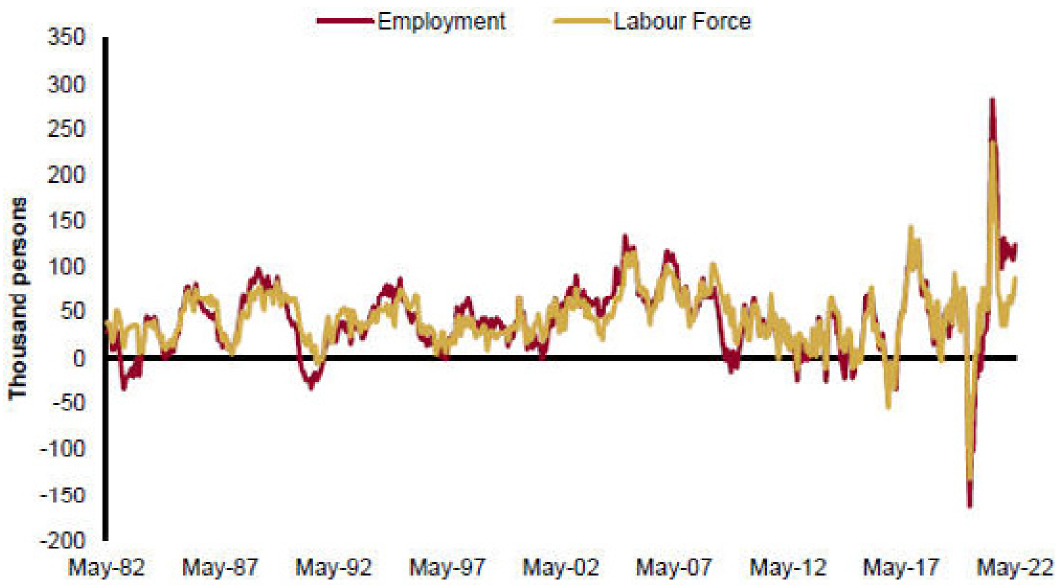
The strong recovery in Queensland's labour market from the initial COVID-19 shutdowns in early to mid-2020 has highlighted aspects of the encouraged worker effect. Over the 2 years between May 2020 and May 2022, employment in Queensland increased by 408,500 persons. At the same time, the participation rate increased by 5.6 percentage points, reflecting exceptionally strong growth in the labour force by 323,500 persons.

As a result, because the participation rate is now 1.7 percentage points higher than its pre-crisis level, the unemployment rate of 4.0 per cent in May 2022, while only marginally higher than the national average, is still slightly higher than some other states where employment growth and the increase in the participation rate has not been as strong.

Chart 2.7 highlights the extent to which labour force growth in Queensland has moved in line with employment growth over time, thereby tempering changes in the unemployment rate at times, despite strong jobs growth.

These trends highlight that the unemployment rate is an imperfect measure of labour market performance, and should be considered alongside other metrics, including employment growth and the participation rate.

Chart 2.7 Growth in Employment and the Labour Force, Queensland[1]



Note:

1. Seasonally adjusted, Monthly, annual difference, thousand persons.

Source: ABS Labour Force Survey

2.4.7 Prices and wages

Annual growth in Brisbane's consumer price index (CPI) has been stronger than anticipated at the time of the 2021–22 Budget Update.

Brisbane's CPI strengthened to 2.1 per cent in 2020–21, up from 1.2 per cent during the height of the COVID-19 pandemic in 2019–20, to record the strongest increase since 2013–14. However, inflationary pressures have continued to build in 2021–22, with CPI rising by 6.0 per cent over the year to March quarter 2022, the strongest annual increase since 2001, following the introduction of the GST.

While price increases have been broad-based, the acceleration in Brisbane's annual CPI growth has been primarily driven by sharp rises in housing and automotive fuel prices. Strong demand for housing construction in addition to labour and material shortages have resulted in new dwelling purchase costs for owner-occupiers rising by 22.8 per cent over the year to March quarter 2022, while record low vacancy rates have also seen Brisbane rents rise faster than most other capital cities. Together, these housing components contributed 2.0 percentage points to Brisbane's 6.0 per cent annual rise in the CPI in March quarter 2022.

Meanwhile, global oil prices rose sharply in early 2022, caused by Russia's invasion of Ukraine impacting global supply at a time when the ongoing easing of COVID-19 restrictions was strengthening global oil demand. Prices are likely to remain elevated in the near term as the global economy continues to recover and uncertainty remains about Russia's invasion of Ukraine.

While housing and automotive fuel have been the key drivers of headline consumer inflation, more recently food prices have also begun to surge. While COVID-19-related supply chain disruptions and high transport and fertiliser costs have contributed to various food price increases, the impact on production from severe flooding in Queensland and New South Wales in March quarter 2022 has also been a significant factor.

Brisbane's CPI growth is expected to average 5¼ per cent in 2021–22. If realised, this would be the strongest year-average increase in Brisbane's CPI since 2000–01. Beyond 2021–22, the gradual resolution of global supply chain issues is expected to ease price pressures for building materials, slowing growth in new dwelling purchase costs for owner-occupiers. This, in combination with slowing growth in automotive fuel and food prices as global oil prices normalise and agricultural production recovers from the impacts of the early 2022 floods, is expected to result in CPI growth moderating to 3¾ per cent in 2022–23 and 2½ per cent in 2023–24. A slower than expected resolution to material and labour supply issues within the construction industry, as well as the global oil price remaining elevated for longer, are risks to the outlook for CPI growth.

Queensland's wage price index (WPI) accelerated to 2.5 per cent over the year to March quarter 2022, up from an average of 1.6 per cent in 2020–21. Queensland's WPI is expected to strengthen to 2½ per cent in 2021–22. and strengthen further to 3½ per cent over the remainder of the forecast period.

Box 2.4 Impacts of surging inflation

Global trends

Consumer price inflation began to accelerate in many economies in 2021. This acceleration was driven by both demand and supply side factors, with significant fiscal and monetary stimulus in response to the COVID-19 pandemic driving an increased demand for goods (as lockdowns reduced consumers' ability to spend on services) at the same time that global supply chains were severely strained as a result of the pandemic.

More recently, Russia's invasion of Ukraine and developments in China, with several major cities re-entering strict COVID-19 lockdowns, have exacerbated global supply chain disruptions, adding further upward pressure on global inflation.

At 5.1 per cent over the year to March quarter 2022, annual CPI growth in Australia is at its highest in more than 2 decades. However, it is still considerably lower than many other advanced economies (Chart 2.8).

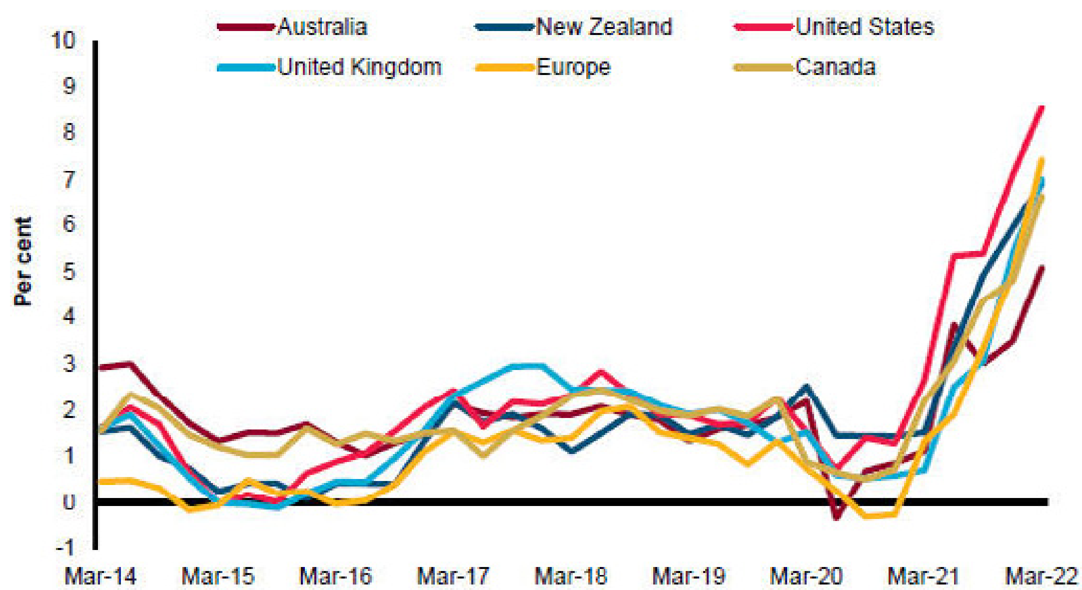
Annual inflation is at or near multi-decade highs across a range of advanced economies, including:

- United States – 8.6 per cent in May
- Canada – 6.8 per cent in April
- Euro area – 8.1 per cent in May
- United Kingdom – 9.0 per cent in April
- New Zealand – 6.9 per cent in March quarter 2022

While inflation outcomes in some Asian countries have been more subdued than in western economies, they have also accelerated in early 2022.

Reflecting higher inflation expectations and the near-term likelihood of a period of central bank monetary tightening across many countries, global interest rates have also risen sharply in recent months.

Chart 2.8 Annual consumer price inflation by jurisdiction[1]



Note:

1. Australia and New Zealand data is a quarterly average, all other data is to the last month of each quarter.

Source: Refinitiv.

Global drivers

While global government stimulus and supply chain disruptions have been key factors contributing to these elevated rates of inflation, the surge in oil prices flowing through to higher automotive fuel prices has also been a significant contributor globally.

The price of Brent crude oil hit a low of US$5.62 per barrel during the height of the pandemic in April 2020. The gradual reopening of the global economy saw the price return to pre-COVID levels over the following year. More recently, the implementation of sanctions following Russia's invasion of Ukraine has added further upward pressure on oil prices, given Russia being one of the world's largest oil producing and exporting countries. The price of crude oil recently hit a high of US$140 per barrel in early March 2022, the highest since July 2008.

Rising global oil prices have flowed through to automotive fuel prices in Brisbane, with the ABS' measure of automotive fuel prices rising 36.7 per cent over the year to March quarter 2022, the strongest annual increase in more than 40 years. Despite only accounting for around 4 per cent of the Brisbane CPI basket, the annual price increase saw the component contribute 1.2 percentage points to annual growth in Brisbane's headline CPI.

The Australian Government's 6-month cut to the fuel excise will reduce the price of automotive fuel somewhat in the June and September quarters of 2022 with fuel prices expected to remain elevated while consumer demand remains high and the war is ongoing in Ukraine. While the main impacts on current measured inflation stems from rising oil prices, sustained higher input costs for business may also be passed on to consumers through other goods and services.

The prices of many other commodities have also surged in recent weeks and months, with many of these impacts exacerbated by the Russia-Ukraine conflict. Spot prices for hard coking and thermal coal have risen sharply to record highs, with the already tight global market impacted by the reluctance of buyers to purchase Russia's coal.

Going forward, these commodity/input price rises may flow through to higher production costs and therefore consumer prices. Recently tightened COVID-19 restrictions in multiple regions of China (consistent with the country's COVID-19 suppression strategy), including the major centres of Shanghai and Beijing, have raised concerns that global supply chains will be placed under further pressure in the near term, adding additional upward pressure to consumer prices.

Domestic trends

The cost of constructing a new dwelling or renovating in Queensland has surged since the onset of the COVID-19 pandemic and has been a key contributor to the recent acceleration in Brisbane's annual CPI growth.

Dwelling construction costs have risen due to increased demand for housing (in part driven by the increased use of work-from-home arrangements) while labour and materials supply shortages within the housing construction industry and associated supply chains have also placed upward pressure on prices.

The latest CPI data showed Brisbane *new dwelling purchase by owner-occupier* costs (a measure of construction costs for new dwellings) rose 22.8 per cent over the year to March quarter 2022, the strongest annual price increase since the inception of the series in 1998.

Given current economic conditions, sharp construction price rises are expected to continue for several quarters. This is reflected in the value of Queensland residential building work in the pipeline currently being at a record high level, labour market conditions being expected to remain strong, and labour and materials supply shortages being expected to linger while the global pandemic and Russia-Ukraine conflict continue.

While labour supply issues may ease in the medium term, global supply chain issues are expected to persist for some time. Further, demand for housing is expected to remain robust, supported by a resumption of overseas migration, low rental vacancy rates and continued use of work-from-home arrangements.

The existing inflationary pressures in the residential construction sector will be exacerbated by the recent South East Queensland flooding event, driving demand for already scarce materials and labour. It is estimated that 4,355 buildings suffered moderate or severe damage (at least 250 mm of water over the floorboards).

Supply disruptions due to COVID-19 and flooding in production areas of New South Wales and Queensland in early March have also resulted in sharp price increases for various foods more recently. In particular, fruit (up 5.2 per cent), vegetables (up 6.9 per cent) and meat and seafoods (up 5.3 per cent) recorded sharp price increases in March quarter 2022.

However, these specific price pressures are expected to be temporary as the impacts of supply disruptions ease.

2.4.8 Population

While Queensland's overall population growth slowed in 2020–21, net interstate migration and natural increase both grew in that year. However, international border restrictions curtailed net overseas migration.

The reopening of the international border in early 2022 is expected to drive a gradual recovery in overseas migration in 2022 and 2023, which is expected to reach pre-COVID levels later in the forward estimates as virus-related uncertainties dissipate, and travel logistics normalise over time.

Since the pandemic began, state border restrictions have had little impact on net interstate migration, with exemptions available for those wanting to move interstate. Queensland's net interstate migration throughout 2020–21 was the highest of any jurisdiction in Australia, consistent with the long-term trend of Queensland being a substantial net recipient of interstate migrants.

Queensland's relative success in controlling the spread of COVID-19 would have reduced concerns related to health outcomes or the risk of extensive lockdowns for those people wanting to move to Queensland. In addition, fundamentals that historically drive interstate migration, such as employment opportunities and housing affordability, had remained favourable in Queensland, particularly in comparison with New South Wales and Victoria, traditionally the dominant sources of interstate migrants to Queensland.

As a result, during the lengthy Delta variant lockdowns in New South Wales and Victoria, net interstate migration in Queensland rose to more than 16,600 persons in September quarter 2021, the highest quarterly increase on record across any state or territory in Australia.

Interstate migration is expected to have persisted at elevated levels in December quarter 2021 and, following some temporary impacts from Omicron and the South East Queensland floods in the first quarter of 2022, return to pre-COVID levels over time. According to Australian Government forecasts, in net terms, more than 88,000 people are expected to move from interstate to Queensland over the 4 years to 2025–26.

A slight elevation in the birth rate in the first 3 quarters of 2021 provided an upside to the population rise attributed to natural increase in Queensland, and this momentum is expected to be maintained in the near term. Following this, birth and death rates are expected to return to pre-pandemic levels over the remainder of the forward estimates.

Reflecting this combination of factors, after slowing to 1.0 per cent in 2020–21, Queensland's overall population growth is forecast to pick up to 1¼ per cent in 2021–22, strengthen to 1½ per cent in 2022–23 and stay at that rate over the rest of the forward estimates, in line with the expected return of international travel.

Box 2.5 Population growth

The impacts of the COVID-19 pandemic, particularly related to the international border closures, have led to slower national and Queensland population growth rates compared with historical standards (Chart 2.9).

Reflecting these factors, Queensland's overall population growth slowed to only 1.0 per cent in 2020–21, compared with average growth of around 1.7 per cent over the previous 4 years.

Despite this, Queensland remained the most attractive jurisdiction to live, with the strongest population growth of any state or territory during the recovery from the COVID-19 crisis. This was predominantly driven by strong growth in net interstate migration and highlights the importance of Queensland's strong health response and therefore the relative success it had in containing the spread of the virus until the majority of the population was vaccinated.

The latest Australia Bureau of Statistics (ABS) data show that Queensland's population grew to around 5.24 million persons as at 30 September 2021, to be 1.1 per cent higher over the year; much stronger than national growth of only 0.3 per cent over the same period.

Queensland was responsible for 83.8 per cent of total national population growth over the year and increased its share of the national population to 20.4 per cent, up from 20.2 per cent.

Recent population growth has been driven by strong interstate migration

Net interstate migration to Queensland over the year to September quarter 2021 totalled 40,620 persons, the highest annual net interstate migration since 1994. New South Wales and Victoria accounted for 90 per cent of net interstate migration over the year.

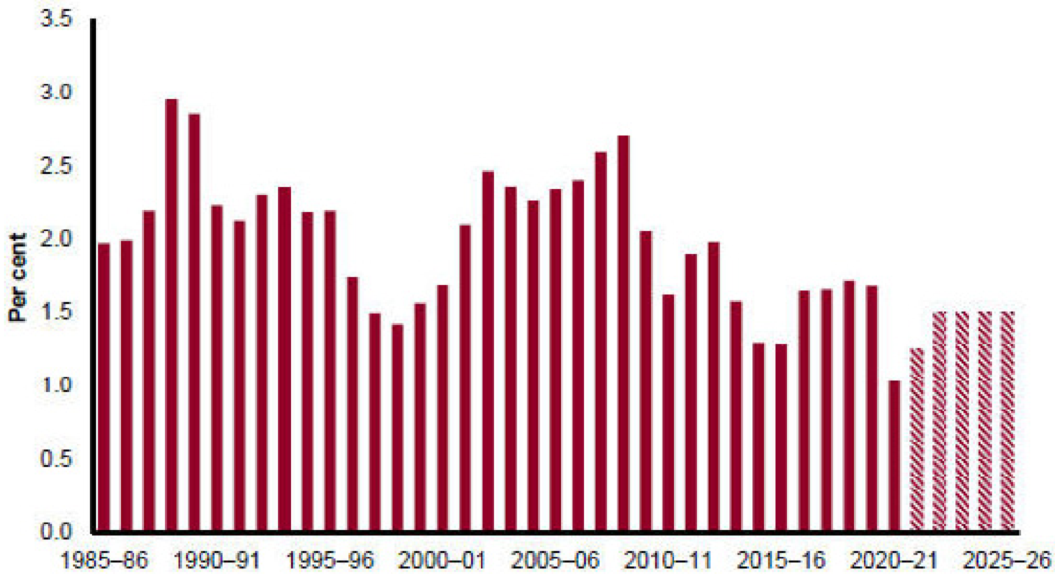
While COVID-19 impacts, including international travel restrictions, have resulted in a temporary loss of net overseas migration, and impacted overall population growth in the short term, Queensland's overall population is expected to continue to grow strongly over the medium term, as net overseas migration returns to more normal pre-COVID levels.

Reflecting these trends, Queensland's population growth is forecast to rebound to 1¼ per cent in 2021–22, before strengthening further to 1½ per cent in 2022–23 and stay at that rate of growth over the rest of the forward estimates (see population forecasts above).

As at 30 June 2021, approximately 1.4 million people lived in local government areas (LGAs) outside of South East Queensland, accounting for 26.6 per cent of the state's population.

Population growth varied across Queensland regions, with some regional LGAs growing faster than the state average, including Fraser Coast, Gympie and Livingstone.

Chart 2.9 Population growth, Queensland[1]



Note:

1. Annual percentage change. 2021–22 to 2023–24 are forecasts; 2024–25 and 2025–26 are projections.

Sources: ABS National, State and Territory Population and Queensland Treasury.

2.5 Risks to the outlook

The key risks to the outlook are centred around global geopolitics, potential ongoing impacts of the pandemic, as well as the global and national inflationary and interest rate environment.

In addition to ongoing geopolitical risks associated with Australia's trade relationship and tensions with China, the Russian invasion of Ukraine and resulting sanctions has raised global unrest, pushed up global commodity prices at a time when inflation rates remain elevated, and disrupted international trade and financial linkages.

Queensland has limited direct trade and financial links with either Ukraine or Russia and could be expected to benefit from the higher commodity prices in the short term.

However, there is a risk that any extended conflict could result in a decline in global growth and have negative implications for Queensland over the medium term. The IMF has already downgraded its global growth forecast in its April *World Economic Outlook*, partly as a result of this conflict.

Risks associated with the COVID-19 pandemic also remain. The world, including Queensland, remains vulnerable to any new variants of COVID-19 that may be more virulent.

Recent lockdowns of major cities in China due to COVID-19 outbreaks poses a risk to Chinese, and global, economic growth and this could exacerbate already significant supply chain bottlenecks during a period when commodity and consumer prices are rising strongly.

During the pandemic, considerable fiscal and monetary support was provided to cushion the economy from the economic fallout. This support is being unwound as economies recover. So far, this process has proceeded relatively smoothly.

It is expected that both global and Australian interest rates will rise significantly over the forecast horizon. While a gradual increase in interest rates is not expected to derail economic recovery, a sudden rise in inflation expectations or other inflationary shock may generate more rapid monetary tightening by central banks with adverse impacts on growth.

Table 2.2 Queensland economic forecasts[1], by component

	Actuals 2020–21	2021–22	Forecasts 2022–23	2023–24
Economic output[2]				
Household consumption	4.9	3¼	2¾	2¼
Dwelling investment	10.1	10	10	-3¾
New and used	5.3	13¾	13¾	-10¾
Alterations and additions	19.7	6	5¾	4½
Business investment	-4.2	7¼	3¾	3¼
Non–dwelling construction	-8.6	11	4½	5¼
Machinery and equipment	-2.7	3	1¾	2¼
Private final demand	4.3	4½	3½	1¾
Public final demand	2.9	5½	3½	4
State Final Demand	3.9	4¾	3½	2½
Overseas goods and services exports	-15.9	¾	4	4
Overseas goods and services imports	-2.6	6	12	10½
Gross state product	**2.0**	**3**	**2¾**	**2¾**
Employment[3]	2.4	4¾	3	1½
Unemployment rate[4]	6.8	4½	4	4¼
Inflation[5]	2.1	5¼	3¾	2½
Wage Price Index	1.6	2½	3½	3½
Population	1.0	1¼	1½	1½

Notes:

1. Unless otherwise stated, all figures are annual percentage changes.
2. CVM, 2019–20 reference year. The comparable nominal GSP growth rates are 1.3 per cent in 2020–21, 22 per cent in 2021–22, 2 per cent in 2022–23 and -1¾ per cent in 2023–24. The exceptionally strong growth in 2021–22 largely reflects the impact of surging commodity prices on nominal exports.
3. The comparable through the year employment growth rates to the June quarter (seasonally adjusted) are 9.9 per cent, 4¼ per cent, 1¼ per cent and 2 per cent from June quarter 2021 to June quarter 2024, respectively.
4. Per cent, year-average.
5. Brisbane, per cent, year-average.

Sources: ABS Annual State Accounts, National, State and Territory Population, Labour Force, Wage Price Index, Consumer Price Index and Queensland Treasury.

3 Fiscal strategy and outlook

Features

- Improving economic conditions since mid-2020 are expected to lead to a strong rebound in revenue in 2021–22, with revenue remaining elevated over the forward estimates compared to the 2021–22 Budget Update.
- The government is directing this additional revenue towards measures that address the increasing demand for key services, including a significant boost to funding of the health system and investment in strategies to unlock the growth potential of the Queensland economy to support job creation.
- Additional funding to support service delivery and economic priorities are being managed within the revenue uplift. Revenue uplifts arising from short-term factors, such as unusually high commodity prices and housing activity, are being directed to the restoration of fiscal buffers and investment in longer-term growth initiatives.
- A General Government Sector operating surplus of $1.915 billion is forecast in 2021–22, an improvement of $5.4 billion compared to the $3.485 billion deficit forecast in the previous Budget.
- The financial recovery from the impact of COVID-19 remains on track, with the operating position expected to regain a surplus in 2024–25.
- The General Government Sector ratio of net debt to revenue has improved with a drop to 16 per cent in 2021–22, a 10 percentage point reduction compared to the 2021–22 Budget Update. This follows progressive reductions in forecasts of the net debt to revenue ratio since the 2021–22 Budget.
- General Government Sector borrowings are expected to be $3.618 billion lower by 2024–25 than forecast in the 2021–22 Budget Update, and $4.480 billion lower than forecast in the 2021–22 Budget.
- Queensland is expected to deliver a lower General Government Sector net debt to revenue ratio than New South Wales or Victoria in 2022–23. Queensland's ratio of 27 per cent compares to 78 per cent for New South Wales and 145 per cent for Victoria.
- Steady improvements towards medium-term fiscal goals will limit the legacy impacts of the COVID-19 crisis and ensure debt levels remain sustainable.
- Throughout the pandemic crisis and recovery, Queensland's credit ratings with S&P Global (AA+) and Moody's (Aa1) have remained stable while Fitch has upgraded Queensland's rating (from AA to AA+). Sound financial management supports the credit rating and provides the capacity to respond to future economic and financial shocks, including the long-term impact of the pandemic.
- Queensland experienced significant flood events during the 2021–22 disaster season. Disaster related expenditure over the 5 years to 2025–26 is significant but will be partially offset by Commonwealth payments under disaster funding arrangements.

3.1 Fiscal outlook

The improving economic conditions since mid-2020 are expected to lead to a strong rebound in revenue in 2021–22, particularly from royalties and transfer duty. While some components of the revenue uplift are expected to be temporary, resulting from exceptionally high commodity prices and housing activity, revenue is expected to remain elevated over the forward estimates compared to the 2021–22 Budget Update.

In the 2022–23 Queensland Budget, the government has ensured that additional funding generated from the economic recovery is targeted to meet increasing demand for key services. This Budget provides a significant investment to boost the health system including record funding for health services and a transformative capital injection to grow the system's bed capacity. Increased funding is also provided in response to significant, ongoing pressures arising from an increase in demand in the child protection system.

The government also remains committed to initiatives to support jobs and economic growth, with this 2022–23 Budget continuing to invest in initiatives to unlock the potential of the Queensland economy.

While additional funding is needed to support service delivery needs and economic priorities, expense requirements are being managed within the envelope of revenue increases, in line with fiscal principles. Over the 4 years to 2024–25, revenue has increased by $20.764 billion since the 2021–22 Budget Update, compared to increased expenses of $16.533 billion. The General Government Sector operating position has improved significantly in 2021–22 since the 2021–22 Budget Update and remains on track to regain an operating surplus in 2024–25.

In turn, General Government Sector borrowings are expected to be $3.618 billion lower by 2024–25 than forecast in the 2021–22 Budget Update, and $4.480 billion lower than forecast in the 2021–22 Budget. Forecast borrowings have been progressively revised downwards since the 2020–21 Budget as a result of prudent management of revenue improvements from unusually high commodity prices and the economic recovery. Compared to 2020–21 Budget estimates, forecast borrowings in 2023–24 have been revised down by $14.395 billion.

Reflecting the significant opportunities to improve the mental health and wellbeing of Queenslanders, as identified by the Mental Health Select Committee, the 2022–23 Budget is also supported by the introduction of the mental health levy on large businesses which will provide an ongoing sustainable mental health funding mechanism. At the same time, payroll tax relief will be provided to support small and medium businesses.

In addition, further progressive rates will be introduced for coal royalties to ensure the State receives an appropriate return on the State's resources during periods of extremely high prices. Chapter 4 provides further detail on new revenue measures.

3.1.1 Fiscal Principles

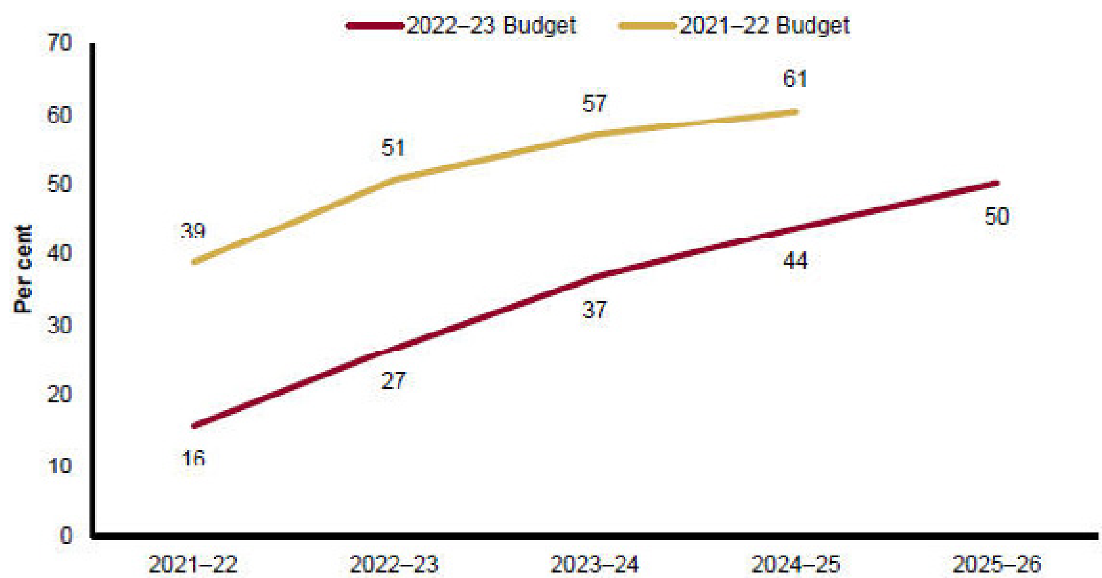
In the 2021–22 Queensland Budget, the government set out its medium-term strategy for fiscal recovery, including a new Charter of Fiscal Responsibility (the Charter) which set out renewed fiscal principles and objective measures to support the restoration of fiscal buffers. An update on progress towards achievement of medium-term goals is outlined below.

Fiscal Principle 1 – Stabilise the General Government Sector net debt to revenue ratio at sustainable levels in the medium term, and target reductions in the net debt to revenue ratio in the long term.

Ensuring debt is stabilised at a sustainable level is key to restoring the state's capacity to invest in infrastructure and respond to future external shocks.

Since the development of the new Charter, significant progress has been made against the objective measure of fiscal recovery in Fiscal Principle 1. The general government ratio of net debt to revenue has been revised down to 16 per cent in 2021–22, a 10 percentage point reduction compared to the 2021–22 Budget Update. By 2024–25, the ratio is forecast to reach 44 per cent, compared to 50 per cent in the 2021–22 Budget Update and 61 per cent in the 2021–22 Budget (Chart 3.1). This follows a steady reduction in forecasts for the General Government net debt to revenue ratio in successive budget updates since the 2020–21 Budget.

Chart 3.1 Ratio of general government net debt to revenue



The progressive reduction in net debt forecasts has resulted from the prudent management of revenue increases. This includes ensuring that short-term revenue uplifts from factors such as exceptionally high commodity prices support the restoration of fiscal buffers and investment in longer-term growth initiatives, while increased demand for key government services is managed within the broader trajectory of the economic recovery.

The government's commitment to investing in social and economic infrastructure to support the state's growing population and the ongoing recovery from COVID-19 and recent flood events, means the ratio increases over the forward estimates. Continued prudent management will ensure the debt increases resulting from the pandemic are minimised and the level at which net debt is stabilised in the medium term is sustainable.

Queensland's net debt to revenue ratio of 27 percent in 2022–23 compares favourably with that of its peers. The net det to revenue ratio in 2022–23 is 78 per cent for New South Wales (2021–22 Half-Yearly Review) and 145 per cent for Victoria (2022–23 Budget).

Fiscal Principle 2 – Ensure that average annual growth in General Government Sector expenditure in the medium term is below the average annual growth in General Government Sector revenue to deliver fiscally sustainable operating surpluses.

Fiscal Principle 2 provides a broad measure of expense growth management. Maintaining a lower rate of expenses growth than revenue growth will ensure the restoration of an operating surplus and assist debt stabilisation.

Revenue growth over the forward estimates is forecast to be relatively volatile, with a large increase (15.9 per cent) expected in 2021–22 driven by a substantial increase in royalties and transfer duty. Growth is expected to moderate in 2022–23 to 1.6 per cent as key commodity prices and housing activity return to more normal levels.

Over the 5 years to 2025–26, revenue is expected to grow at 4.5 per cent on average per annum, compared to 4.1 per cent for expenses. An operating surplus is expected to be regained in 2024–25, consistent with previous forecasts.

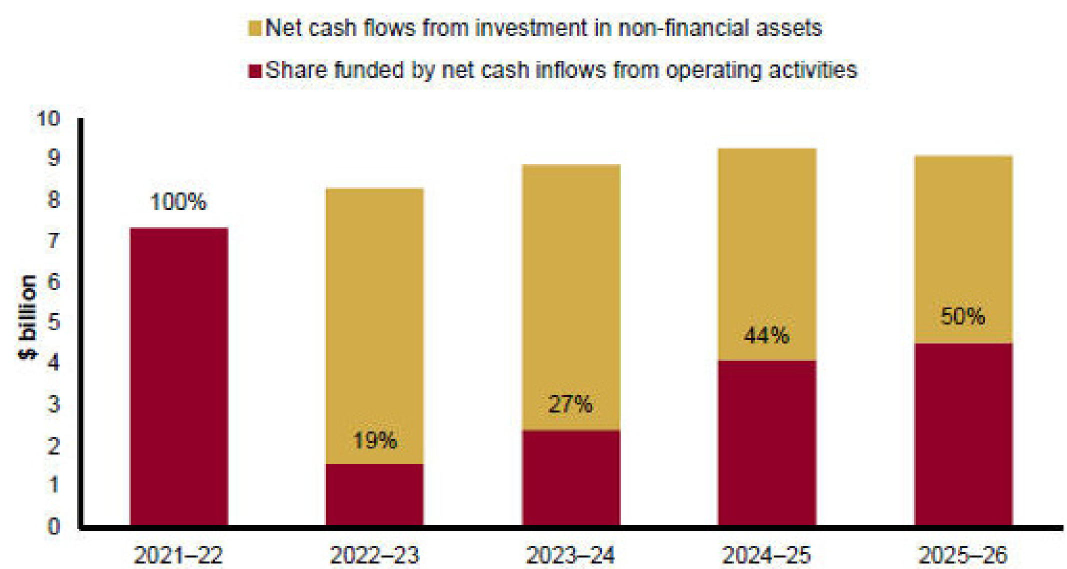
Fiscal Principle 3 – Target continual improvements in net operating surpluses to ensure that, in the medium term, net cash flows from investments in non-financial assets (capital) will be funded primarily from net cash inflows from operating activities. The capital program will focus on supporting a productive economy, jobs, and ensuring a pipeline of infrastructure that responds to population growth.

Maintaining a capital program that will support services and jobs and enhance the productive capacity of the economy remains a government priority. The government continued a substantial capital program through the pandemic and its $50 billion infrastructure guarantee will ensure a continual pipeline of key priority projects. A capital program of $59.126 billion is planned over the 4 years to 2025–26. A commitment to a large capital program while stabilising debt at a sustainable level will require the capital program to be largely funded through operating cash surpluses rather than borrowings.

Volatility in revenue growth over 2021–22 and 2022–23 combined with the profile of capital expenditure, which is uneven by nature, means a degree of volatility can be expected in the outcomes for Fiscal Principle 3 on an individual year basis. As the budget position improves, the proportion of capital funded through operating cash is expected to generally trend upwards, taking year-on-year volatility into account.

This volatility is apparent in current estimates for Fiscal Principle 3, with particularly strong revenue growth in 2021–22 resulting in operating cash exceeding that needed to fund net cash flows from investments in non-financial assets (Chart 3.2). While the proportion will then decrease in 2022–23, it is expected to gradually rise over the forward estimates as the operating position improves.

Chart 3.2 Share of General Government Sector investments in non-financial assets funded from operating cash surpluses



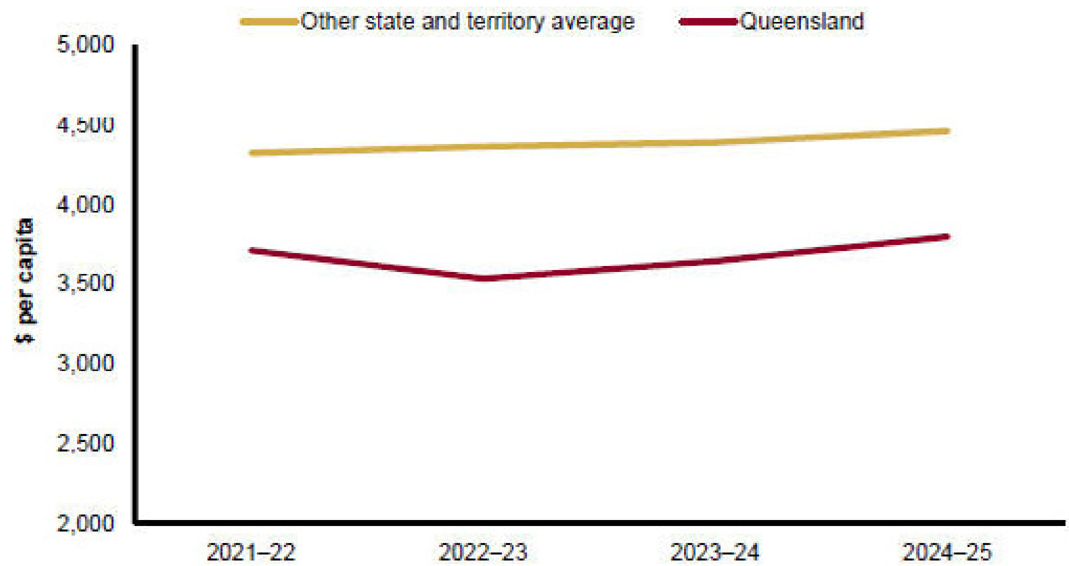
Fiscal Principle 4 – Maintain competitive taxation by ensuring that, on a per capita basis, Queensland has lower taxation than the average of other states.

This principle directly measures Queensland's competitiveness relative to other jurisdictions, providing a meaningful indication of the comparative impact of Queensland's tax regime and policies.

Based on the latest available outcomes, Queensland's taxation per capita was $647 less than the average of other jurisdictions in 2020–21. On average, Queenslanders paid $1,067 less tax than New South Wales residents and $492 less than Victorian residents.

Using the latest forecasts, Queensland's taxation per capita of $3,535 in 2022–23 compares favourably to the average of other jurisdictions of $4,363 per capita. Chart 3.3 demonstrates that Queensland is expected to maintain a highly competitive tax environment.

Chart 3.3 Taxation per capita, Queensland and other states and territories



Fiscal Principle 5 – Target the full funding of long-term liabilities such as superannuation and workers' compensation in accordance with actuarial advice.

The full funding of superannuation and other long-term liabilities is a long-standing Queensland Government priority and a key element of Queensland's financial management. The commitment to this principle has continued through the economic and fiscal recovery from the COVID-19 crisis, and it remains part of the long-term fiscal strategy.

The actuarial investigation of the Defined Benefit Fund as at 30 June 2021 found it to be in surplus. As at 30 June 2021, WorkCover Queensland was fully funded.

3.2 Key fiscal aggregates

The key fiscal aggregates for the 2022–23 Queensland Budget are outlined in Table 3.1.

Table 3.1 Key fiscal aggregates[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
General Government Sector							
Revenue	62,732	63,664	72,735	73,886	75,034	76,728	78,019
Expenses	63,669	67,148	70,820	74,915	76,116	76,591	77,836
Net operating balance	(937)	(3,485)	1,915	(1,029)	(1,083)	137	183
PNFA[2]	6,835	7,800	7,533	8,478	9,106	9,439	9,264
Fiscal balance	(5,015)	(7,965)	(2,386)	(5,635)	(5,631)	(5,008)	(3,969)
Borrowings	54,078	65,041	58,215	66,459	74,224	81,102	87,284
Net debt	11,360	24,750	11,390	19,772	27,603	33,667	39,214

Notes:

1. Numbers may not add due to rounding. Bracketed numbers represent negative amounts.
2. PNFA: Purchases of non-financial assets.

3.2.1 Net operating balance

Table 3.2 compares the General Government Sector net operating balance forecasts for the previous budget with the 2022–23 Budget forecasts.

Table 3.2 General Government Sector – net operating balance forecasts

	2021–22 $ million	2022–23 $ million	2023–24 $ million	2024–25 $ million	2025–26 $ million
2021–22 Budget	(3,485)	(2,440)	(969)	153	—
2022–23 Budget	**1,915**	**(1,029)**	**(1,083)**	**137**	**183**

Since the 2021–22 Budget, the General Government Sector net operating balance has improved substantially in 2021–22, from a deficit of $3.485 billion to a surplus of $1.915 billion. This large improvement recognises that a portion of the $ 9.071 billion revenue uplift since the 2021–22 Budget results from temporary factors and has been responsibly directed towards an improved operating position and the reinstatement of fiscal buffers. While additional expenses are necessary to meet increasing demand for services, these have been managed within the revenue envelope resulting from broader trends in the economic recovery, with expenses increasing by $3.671 billion in 2021–22 compared to the 2021–22 Budget. This ensures increased expenses remain sustainable.

As the impact of temporary factors on revenue begin to unwind in 2022–23 and disaster-related expenses increase, the operating position is expected to return to a deficit but improves by $1.411 billion compared to the 2021–22 Budget estimate. Consistent with previous forecasts, the operating position is expected to regain a surplus in 2024–25 and 2025–26, with average revenue growth of 4.5 per cent per annum over the 5 years to 2025–26 comparing to 4.1 per cent average expense growth.

Table 3.3 provides a breakdown of the changes in the net operating balance since the 2021–22 Budget Update.

Table 3.3 Reconciliation of net operating balance, 2021–22 Budget Update to 2022–23 Budget[1]

	2021–22 $ million	2022–23 $ million	2023–24 $ million	2024–25 $ million
2021–22 Budget Update net operating balance	**(1,492)**	**(2,397)**	**(559)**	**158**
Taxation revisions[2]	1,010	364	173	490
Royalty and land rent revisions[2]	2,879	3,001	790	821
GST revisions	433	1,414	1,109	1,026
Revenue measures[3]	—	929	539	568
Expense measures[4]	(971)	(2,699)	(3,596)	(3,586)
Natural disaster revisions (DRFA)[5]	(117)	(1,081)	543	(76)
Net flows from PNFC and PFC entities[6]	(367)	270	573	302
Australian Government funding revisions[7]	(20)	(225)	(278)	92
Other parameter adjustments[8]	560	(605)	(377)	342
2022–23 Budget net operating balance	**1,915**	**(1,029)**	**(1,083)**	**137**

Notes:

1. Numbers may not add due to rounding. Numbers indicate the impact on the operating balance. A number in brackets indicates a negative impact on the operating balance.
2. Taxation, Royalty and land rent revisions exclude impact of revenue measures.
3. Reflects the operating balance impact of government revenue measures since 2021–22 Budget Update. Refer to Budget Measures (Budget Paper 4) for details.
4. Reflects the operating balance impact of government expense measures since the 2021–22 Budget Update. Refer to Budget Paper 4 for details. Natural disaster payments are not included in Expense measures above, however these are included in Budget Paper 4 Expense measures.
5. Net impact of Disaster Recovery Funding Arrangements.
6. Represents revisions to dividends and tax equivalent payments from, and community service obligations (CSOs) and Transport Service Contract payments to, Public Non-financial Corporations and Public Financial Corporations, net of CSO and TSC expense measures.
7. Represents the net impact of funding provided by the Australian Government primarily for Specific Purpose Payments and National Partnership payments and excludes funding for disaster recovery expenses.
8. Refers to adjustments largely of a non-policy nature, primarily changes in interest paid on borrowings, depreciation, swaps, lapses and deferrals.

The recovery in Queensland's net operating balance compares favourably with continued larger deficits in other states. While Queensland expects net operating deficits in 2022–23 and 2023–24, these are far narrower than the most recent available forecasts for Victoria (2022–23 Budget). Queensland's deficits also follow a surplus in 2021–22, compared to significant deficits of $19.5 billion for New South Wales (2021–22 Half-Yearly Review) and $17.6 billion for Victoria.

Impact of disaster recovery on the net operating balance

With Queensland experiencing significant flood events in the 2021–22 disaster season, related expenses and the impact of Commonwealth payments for Disaster Recovery Funding Arrangements (DRFA) have materially affected the net operating balance. Box 3.1 details the financial impact of the flood events and initiatives to support community recovery and resilience. Table 3.4 details the impact of disaster expenses and DRFA on the net operating balance. This demonstrates that Queensland would have achieved a net operating surplus in 4 of the 5 years of estimates had revenue and expenses not been affected by disasters.

Table 3.4 Impact of disaster funding on the net operating balance[1,2]

	2021–22 $ million	2022–23 $ million	2023–24 $ million	2024–25 $ million	2025–26 $ million
Net Operating Balance	**1,915**	**(1,029)**	**(1,083)**	**137**	**183**
less Disaster revenue	527	517	1,451	361	—
add Disaster expenses	712	1,714	1,172	532	37
Underlying Net Operating Balance	**2,100**	**168**	**(1,362)**	**308**	**220**
Disaster capital expenditure	35	184	282	208	—

Notes:

1. Numbers may not add due to rounding.
2. The disaster revenues and expenditure shown above include estimates from events prior to 2021–22 and so exceed estimates for those occurring in the summer of 2021–22.

Box 3.1 2021–22 Disaster Season

The summer of 2021–22 has seen multiple devastating flood events which impacted more than half the state. Tragically, lives have been lost and thousands of individuals, families, businesses, primary producers, schools and other organisations have been directly affected.

Of Queensland's 77 local government areas, 66 have been activated for the joint State-Commonwealth DRFA assistance in response to these disasters.

Early indications suggest the cost of recovery and reconstruction from the repeated flooding to be funded under the DRFA will be more than $3 billion. The broader impact of the floods on the Queensland economy is discussed in Chapter 2.

To support initial recovery, several extraordinary measures were immediately made available through the jointly funded DRFA, including personal hardship assistance for individuals and families. At the end of May 2022, more than $22 million has been distributed under the hardship scheme, benefiting just over 96,000 people. For lower income earners without insurance, the Structural Assistance Grant has been raised to $50,000 to help make homes safe and secure.

For primary producers, small businesses, non-profit organisations and sporting clubs, $558.5 million in grants were made available following the South East Queensland floods to assist with clean-up and reinstatement. A further $30 million is open for Councils to assist with clean-up in their regions and 23 Councils have each received a $1 million injection to assist with urgent recovery and clean-up works. This will be followed by reimbursements to Councils and agencies across all affected areas for costs incurred in counter-disaster operations, such as sandbagging, and the restoration of essential public assets including roads and bridges.

A $721 million joint State and Australian Government package is assisting ongoing recovery with a focus on the health and wellbeing of communities, accommodation options, sustaining medium size businesses and tourism, restoring the environment, repairing community and recreational assets, supporting community development with flexible funding grants and community and industry officers and ensuring our essential public assets can be built back better.

The innovative $741 million Resilient Homes Fund is jointly funded by the Queensland and Australian Governments through the DRFA. It is available for homeowners to bolster resilience across 37 council areas through providing grants to rebuild with flood resilient materials or home raising, or for the voluntary buy-back of homes at high risk of repeated flooding.

While the impact of the recent flooding events will be felt for many years, efforts to build resilience and support community recovery mean that Queensland will be better placed to handle future disasters.

3.2.2 Revenue

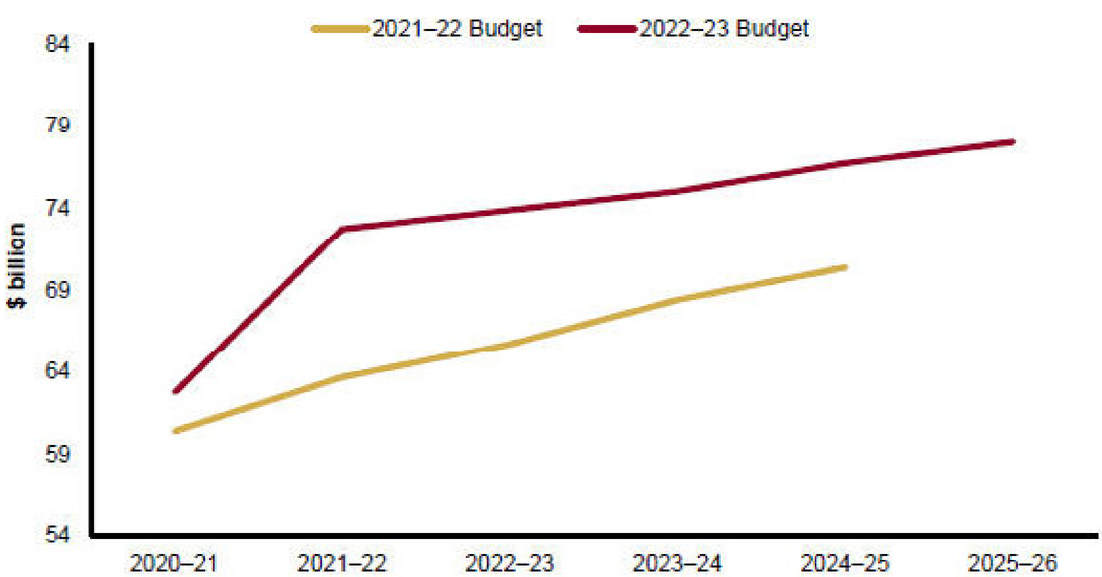
Revenue is expected to rebound strongly in line with the substantially improving economic conditions since mid-2020. In 2021–22, total General Government Sector revenue is expected to be 15.9 per cent higher than 2020–21 and $9.071 billion (14.2 per cent) higher than estimated in the 2021–22 Budget (Chart 3.4). The strong uplift in 2021–22 compared to 2020–21 primarily reflects the impact of a temporary surge in coal and oil prices across 2021, increasing royalties and land rents by $6.472 billion, and a $3.251 billion (20.0 per cent) increase in taxation revenue, driven largely by transfer duty.

More modest revenue growth is expected in 2022–23 of 1.6 per cent. Royalties are expected to decline as coal and oil prices return to more sustainable levels while overall revenue growth is supported by GST revenue, driven largely by growth in the national GST pool. Taxation revenue is expected to decline by 3.4 per cent in 2022–23 due to lower transfer duty as elevated levels of property transactions moderate, then grow by an average of 5.1 per cent per annum over the 3 years to 2025–26.

On average over the 5 years to 2025–26, revenue is expected to grow by 4.5 per cent per annum.

In total over the 4 years to 2024–25, improving economic conditions and the temporary uplift to royalties means that General Government Sector revenue is forecast to be $20.764 billion higher than forecast in the 2021–22 Budget Update.

Chart 3.4 Comparison of revenue forecasts



Revenue measures have been introduced in the 2022–23 Queensland Budget to provide sustainable funding to support the delivery of essential government services and to provide appropriate tax relief. In net terms, new measures are expected to increase revenue by $2.620 billion over the 4 years to 2025–26. Key measures include:

- a mental health levy to meet increasing demands for mental health services. The levy, to apply to payroll tax liabilities arising on or after 1 January 2023, will be applied to large employers, or groups of employers, with annual Australian taxable wages over $10 million, including an additional levy applied to taxable wages over $100 million, providing a sustainable funding source for mental health services
- substantial payroll tax relief for small and medium businesses by increasing the payroll tax deductions available for liabilities arising on or after 1 January 2023 and an extension of the 50 per cent payroll tax rebate for wages paid to apprentices and trainees for 12 months to 30 June 2023
- 3 additional progressive coal royalty rates will apply from 1 July 2022, ensuring royalty returns to the state appropriately reflect the use of valuable natural resources during future period of high coal prices
- a 5 per cent racing levy will be applied to the betting tax rate as part of a broader package of changes to funding arrangements for the racing industry
- retirement visa holders will be exempt from additional foreign acquirer duty for purchases of their principal place of residence on or after 1 January 2023.

Further detail on revenues is provided in Chapter 4.

3.2.3 Expenses

Expenses in the 2022–23 Queensland Budget reflect the government's commitment to deliver better services aimed at improving the lives of Queenslanders, supporting the state's growing population and unlocking further economic and employment growth. Improving economic conditions mean that additional expenses can be met well within the envelope of revenue improvements, preserving budgetary performance while meeting service delivery demands.

On average, General Government Sector expenses are forecast to increase by 4.1 per cent per annum over the 5 years to 2025–26. This is lower than the forecast average annual increases in revenue of 4.5 per cent over the same period and is consistent with Fiscal Principle 2.

Key new initiatives in the 2022–23 Budget include:

- increased funding of $6.784 billion over 4 years to support the ongoing growth in demand for health and ambulance services
- additional funding of $1.645 billion over 5 years for Queensland Health's new 5-year plan for Queensland's state funded mental health, alcohol and other drug services as well as the suicide prevention system of care and support. This builds on existing funding for mental health, alcohol and other drugs services in Queensland. While Queensland Health advised the Mental Health Select Committee that it spent an estimated $1.35 billion on mental health in 2020–21 and a further $139 million on alcohol and other drug services, mental health expenditure is complex and a whole of Government responsibility with multiple Government agencies providing mental health services
- funding of $2.2 billion over 5 years and $500 million per year ongoing for out of home care services in response to ongoing pressures arising from an increase in demand in the child protection system

- $964.2 million over 5 years for Queensland’s Resource Recovery Sector Transformation, including implementation of the South East Queensland Waste Management Plan, Regional Waste Management Plans, payments to councils to reduce the household impact of the waste levy as well as statewide programs and regulatory activities
- increased funding of $263 million over 4 years and $77 million per annum ongoing to support kindergarten funding reform to reduce out-of-pocket expenses for families, increase disability funding and implement educational need funding for children in Queensland attending a kindergarten.

Salaries and wages form a large proportion of General Government Sector expenses. Increases in salaries and wages are negotiated through enterprise bargaining agreements. With several key public sector enterprise bargaining agreements nominally expiring during 2022, the government is committed to participating in good faith bargaining to establish wage increases for the next period, considering the prevailing economic environment. The 2022–23 Budget and forward estimates reflect growth in full-time equivalent public sector employees and wage increases consistent with existing agreements and expectations of future bargaining agreements where outcomes are yet to be finalised.

The Queensland Government’s Savings and Debt Plan, announced on 9 July 2020, targeted savings of $3 billion over 4 years to 2023–24. Through specific measures and agency savings efforts, this target has been fully met and adjustments to agency appropriation made.

Incorporating the achievement of these ongoing savings in the 2022–23 Queensland Budget supports the management of expenses over the forward estimates and the return to surplus by 2024–25. As noted in the Queensland Audit Office’s *State Finances 2021* report, individual departments are responsible for identifying and implementing measures to achieve the targeted savings. These savings are being achieved without reducing services and in line with the Queensland Government’s commitment to employment security.

Several workstreams were established to identify cross-agency opportunities under the Savings and Debt Plan, including for Accommodation, Advertising, Marketing and Communications, Data and ICT, Workforce, Government Corporate Support, Grants Administration and Procurement. Cross-government work will continue to focus on opportunities for public sector improvement and efficiency in service delivery.

Further detail on expenses is provided in Chapter 5.

3.2.4 Investment

The Queensland Government provides essential infrastructure and capital works to support productivity, connect industries and meet the state's increasing service needs. In the 2022–23 Queensland Budget, the government is investing in the social and economic infrastructure needed to support the state's growing population and ensure the ongoing recovery from COVID-19 and recent flood events. The government continues to deliver on the $50 billion Infrastructure Guarantee, with a total 4-year capital program of $59.126 billion in the 2022–23 Budget.

The 2022–23 Budget continues to put the health of Queenslanders first, with a capital expenditure boost of $ 9.785 billion over 6 years to expand capacity, delivering around 2,200 additional overnight beds across the Queensland health system.

Key capital investments in 2022–23 include:

- $7.309 billion investment in transport infrastructure. This includes $1.290 billion to continue construction work on Cross River Rail, $270.2 million to commence Stage 3 of Gold Coast Light Rail, and substantial ongoing investment to fund major upgrades to the M1 Pacific Motorway, the Bruce Highway and the rail network through the Logan and Gold Coast Faster Rail project
- $1.555 billion to ensure that Queensland's state schools and training assets are world-class and continue to meet demand. Investment in new schools is being facilitated through the $3 billion Building Future Schools Fund
- $441.3 million in 2022–23 for the delivery of new social homes and upgrades of existing dwellings for vulnerable Queenslanders, as part of the 4 year $1.908 billion *Housing and Homelessness Action Plan 2021–2025*.

Further information about the government's capital program is provided in Chapter 6 and the Capital Statement (Budget Paper 3).

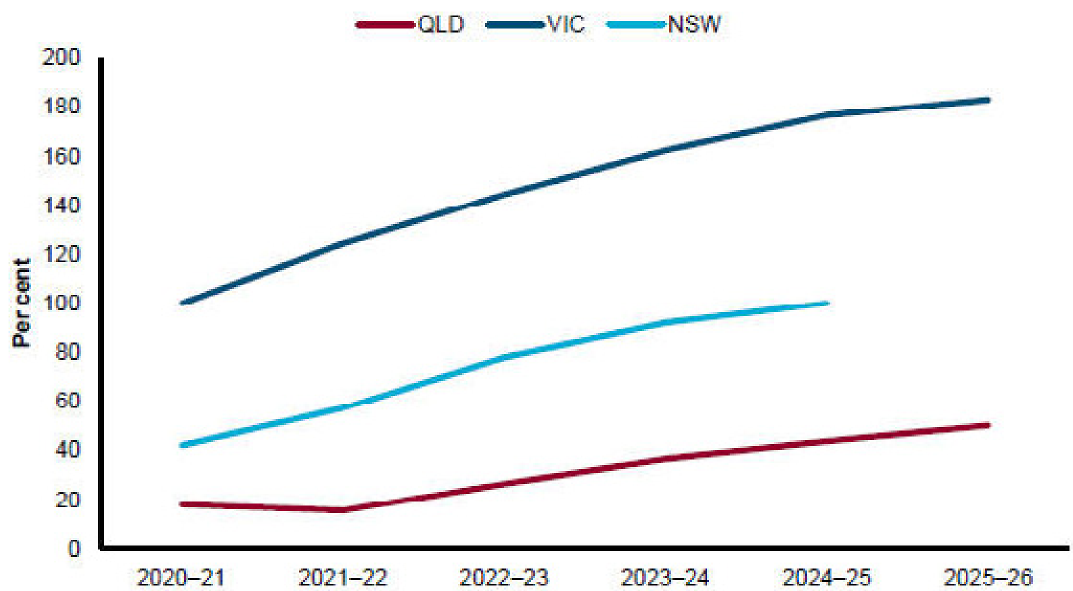
3.2.5 Borrowings

Australian governments at all levels increased borrowings to combat the COVID-19 crisis, as did Queensland's. However, progressive reductions in forecast debt will limit legacy impacts in Queensland and ensure debt levels remain sustainable. The Queensland Government has acted prudently to limit debt increases. Temporary revenue uplifts in 2021–22 and 2022–23, largely driven by factors such as the surge in commodity prices, have assisted in improving the debt position. The Queensland Future Fund (QFF) – Debt Retirement Fund (DRF) has also been implemented to strengthen the state's balance sheet.

General Government Sector net debt is forecast to be $19.772 billion at 30 June 2023, $13.555 billion lower than forecast in the 2021–22 Budget. The net debt to revenue ratio in that year is estimated at 27 per cent and is expected to reach 50 per cent by 2025–26. In comparison, 2020–21 Budget forecasts suggested a net debt burden of 50 per cent would be reached during 2021–22.

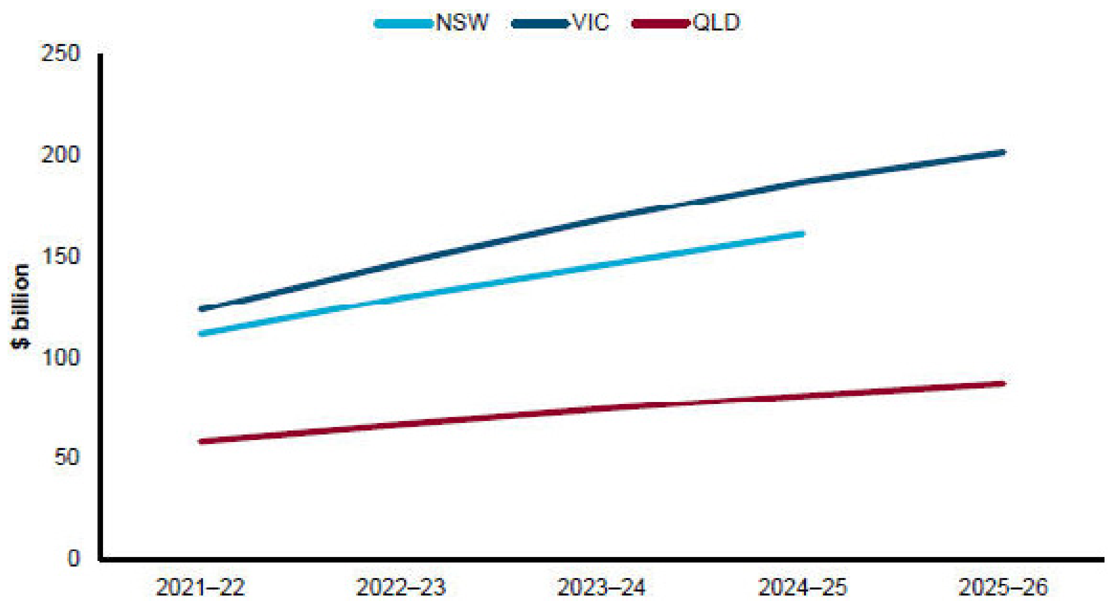
By 2024–25, Queensland's forecast net debt of $ 33.667 billion compares to $103.008 billion for New South Wales (2021–22 Half-Yearly Review) and $154.844 billion for Victoria (2022–23 Budget). As shown in Chart 3.5, general government net debt as a share of revenue is also expected to be far lower in Queensland than in New South Wales and Victoria across the forward estimates.

Chart 3.5 State comparison of General Government Sector net debt to revenue



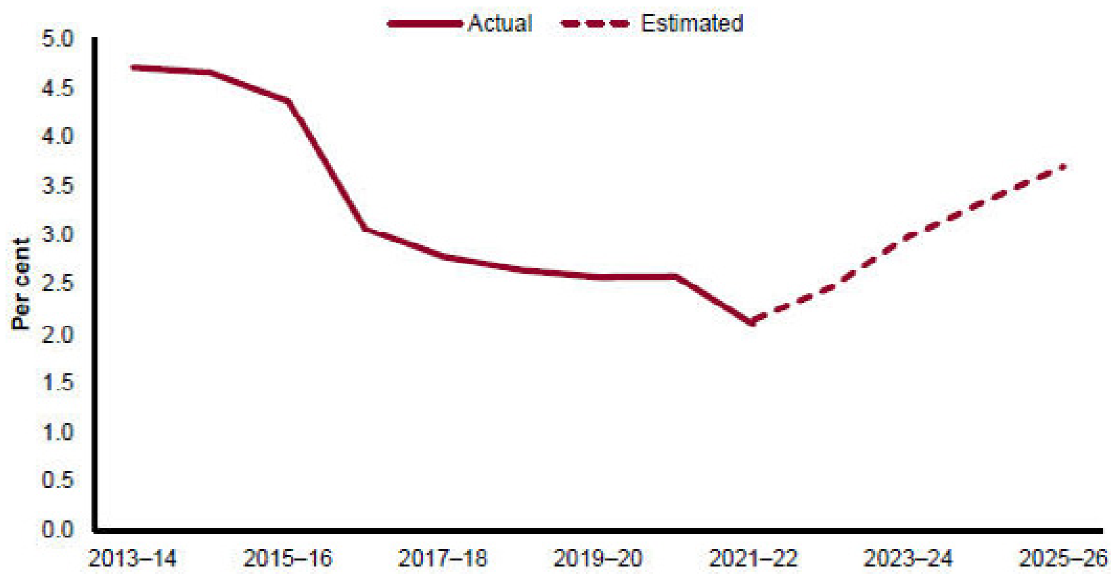
Total General Government Sector borrowings are expected to be $8.321 billion lower at 30 June 2023 than forecast in the 2021–22 Budget and remain $4.480 billion lower by 30 June 2025. General Government Sector borrowings also compare well to interstate peers (Chart 3.6). Queensland's forecast borrowings of $81 billion in 2024–25 are far lower than those of New South Wales ($161 billion, 2021–22 Half-Yearly Review) and Victoria ($187 billion, 2022–23 Budget).

Chart 3.6 Interstate comparison of General Government Sector borrowings



Debt servicing costs are also expected to remain manageable, with General Government Sector interest expenses expected to be around 2.5 per cent of revenue in 2022–23. While General Government Sector interest expenses are expected to rise over the forward estimates period, the 2025–26 estimate of 3.7 per cent remains well below the peak of 4.7 per cent in 2013–14 (Chart 3.7). The continued reduction in overall forecast debt levels helps to reduce the impact of future interest rate rises.

Chart 3.7 General Government Sector ratio of borrowing costs to revenue



Queensland's credit ratings

Throughout the pandemic crisis and recovery, Queensland's credit rating has remained stable with S&P Global (AA+) and Moody's (Aa1), while Fitch has upgraded Queensland's rating (from AA to AA+). These ratings outcomes are supported by prudent and effective management of pandemic impacts and the government's commitment to restoring a strong budgetary performance and stabilising the level of borrowings. The establishment of the QFF – DRF demonstrated a commitment to active debt management and supports Queensland's credit continuing to rate strongly.

In December 2021, Moody's affirmed Queensland's rating at Aa1 (stable). Moody's assessment recognises that while Queensland has experienced significant economic and revenue disruptions from the pandemic, its credit profile is underpinned by a strong institutional framework as well as the strong revenue recovery in 2021–22 and resultant lower borrowing requirements.

Fitch upgraded Queensland's rating from AA (stable) to AA+ (stable) in December 2021, reflecting the diversity and underlying strength of Queensland's economy, and Fitch's expectations of Australia's improving macroeconomic environment. Fitch expects strong financial management and the commitment to restore operating surpluses to keep debt levels manageable.

S&P Global affirmed Queensland's AA+ (stable) rating in February 2022, reflecting an expectation that the impact of COVID-19 on Queensland's budgetary performance will be temporary and will improve as the economy continues to recover and the budget is effectively managed. S&P Global also notes that debt levels compare well to similarly-rated peers.

The maintenance or improvement in Queensland's rating contrasts with New South Wales and Victoria, which have both had credit rating downgrades over the course of the pandemic. Victoria's Aaa rating with Moody's was downgraded to Aa1 in 2021, then Aa2 in 2022, and their AAA rating with S&P Global was downgraded 2 notches to AA in 2020. New South Wales have also been downgraded by S&P Global, from AAA to AA+ in 2020.

The credit rating of the state impacts the rate at which new and refinanced borrowings are made, which affects the overall cost of borrowing. Sound financial management supports the credit rating and provides the capacity to respond to future economic and financial shocks, including the long-term impact of the pandemic.

3.2.6 Emerging Fiscal Pressures

Beyond general uncertainties related to budget parameter assumptions and the ongoing impact of the COVID-19 pandemic, key emerging fiscal issues include:

- Native Title Compensation Settlement: the government has a potential liability with respect to compensation arising from acts that have extinguished or impaired native title since 1975
- impacts of Australian Government changes to state shares of GST: risks to the longer-term outlook for Queensland's GST revenue resulting from the changes made to the system of GST revenue distribution by the Australian Government in 2018. Further information on GST arrangements is provided in Chapter 4
- expiring agreements: Queensland's fiscal position is exposed to decisions made by the Australian Government, including not renewing funding for National Partnership payments (NPs) where there are ongoing community service needs that must be met. Further information on expiring agreements is provided in Chapter 7
- adverse weather events are likely to occur in future with the resulting damage expected to impact on the delivery of State initiatives, noting disaster-related expenses are shared with the Australian Government under DRFA
- challenges arising from the transformation of Queensland's energy system away from a reliance on coal-fired generation, requiring significant new investment in renewable generation, storage and network infrastructure to support a secure and reliable electricity system
- additional water infrastructure, and upgrades to existing infrastructure, will be required over the next decade to meet future water demand, provide drought contingency, and ensure the safety and reliability of Queensland's dams in line with dam safety guidelines into the future.

4 Revenue

Features

- The COVID-19 pandemic and resulting economic impacts substantially reduced the state's revenues across 2019–20 and 2020–21 compared with pre-pandemic forecasts in the 2019–20 Mid-Year Fiscal and Economic Review. However, in line with the substantially improving economic conditions since mid-2020, revenue is expected to rebound strongly in 2021–22 and remain at relatively elevated levels over the forward estimates.
- Total key revenues of taxes, royalties and GST are expected to be $10.067 billion (29.4 per cent) higher in 2021–22 than they were in 2020–21.
- However, some key revenues are expected to be volatile over the forecast period. The substantial increases in royalties and transfer duty in 2021–22, due to high coal and oil prices and the housing boom respectively, are expected to unwind from 2022–23 onwards, as commodity prices and housing activity normalises.
- General Government Sector revenue is estimated to total $72.735 billion in 2021–22, up $10.003 billion (15.9 per cent) compared with 2020–21 and $9.071 billion (14.2 per cent) higher than estimated in the 2021–22 Queensland Budget. The substantial upward revision to 2021–22 revenue from the 2021–22 Budget estimates is largely driven by:
    - a $5.794 billion increase in royalties and land rents, reflecting the unprecedented surge in coal and oil prices across early 2022
    - a $2.101 billion increase in taxation revenue, reflecting much stronger than expected domestic activity, particularly the strength of residential property transactions.
- In 2022–23, General Government Sector revenue is estimated to total $73.886 billion, an increase of $1.151 billion (1.6 per cent) compared with 2021–22.
    - This moderate growth largely reflects an expected $1.302 billion decline in royalties and land rents, as the temporary surge in coal and oil prices begins to unwind and prices begin to return to levels consistent with medium-term expectations.
    - This is expected to be more than offset by an increase in GST revenue, reflecting an increase in the GST pool as the national economy continues to recover as well as Queensland receiving an increased share of the GST pool compared to 2021–22.
- Australian Government payments to Queensland in 2022–23 are expected to total $34.925 billion, an increase of $1.907 billion (5.8 per cent) compared with payments in 2021–22. This increase is primarily driven by the increase in GST revenue.
- Total revenues are expected to grow at an average annual rate of 1.8 per cent over the 4 years to 2025–26, or 4.5 per cent over the 5 years to 2025–26.
- A number of measures are being introduced in the 2022–23 Queensland Budget to provide sustainable funding for mental health and other key services, as well as the racing industry. These measures will also provide tax relief for small to medium employers and businesses that employ apprentices and trainees, as well as removing additional foreign acquirer duty for foreign retirement visa holders buying a principal place of residence.

- An increase in royalty rates at higher coal prices will provide a fairer return to Queenslanders from this resource, especially if very high prices continue.
- Importantly, Queensland is maintaining its competitive tax status, with per capita state tax estimated to be $647 below the average of other states and territories in 2020–21.

4.1 2021–22 estimated actual

General Government Sector revenue is estimated to be $72.735 billion in 2021–22, $9.071 billion (14.2 per cent) higher than forecast at the time of the 2021–22 Queensland Budget.

The substantial upward revision to 2021–22 revenue from the 2021–22 Budget estimates is largely driven by:

- a $5.794 billion increase in royalties and land rents, reflecting the unprecedented surge in coal and oil prices across early 2022
- a $2.101 billion increase in taxation revenue, reflecting much stronger than expected domestic activity, particularly the strength of residential property transactions.

The substantial increase in General Government Sector revenue expected in 2021–22 represents growth of 15.9 per cent compared with 2020–21. This is the strongest rate of growth in General Government Sector revenue since 2008–09, reflecting the combination of factors outlined above.

Total key revenues of taxation, GST, and royalties are estimated to be 29.4 per cent higher in 2021–22 compared to 2020–21.

However, there is expected to be volatility in some key revenues over the forecast period. In particular, the substantial increase in royalties and transfer duty in 2021–22, due to the exceptionally high coal and oil prices and the housing boom respectively, are both expected to unwind from 2022–23 onwards as key commodity prices and housing activity normalise.

4.2 2022–23 Budget and outyears

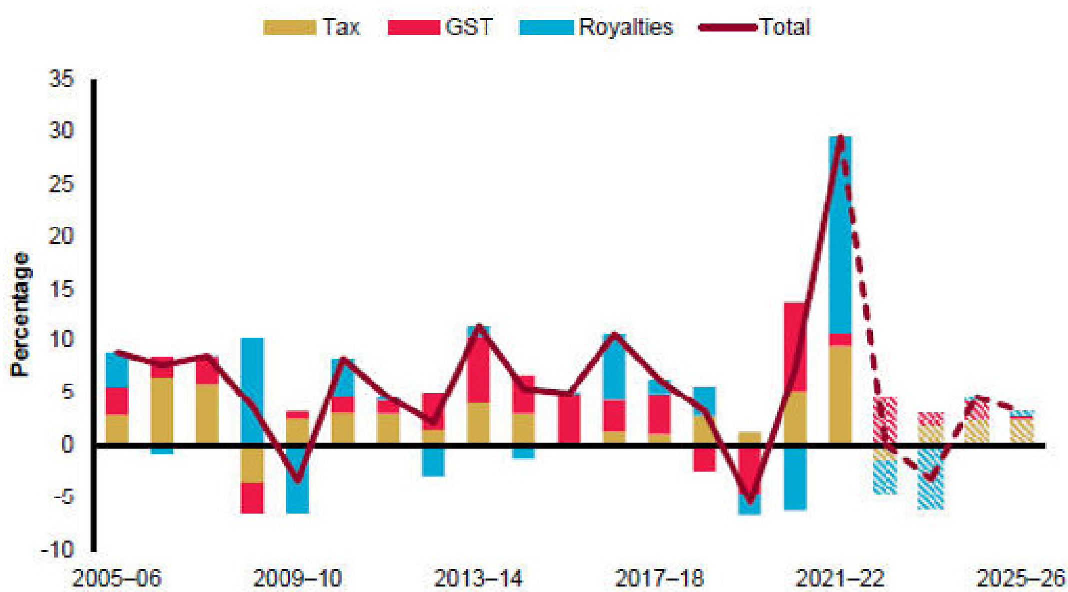
General Government Sector revenue is forecast to increase by $1.151 billion (1.6 per cent) in 2022–23, to be $73.886 billion, as outlined in Table 4.1. This modest revenue increase is due to:

- a $1.302 billion fall in royalties and land rents reflecting the expectation that the currently elevated prices for coal and oil return to levels more consistent with medium-term expectations
- this is more than offset by a $1.998 billion increase in GST revenue reflecting growth in the national GST pool and an increase in the share of the pool.

As a result, total key revenues (taxes, GST and royalties) are forecast to remain stable in 2022–23 (growing by less than 0.1 per cent), and then decline by 3.2 percent in 2023–24 as royalty revenue normalises.

Chart 4.1 examines the growth in revenue across the 3 key revenue streams and the share of growth attributable to each key revenue item.

Chart 4.1 Growth in key revenues[1]



Note:

1. Annual contribution to growth in key revenues. Total is the annual growth of the sum of the 3 categories.

While taxation revenue is forecast to be $658.2 million (3.4 per cent) lower in 2022–23 than in 2021–22, taxation revenue is forecast to grow by 6.2 per cent per annum on average over the period 2020–21 to 2025–26. This is slightly above the average growth of 4.5 per cent in the decade to 2019–20, reflecting in part the benefit of higher house prices on stamp duty in the recent housing cycle.

Royalties and land rents are expected to decline by 14.3 per cent in 2022–23, and then decline by a further 34.7 per cent in 2023–24. This reflects the expectation that coal and oil prices will return from recently elevated levels to reach more sustainable levels in 2023.

Royalties and land rents are then expected to grow by 2.7 per cent in 2024–25 and 2025–26, primarily reflecting an expected increase in coal export volumes over time.

Queensland's GST revenue is estimated to grow by 12.6 per cent in 2022–23 and is forecast to continue to grow on average by 5.0 per cent per annum over the 4 years ending 2025–26.

This increase in expected GST revenue is largely driven by growth in the national GST pool. The 2022–23 Federal Budget forecast the GST pool to grow by 9.1 per cent in 2022–23 and around 4.5 per cent per annum on average over the 3 years ending 2025–26, reflecting the expected ongoing growth in taxable consumption. However, growth in Queensland's estimated GST share is estimated to be somewhat lower than this due to the impacts in later years of the recent higher Queensland royalties revenue on Queensland's future GST share.

Reflecting this combination of factors and changes in key revenues, total General Government revenue growth is expected to average 4.5 per cent per annum over the 5 years to 2025–26.

The more-steady growth in overall revenue forecast in 2023–24 and beyond reflects the expected return to more normal economic conditions and activity levels over the forecast period.

Table 4.1 details Queensland's total General Government Sector revenue by component across the forward estimates period.

Table 4.1 General Government Sector revenue[1]

	2020–21 Actual $ million	2021–22 Budget $ million	2021–22 Est. Act $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Taxation revenue	16,249	17,399	19,500	18,842	19,700	20,785	21,905
Sales of goods and services	6,063	6,062	6,032	6,181	6,521	6,253	6,316
Interest income	1,948	2,537	2,561	2,847	2,910	2,984	3,037
Grants revenue							
GST revenue	15,419	15,616	15,813	17,811	18,270	19,039	19,200
Australian government and other grants and contributions	14,147	13,749	14,903	14,561	15,633	15,936	16,403
Australian Government capital grants, other grants and contributions	3,447	2,571	2,661	2,870	3,877	3,300	3,115
Dividend and income tax equivalent income							
Dividends	831	659	193	928	973	718	729
Income tax equivalent income	480	482	479	572	599	514	466
Other revenue							
Royalties and land rents	2,662	3,341	9,135	7,832	5,112	5,251	5,392
Other	1,485	1,248	1,459	1,442	1,440	1,948	1,455
Total revenue	**62,732**	**63,664**	**72,735**	**73,886**	**75,034**	**76,728**	**78,019**

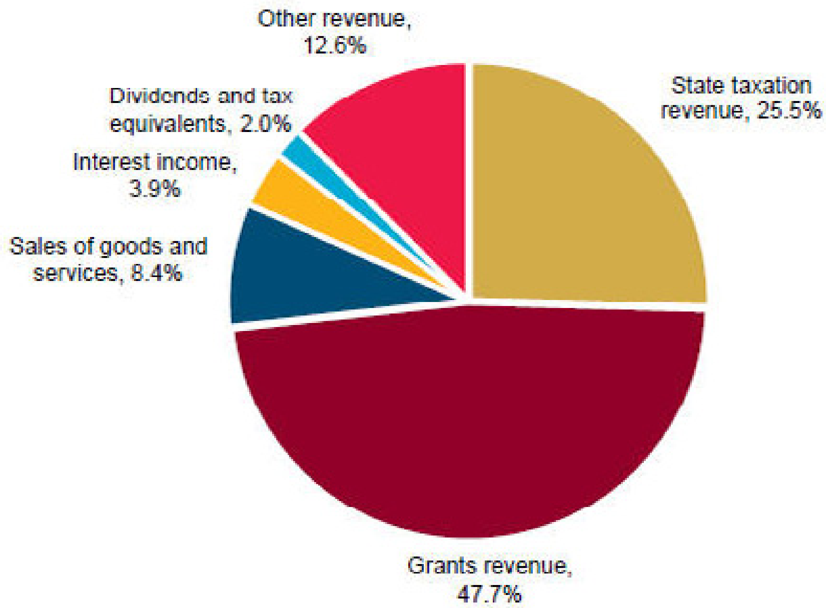
Note:

1. Numbers may not add due to rounding.

The major sources of total General Government Sector revenue in 2022–23 are grants revenue, which includes GST revenue and Australian Government Grants and other grants and contributions (47.7 per cent), and taxation revenue (25.5 per cent).

Chart 4.2 illustrates the expected composition of General Government Sector revenue in 2022–23.

Chart 4.2 Revenue by operating statement category, 2022–23[1,2]



Notes:

1. Numbers may not add up to 100 per cent due to rounding.
2. Chart prepared in line with Operating Statement categories. 'Other revenue' includes royalties and land rents, which comprise 10.6 per cent of total revenues.

4.3 Budget initiatives

A number of revenue measures have been announced as part of the 2022–23 Queensland Budget, including specific measures aimed at providing sustainable funding to support the delivery of mental health and other essential government services, and to fund the racing industry.

Other revenue related measures in this Budget will provide payroll tax relief for thousands of small and medium Queensland businesses, support businesses across the state that employ apprentices and trainees, and provide foreign acquisition duty relief for foreign buyers who are retirement visa holders when purchasing their principal place of residence.

Mental health levy

A mental health levy will be introduced to meet increasing demands for mental health services. The levy, to apply to payroll tax liabilities arising on or after 1 January 2023, will be applied to large employers, or groups of employers, with annual Australian taxable wages over $10 million, including an additional levy applied to taxable wages over $ 100 million, providing a sustainable funding source for mental health services. More information on the mental health levy can be found in Box 4.1.

Payroll tax relief for small to medium employers

Substantial payroll tax relief will be provided for many small and medium businesses, by increasing the payroll tax deductions available to employers, or groups of employers, with annual Australian taxable wages of between $1.3 million and $10.4 million. These changes are proposed to apply to payroll tax liabilities arising on or after 1 January 2023. More information on this measure can be found in Box 4.2.

Racing levy

To ensure ongoing sustainable funding of Queensland's racing industry, a 5 per cent racing levy will be applied to the betting tax rate and bonus bets will be incorporated into the calculation of betting tax for liabilities arising on or after 1 December 2022. Taxing bonus bets will bring Queensland into line with betting tax arrangements in all other jurisdictions, other than Tasmania. The proportion of betting tax revenue allocated to the racing industry will also increase from the current 35 per cent to 80 per cent.

More information on this measure can be found in Box 4.4.

Progressive coal royalty rates

To ensure that during future periods of high coal prices the royalty return to the state is appropriate in line with the usage of the state's valuable natural resources, 3 additional progressive coal royalty rates will apply. The new tiers will apply on that part of the average price per tonne of the coal sold, disposed of or used on or after 1 July 2022 as follows: 20 per cent for prices exceeding A$175, 30 per cent for prices exceeding A$225, and 40 per cent for prices exceeding A$300. More information on this measure can be found in Box 4.6.

Foreign retirement visa holders buying their homes

Retirement visa holders will be exempt from additional foreign acquirer duty for purchases of their principal place of residence on or after 1 January 2023. This change will ensure that, subject to conditions, holders of retirement visas who purchase a home will not be subject to a surcharge rate of duty, and only duty at standard concessional rates will apply to eligible transactions.

Payroll tax rebate for apprentices and trainees

The 50 per cent payroll tax rebate for wages paid to apprentices and trainees will be extended for 12 months until 30 June 2023. In addition to apprentice and trainee wages generally being exempt from payroll tax, this rebate will provide additional support to employment in the ongoing recovery from COVID-19, in particular supporting youth employment and businesses who employ trainees and apprentices.

4.4 Revenue by operating statement category

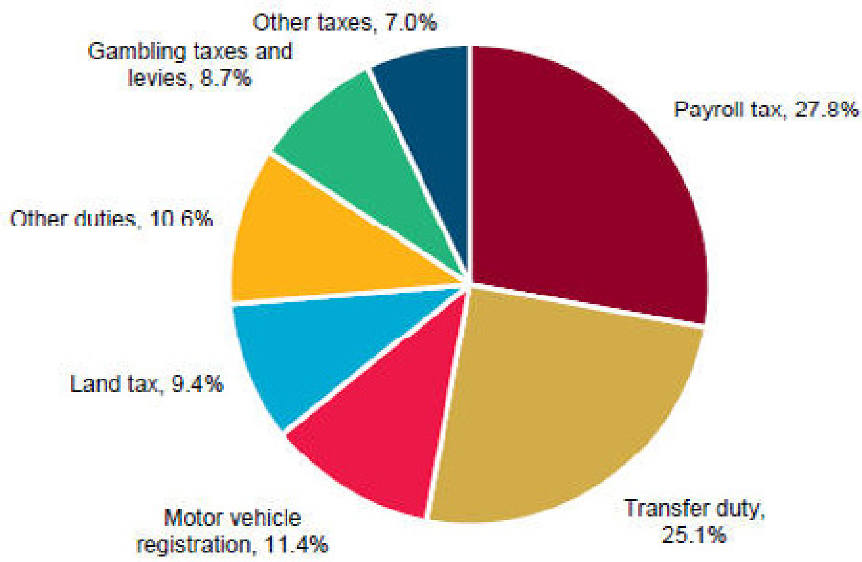
4.4.1 Taxation revenue

Chart 4.3 outlines the composition of estimated state taxation revenue for 2022–23, with the largest sources being payroll tax and transfer duty, together representing 52.9 per cent of the state's total taxation revenue.

Payroll tax generally has a relatively stable base, with its growth usually driven by the underlying strength of the economy. Transfer duty can be variable, reflecting residential and non-residential market conditions.

Land tax growth can also reflect variability in the property market but is generally more stable than most other tax lines due to the relatively stable base and the effect of assessments being based on 3-year averages of land values.

Chart 4.3 State taxation by tax category, 2022–23[1]



Note:

1. Percentages may not add to 100 per cent due to rounding. 'Other duties' includes vehicle registration duty, insurance duty and other minor duties. 'Other taxes' includes the emergency management levy, waste disposal levy, guarantee fees and other minor taxes.

Table 4.2 shows the main components of taxation revenue and the forecast revenues for each component across the forward estimates.

Total taxation revenue is expected to grow by 20.0 per cent in 2021–22. Improved taxation receipts in 2021–22 are primarily being driven by strong growth in transfer duty, payroll tax and land tax.

The growth in transfer duty reflects the combined impacts of significant increases in transaction volumes and the strong growth in dwelling prices over the year, as well as a recovery in collections from large and non-residential transactions. The strong growth in payroll tax reflects the strong labour market conditions in Queensland. The performance of the property market has also resulted in significant increases in land valuations that are flowing through to land tax collections.

Taxation revenue is expected to decline by 3.4 per cent in 2022–23 due to lower transfer duty as property transactions moderate from their elevated levels of activity, along with a slowing of turnover in large transactions from their 2021–22 levels.

Total taxation revenue is forecast to grow on average by around 5.1 per cent per annum across the 3 years ending 2025–26.

Table 4.2 State taxation revenue[1]

	2020–21 Actual $ million	2021–22 Est. Act $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Payroll tax	4,166	4,957	5,242	5,766	6,022	6,289
Duties						
Transfer	3,954	6,028	4,722	4,442	4,757	5,233
Vehicle registration	662	684	645	665	685	712
Insurance[2]	1,095	1,249	1,311	1,376	1,444	1,503
Other duties[3]	31	32	32	33	33	35
Total duties	**5,742**	**7,994**	**6,711**	**6,515**	**6,919**	**7,482**
Gambling taxes and levies						
Gaming machine tax	821	816	819	843	869	903
Health services levy	121	112	109	117	127	132
Lotteries taxes	359	366	372	383	395	410
Wagering taxes	157	160	201	247	254	261
Casino taxes and levies	107	114	124	139	143	149
Keno tax	22	21	22	22	23	23
Total gambling taxes and levies	**1,586**	**1,589**	**1,646**	**1,752**	**1,810**	**1,879**
Other taxes						
Land tax	1,524	1,603	1,773	2,019	2,268	2,365
Motor vehicle registration	2,011	2,074	2,152	2,232	2,315	2,401
Emergency management levy	581	599	624	649	676	704
Waste disposal levy	303	331	339	407	420	433
Guarantee fees	292	307	320	323	317	314
Other taxes[4]	44	46	36	37	38	39
Total taxation revenue	**16,249**	**19,500**	**18,842**	**19,700**	**20,785**	**21,905**

Notes:

1. Numbers may not add due to rounding.
2. Includes duty on accident insurance premiums.
3. Includes duty on life insurance premiums.
4. Includes the statutory insurance scheme levy and nominal defendant levy.

Payroll tax

Payroll tax collections have improved substantially in line with the strong rebound in economic and labour market conditions in Queensland following the initial COVID-19 crisis in mid-2020. Payroll tax is expected to be 19.0 per cent higher in 2021–22 compared to 2020–21, reflecting the lower base in 2020–21 due to COVID-19 relief measures, and strong growth in employment and a strengthening of wages growth in 2021–22.

Payroll tax is expected to grow by 5.8 per cent in 2022–23 and average annual growth of around 6.1 per cent is forecast over the 4 years ending 2025–26. This is broadly in line with the expected ongoing solid employment and wage growth over the forward years and also reflects the impact of the mental health levy.

As outlined earlier, the 50 per cent payroll tax rebate for wages paid to apprentices and trainees will be extended for 12 months until 30 June 2023.

Box 4.1 Supporting mental health services

The Mental Health Select Committee, in its report to Parliament – *Report No. 1, 57th Parliament – Inquiry into the opportunities to improve mental health outcomes for Queenslanders* – identified significant opportunities to improve the mental health and wellbeing of Queenslanders, including:

- greater involvement of people with lived experience in the system
- greater use of health data to inform service delivery
- expanded GP and other community-based mental health services
- greater support services in schools
- expanding alternative entry points and emergency department diversion services
- utilising health practitioners' full scope of practice.

Queensland Health advised the Committee that it spent an estimated $ 1.35 billion on mental health in 2020–21 and a further $ 139 million on alcohol and other drug (AOD) services. Even so, the Committee considered it was evident that to reform Queensland's mental health and AOD system, a substantial increase in investment is required.

In the 2022–23 Queensland Budget, the government is providing an additional $1.645 billion in operating funding plus an additional $28.5 million in capital funding to support initiatives under a new 5-year plan *Better Care Together: a plan for Queensland's state-funded mental health, alcohol and other drug services*, and to meet Queensland's obligations under the *National Agreement on Mental Health and Suicide Prevention*.

To fund the enhancements to mental health services, and to provide ongoing sustainable funding for this critical element of the state's health system, a mental health levy will be applied to payroll tax liabilities arising on or after 1 January 2023, but will only be applicable to large employers, or groups of employers, with annual Australian taxable wages over $10 million and an additional levy applied to Australian taxable wages over $100 million.

The mental health levy will be applied as follows:

- a 0.25 per cent levy on the annual Australian taxable wages of employers, or groups of employers above $10 million
- an additional 0.5 per cent levy on the annual Australian taxable wages of employers, or groups of employers, above $100 million.

Given this reform is a specific levy, as distinct from a change in tax rates, the levy will only apply to the portion of the wages above the respective taxable wage amounts (i.e. on a marginal basis).

The levy is estimated to provide annual revenue of $425 million by 2025–26. The revenue raised from the levy will be utilised as a funding source for future expenditure on mental health and associated services and investment.

Queensland’s payroll tax exemption threshold of $1.3 million threshold is one of the highest thresholds of all states and territories, meaning that most small businesses would not be liable for payroll tax. Additionally, the standard rate of 4.75 per cent is one of the lowest tax rates compared to other jurisdictions, and there is a one percentage point discount for eligible regional employers.

There is also a deduction available for employers between the exemption threshold of $1.3 million and the current deduction threshold of $6.5 million that reduces the amount of tax payable between this wage range.

Box 4.2 Tax relief for small and medium businesses

Small and medium businesses are the backbone of Queensland’s economy and comprise more than 99 per cent of businesses operating across the state.

Many small and medium enterprises have been severely impacted over the past few years, due to the COVID-19 pandemic and the related health and border restriction measures, as well as natural disasters.

A number of these businesses are also experiencing higher input costs and constraints to grow their operation and workforce, given the tight national labour market and ongoing global supply chain disruptions.

In recognition of the important role that small to medium businesses play in the Queensland economy, the government is providing payroll tax relief to small and medium businesses across the state, through adjustments to the existing payroll tax deduction framework from 1 January 2023.

This targeted payroll support measure will help to minimise the cost pressures on eligible businesses and provide confidence to those businesses to employ additional Queenslanders to take advantage of economic opportunities that are emerging strongly across the state.

Under the current regime, employers, or groups of employers, with annual Australian taxable wages between $ 1.3 million and $6.5 million can claim a deduction from their taxable wages, which phases out at a rate of $1 for every $4 of taxable wages above the $1.3 million threshold.

The deduction will be extended from the current ceiling of $6.5 million in annual Australian taxable wages up to $10.4 million, reflecting an increase in the phase out rate of the deduction from $1 for every $4 to a rate of $1 for every $7 of taxable wages above the $1.3 million threshold.

This reform is estimated to benefit over 12,000 Queensland businesses and will save a business paying $6.5 million in annual taxable wages over $26,000 in payroll tax each year (Table 4.3).

Table 4.3 Tax savings for indicative annual taxable wages

Annual taxable wages ($)	Tax saving[1] ($)
2,000,000	3,563
4,000,000	13,741
6,000,000	23,920
6,500,000	26,464
8,000,000	16,971
10,000,000	2,829

Note:

1. This represents a full 12 month saving, noting that this policy will only be implemented for a part year in 2022–23. Based on standard tax rates.

Duties

Transfer duty

Transfer duty is charged on ‘dutiable transactions’, including transfers of land in Queensland or Queensland business assets.

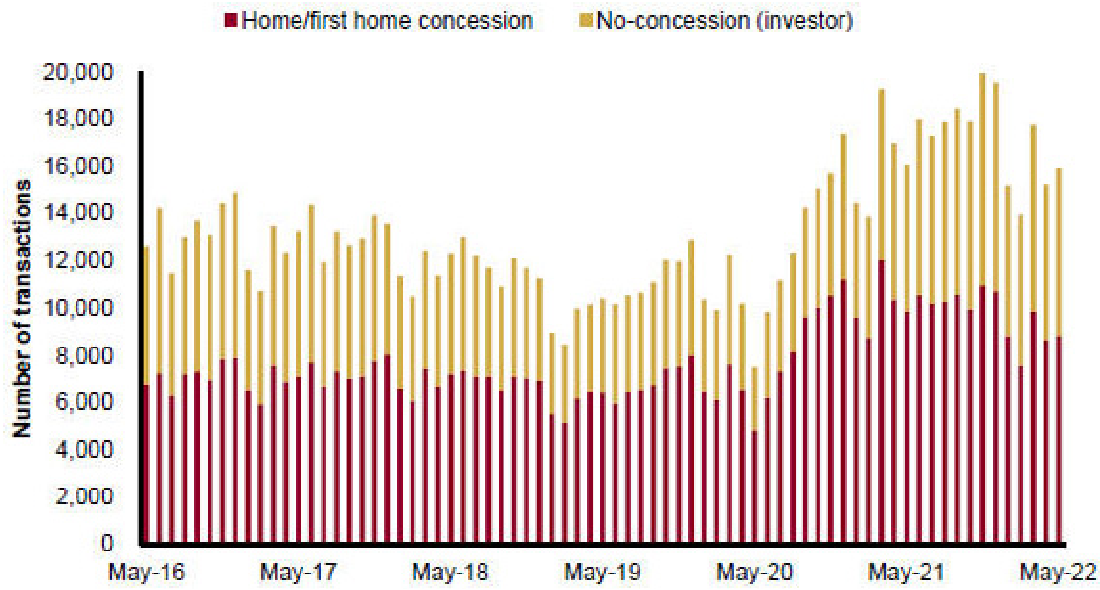
The Queensland Government offers extensive concessions for the transfer of land where the property is purchased as a home. This means eligible home buyers pay a one per cent concessional rate on the first $350,000 of dutiable value, rather than the normal scheduled rates of between 1.5 per cent and 3.5 per cent.

If a first home buyer purchases a property up to $500,000 they will pay no duty, with reduced rates available up to $550,000.

Transfer duty is estimated to be 52.5 per cent higher in 2021–22 compared with 2020–21, driven by substantial increases in prices and transaction volumes. This reflects strong activity in the residential housing sector since mid-2020, with transactions in all components of the residential market (investors, principal place of residence and first home buyers) showing significant growth, although first home activity has slowed following expiry of the Homebuilder grant.

As shown in Chart 4.4, residential transactions have grown strongly since the peak of the emergency health restrictions required to control the initial spread of COVID-19 in April 2020.

Chart 4.4 Residential property transactions by concession type (monthly)



The level of transfer duty collections in 2022–23 is expected to unwind somewhat as residential housing market activity declines but is still forecast to remain well above previous levels. Residential transaction volumes, which exceeded 207,000 in the 12 months to May 2022 compared to an average of around 149,000 in the previous 5 years, are expected to moderate following the recent surge in activity and in the context of expected future interest rate increases.

As a result, transfer duty is forecast to decline by 21.7 per cent in 2022–23 and by a further 5.9 per cent in 2023–24. However, transfer duty revenue in those years is still expected to remain well above 2019–20 and 2020–21 levels.

After moderating in the near term, transfer duty from the non-residential sector is forecast to grow steadily over subsequent years, supporting a return to overall growth in 2024–25 and 2025–26.

Vehicle registration duty

Vehicle registration duty applies to applications to register or transfer a vehicle. Duty is imposed on the dutiable value, with the applicable rate dependent on the type of vehicle. An additional amount of registration duty is imposed on applications to register or transfer vehicles (other than special vehicles or heavy vehicles) with a dutiable value of more than $100,000.

Revenue from vehicle registration duty in 2021–22 is expected to be 3.4 per cent higher than in 2020–21, driven by the continued strength in vehicle sales in line with the high levels of broader consumption expenditure experienced as part of the recovery from COVID-19.

Vehicle registration duty is expected to decline by 5.7 per cent in 2022–23, reflecting a return to more normal levels of vehicle transactions as the impact of COVID-19 stimulus measures and the expenditure switching from overseas travel restrictions abates. Vehicle registration duty is then forecast to grow by around 3.3 per cent per annum.

Land tax

Land tax is imposed on the taxable value of a landowner's aggregated holdings of freehold land owned in Queensland, as at midnight on 30 June each year. The landowner's home and some other specified types of landholdings are exempt.

Individuals other than absentees are generally liable for land tax if the total taxable value of the freehold land owned by that person as at 30 June is equal to or greater than $600,000. Companies, trustees and absentees are liable for land tax if the total taxable value of the freehold land owned as at 30 June is equal to or greater than $350,000.

Land tax is expected to grow by 5.2 per cent in 2021–22 and 10.6 per cent in 2022–23, with the 2022–23 forecast driven by the impact of the solid land value growth expected in line with the current strength of the residential property market. The impact of 3-year averaging of land valuations has moderated the uplift in 2022–23 but additional value growth is expected in the next valuation, resulting in further land tax growth in 2023–24.

Average annual growth of 10.1 per cent is forecast for land tax over the 3 years ending 2025–26, reflecting the flow-on impact of recent and expected ongoing increases in land valuations due to the strength of the residential and non-residential property market.

Box 4.3 Queensland's competitive land tax settings

Despite the recent increases in land values around the nation, the current threshold and exemptions in Queensland ensures that most landowners won't have a land tax liability, and those with small investment property holdings generally have only a minimal land tax liability.

The thresholds at which land tax becomes payable in Queensland are among the most generous in Australia. For individuals, the land tax-free threshold of $600,000 is the second highest in the country.

The generosity of Queensland's land tax thresholds is even more apparent when the threshold is put in the context of land values. Queensland's threshold is competitive having regard to its comparative average dwelling and associated land values. Several other jurisdictions have land tax thresholds that are a much lower proportion of average prices.

Depending on the ownership and use of the land, a range of exemptions may be available meaning the value of exempt parcels is excluded from the total taxable value, reducing the amount you pay.

In particular, the key exemption is for the principal place of residence (the dwelling you live in), meaning that most Queensland homeowners have no liability for land tax. In addition, land tax in Queensland is subject to a system of 3-year averaging of the land value, which helps further reduce the impacts of increasing land values on the tax payable by landholders.

On a comparative basis, landowners in Queensland may be liable for much lower land tax than in other states. For example, an indicative landowner with taxable holdings of $4.5 million in Queensland, would pay $2,698 less than in NSW, $9,975 less than in Victoria and at least $1,300 less than in Western Australia.

Gambling taxes and levies

A range of gambling activities are subject to state taxes and levies. Total gambling tax and levy collections are only expected to be 0.2 per cent higher in 2021–22 compared with 2020–21. This largely reflects the moderation in collections from their elevated levels in 2020–21 as they rebounded from the COVID-19 related weakness on gambling activity in 2019–20.

Total gambling tax and levy collections are expected to grow by 3.6 per cent in 2022–23, largely due to the half year impact of the new racing levy. Average annual growth of 4.5 per cent is forecast for gambling tax revenue over the 3 years ending 2025–26.

Box 4.4 Sustainable funding of the racing industry

On 6 June 2022, the government announced a new funding model to ensure ongoing sustainable funding for Queensland's racing industry.

The new model recognises the significant changes that have occurred in the wagering market through the growth in online betting and will ensure all wagering operators are making an appropriate contribution to the future of the racing industry.

The changes will support 125 racing clubs across Queensland, particularly country racing clubs which play an important role in regional communities. Across the state, 85 communities host a race meeting which is their largest or second largest event each year.

Key elements of the reform are outlined below:

- applying a 5 per cent racing levy additional to the betting tax
- taxing bonus bets or free bets
- hypothecating 80 per cent of total betting tax revenue to Racing Queensland.

The 5 per cent racing levy and taxing of bonus bets are expected to raise an additional $80 million per year. Taxing bonus bets will bring Queensland into line with betting tax arrangements in all other jurisdictions, other than Tasmania.

All additional revenue raised through the levy and taxing bonus bets will be allocated to Queensland's racing industry.

Raising the share of betting tax revenue allocated to the racing industry from the current 35 per cent to 80 per cent will provide certainty for the industry and the 6,500 direct jobs it supports by replacing a range of existing funding streams, including short-term government funding programs.

Long term funding certainty will provide the opportunity to increase prize money, enhance infrastructure and provide better training facilities.

The new funding arrangements will be implemented through amendments to the *Betting Tax Act 2018.* Subject to the passage of legislative amendments, it is proposed that the changes will take effect from 1 December 2022.

Waste disposal levy

The waste disposal levy commenced on 1 July 2019 and applies to 39 local government areas, covering more than 90 per cent of the state's waste generation and population. The levy is paid by landfill operators on waste disposed to landfill. Exemptions from the levy exist for particular waste, such as waste from declared disasters, waste donations to charitable recyclers and lawfully managed and transported asbestos.

The levy commenced at $75 per tonne for general waste and increased by $5 per tonne per annum in its first 3 years of operation. The first annual increase of $5 per tonne was deferred by 6 months to 1 January 2021 to provide financial relief from the impacts of COVID-19.

To help Queensland reach its waste recovery targets, changes to the waste levy will commence from 1 July 2022. These include dividing the existing levy zone into metropolitan and regional levy areas, which will have different annual levy rate increases for each levy area. Additionally, changes to levy exemptions for particular types of waste will take effect from 1 July 2023.

Revenue from the waste disposal levy is estimated to be $331 million in 2021–22, 9.1 per cent higher than in 2020–21. Revenue is forecast to grow by 2.3 per cent in 2022–23 reflecting regulated levy rate increases.

Seventy per cent of proceeds from the waste levy will be used for resource recovery and other programs that reduce the impact of waste and protect the environment and local communities.

Queensland's competitive tax status

Maintaining the competitiveness of Queensland's tax system is critical to provide a competitive advantage to business and to moderate the tax burden on citizens.

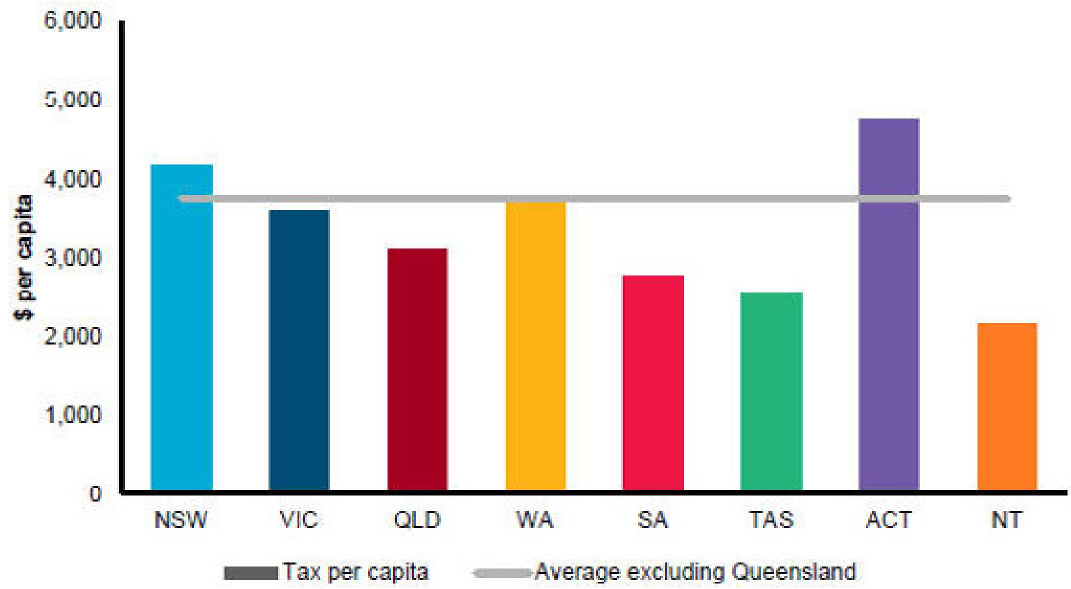
Maintaining a competitive tax regime is also fundamental to the Queensland Government's economic strategy and its commitment to creating more jobs in more industries and maintaining a competitive investment environment.

Importantly, as Chart 4.5 shows, taxation per capita in Queensland was lower in 2020–21 than the average taxation per capita in the other states and territories, highlighting the ongoing competitiveness of Queensland's taxation regime.

Based on the latest available actuals data from states and territories, Queensland's taxation per capita in 2020–21 was $647 less than the average of other jurisdictions.

On average, Queenslanders paid $1,067 less tax than New South Wales residents and $492 less than Victorian residents, as highlighted in Chart 4.5.

Chart 4.5 Taxation per capita, 2020–21



Sources: ABS Government Finance Statistics and ABS National, State and Territory Population.

Other measures of tax competitiveness include estimates by the Commonwealth Grants Commission (CGC) of Queensland's tax effort compared with other jurisdictions, and each state or territory's taxation revenue as a proportion of the respective size of its economy.

The CGC's revenue raising effort ratios are an indicator of the extent to which governments burden their revenue bases, with a lower ratio indicating a relatively lower taxation burden imposed by state taxes.

The CGC's 2022 update assessed that Queensland's tax effort in 2020–21 (latest available CGC estimate, based on 2020–21 data and using total tax revenue effort for CGC assessed taxes) was 1.6 per cent below the national average.

The third measure of tax competitiveness (that is, taxation as a share of GSP) also confirms that Queensland's taxes are highly competitive, being below the average of the other states and territories, and significantly lower than the major southern states.

Table 4.4 summarises the estimates of these 3 measures compared with other states and territories and demonstrates that the Queensland tax system is very competitive.

Table 4.4 Tax competitiveness, 2020–21

	NSW	VIC	Qld	WA	SA	TAS	ACT[4]	NT	Avg[5]
Taxation per capita[1] ($)	4,168	3,593	3,101	3,722	2,769	2,560	4,763	2,152	3,748
Taxation effort[2] (%)	102.2	97.9	98.4	99.8	93.8	90.7	148.9	76.1	100.0
Taxation % of GSP[3] (%)	5.3	5.0	4.4	2.8	4.2	4.0	4.7	2.1	4.5

Notes:

1. 2020–21 data (latest available actuals). Sources: *ABS Government Finance Statistics* and *ABS National, State and Territory Population*.
2. 2020–21 data (latest available). Source: Commonwealth Grants Commission 2022 Update—total tax revenue effort for assessed taxes (payroll, transfer duty, land tax, insurance duty and motor vehicle taxes). Revenue raising effort ratios are an indicator of the extent to which governments burden their revenue bases.
3. 2020–21 data (latest available). Sources: *ABS Annual State Accounts* and *ABS Government Finance Statistics*
4. Figures include municipal rates.
5. Weighted average of states and territories, excluding Queensland (aside from taxation effort, which is the average of all states).

Tax expenditures

Tax expenditures are reductions in taxation revenue that result from the use of the tax system as a policy tool to deliver government policy objectives. Tax expenditures are provided through a range of concessions, including tax exemptions, reduced tax rates, tax rebates, tax deductions and provisions which defer payment of a tax liability to a future period.

The substantial tax relief provided by the Queensland Government to Queensland businesses and property owners in response to the COVID-19 crisis resulted in significant tax expenditures in both 2019–20 and 2020–21. The Queensland Government continued to provide tax relief and concessions through a range of measures in 2021–22.

The Tax Expenditure Statement (Appendix B) provides details of tax expenditure arrangements provided by the Queensland Government.

4.4.2 Grants revenue

Grants revenue is comprised of Australian Government grants (including GST), grants from the community and industry, and other miscellaneous grants.

A 5.6 per cent increase in total grants revenue is forecast for 2022–23, primarily driven by increases in GST revenue but partially offset by decreases in Australian Government grants (Table 4.5).

Table 4.5 Grants revenue[1,2]

	2020–21 Actual $ million	2021–22 Est. Act $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Current grants						
GST revenue grants[3]	15,419	15,813	17,811	18,270	19,039	19,200
Australian Government grants	13,834	14,611	14,261	15,300	15,646	16,110
Other grants and contributions	312	292	301	333	290	293
Total current grants	**29,566**	**30,716**	**32,372**	**33,903**	**34,975**	**35,603**
Capital grants						
Australian Government capital grants	3,420	2,594	2,854	3,857	3,265	3,115
Other grants and contributions	27	66	17	20	35	0
Total capital grants	**3,447**	**2,661**	**2,870**	**3,877**	**3,300**	**3,115**
Total Australian Government payments	32,674	33,018	34,925	37,427	37,950	38,424
Total grants revenue	**33,013**	**33,376**	**35,242**	**37,780**	**38,275**	**38,718**

Notes:

1. Numbers may not add due to rounding.
2. Amounts in this table may differ to those outlined in Chapter 9 due to different classification treatments.
3. Includes entitlements to payments associated with the ‘no worse off’ guarantee as part of the Australian Government changes to the GST distribution.

GST revenue

Improvements in the national GST pool, along with an increase in Queensland’s share of the pool, have been the key drivers of stronger forecasts for Queensland’s GST revenue.

Queensland’s GST revenue in 2021–22 is expected to be 2.6 per cent higher than 2020–21, with this growth primarily driven by Queensland receiving a larger share of the GST pool, with the GST pool being slightly larger (growing by less than one per cent) compared with 2020–21.

Queensland’s GST revenue is expected to grow a further 12.6 per cent in 2022–23 compared with 2021–22. This increase in GST revenue is primarily due to:

- the Australian Government forecasting particularly strong 9.1 per cent growth in the national GST pool in 2022–23
- the Commonwealth Grants Commission recommending to the Australian Government that Queensland should receive a larger share of GST in 2022–23 compared with 2021–22.

GST revenue is forecast to continue to grow over the forward estimates, by 2.6 per cent in 2023–24, 4.2 per cent in 2024–25 and 0.85 per cent in 2025–26. This reflects the Australian Government's forecast growth in the GST pool over the forward estimates, which is partially offset by the expectation that Queensland's share of the GST pool will decline over this period due to the recent increases in Queensland's mining royalty revenue.

Revisions to the GST pool

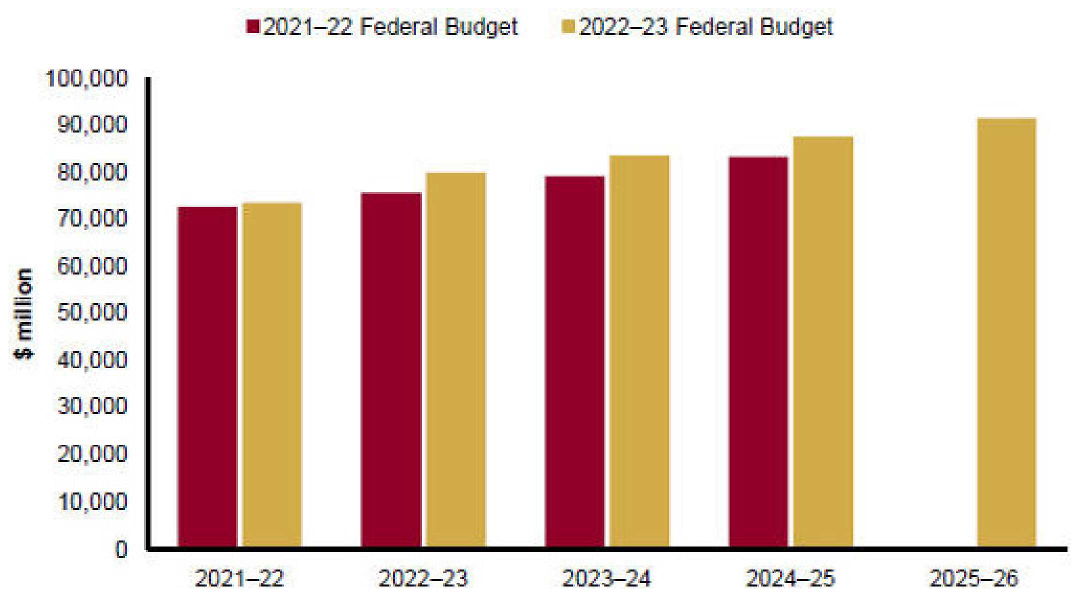
The Australian Government's national GST pool forecasts were upgraded in the 2022–23 Federal Budget, to be $13.4 billion higher across the 4 years to 2024–25 compared with 2021–22 Federal Budget estimates.

The 2022–23 Federal Budget stated that increases in GST receipts largely reflect upgrades to consumption subject to GST and flow-on impacts from strong private dwelling investment.

The 2022–23 Federal Budget also indicated that expected increases in employment and wages are expected to flow through to higher nominal consumption, while the strength of private dwelling investment, combined with near-term supply chain shortages, has driven up prices in the construction sector, thereby flowing through to overall GST collections.

Chart 4.6 compares GST revenue pool forecasts published in the 2020–21 and 2021–22 Federal Budgets.

Chart 4.6 Australian Government forecast of national GST revenue pool[1]



Note

1. The 2021–22 Federal Budget estimates are limited to the 2024–25 financial year.

GST – Queensland's assessed fiscal capacity

In early 2022, the Australian Government accepted the CGC's recommendation that Queensland requires a larger share of GST revenue in 2022–23 compared to 2021–22.

The CGC's recommendation that Queensland receive an increased share of the GST pool was driven by the following factors:

- mining revenue – a decrease in the value of coal production in 2020–21, combined with an increase in the value of iron ore production in Western Australia, reduced Queensland's relative capacity to raise mining revenue
- population growth – Queensland's population growth rate was faster in 2020–21 than in 2017–18, thereby increasing Queensland's assessed need for new infrastructure.

The increase in Queensland's share of the GST pool as a result of these factors was partially offset by the following factors:

- wages expense – wage growth in Queensland was lower than the national average between 2017–18 and 2020–21, decreasing the state's GST share
- Commonwealth payments – Queensland's share of payments, particularly for infrastructure and health expenses was higher in 2020–21 compared to 2017–18, thereby decreasing Queensland's GST share
- capital improvements and cost of construction in 2020–21 compared to 2017–18 – Queensland's total urban transport investment increased faster than growth in the GST pool and cost of construction grew less than the national average, thereby decreasing Queensland's GST share.

However, on balance, given the impacts of these range of factors, the CGC recommended that Queensland's GST share should increase in 2022–23 relative to 2021–22.

Importantly, states and territories' shares of GST revenue fluctuate over time based on the CGC's assessment of their fiscal capacity and expenditure needs. Some key drivers of changes to Queensland's and all states' shares of GST are factors that are not Queensland specific, including the impacts of changes in royalty revenue from iron ore in Western Australia and transfer duty collections in New South Wales.

Box 4.5 Impacts of Australian Government changes to state shares of GST

Queensland faces substantial risks in its longer-term outlook for GST revenue (i.e. beyond the forward estimates period outlined in this Budget) from the changes made to the system of Horizontal Fiscal Equalization (HFE) by the Australian Government in 2018.

The Australian Government legislated changes to HFE with the proposed aim of improving the resilience of the HFE system against economic shocks and to reduce volatility in GST revenues to states and territories.

As a result of the changes, states will no longer receive GST revenue to equalise them to the same standard as the fiscally strongest state. Instead, states will be equalised to a 'similar standard' – in effect being the stronger of New South Wales or Victoria.

However, under the Australian Government's changes, Western Australia (which has been the fiscally strongest state over the long term) will now retain a much greater share of GST revenue at the expense of all other states once the 'no worse off' guarantee expires in 2026–27.

At a time when all other states and territories are facing fiscal challenges and are recovering from the substantial fiscal impacts of COVID, Western Australia is estimated to have a net operating surplus in every year from 2020–21 to 2025–26 of between $1.5 billion and $5.8 billion, partially reflecting these Australian Government changes to GST.

These changes are now leading to a real and fundamental reshaping of states' fiscal capacities.

Under the Australian Government's changes, Western Australia is benefiting from its heightened iron ore mining royalties without appropriate adjustments being made to its share of GST revenue.

The Commonwealth's own estimates for payments under the 'no worse off' guarantee are estimated to total almost $15 billion over the forward estimates as a consequence of this. When the guarantee expires at the end of 2026–27, this cost will be borne by the states other than Western Australia.

The Queensland Government is continuing to engage with the Australian Government in advance of 2026–27 to provide greater certainty and fairness in relation to future GST payments. This will be critical to inform future state budgets.

A review of the changes is scheduled to be undertaken by the Australian Productivity Commission prior to the expiry of the 'no worse off' guarantee.

Queensland considers this review needs to be prioritised, with a clear emphasis on the long-term fiscal impacts of the changes, to ensure the review informs further consideration of the Australian Government's changes and to ensure Queensland continues to receive its fair share of GST revenue over the longer term.

Australian Government payments

Australian Government payments to Queensland in 2022–23 are expected to total $34.925 billion, representing an increase of $1.907 billion (5.8 per cent) compared to payments in 2021–22. This increase is attributable to a 12.6 per cent increase in GST.

Chapter 7 provides a detailed overview of Federal-State financial arrangements, including Australian Government payments to Queensland.

Other grants and contributions

Other grants and contributions are funds received from other state and local government agencies, other bodies and individuals.

The main sources of contributions are those received from private enterprise and community groups to fund research projects and community services and contributed assets and goods and services received for a nominal amount. Contributions exclude Australian Government grants and user charges.

Other grants and contributions comprise only a small share of total grant revenue (0.9 per cent in 2022–23).

4.4.3 Royalty revenue

The state earns royalties from the extraction of coal, base and precious metals, bauxite, petroleum and gas, mineral sands and other minerals. Royalties ensure a share of the proceeds of the extraction of non-renewable resources are returned to the community. Land rents are also earned from pastoral holdings, and mining and petroleum leases.

There is a high degree of uncertainty associated with estimates of commodity prices, which can have significant impacts on royalty revenue. Risks to commodity export volumes, in particular coal, also have the potential to impact Queensland's royalty estimates, although changes to export volumes may in turn impact prices.

The Revenue and Expense Assumptions and Sensitivity Analysis (Appendix C) outlines key parameter assumptions, and the sensitivity of coal royalty estimates to individual changes in price, volume and exchange rate parameters.

Coal and oil prices have risen substantially since the 2021–22 Queensland Budget, providing a short-term boost to revenues. However, the recent spike in prices is primarily driven by a range of short-term supply side factors and disruptions. As such, prices are expected to return to more sustainable levels in 2023, but the timing and extent of the decline remains uncertain. Forecast royalties and land rents are detailed in Table 4.6.

Table 4.6 Royalties and land rents[1]

	2020–21 Actual $ million	2021–22 Est. Act $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Coal	1,740	7,290	5,480	3,297	3,539	3,699
Petroleum[2]	298	1,185	1,626	1,116	1,025	996
Other royalties[3]	499	483	538	505	488	494
Land rents	126	176	190	193	198	203
Total royalties and land rents	**2,662**	**9,135**	**7,832**	**5,112**	**5,251**	**5,392**

Notes:

1. Numbers may not add due to rounding.
2. Includes liquefied natural gas (LNG).
3. Includes base and precious metal and other mineral royalties.

Box 4.6 Progressive coal royalty rates

Coal royalties are designed to ensure all Queenslanders receive a fair and appropriate return on the state's valuable and limited natural resources.

The royalty rate for coal is determined based on the average price per tonne of coal sold, disposed of or used in a royalty return period.

Since 1 October 2012, the highest marginal royalty rate applicable to Queensland coal royalties has been a rate of 15 per cent, payable on that part of the average price per tonne exceeding A$150.

Given the exceptional surge in coal prices experienced across 2021 and early 2022, with spot metallurgical coal prices reaching as high as around A$900 per tonne, the current royalty structure does not provide a fair return to Queenslanders during periods of such high prices.

To ensure Queenslanders receive a fair return on the use of the state's valuable and limited natural resources in periods of high prices, the government is introducing 3 new tiers to the coal royalty structure, with effect for coal sold, disposed of or used on or after 1 July 2022:

1. an additional tier with a rate of 20 per cent on that part of the average price per tonne that is more than A$175 but not more than A$225
2. a further tier with a rate of 30 per cent on that part of the average price per tonne that that is more than A$225 but not more than A$300
3. a further tier with a rate of 40 per cent on that part of the average price per tonne that is more than A$300.

This is estimated to generate additional royalty revenue of around $1.2 billion over the 4 years ending 2025–26. However, a substantial proportion (around $765 million) will be in 2022–23, as coal prices are expected to return to longer run prices over the next year.

The addition of the new tiers is not expected to have any material impacts on the coal industry or viability of producers, given the increases are applied only at relatively high prices.

Based on unit export values over the past 10 years, average hard coking coal prices have only been higher than A $175 per tonne around half the time, while average thermal coal prices have only been above A $175 per tonne around 2.5 per cent of the time over this period (based on monthly averages, only observed in 3 months over the 10 year period ending February 2022) (Chart 4.7).

The increased return to Queenslanders received during future periods of high prices will help enable the provision of essential infrastructure and services to meet the needs of Queenslanders across all regions of the state.

Historical changes in coal royalty rates and tiers

It is also important to recognise that coal companies have experienced a long period of stability in terms of the royalty regime, without any changes to royalty rates or price tiers in Queensland over almost a decade since October 2012, despite prices rising substantially over that time.

This follows a range of changes to the royalty regime prior to that period, with at least 6 major changes made to coal royalty rates over the previous 20 years.

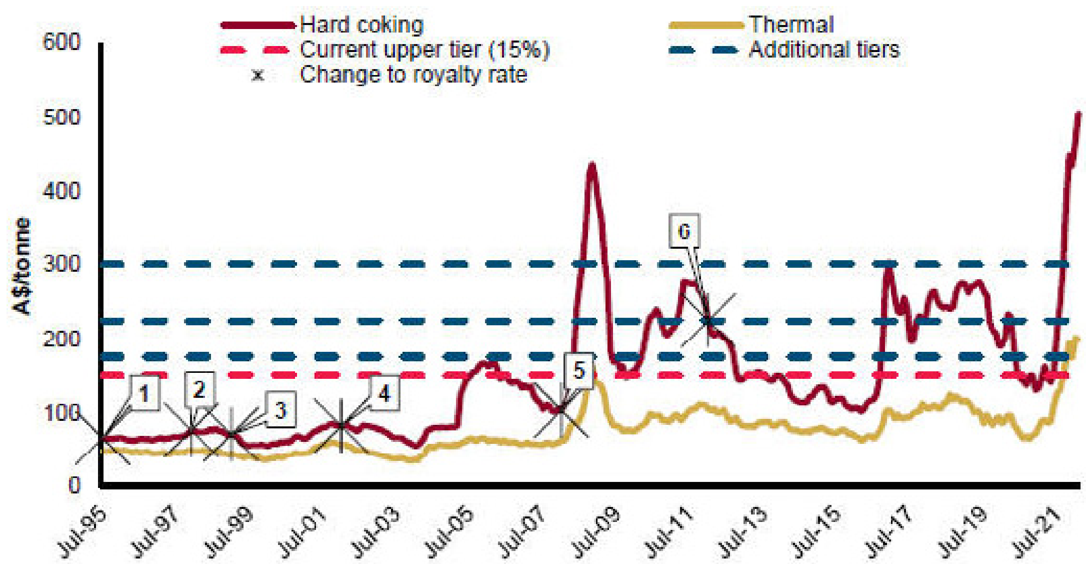
This included the introduction in 2008 of a second tier with a new top rate of 10 percent over A$100 per tonne, and in 2012 the introduction of a 3 tier system of 7 per cent up to A$100 per tonne, 12.5 per cent above A$100 up to A$150 per tonne, and 15 percent above A$150 per tonne.

However, prices have increased substantially over the last few decades, from well under A$100 per tonne in the 1990s, with an underlying persistent upward trend in prices over time, including previous periods of exceptionally high prices.

As such, the changes being made are timely and appropriate to ensure the state's coal royalty regime continues to provide a fair return to Queenslanders during future periods of high prices.

Chart 4.7 outlines the extent to which major changes have been made to the coal royalty rates since the 1990s.

Chart 4.7 Historical average coal prices



Notes:

1. 1994: standard rate of 7 per cent of value for exports.
2. 1997–98: base special royalty (BSR) was introduced for certain mines. Where BSR applied, the coal royalty rate was 5 per cent, with 7 per cent applying to any excess tonnage.
3. 1999: standard 7 per cent royalty applied from 1 July 2000 (no reduction where BSR paid). BSR was reduced to $3.00 per tonne (ending June 2000).
4. 2002: deductions for rail freight and road haulage ceased to apply.
5. 2008: additional tier added, with rate of 7 per cent applied up to A$100 per tonne, and a 10 per cent rate applied over A$100 per tonne.
6. 2012: further changes to tier structure: 7 per cent applied to a value of up to A$100 per tonne, 12.5 per cent to values from over A$100 to A$150 per tonne, and 15 per cent to values above A$150 per tonne.

Source: ABS International Trade in Goods and Services (unpublished)

Coal royalties

A large proportion of Queensland's royalties and land rents comes from coal mining and the majority of this revenue is attributable to the hard-coking coal used in global steel production.

The lower level of royalties collected from thermal coal mining compared with hard-coking coal reflects the smaller volume of thermal coal mined in Queensland, the lower values per tonne of thermal coal and the 3-tiered coal royalty rate system, where lower value coal is subject to a lower average royalty rate. In 2021, coking coal represented almost 75 per cent of coal exported from Queensland.

Coal royalties are expected to total $7.290 billion in 2021–22. The increase has been driven by significant increases in global coal prices, which have been reflected in price rises for Queensland coal exports. On a year-average basis, the premium hard coking coal price is estimated to be US$364 per tonne in 2021–22, an increase of more than 200 per cent on 2020–21.

A key driver of the recent surge in coal prices has been China's strong demand for coal from other exporters (due to its reduced importation of Australian coal), which appears to have temporarily distorted global market dynamics, leading to a shortage in supply.

Coal prices have also been impacted as a result of European buyers reducing their purchases of Russian coal following the commencement of the Russia-Ukraine conflict.

COVID-19 and weather-related supply shortages are also impacting prices. Significant weather events globally included:

- weeks of heavy rain in September and October 2021 affecting coal mines in Mongolia and China
- heavy rains and mudslides crippled various coal infrastructure in Canada
- heavy rains in Indonesia in late 2021 which delayed shipments.

In addition, a number of weather events impacted on Australian supply. For example, heavy rainfall linked to La Niña weather conditions disrupted Australian supply, especially in New South Wales, leading to a declaration of force majeure in March 2022 at the Port Kembla Coal Terminal (72km south of Sydney).

In addition, there have been some coal mine closures, for example:

- Moranbah North (supplying metallurgical coal) was temporarily closed after an incident in late March 2022 (operations restarted on 31 May 2022)
- Gregory coal mine (supplying metallurgical coal) reopening was delayed after an incident in September 2021 (operations expected to resume in September quarter 2022)
- Curragh coal mine (supplying metallurgical and thermal coal) was temporarily closed in November 2021 (mine reopened after 3 weeks).

The above events caused considerable disruption, which along with labour constraints resulted in tighter supply putting additional upward pressure on prices.

This has been further exacerbated by restocking demand due to power plants/steel mills drawing down their stockpiles of coal.

However, the primary factors and disruptions that have driven the recent spike in global coal prices are expected to be temporary in nature. COVID-19 and weather-related issues are expected to subside, resulting in an easing of the supply constraints and thus lessening the upward pressure on coal prices.

Further, China has begun to reduce its coal import volumes and rely more on its own domestic supply, driven by the recent slowdown in the Chinese economy. This is expected to moderate the global market distortions currently impacting prices.

In addition, prices of steel products globally have grown more slowly than prices for coal. For example, across the year ending 31 May 2022, average steel rebar prices were around 19 per cent higher than the previous year while the average price of steel products was around 21 per cent higher. In comparison, over the year ending 31 May 2022, average premium hard coking spot prices were around 221 per cent higher than the previous year.

The slower growth in steel prices will potentially lead to reduced profit margins for steel producers, given metallurgical coal is a key input into steel making. This implies that the current high hard coking coal prices are not sustainable in the longer term and downward pressure on coal prices is expected in the near term.

Current forecasts assume no Queensland coal is being exported to China over the forward estimates, however any changes to the current trade relationship with China could lead to the price of coal unwinding sharply. Developments in the Russia/Ukraine conflict could also lead to a significant downward risk to coal prices in the future.

The above commentary is supported by analysis from the Office of the Chief Economist for the Australian Government's Department of Industry, Science, Energy and Resources[1] which made several points in regard to metallurgical coal prices.

- *A series of weather disruptions affecting coal mines in Mongolia and China resulted in upward price movements in late 2021, with the largest effect following weeks of heavy rains in September and October.*
- *Non-weather supply disruptions have also picked up early in 2022, with infrastructure bottlenecks constraining output in Russia, and COVID impacts starting to affect output from Australia. On top of this, the Russian invasion of Ukraine sent prices to new records in March.*
- *It is expected that disruptions will ease on some fronts over the remainder of 2022, allowing prices to start correcting. Over the outlook period, hard coking coal prices are expected to ease back from a war-affected peak of around US$460 a tonne in the March quarter 2022, to reach US$172 a tonne by the March quarter 2023. Prices are then expected to stabilise at around US$150 a tonne towards the end of the outlook period.*

While the issues discussed above indicate that coal prices are expected to decline significantly in time, the precise timing and magnitude of such a decline is not known. Treasury has taken an appropriately conservative approach to its coal forecasts and assumed prices will normalise in 2023.

1 Australian Government (Department of Industry, Science, Energy and Resources, *Office of the Chief Economist - Resources and Energy Quarterly March 2022*, 2022 www.industry.gov.au/req accessed 6 June 2022

Given the expectation of substantially lower coal prices over subsequent years compared with the prices seen in late 2021 and the first half of 2022, coal royalty revenue is forecast to decline by almost 25 per cent in 2022–23 and by a further 40 per cent in 2023–24.

This largely reflects an expected 43.4 per cent fall in 2022–23 in hard coking coal prices (to US$206 per tonne) and a further fall in prices in 2023–24 (returning to US$160 per tonne).

Coal royalty revenue is forecast to grow by 7.3 per cent in 2024–25 and by a further 4.5 per cent in 2025–26 with crown export coal tonnages[1] forecast to gradually increase over this period. This largely reflects the continued recovery in global economic activity from the COVID-19 pandemic.

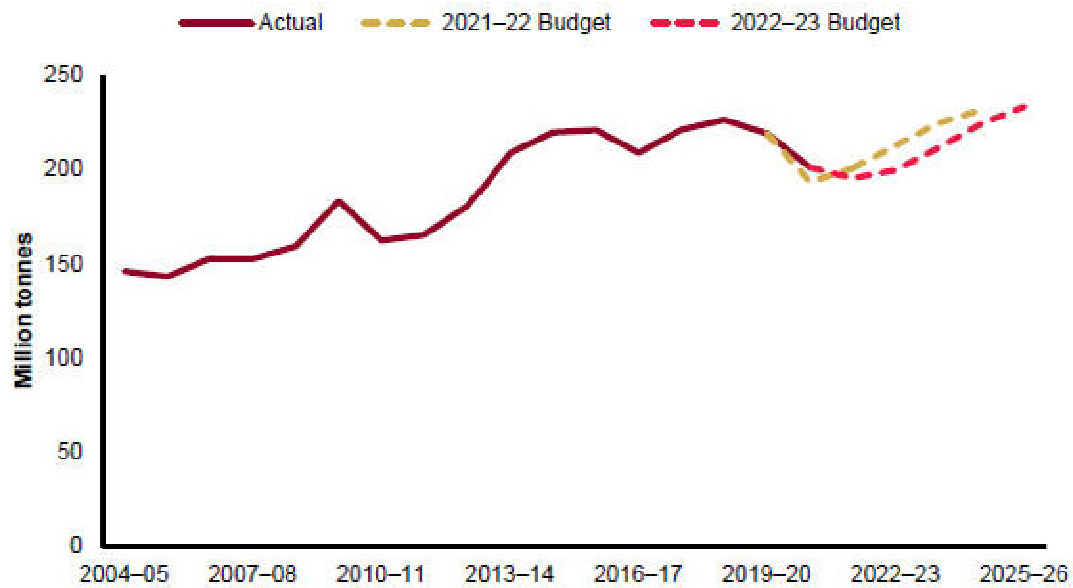
Chart 4.8 shows coal export tonnage forecasts compared to the 2021–22 Queensland Budget outlook. This highlights that coal export tonnages have been revised downwards by around 4 per cent over the 4 years ending 2024–25, driven by the supply side issues discussed earlier and softer global demand.

Queensland's coal export volumes have held up well despite restrictions on Chinese coal imports from October 2020. By November 2021, almost 90 per cent of the reduction in Queensland export tonnages to China had been offset by increased exports to India (up 17.2 million tonnes (Mt) to 58.1 Mt), Japan (up 11.5 Mt to 47.8 Mt) and South Korea (up 8.9 Mt to 32.7 Mt).

However, sustained exceptionally high prices for both metallurgical and thermal coal in late 2021 and so far in 2022 have tempered global demand for coal, resulting in a decline in export tonnages since late 2021. Coal export volumes peaked at 225 Mt in 2018–19. This is not expected to be reached again until 2025–26.

1 Excludes coal where royalties are not paid to the Queensland Government, that is, private royalties.

Chart 4.8 Export coal tonnages[1]



Note:

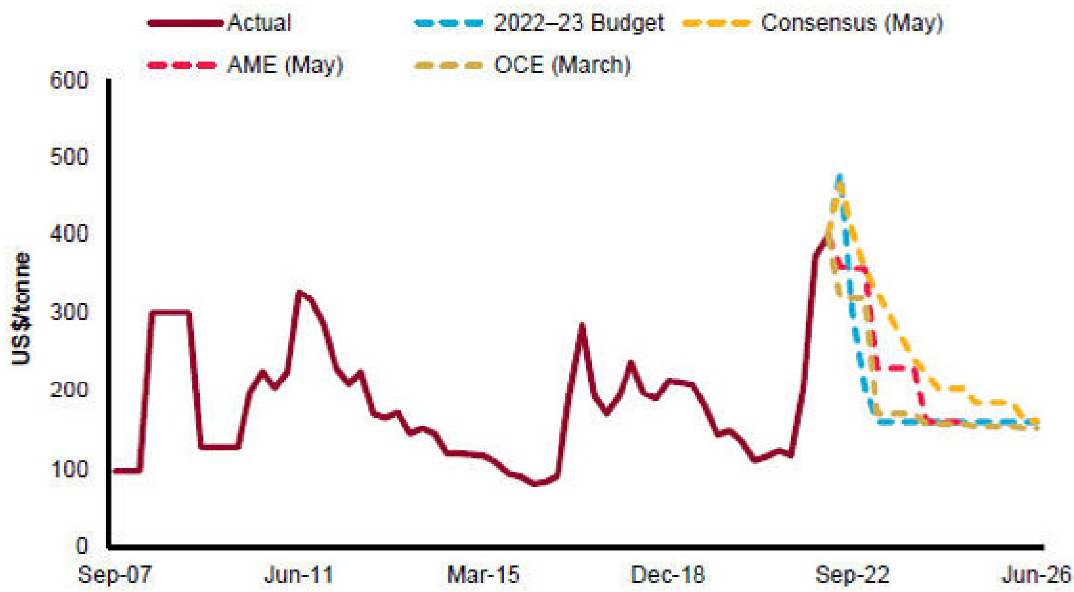
1. Includes coal exports where royalties are not paid to the government, i.e. private royalties. This will not align with tonnages presented in Appendix C which exclude private royalties.

Source: Unpublished ABS trade data and Queensland Treasury

Chart 4.9 shows hard coking coal price forecasts compared to the average quarterly price forecasts from the latest Consensus Economics forecasts, as well as forecasts from AME and the Department of Industry, Science, Energy and Resources' (Australian Government) Office of the Chief Economist (OCE).

This comparison shows that the expected sharp decline in coal prices from current levels is broadly consistent with the expectations of other key forecasters that global coal prices will be substantially lower over coming quarters and years.

Chart 4.9 Coking coal price forecasts



Sources: Consensus Economics, AME, OCE and Queensland Treasury.

An ongoing risk to coal export volumes over the medium to longer term is that Japan and South Korea have committed to achieving net zero CO2 emissions by 2050, while China has committed to achieve this by 2060. This may lead to an earlier reduction in thermal coal consumption in these countries than previously expected. In addition, South East Asia is generally moving away from coal fired power due to limited finances to fund coal fired power projects.

However, as outlined above, the majority of Queensland's coal exports are metallurgical coal, with thermal coal only representing around 26 per cent of total coal exports in terms of volumes and 17 per cent in terms of values (based on 2021 export data).

Petroleum royalties

Compared to coal, petroleum royalties make up a smaller share of total royalties, though petroleum royalties have grown strongly as the export industry has matured.

Oil prices factor strongly into petroleum royalty forecasts. Most of the LNG produced in Queensland is sold under long-term contracts linked to oil prices, while the production level of the 3 major LNG plants is expected to be relatively stable across the forward estimates.

In 2021–22, revenue from petroleum and gas royalties are estimated to total $1.185 billion, 87.7 per cent higher than forecast at the 2021–22 Queensland Budget.

This is driven by the recent surge in oil prices, which rose from a low of US$6 per barrel on 21 April 2020 to over US$100 per barrel in 2022. Across 2021–22, the average (lagged) [1] price of oil is expected to increase to US$77 per barrel.

This also reflects 2021–22 being the first full year under the new volume-based royalty model, which replaced the previous wellhead model in October 2020.

The faster than expected recovery in the global economy has seen oil consumption grow at a faster rate than oil production, drawing down inventories and boosting oil prices to elevated levels, even prior to the Russian invasion of Ukraine. However, the commencement of the Russia-Ukraine conflict exacerbated the upward pressure on global oil prices, which increased from US$103 per barrel on 23 February 2022 (the day before the invasions) to a peak of nearly US$140 per barrel in early March 2022.

Reflecting the persistent elevated prices, the average (lagged) price of oil across 2022–23 is expected to increase to US$96 per barrel. As a result, petroleum royalties are forecast to grow by a further 37.1 per cent in 2022–23.

Oil production is expected to overtake oil consumption in 2022, which should put downward pressure on prices. Therefore, oil prices are expected to moderate from current levels over the forecast period reaching US$75 per barrel from September quarter 2024 onwards.

Reflecting the expected return to more sustainable oil prices, petroleum royalty revenue is expected to decline by 31.3 per cent in 2023–24, followed by falls of 8.2 per cent in 2024–25, and 2.8 per cent in 2025–26.

Other royalties

Other royalties include revenue from metals mined in Queensland such as copper, lead and zinc, and other minerals including bauxite.

Revenue from other royalties is estimated to total $483 million in 2021–22, 3.1 per cent lower than in 2020–21. This is largely driven by higher shipping costs, partially driven by COVID-19 related disruptions, which can be deducted from the mining revenue that is subject to royalty.

Revenue from Other royalties are expected to grow by 11.2 per cent in 2022–23 driven by a rise in bauxite royalties as bauxite volumes and values increase.

Other royalties are expected to decline by 6.0 per cent in 2023–24 and then by a further 3.4 per cent in 2024–25 because of declining prices across major base and precious metals.

1 Published Brent oil prices are lagged by 4 months to better align with royalty revenue.

Land rents

Revenue from land rents derived from mining and petroleum leases and pastoral holdings is estimated to total $176 million in 2021–22, an increase of 39.4 per cent compared with 2020–21. This primarily reflects a rebound from low land rents collected in 2020–21 driven by the write down in revenue from rents during the COVID-19 crisis due to the government's relief measures.

Revenue from land rents is forecast to grow by a further 7.9 per cent in 2022–23 reflecting higher rental valuations.

Revenue from land rents is then expected to grow modestly.

4.4.4 Sale of goods and services

Sales of goods and services revenue comprises the cost recovery from the Queensland Government providing goods or services. Table 4.7 provides a breakdown of the categories of goods and services captured in terms of these revenues.

Table 4.7 Sales of goods and services[1]

	2020–21 Actual $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Fee for service activities	2,552	2,769	2,750	2,798	2,641	2,671
Public transport: South East Queensland	209	215	275	363	414	415
Rent revenue	530	534	572	598	610	624
Sale of land inventory	48	102	119	110	48	26
Hospital fees	819	877	886	892	899	906
Transport and traffic fees	492	504	523	538	554	572
Other sales of goods and services	1,413	1,031	1,055	1,223	1,086	1,101
Total	**6,063**	**6,032**	**6,181**	**6,521**	**6,253**	**6,316**

Note:

1. Numbers may not add due to rounding.

The government provides substantial concessions in the form of discounts, rebates and subsidies to improve access to and the affordability of a range of services for individuals or families, based on eligibility criteria relating to factors such as age, income and special needs or disadvantage.

Appendix A provides details of the concession arrangements provided by the Queensland Government.

Fee for service activities

Examples of major items of fee for service activities across the General Government Sector include:

- recoverable works carried out by the Department of Transport and Main Roads and the commercialised arm of the department
- fees charged by TAFE colleges
- fees charged by CITEC to commercial clients for information brokerage services.

Other sales of goods and services

Revenue is also raised from a variety of other types of sales of goods and services. These include revenue from public transport ticketing arrangements, rent or lease of government property, hospital fees, transport and traffic fees, title registration fees and other licences and permits.

4.4.5 Interest income

Interest income primarily comprises interest earned on investments, including those held to support debt, superannuation and insurance liabilities.

Interest income is estimated to total $2.561 billion in 2021–22, 0.9 per cent higher than expected at the 2021–22 Budget, and 31.5 per cent higher than received in 2020–21. The increase in interest income in 2021–22 largely reflects the first full year earnings from the Queensland Future Fund (QFF)—Debt Retirement Fund (DRF).

Interest income is forecast to grow on average by around 4.3 per cent across the 4 years ending 2025–26.

4.4.6 Dividend and income tax equivalent income

Revenue from dividend and income tax equivalent income is estimated to total $672 million in 2021–22, $639 million (48.7 per cent) lower than in 2020–21, and $470 million (41.2 per cent) lower than expected at the time of the 2021–22 Queensland Budget. These movements are primarily due to the government decision to allow the government-owned corporations (GOCs) to retain their dividends of around $580 million for 2021–22.

Dividend and income tax equivalent income is forecast to rebound in 2022–23, followed by more moderate growth of 4.8 per cent in 2023–24. This is driven by a return to normal GOC dividend policy from 2022–23.

Dividend and income tax equivalent income is forecast to fall by 21.6 per cent in 2024–25 and 3.0 per cent in 2025–26. The declines primarily reflect lower forecast profits in the electricity generation sector, with the entry of renewables boosting supply into the grid placing downward pressure on wholesale electricity prices.

Trends in dividends and income tax equivalent income are discussed in more detail in Chapter 8.

4.4.7 Other revenue

Other revenue, including royalty revenue, accounts for 12.6 per cent of total General Government Sector revenue in 2022–23 (see Table 4.8). Royalties and land rents account for 10.6 per cent of total revenue in 2022–23 and are discussed in detail in Section 4.4.3.

The major fines included in this category include speeding, red light, mobile phone and seatbelt camera detected offences and tolling offences.

This revenue is forecast to grow by 43.6 per cent in 2022–23, partly driven by the increase in penalties for high-risk driving offences, including mobile phone and seatbelt offences, and the planned rollout of additional detection cameras.

After providing for the cost of administration, funds raised from these initiatives are allocated to allowable road safety initiatives in accordance with the legislation. Such initiatives include road funding to improve the safety of the sections of state-controlled roads where accidents happen most frequently, road safety education and awareness programs and road accident injury rehabilitation programs.

Revenue not elsewhere classified includes assets contributed to the state and payments received for works delivered on behalf of GOCs.

Table 4.8 Other revenue[1]

	2020–21 Actual $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Royalties and land rents	2,662	9,135	7,832	5,112	5,251	5,392
Fines and forfeitures	450	530	762	775	786	788
Revenue not elsewhere classified	1,036	929	681	664	1,162	668
Total other revenue	**4,148**	**10,594**	**9,275**	**6,552**	**7,199**	**6,848**

Note:

1. Numbers may not add due to rounding.

5 Expenses

Features

- Expenses for 2022–23 are estimated to be $74.915 billion, an increase of $4.095 billion on 2021–22. The increase is due to the Queensland Government's significant boost to the health system (including mental health services), school based education initiatives, support for child protection services and the response to the Queensland Women's Safety and Justice Taskforce *Hear her voice – Report one – Addressing coercive control and domestic family violence in Queensland*, a significant disaster recovery, resilience and reconstruction program and a $175 Cost of Living Rebate on Queensland households' power bills at a cost of $385 million.
- Beyond 2022–23, growth in General Government Sector expenses is expected to moderate.
- Total expenses are projected to grow at an average annual rate of 4.1 per cent over the 5 years to 2025–26, below average annual revenue growth of 4.5 per cent over the same period.
- In 2022–23, the major areas of expenditure are in the key frontline services of health and education, which together constitute approximately 54.3 per cent of General Government Sector expenses.

This chapter provides an overview of General Government Sector expenses for the forecast 2022–23 budget year and projections for 2023–24 to 2025–26. The forward estimates are based on the economic projections outlined in Chapter 2.

5.1 2021–22 estimated actual

General Government Sector expenses in 2021–22 are estimated at $70.820 billion. The increase compared to 2020–21 is due in large part to the ongoing COVID-19 health response and business support grants and payments to non-government schools and local councils. Following the rollout of the vaccines and lifting of border restrictions, Queensland is transitioning to the post COVID-19 phase in 2022–23.

In 2021–22, General Government Sector expenses are estimated to be $1.093 billion higher than the 2021–22 Budget Update.

The increase in expenses since the 2021–22 Budget Update is largely driven by:

- advance payments being made to councils in relation to revenue collected from the waste disposal levy
- the Australian Government's advance payment of financial assistance grants to local governments in 2021–22 for the 2022–23 financial year

- the response to pressures arising from the increase in demand for out-of-home care services in the child protection system
- a range of school education related initiatives and increased funding under the National School Reform Agreement and associated Bilateral Agreement
- disaster relief payments including personal hardship, primary producer and small business payments following the significant 2021–22 disaster season under the Disaster Recovery Funding Arrangements (DRFA) in partnership with the Australian Government.

5.2 2022–23 Budget and outyears

Table 5.1 General Government Sector expenses[1]

	2020–21 Outcome $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Employee expenses	26,501	27,931	30,076	31,253	32,665	33,657
Superannuation interest costs	246	378	655	633	655	653
Other superannuation expenses	3,073	3,421	3,493	3,676	3,811	3,983
Other operating expenses	16,335	19,002	19,805	19,493	18,868	18,935
Depreciation and amortisation	4,187	4,474	4,652	4,806	4,985	5,190
Other interest expenses	1,619	1,563	1,826	2,242	2,576	2,887
Grants expenses	11,709	14,051	14,407	14,013	13,030	12,530
Total Expenses	**63,669**	**70,820**	**74,915**	**76,116**	**76,591**	**77,836**

Note:

1. Numbers may not add due to rounding.

General Government Sector expenses of $74.915 billion in 2022–23 represent an increase of $4.095 billion (or 5.8 per cent) over 2021–22. Key initiatives contributing to the growth in expenditure in 2022–23 include:

- additional funding for Queensland’s health system to meet the ongoing growth in demand for public hospital and health services, including mental health services
- funding for a range of school education related initiatives, funding to support kindergartens, and additional funding under the National School Reform Agreement and associated Bilateral Agreement
- a significant disaster relief program of works under the DRFA following the South East Queensland Rainfall and Flooding 22 February – 5 April 2022 event, in partnership with the Australian Government
- $385 million to provide a $175 Cost of Living Rebate on Queensland households’ power bills

- responding to ongoing pressures arising from an increase in demand in the child protection system
- delivering the Queensland Government's response to the Queensland Women's Safety and Justice Taskforce *Hear her voice – Report one – Addressing coercive control and domestic family violence*.

Growth in General Government Sector expenses is expected to moderate over the remaining forward estimates as the government remains committed to its Fiscal Principle 2 and return to operating surplus by 2024–25.

5.3 Expenses by operating statement category

As outlined in Chart 5.1, employee and superannuation expenses account for 45.7 per cent of total General Government Sector expenses. Other operating expenses (26.5 per cent) follows, reflecting non-labour costs of providing goods and services to government and non-government recipients including transport service contract payments and repairs and maintenance.

Chart 5.1 Expenses by operating statement category, 2022–23

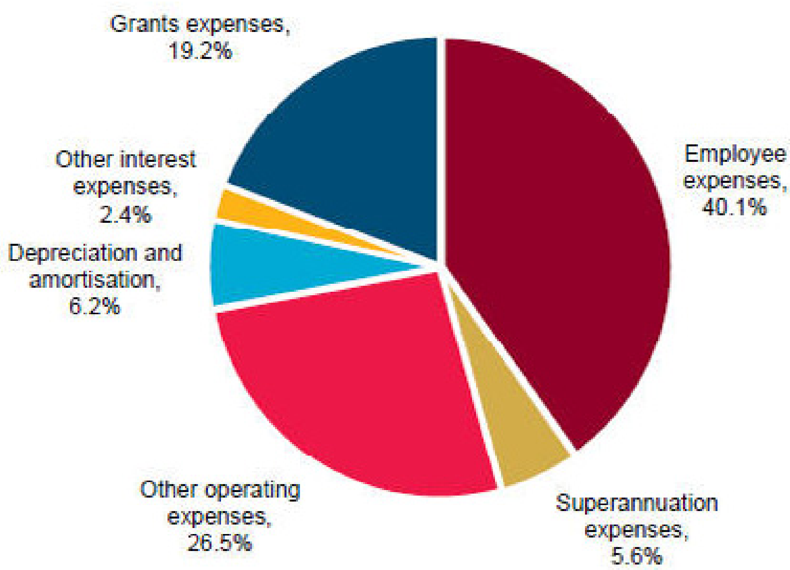
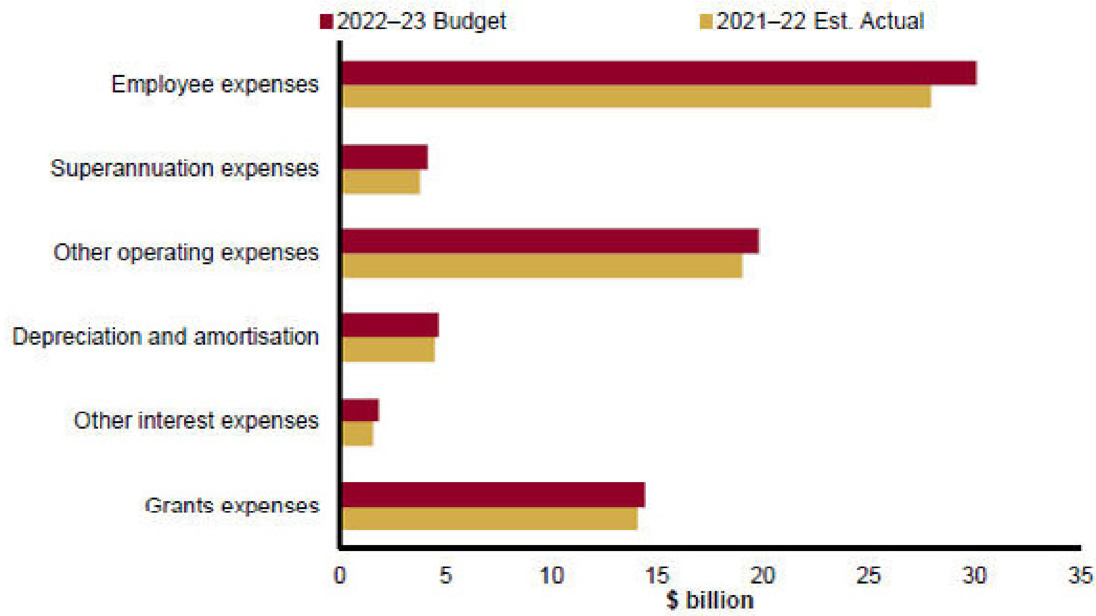


Chart 5.2 compares 2022–23 budget and 2021–22 estimated actual expenses by operating statement category.

Chart 5.2 Expenses by operating statement category – 2022–23 budget estimate and 2021–22 estimated actual



5.3.1 Employee expenses

Employee expenses include salaries and wages, annual leave and long service leave.

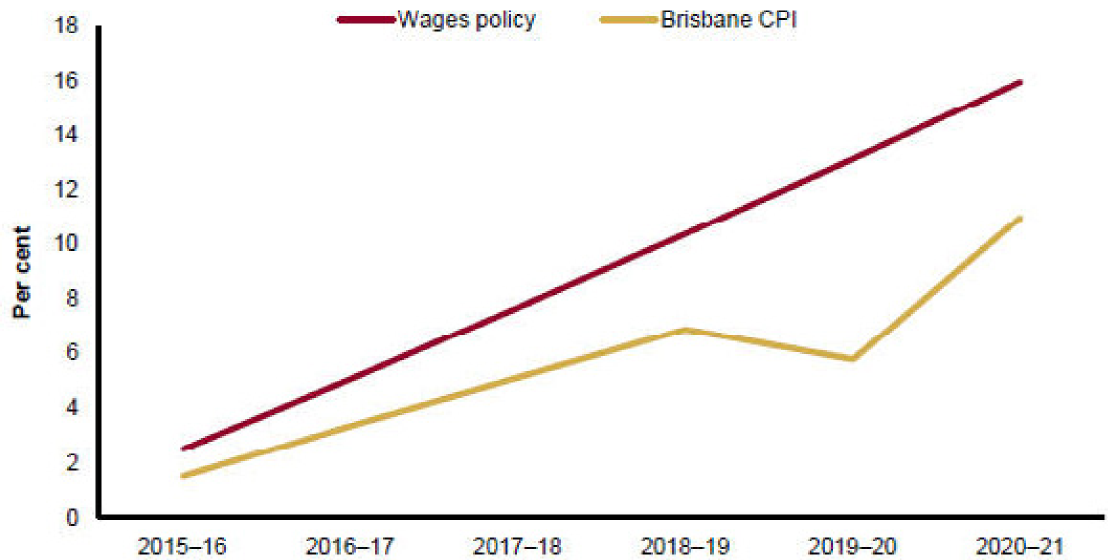
In 2022–23, employee expenses are expected to be $30.076 billion, $2.145 billion or 7.7 per cent higher than the 2021–22 estimated actual.

Employee expenses growth over the forward estimates is broadly in line with population growth, government election commitments towards supporting frontline services, and wages policy. Wage increases are assumed to be consistent with existing agreements and an allowance for future bargaining agreements.

With several key public sector bargaining agreements nominally expiring during 2022, the Government is committed to participating in good faith bargaining to establish wage increases for the next period, taking into account the prevailing economic environment. Previous and current public sector enterprise bargaining agreements were established based on a public sector wages policy, including 2.5 per cent per annum wage increases. Chart 5.3 compares the cumulative growth in wages policy since 2015–16 with the Brisbane Consumer Price Index. Public sector wage growth exceeded cost of living increases over that period. Over the six years to 2020–21, wages under the wages policy increased by 16 per cent, whereas inflation rose by 11 per cent.

While wage increases were deferred in 2020 due to the financial pressures of the COVID-19 pandemic, all affected public sector agreements incorporated an additional 2.5 per cent wage increase at a later date to ensure there was no ongoing impact for public sector employees.

Chart 5.3 Comparison of cumulative growth – wages policy and Brisbane CPI



Sources: ABS Consumer Price Index and Queensland Treasury

Full-time equivalents

The government is delivering on its commitment to revitalise frontline service delivery. This has contributed to full time equivalents (FTE) increasing 40,692.28 FTE (or 20.44 per cent) from 2014–15 to 2021–22.

Between March 2015 and March 2022:

- teachers increased by 5,788 (or 13.75 per cent)
- teacher aides increased by 1,377 (or 14.78 per cent)
- nurses increased by 10,638 (or 38.10 per cent)
- health practitioners increased by 5,077 (or 51.38 per cent)
- doctors increased by 3,106 (or 39.16 per cent)
- ambulance officers increased by 1,103 (or 29.71 per cent)
- police officers increased by 733 (or 6.52 per cent)
- firefighters increased by 204 (or 8.49 per cent).

As at March 2022, 91.59 per cent of public servants are engaged in frontline and frontline support roles, with 20,339 FTE in corporate service roles.

The government is also committed to ensuring that public service staff are located where there is demand. Around 47 per cent of FTE are located outside Greater Brisbane, of which around 96 per cent are engaged in frontline and frontline support roles. Regional Action Plans show increases in key service delivery occupations across the regions.

FTE are estimated to increase by around 8,175 in 2022–23, driven principally by increases in health, education and other frontline services, including police and child safety.

In keeping with Savings and Debt Plan goals, total sector FTE levels continue to be actively managed through approved agency FTE caps. Unutilised FTE positions have been reallocated to resource new priority functions through the whole-of-government pool of unallocated FTE (FTE Pool), where they cannot be managed within an agency's existing FTE levels. The FTE Pool has been fully utilised to support the setting of FTE levels for 2022–23.

Temporary restrictions on non-frontline recruitment activity have ceased, giving agencies flexibility to manage within approved FTE caps. Central oversight of external recruitment to senior executive service positions will continue to ensure close management of the senior executive cohort.

The Public Service Commission publishes a bi-annual Queensland Public Sector Workforce Profile, which includes specific reporting of agencies listed in Table 5.2. The March 2022 workforce profile reports a total of 239,737.20 FTE for these agencies, an increase of 3,253.90 FTE since September 2021. The increase reflects growth of 2,776.94 FTE frontline and frontline support roles and 476.96 FTE non-frontline roles. It is noted that the reporting basis of the workforce profile reflects active FTE engaged at March 2022 while FTE levels reported in Table 5.2 reflect approved funded FTE positions for the financial year.

Table 5.2 Funded Controlled FTE positions by Department[1]

	2021–22 Adjusted Budget[3]	2021–22 Est. Act.	2022–23 Budget[4]
Agriculture and Fisheries	2,108	2,108	2,108
Children, Youth Justice and Multicultural Affairs	5,286	5,280	5,384
Communities, Housing and Digital Economy	3,590	3,573	3,518
Education	75,706	75,676	76,774
Electoral Commission of Queensland	76	76	81
Employment, Small Business and Training	4,576	4,566	4,778
Energy and Public Works	2,319	2,303	2,303
Environment and Science	2,841	2,839	2,863
Justice and the Attorney-General	3,628	3,634	3,792
Office of the Inspector-General Emergency Management	22	22	22
Premier and Cabinet	455	450	474
Public Service Commission	64	64	64
Queensland Audit Office	191	191	191
Queensland Corrective Services	6,599	6,597	6,606
Queensland Fire and Emergency Services	3,809	3,808	3,901
Queensland Health	99,266	99,480	105,686
Queensland Police Service	16,920	16,923	17,548
Queensland Treasury	1,291	1,278	1,258
Regional Development, Manufacturing and Water	586	589	602
Resources	1,550	1,531	1,425
Seniors, Disability Services, and Aboriginal and Torres Strait Islander Partnerships	1,961	1,959	1,903
State Development, Infrastructure, Local Government and Planning	993	986	974
The Public Trustee of Queensland	637	637	606
Tourism, Innovation and Sport	467	463	472
Transport and Main Roads	7,489	7,488	7,498
Other[2]	40	135	—
Total	**242,470**	**242,656**	**250,831**

Notes:

1. Departmental FTE can also be found in the Service Delivery Statements (SDS).
2. Other relates to whole-of-government unallocated FTE pool established in the 2021–22 Budget. The FTE pool has been fully utilised to support resourcing of approved functions in the 2022–23 Budget.
3. Adjusted Budget reflects movements of FTE following Machinery of Government changes only.
4. In addition to the FTE positions outlined above, a Norfolk Island Taskforce has been established to support Queensland's delivery of services on Norfolk Island and the implementation of the *Intergovernmental Partnership Agreement on State Service Delivery to Norfolk Island*. This includes up to 28 FTE across Queensland Health, the Department of Education and the Department of the Premier and Cabinet. These FTE are fully funded by the Australian Government.

5.3.2 Superannuation expenses

The superannuation interest cost represents the imputed interest on the government's accruing defined benefit superannuation liabilities.

In determining the state's defined benefit superannuation liabilities, Australian Accounting Standards Board (AASB) 119 *Employee Benefits* requires the discounting of future benefit obligations using yield rates on government bonds net of investment tax. Interest costs are calculated on a net liability approach by applying the discount rate to both the gross liability and superannuation plan assets.

Superannuation interest costs are dependent on the applicable discount rates at the beginning of the year. Rate increases in 2021–22 are resulting in higher superannuation interest cost in 2022–23.

Bond yields are forecast to rise over the forward estimates increasing superannuation interest costs by $277 million in 2022–23. The impact on superannuation interest costs from rising government bond yields in the latter part of the forward estimates is largely offset by the declining defined benefit superannuation liability. The obligations of the defined benefit scheme, which is closed to new members, will decline over time as members leave.

Other superannuation expenses represent employer superannuation contributions to accumulated superannuation and the current service cost of the state's defined benefit obligation (or the increase in the present value of the defined benefit obligation resulting from employee service in the current period).

5.3.3 Other operating expenses

Other operating expenses comprise the non-labour costs of providing goods and services including services to government and non-government organisations, repairs and maintenance, consultancies, contractors, electricity, communications and marketing.

The Queensland Government provides additional funding to departments each year to enable appropriate indexation of service delivery arrangements with community services sector organisations in recognition of increasing costs. The non-government organisation indexation rate, on which this funding is calculated, is 2.88 per cent in 2022–23.

In 2022–23, other operating expenses are expected to be $19.805 billion, an increase of $803 million, or 4.2 per cent, compared to the 2021–22 estimated actual.

The increase in other operating expenses is driven mainly by:

- school education-related initiatives and additional funding under the National School Reform Agreement and associated Bilateral Agreement
- the $175 Cost of Living Rebate on Queensland households' power bills, at a cost of $385 million in 2022–23
- ongoing pressures arising from increased demand for out-of-home care services within the child protection system

- an increase in transport funding including higher Transport Service Contract payments to Queensland Rail.

The growth in other operating expenses in 2022–23 is partly offset by lower health expenditure as the need for the COVID-19 response and quarantine services largely conclude in 2021–22.

Other operating expenses are expected to decline from 2023–24, partly reflecting the $385 million Cost of Living Rebate payment made in 2022–23 and a reduction in project works as the Cross River Rail project draws closer to completion.

5.3.4 Depreciation and amortisation

Depreciation and amortisation expenses is an estimate of the progressive consumption of the state's assets through normal usage, wear and tear and obsolescence. Growth in this expense category primarily reflects the increasing investment in state infrastructure and asset revaluations.

5.3.5 Other interest expenses

Other interest expenses include interest paid on borrowings, finance leases and similar arrangements to acquire capital assets and infrastructure such as roads and government buildings.

Other interest expenses are estimated to increase $ 263 million in 2022–23 to $1.826 billion compared to $1.563 billion in 2021–22 as borrowing with QTC increases to fund the larger capital program.

Other interest expenses are estimated to be lower in 2021–22 and 2022–23 compared to 2021–22 Budget Update due to the improved net cash flows from operating activities from upward revisions to taxation and royalty revenue.

Rising interest rates result in higher interest costs from 2023–24 compared to the 2021–22 Budget Update.

5.3.6 Grants expenses

Current grants include grants and subsidies to the community (such as non-state schools, hospitals, benevolent institutions and local governments) and personal benefit payments. Community Service Obligations are provided where Public Non-financial Corporations (PNFCs) are required to provide non-commercial services or services at non-commercial prices for the benefit of the community (for further details refer to Chapter 8).

Capital grants also represent transfers to the PNFC Sector, local governments, not-for-profit institutions and other non-government entities, such as business and households (including the Queensland First Home Owners' Grant and non-state schools) for capital purposes.

Table 5.3 provides a breakdown of grants by category and recipient type.

Table 5.3 Grant expenses[1]

	2020–21 Outcome $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million
Current			
Grants to local government[2]	716	1,663	325
Grants to private and not-for-profit organisations			
State funding for non-state schools	754	819	829
Australian Government funding for non-state schools	3,176	3,627	3,818
Other	1,852	2,558	2,783
Grants to other sectors of government			
Community service obligations to PNFCs	474	551	659
Other payments to PNFCs	68	120	87
Other (includes payments to NDIA)	2,101	2,039	2,141
Other	433	449	839
Total current grants	**9,574**	**11,826**	**11,481**
Capital			
Grants to local government	1,048	1,266	1,956
State funding for non-state schools	102	118	120
Grants to private and not-for-profit organisations	492	422	449
Payments to PNFCs	43	20	65
Queensland First Home Owners' Grants	183	145	96
Other	267	254	241
Total capital grants	**2,135**	**2,225**	**2,927**
Total current and capital grants	**11,709**	**14,051**	**14,407**

Notes:

1. Numbers may not add due to rounding.
2. Current grants to local governments decrease in 2022–23 compared to 2021–22 due to the advance payment by the Australian Government of Financial Assistance Grants for the 2022–23 financial year on-passed to local councils, and payments made in relation to waste disposal levy in 2021–22.

In 2021–22, grants expenses are estimated to total $14.051 billion, $2.342 billion or 20 per cent higher than 2020–21. This increase is mainly due to:

- payments being made to local councils in 2021–22 in relation to revenue collected from the waste disposal levy
- Australian Government's advance payment of financial assistance grants to local governments in 2021–22 for the 2022–23 financial year
- higher Australian Government grants on-passed to non-government schools
- disaster relief payments including personal hardship payments under the DRFA in partnership with the Australian Government, following the 2021–22 disaster season

- COVID-19 Business Support Grants program (incorporating Tourism and Hospitality Sector Hardship grants) to support Queensland businesses impacted by the August 2021 COVID-19 lockdowns.

In 2022–23, total grant expenses are estimated to be $14.407 billion, $356 million higher than 2021–22. This increase is mainly due to:

- the significant cost of recovery, reconstruction and resilience programs under the DRFA in partnership with the Australian Government, following the substantial flooding in South East Queensland in 2021–22. Further details are discussed in Chapter 3.
- higher Australian Government grants on-passed to non-government schools
- higher CSO payments to Energy Queensland Limited to ensure that, where possible, all Queensland electricity customers of a similar type pay a similar price for electricity, regardless of where they live.

These higher grants in 2022–23 are partly offset by the Australian Government again making advance payment of the 2022–23 Financial Assistance Grants to local councils in 2021–22, the COVID-19 Business Support grants program expiring in 2022 and substantial waste levy payments made to local councils in 2021–22.

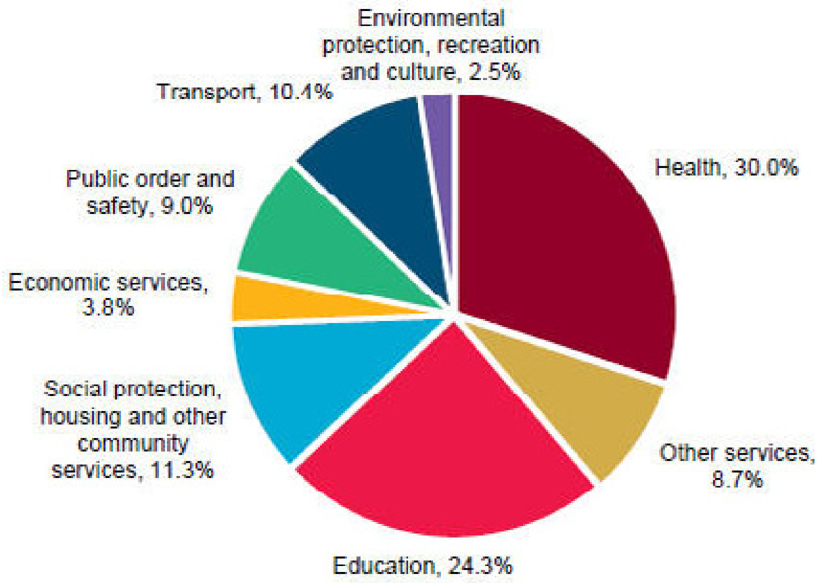
5.4 Operating expenses by purpose

Chart 5.4 indicates the proportion of expenditure by major purpose classification for the 2022–23 Budget. Health accounts for the largest share of expenses (30 per cent) followed by Education (24.3 per cent).

In 2022–23, the substantial disaster relief payments under the DRFA increase the Social protection, housing and other community services function's relative share of total General Government Sector expenses comparative to most other expenditure classification by purpose.

Excluding disaster payments, the health and education functions account for 55.6 per cent of the total General Government Sector expenses in 2022–23.

Chart 5.4 General Government Sector expenses by purpose, 2022–23



6 Balance sheet and cash flows

Features

- General Government Sector net debt at 30 June 2022 is forecast to be $11.390 billion. This is less than half of what was expected at the time of the 2021–22 Queensland Budget and $6.146 billion lower than the 2021–22 Budget Update.
- Net debt in the General Government Sector is expected to be lower in every year of the forward estimates compared to estimates in the 2021–22 Budget and is projected to be $39.214 billion by 30 June 2026.
- By 2024–25, Queensland's forecast net debt of $33.667 billion is around one fifth of the latest available estimate of $154.844 billion for Victoria (2022–23 Budget) and around one third of $103.008 billion (latest estimate, 2021–22 Half-Yearly Review) for New South Wales.
- Forecast borrowings have been progressively revised down since the 2021–22 Budget consistent with prudent management of revenue improvements from unusually high commodity prices and economic recovery from the pandemic.
- As the Queensland Government continues to support jobs and economic growth, borrowings will grow over the forward estimates but is still expected to be $4.48 billion lower by 2024–25 than at the time of the 2021–22 Budget, and is expected to be $14.395 billion lower by 2023–24 than at the time of the 2020–21 Budget.
- The capital program over the 4 years to 2025–26 totals $59.126 billion. The profile of the capital program over the forward estimates reflects the government's responses to ongoing growth and recovery and resilience measures.
- The forward estimates include $5.708 billion of the $9.785 billion investment in the major Queensland Health Capacity Expansion program.
- The Non-financial Public Sector (NFPS) capital program for the period 2022–23 to 2025–26 comprises $49.451 billion of purchases of non-financial assets (PNFA) and $8.078 billion of capital grant expenses as well as acquisitions of non-financial assets under finance leases and similar arrangements of $1.597 billion.
- Positive NFPS operating cash flows of $26.584 billion are projected from 2022–23 to 2025–26. This will contribute to job creating infrastructure by partially funding the expected $49.451 billion or 53.8 per cent of PNFA over the same period.
- The net worth of the state has increased in 2021–22 by nearly $11 billion compared to the 2021–22 Budget expectations. The increase is due to the improved operating position, increases in the value of non-financial assets and investments.

6.1 Overview

The balance sheet shows the projected assets, liabilities and net worth of the General Government Sector as at 30 June each year. A resilient balance sheet provides the government with the capacity to respond to immediate financial and economic events, such as those brought about by the prolonged COVID-19 variant outbreaks and the severity of recent natural disasters.

With a strong balance sheet supporting the government's targeted response to these events, the economy continues to recover and grow and to assist Queenslanders in their time of need.

The cash flow statement shows the expected cash flows of the General Government Sector during each financial year of the forward estimates. While the operating statement is reported in accrual terms—that is, when revenues and expenses are recognised—the cash flow statement is reported in cash terms—that is, when revenues are received, and payments are made.

The largest differences between cash and accrual accounting relate to depreciation and defined benefit superannuation.

6.2 Balance sheet

Table 6.1 summarises the key balance sheet aggregates for the General Government Sector.

Table 6.1 General Government Sector – summary of budgeted balance sheet[1]

	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Financial assets	68,047	71,422	76,000	79,258	81,025	82,713
Non-financial assets	250,163	255,104	261,316	267,523	274,301	280,154
Total assets	**318,210**	**326,526**	**337,316**	**346,781**	**355,326**	**362,867**
Borrowings	65,041	58,215	66,459	74,224	81,102	87,284
Advances	1,432	847	1,745	2,714	2,736	2,793
Superannuation liability	22,686	24,810	24,069	22,484	21,106	20,076
Other provisions and liabilities	25,877	28,721	28,790	28,345	28,356	28,477
Total liabilities	**115,037**	**112,592**	**121,062**	**127,767**	**133,300**	**138,629**
Net worth	**203,174**	**213,934**	**216,254**	**219,014**	**222,026**	**224,237**
Net financial worth	**(46,989)**	**(41,170)**	**(45,062)**	**(48,509)**	**(52,275)**	**(55,916)**
Net financial liabilities	**69,847**	**61,473**	**67,517**	**72,848**	**77,733**	**82,416**
Net debt	**24,750**	**11,390**	**19,772**	**27,603**	**33,667**	**39,214**

Note:

1. Numbers may not add due to rounding.

6.2.1 Financial assets

The major categories of financial assets are investments, loans and placements and investments in other public sector entities. Investments, loans and placements incorporate investments held to meet future liabilities, including superannuation and insurance, as well as investments relating to the Queensland Future Fund (QFF) – Debt Retirement Fund (DRF) which have a positive impact on the state's ratings metrics. The General Government Sector holds the equity in the state's public enterprises, principally the shareholding in government-owned corporations (GOCs) but also Public Financial Corporations like Queensland Treasury Corporation (QTC), in much the same manner as the parent or holding company in a group of companies.

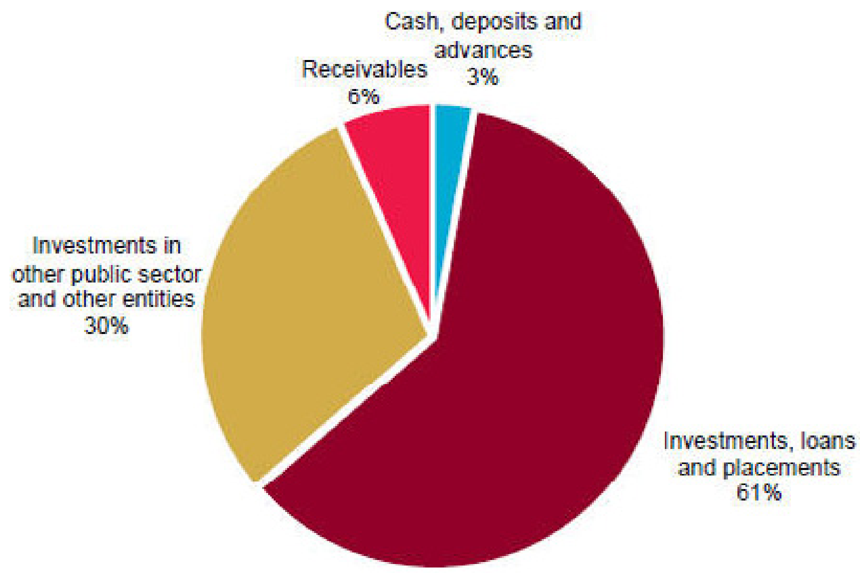
Total financial assets of $71.422 billion are estimated for 2021–22, $3.375 billion higher than published in the 2021–22 Budget. Investments, loans and placements have increased by $5.946 billion since the 2021–22 Budget, predominantly due to positive market value adjustments on financial assets in 2020–21 and investing to support Queensland's energy transformation and deliver affordable, reliable and clean energy for Queenslanders.

This is partially offset by a deterioration in the value of investments in GOCs, largely driven by unrealised market value effects of hedging contracts, the impact of which is expected to reverse as these contracts unwind in subsequent years.

As the value of GOCs recover along with dividends receivable, total financial assets are expected to increase by $4.578 billion to $ 76 billion by 30 June 2023. Further increases in the value of public enterprises and expected returns on investments, mean financial assets will continue to grow over the forward estimates and are projected to be $82.713 billion by 30 June 2026.

Chart 6.1 shows forecast General Government Sector financial assets by category at 30 June 2023.

Chart 6.1 Forecast General Government Sector financial assets by category, at 30 June 2023



6.2.2 Non-financial assets

General Government Sector non-financial assets are estimated to be $255.104 billion at 30 June 2022, $4.941 billion higher than expected in the 2021–22 Budget.

Non-financial assets in 2022–23 are expected to increase by a further $6.212 billion to be $261.316 billion at 30 June 2023.

Total non-financial assets at 30 June 2023 consist primarily of land and other fixed assets of $254.571 billion, the majority of which are roads, schools, hospitals and other infrastructure. Other non-financial assets of $6.745 billion held by the state include prepayments and deferred income tax assets relating to GOCs.

General Government Sector capital expenditure for 2022–23 is forecast to be $11.405 billion, which comprises $8.478 billion of PNFA and $2.927 billion of capital grant expenses. In addition, acquisitions of non-financial assets under finance leases and similar arrangements are forecast to be $809 million, bringing the total General Government Sector capital program for 2022–23 to $12.214 billion.

Over the 4 years to 2025–26, General Government Sector capital expenditure is forecast to be $44.463 billion, which comprises $36.287 billion of PNFA and $8.176 billion of capital grant expenses. Acquisitions of non-financial assets under finance leases and similar arrangements are forecast to be $1.319 billion, bringing the total General Government Sector capital program over the period to $45.782 billion.

Over the forward estimates, the government will spend $5.708 billion as part of the Queensland Health Capacity Expansion program, invest approximately an additional $1 billion for construction of new schools and critical infrastructure upgrades, and continue its substantial ongoing investment in transformative transport infrastructure to support population growth as the region plans for the delivery of the Brisbane 2032 Olympic and Paralympic Games.

The finance leases and similar arrangements are mainly in relation to Public Private Partnerships (PPPs). PPPs totalling $2.570 billion over the period 2021–22 to 2025–26 includes the Tunnel, Stations and Development components of Cross River Rail.

The current estimate of the capital program over the 4 years to 2025–26 is $59.126 billion. The PNFA by the NFPS over this period are forecast to be $49.451 billion. With capital grant expenses of $8.078 billion, this brings total capital expenditure to $57.529 billion. In addition to this, acquisitions of non-financial assets under finance leases and similar arrangements of $1.597 billion bring the total capital program over the period to $59.126 billion.

6.2.3 Liabilities

General Government Sector

Total General Government Sector liabilities are estimated to be $112.592 billion at 30 June 2022, a decrease of $2.445 billion since 2021–22 Budget, predominantly due to lower than expected borrowings offset in part by higher superannuation estimates and higher insurance provisions rolling forward from 30 June 2021.

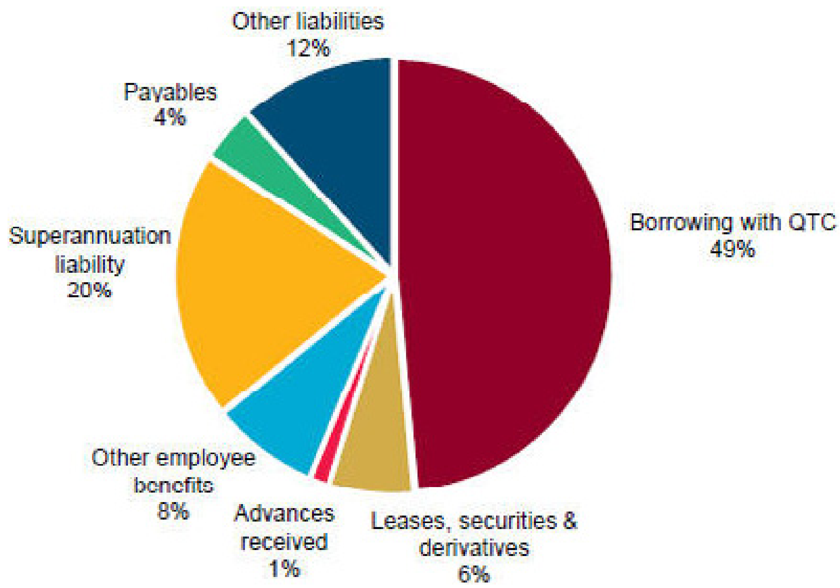
Total liabilities are expected to increase by $8.470 billion in 2022–23 to be $121.062 billion. General Government Sector borrowing with QTC will increase by $8.402 billion in 2022–23, to be $58.853 billion. This is $8.257 billion lower than the comparable 2021–22 Budget estimate for 2022–23. General Government Sector borrowing with QTC is then forecast to grow over the forward estimates as the state invests in job creating infrastructure projects.

By 2024–25, borrowing with QTC is expected to reach $73.338 billion, $4.423 billion lower than expected in the 2021–22 Budget. In 2025–26, total borrowing with QTC will increase by $7.284 billion to $80.622 billion.

The defined benefit superannuation liability is projected to be $24.810 billion at 30 June 2022, $2.124 billion higher than expected in the 2021–22 Budget. This is predominantly due to a change in actuarial assumptions. By 30 June 2023 the superannuation liability is projected to be $24.069 billion and is expected to continue to decline over the forward estimates as bond rates continue to recover, and members of the defined benefit fund retire. The fund has been closed to new entrants since 2008.

The composition of the General Government Sector's forecast liabilities at 30 June 2023 is illustrated in Chart 6.2.

Chart 6.2 Forecast General Government Sector liabilities by category, at 30 June 2023



Non-financial Public Sector borrowing

The NFPS is a consolidation of the General Government and PNFC sectors, with transactions between these sectors eliminated.

PNFC debt is primarily held by GOCs and is supported by income-generating assets including key pieces of economic infrastructure.

NFPS borrowing is expected to be $106.774 billion by 30 June 2022, roughly in line with expectations in the 2021–22 Budget. Within the NFPS borrowing, derivative liabilities are estimated to be $5.841 billion higher than expected in the 2021–22 Budget. This increase largely relates to the electricity GOCs, due to movements in the value of hedging contracts entered into prior to an upward shift in market conditions. These liabilities are expected to reverse as these contracts unwind in subsequent years as electricity is delivered.

Box 6.1 Improvement in NFPS debt

Since the 2020–21 Budget, there has been a continued improvement in debt requirements. This has occurred over a period when the government committed to prioritising health outcomes throughout the COVID-19 pandemic and supported the state's economic recovery response.

Chart 6.3 shows how in 2023–24, borrowings for the NFPS are $13.004 billion lower than forecast at the time of the 2020–21 Budget.

Since the 2020–21 Budget, over the period 2019–20 to 2023–24, the lower borrowing requirements have resulted in a lower interest expense cost of more than $210 million.

Chart 6.3 Non-financial Public Sector borrowings by budget

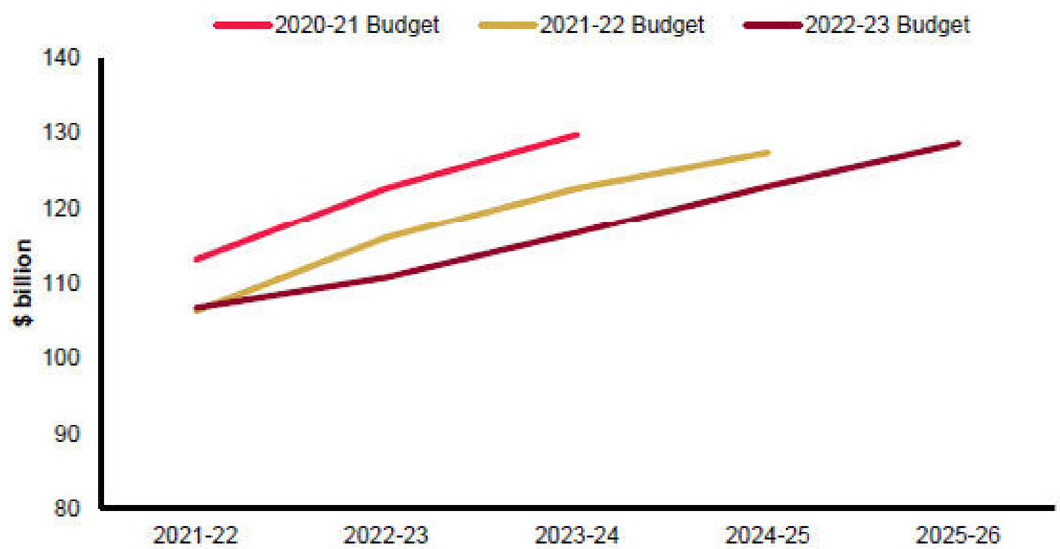


Table 6.2 provides the total NFPS borrowing projections to 2025–26 where it is expected to reach $128.595 billion as the state continues to invest in job creating infrastructure, partially funded through operating cash flows.

Table 6.2 Non-financial Public Sector borrowings 2021–22 to 2025–26[1]

	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Borrowing with QTC	92,599	100,553	107,847	114,632	121,533
Leases and other similar arrangements	7,898	7,711	8,076	7,975	6,812
Securities and derivatives	6,277	2,521	795	352	251
Total borrowings	**106,774**	**110,786**	**116,719**	**122,958**	**128,595**

Note:

1. Numbers may not add due to rounding.

6.2.4 Net debt

Net debt is the sum of borrowing and advances received, less the sum of cash and deposits, advances paid and investments, loans and placements.

Net debt excludes certain assets and liabilities, such as superannuation and insurance liabilities. However, it still indicates the soundness of the government's fiscal position, as high levels of net debt will require servicing through interest payments and limit flexibility to adjust expenditure.

Net debt for the General Government Sector in 2021–22 is estimated to be $11.390 billion, $13.360 billion lower than expected in the 2021–22 Budget. The lower net debt is predominantly the result of improved operating cash flows in 2021–22, and lower net debt rolling forward from the 2020–21 outcome.

Net debt is lower in every year than estimated in the 2021–22 Budget and by 2024–25 is estimated to be $8.906 billion lower than the 2021–22 Budget.

6.2.5 Net financial liabilities

Net financial liabilities are total liabilities, less financial assets other than equity instruments in other public sector entities. This measure is broader than net debt as it includes other significant liabilities rather than just borrowings (for example, accrued employee liabilities such as superannuation and long service leave entitlements).

The net financial liabilities of the General Government Sector for 2021–22 are estimated to be $61.473 billion and estimated to increase by $6.044 billion by 30 June 2023. This increase is commensurate with the expected increase in borrowings to invest in infrastructure to deliver economic growth and better services for Queenslanders, offset in part by an increase in investments, loans and placements and receivables.

6.2.6 Net worth

The net worth, or equity, of the state is the amount by which the state's assets exceed its liabilities. This is the value of the investment held on behalf of the people of Queensland by public sector entities.

Changes in the state's net worth occur for several reasons including:

- operating surpluses (deficits) that increase (decrease) the government's equity
- revaluation of assets and liabilities as required by accounting standards
- movements in the net worth of the state's investments in the PNFC and Public Financial Corporations sectors
- gains or losses on disposal of assets – where the selling price of an asset is greater (less) than its value in an agency's accounts, the resultant profit (loss) affects net worth.

General Government Sector net worth was $209.625 billion at 30 June 2021. It is expected to increase to $213.934 billion in 2021–22, nearly $11 billion higher than expected in the 2021–22 Budget.

Net Worth has increased in 2021–22 with the improved operating position, increases in the value of non-financial assets and investments

The net worth of the NFPS is projected to steadily grow over the forward estimates to be $224.237 billion by 2025–26.

6.3 Cash flows

The cash flow statement provides the cash surplus (deficit) measure, which comprises the net cash flows from operating activities plus the net cash flows from investments in non-financial assets (or physical capital).

The General Government Sector cash surplus for 2021–22 is estimated to be $1.323 billion, which is $8.390 billion higher than the deficit forecast at the time of the 2021–22 Budget. This is largely due to an improved operating position driven by the prudent management of revenue improvements from unusually high commodity prices and the economic recovery.

After net investments in non-financial assets of $8.301 billion, a cash deficit of $6.763 billion is forecast for 2022–23. As revenues continue to improve in line with the forecast economic recovery, net cash flows from operating activities increase over the forward estimates, contributing to the government's investment in non-financial assets and alleviating the need to fund these investments completely through borrowing.

Net cash flows from investments in financial assets for policy purposes include net cash flows from disposal or return of equity, net equity injections into GOCs and concessional loans and advances. Cash flows from the injection of equity to the PNFC and Public Financial Corporations sector are the primary driver of net outflows of $1.858 billion over the period from 2022–23 to 2025–26.

Net cash flows from investments in financial assets for liquidity purposes represent net investment in financial assets to cover liabilities such as superannuation, other employee entitlements and insurance.

Total General Government Sector PNFA of $8.478 billion are budgeted for 2022–23. Over the period from 2022–23 to 2025–26, General Government Sector PNFA are expected to total $36.287 billion as Queensland invests substantially in economic growth, energy transformation, health, education, roads and rail infrastructure to provide better services and a great lifestyle for Queenslanders as it prepares for the Brisbane 2032 Olympic and Paralympic Games.

7 Intergovernmental financial relations

Features

- The federal financial relations framework recognises that coordinated action and clear lines of responsibility for funding and service delivery are crucial for maximising economic and social outcomes and to strategically position the nation for the future.
- One of the Australian Government's key functions under this framework is providing funding to states to deliver services.
- Australian Government payments represent approximately 47 per cent of all of Queensland's General Government revenue in 2022–23.
- The Australian Government estimates it will provide the Queensland Government with $34.925 billion in 2022–23 ($1.907 billion more than in 2021–22), comprising:
  - $16.399 billion[1] in payments for specific purposes ($243 million more than 2021–22)
  - $715 million in other Australian Government grants, including payments direct to Queensland Government agencies for Australian Government own-purpose expenditure ($333 million less than 2021–22)
  - $17.811 billion in payments for general purposes ($1.998 billion more than 2021–22).

  Further detail is provided in Chapter 4.
- The 2022–23 Federal Budget defined payments to Queensland for specific purposes in 2022–23 include:
  - $6.030 billion for National Health Reform funding
  - $6.094 billion for Quality Schools funding[2]
  - $3.606 billion for National Partnership (NP) payments (including the Infrastructure Investment Program, Disaster Recovery Funding Arrangements (DRFA) and DisabilityCare Australia Fund)
  - $342 million for National Housing and Homelessness funding
  - $328 million for National Skills and Workforce Development funding.
- NP payments to Queensland will be lower in 2022–23 primarily due to:
  - cessation of the temporary COVID-19 business support grant program in 2021–22
  - expected reduction in HomeBuilder grant payments due to the program drawing to a close towards the end of 2022–23.

1 Total payments for specific purposes may not add due to rounding.
2 Quality Schools funding includes payments for government schools (exclusive of GST) and non-government schools (inclusive of GST).

- Queensland has 23 funding agreements expiring in 2021–22. While the 2022–23 Federal Budget allocated funding for 7 expiring agreements, 2 expiring agreements had no funding allocated beyond 2021–22. A funding renewal was not sought for the remaining 14 expiring agreements due to the short-term nature of the programs (e.g. temporary funding provided for COVID-19 measures and bushfire support).
- The Queensland Government provides considerable assistance to local governments, recognising the important services they provide to the community. In 2022–23, the Queensland Government will provide a total of $2.280 billion in grants to local governments.

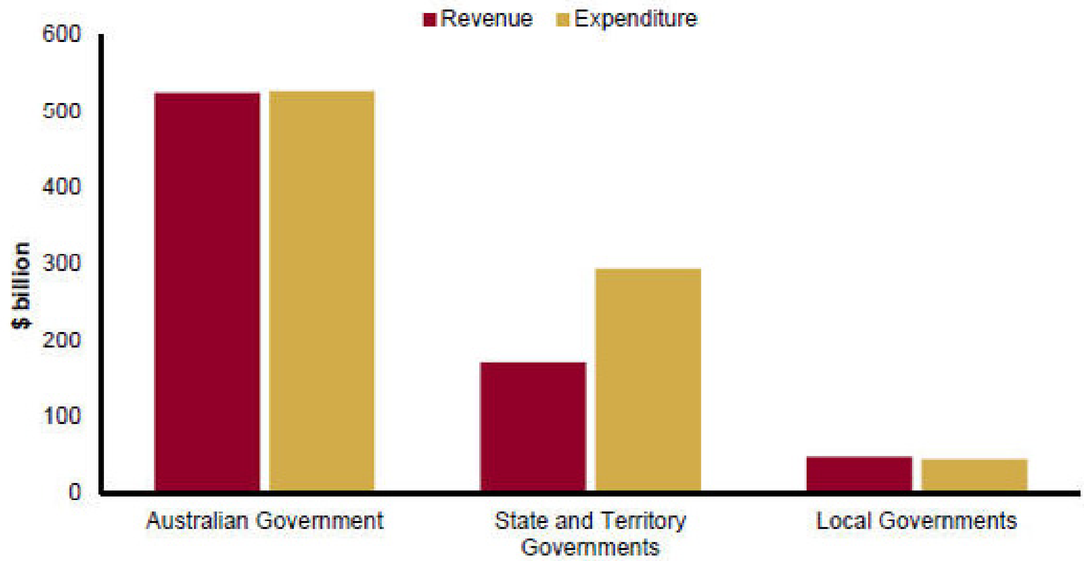
7.1 Federal financial arrangements

The Australian Government has greater capacity to raise revenue than is required to meet its service delivery responsibilities. Conversely, states' ability to raise revenue is less than required to meet their service delivery and infrastructure responsibilities. This vertical fiscal imbalance (VFI) requires the sharing of revenue between the Australian Government and states.

In 2020–21, the Australian Government collected 70.7 per cent of government revenue nationally, while states collected 23 per cent with local governments responsible for the balance at 6.3 per cent[1]. Chart 7.1 illustrates the revenue and expense disparity between the different levels of government.

[1] ABS Government Finance Statistics.

Chart 7.1 Own-source revenue and expenses by levels of government, 2020–21[1,2]



Notes:

1. Revenue calculated as total revenue minus grant revenue.
2. Expenses calculated as total expenses minus grant expenses.

Source: ABS Government Finance Statistics.

In Australia, VFI is addressed through a system of intergovernmental payments from the Australian Government to the states. The Australian Government makes 2 types of payments in this regard:

- general revenue assistance payments (largely GST revenue) which can be used by states for any purpose ('untied' funding)
- payments for specific purposes ('tied' funding) such as National Specific Purpose Payments (SPPs), which are a contribution toward states' service delivery priorities, and National Partnership (NP) payments, which represent funding to support the delivery of specific Australian Government priorities, outputs or projects and to facilitate or incentivise reforms.

Given the Australian Government's significant revenue raising capability, states are heavily reliant on these intergovernmental transfers to provide essential services and infrastructure.

The remainder of this chapter focuses on payments for specific purposes. Detail on GST revenue is provided in Chapter 4.

Box 7.1 Effective federal financial relations – positioning Queensland for the future

- The federal financial relations framework recognises that coordinated action and clear lines of responsibility for funding and service delivery are crucial for maximising economic and social outcomes and to strategically position the nation for the future.
- Combined effort is required to address Queensland's needs and priorities—to transform the energy sector, ensure sustainable service delivery in areas such as health, housing and skills, and to successfully deliver international events like the Brisbane 2032 Olympic and Paralympic Games.
- The Australian, state and territory governments are strategically planning to support the least-cost transition to a reliable, accessible and affordable renewable energy sector. With all levels of government agreeing to achieve zero net emissions by 2050, Queensland is progressing with material and measured investment in transmission, generation, storage and hydrogen infrastructure to secure critical policy outcomes. There are clear opportunities for the Australian Government to support these investments and accelerate energy projects critical to energy transformation.
- Health services are a large and growing cost for the Australian, state and territory governments. The COVID-19 pandemic caused significant disruption to health systems and states and territories are bearing financial risks under the current funding arrangement. The Queensland Government will work closely with the Australian Government to address short-term funding issues and embed long-term fiscal sustainability in the Queensland and national health systems.
- The pressure on accessing safe, secure and affordable housing is a matter of national interest as it underpins social, economic and public health outcomes. This is particularly relevant as the Australian Government and state and territory governments begin to review the National Housing and Homelessness Agreement (NHHA)—the key agreement that defines their roles in funding and providing housing and homelessness services. The review is critical to ensure sustainable investment to meet national and local needs. Through the review, the Queensland Government will seek to secure future funding arrangements that account for the pressures on the state's housing market, specifically in regional and remote areas.
- The Queensland Government will re-engage with the Australian Government regarding negotiation of a new National Skills Agreement. Through this process, the Queensland Government is focused on ensuring Queenslanders can access high quality and relevant training to address state priorities, local economic needs and sector skills shortages, including in emerging industries.
- Brisbane 2032 offers a significant opportunity to showcase Queensland and Australia. The Queensland Government is committed to working with the Australian Government, International Olympic Committee and Games Partners to best position Queensland to successfully deliver this major international sporting and cultural event in 2032.

7.2 Australian Government funding to all states and territories

Across all states, the Australian Government estimates it will provide funding of $166.433 billion in 2022–23, which is $995.6 million (or 0.6 per cent) less than in 2021–22, comprising:

- $83.885 billion in payments as shares of general revenue assistance (i.e. GST revenue) ($8.326 billion more than in 2021–22)
- $81.646 billion in payments for specific purposes ($9.288 billion less than in 2021–22) including:
  - $28.139 billion in National Health Reform funding, including $934.1 million in COVID-19 public health response funding
  - $26.413 billion in Quality Schools funding
  - $1.645 billion in National Housing and Homelessness funding
  - $23.844 billion in National Partnership payments (e.g. Infrastructure Investment Program, National Water Grid Fund, DisabilityCare Australia Fund and Preschool Reform Agreement)
  - $1.606 billion in National Skills and Workforce Development funding.
- $901.9 million in other payments to states, including:
  - $816.8 million for certain royalty payments to Western Australia
  - $42.7 million to Western Australia to compensate for reduced royalties
  - $42.4 million for municipal services to the Australian Capital Territory.

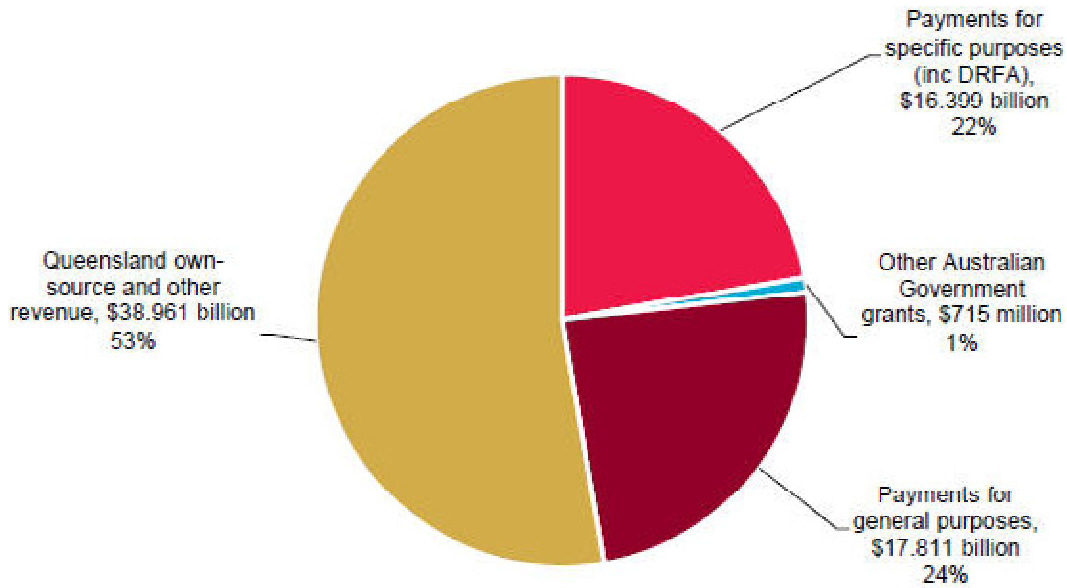
Australian Government payments for specific purposes may not fully fund all underlying programs. Some require states to provide matching contributions (e.g. JobTrainer Fund) or other, financial or in-kind contributions. This reduces budget flexibility for states, particularly where it is not a Queensland Government priority or in cases where the Australian Government dictates specific conditions related to the funding.

7.3 Australian Government funding to Queensland

It is estimated the Australian Government will provide the Queensland Government with $34.925 billion in 2022–23 ($1.907 billion more than in 2021–22).

Australian Government funding is estimated to account for 47 per cent of Queensland's total General Government Sector revenue sources in 2022–23 (shown in Chart 7.2). The proportion of Queensland's revenue derived from Australian Government funding has grown significantly from 35 per cent at the time of the introduction of the GST in 2000.

Chart 7.2 General Government Sector revenue sources, Queensland 2022–23[1,2]



Notes:

1. Queensland own-source and other revenue figure includes taxation revenue, sales of goods and services, royalties and land rents.
2. Queensland Treasury estimates. Other Australian Government grants include payments direct to Queensland Government agencies for Australian Government own-purpose expenditure.

Sources: 2022–23 Federal Budget Paper No. 3 and Queensland Treasury estimates.

7.4 Payments to Queensland for specific purposes

In 2022–23, Queensland expects to receive $16.399 billion [1] in payments for specific purposes, $243 million (1.5 per cent) more than in 2021–22.

Table 7.1 Estimated payments of Australian Government grants[1]

	2020–21 Actual $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million
Payments for specific purposes			
Skills and Workforce Development funding	315	321	328
National Health Reform funding[2]	5,510	5,879	6,030
Quality Schools funding[3]	5,226	5,785	6,094
National Housing and Homelessness funding	328	334	342
National Partnership payments (incl. DRFA)	4,588	3,837	3,606
Total payments for specific purposes	**15,967**	**16,157**	**16,399**
Other Australian Government grants[4]	1,287	1,048	715
Total payments for specific purposes and other Australian Government grants	**17,254**	**17,205**	**17,114**

Notes:

1. Numbers may not add due to rounding.
2. Includes funding for the COVID-19 public health response of $267 million in 2020–21 and $220.3 million in 2021–22.
3. Quality Schools funding includes payments for government schools (exclusive of GST) and non-government schools (inclusive of GST).
4. Includes direct Australian Government payments to Queensland agencies for Australian Government own-purpose expenditure (e.g. financial assistance grants to local government and funding to Hospital and Health Services).

Sources: 2022–23 Federal Budget Paper No. 3 and Queensland Treasury estimates.

Payments for specific purposes comprise funding for National Health Reform, Quality Schools, National Housing and Homelessness, the Skills and Workforce Development National Specific Purpose Payment (SPP) and National Partnership (NP) payments.

In 2022–23, National Health Reform funding, which accounts for 36.8 per cent of the total payments for specific purposes, is estimated to increase by $150 million (2.6 per cent) from 2021–22. The low increase in 2022–23 is due to the inclusion of COVID-19 public health response funding in 2021–22 ($ 220.3 million). If the impact of the COVID-19 health response funding in 2021–22 is removed, National Health Reform funding is expected to increase by $370.6 million (6.5 per cent) from 2021–22.

[1] Queensland Treasury estimates.

Queensland Government projections of National Health Reform funding differ from the projections contained in the 2022–23 Federal Budget as Australian Government projections assume higher activity growth than projected in service agreements between the Queensland Department of Health and Hospital and Health Services. Actual National Health Reform payments vary from estimates provided in budget papers as they are based on actual public hospital activity delivered each year.

Quality Schools funding, which accounts for 37.2 per cent of the total payments for specific purposes, is estimated to increase by $309 million (5.3 per cent) to $6.094 billion in 2022–23.

National Housing and Homelessness funding is estimated to increase by $7 million (2.2 per cent) in 2022–23, which includes additional temporary funding allocated by the Australian Government to support social and community service workers wages in the housing and homelessness sectors.

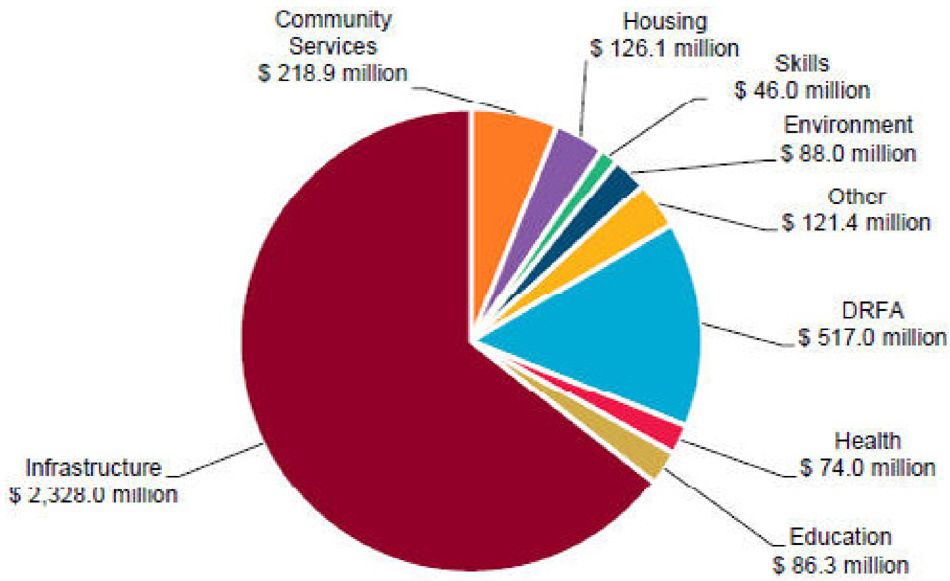
Skills and Workforce Development funding is expected to increase by $7 million (2.3 per cent) in 2022–23 compared to 2021–22. Given its high priority in a tight labour market, the Australian Government and state and territory governments are working towards finalising a new National Skills Agreement to replace the Skills and Workforce Development SPP.

NP payments (including DRFA), which account for 22 per cent of the total payments for specific purposes, are estimated to decrease by $231 million (6.0 per cent) in 2022–23 compared to 2021–22. A significant proportion of NP payments is allocated to infrastructure, DRFA and community services (refer to Chart 7.3).

The reduction in NP payments between 2021–22 and 2022–23 is mainly due to the:

- cessation of the temporary COVID-19 business support grant program in 2021–22
- expected reduction in HomeBuilder grant payments due to the program drawing to a close towards the end of 2022–23.

Chart 7.3 National Partnership Payments by sector, 2022–23[1]



Note:

1. Excludes Australian Government funding to local government and payments direct to Queensland Government agencies for Australian Government own-purpose expenditure.

Sources: 2022–23 Federal Budget Paper No. 3 and Queensland Treasury estimates.

Other Australian Government grants include payments direct to Queensland Government agencies for Australian Government own-purpose expenditure. In 2022–23, Queensland expects to receive $715 million in other Australian Government grants, $333 million (31.8 per cent) less than in 2021–22. The decrease is mainly due to the Australian Government's bring forward of financial assistance grants to local governments from 2022–23 to 2021–22.

7.4.1 Projections of payments for specific purposes to Queensland

Across the forward estimates, total payments for specific purposes are expected to steadily increase, with average growth of approximately 3.1 per cent between 2022–23 and 2025–26.

While increases in overall funding are timely, payments tied to specific purposes and Australian Government criteria restricts Queensland's capacity to respond to local needs, reduces state budget flexibility, adds administrative costs, and impacts on the achievement of policy outcomes and priorities. This negative impact is amplified when funding is conditional on Queensland matching Australian Government funding, unrealistic timeframes, rudimentary national price benchmarks and misalignment with state priorities.

Under the National Health Reform Agreement, the Australian Government will fund 45 per cent of efficient growth in hospital activity subject to a national growth cap of 6.5 per cent per annum. The COVID-19 pandemic continues to put pressure on the state's health system as it responds to increased demand, deferred care and ongoing workforce challenges. If growth in hospital activity exceeds 6.5 per cent, the state risks assuming a significantly larger financial burden to address these challenges.

Growth in Quality Schools funding for Queensland is expected to average 3.9 per cent between 2022–23 and 2025–26 in line with enrolment growth and increased funding per student. Queensland is expecting to receive $9.690 billion for state schools and $16.230 billion (including GST) for non-government schools from 2022–23 to 2025–26.

7.4.2 Expiring agreements

Under the Intergovernmental Agreement on Federal Financial Relations, the Australian Government provides time-limited funding to states and territories through NP payments to support the delivery of specific projects, facilitate reforms or reward states that deliver on nominated reforms or service delivery improvements.

Over time, some NPs have been extended beyond their intended time-limited purpose to continue funding services. NPs were never intended, and are not considered the optimal way, to fund ongoing community service needs.

Expiring NP agreements that support long standing and effective services or programs leave states with limited opportunities to appropriately manage consequences as final funding decisions are made through the Australian Government's budget process. The expiry of many large NPs over the last few years, such as the National Partnership on Remote Housing, which has required Queensland to invest approximately $100 million a year, highlights this risk. Early indication from the Australian Government as to the continuation, lapse or other treatment of funding for an expiring agreement is necessary to enable states to effectively manage their service delivery responsibilities.

There are 23 agreements[1] expected to expire in 2021–22. At the 2022–23 Federal Budget, the Australian Government allocated funding beyond 2021–22 for 7 expiring agreements:

- universal access to early childhood education – replaced by the Preschool Reform Agreement with funding from 2021–22 to 2025–26
- public dental services for adults – funding extended to 2022–23
- national bowel cancer screening program – funding extended to 2023–24
- family law information sharing program (schedule A) – national funding allocated over 3 years from 2022–23 to continue the program, with state allocations yet to be finalised
- family law information sharing program (schedule B) – national funding allocated over 3 years from 2022–23 to continue the program, with state allocations yet to be finalised
- national tropical weeds eradication program – funding extended to 2023–24
- national exotic fruit fly in Torres Strait eradication program – funding extended to 2026–27.

[1] Includes any expiring schedules to Federation Funding Agreements.

The 2022–23 Federal Budget did not allocate funding beyond 2021–22 for 2 expiring and important funding agreements – Project Agreement for Phase 2 of the Queensland Government's Household Resilience Program and Project Agreement for Yellow Crazy Ant Control – Wet Tropics of Queensland.

A funding extension or renewal was not sought for the remaining 14 expiring agreements due to the short-term nature of the programs. These include temporary funding provided for the COVID-19 business support grant program, legal assistance for bushfire support, wildlife and habitat bushfire recovery and COVID-19 legal assistance funding.

7.5 State–local government financial relations

The Queensland Government allocates considerable funding in the 2022–23 Queensland Budget to support local governments across the state. This recognises the critical role local governments play in supporting their local communities.

In 2022–23, the Queensland Government will provide a total of $2.280 billion in grants to local governments.

This includes current and capital grants to local government authorities and Indigenous councils, as well as Australian Government grants paid through the state to local governments.

Grants to local governments are delivered through numerous Queensland Government departments and agencies for a variety of purposes, including through the programs discussed below.

Significant stimulus delivered in response to the COVID-19 pandemic included the COVID Works for Queensland program and the Unite and Recover Community Stimulus Package. These initiatives have assisted Queenslanders in the ongoing economic recovery.

A summary of Queensland Government grant programs that have been made exclusively available to local governments are listed in Table 7.2.

Table 7.2 Grant programs exclusively available to local governments

Program name	Description	Total funding (from 2015–16 to 2025–26)
Works for Queensland	Supports local governments in regional areas to undertake job creating maintenance and minor infrastructure works.	$970 million[1]
COVID Works for Queensland	Supports all local governments to respond to and recover from the COVID-19 pandemic to deliver job creating new infrastructure, maintenance or minor works projects.	$200 million
South East Queensland (SEQ) Community Stimulus Program	Supports South East Queensland local governments to fast-track investment in new infrastructure and community assets that create jobs and deliver economic stimulus to local communities.	$190 million[2]
Unite and Recover Community Stimulus Package	Supports SEQ local governments to recover from the COVID-19 pandemic by fast-tracking investment in new infrastructure and community assets that create jobs and deliver economic stimulus to local communities.	$50 million
Transport Infrastructure Development Scheme	Provides targeted investment in regional local government transport infrastructure.	$770 million
Building our Regions	Provides funding for critical infrastructure in regional areas to support economic development, including generating jobs.	$418.3 million
Local Government Grants and Subsidies Program	Provides funding for priority infrastructure projects that will enhance sustainable and liveable communities.	$318.9 million[3]
Coastal Hazard Adaptation Program – QCoast2100	Assists coastal local governments to prepare plans and strategies for addressing the impact of climate change.	$15 million
Queensland Water Regional Alliances Program	Assists regional councils to collaborate and improve the efficiency and administration of water infrastructure.	$15 million

Notes:

1. Total funding of $1 billion out to 2026–27
2. Total funding of $200 million out to 2026–27
3. Funding is ongoing. Figure is based on current projections.

In addition to the above grant programs, the Queensland Government has signed the National Partnership Agreement on Disaster Risk Reduction, which is a 5-year partnership between the Australian Government and the states to support disaster mitigation projects and build resilience to natural disasters. This fund is administered by the Queensland Reconstruction Authority (QRA) and replaces the Queensland Disaster Resilience Fund.

The QRA also administers the Disaster Recovery Funding Arrangements which is a joint funding initiative of the Queensland and Australian Governments to provide disaster relief and recovery payments to help communities recover following the effects of natural disasters. Under these arrangements the government administers significant funding (close to $1.7 billion in expenditure expected in 2022–23) including to provide disaster relief and assist with reconstruction of local government infrastructure damaged during natural disasters. The amount of funding administered is dependent on the final number and value of claims submitted.

The Queensland Government also understands there are added challenges faced by Indigenous councils to ensure their communities have access to essential services and critical infrastructure.

To address these challenges, the government has allocated substantial funding to specifically support Indigenous councils and their communities.

A summary of grant programs that have been made available to Indigenous councils and their communities are listed in Table 7.3.

Table 7.3 Grant programs to support Indigenous councils and their communities

Program name	Description	Total funding (from 2015–16 to 2025–26)
Indigenous Councils Critical Infrastructure Program	Contributes to the cost of water, wastewater and solid waste infrastructure in Indigenous communities.	$120 million
Major Infrastructure Program	Deliver environmental health and other infrastructure upgrades within the Torres Strait Island Regional Council, Torres Shire Council and Northern Peninsula Area Regional Council areas.	$15 million
State Government Financial Aid	A financial contribution (in lieu of rates) to meet the costs incurred by Indigenous councils in the provision of local government services.	$387.8 million[1]
Indigenous Local Government Sustainability Program (2016–18)	Assisted Indigenous councils to increase their capacity, capability and sustainability.	$7.7 million

Note:

1. Funding is ongoing. Figure is based on current projections

8 Public Non-financial Corporations Sector

Features

- Entities in the Public Non-financial Corporations (PNFC) Sector provide essential services such as electricity supply and distribution, bulk water supply, rail services, and port services. The Queensland Government has a strong commitment to maintaining public ownership of our assets, and expects these businesses to operate commercially and efficiently, and to work towards continually improving services to Queenslanders.
- The PNFC Sector is expected to achieve earnings before interest and tax (EBIT) of $3.519 billion in 2022–23, representing a $1.525 billion increase from 2021–22. While PNFC Sector earnings in 2021–22 are expected to be lower compared to the 2021–22 Budget, sector-wide earnings are forecast to increase from 2022–23 with an improvement in the performance of the electricity sector.
- PNFC Sector borrowings for 2021–22 are around $7.260 billion higher than forecast at the 2021–22 Queensland Budget. This is mainly due to movements in the value of electricity hedging contracts entered into prior to an upward shift in market conditions. Movements over the forward estimates are primarily due to the accounting treatment of short-term financial contracts held by energy government-owned corporations (GOCs).
- In 2021–22, the government is supporting businesses to invest for the future, with total dividends of around $580 million to be retained by GOCs (including the Queensland Investment Corporation) for investment in critical infrastructure and growth initiatives. This decision recognises the need to capitalise businesses to undertake strategically important investment in transformational growth opportunities and government's commitment to public ownership for the benefit of all Queenslanders.
- Since 2020, Queensland Government generators have announced ownership and offtake agreements in renewable energy projects which will add almost 3 gigawatts of clean energy to Queensland. In 2021–22, Stanwell and CS Energy also announced they are progressing large-scale batteries at Tarong and Chinchilla respectively, to support the continued uptake of renewable energy across Queensland.
- The Queensland Government has allocated $385 million in 2022–23 to support all households facing cost of living pressures, with each Queensland household to receive a $175 Cost of Living rebate on their electricity bill in 2022–23. Including previous Asset Ownership Dividends and the COVID-19 Utility Rebate, this will be the government's sixth rebate provided since 2018, with the government having allocated a total of $1.185 billion to provide households with a total of $575 in rebates.
- These payments complement the government's longstanding commitment that all Queenslanders pay a similar price for electricity no matter where they live, under the Uniform Tariff Policy (UTP). To support the UTP, the government provides an annual Community Service Obligation Payment, costing $635 million in 2022–23.

- Queensland Rail continues to work with external partners to progress significant new rail infrastructure including the Cross River Rail project, implementation of the European Train Control System to improve operational efficiency, new stations and station accessibility upgrades and additional train stabling capacity.
- Major port projects continuing in 2022–23 include the Channel Capacity Upgrade at the Port of Townsville to improve freight export and import opportunities for North Queensland. Planning will also continue on expanding the Cairns Marine Precinct with a Common User Facility to enable the maintenance, repair, and overhaul of more and larger ships in Cairns.
- Through state-owned businesses Seqwater and Sunwater, the Queensland Government is delivering additional water supply, fortifying the flood resilience of water infrastructure and ensuring the ongoing safety and reliability of dams. This includes continued construction of the $367.2 million Rookwood Weir, the $125.4 million Mount Crosby Flood Resilience Program and $95.2 million South West Pipeline project, as well as delivery of the Toowoomba to Warwick Pipeline estimated at more than $300 million. $54.2 million will also be invested in 2022–23 for planning and early works on improvements to Paradise, Burdekin Falls, Somerset and Lake Macdonald Dams.

8.1 Context

Entities comprising the PNFC Sector provide vital services such as electricity supply and distribution, water supply, and rail and port services.

Queensland GOCs, declared by regulation under the *Government Owned Corporations Act 1993* (GOC Act), comprise a large share of the PNFC Sector. The sector also comprises commercialised statutory entities, including Queensland Rail, Queensland Bulk Water Supply Authority (trading as Seqwater), local water boards, and other public corporations (such as Stadiums Queensland).

GOCs are accountable for their financial performance and are required to be commercial and efficient organisations. These requirements are legislated under the GOC Act with similar provisions made in the enabling legislation of Queensland Rail and Seqwater. The entities incur costs and bear commercial risks in the delivery of their services or products and generate a commercial rate of return from the sale of these services or products to sustain ongoing investment and performance.

Returns from the PNFC Sector contribute to consolidated revenue and are used to pay for various government services.

Community Service Obligation (CSO) payments are used to subsidise particular services so they can be offered to the community at prices lower than would otherwise be possible if full cost recovery and normal margins were applied.

A key example is the CSO paid to Energy Queensland Limited (EQL) to provide electricity in regional Queensland at prices based on the costs of supply in South East Queensland, in accordance with the government's Uniform Tariff Policy. This policy ensures that electricity prices in regional Queensland are much lower than would otherwise be the case.

The commercial nature of PNFC Sector entities ensures debt is self-supporting and net worth continues to grow over the forward estimates. The Queensland Government's ongoing commitment to maintaining public ownership of the entities in the PNFC Sector guarantees all Queenslanders benefit from their performance. Public ownership of electricity, port, rail and water infrastructure provides the Queensland Government with opportunities to support strategic investment in key sectors of a growing economy to achieve better outcomes for all Queenslanders.

Table 8.1 Key financial aggregates[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Revenue	13,240	12,237	13,750	13,589	13,744	13,572	13,774
Expenses	12,078	11,463	13,212	12,389	12,349	12,479	12,710
Net Operating Balance	**1,162**	**774**	**538**	**1,199**	**1,395**	**1,093**	**1,064**
PNFA[2]	3,157	3,713	3,055	3,334	3,025	3,266	3,538
Assets	71,543	71,678	75,962	74,953	75,398	75,905	76,774
Borrowings	41,558	41,305	48,566	44,334	42,501	41,863	41,318

Notes:

1. Numbers may not add due to rounding.
2. PNFA: Purchases of non-financial assets.

8.1.1 Electricity networks

The government owns 2 electricity network businesses which are responsible for transporting safe, reliable electricity to consumers across the state (Powerlink and Energy Queensland).

Powerlink

Powerlink owns, develops, operates and maintains the electricity transmission network in Queensland. Its network spans approximately 1,700 km from north of Cairns to the New South Wales border and comprises 15,345 km of transmission lines and 147 substations.

Powerlink's role in the electricity supply chain is to transmit high voltage electricity through its transmission grid to the distribution networks.

Powerlink also transmits electricity to high-usage industrial customers such as rail companies, mines and mineral processing facilities, and to New South Wales via the Queensland/New South Wales interconnector transmission line.

Energy Queensland Limited

Energy Queensland Limited (EQL) owns and operates the low-voltage distribution network that transmits electricity from Powerlink's transmission network to households and businesses across Queensland. EQL includes a number of operating subsidiary businesses, including Ergon Energy Network, Ergon Energy Retail, Energex, and Yurika.

In regional Queensland, Ergon Energy Network and Ergon Energy Retail provide distribution network and customer retail services, respectively, while in South East Queensland, Energex provides distribution network services to customers.

Yurika is involved in a range of other service delivery functions including demand management services, large-scale connections, microgrid solutions, the provision of contestable metering services and telecommunications infrastructure. Yurika is focused on pursuing strategic investments in unregulated markets to provide greater choice to commercial and industrial customers, and to provide EQL with an enhanced ability to respond to emerging trends.

Network revenues

Revenues for the network businesses are largely derived from network services that are regulated by the Australian Energy Regulator (AER). The AER determines these revenues on a 5-yearly basis, based on the businesses' proposals and its view of the reasonable benchmark efficient costs for a network business.

In April 2022, the AER published its transmission determination for Powerlink for the 2022–27 period, which is supporting a reduction in network costs charged in 2022–23 electricity bills for the typical residential and small business customer.

Similarly, in June 2020, the AER published its distribution determination for Energex and Ergon Energy Network (as electricity distribution providers) for the 2020–25 period, also leading to lower network costs for average Queensland residential households and small businesses.

8.1.2 Electricity generation

Queensland is in a strong position to deliver reliable and affordable energy through significant baseload and renewable generation capacity.

Queensland continues to operate Australia's youngest and most efficient fleet of coal-fired generators and an increasing number of large-scale renewable projects. This includes assets owned by our publicly-owned generators – CleanCo, CS Energy, and Stanwell.

In 2022–23, construction will commence on CleanCo's 102.6 megawatt (MW) Karara Wind Farm in the Darling Downs. Construction will also commence or continue on new wind and solar farms across Queensland with which our generators have entered long-term power purchase agreements. Since 2020, Queensland Government generators have announced ownership and offtake agreements in renewable energy projects which will add almost 3 gigawatts of clean energy to Queensland.

The GOCs will play a key role in helping to deliver the government's 50 per cent Queensland Renewable Energy Target by 2030.

CleanCo

CleanCo is the newest publicly-owned energy generator in Queensland, owning and operating a portfolio of low and no emissions generation assets. Following the transfer of a strategic low-emissions generation portfolio from Stanwell and CS Energy in late 2019, CleanCo has been an active participant in the National Electricity Market.

In addition to its foundation portfolio, since 2020, CleanCo has committed to support a further 1,100 MW in new renewable generation capacity. This will be achieved by power agreements with wind and solar farms in the Darling Downs, Western Downs, and Far North Queensland, and through CleanCo's 102.6 MW Karara Wind Farm which it will build, own and operate.

CleanCo is also supporting the sustainable energy goals of major commercial customers, including BHP and Coles, by entering long-term agreements to supply firm renewable energy.

CS Energy

CS Energy is a major supplier of electricity across Queensland, with a portfolio of around 3,500 MW of installed capacity under management, including the Callide B and Kogan Creek Power Stations, and the Callide C Power Station, which it operates and has a 50 per cent ownership interest in. CS Energy is also a party to the Gladstone Interconnection and Power Pooling Agreement, and trades output of the Gladstone Power Station that exceeds the electricity requirements of the Boyne Island Aluminium Smelter.

Since 2020, CS Energy has entered multiple agreements to purchase electricity from renewable energy generators, including with Moura, Warwick, Hughenden, and Columboola solar farms. CS Energy also provides retail services to large commercial and industrial customers throughout Queensland and has a 50/50 joint venture with Alinta Energy to supply electricity to residential and small business customers in South East Queensland.

In 2021–22, CS Energy announced its partnership with Senex Energy to develop the Kogan Renewable Hydrogen Project near Chinchilla. Through the Queensland Renewable Energy and Hydrogen Jobs Fund, CS Energy has been allocated $28.9 million towards this project.

Stanwell

Stanwell is a major supplier of electricity across Queensland, with a portfolio of around 3,300 MW of installed capacity from its 3 coal-fired power stations in Queensland. Stanwell sells electricity directly to large commercial and industrial customers in Queensland and interstate, and earns revenue from coking coal exported from Curragh Mine.

In 2020, Stanwell entered a long-term agreement to offtake 348 MW of renewable energy from the Clarke Creek Wind Farm in Central Queensland, with construction commencing in 2022–23. In 2022, Stanwell also announced an offtake agreement with the Blue Grass Solar Farm near Chinchilla in the Western Downs.

Through the Queensland Renewable Energy and Hydrogen Fund, Stanwell has been allocated $192.5 million towards its investment in the 252 MW Wambo Wind Farm, which it will develop in partnership with global renewables developer, Cubico. Stanwell will own 50 per cent of the wind farm and offtake the remaining 50 per cent through a power agreement. Construction of the wind farm is expected to commence in 2022 and be operational by 2024.

Stanwell is also progressing feasibility work on a large-scale hydrogen export facility in Gladstone as part of a consortium with several Japanese companies (including Iwatani Corporation) and Australian energy infrastructure business, APA Group. Stanwell has been allocated $15 million from the Queensland Renewable Energy and Hydrogen Jobs Fund to support the project.

Box 8.1 Renewable Energy and Storage

The Queensland Government continues to drive investment in our state's renewable energy future, including through the $2 billion Queensland Renewable Energy and Hydrogen Jobs Fund (the Fund). Investments through the Fund will help decarbonise the state's energy system and demonstrate Queensland's attractiveness to domestic and international investors to drive economic growth.

This Fund is enabling Queensland's energy GOCs to invest in commercial renewable energy and hydrogen projects, and supporting infrastructure, including in partnership with the private sector. The Fund is demonstrating our commitment to drive investment and economic growth across Queensland, building the infrastructure and creating the jobs that will transform the state's energy system and achieve our 50 per cent Queensland Renewable Energy Target by 2030 and net zero emissions by 2050. Queensland is leveraging its competitive advantage of a natural abundance of world-class wind and solar resources, as it harnesses that potential to make the state a renewable energy and hydrogen leader.

New GOC investment in renewables will complement the state's existing portfolio of baseload generation assets, which will be critical to ensure security of electricity supply through Queensland's energy transformation and support a growing manufacturing and resources sector.

With an allocation from the Fund, Stanwell is investing $192.5 million in the 252 MW Wambo Wind Farm near Dalby. Stanwell's investment includes a 50 per cent direct equity stake in the project, and an offtake agreement for the remaining renewable energy generation. The project is being delivered in partnership with global renewables developer Cubico, and will support up to 200 jobs during construction and up to 20 ongoing operations and maintenance jobs.

Through projects like this, we are strengthening our commitment to maintain public ownership of generation.

Queensland is also investing to deliver the energy storage capacity essential to support Queensland's energy transformation and deliver affordable, reliable and clean energy for Queenslanders.

In 2021–22, $22 million was committed over 2 years to undertake a feasibility study for a pumped hydro energy storage project at Borumba and concept studies for other sites. This Budget allocates up to $48 million more for pumped hydro energy storage investments, including $13 million to fast-track a final investment decision on the proposed Borumba pumped hydro energy storage project and $35 million towards feasibility work on a second pumped hydro energy project.

To support the continued uptake of renewable energy across Queensland, CS Energy is investing $150 million to deliver the 100 MW Chinchilla battery, and Stanwell is investing $207 million to deliver a 150 MW battery at Tarong.

These investments will further strengthen the supply of affordable, reliable and clean energy across Queensland, while also supporting regional jobs and investment.

8.1.3 Rail

Queensland Rail is an integrated, publicly-owned rail operator, responsible for the delivery of passenger transport in South East Queensland, long distance passenger services in rural and regional Queensland and provision of third-party access to networks for freight transport across the state.

The majority of services are delivered under a Rail Transport Services Contract (TSC) with the government, represented by the Department of Transport and Main Roads. The Rail TSC provides funding for rail infrastructure, Citytrain (South East Queensland passenger services) and Traveltrain (regional passenger services).

In 2022–23, Queensland Rail will support the delivery of significant new rail infrastructure, including the Cross River Rail project by the Cross River Rail Delivery Authority and other transformational rail infrastructure projects to increase rail service delivery for the state's growing population. These investments will support local manufacturing supply chains, as well as supporting jobs in regional areas.

8.1.4 Ports

Queensland has a large network of ports that are owned and run by GOCs along its coastline. These businesses, Gladstone Ports Corporation (GPC), North Queensland Bulk Ports Corporation, Port of Townsville Limited, and Far North Queensland Ports Corporation (trading as Ports North), own and operate a range of assets from small facilities serving local communities to large, world class multi-user and multi-cargo ports, which have public and privately owned import and export facilities.

Queensland's ports play an essential role in the state's supply chain networks and economy, and their efficient operation is key to economic growth, job creation and sustainable development across the state.

Since 2020, government-owned ports have provided support to local communities affected by COVID-19 and remain committed to implementing appropriate measures to respond to the impacts of COVID-19 on staff, businesses and communities.

Other port GOC projects occurring throughout 2022–23 include:

- the continuation of the $232 million Channel Capacity Upgrade at the Port of Townsville
- ongoing refurbishments and construction of the $63.9 million replacement shiploader for GPC's RG Tanna Coal Terminal
- expansion of the Cairns Marine Precinct with delivery of 2 new wharves as part of a $32 million early works package and working with the Australian Government to progress a major Common User Facility following a $150 million commitment by the Queensland Government
- working with proponents in Gladstone, Townsville and major ports to identify and progress potential hydrogen opportunities at the respective ports.

8.1.5 Water

The 2 largest entities in the Queensland bulk water supply industry are the Queensland Bulk Water Supply Authority (trading as Seqwater) and Sunwater Limited (Sunwater). Other water entities in the PNFC Sector include the Gladstone Area Water Board and Mount Isa Water Board.

Seqwater

Seqwater is responsible for supplying safe, secure and reliable bulk drinking water for people across South East Queensland. Its assets and operations are spread across a large geographic area from the New South Wales border to the base of the Toowoomba ranges and as far north as Gympie. Seqwater provides essential flood mitigation services and manages 7 water supply schemes which provide irrigation services.

Dams play a vital role in South East Queensland's water supply and flood mitigation. Seqwater has an ongoing Dam Improvement Program (DIP) to ensure the safety and reliability of its dams and compliance with dam safety guidelines into the future.

Key projects for Seqwater in 2022–23 include:

- completion of the South West Pipeline to connect Beaudesert to the South East Queensland Water Grid to ensure a reliable long-term water supply
- further investment into the Mount Crosby Flood Resilience Program including replacement and relocation of the existing East Bank electrical substation, construction of a new two-lane road bridge adjacent to the Mount Crosby Weir, and electrical infrastructure upgrades at the East Bank Pump Station
- delivery of the Toowoomba to Warwick Pipeline to provide Warwick and surrounding communities a reliable drought contingency
- planning activities for the Somerset Dam improvement project.

Sunwater

Sunwater is the government's major bulk water supply business for regions outside of South East Queensland. It supplies untreated bulk water to approximately 5,000 customers across the industrial, mining, urban and irrigation customer segments. Sunwater provides this through an extensive regional asset base, owning and managing water infrastructure assets with a replacement value of around $14 billion.

Dam safety is a major focus for Sunwater, as it is for all bulk water suppliers. Like Seqwater, Sunwater has an ongoing DIP to ensure the safety and reliability of its dams and compliance with dam safety guidelines into the future. The DIP is an essential works program and a key determinant of Sunwater's financial performance over time.

Key projects for Sunwater in 2022–23 include:

- continuing planning and commencing early works for the Paradise Dam improvement project to enhance the dam to meet future extreme weather events
- continuing planning for the Burdekin Falls Dam improvement project
- continuing investigations into potentially raising Burdekin Falls Dam
- continuing work to deliver efficiency improvements to the Mareeba-Dimbulah Water Supply Scheme
- continuing construction of Rookwood Weir.

8.2 Finances and performance

8.2.1 Earnings before interest and tax

Estimated Total PNFC Sector EBIT of $1.994 billion for 2021–22 is $857 million lower than forecast at the 2021–22 Queensland Budget. Across the forward estimates, PNFC Sector EBIT is expected to increase to $3.581 billion by 2023–24 and decline to $2.585 billion by 2025–26.

The electricity network sector EBIT is estimated to fall slightly in 2022–23 (compared to 2021–22 levels) and remain so over the forward estimates, driven by EQL's regulated revenue determinations for the 2020–25 period and Powerlink's regulated revenue determination for the 2022–2027 period.

For 2021–22, the electricity generation sector is no longer forecasting a positive EBIT, primarily reflecting movements in the value of hedging contracts entered into prior to recent market price volatility. Generators enter appropriate hedging contracts to provide earnings certainty, including on the Australian Securities Exchange. These adjustments are expected to be temporary with profitability expected to return from 2022–23, providing opportunities for new investment to support Queensland's energy transformation, and improved returns to the state.

Port sector EBIT in 2021–22 aligns with the 2021–22 Queensland Budget and is forecast to trend upwards over the forward estimates, reflecting the various long-term revenue contracts with customers and is supported by cost recoveries from the completion of revenue generating capital expansions.

Water sector EBIT in 2021–22 also aligns with the 2021–22 Queensland Budget but is forecast to trend downwards over the forward estimates, due to Sunwater's delivery of its substantial DIP.

Stadiums Queensland, a major contributor to the 'Other' PNFC sector, operates and maintains the state's portfolio of major sporting stadiums and high performance and community venues. Earnings will be offset by expenses over the forward estimates as venues are improved and maintained to a contemporary standard in the lead up to the Brisbane 2032 Olympic and Paralympic Games.

Table 8.2 Earnings before interest and tax[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Electricity Networks	1,455	1,276	1,382	1,312	1,184	1,138	1,306
Electricity Generation	229	478	(457)	1,067	1,472	797	422
Rail	342	335	281	312	266	341	332
Ports	217	209	206	219	243	258	261
Water	680	598	598	594	474	443	331
Other[2]	(97)	(45)	(15)	15	(58)	(64)	(66)
Total PNFC sector	**2,826**	**2,851**	**1,994**	**3,519**	**3,581**	**2,913**	**2,585**

Notes:

1. Numbers may not add due to rounding.
2. Includes other public corporations.

8.2.2 Borrowings

Entities in the PNFC Sector use debt financing as a source of funds for asset renewal and capital investments, and to maintain an optimal capital structure. Borrowings also include derivative liabilities associated with hedging activities undertaken by GOCs.

PNFC Sector entities are required to take a prudent and sound approach to debt management, including the establishment of borrowing arrangements which are appropriate to the business risk of the organisation. These arrangements consider the appropriateness of the proposed capital expenditure program, together with the implications of borrowings on key financial and performance related indicators.

Importantly, PNFC Sector entity asset values are a relevant factor in considering overall PNFC Sector borrowings. On average, for 2022–23, PNFC Sector entities borrow around 55 per cent of their asset values.

For the PNFC Sector as a whole, increases in borrowings are more than offset by increases in the value of total assets over time, with the ratio of borrowings to total assets falling to around 54 per cent by 2025–26.

Total PNFC Sector borrowings for 2021–22 is estimated at $48.566 billion, or around $7.260 billion higher than forecast at the 2021–22 Budget. Movements over the forward estimates are primarily due to the accounting treatment of short-term financial contracts held by energy GOCs.

Borrowings in the water sector are largely attributable to Seqwater, which currently holds $9.185 billion of debt. This debt balance is the result of the large investment in water infrastructure in response to the Millennium Drought and the associated price path. Seqwater's forecast borrowings reduce across the forward estimates, with price path debt forecast to be repaid by 2027–28.

Port sector borrowings are forecast to increase modestly to $1.125 billion by 2025–26, with increases to fund major capital works and infrastructure projects by the Port of Townsville and Ports North.

Table 8.3 Borrowings and total assets[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Electricity Networks	23,738	24,413	23,907	24,361	24,477	24,590	24,587
Electricity Generation	2,756	1,397	9,533	4,817	2,987	2,474	2,194
Rail	3,829	4,410	4,130	4,401	4,569	4,622	4,663
Ports	1,084	1,115	1,056	1,064	1,106	1,125	1,125
Water	9,983	9,812	9,782	9,543	9,224	8,922	8,627
Other[2]	168	158	158	147	138	130	122
Total PNFC sector	**41,558**	**41,305**	**48,566**	**44,334**	**42,501**	**41,863**	**41,318**
Total Assets	71,543	71,678	75,962	74,953	75,398	75,905	76,774

Notes:

1. Numbers may not add due to rounding.
2. Includes other public corporations.

8.2.3 Returns to government

PNFC Sector entities provide returns to government by way of dividends and tax equivalent payments.

Dividends

Dividends generated by the PNFC Sector form part of consolidated revenue used to fund a range of government services. The GOC Act provides for the payment of dividends, with the dividend policies of GOCs determined by government. Each year, GOC boards make a dividend recommendation for government consideration.

Total PNFC Sector dividends for 2021–22 are expected to be $193 million, or $375 million less than forecast at the 2021–22 Queensland Budget. This outcome reflects the government's decision to allow the energy, ports, and water GOCs to retain 2021–22 dividends otherwise payable for reinvestment in critical infrastructure and growth initiatives. In the energy sector, this will include investment in new energy assets to support the energy transformation and put downward pressure on electricity prices through supporting increased supply and storage. This decision recognises the government's commitment to public ownership, and the potential to leverage investment opportunities to grow our businesses and deliver future revenue benefits for Queenslanders.

Over the forward estimates, the PNFC Sector is expected to deliver cumulative dividends of $2.854 billion, with annual dividends increasing to 2023–24 and declining thereafter, to $588 million by 2025–26.

Electricity network dividends are expected to fall to $134 million in 2024–25, due to the AER's revenue determination leading to an expected fall in EQL's and Powerlink's earnings, with a modest recovery thereafter.

The electricity generation sector is forecast to provide dividends from 2022–23, with dividends increasing to 2023–24 and declining to 2025–26. This trend reflects earnings growth of these businesses, with the current wholesale market environment supporting returns in the next couple of years, and a return to more stable levels over the forward estimates. As the energy transformation accelerates, the entry of significant volumes of renewables will continue to boost supply into the grid and put sustained downward pressure on wholesale electricity prices. Lower wholesale prices driven by the influx of renewable generation impacts all generators in the sector.

Ports sector dividends are forecast to increase over the forward estimates in line with earnings.

In the water sector, dividends are expected to be modest over the forward estimates due to the repayment of debt by Seqwater and DIP costs. Only the Mount Isa and Gladstone Area Water Boards are forecasting dividends over the forward estimates.

Table 8.4 Dividends[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Electricity Networks	308	188	—	233	156	134	230
Electricity Generation	108	98	—	284	405	113	38
Rail	183	162	180	168	152	191	163
Ports	111	111	—	118	133	142	142
Water	25	10	13	12	13	13	15
Total PNFC sector	**735**	**568**	**193**	**815**	**859**	**592**	**588**

Note:

1. Numbers may not add due to rounding.

Tax equivalent payments

Tax equivalent payments (TEPs) are paid by PNFC Sector entities to recognise the benefits derived because they are not liable to pay Australian Government tax. The primary objective of the payment is to promote competitive neutrality through a uniform application of income tax laws between government-owned businesses and their private sector counterparts.

In line with the trend in earnings growth, TEPs are expected to increase from $427 million in 2021–22 to $550 million in 2023–24, and then decrease to $406 million by 2025–26.

Table 8.5 Tax equivalent payments[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Electricity Networks	197	195	199	156	123	131	178
Electricity Generation	108	117	85	219	307	195	121
Rail	54	71	65	81	47	58	32
Ports	51	55	60	61	67	69	67
Water	8	5	18	6	7	7	8
Other[2]	22	1	—	—	1	1	—
Total PNFC sector	**441**	**444**	**427**	**524**	**550**	**460**	**406**

Notes:

1. Numbers may not add due to rounding.
2. Includes other public corporations.

Competitive neutrality fees

Competitive neutrality policy requires that public sector businesses, including GOCs, should not have a competitive advantage (or disadvantage) over the private sector solely due to their government ownership. A key application of this policy is the competitive neutrality fee (CNF).

The CNF is applied to a GOC's cost of debt to neutralise any cost of funds advantage by way of government ownership on the basis of GOCs' ability to borrow funds at a lower rate than private sector competitors, given the government's credit strength.

In general, changes in CNF payments reflect movements in borrowing amounts, interest rate spreads and the entity's stand-alone credit rating.

CNF payments by the PNFC Sector are expected to be $205 million in 2021–22, increasing to $221 million in 2023–24 before decreasing to $212 million in 2025–26. Total CNF is primarily driven by the electricity networks sector with payments by EQL increasing to 2023–24, in accordance with an increase to its borrowings to fund capital expenditure. CNF payments by other sectors are largely unchanged over the forward estimates.

Table 8.6 Competitive neutrality fee payments[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Electricity Networks	129	150	152	165	168	159	154
Electricity Generation	15	14	14	12	12	14	14
Rail	31	25	25	28	28	30	31
Ports	10	10	9	8	7	8	8
Water	4	4	4	5	5	4	4
Total PNFC sector	**190**	**203**	**205**	**218**	**221**	**215**	**212**

Note:

1. Numbers may not add due to rounding.

8.2.4 Community service obligation and rail transport services contract payments

For public policy reasons, the government can direct GOCs to perform activities that are not in their commercial interest (for example, discounting rural irrigation water prices to stimulate the regional economy). In these situations, the government can compensate the GOC through the payment of a CSO for the cost of delivering the uncommercial part of the good or service.

In line with the Queensland Government's Uniform Tariff Policy, a CSO payment is provided to EQL to compensate its retail subsidiary, Ergon Energy, for the increased costs of operating in regional Queensland. This subsidy is provided to ensure Queenslanders, regardless of their geographic location, pay a similar price for their electricity. The one-off increase in the forecast CSO cost for 2022–23 is due to regulated revenue under-recoveries in previous years being recovered in 2022–23.

Seqwater and Sunwater also own and operate water supply schemes, where irrigation prices for some schemes are set below the level necessary to recover the costs of supply. The government provides a CSO to offset the reduced revenue.

Similarly, TSC payments are made to Queensland Rail to deliver rail passenger services at non-commercial (subsidised) prices for commuter and tourism markets.

Total PNFC Sector CSO and TSC payments for 2021–22 are expected to be $2.564 billion, in line with the $2.612 billion forecast at the 2021–22 Budget. Over the forward estimates, CSO and TSC payments are expected to increase to $2.844 billion by 2025–26. This trend is largely driven by TSC payments, which is due to a mix of factors such as changes in patronage, escalation of service delivery costs, progression of capital works and operational readiness activities to support Cross River Rail, and growth in the number of rail services offered.

Water CSO payments are forecast to peak in 2021–22, due to commencement of the government's rural irrigation water price discount for Sunwater and Seqwater customers for the 3 years to 2023–24, before decreasing over the forward estimates as prices transition towards cost recovery. There is no CSO forecast in 2024–25 because irrigation prices have not yet been set beyond 2023–24.

Table 8.7 Community service obligation payments and transport services contracts[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Electricity Networks	454	502	525	635	514	505	505
Rail	1,912	2,074	2,013	2,153	2,233	2,320	2,332
Water	20	35	26	24	23	7	7
Total PNFC sector	**2,386**	**2,612**	**2,564**	**2,812**	**2,770**	**2,832**	**2,844**

Note:

1. Numbers may not add due to rounding.

8.2.5 Equity movements

Levels of GOC debt and equity are managed by the government to maintain an optimal and efficient capital structure. Corporations may apply different target capital structures to optimise value and support business operations. Equity movements account for changes in contributed equity and special dividends.

In 2021–22, total PNFC Sector equity withdrawals are expected to be $87 million, with Powerlink delivering a $170 million special dividend offsetting equity contribution across the PNFC Sector. This compares to a $453 million equity contribution forecast at the 2021–22 Budget, with the difference due to the timing of funding requirements for approved allocations from the Queensland Renewable Energy and Hydrogen Jobs Fund.

In the electricity networks sector, equity adjustments are made to maintain the gearing ratios of these businesses over time, including special dividends. In 2021–22, Powerlink received $40 million from the Queensland Renewable Energy Zone allocation to upgrade transmission lines and support the connection of Neoen's Kaban Green Power Hub to the electricity grid.

In the electricity generation sector, equity movements primarily relate to allocations from the Queensland Renewable Energy and Hydrogen Jobs Fund for investments in renewables, storage, and hydrogen, and CleanCo's investment in the Karara Wind Farm.

In the ports sector, Port of Townsville is receiving $30 million in 2022–23 for the Channel Capacity Upgrade, with Ports North continuing works to upgrade facilities at the Cairns Marine Precinct. In 2022–23, GPC is forecast to receive $7 million from the Australian Government for the Hinkler Regional Deal, and potentially a further $7.7 million, subject to negotiation of an updated project agreement and completion of delivery milestones. GPC also received $5 million in 2021–22 for a co-contribution from the Australian Government for the Auckland Hill Harbour Outlook Economic Development project under the Regional Recovery Partnerships Program.

In 2022–23, Sunwater is receiving $2.9 million to upgrade infrastructure at Leslie Dam to access water when the dam is very low. Sunwater is also forecast to receive $100 million in 2023–24 towards dam improvements at Burdekin Falls Dam (subject to conditions).

Table 8.8 Equity movements[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Electricity Networks	(97)	(90)	(130)	(70)	(70)	(180)	(257)
Electricity Generation	—	145	17	370	422	158	200
Rail	(8)	—	(5)	36	—	—	—
Ports	45	35	26	37	20	—	—
Water	—	—	—	3	100	—	—
Other[2]	(202)	363	4	43	143	310	603
Total PNFC sector	**(262)**	**453**	**(87)**	**418**	**615**	**288**	**546**

Notes:

1. Numbers may not add due to rounding. Bracketed numbers represent equity returns from the PNFC Sector to the General Government Sector.
2. Includes other public corporations such as Stadiums Queensland and Queensland Treasury Holdings, and funding allocations for Queensland Renewable Energy Zones and the Queensland Renewable Energy and Hydrogen Jobs Fund.

9 Uniform Presentation Framework

9.1 Context

This chapter contains detailed financial statements for the Queensland Public Sector prepared under the Uniform Presentation Framework (UPF) first agreed to at the Premiers' conference in 1991.

The UPF has been reviewed a number of times, more significantly following the release in October 2007 of the Australian Accounting Standards Board's (AASB) accounting standard, AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The standard aims to harmonise Government Finance Statistics (GFS) and Generally Accepted Accounting Principles (GAAP) with the objective of improving the clarity and transparency of government financial statements. The UPF was reviewed more recently in February 2019 following the 2015 update to the Australian GFS Framework.

In addition, this chapter provides:

- a time series for the General Government Sector using the revised UPF
- details of General Government Sector grant revenue and expenses
- details of General Government Sector dividend and income tax equivalent income
- data on General Government Sector expenses and purchases of non-financial assets by function
- details of taxation revenue collected by the General Government Sector
- contingent liabilities
- background information on the revised UPF and disclosure of differences arising from it including the conceptual basis and sector definitions, along with a list of reporting entities.

9.2 Uniform Presentation Framework financial information

The tables on the following pages present operating statements, balance sheets and cash flow statements prepared on the harmonised basis for the General Government Sector, Public Non-financial Corporations (PNFC) Sector and Non-financial Public Sector.

Budgeted financial information for the Public Financial Corporations Sector is not required by the UPF.

Table 9.1 General Government Sector Operating Statement[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Revenue from Transactions							
Taxation revenue	16,249	17,399	19,500	18,842	19,700	20,785	21,905
Grants revenue	33,013	31,935	33,376	35,242	37,780	38,275	38,718
Sales of goods and services	6,063	6,062	6,032	6,181	6,521	6,253	6,316
Interest income	1,948	2,537	2,561	2,847	2,910	2,984	3,037
Dividend and income tax equivalent income	1,310	1,142	672	1,499	1,572	1,232	1,195
Other revenue	4,148	4,589	10,594	9,275	6,552	7,199	6,848
Total Revenue from Transactions	**62,732**	**63,664**	**72,735**	**73,886**	**75,034**	**76,728**	**78,019**
Less **Expenses from Transactions**							
Employee expenses	26,501	27,474	27,931	30,076	31,253	32,665	33,657
Superannuation expenses							
Superannuation interest cost	246	373	378	655	633	655	653
Other superannuation expenses	3,073	3,156	3,421	3,493	3,676	3,811	3,983
Other operating expenses	16,335	17,963	19,002	19,805	19,493	18,868	18,935
Depreciation and amortisation	4,187	4,356	4,474	4,652	4,806	4,985	5,190
Other interest expenses	1,619	1,667	1,563	1,826	2,242	2,576	2,887
Grants expenses	11,709	12,160	14,051	14,407	14,013	13,030	12,530
Total Expenses from Transactions	**63,669**	**67,148**	**70,820**	**74,915**	**76,116**	**76,591**	**77,836**
Equals **Net Operating Balance**	**(937)**	**(3,485)**	**1,915**	**(1,029)**	**(1,083)**	**137**	**183**
Plus Other economic flows—included in operating result	9,787	195	567	1	375	288	266
Equals **Operating Result**	**8,850**	**(3,290)**	**2,482**	**(1,028)**	**(707)**	**426**	**448**
Plus Other economic flows—other movements in equity	7,044	1,773	1,827	3,348	3,467	2,586	1,763
Equals **Comprehensive Result—Total Change In Net Worth**	**15,894**	**(1,517)**	**4,309**	**2,320**	**2,760**	**3,012**	**2,211**
KEY FISCAL AGGREGATES							
Net Operating Balance	(937)	(3,485)	1,915	(1,029)	(1,083)	137	183
Less **Net Acquisition of Non-financial Assets**							
Purchases of non-financial assets	6,835	7,800	7,533	8,478	9,106	9,439	9,264
Less Sales of non-financial assets	216	240	183	177	242	181	182
Less Depreciation	4,187	4,356	4,474	4,652	4,806	4,985	5,190
Plus Change in inventories	46	9	3	42	(35)	27	77
Plus Other movements in non-financial assets	1,599	1,266	1,422	914	526	844	182
Equals **Total Net Acquisition of Non-financial Assets**	4,078	4,480	4,302	4,606	4,548	5,145	4,151
Equals **Fiscal Balance**	**(5,015)**	**(7,965)**	**(2,386)**	**(5,635)**	**(5,631)**	**(5,008)**	**(3,969)**

Note:

1. Numbers may not add due to rounding.

Table 9.2 Public Non-financial Corporations Sector Operating Statement[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Revenue from Transactions							
Grants revenue	615	711	734	851	663	637	631
Sales of goods and services	12,199	11,161	12,656	12,211	12,419	12,517	12,730
Interest income	65	58	52	56	67	88	97
Dividend and income tax equivalent income	15	—	—	—	—	—	—
Other revenue	345	306	308	471	594	329	316
Total Revenue from Transactions	**13,240**	**12,237**	**13,750**	**13,589**	**13,744**	**13,572**	**13,774**
Less **Expenses from Transactions**							
Employee expenses	2,123	2,211	2,241	2,471	2,546	2,613	2,672
Superannuation expenses							
Superannuation interest cost	(3)	—	—	—	—	—	—
Other superannuation expenses	249	241	229	244	256	265	272
Other operating expenses	4,895	3,996	5,832	4,576	4,282	4,278	4,400
Depreciation and amortisation	2,640	2,882	2,859	2,924	3,080	3,243	3,326
Other interest expenses	1,691	1,661	1,606	1,622	1,605	1,592	1,612
Grants expenses	24	24	14	24	24	24	18
Other property expenses	457	448	431	528	555	464	410
Total Expenses from Transactions	**12,078**	**11,463**	**13,212**	**12,389**	**12,349**	**12,479**	**12,710**
Equals **Net Operating Balance**	**1,162**	**774**	**538**	**1,199**	**1,395**	**1,093**	**1,064**
Plus Other economic flows—included in operating result	(466)	13	(456)	138	(101)	(327)	(598)
Equals **Operating Result**	**696**	**787**	**82**	**1,337**	**1,294**	**766**	**466**
Plus Other economic flows—other movements in equity	(1,010)	288	(876)	816	590	352	575
Equals **Comprehensive Result—Total Change In Net Worth**	**(315)**	**1,075**	**(793)**	**2,153**	**1,884**	**1,118**	**1,041**
KEY FISCAL AGGREGATES							
Net Operating Balance	1,162	774	538	1,199	1,395	1,093	1,064
Less **Net Acquisition of Non-financial Assets**							
Purchases of non-financial assets	3,157	3,713	3,055	3,334	3,025	3,266	3,538
Less Sales of non-financial assets	69	68	37	33	24	24	34
Less Depreciation	2,640	2,882	2,859	2,924	3,080	3,243	3,326
Plus Change in inventories	—	4	33	16	(1)	7	9
Plus Other movements in non-financial assets	77	106	80	105	306	96	95
Equals **Total Net Acquisition of Non-financial Assets**	525	872	272	498	225	103	282
Equals **Fiscal Balance**	**637**	**(98)**	**266**	**701**	**1,170**	**990**	**782**

Note:

1. Numbers may not add due to rounding.

Table 9.3 Non-financial Public Sector Operating Statement[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Revenue from Transactions							
Taxation revenue	15,906	17,062	19,157	18,481	19,336	20,427	21,548
Grants revenue	33,020	31,951	33,401	35,263	37,795	38,289	38,732
Sales of goods and services	15,667	14,320	15,908	15,519	16,191	16,082	16,390
Interest income	2,007	2,578	2,609	2,899	2,973	3,067	3,129
Dividend and income tax equivalent income	150	129	51	161	162	180	201
Other revenue	4,478	4,894	10,900	9,744	7,144	7,525	7,161
Total Revenue from Transactions	**71,228**	**70,934**	**82,027**	**82,066**	**83,600**	**85,572**	**87,161**
Less **Expenses from Transactions**							
Employee expenses	28,498	29,561	30,044	32,414	33,666	35,145	36,193
Superannuation expenses							
Superannuation interest cost	243	373	378	655	633	655	653
Other superannuation expenses	3,322	3,397	3,650	3,738	3,932	4,076	4,255
Other operating expenses	18,610	19,049	22,046	21,499	21,017	20,449	20,671
Depreciation and amortisation	6,827	7,238	7,333	7,576	7,887	8,228	8,516
Other interest expenses	3,114	3,107	2,959	3,228	3,621	3,949	4,282
Grants expenses	11,125	11,489	13,356	13,601	13,390	12,432	11,932
Total Expenses from Transactions	**71,739**	**74,213**	**79,766**	**82,710**	**84,147**	**84,933**	**86,502**
Equals **Net Operating Balance**	**(511)**	**(3,279)**	**2,260**	**(644)**	**(547)**	**639**	**659**
Plus Other economic flows—included in operating result	8,872	118	(59)	69	204	(219)	(589)
Equals **Operating Result**	**(8,361)**	**(3,161)**	**2,201**	**(575)**	**(342)**	**420**	**69**
Plus Other economic flows—other movements in equity	7,532	1,644	2,108	2,895	3,102	2,592	2,142
Equals **Comprehensive Result—Total Change In Net Worth**	**15,894**	**(1,517)**	**4,309**	**2,320**	**2,760**	**3,012**	**2,211**
KEY FISCAL AGGREGATES							
Net Operating Balance	(511)	(3,279)	2,260	(644)	(547)	639	659
Less **Net Acquisition of Non-financial Assets**							
Purchases of non-financial assets	10,007	11,513	10,588	11,812	12,131	12,705	12,802
Less Sales of non-financial assets	272	308	220	211	266	204	216
Less Depreciation	6,827	7,238	7,333	7,576	7,887	8,228	8,516
Plus Change in inventories	46	13	35	59	(36)	34	86
Plus Other movements in non-financial assets	1,676	1,372	1,503	1,020	831	941	278
Equals **Total Net Acquisition of Non-financial Assets**	4,630	5,352	4,573	5,104	4,774	5,248	4,433
Equals **Fiscal Balance**	**(5,141)**	**(8,631)**	**(2,313)**	**(5,749)**	**(5,321)**	**(4,609)**	**(3,774)**

Note:

1. Numbers may not add due to rounding.

Table 9.4 General Government Balance Sheet[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Assets							
Financial Assets							
Cash and deposits	1,072	860	981	757	683	625	563
Advances paid	1,339	1,545	1,426	1,408	1,389	1,346	1,258
Investments, loans and placements	41,742	39,319	45,265	46,267	47,263	48,200	49,043
Receivables	5,521	3,305	3,284	4,947	5,418	5,230	5,186
Equity							
Investments in other public sector entities	21,429	22,857	20,302	22,455	24,340	25,458	26,499
Investments—other	165	161	164	165	165	165	165
Total Financial Assets	**71,267**	**68,047**	**71,422**	**76,000**	**79,258**	**81,025**	**82,713**
Non-financial Assets							
Land and other fixed assets	243,075	243,243	248,729	254,571	260,287	266,760	272,290
Other non-financial assets	7,390	6,920	6,375	6,745	7,236	7,541	7,863
Total Non-financial Assets	**250,464**	**250,163**	**255,104**	**261,316**	**267,523**	**274,301**	**280,154**
Total Assets	**321,731**	**318,210**	**326,526**	**337,316**	**346,781**	**355,326**	**362,867**
Liabilities							
Payables	4,725	4,673	4,926	4,965	4,917	4,952	4,992
Superannuation liability	27,322	22,686	24,810	24,069	22,484	21,106	20,076
Other employee benefits	8,914	8,514	9,220	9,615	9,845	10,191	10,618
Advances received	1,435	1,432	847	1,745	2,714	2,736	2,793
Borrowing[2]	54,078	65,041	58,215	66,459	74,224	81,102	87,284
Other liabilities	15,633	12,690	14,575	14,210	13,583	13,213	12,867
Total Liabilities	**112,106**	**115,037**	**112,592**	**121,062**	**127,767**	**133,300**	**138,629**
Net Worth	**209,625**	**203,174**	**213,934**	**216,254**	**219,014**	**222,026**	**224,237**
Net Financial Worth	(40,839)	(46,989)	(41,170)	(45,062)	(48,509)	(52,275)	(55,916)
Net Financial Liabilities	62,268	69,847	61,473	67,517	72,848	77,733	82,416
Net Debt	11,360	24,750	11,390	19,772	27,603	33,667	39,214

Notes:

1. Numbers may not add due to rounding.
2. Borrowing line comprised of:

Borrowing with QTC	46,153	57,240	50,451	58,853	66,415	73,338	80,622
Leases and other similar arrangements	7,704	7,603	7,544	7,385	7,589	7,544	6,442
Securities and derivatives	220	198	220	220	220	220	220
	54,078	**65,041**	**58,215**	**66,459**	**74,224**	**81,102**	**87,284**

Table 9.5 Public Non-financial Corporations Sector Balance Sheet[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Assets							
Financial Assets							
Cash and deposits	1,159	784	925	1,162	1,618	1,650	1,681
Advances paid	1,135	1,214	608	1,554	2,572	2,643	2,749
Investments, loans and placements	1,345	308	6,123	2,914	1,320	989	935
Receivables	1,829	1,572	2,260	2,056	1,877	1,909	1,925
Equity							
Investments—other	7	9	7	7	7	7	7
Total Financial Assets	**5,474**	**3,887**	**9,922**	**7,693**	**7,394**	**7,199**	**7,296**
Non-financial Assets							
Land and other fixed assets	64,054	66,328	64,619	65,864	66,663	67,327	68,057
Other non-financial assets	2,014	1,463	1,420	1,396	1,342	1,379	1,421
Total Non-financial Assets	**66,068**	**67,791**	**66,039**	**67,260**	**68,004**	**68,706**	**69,477**
Total Assets	**71,543**	**71,678**	**75,962**	**74,953**	**75,398**	**75,905**	**76,774**
Liabilities							
Payables	2,304	1,640	1,412	2,037	2,083	1,823	1,899
Superannuation liability	(273)	(152)	(273)	(273)	(273)	(273)	(273)
Other employee benefits	963	940	934	1,008	1,018	1,057	1,096
Deposits held	12	13	12	12	12	12	12
Advances received	5	4	106	4	3	2	2
Borrowing[2]	41,558	41,305	48,566	44,334	42,501	41,863	41,318
Other liabilities	8,319	7,857	7,343	7,816	8,155	8,404	8,662
Total Liabilities	**52,888**	**51,608**	**58,100**	**54,938**	**53,499**	**52,888**	**52,715**
Net Worth	**18,655**	**20,070**	**17,861**	**20,014**	**21,899**	**23,017**	**24,058**
Net Financial Worth	(47,414)	(47,721)	(48,178)	(47,245)	(46,105)	(45,689)	(45,419)
Net Debt	37,936	39,017	41,029	38,720	37,006	36,594	35,967

Notes:

1. Numbers may not add due to rounding.
2. Borrowing line comprised of:

Borrowing with QTC	39,747	40,655	42,148	41,700	41,431	41,294	40,910
Leases and other similar arrangements	454	405	354	326	488	430	370
Securities and derivatives	1,357	245	6,064	2,308	582	139	38
	41,558	**41,305**	**48,566**	**44,334**	**42,501**	**41,863**	**41,318**

Table 9.6 Non-financial Public Sector Balance Sheet[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Assets							
Financial Assets							
Cash and deposits	2,232	1,644	1,906	1,919	2,301	2,276	2,243
Advances paid	1,334	1,540	1,320	1,404	1,386	1,344	1,256
Investments, loans and placements	43,086	39,628	51,387	49,180	48,583	49,189	49,977
Receivables	6,418	4,037	4,954	5,761	5,998	6,102	6,017
Equity							
Investments in other public sector entities	2,775	2,788	2,442	2,442	2,442	2,442	2,442
Investments—other	172	171	171	172	172	172	172
Other financial assets							
Total Financial Assets	**56,016**	**49,807**	**62,179**	**60,879**	**60,882**	**61,525**	**62,107**
Non-financial Assets							
Land and other fixed assets	307,128	309,570	313,347	320,434	326,949	334,086	340,346
Other non-financial assets	1,256	1,107	1,174	1,095	1,197	1,181	1,182
Total Non-financial Assets	**308,385**	**310,677**	**314,521**	**321,530**	**328,146**	**335,267**	**341,528**
Total Assets	**364,401**	**360,484**	**376,701**	**382,408**	**389,028**	**396,792**	**403,635**
Liabilities							
Payables	6,150	5,520	5,798	5,811	5,756	5,791	5,851
Superannuation liability	27,049	22,534	24,537	23,796	22,211	20,833	19,803
Other employee benefits	9,877	9,453	10,154	10,623	10,863	11,247	11,714
Deposits held	12	13	12	12	12	12	12
Advances received	300	218	239	190	142	93	43
Borrowing[2]	95,626	106,341	106,774	110,786	116,719	122,958	128,595
Other liabilities	15,762	13,231	15,253	14,936	14,312	13,832	13,379
Total Liabilities	**154,775**	**157,310**	**162,767**	**166,154**	**170,014**	**174,766**	**179,398**
Net Worth	**209,625**	**203,174**	**213,934**	**216,254**	**219,014**	**222,026**	**224,237**
Net Financial Worth	(98,759)	(107,503)	(100,587)	(105,276)	(109,132)	(113,241)	(117,291)
Net Financial Liabilities	101,534	110,291	103,029	107,717	111,573	115,683	119,732
Net Debt	49,287	63,760	52,412	58,485	64,603	70,255	75,174

Notes:

1. Numbers may not add due to rounding.
2. Borrowing line comprised of:

Borrowing with QTC	85,901	97,896	92,599	100,553	107,847	114,632	121,533
Leases and other similar arrangements	8,158	8,009	7,898	7,711	8,076	7,975	6,812
Securities and derivatives	1,567	436	6,277	2,521	795	352	251
	95,626	**106,341**	**106,774**	**110,786**	**116,719**	**122,958**	**128,595**

Table 9.7 General Government Sector Cash Flow Statement[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Cash Receipts from Operating Activities							
Taxes received	15,882	18,657	20,758	18,840	19,698	20,783	21,904
Grants and subsidies received	31,226	31,906	33,915	34,382	37,484	38,252	38,901
Sales of goods and services	6,217	6,312	6,342	6,457	6,772	6,564	6,612
Interest receipts	2,077	2,535	2,587	2,844	2,907	2,982	3,035
Dividends and income tax equivalents	1,673	897	1,088	788	1,454	1,614	1,238
Other receipts	5,745	5,730	12,159	10,866	8,035	8,228	8,345
Total Operating Receipts	**62,820**	**66,038**	**76,848**	**74,178**	**76,351**	**78,423**	**80,035**
Cash Payments for Operating Activities							
Payments for employees	(30,320)	(31,442)	(31,705)	(34,334)	(35,835)	(37,471)	(38,696)
Payments for goods and services	(19,002)	(20,402)	(21,002)	(22,258)	(21,998)	(21,386)	(21,518)
Grants and subsidies	(11,709)	(12,100)	(13,971)	(14,293)	(13,967)	(12,986)	(12,484)
Interest paid	(1,568)	(1,600)	(1,495)	(1,755)	(2,161)	(2,495)	(2,808)
Other payments	(2)	—	(1)	—	—	—	—
Total Operating Payments	**(62,601)**	**(65,544)**	**(68,175)**	**(72,640)**	**(73,962)**	**(74,338)**	**(75,506)**
Net Cash Inflows from Operating Activities	**219**	**493**	**8,674**	**1,538**	**2,389**	**4,085**	**4,529**
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(6,835)	(7,800)	(7,533)	(8,478)	(9,106)	(9,439)	(9,264)
Sales of non-financial assets	216	240	183	177	242	181	182
Net Cash Flows from Investments in Non-financial Assets	**(6,619)**	**(7,561)**	**(7,351)**	**(8,301)**	**(8,864)**	**(9,259)**	**(9,082)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**(33)**	**(636)**	**60**	**(478)**	**(568)**	**(313)**	**(499)**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**(3,513)**	**(821)**	**(3,470)**	**1,321**	**(924)**	**(849)**	**(832)**
Receipts from Financing Activities							
Advances received (net)	(410)	(69)	(584)	900	971	24	58
Borrowing (net)	10,224	8,501	2,580	4,797	6,922	6,255	5,763
Deposits received (net)	(1)	—	—	—	—	—	—
Net Cash Flows from Financing Activities	**9,813**	**8,433**	**1,995**	**5,697**	**7,894**	**6,279**	**5,821**
Net Increase/(Decrease) in Cash held	**(133)**	**(91)**	**(92)**	**(223)**	**(73)**	**(57)**	**(62)**
Net cash from operating activities	219	493	8,674	1,538	2,389	4,085	4,529
Net cash flows from investments in non-financial assets	(6,619)	(7,561)	(7,351)	(8,301)	(8,864)	(9,259)	(9,082)
Surplus/(Deficit)	**(6,401)**	**(7,067)**	**1,323**	**(6,763)**	**(6,475)**	**(5,174)**	**(4,553)**
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(6,401)	(7,067)	1,323	(6,763)	(6,475)	(5,174)	(4,553)
Acquisitions under finance leases and similar arrangements	(1,547)	(1,088)	(1,251)	(810)	(344)	(163)	(2)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**(7,948)**	**(8,155)**	**72**	**(7,573)**	**(6,819)**	**(5,337)**	**(4,555)**

Note:

1. Numbers may not add due to rounding.

Table 9.8 Public Non-financial Corporations Sector Cash Flow Statement[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Cash Receipts from Operating Activities							
Grants and subsidies received	614	681	717	831	668	626	620
Sales of goods and services	13,555	12,674	14,140	14,112	14,290	14,206	14,431
Interest receipts	66	58	52	56	67	88	97
Dividends and income tax equivalents	15	—	—	—	—	—	—
Other receipts	182	206	257	321	512	248	236
Total Operating Receipts	**14,433**	**13,620**	**15,166**	**15,319**	**15,537**	**15,168**	**15,384**
Cash Payments for Operating Activities							
Payments for employees	(2,295)	(2,426)	(2,500)	(2,641)	(2,793)	(2,839)	(2,904)
Payments for goods and services	(5,931)	(5,593)	(7,813)	(5,979)	(5,704)	(5,676)	(5,733)
Grants and subsidies	(24)	(24)	(14)	(24)	(24)	(24)	(18)
Interest paid	(1,684)	(1,645)	(1,595)	(1,610)	(1,598)	(1,588)	(1,605)
Other payments	(1,002)	(869)	(866)	(999)	(983)	(1,088)	(963)
Total Operating Payments	**(10,936)**	**(10,557)**	**(12,788)**	**(11,253)**	**(11,102)**	**(11,214)**	**(11,223)**
Net Cash Inflows from Operating Activities	**3,497**	**3,063**	**2,378**	**4,066**	**4,435**	**3,954**	**4,162**
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(3,157)	(3,713)	(3,055)	(3,334)	(3,025)	(3,266)	(3,538)
Sales of non-financial assets	69	68	37	33	24	24	34
Net Cash Flows from Investments in Non-financial Assets	**(3,088)**	**(3,644)**	**(3,018)**	**(3,301)**	**(3,001)**	**(3,242)**	**(3,504)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**262**	**(68)**	**357**	**(1,017)**	**(1,088)**	**(156)**	**(291)**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**10**	**(12)**	**(1,169)**	**608**	**543**	**108**	**(19)**
Receipts from Financing Activities							
Advances received (net)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Borrowing (net)	806	380	2,163	(415)	(303)	(204)	(450)
Dividends paid	(1,071)	(419)	(735)	(192)	(815)	(895)	(669)
Deposits received (net)	(1)	—	—	—	—	—	—
Other financing (net)	(144)	543	(209)	488	685	468	803
Net Cash Flows from Financing Activities	**(411)**	**503**	**1,218**	**(119)**	**(433)**	**(631)**	**(317)**
Net Increase/(Decrease) in Cash held	**270**	**(157)**	**(234)**	**237**	**456**	**33**	**30**
Net cash from operating activities	3,497	3,063	2,378	4,066	4,435	3,954	4,162
Net cash flows from investments in non-financial assets	(3,088)	(3,644)	(3,018)	(3,301)	(3,001)	(3,242)	(3,504)
Dividends paid	(1,071)	(419)	(735)	(192)	(815)	(895)	(669)
Surplus/(Deficit)	**(662)**	**(1,001)**	**(1,375)**	**573**	**619**	**(183)**	**(12)**
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(662)	(1,001)	(1,375)	573	619	(183)	(12)
Acquisitions under finance leases and similar arrangements	(18)	(5)	(10)	(26)	(223)	(15)	(14)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**(680)**	**(1,006)**	**(1,385)**	**547**	**396**	**(198)**	**(26)**

Note:

1. Numbers may not add due to rounding.

Table 9.9 Non-financial Public Sector Cash Flow Statement[1]

	2020–21 Outcome $ million	2021–22 Budget $ million	2021–22 Est.Actual $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Cash Receipts from Operating Activities							
Taxes received	15,549	18,321	20,416	18,480	19,335	20,426	21,547
Grants and subsidies received	31,233	31,910	33,928	34,392	37,494	38,255	38,904
Sales of goods and services	17,166	15,702	17,287	17,413	17,930	17,687	17,992
Interest receipts	2,136	2,575	2,634	2,896	2,970	3,065	3,127
Dividends and income tax equivalents	121	122	90	104	161	170	188
Other receipts	5,893	5,926	12,405	11,174	8,514	8,466	8,569
Total Operating Receipts	**72,098**	**74,556**	**86,759**	**84,459**	**86,404**	**88,068**	**90,327**
Cash Payments for Operating Activities							
Payments for employees	(32,489)	(33,744)	(34,076)	(36,842)	(38,495)	(40,176)	(41,464)
Payments for goods and services	(22,256)	(22,714)	(25,611)	(25,064)	(24,532)	(23,966)	(24,182)
Grants and subsidies	(11,128)	(11,428)	(13,276)	(13,496)	(13,335)	(12,386)	(11,886)
Interest paid	(3,061)	(3,024)	(2,882)	(3,144)	(3,534)	(3,863)	(4,196)
Other payments	(490)	(508)	(599)	(501)	(499)	(533)	(577)
Total Operating Payments	**(69,424)**	**(71,419)**	**(76,443)**	**(79,048)**	**(80,395)**	**(80,925)**	**(82,306)**
Net Cash Inflows from Operating Activities	**2,675**	**3,137**	**10,316**	**5,411**	**6,009**	**7,143**	**8,021**
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(10,007)	(11,513)	(10,588)	(11,812)	(12,131)	(12,705)	(12,802)
Sales of non-financial assets	272	308	220	211	266	204	216
Net Cash Flows from Investments in Non-financial Assets	**(9,735)**	**(11,205)**	**(10,368)**	**(11,602)**	**(11,865)**	**(12,501)**	**(12,586)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**(84)**	**(183)**	**(23)**	**(60)**	**46**	**69**	**119**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**(3,503)**	**(832)**	**(4,640)**	**1,929**	**(381)**	**(741)**	**(851)**
Receipts from Financing Activities							
Advances received (net)	(55)	(47)	(57)	(47)	(47)	(47)	(48)
Borrowing (net)	11,031	8,881	4,743	4,382	6,620	6,051	5,313
Deposits received (net)	(1)	—	—	—	—	—	—
Other financing (net)	(191)	—	(297)	—	—	—	—
Net Cash Flows from Financing Activities	**10,783**	**8,835**	**4,389**	**4,335**	**6,573**	**6,004**	**5,266**
Net Increase/(Decrease) in Cash held	**137**	**(249)**	**(326)**	**13**	**382**	**(25)**	**(32)**
Net cash from operating activities	2,675	3,137	10,316	5,411	6,009	7,143	8,021
Net cash flows from investments in non-financial assets	(9,735)	(11,205)	(10,368)	(11,602)	(11,865)	(12,501)	(12,586)
Surplus/(Deficit)	**(7,060)**	**(8,068)**	**(52)**	**(6,191)**	**(5,856)**	**(5,357)**	**(4,565)**
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	(7,060)	(8,068)	(52)	(6,191)	(5,856)	(5,357)	(4,565)
Acquisitions under finance leases and similar arrangements	(1,565)	(1,093)	(1,261)	(835)	(567)	(178)	(16)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**(8,625)**	**(9,161)**	**(1,313)**	**(7,026)**	**(6,423)**	**(5,536)**	**(4,581)**

Note:

1. Numbers may not add due to rounding.

9.3 General Government Sector time series

Data presented in Table 9.10 provides a time series from 2009–10 to 2020–21 for the General Government Sector on the key fiscal aggregates used by the government to measure financial performance. These aggregates have been backcast (as far as possible) to comply with AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

Table 9.10 General Government Sector Time Series[1]

	2009–10 Actual $ million	2010–11 Actual $ million	2011–12 Actual $ million	2012–13 Actual $ million	2013-14 Actual $ million	2014–15 Actual million	2015-16 Actual $ million	2016-17 Actual $ million	2017-18 Actual $ million	2018-19 Actual $ million	2019-20 Actual $ Million	2020-21 Actual $ Million
Revenue from Transactions												
Taxation revenue	9,375	9,981	10,608	10,937	11,840	12,598	12,547	12,919	13,244	14,165	14,585	16,249
Grant revenue	20,205	20,338	22,652	18,322	21,740	23,583	23,740	27,384	27,966	28,307	27,645	33,013
Sales of goods and services	3,961	4,172	5,002	5,087	5,039	5,443	5,712	5,642	5,884	5,783	5,618	6,063
Interest income	2,204	2,368	2,485	2,644	2,460	2,470	2,543	2,351	2,389	2,191	2,088	1,948
Dividend and income tax equivalent income	949	1,232	1,112	1,351	1,975	2,554	2,661	2,675	2,920	2,784	1,926	1,310
Other revenue	3,033	3,921	3,942	3,415	3,650	3,322	3,577	5,223	5,685	6,598	5,915	4,148
Total Revenue	**39,727**	**42,013**	**45,801**	**41,755**	**46,705**	**49,970**	**50,780**	**56,194**	**58,087**	**59,828**	**57,778**	**62,732**
Expenses from Transactions												
Employee expenses	15,566	16,826	18,250	18,130	17,816	18,592	20,045	21,258	22,681	24,019	25,662	26,501
Superannuation expenses												
Superannuation interest costs	1,320	1,240	1,216	923	963	878	767	514	667	653	354	246
Other superannuation expenses	2,051	2,171	2,301	2,420	2,277	2,319	2,507	2,661	2,741	3,012	3,183	3,073
Other operating expenses	7,568	8,646	9,497	12,817	13,108	14,539	14,811	15,578	17,259	16,480	17,085	16,335
Depreciation and amortisation	2,501	2,507	2,777	2,902	3,060	3,137	2,921	3,068	3,326	3,451	4,033	4,187
Other interest expenses	803	1,125	1,659	1,940	2,200	2,328	2,220	1,722	1,614	1,581	1,486	1,619
Grant expenses	9,790	10,963	10,327	7,182	6,792	7,758	6,841	8,568	8,048	9,647	11,702	11,709
Total Expenses	**39,599**	**43,479**	**46,028**	**46,312**	**46,217**	**49,551**	**50,112**	**53,369**	**56,337**	**58,843**	**63,505**	**63,669**
Net Operating Balance	**128**	**(1,466)**	**(226)**	**(4,558)**	**488**	**420**	**668**	**2,825**	**1,750**	**985**	**(5,728)**	**(937)**
OTHER KEY AGGREGATES												
Purchases of non-financial assets	8,959	8,237	7,971	7,001	6,323	4,635	4,044	4,620	5,126	5,764	6,306	6,835
Net acquisition of non-financial assets	6,665	5,583	5,241	3,389	3,087	992	1,164	2,265	2,337	3,192	3,436	4,078
Fiscal Balance	**(6,537)**	**(7,049)**	**(5,467)**	**(7,947)**	**(2,599)**	**(572)**	**(497)**	**560**	**(587)**	**(2,207)**	**(9,164)**	**(5,015)**
Cash Surplus/(Deficit)	(5,341)	(5,880)	(4,951)	(8,585)	(3,213)	(105)	866	1,448	337	302	(6,228)	(6,401)
Net Worth	175,588	177,875	170,745	172,963	166,492	171,933	188,099	194,988	195,038	200,861	195,646	209,625
Net Debt	(13,354)	(9,542)	(5,720)	2,399	5,208	5,749	653	(355)	(509)	(198)	14,036	11,360
Borrowing with QTC[2]	15,182	23,711	28,391	36,508	39,864	41,343	34,200	31,358	29,256	29,468	37,570	46,153
Leases and similar arrangements	274	508	637	734	882	1,126	1,370	1,503	2,142	2,612	6,485	7,704
Borrowing with QTC (NFPS)	50,745	52,521	60,205	67,116	70,668	73,256	71,160	69,107	66,964	67,576	76,464	85,901
Leases and similar arrangements (NFPS)	735	884	1,127	1,559	1,752	1,802	1,316	1,882	2,142	2,612	6,977	8,158

Notes:

1. Numbers may not add due to rounding.
2. Borrowing in 2013–14 includes bank overdraft of $1.434 billion.

Source: Report on State Finances for Queensland 2010–11 to 2020–21. (Numbers have been recast for changes to UPF presentation.)

9.4 Other General Government Sector Uniform Presentation Framework data

Data in the following tables is presented in accordance with the UPF.

9.4.1 Grants

Tables 9.11 and 9.12 provide details of General Government Sector current and capital grant revenue and expenses.

Table 9.11 General Government Sector grant revenue[1]

	2021–22 Est. Act. $ million	2022–23 Budget $ million
Current grant revenue		
Current grants from the Commonwealth		
General purpose grants	15,848	17,841
Specific purpose grants	10,257	10,265
Specific purpose grants for on-passing	4,316	3,964
Total current grants from the Commonwealth	30,422	32,070
Other contributions and grants	294	302
Total current grant revenue	**30,716**	**32,372**
Capital grant revenue		
Capital grants from the Commonwealth		
Specific purpose grants	2,594	2,854
Total capital grants from the Commonwealth	2,594	2,854
Other contributions and grants	66	17
Total capital grant revenue	**2,661**	**2,870**
Total grant revenue	**33,376**	**35,242**

Note:

1. Numbers may not add due to rounding.

Table 9.12 General Government Sector grant expenses[1]

	2021–22 Est. Act $ million	2022–23 Budget $ million
Current grant expense		
Private and Not-for-profit sector	3,354	3,590
Private and Not-for-profit sector on-passing	3,649	3,840
Local Government	974	178
Local Government on-passing	689	146
Grants to other sectors of Government	2,709	2,888
Other	450	838
Total current grant expense	**11,826**	**11,481**
Capital grant expense		
Private and Not-for-profit sector	540	569
Local Government	1,266	1,956
Grants to other sectors of Government	20	65
Other	399	336
Total capital grant expense	**2,225**	**2,927**
Total grant expense	**14,051**	**14,407**

Note:

1. Numbers may not add due to rounding.

9.4.2 Dividend and income tax equivalent income

Table 9.13 provides details of the source of dividend and income tax equivalent income in the General Government Sector.

Table 9.13 General Government Sector dividend and income tax equivalent income[1]

	2021–22 Est. Act. $ million	2022–23 Budget $ million
Dividend and Income Tax Equivalent income from PNFC sector	620	1,338
Dividend and Income Tax Equivalent income from PFC sector	51	160
Total Dividend and Income Tax Equivalent income	**671**	**1,499**

Note:

1. Numbers may not add due to rounding.

9.4.3 Expenses by function

Table 9.14 provides details of General Government Sector expenses by function.

Table 9.14 General Government Sector expenses by function[1]

	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
General public services	5,352	5,685	6,555	6,828	6,929	7,009
Public order and safety	6,313	6,575	6,719	6,900	7,134	7,204
Economic affairs	2,217	2,854	2,810	2,294	2,099	2,008
Environmental protection	875	1,536	846	860	755	751
Housing and community amenities	1,162	1,191	1,539	1,532	1,271	1,289
Health	21,214	21,926	22,466	23,715	24,418	25,220
Recreation, culture and religion	941	807	1,022	1,071	1,052	1,057
Education	16,803	17,059	18,232	18,869	19,135	19,731
Social protection	5,001	5,760	6,936	6,469	6,374	6,325
Transport	7,273	7,427	7,791	7,577	7,424	7,242
Total Expenses	**67,148**	**70,820**	**74,915**	**76,116**	**76,591**	**77,836**

Note:

1. Numbers may not add due to rounding.

9.4.4 Purchases of non-financial assets by function

Table 9.15 provides details of General Government Sector purchases of non-financial assets by function.

Table 9.15 General Government Sector purchases of non-financial assets by function[1]

	2021–22 Budget $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
General public services	69	147	223	157	374	376
Public order and safety	596	451	766	543	290	201
Economic affairs	53	34	47	60	23	27
Environmental protection	45	60	46	54	102	116
Housing and community amenities	438	296	371	339	324	121
Health	1,241	820	1,222	2,028	2,019	2,634
Recreation, culture and religion	118	130	140	99	82	53
Education	1,417	1,205	1,321	1,082	801	561
Social protection	24	11	65	110	77	62
Transport	3,800	4,379	4,278	4,634	5,349	5,113
Total Purchases	**7,800**	**7,533**	**8,478**	**9,106**	**9,439**	**9,264**

Note:

1. Numbers may not add due to rounding.

9.4.5 Taxes

Table 9.16 provides details of taxation revenue collected by the General Government Sector.

Table 9.16 General Government Sector taxes[1]

	2021–22 Est. Act. $ million	2022–23 Budget $ million
Taxes on employers' payroll and labour force	4,957	5,242
Taxes on property		
Land taxes	1,603	1,773
Stamp duties on financial and capital transactions	6,028	4,722
Other	1,269	1,315
Taxes on the provision of goods and services		
Taxes on gambling	1,589	1,646
Taxes on insurance	1,295	1,347
Taxes on use of goods and performance of activities		
Motor vehicle taxes	2,759	2,797
Total Taxation Revenue	**19,500**	**18,842**

Note:

1. Numbers may not add due to rounding.

9.5 Contingent liabilities

Contingent liabilities represent items that are not included in the budget as significant uncertainty exists as to whether the government would sacrifice future economic benefits in respect of these items. Nevertheless, such contingencies need to be recognised and managed wherever possible in terms of their potential impact on the government's financial position in the future.

The state's quantifiable and non-quantifiable contingent liabilities are detailed in the *2020–21 Report on State Finances* - whole-of-government financial statements (note 43).

A summary of the state's quantifiable contingent liabilities as at 30 June 2021 is provided in Table 9.17.

Table 9.17 Contingent liabilities

Nature of contingent liability	2020–21 $ million
Guarantees and indemnities	13,497
Other	172
Total	**13,669**

9.6 Background and interpretation of Uniform Presentation Framework

As mentioned in the introduction to this chapter, the UPF was reviewed in 2007 following release of the accounting standard, AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

This standard aims to harmonise GFS and GAAP with the objective of improving the clarity and transparency of government financial statements.

9.6.1 Accrual Government Finance Statistics Framework

The GFS reporting framework, developed by the Australian Bureau of Statistics (ABS), is based on international statistics standards (the International Monetary Fund Manual on Government Finance Statistics and the United Nations System of National Accounts). This allows comprehensive assessments to be made of the economic impact of government.

The accrual GFS framework is based on an integrated recording of stocks and flows. Stocks refers to a unit's holding of assets and liabilities at a point in time, while flows represent the movement in the stock of assets and liabilities between 2 points in time. Flows comprise 2 separate types, transactions and other economic flows. Transactions come about from mutually agreed interactions between units or within a single unit. Other economic flows would include revaluations and destruction or discovery of assets that do not result from a transaction.

In GFS operating statements, other economic flows, being outside the control of government, are excluded and do not affect the net operating balance or fiscal balance.

9.6.2 General Accepted Accounting Principles

In addition to the GFS framework, public sector entities were previously required to report at year end against AAS 31 *Financial Reporting by Government,* which meant complying with the Accounting Standards issued by the AASB.

9.6.3 Harmonisation under AASB 1049

This dual reporting regime caused confusion for financial report users and the Financial Reporting Council asked the AASB to develop a framework harmonising GAAP and GFS and to issue an Australian accounting standard for a single set of government reports.

In the development of AASB 1049, the AASB adopted the following approaches:

- adoption of GAAP definition, recognition and measurement principles in almost all cases
- amended presentation requirements to encompass a comprehensive result that retains GAAP classification system but overlays it with a transaction and other economic flows classification system based on GFS
- expanding the disclosure requirements to incorporate key fiscal aggregates required by GFS.

9.6.4 Revisions to the Uniform Presentation Framework

Following the introduction of AASB 1049, the Australian, state and territory governments consider that the UPF will continue to be an important framework for ensuring comparability of financial information across jurisdictions. The UPF continues to apply to financial statements produced by government in budget, mid-year budget updates and final budget outcome reports, whereas the accounting standard applies only to outcome reports.

Aligning the framework with the AASB 1049 was not intended to create a UPF that complies with all the reporting requirements of AASB 1049. For example, the UPF does not include the same level of detail in relation to disclosure requirements of AASB 1049. Instead, the revised UPF allows jurisdictions to utilise the framework as the base set of statements and add additional relevant information to comply with AASB 1049.

9.7 Sector classification

GFS data is presented by institutional sector, distinguishing between the General Government Sector and the PNFC Sector.

Budget reporting focuses on the General Government Sector, which provides regulatory services, and goods and services of a non-market nature that are provided at less than cost or at no cost. These services are largely financed by general revenue (Australian Government grants and state taxation). This service comprises government departments, their commercialised business units/shared service providers and certain statutory bodies.

The PNFC Sector comprises bodies that provide mainly market goods and services that are of non-regulatory and non-financial nature. PNFCs are financed through sales to customers of their goods and services and may be supplemented by explicit government subsidy to satisfy community service obligations. In general, PNFCs are largely distinguishable from the governments that own them. Examples of PNFCs include the energy entities and Queensland Rail.

Together, the General Government Sector and the PNFC Sector comprise the Non-financial Public Sector.

Further discussion of the GFS framework of reporting, including definitions of GFS terms, can be obtained from the website page of the ABS at www.abs.gov.au.

9.8 Reporting entities

The reporting entities included in the General Government and the PNFC sectors in these budget papers are included below:

9.8.1 General Government

Departments

Agriculture and Fisheries

Children, Youth Justice and Multicultural Affairs

Communities, Housing and Digital Economy

Education

Employment, Small Business and Training

Energy and Public Works

Environment and Science

Justice and Attorney-General

Premier and Cabinet

Queensland Corrective Services

Queensland Fire and Emergency Services

Queensland Health

Queensland Police Service

Queensland Treasury

Regional Development, Manufacturing and Water

Resources

Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

State Development, Infrastructure, Local Government and Planning

Tourism, Innovation and Sport

Transport and Main Roads

Commercialised Business Units

CITEC

Economic Development Queensland

QBuild

QFleet

RoadTek

Shared Service Providers

Corporate Administration Agency

Queensland Shared Services

Other General Government entities

Board of the Queensland Museum

Crime and Corruption Commission

Cross River Rail Delivery Authority

Electoral Commission of Queensland

Gold Coast Waterways Authority

Health and Wellbeing Queensland

Hospital and Health Services

- Cairns and Hinterland
- Central Queensland
- Central West
- Children's Health Queensland
- Darling Downs
- Gold Coast
- Mackay
- Metro North
- Metro South
- North West
- South West
- Sunshine Coast
- Torres and Cape
- Townsville
- West Moreton
- Wide Bay

Legal Aid Queensland

Legislative Assembly

Library Board of Queensland

Motor Accident Insurance Commission

Nominal Defendant

Office of the Governor

Office of the Health Ombudsman

Office of the Information Commissioner

Office of the Inspector-General Emergency Management

Office of the Ombudsman

Prostitution Licensing Authority

Public Service Commission

Queensland Art Gallery Board of Trustees

Queensland Audit Office

Queensland Building and Construction Commission

Queensland Curriculum and Assessment Authority

Queensland Family and Child Commission

Queensland Human Rights Commission

Queensland Mental Health Commission

Queensland Performing Arts Trust

Queensland Racing Integrity Commission

Queensland Reconstruction Authority

Queensland Rural and Industry Development Authority

Residential Tenancies Authority

South Bank Corporation

TAFE Queensland

The Council of the Queensland Institute of Medical Research

The Public Trustee of Queensland

Tourism and Events Queensland

Trade and Investment Queensland

9.8.2 Public Non-financial Corporations

Brisbane Organising Committee for the 2032 Olympic and Paralympic Games

CleanCo Queensland Ltd

CS Energy Limited

Energy Queensland Limited

Far North Queensland Ports Corporations Limited

Gladstone Area Water Board

Gladstone Ports Corporation Limited

Mount Isa Water Board

North Queensland Bulk Ports Corporation Limited

Port of Townsville Limited

Powerlink Queensland

Queensland Bulk Water Supply Authority (SEQ Water)

Queensland Rail

Queensland Treasury Holdings Pty Ltd

Stadiums Queensland

Stanwell Corporation Limited

Sunwater Limited

Appendix A: Concessions statement

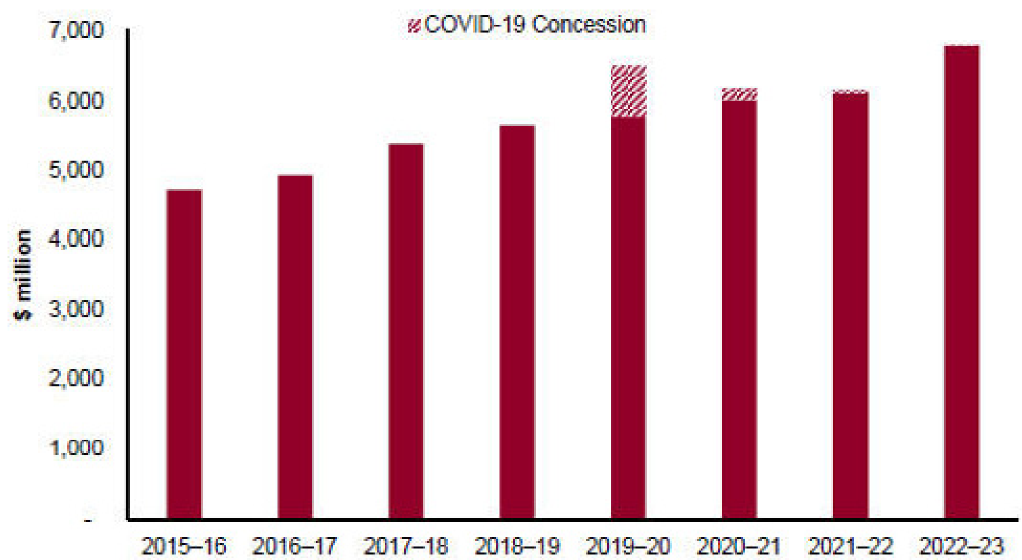
Queensland Government subsidies, discounts and rebates to ease cost of living pressures and support businesses

The current global inflationary environment is driving up costs for households and businesses. The Queensland Government is acutely aware of the impact that these recent inflationary pressures are likely to have on the cost of living for Queenslanders.

The Queensland Government provides a wide range of concessions including subsidies, rebates and discounts across a variety of services and products. These concessions provide Queenslanders with cost of living support for essentials like electricity, transport, health, housing, education, and training services. The importance of these concessions is underscored in the current environment characterised by high inflation and increasing living costs both in Australia and overseas.

As highlighted in Chart A.1, the total value of all concessions provided to Queenslanders is estimated to be $6.786 billion in 2022–23. This represents an increase of 10.3 per cent compared with estimated actual concessions of $6.152 billion in 2021–22.

Chart A.1 Total concessions value by year[1]



Note:

1. All years to 2018–19 are estimated actuals, 2019–20 is an actual (due to the timing of the 2020–21 Budget, an actual figure was calculated for that year), 2020–21 and 2021–22 are estimated actuals and 2022–23 is the budgeted amount.

Importantly, over the 7 years from 2015–16 to 2022–23, the growth in total concessions has outpaced inflation by 1.4 per cent on average each year. This has ensured that the real value of concessions available to Queenslanders has not only been maintained but has also grown over time. Further detail regarding Queensland Government cost of living support can be found in Chapter 1.

The majority of Queenslanders benefit from at least one Queensland Government concession and, in many cases, may benefit from multiple concessions each year. For example, aged pensioners are eligible for a number of Queensland Government concessions, such as discounts on their council rates, water, gas and electricity bills, and vehicle registration fees, as well as subsidised optometry and dental services.

Focus

This statement highlights the cost and nature of concessions provided by the Queensland Government. It covers concessions that are direct budget outlays (e.g. fee subsidy payments) and concessions that are revenue foregone through fees and charges set at a lower rate than what applies to the wider community and other businesses. In the case of broader concessions, it also includes concessions related to the delivery of services to consumers at less than the full cost of service provision.

Section A.2 sets out the specific concessions provided by the Queensland Government by agency. Section A.3 sets out the concessions provided by government-owned corporations (GOCs) and is separated into concessions by GOC, concessional leases (industry, commercial and community) by GOC and COVID-19-related measures by GOC. Within each agency or GOC, concessions are listed in descending order of value.

Explanation of scope

For the purposes of this document, concessions include:

- discounts, rebates and subsidies provided by the government that improve access to, and affordability of, a range of services for certain individuals, families or businesses based on eligibility criteria (e.g. relating to factors such as age, income, special needs, location or business characteristic)
- concessions where all consumers, including businesses, of a particular good or service pay a price that is below the full cost of service provision (that is, no eligibility criteria is applied).

Both General Government and Public Non–financial Corporations (PNFC) Sector concessions are included in this statement. Where a payment is made from a General Government Sector agency to a PNFC entity for a concession arrangement, the expenditure is reported against the General Government Sector agency only to avoid double counting.

To be included in this statement, concessions must meet the minimum materiality threshold of estimated expenditure or revenue foregone of $50,000 in either the budget year or the year prior.

Varying methods have been used to estimate the cost of concessions, depending on the nature of the concessions, including:

- direct budget outlay cost (e.g. direct subsidy or rebate payments or government's contribution in the case of items such as rental subsidies)
- revenue foregone (e.g. concessional fees and charges)
- cost of goods and services provided.

For the purposes of illustration, the document often uses averages to demonstrate the potential value of the concession to recipients. However, averages are not reflective of individual circumstances, meaning the actual dollar value of the concession to individual recipients may vary from person to person or business to business.

The Concessions Statement does not include tax expenditures (e.g. tax exemptions, reduced tax rates, tax rebates and deductions). Information on tax expenditures can be found in Appendix B.

A.1 Concessions summary

Table A.1.1 Concession by entity[1]

Concession by entity	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Agency		
Department of Agriculture and Fisheries	25.7	25.3
Department of Communities, Housing and Digital Economy	541.9	592.1
Department of Education	147.3	155.3
Department of Employment, Small Business and Training	504.5	514.9
Department of Energy and Public Works	559.2	667.2
Department of Environment and Science	3.2	1.7
Department of Justice and Attorney-General	132.6	115.0
Department of Regional Development, Manufacturing and Water	35.4	38.3
Department of Resources	3.2	3.2
Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	420.2	725.0
Department of Tourism, Innovation and Sport	1.6	1.6
Department of Transport and Main Roads	3,350.3	3,477.2
Queensland Fire and Emergency Services	10.9	11.3
Queensland Health	284.8	319.3
Total Agency	**6,020.8**	**6,647.4**
Government-owned corporations		
Energy Queensland Limited	27.7	28.5
Far North Queensland Ports Corporation Limited	3.6	3.4
Gladstone Ports Corporation Limited	39.7	43.5
North Queensland Bulk Ports Corporation Limited	1.6	1.6
Port of Townsville Limited	6.3	6.5
Queensland Rail	2.1	2.2
Sunwater Limited	50.4	52.5
Total government-owned corporations	**131.4**	**138.2**
Total all entities	**6,152.2**	**6,785.6**

Note:

1. Numbers may not add due to rounding.

A.2 Concessions by agency

Table A.2.1 Department of Agriculture and Fisheries

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Primary Industry Productivity Enhancement Scheme (PIPES)	10.6	10.6
Drought Relief Assistance Scheme[1]	8.0	5.7
Drought Preparedness Grant Scheme[2]	2.0	3.0
Drought Carry-on Finance Loan Scheme[3]	0.6	2.0
Drought Ready and Recovery Finance Loan Scheme[3]	0.6	2.0
Emergency Drought Assistance Loan Scheme[3]	0.3	1.0
Farm Management Grants Program[4]	1.0	1.0
#pickqld bonus (formally the Back to Work in Agriculture Incentive Scheme)[5]	1.9	—
Business Counselling[6]	0.7	—
Total	**25.7**	**25.3**

Notes:

1. The variance is due to the reduced demand anticipated for this scheme as a result of improved seasonal conditions in many parts of Queensland.
2. This scheme commenced in November 2021. The initial year was not a full year of operation.
3. This scheme commenced in March 2022. The initial year was not a full year of operation.
4. The value of this concession includes Queensland Government funding only. The Australian Government also contributes towards the funding for this program.
5. This scheme was closed on 31 December 2021 to new applicants.
6. This item is part of the government response to COVID-19.

Primary Industry Productivity Enhancement Scheme (PIPES)

PIPES is administered by the Queensland Rural and Industry Development Authority (QRIDA) and provides concessional rates of interest on loans to eligible primary producers in need of financial assistance. First Start Loans and Sustainability Loans of up to $2 million and $1.3 million, respectively, support applicants to enter primary production and to improve productivity and sustainability.

The average concessional interest rate for new lending is 2.8 per cent. The amounts in the above table represent the fair values of the interest rate concessions pertaining to loans issued in the PIPES portfolio in each of the financial years shown.

Drought Relief Assistance Scheme

As part of the Drought Assistance and Reform Package, the Drought Relief Assistance Scheme provides freight subsidies of up to 50 per cent and emergency water infrastructure rebates of up to 50 per cent to eligible applicants, up to a maximum of between $20,000 and $50,000 per property, per financial year. These concessions are only available to currently drought declared producers that do not access the new drought preparedness measures. Free financial counselling is being provided via the Rural Financial Counselling Service for producers and related small business owners.

Drought Preparedness Grant Scheme

As part of the Drought Assistance and Reform Package, the Drought Preparedness Grant Scheme provides a rebate to eligible primary producers of up to $50,000 for on-farm capital improvements identified in their Farm Business Resilience Plan to improve the drought preparedness of the producer's property.

Drought Carry-on Finance Loan Scheme

As part of the Drought Assistance and Reform Package, the Drought Carry-on Finance Loan Scheme provides a concessional loan to eligible primary producers of up to $250,000 for carry-on finance during drought. These loans would be available where the $50,000 available from the Emergency Drought Assistance Loan Scheme is insufficient to assist the producer to manage drought conditions. The concession is calculated on the basis of a commercial reference rate of 5.21 per cent per annum and an average concessional interest rate for new lending of 2.7 per cent per annum. The amount shown in the above table represents the fair values of the interest rate concessions pertaining to loans in the financial year shown.

Drought Ready and Recovery Finance Loan Scheme

As part of the Drought Assistance and Reform Package, the Drought Ready and Recovery Finance Loan Scheme provides a concessional loan of up to $250,000 for eligible primary producers to undertake measures identified in their Farm Business Resilience Plan that will improve the drought preparedness of the producer's property.

The concession is calculated on the basis of a commercial reference rate of 5.21 per cent per annum and an average concessional interest rate for new lending of 2.7 per cent per annum. The amount shown in the above table represents the fair values of the interest rate concessions pertaining to loans in the financial year shown.

Emergency Drought Assistance Loan Scheme

As part of the Drought Assistance and Reform Package, the Emergency Drought Assistance Loan Scheme provides an interest free concessional loan to eligible primary producers of up to $50,000 as emergency finance for carry-on activities like paying wages or creditors during drought. The concession is calculated at a rate of 5.21 per cent per annum on the basis of a commercial reference rate of this amount and no interest being charged on the loan. The amount shown in the above table represents the fair values of the interest rate concessions pertaining to loans in the financial year shown.

Farm Management Grants Program

As part of the Drought Assistance and Reform Package, the Farm Management Grants Program provides a rebate of 50 per cent to a maximum of $2,500 to eligible primary producers for the cost of developing a Farm Business Resilience Plan for their property.

#pickqld bonus (formally Back to Work in Agriculture Incentive Scheme)

The #pickqld bonus scheme was designed to meet short-term labour shortage demands in agriculture, with payments of up to $1,500 to encourage eligible workers to take up a job in agriculture. The incentive payment was provided to new workers to help fill the urgent and immediate agriculture workforce shortfall to deliver food security and maintain industry viability. This measure ceased in 2021–22.

Business Counselling

Free and confidential small and rural business financial counselling is provided to assist business owners who are experiencing or at risk of financial hardship due to the impacts of COVID-19 on their business. The support assists clients to better understand their financial position, access financial assistance, identify long-term recovery options, implement plans and access broader professional advice and support. The service is run through the Rural Financial Counselling Services in Queensland. On average, a benefit of approximately $950 is received in financial counselling services per client. This measure ceased in 2021–22 and is replaced by Small Business and Tourism Financial Counselling Programs which are the responsibility of the Department of Employment, Small Business and Training and the Department of Tourism, Innovation and Sport.

Table A.2.2 Department of Communities, Housing and Digital Economy

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Government Managed Housing Rental Rebate[1]	486.0	541.3
Home Assist Secure	22.9	23.2
National Rental Affordability Scheme[2]	26.6	20.3
Queensland Museum – Arts Concessional Entry Fee[3]	2.0	2.7
Rental Bond Loans[4]	1.0	1.2
Queensland Performing Arts Trust – Arts Concessional Entry Fees	1.0	1.0
Arts Queensland – Discount on Property Lease Rentals[5]	0.6	0.8
Queensland Performing Arts Trust – Venue Hire Rebates	0.5	0.5
Arts Queensland – Venue Hire Rebates	0.4	0.4
Queensland Art Gallery – Arts Concessional Entry Fees[6]	0.5	0.4
State Library of Queensland – Venue Hire Rebates	0.3	0.3
COVID-19 Relief – Queensland Museum – Additional Concessions[7]	0.1	—
Non-government Managed Housing[8]	—	—
Total	**541.9**	**592.1**

Notes:

1. The increase is due to an increase in private market rents based on prevailing conditions.
2. The variance is primarily due to a decrease in the number of incentives paid as the scheme winds down. The cessation of the scheme was a decision of the Australian Government.
3. The increase is due to higher visitation being expected due to reopening of venues and increased patronage.
4. The increase is primarily due to an increase in bond loans paid in 2022–23.
5. The increase is primarily due to reopening of venues and increased leasing space following revitalisation works.
6. The variance is due to concessional entry fees which varies depending on the number and nature of ticketed exhibitions in the year.
7. This item is part of the government response to COVID-19.
8. The value of this concession arrangement cannot be easily quantified.

Government Managed Housing Rental Rebate

The Government Managed Housing Rental Rebate targets low-income families and individuals and represents the difference between the estimated rents that would be payable in the private market and rent that is charged by government based on household income.

Assistance is provided to approximately 54,700 households. The estimated average yearly subsidy per household for 2022–23 is $9,895.

Home Assist Secure

Home Assist Secure provides free safety related information and referrals, and subsidised assistance to eligible clients unable to undertake or pay for critical maintenance services without assistance. To be considered for assistance, homeowners or tenants over the age of 60 or of any age with a disability must hold a Pensioner Concession Card and be unable to complete the work themselves. In addition, they must be unable to access assistance from other services.

Labour costs (up to $500 per household per year) for the assistance provided are subsidised by Home Assist Secure while the balance of the costs (including the materials) are met by the client. Clients can also get a one-off subsidy of $80 for the cost of materials for security related work (Security Hardware Subsidy).

Home Assist Secure targets homeowners and those in rental housing who are over 60 years of age or have disability, and who require assistance to remain living in their home. In 2022–23, it is estimated that over 40,000 households will be assisted.

National Rental Affordability Scheme

The National Rental Affordability Scheme (NRAS) is an Australian Government initiative, delivered in partnership with the Queensland Government, to increase the supply of new affordable rental housing. The scheme provides financial incentives to investors to build well located dwellings and rent them to eligible low to moderate income households, at a discounted rate at least 20 per cent below market rent.

Under the scheme, the concession to the tenant is provided by the property owner. Due to the nature of the arrangement, the overall value of the concession to the tenant cannot be easily quantified. In 2022–23, the government has allocated $20.3 million for the payment of financial incentives to NRAS investors who are then required to discount rents to tenants.

Queensland Museum – Arts Concessional Entry Fee

Queensland Museum provides concessional entry fees to seniors, students, children, families and a variety of concession card holders for ticketed exhibitions at Queensland Museum and Sciencentre and for general entry to Cobb & Co Museum Toowoomba, the Workshops Rail Museum Ipswich and Museum of Tropical Queensland Townsville. Concessions are also provided to targeted groups, such as schools, to encourage visits to museums. The level of concession provided varies depending on the venue and the event.

Rental Bond Loans

The government provides interest-free rental bond loans to people who cannot afford to pay a full bond to move into private rental accommodation, thereby reducing the need for more costly, subsidised housing assistance, through 2 products:

1. Bond Loans: equivalent to a maximum amount of 4 weeks rent, or
2. Bond Loan Plus: equivalent to a maximum amount of 6 weeks rent.

The interest-free bond loan targets low-income households and can stabilise tenancies, preventing households from entering the cycle of homelessness and engaging with fringe, high interest credit providers. The concession represents the interest saving for the client on the bond loan. In 2022–23, $30.7 million in Bond Loans and Bond Loan Plus may be advanced to an estimated 25,000 clients.

Queensland Performing Arts Trust – Arts Concessional Entry Fees

Concessional entry fees are offered for specific Queensland Performing Arts Trust productions and to provide support for other not for profit theatre companies to enable tickets to be sold at concessional prices. The level of concession provided varies depending on the number and size of events being held each year.

Arts Queensland – Discount on Property Lease Rentals

Property lease rentals are provided to arts and cultural organisations at a discount from market rental rates at the Judith Wright Arts Centre, Festival House, and Bulmba-ja Arts Centre. Further discounts on specialist rehearsal and gallery space are given as negotiated at the time of entering the lease and dependent on the individual arts or cultural organisation and its funding.

Queensland Performing Arts Trust – Venue Hire Rebates

Venue hire rebates are offered to government-funded cultural organisations, charitable organisations, government departments and educational institutions. Organisations currently receiving discounts are Queensland Symphony Orchestra, Opera Queensland, Queensland Theatre Company and Queensland Ballet.

Arts Queensland – Venue Hire Rebates

Venue hire rebates support Queensland Government-funded arts organisations and professional artists to develop and present new work at the Judith Wright Arts Centre and Bulmba-ja Arts Centre.

Queensland Art Gallery – Arts Concessional Entry Fees

Queensland Art Gallery's ticket prices are set to ensure that they are affordable and to maximise attendance, with additional concessions provided to seniors, students, children, families, and a variety of concession card holders. The purpose of the Queensland Art Gallery Arts entry fees concession is to contribute to the cultural, social, and intellectual development of Queenslanders, and encourage diverse audiences.

State Library of Queensland – Venue Hire Rebates

State Library of Queensland provides venue hire concessions to targeted community and non-profit groups including cultural and charitable organisations and educational institutions in order to support events and programs directly linked to State Library of Queensland's services, programs, and activities.

COVID-19 Relief – Queensland Museum – Additional Concessions

Additional relief was provided where business hardship due to COVID-19 was proven. This concession has now ceased for 2022–23.

Non-government Managed Housing

The government provides contributions to social housing providers, including capital grants, granted land or properties, or recurrent funding, to assist in increasing housing affordability and access to social housing.

Due to the nature of the arrangement, particularly varying rents charged by providers based on individual circumstances of each household, the overall value of the concession provided by the government cannot be easily quantified.

Rents charged for social housing managed by the providers are based on between 25 per cent and 30 per cent of a household's assessable income or the market rent, whichever is lower, which substantially reduces accommodation costs for eligible individuals and families. Many of these families may also be eligible for Commonwealth Rent Assistance to assist in the cost of their accommodation.

Table A.2.3 Department of Education

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Textbook and Resource Allowance[1]	72.6	76.4
School Transport Assistance for Students with Disability[2]	45.7	49.3
Living Away from Home Allowance Scheme	8.1	8.1
Tuition Fee Exemptions/Waivers - Dependants of International Students[3]	7.4	7.5
Non-State Schools Transport Assistance Scheme[4]	6.5	7.1
Dalby State High School - Bunya Campus Residential Facility	2.6	2.6
Western Cape Student Residential College, Weipa	1.3	1.3
Spinifex State College - Mount Isa Student Residential Facility	1.2	1.2
Distance Education - Information and Communication Technology Subsidy Scheme	1.1	1.1
Distance Education - Non-Government Student Fee Subsidy[5]	0.8	0.7
Total	**147.3**	**155.3**

Notes:

1. The increase is due to enrolment growth and CPI indexation.
2. The increase reflects revised rates and increases in fuel costs.
3. The increase is due to CPI indexation.
4. The increase is due to CPI indexation and increased demand for assistance under the scheme.
5. The variance is due to a higher number of students utilising the service in 2021–22.

Textbook and Resource Allowance

The Textbook and Resource Allowance is available for all parents/caregivers of secondary school age students attending state and non-government schools, and children registered in home education of equivalent age, to assist with the cost of textbooks and learning resources. In schools, parents may assign this allowance to the school to reduce the fees associated with participating in the school’s textbook and resource scheme. For children registered for home education, the allowance is paid directly to the parent.

In 2022, the rates per annum are $136 for students in Years 7 to 10 and $295 for students in Years 11 and 12.

School Transport Assistance for Students with Disability

The School Transport Assistance Program for Students with Disability assists eligible state school students whose disability impacts on their parents’ or carers’ ability to arrange their safe travel to and from school. This assistance includes coordinated service delivery in specially contracted taxis or minibuses, payment of fares on bus, ferry, tram and train, or an allowance for parents who make private travel arrangements for their children to school or a transport meeting point. The benefit level is to a maximum of $400 per week, per student, however in exceptional circumstances higher amounts may be approved. A separate scheme is in place for students with disability attending non-state schools (refer ‘Non-State Schools Transport Assistance Scheme’).

Living Away from Home Allowance Scheme

The Living Away from Home Allowance Scheme provides financial assistance to support geographically-isolated families. The scheme assists with the costs of children required to live away from home to attend school. This concession is available to Queensland students attending both state and non-state schools.

The benefits available for eligible students in 2022 are:

- Remote Area Tuition Allowance – assistance is available for primary students of up to $4,063 per annum and secondary students of up to $5,849 per annum for students who board at approved non-state schools
- Remote Area Travel Allowance – available where the distance from the family home to the boarding location is at least 50km. Benefit levels depend on the distance travelled and range from $153 per annum to a maximum of $1,874 per annum
- Remote Area Disability Supplement – available to students with disability who incur additional costs associated with living away from home to attend school. Benefits are up to $8,309 per student, per annum
- Remote Area Allowance – assistance of $2,554 per annum is available to students attending the campus of a Queensland state high school and undertaking an approved agriculture course in lieu of Years 11 and 12.

Tuition Fee Exemptions/Waivers – Dependants of International Students

International students who meet the approved exemption criteria and wish to enrol their child in Preparatory (Prep) Year to Year 12 of schooling are exempt from paying dependant tuition fees. The exemption only applies for the duration of the main temporary visa holder's (parent) course of study in Queensland. A dependant student (Prep to Year 12) of a temporary visa holder may also be eligible for a tuition fee waiver in certain circumstances, including financial hardship.

The estimated average amount exempted or waived per student is $11,124 for the 2022–23 financial year.

Non-State Schools Transport Assistance Scheme

The Non-State Schools Transport Assistance Scheme directly assists families through the provision of funding towards the transport costs incurred for eligible students enrolled in non-state schools. Under the Scheme, payments are made twice a year to the families of students enrolled in non-state schools located beyond the Brisbane City Council area where bus and ferry fare expenses are above the annual Queensland Catholic Education Commission set weekly threshold amount. In 2022, the weekly threshold is $45 per family, or $35 for families with a current Health Care Card, Pensioner Concession Card or Veterans' Affairs Card.

The program also assists families of eligible students with disability enrolled in non-state schools. The level of assistance provided is dependent on the type of transport needed and travel assistance already provided by the Department of Transport and Main Roads (DTMR). For families using taxi travel, the benefit level is to a maximum of $300 per week, inclusive of any assistance provided through DTMR's Taxi Subsidy Scheme.

Dalby State High School – Bunya Campus Residential Facility

The Dalby State High School – Bunya Campus Residential Facility provides affordable residential accommodation for secondary school students in a boarding facility. The concession particularly targets secondary school students from rural and remote communities; however, any secondary age student is eligible. Students accommodated at the residential facility are enrolled at Dalby State High School and participate in agricultural education programs.

Western Cape Student Residential College, Weipa

The Western Cape College – Student Residential College provides a residential schooling option for students from the Torres Strait and Cape York. This college provides an option that is more familiar for students from remote locations with the intent to increase participation and retention of secondary students in schooling. The concession targets students from the Torres Strait and Cape York seeking secondary education when their home community does not provide secondary schooling.

Spinifex State College – Mount Isa Student Residential Facility

The Spinifex State College – Mount Isa Student Residential Facility provides an affordable residential facility in Mount Isa for students from the North Western area of the state whose home community does not provide secondary schooling. The funding meets the cost of wages for the residential college, increasing the affordability of the accommodation rates charged to students.

Distance Education – Information and Communication Technology Subsidy Scheme

The Distance Education – Information and Communication Technology Subsidy Scheme provides assistance to students enrolled in a school of distance education that are geographically isolated or in the medical category.

The scheme provides $400 per annum to assist with purchasing, replacing or upgrading computer hardware for students in the distance/geographically isolated and medical categories, and $500 per annum to assist students in the distance/geographically isolated category to meet the costs of broadband internet access and download charges for the home classroom. Eligible students also receive access to free software licences.

Distance Education – Non-Government Student Fee Subsidy

Distance Education – Non-Government Student Fee Subsidy is available to students who are enrolled in non-government schools and also choose to access distance education subjects. It provides an average annual subsidy of approximately $1,472 per distance education subject enrolment.

This subsidises approximately 50 per cent of the total average cost per annum of providing a subject through distance education for non-government school students. The concession contributes towards the state continuing to make distance education available to non-government schools ensuring the widest possible subject choice for students, while recovering a proportion of the teaching and overhead costs.

Table A.2.4 Department of Employment, Small Business and Training

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
User Choice - Apprentice and Trainee Training Subsidy[1]	210.2	245.7
Vocation Education and Training (VET) - Certificate 3 Guarantee Tuition Fee Subsidy[1]	216.3	201.2
VET - Higher Level Skills Tuition Fee Subsidy[1]	75.0	65.0
Travel and Accommodation Subsidy	3.0	3.0
Total	**504.5**	**514.9**

Note:

1. The variance is due to the demand driven nature of the programs.

User Choice – Apprentice and Trainee Training Subsidy

The User Choice – Apprentice and Trainee Training Subsidy program provides government funding towards the costs of training and assessment for eligible Queensland apprentices and trainees, or complementary pathways leading to apprenticeship outcomes.

The subsidy is available to pre-approved public and private registered training organisations to subsidise tuition fees to reduce the cost of nationally recognised entry level training for apprentices and trainees. The program provides greater flexibility for apprentices, trainees and their employers to select a preferred registered training organisation and to negotiate the type of training to meet their specific needs.

The value of this subsidy for each qualification ranges from $1,200 to $50,720, depending on student eligibility and qualification subsidised. The average subsidy value is $10,239.

Vocational Education and Training (VET) – Certificate 3 Guarantee Tuition Fee Subsidy

The Vocational Education and Training (VET) Certificate 3 Guarantee Tuition Fee Subsidy provides a government subsidy to allow eligible Queenslanders to obtain their first post-school Certificate 3 qualification to help them gain a job or to improve their employment status, including pathways for disadvantaged learners and Queensland school students (VET in Schools). The subsidy is available to pre-approved private and public registered training organisations to subsidise tuition fees paid by students undertaking eligible VET qualifications (primarily Certificate 3 qualifications).

The value of this subsidy for each qualification ranges from $480 to $6,780, depending on student eligibility and qualification subsidised. The average subsidy value is $3,173.

VET – Higher Level Skills Tuition Fee Subsidy

The VET Higher Level Skills Tuition Fee Subsidy provides a government subsidy to eligible students and employers to undertake a priority Certificate IV, diploma or advanced diploma qualification or industry endorsed skill set. This program assists individuals to gain employment in a critical occupation, career advancement in a priority industry or transition to university to continue their studies.

The subsidy is available to pre-approved private and public registered training organisations to subsidise tuition fees paid by students undertaking eligible VET qualifications at Certificate IV or above.

The value of this subsidy for each qualification ranges from $1,200 to $10,566, depending on student eligibility and qualification subsidised. The average subsidy value is $4,514.

Travel and Accommodation Subsidy

The Travel and Accommodation Subsidy provides financial assistance to Queensland apprentices and trainees for travel expenses incurred in attending off-the-job training at a registered training organisation. To be eligible, apprentices must attend the closest registered training organisation that offers the required qualification and travel a minimum of 100km return from their usual place of residence to the registered training organisation. The subsidy provides for:

- return land travel to the registered training organisation of 21 cents per km for distances between 100km—649km, increasing to 26 cents per km for distances of 650km or more
- a return economy air ticket to the location of the registered training organisation if necessary
- cost of ferry travel if necessary
- accommodation assistance of $30 per day for overnight stay within Queensland and $72 for interstate travellers, if it is necessary to live away from their usual place of residence to attend training.

Table A.2.5 Department of Energy and Public Works

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Uniform Tariff Policy - Energy Queensland (Excluding Isolated Systems)[1]	459.3	568.6
Uniform Tariff Policy - Energy Queensland (Isolated Systems)[2]	65.3	66.6
Drought Relief from Electricity Charge Scheme[3]	15.0	15.0
Electricity Tariff Adjustment Scheme[4]	9.1	7.7
Non-residential Buildings - Subsidised Rents	6.1	6.0
Uniform Tariff Policy - Origin Energy[5]	3.0	3.3
Affordable Energy Plan - Business Energy Savers Program[6]	1.4	—
Total	**559.2**	**667.2**

Notes:

1. The increase is due to network prices reducing in South East Queensland and increasing in regional Queensland. This is caused by the amounts of regulated revenue collected by Energex and Ergon Energy differing to their forecasts in 2020–21, due to the challenges in forecasting the impact of COVID-19 in that year.
2. The increase is a result of fuel cost increases offsetting expected reductions from asset write-downs in previous years.
3. Expenditure is dependent on the extent of drought conditions, the number of registered eligible parties in drought declared areas and customers seeking a rebate for fixed charges of their electricity accounts.
4. This was a new initiative for 2021–22 targeted to regional businesses facing significant bill impacts due to the phase out of obsolete electricity tariffs. The scheme is designed to help customers transition over a 9- year period with rebate amounts fixed at the start of the program, and reducing each year. The cost of the scheme will decrease each year as payments and the number of participants reduce.
5. The increase is due to regulated tariffs in regional Queensland increasing relative to prices in regional New South Wales.
6. This program ended in 2021–22.

Uniform Tariff Policy – Energy Queensland (Excluding Isolated Systems)

The Uniform Tariff Policy ensures that, where possible, all Queensland non-market electricity customers of a similar type pay a similar price for electricity regardless of where they live. As the notified prices do not reflect the full cost of electricity supply for most remote and regional Queenslanders, a subsidy is provided through a community service obligation (CSO) payment.

The CSO payment is provided to the regional retailer, Ergon Energy, through Energy Queensland, and covers the difference between the revenue earned by charging customers notified prices and the actual costs in the regional areas (due to differences in network costs and energy losses).

Uniform Tariff Policy – Energy Queensland (Isolated Systems)

The Uniform Tariff Policy ensures that, where possible, all Queensland non-market electricity customers of a similar type pay a similar price for electricity regardless of where they are located. As the notified prices do not reflect the full cost of electricity supply for most regional and remote Queenslanders, a subsidy is provided through a CSO payment.

Energy Queensland, through the regional retailer Ergon Energy, owns and operates 33 isolated power systems which supply electricity in remote and isolated communities, and provides retail electricity services to customers in those communities at notified electricity prices. This CSO payment is provided to Ergon Energy, through Energy Queensland, and covers the difference between the revenue earned by charging customers notified prices and the actual cost of operating the isolated power systems.

Drought Relief from Electricity Charge Scheme

The Drought Relief from Electricity Charges Scheme provides farmers and irrigators with relief from fixed charges for electricity accounts that are used to pump water for farm or irrigation purposes during periods of drought. The concessions can vary depending on the shires that are drought declared and the number of eligible customers.

Electricity Tariff Adjustment Scheme

The Electricity Tariff Adjustment Scheme provides targeted support to regional businesses materially impacted by the phase-out of obsolete electricity tariffs from 30 June 2021. This initiative provides eligible customers with individually-tailored transitional rebates to help offset the removal of obsolete tariffs and incentivise a pathway to self-sufficiency over time. Eligible businesses will receive a subsidy payment for up to 9 years.

Non-residential Buildings – Subsidised Rents

Accommodation is provided to 34 community, education, arts and not-for-profit organisations in government-owned non-residential buildings. Tenures for the occupancies are by way of leases, licences or month to month arrangements. Rents paid by the organisations are often below independently assessed market rent levels. Subsidised rental arrangements are provided to 23 properties comprising a total floor area of approximately 30,727m2. The total subsidy is calculated by deducting the actual amount paid by the occupants from the total estimated annual market rent for the office space.

Uniform Tariff Policy – Origin Energy

The Uniform Tariff Policy ensures that, where possible, all Queensland non-market electricity customers of a similar type pay a similar price for electricity regardless of where they are located. As the notified prices do not reflect the full cost of electricity supply for most regional and remote Queenslanders, a subsidy is provided through a CSO payment.

Origin Energy retails electricity to approximately 5,450 Queensland nonmarket customers in the Goondiwindi, Texas and Inglewood areas who are supplied electricity through the New South Wales Essential Energy distribution network. The government provides a subsidy to these customers, via a CSO payment to Origin Energy, to ensure they pay a similar price for electricity as other Queenslanders. Therefore, the CSO amount depends on the relative difference between Queensland and New South Wales retail electricity tariffs for non-market customers.

Affordable Energy Plan – Business Energy Savers Program

The Business Energy Savers Program was an initiative under the Affordable Energy Plan that provided free energy audits for agricultural customers and large business customers, and co-contributions to fund energy efficiency upgrades. It included an extension of the existing Energy Savers Plus Program (for agricultural businesses) and the Large Customer Adjustment Program (for large electricity users).

Under the expanded Energy Savers Plus Program, 180 audits for agricultural customers were completed. Co-contribution grants of up to $20,000 were made available to assist businesses in implementing the recommendations for the audit. The free energy audits identified up to $3 million in annual energy saving opportunities for a range of farming businesses.

The Large Customer Adjustment Program (and preceding Trial) completed 21 audits of large customers and contributed up to 50 per cent of implementation costs to eligible customers to help them implement audit recommendations. The free energy audits identified up to $1.3 million in annual energy saving opportunities for a range of farming businesses.

Table A.2.6 Department of Environment and Science

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Queensland Parks and Wildlife Service - Tour Fee and Access Permits[1]	2.1	1.7
COVID-19 Relief - Queensland Parks and Wildlife Service - Fee Relief to Commercial Tour Operators[2]	1.0	—
COVID-19 Relief - Queensland Parks and Wildlife Service - Waiver of Commercial Whale Watching Operator Fees[2]	0.1	—
Total	**3.2**	**1.7**

Notes:

1. The variance is primarily due to additional discounts for visitor entrance fees for the David Fleay Wildlife Park, which were temporarily offered in 2021–22 whilst site redevelopment works were undertaken.
2. This item is part of the government response to COVID-19.

Queensland Parks and Wildlife Service – Tour Fee and Access Permits

Admission and ranger guided tour fee concessions are available at several attractions for children, pensioners and educational purposes. Vehicle access permit concessions are available in the Cooloola Recreation Area, Bribie, Moreton (Mulgumpin) and K'gari (Fraser) Islands. Camping concessions are available in all National Park and State Forest camping areas for educational purposes and children under 5 years of age.

COVID-19 Relief – Queensland Parks and Wildlife Service – Fee Relief to Commercial Tour Operators

The Queensland Government is assisting Queensland tourism through waiving of daily activity and passenger fees for commercial tour operators operating in Protected Areas and State Forests to June 2022.

COVID-19 Relief – Queensland Parks and Wildlife Service – Waiver of Commercial Whale Watching Operator Fees

The Queensland Government is supporting tourism operators impacted by COVID-19 through waiving of annual Commercial Whale Watching Fees for the 2021 season.

Table A.2.7 Department of Justice and Attorney-General

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Public Trustee of Queensland - Concessions	41.3	42.6
Court Services - Civil Court	29.5	30.2
Queensland Civil and Administrative Tribunal	26.6	27.2
Blue Card - Volunteer Applicants	10.6	11.0
Body Corporate and Community Management - Dispute Resolution	2.7	3.4
Liquor Gaming and Fair Trading - Rural Hotel Concessions	0.4	0.4
Registry of Births, Deaths and Marriages - Fee Waivers	0.1	0.2
Liquor Gaming and Fair Trading - License Fees[1]	21.3	—
Liquor Gaming and Fair Trading - Fee Waivers[1]	0.1	—
Total	**132.6**	**115.0**

Note:

1. This item is part of the government response to COVID-19.

Public Trustee of Queensland – Concessions

The Public Trustee of Queensland (the Public Trustee) is a self-funded organisation and uses a scale of fees which is designed to reflect a fair cost for the services provided.

The Public Trustee has established a safety net limit on the annual fees payable by certain customers which provides for a rebate of fees for some customers with limited assets. The rebate is applied to customers such as financial administration customers with impaired capacity, or estate administration customers of limited means. The Public Trustee also provides Will making services at no cost for all Queenslanders.

In addition, the Public Trustee provides funding to the Public Guardian and financial assistance under the Civil Law Legal Aid Scheme administered by Legal Aid Queensland, to enable these organisations to provide services to the people of Queensland.

Court Services – Civil Court

The Supreme, District and Magistrates Courts hear civil disputes between 2 or more parties (people or organisations) where one party sues the other, usually to obtain compensation, or seek some other remedy. These disputes may involve anything from defamation to outstanding debts. Civil Court Fees are prescribed under the *Uniform Civil Procedure (Fees) Regulation 2009* for proceedings commenced in civil matters and are set below full cost recovery to ensure that civil remedies are accessible to all Queenslanders.

Queensland Civil and Administrative Tribunal

The Queensland Civil and Administrative Tribunal (QCAT) is an independent tribunal which makes decisions and resolves disputes across a wide range of jurisdictions for the community. Fees for these services are set below cost recovery to ensure services are accessible, fair and inexpensive. QCAT provides human rights services with no application fees for matters in guardianship and administration of adults, children and young people and anti-discrimination.

Blue Card – Volunteer Applicants

Individuals providing child-related services or conducting child-related activities in regulated service environments are required to undergo an assessment of their police record and relevant disciplinary information, and if approved, are issued with a blue card. A blue card is valid for 3 years unless cancelled or suspended earlier.

The Queensland Government has met the cost of blue card assessment for volunteer applicants since the inception of the blue card system in 2001. This is to ensure children can continue to receive services and participate in activities which are essential to their development and wellbeing, in a safe and supportive environment.

Body Corporate and Community Management – Dispute Resolution

The Office of the Commissioner for Body Corporate and Community Management provides a dispute resolution service to parties unable to resolve disputes themselves. The service consists of conciliation, with the aim of achieving a voluntary agreement, and adjudication, which results in a formal order. The service is delivered below full cost recovery so as to not restrict access to justice due to affordability reasons. The commissioner has the discretion to waive application fees on the grounds of financial hardship.

Liquor Gaming and Fair Trading – Rural Hotel Concessions

The Office of Liquor and Gaming Regulation licenses hotels and clubs under the *Liquor Act 1992*. Under the *Liquor (Rural Hotels Concession) Amendment Act 2019*, the Rural Hotels Concession provides licence fee relief to establishments in remote communities by reducing the base licence fees for hotels and community clubs with no more than 2,000 members, for eligible licences from July 2019.

Registry of Births, Deaths and Marriages – Fee Waivers

The Registry of Births, Deaths and Marriages waives the fees for certificates provided to disadvantaged groups in the Queensland Community (e.g. Indigenous, homeless, domestic and family violence victims, etc.) and those impacted by major emergencies (e.g. natural disasters such as cyclones and bushfires).

Liquor Gaming and Fair Trading – License Fees

The *Liquor Regulation 2002* and the *Wine Regulation 2009* were amended to waive liquor and wine licence fees for the 2020–21 and 2021–22 licence period and ceases thereafter.

Liquor Gaming and Fair Trading – Fee Waivers

In response to COVID-19 and international border closures, a waiver of renewal fees for inbound tourism operations where their business solely involves arranging/selling holiday packages to foreign tourists was provided. This fee waiver will cease on 30 June 2022.

Table A.2.8 Department of Regional Development, Manufacturing and Water

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Sunwater Rural Irrigation Water Price Subsidy[1]	20.1	17.7
Horticulture Rural Irrigation Water Price Rebate Administered by the Queensland Rural and Industry Development Authority[2]	5.4	9.9
Cloncurry Pipeline Water Supply Subsidy[3]	6.3	6.6
Seqwater Rural Irrigation Water Price Subsidy	2.2	2.1
Water Licence Fee Waiver[4]	0.9	1.5
Disaster relief arrangements - Annual Water Licence Fee Waiver[5]	0.5	0.5
Total	**35.4**	**38.3**

Notes:

1. The variance is due to prices paid by rural irrigation customers which gradually transition towards cost recovery.
2. The increase is due to an expected increase in the number of applications.
3. The increase is due to indexation and increased insurance costs.
4. The increase is to allow for a potential return to drier conditions which may lead to increased fee waivers.
5. New item for the 2022–23 Concessions Statement (not COVID-19-related).

Sunwater Rural Irrigation Water Price Subsidy

Sunwater's irrigation water prices for some schemes are set below the level necessary to recover the cost of supplying water to the irrigators.

Government funding is provided to Sunwater to offset the reduced revenue and to ensure that increases in water prices paid by rural irrigation customers to recover costs are gradual.

For 3 years from 2021–22 Sunwater will also receive funding to implement a 15 per cent discount on Sunwater irrigation prices. This discount increases to 50 per cent for horticulture irrigation, with the balance of the discount delivered through a 35 per cent rebate administered by the Queensland Rural and Industry Development Authority (QRIDA).

Horticulture Rural Irrigation Water Price Rebate administered by the Queensland Rural and Industry Development Authority

Payments to QRIDA to deliver an additional 35 per cent rebate on Sunwater and Seqwater irrigation water prices related to horticulture production for 3 years from 2021–22, bringing the total irrigation discount provided to 50 per cent for approved applicants.

Cloncurry Pipeline Water Supply Subsidy

North West Queensland Water Pipeline Limited (NWQWP), a Sunwater Limited (Sunwater) subsidiary, owns and operates the Cloncurry Pipeline between the Ernest Henry Mine and Cloncurry. The pipeline guarantees Cloncurry Shire Council's long-term water supply and supports industrial development in the region. The government provides funding to NWQWP to ensure the pipeline remains commercially viable to operate while providing an affordable and safe water supply to Cloncurry.

Seqwater Rural Irrigation Water Price Subsidy

Seqwater's irrigation water prices for some schemes are set below the level necessary to recover the cost of supplying water to the irrigators.

Government funding is provided to Seqwater to offset the reduced revenue and to ensure that increases in water prices paid by rural irrigation customers to recover costs are gradual.

For 3 years from 2021–22 Seqwater will also receive funding to implement a 15 per cent discount on Seqwater irrigation prices. This discount increases to 50 per cent for horticulture irrigation, with the balance of the discount delivered through a 35 per cent rebate administered by the QRIDA.

Water Licence Fee Waiver

As part of the Drought Assistance and Reform Package, fees associated with an annual water licence invoice and applications for stock or domestic water licences will be waived for 2022–2023. The waiver is available to primary producers in drought declared areas and those who have an individually droughted property.

Disaster Relief Arrangements – Annual Water License Fee Waiver

Fees associated with annual water licences will be waived for 2022–23 for disaster declared areas. The waiver is available to landholders in local government areas where Category B of the Disaster Recovery Funding Arrangements for Disaster Assistance (Primary Producer) Loans or Disaster Assistance (Essential Working Capital) Loans Scheme for Small Business is activated.

Table A.2.9 Department of Resources

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Land Rental Rebates	3.2	3.2
Total	**3.2**	**3.2**

Land Rental Rebates

As part of the Drought Assistance and Reform Package, Category 11 Grazing and Primary Production landholders under the *Land Act 1994* are eligible for a rent rebate. The rebate is available to lessees, other than those on minimum rent, that are in a drought declared local government area and to individually drought declared properties. In addition to this rebate, drought declared landholders will be granted a hardship deferral for required rent payments.

Table A.2.10 Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Electricity Asset Ownership Dividend and Cost of Living Rebate[1]	100.0	385.0
Electricity Rebate Scheme[2]	225.0	243.0
Pensioner Rate Subsidy Scheme	57.4	58.6
South East Queensland Pensioner Water Subsidy Scheme	19.7	20.1
Home Energy Emergency Assistance Scheme	10.0	10.0
Medical Cooling and Heating Electricity Concession Scheme[2]	2.4	2.9
Reticulated Natural Gas Rebate Scheme	2.6	2.7
Electricity Life Support Concession Scheme[2]	2.5	2.7
Electricity Rebate - COVID-19 - Residential Household Utility Assistance Package & Small / Medium Business Power Bill Relief Package[3]	0.6	—
Total	**420.2**	**725.0**

Notes:

1. The increase is due to a $175 Cost of Living Rebate being provided in 2022–23, compared to the $50 Electricity Asset Ownership Dividend rebate administered in 2021–22.
2. Electricity rebates are adjusted annually according to the Queensland Competition Authority's (QCA) price determination for general household electricity tariff (Tariff 11). For 2022–23, the QCA determined Tariff 11 will increase by 9.2 per cent.
3. This item is part of the government response to COVID-19.

Electricity Asset Ownership Dividend and Cost of Living Rebate

In 2022–23, the Queensland Government has allocated $385 million to provide Queensland households with a Cost of Living Rebate of $175. This Cost of Living Rebate will be the sixth rebate provided through electricity bills since 2017–18 and will be credited on customers' bills from September 2022, depending on individual billing cycles.

Electricity Rebate Scheme

The Electricity Rebate Scheme provides a rebate of up to approximately $372 per annum, to assist with the cost of domestic electricity supply to the home of eligible holders of a Pensioner Concession Card, a Queensland Seniors Card, Commonwealth Health Care Card, Department of Veterans' Affairs Gold Card (who receive a War Widow/er Pension or special rate Totally or Permanently Incapacitated Pension) and asylum seekers.

Pensioner Rate Subsidy Scheme

The Pensioner Rate Subsidy Scheme offers a 20 per cent subsidy (up to a maximum of $200 per annum) to lessen the impact of local government rates and charges on pensioners, thereby assisting them to continue to live in their own homes.

South East Queensland Pensioner Water Subsidy Scheme

The South East Queensland (SEQ) Pensioner Water Subsidy Scheme provides a subsidy of up to $120 per annum to eligible pensioner property owners in the SEQ Water Grid to lessen the impact of water prices. This subsidy is in addition to the Pensioner Rate Subsidy Scheme.

Home Energy Emergency Assistance Scheme

The Home Energy Emergency Assistance Scheme provides emergency assistance of up to $720 once in a 2-year period to assist low income households experiencing a short-term financial crisis and who are unable to pay their current electricity and/or reticulated natural gas account. It is not a requirement for the claimant to hold a concession card.

Medical Cooling and Heating Electricity Concession Scheme

The Medical Cooling and Heating Electricity Concession Scheme provides a rebate of up to approximately $372 per annum for eligible concession card holders with a medical condition who have dependence on air conditioning to regulate body temperature.

Reticulated Natural Gas Rebate Scheme

The Reticulated Natural Gas Rebate Scheme provides a rebate of up to approximately $81 per annum to assist with the cost of reticulated natural gas supplied to the home of eligible holders of a Pensioner Concession Card, Queensland Seniors Card or a Department of Veterans' Affairs Gold Card (who receive the War Widow/er Pension or special rate Totally or Permanently Incapacitated Pension).

Electricity Life Support Concession Scheme

The Electricity Life Support Concession Scheme is aimed at assisting seriously ill people who use home based life support systems by providing a rebate of up to approximately $758 per annum for users of oxygen concentrators and a rebate of up to approximately $508 per annum for users of kidney dialysis machines to meet their electricity costs. The concession is paid quarterly and is subject to the patient being medically assessed in accordance with Queensland Health eligibility criteria.

Electricity Rebate – COVID-19 – Residential Household Utility Assistance Package & Small / Medium Business Power Bill Relief Package

Electricity Rebates provided as a COVID-19 response initiative during the pandemic have included a $200 rebate for residential household relief and a $500 rebate for small to medium enterprises. Funding in 2021–22 of $633,000 has been provided to continue payments for late applicants to the scheme.

Table A.2.11 Department of Tourism, Innovation and Sport

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Queensland Recreation Centres - Concessional Usage Rates	1.6	1.6
Total	**1.6**	**1.6**

Queensland Recreation Centres – Concessional Usage Rates

Concessional usage rates are offered to clients who meet the strategic objectives of the *Activate! Queensland Strategy*, including not-for-profit sport and recreation organisations, Queensland schools and Queensland state sporting organisations, for the use of Queensland Recreation Centres, at Currimundi and Tallebudgera.

Table A.2.12 Department of Transport and Main Roads

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
General Public Transport Concessions (South East Queensland)[1]	1,786.3	1,824.2
Rail Network and Infrastructure Funding	780.5	799.1
General Public Transport Concessions (Regional Queensland)[2]	280.0	315.5
Vehicle and Boat Registration Concessions	189.5	195.8
School Transport Assistance Scheme	144.8	153.9
TransLink Transport Concessions (South East Queensland)[3]	46.6	75.6
Livestock and Regional Freight Contracts	33.0	35.4
Rail Concession Scheme[4]	29.4	27.1
Other Transport Concessions (Regional Queensland) and Taxi Subsidies	23.0	24.0
Mount Isa Line Below Rail Subsidy	20.0	20.0
Designated Public Transport Concessions for Seniors Card Holders	4.1	4.1
Practical Driving Test	2.3	2.3
COVID-19 Relief Measures - Transport Services[5]	10.8	0.2
Total	**3,350.3**	**3,477.2**

Notes:

1. The increase is largely due to increased rail costs for Cross River Rail readiness and cleaning costs, offset by increased fare revenue from the expected return of patronage to the network.
2. The increase is due to an expected increase in patronage on TravelTrain, Local Fare Scheme and the new aviation contracts which commenced early 2022.
3. The increase is primarily due to the expectation of an increase in patronage in 2022–23.
4. The variance is due to the Citytrain rail concession being included in the TransLink Transport Concessions (South East Queensland), due to these concessions being included in the Rail Transport Service Contract from 2022–23.
5. This item is part of the government response to COVID-19.

General Public Transport Concessions (South East Queensland)

The General Public Transport Concessions (South East Queensland) represents the direct funding contribution that government makes towards the cost of operating public transport services within South East Queensland. This contribution effectively reduces the ticket price paid by all public transport users on bus, rail and ferry services, increasing the affordability of these services.

Rail Network and Infrastructure Funding

Rail network and infrastructure funding ensures that the state-supported rail network is safe, reliable and fit-for-purpose. The contract also provides funding to Queensland Rail to support major capital projects and related asset strategies. The funding provided via this contract directly benefits customers of the state supported rail network, including both freight and passengers. Without this funding, rail access charges (including public transport fares) would be significantly higher for all users of the rail network.

General Public Transport Concessions (Regional Queensland)

The General Public Transport Concessions (Regional Queensland) represents the financial contribution that government provides across a range of transport services in regional Queensland. The impact of this contribution benefits all public transport users through reduced transport fares. This concession covers:

- subsidies for regional bus and ferry operators (excluding concessional top-up amounts and School Transport Assistance Scheme related amounts)
- subsidies for air services to remote and rural communities within the state
- subsidies for Kuranda Scenic Railway
- TravelTrain (excluding the 'Rail Concession Scheme' for eligible pensioners, veterans and seniors)
- subsidies for long distance coach services to rural and remote communities within the state
- subsidies for Heritage Rail Services
- subsidies for the Rail XPT Service (Sydney-Brisbane) and Savannahlander (Atherton Tableland).

Vehicle and Boat Registration Concessions

Registration concessions for light and heavy motor vehicles and recreational boats are provided to a range of groups, including holders of the Pensioner Concession Card, Queensland Seniors Card and to those assessed by the Department of Veterans' Affairs as meeting the necessary degree of incapacity or impairment. These concessions are aimed at improving access to travel for pensioners, seniors and persons with a disability by providing a reduced rate of registration fees. For most eligible card holders, a concession for a family 4-cylinder vehicle would reduce the 12-month registration fee from $348.70 to $174.35. For a recreational boat up to and including 4.5 metres in length, the concession reduces the registration charge from $94.15 to $47.05.

A Special Interest Vehicle (SIV) registration concession is offered for motor vehicles that have low use associated with vintage and historic and street rod car club events. A 12-month registration fee for a 6-cylinder SIV concession reduces from $552.10 to $98.25. A concession is also available for specific purposes such as water, mineral or oil exploration and bee keeping.

Eligible primary producers also receive registration concessions for their heavy vehicles, reducing their registration fees by 50 to 75 per cent. For example, a primary producer's 12-month registration fee for a two-axle truck with a Gross Vehicle Mass over 12 tonne reduces from $1,013.30 to $506.65. Other motor vehicle registration concessions are also provided to local governments, charitable and community service organisations, and people living in remote areas. Vessel registration concessions may be provided to accredited surf lifesaving clubs and schools.

School Transport Assistance Scheme

The School Transport Assistance Scheme assists students that do not have a school in their local area or who are from defined low income groups with travel costs. The scheme provides funding to reduce the cost of travelling to school on bus, rail and/or ferry services, with allowances for private vehicle transport in certain circumstances. A typical concession would be to fully fund the cost of travel from home to the nearest state primary or high school where no local primary or high school is available (for example, from Bargara to Bundaberg High School).

TransLink Transport Concessions (South East Queensland)

The TransLink Transport Concessions (South East Queensland) are provided by the government to ensure access and mobility for Queenslanders who require assistance because of age, disability or fixed low income. Passengers entitled to receive public transport concessions include holders of a Pensioner Concession Card, Veterans' Affairs Gold Card, Seniors Card (all states and territories), Companion Card, Vision Impairment Travel Pass, Total Permanent Incapacitated (TPI) Veteran Travel Pass, children, secondary and tertiary students, Newstart and Youth Allowance (Job Seeker) recipients, asylum seekers and White Card holders. Under current fare arrangements, approved concession groups receive at least a 50 per cent discount when compared to the same applicable adult fare.

Livestock and Regional Freight Contracts

The Livestock and Regional Freight Contracts provide funding to support the movement of cattle (via rail only) and freight (via road and rail) to and from regional areas of Queensland. The funding provided directly benefits the cattle industry and enables regional Queensland communities to maintain employment and directly benefits those communities who are reliant on rail freight services by reducing the cost of these freight services for users.

Rail Concession Scheme

The Queensland Rail Concession Scheme improves the affordability of long distance and urban rail services for eligible pensioners, veterans, seniors and current/past rail employees with 25 years of service. Assistance for long distance rail services is provided through discounted fares and free travel vouchers. For TravelTrain (long distance rail) services, depending on the service, the concession may be for free travel for up to 4 trips per year for Queensland pensioners (subject to availability of seats and payment of an administration fee).

Other Transport Concessions (Regional Queensland) and Taxi Subsidies

Other transport concessions (Regional Queensland) and taxi subsidies are provided by the government to ensure access and mobility for Queenslanders who require assistance because of age, disability or fixed low income. Passengers entitled to receive public transport concessions include holders of a Pensioner Concession Card, Veterans' Affairs Gold Card, Seniors Card (all states and territories), Companion Card, Vision Impairment Travel Pass, TPI Veteran Travel Pass, children, secondary and tertiary students, Newstart and Youth Allowance (Job Seeker) recipients, asylum seekers and White Card holders. The Taxi Subsidy Scheme aims to improve the mobility of persons with severe disabilities by providing a 50 per cent concession fare up to a maximum subsidy of $30 per trip.

Mount Isa Line Below Rail Subsidy

In recognition of the importance the Mount Isa Line plays in facilitating the transportation of freight from pit to port, from 2019–20, the Queensland Government is paying $20 million per annum to eligible freight users under the 4-year $80 million Mount Isa Line Incentive Scheme. This payment reduces below rail access costs to further promote rail for freight, as well as supporting continued development of the North West Minerals Province.

Designated Public Transport Concessions for Seniors Card Holders

Designated Public Transport Concessions for Seniors Card holders allows visitors from interstate, who hold a state or territory Seniors Card, to access public transport concessions within Queensland and is fully funded by the Queensland Government.

Practical Driving Test

As part of the state's driver licensing arrangements, applicants for new licences are required to undertake a practical driving test. The total cost to pre-book driver examinations and to perform the practical driver assessment is not fully recovered by the fee charged ($62.80 (including GST) as at 1 July 2022), providing a direct concession to applicants.

COVID-19 Relief Measures – Transport Services

Transport services COVID-19 relief measures provided by the government include:

- financial assistance for the personalised transport industry
- waiving vehicle registration cancellation fees, number plate fees and, in most cases, the costs associated with vehicle inspections on re-registration
- funding assistance to support passenger transport aviation providers, ferry service operators and regional bus operators in Queensland to 30 June 2022.
- COVID-19 relief measures will be discontinued from early 2022–23.

Table A.2.13 Queensland Fire and Emergency Services

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Emergency Management Levy Concession	10.9	11.3
Total	**10.9**	**11.3**

Emergency Management Levy Concession

The Emergency Management Levy (EML) is applied to all prescribed Queensland property via council rates to ensure there is a secure funding base for fire and emergency services when Queenslanders are at risk during emergencies such as floods, cyclones and storms, as well as fire and accidents. A 20 per cent discount is available on the EML for a property that is the owner's principal place of residence and where the owner holds a Commonwealth Pensioner Concession Card or a Repatriation Health Card (Gold Card).

Table A.2.14 Queensland Health

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Oral Health Scheme[1]	175.2	180.7
Patient Travel Subsidy Scheme[2]	75.0	97.2
Medical Aids Subsidy Scheme[3]	23.2	29.5
Spectacle Supply Scheme	9.8	10.1
Hospital Car Parking Concession Scheme[4]	1.6	1.8
Total	**284.8**	**319.3**

Notes:

1. The increase is primarily due to an escalation in state funding for the Oral Health Scheme. Australian Government funding available under the Federation Funding Agreement on Public Dental Services for Adults was extended in the 2022–23 Federal Budget and will be the same as recent years.
2. The increase is due to a reduction in patient travel and access to the PTSS due to COVID-19 travel restrictions and an increase in telehealth appointments 2021–22.
3. The increase is due to lower than expected demand for MASS services in 2021–22.
4. Actual expenditure varies slightly from year to year in response to demand by eligible patients, the value of parking tickets and the level of subsidy provided, at each site.

Oral Health Scheme

The Oral Health Scheme provides free dental care to eligible clients and their dependants who possess a current Health Care Card, Pensioner Concession Card, Queensland Seniors Card or Commonwealth Seniors Card. The average value of a course of treatment for eligible clients is approximately $600 for general care, $1,600 for treatment involving dentures, and $250 for emergency dental care. In rural and remote areas where no private dental practitioner exists, access to dental care for the general public is provided at a concessional rate, generally 15 per cent to 20 per cent less than average private dental fees.

Patient Travel Subsidy Scheme

The Patient Travel Subsidy Scheme (PTSS) provides financial assistance to patients travelling for specialist medical services that are not available locally. The PTSS provides a financial subsidy toward the cost of travel and accommodation for patients and, in some cases, an approved escort when patients are required to travel more than 50 kilometres from their nearest public hospital or public health facility to access specialist medical services.

Patients receive fully subsidised commercial transport for the most clinically appropriate cost-effective mode or will be subsidised at the economy/government discount rate (less GST). A mileage subsidy of 30 cents per kilometre is paid where patients travel by private car. Accommodation subsidies are $60 per person, per night for the patient and approved escort if they stay in commercial accommodation, or a subsidy of $10 per person per night if staying with family or friends.

Medical Aids Subsidy Scheme

The Medical Aids Subsidy Scheme (MASS) provides access to subsidy funding assistance for the provision of a range of aids and equipment to eligible Queensland residents with permanent and established conditions or disabilities. Aids and equipment are provided primarily to assist people to live at home therefore avoiding premature or inappropriate residential care or hospitalisation.

Subsidies vary based on service category and clinical criteria and are provided to assist with the costs of communication aids, continence aids, daily living aids, medical grade footwear, mobility aids, orthoses and oxygen. Actual expenditure for 2021–22 reflects the continued impact of COVID-19 since 2020–21.

Based on demand in 2020–21 and current applications, the scheme is estimated to provide 52,000 occasions of service to approximately 40,000 clients in 2021–22. As COVID-19 restrictions continue to wind down, the scheme is estimated to provide approximately 63,000 occasions of service for 44,000 clients in 2022–23.

Spectacle Supply Scheme

The Spectacle Supply Scheme (SSS) provides eligible Queensland residents with free access to a comprehensive range of basic spectacles every 2 years including bifocals and trifocals. Applicants must be holders of eligible concession cards and be deemed by a prescriber to have a clinical need for spectacles. The SSS provides around 90,000 items each year to approximately 70,000 clients (some clients require more than one pair of spectacles due to clinical need). The average cost of services provided to applicants is approximately $122 per item, including the costs of administering the scheme through the Medical Aids Subsidy Scheme.

Hospital Car Parking Concession Scheme

The Hospital Car Parking Concession Scheme supports Hospital and Health Services (HHSs) to provide affordable car parking for eligible patients and their carers at 14 Queensland public hospitals with paid parking. Car parking concessions are available to eligible patients and their carers who attend hospital frequently or for an extended period of time; patients and their carers with special needs who require assistance; and patients and carers experiencing financial hardship. The scheme provides access to discounted parking with an average discount of approximately 54 per cent of the commercial cost of parking.

Actual expenditure for 2021–22 reflects the continued impact of COVID-19 since 2020–21. Based on demand in 2020–21 and current applications, the scheme will provide approximately 52,000 occasions of service to approximately 40,000 clients in 2021–22. In 2022–23, approximately 350,000 patients and carers will benefit from the scheme receiving access to over 500,000 concessions.

A.3 Concessions by government-owned corporation

Table A.3.1 Energy Queensland Limited

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Regulated Service Charges—Ergon Energy	14.7	14.9
Regulated Service Charges—Energex	13.0	13.6
Total	**27.7**	**28.5**

Regulated Service Charges – Ergon Energy

Under Schedule 8 of the *Electricity Regulation 2006*, service charges for a range of services provided by Ergon Energy Corporation Limited (Ergon Energy) to energy retailers, for example disconnection and reconnection of supply, are capped. The maximum amount Ergon Energy is able to charge for these services is, on average, less than the value which the Australian Energy Regulator ascribes to the provision of these services by Ergon Energy, resulting in a concession provided to energy retailers and in turn, to households.

Regulated Service Charges – Energex

Under Schedule 8 of the *Electricity Regulation 2006*, charges for a range of services provided by Energex Limited (Energex) to energy retailers, for example disconnection and reconnection of supply, are capped. The maximum amount Energex is able to charge for these services is, on average, less than the value which the Australian Energy Regulator ascribes to the provision of these services by Energex, resulting in a concession provided to energy retailers and in turn, to households.

Table A.3.2 Gladstone Ports Corporation Limited

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Concessional Port Charges	36.6	40.5
Total	**36.6**	**40.5**

Concessional Port Charges

The Gladstone Ports Corporation Limited (GPC) is subject to a number of long-term major industry contracts where port charges are significantly lower than market rates. These historical contracts were entered into to support various industries and government initiatives from time to time. The amounts shown are estimates of the revenue foregone by GPC as a result of being unable to charge commercial rates.

Table A.3.3 Sunwater Limited

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Water Supply Contracts	50.4	52.5
Total	**50.4**	**52.5**

Water Supply Contracts

Sunwater has a number of historic non-commercial water supply contracts that benefit specific entities (including local governments). The amount shown represents the difference between the estimated revenue under these contracts and that which could be recovered under a full cost allocation model.

Table A.3.4 Concessional Leases by Entity (Industry, Commercial and Community)

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Port of Townsville Limited	6.3	6.5
Gladstone Ports Corporation Limited	3.0	3.0
Queensland Rail Limited	2.1	2.2
Far North Queensland Ports Corporation Limited	1.9	1.9
North Queensland Bulk Ports Corporation Limited	1.6	1.6
Total	**14.9**	**15.2**

Concessional Leases (Industry, Commercial and Community)

The above government-owned corporation entities provide leases to various community organisations, local councils, government departments and industry participants at below commercial rates. The amounts shown are estimates of the revenue foregone by not charging commercial rates.

Table A.3.5 COVID-19-Related Measures by Entity

Concession	2021–22 Est. Act. $ million	2022–23 Estimate $ million
Far North Queensland Ports Corporation Limited	1.7	1.5
Gladstone Ports Corporation Limited	0.1	
Total	**1.8**	**1.5**

COVID-19-Related Measures (Industry, Commercial and Community)

As part of the Queensland Government's COVID-19 response, the above government-owned businesses provided relief measures to support community organisations and businesses adversely affected by COVID-19.

Relief measures include temporary reductions to commercial leases, fees and other charges. The amounts shown are estimates of the revenue foregone by not charging commercial rates. To be included in the above table, concessions must meet the minimum materiality threshold of estimated revenue foregone of $50,000.

Appendix B: Tax expenditure statement

Context

Governments employ a range of policy tools to achieve social and economic objectives. These include the use of direct budgetary outlays, regulatory mechanisms and taxation.

This Tax Expenditure Statement (TES) details revenue forgone as a result of Queensland Government decisions relating to the provision of tax exemptions or concessions. The TES is designed to improve transparency in the use of tax expenditures and increase public understanding of the fiscal process.

Tax expenditures are reductions in tax revenue that result from the use of the taxation system as a policy tool to deliver government policy objectives. Tax expenditures are provided through a range of measures, including:

- tax exemptions, rebates or deductions
- the application of reduced tax rates to certain groups or sectors of the community
- provisions, which defer payment of a tax liability to a future period.

Labelling an exemption or concession as a tax expenditure does not necessarily imply any judgement as to its appropriateness. It merely makes the amount of the exemption or concession explicit and thereby facilitates its scrutiny as part of the annual budget process.

COVID-19 and implications for tax expenditure

The impact of the COVID-19 pandemic on Queensland businesses has been significant and the Queensland Government moved quickly to introduce substantial tax relief measures to support Queensland businesses, particularly small and medium businesses. These initiatives were primarily aimed at supporting the cashflow and viability of Queensland businesses, landlords, tenants, and the state’s pubs and clubs.

The key relief measures fell under 3 categories:

- direct refunds, holidays, rebates or waivers of tax liabilities – refunds, holidays and waivers of payroll tax liabilities; and a 25 per cent rebate and waiver of foreign surcharge on land tax
- deferrals of tax liabilities – various deferrals of payroll tax, land tax, gaming machine tax and lotteries tax
- exemptions – eligible JobKeeper payments were exempted from payroll tax.

The impact of these measures has resulted in a significant increase in forgone revenue, most notably in 2019–20, although some measures continue to impact in 2020–21 and 2021–22.

Methodology

Revenue forgone approach

The method used almost exclusively by governments to quantify the value of their tax expenditures is the revenue forgone approach. This method estimates the revenue forgone through use of the concession by applying the benchmark rate of taxation to the volume of activities or assets affected by the concession.

One of the deficiencies of the revenue forgone approach is that effects on taxpayer behaviour resulting from tax expenditures are not factored into the estimate. Consequently, the aggregation of costings for individual tax expenditure items presented in the TES will not necessarily provide an accurate estimate of the total level of assistance provided through tax expenditures.

Additionally, while total COVID-19 relief is included in the TES, some relief was treated as a grant expense, for example in relation to rebates of already-paid tax liabilities. In these cases, the associated tax expenditure did not reduce revenues.

Measuring tax expenditures requires the identification of:

- a benchmark tax base
- concessionally taxed components of the benchmark tax base such as a specific activity or class of taxpayer
- a benchmark tax rate to apply to the concessionally taxed components of the tax base.

Defining the tax benchmark

The most important step in the preparation of a TES is the establishment of a benchmark for each tax included in the statement. The benchmark provides a basis against which each tax concession can be evaluated. The aim of the benchmark is to determine which concessions are tax expenditures as opposed to structural elements of the tax. The key features of a tax benchmark are:

- the tax rate structure
- any specific accounting conventions applicable to the tax
- the deductibility of compulsory payments
- any provisions to facilitate administration
- provisions relating to any fiscal obligations.

By definition, tax expenditures are those tax concessions not included as part of the tax benchmark.

Identification of benchmark revenue bases and rates requires a degree of judgement and is not definitive. Furthermore, data limitations mean that the tax expenditures are approximations and are not exhaustive. This statement does not include estimates of revenue forgone from exemptions or concessions provided to government agencies. Very small exemptions or concessions are also excluded.

The tax expenditure statement

This year's statement includes estimates of tax expenditures in 2020–21 and 2021–22 for payroll tax, land tax, duties, the waste disposal levy and gambling taxes. A summary of the major tax expenditures valued on the basis of revenue forgone is presented in Table B.1. Not all expenditures can be quantified at this time. Accordingly, the total value of tax expenditures should be considered as indicative only.

Table B.1 Tax expenditure summary[1]

	2020–21[2] $ million	2021–22 $ million
Payroll tax		
Exemption threshold	961	1,102
Graduated tax scale	43	49
Deduction scheme	440	505
Regional discount	99	113
COVID-19 relief[3]	248	4
Section 14 exemptions		
Local government	169	194
Education	211	242
Hospitals (excluding public hospitals)	64	74
Charities	364	418
Apprentice and trainee exemption	68	78
Apprentice and trainee rebate	32	37
Employee growth rebate	13	19
Total payroll tax	**2,712**	**2,834**
Land tax		
Liability threshold[4]	830	848
Graduated land tax scale	1,484	1,592
Principal place of residence exemption	327	337
Primary production exemption	137	168
Part 6 Divisions 2 and 3 exemptions (not included elsewhere)[5]	155	155
Land developers' concession	20	8
COVID-19 relief[3]	63	1
Total land tax	**3,015**	**3,110**

Duties		
Transfer duty		
Home concession	535	602
First home concession	289	251
First home vacant land	63	23
AFAD exemption/ex gratia	8	11
Insurance duty		
WorkCover	71	79
Health insurance	495	521
Compulsory third party (CTP)[6]	89	88
Total duties	**1,548**	**1,574**
Queensland waste levy		
Exempt waste – general	129	97
Approved exemptions	88	94
Approved discounts	14	8
Total waste levy	**231**	**199**
Taxes on gambling		
Gaming machine taxes	125	127
Casino taxes	10	11
Total gambling tax	**135**	**138**
Total	**7,641**	**7,855**

Notes:

1. Numbers may not add due to rounding.
2. 2020–21 estimates may have been revised since the 2021–22 Queensland Budget.
3. The expense in 2020–21 predominantly related to substantial support provided through waivers and exemptions. A further ‘cashflow benefit’ was provided through deferrals, with some of this benefit flowing through to 2021–22. In relation to the deferrals, the estimated expense reflects the implied foregone interest on the deferred payments.
4. Land tax is payable only on the value of taxable land above a threshold, depending on ownership structure.
5. Applicable, but not limited to; religious bodies, public benevolent institutions, and other exempt charitable institutions.
6. CTP duty is levied at a rate of 10 cents per policy.

Discussion of individual taxes

Payroll tax

The benchmark tax base for payroll tax is assumed to be all taxable wages, salaries and supplements (including employer superannuation contributions) paid in Queensland, as defined in the *Payroll Tax Act 1971*.

Payroll tax exemption threshold

From 1 July 2019, employers who employ in Queensland with an annual Australian payroll of $1.3 million or less are exempt from payroll tax. On the basis of November 2021 average weekly adult total earnings, the new threshold corresponded to businesses with payrolls equivalent to employing approximately 15 full-time equivalent employees. This exemption is designed to assist small and medium sized businesses.

Graduated payroll tax scale

Queensland employers with Australian payrolls between $1.3 million and $6.5 million are liable for payroll tax at a rate of 4.75 per cent, and those with payrolls above $6.5 million are liable at a rate of 4.95 per cent. The benchmark tax rate for payroll tax is assumed to be 4.95 per cent.

Deduction scheme

Queensland employers with Australian payrolls between $1.3 million and $6.5 million benefit from a deduction of $1.3 million, which reduces by $1 for every $4 by which the annual payroll exceeds $1.3 million, with no deduction for employers or groups that have annual payroll in excess of $6.5 million. (Note: as announced in this Budget, from 1 January 2023 the phase out of the deduction will be changed to $1 for every $7 by which the annual payroll exceeds $1.3 million).

Regional discount

Employers who are based in regional Queensland and pay over 85 per cent of taxable wages to regional areas may be entitled to a discount on the rate of payroll tax imposed on their taxable wages. The discounted payroll tax rates for regional businesses are 3.75 per cent for employers who pay $6.5 million or less in Australian taxable wages, or 3.95 per cent for employers who pay more than $6.5 million in Australian taxable wages.

COVID-19 relief – payroll tax

In response to the COVID-19 pandemic, a number of payroll tax relief measures were implemented to assist Queensland businesses that resulted in forgone revenue in 2020–21 and 2021–22. The specific support measures that impacted revenues in those 2 years include:

- exemption from payroll tax of the subsidised component of the Australian Government's JobKeeper payment
- the deferral of payroll tax liabilities from the 2020 calendar year over 4 payments ending in January 2022
- a 2-month payroll tax waiver for small businesses
- a 6 month deferral of July or August 2021 payroll tax payments for tourism and hospitality businesses.

Section 14 exemptions

A number of organisations are provided with exemptions from payroll tax under Section 14 of the *Payroll Tax Act 1971*. The activities for which estimates have been calculated are wages paid by charities for employees working in hospitals, non-tertiary private educational institutions and for other qualifying exempt purposes, and for local governments (excluding commercial activities).

Apprentice and trainee exemptions

Most apprentice and trainee wages are exempt from payroll tax. To be eligible the employee must sign a training contract with their employer to undertake an apprenticeship or traineeship declared under the *Further Education and Training Act 2014*.

Apprentice and trainee rebate

In addition to being exempt wages for payroll tax, a rebate can be claimed that reduces the overall payroll tax liability of an employer. The rebate is calculated by multiplying 50 per cent of the apprentice and trainee wages by the applicable payroll tax rate for each return period.

Employment growth rebate

For 2019–20 and 2020–21, a payroll tax rebate of up to $20,000 was available to eligible employers who demonstrated a net employment increase in the number of new Queensland full-time positions over a full financial year. The rebates were calculated as part of annual returns due in July of each year, with the 2019–20 rebate reflected as a tax expenditure in 2020–21.

Land tax

The benchmark tax base is assumed to be all freehold land within Queensland. As outlined below for each specific tax expenditure, the appropriate benchmark tax rate for land tax is either the top rate of land tax applicable in Queensland (excluding surcharges) in each financial year, or the effective rate under the graduated scale of land tax rates for revenue foregone.

Liability threshold

Land tax is payable on the value of taxable land equal to or above a threshold which depends on the land's ownership. The threshold for companies, trusts and absentees is $350,000 and for resident individuals the threshold is $600,000.

Graduated land tax scale

A graduated (concessional) scale of land tax rates is applicable to land holdings with a taxable value of less than $10 million for resident individuals and companies, trustees and absentees. The benchmark rates used for estimating the tax expenditures were the highest rates applicable for different types of owners: 2.25 per cent for individuals, 2.5 per cent for absentees and 2.75 per cent for companies and trustees.

Principal place of residence exemption

Land owned by resident individuals as their principal place of residence is excluded from the estimate of taxable land value in calculating land tax. The benchmark rates used for estimating the tax expenditures were the effective rate under the graduated scale of land tax rates.

Primary production deduction

The taxable value of land owned by a resident individual, trustee or some absentees and companies does not include all or part of their land that is used for the business of agriculture, pasturage or dairy farming. The benchmark rates used for estimating the tax expenditures were the effective rate under the graduated scale of land tax rates.

Part 6 Divisions 2 and 3 exemptions (not included elsewhere)

A number of land tax exemptions are granted in Part 6 Divisions 2 and 3 of the *Land Tax Act 2010* to eligible organisations. These include, but are not limited to, public benevolent institutions, religious institutions and other exempt charitable institutions, retirement villages, trade unions and showgrounds.

Land developers' concession

Land tax payable by land developers is calculated on the basis that the unimproved value of undeveloped land subdivided in the previous financial year and which remains unsold at 30 June of that year is 60 per cent of the Valuer-General's value. This concession is outlined in Section 30 of the *Land Tax Act 2010*.

COVID-19 relief – land tax

In response to the COVID-19 pandemic:

- A 25 per cent rebate on the 2020–21 land tax liability was available to eligible land owners that provided commensurate rent relief to COVID-19 impacted tenants, or that are unable to secure tenants due to COVID-19
- A 3-month deferral of 2020–21 land tax liability was automatically granted.

Duties

Home concession

A concessional rate of duty applies to purchases of a principal place of residence. A one per cent concessional rate applies on dutiable values up to $350,000, rather than the normal schedule of rates between 1.5 per cent and 3.5 per cent. For properties valued over $350,000, the scheduled rates of transfer duty apply on the excess.

First home concession

Where a purchaser has not previously owned a residence in Queensland or elsewhere, the purchaser of a home receives a more generous concession on duty. This concession comprises a rebate in addition to the home concession on properties (this concession may not be applicable if the purchase price is less than the full market value of the property). The size of the rebate depends on the value of the property. A full concession is provided to purchases of a first principal place of residence valued up to $500,000, phasing out at $550,000.

First home vacant land concession

A first home concession is available for the purchase of certain vacant land up to the value of $400,000, with a full concession available on certain vacant land up to the value of $250,000.

Additional foreign acquirer duty exemption

An Australian-based foreign corporation or trust whose commercial activities involve significant development by adding to the supply of housing stock in Queensland, where such development is primarily residential, may be eligible for ex-gratia relief from the additional 7 per cent additional foreign acquirer duty.

Insurance duty

The benchmark tax base is assumed to be all premiums for general insurance policies (not for life insurance). The benchmark tax rate is 9 per cent.

Queensland Waste Levy

The Queensland Waste Levy is payable by landfill operators on waste disposed to landfill, except waste generated and disposed in the non-levy zone. The levy rate was $85 per tonne from July 2021 to June 2022 (higher for regulated wastes).

General levy exemptions exist for particular wastes, such as those from declared disasters and severe local weather events. Also, levy exemptions are available on application for other particular wastes, such as waste from charitable recycling organisations and community clean-up events.

Levy discounts of 50 per cent are available on application for residue wastes from particular recycling activities. 70 per cent of proceeds from the waste levy will be used for waste programs, environmental priorities and community purposes.

Gambling taxes

Gaming machine tax concessions for licensed clubs

The benchmark tax base is assumed to be all gaming machines operated by licensed clubs and hotels in Queensland. The benchmark tax rate is assumed to be the highest marginal tax rate (as is applied to hotels) that actually applied in each financial year.

A progressive tax rate scale applies to gaming machines operated by licensed clubs. The tax rate is calculated monthly on the gaming machine taxable metered win and the top tax rate is only applied to the portion of gaming machine revenue where the monthly metered win exceeds $1.4 million for any licensed club.

Casino tax concessions

The benchmark tax base is assumed to be all casinos operating in Queensland. The benchmark tax rate is assumed to be the highest tax rate that is actually applied in each financial year.

A tax rate of 20 per cent of gross revenue applies for standard transactions in the Brisbane and Gold Coast casinos. A concessional tax rate of 10 per cent applies for gross revenue from standard transactions in the Cairns and Townsville casinos. The tax rate applicable to gaming machines in casinos is 30 per cent of gross revenue in the Brisbane and Gold Coast casinos, and 20 per cent in the Cairns and Townsville casinos.

In addition, concessional rates of 10 per cent also apply for revenue from high rollers table game play in all casinos. A GST credit is provided to casinos that approximates a reduction in the above tax rates of 9.09 per cent.

Appendix C: Revenue and expense assumptions and sensitivity analysis

The 2022–23 Queensland Budget, similar to all other jurisdictions, is based in part on assumptions made about parameters, both internal and external to Queensland, which can impact directly on economic and fiscal forecasts.

The sensitivity of revenue and expense forecasts to movements in underlying assumptions is particularly relevant given the almost unprecedented uncertainty in global and national economic conditions and key economic parameters in the context of the COVID-19 pandemic, as well as other recent global and domestic developments that have impacted key revenues.

The forward estimates in the 2022–23 Queensland Budget are framed on a no-policy-change basis. That is, the expenditure and revenue policies in place at the time of the budget (including those announced in the budget) are applied consistently throughout the forward estimates period.

Table C.1 shows the main components of taxation and royalty revenue, and the forecast revenues for each component across the forward estimates.

Table C.1 Taxation and royalty revenue[1]

	2020–21 Actual $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Payroll tax	4,166	4,957	5,242	5,766	6,022	6,289
Transfer duty	3,954	6,028	4,722	4,442	4,757	5,233
Other duties	1,788	1,966	1,989	2,074	2,162	2,249
Gambling taxes and levies	1,586	1,589	1,646	1,752	1,810	1,879
Land tax	1,524	1,603	1,773	2,019	2,268	2,365
Motor vehicle registration	2,011	2,074	2,152	2,232	2,315	2,401
Other taxes	1,220	1,283	1,318	1,416	1,450	1,489
Total taxation revenue	**16,249**	**19,500**	**18,842**	**19,700**	**20,785**	**21,905**
Royalties						
Coal	1,740	7,290	5,480	3,297	3,539	3,699
Petroleum[2]	298	1,185	1,626	1,116	1,025	996
Other royalties[3]	499	483	538	505	488	494
Land rents	126	176	190	193	198	203
Total royalties and land rents	**2,662**	**9,135**	**7,832**	**5,112**	**5,251**	**5,392**

Notes:
1. Numbers may not add due to rounding.
2. Includes liquefied natural gas (LNG).
3. Includes base and precious metal and other mineral royalties.

The remainder of this chapter outlines the key assumptions, estimates and risks associated with key revenue and expenditure forecasts.

Taxation revenue assumptions and revenue risks

The rate of growth in tax revenues is dependent on a range of factors linked to the rate of growth in economic activity in the state. Some taxes are closely related to activity in specific sectors of the economy, whilst others are broadly related to the general rate of economic growth, employment, inflation or wages.

Therefore, any change in the level of economic activity compared with that reflected in the economic forecasts outlined in this paper, would impact a broad range of taxation receipts.

Wages and employment growth – payroll tax collections

Wages and employment growth have a direct impact on payroll tax collections. In 2022–23, wages in Queensland are forecast to increase by 3½ per cent, while employment is forecast to rise 3 per cent in 2022–23.

The composition of the payroll tax base is also important as businesses in sectors such as tourism, retail and hospitality are often outside the tax base because they are below a threshold.

A one percentage point variation in either Queensland wages growth or employment would change payroll tax collections by approximately $52 million in 2022–23.

Transfer duty estimates

Transfer duty collections in 2022–23 are expected to decrease by 21.7 per cent compared with 2021–22 estimated actuals and by a further 5.9 per cent in 2023–24. This is primarily because turnover is expected to decline from the currently high levels.

After moderating in the near term, transfer duty from the non-residential sector is forecast to grow steadily over the forward estimates, supporting a return to overall transfer duty growth in 2024–25 and 2025–26.

A one percentage point variation in either the average value of property transactions or the volume of transactions would change transfer duty collections by approximately $47 million in 2022–23.

Royalty assumptions and revenue risks

Table C.2 below provides the 2022–23 Budget assumptions regarding coal royalties, which represent the bulk of Queensland's royalty revenue.

Table C.2 Coal royalty assumptions

	2020–21 Actual	2021–22 Est. Act.	2022–23 Budget	2023–24 Projection	2024–25 Projection	2025–26 Projection
Tonnages—crown export[1] coal (Mt)	193	187	196	209	222	231
Exchange rate US$ per A$[2]	0.75	0.73	0.74	0.75	0.75	0.75
Year average coal prices (US$ per tonne)[3]						
Hard coking	117	364	206	160	160	160
Semi-soft	95	252	148	123	123	123
Thermal	69	140	128	90	90	90
Year average oil price						
Brent (US$ per barrel)[4]	41	77	96	78	75	75

Notes:

1. Excludes coal produced for domestic consumption and where royalties are not paid to the government (private royalties). The 2022–23 estimated domestic coal volume is approximately 24.4 Mt and private coal is 5.2 Mt.
2. Year-average.
3. Estimated year-average contract prices for highest quality coking and thermal coal. Lower quality coal can be sold below this price with indicative average prices for 2022–23 as follows: hard coking US$177/t and thermal US$118/t.
4. Published Brent oil prices are lagged by 4 months to better align with royalty revenue.

Exchange rate and commodity prices and volumes

Estimates of mining royalties are sensitive to movements in the A$-US$ exchange rate and commodity prices and volumes.

Contracts for the supply of commodities are generally written in US dollars. Accordingly, a change in the exchange rate impacts on the Australian dollar price of commodities and, therefore, expected royalty collections.

Potential impact on coal royalty revenue[1]

For each one cent movement in the A$-US$ exchange rate in 2022–23, the impact on royalty revenue would be approximately $145 million.

A one per cent variation in export coking and thermal coal volumes would lead to a change in royalty revenue of approximately $54 million. A one million tonne (Mt) variation would lead to a change in royalty revenue of approximately $27 million.

A one per cent variation in the average price of export coal would lead to a change in royalty revenue of approximately $107 million.

[1] Sensitivities represent the estimated change to royalty revenue accruing over the 2022–23 return period.

Parameters influencing Australian Government GST payments to Queensland

The 2022–23 Budget incorporates estimates of GST revenue grants to Queensland based on 2022–23 Federal Budget estimates of national GST collections and Queensland Treasury assumptions of Queensland's share. The estimates of collections are primarily determined by the value of national consumption subject to GST.

Since the Australian Government payments are based on the amount actually collected, it is the Queensland Budget that bears the risks of fluctuations in GST collections. As with all other tax estimates, there is a risk of lower collections than estimated if national economic growth and consumption are weaker than expected.

Due to the complexities associated with the GST base, the information provided in the federal budget papers is insufficient to prepare indicative estimates of the sensitivity of GST forecasts to key variables.

Sensitivity of expenditure estimates and expenditure risks

Public sector wage costs

Salaries and wages form a large proportion of General Government Sector operating expenses. Increases in salaries and wages are negotiated through enterprise bargaining agreements.

The 2022–23 Budget and forward estimates reflect growth in full-time equivalent public sector employees and wage increases consistent with existing agreements, the government's wages policy, and expectations of future bargaining agreements where outcomes are yet to be finalised. A one percentage point increase in wage rates above expectation would increase employee expenses by around $300 million per annum.

Interest rates

The General Government Sector has a total debt servicing cost forecast at $1.826 billion in 2022–23. The current average duration of General Government Sector borrowing with the Queensland Treasury Corporation (QTC) is 6.6 years. The majority of General Government Sector debt is held under fixed interest rates and, therefore, the impact of interest rate variations on debt servicing costs in 2022–23 would be relatively modest, with the impact occurring progressively across the forward estimates.

Actuarial estimates of superannuation and long service leave

Liabilities for superannuation and long service leave are estimated by the State Actuary with reference to, among other things, assumed rates of investment returns, salary growth, inflation and the discount rate. These liabilities are therefore subject to changes in these parameters. Similarly, the long service leave liabilities are subject to the risk that the actual rates of employee retention will vary from those assumed in the liability calculation.

Appendix D: Fiscal aggregates and indicators

	2014–15 Actual[1] $ million	2015–16 Actual[1] $ million	2016–17 Actual[1] $ million	2017–18 Actual[1] $ million	2018–19 Actual[1] $ million	2019–20 Actual[1] $ million	2020–21 Actual[1] $ million	2021–22 Est. Act. $ million	2022–23 Budget $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025-26 Projection $ million
General Government												
Total revenue	49,970	50,780	56,194	58,087	59,828	57,778	62,732	72,735	73,886	75,034	76,728	78,019
Tax revenue	12,598	12,547	12,919	13,244	14,165	14,585	16,249	19,500	18,842	19,700	20,785	21,905
Total expenses	49,551	50,112	53,369	56,337	58,843	63,505	63,669	70,820	74,915	76,116	76,591	77,836
Employee expenses	18,592	20,045	21,258	22,681	24,019	25,662	26,501	27,931	30,076	31,253	32,665	33,657
Net operating balance	420	668	2,825	1,750	985	(5,728)	(937)	1,915	(1,029)	(1,083)	137	183
Capital purchases	4,635	4,044	4,620	5,126	5,764	6,306	6,835	7,533	8,478	9,106	9,439	9,264
Net capital purchases	996	1,163	2,265	2,337	3,192	3,436	4,078	4,302	4,606	4,548	5,145	4,151
Fiscal balance	(576)	(495)	560	(587)	(2,207)	(9,164)	(5,015)	(2,386)	(5,635)	(5,631)	(5,008)	(3,969)
Borrowing with QTC	41,343	34,200	31,358	29,256	29,468	37,570	46,153	50,451	58,853	66,415	73,338	80,622
Leases and similar arrangements[2]	1,761	1,286	1,882	2,142	2,612	6,485	7,704	7,544	7,385	7,589	7,544	6,442
Securities and derivatives	(0)	(0)	(0)	122	121	198	220	220	220	220	220	220
Net debt	5,749	654	(355)	(509)	(198)	14,036	11,360	11,390	19,772	27,603	33,667	39,214
Non-financial Public Sector												
Total revenue	56,178	57,393	64,855	66,164	68,329	66,171	71,228	82,027	82,066	83,600	85,572	87,161
Capital purchases	7,811	6,852	7,291	7,643	8,460	9,482	10,007	10,588	11,812	12,131	12,705	12,802
Borrowing with QTC	73,256	71,160	69,107	66,964	67,576	76,464	85,901	92,599	100,553	107,847	114,632	121,533
Leases and similar arrangements[2]	1,802	1,316	1,882	2,142	2,612	6,977	8,158	7,898	7,711	8,076	7,975	6,812
Securities and derivatives	175	446	895	405	720	1,503	1,567	6,277	2,521	795	352	251

Notes:

1. With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability.
2. Approximately $2.2 billion increase in General Government and $2.6 billion in NFPS in 2019-20 on adoption of the new lease accounting standard AASB 16.

	2014–15 Actual[1] %	2015–16 Actual[1] %	2016–17 Actual[1] %	2017–18 Actual[1] %	2018–19 Actual[1] %	2019–20 Actual[1] %	2020–21 Actual[1] %	2021–22 Est. Act. %	2022–23 Budget %	2023–24 Projection %	2024–25 Projection %	2025-26 Projection %
General Government												
Revenue/GSP	17.0	16.9	17.1	16.6	16.3	16.0	17.1	16.3	16.2	16.8	16.5	15.9
Tax/GSP	4.3	4.2	3.9	3.8	3.9	4.0	4.4	4.4	4.1	4.4	4.5	4.5
Own source revenue/GSP	9.0	9.0	8.8	8.6	8.6	8.3	8.1	8.8	8.5	8.3	8.3	8.0
Expenses/GSP	16.8	16.6	16.3	16.1	16.1	17.6	17.4	15.9	16.4	17.0	16.4	15.9
Employee expenses/GSP	6.3	6.7	6.5	6.5	6.6	7.1	7.2	6.3	6.6	7.0	7.0	6.9
Net operating balance/GSP	0.1	0.2	0.9	0.5	0.3	(1.6)	(0.3)	0.4	(0.2)	(0.2)	0.0	0.0
Capital purchases/GSP	1.6	1.3	1.4	1.5	1.6	1.7	1.9	1.7	1.9	2.0	2.0	1.9
Net cash inflows from operating activities/net cash flows from investments in non-financial assets	97.5	122.9	134.2	107.0	105.5	(2.5)	3.3	118.0	18.5	26.9	44.1	49.9
Fiscal balance/GSP	(0.2)	(0.2)	0.2	(0.2)	(0.6)	(2.5)	(1.4)	(0.5)	(1.2)	(1.3)	(1.1)	(0.8)
Total borrowings/GSP	14.7	11.8	10.1	9.0	8.8	12.2	14.8	13.0	14.6	16.6	17.4	17.8
Total Borrowings/revenue	86.3	69.9	59.2	54.3	53.8	76.6	86.2	80.0	89.9	98.9	105.7	111.9
Lease and other liabilities/revenue	3.5	2.5	3.3	3.7	4.4	11.2	12.3	10.4	10.0	10.1	9.8	8.3
Net debt/revenue	11.5	1.3	(0.6)	(0.9)	(0.3)	24.3	18.1	15.7	26.8	36.8	43.9	50.3
Revenue growth	7.0	1.6	10.7	3.4	3.0	(3.4)	8.6	15.9	1.6	1.6	2.3	1.7
Tax growth	6.4	(0.4)	3.0	2.5	7.0	3.0	11.4	20.0	(3.4)	4.6	5.5	5.4
Expenses growth	7.2	1.1	6.5	5.6	4.4	7.9	0.3	11.2	5.8	1.6	0.6	1.6
Employee expenses growth	4.4	7.8	6.1	6.7	5.9	6.8	3.3	5.4	7.7	3.9	4.5	3.0
Non-financial Public Sector												
Capital purchases/GSP	2.7	2.3	2.2	2.2	2.3	2.6	2.7	2.4	2.6	2.7	2.7	2.6
Total borrowings/GSP	25.6	24.2	21.9	19.9	19.4	23.5	26.1	23.9	24.3	26.1	26.4	26.3
Total Borrowings/revenue	133.9	127.1	110.8	105.1	103.8	128.4	134.3	130.2	135.0	139.6	143.7	147.5
Net financial liabilities/revenue	125.2	127.4	111.2	111.5	114.9	158.3	142.5	125.6	131.3	133.5	135.2	137.4

Notes:

1. With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability. GSP figures reflect 2020-21 ABS National Accounts: State Accounts and Queensland Treasury forecasts.

Queensland Budget 2022–23

Budget Strategy and Outlook Budget Paper No.2

QUEENSLAND BUDGET 2022–23

CAPITAL STATEMENT
BUDGET PAPER NO. 3

2022–23 Queensland Budget Papers

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Capital Statement
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State Budget
2022–23

Capital Statement

Budget Paper No. 3

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1 Approach and highlights

Features

- The Queensland Government is committed to investing in productivity-enhancing economic and social infrastructure to ensure the state's ongoing economic recovery from COVID-19 and enable the successful delivery of the Brisbane 2032 Olympic and Paralympic Games. This investment will harness the state's natural endowments and productive capacity to drive sustainable economic growth, creating good jobs, better services and a great lifestyle for Queenslanders.
- The 2022–23 Queensland Budget puts the health of Queenslanders first, delivering a $9.785 billion capital boost over 6 years to significantly expand health system capacity across the state and deliver around 2,200 additional overnight beds at 15 facilities.
- This Budget continues to deliver on the Queensland Government's $50 billion Infrastructure Guarantee, with total commitments of $59.126 billion over 4 years. These investments will improve regional connectivity and access to essential services, such as health care and education. Over the 11 years to 2025–26, the government will have supported over $138 billion in infrastructure works.
- In 2022–23, the government will invest $15.510 billion in capital, directly supporting around 48,000 jobs. $9.824 billion, or 63.3 per cent, of this capital program will be invested outside of the Greater Brisbane region, supporting around 31,100 jobs.
- Capital expenditure on transport infrastructure will total $7.309 billion in 2022–23. This includes $1.290 billion to continue construction work on Cross River Rail, $270.2 million to commence Stage 3 of Gold Coast Light Rail, and substantial ongoing investment to fund major upgrades to the M1 Pacific Motorway, the Bruce Highway and the rail network through the Logan and Gold Coast Faster Rail project.
- The government will invest $1.555 billion in 2022–23 to support students and teachers, and to ensure that Queensland's state schools and training assets are world-class and continue to meet demand. Investment in new schools is being facilitated through the $3 billion Building Future Schools Program. Existing schools will also receive new and upgraded infrastructure to address growing enrolments and renewal needs, building on the government's $1 billion Great Schools, Great Future commitment.
- The Queensland Government is continuing to secure the state's energy future through investment in renewable energy, including through Powerlink's $170 million agreement with Acciona and CleanCo to connect the MacIntyre Wind Farm in the Darling Downs to the electricity grid, $192.5 million for Stanwell to acquire a 50 per cent equity stake in the Wambo Wind Farm near Dalby and $28.9 million for CS Energy's Kogan Renewable Hydrogen Project near Chinchilla, including $15 million for the demonstration plant.

- Through state owned businesses Seqwater and Sunwater, the Queensland Government is delivering additional water supply where it is needed, fortifying the flood resilience of water infrastructure and ensuring the ongoing safety and reliability of dams. This includes continued construction of the $367.2 million Rookwood Weir, the $125.4 million Mount Crosby Flood Resilience Program and $95.2 million South West Pipeline project, as well as delivery of the Toowoomba to Warwick Pipeline estimated at more than $300 million. $54.2 million will also be invested in 2022–23 for planning and early works on improvements to Paradise, Burdekin Falls, Somerset and Lake Macdonald Dams.
- The Queensland Government is backing the largest concentrated investment in social housing in Queensland's history, with $1.908 billion in funding over 4 years under the *Housing and Homelessness Action Plan 2021–2025*. As part of this investment, the government is committing $441.3 million in 2022–23 for the delivery of new social homes and upgrades of existing dwellings for vulnerable Queenslanders.
- A key element of the government's capital program is providing grants to local governments and non-government organisations to support their work within communities across Queensland. In total, the government will provide $2.862 billion in capital grants in 2022–23, including $2.131 billion outside of the Greater Brisbane region. This includes more than $700 million to support the Queensland Government program of infrastructure renewal and recovery within disaster-affected communities.

1.1 Introduction

The Capital Statement presents an overview of the Queensland Government's infrastructure delivery program and proposed capital outlays for 2022–23.

The 2022–23 capital program will leverage opportunities to improve the liveability of our cities and regions and build a strong, sustainable and resilient Queensland. This includes a record investment in health infrastructure over the next 6 years, along with major investments in transport; justice and public safety; energy; education; arts, culture, recreation and tourism; water; as well as social and affordable housing.

Key programs such as Works for Queensland and Building our Regions will continue to provide additional benefits to regional Queensland through direct funding for infrastructure and maintenance programs.

The $15.510 billion of investment outlined in the 2022–23 Capital Statement is estimated to directly support around 48,000 jobs, with 31,100 of these jobs located outside of the Greater Brisbane region.

Maintaining a strong capital program ensures Queensland's continued economic recovery, supporting good jobs, better services and a great lifestyle for Queenslanders.

1.2 Queensland's infrastructure frameworks

The Queensland Government's infrastructure frameworks focus on achieving robust capital planning, quality investment decisions and regional economic development.

In 2022–23, the capital program is being delivered in an economy that is emerging from the impacts of COVID-19, with the challenges of supply-chain disruption and heightened competition for materials and labour. The Queensland Government's infrastructure frameworks will be critical to ensuring the development of a sustainable capital program that will support the state's economic development, set the groundwork for future investments ahead of the Brisbane 2032 Olympic and Paralympic Games, and deliver necessary infrastructure to meet growing population needs.

State Infrastructure Strategy

The State Infrastructure Strategy (SIS) sets the statewide priorities for infrastructure, providing a framework for how the Queensland Government will plan and invest in infrastructure over the next 20 years. These statewide priorities will underpin portfolio and regional infrastructure planning. Developed with infrastructure providers and informed by industry and the community, this strategy aligns priorities across agencies while also seeking partnerships with other levels of government and the private sector. This strategy supports Queensland's economic recovery over the longer-term, aligning with the Queensland Government's *COVID-19 Economic Recovery Plan*.

State-significant priorities are profiled across 10 infrastructure classes, such as transport, energy and health, and a cross-government class that features cross-sectorial priorities. These priorities were developed in partnership with infrastructure providers, focusing on the goals of realising infrastructure opportunities and addressing challenges that Queensland will face into the future.

Regional Infrastructure Plans

Queensland is a diverse state and its different regions have different priorities. Supporting the SIS, the introduction of 7 Regional Infrastructure Plans (RIPs) recognises the significant role infrastructure plays in catalysing regional economic resilience and recovery, growth and liveability. Drawing on the SIS's priorities, and complementing statutory regional plans, these plans are being developed in consultation with regional stakeholders (industry, peak bodies and local government) through a place-based approach to help prioritise regionally significant infrastructure needs.

The Queensland Government Infrastructure Pipeline

The Queensland Government Infrastructure Pipeline (QGIP) provides industry with visibility of the government's infrastructure pipeline, creating confidence and enabling workforce planning. QGIP complements the SIS and RIPs and demonstrates the government's commitment to delivering Queensland's infrastructure needs.

Infrastructure Proposal Development Policy

The Infrastructure Proposal Development Policy (IPDP) sets the government's objectives for planning and assessing major infrastructure, including:

- aligning agency infrastructure programs with whole-of-government objectives to maximise outcomes for the state
- supporting agencies to mature their infrastructure planning and assessment capabilities
- providing targeted assistance and assurance advice to agencies on major infrastructure proposal development
- ensuring frameworks and systems are in place and applied to give government confidence in infrastructure investment decisions.

Project Assessment Framework

The Project Assessment Framework (PAF) is used across the Queensland Government to ensure a common and rigorous approach to assessing projects at critical stages in their development lifecycle.

The PAF is administered by Queensland Treasury and applied by government departments to evaluate proposals for infrastructure projects and the procurement of goods and services. The PAF may also be used by other government entities when developing and implementing project assessment methodologies.

Business Case Development Framework

The Business Case Development Framework (BCDF) supports the implementation of the PAF by providing agencies with detailed guidance and tools to complete assessment and assurance of infrastructure proposals. The BCDF informs the development of proposals from early assessment stages through to the detailed business case stage; it is scalable and can be applied to all infrastructure proposals.

The BCDF ensures that major infrastructure proposals are thoroughly assessed to provide a firm basis for government investment decisions. The BCDF guidance materials and templates are published and maintained by the Department of State Development, Infrastructure, Local Government and Planning.

1.3 Key capital projects and programs

Queensland Health Capacity Expansion Program

As Queensland's population expands, so does the demand on the health system. The Queensland Government is providing a significant capital boost of $9.785 billion over 6 years to deliver around 2,200 additional overnight beds at 15 facilities across the Queensland health system:

- Cairns Hospital expansion
- New Toowoomba Hospital
- New Coomera Hospital
- Robina Hospital expansion
- Mackay Hospital expansion
- Princess Alexandra Hospital expansion
- Further Logan Hospital expansion
- QEII Hospital expansion
- New Queensland Cancer Centre
- The Prince Charles Hospital expansion
- Redcliffe Hospital expansion
- Townsville University Hospital expansion
- Ipswich Hospital expansion
- New hospital in Bundaberg
- Hervey Bay Hospital expansion

Accelerated Infrastructure Delivery Program

Queensland Health will also allocate $229.7 million over 2 years from the Sustaining Capital Program to immediately increase bed capacity across Queensland. The Accelerated Infrastructure Delivery Program will use off-site construction and standard designs to reduce time to commissioning, with 289 overnight beds across 7 projects to be delivered within the next 2 years.

Satellite Hospitals: Better Care, Closer to Home

The government is also providing $280 million in funding to deliver Satellite Hospitals in Bribie Island, Caboolture, Eight Mile Plains (Brisbane South), Kallangur (Pine Rivers), Tugun (Gold Coast), Ripley (Ipswich) and Redlands.

The Satellite Hospitals Program will assist acute hospitals in South East Queensland to manage demand and free up capacity while continuing to safely manage patients via alternative models of care. The satellite hospitals will also provide virtual health opportunities including a range of rapid access consultations, care co-ordination, remote monitoring, and patient literacy services.

Delivery of all 7 sites is underway.

Regional, rural and remote health infrastructure

To ensure Queenslanders continue to receive world-class health care no matter where they live, Queensland Health continues to invest in health infrastructure, capital works and projects across regional, rural and remote Queensland under the Queensland Health Capacity Expansion Program and Building Rural and Remote Program. Investments under these programs will create additional beds in regional areas and replace infrastructure to ensure new ways of working and models of care can be delivered right across Queensland.

- For the Mackay Hospital and Health Service, the replacement of the Moranbah Hospital will commence during 2022–23. Funding has also been allocated for expansion of the Mackay Hospital.
- For the Torres and Cape and North West Hospital and Health Services, replacement of the Bamaga and Normanton Hospitals and Pormpuraaw Primary Health Care Centre will commence in 2022–23.
- For Cairns and Hinterland Hospital and Health Service, replacement of the Cow Bay Primary Health Care Centre will commence in 2022–23. Funding has also been allocated for the Cairns Hospital expansion.
- For Townsville Hospital and Health Service, funding has been allocated for the Townsville University Hospital expansion.
- For the Wide Bay Hospital and Health Service, early works for the new Bundaberg Hospital and expansion of the Hervey Bay Hospital will commence during 2022–23.
- For the Darling Downs Hospital and Health Service, work to replace the Tara Hospital will commence during 2022–23. Funding has been allocated for the new Toowoomba Hospital and redevelopment of the Toowoomba Ambulance Station and Operations Centre.

Cross River Rail

Cross River Rail, which is funded via a capital contribution of $5.389 billion along with financing of $1.499 billion secured through a public private partnership, is the largest transport project ever undertaken in Queensland.

This transformative transport project involves a new 10.2 kilometre rail line from Dutton Park to Bowen Hills, 5.9 kilometres of twin tunnels under the Brisbane River and CBD, 4 new high -capacity underground stations (at Boggo Road, Woolloongabba, Albert Street and Roma Street), 8 rebuilt above-ground stations (at Salisbury, Rocklea, Moorooka, Yeerongpilly, Yeronga, Fairfield, Dutton Park and Exhibition), and 3 new stations on the Gold Coast.

The project will also support the introduction of a new world-class signalling system, the European Train Control System (ETCS), which will allow trains to operate closer together, enabling trains to run more efficiently and with greater safety.

The Cross River Rail project is being delivered in partnership with the private sector through 3 major infrastructure packages of work: Tunnel, Stations and Development (TSD) with Pulse Consortium through a public private partnership; Rail, Integration and Systems (RIS) through an alliance model with Unity Alliance; and the ETCS package through an alliance model with Hitachi Rail.

Each of Cross River Rail's high-capacity stations will generate unique opportunities for urban renewal, economic development, inner-city precinct revitalisation and new employment.

Cross River Rail is into its third year of major construction, with work underway at 15 worksites across South East Queensland.

Cross River Rail is estimated to support up to 7,700 full-time equivalent jobs and 450 new apprenticeship and traineeship opportunities during construction.

Queensland Transport and Roads Investment Program

The Queensland Transport and Roads Investment Program (QTRIP) is a 4-year program released annually outlining current and planned investments in transport infrastructure. QTRIP spans road, rail, bus, cycling and marine infrastructure on freight, commuter and recreational networks. QTRIP includes works for the Department of Transport and Main Roads, Queensland Rail and the Gold Coast Waterways Authority.

The program of works detailed in QTRIP represents a $29.7 billion[1] investment over the 4 years from 2022–23 to 2025–26. QTRIP is developed in accordance with funding allocations identified by the Queensland Government and Australian Government in their annual budgets, which align to both governments' policy objectives and agendas.

The strategic intent of QTRIP is shaped by state infrastructure planning processes and specific transport strategies and plans developed in accordance with state legislation.

M1 Pacific Motorway upgrades and Coomera Connector

A safe, efficient and reliable M1 Pacific Motorway plays an important role in driving productivity and competitiveness across South East Queensland. The program of works, jointly funded by the Queensland and Australian Governments, is delivering major projects, such as the Varsity Lakes to Tugun upgrade, Eight Mile Plains to Daisy Hill upgrade, and the Yatala South (Exit 41) and Pimpama (Exit 49) interchange upgrades. The Queensland and Australian Governments have also committed $1 billion to upgrades between Daisy Hill and the Logan Motorway. The M1 program of works is complemented by the Queensland Government and Australian Government commitment of $2.163 billion (on a 50:50 basis) to plan and construct Coomera Connector Stage 1 (Second M1) between Coomera and Nerang. Coomera Connector (Stage 1) will provide an alternative route for the growing communities and commercial hubs of Helensvale and Coomera.

[1] Total QTRIP investment is inclusive of both non-capital and capital components.

Bruce Highway upgrades

The Bruce Highway is Queensland's major north-south freight and commuter corridor, connecting coastal population centres from Brisbane to Cairns over almost 1,700 kilometres. The Queensland Government will continue to work with the Australian Government to deliver the Bruce Highway Upgrade Program, aimed at improving safety, flood resilience and capacity along the length of the highway.

The 2022–23 capital program includes investment in several key projects on the Bruce Highway, improving safety and access and supporting jobs across the regions, including:

- $1.065 billion to plan, preserve and construct the Rockhampton Ring Road
- $1 billion to construct Cooroy to Curra (Section D)
- $662.5 million to upgrade the highway from 4 to 6 lanes between Caboolture-Bribie Island Road and Steve Irwin Way
- $500 million funding injection for the Bruce Highway, noting the Queensland Government's priority for upgrades between Mackay and Proserpine, and between Gladstone and Rockhampton
- $481 million to duplicate the highway from 2 to 4 lanes as part of the Cairns Southern Access Corridor (Stage 3), from Collinson Creek in Edmonton to the Wrights Creek area near Gordonvale
- $350 million for the Mackay Port Access upgrade, to improve access to the Port of Mackay while addressing urban congestion in North Mackay
- $336 million to increase the flood immunity, safety and efficiency of the Bruce Highway and future-proof the road to cater for growing traffic volumes at Tiaro.

Gold Coast Light Rail (Stage 3)

The Australian Government ($395.6 million contribution), Queensland Government ($713.3 million contribution) and City of Gold Coast ($110.1 million contribution) are co-funding the project, with a total project cost of $1.219 billion.

Stage 3 of Gold Coast Light Rail will connect to the existing Gold Coast Light Rail network (from Helensvale to Broadbeach South), delivering a 6.7-kilometre extension from Broadbeach South to Burleigh Heads and providing 8 additional stations.

Logan and Gold Coast Faster Rail (Kuraby to Beenleigh) upgrade

The Queensland Government and Australian Government have committed a total of $2.598 billion (on a 50:50 basis) for the Logan and Gold Coast Faster Rail (Kuraby to Beenleigh) upgrade.

South East Queensland has experienced significant growth over the last 2 decades. This growth is expected to continue with an extra 1.2 million people living in the region by 2036. To harness this growth and support our region's thriving communities, the rail network must keep evolving so that it plays a bigger role in moving people around South East Queensland.

To support growing population and rail patronage demand between Brisbane, Logan and the Gold Coast, the number of Beenleigh and Gold Coast train services needs to be doubled over the next 20 years. The rail line between Kuraby and Beenleigh is a key capacity bottleneck on the rail corridor.

The Queensland Government, together with the Australian Government, is planning to increase the number of tracks between Kuraby and Beenleigh from 2 to 4 tracks, with modernised rail systems, station upgrades and level crossing removals. Currently, trains between Kuraby and Beenleigh share a single track in each direction, limiting the number of peak services that can run. All-stop Beenleigh trains currently need to be held to one side for about 4 minutes to allow Gold Coast express trains to pass through during peak periods.

Beerburrum to Nambour Rail Upgrade (Stage 1)

The Queensland Government and Australian Government have committed a total of $550.8 million (on a 30:70 basis) to deliver stage 1 of the Beerburrum to Nambour Rail Upgrade (B2N).

The B2N project covers about 40 kilometres of the North Coast Line and will provide additional track capacity and reliability, creating travel time savings and increasing passenger and freight services to the growing Sunshine Coast region.

Queensland Train Manufacturing Program (formerly Rollingstock Expansion Project)

To provide for expected increases in rail patronage over the next 10 years, the existing passenger fleet must expand to deliver extra services. The Queensland Government has committed $7.1 billion for the Queensland Train Manufacturing Program to build 65 new 6-car passenger trains at a purpose-built manufacturing facility at Torbanlea in the Maryborough region, subject to the outcomes of the competitive procurement process.

Smart Ticketing System (formerly New Public Transport Ticketing System)

The Queensland Government has committed $371.1 million for a new public transport ticketing system that will be delivered across public transport networks. The system will add new customer facing functionality, including payment by contactless debit and credit cards, mobile phones and wearables, in addition to *go* card and paper tickets.

Building Future Schools

Through the $3 billion Building Future Schools Program, the government is delivering new state schools in high-growth areas across Queensland, including 16 new schools which opened between 2020 and 2022. This Budget includes funding for 4 new schools to open in 2025 (primary schools in Caboolture West, Caloundra South, Ripley and the Greater Flagstone area) and one new school to open in 2026 (a primary school in Bahrs Scrub).

This Budget also includes increased funding to provide for new and upgraded infrastructure in existing schools, to address growing enrolments and renewal needs, building on the government's $1 billion Great Schools, Great Future infrastructure commitment.

Housing and Homelessness Action Plan

The government is delivering the second year of its 4-year $1.908 billion investment as part of the *Housing and Homelessness Action Plan 2021–25* under the *Queensland Housing Strategy 2017–2027* to boost housing supply and increase housing and homelessness support across Queensland. This is supported by returns from the $1 billion Housing Investment Fund, a long-term fund with returns to drive new supply to support current and future social and affordable housing needs.

Under the Action Plan, the government will deliver 7,400 new dwelling commencements across Queensland, with the first 727 new dwellings expected to be commenced by 30 June 2022. The 2022–23 Budget includes $441.3 million in 2022–23 for the delivery of new social homes and upgrades to existing dwellings for vulnerable Queenslanders.

Government Employee Housing

In 2022–23, the government will invest $122.2 million to deliver safe and secure government employee housing, including in remote and regional communities, as part of its commitment to attract and retain key frontline staff. This program will include new accommodation for staff delivering critical services, replacement or refurbishment of residences at the end of their useful life to modern design standards and the upgrade of residences to ensure they remain fit -for -purpose and appropriate for employees.

Building our Regions

The Building our Regions program continues to support local government infrastructure projects in regional and remote Queensland communities. These projects, spanning the width and breadth of the state, provide much needed infrastructure that creates flow-on economic development opportunities, improved liveability and jobs for Queenslanders.

To date the program, delivered by the Department of State Development, Infrastructure, Local Government and Planning through Rounds 1–5, has approved over $348 million towards 271 projects across 67 local governments, supporting an estimated 2,770 jobs. This has leveraged further financial co-contributions of over $539.3 million from local governments, the Australian Government, and other organisations, with a total capital expenditure value of $887.6 million.

$70 million is available under Round 6, bringing the total to $418 million for the whole program. This round focuses on improving water supply and sewerage systems in local communities and is being delivered by the Department of Regional Development, Manufacturing and Water. In 2021–22, the Department of Regional Development, Manufacturing and Water approved 35 planning projects totalling $8.3 million, with a total capital expenditure of $9.4 million. Further construction projects under Round 6 are expected to be approved in 2022–23.

Works for Queensland

The $1 billion Works for Queensland program will continue to support local governments outside South East Queensland by funding job-creating maintenance and minor infrastructure projects relating to assets owned or controlled by local governments.

In 2022–23, $88.2 million will be delivered towards Works for Queensland projects. As at 31 March 2022, councils estimated more than 22,200 jobs have been supported by the first 4 rounds of the program.

Disaster Resilience Program

As one of the most disaster impacted states in Australia, it is imperative to help local Queensland communities better prepare for future natural disasters. Increasing the resilience of infrastructure and investing in innovative programs to lessen the impacts of natural disasters means that communities can recover more quickly after a natural disaster strikes.

The Queensland Resilience and Risk Reduction Fund, jointly funded with the Australian Government as part of the National Partnership Agreement, will allocate $65.5 million over 5 years to improve safety and disaster resilience across the state. The fund will be administered by the Queensland Reconstruction Authority, with $13.1 million to be delivered in 2022–23 to support disaster mitigation projects and build resilience to natural disasters.

The $10 million North Queensland Natural Disaster Mitigation Program, which is aimed at reducing disaster risk in cyclone prone, coastal areas, will commence delivery in 2022–23.

The Queensland Reconstruction Authority will also continue to administer targeted measures aimed at promoting disaster recovery and resilience including a suite of programs funded through the Australian Government's Emergency Response Fund, which includes the National Flood Mitigation Infrastructure Program (Round 1 $9.9 million) and $75 million allocated for flood recovery and resilience after the 2022 South East Queensland floods. The Australian Government's recovery and resilience grants from the 2019 Monsoon Trough Floods and the 2022 South East Queensland floods will also be administered.

Southern Queensland Correctional Precinct (Stage 2)

Construction of the new 1,500 bed facility commenced in early 2021, with construction of the main buildings currently underway. Construction of the prisoner accommodation and administration buildings will continue during 2022–23.

The project will provide significant economic flow on benefits to the Lockyer Valley region, including approximately 450 short-term construction-based employment opportunities, ongoing support of both existing and new industry jobs in the operational phase and potential ongoing supply chain opportunities for local businesses.

This new facility will implement a health and rehabilitation operating model, which will help to address complex prisoner needs such as mental health and substance abuse. It will also ease overcrowding across Queensland's correctional services system and deliver a safer environment for staff, prisoners and the community.

Domestic and family violence courthouse improvements

In response to the Queensland Women's Safety and Justice Taskforce, *Hear her voice - Report one - Addressing coercive control and domestic and family violence in Queensland*, the Queensland Government is committing to a range of domestic and family violence (DFV) courthouse capital upgrades to support enhanced delivery of DFV services at selected locations. These capital improvements to existing courthouse infrastructure will make facilities functional, client-centred and trauma-informed, and support the safety of victims of domestic and family violence attending court.

This includes $49.1 million over 4 years to complete DFV capital upgrades to Mackay, Ipswich, Cairns, Caboolture, Maroochydore, Toowoomba, Rockhampton and Brisbane courthouses, including new DFV courtrooms and safe rooms, reconfigured registry counters, public waiting areas and interview rooms, improved stakeholder facilities, public amenities and security infrastructure, to maximise victim safety.

MacIntyre Wind Precinct

Construction of the MacIntyre Wind Precinct in the Darling Downs has commenced, and it will be Australia's largest wind farm once completed in 2024.

The Precinct includes the 102.6-megawatt Karara Wind Farm which will be built, owned and operated by Queensland's publicly owned renewable generator, CleanCo. As well as owning and operating the Karara Wind Farm, CleanCo will purchase 400 megawatts of renewable energy capacity from Acciona's neighbouring 923.4-megawatt MacIntyre Wind Farm.

Works have also started to connect the Precinct to the electricity grid, with Queensland's publicly owned transmission company, Powerlink, signing a $170 million agreement with Acciona and CleanCo to build 65 kilometres of new transmission line and 2 new switching stations.

Leveraging more than $2 billion in total new investment in Queensland, these projects will anchor Queensland's Southern Renewable Energy Zone and create up to 620 construction jobs.

Wambo Wind Farm

Stanwell is developing the 252-megawatt Wambo Wind Farm near Dalby in partnership with global renewables developer, Cubico.

Consistent with our commitment to public ownership of generation assets in Queensland, Stanwell will acquire a 50 per cent equity stake in the wind farm. Stanwell has been allocated $192.5 million from the $2 billion Queensland Renewable Energy and Hydrogen Jobs Fund to fund this equity stake.

The Wambo Wind Farm will create more than 200 jobs during construction and 8 ongoing jobs. Construction is expected to commence in 2022, with the wind farm operational in 2024. With the MacIntyre Wind Precinct, these types of renewable energy projects will underpin Queensland's pathway to 50 per cent renewables by 2030.

Kogan Renewable Hydrogen Project

CS Energy is demonstrating the production of renewable hydrogen and application to heavy transport industry through its Kogan Renewable Hydrogen Project, near Chinchilla on the Western Downs.

This project is being funded by an allocation from the $2 billion Queensland Renewable Energy and Hydrogen Jobs Fund, with the demonstration project expected to create 20 jobs during construction and produce 50,000 kilograms of renewable hydrogen each year once operational in 2023.

CS Energy recently appointed IHI Engineering Australia (a subsidiary of IHI Corporation, Japan) to construct the Kogan Renewable Hydrogen Project, further demonstrating the strong international partnerships that our energy government owned corporations are developing as Queensland continues on its path to becoming a renewable energy and hydrogen leader.

Port of Townsville Channel Capacity Upgrade

Delivery of the Townsville Channel Capacity Upgrade (TCCU), which commenced in early 2019, is ongoing with the dredging of the Platypus channel beginning on 15 March 2022. The TCCU, the largest infrastructure project in the port's history, will widen the shipping channel to allow access for larger vessels and facilitate future trade growth in the region.

The TCCU project is jointly funded by the Queensland and Australian Governments and the Port of Townsville Limited (POTL), and forms part of the Townsville City Deal signed in December 2016. The total project cost of the TCCU project is $232 million with the Queensland Government contributing $105 million, the Australian Government committing $75 million and POTL funding the remainder.

The TCCU project will continue to support the local economy and jobs, with more than 1,500 people having worked on the project to date.

Port of Gladstone - Shiploader 1 Upgrade

The Queensland Government owned Gladstone Ports Corporation Limited (GPC) will invest $63.9 million to replace Shiploader 1, one of three shiploaders used to load bulk cargo onto seaborne vessels at the RG Tanna coal terminal at the Port of Gladstone.

The replacement shiploader, which secures the capacity of the terminal for another 25 years, will be built locally in Gladstone before being transferred a short distance to its new home for operation at the terminal.

A construction contract has been awarded and will include decommissioning of the old shiploader in a safe and sustainable manner. Design activities commenced in March 2022, with the replacement shiploader anticipated to be operational by around May 2024.

The project is estimated to create more than 200 local jobs which will benefit the region, including approximately 84 jobs in Gladstone. These jobs include boilermakers, riggers and scaffolders, painters, fitters, electricians and engineers. An estimated 60 per cent of the project spend will be in Queensland with the majority being spent in the Gladstone region.

Cairns Marine Precinct

The government owned corporation, Far North Queensland Ports Corporation Limited, is progressing the $32 million Cairns Marine Precinct early works, for infrastructure upgrades including the delivery of 2 new wharves at the Port of Cairns.

Further to this investment, the Queensland Government has committed $150 million to an expansion of the Cairns Marine Precinct with the development of a Common User Facility. The proposed Common User Facility will include a 5,000 tonne shiplift, 3 hardstand areas, 2 blast and paint sheds and a wet berth to cater for vessels up to 120 metres in length. The Queensland Government will now seek a cost sharing arrangement with the Australian Government.

These investments will help diversify the Cairns economy and take advantage of emerging commercial and defence-related opportunities for the precinct as an Australian Navy Regional Maintenance Centre. This will ensure that the Port of Cairns continues to be the leading maintenance, repair and overhaul facility in Northern Australia.

Haughton Pipeline (Stage 2)

The Queensland Government will contribute $195 million to the Townsville City Council for Stage 2 of the Haughton Pipeline, which will connect to earlier stages of the project and ultimately improve water security for the region.

Rookwood Weir

Construction of Rookwood Weir on the Fitzroy River is well underway, with the first water from the weir to be available in 2023, weather permitting. The project will add up to 86,000 megalitres of supply to Central Queensland.

The Queensland Government is investing $183.6 million, with the Australian Government co-funding the project under the National Water Grid Fund. The weir will provide for significant agricultural growth along the Fitzroy River near Rockhampton and enhance the security of urban and industrial water supplies for Gladstone and Capricorn Coast communities.

To date, the project has supported over 100 regional jobs through essential road and bridge upgrades, and the construction of the weir itself will support a further 200 jobs including 140 locally sourced contractors, with apprentices and trainees accounting for around 15 per cent of total construction hours.

Dam Improvement Program

To ensure state owned dams continue to operate safely during extreme weather events, both Sunwater and Seqwater are delivering significant investment through the Dam Improvement Program (DIP).

$54.2 million is budgeted in 2022–23 to continue planning for DIP projects including Paradise, Burdekin Falls, Somerset and Lake Macdonald Dams, which will deliver significant investment into the Queensland economy and support jobs.

The Burdekin Falls Dam improvement project also includes an assessment of the feasibility of raising the dam to support economic growth and long-term water security in North Queensland.

The Queensland Government is rebuilding Paradise Dam through the Paradise Dam improvement project. This is a $1.2 billion investment in dam safety, regional jobs and water security, supported by commitments of $600 million from the Queensland Government and $600 million from the Australian Government. Sunwater is currently progressing $97 million in design, planning and early works for the project, with $30.1 million to be spent in 2022–23. The Paradise Dam improvement project will secure long-term water security for the Bundaberg region, increase supply by 130,000 megalitres, support up to 250 jobs during construction, and keep downstream communities safe during extreme weather events.

South West Pipeline

The South West Pipeline project will construct a 24 kilometre pipeline connecting Beaudesert to the South East Queensland Water Grid, and a 3 kilometre pipeline that will allow Wyaralong Dam to supply the grid when demand triggers are met.

The project will deliver $95.2 million of investment into South East Queensland water security, supporting the region’s growing population and the Bromelton State Development Area. Up to 100 jobs will be supported during construction.

Construction works have commenced and are on track to be completed in 2022–23, with $38.3 million allocated to the project in 2022–23.

Southern Downs Drought Resilience Package

The Queensland Government has committed more than $300 million to the Toowoomba to Warwick Pipeline project which will provide Warwick and surrounding communities a reliable drought contingency, significantly improving regional water security.

As part of the Queensland Government's $19.3 million Southern Downs Drought Resilience Package announced in the 2021–22 Budget, Seqwater undertook investigative and preparatory works for the pipeline. Following review of Seqwater's findings, along with the outcomes of public consultation and other assessments, the Queensland Government committed to the pipeline to provide a contingent drought supply for Warwick while also providing permanent supply to Toowoomba satellite towns and ensuring there are no negative impacts to Toowoomba's water security.

Seqwater are delivering the pipeline and in 2022–23 will continue approvals and early procurement processes to support pre-construction later in 2022–23 (subject to finalisation of discussions with councils) and construction in 2023–24 and 2024–25. The project will support 420 jobs during construction and the targeted 2025–26 completion date will ensure a contingent supply is in place for Warwick before local supplies are put at risk by potential future droughts.

The Queensland Government is committed to working with the Southern Downs and Toowoomba Regional councils on final funding and water security matters to see the pipeline delivered and to ensure it meets the needs of the councils.

Mount Crosby Flood Resilience Program

The 2022–23 Queensland Budget provides $23.6 million of investment into the Mount Crosby Flood Resilience Program.

This program will deliver a range of major works to improve the flood resilience of critical infrastructure located at Mount Crosby, including the replacement and relocation of the existing East Bank substation, construction of a new 2-lane road bridge adjacent to the Mount Crosby Weir, and upgrades to the East Bank Pump Station.

Enabling works for the new substation have already commenced, construction on the new $29.5 million road bridge will commence in late 2022, and further investment into the East Bank Pump Station upgrade project will be considered through the business case process.

2 2022–23 Capital program overview

2.1 Introduction

In this Budget, the Queensland Government has allocated a total of $15.510 billion in 2022–23 to provide productivity-enhancing economic infrastructure, essential social infrastructure and a broad range of capital works projects and programs across the state.

This investment will help create jobs, support Queensland businesses and grow the economy, including in Queensland's vital regional areas. The 2022–23 capital program is estimated to directly support around 48,000 jobs across the state.

The 2022–23 capital program comprises $12.648 billion of purchases of non-financial assets (PNFA) and acquisitions of non-financial assets under finance leases, and $2.862 billion of capital grants expenses.

Importantly, the 2022–23 capital program also demonstrates the government's commitment to rebuilding and growing the state's regions, with $9.824 billion (63.3 per cent) of the capital program in 2022–23 to be spent outside of the Greater Brisbane region (Brisbane and Redlands, Logan and Ipswich), supporting an estimated 31,100 jobs across those regions.

The government's capital program includes a range of critical infrastructure projects in the port, rail, water and energy sectors being delivered through the state's Public Non-financial Corporations (PNFC) sector (that is, commercial entities of government, including government owned corporations).

Capital purchases by the PNFC sector in 2022–23 total $3.3 billion.

2.2 Capital purchases

The Queensland Government is continuing to provide the essential economic and social infrastructure needed to support economic growth, deliver essential services and ensure ongoing improvements in the quality of life enjoyed by Queensland's growing population.

The 2022–23 capital program includes $12.648 billion of PNFA and acquisitions of non-financial assets under finance leases.

Capital purchases in 2022–23, categorised according to purpose, are outlined in Chart 1. Transport continues to account for the largest share of purchases, followed by health, housing and community services, energy infrastructure and education and training.

Chart 1 Capital purchases by purpose 2022–23

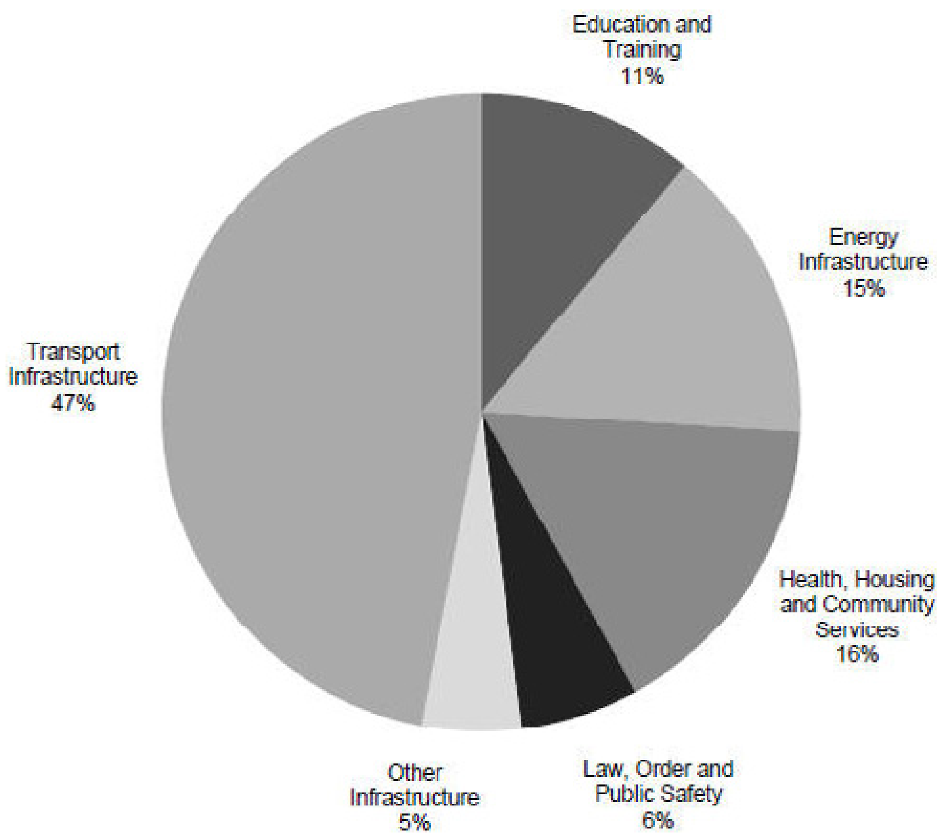


Table 1 outlines the capital purchases by Queensland Government entity, including the 2021–22 year (estimated actual) and the Budget for 2022–23. Transport and Main Roads has the largest proportion of total capital purchases.

Table 1 Capital purchases by Queensland Government entity[1,2]

Entity	2021–22 Est. actual $'000	2022–23 Budget $'000
Agriculture and Fisheries	21,719	24,919
Children, Youth Justice and Multicultural Affairs	32,942	49,249
Communities, Housing and Digital Economy	342,819	453,946
Education	1,263,124	1,457,070
Employment, Small Business and Training	155,650	103,604
Energy and Public Works		
Energy and Public Works	145,107	188,416
Energy generation sector	343,651	480,793
Energy transmission and distribution	1,984,885	1,649,468
Environment and Science	73,467	51,161
Justice and Attorney-General	51,380	34,261
Legislative Assembly of Queensland	15,382	43,561
Premier and Cabinet	183	883
Queensland Corrective Services	207,287	513,363
Queensland Fire and Emergency Services	48,565	67,460
Queensland Health	1,035,526	1,537,112
Queensland Police Service	142,516	174,629
Queensland Treasury	165,000	—
Regional Development, Manufacturing and Water		
Regional Development, Manufacturing and Water	109,900	119,507
Water distribution and supply	264,662	252,710
Resources	7,405	10,105
Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	4,149	5,102
State Development, Infrastructure, Local Government and Planning	261,503	178,603
Tourism, Innovation and Sport	43,804	65,249
Transport and Main Roads		
Transport and Main Roads	4,171,771	4,551,424
Port authorities	174,517	169,224
Queensland Rail	752,026	797,149
Cross River Rail Delivery Authority	1,391,242	1,212,087
Other agencies[3]	6,711	5,612
Other adjustments[4]	(368,071)	(48,976)
Anticipated contingency reserve[5]	(1,000,000)	(1,500,000)
Total capital purchases	**11,848,822**	**12,647,691**

Total capital purchases breakdown	2021–22 Est. actual $'000	2022–23 Budget $'000
Consisting of:		
Purchases of non-financial assets per Non-financial Public Sector Cash Flow Statement (BP2 Table 9.9)	10,588,027	11,812,335
New finance leases	1,260,795	835,356
Total capital purchases	**11,848,822**	**12,647,691**

Notes:

1. Includes all associated statutory bodies.
2. Numbers may not add due to rounding.
3. Includes other government entities with non-material capital programs.
4. Representing inter-agency eliminations, movements in capital payable and receivable, funds held centrally and other accounting adjustments to align with Uniform Presentation Framework Statements.
5. Contingency recognises that on a whole-of-government basis, there is likely to be carry-over of capital allocations.

Table 2 shows capital purchases by Regional Action Plan (RAP) region and statistical area. The government's commitment to supporting growth in Queensland's vital regional areas is highlighted by the fact that $7.693 billion (60.8 per cent) of capital purchases in 2022–23 will be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich).

Table 2 Capital purchases by RAP region and statistical area for 2022–23[1,2]

Regional Action Plan region	Capital purchases $'000	Statistical area		Capital purchases $'000
Brisbane and Redlands	3,339,231	301	Brisbane East	251,448
		302	Brisbane North	332,921
		303	Brisbane South	477,710
		304	Brisbane West	196,834
		305	Inner Brisbane	2,080,318
Ipswich	925,893	310	Ipswich	925,893
Wide Bay	1,033,025	319	Wide Bay	1,033,025
Darling Downs	549,793	307	Darling Downs Maranoa	333,279
		317	Toowoomba	216,514
Gold Coast	1,433,626	309	Gold Coast	1,433,626
Logan	689,478	311	Logan Beaudesert	689,478
Mackay-Whitsunday	492,169	312	Mackay	492,169
Outback Queensland[3]	332,511	315	Outback	453,073
Far North Queensland[3]	826,853	306	Cairns	706,291
Central Queensland	871,782	308	Central Queensland	871,782
Sunshine Coast	669,164	316	Sunshine Coast	669,164
Moreton Bay	714,771	313	Moreton Bay North	538,968
		314	Moreton Bay South	175,803
Townsville	769,395	318	Townsville	769,395
Total capital purchases				**12,647,691**

Notes:

1. Numbers may not add due to rounding.
2. The anticipated capital contingency reserve and other adjustments have been spread across statistical areas proportionate to capital spends.
3. $120,562,000 of capital purchases in Outback statistical area belong to the Far North Queensland RAP region.

2.3 Capital grants

The Queensland Government provides capital grants to a range of organisations.

Total capital grants are expected to be $2.862 billion in 2022–23, with Chart 2 below outlining the capital grants to local governments (LG) and non-government organisations (NGOs).

Chart 2 Capital grants by purpose and recipient

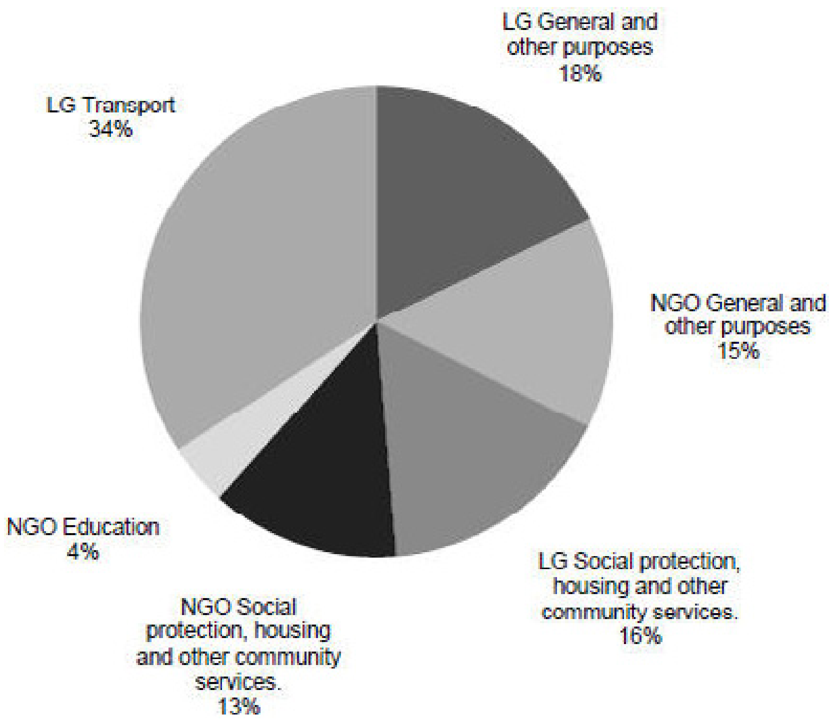


Table 3 shows the planned expenditure on capital grants by Queensland Government entity for 2022–23. State Development, Infrastructure, Local Government and Planning has the highest proportion of capital grants.

Table 3 Expenditure on capital grants by Queensland Government entity[1,2]

Entity	2021–22 Est. actual $'000	2022–23 Budget $'000
Agriculture and Fisheries	—	5,500
Children, Youth Justice and Multicultural Affairs	—	2,500
Communities, Housing and Digital Economy	109,199	134,896
Education	136,979	149,832
Employment, Small Business and Training	29,450	8,482
Energy and Public Works	—	112,500
Environment and Science	2,388	3,735
Premier and Cabinet	973	16,100
Queensland Fire and Emergency Services	1,251	1,712
Queensland Treasury	386,082	218,998
Regional Development, Manufacturing and Water	24,745	52,536
Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	484	2,611
State Development, Infrastructure, Local Government and Planning	833,935	1,046,671
Tourism, Innovation and Sport	102,578	105,103
Transport and Main Roads		
Transport and Main Roads	519,905	501,877
Cross River Rail Delivery Authority	4,180	77,487
Other agencies	1,143	1,000
Other adjustments[3]	51,648	420,359
Total capital grants	**2,204,940**	**2,861,899**

Notes:

1. Includes associated statutory bodies.
2. Numbers may not add due to rounding.
3. Includes assets transferred, funds held centrally (including disaster recovery grants) and other technical accounting adjustments.

Table 4 shows expenditure on capital grants by RAP region and statistical area. The government's commitment to support growth in Queensland's vital regional areas is highlighted by the fact that $2.131 billion (74.5 per cent) of capital grants in 2022–23 will be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich).

Table 4 Capital grants by RAP region and statistical area for 2022–23[1,2]

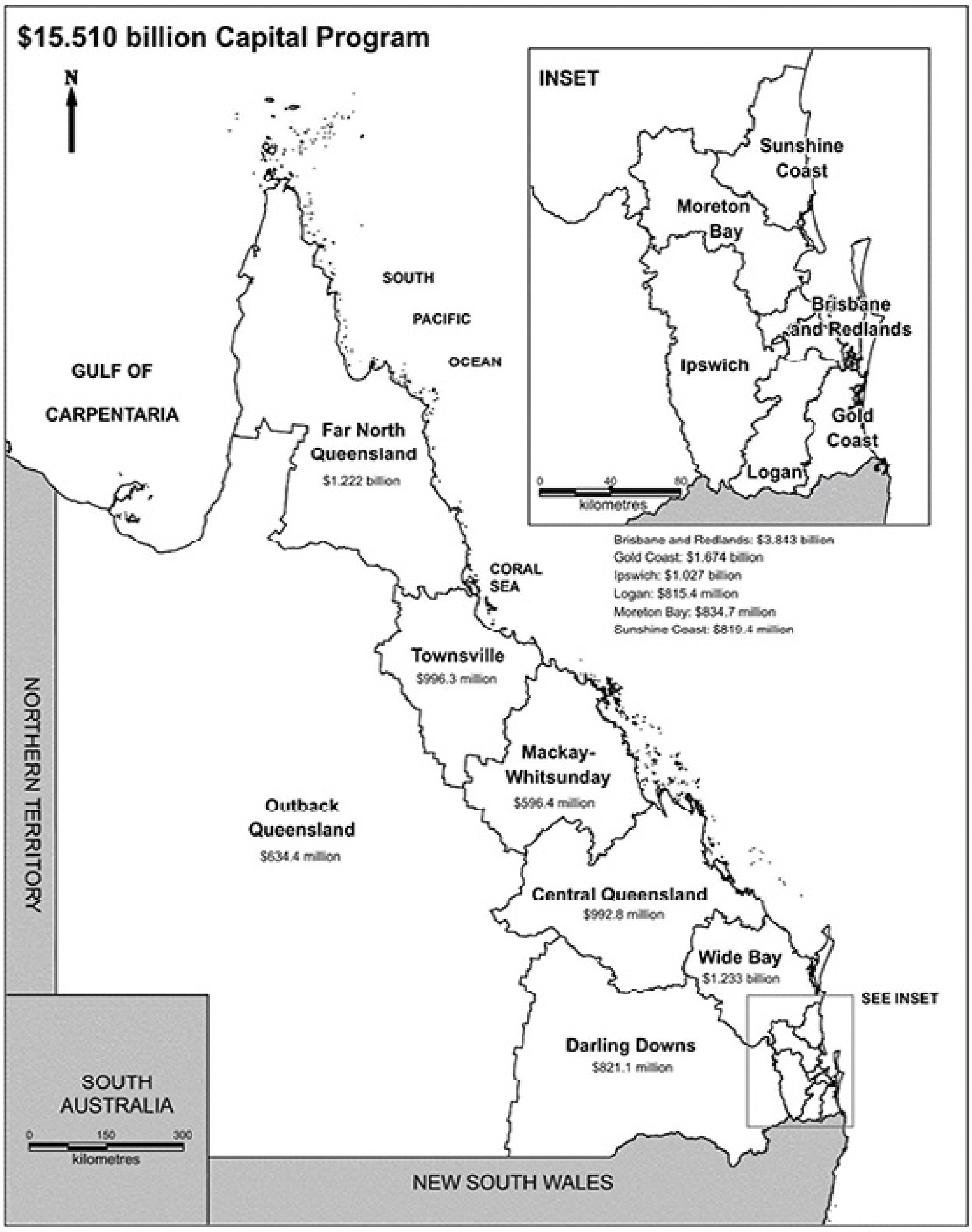
Regional Action Plan region	Grants $'000	Statistical area		Grants $'000
Brisbane and Redlands	503,442	301	Brisbane East	57,620
		302	Brisbane North	69,845
		303	Brisbane South	84,814
		304	Brisbane West	31,829
		305	Inner Brisbane	259,334
Ipswich	101,227	310	Ipswich	101,227
Wide Bay	199,982	319	Wide Bay	199,982
Darling Downs	271,285	307	Darling Downs Maranoa	190,358
		317	Toowoomba	80,927
Gold Coast	240,328	309	Gold Coast	240,328
Logan	125,930	311	Logan Beaudesert	125,930
Mackay-Whitsunday	104,206	312	Mackay	104,206
Outback Queensland[3]	301,908	315	Outback	475,275
Far North Queensland[3]	395,540	306	Cairns	222,173
Central Queensland	120,982	308	Central Queensland	120,982
Sunshine Coast	150,272	316	Sunshine Coast	150,272
Moreton Bay	119,900	313	Moreton Bay North	80,492
		314	Moreton Bay South	39,408
Townsville	226,897	318	Townsville	226,897
Total capital grants				**2,861,899**

Notes:

1. Numbers may not add due to rounding.
2. The adjustments referred to in Table 4 have been spread across statistical areas proportionate to allocation of grants.
3. $173,367,000 of capital grants in Outback statistical area belong to the Far North Queensland RAP region.

Chart 3 shows the distribution of the total 2022–23 capital program (capital purchases and capital grants) across the geographical regions of Queensland, as classified for Budget Paper 3 purposes.

Chart 3 Map of 2022–23 capital program by Queensland regions



Note: Boundaries are based on Regional Action Plans, 2022–23

3 Capital outlays by entity

3.1 AGRICULTURE AND FISHERIES

Department of Agriculture and Fisheries

Capital purchases and grants for the Department of Agriculture and Fisheries, reporting to the Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities, are $27.5 million for 2022-23. The department's capital program is focused on developing and upgrading research facilities to deliver outcomes for agriculture, biosecurity, fisheries and forestry.

The department has facilities located throughout rural and regional Queensland. These require continual minor works, mechanical items and plant equipment upgrades to keep them operating effectively.

Program Highlights (Property, Plant and Equipment)

- $4.7 million to continue upgrades to the department's research and operational facilities through the research facilities development, scientific equipment and minor works programs.
- $2.7 million to finalise long-term decisions on the future of assets formerly held by the Queensland Agricultural Training Colleges, including a new Central Queensland Smart Cropping Centre at Emerald.
- $2.6 million for new and replacement heavy plant and equipment including trucks, tractors, irrigators, all-terrain vehicles and other machinery.
- $2.5 million to continue the upgrade of fruit handling laboratories enabling scientists to provide research services to the expanding and new horticultural industries at Mareeba.
- $1.4 million to upgrade the Wild Dog Barrier Fence.
- $1.2 million to upgrade infrastructure and equipment to support horticulture productivity and profitability under the Queensland Smart Farm Initiative at Gatton.
- $953,000 to replace fitout items at the EcoSciences and Health and Food Sciences precinct.
- $600,000 to upgrade Longreach office accommodation.
- $552,000 to continue to replace vessels and marine equipment for fisheries research and regulatory functions.

Program Highlights (Capital Grants)

- $4 million to finalise long-term decisions on the future of assets formerly held by the Queensland Agricultural Training Colleges.
- $1 million is provided as a contribution towards the upgrade of adoption facilities at the Young Animal Protection Society in Cairns.
- $500,000 is provided as a contribution to the Queensland Country Women's Association to continue minor works upgrades to infrastructure, including community halls.

Queensland Racing Integrity Commission

Capital purchases for the Queensland Racing Integrity Commission, reporting to the Minister for Education, Minister for Industrial Relations and Minister for Racing, are $2.9 million for 2022-23.

Program Highlights (Property, Plant and Equipment)

- $2 million for upgrades to laboratory equipment to support drug testing services.
- $625,000 for software upgrades to the licensing system and laboratory information management system.

Agriculture and Fisheries

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF AGRICULTURE AND FISHERIES					
Property, Plant and Equipment					
Computer equipment	305			**3,187**	Ongoing
Assets formerly held by Queensland Agricultural Training Colleges	308	5,850	300	**2,700**	2,850
Heavy plant and equipment	Various			**2,586**	Ongoing
Upgrade to Mareeba research facility	306	3,360	840	**2,520**	
Scientific equipment	Various			**1,762**	Ongoing
Research facilities development	Various			**1,796**	Ongoing
Wild Dog Barrier Fence	315			**1,400**	Ongoing
Minor works	Various			**1,327**	Ongoing
Gatton Smart Farm Initiative	317	2,000		**1,200**	800
Fitout of Ecosciences and Health and Food Sciences Precincts	303			**953**	Ongoing
Other property, plant and equipment	Various			**673**	Ongoing
Longreach office upgrade	315	1,091	491	**600**	

Agriculture and Fisheries

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Vessels and marine equipment	Various			**552**	Ongoing
Maroochy research facility spillway upgrade	316	300		**300**	
Gatton research facility fire hydrant upgrade	317	270		**270**	
Tor Street Toowoomba complex fire hydrant upgrade	317	600	450	**150**	
Total Property, Plant and Equipment				**21,976**	
Capital Grants					
Assets formerly held by Queensland Agricultural Training Colleges	308	4,000		**4,000**	
Young Animal Protection Society upgrade	306	1,000		**1,000**	
Queensland Country Women's Association building restoration and renovation	Various	1,000		**500**	500
Total Capital Grants				**5,500**	
QUEENSLAND RACING INTEGRITY COMMISSION					
Property, Plant and Equipment					
Laboratory Information Management System	305	325		**325**	
Racing Science Centre laboratory technology upgrades	305			**2,018**	Ongoing
Other asset replacement	Various			**300**	Ongoing
Registration and licensing environment	Various	3,329	3,029	**300**	
Total Property, Plant and Equipment				**2,943**	
TOTAL AGRICULTURE AND FISHERIES (PPE)				**24,919**	
TOTAL AGRICULTURE AND FISHERIES (CG)				**5,500**	

3.2 CHILDREN, YOUTH JUSTICE AND MULTICULTURAL AFFAIRS

Department of Children, Youth Justice and Multicultural Affairs

The capital purchases for the Department of Children, Youth Justice and Multicultural Affairs are $49.2 million in 2022-23. These funds provide the infrastructure and systems to support children, young people and families to be safe and help prevent and respond to crime, violence, abuse and neglect.

Total capital grants for the portfolio are $2.5 million in 2022-23. These funds are a contribution to the establishment of a Holocaust Museum and Education Centre in Brisbane.

Program Highlights (Property, Plant and Equipment)

- $27.8 million in 2022-23 of a total $63.7 million for Unify (Integrated Client Management System (ICMS) Replacement Program). The Unify program will strengthen information sharing and collaboration across Queensland Government, social services and justice sectors by delivering a contemporary case management system that will enable more streamlined processes, support staff and continuing service reforms while engaging with young people, families, carers and services.
- $10.4 million to conduct ongoing program renewal and minor works to Youth Detention centres and Youth Justice service centres.
- $8.4 million for Child and Family Services facilities, including fit out and upgrade of office accommodation and Child Safety service centres and upgrades to Residential Care properties.
- $1.7 million for annual essential capital replacement of IT infrastructure that is at end of life.
- $1 million to enhance and develop information systems and ICT programs to provide additional system functionality, information security and contemporary technology to improve service delivery.

Program Highlights (Capital Grants)

- $2.5 million in 2022-23 of a total $3.5 million contribution to establish a Holocaust Museum and Education Centre in Brisbane to honour victims of the Holocaust and support students and the broader community to explore and understand the impact of racism.

Children, Youth Justice and Multicultural Affairs

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF CHILDREN, YOUTH JUSTICE AND MULTICULTURAL AFFAIRS					
Property, Plant and Equipment					
Information Systems and Technology					
Unify (Integrated Client Management System replacement) Program	Various	63,735	27,751	**27,784**	8,200
Information technology infrastructure replacement	Various			**1,660**	Ongoing
Information system enhancements	Various			**981**	Ongoing
Sub-total Information Systems and Technology				**30,425**	
Youth Justice Services					
Youth Justice facilities	Various			**10,436**	Ongoing
Sub-total Youth Justice Services				**10,436**	
Child and Family Services					
Child and Family Services facilities	Various			**8,388**	Ongoing
Sub-total Child and Family Services				**8,388**	
Total Property, Plant and Equipment				**49,249**	
Capital Grants					
Multicultural Affairs					
Holocaust Museum	305	3,500		**2,500**	1,000
Total Capital Grants				**2,500**	
TOTAL CHILDREN, YOUTH JUSTICE AND MULTICULTURAL AFFAIRS (PPE)				**49,249**	
TOTAL CHILDREN, YOUTH JUSTICE AND MULTICULTURAL AFFAIRS (CG)				**2,500**	

3.3 COMMUNITIES, HOUSING AND DIGITAL ECONOMY

The Communities, Housing and Digital Economy portfolio includes the Department of Communities, Housing and Digital Economy together with Arts Queensland, and statutory bodies reporting to the Minister for Communities and Housing and Minister for Digital Economy and Minister for the Arts.

The portfolio's capital purchases for 2022-23 are $453.9 million. The portfolio's capital grants for 2022-23 are $134.9 million.

The total capital program for Housing and Homelessness is $449.9 million in 2022-23, which includes $132.2 million in capital grants, and $8.6 million for other property, plant and equipment. The *Housing and Homelessness Action Plan 2021-2025* provides $1.908 billion over 4 years to boost housing supply and increase housing and homelessness support across Queensland.

Department of Communities, Housing and Digital Economy

Total capital purchases for the Department of Communities, Housing and Digital Economy are $431.3 million in 2022-23. Total capital grants for the department are $134.9 million in 2022-23.

Program Highlights (Property, Plant and Equipment)

- $282 million to deliver social housing dwellings, commence and continue construction, and upgrade existing dwellings.
- $27.1 million to deliver social housing dwellings in Aboriginal and Torres Strait Islander communities, commence and continue construction, and upgrade existing dwellings.
- $67.9 million to continue construction of the new performing arts venue at the Queensland Performing Arts Centre, benefiting Queensland artists and audiences.
- $15 million to continue the upgrade and construction program for neighbourhood and community centres and other key social infrastructure, including upgrades to existing neighbourhood and community centres, construction of replacement neighbourhood and community centres, expansion of the Lyons St Diversionary Centre, and design and construction of a new neighbourhood and community centre in Rockhampton.
- $11.3 million to address Stage 2 of urgent and unavoidable critical infrastructure renewal works at the Queensland Cultural Centre.
- $8.5 million for capital asset renewal works, compliance and safety improvements and amenities upgrades across the Queensland Cultural Centre.

- $4.4 million to deliver priority infrastructure projects across state owned arts and cultural facilities.
- $2.1 million to complete rectification of cladding remediation work at the Queensland Cultural Centre.
- $1.4 million to reconfigure the Grey and Russell Street intersection, South Brisbane to enhance vehicular access to the Queensland Performing Arts Centre.
- $1.3 million to deliver security enhancement measures across the Queensland Cultural Centre.

Program Highlights (Capital Grants)

- $74.3 million to deliver social housing dwellings in Aboriginal and Torres Strait Islander communities, commence and continue construction, upgrade existing dwellings, and undertake land infrastructure development.
- $57.9 million to deliver social housing dwellings, commence and continue construction, and upgrade existing dwellings.
- $1.9 million towards the design and construction of the Atherton Neighbourhood and Community Centre.
- $780,000 contribution towards the ongoing construction of the Yarrabilba Hive.

CITEC

CITEC has capital purchases of $14.8 million in 2022-23 comprising right of use lease assets and hardware replacement.

Program Highlights (Property, Plant and Equipment)

- $11.2 million of right of use lease assets for mainframe and other information technology services.
- $3.6 million for hardware replacement including $2.1 million for the Data Centre Re-location project and $1.5 million to replace information technology equipment.

Library Board of Queensland

The Library Board of Queensland has capital purchases of $2 million in 2022-23, to purchase heritage collections, information collections, intangible assets in the form of digital collections, and replace information technology equipment.

Program Highlights (Property, Plant and Equipment)

- $1.4 million to acquire new items for the digital, heritage and information collections.
- $688,000 to replace information technology equipment.

Queensland Art Gallery

The Queensland Art Gallery has capital purchases of $2.8 million in 2022-23, for the acquisition of art for the gallery's collection, as well as life-cycle replacement of other property, plant and equipment assets.

Program Highlights (Property, Plant and Equipment)

- $2.5 million to acquire art for the gallery's collection.
- $300,000 to replace other property, plant and equipment.

Queensland Performing Arts Trust

The Queensland Performing Arts Trust will invest $2 million in the lifecycle replacement of operational property, plant and equipment assets, such as theatre equipment and food and beverage equipment.

Queensland Shared Services

Queensland Shared Services has capital purchases of $1 million in 2022-23, including $900,000 to implement optimisation projects and initiatives.

Communities, Housing and Digital Economy

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF COMMUNITIES, HOUSING AND DIGITAL ECONOMY					
Property, Plant and Equipment					
Housing and Homelessness Services					
Construct social housing					
Brisbane - East	301			**1,373**	Ongoing
Brisbane - North	302			**3,300**	Ongoing
Brisbane - South	303			**15,109**	Ongoing
Brisbane Inner City	305			**13,472**	Ongoing
Cairns	306			**25,848**	Ongoing
Darling Downs - Maranoa	307			**1,554**	Ongoing
Central Queensland	308			**6,922**	Ongoing
Gold Coast	309			**14,328**	Ongoing
Ipswich	310			**8,312**	Ongoing
Logan - Beaudesert	311			**12,670**	Ongoing
Mackay	312			**8,896**	Ongoing
Moreton Bay - North	313			**9,069**	Ongoing
Moreton Bay - South	314			**5,848**	Ongoing
Queensland - Outback	315			**5,856**	Ongoing

Communities, Housing and Digital Economy

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Sunshine Coast	316			**5,141**	Ongoing
Toowoomba	317			**5,994**	Ongoing
Townsville	318			**20,432**	Ongoing
Wide Bay	319			**12,927**	Ongoing
Sub-total Construct social housing				**177,051**	
Upgrade existing social housing					
Brisbane - East	301			**2,844**	Ongoing
Brisbane - North	302			**2,812**	Ongoing
Brisbane - South	303			**2,212**	Ongoing
Brisbane - West	304			**203**	Ongoing
Brisbane Inner City	305			**7,562**	Ongoing
Cairns	306			**25,747**	Ongoing
Darling Downs - Maranoa	307			**1,910**	Ongoing
Central Queensland	308			**4,337**	Ongoing
Gold Coast	309			**4,817**	Ongoing
Ipswich	310			**4,364**	Ongoing
Logan - Beaudesert	311			**6,917**	Ongoing
Mackay	312			**4,763**	Ongoing
Moreton Bay - North	313			**3,673**	Ongoing
Moreton Bay - South	314			**433**	Ongoing
Queensland - Outback	315			**3,905**	Ongoing
Sunshine Coast	316			**4,040**	Ongoing
Toowoomba	317			**379**	Ongoing
Townsville	318			**5,368**	Ongoing
Wide Bay	319			**5,748**	Ongoing
Statewide	Various			**1,095**	Ongoing
Sub-total Upgrade existing social housing				**93,129**	
Social housing land acquisition					
Brisbane - North	302			**4,500**	Ongoing
Brisbane - South	303			**6,593**	Ongoing
Cairns	306			**3,000**	Ongoing
Darling Downs - Maranoa	307			**2,000**	Ongoing
Central Queensland	308			**2,000**	Ongoing
Gold Coast	309			**4,000**	Ongoing
Ipswich	310			**2,000**	Ongoing
Mackay	312			**2,000**	Ongoing
Moreton Bay - North	313			**1,750**	Ongoing
Moreton Bay - South	314			**1,750**	Ongoing
Sunshine Coast	316			**3,000**	Ongoing

Communities, Housing and Digital Economy

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Toowoomba	317			**1,000**	Ongoing
Townsville	318			**2,000**	Ongoing
Wide Bay	319			**2,000**	Ongoing
Statewide	Various			**1,276**	Ongoing
Other plant and equipment and intangibles	Various			**8,595**	Ongoing
Sub-total Housing and Homelessness Services				**317,644**	
Community Services					
Lyons Street Diversionary Centre expansion	306	4,350	1,350	**3,000**	
Rockhampton Neighbourhood Centre	308	4,555	1,897	**2,373**	285
Replacement of existing neighbourhood centres	Various			**4,393**	Ongoing
Office accommodation, fixtures and fittings	Various			**807**	Ongoing
Digitisation equipment	303	400		**400**	
General property upgrades	Various			**5,200**	Ongoing
Sub-total Community Services				**16,173**	
Customer and Digital Services					
Asset replacement for Smart Service Queensland	305			**600**	Ongoing
Sub-total Customer and Digital Services				**600**	
Arts Queensland					
New Performing Arts Venue at[1] QPAC	305	150,000	67,810	**67,923**	14,267
Queensland Cultural Centre - capital works, asset upgrades and refurbishment projects	305	53,700		**8,550**	45,150
Queensland Cultural Centre critical infrastructure works - Stage 2 2021 to 2025	305	30,280	6,028	**11,302**	12,950
Arts Infrastructure Investment Fund - Stage 2 2021 to 2024	305	11,125	2,375	**4,375**	4,375
Queensland Cultural Centre cladding remediation works	305	3,250	1,187	**2,063**	
Queensland Cultural Centre - security upgrades	305	3,510		**1,300**	2,210
Realignment of Grey and Russell	305	1,400		**1,400**	

Communities, Housing and Digital Economy

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Street Intersection					
Sub-total Arts Queensland				**96,913**	
Total Property, Plant and Equipment				**431,330**	
Capital Grants					
Housing and Homelessness Services					
Brisbane - North	302			**594**	Ongoing
Brisbane - South	303			**7,700**	Ongoing
Cairns	306			**57,024**	Ongoing
Central Queensland	308			**1,360**	Ongoing
Gold Coast	309			**6,068**	Ongoing
Logan - Beaudesert	311			**5,850**	Ongoing
Moreton Bay - North	313			**1,779**	Ongoing
Queensland - Outback	315			**2,122**	Ongoing
Sunshine Coast	316			**10,867**	Ongoing
Toowoomba	317			**2,067**	Ongoing
Townsville	318			**1,889**	Ongoing
Wide Bay	319			**11,920**	Ongoing
Statewide	Various			**22,969**	Ongoing
Sub-total Housing and Homelessness Services				**132,209**	
Community Services					
Atherton Neighbourhood and Community Centre	306	1,907		**1,907**	
Yarrabilba Hive	311	2,600	1,820	**780**	
Sub-total Community Services				**2,687**	
Total Capital Grants				**134,896**	
CITEC					
Property, Plant and Equipment					
Right of use lease assets	Various	11,154		**11,154**	
Hardware replacement	Various			**3,615**	Ongoing
Total Property, Plant and Equipment				**14,769**	
LIBRARY BOARD OF QUEENSLAND					
Property, Plant and Equipment					
Information technology equipment	305			**688**	Ongoing

Communities, Housing and Digital Economy

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Digital collection	305			**595**	Ongoing
Heritage collection	305			**580**	Ongoing
Information collection	305			**184**	Ongoing
Total Property, Plant and Equipment				**2,047**	
QUEENSLAND ART GALLERY					
Property, Plant and Equipment					
Acquisitions for the Queensland Art Gallery's collection	305			**2,500**	Ongoing
Ongoing replacement of plant and equipment	305			**300**	Ongoing
Total Property, Plant and Equipment				**2,800**	
QUEENSLAND PERFORMING ARTS TRUST					
Property, Plant and Equipment					
Property, plant and equipment	305			**2,000**	Ongoing
Total Property, Plant and Equipment				**2,000**	
QUEENSLAND SHARED SERVICES					
Property, Plant and Equipment					
Optimisation projects and initiatives	305			**900**	Ongoing
Asset replacement	305			**100**	Ongoing
Total Property, Plant and Equipment				**1,000**	
TOTAL COMMUNITIES, HOUSING AND DIGITAL ECONOMY (PPE)				**453,946**	
TOTAL COMMUNITIES, HOUSING AND DIGITAL ECONOMY (CG)				**134,896**	

Note:

1. The Total Estimated Cost of $175 million includes a State contribution of $150 million and a contribution by the Queensland Performing Arts Trust of $25 million.

3.4 EDUCATION

Total capital purchases for the Education portfolio (including the Department of Education and related entities) are $1.457 billion in 2022-23. Total capital grants for the portfolio are $149.8 million in 2022-23.

Department of Education

The 2022-23 capital purchases of $1.457 billion include $1.371 billion for the construction and refurbishment of school educational facilities and early childhood education and care services. Capital works planning targets government priorities in line with population growth and shifts, changes in educational needs and high priority student and staff health and safety needs.

Program Highlights (Property, Plant and Equipment)

- $521.7 million for the Building Future Schools Program to deliver world class learning environments for students; including $117.5 million for new schools opening in 2023, $253.8 million for new schools opening in 2024 and $7.5 million for new schools opening in 2025 and 2026.
- $327.1 million for the provision of additional facilities at existing state schools experiencing faster enrolment growth.
- $263.8 million for critical infrastructure upgrades to replace and enhance facilities at existing schools; including $194.6 million for the Facilities Renewal, Special School Renewal, Contemporary Learning Environments and Discrete Indigenous Community Renewal programs.
- $109.3 million as part of the School Halls program and $22.1 million as part of the Shovel Ready program under the Great Schools, Great Future election commitment to boost education infrastructure investment across Queensland.
- $23.6 million to link industry and local high schools to provide students with pathways into rewarding careers and confidently transition into the world of work under the Local Schools, Local Jobs election commitment.

Program Highlights (Capital Grants)

- $120.1 million is provided for the non-state schooling sector and student hostels.
- $29.8 million is provided for racing infrastructure projects that contribute to the growth and sustainability of the Queensland racing industry.

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF EDUCATION					
Property, Plant and Equipment					
Education Capital Works Program					
New schools in 2024[1]	Various	578,064	7,354	**239,918**	330,792
New schools in 2025 and 2026[2]	Various	366,094		**7,498**	358,596
New primary school in Augustine Heights	310	72,457	15,635	**24,770**	32,052
New primary school in Brisbane's inner west	304	77,226	792	**13,465**	62,969
New primary school in Ripley	310	56,311	10,298	**28,864**	17,149
New primary school in Yarrabilba	311	58,703	15,135	**29,542**	14,026
New secondary school in Palmview	316	93,357	17,583	**34,709**	41,065
Baringa State Secondary College - New secondary school	316	99,791	62,225	**24,673**	12,893
Coomera State Special School - New special school	309	42,891	29,290	**4,117**	9,484
Everleigh State School - New primary school	311	57,294	37,581	**11,506**	8,207
Gainsborough State School - New primary school	309	51,989	37,604	**9,979**	4,406
Mango Hill State Secondary College - New secondary school	314	70,422	68,858	**1,564**	
Albany Creek State High School - Additional classrooms	314	13,064	2,015	**8,287**	2,762
Aspley Special School - Additional classrooms	302	14,720	4,325	**7,796**	2,599
Aurukun State School - Administration upgrades	315	2,220	555	**1,665**	
Aviation High - New skills development and training facilities	305	740	244	**496**	
Ayr State High School - New hall facility	318	5,175	994	**2,174**	2,007
Balmoral State High School - Administration upgrades	305	5,399	713	**3,421**	1,265
Beenleigh Special School - Additional classrooms	311	15,456	1,380	**11,937**	2,139
Beenleigh State High School - New hall facility	311	10,800	369	**5,424**	5,007

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Bell State School - Additional specialist classrooms	307	403		**403**	
Bellevue Park State School - Additional classrooms	309	4,875	938	**2,953**	984
Bowen State High School - New skills development and training facilities	312	1,036	394	**642**	
Bracken Ridge State High School - Additional classrooms	302	10,764	1,257	**7,130**	2,377
Bray Park State High School - Additional classrooms	314	14,207		**2,443**	11,764
Bremer State High School - Additional specialist classrooms	310	6,584		**2,566**	4,018
Brisbane South State Secondary College - Stage 1 sports fields	303	6,989	2,008	**4,981**	
Buderim Mountain State School - New hall facility	316	4,500	270	**2,200**	2,030
Burnside State High School - New hall facility	316	9,630	900	**4,072**	4,658
Bwgcolman Community School - Administration upgrades	318	3,150	1,080	**2,070**	
Caboolture State High School - Additional classrooms	313	12,511	8,838	**2,755**	918
Caboolture State High School - Upgrade skills development and training facilities	313	1,110	555	**555**	
Cairns State High School - Additional specialist classrooms	306	606		**606**	
Cairns State Special School - Additional classrooms	306	9,141		**2,190**	6,951
Cairns West State School - Amenities upgrades	306	840	309	**531**	
Calamvale Special School - Additional classrooms	303	18,587	2,015	**12,429**	4,143
Calliope State High School - Additional classrooms	308	12,696	7,176	**4,140**	1,380
Caloundra State School - Upgrade existing hall facility	316	3,225	630	**1,463**	1,132
Capalaba State College - New hall facility	301	7,200	225	**3,393**	3,582

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Capella State School - Administration upgrades	308	1,620	593	**1,027**	
Cavendish Road State High School - Site renewal	303	1,433		**1,433**	
Centenary Heights State High School - Additional classrooms	317	9,102		**2,453**	6,649
Chancellor State College - New hall facility	316	7,650	675	**3,627**	3,348
Chinchilla State High School - New skills development and training facilities	307	2,071	481	**1,519**	71
Claremont Special School - Additional classrooms	310	12,972	368	**6,992**	5,612
Clermont State High School - New skills development and training facilities	312	962	189	**773**	
Clifton State High School - Upgrade existing hall facility	307	2,484	572	**1,243**	669
Clifton State High School - Upgrade skills development and training facilities	307	1,036	183	**853**	
Cloncurry State School P-12 - Upgrade skills development and training facilities	315	370	111	**259**	
Coolum State High School - Additional classrooms	316	16,652	4,647	**9,004**	3,001
Coombabah State High School - Additional classrooms	309	9,982	1,105	**6,658**	2,219
Dalby State High School - Upgrade skills development and training facilities	307	2,024	117	**1,386**	521
Darling Point Special School - Additional classrooms	301	12,880	1,196	**7,084**	4,600
Darra State School - Additional classrooms	310	6,713		**3,693**	3,020
Deception Bay State High School - Additional classrooms	313	7,336		**3,356**	3,980
Deception Bay State School - New hall facility	313	4,500	675	**2,486**	1,339
Dirranbandi P-10 State School - Additional specialist classrooms	307	606		**606**	

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Dysart State High School - Upgrade skills development and training facilities	312	666	111	**555**	
Edge Hill State School - Administration upgrades	306	4,680	1,657	**2,207**	816
Emerald State High School - Additional classrooms	308	8,167		**3,700**	4,467
Emerald State School - Administration upgrades	308	1,620	630	**990**	
Enoggera State School - Additional classrooms	304	6,531	3,354	**2,383**	794
Flagstone State School - Additional classrooms	311	7,912	1,381	**5,754**	777
Geebung Special School - Additional classrooms	302	15,439	2,995	**9,333**	3,111
Gin Gin State High School - Administration upgrades	319	2,250	1,175	**1,075**	
Gladstone Central State School - New hall facility	308	5,175	450	**2,457**	2,268
Gladstone State High School - Additional specialist classrooms	308	9,731		**3,154**	6,577
Gladstone State High School - Upgrade skills development and training facilities	308	1,480	74	**1,125**	281
Glenala State High School - Additional classrooms	310	7,544	514	**6,563**	467
Glenala State High School - Upgrade existing hall facility	310	4,500	462	**2,625**	1,413
Glenala State High School - Upgrade skills development and training facilities	310	1,665	586	**863**	216
Glenview State School - Administration upgrades	316	4,500	367	**3,017**	1,116
Goodna Special School - Additional classrooms	310	15,640	1,380	**10,695**	3,565
Goondiwindi State High School - Additional specialist classrooms	307	606		**606**	
Gordonvale State High School - Additional specialist classrooms	306	565		**565**	

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Heatley Secondary College - New commercial kitchen	318	860	292	**568**	
Highfields State School - Administration upgrades	317	2,700	1,260	**1,440**	
Holland Park State High School - Additional specialist classrooms	303	11,770		**2,883**	8,887
Holland Park State High School - Site renewal	303	1,905		**1,905**	
Indooroopilly State School - Administration upgrades	304	3,600	270	**2,431**	899
Inglewood State School - Additional specialist classrooms	307	606		**606**	
Innisfail State College - Additional specialist classrooms	306	364		**364**	
Ipswich State High School - Additional classrooms	310	25,848	1,952	**17,020**	6,876
Kallangur State School - Additional classrooms	314	7,899	1,208	**5,067**	1,624
Kawana Waters State College - Additional classrooms	316	5,979	3,815	**1,623**	541
Kenmore South State School - Additional classrooms	304	23,486		**6,416**	17,070
Kenmore State High School - Additional specialist classrooms	304	4,893		**2,307**	2,586
Kepnock State High School - Additional specialist classrooms	319	6,393		**2,928**	3,465
Keppel Sands State School - Additional specialist classrooms	308	343		**343**	
Kilcoy State High School - New hall facility	313	4,770	315	**2,317**	2,138
Kingaroy State High School - Upgrade skills development and training facilities	319	1,184	111	**1,073**	
Kingston State School - FamilyLinQ - school-based hub	311	7,826	402	**4,300**	3,124
Kirwan State School - Administration upgrades	318	1,800	652	**1,148**	
Lawnton State School - Additional classrooms	314	9,035	7,007	**1,521**	507
Longreach State High School - Upgrade skills development and training facilities	315	2,302	112	**1,752**	438

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
MacGregor State High School - Site renewal	303	2,121		**1,591**	530
Mackay Northern Beaches State High School - Additional classrooms	312	6,164	313	**4,388**	1,463
Mackay Northern Beaches State High School - Upgrade skills development and training facilities	312	889	167	**722**	
Malanda State High School - Additional classrooms	306	10,580	2,053	**6,395**	2,132
Mango Hill State School - Additional classrooms	314	3,726	1,840	**1,886**	
Manly State School - Additional classrooms	301	9,292	460	**5,152**	3,680
Mansfield State High School - Additional classrooms	303	16,206	2,015	**10,643**	3,548
Marsden State School - Additional classrooms	311	10,120	8,280	**1,840**	
Miami State High School - New hall facility	309	9,000	250	**4,550**	4,200
Mitchelton Special School - Additional classrooms	304	8,280	2,751	**4,147**	1,382
Moranbah East State School - Additional classrooms	312	5,704	414	**5,290**	
Moranbah State High School - Additional classrooms	312	7,437		**3,398**	4,039
Morayfield State High School - Additional classrooms	313	11,871		**2,693**	9,178
Mount Gravatt State High School - Site renewal	303	1,511		**1,511**	
Mudgeeraba Special School - Additional classrooms	309	12,533	3,854	**6,509**	2,170
Nerang State High School - Upgrade existing hall facility	309	4,499	226	**2,222**	2,051
Nirimba State Primary School - New primary school	316	54,006	41,410	**7,558**	5,038
Noosa District State High School - Ponoma Campus - New hall facility	316	5,175	450	**2,457**	2,268

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
North Arm State School - Administration upgrades	316	4,500	184	**3,179**	1,137
Oakey State High School - New hall facility	307	5,175	191	**2,592**	2,392
Oakleigh State School - New hall facility	305	4,500	360	**2,153**	1,987
Pallara State School - Additional classrooms	303	14,553		**3,814**	10,739
Palm Beach-Currumbin State High School - New hall facility	309	9,001	249	**4,551**	4,201
Palmview State Primary School - New primary school	316	50,596	38,658	**6,157**	5,781
Palmview State Special School - New special school	316	48,377	34,445	**8,680**	5,252
Park Ridge State High School - Additional classrooms	311	11,132	4,552	**4,935**	1,645
Park Ridge State School - Administration upgrades	311	3,478	181	**3,297**	
Parkhurst State School - Administration upgrades	308	5,400	1,800	**2,628**	972
Pimlico State High School - Additional specialist classrooms	318	403		**403**	
Pimlico State High School - New hall facility	318	9,900	202	**4,809**	4,889
Pimlico State High School - Upgrade skills development and training facilities	318	1,036	52	**984**	
Pine Rivers Special School - Additional classrooms	314	13,524	2,344	**8,385**	2,795
Pittsworth State High School - Additional specialist classrooms	307	727		**727**	
Pittsworth State High School - New hall facility	307	5,624	164	**3,171**	2,289
Proserpine State High School - Additional specialist classrooms	312	606		**606**	
Prospect Creek State School - Additional specialist classrooms	308	525		**525**	
Redlynch State College - Upgrade existing hall facility - Junior Campus	306	2,880	28	**1,854**	998

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Redlynch State College - Upgrade existing hall facility - Senior Campus	306	3,376	28	**2,176**	1,172
Rochedale State High School - New hall facility	303	10,800	362	**5,428**	5,010
Rochedale State High School - Site renewal	303	1,478		**1,478**	
Rochedale State School - Additional classrooms	303	10,120	4,095	**4,519**	1,506
Rockhampton North Special School - Additional classrooms	308	14,628	1,087	**8,941**	4,600
Rockhampton Special School - Additional classrooms	308	8,768		**3,333**	5,435
Rockhampton State High School - New skills development and training facilities	308	1,850	707	**1,143**	
Roma State College - Upgrade skills development and training facilities	307	1,110	148	**962**	
Rosewood State High School - Additional classrooms	310	6,441	250	**5,439**	752
Runcorn State High School - Site renewal	303	2,329		**1,747**	582
Sandgate District State High School - Upgrade existing hall facility	302	4,500	333	**2,270**	1,897
Serviceton South State School - Additional classrooms	310	5,408		**3,008**	2,400
Seven Hills State School - New hall facility	305	7,200	216	**3,632**	3,352
Spring Mountain State School - Additional classrooms	310	20,689		**5,122**	15,567
Springsure State School - Additional specialist classrooms	308	666		**666**	
St George State High School - New hall facility	307	5,175	236	**2,568**	2,371
St George State High School - Upgrade skills development and training facilities	307	2,220	90	**1,704**	426

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Sunnybank Special School - Additional classrooms	303	7,544	4,240	**2,478**	826
Sunnybank State High School - New skills development and training facilities	303	2,220	793	**1,201**	226
Sunnybank State High School - Site renewal	303	2,804		**2,103**	701
Tagai State College - Thursday Island Primary Campus - Amenities upgrades	315	800	400	**400**	
Taigum State School - Additional classrooms	302	7,440		**3,370**	4,070
Tara Shire State College - New skills development and training facilities	307	1,480	141	**1,071**	268
The Hall State School - New hall facility	308	4,500	668	**2,491**	1,341
Thuringowa State High School - New hall facility	318	5,175	527	**2,417**	2,231
Thuringowa State High School - Upgrade skills development and training facilities	318	888	103	**785**	
Toogoolawah State High School - New hall facility	310	5,175	450	**2,457**	2,268
Toolooa State High School - Additional classrooms	308	7,176	276	**6,900**	
Toolooa State High School - New hall facility	308	2,881	273	**1,695**	913
Toowoomba West Special School - Additional classrooms	317	4,179	1,951	**1,671**	557
Toowoomba West Special School - Administration upgrades	317	3,600	2,250	**1,350**	
Townsville Community Learning Centre - A State Special School - Additional classrooms	318	6,992	5,352	**1,640**	
Townsville Community Learning Centre - A State Special School - New hall facility	318	5,175	227	**2,573**	2,375
Trinity Bay State High School - New hall facility	306	10,350	343	**5,204**	4,803

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Tully State High School - Additional classrooms	306	2,168		**2,168**	
Urangan Point State School - New hall facility	319	5,175	361	**2,503**	2,311
Urangan State High School - New hall facility	319	9,630	752	**4,617**	4,261
Victoria Point State High School - Additional classrooms	301	8,648	846	**5,318**	2,484
Walloon State School - Additional classrooms	310	4,784	304	**4,157**	323
Warwick State High School - New hall facility	307	5,176	376	**2,496**	2,304
Waterford West State School - Additional classrooms	311	6,901	2,690	**3,158**	1,053
Western Cape College - Weipa - Additional classrooms	315	10,115		**2,753**	7,362
Whites Hill State College - Site renewal	303	2,977		**2,233**	744
Wilston State School - New hall facility	305	7,200	270	**3,600**	3,330
Wishart State School - Additional classrooms	303	5,888	129	**4,508**	1,251
Woodcrest State College - Upgrade skills development and training facilities	310	1,665	74	**1,591**	
Wooloowin State School - Additional classrooms	305	11,777	2,426	**7,013**	2,338
Woree State School - New hall facility	306	1,530	225	**1,305**	
Yandina State School - Additional classrooms	316	8,363		**3,247**	5,116
Yeppoon State High School - Additional classrooms	308	8,786	8,528	**258**	
Cooler Cleaner Schools program - air conditioning installation and replacement	Various	276,415	199,400	**40,515**	36,500
Discrete communities renewal	Various	36,680		**8,760**	27,920
Facilities renewal	Various			**147,601**	Ongoing
General and minor works	Various			**60,764**	Ongoing

Education

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Land acquisition	Various			**65,467**	Ongoing
School infrastructure enhancement	Various			**25,000**	Ongoing
School playground and tuckshop upgrades	Various	15,000		**1,500**	13,500
School sports infrastructure	Various	75,000		**1,500**	73,500
School Subsidy Scheme	Various			**9,100**	Ongoing
Shovel Ready Program - Various minor works	Various	46,750	11,900	**22,100**	12,750
Special school renewal[3]	Various	81,645		**7,730**	73,915
Sub-total Education Capital Works Program				**1,370,764**	
Early Childhood Education and Care Capital Works Program					
General and minor works	Various			**600**	Ongoing
Sub-total Early Childhood Education and Care Capital Works Program				**600**	
Plant and Equipment					
Education plant and equipment	Various			**80,028**	Ongoing
Office of Industrial Relations plant and equipment	Various			**5,678**	Ongoing
Sub-total Plant and Equipment				**85,706**	
Total Property, Plant and Equipment				**1,457,070**	
Capital Grants					
Capital grants - Education	Various			**120,060**	Ongoing
Racing Infrastructure Fund	Various	129,700	73,853	**27,172**	28,675
Country Racing Program	Various	15,600	13,000	**2,600**	
Total Capital Grants				**149,832**	
TOTAL EDUCATION (PPE)				**1,457,070**	
TOTAL EDUCATION (CG)				**149,832**	

Notes:

1. Refers to funding allocated in the 2021-22 Budget for new schools to open in 2024.
2. Refers to funding allocated in the 2022-23 Budget for 4 new schools to open in 2025 (primary schools in Caboolture West, Caloundra South, Ripley and the Flagstone area) and one new primary school to open in 2026 (in the Bahrs Scrub area).
3. Planning has commenced for infrastructure renewal at Red Hill Special School (both campuses), Ipswich Special School, Western Suburbs State Special School, Kuraby Special School, Woody Point Special School, and Maryborough Special School.

3.5 EMPLOYMENT, SMALL BUSINESS AND TRAINING

In 2022-23, the Employment, Small Business and Training portfolio, including TAFE Queensland, has capital purchases of $103.6 million and capital grants of $8.5 million.

Department of Employment, Small Business and Training

The 2022-23 capital program for the Department of Employment, Small Business and Training of $84.5 million includes $34.8 million of capital purchases and $8.5 million of capital grants for the continued delivery of the Equipping TAFE for Our Future program. Additionally, $500,000 has been allocated for the finalisation of projects delivered in partnership with the Australian Government's Revitalising TAFE Campuses Across Australia initiative.

A further $40.7 million is provided for the Annual Training Infrastructure Program to renew and revitalise training infrastructure across the state, to improve accessibility to the necessary skills and training required to boost labour market productivity and aid economic recovery.

Program Highlights (Property, Plant and Equipment)

- $34.8 million for the continued delivery of Equipping TAFE for Our Future projects including Eagle Farm Robotics and Advanced Manufacturing Centre, Bundamba Metal Trades, Manufacturing and Robotics Centre, Bohle Advanced Manufacturing Skills Laboratory, Bundaberg Agriculture and Horticulture Centre, Bundaberg Maker Space, Cairns Advanced Manufacturing Hub and Cairns Cyber Security Training Operations Centre and the commencement of Bohle Renewable Energy Centre.
- $40.7 million for the delivery of the Annual Training Infrastructure Program includes building and fire compliance works and asset lifecycle condition upgrades for various TAFE locations across Queensland. The program focuses on improving safety, sustainability and resilience by the renewal and upgrades of roofs, roads, carparks, electrical works, building management and heating, ventilation and air conditioning systems.

Program Highlights (Capital Grants)

- $8.5 million for the continued delivery of Equipping TAFE for Our Future grant projects including Central Queensland University Rockhampton Campus Consolidation and Training Centre and Mackay Ooralea Trade Training Centre Expansion.

Employment, Small Business and Training

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF EMPLOYMENT, SMALL BUSINESS AND TRAINING					
Property, Plant and Equipment					
Equipping TAFE for Our Future					
Bohle Advanced Manufacturing Skills Lab	318	3,600	720	**2,880**	
Bohle Renewable Energy Centre	318	10,600		**5,300**	5,300
Bundaberg Agriculture and Horticulture Centre	319	3,350	670	**2,680**	
Bundaberg Maker Space	319	1,000	75	**925**	
Bundamba Metal Trades, Manufacturing and Robotics Centre	310	7,000	1,400	**5,600**	
Cairns Advanced Manufacturing Hub	306	3,600	270	**3,330**	
Cairns Cyber Security Training Operation Centre	306	2,000	150	**1,850**	
Eagle Farm Robotics and Advanced Manufacturing Centre	302	28,900	2,168	**12,282**	14,450
Revitalising TAFE					
Revitalising TAFE - Coomera Marine Centre of Excellence	309	11,082	10,582	**500**	
Annual Training Infrastructure Program	Various			**40,664**	Ongoing
Total Property, Plant and Equipment				**76,011**	
Capital Grants					
Equipping TAFE for Our Future					
Central Queensland University Rockhampton Campus Consolidation and Training Centre	308	8,400	4,418	**3,982**	
Mackay Ooralea Trade Training Centre Expansion	312	7,500	3,000	**4,500**	
Total Capital Grants				**8,482**	
TAFE QUEENSLAND					
Property, Plant and Equipment					
Training and operational equipment acquisition, replacement and modernisation					
Rolling replacement program	Various			**2,435**	Ongoing
Modernisation and reinvigoration projects	Various			**3,855**	Ongoing

Employment, Small Business and Training

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Great Barrier Reef International Marine College marine training vessel	306	1,000		**1,000**	
ICT program of work					
ICT hardware and equipment	Various			**8,709**	Ongoing
Identity access management build	Various	1,689	1,009	**680**	
Educational planning system	Various	2,562		**1,685**	877
Other ICT projects	Various			**920**	Ongoing
Other					
Right of use assets	Various	485		**485**	
Product development	Various			**6,604**	Ongoing
Aviation Australia capital program	Various			**1,220**	Ongoing
Total Property, Plant and Equipment				**27,593**	
TOTAL EMPLOYMENT, SMALL BUSINESS AND TRAINING (PPE)				**103,604**	
TOTAL EMPLOYMENT, SMALL BUSINESS AND TRAINING (CG)				**8,482**	

3.6 ENERGY AND PUBLIC WORKS

The Energy and Public Works Portfolio includes the Department of Energy and Public Works, energy government owned corporations, and statutory bodies reporting to the Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement.

The portfolio's capital program for 2022-23 is $2.319 billion. The portfolio's capital grants for 2022-23 are $112.5 million.

Department of Energy and Public Works

Total capital purchases for the Department of Energy and Public Works are $188.4 million in 2022-23. Total capital grants for the department are $112.5 million in 2022-23.

Program highlights (Property, Plant and Equipment)

- $122.2 million investment to deliver safe and secure government employee housing including in remote and regional communities as part of its commitment to attract and retain key frontline staff. This program will include new accommodation for staff delivering critical services, replacement or refurbishment of residences at the end of their useful life to modern design standards and the upgrade of residences to ensure they remain fit-for-purpose and appropriate for employees.
- $46.1 million for the expansion and refurbishment of the Cairns Convention Centre to capitalise on the national and international convention centre markets.

Program Highlights (Capital Grants)

- $112.5 million to eligible homeowners to repair, retrofit or raise their homes to incorporate flood resilient design and materials to reduce the impacts of future flood events.

CleanCo Queensland Limited

Total capital expenditure planned for 2022-23 is $47.3 million. The capital program is focused on building the renewable and firming energy portfolio, maintaining existing assets, developing trading and reporting systems and refreshing server infrastructure.

Program Highlights (Property, Plant and Equipment)

- $16.9 million to develop the Karara Wind Farm.
- $13.6 million to develop Kogan North Gas Fields.
- $7.7 million to maintain existing assets including a major overhaul and related sustaining works at Wivenhoe Power Station.
- $4.4 million to maintain existing assets including a steam turbine overhaul and related sustaining works at Swanbank E Power Station.

CS Energy Limited

Total capital expenditure planned for 2022-23 is $133.4 million. This reflects CS Energy's continued commitment to ongoing reliability and efficiency of generation plant at its power station sites.

Program Highlights (Property, Plant and Equipment)

- $45 million for overhauls and enhancements to, and refurbishment and rebuild of, existing infrastructure at Callide Power Station.
- $37.4 million for investment in 100 megawatt battery storage at Chinchilla.
- $30.3 million for overhauls, enhancements and refurbishment to existing infrastructure at Kogan Creek Power Station.
- $8.6 million for the construction of a renewable hydrogen demonstration plant at Kogan in the Western Downs.

Energy Queensland Limited

Total capital expenditure planned for 2022-23 is $1.410 billion and forms part of Energy Queensland's commitment to providing safe, secure and highly reliable electricity to all Queensland customers. Energy Queensland is focused on safety, efficiency, asset management and network capability. The capital program aims to improve and reinforce electricity supplies across Queensland to meet customer needs, especially to cover periods of peak and minimum electricity demand.

Program Highlights (Property, Plant and Equipment)

- $19.6 million to continue the replacement of the ageing 66 kilovolt powerline between Childers and Gayndah.
- $18.6 million to replace the ageing Kilkivan Substation.
- $16.7 million to continue the upgrade of the 66 kilovolt Cannonvale to Jubilee Pocket powerline.
- $5.7 million to establish a new 33 kilovolt powerline between Kilcoy and Woodford.
- $5.4 million to replace ageing 11 kilovolt switchgear at Nudgee Substation.
- $4.8 million to refurbish the East Bundaberg Substation.

Powerlink Queensland

Total capital expenditure planned for 2022-23 is $239.7 million. Powerlink Queensland is the high voltage electricity transmission entity for Queensland. It is predominantly focused on replacement of aged equipment and assets to ensure continued reliable supply of electricity.

Program Highlights (Property, Plant and Equipment)

- $11.9 million to replace obsolete and ageing Dense Wave Division Multiplexing Network so that communications across the network are maintained.
- $8.4 million to replace aged primary plant at Bouldercombe Substation near Rockhampton.
- $6.3 million to replace the soon to be obsolete energy management system providing real time monitoring of the transmission network.
- $6.2 million to replace aged primary plant at Lilyvale to ensure continued reliability of supply to the surrounding area.

Stanwell Corporation Limited

Total capital expenditure planned for 2022-23 is $300.1 million. This reflects Stanwell's commitment to delivering a balanced portfolio for the future, through ongoing investment in the reliability and efficiency of its generation plant, while supporting investment in renewable generation, energy storage and renewable hydrogen.

Program Highlights (Property, Plant and Equipment)

- $85.1 million for the 150 megawatt Southern Regional Energy Zone battery project.
- $68.2 million for the Wambo Wind Farm.
- $66.7 million to replace and refurbish existing infrastructure at Tarong Power Station and ensure the continued reliability of supply to Queensland and the National Electricity Market.
- $50.4 million to replace and refurbish existing infrastructure at Stanwell Power Station to ensure the continued reliability of supply to Queensland and the National Electricity Market.
- $21 million to replace and refurbish handling equipment and infrastructure, and develop future mining at Meandu Mine.
- $6.7 million for the Central Queensland Hydrogen project (CQ-H2).

Energy and Public Works

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF ENERGY AND PUBLIC WORKS					
Property, Plant and Equipment					
Cairns Convention Centre expansion[1] and refurbishment	306	172,171	126,080	**46,091**	
Thomas Dixon Centre refurbishment	305	96,407	86,828	**9,579**	
Government Employee Housing	Various			**122,248**	Ongoing
Office Accommodation Program	Various			**8,640**	Ongoing
Building works and capital replacements	Various			**500**	Ongoing
Other property, plant and equipment	Various			**1,358**	Ongoing
Total Property, Plant and Equipment				**188,416**	
Capital Grants					
Resilient Homes Fund	Various	375,000		**112,500**	262,500
Total Capital Grants				**112,500**	
CLEANCO QUEENSLAND LIMITED					
Property, Plant and Equipment					
Wivenhoe overhauls	310			**3,065**	Ongoing
Wivenhoe other projects	310			**4,606**	Ongoing
Swanbank E overhauls	310			**572**	Ongoing
Swanbank E other projects	310			**3,781**	Ongoing
Karara Wind Farm development	307	254,348	3,990	**16,946**	233,412
Kogan North Gas Fields development	307			**13,628**	Ongoing
Kareeya Hydro other projects	306			**2,022**	Ongoing
Barron Gorge Hydro other projects	306			**1,051**	Ongoing
Koombooloomba Dam other projects	306			**166**	Ongoing
Other corporate projects	305			**1,481**	Ongoing
Total Property, Plant and Equipment				**47,318**	
CS ENERGY LIMITED					
Property, Plant and Equipment					
Kogan Renewable Hydrogen Demonstration Plant	307	15,000		**8,598**	6,402
Chinchilla Battery	307	109,077	25,393	**37,363**	46,321
Brisbane headquarters - right of use lease	305	9,062		**9,062**	

Energy and Public Works

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Callide Power Station enhancements, overhauls, refurbishment and rebuild	308			**45,037**	Ongoing
Kogan Creek Power Station enhancements, overhauls and refurbishment	307			**30,338**	Ongoing
Kogan Creek Mine developments and refurbishment	307			**1,226**	Ongoing
Upgrade of corporate information technology systems	305			**1,762**	Ongoing
Total Property, Plant and Equipment				**133,386**	
ENERGY QUEENSLAND LIMITED					
Property, Plant and Equipment					
System					
Connections					
Brisbane	Various			**46,260**	Ongoing
Gold Coast	309			**8,954**	Ongoing
Sunshine Coast	316			**14,177**	Ongoing
Ergon Energy	Various			**77,795**	Ongoing
Ipswich	310			**5,223**	Ongoing
Replacements					
Network replacement	Various			**544,313**	Ongoing
Surfers Paradise Substation upgrade	309	7,342	6,088	**1,110**	144
Emerald Comet Substation upgrade	308	4,439	2,230	**1,848**	361
Howard Substation refurbishment	319	12,400	11,017	**1,224**	159
Kilcoy Substation upgrade	313	15,933	12,864	**2,703**	366
Childers - Gayndah - aged line rebuild	319	71,340	25,149	**19,581**	26,610
Replace 66 kilovolt outdoor switchgear at Garbutt	318	28,608	8,632	**2,862**	17,114
Replace transformers and switchgear at Black Mountain	319	10,750	7,082	**2,021**	1,647
Kilkivan Substation replacement	319	30,960	4,907	**18,583**	7,470

Energy and Public Works

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Mossman Substation, transmission plant and sections of timber feeder replacement	306	28,150	1,918	**3,026**	23,206
East Bundaberg Substation refurbishment	319	10,484	1,179	**4,819**	4,486
Replace 11 kilovolt switchgear at West Toowoomba Substation	317	14,360	2,913	**4,807**	6,640
Kleinton Substation	317	16,092	764	**128**	15,200
Rockhampton Glenmore Substation refurbishment	308	10,154	300	**279**	9,575
New 33 kilovolt feeder (Kilcoy to Woodford) replacing Somerset Dam to Kilcoy feeder	313	21,810	1,141	**5,736**	14,933
Replace 11 kilovolt switchgear Nudgee Substation	302	10,946	1,560	**5,446**	3,940
Replace Isolators at Maleny Substation	316	13,722	218	**1,449**	12,055
Mount Crosby East Substation	310	18,630	403	**3,832**	14,395
Augmentation					
Network augmentation					
Brisbane	Various			**38,739**	Ongoing
Gold Coast	309			**17,393**	Ongoing
Ipswich	310			**7,047**	Ongoing
Sunshine Coast	316			**21,057**	Ongoing
Cairns	306			**17,330**	Ongoing
Darling Downs	307			**4,332**	Ongoing
Central Queensland	308			**4,332**	Ongoing
Mackay	312			**17,330**	Ongoing
Outback Queensland	315			**17,330**	Ongoing
Toowoomba	317			**8,665**	Ongoing
Townsville	318			**17,330**	Ongoing
Wide Bay	319			**8,664**	Ongoing
Sub-total Network augmentation				**179,549**	
Cannonvale-Jubilee Pocket 66 kilovolt reinforcement	312	27,459	2,772	**16,659**	8,028
Gracemere Substation	308	11,518	11,013	**447**	58

Energy and Public Works

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Non-regulated					
Ergon Energy Retail information communications and technology	305			**18,972**	Ongoing
Metering dynamics	305			**40,358**	Ongoing
Other isolated systems capital work	Various			**29,321**	Ongoing
Yurika infrastructure services build, own, operate and maintain	Various			**9,546**	Ongoing
ICT					
Digital office capital expenditure - Energy Queensland	Various			**117,852**	Ongoing
Alternative control services					
Gold Coast	309			**16,197**	Ongoing
Brisbane	Various			**36,847**	Ongoing
Ipswich	310			**6,460**	Ongoing
Sunshine Coast	316			**7,026**	Ongoing
Ergon Energy	Various			**52,383**	Ongoing
Wide Bay	319			**3,418**	Ongoing
Non-system					
Tools and equipment - Energex	Various			**2,034**	Ongoing
Vehicles - Energex	Various			**22,406**	Ongoing
Vehicles - Ergon Energy	Various			**37,232**	Ongoing
Tools and equipment - Ergon	Various			**5,221**	Ongoing
Energy McLeod Street Depot redevelopment (stage 2)	306	18,500	702	**11,877**	5,921
Property - minor program - Ergon funded	Various			**10,567**	Ongoing
Property and buildings program - Energex funded	Various			**2,032**	Ongoing
Maryborough Depot development	319	7,005	190	**6,030**	785
Esk Depot redevelopment	310	9,000	150	**1,131**	7,719
Total Property, Plant and Equipment				**1,409,741**	
POWERLINK QUEENSLAND					
Property, Plant and Equipment					
Strathmore transformer reinforcement	312	24,300	17,334	**3,183**	3,783

Energy and Public Works

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Dense Wave Division Multiplexing Network replacement	Various	33,800	11,687	**11,912**	10,201
Lilyvale transformers replacement	308	21,500	16,739	**2,456**	2,305
Lilyvale selected primary plant replacement	308	27,900	10,004	**6,201**	11,695
Davies Creek to Bayview Heights 275 kilovolt refit	306	42,000	1,164	**1,671**	39,165
SEQ 275 kilovolt bus reactors	311	30,000	430	**1,250**	28,320
Kidston Hydro 275 kilovolt transmission network connection	318	258,200	55,828	**140,289**	62,083
Calvale and Callide B secondary systems replacement	308	21,800	16,731	**2,938**	2,131
Bouldercombe primary plant replacement	308	40,400	26,833	**8,396**	5,171
Nebo primary plant replacement	312	26,800	19,421	**2,496**	4,883
Nebo secondary systems replacement	312	31,500	22,070	**3,377**	6,053
Total other projects	Various			**43,897**	Ongoing
Gladstone South secondary systems replacement	308	20,800	9,340	**533**	10,927
Ross 275 kilovolt primary plant replacement	318	28,800	7,634	**4,878**	16,288
Advanced energy management system replacement	302	50,400	43,513	**6,250**	637
Total Property, Plant and Equipment				**239,727**	
STANWELL CORPORATION LIMITED					
Property, Plant and Equipment					
Tarong Power Station - overhauls	319			**44,060**	Ongoing
Tarong Power Station - turbine overhauls	319			**3,575**	Ongoing
Tarong Power Station - other sustaining projects	319			**14,637**	Ongoing
Tarong Power Station - turbine rotor and blade replacement	319	3,557	1,094	**1,156**	1,307
Tarong Power Station - chimney and flue refurbishment	319	2,880	30	**1,338**	1,512
Tarong Power Station - cooling tower refurbishment	319	4,216	115	**1,925**	2,176

Energy and Public Works

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Stanwell Power Station - coal bunker refurbishment	308	4,633	1,747	**1,355**	1,531
Stanwell Power Station - generator rotor replacement	308	3,163		**1,208**	1,955
Stanwell Power Station - overhauls	308			**27,232**	Ongoing
Stanwell Power Station - turbine overhauls	308			**10,546**	Ongoing
Stanwell Power Station - other sustaining projects	308			**5,754**	Ongoing
Stanwell Power Station - ash storage project	308			**4,289**	Ongoing
Wambo Wind Farm	307	374,624		**68,218**	306,406
Central Queensland Hydrogen project (CQ-H2)	308	15,308	1,000	**6,718**	7,590
Southern Renewable Energy Zone battery storage	319	206,890	5,686	**85,117**	116,087
Meandu Mine - truck and shovel replacement program	319			**204**	Ongoing
Meandu Mine - dozer replacement program	319			**4,154**	Ongoing
Meandu Mine - minor works	319			**8,451**	Ongoing
Meandu Mine - development program	319			**8,233**	Ongoing
ICT - Hardware and software upgrades	305			**1,718**	Ongoing
Other capital projects	305			**201**	Ongoing
Total Property, Plant and Equipment				**300,089**	
TOTAL ENERGY AND PUBLIC WORKS (PPE)				**2,318,677**	
TOTAL ENERGY AND PUBLIC WORKS (CG)				**112,500**	

Note:
1. The Queensland Government is investing a total of $176 million in the refurbishment and expansion of the Cairns Convention Centre, including $172.2 million of capital expenditure.

3.7 ENVIRONMENT AND SCIENCE

Department of Environment and Science

In 2022-23, the Environment and Science portfolio has a capital program of $54.9 million including $51.2 million in capital purchases and $3.7 million in capital grants. The capital program of the Department of Environment and Science supports the department's purpose of managing, protecting and restoring Queensland's natural environment and heritage.

Government has set aside an additional $250 million over 4 years ($25 million in 2022-23), held centrally, for land acquisitions and capital works to support the Protected Area Strategy 2020-2030.

Program Highlights (Property, Plant and Equipment)

- $3 million to provide wongari (dingo) fencing at Orchid Beach on K'gari (Fraser Island) to protect visitors and residents.
- $2.8 million to deliver the final tranche of the Government Science Platform.
- $2.5 million to construct facilities in Queensland Recreation Areas.
- $2.3 million for high priority land acquisitions for the expansion of the protected area land portfolio.
- $1.8 million to upgrade visitor infrastructure at the Daisy Hill Conservation Park.
- $1.6 million towards delivery of buildings and park infrastructure to support visitor recreation in as well as management of and access to parks and recreation areas jointly managed by Traditional Owners and the department.
- $1.6 million towards the replacement of major vessels for marine parks management.
- $1.5 million to provide ecotourism facilities as part of the Ngaro trail on Whitsunday Islands National Park.
- $1.5 million to upgrade walking trails on Magnetic Island National Park.
- $1.1 million to upgrade visitor infrastructure at Bunya Mountains National Park.
- $1 million to enhance public boat moorings and improve visitor access to the Great Barrier Reef islands.
- $1 million to acquire land to enhance environmental protection of the Great Barrier Reef islands.
- $1 million to undertake capital works on property acquired as part of the expansion of the protected area land portfolio.

Program Highlights (Capital Grants)

- $3.6 million for remedial conservation works at Newstead House.

Environment and Science

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF ENVIRONMENT AND SCIENCE					
Property, Plant and Equipment					
Buildings and infrastructure					
Recreation Areas Management	Various			**2,543**	Ongoing
Daisy Hill Conservation Park Action Plan visitor facilities upgrade	311	2,000	200	**1,800**	
Joint management program	Various			**1,629**	Ongoing
Whitsunday Islands National Park - Ngaro trail ecotourism facilities	312	3,700	700	**1,500**	1,500
K'gari (Fraser Island) Orchid Beach wongari (dingo) fences	319	3,500	500	**3,000**	
Magnetic Island National Park trails network	318	3,115	1,309	**1,456**	350
Bunya Mountains National Park visitor facilities upgrade	319	2,950		**1,100**	1,850
Great Barrier Reef Investment Marine Park reef trails	Various	2,500	750	**1,000**	750
Protected Area Strategy - buildings and infrastructure	Various	4,550		**1,000**	3,550
Sustainable power supply initiatives	Various	4,575	3,775	**800**	
K'gari (Fraser Island) - Central Station day use area upgrade	319	4,197	1,997	**800**	1,400
Conondale National Park - Booloumba Creek visitor facilities upgrade	316	2,000	370	**630**	1,000
Girraween National Park visitor facilities upgrade	307	2,350	1,000	**600**	750
Crater Lakes National Park walking track upgrade	306	3,300	850	**500**	1,950
Girringun National Park - Wallaman Falls visitor facilities upgrade	318	2,000	200	**500**	1,300

Environment and Science

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Springbrook National Park visitor facilities upgrade	309	4,770	1,120	**500**	3,150
Daintree National Park - Eastern Yalanjiwarra Culture and Tourism Hub and Visitor Centre	306	3,438	338	**310**	2,790
Raine Island beacon conservation	315	561	266	**295**	
Parks and forests - fences, roads and firelines	Various			**1,471**	Ongoing
Parks and forests - tracks and trails	Various			**1,445**	Ongoing
Parks and forests - other management facilities	Various			**6,096**	Ongoing
Parks and forests - other recreation and visitor facilities	Various			**4,402**	Ongoing
Plant and equipment					
Marine parks major vessel replacements	Various	6,562	4,944	**1,618**	
Queensland Reef Water Quality monitoring equipment	Various	1,412		**406**	1,006
Enhanced air quality monitoring equipment	Various	1,048	825	**223**	
General plant and equipment	Various			**5,723**	Ongoing
Systems development					
Government Science Platform	Various	7,727	2,138	**2,799**	2,790
Waste management systems	Various	6,500		**1,600**	4,900
Enhanced air quality monitoring systems	Various	1,116	766	**350**	
General systems development	Various			**1,795**	Ongoing
Land					
Protected Area Strategy - land acquisitions	Various	16,000	11,600	**2,270**	2,130
Great Barrier Reef Investment Island Arks project	Various	4,000	3,000	**1,000**	
Total Property, Plant and Equipment				**51,161**	
Capital Grants					
Newstead House capital works program	305	5,492	1,848	**3,644**	

Environment and Science

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Other capital grants	306	491	400	**91**	
Total Capital Grants				**3,735**	
TOTAL ENVIRONMENT AND SCIENCE (PPE)				**51,161**	
TOTAL ENVIRONMENT AND SCIENCE (CG)				**3,735**	

3.8 JUSTICE AND ATTORNEY-GENERAL

The 2022-23 capital acquisitions budget for the Justice and Attorney-General portfolio (including the Department of Justice and Attorney-General, Public Trustee of Queensland and the Crime and Corruption Commission) is $34.3 million.

Department of Justice and Attorney-General

The Department of Justice and Attorney-General capital acquisitions budget for 2022-23 is $30.7 million.

Program Highlights (Property, Plant and Equipment)

- $13.6 million to continue the ongoing program of minor capital works in courthouses.
- $5.8 million to expand and upgrade existing audio-visual capacity in the justice system, which includes video conferencing and in-custody court appearances.
- $3.4 million to commence domestic and family violence courthouse improvements in Toowoomba, Cairns, Brisbane, Rockhampton, Maroochydore, Caboolture, Mackay and Ipswich. This forms part of the implementation of the Queensland Government's response to the Queensland Women's Safety and Justice Taskforce, *Hear her voice—Report one—Addressing coercive control and domestic and family violence in Queensland.*
- $1.9 million to commence replacement of the Beaudesert courthouse.

Crime and Corruption Commission

The Crime and Corruption Commission's 2022-23 capital acquisition budget is $1.6 million.

Program Highlights (Property, Plant and Equipment)

- $649,000 to replace computer and other information technology equipment.
- $951,000 to replace vehicles.

Public Trustee of Queensland

The 2022-23 capital budget is $2 million. This capital budget will enable the Public Trustee of Queensland to continue to provide a wide range of efficient services to the Queensland community, as well as continuing to maintain appropriate workplace health and safety standards for customers and staff.

Program Highlights (Property, Plant and Equipment)

- $1 million to enhance and develop information systems.
- $1 million for refurbishment of existing regional office premises.

Justice and Attorney-General

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF JUSTICE AND ATTORNEY-GENERAL					
Property, Plant and Equipment					
Domestic and family violence courthouse improvements	Various	49,050		**3,375**	45,675
Beaudesert courthouse replacement	311	21,446		**1,924**	19,522
Courthouses - minor capital works	Various			**13,637**	Ongoing
Justice System - audio visual capacity expansion and upgrades	Various			**5,837**	Ongoing
Minor capital works - software	305			**2,315**	Ongoing
Leasehold improvements	Various			**1,648**	Ongoing
Courthouses - information systems upgrades and replacements	305			**795**	Ongoing
Other acquisitions of property, plant and equipment	Various			**1,130**	Ongoing
Total Property, Plant and Equipment				**30,661**	
CRIME AND CORRUPTION COMMISSION					
Property, Plant and Equipment					
Other plant and equipment	305			**649**	Ongoing
Vehicle replacements	305			**951**	Ongoing
Total Property, Plant and Equipment				**1,600**	
PUBLIC TRUSTEE OF QUEENSLAND					
Property, Plant and Equipment					
Information systems development	305	1,000		**1,000**	
Other acquisitions of property, plant and equipment	Various	1,000		**1,000**	
Total Property, Plant and Equipment				**2,000**	
TOTAL JUSTICE AND ATTORNEY-GENERAL (PPE)				**34,261**	

3.9 LEGISLATIVE ASSEMBLY OF QUEENSLAND

Legislative Assembly of Queensland

The 2022-23 capital purchases budget for the Legislative Assembly of Queensland is $43.6 million.

The most significant capital project includes necessary repairs and upgrades to the external facade of the Parliamentary Annexe, and the internal refurbishment of Members' office and overnight accommodation rooms (levels 9-23).

Other capital projects include the installation of CCTV systems in Members' electorate offices to improve security, the ongoing electorate office accommodation improvement program, and upgrades to information technology network infrastructure.

Legislative Assembly of Queensland

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
LEGISLATIVE ASSEMBLY OF QUEENSLAND					
Property, Plant and Equipment					
Electorate office security upgrade (CCTV)	Various	612		**612**	
Critical infrastructure and services upgrade (stage 2)	305	39,929		**39,929**	
Electorate office accommodation improvement program	Various			**600**	Ongoing
Information technology network infrastructure	305			**780**	Ongoing
Other property, plant and equipment	305			**1,640**	Ongoing
Total Property, Plant and Equipment				**43,561**	
TOTAL LEGISLATIVE ASSEMBLY OF QUEENSLAND (PPE)				**43,561**	

3.10 PREMIER AND CABINET

The Department of the Premier and Cabinet (including Ministerial Offices and Office of the Leader of the Opposition) has planned capital purchases of $883,000 and capital grants of $16.1 million in 2022-23.

Department of the Premier and Cabinet

Program Highlights (Property, Plant and Equipment)

- $583,000 for ongoing upgrades and maintenance of existing Ministerial Services ICT systems and other minor works.
- $300,000 for ongoing upgrades to and maintenance of departmental ICT systems and other minor works.

Program Highlights (Capital Grants)

- $12.1 million of total $12.6 million for the Far North Queensland film studio, a multipurpose facility in Cairns.
- $2.5 million of total $5 million for the Gold Coast production hub, a virtual production facility servicing film and television projects.
- $1.5 million of total $4 million for the Queensland Remembers Grants Program, to support ex-service organisations and not-for-profit organisations that provide services to veterans to upgrade their buildings, facilities and equipment.

Premier and Cabinet

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF THE PREMIER AND CABINET					
Property, Plant and Equipment					
Departmental ICT systems and other minor works	305			**300**	Ongoing
Ministerial Offices and Office of the Leader of the Opposition - ICT systems and other minor works	305			**583**	Ongoing
Total Property, Plant and Equipment				**883**	
Capital Grants					
Screen Queensland - Far North Queensland film studio	306	12,600	500	**12,100**	
Screen Queensland - Gold Coast production hub	309	5,000		**2,500**	2,500

Premier and Cabinet

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Queensland Remembers Grants Program	Various	4,000	686	**1,500**	1,814
Total Capital Grants				**16,100**	
TOTAL PREMIER AND CABINET (PPE)				**883**	
TOTAL PREMIER AND CABINET (CG)				**16,100**	

3.11 QUEENSLAND CORRECTIVE SERVICES

Queensland Corrective Services' 2022-23 capital program of $513.4 million will primarily focus on correctional centre expansion and enhancements.

Queensland Corrective Services

Program Highlights (Property, Plant and Equipment)

- $454 million of total $861 million to increase the scope by 500 beds and continue the expansion of Southern Queensland Correctional Precinct. The new centre will be a modern, purpose-built facility with over 1,500 beds and will enable a focus on health and rehabilitation to reduce reoffending.
- $41 million of total $77.8 million to progress infrastructure works and support ongoing maintenance and replacement programs.
- $6.6 million of total $13.6 million to complete the upgrade of the intercom system at the Woodford Correctional Centre.
- $3 million of total $8 million to install additional bunk beds in high security correctional centres across Queensland to manage the increasing prison population.
- $1.3 million of total $3 million to complete the refurbishment of the Princess Alexandra Hospital Secure Unit.

Queensland Corrective Services

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
QUEENSLAND CORRECTIVE SERVICES					
Property, Plant and Equipment					
Queensland Corrective Services					
Major works - correctional centres					
Southern Queensland Correctional Precinct - Stage 2 over 1,500 beds	310	860,978	203,811	**454,000**	203,167
Sub-total Major works - correctional centres				**454,000**	
Correctional centre enhancements					
Infrastructure works	Various	77,770		**40,950**	36,820
Woodford Correctional Centre - intercoms	313	13,600	6,954	**6,646**	

Queensland Corrective Services

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Princess Alexandra Hospital Secure Unit	303	3,040	1,774	**1,266**	
Double up bunk beds	Various	8,000	5,000	**3,000**	
Sub-total Correctional centre enhancements				**51,862**	
Other acquisitions of property, plant and equipment					
Other acquisitions of property, plant and equipment	Various			**7,501**	Ongoing
Sub-total Other acquisitions of property, plant and equipment				**7,501**	
Sub-total Queensland Corrective Services				**513,363**	
Total Property, Plant and Equipment				**513,363**	
TOTAL QUEENSLAND CORRECTIVE SERVICES (PPE)				**513,363**	

3.12 QUEENSLAND FIRE AND EMERGENCY SERVICES

Queensland Fire and Emergency Services

The 2022-23 Queensland Fire and Emergency Services (QFES) capital program of $67.5 million in capital purchases and $1.7 million in capital grants supports the provision of fire and rescue and emergency management services throughout Queensland. The program will fund fire and emergency services facilities, fire appliances, and essential operational equipment and information systems.

Through an agreed arrangement, the Queensland Police Service Frontline and Digital Division will provide information and communications technology systems and equipment to QFES to support the delivery of essential frontline public safety services to Queensland communities.

Program Highlights (Property, Plant and Equipment)

- $33.1 million for replacement and new fire and rescue and rural fire appliances.
- $6.5 million for operational equipment including specialised firefighting, scientific analysis and detection, breathing apparatus, severe weather response, and rescue equipment.
- $6 million to complete the construction of a new permanent fire and rescue station at Mount Cotton Road.
- $5.1 million to complete the replacement of the Maryborough regional QFES headquarters and auxiliary fire and rescue station.
- $4.9 million for land acquisitions and detailed design for replacement fire and rescue stations at Hervey Bay and South Townsville.
- $2.6 million to commence construction of new permanent fire and rescue stations at Moreton Bay Central and Greater Springfield.
- $2.6 million for the marine rescue vessel replacement program.
- $2.3 million for minor capital works across the State, including upgrades of fire and rescue station amenities.
- $1 million to complete the replacement of the permanent fire and rescue station at Loganlea.
- $1 million to continue the replacement of the QFES mechanical workshop in South East Queensland.
- $1 million to upgrade Rural Fire Service facilities.

- $850,000 to commence replacement of the permanent and auxiliary fire and rescue stations at Airlie Beach and Drayton.
- $200,000 to commence construction of a new permanent fire and rescue station at Caloundra South.
- $200,000 for rural operations land purchases.
- $100,000 to commence replacement of a permanent fire and rescue station at Gympie South.

Program Highlights (Capital Grants)

- $1.2 million in capital grants for State Emergency Service.
- $500,000 in capital grants for Rural Fire Brigades.

Queensland Fire and Emergency Services

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
QUEENSLAND FIRE AND EMERGENCY SERVICES					
Property, Plant and Equipment					
Buildings					
Airlie Beach replacement permanent and auxiliary fire and rescue station	312	7,000		**750**	6,250
Caloundra South new permanent fire and rescue station	316	6,500		**200**	6,300
Drayton replacement permanent and auxiliary fire and rescue station	317	6,000		**100**	5,900
Greater Springfield new permanent fire and rescue station	310	5,500		**1,350**	4,150
Gympie South replacement permanent fire and rescue station	319	6,000		**100**	5,900
Loganlea replacement permanent fire and rescue station	311	4,800	3,776	**1,024**	
Maryborough replacement regional QFES headquarters and auxiliary fire and rescue station	319	14,545	9,429	**5,116**	
Moreton Bay Central new permanent fire and rescue station	313	6,000		**1,250**	4,750

Queensland Fire and Emergency Services

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Mount Cotton Road new permanent fire and rescue station	311	7,200	1,210	**5,990**	
South East Queensland QFES replacement mechanical workshop	302	9,000	387	**1,000**	7,613
Rural Fire Service facilities program	Various	1,000		**1,000**	
Minor works	Various			**2,317**	Ongoing
Sub-total Buildings				**20,197**	
Land					
Rural operations land purchases	Various			**200**	Ongoing
Sub-total Land				**200**	
Strategic Land Acquisitions					
Hervey Bay replacement fire and rescue station land acquisition and detailed design	319	1,700		**1,700**	
South Townsville replacement fire and rescue station land acquisition and detailed design	318	3,200		**3,200**	
Sub-total Strategic Land Acquisitions				**4,900**	
Plant and Equipment					
Fire and rescue appliances	Various			**19,316**	Ongoing
Rural fire appliances	Various			**13,810**	Ongoing
Operational equipment	Various			**6,487**	Ongoing
Marine rescue vessel replacement program	Various	5,100	300	**2,550**	2,250
Sub-total Plant and Equipment				**42,163**	
Total Property, Plant and Equipment				**67,460**	
Capital Grants					
State Emergency Service	Various			**1,212**	Ongoing
Rural Fire Brigades	Various			**500**	Ongoing
Total Capital Grants				**1,712**	

Queensland Fire and Emergency Services

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
TOTAL QUEENSLAND FIRE AND EMERGENCY SERVICES (PPE)				**67,460**	
TOTAL QUEENSLAND FIRE AND EMERGENCY SERVICES (CG)				**1,712**	

3.13 QUEENSLAND HEALTH

Queensland Health is comprised of the Department of Health, the Queensland Ambulance Service (QAS) and 16 independent Hospital and Health Services (HHSs) situated across the state. The remainder of the Queensland Health portfolio includes the Queensland Mental Health Commission, the Office of the Health Ombudsman, the Council of the Queensland Institute of Medical Research (QIMR Berghofer) and Health and Wellbeing Queensland.

The total capital investment program in 2022-23 for Queensland Health, including QIMR, is $1.537 billion.

Queensland Health and Hospital and Health Services

The Queensland Health Capital Program delivers built infrastructure and digital technologies to enable the delivery of safe, high-quality health services to Queenslanders. The built infrastructure, equipment and technology requirements of Queensland Health are driven by clinical services planning and models of care.

Over the next 15 years, the demand on Queensland's public health system is projected to increase significantly. The Queensland Health Capital Program is positioned to respond to these pressures with innovative approaches to managing existing assets, leveraging emerging healthcare technology, and utilising contemporary building practices and enhanced design processes.

Queensland Health also uses a strategic approach to forward planning which considers the needs of all Queenslanders, including efficiencies that can be leveraged across the statewide network. This ensures healthcare infrastructure and equipment programs are delivered at the right place, at the right time, for Queensland communities.

Program Highlights (Property, Plant and Equipment)

In 2022-23, Queensland Health will continue to invest in health infrastructure, capital works and purchases across a broad range of areas including hospitals, ambulance stations and vehicles, health technology, research and scientific services, mental health services, staff accommodation, and ICT.

Hospital and health facility project highlights in 2022-23 include:

$9.785 billion for the Queensland Health Capacity Expansion Program to deliver around 2,200 additional overnight beds over 6 years (2022-23 to 2027-2028). This includes new hospitals in Bundaberg, Toowoomba and Coomera; a new Queensland Cancer Centre; expansions to hospitals in Cairns, Townsville, Robina, Mackay, Redcliffe, Ipswich and Hervey Bay as well as to the Princess Alexandra, QEII and The Prince Charles hospitals; and a further expansion of Logan Hospital.

$943.5 million over 7 years from the Sustaining Capital Program to replace ageing rural and regional health facilities and staff accommodation as part of the next stage of the Queensland Health Building Rural and Remote Health Program. Locations include Darling Downs, Cairns and Hinterland, Central Queensland, Mackay, North West, Torres and Cape, Townsville, West Moreton and Wide Bay Hospital and Health Services.

$229.7 million over 2 years from the Sustaining Capital Program to immediately increase bed capacity across South East Queensland under the Accelerated Infrastructure Delivery Program. The program will use off-site construction and standard designs to reduce time to commissioning with 289 overnight beds across 7 projects in West Moreton, Metro South, Cairns and Hinterland, and Gold Coast Hospital and Health Services, to be delivered within 2 years.

$21.8 million for new business cases to commence, including the replacement of the Forensic Pathology Facility; Residential Aged Care Facilities; condition assessment and compliance review; and long-stay complex patient accommodation.

$1.8 million for planning and initiatives under Better Care Together: a new 5-year plan for state funded mental health, alcohol and other drug services.

$270.3 million as part of the Building Better Hospitals program including:

- $161.3 million for the Logan Hospital Expansion to deliver an additional 206 beds and bed alternatives with a vertical expansion of Building 3 and targeted refurbishment of other key locations.
- $82.9 million for the Caboolture Hospital Redevelopment to support an additional 130 beds and refurbishment of critical clinical support services.
- $21.4 million for the Ipswich Hospital Expansion Stage 1A which includes redevelopment of the hospital including new mental health facilities for adults and older persons, 26 bed ward refurbishment and a Magnetic Resonance Imaging suite to grow clinical capacity.
- $4.7 million ($5.5 million when including $0.8 million of funding from the Metro South Hospital and Health Service) for the Logan Hospital Maternity Services Upgrade with the refurbishment to deliver 6 additional maternity inpatient beds, 5 extra birthing suites, an expanded special care nursery with 10 additional cots, and the installation of birthing pools suitable for water birthing.

$281.6 million under the Sustaining Capital Program will be distributed across Hospital and Health Services and the Department of Health for a range of minor capital projects, to efficiently replace and renew Queensland Health’s existing asset base to maintain business and service delivery. The program will seek to enhance, optimise, renew, and replace the asset base to ensure facilities and equipment are fit for purpose.

$139 million as part of the Satellite Hospitals Program to deliver satellite hospitals to Bribie Island, Caboolture, Eight Mile Plains (Brisbane South), Kallangur (Pine Rivers), Tugun (Gold Coast), Ripley (Ipswich), and Redlands. The Satellite Hospitals Program will assist acute hospitals in South East Queensland to manage demand and free up capacity while continuing to safely manage patients via alternative models of care. The satellite hospitals will also provide virtual health opportunities including a range of rapid access consultations, care co-ordination, remote monitoring, and patient literacy services. All 7 satellite hospital sites have been selected and delivery of these facilities is underway.

$63.9 million as part of the Rural and Regional Infrastructure Package for construction of a new mental health facility at Cairns Hospital, a purpose-built Sarina Hospital and staff accommodation, and for the replacement of the Mer (Murray) Island Primary Health Care Centre.

$46.7 million as part of the Advancing Queensland's Health Infrastructure Program to continue essential upgrades to health facilities and supporting infrastructure across Queensland, including repurposing of the Nambour Hospital, redevelopment of the Atherton Hospital including the emergency department and operating theatres, and staged refurbishment of the Thursday Island Hospital and Primary Health Care Centre.

$45.5 million for an expansion of the Gold Coast University Hospital to deliver a Secure Mental Health Rehabilitation Unit.

$45 million in hospital parking projects to meet increasing demand for parking, including:

- $1.5 million for the planning of a new multi-storey car park at the Queen Elizabeth II Jubilee Hospital.
- $17.5 million for construction of a new multi-storey car park at The Prince Charles Hospital.
- $13.7 million for completion of a new multi-level car park for Redland Hospital.
- $10.8 million for completion of the new multi-storey car park at Caboolture Hospital, providing approximately 1,080 parking spaces in a mix of multi-storey and at grade facilities, accessible parking spaces, electric vehicle charging bays and motorcycle parking. Combined with other car spaces around the site, there will be approximately 1,640 spaces in total.
- $1.5 million for finalisation of the recently completed 8 level carpark on the Logan Hospital site, delivering 1,506 parking bays, and construction of a linkway bridge to Building 3 following the expansion of the Logan Hospital.

$35.2 million for the Building Rural and Remote Health Program Phase 1 to address ageing infrastructure at Camooweal, St George, Morven, Charleville and Blackwater, and provide a safe and contemporary environment for the communities' health services.

$21.9 million for the Toowoomba Day Surgery Theatre to construct a 2-theatre day surgery unit at the Baillie Henderson Hospital Campus.

$19.7 million for the Alcohol and Other Drug Community Treatment Program. The program will deliver a new 45 bed adult Alcohol and Other Drug Residential Rehabilitation Service in West Moreton, 28 bed adult Alcohol and Other Drug Residential Rehabilitation Service in Wide Bay and 10 bed youth Alcohol and Other Drug Residential Rehabilitation Service in Cairns.

$17 million for the Fraser Coast Mental Health Service Enhancement, providing a new adult acute mental health inpatient unit at Hervey Bay Hospital and sub-acute older persons mental health unit refurbishment at Maryborough Hospital.

$11.4 million for the Ipswich Hospital Upgrade to improve utilisation of space in the current hospital and address increased service demands on the emergency department, maternity and gynaecology services and renal dialysis and nephrology services.

$10.7 million for the Staff Accommodation Program to renew and replace existing healthcare staff accommodation in Torres and Cape and North West Hospital and Health Services.

$7.9 million for the Windorah Primary Healthcare Centre replacement to provide contemporary and safe health services to the Windorah community, and improve patient flow, model of care, security, storage and service delivery.

$6.8 million for the Woorabinda Multi-Purpose Health Service to increase from 4 residential aged care beds to 14, including the upgrade of the laundry facilities and the construction of a new kitchen.

$6.7 million for the redevelopment of the Moura Multi-Purpose Healthcare Service, including renewal and upgrading of aged care facilities with provision for future demand.

$110.6 million will be invested in ICT to support the safe and efficient provision of health services that enable the successful delivery of health care and business services across Queensland. This investment will assist the transformation of healthcare delivery and mitigate the risk of digital infrastructure failure. Digital enhancements will also improve equity of service at rural and remote sites.

$18.7 million will be allocated by Hospital and Health Services for capital projects across Queensland in 2022-23. Projects include:

- $13.4 million for digital works for the Caboolture Hospital Redevelopment project.
- $2.5 million to extend existing information technology services and develop new information technology services at the Sunshine Coast University Hospital.

- $2.0 million for completion of the refurbishment of the medical imaging facility at Bowen Hospital and the installation of a Computed Tomography (CT) scanner.
- $0.8 million for a dedicated access road to the Logan Hospital Maternity Services Unit to provide a more accessible entry to the unit for patients presenting.

$17 million has been allocated to other acquisitions of property, plant and equipment across the state, including:

- $11.5 million for the Queensland Health Emission Reduction Program to support Queensland Health's statewide energy efficiency projects.
- $4.2 million for the completion of the Statewide General Chemistry and Immunoassay Replacement and Automation Project.
- $1.3 million for the completion of the installation of a second CT scanner for the Robina Hospital to address the increased demand for procedures and emergency CT studies.

Queensland Ambulance Service

In 2022-23, the Queensland Ambulance Service (QAS) will invest $81.8 million in enabling critical infrastructure to support essential frontline services to provide timely, quality and appropriate patient focused pre-hospital emergency and non-emergency care and services to the community. In implementing its capital program, the QAS will review opportunities for co-location and integration with health services, thus improving the close linkages and working relationships between public hospitals, as well as other emergency management infrastructure. Highlights of the capital program include:

- $16.3 million to progress the planning and construction phases for new ambulance stations at Caloundra South, Lawnton, Morayfield and Ormeau, the new Ripley Ambulance Station and West Moreton District Office, replacement of the North Rockhampton Ambulance Station and Central Regional Office, the new Burdell Ambulance Station and the Townsville District Office.
- $15.6 million for the planning, design and construction phases for the redevelopment of the Cairns Ambulance Station and Operations Centre, Southport Ambulance Station, Gold Coast Operations Centre, Pimpama Ambulance Station and Springwood Ambulance Station, and the completion of the refurbishment of the Rockhampton Ambulance Station and Operations Centre.
- $5.0 million investment in minor works at various existing stations to improve functionality, amenities and prolong useful life.
- $1.5 million investment in the acquisition of strategically located land to accommodate future expansion of services aligned with identified growth areas.

- $33.5 million to commission ambulance vehicles, which includes $26 million to commission 130 new and replacement ambulance vehicles including the continued rollout of power assisted stretchers, $6 million for new enhancement vehicles and $1.5 million for the fit out of emergency response vehicles.
- $2.0 million investment in information and communication technology for software development projects to enhance patient care and service delivery.
- $7.9 million in operational equipment to support frontline services.

Council of the Queensland Institute of Medical Research

The 2022-23 QIMR Berghofer capital program will invest $5.1 million for the acquisition of new and/or replacement state-of-the-art scientific equipment and research facilities.

Queensland Health

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
QUEENSLAND HEALTH AND HOSPITAL AND HEALTH SERVICES					
Property, Plant and Equipment[1]					
Hospital and Health Services					
Alcohol and Other Drug Community Treatment Program	305	51,000	1,907	**19,700**	29,393
Advancing Queensland Health Infrastructure Program	Various	240,000	173,604	**46,713**	19,683
Better Care Together	305	28,455		**1,791**	26,664
Bowen Overall Program of Works	312	3,700	500	**3,200**	
Building Better Hospitals					
Caboolture Hospital[2] Redevelopment Stage 1	313	352,900	152,969	**82,895**	117,036
Ipswich Hospital expansion[2] (stage 1A)	310	146,300	95,470	**21,445**	29,385
Logan Hospital expansion[2]	311	460,871	116,175	**161,318**	183,378
Logan Hospital Maternity[3] Services Upgrade	311	15,600	10,949	**4,651**	
Building Rural and Remote Health Program Phase 1	Various	94,660	3,683	**35,200**	55,777
Business Case Program	Various			**21,807**	Ongoing
Caboolture Hospital Multi-storey Car Park	313	46,610	24,280	**10,786**	11,544
Cairns Hospital Emergency Department expansion	306	30,000	6,811	**20,400**	2,789

Queensland Health

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Capacity Expansion Program					
Bundaberg Hospital early works package	319	20,000		**20,000**	
Coomera Hospital early works package	309	20,000		**20,000**	
Toowoomba Hospital early works package	317	20,000		**20,000**	
Rest of the program	Various	9,725,000		**25,300**	9,699,700
Capital Infrastructure Projects - CHQ	305	7,691	3,652	**4,039**	
Cairns Hospital Research Education and Innovation Centre land acquisition	306	11,000	1,151	**9,849**	
Community Health and Hospitals[4]	Various	159,430	40,833	**46,108**	72,489
Dakabin Family and Community Place	314	8,056	304	**7,752**	
Fraser Coast Mental Health Project	319	39,610	16,996	**17,000**	5,614
Gold Coast Secure Mental Health Rehabilitation Unit	309	105,544	3,589	**45,460**	56,495
Ipswich Hospital Upgrade	310	22,000	3,374	**11,398**	7,228
Kirwan Health Campus	318	40,000	517	**5,430**	34,053
Logan Hospital 28-bed Modular Ward	311	4,540	65	**3,275**	1,200
Logan Hospital Multi-level Car Park and Link Bridge	311	61,920	44,736	**1,516**	15,668
Mackay Community Mental Health refurbishment	312	6,000	275	**2,000**	3,725
Master planning studies	Various			**2,298**	Ongoing
Moura Multi-Purpose Healthcare Service	308	7,200	522	**6,678**	
Proserpine Hospital Acute Primary Care Clinic upgrade	312	5,000	750	**3,000**	1,250
Queen Elizabeth II Jubilee Hospital Car Park	303	29,810		**1,500**	28,310
Redland Hospital Multi-level Car Park	301	34,465	11,089	**13,661**	9,715
Rockhampton Drug Rehabilitation and Treatment Facility	308	16,264	14,928	**1,336**	
Rockhampton Hospital Cardiac Hybrid Theatre	308	18,200	1,059	**6,600**	10,541

Queensland Health

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Rockhampton Hospital Mental Health Ward Expansion	308	6,000	300	**5,700**	
Rural and Regional Infrastructure Package					
Cairns Hospital Mental Health Unit	306	70,000	10,962	**38,190**	20,848
Mer (Murray) Island building replacement	315	7,000	1,966	**5,034**	
Sarina Hospital redevelopment[5]	312	31,500	7,119	**20,638**	3,743
Rural and Regional Renal Program	Various	9,320	4,873	**1,984**	2,463
Satellite Hospitals Program	Various	280,000	90,682	**139,917**	49,401
Staff Accommodation Program	Various	21,104	1,666	**10,737**	8,701
Sunshine Coast University Hospital	316	1,872,151	1,833,449	**18,948**	19,754
Sunshine Coast University Hospital Patient Access and Coordination Hub	316	5,000		**150**	4,850
Sustaining Capital Program[6]	Various			**281,620**	Ongoing
The Prince Charles Hospital Carpark	302	81,940	3,084	**17,520**	61,336
Toowoomba Day Surgery Theatre	317	42,000	4,850	**21,874**	15,276
Townsville University Hospital Hybrid Theatre	318	17,000	1,295	**3,835**	11,870
Townsville University Hospital upgrades	318	8,000	160	**1,740**	6,100
Voluntary Assisted Dying ICT Solution	305	6,930	795	**6,135**	
Windorah Primary Health Care Centre	315	12,400	3,631	**7,921**	848
Woorabinda Multi-Purpose Health Service	308	12,500	608	**6,815**	5,077
Yeronga Child and Youth Community Hub	303	7,835	212	**408**	7,215
Sub-total Hospital and Health Services				**1,293,272**	
Other Acquisitions of Property, Plant and Equipment					
Building works capital project management	305			**850**	Ongoing
Cladding Investigation and Remediation Program	Various	27,300	22,543	**454**	4,303
Queensland Health Emission Reduction Program	Various	30,000	5,817	**11,542**	12,641

Queensland Health

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Robina Hospital Second CT Scanner	309	5,650	2,968	**1,341**	1,341
State-wide General Chemistry and Immunoassay Replacement and Automation Project	305	16,511	12,212	**4,192**	107
Sub-total Other Acquisitions of Property, Plant and Equipment				**18,379**	
Information Communication and Technology					
Information Communication and Technology	305			110,565	Ongoing
Sub-total Information Communication and Technology				**110,565**	
Central West					
New ROU lease[7]	315	601		**601**	
Sub-total Central West				**601**	
Mackay					
Bowen Imaging Department (Inc.[8] CT Scanner)	312	2,000		**2,000**	
New ROU lease[7]	312	994		**994**	
Sub-total Mackay				**2,994**	
Metro North					
Caboolture Hospital Redevelopment Project Digital	313	20,000	3,470	**13,391**	3,139
Sub-total Metro North				**13,391**	
Metro South					
Logan Hospital Maternity Access Road	311	2,549	2,020	**529**	
Logan Hospital Maternity Services Upgrade	311	2,275	1,437	**838**	
Capital projects	Various	9,337	4,995	**3,635**	707
Sub-total Metro South				**5,002**	
Sunshine Coast					
Sunshine Coast University Hospital Group 4 ICT Project	316	66,300	62,636	**2,517**	1,147
Capital projects	Various	4,092	584	3,508	
Sub-total Sunshine Coast				**6,025**	
Queensland Ambulance Service					
Burdell New Station and Townsville District Office	318	7,200	222	**2,000**	4,978

Queensland Health

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Cairns Ambulance Station and Operations Centre redevelopment	306	14,415	796	**3,444**	10,175
Caloundra South New Ambulance Station	316	5,500	90	**1,000**	4,410
Gold Coast Operations Centre Redevelopment (Coomera)	309	11,490	1,319	**9,681**	490
Lawnton New Ambulance Station	314	5,500	193	**1,700**	3,607
Morayfield New Ambulance Station	313	6,200	301	**1,200**	4,699
North Rockhampton Replacement Ambulance Station and Regional Office	308	5,500	90	**1,500**	3,910
Ormeau Ambulance Station	309	6,500	426	**4,500**	1,574
Pimpama Ambulance Station redevelopment	309	5,500		**500**	5,000
Ripley New Ambulance Station and West Moreton District Office	310	7,400	391	**4,400**	2,609
Rockhampton Ambulance Station and Operations Centre refurbishment	308	7,700	6,866	**834**	
Southport Ambulance Station redevelopment	309	14,000		**600**	13,400
Springwood Ambulance Station redevelopment	311	5,500		**500**	5,000
Minor works	Various			**5,000**	Ongoing
Strategic land acquisitions	Various			**1,500**	Ongoing
Operational equipment	Various			**7,914**	Ongoing
Ambulance vehicle purchases	Various			**33,500**	Ongoing
Information systems development	Various			**2,000**	Ongoing
Sub-total Queensland Ambulance Service				**81,773**	
Total Property, Plant and Equipment				**1,532,002**	
COUNCIL OF THE QUEENSLAND INSTITUTE OF MEDICAL RESEARCH					
Property, Plant and Equipment					
Other scientific equipment[9]	305			**5,110**	Ongoing
Total Property, Plant and Equipment				**5,110**	
TOTAL QUEENSLAND HEALTH (PPE)				**1,537,112**	

Queensland Health

Notes:

1. Total estimated cost may include both non-capital and capital components of project expenditure.
2. Total estimated cost includes funding of $3 million from South East Queensland - Planning for Growth.
3. Total funding for the Logan Hospital Maternity Services Update is $18.9 million including funding of $2.3 million from Metro South Hospital and Health Service and $1 million from minor capital projects and acquisitions.
4. Total estimated cost includes $32 million State Funding for the Redland Hospital Expansion Stage 1.
5. Total funding for Sarina Hospital Redevelopment is $31.5 million including funding of $10 million from Mackay Hospital and Health Service.
6. Includes Accelerated Infrastructure Delivery Program and Building Rural and Remote Health Program - Phase 2 and net of non-capital component of project expenditure.
7. Relates to the lease recognition under the accounting standards and does not reflect a capital purchase.
8. Total funding for the Bowen Imaging Department is $7 million including funding of $5 million from Community Health and Hospitals.
9. The QIMR Berghofer capital program in 2022-23 will invest $5.1 million for the acquisition of new and/or replacement state-of-the-art scientific equipment and research facilities.

3.14 QUEENSLAND POLICE SERVICE

The 2022-23 Queensland Police Service capital program of $174.6 million will support the delivery of quality frontline services throughout Queensland. The program will fund police facilities, motor vehicles, aviation assets, vessels and other essential equipment.

Program Highlights (Property, Plant and Equipment)

- $49 million for new and replacement police service vehicles.
- $23.2 million for the Public Safety Network.
- $11.8 million to complete upgrades of the Aurukun, Cairns and Maryborough police facilities.
- $11.8 million to continue upgrades of the Dalby, Mackay and Warwick police facilities.
- $10.3 million for minor capital works and other plant and equipment across the state.
- $10.3 million for information and communications technology.
- $8.6 million for Camera Detected Offence Program equipment.
- $7.2 million to continue the new police facilities at Ripley and Rosewood and complete the replacement police facility at Burketown.
- $7.2 million to continue the replacement police facilities at Clermont, Cooroy, Cunnamulla, Dayboro and Kirwan.
- $7 million to complete the expansion of the police facility at Woree and the new police facility at Cairns West.
- $6 million for upgrades and replacements to air conditioning and closed circuit cameras at police facilities across the state.
- $6 million for new and replacement police service vessels.
- $4.1 million for aircraft maintenance.
- $3.3 million for Queensland Ambulance Service information systems development.
- $3.3 million for Queensland Fire and Emergency Services information and communications systems and equipment.
- $2.7 million for mobile capability and the development of new applications for the QPS QLiTe mobile tablet devices.
- $700,000 to commence the new police facility at Caloundra South and the replacement water police facility at Hervey Bay.
- $500,000 to commence the replacement of police facilities at Longreach, Proserpine, Rainbow Beach and Winton, and residential accommodation at Mount Isa.

- $200,000 to commence the replacement of the police facility at Hervey Bay and the multi-agency community safety facility at Palm Island.

Queensland Police Service

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
QUEENSLAND POLICE SERVICE					
Property, Plant and Equipment					
Buildings/ General Works					
Aurukun police facility upgrade	315	7,800	6,020	**1,780**	
Burketown replacement police facility	315	2,000	1,034	**966**	
Cairns police facility upgrade	306	17,412	11,099	**6,313**	
Cairns West new police facility	306	2,050	1,046	**1,004**	
Caloundra South new police facility	316	9,000		**500**	8,500
Clermont replacement police facility	312	3,500	20	**1,680**	1,800
Cooroy replacement police facility	316	4,000	235	**1,865**	1,900
Cunnamulla replacement police facility	315	13,000	67	**550**	12,383
Dalby police facility upgrade	307	14,000	1,074	**9,776**	3,150
Dayboro replacement police facility	314	4,000	155	**1,980**	1,865
Hervey Bay replacement police facility	319	14,000		**100**	13,900
Hervey Bay replacement water police facility	319	3,800		**200**	3,600
Kirwan replacement police facility	318	30,000	120	**1,080**	28,800
Longreach replacement police facility	315	13,800		**100**	13,700
Mackay police facility upgrade	312	4,000	50	**1,050**	2,900
Maryborough police facility upgrade	319	4,000	320	**3,680**	
Mount Isa residential accommodation	315	5,750		**100**	5,650
Palm Island multi-agency community safety facility	318	18,000		**100**	17,900
Proserpine replacement police facility	312	2,300		**100**	2,200
Rainbow Beach replacement police facility	319	2,300		**100**	2,200
Ripley new police facility	310	25,000	867	**4,333**	19,800

Queensland Police Service

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Rosewood new police facility	310	4,000	125	**1,875**	2,000
Warwick police facility upgrade	307	15,000	90	**1,000**	13,910
Winton replacement police facility	315	4,600		**100**	4,500
Woree police facility expansion	306	9,223	3,178	**6,045**	
Sub-total Buildings/ General Works				**46,377**	
Land					
Land acquisition	Various			**1,500**	Ongoing
Sub-total Land				**1,500**	
Plant and Equipment					
QGAir aircraft maintenance	Various			**4,141**	Ongoing
Air conditioning plant replacement program	Various			**4,000**	Ongoing
Closed circuit camera upgrades in various police facilities	Various			**2,000**	Ongoing
Minor works	Various			**6,085**	Ongoing
New and replacement vehicles	Various			**48,981**	Ongoing
Vessel management program	Various			**5,959**	Ongoing
Camera Detected Offence Program	Various			**8,589**	Ongoing
Mobile capability	Various			**2,720**	Ongoing
Queensland Ambulance Service information systems development	Various			**3,255**	Ongoing
Queensland Fire and Emergency Services information and communications systems and equipment	Various			**3,276**	Ongoing
Information and communication technology	Various			**10,279**	Ongoing
Public Safety Network	305			**23,240**	Ongoing
Other plant and equipment	Various			**4,227**	Ongoing
Sub-total Plant and Equipment				**126,752**	
Total Property, Plant and Equipment				**174,629**	
TOTAL QUEENSLAND POLICE SERVICE (PPE)				**174,629**	

3.15 QUEENSLAND TREASURY

Queensland Treasury

Queensland Treasury has capital grants of $219 million for 2022-23.

Program Highlights (Capital Grants)

- $95.8 million through the Queensland First Home Owners' Grant to assist first home buyers entering the housing market.
- $123.2 million HomeBuilder grant provided by the Australian Government to eligible applicants towards building a new home, buying a new home or substantially renovating an existing home. The Queensland Government is delivering the HomeBuilder grant on behalf of the Australian Government.

Queensland Treasury

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
QUEENSLAND TREASURY					
Capital Grants					
Queensland First Home Owners' Grant	Various			**95,790**	Ongoing
HomeBuilder grant (Australian Government)	Various	364,290	241,082	123,208	
Total Capital Grants				**218,998**	
TOTAL QUEENSLAND TREASURY (CG)				**218,998**	

3.16 REGIONAL DEVELOPMENT, MANUFACTURING AND WATER

The Regional Development, Manufacturing and Water portfolio includes the Department of Regional Development, Manufacturing and Water, Gladstone Area Water Board, Mount Isa Water Board, Seqwater and Sunwater Limited. In 2022-23, the portfolio's capital program includes capital purchases of $372.2 million and capital grants of $52.5 million.

Department of Regional Development, Manufacturing and Water

The Department of Regional Development, Manufacturing and Water has capital purchases of $119.5 million and capital grants of $52.5 million in 2022-23.

Program Highlights (Property, Plant and Equipment)

- $116.9 million, as part of a $367.2 million investment to construct Rookwood Weir, to provide for significant agricultural growth along the Fitzroy River near Rockhampton and enhance the security of urban and industrial water supplies for Gladstone and Capricorn Coast communities. The project is delivered in partnership with the Australian Government, through the National Water Grid Fund.

Program Highlights (Capital Grants)

- $39 million as part of the $70 million Building our Regions program (Round 6) for regional water infrastructure projects that deliver regional and economic development opportunities, support local industry growth, generate new sustainable jobs, and improve liveability in Queensland's regional communities.
- $6 million for improvements to existing community infrastructure assets that form part of the $367.2 million investment to construct Rookwood Weir. The project is delivered in partnership with the Australian Government, through the National Water Grid Fund.
- $3.8 million for the Southern Downs Drought Resilience Package to upgrade critical infrastructure and unlock new water sources in the Southern Downs region.
- $2.4 million for the Warren's Gully System capacity upgrade project to increase the peak flow capacity of the Warren's Gully aquifer recharge and water distribution system. This project is delivered in partnership with the Australian Government, through the National Water Grid Fund.
- $199.5 million over 3 years, held centrally and in most cases subject to business cases and matching Australian Government funding, has been allocated towards priority regional water infrastructure projects, including Cairns Water Security Program, Hughenden Water Bank, Lansdown Eco-Industrial Precinct (enabling infrastructure) and the Mt Morgan Pipeline.

Gladstone Area Water Board

Total capital expenditure planned for 2022-23 is $23.4 million, and is focused on continuing and improving the effective, reliable and safe operation of Gladstone Area Water Board's infrastructure.

Program Highlights (Property, Plant and Equipment)

- $2.3 million to continue planning and preparatory works for the Awoonga Dam spillway capacity upgrade to comply with dam safety standards for extreme weather events.
- $2.3 million to replace the Golegumma pipeline which has reached the end of its design life to supply treated water to facilities at Awoonga Dam, including the caravan park, from Golegumma Reservoir and Gladstone Regional Council's Wurdong Reservoir.
- $1.1 million in planning for a new treated water pipeline connection at Aldoga to enable new customer connections.
- $853,000 to replace roads at Awoonga Dam to ensure continued safe public and maintenance access.

Mount Isa Water Board

Total capital expenditure planned for 2022-23 is $9.3 million, and is focused on continuing and improving the cost-efficient, reliable and safe operation of Mount Isa Water Board's bulk water infrastructure.

Program Highlights (Property, Plant and Equipment)

- $3.8 million to renew the high-voltage yard and electro-mechanical equipment in Fred Haigh Pump Station to improve operational reliability and efficiency.
- $1.5 million on works at Lake Julius, including access road renewal, high voltage line access track clearing and replacing power poles to increase bushfire resistance.
- $321,000 on upgrades to chlorine dose equipment to renew outdated chlorination facilities.
- $320,000 to renew pumps in the Lake Moondarra Deep Well Pump Station which will improve reliability and energy efficiency.

Seqwater

Total capital expenditure planned for 2022-23 is $122.3 million. The capital program is focused on the continuation of a safe, secure and reliable water supply for South East Queensland, as well as providing essential flood mitigation services and managing catchment health. Seqwater has facilities located throughout South East Queensland.

These require minor works and renewals, as well as upgrades and compliance-driven works to ensure effective operation.

Program Highlights (Property, Plant and Equipment)

- $38.3 million to construct the South West Pipeline to connect the Beaudesert region to the South East Queensland Water Grid and improve water security.
- $14.7 million to construct a new vehicle bridge to provide flood resilient access between Mount Crosby East and West Bank and improve structural performance and safety.
- $6.5 million for enabling works and the construction of a new substation at Mount Crosby East Bank to improve flood resilience.
- $4.6 million to continue planning and investigatory work for dam improvement projects to comply with dam safety standards for extreme weather events, including Somerset Dam and Lake Macdonald Dam.
- $2.2 million to upgrade the critical electrical infrastructure at the Mount Crosby East Bank Water Treatment Plant pump station.

Sunwater Limited

Total capital expenditure planned for 2022-23 is $97.7 million. The capital program is focused on enhancing Sunwater's dam infrastructure to meet extreme weather conditions and to provide a reliable water supply to regional Queensland, as well as investing in innovative digital technology to drive collaboration and efficiency.

Program Highlights (Property, Plant and Equipment)

- $30.1 million of a total $97 million to progress design, planning and early works for the Paradise Dam improvement project.
- $19.5 million to continue investigatory planning works for the Burdekin Falls Dam improvement project to comply with dam safety standards for extreme weather events.
- $10 million to continue to investigate the feasibility of raising Burdekin Falls Dam to increase storage capacity and water supply in the Burdekin and surrounding regions.
- $3.7 million to trial a rising groundwater management solution in the Burdekin Haughton area.
- $1.5 million to develop infrastructure to access water held below the dead storage levels of Leslie Dam.

Regional Development, Manufacturing and Water

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF REGIONAL DEVELOPMENT, MANUFACTURING AND WATER					
Property, Plant and Equipment					
Rookwood Weir[1]	308	319,124	202,217	**116,907**	
Other property, plant and equipment	Various			**2,600**	Ongoing
Total Property, Plant and Equipment				**119,507**	
Capital Grants					
Big Rocks Weir - planning	318	6,000	5,000	**1,000**	
Building our Regions (Round 6)	Various	70,000	1,000	**39,000**	30,000
Rookwood Weir[1]	308	25,737	19,737	**6,000**	
Southern Downs Drought Resilience Package	307	7,640	3,820	**3,820**	
Warren's Gully System capacity upgrade project	318	4,760	1,190	**2,380**	1,190
Warwick recycled water for agriculture project (stage 3)	307	481	145	**336**	
Total Capital Grants				**52,536**	
GLADSTONE AREA WATER BOARD					
Property, Plant and Equipment					
Aldoga treated water connection	308	7,484	31	**1,140**	6,313
Awoonga Dam pipeline remediation	308	4,624	65	**814**	3,745
Awoonga Dam roads replacement	308	1,139	286	**853**	
Awoonga Dam Spillway capacity upgrade - planning	308	8,844	353	**2,294**	6,197
Boyne Island Reservoir roof replacement	308	3,627	427	**3,200**	
East End Pipeline replacement - planning	308	3,389	210	**545**	2,634
Expansion of Boat Creek pump station - planning	308	5,529	88	**350**	5,091
Flow meter replacements	308	1,764	333	**1,431**	
Golegumma pipeline replacement	308	2,610	310	**2,300**	
Program of smaller capital works projects	308			**7,438**	Ongoing
Queensland Alumina Limited raw water pipeline replacement	308	3,086	328	**2,029**	729

Regional Development, Manufacturing and Water

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Right of use lease assets	308	991		**991**	
Total Property, Plant and Equipment				**23,385**	
MOUNT ISA WATER BOARD					
Property, Plant and Equipment					
Chlorine dose equipment upgrade	315	1,163	842	**321**	
Fred Haigh pump station electro-mechanical overhaul	315	7,970	4,205	**3,765**	
Lake Julius access road renewal and high voltage line access road clearing	315	687		**687**	
Lake Julius power pole replacement	315	2,470		**815**	1,655
Lake Moondarra Deep Well Pump Station pumps renewal	315	900	580	**320**	
Second pathogen disinfection system	315	1,765	251	**1,514**	
Site security upgrades	315	1,450	243	**500**	707
Other asset enhancements	315			**515**	Ongoing
Other asset renewals	315			**635**	Ongoing
Other plant and equipment	315			**240**	Ongoing
Total Property, Plant and Equipment				**9,312**	
SEQWATER					
Property, Plant and Equipment					
Dayboro water source and treatment upgrade with pipeline grid connection	314	20,314		**184**	20,130
Information and communication technology capital program	310			**3,346**	Ongoing
Lake Macdonald Dam improvement[2] project - planning	316	127,278	21,199	**687**	105,392
Lowood Water Treatment Plant sludge capacity upgrade	309	10,016		**109**	9,907
Mount Crosby East Bank sub-station and enabling works	310	32,570	13,755	**6,466**	12,349
Mount Crosby East Bank critical	310	49,400	4,786	**2,218**	42,396

Regional Development, Manufacturing and Water

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
electrical infrastructure upgrade					
Mount Crosby Weir Bridge structure upgrade	310	29,450	4,593	**14,712**	10,145
Mount Crosby West Bank Water Treatment Plant centrifuge installation	310	13,935	875	**217**	12,843
Non-infrastructure capital works	310			**1,673**	Ongoing
Other infrastructure improvements - other infrastructure projects	Various			**13,622**	Ongoing
Other infrastructure improvements - water storage projects	Various			**6,305**	Ongoing
Other infrastructure improvements - water transport projects	Various			**6,326**	Ongoing
Other infrastructure improvements - water treatment projects	Various			**24,297**	Ongoing
Somerset Dam improvement project - planning	310	31,107	25,754	**3,871**	1,482
South West Pipeline	311	95,200	46,272	**38,305**	10,623
Total Property, Plant and Equipment				**122,338**	
SUNWATER LIMITED					
Property, Plant and Equipment					
Burdekin Falls Dam improvement project - planning	318	38,838	19,338	**19,500**	
Burdekin Falls Dam raising project - planning	318	29,148	19,148	**10,000**	
Burdekin groundwater management	318	9,696	1,313	**3,650**	4,733
Enterprise data and analytics systems	305	6,530		**3,885**	2,645
Eungella Water Pipeline (stage 3)	318	12,086	1,250	**4,682**	6,154
Leslie Dam dead storage access	307	2,900	211	**1,493**	1,196
Non-infrastructure capital works	Various			**2,654**	Ongoing
Non-routine capital works - bulk water infrastructure	Various			**1,424**	Ongoing
Non-routine capital works - industrial pipelines	Various			**2,118**	Ongoing
Non-routine capital works - irrigation systems	Various			**6,386**	Ongoing

Regional Development, Manufacturing and Water

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Paradise Dam essential works	319	98,701	97,700	**1,001**	
Paradise Dam improvement project - 3 planning and early works	319	97,000	31,870	**30,142**	34,988
Bowen Basin pipeline augmentation and pump station	312	9,465	2,883	**5,413**	1,169
Right of use leased assets	Various		3,271	**3,271**	
Rocklea hydraulic laboratory expansion	303		6,527	**2,056**	4,471
Total Property, Plant and Equipment				**97,675**	
TOTAL REGIONAL DEVELOPMENT, MANUFACTURING AND WATER (PPE)				**372,217**	
TOTAL REGIONAL DEVELOPMENT, MANUFACTURING AND WATER (CG)				**52,536**	

Notes:

1. The total capital expenditure component of the project is $347.9 million, which includes $319.1 million for Rookwood Weir, $25.7 million for enhancements required to existing community infrastructure (such as roads and bridges) to service and support the project, and $3 million in centrally-held funding. The total project value of $367.2 million is inclusive of operating expenditure.
2. The Lake Macdonald Dam improvement project budget in 2022-23 reflects the cost of the ongoing options assessment process. The $127.278 million total estimated cost reflects the previous total estimated cost for the project including construction costs. The total estimated cost will be revised following the completion of the options assessment and an investment decision on the preferred upgrade option.
3. This is the total estimated cost for planning and early works only. The total estimated cost of rebuilding Paradise Dam is $1.2 billion, which is supported by commitments of $600 million from the Queensland Government and $600 million from the Australian Government.

3.17 RESOURCES

Department of Resources

The capital purchases budget for the Resources portfolio for 2022-23 is $10.1 million.

The department's capital investment program will support maintenance of the state's stock route network, investment in digital solutions to support the vast datasets used to stimulate economic development in Queensland and other critical property, plant and equipment assets to support the department's service delivery requirements.

Resources

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF RESOURCES					
Property, Plant and Equipment					
Systems development	Various			**3,389**	Ongoing
Stock route network	Various			**900**	Ongoing
Other property, plant and equipment	Various			**5,816**	Ongoing
Total Property, Plant and Equipment				**10,105**	
TOTAL RESOURCES (PPE)				**10,105**	

3.18 SENIORS, DISABILITY SERVICES AND ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

The capital works program for the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships is $5.1 million in 2022-23. The total capital grants program for the department is $2.6 million in 2022-23.

Capital works investment is primarily within the Disability Services portfolio and capital grants relate to an Aboriginal and Torres Strait Islander Partnerships program.

Program Highlights (Property, Plant and Equipment)

- $4.2 million to advance the provision of infrastructure in relation to robust and secure accommodation for complex clients with challenging behaviours. The funding in 2022-23 is predominately for the construction of a new purpose-built duplex in Wacol.
- $500,000 to continue upgrading, improving and modifying accommodation facilities for people with an intellectual or cognitive disability who exhibit extremely challenging behaviours.

Program Highlights (Capital Grants)

- $2.6 million for the construction and completion of a splash park on Thursday Island.

Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF SENIORS, DISABILITY SERVICES AND ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS					
Property, Plant and Equipment					
Disability Services					
Wacol FDS transition accommodation	310	6,450	2,250	**4,200**	
General property upgrades	Various			**500**	Ongoing
Other Property, Plant and Equipment Minor capital works	Various			**402**	Ongoing
Total Property, Plant and Equipment				**5,102**	
Capital Grants					
Aboriginal and Torres Strait Islander Partnerships					

Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Splash Park - Thursday Island	315	3,000	389	**2,611**	
Total Capital Grants				**2,611**	
TOTAL SENIORS, DISABILITY SERVICES AND ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (PPE)				**5,102**	
TOTAL SENIORS, DISABILITY SERVICES AND ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS (CG)				**2,611**	

3.19 STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING

In 2022-23, the State Development, Infrastructure, Local Government and Planning portfolio, including Economic Development Queensland, South Bank Corporation and the Queensland Reconstruction Authority, has capital purchases of $178.6 million and capital grants of $1.047 billion.

Department of State Development, Infrastructure, Local Government and Planning

The Department of State Development, Infrastructure, Local Government and Planning has capital purchases of $5.7 million and capital grants of $342.2 million in 2022-23.

Program Highlights (Capital Grants)

- $88.2 million as part of the $1 billion Works for Queensland program to support local governments in regional Queensland undertaking job-creating maintenance and minor infrastructure works.
- $50 million towards the $195 million Haughton Pipeline (stage 2) water security initiative for Townsville.
- $46 million for the Resources Community Infrastructure Fund to support the post COVID-19 recovery of regional communities by improving economic and social infrastructure across Queensland's resources communities.
- $36.1 million for the Local Government Grants and Subsidies Program, which provides funding for priority infrastructure projects to meet identified community needs and supports projects that will create sustainable and liveable communities.
- $24.8 million towards the $200 million South East Queensland Community Stimulus Program to fast track South East Queensland councils' investment in new infrastructure and community assets that create jobs and deliver economic stimulus.
- $22.3 million as part of the $120 million Indigenous Councils Critical Infrastructure Program to support Indigenous councils to implement projects and infrastructure works relating to critical water, wastewater and solid waste assets, and provide a basis for the long-term strategic management of essential assets.
- $19.5 million for the Building our Regions program (Rounds 1-5) to provide funding for critical infrastructure in regional areas of the state, while also generating jobs, fostering economic development and improving the liveability of regional communities.
- $12.2 million as part of the $25 million Regional Recovery Partnerships program to support recovery and growth through a package of targeted initiatives in Cairns,

Gladstone and the Mackay-Isaac-Whitsunday region, funded by the Australian Government.

- $9.9 million as part of the $200 million COVID-19 Works for Queensland program to support local governments in regional Queensland undertaking job-creating maintenance and minor infrastructure projects.

Economic Development Queensland

In 2022-23, Economic Development Queensland has capital purchases of $163.1 million.

Program Highlights (Property, Plant and Equipment)

- $48.7 million for the development of the Gladstone State Development Area.
- $35.8 million for the urban renewal development at Northshore Hamilton.
- $20 million for the development of the Sunshine Coast Industrial Park (stage 2).
- $15.8 million for the development of the Yeronga Priority Development Area.
- $13.9 million for the development of the Currumbin Eco-Parkland.
- $9.7 million for the development of the Oxley Priority Development Area.

Queensland Reconstruction Authority

In 2022-23, the Queensland Reconstruction Authority has capital grants of $704.5 million to support the Queensland Government's program of infrastructure renewal and recovery within disaster-affected communities, and to help build disaster resilience across Queensland.

Program Highlights (Capital Grants)

- $675.2 million for Disaster Recovery Funding Arrangements will be paid to local government authorities for reconstruction, betterment and other projects relating to natural disaster events between 2019 and 2022. This program is jointly funded by the Queensland Government and the Australian Government.
- $13.1 million as part of the $65.5 million Queensland Resilience and Risk Reduction Fund to support disaster mitigation projects and build resilience to natural disasters over 5 years, jointly funded with the Australian Governement.
- $7.2 million as part of the $28 million Recovery and Resilience Grants program to support the 14 local government areas hardest hit by the 2019 North Queensland Monsoon Trough, funded by the Australian Government.
- $5.9 million as part of the $9.9 million National Flood Mitigation Infrastructure Program to deliver projects that assist communities to prepare for future flood events, funded by the Australian Government.

- $3 million as part of the $10 million North Queensland Natural Disasters Mitigation Program to help councils in North and Far North Queensland reduce their disaster risk and assist in reducing the growth of insurance costs for residents, businesses and the community.

South Bank Corporation

In 2022-23, the South Bank Corporation has budgeted capital works expenditure of $9.8 million to enhance the South Bank Parklands, the Corporation's commercial assets and the Brisbane Convention and Exhibition Centre.

State Development, Infrastructure, Local Government and Planning

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING					
Property, Plant and Equipment					
State development area acquisitions	318	12,329	8,400	**3,929**	
Gladstone State Development Area (Targinnie)	308	1,628	204	**1,424**	
Queensland Flight Test Range upgrades	315	358	135	**223**	
Other plant and equipment	305			**70**	Ongoing
State development area property management	318			**50**	Ongoing
Total Property, Plant and Equipment				**5,696**	
Capital Grants					
Works for Queensland	Various	1,000,000	721,790	**88,210**	190,000
Haughton Pipeline (stage 2)	318	195,000	7,500	**50,000**	137,500
Resources Community Infrastructure Fund	Various	100,399		**46,000**	54,399
Local Government Grants and Subsidies Program	Various			**36,089**	Ongoing
South East Queensland Community Stimulus Program	Various	200,000	60,162	**24,838**	115,000
Indigenous Councils Critical Infrastructure Program	Various	120,000	88,876	**22,324**	8,800
Building our Regions (Rounds 1-5)	Various	329,510	296,285	**19,475**	13,750
Regional Recovery Partnerships program	Various	24,650	2,165	**12,150**	10,335
COVID-19 Works for Queensland	Various	200,000	190,112	**9,888**	

State Development, Infrastructure, Local Government and Planning

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Community Infrastructure Investment Partnership	Various	15,000	4,440	**6,960**	3,600
Ayr water supply infrastructure project (stage 2)	318	12,000	7,000	**5,000**	
Hinchinbrook Harbour new sewage plant	306	6,433	69	**3,819**	2,545
Unite and Recover Community Stimulus Package	Various	50,000	47,321	**2,679**	
Southport Spit	309	27,208	23,395	**2,554**	1,259
Roma Street Parklands	305			**2,565**	Ongoing
Cunnamulla artesian hot springs and river walk experience	315	4,996	2,720	**2,276**	
Northern Peninsula Area water supply system - replacement of asbestos cement pipelines	315	5,000	2,916	**2,084**	
Splash parks in Mareeba and Douglas Shires	315	3,000	900	**2,100**	
Northern Peninsula Area water supply system - water supply rectification and repair program of works	315	4,000	2,666	**1,334**	
Logan City Council - digital infrastructure and connectivity	303	2,500	1,250	**1,000**	250
Kuranda Skyrail and infrastructure levy	306			**744**	Ongoing
Royalties for the Regions	315	85,788	85,688	**100**	
Total Capital Grants				**342,189**	
ECONOMIC DEVELOPMENT QUEENSLAND					
Property, Plant and Equipment					
Gladstone State Development Area	308	79,759	9,059	**48,650**	22,050
Northshore Hamilton	302	376,767	95,277	**35,806**	245,684
Sunshine Coast Industrial Park (stage 2)	316	33,076	10,076	**20,000**	3,000
Yeronga Priority Development Area	303	31,929	15,997	**15,756**	176
Currumbin Eco-Parkland	309	15,000	1,115	**13,885**	
Oxley Priority Development Area	310	36,084	25,060	**9,730**	1,294
Carseldine Urban Village	302	39,540	31,879	**7,661**	
Yeerongpilly Green	303	75,652	56,624	**4,180**	14,848

State Development, Infrastructure, Local Government and Planning

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Gold Coast Health and Knowledge Precinct	309	39,970	27,130	**3,710**	9,130
Coolum Eco Industrial Park (stage 2)	316	2,500		**2,500**	
Clinton Industrial Estate	308	20,139	1,889	**500**	17,750
Salisbury Plains Industrial Precinct	312	9,307	2,557	**500**	6,250
Townsville Regional Industrial Estate	318	6,265	4,665	**200**	1,400
Total Property, Plant and Equipment				**163,078**	
QUEENSLAND RECONSTRUCTION AUTHORITY					
Capital Grants					
Disaster Recovery Funding Arrangements	Various			**675,241**	Ongoing
Queensland Resilience and Risk Reduction Fund	Various	65,507	18,344	**13,101**	34,062
Recovery and Resilience Grants	Various	28,000	7,800	**7,200**	13,000
National Flood Mitigation Infrastructure Program	Various	9,900	2,970	**5,940**	990
North Queensland Natural Disasters Mitigation Program	Various	10,000		**3,000**	7,000
Total Capital Grants				**704,482**	
SOUTH BANK CORPORATION					
Property, Plant and Equipment					
South Bank Parklands enhancements and replacements	305			**4,654**	Ongoing
Safety related capital works	305	3,085		**3,085**	
Brisbane Convention and Exhibition Centre enhancements and replacements	305			**1,000**	Ongoing
Car park upgrades and replacements	305			**790**	Ongoing
Investment properties - other enhancements and replacements	305			**300**	Ongoing
Total Property, Plant and Equipment				**9,829**	

State Development, Infrastructure, Local Government and Planning

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
TOTAL STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING (PPE)				**178,603**	
TOTAL STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING (CG)				**1,046,671**	

3.20 TOURISM, INNOVATION AND SPORT

Department of Tourism, Innovation and Sport

Total capital purchases of $18.4 million are budgeted for the Department of Tourism, Innovation and Sport in 2022-23. Total capital grants of $105.1 million are budgeted for the department in 2022-23.

Program Highlights (Property, Plant and Equipment)

- $11.1 million to enhance existing state-owned sport and active recreation facilities at the Gold Coast, Sunshine Coast and Townsville, to deliver quality experiences that inspire physical activity.
- $7.3 million for a 94 kilometre walking and mountain biking trail from Palm Cove to Port Douglas, with public and eco-accommodation facilities.

Program Highlights (Capital Grants)

- $24.2 million to encourage Queenslanders to be more active, more often as well as working to increase health and wellbeing outcomes across the state in line with key government priorities.
- $14.7 million to fund minor facility improvements that support increased opportunities for Queenslanders to participate in sport and active recreation.
- $10 million towards stage one of the redevelopment of Sunshine Coast Stadium at Bokarina.
- $9 million to progress the construction of the Quandamooka Art Museum and Performance Institute (QUAMPI) and auxiliary infrastructure for the recreational trail.
- $8.9 million towards supporting field of play participation by enhancing facilities to meet local community level playing requirements.
- $6.2 million to assist sport and active recreation organisations with the clean-up, repair or replacement of equipment and facilities damaged by the South East Queensland rainfall and flooding event in February 2022.

Stadiums Queensland

Stadiums Queensland's 2022-23 capital outlay of $46.9 million will ensure that Queensland's major sports and entertainment facilities continue to provide world-class fan experiences, support high performance development, facilitate community participation in sport and physical activity, and remain contemporary to support the hosting of international events such as the 2023 FIFA Women's World Cup.

Tourism, Innovation and Sport

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF TOURISM, INNOVATION AND SPORT					
Property, Plant and Equipment					
Queensland Active Precincts	Various	77,490	35,932	**11,086**	30,472
Wangetti Trail	306	30,448	3,094	**7,300**	20,054
Total Property, Plant and Equipment				**18,386**	
Capital Grants					
Local community sporting infrastructure	Various	42,856	15,134	**24,179**	3,543
Sport Minor Infrastructure Program	Various		38,518	**14,673**	23,845
Sunshine Coast Stadium	316		20,000	**10,000**	10,000
Minjerribah Futures program	Various	13,252	824	**9,010**	3,418
Active Game Day Schools	Various	9,726	875	**8,851**	
Sport and Recreation Recovery Grant	Various	30,500	9,920	**6,180**	14,400
Sporting infrastructure	Various		13,157	**5,157**	8,000
Active Community Infrastructure - Round 1	Various	25,591	20,910	**4,681**	
FIFA Women's World Cup 2023	305		6,000	**3,000**	3,000
Allied Health and Wellbeing Centre (Clem Jones Centre)	303	5,000	2,250	**2,500**	250
AFL Grand Final legacy	Various	4,000	2,000	**2,000**	
Attracting Tourism Fund	Various	11,750	9,944	**1,806**	
Growing Indigenous Tourism in Queensland Fund	Various	6,400	4,600	**1,800**	
Wangetti Trail (Mowbray North)	306	5,443	3,821	**1,622**	
School Sport Infrastructure Program	Various	4,771	3,361	**1,410**	
Outback Tourism Infrastructure Fund	Various	7,796	6,541	**1,255**	
Growing Tourism Infrastructure Fund	Various	29,039	27,958	**1,081**	
Townsville skate park (Harold Phillips Park)	318	1,000	100	**900**	
Surf Life Saving infrastructure	Various	6,000	4,550	**700**	750
Townsville Sailing Club	318	4,000	3,435	**565**	
Great Barrier Reef Arena Development Project	312	10,000	9,500	**500**	
Growing Tourism Infrastructure Fund 2020	Various	25,190	24,690	**500**	
Great Barrier Reef Island Resorts Rejuvenation Program	Various	22,397	21,935	**462**	

Tourism, Innovation and Sport

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Cardwell Tropical Mountain Bike Trail	Various	491	300	**191**	
Various minor programs	Various	4,080	2,000	**2,080**	
Total Capital Grants				**105,103**	
STADIUMS QUEENSLAND					
Property, Plant and Equipment					
Annual capital program	Various			**46,863**	Ongoing
Total Property, Plant and Equipment				**46,863**	
TOTAL TOURISM, INNOVATION AND SPORT (PPE)				**65,249**	
TOTAL TOURISM, INNOVATION AND SPORT (CG)				**105,103**	

3.21 TRANSPORT AND MAIN ROADS

In 2022-23, total capital purchases for the Transport and Main Roads portfolio are $7.309 billion including capital grants of $579.4 million. The portfolio includes the Department of Transport and Main Roads, Queensland Rail, Cross River Rail Delivery Authority, Far North Queensland Ports Corporation Limited, Gladstone Ports Corporation Limited, North Queensland Bulk Ports Corporation Limited, Port of Townsville Limited, RoadTek and the Gold Coast Waterways Authority.

Department of Transport and Main Roads

In 2022-23, capital purchases total $5.022 billion towards infrastructure investment across the state. The Queensland Government is committed to delivering an integrated, safe and efficient transport system that connects regional Queenslanders and other communities throughout the State.

Program Highlights (Property, Plant and Equipment)

- $270.2 million towards extending the Gold Coast Light Rail (Stage 3) from Broadbeach South to Burleigh Heads, at a total estimated cost of $1.219 billion, in partnership with the Australian Government and Gold Coast City Council.
- $265 million towards constructing the Coomera Connector (Stage 1) between Coomera and Nerang, at a total estimated cost of $2.163 billion, in partnership with the Australian Government.
- $184.9 million towards constructing new rollingstock in Maryborough, at a total estimated cost of $600 million.
- $180 million towards upgrading the 10 kilometres of the Pacific Motorway (M1) between Varsity Lakes and Tugun, at a total estimated cost of $1 billion, in partnership with the Australian Government.
- $180 million towards providing a new 26 kilometre, 4-lane divided highway between the existing Bruce Highway interchange at Woondum, south of Gympie and Curra, at a total estimated cost of $1 billion, in partnership with the Australian Government.
- $128.3 million towards upgrading the Bruce Highway from 4 to 6 lanes between Caboolture-Bribie Island Road and Steve Irwin Way (Exit 163), at a total estimated cost of $662.5 million, in partnership with the Australian Government.
- $117.4 million towards duplicating from 2 to 4 lanes on the Bruce Highway (Cairns Southern Access Corridor Stage 3) from Edmonton to Gordonvale, at a total estimated cost of $481 million, in partnership with the Australian Government.
- $112.2 million towards ongoing accessibility modifications for New Generation Rollingstock to comply with disability standards.

- $110 million towards upgrading the 8 kilometres of the Pacific Motorway (M1) between Eight Mile Plains and Daisy Hill, at a total estimated cost of $750 million, in partnership with the Australian Government.
- $83.5 million towards duplication of a section of the Townsville Ring Road between Vickers Bridge and Shaw Road, at a total estimated cost of $230 million, in partnership with the Australian Government.
- $78.7 million towards Smart Ticketing at a total estimated cost of $371.1 million.
- $60 million towards new European Train Control System signalling for existing New Generation Rollingstock, at a total estimated cost of $374.1 million.
- $59.4 million towards constructing a new 14.7 kilometre ring road to link the Bruce Highway through Rockhampton extending from the Capricorn Highway (Nelson Street), to Rockhampton-Yeppoon Road/Bruce Highway intersection, at a total estimated cost of $1.065 billion, in partnership with the Australian Government.
- $56.5 million towards constructing the Walkerston Bypass to connect Peak Downs Highway west of Walkerston to the Mackay Ring Road near Paget, at a total estimated cost of $186.6 million, in partnership with the Australian Government.
- $51.5 million towards upgrading both the Maroochydore Road and Mons Road interchanges on the Bruce Highway at Forest Glen, at a total estimated cost of $301.3 million, in partnership with the Australian Government.
- $41.3 million towards upgrading sections on the North Coast rail line between Beerburrum train station and Nambour train station, at a total estimated cost of $550.8 million, in partnership with the Australian Government.
- $33.7 million towards upgrading the intersection of the Bruce Highway at Deception Bay Road, at a total estimated cost of $163.3 million, in partnership with the Australian Government.
- $31 million towards Logan and Gold Coast Faster Rail, at a total estimated cost of $2.598 billion, in partnership with the Australian Government.

Program Highlights (Capital Grants)

- $70 million towards Transport Infrastructure Development Scheme to local governments, including Aboriginal and Torres Strait Islander community assistance.
- $25 million towards upgrading the rail level crossing on Beams Road, Carseldine to reduce congestion and to address safety concerns.
- $12.6 million towards development of the cycle network throughout Queensland.

Far North Queensland Ports Corporation Limited

In 2022-23, Far North Queensland Ports Corporation Limited has allocated $9.2 million towards new and continuing development within its ports in Far North Queensland.

Program Highlights (Property, Plant and Equipment)

- $7.3 million towards further development of the Cairns Marine Precinct early works, at a total estimated cost of $32 million.
- $839,000 towards the decontamination and demolition of Whites Shed at Cityport Precinct 5 and potential heritage protection requirements, at a total estimated cost of $3.5 million.

Gladstone Ports Corporation Limited

In 2022-23, Gladstone Ports Corporation Limited has allocated $94.2 million towards ongoing development of the Port of Gladstone, and additional works at the Port of Bundaberg and the Port of Rockhampton.

Program Highlights (Property, Plant and Equipment)

- $13 million towards upgrades at the RG Tanna Coal Terminal at the Port of Gladstone including Shiploader 1 replacement, at a total estimated cost of $63.9 million.
- $9.3 million towards Port of Bundaberg Multi User Infrastructure Facility conveyor project, at a total estimated cost of $18.8 million. This total estimated cost does not include contributions from private industry.
- $6 million towards port services projects including East Shores 1C - Auckland Hill.

Gold Coast Waterways Authority

In 2022-23, the Gold Coast Waterways Authority has allocated $12.5 million to improve management of, and provide better access to, the Gold Coast Waterway, canals and rivers and to deliver The Spit Works Program.

Program Highlights (Property, Plant and Equipment)

- $7 million to deliver The Spit Works Program, including the Marine Stadium pontoon and jetty, and Muriel Henchman boat ramp and carparking facilities.
- $2.7 million to purchase a new work vessel and improvements to the Sand Bypass System.

North Queensland Bulk Ports Corporation Limited

In 2022-23, North Queensland Bulk Ports Corporation Limited has allocated $9.8 million to continue port planning and development initiatives to meet industry requirements for export facilities.

Program Highlights (Property, Plant and Equipment)

- $3.5 million to replace Middle Breakwater fuel line supports at the Port of Mackay, at a total estimated cost of $6.3 million.
- $855,000 to undertake hydrogen studies, at a total estimated cost of $6 million.
- $855,000 to improve the water distribution system at the Port of Mackay by constructing a new booster pump station including pumps, building, electrical and piping works, at a total estimated cost of $2.1 million.

Port of Townsville Limited

In 2022-23, Port of Townsville Limited has allocated $56 million towards ongoing development at the Port of Townsville.

Program Highlights (Property, Plant and Equipment)

- $47.8 million to continue the capital dredging and reclamation works to widen the shipping channels for access by larger vessels, at a total estimated cost of $232 million.

Queensland Rail

In 2022-23, $797.1 million is allocated towards capital purchases for Queensland Rail.

Program Highlights (Property, Plant and Equipment)

$450.4 million is provided towards projects that will grow or enhance the Queensland Rail network including:

- $136.9 million towards implementing the European Train Control System Level 2 in the Brisbane Inner City Network.
- $67.6 million towards constructing Clapham Yard Stabling at Moorooka.
- $47.7 million towards station accessibility upgrades at Albion, Auchenflower, Banyo, Bundamba, Buranda, Burpengary, Cannon Hill, East Ipswich, Lindum, and Morningside train stations.
- $18.3 million towards upgrading vehicle and pedestrian access at Mayne Yard.
- $14 million towards signalling integration works to enable delivery of the European Train Control System.

$346.8 million to replace, renew and upgrade rail infrastructure, rollingstock, buildings, facilities, and other network assets including:

- $167.8 million to invest in the regional network including rollingstock, operational facilities, track infrastructure, civil structures and signalling.
- $147.9 million to invest in the South East Queensland network including rollingstock, operational facilities, track infrastructure, civil structures and signalling.
- $31.1 million for business enabling investment on corporate, property and ICT works across Queensland.

Cross River Rail Delivery Authority

In 2022-23, $1.290 billion has been allocated to continue construction of the 10.2 kilometre rail line from Dutton Park to Bowen Hills, including 5.9 kilometres of twin tunnels under the Brisbane River and CBD, 4 new underground stations and 8 rebuilt above ground stations.

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
DEPARTMENT OF TRANSPORT AND MAIN ROADS					
Property, Plant and Equipment					
South Coast District					
Beaudesert - Beenleigh Road[1] (Belivah), Armstrong Road to Stubbin Street, widen pavement	311	10,000	1,313	**6,387**	2,300
Beaudesert - Beenleigh Road,[2] Milne Street to Tallagandra Road, duplicate to four lanes	311	10,000	1,591	**7,529**	880
Coomera Connector (Stage 1), Coomera to Nerang, construct new route	309	2,162,700	165,547	**265,000**	1,732,153
Cunningham Highway (Ipswich -[3] Warwick), 2020 Disaster Recovery Funding Arrangements reconstruction works	310	84,276	8,731	**20,545**	55,000
Currumbin Creek - Tomewin Road[3] (Part A), 2021 Disaster Recovery Funding Arrangements reconstruction works	309	10,372	50	**8,309**	2,013
Gold Coast Light Rail (Stage 3),[4] Broadbeach South to Burleigh Heads, construct light rail	309	1,219,000	180,829	**270,240**	767,931

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Hope Island Road, Jabiru Island bridges (Coombabah Creek), rehabilitate bridges	309	15,000	1,352	**5,800**	7,848
Lamington National Park Road[3] (Part A), 2021 Disaster Recovery Funding Arrangements reconstruction works	Various	11,019	1,098	**7,783**	2,138
Loganlea train station relocation[5]	311	95,076	2,613	**16,317**	76,146
Mount Lindesay Highway[6] (Brisbane - Beaudesert), Jimboomba to Beaudesert, various locations, improve intersections	311	17,137	10,137	**4,400**	2,600
Mount Lindesay Highway (Brisbane - Beaudesert), Johanna Street to South Street (Jimboomba), duplication	311	53,000	6,500	**21,100**	25,400
Mount Lindesay Highway[7] (Brisbane - Beaudesert), Stoney Camp Road to Chambers Flat Road, construct additional lanes	311	75,000	38,326	**10,454**	26,220
Nerang - Murwillumbah Road,[6] various locations, safety treatments	309	41,072	13,937	**20,000**	7,135
New Gold Coast Stations, design[8] and construction	Various	120,000	12,778	**57,222**	50,000
Pacific Motorway, Daisy Hill to[9] Logan Motorway, funding commitment	311	1,000,000	26,200	**33,800**	940,000
Pacific Motorway, Eight Mile Plains to Daisy Hill Upgrade	311	750,000	327,982	**110,000**	312,018
Pacific Motorway, Exit 41,[2] upgrade interchange	309	82,137	42,203	**22,197**	17,737
Pacific Motorway, Exit 45 southbound off-ramp, upgrade interchange	309	20,000	5,400	**5,600**	9,000
Pacific Motorway, Exit 49,[2] upgrade interchange	309	110,768	12,763	**27,700**	70,305
Pacific Motorway, Varsity Lakes (Exit 85) to Tugun (Exit 95) upgrade	309	1,000,000	498,946	**180,000**	321,054

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Tamborine - Oxenford Road,[10] Howard Creek Causeway, upgrade flood immunity	309	10,000	7,500	**1,668**	832
Other construction	Various	117,883		**117,883**	
Sub-total South Coast District				**1,219,934**	
Metropolitan District					
Brisbane Metro, Woolloongabba[11] Station	305	450,000		**2,000**	448,000
Centenary Bridge upgrade	304	244,000	21,536	**16,479**	205,985
Centenary Motorway and Logan[1] Motorway, upgrade interchange	310	15,000	1,650	**11,827**	1,523
Chermside bus stop, construct southbound platform	302	11,522	2,602	**5,836**	3,084
Cleveland - Redland Bay Road,[12] Anita Street to Magnolia Parade, duplicate to four lanes	301	97,000	21,955	**17,982**	57,063
Cleveland - Redland Bay Road,[6] various locations, improve intersections	301	11,140	3,740	**5,000**	2,400
Gateway Motorway, Bracken[13] Ridge to Pine River upgrade, funding commitment	302	1,000,000	6,600	**4,800**	988,600
Gympie Arterial Road and[2] Strathpine Road (Bald Hills), improve intersection	302	30,000	22,500	**4,980**	2,520
Inner Northern Busway Enhancement, Roma Street, bus station improvement	305	12,000		**1,500**	10,500
Ipswich - Cunningham Highway[1] Connection Road (Brisbane Road), Chermside Road and Glebe Road, improve intersection	310	10,000	2,150	**4,200**	3,650
Linkfield Road Overpass[14] upgrade	302	125,000	3,944	**2,400**	118,656
Moggill Sub - Arterial Road and[2] Brookfield Road (Kenmore Roundabout), upgrade intersection	304	25,000	542	**2,458**	22,000

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Mount Lindesay Arterial Road[1] (Beaudesert Road) and Illaweena Street, upgrade intersection	303	30,000	2,562	**15,000**	12,438
Northern Transitway, bus priority works	302	72,000	27,916	**18,868**	25,216
Veloway 1 (V1) Cycleway, O'Keefe Street, construct cycle bridge and approaches	303	22,030	2,571	**11,535**	7,924
Other construction	Various	105,951		**105,951**	
Sub-total Metropolitan District				**230,816**	
North Coast District					
Beerburrum to Nambour Rail Upgrade (Stage 1)	316	550,791	61,960	**41,300**	447,531
Bells Creek Arterial Road, Caloundra Road to Bells Creek interchange, funding commitment	316	35,000	12,250	**22,750**	
Brisbane Valley Highway (Ipswich[6] - Harlin), Warrego Highway to Fernvale, improve safety	310	14,400	1,484	**10,105**	2,811
Bruce Highway (Brisbane - Gympie), Caboolture - Bribie Island Road to Steve Irwin Way upgrade	313	662,500	202,891	**128,336**	331,273
Bruce Highway (Brisbane - Gympie), Deception Bay Road interchange upgrade	313	163,300	109,309	**33,697**	20,294
Bruce Highway (Brisbane - Gympie), Maroochydore Road and Mons Road Interchanges Upgrade	316	301,250	228,321	**51,489**	21,440
Bruce Highway (Brisbane -[13] Gympie), Pine River to Dohles Rocks Road interchange, funding commitment	314	1,098,000	18,281	**7,050**	1,072,669
Caboolture - Bribie Island Road,[15] upgrade program	313	30,400	11,424	**10,550**	8,426
Clontarf - Anzac Avenue (Elizabeth[16] Avenue), construct active transport overpass	313	19,000	1,850	**9,650**	7,500

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $‘000	Expenditure to 30-06-22 $‘000	**Budget 2022-23 $‘000**	Post 2022-23 $‘000
D’Aguilar Highway (Kilcoy -[10] Yarraman), Sandy Creek to Kilcoy, improve safety	313	19,000	5,733	**7,017**	6,250
Glasshouse Mountains Road[10] (Steve Irwin Way), Beerwah to Landsborough, improve safety	316	18,000	8,304	**9,696**	
Kin Kin Road, Six Mile Creek,[1] replace timber bridge	316	18,000	4,195	**10,805**	3,000
Mooloolaba Road and Sugar Road intersection, upgrade	316	15,000	2,105	**3,500**	9,395
Morayfield Road and Beerburrum[6] Road, various locations, improve intersections	313	36,600	27,391	**7,045**	2,164
Mount Glorious Road and Samford[6] - Mount Glorious Road, improve safety	314	11,300	10,234	**1,066**	
Strathpine - Samford Road, Eatons[6] Crossing Road and Mount Samson Road intersection, improve safety	314	57,000	6,095	**16,000**	34,905
Sunshine Motorway, Mooloolah River Interchange Upgrade (Stage 1)	316	320,000	8,500	**25,000**	286,500
Other construction	Various	154,085		**154,085**	
Sub-total North Coast District				**549,141**	
Wide Bay Burnett District					
Booral Road and Boundary Road (Urangan), intersection upgrade	319	18,712	210	**1,102**	17,400
Bruce Highway (Cooroy to Curra) Section D, construction	319	1,000,000	418,081	**180,000**	401,919
Bruce Highway (Gympie - Benaraby), various locations, upgrade culverts	319	44,694	3,636	**16,344**	24,714
Bruce Highway (Gympie - Maryborough), Gootchie Road to Sheehans Road, widen pavement and improve safety	319	26,647	5,918	**8,132**	12,597
Bruce Highway (Gympie - Maryborough), Tiaro Bypass, construct four lane bypass	319	336,000	6,530	**2,700**	326,770

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Bruce Highway (Maryborough - Gin Gin), Adies Road to Ringwood Road, widen pavement and improve safety	319	12,840	1,555	**7,741**	3,544
Bruce Highway (Maryborough - Gin Gin), Saltwater Creek and Deadmans Gully, flood immunity upgrades	319	103,000	69,744	**28,641**	4,615
Bruce Highway (Maryborough - Gin Gin), west of Apple Tree Creek, construct overtaking lanes	319	13,400	5,514	**4,156**	3,730
D'Aguilar Highway (Yarraman -[6] Kingaroy), Alexander Lane to Bunya Highway, improve safety	319	18,010	8,441	**2,050**	7,519
Isis Highway (Bundaberg -[6] Childers), various locations, improve safety	319	41,818	3,359	**10,002**	28,457
Maryborough - Hervey Bay Road[17] and Pialba - Burrum Heads Road, upgrade intersection	319	44,100		**2,731**	41,369
Monto - Mount Perry Road,[16] upgrade existing gravel road	319	10,600	3,349	**7,251**	
Mundubbera - Durong Road, John[18] Peterson Bridge (Boyne River), replace bridge	319	25,000	13,337	**7,304**	4,359
Torbanlea - Pialba Road, various[18] locations, upgrade intersections and floodways	319	30,000	5,507	**21,387**	3,106
Other construction	319	81,697		**81,697**	
Sub-total Wide Bay Burnett District				**381,238**	
Darling Downs District					
Cunningham Highway (Ipswich - Warwick), Eight Mile intersection upgrade	307	25,000	14,003	**4,615**	6,382
Cunningham Highway (Ipswich -[17] Warwick), Tregony to Maryvale, safety treatments	307	16,750		**2,350**	14,400
Gore Highway (Millmerran - Goondiwindi), Wyaga Creek, upgrade floodway	307	45,240	200	**7,080**	37,960

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Gore Highway (Pittsworth -[18] Millmerran), various locations, rehabilitate pavement	307	17,000	10,310	**6,690**	
New England Highway[6] (Toowoomba - Warwick), improve safety	317	11,500	850	**8,500**	2,150
Other construction	Various	87,144		**87,144**	
Sub-total Darling Downs District				**116,379**	
South West District					
Quilpie - Adavale Road, various[19] locations, upgrade seal and floodways	315	6,763	5,440	**1,323**	
Other construction	Various	37,748		**37,748**	
Sub-total South West District				**39,071**	
Fitzroy District					
Bruce Highway (Gin Gin - Benaraby), Charnwood Road to Palm Creek, improve safety	308	24,000	20,331	**3,669**	
Bruce Highway (Gin Gin - Benaraby), Station Creek and Boyne River, upgrade bridges	308	13,800	165	**3,500**	10,135
Bruce Highway (Rockhampton - St Lawrence) and Bolsover Street, upgrade intersection	308	40,000	1,936	**2,500**	35,564
Bruce Highway (Rockhampton - St Lawrence), Neilsen Avenue to Plentiful Creek, improve safety	308	21,250	19,230	**2,020**	
Dawson Highway (Gladstone - Biloela), various locations, strengthen bridges and widen and rehabilitate pavement	308	14,200	10,660	**3,540**	
Gavial - Gracemere Road (Lawrie[1] Street), widen to four lanes and upgrade intersections	308	35,000	24,786	**10,214**	
Rockhampton - Emu Park Road, upgrade overtaking lanes and improve safety	308	19,000	2,000	**7,000**	10,000

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Rockhampton - Yeppoon Road,[18] Yeppoon Road upgrade	308	80,000	5,131	**25,000**	49,869
Rockhampton Ring Road	308	1,065,000	104,041	**59,449**	901,510
Other construction	308	120,136		**120,136**	
Sub-total Fitzroy District				**237,028**	
Central West District					
Barcaldine - Aramac Road, widen[16] and rehabilitate	315	5,100	3,400	**1,700**	
Other construction	315	48,345		**48,345**	
Sub-total Central West District				**50,045**	
Mackay Whitsunday District					
Blue Mountain Road, Scrubby[1] Creek and Hut Creek, replace timber bridges	312	10,200	6,049	**2,501**	1,650
Bruce Highway (Bowen - Ayr), Armstrong Creek overflow, construct northbound and southbound overtaking lanes	312	13,480	7,631	**1,440**	4,409
Bruce Highway (Bowen - Ayr), West Euri Road to Abbott Point Road, construct northbound and southbound overtaking lanes	312	11,654	6,457	**3,534**	1,663
Bruce Highway (Mackay - Proserpine), Jumper Creek, upgrade flood immunity	312	23,000	3,362	**12,500**	7,138
Bruce Highway (Proserpine - Bowen), Ten Mile Creek to Yeates Creek, improve safety	312	44,070	17,302	**15,000**	11,768
Mackay Northern Access Upgrade, construct additional lanes	312	144,550	118,893	**6,094**	19,563
Mackay Port Access, Bruce Highway to Mackay - Slade Point Road, construct new two lane road	312	350,000	9,065	**9,503**	331,432
Mackay Ring Road (Stage 1)[20]	312	497,375	360,314	**15,000**	122,061
Peak Downs Highway (Clermont -[21] Nebo), Wuthung Road to Caval Ridge Mine, widen and strengthen pavement	312	35,000	22,087	**5,892**	7,021

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Proserpine - Shute Harbour[18] Road, Hamilton Plains, flood immunity upgrade	312	21,000	1,144	**2,500**	17,356
Walkerston Bypass	312	186,600	44,976	**56,543**	85,081
Other construction	312	90,326		**90,326**	
Sub-total Mackay Whitsunday District				**220,833**	
Northern District					
Bruce Highway (Bowen - Ayr), Fredericksfield Road to Homestead Road, construct overtaking lanes	318	10,435	1,252	**5,645**	3,538
Burdekin River Bridge,[22] rehabilitation program	318	96,931	52,891	**4,000**	40,040
Douglas - Garbutt Road[6] (Townsville), various locations (Stage 1), improve intersections	318	13,562	1,267	**1,114**	11,181
Flinders Highway (Townsville -[18] Charters Towers), Townsville to Mingela Range (Package 1 and 2), construct overtaking lanes	318	33,390	3,241	**13,881**	16,268
Garbutt - Upper Ross Road (Riverway Drive, Stage 2), Allambie Lane to Dunlop Street, duplicate to four lanes	318	95,000	3,683	**5,000**	86,317
Gregory Developmental Road[18] (Charters Towers - The Lynd), Airport Drive to Lucky Springs Road, strengthen and widen pavement	318	15,300	2,090	**3,404**	9,806
Gregory Developmental Road[10] (Charters Towers - The Lynd), Marble Creek to Christmas Creek, widen pavement	318	25,000	12,331	**9,169**	3,500
Townsville Connection Road (Idalia), University Road to Bowen Road Bridge (Stuart Drive), improve safety	318	46,400	2,342	**4,681**	39,377
Townsville Connection Road (Stuart Drive), Bowen Road Bridge (Idalia), duplicate bridge and approaches	318	70,000		**2,000**	68,000

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Townsville Northern Access[23] Intersections Upgrade	318	99,768	58,853	**20,649**	20,266
Townsville Ring Road (Stage 5)	318	230,000	118,463	**83,500**	28,037
Other construction	318	79,800		**79,800**	
Sub-total Northern District				**232,843**	
North West District					
Flinders Highway (Hughenden -[18] Richmond), upgrades, various locations	315	33,835		**1,250**	32,585
Flinders Highway (Julia Creek -[18] Cloncurry), Scrubby Creek, strengthen pavement and widen floodway	315	42,650	3,629	**27,799**	11,222
Kennedy Developmental Road[18] (The Lynd - Hughenden), progressive sealing	315	50,000	28,230	**13,446**	8,324
Other construction	315	45,061		**45,061**	
Sub-total North West District				**87,556**	
Far North District					
Bruce Highway (Ingham - Innisfail), Dallachy Road, install floodway	306	11,000	1,349	**1,048**	8,603
Bruce Highway (Ingham - Innisfail), Liverpool Creek to Aldridge Road (Cowley), realign and widen pavement	306	24,900	2,380	**6,150**	16,370
Bruce Highway (Ingham - Innisfail),[24] Smiths Gap, construct southbound overtaking lane and fauna overpass	306	30,724	12,644	**14,520**	3,560
Bruce Highway, Cairns Southern Access Corridor (Stage 3), Edmonton to Gordonvale, construction	306	481,000	356,850	**117,398**	6,752
Bruce Highway, Cairns Southern Access Corridor (Stage 5), Foster Road, upgrade intersection	306	225,000	2,287	**3,750**	218,963
Cairns Ring Road (Cairns CBD to Smithfield)	306	359,000	8,403	**10,471**	340,126

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Cairns Southern Access Cycleway,[25] construct cycleway	306	24,029	10,551	**2,937**	10,541
Cairns Western Arterial Road, Redlynch Connector Road to Captain Cook Highway, duplication	306	300,000	9,057	**18,200**	272,743
Captain Cook Highway (Cairns - [6] Mossman) (Section 2), improve safety	306	21,667	11,240	**4,094**	6,333
Gillies Range Road, various[6] locations, improve safety	306	19,314	9,908	**4,734**	4,672
Gulf Developmental Road[18] (Georgetown - Mount Garnet) (Package 1), strengthen and widen pavement	315	12,318	3,162	**7,327**	1,829
Kennedy Highway (Cairns - [6] Mareeba) (Section 6), road safety enhancement works	306	12,826	1,899	**9,027**	1,900
Kennedy Highway (Cairns -[10] Mareeba), Kuranda Range, Intelligent Transport System	306	35,000	12,130	**12,870**	10,000
Kennedy Highway (Mareeba -[10] Atherton), targeted road safety improvements	306	37,500	29,500	**1,000**	7,000
Peninsula Developmental Road[26] (Coen - Weipa), Archer River Crossing southern approach, pave and seal	315	11,462	3,550	**5,113**	2,799
Peninsula Developmental Road[26] (Coen - Weipa), Archer River Crossing, construct bridge	315	44,867	5,107	**25,308**	14,452
Peninsula Developmental Road[26] (Coen - Weipa), Merluna to York Downs, pave and seal	315	20,350	16,825	**2,215**	1,310
Peninsula Developmental Road[26] (Laura - Coen), Musgrave to Red Blanket (Part B), pave and seal	315	11,073	2,423	**4,053**	4,597
Peninsula Developmental Road[26] (Laura - Coen), Yarraden to Three Sisters (Part A), pave and seal	315	17,641	1,107	**5,094**	11,440

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Yorkeys Knob, construct boat ramp and floating walkways	306	12,033	5,108	**6,225**	700
Other construction	Various	70,148		**70,148**	
Sub-total Far North District				**331,682**	
Statewide					
Bruce Highway (Pine River - Cairns), Road Operations Improvements	Various	56,000	35,415	**10,144**	10,441
Logan and Gold Coast Faster Rail (Kuraby to Beenleigh) upgrade	311	2,598,155	20,420	**31,048**	2,546,687
Marine Safety minor works	Various			**17,550**	Ongoing
New Generation Rollingstock[4]	Various	4,155,705	1,549,526	**112,194**	2,493,985
New Generation Rollingstock,[4] Automatic Train Operation and Platform Screen Doors fitment	Various	275,700	15,032	**80,990**	179,678
New Generation Rollingstock,[4] European Train Control System fitment, install new signalling	Various	374,084	108,773	**60,000**	205,311
Queensland Train Manufacturing[27] Program, construct new rollingstock	319	600,000	30,779	**184,873**	384,348
Transport Corridor Acquisition Fund	Various			**55,600**	Ongoing
Other construction	Various	110,707		**110,707**	
Sub-total Statewide				**663,106**	
Other Property, Plant and Equipment					
Corporate buildings	Various			**23,360**	Ongoing
Information technology	Various			**33,262**	Ongoing
Plant and Equipment	Various			**24,892**	Ongoing
Smart Ticketing	Various	371,060	269,658	**78,702**	22,700
Sub-total Other Property, Plant and Equipment				**160,216**	
Total Property, Plant and Equipment				**4,519,888**	
Capital Grants					
Active Transport Rail Trails	Various	17,682	5,249	**1,175**	11,258
Alma Bay to Horseshoe Bay (Magnetic Island), upgrade various roads	318	7,000	4,200	**2,800**	

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Beams Road (Carseldine and[28] Fitzgibbon), rail level crossing upgrade	302	209,330	6,330	**25,000**	178,000
Black Spot Program	Various			**21,208**	Ongoing
Boundary Road (Coopers Plains), rail[29] level crossing, funding commitment	303	206,000	5,600	**1,300**	199,100
Bridges Renewal Program[30]	Various			**13,367**	Ongoing
Brisbane Metro[31]	305	300,000	100,000	**70,000**	130,000
Bus Stop Shelter Program	Various	20,000	17,865	**2,135**	
Cycling program	Various			**12,584**	Ongoing
Eastern Transitway (Stage 1), bus priority works	303	30,000	20,946	**7,654**	1,400
Gold Coast Light Rail (Stage 3), Broadbeach South to Burleigh Heads, construct cycleway	309	20,000	1,500	**3,000**	15,500
Heavy Vehicle Safety and[32] Productivity	Various			**9,777**	Ongoing
Lansdown Eco-Industrial Precinct (Calcium), upgrade road and rail infrastructure	318	12,000	2,400	**2,400**	7,200
Passenger Transport Accessible Infrastructure Program	Various			**3,200**	Ongoing
Other passenger transport grants	Various			**19,389**	Ongoing
Roads of Strategic Importance Initiative	Various	165,910	37,302	**32,049**	96,559
School Bus Upgrade Program	Various			**11,747**	Ongoing
School Transport Infrastructure Program	Various	60,000	19,261	**10,431**	30,308
Tewantin Bypass Stage 1, Cooroy -[33] Noosa Road and Beckmans Road intersection upgrade	316	9,810	5,906	**3,904**	
Transport Infrastructure Development Scheme	Various			**70,000**	Ongoing
Urban Congestion Fund	Various	347,290	99,337	**103,529**	144,424
Wheelchair accessible taxi sustainability funding	Various	20,890	15,472	**5,418**	
Zero Emissions Vehicle Strategy 2022-32 & Action Plan 2022-24 - charging infrastructure	Various	10,000		**4,000**	6,000
Other capital grants	Various	65,810		**65,810**	

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Total Capital Grants				**501,877**	
FAR NORTH QUEENSLAND PORTS CORPORATION LIMITED					
Property, Plant and Equipment					
Cairns Marine Precinct early works	306	32,000	10,303	**7,279**	14,418
Cairns shipping development project - fine sediment offset	306	1,780	1,030	**126**	624
General cargo consolidation	306	20,983	783	**67**	20,133
Mourilyan lease acquisitions	306	2,289	1,289	**335**	665
Plant, equipment and minor works	306			**528**	Ongoing
Site decontamination at Cityport Precinct 5	306	3,500	1,000	**839**	1,661
Total Property, Plant and Equipment				**9,174**	
GLADSTONE PORTS CORPORATION LIMITED					
Property, Plant and Equipment					
RG Tanna Coal Terminal Projects Conveyor life extension	308			**1,782**	Ongoing
Process control systems, stockpile management and upgrades	308			**27,701**	Ongoing
Ship loader (SL1) replacement	308	63,921	5,381	**13,025**	45,515
Auckland Point Central projects	308			**812**	Ongoing
Auckland Point projects	308			**7,300**	Ongoing
Barney Point projects	308			**1,624**	Ongoing
Fisherman's landing projects	308			**1,832**	Ongoing
Information systems projects	308			**4,759**	Ongoing
Marina projects	308			**1,953**	Ongoing
Marine pilot services projects	308			**812**	Ongoing
Plant, equipment and minor works	308			**5,623**	Ongoing
Port Alma projects	308			**2,095**	Ongoing
Port of Bundaberg conveyor project[34]	319	18,760	7,311	**9,298**	2,151
Port of Bundaberg projects	319			**4,718**	Ongoing
Port services projects	308			**5,984**	Ongoing
Quarry projects	308			**609**	Ongoing
Right-of-use lease assets	308	3,298		**3,298**	
Tug facility projects	319	1,800		**975**	825

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Total Property, Plant and Equipment				**94,200**	
GOLD COAST WATERWAYS AUTHORITY					
Property, Plant and Equipment					
Navigational Access and Safety Program, various locations, dredging navigation channels	309	3,565	130	**1,015**	2,420
Boating Infrastructure Program, various locations	309	9,920	1,710	**1,810**	6,400
Plant, equipment and minor works	309	9,215	2,410	**2,675**	4,130
Spit Masterplan (Southport), northern end of Main Beach, implement spit masterplan	309	29,284	2,822	**7,036**	19,426
Total Property, Plant and Equipment				**12,536**	
NORTH QUEENSLAND BULK PORTS CORPORATION LIMITED					
Property, Plant and Equipment					
Abbot Point Port development - general works	312			**74**	Ongoing
Armour rock stockpile	312	1,050		**114**	936
Business improvement	312			**58**	Ongoing
Cargo handling security and operational improvements	312	1,000		**570**	430
5 yearly dredging at Hay Point	312	5,640		**228**	5,412
5 yearly dredging at Mackay	312	2,000		**114**	1,886
Hay Point Port development - general works	312			**142**	Ongoing
Hydrogen trade studies	312	6,000		**855**	5,145
Louisa Creek acquisition program	312			**600**	Ongoing
Mackay Port development general	312			**684**	Ongoing
Middle Breakwater fuel line supports replacement	312	6,312	247	**3,457**	2,608
Marine Offloading Facility dredging	312	3,000		**855**	2,145
New Abbot Point Eastern Precinct Facility (stage 1)	312	1,020	50	**228**	742
Replacement of port security building	312	1,650		**199**	1,451
Weipa Port development - general works	315			**85**	Ongoing

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Harbour road upgrade (Middle Breakwater)	312	1,900		**570**	1,330
Water distribution system improvements - new booster pump station (stage 2)	312	2,052	552	**855**	645
Northern Breakwater inner revetment upgrade	312	1,600		**142**	1,458
Total Property, Plant and Equipment				**9,830**	
PORT OF TOWNSVILLE LIMITED					
Property, Plant and Equipment					
Channel capacity upgrade	318	232,000	112,920	**47,793**	71,287
Other infrastructure and maintenance works	318			**6,270**	Ongoing
Plant, equipment and minor works	318			**1,177**	Ongoing
Road network upgrades	318			**377**	Ongoing
Wharf facilities upgrades	318			**403**	Ongoing
Total Property, Plant and Equipment				**56,020**	
QUEENSLAND RAIL					
Property, Plant and Equipment					
Growth - Externally Led					
Breakfast Creek Bridge, realign[35] track	305	34,723	15,260	**9,342**	10,121
Bridge pier protection[35]	Various	3,778	2,674	**273**	831
Caboolture bus and rail[36] interchange and precinct upgrade	313	14,600		**1,200**	13,400
Clapham Yard Stabling[35]	303	301,356	62,628	**67,552**	171,176
European Train Control System[37] Level 2	Various	717,323	409,271	**118,674**	189,378
Other European Train Control System Level 2 - Inner City	Various			**18,201**	Ongoing
Station Upgrades Fairfield to[35] Salisbury	303	52,540	18,829	**10,847**	22,864
Inner City signalling upgrades[35]	305	39,279	14,416	**9,989**	14,874
Mayne Yard Relocations[35]	305	22,393	7,120	**5,886**	9,387
Mayne Yard Accessibility[35]	305	96,827	60,352	**18,348**	18,127

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Moolabin Power Upgrade[35]	303	18,075	3,748	**820**	13,507
Other rail network enhancements	Various			**7,994**	Ongoing
Other station and network improvements	Various			**883**	Ongoing
Rail station access[38] improvements	Various	159,660		**16,300**	143,360
Third track between Roma Street[35] and Exhibition Station	305	7,150	4,618	**865**	1,667
Signalling Integration Works	Various	136,000		**14,030**	121,970
Bald Hills train station, construct[36] park 'n' ride	302	4,800		**400**	4,400
Lindum train station, Sibley Road,[36] construct park 'n' ride	301	4,999	219	**2,075**	2,705
Narangba train station, construct[36] park 'n' ride	313	6,630	130	**1,900**	4,600
Other park 'n' rides	Various			**14,303**	Ongoing
Sub-total Growth - Externally Led				**319,882**	
Growth - Internally Led					
Breakfast Creek Bridge Replacement	305	2,000		**2,000**	
Inner City Rail Corridor, upgrade signalling and interlocking	305	1,500		**1,500**	
Mount Isa Line, capacity and[39] resilience improvements	315	50,000	2,843	**7,157**	40,000
Other Rail Growth	Various			**58,184**	Ongoing
Wacol Yard Upgrade - Third Party Stabling	310	5,907	7	**5,900**	
Albion train station, Mawarra Street, upgrade station	305	16,516	1,170	**5,498**	9,848
Auchenflower train station, Auchenflower Terrace, upgrade station	305	42,649	34,655	**7,023**	971
Banyo train station, St Vincents Road, upgrade station	302	28,449	2,700	**3,380**	22,369
Bundamba train station, Mining Street, upgrade station	310	33,999	2,146	**7,593**	24,260
Buranda train station, Arne Street (Woolloongabba), upgrade station	303	36,690	4,351	**8,038**	24,301
Burpengary train station, Burpengary Road, upgrade station	313	36,608	1,891	**4,028**	30,689

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Cannon Hill train station, Barrack Road, upgrade station	303	26,941	22,822	**3,009**	1,110
East Ipswich train station, Merton Street, upgrade station	310	35,300	30,320	**417**	4,563
Lindum train station, Sibley Road, upgrade station	301	34,546	3,505	**5,177**	25,864
Morningside train station, Waminda Street, upgrade station	305	41,416	2,444	**3,539**	35,433
South Bank train station, Grey Street (South Brisbane), upgrade station	305	26,634	15,708	**8,040**	2,886
Sub-total Growth - Internally Led				**130,483**	
South East Queensland Network					
Rail Network Maintenance[40] Program, South East Queensland network, maintain above rail assets	Various			**89,009**	Ongoing
Rail Network Maintenance[41] Program, South East Queensland network, maintain below rail assets	Various			**58,906**	Ongoing
Sub-total South East Queensland Network				**147,915**	
Regional Network					
Maintenance of below rail assets - Townsville - Mount Isa Rail Line	Various			**16,318**	Ongoing
Rail Network Maintenance[42] Program, North Coast Line, maintain below rail assets	Various			**42,515**	Ongoing
Rail Network Maintenance[43] Program, Regional network, maintain above rail assets	Various			**65,186**	Ongoing
Rail Network Maintenance[44] Program, West Moreton, maintain below rail assets	Various			**16,984**	Ongoing
Rail Network Maintenance[45] Program, Western region, maintain below rail assets	Various			**26,763**	Ongoing
Sub-total Regional Network				**167,766**	
Enterprise					

Transport and Main Roads

Project	Statistical Area	Total Estimated Cost $'000	Expenditure to 30-06-22 $'000	**Budget 2022-23 $'000**	Post 2022-23 $'000
Enterprise Assets	Various			**19,267**	Ongoing
Enterprise Other	Various			**7,008**	Ongoing
Information and Technology	Various			**4,554**	Ongoing
Safety and Risk	Various			**274**	Ongoing
Sub-total Enterprise				**31,103**	
Total Property, Plant and Equipment				**797,149**	
ROADTEK					
Property, Plant and Equipment					
Construction plant works	Various			**19,000**	Ongoing
Total Property, Plant and Equipment				**19,000**	
CROSS RIVER RAIL DELIVERY AUTHORITY					
Property, Plant and Equipment					
Cross River Rail	305	6,725,804	4,721,703	**1,212,087**	792,014
Total Property, Plant and Equipment				**1,212,087**	
Capital Grants					
Cross River Rail - third party returnable works	305	162,196	84,709	**77,487**	
Total Capital Grants				**77,487**	
TOTAL TRANSPORT AND MAIN ROADS (PPE)				**6,729,884**	
TOTAL TRANSPORT AND MAIN ROADS (CG)				**579,364**	

Notes:

1. Funded through the Queensland Government's Economic Recovery Strategy: Unite and Recover for Queensland Jobs.
2. Jointly funded by the Queensland Government and Australian Government (part of its Urban Congestion Fund).
3. Eligible projects under the Natural Disaster Program are jointly funded by the Australian Government and Queensland Government. The funding is provided to the Department of Transport and Main Roads through the Queensland Reconstruction Authority.
4. This project is being delivered as a public private partnership.
5. Jointly funded by the Australian Government (part of its Urban Congestion Fund) and Queensland Government, including contributions from Department of Transport and Main Roads and Queensland Rail.
6. Funded through the Queensland Government's High Risk Roads Initiative, as part of the Targeted Road Safety Program.

Transport and Main Roads

7. Jointly funded by the Queensland Government (part of its Economic Recovery Strategy: Unite and Recover for Queensland Jobs) and the Australian Government (part of its Urban Congestion Fund).
8. Queensland Government commitment for three new Gold Coast railway stations at Pimpama, Hope Island and Merrimac. Project cost and timing subject to further planning.
9. Project cost, scope and timing subject to further planning.
10. Jointly funded by the Queensland Government and Australian Government (part of its Roads Infrastructure Stimulus Package).
11. Represents a funding commitment by the Australian Government, Queensland Government and Brisbane City Council, with project details subject to further planning.
12. Partly funded through the Queensland Government's Economic Recovery Strategy: Unite and Recover for Queensland Jobs. This is part of a package of works to upgrade Cleveland - Redland Bay Road.
13. This commitment covers a program of works encompassing the Gateway Motorway (between Bracken Ridge and the Pine River) and the Bruce Highway (between the Gateway Motorway and Dohles Rocks Road interchange, including Dohles Rocks Road north-facing ramps (Northern Connections)). The program also includes planning for the Gympie Arterial Road (between Strathpine Road and Gateway Motorway) and planning for a new road along the North South Urban Arterial corridor (known as Moreton Connector) between Dohles Rocks Road and Anzac Avenue.
14. Part of the Australian Government's Bruce Highway Upgrade Program, jointly funded by the Australian Government and Queensland Government.
15. Includes funding for Old Toorbul Point Road intersection signalisation.
16. Jointly funded by the Queensland Government and Australian Government (part of its Road Safety Program).
17. Jointly funded by the Australian Government and Queensland Government. Project details and timing subject to negotiation with the Australian Government.
18. Jointly funded by the Queensland Government and Australian Government (part of its Roads of Strategic Importance initiative).
19. Funded through the Queensland Government's Transport Infrastructure Development Scheme.
20. Construction on the Mackay Ring Road is complete, with remaining workings associated with the Bald Hill Connection Road.
21. Part of the Australian Government's Northern Australia Roads Program, jointly funded by the Australian Government and Queensland Government.
22. Includes an agreed contribution from Queensland Rail.
23. This funding does not include $7.88 million of interim early works that were completed in 2018-19.
24. This project includes delivery of a fauna crossing over the Bruce Highway.
25. This cycleway project is funded as part of the Bruce Highway - Cairns Southern Access Stage 2 (Robert Road to Foster Road) project.
26. Part of the Cape York Region Package Stage 2, jointly funded by the Queensland Government and Australian Government (part of its Roads of Strategic Importance initiative).
27. This forms part of the $7.1 billion to boost the state's train manufacturing industry and build and operate 65 trains, subject to the outcomes of the competitive procurement process.
28. Jointly funded by the Queensland Government, Australian Government and Brisbane City Council.
29. Represents a funding commitment by the Queensland Government and Australian Government. Project cost, timing and funding arrangements subject to further planning and negotiation with Brisbane City Council and the Australian Government (in line with its 2022 Federal Election commitment).
30. Part of the Australian Government's Bridges Renewal Program, jointly funded by the Australian Government and local government authorities.
31. Represents the Australian Government's funding commitment towards Brisbane City Council's Brisbane Metro project.
32. Part of the Australian Government's Heavy Vehicle Safety and Productivity Program, jointly funded by the Australian Government and Queensland Government.
33. Partly funded through the Queensland Government's Economic Recovery Strategy: Unite and Recover for Queensland Jobs.
34. Total project cost is expected to be $21.8 million including contributions of $3 million from industry.
35. This project is being delivered by Cross River Rail Delivery Authority.

Transport and Main Roads

36. Jointly delivered by Queensland Rail and Department of Transport and Main Roads.
37. The project is being delivered by Cross River Rail Delivery Authority and Department of Transport and Main Roads with support from Queensland Rail.
38. Rail station access improvements include Roma Street train station, Dutton Park train station, Boggo Road train station, Pimpama train station, Hope Island train station and Merrimac train station.
39. The works relate to increased structural gauge, waterway resilience and track renewal.
40. The works relate to maintenance of stations, platforms and rollingstock in the South East Queensland rail network.
41. The works relate to renewal, improvement, replacement and upgrade of track infrastructure in the South East Queensland rail network.
42. The works relate to renewal, replacement and upgrade of track infrastructure on the North Coast Line.
43. The works relate to maintenance of rollingstock, stations, yards and locomotives in the Regional Queensland rail network.
44. The works relate to renewal, improvement, replacement and upgrade of rail infrastructure on West Moreton system.
45. The works relate to renewal, improvement, replacement and upgrade of the Western Regional rail systems.

Loganlea Station Accessibility Upgrade has been removed from Queensland Rail's Budget Paper 3 as it is represented in the Department of Transport and Main Roads Budget Paper 3 as a jointly funded project to the total project cost of $95 million.

All projects - total estimated cost is inclusive of both non-capital and capital components of project expenditure.

Appendices

Appendix A: Entities included in capital outlays 2022–23

Agriculture and Fisheries

- Department of Agriculture and Fisheries
- Queensland Racing Integrity Commission

Children, Youth Justice and Multicultural Affairs

- Department of Children, Youth Justice and Multicultural Affairs

Communities, Housing and Digital Economy

- Department of Communities, Housing and Digital Economy
- CITEC
- Library Board of Queensland
- Queensland Art Gallery
- Queensland Performing Arts Trust
- Queensland Shared Services

Education

- Department of Education

Employment, Small Business and Training

- Department of Employment, Small Business and Training
- TAFE Queensland

Energy and Public Works

- Department of Energy and Public Works
- CleanCo Queensland Limited
- CS Energy Limited
- Energy Queensland Limited
- Powerlink Queensland
- Stanwell Corporation Limited

Environment and Science

- Department of Environment and Science

Justice and Attorney-General

- Department of Justice and Attorney-General
- Crime and Corruption Commission
- Public Trustee of Queensland

Legislative Assembly of Queensland

- Legislative Assembly of Queensland

Premier and Cabinet

- Department of the Premier and Cabinet

Queensland Corrective Services

- Queensland Corrective Services

Queensland Fire and Emergency Services

- Queensland Fire and Emergency Services

Queensland Health

- Queensland Health and Hospital and Health Services
- Council of the Queensland Institute of Medical Research

Queensland Police Service

- Queensland Police Service

Queensland Treasury

- Queensland Treasury

Regional Development, Manufacturing and Water

- Department of Regional Development, Manufacturing and Water
- Gladstone Area Water Board
- Mount Isa Water Board
- Seqwater
- SunWater Limited

Resources

- Department of Resources

Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

- Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

State Development, Infrastructure, Local Government and Planning

- Department of State Development, Infrastructure, Local Government and Planning
- Economic Development Queensland
- Queensland Reconstruction Authority
- South Bank Corporation

Tourism, Innovation and Sport

- Department of Tourism, Innovation and Sport
- Stadiums Queensland

Transport and Main Roads

- Department of Transport and Main Roads
- Far North Queensland Ports Corporation Limited
- Gladstone Ports Corporation Limited
- Gold Coast Waterways Authority
- North Queensland Bulk Ports Corporation Limited
- Port of Townsville Limited
- Queensland Rail
- RoadTek
- Cross River Rail Delivery Authority

Appendix B: Key concepts and coverage

Coverage of the capital statement

Under accrual output budgeting, capital is the stock of assets including property, plant and equipment and intangible assets that any agency owns and/or controls and uses in the delivery of services, as well as capital grants made to other entities. The following definitions are applicable throughout this document:

- **capital purchases** – property, plant and equipment outlays as per the financial statements excluding asset sales, depreciation and revaluations
- **capital grants** – capital grants to other entities and individuals (excluding grants to other government departments and statutory bodies)
- **right of use assets** – property, plant and equipment to which government agencies have a right to use through lease or similar arrangements.

Capital contingency

Consistent with the approach adopted in previous years, a capital contingency reserve has been included. This reserve recognises that while agencies budget to fully use their capital works allocation, circumstances such as project lead-in times, project management constraints, unexpected weather conditions and capacity constraints such as the supply of labour and materials may prevent full usage. On a whole-of-government basis, there is likely to be underspending, resulting in a carry-over of capital allocations.

Estimated jobs supported by capital works

The $15.510 billion capital works program in 2022–23 is estimated to directly support around 48,000 jobs, equating to around 42,500 full-time equivalent jobs. The estimate of jobs supported by the Government's capital works program in 2022–23 is based on Queensland Treasury's Guidelines for estimating the full-time equivalent (FTE) jobs directly supported by the construction component of the capital works program.

The estimate of jobs supported by the capital works program is presented both in terms of FTEs and total jobs. Further, in some cases, jobs estimates quoted for specific projects throughout the Capital Statement and in other budget papers may reflect other approaches, including proponents' estimates or project specific information, rather than the methodology in the Queensland Treasury Guidelines for estimating jobs supported by capital works.

Appendix C: Capital purchases by entity by region 2022–23[1]

Entity[2]	Brisbane and Redlands East $'000	North $'000	South $'000	West $'000	Inner city $'000	Sub total $'000
Agriculture and Fisheries	240	27	2,225	23	5,936	8,451
Children, Youth Justice and Multicultural Affairs	1,473	1,380	2,298	1,183	1,782	8,116
Communities, Housing and Digital Economy	5,223	11,559	25,892	8,189	135,211	186,074
Education	55,109	61,962	120,298	58,652	61,714	357,735
Employment, Small Business and Training	3,115	16,352	4,874	2,509	3,777	30,627
Energy and Public Works	55,634	69,734	61,953	57,200	232,136	476,657
Environment and Science	2,164	1,328	2,212	1,139	1,715	8,558
Justice and Attorney-General	1,211	1,135	1,891	974	7,176	12,387
Legislative Assembly of Queensland	82	79	79	73	42,422	42,735
Premier and Cabinet	—	—	—	—	883	883
Queensland Corrective Services	2,430	2,279	5,063	1,955	2,943	14,670
Queensland Fire and Emergency Services	2,155	3,024	3,371	1,736	2,613	12,899
Queensland Health	40,858	21,213	58,764	961	427,026	548,822
Queensland Police Service	4,956	4,652	7,750	3,990	29,247	50,595
Regional Development, Manufacturing and Water	3,954	2,836	4,970	2,820	4,289	18,869
Resources	435	408	679	350	527	2,399
Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	41	40	67	34	52	234
State Development, Infrastructure, Local Government and Planning	—	43,467	19,936	—	9,899	73,302
Tourism, Innovation and Sport	2,166	2,104	8,895	421	29,169	42,755
Transport and Main Roads	100,731	129,866	204,585	78,519	1,336,259	1,849,960
Other Agencies[3]	265	249	414	213	321	1,462
Anticipated capital contingency reserve and other adjustments[4]						
Funds allocated	**251,448**	**332,921**	**477,710**	**196,834**	**2,080,318**	**3,339,231**

Notes

1. Numbers may not add due to rounding and allocations of adjustments.
2. Includes all associated statutory bodies.
3. Includes other government entities with non-material capital programs.
4. The anticipated contingency reserve and other adjustments have been spread across statistical areas proportionate to capital spends.

Entity[2]	Ipswich $'000	Wide Bay $'000	Darling Downs DD Maranoa $'000	Darling Downs Toowoomba $'000	Darling Downs Sub total $'000	Gold Coast $'000
Agriculture and Fisheries	274	478	1,254	2,060	3,314	112
Children, Youth Justice and Multicultural Affairs	6,280	1,832	788	969	1,757	6,381
Communities, Housing and Digital Economy	16,195	21,931	6,004	8,038	14,042	25,814
Education	177,884	54,753	40,824	29,423	70,247	131,936
Employment, Small Business and Training	10,295	7,488	1,671	2,054	3,725	8,748
Energy and Public Works	63,367	310,907	226,756	79,927	306,683	92,942
Environment and Science	2,131	7,934	1,358	932	2,290	4,244
Justice and Attorney-General	1,822	1,507	648	797	1,445	3,401
Legislative Assembly of Queensland	67	54	54	48	102	91
Premier and Cabinet	—	—	—	—	—	—
Queensland Corrective Services	457,658	3,025	1,302	1,600	2,902	6,426
Queensland Fire and Emergency Services	4,598	9,602	1,156	1,521	2,677	5,705
Queensland Health	61,665	51,622	8,084	62,714	70,798	111,611
Queensland Police Service	13,674	10,255	13,433	3,266	16,699	13,116
Regional Development, Manufacturing and Water	50,018	34,614	4,143	81	4,224	4,728
Resources	654	591	483	286	769	1,150
Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	4,264	53	23	28	51	113
State Development, Infrastructure, Local Government and Planning	9,730	—	—	—	—	17,595
Tourism, Innovation and Sport	788	652	280	345	625	7,383
Transport and Main Roads	157,525	641,913	65,693	48,767	114,460	1,167,007
Other Agencies[3]	399	330	142	175	317	701
Anticipated capital contingency reserve and other adjustments[4]						
Funds allocated	**925,893**	**1,033,025**	**333,279**	**216,514**	**549,793**	**1,433,626**

Notes

1. Numbers may not add due to rounding and allocations of adjustments.
2. Includes all associated statutory bodies.
3. Includes other government entities with non-material capital programs.
4. The anticipated contingency reserve and other adjustments have been spread across statistical areas proportionate to capital spends.

Entity[2]	Logan - Beaudesert $'000	Mackay - Whitsunday $'000	Outback and Far North Queensland Outback $'000	Cairns $'000	Sub total $'000	Central Queensland $'000
Agriculture and Fisheries	41	549	2,287	3,354	5,641	3,758
Children, Youth Justice and Multicultural Affairs	3,240	2,759	4,005	2,352	6,357	1,386
Communities, Housing and Digital Economy	21,052	16,385	10,107	58,659	68,766	16,582
Education	131,343	40,982	18,554	61,608	80,162	77,723
Employment, Small Business and Training	4,531	2,246	1,070	9,544	10,614	2,939
Energy and Public Works	14,676	145,364	116,282	187,680	303,962	179,338
Environment and Science	3,856	3,791	781	2,654	3,435	1,685
Justice and Attorney-General	3,682	871	415	1,676	2,091	1,540
Legislative Assembly of Queensland	54	42	103	36	139	54
Premier and Cabinet	—	—	—	—	—	—
Queensland Corrective Services	3,530	1,749	834	2,562	3,396	2,290
Queensland Fire and Emergency Services	10,148	2,303	740	2,275	3,015	2,033
Queensland Health	178,410	43,984	54,067	111,445	165,512	51,436
Queensland Police Service	7,204	6,400	5,297	18,592	23,889	4,673
Regional Development, Manufacturing and Water	44,095	8,970	9,354	2,634	11,988	143,522
Resources	631	363	549	458	1,007	510
Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	62	31	15	45	60	40
State Development, Infrastructure, Local Government and Planning	—	500	223	—	223	50,574
Tourism, Innovation and Sport	760	377	180	7,852	8,032	493
Transport and Main Roads	346,219	274,588	283,607	319,086	602,693	437,724
Other agencies[3]	385	191	91	279	370	250
Anticipated capital contingency reserve and other adjustments[4]						
Funds allocated	**689,478**	**492,169**	**453,073**	**706,291**	**1,159,364**	**871,782**

Notes

1. Numbers may not add due to rounding and allocations of adjustments.
2. Includes all associated statutory bodies.
3. Includes other government entities with non-material capital programs.
4. The anticipated contingency reserve and other adjustments have been spread across statistical areas proportionate to capital spends.

Entity[2]	Sunshine Coast $'000	Moreton Bay North $'000	Moreton Bay Moreton Bay South $'000	Sub total $'000	Townsville $'000	Totals[1] $'000
Agriculture and Fisheries	853	348	26	374	1,074	24,919
Children, Youth Justice and Multicultural Affairs	2,348	2,642	1,339	3,981	4,812	49,249
Communities, Housing and Digital Economy	13,792	15,568	8,951	24,519	28,794	453,946
Education	170,237	50,567	60,275	110,842	53,226	1,457,070
Employment, Small Business and Training	4,979	3,321	2,840	6,161	11,251	103,604
Energy and Public Works	93,799	17,556	8,704	26,260	304,722	2,318,677
Environment and Science	2,890	3,659	1,289	4,948	5,399	51,161
Justice and Attorney-General	1,932	1,289	1,102	2,391	1,192	34,261
Legislative Assembly of Queensland	79	54	54	108	36	43,561
Premier and Cabinet	—	—	—	—	—	883
Queensland Corrective Services	3,879	9,234	2,212	11,446	2,392	513,363
Queensland Fire and Emergency Services	3,644	3,548	1,964	5,512	5,324	67,460
Queensland Health	70,027	120,655	12,185	132,840	50,385	1,537,112
Queensland Police Service	10,283	5,282	6,496	11,778	6,063	174,629
Regional Development, Manufacturing and Water	6,848	661	3,290	3,951	40,390	372,217
Resources	694	463	396	859	478	10,105
Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships	68	45	39	84	42	5,102
State Development, Infrastructure, Local Government and Planning	22,500	—	—	—	4,179	178,603
Tourism, Innovation and Sport	836	558	477	1,035	1,513	65,249
Transport and Main Roads	341,006	369,244	85,454	454,698	342,091	6,729,884
Other agencies[3]	423	282	241	523	261	5,612
Anticipated capital contingency reserve and other adjustments[4]						(1,548,976)
Funds allocated	**669,164**	**538,968**	**175,803**	**714,771**	**769,395**	**12,647,691**

Notes

1. Numbers may not add due to rounding and allocations of adjustments.
2. Includes all associated statutory bodies.
3. Includes other government entities with non-material capital programs.
4. The anticipated contingency reserve and other adjustments have been spread across statistical areas proportionate to capital spends.

Queensland Budget 2022–23

Capital Statement Budget Paper No.3

QUEENSLAND BUDGET 2022-23

BUDGET MEASURES
BUDGET PAPER NO. 4

Queensland Government

2022–23 Queensland Budget Papers

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Regional Action Plans

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Queensland Government

State Budget
2022–23

Budget Measures

Budget Paper No. 4

Contents

Key Features

- The 2022–23 Budget measures will support more jobs in more industries, deliver better services and protect Queenslanders' lifestyle.
- Queensland is leveraging the momentum of its strong recovery to focus on growing the economy and enhancing the quality of life of all Queenslanders.
- To support the health system, the Budget will provide a transformational $9.785 billion capital boost to expand bed capacity over the next 6 years, $6.784 billion over 4 years to support the ongoing growth in health and ambulance services as well as $1.645 billion over 5 years for mental health services.
- A growing economy will allow the government to deliver better services across the state, including in education, justice and social services.
- To support the manufacturing sector to take advantage of new opportunities, the 2022–23 Budget commits to additional funding of $40 million over 2 years to continue the Made in Queensland program and an additional $10 million for the Manufacturing Hubs Grant program.
- The government is also providing additional funding of $964.2 million over 5 years as part of the 10-year $2.1 billion Waste Package to support councils and industry to invest in infrastructure and will deliver programs to reduce waste, meet resource recovery targets, create jobs, and reduce impacts on households.
- The Queensland Resources Industry Development Plan aims to fast track new economy minerals production and processing. As part of the $68.5 million package to support the plan, an additional $17.5 million over 4 years will be provided to enhance the Collaborative Exploration Initiative and support resource exploration companies to make more new economy mineral discoveries in Queensland.
- The government is providing funding of $470.4 million ($464.5 million increased funding and $6 million met internally) over 4 years and $104.7 million per annum ongoing to continue the family support and child protection reforms through the Supporting Families Changing Futures program.
- The Queensland Government is committing more than $3 billion over 4 years under Disaster Recovery Funding Arrangements in partnership with the Australian Government to support recovery from the 2021-22 disaster season. This includes $1.818 billion from the Resilient Homes Fund and Category C and D Extraordinary Packages.
- The government's cost of living support measures includes $6.786 billion in concessions for Queenslanders in 2022–23 including a $175 Cost of Living Rebate to help manage electricity costs.
- The government is committing additional funding of $150 million over 3 years to increase the Catalyst Infrastructure Fund to unlock development and increase the supply of housing in the state's Priority Development Areas.

1 Introduction

The document provides a consolidated view of policy decisions with budgetary impacts made by the government since the 2021–22 Budget.

This document complements other budget papers, in particular *Budget Paper No. 2 Budget Strategy and Outlook, Budget Paper No. 3 Capital Statement* and the *Service Delivery Statements.*

This paper includes only new policy decisions and does not detail the full amount of additional funding being provided to agencies to deliver services and infrastructure. Other adjustments, including those that are parameter based and where the funding formula remains unchanged, are similarly excluded.

The total funding impact of new measures is summarised in Tables 1.3 to 1.5 at the conclusion of this chapter.

For details on the total funding available to agencies, refer to agencies' *Service Delivery Statements.*

1.1 Explanation of scope and terms

Scope

This document includes measures with the following features:

- **Sector.** Only Queensland General Government Sector agencies are included. Measures involving government-owned corporations or other Public Non-financial Corporations Sector agencies are within scope only if the measures are being funded directly by the General Government Sector or if there is a flow through effect (for example, community service obligations).
- **Timeframe.** Measures based on decisions made by the government since the 2021–22 Budget.
- **Type.** Measures with budgetary impacts, in particular:
  - (i) expense and capital measures with service delivery, capital enhancement, grant or subsidy impacts on the community and
  - (ii) revenue measures involving a significant change in revenue policy, including changes in the tax rate.
- **Materiality.** Minor measures or measures with non-significant community impact are not included in this document.
- **Technical initiatives** or non-policy-based adjustments, such as parameter-based funding adjustments, are not included if the formula to calculate these adjustments has not changed, as they do not reflect changes in government policy. The main focus is on measures reflecting policy decisions that impact directly on the community through service delivery or other means.

Funding basis

Tables in this document are presented on a net funding basis.

- Net funding refers to the impact that the funding of the measure has on appropriations from the Consolidated Fund or centrally held funds to the relevant General Government agency. The tables do not include funding directed to the measure from existing agency resources or other sources.
- Amounts refer to additional funding being provided to agencies for a particular program or project, as a result of decisions by government since the 2021–22 Budget. The amount provided for a measure may differ from other budget papers, such as *Budget Paper No. 3 Capital Statement,* that may refer to total funding.
- Where a measure involves material expenditure or revenue collections by more than one department, the measure is reported under each department involved. The addition of each individual department's portion of a particular measure may not equate to the reported total whole-of-government figure due to the omission of some departments' portions that did not meet Budget Paper 4's materiality threshold (i.e. $250,000 over 5 years).
- Amounts included in the tables relating to revenue measures represent the impact of the measure on government revenue (with a positive amount representing additional revenue).

Tables 1.2 to 1.4 identify expense, capital and revenue measures separately, categorised as follows:

- up to and including 2021–22 Budget Update and
- since the 2021–22 Budget Update.

1.2 Overview

The following section presents selected measures relating to decisions taken since the 2021–22 Budget.

Health

Queensland continues to experience very strong ongoing demand for public hospital services, such as emergency departments, mental health, specialist outpatients and elective surgery. Despite these demands, Queensland's health performance remains strong, supported by record health budgets, with a focus on recruiting frontline staff, meeting increased demand for health services, and continuing to protect the state from COVID-19.

The 2022–23 Budget sees an additional $9.785 billion being provided to Queensland Health for a range of projects to expand system capacity over the next 6 years. This will deliver around 2,200 additional overnight beds at 15 facilities, with:

- new hospitals at Bundaberg, Toowoomba and Coomera
- a new Queensland Cancer Centre
- expansions to hospitals in Cairns, Townsville, Robina, Mackay, Redcliffe, Ipswich and Hervey Bay as well as to the Princess Alexandra, QEII, and The Prince Charles hospitals
- a further expansion of Logan Hospital.

The 2022–23 Budget also provides an additional $6.784 billion over 4 years to help address the ongoing growth in demand for health and ambulance services. The funding will strengthen Queensland's public health system to respond to the growing and evolving health care needs by supporting thousands of additional frontline staff including doctors, nurses and paramedics.

In addition, an extra $1.645 billion over 5 years plus an additional $28.5 million in capital funding is provided to improve mental health, alcohol and other drug services and for a range of initiatives to improve the suicide prevention system of care and support, which is to be funded by a new mental health levy proposed to commence from 1 January 2023.

These investments will support a range of additional services including new adolescent, young adult, adult, older person, perinatal, and eating disorder mental health beds, beds for new crisis response services and enhanced provision of psychosocial supports.

The Budget also provides an additional $333.7 million for Queensland Health to enter a new single 10-year Standing Offer Arrangement with the Royal Flying Doctor Service.

More jobs in more industries

Queensland will take advantage of global shifts and build on its strengths to realise opportunities in traditional and emerging industries. By focussing on critical economic settings and enablers, the Queensland Government's economic strategy will improve the competitiveness and productivity of Queensland businesses so that they can leverage opportunities to drive growth and employment.

Relevant initiatives include:

- **Queensland Resources Industry Development Plan:** $68.5 million over 5 years to implement the Queensland Resources Industry Development Plan . The package includes an additional $17.5 million over 4 years to enhance the Collaborative Exploration Initiative to aid mineral discoveries in Queensland. Additional details of funding and initiatives can be found under section 1.3 – Whole-of-government Measures.
- **Driving growth and sustainability through manufacturing:** $40 million and $10 million over 2 years to continue the Made in Queensland program and Manufacturing Hubs Grant program respectively.
- **Tourism Recovery and Development Initiatives:** $66.4 million over 4 years ($4 million held centrally) to implement targeted initiatives for tourism recovery and growth that are focused on experience development, tourism infrastructure, ecotourism, events and First Nations tourism.
- **Queensland Trade and Investment Strategy 2022 – 2032:** $150 million over 10 years is being committed to back a new Queensland Trade and Investment Strategy. The strategy will seek to leverage the profile of the 2032 Games to position Queensland as Australia's most innovative and dynamic trading economy, with a view to creating high quality jobs and securing economic growth.

Better Services

Growing the economy allows the government to deliver better and fairer services to improve the lives of Queenslanders while also enhancing the opportunity for all to benefit from participation in the economy and community.

- **Child Protection Services –** $2.2 billion over 5 years and $500 million per year ongoing for out of home care services in response to ongoing pressures arising from an increase in demand in the child protection system.
- **Achieving Justice System Efficiency – contemporary technology and infrastructure:** total funding package of $246.8 million over 5 years and $27.4 million ongoing to deliver safe, fair and responsible communities via an efficient and effective justice system underpinned by contemporary technology and safe, accessible and functional infrastructure. This includes $71 million from 2024–25 to 2026–27 held centrally and $7 million per annum ongoing to be held centrally.
- **Family Support and Child Protections Reforms:** $470.4 million over 4 years ($464.5 million increased funding and $6 million met internally) and $104.7 million per annum ongoing to continue the family support and child protection reforms through the *Supporting Families Changing Futures* program. This funding will support a number of programs including:
  - $183.5 million over 4 years and $45.9 million per annum ongoing for the Intensive Family Support services to continue early intervention support services for families and parents who are experiencing vulnerability and have more complex needs
  - $66.9 million over 4 years and $16.7 million per annum ongoing for the Aboriginal and Torres Strait Islander Family Wellbeing Services.
- **Youth Justice Investment:** $78.8 million over 4 years ($77.2 million increased funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) for continuation of the Youth Justice Strategy reforms.
- **Strengthening Social Services in Queensland:** $125.6 million over 4 years and $19 million ongoing to strengthen social services in Queensland. The funding will elevate the role and function of neighbourhood and community centres and support delivery of the government's response to the Parliamentary Inquiry into Social Isolation and Loneliness.

Protecting Queenslanders' Lifestyle

Sustainable growth will be achieved while protecting the Queensland lifestyle through addressing the cost of living, investing in the social infrastructure needed to support the state's growing population and taking care of the environment.

- **Cost of Living Support:** a $175 Cost of Living Rebate to help Queensland households manage rising electricity costs at a cost of $385 million.
- **Queensland's Resource Recovery Sector Transformation:** $964.2 million over 5 years as part of the 10-year $2.1 billion Waste Package to support councils and industry investing in infrastructure and deliver programs to reduce waste, meet resource recovery targets, create jobs, and reduce impacts on households. The transformation includes:
  - $672.4 million in 2021–22 for payments to councils to reduce the household impact of the waste levy over 4 years
  - $291.8 million over 4 years will contribute to implementation of waste management plans, expand resource recovery programs and support environmental activities.
- **Protected Area Strategy:** $262.5 million over 4 years to continue the delivery of *Queensland's Protected Area Strategy 2020–2030,* providing conservation and carbon positive outcomes. This 10-year plan is directly supporting the growth, better management and sustainability of the state's protected areas.

- **Fire Ant Suppression Taskforce:** $37.1 million over 5 years to establish a joint taskforce to oversee red imported fire ant suppression activities by local governments, industry and Queensland Government, including the provision of bait. This demonstrates to our partners, the Australian Government and other states and territories, Queensland's commitment to the National Red Imported Fire Ant Eradication Program.

The 2032 Olympic and Paralympic Games

The 2032 Olympic and Paralympic Games will provide Queensland with the opportunity to showcase the state on the global stage and leave a legacy that will define the state for decades to come. In addition to the direct benefits and jobs from Brisbane 2032, the event will create ongoing benefits through increased trade and investment activity.

The government is investing $59.3 million over 4 years and $4.7 million per year ongoing to support the Brisbane 2032 Taskforce to lead 2032 Olympic and Paralympic Games activities across the Queensland Government. This will support preparation of the 2032 Games Legacy Program as well as planning and design of infrastructure to support Brisbane 2032, including venues and athletes' villages. It will also support priority transport projects being delivered in south east Queensland to manage growth in the region and support the 2032 Games transport task. The Budget provides $31.4 million over 2 years from 2023–24 to extend the 2032 High Performance Strategy to continue to help prepare elite Queensland athletes to achieve world class success at Paris 2024 and leading up to Brisbane 2032.

A further $100 million over 4 years is being invested to establish a program to deliver new and upgraded sports infrastructure for schools across the state, with a focus on encouraging sports participation.

1.3 Whole-of-government measures

Response to Hear her voice – Report One

The Queensland Government has committed $363 million over 5 years ($61.3 million per annum ongoing) for a package of reforms in response to the Queensland Women's Safety and Justice Taskforce, *Hear her voice – Report one - Addressing coercive control and domestic and family violence in Queensland.* The reform package seeks to ensure victims are kept safe and perpetrators are held to account and includes:

- new laws and programs to recognise, prevent and punish coercive control including making coercive control a criminal offence
- a Commission of Inquiry into police responses to domestic and family violence (DFV)
- better support for women including expansion of High-Risk Teams, and trialling co-responder models so victims receive a joint response from police and DFV services
- expansion of specialist DFV courts
- a specific strategy for First Nations communities
- increased funding for perpetrator programs to change behaviour and stop the cycle of violence
- increased respectful relationships education to all Queensland children and young people.

The reform package is summarised in Table 1.1 and additional details can be found in Chapter 2 Expense measures and in Chapter 3 Capital measures.

Table 1.1 Hear her voice - Report one response package

	2021-22 $million	2022-23 $million	2023-24 $million	2024-25 $million	2025-26 $million	Total $million
Expense Measures						
Systemic reforms across Queensland's criminal justice system						
Strategy to address over-representation of First Nations peoples; and establish Office of the Chief First Nations Justice Officer	—	2.4	2.3	2.2	2.3	9.3
Commission of Inquiry into policing responses to domestic and family violence (DFV)	0.8	2.7	—	—	—	3.5
Raising awareness and understanding in the community and improving primary prevention						
State-wide communication and engagement strategy; and develop primary prevention plan	—	2.6	5.4	4.5	3.7	16.3
Enhance implementation of respectful relationships education	—	6.0	6.2	3.3	—	15.5
Respectful relationships education for young people not in formal education	—	0.2	0.2	0.2	—	0.5
Improving service system responses						
Develop 5-year DFV service system strategic investment plan	—	0.8	0.4	—	—	1.2
Peak industry body for all specialist DFV services	—	1.2	0.9	0.9	0.9	4.0
Integrated service system responses and high-risk teams in additional locations	—	4.4	5.5	7.2	9.7	26.8
Holding perpetrators accountable to stop the violence						
Develop state-wide network of perpetrator intervention programs	—	6.8	7.4	6.4	4.9	25.5
Improving police responses to DFV						
Trial and evaluate mobile co-responder models	—	0.8	6.0	8.0	8.0	22.9
DFV and coercive-control training and education	—	4.0	4.8	4.3	4.4	17.5
Update operational policies, procedures and risk assessment processes	—	2.2	1.5	1.6	1.6	6.8
Improving court responses						
State-wide plan to improve safety for DFV victims when attending courts	—	10.0	15.3	16.6	15.9	57.8
Specialist DFV courts - enhancement and continued roll out	—	8.5	15.1	17.7	19.1	60.4
Court staff training, and judicial education	—	0.3	—	—	—	0.3
Legislative reforms	—	1.0	1.6	—	—	2.6

Monitoring, evaluation and governance						
Whole-of-government monitoring and evaluation framework	—	1.0	0.5	0.5	—	2.0
Deliver 4-phase implementation plan for the response	—	0.7	1.7	—	—	2.4
Ongoing evaluation of key initiatives		1.0	2.0	2.0	2.0	7.0
Enhance agencies data collection and reporting capabilities	—	2.3	2.4	2.1	0.9	7.7
Independent implementation supervisor and secretariat	—	0.8	0.8	0.8	0.8	3.3
Other DFV related initiatives						
First Nations communities DFV initiatives	—	0.8	0.8	0.8	0.8	3.0
Enhance the Queensland DFV Death Review process	—	1.3	1.7	0.4	—	3.3
DFV homicide and suicide data set and monitoring framework	—	0.4	0.5	0.3	—	1.2
Sub Total - Expense Measures	0.8	62.1	82.9	79.8	75.0	300.6
Capital measures						
Systemic reforms across Queensland's criminal justice system						
Strategy to address over-representation of First Nations peoples; and establish Office of the Chief First Nations Justice Officer	—	0.1	—	—	—	0.1
Improving court responses						
State-wide plan to improve safety for DFV victims when attending courts	—	3.4	6.3	20.0	19.4	49.1
Improving police responses to DFV						
Trial and evaluate mobile co-responder models	—	0.1	—	—	—	0.1
DFV and coercive-control training and education	—	0.2	—	—	—	0.2
Sub Total - Capital Measures	—	3.8	6.3	20.0	19.4	49.5
Total[1,2,3]	**0.8**	**65.9**	**89.2**	**99.8**	**94.4**	**350.0**

Notes

1. Figures shown are net additional funding, including funds held centrally, and may not sum due to rounding.
2. A further $12.9 million is being internally met by agencies.
3. $61.3 million per annum ongoing from 2026–27, including $2.8 million internally met.

Queensland Resources Industry Development Plan

The government is committing $68.5 million over 5 years to implement the Queensland Resources Industry Development Plan (QRIDP). The package includes an additional $17.5 million over 4 years to enhance the Collaborative Exploration Initiative to aid mineral discoveries in Queensland.

Queensland's resources industry has underpinned our state's economic development and prosperity for more than a century. Key to the success of our resources industry has been its ability to evolve and diversify to meet the needs of Queensland and the wider global economy. The QRIDP is a 30-year vision for Queensland's resources industry: to be a resilient, responsible and sustainable resources industry that grows as it transforms. It is a whole-of-government plan, with funding provided in this budget across 7 agencies as shown below, with further detail provided under each agency in Chapter 2 Expenses measures chapter.

Table 1.2 Queensland Resources Industry Development Plan package

	2022-23 $million	2023-24 $million	2024-25 $million	2025-26 $million	2026-27 $million	Total[3] $million
Department of Resources[1]	11.0	11.9	6.9	5.0	5.0	39.8
Department of Regional Development, Manufacturing and Water	0.3	0.3	—	—	—	0.5
Department of State Development, Infrastructure, Local Government and Planning	1.7	1.7	2.0	1.0	1.0	7.5
Department of Environment and Science	0.7	0.7	0.7	0.7	0.7	3.5
Department of Employment, Small Business and Training	1.6	1.3	0.2	0.2	—	3.3
Department of Justice and Attorney- General	0.8	1.6	0.9	—	—	3.4
Department of Agriculture and Fisheries[2]	—	—	—	—	—	—
Total[3]	**16.2**	**17.4**	**10.7**	**6.9**	**6.7**	**58.0**

Notes:

1. Figures shown are net additional funding and do not include existing funding of $5.1 million and a further $5 million internally met by the Department of Resources.
2. Funding of $0.4 million is being internally met by the Department of Agriculture and Fisheries.
3. Figures may not sum due to rounding.

1.4 Government Indexation Policy

For the 2022–23 year, the government has set the Government Indexation Rate for fees and charges at 2.5 per cent. This is in line with government's commitment to ease cost of living pressures and support the economic recovery from COVID-19.

Table 1.3: Expense measures since the 2021–22 Budget

Expense measures up to and including 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Department of Agriculture and Fisheries					
Drought Assistance and Reform Package[1]	—	4,900	4,900	4,900	2,500
#PickQld Bonus	1,980	—	—	—	—
Fire Ant Suppression Taskforce[1]	5,000	—	—	—	—
Pacific Australia Labour Mobility Scheme	—	—	—	—	—
Portfolio Total	**6,980**	**4,900**	**4,900**	**4,900**	**2,500**
Department of Children, Youth Justice and Multicultural Affairs					
Family Support and Child Protection Reforms	—	117,524	112,707	91,841	92,195
National Redress Scheme	—	6,137	6,064	6,162	6,253
Child and Family Services—Child Safe Standards and Reportable Conduct Scheme	218	227	—	—	—
Portfolio Total	**218**	**123,888**	**118,771**	**98,003**	**98,448**
Department of Communities, Housing and Digital Economy					
Neighbourhood and Community Centres	557	619	619	619	619
Management and Matching of Donated Goods	—	400	400	400	400
School Breakfast Program	—	300	300	594	594
National Redress Scheme	—	141	145	149	152
COVID-19 Support and Service Delivery Capacity and Capability[1]	1,394	—	—	—	—
Digitally Connected Regions	1,919	—	—	—	—
Woodford Folk Festival	1,000	—	—	—	—
Portfolio Total	**4,870**	**1,460**	**1,464**	**1,762**	**1,765**
Department of Education					
State Kindergarten Funding	—	36,000	73,000	77,000	77,000
Early Childhood Education and Care—Regulation	—	13,553	13,754	14,017	14,180
Youth Engagement Strategy	—	—	—	—	—
Portfolio Total	**—**	**49,553**	**86,754**	**91,017**	**91,180**
Department of Employment, Small Business and Training					
Queensland Small Business Commissioner	—	500	3,200	3,200	3,200
COVID-19 Business Support Grants	400,000	—	—	—	—
COVID-19 Cleaning Rebate	20,000	—	—	—	—
Portfolio Total	**420,000**	**500**	**3,200**	**3,200**	**3,200**
Department of Energy and Public Works					
Willows Sports Field[1]	14,500	—	—	—	—
Portfolio Total	**14,500**	—	—	—	—
Department of Environment and Science					
Cape York Peninsula National Park Joint Management	—	5,709	5,262	6,374	1,149
Land Restoration Fund Program Management Office	—	1,654	1,695	1,738	1,781
Community Sustainability Action Grants Program	—	1,500	1,500	1,500	1,500

Expense measures up to and including 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Eradication of Yellow Crazy Ants from Areas Within And Adjacent To The Wet Tropics World Heritage Area	—	—	—	—	—
Protected Area Estate	—	—	—	—	—
Portfolio Total	**—**	**8,863**	**8,457**	**9,612**	**4,430**
Department of Justice and Attorney-General					
Family Support and Child Protection Reforms	—	12,553	12,553	12,553	12,553
Youth Sexual Violence and Abuse[1]	—	2,598	1,229	—	—
Women in Custody[1]	—	2,562	—	—	—
Perpetrator Intervention Initiatives[1]	—	868	—	—	—
Queensland Human Rights Commission—Base Operations	340	296	362	433	508
Women with Disability and their Children Experiencing Domestic Violence	—	265	313	—	—
Child Safe Standards and Reportable Conduct Scheme	137	140	—	—	—
Portfolio Total	**477**	**19,282**	**14,457**	**12,986**	**13,061**
Department of Regional Development, Manufacturing and Water					
Permanent Establishment of the Manufacturing Hub Program	—	4,376	4,424	4,469	4,479
Hydrology Modelling	875	2,008	2,058	2,109	—
Queensland Water Regional Alliance Program	—	2,000	2,000	2,000	2,000
Queensland Bulk Water Infrastructure Assessment	300	1,600	1,900	1,700	—
Queensland Rural Water Compliance System	196	1,397	1,913	1,430	—
Queensland Audit Office Dam Safety Regulation Recommendations	615	1,129	829	829	—
State Council of River Trusts	—	300	—	—	—
Regional Water Infrastructure: Cairns Water Security Program	—	—	—	—	—
Regional Water Infrastructure: Hughenden Water Bank	—	—	—	—	—
Regional Water Infrastructure: Lansdown Eco-Industrial Precinct (Enabling Infrastructure)	—	—	—	—	—
Regional Water Infrastructure: Mt Morgan Pipeline	—	—	—	—	—
Portfolio Total	**1,986**	**12,810**	**13,124**	**12,537**	**6,479**
Department of Resources					
Natural Resources Recovery Program	—	10,000	10,000	10,000	10,000
Abandoned Mine Sites Program[1]	5,892	5,768	—	—	—
Portfolio Total	**5,892**	**15,768**	**10,000**	**10,000**	**10,000**
Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships					
Youth Sexual Violence and Abuse	—	51	191	—	—
Queensland Aboriginal and Torres Strait Islander Coalition	355	690	692	693	—
National Redress Scheme	—	161	164	169	173
Report 1, Hear Her Voice Response—Integrated Service System Responses and High Risk Teams in Additional Locations	—	89	249	327	501
Portfolio Total	**355**	**991**	**1,296**	**1,189**	**674**
Department of State Development, Infrastructure, Local Government and Planning					
Burdekin Shire Council Ayr Water Supply—Infrastructure (Stage 2) Project[1]	—	—	—	—	—

Expense measures up to and including 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Regional Accommodation Centre	—	—	—	—	—
Portfolio Total	—	—	—	—	—
Department of the Premier and Cabinet					
COVID-19 Economic Recovery Initiatives	3,837	—	—	—	—
COVID-19 Vaccination Status Campaign	2,500	—	—	—	—
Portfolio Total	**6,337**	**—**	**—**	**—**	**—**
Department of Tourism, Innovation and Sport					
Attracting Aviation Investment Fund	—	—	—	—	—
Destination Gold Coast Play Money Campaign	1,000	—	—	—	—
Great Barrier Reef Education Experience Program	—	—	—	—	—
Marine Tourism Rebate Round 2	3,000	—	—	—	—
Tourism and Hospitality Sector Hardship Program[1]	110,000	—	—	—	—
Work in Paradise Campaign	7,500	—	—	—	—
Portfolio Total	**121,500**	—	—	—	—
Department of Transport and Main Roads					
Operational Readiness of the New Generation Rollingstock Fleet for Cross River Rail and European Train Control System	—	11,063	10,325	10,596	40,875
Zero Emission Vehicle Strategy 2022–32 and Action Plan 2022–24[1]	—	1,000	3,000	(4,000)	—
Portfolio Total	**—**	**12,063**	**13,325**	**6,596**	**40,875**
Legislative Assembly of Queensland					
Electorate Office Technology Model	—	1,378	1,507	1,227	1,227
Portfolio Total	—	**1,378**	**1,507**	**1,227**	**1,227**
Queensland Corrective Services					
Women in Custody[1]	—	162	—	—	—
State-wide Women's Re-entry Service	—	—	—	—	—
Portfolio Total	**—**	**162**	**—**	**—**	**—**
Queensland Fire and Emergency Services					
COVID-19 Response	—	—	—	—	—
Portfolio Total	**—**	**—**	**—**	**—**	**—**
Queensland Health					
Voluntary Assisted Dying Scheme[1]	104	634	—	—	—
COVID-19 Funding	200,000	—	—	—	—
Portfolio Total	**200,104**	**634**	**—**	**—**	**—**
Queensland Police Service					
Queensland Police Service Response to COVID-19	—	—	—	—	—
Safe Night Precincts	2,500	—	—	—	—
Portfolio Total	**2,500**	**—**	**—**	**—**	**—**

Expense measures up to and including 2021–22 Budget Update	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Treasury					
Sole Trader Grants	41,339	—	—	—	—
Portfolio Total	**41,339**	**—**	**—**	**—**	**—**
Total impact on Expense up to and including 2021–22 Budget Update	**827,058**	**252,252**	**277,255**	**253,029**	**273,839**

Expense measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Department of Agriculture and Fisheries					
Fire Ant Suppression Taskforce[2]	—	8,000	8,018	8,040	8,063
Queensland Feral Pest Initiative Round 7	—	1,000		—	—
Queensland's Obligations within the National Biosecurity System	—	914	892	—	—
Queensland Country Women's Association Building Restoration and Renovation	—	500	500	—	—
Drought Assistance and Reform Package[2]	—	—	—	—	—
Queensland Resources Industry Development Plan (QRIDP) Package	—	—	—	—	—
Portfolio Total	**—**	**10,414**	**9,410**	**8,040**	**8,063**
Department of Children, Youth Justice and Multicultural Affairs					
Child and Family Services—Out of Home Care	170,000	500,000	500,000	500,000	500,000
Youth Justice Investment—Youth Detention Centre Staffing	—	7,408	7,408	7,408	7,408
Youth Justice Investment—Indigenous Youth and Family Workers	—	3,813	4,000	4,000	4,000
Youth Justice—Community Partnerships Innovation Grants	—	3,013	—	—	—
Youth Justice Investment—Integrated Case Management	—	2,132	2,100	2,170	2,236
Youth Justice Investment—Mount Isa Transitional Hub	—	1,446	1,444	1,446	1,448
Youth Justice Investment—Family Led Decision Making	—	1,280	1,280	1,280	1,280
Youth Justice Investment—Multi-agency Collaborative Panels	—	1,200	1,178	1,258	1,331
Youth Justice Investment—Five Point Plan: Co-responder Model	—	765	—	—	—
Youth Justice Investment—Program Management Office	—	722	742	767	790
Multicultural Affairs—Australian South Sea Islander Peoples Support Plan	—	467	265	166	170
Child and Family Services—Extended Post Care Support	—	200	—	—	200
Report 1, Hear Her Voice Response—Integrated Service System Responses and High Risk Teams in Additional Locations	—	154	431	501	805
Report 1, Hear Her Voice Response—Respectful Relationships Program for Young People Not in Formal Education	—	150	150	150	—
Portfolio Total	**170,000**	**522,750**	**518,998**	**519,146**	**519,668**
Department of Communities, Housing and Digital Economy					
Strengthening Social Services in Queensland	—	17,918	19,131	19,352	18,463
Grow 2022–2026	—	15,000	15,000	10,000	10,000
Queensland Performing Arts Centre	—	2,000	—	—	—
Digitisation of the State's Audio-Visual and Other Archival Public Records	—	945	973	841	841
Queensland Cultural Centre—Capital Works, Asset Upgrades and Refurbishment Projects	—	621	907	1,260	1,578
Storage for State Cultural Collections	—	400	—	—	—
Report 1, Hear Her Voice Response—Integrated Service System Responses and High Risk Teams in Additional Locations	—	89	249	327	501
Queensland Cultural Centre—Security Upgrades	—	28	42	48	48
COVID-19 Support and Service Delivery Capacity and Capability[2]	—	—	—	—	—
Digital Economy—Foundations	1,000	—	—	—	—
Youth Homelessness and Housing	—	—	8,068	8,991	9,959
Portfolio Total	**1,000**	**37,001**	**44,370**	**40,819**	**41,390**
Department of Education					
Asbestos Program	—	25,765	26,553	27,366	28,203

Expense measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Transition to a New Students with Disability State School Resourcing Model	—	13,974	40,296	26,322	—
Expansion of the Share the Dignity in Queensland Schools Initiative	—	13,286	—	—	—
School Infrastructure—Renewal	696	12,364	30,206	—	—
Youth Detention Centres—Staffing Ratio Change	2,592	6,015	6,166	6,320	6,479
Report 1, Hear Her Voice Response—Respectful Relationships Education	—	6,007	6,176	3,286	—
School Infrastructure—Growth	—	5,386	4,104	—	—
School Security Program	—	5,000	5,000	5,000	5,000
Infrastructure Portfolio Management	—	2,504	6,535	8,930	11,258
Former Origin Greats—Achieving Results Through Indigenous Education Program	—	1,609	1,609	1,609	804
Land Acquisition for New Schools	—	916	—	—	—
Non-State Schools Accreditation Board	—	648	663	678	694
School Playground and Tuckshop Upgrades	—	500	4,500	—	—
Workplace Rights and Harmonious Industrial Relations Grant Program	—	500	500	500	500
Building Future Schools Program	—	478	1,309	10,209	4,781
Non-State Schools Transport Assistance Scheme	—	450	458	465	473
Expansion of GPs in Schools Pilot	—	—	—	—	—
Portfolio Total	**3,288**	**95,402**	**134,075**	**90,685**	**58,192**
Department of Employment, Small Business and Training					
Training and Future Skills Investment	—	47,250	53,350	—	—
Queensland Resources Industry Development Plan (QRIDP) Package	—	1,640	1,250	190	220
Small Business Support	—	1,396	12,555	12,564	12,573
Tradies in Paradise Initiative	—	—	—	—	—
Portfolio Total	**—**	**50,286**	**67,155**	**12,754**	**12,793**
Department of Energy and Public Works					
Willows Sports Field[2]	(14,340)	14,340	—	—	—
Household Resilience Program Phase 3	—	8,000	12,000	—	—
Queensland Microgrid Pilot Fund	—	5,000	5,000	—	—
Development of the Old Museum Building ahead of the 2032 Olympic and Paralympic Games in Brisbane	—	3,130	1,500	1,500	1,500
Best Practice Prequalification System, including Subcontractors	—	1,600	376	385	393
Continuation of the Safer Building Taskforce	—	1,335	—	—	—
Government Employee Housing Sustainability Funding Model	—	1,077	1,099	—	—
Drought Assistance and Reform Package	—	—	—	—	—
Portfolio Total	**(14,340)**	**34,482**	**19,975**	**1,885**	**1,893**
Department of Environment and Science					
Queensland's Resource Recovery Sector Transformation	672,400	47,348	105,458	75,386	63,617
Accelerating Climate Action	—	9,487	13,661	4,722	4,730
Saving Queensland's Koalas	—	7,432	15,215	1,000	1,000
Saving Queensland's Threatened Species	—	4,968	7,729	1,000	1,000
Protected Area Investment and Management	—	3,137	3,137	3,137	3,137

Expense measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Resources Industry Development Plan (QRIDP) Package	—	666	682	700	717
Portfolio Total	**672,400**	**73,038**	**145,882**	**85,945**	**74,201**
Department of Justice and Attorney-General					
Achieving Justice System Efficiency—Contemporary Infrastructure and Technology	—	28,765	43,897	7,222	7,230
Legal Aid Queensland Challenges—Meeting Non-Discretionary Demand and Scale of Fee Increases	—	17,227	18,522	19,842	21,192
Report 1, Hear Her Voice Response—State-Wide Plan to Improve Safety for Domestic and Family Violence Victims when Attending Courts	—	9,980	15,299	16,601	15,907
Report 1, Hear Her Voice Response—Perpetrator Programs and Related Initiatives	—	6,800	7,398	6,380	4,935
Report 1, Hear Her Voice Response—Integrated Service System Responses and High Risk Teams in Additional Locations	—	4,017	4,393	5,781	7,448
Report 1, Hear Her Voice Response—Continue to Roll Out Specialist Domestic and Family Violence Courts—Legal Aid Queensland	—	3,249	5,876	6,022	6,173
Report 1, Hear Her Voice Response—Continue to Roll Out Specialist Domestic and Family Violence Courts	—	3,111	6,720	8,825	9,959
Controlling Risks Associated with a Changing Gambling Environment	—	3,089	2,205	1,105	1,051
Claim Farming—Legal Services Commission	262	2,873	1,770	—	—
Queensland Human Rights Commission	—	2,670	764	764	764
Report 1, Hear Her Voice Response—Raising Awareness and Understanding in the Community and Improving Primary Prevention	—	2,601	5,434	4,502	3,749
Report 1, Hear Her Voice Response—Over Representation Strategy and Office of the Chief First Nations Justice Officer	—	2,440	2,328	2,226	2,275
Report 1, Hear Her Voice Response—Ensure Data Collection and Reporting Capabilities within Relevant Agencies	—	2,261	2,398	2,121	918
Blue Card Review Implementation	—	2,009	737	737	—
Commission of Inquiry into Queensland's Crime and Corruption Commission	3,538	1,533	—	—	—
Report 1, Hear Her Voice Response—Enhancing the Domestic Family Violence Death Review Process in Queensland	—	1,261	1,650	372	—
Queensland Family and Child Commission—Continued Funding to Support Operations	—	1,234	1,264	—	—
Supporting the Office of the Director of Public Prosecutions Criminal Prosecution Functions in North Queensland	—	1,218	1,225	1,254	1,284
Report 1, Hear Her Voice Response—Establish a Peak Industry Body for all Specialist Domestic Family Violence Services	—	1,200	934	933	933
Report 1, Hear Her Voice Response—Immediate Legislative Amendments and Reforms	—	1,017	1,042	—	—
Report 1, Hear Her Voice Response—Develop and Implement a Whole-of- Government Monitoring and Evaluation Framework	—	1,000	500	500	—
Report 1, Hear Her Voice Response—Ongoing Evaluation of Key Initiatives	—	1,000	2,000	2,000	2,000
Report 1, Hear Her Voice Response—Develop a 5-Year Whole of Government Domestic Family Violence Service System Strategic Investment Plan	—	830	380	—	—
Queensland Resources Industry Development Plan (QRIDP) Package	—	795	1,550	900	—
Critical Support for Queenslanders in Community Titles Developments	—	782	833	840	—
Report 1, Hear Her Voice Response—Deliver 4-Phase Implementation Plan to Support Delivery of the Response	—	699	1,716	—	—
Report 1, Hear Her Voice Response—Domestic and Family Violence Homicide and Suicide Data Set and Implementation Monitoring Framework	—	357	488	348	—
Report 1, Hear Her Voice Response—Ongoing Training for Court Staff about Domestic and Family Violence	—	250	—	—	—
Beaudesert Courthouse Replacement	—	170	175	180	183

Expense measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Women in Custody[2]	—	157	2,763	2,843	2,925
Coroners Court Queensland—Enhanced Structural Supports	—	153	157	161	165
Meriba Omasker Kaziw Kazipa (Torres Strait Islander Child Rearing Practices) Act 2020—Ongoing Implementation	—	4	785	—	—
Criminal Justice Innovation Office	—	—	—	—	—
Perpetrator Intervention Initiatives[2]	—	—	905	931	958
Report 1, Hear Her Voice Response—Aboriginal and Torres Strait Islander Domestic and Family Violence Responses	—	—	—	—	—
Report 1, Hear Her Voice Response—Program Implementation, Governance and Coordination	—	—	—	—	—
Report 1, Hear Her Voice Response—Review and Update the Domestic Violence and Family Protection Act 2012 Benchbook	—	—	514	—	—
Report 1, Hear Her Voice Response—Trial and Evaluate Mobile Co-responder Models	—	—	—	—	—
Youth Sexual Violence and Abuse[2]	—	—	2,329	2,396	2,466
Portfolio Total	**3,800**	**104,752**	**138,951**	**95,786**	**92,515**
Department of Regional Development, Manufacturing and Water					
Made in Queensland	—	20,000	20,000	—	—
Cloncurry Community Service Obligation (CSO) Payments	—	6,610	6,965	7,049	7,175
Sunwater Recreation Management Costs	—	6,289	5,719	5,434	3,891
Rural Water Futures (RWF) Program (Stage 2)	—	5,321	3,958	—	—
Manufacturing Hubs Grant Program	—	5,000	5,000	—	—
Queensland Resources Industry Development Plan (QRIDP) Package	—	250	250	—	—
Portfolio Total	**—**	**43,470**	**41,892**	**12,483**	**11,066**
Department of Resources					
Queensland Resources Industry Development Plan (QRIDP) Package	—	10,986	11,900	6,900	5,000
Abandoned Mine Sites Program[2]	(5,892)	444	5,448	—	—
Portfolio Total	**(5,892)**	**11,430**	**17,348**	**6,900**	**5,000**
Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships					
Electricity Asset Ownership Dividend and Cost of Living Rebate	—	385,000	—	—	—
Seniors Strategy and Addressing Gaps in Elder Abuse Prevention and Intervention Services	—	3,655	2,845	2,845	2,845
Remote Indigenous Land and Infrastructure Program Office	—	2,694	4,087	4,266	4,439
National Disability Insurance Scheme (NDIS) Worker Screening	—	1,237	346	—	—
Closing the Gap	—	1,094	536	731	741
Alcohol Management in Remote and Discrete Aboriginal and Torres Strait Islander Communities	—	—	—	—	—
Disability Royal Commission	—	—	555	285	
Economic Development Plans	—	—	—	—	—
Meriba Omasker Kaziw Kazipa (Torres Strait Islander Child Rearing Practices) Act 2020	—	—	2,050	—	—
Portfolio Total	**—**	**393,680**	**10,419**	**8,127**	**8,025**

Expense measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Department of State Development, Infrastructure, Local Government and Planning					
Disaster Recovery Funding Arrangements Category C & D Extraordinary Packages	115,700	574,034	262,954	123,992	—
Resilient Homes Fund	—	188,300	369,500	183,200	—
National Battery Testing Centre	—	15,000	—	—	—
Growth Area Program	—	5,000	5,000	—	—
Operating Grant Funding Support to South Bank Corporation	3,395	4,733	—	—	—
Enhance the Management of Grants and Contracts	7,000	4,000	—	—	—
Sustainability of Queensland Local Governments	—	3,000	1,000	1,000	—
Burdekin Shire Council Ayr Water Supply—Infrastructure (Stage 2) Project[2]	—	2,000	—	—	—
Queensland Resources Industry Development Plan (QRIDP) Package	—	1,745	1,745	1,995	1,000
Growth Monitoring Program	—	1,000	1,000	1,000	1,000
Expansion of the Translational Research Institute	—	—	—	—	—
The South East Queensland City Deal	—	—	—	—	—
Portfolio Total	**126,095**	**798,812**	**641,199**	**311,187**	**2,000**
Department of the Premier and Cabinet					
Brisbane 2032 Taskforce	—	26,583	18,803	6,877	7,045
Screen Queensland—Far North Queensland Studio	195	7,117	1,797	1,819	1,841
Report 1, Hear Her Voice Response—Commission of Inquiry into policing responses to domestic and family violence	786	2,709	—	—	—
Go for Gold Fund (School Sports Infrastructure)	—	500	5,000	9,750	9,750
2032 High Performance Strategy	—	—	15,657	15,715	—
Events Sponsorship Fund	—	—	3,500	3,500	3,500
Portfolio Total	**981**	**36,909**	**44,757**	**37,661**	**22,136**
Department of Tourism, Innovation and Sport					
Stadiums Queensland Operating Funding	—	60,000	41,000	42,025	43,076
Activate! Queensland 2019–2029	—	23,677	25,000	3,000	—
Tourism Recovery and Development initiatives	25,000	17,900	14,500	5,000	—
Tourism Business Financial Counselling Service	700	2,240	—	—	—
Assistance Package for Brisbane River Commercial Tourism Boat Operators	—	750	350	—	—
Tourism and Hospitality Sector Hardship Program[2]	27,000	—	—	—	—
Portfolio Total	**52,700**	**104,567**	**80,850**	**50,025**	**43,076**
Department of Transport and Main Roads					
Zero Emission Vehicle Strategy 2022–32 and Action Plan 2022–24[2]	—	18,000	18,000	19,000	—
Camera Detected Offence Program	—	15,738	16,448	15,544	14,565
School Transport Infrastructure Program	—	10,000	10,000	10,000	10,000
Regional Urban Bus Base Budget Uplift	—	6,720	—	—	—
Taxi Subsidy Scheme	—	6,462	6,620	6,894	7,206
Maintenance and Management of Gold Coast Waterways Access, Connections and Destinations	—	5,050	5,250	5,450	5,450
Bus Services—Priority Investment for Patronage Growth	—	5,000	5,000	8,000	9,200
War on Wrecks (Addressing Derelict Vessels)	—	5,000	5,000	5,000	—

Expense measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
New Payment Rates for Government Contracted School Transport Delivery Partners (School Transport Assistance Scheme)	1,877	3,754	6,676	9,671	12,740
Fare Reform for Queensland Regional Urban Bus Services to Support Smart Ticketing	3,864	3,486	3,586	3,723	3,816
Maritime Infrastructure Program	—	2,337	3,000	—	—
Operational Readiness of the New Generation Rollingstock Fleet for Cross River Rail Automatic Train Operation and Platform Screen Doors	329	1,459	7,190	7,378	7,572
School Transport Assistance Scheme Funding for Students Living in Shared Care Arrangements	—	526	7,109	6,079	5,197
Future South East Queensland Level Crossing Program	—	500	500	500	—
School Crossing Supervisor Expansion Scheme	—	301	736	1,045	1,071
Townsville Connection Road Bowen Road Bridge Duplication	—	60	60	93	813
Long term Transport Infrastructure Commitments	—	—	—	—	14,150
Rail Transport Service Contract	—	—	37,351	125,567	157,026
Portfolio Total	**6,070**	**84,393**	**132,526**	**223,944**	**248,806**
Legislative Assembly of Queensland					
Legislative Assembly Supplementary Funding	—	2,200	2,200	2,200	2,200
Electorate Office Security Upgrade (CCTV)	—	49	171	171	171
Portfolio Total	**—**	**2,249**	**2,371**	**2,371**	**2,371**
Office of the Governor					
Security Upgrades at Government House	—	1,833	—	—	—
Office of the Governor—Expanded Work Program	—	638	652	666	680
Portfolio Total	**—**	**2,471**	**652**	**666**	**680**
Queensland Corrective Services					
Infrastructure Works	—	32,800	14,000	14,000	14,000
Parole Board Queensland	—	11,137	8,454	310	317
Queensland Parole System Review Report Recommendations	—	10,679	10,819	5,962	6,108
Commissioning of Southern Queensland Correctional Precinct Stage 2	—	4,240	23,992	—	—
Psychological and Disability Services	—	2,936	—	—	—
Report 1—Hear Her Voice Response—Continue to Roll Out Specialist Domestic and Family Violence Courts	—	1,800	1,800	1,800	1,800
Electronic Security Upgrade	—	1,000	—	—	—
Report 1, Hear Her Voice Response—Integrated Service System Responses and High Risk Teams in Additional Locations	—	76	217	267	418
Integrated Offender Management System	—	—	—	—	—
Queensland Corrective Services—Capacity Demands and COVID-19	50,000	—	—	—	—
Women in Custody[2]	—	—	167	172	176
Portfolio Total	**50,000**	**64,668**	**59,449**	**22,511**	**22,819**
Queensland Fire and Emergency Services					
Camera Detected Offence Program	—	154	1,158	162	166
Queensland Emergency Operations Centre critical upgrade	—	—	—	—	—
Supporting Volunteer Emergency Response Entities	—	—	—	—	—
Portfolio Total	**—**	**154**	**1,158**	**162**	**166**

Expense measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Health					
Operational Growth Funding	—	777,282	1,771,005	1,999,413	2,236,219
Mental Health, Alcohol and Other Drugs Services Funding	—	119,871	301,353	397,550	407,677
Royal Flying Doctor Service	—	25,201	28,190	31,808	32,664
Healthcare Services for Vulnerable Queenslanders	—	14,720	22,553	23,981	26,662
Voluntary Assisted Dying Scheme[2]	3,228	5,380	—	—	—
Public Skin Cancer Prevention Campaign and Pop-up Clinics	—	2,374	2,004	2,004	2,004
Infrastructure Maintenance Program	—	1,547	301	—	—
Queensland Regional Aeromedical Hub	15,420	—	—	—	—
Report 1, Hear Her Voice Response—Integrated Service System Responses and High Risk Teams in additional locations	—	—	—	—	—
Portfolio Total	**18,648**	**946,375**	**2,125,406**	**2,454,756**	**2,705,226**
Queensland Police Service					
Queensland Government Air	—	7,380	—	—	—
Youth Justice Investment—Five Point Plan	—	3,484	—	—	—
Relocation of the Oxley Police Academy to Wacol	—	2,000	—	—	—
QLiTE	1,992	1,992	2,042	2,093	2,145
Replacement of Weapons Licensing Management System	—	1,616	—	—	—
Camera Detected Offence Program	—	1,514	1,890	2,274	2,668
Body Worn Camera Digital Capability	—	1,031	4,943	5,338	5,338
Road Safety Anti Hooning Maximum Saturation Deterrence Trial	—	911	—	—	—
Report 1, Hear Her Voice Response—Continue to Roll Out Specialist Domestic and Family Violence Courts	—	322	684	1,094	1,121
Client Management System Program	—	—	—	—	—
Electronic Monitoring of Adult Bailees	—	—	—	—	—
Report 1, Hear Her Voice Response—Domestic and Family Violence and Coercive Control Training and Education	—	—	—	—	—
Report 1, Hear Her Voice Response—Integrated Service System Responses and High Risk Teams in Additional Locations	—	—	—	—	—
Report 1, Hear Her Voice Response—Review and Update of Domestic and Family Violence Operational Policy and Procedures and Risk Assessment Processes	—	—	—	—	—
Report 1, Hear Her Voice Response—Trial and Evaluate Mobile Co-responder Models	—	—	—	—	—
Portfolio Total	**1,992**	**20,250**	**9,559**	**10,799**	**11,272**
Queensland Treasury					
Queensland Trade and Investment Strategy 2022–2032	—	13,510	19,590	22,760	19,350
Camera Detected Offence Program	—	2,024	1,997	1,997	1,997
Crime Statistics and Research Unit	—	1,925	1,981	2,039	2,098
Local Government Authorities Debt Collection Services	—	1,110	—	—	—
Community Housing Provider Development Program	—	—	—	—	—
Portfolio Total	**—**	**18,569**	**23,568**	**26,796**	**23,445**

Expense measures since 2021–22 Budget Update	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Total decisions made but not yet announced	**—**	**81,379**	**88,162**	**105,832**	**67,240**
Total impact on Expense since 2021–22 Budget Update	**1,086,742**	**3,537,501**	**4,358,132**	**4,129,280**	**3,982,043**
Total impact on Expense since the 2021–22 Budget	**1,913,800**	**3,789,753**	**4,635,387**	**4,382,309**	**4,255,882**

1. Further funding for this measure can be found in the Post Budget Update section of this table.
2. Further funding for this measure can be found in the up to and including Budget Update section of this table.

Table 1.4: Capital measures since the 2021–22 Budget

Capital measures up to and including 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Department of Environment and Science					
Cape York Peninsula National Park Joint Management	—	—	—	20,000	—
Protected Area Estate	—	—	—	—	—
Portfolio Total	**—**	**—**	**—**	**20,000**	**—**
Department of State Development, Infrastructure, Local Government and Planning					
Queensland Regional Accommodation Centre	—	—	—	—	—
The South East Queensland City Deal[1]	—	—	—	—	—
Portfolio Total	**—**	**—**	**—**	**—**	**—**
Department of Transport and Main Roads					
Operational Readiness of the New Generation Rollingstock Fleet for Cross River Rail and European Train Control System	2,408	6,882	15,152	66,276	28,366
Portfolio Total	**2,408**	**6,882**	**15,152**	**66,276**	**28,366**
Queensland Corrective Services					
Expansion of the Southern Queensland Correctional Precinct Stage 2 to Over 1,500 Beds[1]	—	—	—	—	—
Portfolio Total	**—**	**—**	**—**	**—**	**—**
Queensland Health					
Voluntary Assisted Dying Scheme	795	6,135	—	—	—
Logan Hospital Expansion	—	—	—	—	—
Queensland Ambulance Critical Infrastructure[1]	—	—	—	—	—
Portfolio Total	**795**	**6,135**	**—**	**—**	**—**
Total impact on Capital up to and including 2021–22 Budget Update	**3,203**	**13,017**	**15,152**	**86,276**	**28,366**

Capital measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Department of Communities, Housing and Digital Economy					
Queensland Cultural Centre—Capital Works, Asset Upgrades and Refurbishment Projects	—	8,550	13,850	17,200	14,100
Strengthening Social Services in Queensland	—	4,000	17,000	14,000	13,000
Realignment of Grey and Russell Street Intersection	—	1,400	—	—	—
Queensland Cultural Centre—Security Upgrades	—	1,300	1,300	910	
Digitisation of the State's Audio-Visual and Other Archival Public Records	—	400	—	—	—
Portfolio Total	**—**	**15,650**	**32,150**	**32,110**	**27,100**
Department of Education					
School Infrastructure—Renewal	6,264	194,595	143,383	93,830	92,279
School Infrastructure—Growth	—	61,941	47,193	—	—
Land Acquisition for New Schools	—	54,887	—	—	—
Building Future Schools Program	—	7,498	20,501	159,936	74,908
School Playground and Tuckshop Upgrades	—	1,500	13,500	—	—
Expansion of GPs in Schools Pilot	—	—	—	—	—
Portfolio Total	**6,264**	**320,421**	**224,577**	**253,766**	**167,187**
Department of Energy and Public Works					
Government Employee Housing Sustainability Funding Model	—	87,776	134,433	—	—
Northern Queensland Renewable Energy Zone	40,000	—	—	—	—
Pumped Hydro Energy Storage	13,000	—	—	—	—
Thomas Dixon Centre Refurbishment	48,627	—	—	—	—
Portfolio Total	**101,627**	**87,776**	**134,433**	**—**	**—**
Department of Environment and Science					
Protected Area Investment and Management	—	—	—	—	—
Portfolio Total	**—**	**—**	**—**	**—**	**—**
Department of Justice and Attorney-General					
Achieving Justice System Efficiency—Contemporary Technology and Infrastructure—Capital	—	6,712	13,266	13,075	13,075
Report 1, Hear Her Voice Response—State-Wide Plan to Improve Safety for Domestic and Family Violence Victims when Attending Court	—	3,375	6,300	20,025	19,350
Beaudesert Courthouse Replacement	—	1,924	4,682	14,521	319
Queensland Resources Industry Development Plan (QRIDP) Package	—	155	—	—	—
Report 1, Hear Her Voice response—Over Representation Strategy and Office of the Chief First Nations Justice Officer	—	113	—	—	—
Claim Farming—Legal Services Commission	—	105	—	—	—
Commission of Inquiry into Queensland's Crime and Corruption Commission	333	—	—	—	—
Report 1, Hear Her Voice Response—Immediate Legislative Amendments and Reforms	—	—	—	—	—
Portfolio Total	**333**	**12,384**	**24,248**	**47,621**	**32,744**
Department of State Development, Infrastructure, Local Government and Planning					
Growth Area Program	—	43,000	52,000	70,000	—

Capital measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Capital Grant Funding Support to South Bank Corporation	—	3,085	—	—	—
The Spit Master Plan Implementation	3,305	1,510	10,651	(215)	249
The South East Queensland City Deal[2]	—	—	—	—	—
Portfolio Total	**3,305**	**47,595**	**62,651**	**69,785**	**249**
Department of the Premier and Cabinet					
Go for Gold Fund (School Sports Infrastructure)	—	1,500	15,000	29,250	29,250
Portfolio Total	**—**	**1,500**	**15,000**	**29,250**	**29,250**
Department of Tourism, Innovation and Sport					
Activate! Queensland 2019–2029	—	5,000	13,500	10,000	—
Stadiums Queensland Capital Funding	—	5,000	20,500	21,013	21,538
Wangetti Trail	—	—	—	—	—
Portfolio Total	**—**	**10,000**	**34,000**	**31,013**	**21,538**
Department of Transport and Main Roads					
Operational Readiness of the New Generation Rollingstock Fleet for Cross River Rail Automatic Train Operation and Platform Screen Doors	15,032	80,990	93,673	55,202	30,803
Maritime Infrastructure Program	—	10,548	—	—	—
Camera Detected Offence Program	—	5,500	5,500	5,000	—
Townsville Connection Road Bowen Road Bridge duplication	—	1,940	1,940	3,007	26,287
Long-term Transport Infrastructure Commitments	—	—	—	—	137,500
Portfolio Total	**15,032**	**98,978**	**101,113**	**63,209**	**194,590**
Legislative Assembly of Queensland					
Electorate Office Security Upgrade (CCTV)	—	612	—	—	—
Portfolio Total	**—**	**612**	**—**	**—**	**—**
Queensland Corrective Services					
Expansion of the Southern Queensland Correctional Precinct Stage 2 to Over 1,500 Beds[2]	—	150,000	57,000	—	—
Infrastructure Works	—	40,950	22,820	7,000	7,000
Electronic Security Upgrade	—	—	—	—	—
Integrated Offender Management System	—	—	—	—	—
Portfolio Total	**—**	**190,950**	**79,820**	**7,000**	**7,000**
Queensland Health					
Capacity Expansion Program	—	85,300	991,700	1,606,000	3,025,000
Digital Hospital Electronic Medical Records System	—	60,000	60,000	60,000	60,000
Infrastructure Maintenance Program	—	15,647	54,193	18,312	—
Queensland Ambulance Critical Infrastructure[2]	—	13,442	35,907	18,067	6,500
Mental Health and Other Drug Services Capital Investment	—	1,791	9,016	9,691	4,641
QEII Hospital Multi-storey Carpark	—	1,500	15,000	13,310	—
Accelerated Infrastructure Delivery Program	—	—	—	—	—
Building Rural and Remote Health program—Phase 2	—	—	—	—	—

Capital measures since 2021–22 Budget Update	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Regional Aeromedical Hub	24,849	—	—	—	—
Portfolio Total	**24,849**	**177,680**	**1,165,816**	**1,725,380**	**3,096,141**
Queensland Police Service					
Road Safety Anti Hooning Maximum Saturation Deterrence Trial	—	5,160	—	—	—
Queensland Government Air	—	2,941	—	—	—
Report 1, Hear Her Voice Response—Domestic and Family Violence and Coercive Control Training and Education	—	—	—	—	—
Report 1, Hear Her Voice Response—Review and Update of Domestic and Family Violence Operational Policy and Procedures and Risk Assessment Processes	—	—	—	—	—
Report 1, Hear Her Voice Response—Trial and Evaluate Mobile Co-responder Models	—	—	—	—	—
Portfolio Total	**—**	**8,101**	**—**	**—**	**—**
Total decisions made but not yet announced	**—**	**225**	**740**	**—**	**—**
Total impact on Capital since 2021–22 Budget Update	**151,410**	**971,872**	**1,874,548**	**2,259,134**	**3,575,799**
Total impact on Capital since the 2021–22 Budget	**154,613**	**984,889**	**1,889,700**	**2,345,410**	**3,604,165**

1. Further funding for this measure can be found in the Post Budget Update section of this table.
2. Further funding for this measure can be found in the up to and including Budget Update section of this table.

Table 1.5: Revenue measures since the 2021–22 Budget

Revenue measures since the 2021–22 Budget[1]	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Department of Regional Development, Manufacturing and Water					
Drought Assistance and Reform Package	—	—	—	—	—
Portfolio Total	**—**	**—**	**—**	**—**	**—**
Department of Resources					
Drought Assistance and Reform Package	—	—	—	—	—
Portfolio Total	**—**	**—**	**—**	**—**	**—**
Queensland Health					
Fee Alignment Cost Recovery for Healthcare Services Provided to Australian Defence Force Personnel	—	2,368	2,463	2,563	2,666
Portfolio Total	**—**	**2,368**	**2,463**	**2,563**	**2,666**
Queensland Treasury					
Progressive Coal Royalty Rates	—	764,807	126,549	138,693	146,226
Payroll Tax—Mental Health Levy	—	183,776	390,340	407,515	425,446
Betting Tax Reform	—	40,000	80,000	80,000	80,000
Additional Foreign Acquirer Duty Exemption for Retirement Visa	—	(150)	(300)	(300)	(300)
Holders Payroll Tax Extending Deduction Phase Out	—	(30,000)	(60,000)	(60,000)	(60,000)
Payroll Tax Apprentice and Trainee Rebate	—	(32,200)	—	—	—
Portfolio Total	**—**	**926,233**	**536,589**	**565,908**	**591,372**
Total decisions made but not yet announced	**—**	**—**	**—**	**—**	**—**
Total impact on Revenue since the 2021–22 Budget	**—**	**928,601**	**539,052**	**568,471**	**594,038**

1. There were no revenue measures up to and including 2021–22 Budget Update.

2 Expense Measures

Introduction

The following tables present the relevant portfolio expense measures relating to decisions taken since the 2021–22 Budget. This does not represent the full amount of additional funding provided to agencies since the 2021–22 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1.

Department of Agriculture and Fisheries

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Fire Ant Suppression Taskforce	5,000	8,000	8,018	8,040	8,063

The government is providing additional funding of $37.1 million over 5 years to establish a joint taskforce to oversee red imported fire ant suppression activities by local governments, industry and Queensland Government, including the provision of bait. This demonstrates to our partners, the Australian Government and other states and territories, Queensland's commitment to the National Red Imported Fire Ant Eradication Program.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Drought Assistance and Reform Package	—	4,900	4,900	4,900	2,500

The government is providing additional funding of $17.2 million over 4 years to continue drought reforms to enhance resilience in a changing climate. This includes the Drought and Climate Adaptation Program, the Farm Business Resilience Program and the Regional Drought Resilience Program. Two of these schemes, the Farm Business Resilience Program and the Regional Drought Resilience Program, have been matched by the Australian Government.

In addition, the government is also providing increased funding of up to $3.2 million (totalling up to $13 million) over 4 years from 2022–23, held centrally, for the Drought Relief Assistance Scheme to maintain existing drought assistance including freight subsidies and emergency water infrastructure rebates.

The Drought Assistance and Reform Package is a total of up to $79.6 million over 4 years from 2022–23 to support drought affected communities across the state (and $150 million over 3 years from 2022–23 for drought preparedness and emergency drought assistance loans). Further details can be found in the Department of Energy and Public Works section of this chapter and the Department of Regional Development, Manufacturing and Water and the Department of Resources sections of Chapter 4 Revenue measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Feral Pest Initiative Round 7	—	1,000	—	—	—

The government is providing increased funding of $1 million in 2022–23 for Round 7 of the Queensland Feral Pest Initiative to support the management of invasive plants and animals.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland’s Obligations within the National Biosecurity System	—	914	892	—	—

The government is providing increased funding of $1.8 million over 2 years to meet immediate and known obligations within the National Biosecurity System.

The government is also providing increased funding of up to $6 million over 4 years from 2022–23 and $1.5 million per annum ongoing, held centrally, towards future obligations to help mitigate the risks and impacts of significant pests and diseases.

Total funding for this initiative is up to $7.8 million over 4 years from 2022–23 and $1.5 million per annum ongoing.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Country Women’s Association Building Restoration and Renovation	—	500	500	—	—

The government is providing increased funding of $1 million over 2 years for the Queensland Country Women’s Association to continue minor works upgrades to infrastructure, including community halls.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
#PickQld Bonus	1,980	—	—	—	—

The government has provided increased funding of $2 million in 2021–22 to deliver the #PickQld Bonus (formally the Back to Work in Agriculture Incentive Scheme), an incentive to new workers to help fill the urgent and immediate agriculture workforce shortfall to deliver food security and maintain industry viability.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Pacific Australia Labour Mobility Scheme	—	—	—	—	—

The government is providing increased funding of up to $2.6 million in 2022–23, held centrally, to enhance implementation of the Australian Government’s Pacific Australia Labour Mobility Scheme (which replaces the former Pacific Labour Scheme and Seasonal Worker Programme). This scheme helps fill agricultural employment gaps in regional areas.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Resources Industry Development Plan (QRIDP) Package	—	—	—	—	—

Funding of $371,000 in 2022–23 is being met internally by the department to lead a review of the agricultural land use classifications as they relate to coexistence outcomes.

This forms part of the government’s commitment to a $68.5 million package over 5 years to support implementation of the final QRIDP across government. Further details on initiatives can be found in the Department of Resources, Department of State Development, Infrastructure, Local Government and Planning, Department of Environment and Science, Department of Employment, Small Business and Training, Department of Justice and the Attorney General, and Department of Regional Development, Manufacturing and Water sections of this chapter.

Department of Children, Youth Justice and Multicultural Affairs

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Child and Family Services - Out of Home Care	170,000	500,000	500,000	500,000	500,000

The government is providing increased funding of $2.2 billion over 5 years and $500 million per annum ongoing for out of home care services in response to significant, ongoing pressures arising from an increase in demand in the child protection system.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Family Support and Child Protection Reforms	—	117,524	112,707	91,841	92,195

The government is providing increased funding of $414.3 million over 4 years and $92.2 million per annum ongoing to continue to promote a whole of government approach towards meeting the needs of Queensland children, young people and families experiencing vulnerability by delivering on family support and child protection reforms through the *Supporting Families Changing Futures* program. Further funding of $6 million over 2 years from 2022–23 is being met internally by the department.

This forms part of the government's total funding of $470.4 million over 4 years ($464.5 million new funding and $6 million being met internally) and $104.7 million per annum ongoing for continuation of *Supporting Families Changing Futures* initiatives. Further details can be found in the Department of Justice and Attorney-General section of this chapter.

This funding will support a number of programs including $183.5 million over 4 years and $45.9 million per annum ongoing for the Intensive Family Support services to continue early intervention support services for families and parents who are experiencing vulnerability and have more complex needs and $66.9 million over 4 years and $16.7 million per annum ongoing for the Aboriginal and Torres Strait Islander Family Wellbeing Services.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Justice Investment - Youth Detention Centre Staffing	—	7,408	7,408	7,408	7,408

The government is providing increased funding of $29.6 million over 4 years and $7.4 million per annum ongoing to establish a permanent staffing model for youth detention centres to ensure necessary staffing levels are maintained while centres continue operating near or at capacity.

This forms part of the government’s total funding of $78.8 million over 4 years ($77.2 million new funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue Youth Justice Strategy reforms. Further details can be found in the Queensland Police Service section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
National Redress Scheme	—	6,137	6,064	6,162	6,253

The government is providing increased funding of $24.6 million over 4 years to continue operationalisation of the National Redress Scheme for survivors of institutional child sexual abuse in Queensland.

This forms part of the government’s total funding of $25.9 million over 4 years for this initiative. Further details can be found in the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships and Department of Communities, Housing and Digital Economy sections of this chapter.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Youth Justice Investment - Indigenous Youth and Family Workers	—	3,813	4,000	4,000	4,000

The government is providing increased funding of $15.8 million over 4 years and $4 million per annum ongoing to continue the Indigenous Youth and Family Worker initiative which responds to families where children are at risk of contact or are already in contact with the youth justice system, especially those at risk of being remanded.

This forms part of the government's total funding of $78.8 million over 4 years ($77.2 million new funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue Youth Justice Strategy Reforms. Further details can be found in the Queensland Police Service section of this chapter.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Youth Justice - Community Partnerships Innovation Grants	—	3,013	—	—	—

The government is providing additional funding of $3 million in 2022–23 to continue the Community Partnership Innovation Grant scheme for projects focussed on young people who are, or could become, high risk offenders.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Youth Justice Investment - Integrated Case Management	—	2,132	2,100	2,170	2,236

The government is providing increased funding of $8.6 million over 4 years and $2.2 million per annum ongoing to continue service responses to reduce and prevent future offending by high-risk offenders.

This forms part of the government's total funding of $78.8 million over 4 years ($77.2 million new funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue Youth Justice Strategy reforms. Further details can be found in the Queensland Police Service section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Justice Investment - Mount Isa Transitional Hub	—	1,446	1,444	1,446	1,448

The government is providing increased funding of $5.8 million over 4 years and $1.4 million per annum ongoing (a further $1.6 million over 4 years and $400,000 per annum ongoing are being met internally by the department) for the Mount Isa Transitional Hub. This diverts young people from the youth justice system by responding to young people on the streets at night who are at risk of reoffending.

This forms part of the government’s total funding of $78.8 million over 4 years ($77.2 million new funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue Youth Justice Strategy reforms. Further details can be found in the Queensland Police Service section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Justice Investment - Family Led Decision Making	—	1,280	1,280	1,280	1,280

The government is providing increased funding of $5.1 million over 4 years and $1.3 million per annum ongoing for Family Led Decision Making which empowers Aboriginal and Torres Strait Islander families in decision-making and identifying solutions to address the young person’s offending behaviour.

This forms part of the government’s total funding of $78.8 million over 4 years ($77.2 million new funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue Youth Justice Strategy reforms. Further details can be found in the Queensland Police Service section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Justice Investment - Multi-agency Collaborative Panels	—	1,200	1,178	1,258	1,331

The government is providing increased funding of $5 million over 4 years and $1.3 million per annum ongoing to repurpose Specialist Multi Agency Response Teams into statewide multi-agency Collaborative Panels to address serious repeat offenders.

This forms part of the government’s total funding of $78.8 million over 4 years ($77.2 million new funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue Youth Justice Strategy reforms. Further details can be found in the Queensland Police Service section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Justice Investment - Five Point Plan: Co-responder Model	—	765	—	—	—

The government is providing increased funding of $765,000 in 2022–23 to continue to deliver a co-responder model with the Queensland Police Service to deal with or divert high risk young people. This forms part of total increased funding of $1.3 million for the co-responder model under the Five Point Plan.

This forms part of the government’s total funding of $78.8 million over 4 years ($77.2 million new funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue Youth Justice Strategy reforms. Further details can be found in the Queensland Police Service section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Justice Investment - Program Management Office	—	722	742	767	790

The government is providing increased funding of $3 million over 4 years and $790,000 per annum ongoing to establish a permanent Youth Justice Program Management Office. The office will oversee and inform the delivery of youth justice initiatives which is critical for ensuring the robustness of the youth justice investment.

This forms part of the government’s total funding of $78.8 million over 4 years ($77.2 million new funding and $1.6 million being met internally) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue Youth Justice Strategy reforms. Further details can be found in the Queensland Police Service section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Multicultural Affairs - Australian South Sea Islander Peoples Support Plan	—	467	265	166	170

The government is providing additional funding of $1.1 million over 4 years and $170,000 per annum ongoing to support and engage with the Australian South Sea Islander community.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Child and Family Services - Child Safe Standards and Reportable Conduct Scheme	218	227	—	—	—

The government is providing increased funding of $445,000 over 2 years to continue work on development of options for implementation of child safe standards and a reportable conduct scheme for Queensland.

This forms part of the government’s total funding of $722,000 over 2 years to continue this initiative. Further details can be found in the Department of Justice and Attorney-General section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Child and Family Services - Extended Post Care Support	—	200	—	—	200

The government is providing additional funding of $400,000 over 4 years from 2022–23 to support implementation and evaluation activities to extend support to young people leaving care. From 2023–24, carers will continue to receive allowances for 19 to 21 year olds remaining at home while young people aged 18 to 21 years leaving non family-based care will be mentored and supported financially by non-government organisations to live independently. Funding for allowances and support is held centrally from 2023–24.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Integrated Service System Responses and High Risk Teams in Additional Locations	—	154	431	501	805

The government is providing increased funding of $1.9 million over 4 years and $805,000 per annum ongoing to roll out integrated service system responses and high risk teams in additional locations.

Further details of this funding can be found in the Department of Communities, Housing and Digital Economy, Department of Justice and Attorney-General, Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships, Queensland Police, Queensland Corrective Services and Queensland Health sections of this chapter.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women`s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland.* Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Respectful Relationships Program for Young People Not in Formal Education	—	150	150	150	—

The government is providing increased funding of $450,000 over 3 years to expand the availability of respectful relationships programs for young people not engaged in formal education.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland.* Further details on this package are in Chapter 1 of this paper.

Department of Communities, Housing and Digital Economy

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Strengthening Social Services in Queensland	—	17,918	19,131	19,352	18,463

The government is providing additional funding of $74.9 million over 4 years and $17.1 million per annum ongoing to strengthen social services in Queensland. This includes funding provided towards neighbourhood and community centres and actions responding to the Queensland Parliament Community Support and Services Committee Inquiry into *Social Isolation and Loneliness in Queensland.*

This forms part of the government's total funding of $125.6 million over 4 years and $19 million ongoing to strengthen social services in Queensland. The capital component of this measure can be found in Chapter 3 Capital Measures.

A further $2.8 million over 4 years and $1.8 million ongoing is held centrally, providing total services funding of $77.6 million over 4 years and $19 million ongoing for this initiative.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Grow 2022–2026	—	15,000	15,000	10,000	10,000

The government is providing increased funding of $50 million over 4 years to support the delivery of *Grow 2022–2026,* the second action plan of *Creative Together 2020–2030: A 10-Year Roadmap for arts, culture and creativity in Queensland.*

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Performing Arts Centre	—	2,000	—	—	—

The government is providing increased funding of $2 million in 2022–23 to support the continued growth of First Nations performing arts initiatives and delivery of digital initiatives that extend programming and audience access across the state.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Digitisation of the State’s Audio-Visual and Other Archival Public Records	—	945	973	841	841

The government is providing additional funding of $3.6 million over 4 years to accelerate digitisation of print and audio-visual records. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Cultural Centre - Capital Works, Asset Upgrades and Refurbishment Projects	—	621	907	1,260	1,578

The government is providing additional funding of $4.4 million over 4 years and $1.1 million per annum ongoing for implementation and operational maintenance of capital asset renewal works, compliance and safety improvements, and amenity upgrades funded under this measure. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Neighbourhood and Community Centres	557	619	619	619	619

The government is providing increased funding of $3 million over 5 years and $619,000 per annum ongoing for the operation of 4 neighbourhood and community centres in Manoora, Kallangur, Thursday Island and Yarrabilba.

Further uplift in funding for neighbourhood and community centres, including those mentioned above, will be provided through the Strengthening Social Services in Queensland initiative.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Management and Matching of Donated Goods	—	400	400	400	400

The government is providing increased funding of $1.6 million over 4 years and $400,000 per annum ongoing to continue the management and matching of donated goods following a disaster.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Storage for State Cultural Collections	—	400	—	—	—

The government is providing additional funding of $400,000 in 2022–23 to develop a 10-year strategic plan for the acquisition and storage of the State collection.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
School Breakfast Program	—	300	300	594	594

The government is providing increased funding of $1.8 million over 4 years and $594,000 per annum ongoing to continue the School Breakfast Program including in rural and remote communities.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
National Redress Scheme	—	141	145	149	152

The government is providing increased funding of $587,000 over 4 years to operationalise the National Redress Scheme for survivors of institutional child sexual abuse in Queensland.

This forms part of the government's total funding of $25.9 million over 4 years for this initiative. Further details can be found in the Department of Children, Youth Justice and Multicultural Affairs and the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships sections of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Integrated Service System Responses and High Risk Teams in Additional Locations	—	89	249	327	501

The government is providing additional funding of $1.2 million over 4 years and $503,000 per annum ongoing to roll out integrated service system responses and high risk teams in additional locations.

Further details of this funding can be found in the Department of Justice and Attorney-General, Queensland Police Service, Queensland Corrective Services, Queensland Health, Department of Children, Youth Justice and Multicultural Affairs, and the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships sections of this chapter.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear Her Voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Cultural Centre - Security Upgrades	—	28	42	48	48

The government is providing additional funding of $166,000 over 4 years and $48,000 per annum ongoing for the operational maintenance of the capital works funded under the capital component of this measure to enhance security measures across the Queensland Cultural Centre. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
COVID-19 Support and Service Delivery Capacity and Capability	1,394	—	—	—	—

The government has provided increased funding of $1.4 million to continue quarantine support services and extraordinary non-clinical workforces to support vaccination centres in 2021–22. The government is also providing increased funding of $12.5 million in 2022–23, held centrally, for essential quarantine/isolation support and enhanced Smart Service Queensland COVID-19 service capacity and capability if required.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Digital Economy - Foundations	1,000	—	—	—	—

The government has provided additional funding of $1 million in 2021–22 to undertake foundational work so as to shape Queensland’s digital direction. Further funding of $3 million over 2 years is being internally met by the department, bringing total funding for this program to $4 million over 2 years from 2021–22.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Digitally Connected Regions	1,919	—	—	—	—

The government has provided additional funding of $1.9 million in 2021–22 to support several strategic initiatives including co-investment, development of a Queensland Digital Infrastructure Plan and trials of new and emerging technology to improve connectivity in regional and remote Queensland. Further funding of $3 million is being held centrally for these initiatives. Total funding for this program is $4.9 million over 2 years from 2021–22.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Woodford Folk Festival	1,000	—	—	—	—

The government has provided additional funding of $1 million in 2021–22 to support the sustainability of Woodfordia Inc, producer of the Woodford Folk Festival. Additional funding of $3 million over 3 years from 2022–23 is being held centrally and will be provided subject to achievement of agreed annual milestones.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Homelessness and Housing	—	—	8,068	8,991	9,959

The government will provide additional funding of $27 million over 3 years and $10 million per annum ongoing to deliver new frontline service initiatives that provide housing with support for young people to access and sustain housing and work toward social and economic independence.

Funding of $2.8 million in 2022–23 is being met internally by the department towards youth homelessness initiatives. Total funding for this program is $29.8 million over 4 years from 2022–23.

Department of Education

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
State Kindergarten Funding	—	36,000	73,000	77,000	77,000

The government is providing increased funding of $263 million over 4 years and $77 million per annum ongoing to support kindergarten funding reform to reduce out-of-pocket expenses for families, increase disability funding and implement educational needs funding for children in Queensland attending a kindergarten.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Asbestos Program	—	25,765	26,553	27,366	28,203

The government is providing increased funding of $107.9 million over 4 years for the removal of all low density board asbestos containing materials from Department of Education facilities across the state.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Transition to a New Students with Disability State School Resourcing Model	—	13,974	40,296	26,322	—

The government is providing additional funding of $80.6 million over 3 years to support schools transition to a new resourcing model for students with disability.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Early Childhood Education and Care - Regulation	—	13,553	13,754	14,017	14,180

The government is providing increased funding of $55.5 million over 4 years and $14.2 million per annum ongoing for the regulation of early childhood education and care services.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Expansion of the Share the Dignity in Queensland Schools Initiative	—	13,286	—	—	—

The government is providing increased funding of $13.3 million in 2022–23 to expand the Share the Dignity in Queensland Schools initiative by funding the installation of Dignity Vending Machines to all state schools, outdoor education centres and student residential facilities across the state.

Funding of up to $18.8 million over 3 years and $6.4 million per annum ongoing is being met internally by the department to maintain, repair and re-stock the machines.

Total funding for the expanded initiative is $32.1 million over 4 years and $6.4 million per annum ongoing.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
School Infrastructure - Renewal	696	12,364	30,206	—	—

The government is providing increased funding of $43.3 million over 3 years for critical infrastructure upgrades to replace and enhance infrastructure in existing state schools.

Funding of up to $50.1 million in 2024–25 and 2025–26, and $2.5 million per annum ongoing, is being met internally by the department to complete these projects. This brings total funding for the expense component of this initiative to $93.4 million over 5 years and $2.5 million per annum ongoing.

Total funding for the initiative is $623.8 million over 5 years and $25.2 million per annum ongoing. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Detention Centres - Staffing Ratio Change	2,592	6,015	6,166	6,320	6,479

The government is providing increased funding of $27.6 million over 5 years and $6.5 million per annum ongoing to increase the teacher to student ratio from 1:6 to 1:4 for education staff working in Queensland’s 3 youth detention centres.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Respectful Relationships Education	—	6,007	6,176	3,286	—

The government is providing increased funding of $15.5 million over 3 years to support Queensland state schools to embed respectful relationships education.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One* - *Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
School Infrastructure - Growth	—	5,386	4,104	—	—

The government is providing increased funding of $9.5 million over 2 years for the provision of additional infrastructure at existing schools experiencing enrolment growth.

Total funding for this initiative is $118.6 million over 2 years. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
School Security Program	—	5,000	5,000	5,000	5,000

The government is providing increased funding of $20 million over 4 years and $5 million per annum ongoing to enhance security measures in Queensland state schools.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Infrastructure Portfolio Management	—	2,504	6,535	8,930	11,258

The government is providing increased funding of $29.2 million over 4 years and $11.3 million per annum ongoing to support the management of the department’s infrastructure portfolio.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Former Origin Greats - Achieving Results Through Indigenous Education Program	—	1,609	1,609	1,609	804

The government is providing increased funding of $5.6 million over 4 years to Former Origin Greats Queensland to support the delivery of the Achieving Results Through Indigenous Education Program in state schools.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Land Acquisition for New Schools	—	916	—	—	—

The government is providing increased funding of $916,000 in 2022–23 to acquire land to continue the delivery of new schools under its Building Future Schools program.

Total funding for this initiative is $55.8 million in 2022–23. The capital component can be found in Chapter 3 Capital measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Non-State Schools Accreditation Board	—	648	663	678	694

The government is providing increased funding of $2.7 million over 4 years and $694,000 per annum ongoing to support the operation of the Non-State Schools Accreditation Board.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
School Playground and Tuckshop Upgrades	—	500	4,500	—	—

The government is providing additional funding of $5 million over 2 years to improve School playground and tuckshop facilities in disadvantaged areas throughout Queensland.

Total funding for this initiative is $20 million over 2 years. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Workplace Rights and Harmonious Industrial Relations Grant Program	—	500	500	500	500

The government is providing increased funding of $2 million over 4 years ($2.5 million over 5 years) for eligible registered employer and employee industrial organisations and their peak bodies to promote modern workplace rights and co-operative industrial relations.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Building Future Schools Program	—	478	1,309	10,209	4,781

The government is providing increased funding of $16.8 million over 4 years ($23.4 million over 7 years) for the construction of new schools to open in 2025 at Caboolture West, Caloundra South, Greater Flagstone and Ripley Valley, along with one new school in Bahrs Scrub to open in 2026.

Total funding for this initiative is $389.5 million over 7 years. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Non-State Schools Transport Assistance Scheme	—	450	458	465	473

The government is providing increased funding of $1.8 million over 4 years and $473,000 per annum ongoing for the Non-State Schools Transport Assistance Scheme.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Expansion of GPs in Schools Pilot	—	—	—	—	—

Funding of up to $6 million over 3 years is being met internally by the department to expand the GPs in Schools pilot program from 20 to 50 schools.

Total funding for the expansion is $6.6 million over 3 years. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Engagement Strategy	—	—	—	—	—

Funding of $45.5 million over 4 years is being met internally by the department to continue the Youth Engagement Strategy, which includes a range of initiatives aimed at re-engaging children and young people who have disconnected from study or work.

Department of Employment, Small Business and Training

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Training and Future Skills Investment	—	47,250	53,350	—	—

The government is providing additional funding of $100.6 million over 2 years to support the delivery of Vocational Education and Training (VET) services by Queensland’s public training providers.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Resources Industry Development Plan (QRIDP) Package	—	1,640	1,250	190	220

The government is providing additional funding of $3.3 million over 4 years to support the implementation of several key initiatives included in the QRIDP. This includes the Queensland Future Skills for All program (to assist industry, businesses and individuals seeking to enter, upskill and reskill in autonomous technologies fields) and to develop pathways into higher education courses for those interested in pursuing a career in automation.

This forms part of the government’s commitment to a $68.5 million package over 5 years to support implementation of the final QRIDP across government. Further details on initiatives can be found in the Department of Resources, Department of State Development, Infrastructure, Local Government and Planning, Department of Environment and Science, Department of Justice and the Attorney General, Department of Regional Development, Manufacturing and Water and Department of Agriculture and Fisheries sections of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Small Business Support	—	1,396	12,555	12,564	12,573

The government is providing increased funding of $39.1 million over 4 years and $12.6 million per annum ongoing to continue to provide small business grants and the mentoring for growth program. These programs will support digital capability and upgrades, strategic business and marketing advice, staff management and future business development and planning.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Small Business Commissioner	—	500	3,200	3,200	3,200

The government is providing increased funding of $10.1 million over 4 years and $3.2 million per annum ongoing to establish a permanent Queensland Small Business Commissioner’s office. The Queensland Small Business Commissioner provides information and advocacy support to small businesses and assist in resolving commercial tenancy disputes.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
COVID-19 Business Support Grants	400,000	—	—	—	—

The government has provided additional funding of $400 million in 2021–22, with funding also held centrally, for the 2021 COVID-19 Business Support Grants program, to help support small businesses with the impacts of COVID-19 in Queensland. This program has now closed.

This formed part of the government’s total announced funding of $600 million in 2021–22 for the Business Support Package, jointly funded by the Australian Government, to support businesses impacted by COVID-19 in Queensland

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
COVID-19 Cleaning Rebate	20,000	—	—	—	—

The government has provided additional funding of $20 million in 2021–22 to assist small and medium businesses and not-for-profit organisations that are identified as a site of potential COVID-19 transmission by Queensland Health.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Tradies in Paradise Initiative	—	—	—	—	—

The government is providing additional funding of up to $7.8 million, held centrally, to attract skilled, qualified tradespeople from interstate (except New South Wales) to Queensland to work on flood recovery.

Department of Energy and Public Works

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Willows Sports Field	160	14,340	—	—	—

The government is providing additional funding of $14.5 million over 2 years to coordinate the demolition of the stadium infrastructure and site restoration at the Willow Sports Field (formerly 1300 Smiles Sports Stadium).

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Household Resilience Program Phase 3	—	8,000	12,000	—	—

The government is providing increased funding of $20 million over 2 years to extend the Household Resilience Program to Phase 3.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Microgrid Pilot Fund	—	5,000	5,000	—	—

The government is providing additional funding of $10 million over 2 years for a Queensland Microgrid Pilot Fund, with the intention of boosting resilience of regional communities to extreme weather conditions.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Development of the Old Museum Building ahead of the 2032 Olympic and Paralympic Games in Brisbane	—	3,130	1,500	1,500	1,500

The government is providing additional funding of $1.6 million in 2022–23 to undertake a business case and master planning for redevelopment of the Old Museum Building.

The government is also providing additional funding of $6 million over 4 years to undertake essential maintenance of the Old Museum Building to keep the building safe and operational.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Best Practice Prequalification System, including Subcontractors	—	1,600	376	385	393

The government is providing additional funding of $2.8 million over 4 years and $400,000 per annum ongoing to enhance the Department of Energy and Public Works’ existing procurement prequalification system for building projects.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Continuation of the Safer Building Taskforce	—	1,335	—	—	—

The government is providing additional funding of $1.3 million in 2022–23 for the continuation of the Safer Buildings Taskforce.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Government Employee Housing Sustainability Funding Model	—	1,077	1,099	—	—

The government is providing additional funding of $2.2 million over 2 years from 2022–23 and a further $2.3 million over 2 years from 2024–25 held centrally to manage and deliver the increased program of work. The capital component to this measure can be found in Chapter 3 Capital measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Drought Assistance and Reform Package	—	—	—	—	—

The government is providing relief of up to $15 million in 2022–23 to farmers and irrigators through fixed charges for electricity accounts that are used to pump water for farm or irrigation purposes during periods of drought. The total assistance provided can vary depending on the shires that are drought declared and the number of eligible customers.

The Drought Assistance and Reform Package is a total of up to $79.6 million over 4 years from 2022–23 to support drought affected communities across the State (and $150 million over 3 years from 2022–23 for drought preparedness and emergency drought assistance loans). Further details can be found in the Department of Agriculture and Fisheries section of this chapter and the Department of Regional Development, Manufacturing and Water and the Department of Resources sections of Chapter 4 Revenue measures.

Department of Environment and Science

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland’s Resource Recovery Sector Transformation	672,400	47,348	105,458	75,386	63,617

The government is providing increased funding of $964.2 million over 5 years as part of the 10 year $2.1 billion Waste Package. Funding will support councils and industry to invest in infrastructure and will deliver programs to reduce waste, meet resource recovery targets, create jobs, and reduce impacts on households.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Accelerating Climate Action	—	9,487	13,661	4,722	4,730

The government is providing increased funding of $32.6 million over 4 years and $4.8 million per annum ongoing to develop climate science capability that supports climate action program policy, planning and management, including emissions analysis, modelling and projections.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Saving Queensland’s Koalas	—	7,432	15,215	1,000	1,000

The government is providing increased funding of $24.6 million over 4 years and $1 million per annum ongoing to extend and accelerate implementation of the South East Queensland Koala Conservation Strategy 2020–2025 and increase the commitment to the South East Queensland Wildlife Hospital Network enabling the rescue, treatment, care and rehabilitation of sick, injured and orphaned koalas.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Cape York Peninsula National Park Joint Management	—	5,709	5,262	6,374	1,149

The government is providing increased funding of $18.5 million over 4 years and $1.2 million per annum ongoing for the continuation of the Cape York Peninsula Tenure Resolution Program, including support for the transfer of land to First Nations people, enhancing joint management arrangements on Cape York Peninsula Aboriginal land and management of Springvale Station Nature Refuge. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Saving Queensland’s Threatened Species	—	4,968	7,729	1,000	1,000

The government is providing increased funding of $14.7 million over 4 years and $1 million per annum ongoing to enhance Queensland’s protection and recovery of threatened species by implementing the Threatened Species Program, focusing on the assessment, protection and recovery of species most at risk of extinction.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Protected Area Investment and Management	—	3,137	3,137	3,137	3,137

The government is providing increased funding of $12.5 million over 4 years and $3.1 million ongoing, for the continuation of the Protected Area Strategy 2020–2030, including support for managing land acquisitions across the protected area estate. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Land Restoration Fund Program Management Office	—	1,654	1,695	1,738	1,781

The government is providing increased funding of $6.9 million over 4 years and $1.8 million per annum ongoing to continue the Land Restoration Fund Project Management Office to expand carbon farming in the state by supporting land-sector carbon projects that deliver additional environmental, social, economic and First Nations people outcomes.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Community Sustainability Action Grants Program	—	1,500	1,500	1,500	1,500

The government is providing increased funding of $6 million over 4 years and $1.5 million per annum ongoing to continue the Community Sustainability Action Grant program to provide community, environmental and heritage grants in Queensland.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Resources Industry Development Plan (QRIDP) Package	—	666	682	700	717

The government is providing additional funding of $3.5 million over 5 years to build capacity and skills in the environmental regulator to assess decarbonisation plans and provide additional guidance to applicants.

This forms part of the government’s commitment to a $68.5 million package over 5 years to support implementation of the final QRIDP across government. Further details on initiatives can be found in the Department of Resources, Department of State Development, Infrastructure, Local Government and Planning, Department of Employment, Small Business and Training, Department of Justice and the Attorney General, Department of Regional Development, Manufacturing and Water and Department of Agriculture and Fisheries sections of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Eradication of Yellow Crazy Ants from Areas Within and Adjacent to the Wet Tropics World Heritage Area	—	—	—	—	—

The government is providing increased funding of $12 million over 4 years ($18 million over 6 years) for control of yellow crazy ants, held centrally, until matching funding by the Australian Government has been documented. This funding will be directed to the Wet Tropics Management Authority to support local eradication of yellow crazy ants in the Wet Tropics World Heritage Area and adjacent areas.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Protected Area Estate	—	—	—	—	—

The government is providing increased funding of $2.9 million over 5 years and $628,000 per annum ongoing, held centrally, to support critical infrastructure upgrades and maintenance costs associated with the increase of the protected estate. The capital component of this measure can be found in Chapter 3 Capital Measures.

Department of Justice and Attorney-General

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Achieving Justice System Efficiency - Contemporary Infrastructure and Technology	—	28,765	43,897	7,222	7,230

The government is providing additional funding of $94.3 million over 5 years and $7.2 million annually ongoing, to digitise Queensland Courts and the Queensland Civil and Administrative Tribunal, and to support infrastructure works to ensure the efficiency and sustainability of Queensland's courthouses.

The government is also providing additional funding of $71 million from 2024–25 to 2026–27 to be held centrally and $7 million per annum ongoing to be held centrally.

This forms part of the government's total funding package of $246.8 million over 5 years and $27.4 million per annum ongoing to deliver an efficient and effective justice system underpinned by contemporary technology and safe, accessible and functional infrastructure. The capital component of this measure can be found in Chapter 2 Capital measures.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Legal Aid Queensland Challenges - Meeting Non-Discretionary Demand and Scale of Fee Increases	—	17,227	18,522	19,842	21,192

The government is providing increased funding of $76.8 million over 4 years and $21.2 million per annum ongoing to provide an increase in fees paid for legal work undertaken by preferred supplier legal firms, barristers and specialists and meet the rising demand for core services in criminal law, child protection and domestic and family violence matters.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Family Support and Child Protection Reforms	—	12,553	12,553	12,553	12,553

The government is providing increased funding of $50.2 million over 4 years and $12.6 million per annum to continue the family support and child protection reforms through the Supporting Families, Changing Futures program. The majority of the initiatives provide direct frontline services to at risk children and families.

This forms part of the government’s total funding of $470.4 million over 4 years ($464.5 million new funding and $6.0 million being met internally) and $104.7 million per annum ongoing for continuation of Supporting Families, Changing Futures initiatives. Further details of this funding can be found in the Department of Children, Youth Justice and Multicultural Affairs sections of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - State-Wide Plan to Improve Safety for Domestic and Family Violence Victims when Attending Courts	—	9,980	15,299	16,601	15,907

The government is providing additional funding of $57.8 million over 4 years and $15.8 million per annum ongoing to improve safety for victims of domestic and family violence including coercive control when attending courts. The capital component of this measure can be found in Chapter 3 Capital measures.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Perpetrator Programs and Related Initiatives	—	6,800	7,398	6,380	4,935

The government is providing additional funding of $25.5 million over 4 years and $4.4 million ongoing to establish and resource a statewide network of perpetrator intervention programs including specifically tailored programs to meet the needs of Aboriginal and Torres Strait Islander peoples.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Integrated Service System Responses and High Risk Teams in Additional Locations	—	4,017	4,393	5,781	7,448

The government is providing additional funding of $21.6 million over 4 years and $7.2 million per annum ongoing to roll out integrated service system responses and High Risk Teams in additional locations.

Further details can be found in the Queensland Police Service, Queensland Corrective Services, Department of Communities, Housing and Digital Economy, Department of Children, Youth Justice and Multicultural Affairs, Queensland Health, and Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships sections of this chapter.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Continue to Roll Out Specialist Domestic and Family Violence Courts - Legal Aid Queensland	—	3,249	5,876	6,022	6,173

The government is providing additional funding of $21.3 million over 4 years and $6.2 million per annum ongoing to Legal Aid Queensland to support the continued enhancement and roll out of specialist domestic and family courts.

Further details can be found in the Queensland Corrective Services and Queensland Police Service sections of this chapter.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Continue to Roll Out Specialist Domestic and Family Violence Courts	—	3,111	6,720	8,825	9,959

The government is providing additional funding of $28.6 million over 4 years and $10 million per annum ongoing to continue to enhance and roll out specialist domestic and family violence courts.

Further details can be found in the Queensland Corrective Services and Queensland Police Service sections of this chapter.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Controlling Risks Associated with a Changing Gambling Environment	—	3,089	2,205	1,105	1,051

The government is providing increased funding of $7.5 million over 4 years and $1.1 million per annum ongoing to strengthen casino and gaming regulation to control integrity, probity and harm risks, including the delivery of population risk monitoring, targeted harm minimisation initiatives and enhanced Gambling Help services.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Claim Farming - Legal Services Commission	262	2,873	1,770	—	—

The government is providing additional funding of $4.9 million over 3 years from 2021–22 for the oversight and enforcement of new measures to prohibit claim farming of personal injury claims and deter undesirable billing practices by lawyers in speculative personal injury claims. Funding from 2024–25 is centrally held and will be released upon meeting project milestones. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Women in Custody	—	2,719	2,763	2,843	2,925

The government is providing increased funding of $11.3 million over 4 years to continue the Women in Custody program.

This forms part of the government’s total funding package of $11.9 million over 4 years to continue frontline specialist support to women in contact with the criminal justice system and custodial systems, addressing the specific and complex needs of women to reduce their risk of entering or returning to prison.

Further details can be found in the Queensland Corrective Services section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Human Rights Commission	—	2,670	764	764	764

The government is providing additional funding of $5 million over 4 years and $764,000 per annum ongoing to enable increased capacity of frontline services in complaints and enquiries, in particular, COVID-19 matters.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Raising Awareness and Understanding in the Community and Improving Primary Prevention	—	2,601	5,434	4,502	3,749

The government is providing additional funding of $16.3 million over 4 years and $348,000 per annum ongoing to raise awareness and understanding in the community and develop and implement a comprehensive and integrated plan for the primary prevention of violence against women in Queensland. This includes working with First Nations peoples, people from culturally and linguistically diverse backgrounds, people with disability, and LGBTIQA+ people to develop resources about coercive control and changes to the law.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland.* Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Youth Sexual Violence and Abuse	—	2,598	3,558	2,396	2,466

The government is providing increased funding of $11 million over 4 years to support youth sexual violence and abuse place-based prevention trials and enhanced outsourced service delivery.

This forms part of the government’s total funding package of $11.3 million over 4 years to continue priority actions to respond to young people who have experienced sexual violence or child sexual abuse. Further details can be found in the Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships Services section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Over Representation Strategy and Office of the Chief First Nations Justice Officer	—	2,440	2,328	2,226	2,275

The government is providing additional funding of $9.3 million over 4 years and $2.3 million per annum ongoing for co-design of a whole-of-government and community strategy to address over representation of First Nations peoples in the criminal justice system and to establish the Office of Chief First Nations Justice Officer. The capital component of this measure can be found in Chapter 2 Capital measures.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Report 1, Hear Her Voice Response - Ensure Data Collection and Reporting Capabilities within Relevant Agencies	—	2,261	2,398	2,121	918

The government is providing additional funding of $7.7 million over 4 years and $918,000 per annum ongoing to enhance agencies data collection and reporting capabilities to enable the implementation of the whole-of-government monitoring and evaluation framework.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Blue Card Review Implementation	—	2,009	737	737	—

The government is providing increased funding of $3.5 million over 3 years to substantially deliver on the Safe Children and Strong Communities Strategy and Action Plan and to also engage a dedicated team in 2022–23 to address complex eligibility assessment backlogs.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Commission of Inquiry into Queensland's Crime and Corruption Commission	3,538	1,533	—	—	—

The government is providing additional funding of $5.1 million over 2 years for the establishment and operation of the Commission of Inquiry into aspects of the Crime and Corruption Commission. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Enhancing the Domestic Family Violence Death Review Process in Queensland	—	1,261	1,650	372	—

The government is providing additional funding of $3.3 million over 3 years to enhance the Domestic and Family Violence Death Review process in Queensland.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Family and Child Commission - Continued Funding to Support Operations	—	1,234	1,264	—	—

The government is providing increased funding of $2.5 million over 2 years to support the Queensland Family and Child Commission in its statutory functions and respond to emergent government priorities.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Supporting the Office of the Director of Public Prosecutions Criminal Prosecution Functions in North Queensland	—	1,218	1,225	1,254	1,284

The government is providing increased funding of $5 million over 4 years and $1.3 million per annum ongoing to assist with the sustained workload increases in matters referred for prosecution in the Office of the Director of Public Prosecution’s northern chambers of Cairns, Townsville and Rockhampton.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Report 1, Hear Her Voice Response - Establish a Peak Industry Body for all Specialist Domestic Family Violence Services	—	1,200	934	933	933

The government is providing additional funding of $4 million over 4 years and $933,000 per annum ongoing to establish and resource an independent and integrated peak industry body for all specialist domestic and family violence services including shelters and perpetrator intervention services.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Report 1, Hear Her Voice Response - Immediate Legislative Amendments and Reforms	—	1,017	1,042	—	—

The government is providing additional funding of $2.1 million over 2 years to immediately progress amendments to the *Criminal Code*, *Domestic and Family Violence Protection Act 2012, Evidence Act 1977* and *Penalties and Sentences Act 1992*.

The department is also internally funding $2.4 million over 4 years for other legislative reform activities including introducing a new statutory code of conduct for private investigators, an independent review of the defences and excuses in the *Criminal Code* and to review and investigate the operation of the *Dangerous Prisoners (Sexual Offenders) Act 2003*.

The capital component of this measure can be found in Chapter 3 Capital measures.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Develop and Implement a Whole-of-Government Monitoring and Evaluation Framework	—	1,000	500	500	—

The government is providing additional funding of $2 million over 3 years to develop and implement a whole-of-government monitoring and evaluation framework.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Ongoing Evaluation of Key Initiatives	—	1,000	2,000	2,000	2,000

The government is providing additional funding of $7 million over 4 years for independent evaluation of key initiatives to support continuous improvement and to ensure investment is targeted in areas having the greatest impact.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Perpetrator Intervention Initiatives	—	868	905	931	958

The government is providing increased funding of $3.7 million over 4 years and $958,000 per annum ongoing to continue the Family Pathways Model. This is a 2-stage, early intervention program to address adolescent to parent violence, increase attachment between mothers and sons and reduce the risk of young people perpetrating domestic violence as adults.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Report 1, Hear Her Voice Response - Develop a 5-Year Whole of Government Domestic Family Violence Service System Strategic Investment Plan	—	830	380	—	—

The government is providing additional funding of $1.2 million over 2 years to develop a 5-year whole-of-government domestic and family violence service system strategic investment plan encompassing services and supports delivered and funded by Queensland Government agencies.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Resources Industry Development Plan (QRIDP) Package	—	795	1,550	900	—

The government is providing additional funding of $3.2 million over 3 years for the Queensland Law Reform Commission to review the objection process for mining leases. The capital component of this measure can be found in Chapter 3 Capital measures.

This forms part of the government's commitment to a $68.5 million package over 5 years to support implementation of the final QRIDP across government. Further details on initiatives can be found in the Department of Resources, Department of State Development, Infrastructure, Local Government and Planning, Department of Environment and Science, Department of Employment, Small Business and Training, Department of Regional Development, Manufacturing and Water and Department of Agriculture and Fisheries sections of this chapter.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Critical Support for Queenslanders in Community Titles Developments	—	782	833	840	—

The government is providing increased funding of $2.5 million over 3 years to progress amendments to the *Building Units and Group Titles Act 1980* and the *Mixed Use Development Act 1993* to improve protections for vulnerable residents of complex developments.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Report 1, Hear Her Voice Response - Deliver 4-Phase Implementation Plan to Support Delivery of the Response	—	699	1,716	—	—

The government is providing additional funding of $2.4 million over 2 years to develop and execute a 4-phase implementation plan to support delivery of the response including for the package of legislative reforms against coercive control. Total funding for this initiative is $4.7 million over 2 years, with $2.3 million over 2 years being internally met by the department.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Report 1, Hear Her Voice Response - Domestic and Family Violence Homicide and Suicide Data Set and Implementation Monitoring Framework	—	357	488	348	—

The government is providing additional funding of $1.2 million over 3 years to maintain and expand Queensland's Domestic and Family Violence Homicide and Suicide Data Set and establish an implementation monitoring framework.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Human Rights Commission - Base Operations	340	296	362	433	508

The government is providing increased funding of $1.9 million over 5 years and $508,000 per annum ongoing for the Queensland Human Rights Commission to address increased demand.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Women with Disability and their Children Experiencing Domestic Violence	—	265	313	—	—

The government is providing increased funding of $578,000 over 2 years to further develop responses for the needs of women with a disability and their children experiencing domestic and family violence.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Report 1, Hear Her Voice Response - Ongoing Training for Court Staff about Domestic and Family Violence	—	250	—	—	—

The government is providing additional funding of $250,000 in 2022–23 to develop and implement ongoing training for court staff about the nature and impacts of domestic and family violence.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland.* Further details on this package are in Chapter 1 of this paper.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Beaudesert Courthouse Replacement	—	170	175	180	183

The government is providing additional funding of $852,000 over 5 years and $144,000 per annum ongoing to replace the current Beaudesert courthouse.

This forms part of the government's total funding package of $246.8 million over 5 years and $27.4 million per annum ongoing to deliver an efficient and effective justice system underpinned by contemporary technology and safe, accessible and functional infrastructure. The capital component of this measure can be found in Chapter 2 Capital measures.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Coroners Court Queensland - Enhanced Structural Supports	—	153	157	161	165

The government is providing increased funding of $636,000 over 4 years and $165,000 per annum ongoing to ensure critical structural supports are in place within the coronial system and to mitigate risk associated with the delivery of frontline services.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Child Safe Standards and Reportable Conduct Scheme	137	140	—	—	—

The government is providing increased funding of $277,000 over 2 years to continue work on development of options for implementation of Child Safe Standards and a Reportable Conduct Scheme for Queensland.

This forms part of the government's total funding of $722,000 over 2 years to continue this initiative. Further details can be found in the Department of Children, Youth Justice and Multicultural Affairs section of this chapter.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Meriba Omasker Kaziw Kazipa (Torres Strait Islander Child Rearing Practices) Act 2020 - Ongoing Implementation	—	4	785	—	—

The government is providing increased funding of $789,000 over 2 years for legal assistance services to provide community legal education and support for applicants under the *Meriba Omasker Kaziw Kazipa (Torres Strait Islander Child Rearing Practices) Act 2020.* The department is internally funding $143,000 in 2022–23.

This forms part of the government's total funding of $3.8 million over 2 years for this initiative, including increased funding of $2.8 million and internal funding of $1 million. Further details can be found in the Department of Seniors, Disability Services, Aboriginal and Torres Strait Islander Partnerships section of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Criminal Justice Innovation Office	—	—	—	—	—

The government is providing additional funding of $6 million over 2 years with funds to be held centrally, to establish a Criminal Justice Innovation Office to provide expert advice on systemic issues, lead evidence-based policy making and advise government on system priorities.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Aboriginal and Torres Strait Islander Domestic and Family Violence Responses	—	—	—	—	—

The government is providing additional funding of $3 million over 4 years, held centrally, for Aboriginal and Torres Strait Islander domestic and family violence responses.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Program Implementation, Governance and Coordination	—	—	—	—	—

The government is providing additional funding of $3.3 million over 4 years and $936,000 per annum ongoing, held centrally, to establish a suitably qualified independent implementation supervisor and secretariat.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Review and Update the Domestic Violence and Family Protection Act 2012 Benchbook	—	—	514	—	—

The government is providing additional funding of $514,000 to review and update the *Domestic Violence and Family Prevention Act 2021 Benchbook* for the Magistrates Court. Total funding for this program is $2.2 million over 4 years, with $1.7 million over 4 years and $540,000 per annum ongoing being internally met by the department.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Trial and Evaluate Mobile Co-responder Models	—	—	—	—	—

The government is providing additional funding of $16.6 million over 4 years, held centrally, to trial and evaluate mobile co-responder models involving joint responses between Queensland Police Service and specialist domestic and family violence services.

Further details can be found in the Queensland Police Service section of this chapter.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland.* Further details on this package are in Chapter 1 of this paper.

Department of Regional Development, Manufacturing and Water

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Made in Queensland	—	20,000	20,000	—	—

The government is providing increased funding of $40 million over 2 years to continue the Made in Queensland program. This increase brings the total funding to $101.5 million over 7 years from 2017–18 to support the manufacturing sector to become more internationally competitive, increase productivity and adopt new processes and technologies.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Cloncurry Community Service Obligation (CSO) Payments	—	6,610	6,965	7,049	7,175

The government is providing increased funding of $27.8 million over 4 years to continue Cloncurry Pipeline CSO payments to subsidise water supplied to Cloncurry Shire Council via the North West Queensland Water Pipeline.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Sunwater Recreation Management Costs	—	6,289	5,719	5,434	3,891

The government is providing additional funding of $21.3 million over 4 years ($24.5 million over 5 years) to upgrade and maintain 19 recreation areas owned and operated by Sunwater across regional Queensland.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Rural Water Futures (RWF) Program (Stage 2)	—	5,321	3,958	—	—

The government is providing increased funding of $9.3 million over 2 years to assist with delivery of stage 2 of the RWF program. RWF is a multi-year program transforming how we deliver sustainable water management and ensure Queensland is a digitally enabled, modern and responsive manager of its valuable water resources.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Manufacturing Hubs Grant Program	—	5,000	5,000	—	—

The government is providing increased funding of $10 million over 2 years to continue the Manufacturing Hubs Grant Program. This brings the total funding to $28.5 million to assist eligible businesses in the Cairns, Gladstone, Gold Coast, Mackay, Rockhampton and Townsville regions. These grants are an opportunity for manufacturers to become more productive and create jobs of the future.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Permanent Establishment of the Manufacturing Hub Program	—	4,376	4,424	4,469	4,479

The government is providing increased funding of $17.7 million over 4 years and $4.5 million per annum ongoing to permanently establish the Manufacturing Hub Program. Manufacturing hubs provide a place for local manufacturing businesses to receive expert advice and support to transition to advanced manufacturing.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Hydrology Modelling	875	2,008	2,058	2,109	—

The government is providing additional funding of $7.1 million over 4 years to increase the capacity for water modelling technical assessments and provide critical information on water availability.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Water Regional Alliance Program	—	2,000	2,000	2,000	2,000

The government is providing increased funding of $8 million over 4 years and $2 million per annum ongoing to continue the Queensland Water Regional Alliance Program. This program is an industry-led initiative aimed at improving water and sewerage services in Queensland through regional collaboration.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Bulk Water Infrastructure Assessment	300	1,600	1,900	1,700	—

The government is providing additional funding of $5.5 million over 4 years to develop a strategic water infrastructure plan to inform optimal decisions around investment and the forward program.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Rural Water Compliance System	196	1,397	1,913	1,430	—

The government is providing additional funding of $4.9 million over 4 years to develop and implement a modern, fit for purpose compliance system to provide optimal oversight of Queensland rural water use.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Audit Office Dam Safety Regulation Recommendations	615	1,129	829	829	—

The government is providing additional funding of $3.4 million over 4 years to address recommendations from the Queensland Audit Office report into dam safety regulation.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
State Council of River Trusts	—	300	—	—	—

The government is providing additional funding of $300,000 in 2022–23 to support the State Council of River Trusts Queensland.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Resources Industry Development Plan (QRIDP) Package	—	250	250	—	—

The government will provide additional funding of $500,000 over 2 years to support the development of a battery manufacturing industry in Queensland.

This forms part of the government’s commitment to a $68.5 million package over 5 years to support implementation of the final QRIDP across government. Further details on initiatives can be found in the Department of Resources, Department of State Development, Infrastructure, Local Government and Planning, Department of Environment and Science, Department of Employment, Small Business and Training, Department of Justice and the Attorney General, and Department of Agriculture and Fisheries sections of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Regional Water Infrastructure: Cairns Water Security Program	—	—	—	—	—

The government is providing additional funding of $107.5 million over 2 years, held centrally, and subject to a business case and matching Australian Government funding to complete stage one of the Cairns Water Security Program.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Regional Water Infrastructure: Hughenden Water Bank	—	—	—	—	—

The government is providing additional funding of $25.6 million, held centrally and subject to a business case and matching Australian Government funding for contribution towards the development of Flinders Shire Council’s Hughenden Water Bank project, consisting of a 7,000 megalitre off-stream water storage and distribution system to support development and expansion of irrigated agriculture and industry development at Hughenden.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Regional Water Infrastructure: Lansdown Eco-Industrial Precinct (Enabling Infrastructure)	—	—	—	—	—

The government is providing additional funding of $26 million, held centrally and subject to an assessment, and contribution from the Australian Government for a 13 kilometre raw water pipeline and pumping station connecting the Lansdown Eco-Industrial Precinct to the Haughton Pipeline, and a water reservoir within the precinct capable of holding 12 days of raw water storage.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Regional Water Infrastructure: Mt Morgan Pipeline	—	—	—	—	—

The government is providing additional funding of $40.4 million over 3 years, held centrally and subject to a business case for construction of a drinking water pipeline from Gracemere to Mt Morgan and necessary water infrastructure upgrades in Gracemere.

Department of Resources

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Queensland Resources Industry Development Plan (QRIDP) Package	—	10,986	11,900	6,900	5,000

The government is providing additional funding of $34.8 million over 4 years ($39.8 million over 5 years) to support the implementation of several key initiatives included in the QRIDP. This includes $17.5 million for the Collaborative Exploration Initiative, $10 million for the delivery of airborne and ground based geophysical surveys, $5 million for research to better define Queensland's new economy minerals potential, $5.7 million for the Resources Centre of Excellence - Future Industries Delivery Hub in Mackay, and $1.6 million for regulatory system improvements. Furthermore, funding of up to $5 million is being met internally by the department to support the development of a Prospect and Program Strategy.

This forms part of the government's commitment to a $68.5 million package over 5 years to support implementation of the final QRIDP across government. Further details on initiatives can be found in the Department of State Development, Infrastructure, Local Government and Planning, Department of Environment and Science, Department of Employment, Small Business and Training, Department of Justice and the Attorney General, Department of Regional Development, Manufacturing and Water and Department of Agriculture and Fisheries sections of this chapter.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Natural Resources Recovery Program	—	10,000	10,000	10,000	10,000

The government is providing increased funding of $40 million over 4 years and $10 million per annum ongoing to continue the Natural Resources Recovery Program to increase the resilience of Queensland's landscapes leading to sustained economic outcomes.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Abandoned Mine Sites Program	—	6,212	5,448	—	—

The government is providing increased funding of $11.7 million over 2 years to continue the Abandoned Mines Sites - Care and Maintenance, Risk Mitigation and Remediation Program at the former underground coal gasification sites at Hopeland (Linc Energy) and Bloodwood Creek (Carbon Energy) to plug and abandon all wells.

Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Youth Sexual Violence and Abuse	—	51	191	—	—

The government is providing increased funding of $242,000 over 2 years to continue a youth sexual violence and abuse place-based prevention trial in Yarrabah.

This forms part of the government's total funding package of $11.3 million over 4 years to continue priority actions to respond to young people who have experienced sexual violence or child sexual abuse. Further details can be found in the Department of Justice and Attorney-General section of this chapter.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Electricity Asset Ownership Dividend and Cost of Living Rebate	—	385,000	—	—	—

The government is providing increased funding of $385 million in 2022–23 to provide Queensland households with a Cost of Living Rebate of $175. This Cost of Living Rebate will be the sixth rebate provided through electricity bills since 2017–18 and will be credited on customers' bills from September 2022.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Seniors Strategy and Addressing Gaps in Elder Abuse Prevention and Intervention Services	—	3,655	2,845	2,845	2,845

The government is providing increased funding of $12.2 million over 4 years and $2.8 million ongoing to support Seniors in Queensland, including to expand elder abuse services provided under the Seniors Legal and Support Services (SLASS) program to ensure Queenslanders will have equitable access to these important services. Services will be extended to Logan, Beaudesert, Ipswich and Moreton Bay North areas, and will deliver outreach services to the Outback and the Torres and Cape region, where no service is currently available. Funding of $100,000 is being met internally by the department and has been reallocated to future years. Total funding for this program is $12.3 million over 4 years.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Remote Indigenous Land and Infrastructure Program Office	—	2,694	4,087	4,266	4,439

The government is providing increased funding of $15.5 million over 4 years and $4.4 million ongoing for addressing land administration requirements and strategic land and Infrastructure program planning initiatives in remote Aboriginal and Torres Strait Islander communities including enabling homeownership opportunities. Funding of $1.2 million is being met internally by the department and has been reallocated to future years. Total funding for this program is $16.7 million over 4 years.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
National Disability Insurance Scheme (NDIS) Worker Screening	—	1,237	346	—	—

The government is providing increased funding of $1.6 million over 2 years for the NDIS Workers Screening program ensuring workers providing services to people with a disability in Queensland meet strict eligibility criteria to be able to maintain high standards of care.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Closing the Gap	—	1,094	536	731	741

The government is providing increased funding of $3.1 million over 4 years to implement initiatives agreed under the National Agreement on Closing the Gap and improve life outcomes of Aboriginal and Torres Strait Islanders Queenslanders.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Queensland Aboriginal and Torres Strait Islander Coalition	355	690	692	693	—

The government is providing additional funding of $2.4 million over 4 years from 2021–22 to 2024–25 for the Queensland Aboriginal and Torres Strait Islander Coalition to undertake research and consultation and provide expert and strategic advice to ensure co-design of strategies and actions, to implement the Closing the Gap National Agreement’s key priorities and targets.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
National Redress Scheme	—	161	164	169	173

The government is providing increased funding of $667,000 over 4 years to continue operationalisation of the National Redress Scheme for survivors of institutional child sexual abuse in Queensland.

This forms part of the government’s total funding of $25.9 million over 4 years for this initiative. Further details can be found in the Department of Children, Youth Justice and Multicultural Affairs and Department of Communities, Housing and Digital Economy sections of this chapter.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Report 1, Hear Her Voice Response - Integrated Service System Responses and High Risk Teams in Additional Locations	—	89	249	327	501

The government is providing additional funding of $1.2 million over 4 years and $501,000 per annum ongoing to roll out integrated service system responses and high risk teams in additional locations.

Further details on this initiative can be found in the Department of Justice and Attorney-General, Queensland Police Service, Queensland Corrective Services, Department of Communities, Housing and Digital Economy, Queensland Health, and the Department of Children, Youth Justice and Multicultural Affairs sections of this chapter.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Alcohol Management in Remote and Discrete Aboriginal and Torres Strait Islander Communities	—	—	—	—	—

Funding of $1.5 million is being met internally by the department and has been reallocated to 2022–23 to provide grants to support local communities with their Alcohol Management Plans.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Disability Royal Commission	—	—	555	285	—

The government will provide increased funding of $840,000 over 2 years to continue the Queensland Government's engagement with the Disability Royal Commission and support the significant program of work to be undertaken following the delivery of the final report in preparing a Queensland Government response.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Economic Development Plans	—	—	—	—	—

Funding of $1.9 million is being met internally by the department and has been reallocated to 2022–23 and 2023–24 to support progression of 19 Economic and Development Plans in remote Aboriginal communities.

	2021–22 $'000	2022–23 $'000	2023–24 $'000	2024–25 $'000	2025–26 $'000
Meriba Omasker Kaziw Kazipa (Torres Strait Islander Child Rearing Practices) Act 2020	—	—	2,050	—	—

The government is providing increased funding of $2.1 million over 2 years for legal recognition of Torres Strait Islander traditional child rearing practices. Funding of $900,000 is being met internally by the department and has been reallocated across 2022–23 and 2023–24.

This forms part of the government's total funding of $3.8 million over 2 years for this initiative, including increased funding of $2.8 million and internal funding of $1 million. Further details can be found in the Department of Justice and Attorney-General section of this chapter.

Department of State Development, Infrastructure, Local Government and Planning

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Disaster Recovery Funding Arrangements Category C & D Extraordinary Packages	115,700	574,034	262,954	123,992	—

The government is providing additional funding of $1.077 billion over 4 years under Category C and D of the Disaster Recovery Funding Arrangements to be cost-shared equally between the Queensland and Australian governments. These packages will support a range of recovery and resilience projects following significant flood events in the 2021–22 disaster season.

This forms part of the government’s over $3 billion response to the 2021–22 disaster season.

	2021–22 $‘000	2022–23 $‘000	2023–24 $‘000	2024–25 $‘000	2025–26 $‘000
Resilient Homes Fund	—	188,300	369,500	183,200	—

The government is providing additional funding of $741 million over 3 years under Category D of the Disaster Recovery Funding Arrangements, to be cost-shared equally between the Queensland and Australian governments. The package will support Queensland homeowners to improve the resilience of their residential property, following significant flood events in the 2021–22 disaster season.

This forms part of the government’s over $3 billion response to the 2021–22 disaster season.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
National Battery Testing Centre	—	15,000	—	—	—

The government is providing additional funding of up to $15 million in 2022-23 to support scaling-up the National Battery Testing Centre, subject to contractual arrangements being finalised.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Growth Area Program	—	5,000	5,000	—	—

The government is providing additional funding of $10 million over 2 years to support the program of work delivered by the Growth Areas Team which aims to address land supply, population growth and property development challenges across South East Queensland. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Operating Grant Funding Support to South Bank Corporation	3,395	4,733	—	—	—

The government is providing additional funding of $8.1 million over 2 years to assist the South Bank Corporation to manage its net cash position. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Enhance the Management of Grants and Contracts	7,000	4,000	—	—	—

The government is providing additional funding of $11 million over 2 years to deliver priority grant programs and to enhance the Queensland Government’s grants administration processes and systems.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Sustainability of Queensland Local Governments	—	3,000	1,000	1,000	—

The government is providing additional funding of $5 million over 3 years to deliver a suite of local government sustainability initiatives focused on supporting Queensland councils address capability, service delivery and financial challenges that are impacting the sector’s long-term sustainability.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Burdekin Shire Council Ayr Water Supply - Infrastructure (Stage 2) Project	—	2,000	—	—	—

The government is providing increased funding of $2 million in 2022-23 for the Burdekin Shire Council to complete Stage 2 of the Ayr Water Supply Infrastructure project. Total funding for this program is $12 million over 4 years from 2019-20.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Resources Industry Development Plan (QRIDP) Package	—	1,745	1,745	1,995	1,000

The government is providing additional funding of $7.5 million over 5 years to support the implementation of several key initiatives included in the QRIDP. This includes the development of the Queensland Battery Industry Development Strategy, continuing the Mining, Equipment, Technology and Services (METS) Collaborative Project Fund and supporting the METS Accelerator Program.

This forms part of the government's commitment to a $68.5 million package over 5 years to support implementation of the final QRIDP across government. Further details on initiatives can be found in the Department of Resources, Department of Environment and Science, Department of Employment, Small Business and Training, Department of Justice and the Attorney General, Department of Regional Development, Manufacturing and Water and Department of Agriculture and Fisheries sections of this chapter.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Growth Monitoring Program	—	1,000	1,000	1,000	1,000

The government is providing additional funding of $4 million over 4 years and $1 million per annum ongoing to continue the Growth Monitoring Program. The program is a key implementation action of ShapingSEQ and will provide an ongoing robust and transparent evidence based on the region's land supply and development activity.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Expansion of the Translational Research Institute	—	—	—	—	—

The government is providing additional funding of up to $35.5 million over 4 years, held centrally, subject to the finalisation of a revised business case and appropriate governance arrangements, to support the scaling up of the Translational Research Institute under the Queensland Jobs Fund.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Queensland Regional Accommodation Centre	—	—	—	—	—

The government is providing additional funding to deliver and operate the Queensland Regional Accommodation Centre, located at Wellcamp near Toowoomba. This includes a capital contribution towards Queensland’s first purpose-built accommodation centre. Delivery of the centre will occur in 2 stages, with the first 500 beds operational and available to receive guests. A Quarantine Management Taskforce has also been established to oversee and implement the Queensland Government’s COVID-19 Quarantine and Isolation Network Strategy. The capital component of this measure can be found in Chapter 3 Capital measures.

* Arrangements are commercial in confidence.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
The South East Queensland City Deal	—	—	—	—	—

The government is providing additional funding of $622.2 million to the South East Queensland City Deal which was signed by the 3 levels of government on 21 March 2022. The City Deal will benefit more than 3.5 million residents, delivering a strategic approach to infrastructure planning and investment to support the fastest growing region in the country, with a focus on accelerating job creation, supporting thriving communities and enhancing the liveability and connectivity of South East Queensland. The capital component of this measure can be found in Chapter 3 Capital Measures.

Department of the Premier and Cabinet

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Brisbane 2032 Taskforce	—	26,583	18,803	6,877	7,045

The government is providing additional funding of $59.3 million over 4 years and $4.7 million per annum ongoing from 2026-27 to support the Brisbane 2032 Taskforce to lead Brisbane 2032 Olympic and Paralympic Games related activities across the Queensland Government. This will support preparation of the 2032 Games Legacy Program and planning and design of Olympics infrastructure including venues and athletes villages.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Screen Queensland - Far North Queensland Studio	195	7,117	1,797	1,819	1,841

The government is providing increased funding of $12.8 million over 5 years ($13.8 million over 6 years) for the development and operation of the Far North Queensland studio facility. This brings total funding for the studio to $20.6 million.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Response - Commission of Inquiry into policing responses to domestic and family violence	786	2,709	—	—	—

The government is providing additional funding of $3.5 million over 2 years to establish a Commission of Inquiry to examine Queensland Police Service responses relating to domestic and family violence.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Go for Gold Fund (School Sports Infrastructure)	—	500	5,000	9,750	9,750

The government is providing additional funding of $25 million over 4 years to establish the Go for Gold Fund (School Sports Infrastructure) program. The program, which is being delivered by the Department of Education, will deliver new and upgraded sports infrastructure for schools across the state, with a focus on promoting health and wellbeing, facilitating increased community use of school sports facilities and encouraging sports participation.

Total funding for the program is $100 million over 4 years. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
2032 High Performance Strategy	—	—	15,657	15,715	—

The government will provide increased funding of $31.4 million over 2 years from 2023-24 to extend the 2032 High Performance Strategy to continue to help prepare elite Queensland athletes achieve world class success at Paris 2024 and leading up to the Brisbane 2032 Olympic and Paralympic Games. The strategy is being delivered by the Department of Tourism, Innovation and Sport.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
COVID-19 Economic Recovery Initiatives	3,837	—	—	—	—

The government has provided additional funding of $3.8 million in 2021-22 for an advertising campaign to build business, industry and community awareness of COVID-19 economic recovery and job creation initiatives.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
COVID-19 Vaccination Status Campaign	2,500	—	—	—	—

The government has provided additional funding of $2.5 million in 2021-22 for a public information and advertising campaign to support the public release of COVID-19 vaccine measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Events Sponsorship Fund	—	—	3,500	3,500	3,500

The government will provide increased funding of $10.5 million over 3 years to continue the Events Sponsorship Fund, which aims to attract high value events and deliver initiatives that provide economic, social and cultural outcomes for Queenslanders and profile Queensland’s industries and capabilities.

Department of Tourism, Innovation and Sport

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Stadiums Queensland Operating Funding	—	60,000	41,000	42,025	43,076

The government is providing additional funding of $186.1 million over 4 years to support Stadiums Queensland's activities to operate and maintain the state's portfolio of major sporting stadiums and high performance / community venues to a contemporary standard in the lead up to the 2032 Olympic and Paralympic Games. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Activate! Queensland 2019-2029	—	23,677	25,000	3,000	—

The government is providing increased funding of $51.7 million over 3 years to support socioeconomic recovery from COVID-19, maximise opportunities to increase physical activity participation including the delivery of Infrastructure Projects in line with *Activate! Queensland 2019-2029*.

Funding of $300.7 million has been internally met by the department, bringing the total funding for the next 3 years of *Activate! Queensland* to $352.4 million. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Tourism Recovery and Development initiatives	25,000	17,900	14,500	5,000	—

The government is providing additional funding of $66.4 million over 4 years, with $4 million held centrally, to implement targeted initiatives for tourism recovery and growth that are focused on experience development, tourism infrastructure, ecotourism, events and First Nations tourism.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Tourism Business Financial Counselling Service	700	2,240	—	—	—

The government is providing increased funding of $2.9 million over 2 years to continue the COVID-19 Small Business Financial Counselling Service and the Queensland Tourism Business Counselling Service offering support and advice to assist Queensland small and medium sized-businesses through the impact of COVID-19.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Assistance Package for Brisbane River Commercial Tourism Boat Operators	—	750	350	—	—

The government is providing additional funding of $1.1 million over 2 years to provide assistance to Brisbane river commercial tourism operators soon to be displaced from their current moorings in the inner-city.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Attracting Aviation Investment Fund	—	—	—	—	—

The government is providing additional funding of $100 million over 3 years, held centrally, for the Attracting Aviation Investment Fund to boost the fund to deliver Queensland's International Aviation re-entry strategy to secure flights and rebuild the State's $6 billion international tourism industry after COVID-19. This investment will be matched dollar-for-dollar by industry including the State's 4 largest airports and Regional Tourism Organisations.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Destination Gold Coast Play Money Campaign	1,000	—	—	—	—

The government has provided additional funding of $1 million in 2021-22 towards the Destination Gold Coast Play Money Campaign to provide COVID-19 support for retail, dining, services, experiences or accommodation businesses in the southern Gold Coast.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Great Barrier Reef Education Experience Program	—	—	—	—	—

The department is internally funding $2.5 million over 3 years for the continuation of the Great Barrier Reef (GBR) Education Experience Program to support Queensland's reef tourism operators and GBR regions by supporting Queensland school excursions. This brings the total funding for this program to $3.5 million over 3 years.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Marine Tourism Rebate Round 2	3,000	—	—	—	—

The government has provided increased funding of $3 million in 2021-22 to assist Queensland marine tourism operators with a second round of funding to help with berthing fees in privately-operated marinas from Cooktown to Hervey Bay.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Tourism and Hospitality Sector Hardship Program	137,000	—	—	—	—

The government has provided additional funding of $137 million in 2021-22 to provide grants to both eligible tourism and hospitality businesses, and major tourism attractions and experiences facing significant financial hardship due to COVID-19 travel restrictions and interstate lockdowns. This program included 2 components being the Tourism and Hospitality Sector Hardship Grants scheme for small, medium and large-sized Queensland tourism and hospitality businesses and the Major Tourism Experiences Hardship Grants scheme for Queensland's major tourism businesses. This program has now closed.

This formed part of the government's total announced funding of $600 million in 2021-22 for the Business Support Package, jointly funded by the Australian Government, to support businesses impacted by COVID-19 in Queensland.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Work in Paradise Campaign	7,500	—	—	—	—

The government has provided additional funding of $7.5 million in 2021-22 to help attract workers to the tourism and hospitality sector in northern and western Queensland.

Department of Transport and Main Roads

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Zero Emission Vehicle Strategy 2022-32 and Action Plan 2022-24	—	19,000	21,000	15,000	—

The government is providing additional funding of $55 million over 3 years for Zero Emission Vehicle (ZEV) purchase subsidies and charging infrastructure. The ZEV purchase subsidy is a $3,000 incentive for anyone buying an electric vehicle upfront to the value of $58,000.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Camera Detected Offence Program	—	15,738	16,448	15,544	14,565

The government is providing increased funding of $62.3 million over 4 years and $13.8 million per annum ongoing for road safety education and awareness programs and to improve the safety of the sections of state-controlled roads where accidents happen most frequently.

The government is providing total increased funding of $96.3 million over 4 years across departments as part of the Camera Detected Offence Program. Further funding can be found in the Queensland Fire and Emergency Services, Queensland Police Service and Queensland Treasury sections of this chapter. The capital component of this measure can be found Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Operational Readiness of the New Generation Rollingstock Fleet for Cross River Rail and European Train Control System	—	11,063	10,325	10,596	40,875

The government is providing additional funding of $72.9 million over 4 years ($352.4 million over 24 years) for the maintenance of the European Train Control System (ETCS) and Automatic Train Operation (ATO) hardware for the New Generation Rollingstock (NGR) fleet of 75 trains. The installation of ETCS, ATO and Platform Screen Doors on the NGR fleet will ensure that Cross River Rail is fully operational within the scheduled timeframes. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
School Transport Infrastructure Program	—	10,000	10,000	10,000	10,000

The government is providing increased funding of $40 million over 4 years to continue the School Transport Infrastructure Program (STIP). The STIP provides specific funding to improve the safety and operation of schools through new or improved infrastructure at or on the surrounding road network.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Regional Urban Bus Base Budget Uplift	—	6,720	—	—	—

The government is providing increased funding of $6.7 million in 2022-23 to support regional urban bus delivery partners who continue to be impacted by fare revenue shortfalls associated with COVID-19 patronage reductions.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Taxi Subsidy Scheme	—	6,462	6,620	6,894	7,206

The government is providing increased funding of $27.2 million over 4 years and $7.2 million per annum ongoing for the Taxi Subsidy Scheme arising from an increase in taxi fares, an increase in the subsidy cap from $25 to $30 and to meet increased costs associated with lift payments.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Maintenance and Management of Gold Coast Waterways Access, Connections and Destinations	—	5,050	5,250	5,450	5,450

The government is providing increased funding of $21.2 million over 4 years and $5.5 million per annum ongoing for the Gold Coast Waterways Authority to support growing maintenance and management of Gold Coast waterways access, connections and destinations.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Bus Services - Priority Investment for Patronage Growth	—	5,000	5,000	8,000	9,200

The government is providing increased funding of $27.2 million over 4 years and $11.7 million per annum ongoing to provide an uplift in bus services for highest priority areas, such as northern Gold Coast services, which will also benefit from a further $8.2 million commitment from the City of Gold Coast.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
War on Wrecks (Addressing Derelict Vessels)	—	5,000	5,000	5,000	—

The government is providing increased funding of $15 million over 3 years to continue the War on Wrecks initiative. Removing derelict vessels and continuing the strategic policy development is critical for keeping our waterways safe and clean.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
New Payment Rates for Government Contracted School Transport Delivery Partners (School Transport Assistance Scheme)	1,877	3,754	6,676	9,671	12,740

The government is providing increased funding of $34.7 million over 5 years and $12.7 million per annum ongoing (indexed) to implement new, more transparent payment rates and a simple indexation methodology for school contracts from April 2022.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Fare Reform for Queensland Regional Urban Bus Services to Support Smart Ticketing	3,864	3,486	3,586	3,723	3,816

The government is providing increased funding of $18.5 million over 5 years and $3.8 million per annum ongoing (indexed) for fare reform for Queensland's regional urban bus services to support Smart Ticketing. The regional fare reforms comprise simplification of regional fares and zones, alignment of top-up fares payable by students eligible for the School Transport Assistance Scheme and extension of South East Queensland fare products and incentives State-wide.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Maritime Infrastructure Program	—	2,337	3,000	—	—

The government is providing increased funding of $5.3 million over 2 years for navigational aids and the Horn Island pontoon upgrade. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Operational Readiness of the New Generation Rollingstock Fleet for Cross River Rail Automatic Train Operation and Platform Screen Doors	329	1,459	7,190	7,378	7,572

The government is providing additional funding of $23.9 million over 5 years for the ongoing maintenance of Automatic Train Operation (ATO) on-board software and Platform Screen Doors (PSD) on-board equipment for the New Generation Rollingstock (NGR) fleet of 75 trains. The installation of ATO and PSD on the NGR fleet will ensure that Cross River Rail is fully operational within the scheduled timeframes. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
School Transport Assistance Scheme Funding for Students Living in Shared Care Arrangements	—	526	7,109	6,079	5,197

The government is providing increased funding of $18.9 million over 4 years and $4.3 million per annum ongoing to expand the School Transport Assistance Scheme eligibility to include students living in shared care arrangements travelling from a second address.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Future South East Queensland Level Crossing Program	—	500	500	500	—

The government is providing additional funding of $1.5 million over 3 years for the Coorparoo Precinct planning as part of the state’s tripartite negotiations with project partners (Australian and local governments).

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
School Crossing Supervisor Expansion Scheme	—	301	736	1,045	1,071

The government is providing increased funding of $3.2 million over 4 years and $1.1 million per annum ongoing to expand the School Crossing Supervisor Scheme to appropriately staff 83 additional sites that have been identified as high safety risk for school children and would benefit from the establishment of a supervised crossing.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Townsville Connection Road Bowen Road Bridge Duplication	—	60	60	93	813

The government is providing increased funding of $2.1 million over 5 years (2022-23 to 2026-27) for Stage 3 of the Townsville Connection Road upgrade. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Long term Transport Infrastructure Commitments	—	—	—	—	14,150

The government will provide increased funding of $14.2 million in 2025-26 for the state contribution for the following projects, reflecting prior election commitments: Pacific Motorway: Daisy Hill to Logan Motorway upgrade; Inland Freight Route (Mungindi to Charters Towers); Boundary Road (Coopers Plains) rail level crossing; Mooloolah River Interchange Upgrade -Stage 1; and Roads of Strategic Importance Mount Isa to Rockhampton corridor state matching. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Rail Transport Service Contract	—	—	37,351	125,567	157,026

The government will provide increased funding of $314.9 million over 3 years from 2023-24, and $153.9 million per annum ongoing, to support additional activities to be delivered under the Rail Transport Service Contract and includes support indexation of rail concessions and alternative transport schemes.

Legislative Assembly of Queensland

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Legislative Assembly Supplementary Funding	—	2,200	2,200	2,200	2,200

The government is providing increased funding of $8.8 million over 4 years and $2.2 million per annum ongoing to support various operating costs and associated increases related to software and ICT support costs, select committee and committee inquiry costs, maintenance of plant and equipment, and precinct event and visitor management costs.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Electorate Office Technology Model	—	1,378	1,507	1,227	1,227

The government is providing increased funding of $5.3 million over 4 years and $1.2 million per annum ongoing to continue the Electorate Office Technology Model delivering improved data service performance and reliability, data security, mobility and business tools through provision of new software and infrastructure.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Electorate Office Security Upgrade (CCTV)	—	49	171	171	171

The government is providing additional funding of $562,000 over 4 years and $171,000 per annum ongoing to improve electorate office security through the installation of a standardised CCTV monitoring system in each electorate office across Queensland. The capital component of this measure can be found in Chapter 3 Capital measures.

Office of the Governor

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Security Upgrades at Government House	—	1,833	—	—	—

The government is providing additional funding of $1.8 million in 2022-23 for the provision of enhanced security measures at the Government House Estate. Funding of $420,000 is being met internally by the Office of the Governor to complete the upgrade program. Total funding for this program is $2.3 million in 2022-23.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Office of the Governor - Expanded Work Program	—	638	652	666	680

The government is providing additional funding of $2.6 million over four years and $680,000 per annum ongoing to support the expanded work program of the new Governor of Queensland.

Queensland Corrective Services

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Infrastructure Works	—	32,800	14,000	14,000	14,000

The government is providing increased funding of $74.8 million over 4 years and $14 million per annum ongoing to progress infrastructure works, provide body worn cameras and support ongoing maintenance and replacement programs. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Parole Board Queensland	—	11,137	8,454	310	317

The government is providing increased funding of $20.2 million over 4 years and $317,000 per annum ongoing to enhance Parole Board Queensland operations to enable efficient consideration of parole matters.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Queensland Parole System Review Report Recommendations	—	10,679	10,819	5,962	6,108

The government is providing increased funding of $33.6 million over 4 years and $6.1 million per annum ongoing to transition the Queensland Parole System Review recommendations to business as usual, trial end-to-end case management in multiple correctional centres and improve recruitment and training for Community Corrections officers.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Commissioning of Southern Queensland Correctional Precinct Stage 2	—	4,240	23,992	—	—

The government is providing increased funding of $28.2 million over 2 years to establish a commissioning project team and appoint the correctional centre leadership team in preparation for the operation of Stage 2 of the Southern Queensland Correctional Precinct.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Psychological and Disability Services	—	2,936	—	—	—

The government is providing increased funding of $2.9 million in 2022-23 for psychological and disability services resourcing to ensure continuity of core frontline services, uphold human rights, and minimise the risk to community safety.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1 - Hear Her Voice Response - Continue to Roll Out Specialist Domestic and Family Violence Courts	—	1,800	1,800	1,800	1,800

The government is providing additional funding of $7.2 million over 4 years and $1.8 million ongoing to continue to enhance and roll out specialist domestic and family violence courts. The department is also internally funding $350,000 in 2022-23 to fund other initiatives in response to the Women's Safety and Justice Taskforce's report.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

Further details can be found in the Department of Justice and Attorney-General and Queensland Police Service sections of this chapter.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Electronic Security Upgrade	—	1,000	—	—	—

The government is providing additional funding of $1 million in 2022-23 to undertake a competitive tender for procurement of a multi-service provider solution for Queensland Corrective Services' Electronic Security System. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Women in Custody	—	162	167	172	176

The government is providing increased funding of $677,000 over 4 years and $176,000 per annum ongoing for the Women in Custody program.

Further details can be found in the Department of Justice and Attorney-General section of this chapter.

This forms part of the government's total funding package of $11.9 million over 4 years to continue frontline specialist support to women in contact with the criminal justice and custodial systems, addressing the specific and complex needs of women to reduce their risk of entering or returning to prison.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Response - Integrated Service System Responses and High Risk Teams in Additional Locations	—	76	217	267	418

The government is providing additional funding of $978,000 over 4 years and $418,000 ongoing to roll out integrated service system responses and high risk teams in additional locations.

Further details can be found in the Department of Justice and Attorney-General, Queensland Police Service, Department of Communities, Housing and Digital Economy, Department of Children, Youth Justice and Multicultural Affairs, Queensland Health, and Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships sections of this chapter.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland.* Further details on this package are in Chapter 1 of this paper.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Integrated Offender Management System	—	—	—	—	—

The government is providing additional funding of $14.1 million over 4 years, held centrally, to enhance the Integrated Offender Management System to support frontline correctional operations. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Corrective Services - Capacity Demands and COVID-19	50,000	—	—	—	—

The government is providing increased funding of $100 million over 2 years, with $50 million held centrally in 2022-23, to meet additional expenditure incurred due to sustained capacity demands, COVID-19 and other unavoidable costs.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
State-wide Women's Re- entry Service	—	—	—	—	—

The government is providing increased funding of $8 million over 4 years and $2 million per annum ongoing, held centrally, to provide a single model of re-entry services in Queensland.

Queensland Fire and Emergency Services

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Camera Detected Offence Program	—	154	1,158	162	166

The government is providing increased funding of $1.6 million over four years, and $166,000 ongoing (with an additional $1 million every 3 years commencing 2026-27), to continue and enhance public awareness for road safety activities led by Queensland Fire and Emergency Services, including the "If It's Flooded, Forget It" campaign.

This forms part of the government's total increased funding of $96.3 million over 4 years across departments as part of the Camera Detected Offence Program. Further funding can be found in the Department of Transport and Main Roads, Queensland Police Service and Queensland Treasury sections of this chapter. The capital component of this measure can be found in the Department of Transport and Main Roads section of Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
COVID-19 Response	—	—	—	—	—

The government has provided additional funding of up to $61.3 million in 2021-22, held centrally, to continue to support COVID-19 hotel accommodation. This is in addition to the $232.25 million available from 1 July 2021.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Emergency Operations Centre critical upgrade	—	—	—	—	—

The government is providing additional funding of $12.8 million over 4 years, and $600,000 ongoing to 2027-28, to be held centrally, to modernise and maintain the Queensland Emergency Operations Centre's critical information communications technology and audiovisual infrastructure.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Supporting Volunteer Emergency Response Entities	—	—	—	—	—

The government has committed increased funding of $20 million in 2022-23 to enhance operational capability and risk management for the State Emergency Service (SES). This includes a $10 million capital boost for equipment and facilities, including new SES flood boats and upgraded facilities for the Lowood SES Group.

The government has committed increased funding of $8 million in 2022-23 to support operational capability for marine rescue services, including an additional $5 million to accelerate the rescue vessels replacement program.

The government has committed increased funding of $10 million in 2022-23 for new Rural Fire Service facilities, including funding for a new facility for Rural Fire Brigades in the Maryborough Region.

Queensland Health

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Operational Growth Funding	—	777,282	1,771,005	1,999,413	2,236,219

The government is providing increased funding of $6.784 billion over 4 years to support the ongoing growth in demand for health and ambulance services.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Mental Health, Alcohol and Other Drugs Services Funding	—	119,871	301,353	397,550	407,677

The government is providing additional funding of $1.645 billion over 5 years for Queensland Health's new 5 year plan, *Better Care Together.* This will be funded through a new mental health levy proposed to commence from 1 January 2023. *Better Care Together* will improve mental health, alcohol and other drugs services as well as the suicide prevention system of care and support. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Royal Flying Doctor Service	—	25,201	28,190	31,808	32,664

The government is providing additional funding of $117.9 million over 4 years ($333.7 million over 10 years) for Queensland Health to enter a new single 10-year Standing Offer Arrangement with the Royal Flying Doctor Service.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Healthcare Services for Vulnerable Queenslanders	—	14,720	22,553	23,981	26,662

The government is providing additional funding of $87.9 million over 4 years and $26.7 million ongoing to deliver primary healthcare services to prisoners. This includes mental health and oral health services for the new Southern Queensland Correction Centre Stage 2 as well as nursing home type care for people who are unable to be released from Queensland Corrective Services Custody.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Voluntary Assisted Dying Scheme	3,332	6,014	—	—	—

The government is providing additional funding of $9.3 million over 2 years to support information and communciation technology, clinical and administrative implementation of the Voluntary Assisted Dying Scheme. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Public Skin Cancer Prevention Campaign and Pop-up Clinics	—	2,374	2,004	2,004	2,004

The government is providing additional funding of $8.4 million over 4 years to deliver a skin cancer prevention campaign and pop-up skin cancer screening clinics.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Infrastructure Maintenance Program	—	1,547	301	—	—

The government is providing increased funding of $1.8 million over 2 years to support Tranche 2 of the Infrastructure Maintenance Program. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
COVID-19 Funding	200,000	—	—	—	—

The government has provided increased funding of $200 million in 2021-22 for the continuation of the COVID-19 health response.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Regional Aeromedical Hub	15,420	—	—	—	—

The government has provided increased funding of $15.4 million in 2021-22 as a capital contribution to the Aeromedical Hub project for the Royal Flying Doctor Service and LifeFlight. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Response - Integrated Service System Responses and High Risk Teams in additional locations	—	—	—	—	—

Funding of $2.9 million over 4 years and $1 million per annum ongoing is being internally met by the department to roll out integrated service system responses and high risk teams in additional locations. This will include collaboration with alcohol and other drug, mental health, and domestic and family violence networks to improve service responses.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in Hear her voice - Report One - *Addressing coercive control and domestic and family violence in Queensland* . Further details on this package are in Chapter 1 of this paper.

Further details can be found in the Department of Justice and Attorney-General, Queensland Police Service, Queensland Corrective Services, Department of Communities, Housing and Digital Economy, Department of Children, Youth Justice and Multicultural Affairs, and Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships sections of this chapter.

Queensland Police Service

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Government Air	—	7,380	—	—	—

The government is providing additional funding of $7.4 million in 2022-23 to ensure the ongoing delivery of Queensland Government Air (QGAir) services. This funding enables QGAir to continue providing aviation support for search and rescue, natural disasters, police and aeromedical operations, including organ retrievals, and transport services for government. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Youth Justice Investment - Five Point Plan	—	3,484	—	—	—

The government is providing increased funding of $3.5 million in 2022-23 for the continuation of the 5 Point Plan to address youth crime.

This forms part of the government's total investment of $78.8 million over 4 years ($77.2 million new funding and $1.6 million internally funded) and $18.9 million per annum ongoing ($18.5 million new funding and $400,000 being met internally) to continue effective elements of the Youth Justice Strategy Reforms to address serious repeat offending. Further details can be found in the Department of Children, Youth Justice and Multicultural Affairs section of this chapter.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Relocation of the Oxley Police Academy to Wacol	—	2,000	—	—	—

The government is providing additional funding of $2 million in 2022-23 to develop a business case for the relocation of the Oxley Police Academy, and other co-located Queensland Police Service functions, to the Wacol Police Precinct or other appropriate new sites.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
QLiTE	1,992	1,992	2,042	2,093	2,145

The government is providing increased funding of $10.3 million over 5 years from 2021-22 and $2.1 million per annum ongoing from 2026-27 for the continuation of the 1,400 QLiTE program to support frontline policing.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Replacement of Weapons Licensing Management System	—	1,616	—	—	—

The government is providing additional funding of $1.6 million in 2022-23 to ensure the firearms register is up to date and accurate and commence the replacement of the Weapons Licensing Management System.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Camera Detected Offence Program	—	1,514	1,890	2,274	2,668

The government is providing increased funding of $8.3 million over 4 years and $2.7 million per annum ongoing for road safety initiatives.

The government is providing total increased funding of $96.3 million over 4 years across departments as part of the Camera Detected Offence Program. Further funding can be found in the Department of Transport and Main Roads, Queensland Fire and Emergency Services and Queensland Treasury sections of this chapter. The capital component of this measure can be found in the Department of Transport and Main Roads section of Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Body Worn Camera Digital Capability	—	1,031	4,943	5,338	5,338

The government is providing increased funding of $16.7 million over 4 years and $5.3 million per annum ongoing from 2026-27 to continue the operation of body worn cameras to provide more effective and efficient policing services to the people of Queensland.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Road Safety Anti Hooning Maximum Saturation Deterrence Trial	—	911	—	—	—

The government is providing additional funding of $911,000 in 2022-23 to undertake a road safety anti hooning maximum saturation deterrence trial and evaluation. The capital component of this measure can be found in Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Response - Continue to Roll Out Specialist Domestic and Family Violence Courts	—	322	684	1,094	1,121

The government is providing additional funding of $3.2 million over 4 years and $1.1 million per annum ongoing to continue to enhance and roll out specialist domestic and family violence courts.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One -Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

Further details can be found in the Department of Justice and Attorney-General and Queensland Corrective Services sections of this chapter.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Client Management System Program	—	—	—	—	—

The government is providing additional funding, held centrally, to develop a full business case for the Client Management System Program.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Electronic Monitoring of Adult Bailees	—	—	—	—	—

The government is providing funding for the continuation of electronic monitoring of adult bailees.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Police Service Response to COVID-19	—	—	—	—	—

The government has provided additional funding of $5.3 million in 2021-22 to supplement COVID-19 compliance activities. The government is also providing increased funding of $5.6 million in 2022-23 to continue supporting COVID-19 compliance activities. The funding is to be held centrally and released on an acquittal basis.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Response - Domestic and Family Violence and Coercive Control Training and Education	—	—	—	—	—

The government is providing additional funding of $17.5 million over 4 years and $4.4 million per annum ongoing, held centrally, for the delivery of enhanced education and training on domestic and family violence and coercive control to all levels of the service. The capital component of this measure can be found in Chapter 3 Capital measures.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One -*

Addressing coercive control and domestic and family violence in Queensland. Further details on this package are in Chapter 1 of this paper.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Report 1, Hear Her Voice Response - Integrated Service System Responses and High Risk Teams in Additional Locations	—	—	—	—	—

Funding of $2.8 million over 4 years and $1.2 million per annum ongoing is being internally met by the department to roll out integrated service system responses and High Risk Teams in additional locations.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One -Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

Further details can be found in the Department of Justice and Attorney-General, Queensland Corrective Services, Department of Communities, Housing and Digital Economy, Department of Children, Youth Justice and Multicultural Affairs, Queensland Health, and Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships sections of this chapter.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Report 1, Hear Her Voice Response - Review and Update of Domestic and Family Violence Operational Policy and Procedures and Risk Assessment Processes	—	—	—	—	—

The government is providing additional funding of $6.8 million over 4 years, held centrally, to ensure operational policies and procedures guide police in identifying and responding to domestic and family violence as a pattern of behaviour over time and to review risk assessment processes in consultation with First Nations stakeholders and people with lived experience of domestic and family violence. The capital component of this measure can be found in Chapter 3 Capital measures.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One -*

Addressing coercive control and domestic and family violence in Queensland. Further details on this package are in Chapter 1 of this paper.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Respon-Trial and Evaluate Mobile Co-responder Models	—	—	—	—	—

The government is providing additional funding of $6.3 million over 3 years, held centrally, to trial and evaluate mobile co-responder models involving joint responses between Queensland Police Service and specialist domestic and family violence services.

Further details can be found in the Department of Justice and Attorney-General section of this chapter. The capital component of this measure can be found in Chapter 3 Capital measures.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Safe Night Precincts	2,500	—	—	—	—

The government has provided additional funding of $2.5 million in 2021-22 to support police operations in Safe Night Precincts. From 1 July 2022, police operations in Safe Night Precincts will transition from temporary funded operations to permanent business as usual operations.

Queensland Treasury

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Trade and Investment Strategy 2022- 2032	—	13,510	19,590	22,760	19,350

The government is providing additional funding of $150 million over 10 years, including $75.2 million over 4 years and $12.5 million per annum ongoing, to implement a new Queensland Trade and Investment Strategy 2022-2032. The new strategy will leverage global opportunities, drive diversity and value, and create future economic growth.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Camera Detected Offence Program	—	2,024	1,997	1,997	1,997

The government is providing increased funding of $8 million over 4 years and $2 million per annum ongoing to Queensland Revenue Office for the Camera Detected Offence Program.

The government is providing total increased funding of $96.3 million over 4 years across departments as part of the Camera Detected Offence Program. Further funding can be found in the Department of Transport and Main Roads, Queensland Fire and Emergency Services and Queensland Police Service sections of this chapter. The capital component of this measure can be found in the Department of Transport and Main Roads section of Chapter 3 Capital measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Crime Statistics and Research Unit	—	1,925	1,981	2,039	2,098

The government is providing funding of $8 million over 4 years and $2.1 million per annum ongoing for the continued operation of the Crime Statistics and Research Unit to support research and policy development and the assessment of whole of criminal justice system demands and financial impacts.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Local Government Authorities Debt Collection Services	—	1,110	—	—	—

The government is providing additional funding of $1.1 million in 2022-23 to fund the initial implementation cost of Queensland Revenue Office's debt collection service to local government authorities.

Queensland Revenue Office will provide its debt collection capability to local government authorities as a fee-for-service, so ongoing service delivery costs will be fully funded by local government authority users.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Community Housing Provider Development Program	—	—	—	—	—

The government is providing additional funding of $5 million over 2 years, held centrally, to fund measures to build capability and capacity in the Community Housing Provider (CHP) sector and to incentivise CHP participation in the Housing Investment Fund (HIF). This will equip the CHP sector with the skills, expertise and resources to participate in market processes such as the HIF to sustainably deliver and manage additional supply of social housing stock.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Sole Trader Grants	41,339	—	—	—	—

The government has provided additional funding of $41.4 million in 2021-22 for $1,000 one-off grants for eligible non-employing sole traders to support Queensland business impacted by the August 2021 COVID-19 lockdowns in Queensland. This program has now closed.

This formed part of the government’s total announced funding of $600 million in 2021-22 for the Business Support Package, jointly funded by the Australian Government, to support businesses impacted by COVID-19 in Queensland.

3 Capital Measures

Introduction

The following tables present the relevant portfolio capital measures relating to decisions taken since the 2021-22 Budget. This does not represent the full amount of additional funding provided to agencies since the 2021-22 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1.

Department of Communities, Housing and Digital Economy

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Cultural Centre - Capital Works, Asset Upgrades and Refurbishment Projects	—	8,550	13,850	17,200	14,100

The government is providing additional funding of $53.7 million over 4 years for capital asset renewal works, compliance and safety improvements, and amenity upgrades at the Queensland Cultural Centre. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Strengthening Social Services in Queensland	—	4,000	17,000	14,000	13,000

The government is providing additional funding of $48 million over 4 years to strengthen social services in Queensland. The funding will be provided to build new neighbourhood and community centres and redevelop and upgrade existing centres.

This forms part of the government's total funding of $125.6 million over 4 years and $19 million ongoing to strengthen social services in Queensland. The expense component of this measure can be found in Chapter 2 Expense Measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Realignment of Grey and Russell Street Intersection	—	1,400	—	—	—

The government is providing additional funding of $1.4 million in 2022-23 for the reconfiguration of the Grey and Russell Street intersection, South Brisbane to enhance vehicular access to the Queensland Cultural Precinct.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Cultural Centre - Security Upgrades	—	1,300	1,300	910	—

The government is providing additional funding of $3.5 million over 3 years to enhance security measures across the Queensland Cultural Centre. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Digitisation of the State's Audio-Visual and Other Archival Public Records	—	400	—	—	—

The government is providing additional funding of $400,000 in 2022-23 to accelerate digitisation of print and audio-visual records. The expense component of this measure can be found in Chapter 2 Expense measures.

Department of Education

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
School Infrastructure - Renewal	6,264	194,595	143,383	93,830	92,279

The government is providing increased funding of $530.4 million over 5 years and $22.7 million per annum ongoing for critical infrastructure upgrades to replace and enhance infrastructure in existing state schools.

Total funding for the initiative is $623.8 million over 5 years and $25.2 million per annum ongoing. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
School Infrastructure - Growth	—	61,941	47,193	—	—

The government is providing increased funding of $109.1 million over 2 years for additional infrastructure at existing schools experiencing enrolment growth.

Total funding for this initiative is $118.6 million over 2 years. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Land Acquisition for New Schools	—	54,887	—	—	—

The government is providing increased funding of $54.9 million in 2022-23 to acquire land to continue the delivery of new schools under its Building Future Schools program.

Total funding for this initiative is $55.8 million in 2022-23. The expense component can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Building Future Schools Program	—	7,498	20,501	159,936	74,908

The government is providing increased funding of $262.8 million over 4 years ($366.1 million over 7 years) for the construction of new schools to open in 2025 at Caboolture West, Caloundra South, Greater Flagstone and Ripley Valley, along with one new school in Bahrs Scrub to open in 2026.

Total funding for this initiative is $389.5 million over 7 years. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
School Playground and Tuckshop Upgrades	—	1,500	13,500	—	—

The government is providing additional funding of $15 million over 2 years to improve School playground and tuckshop facilities in disadvantaged areas throughout Queensland.

Total funding for this initiative is $20 million over 2 years. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Expansion of GPs in Schools Pilot	—	—	—	—	—

Funding of $600,000 in 2021-22 is being met internally by the department to expand the GPs in Schools pilot program from 20 to 50 schools.

Total funding for the expansion is $6.6 million over 3 years. The expense component of this measure can be found in Chapter 2 Expense measures.

Department of Energy and Public Works

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Government Employee Housing Sustainability Funding Model	—	87,776	134,433	—	—

The government is providing additional funding of $222.2 million over 2 years from 2022-23 and a further $292.5 million over 2 years from 2024-25 held centrally to deliver critical new housing and upgrades to existing houses for frontline staff such as police, health workers and teachers in remote locations to ensure the portfolio is secure and of an appropriate standard for employees. The expense component to this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Northern Queensland Renewable Energy Zone	40,000	—	—	—	—

The government has provided increased funding of $40 million in 2021-22 for the first stage project commencement of the Northern Queensland Renewable Energy Zone to Powerlink.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Pumped Hydro Energy Storage	13,000	—	—	—	—

The government has provided increased funding of $13 million in 2021-22 for the proposed Borumba Pumped Hydro Energy Storage facility.

The government is also providing additional funding of $35 million in 2022-23 for feasibility works on pumped hydro energy opportunities with funding to be held centrally.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Thomas Dixon Centre Refurbishment	48,627	—	—	—	—

The government has provided additional funding of $48.6 million in 2021-22, previously held centrally, to fund the balance of the Thomas Dixon Centre redevelopment.

Further funding of $14 million has also been internally funded by the department in 2021-22 to complete the base build.

This forms part of the Queensland Government’s overall capital contribution of $99.2 million to redevelop the centre, inclusive of $2.8 million centrally held funds for fit out contingency.

Department of Environment and Science

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Cape York Peninsula National Park Joint Management	—	—	—	20,000	—

The government will provide increased funding of $20 million in 2024-25 for the acquisition of land under the Cape York Peninsula Tenure Resolution Program, supporting joint management with First Nations peoples.

The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Protected Area Estate	—	—	—	—	—

The government is providing increased funding of $16.9 million over 5 years ($17 million over 6 years), held centrally, to acquire property of high conservation value and undertake infrastructure upgrades associated with the increase of the protected estate.

The expense component of this measure can be found in Chapter 2 Expense Measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Protected Area Investment and Management	—	—	—	—	—

The government is providing increased funding of $250 million over 4 years, held centrally, for the continuation of the Protected Area Strategy 2020-2030, including support for land acquisitions and capital works to increase the protected area estate. The expense component of this measure can be found in Chapter 2 Expense measures.

Department of Justice and Attorney-General

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Achieving Justice System Efficiency - Contemporary Technology and Infrastructure - Capital	—	6,712	13,266	13,075	13,075

The government is providing additional funding of $59.2 million over 5 years and $13.1 million per annum ongoing to deliver infrastructure works to ensure the efficiency, safety and sustainability of Queensland's courthouses.

This forms part of the government's total funding package of $246.8 million over 5 years and $27.4 million per annum ongoing to deliver an efficient and effective justice system underpinned by contemporary technology and safe, accessible and functional infrastructure. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Response - State-Wide Plan to Improve Safety for Domestic and Family Violence Victims when Attending Court	—	3,375	6,300	20,025	19,350

The government is providing additional funding of $49.1 million over 4 years to undertake enhancements to Queensland Courthouses at Toowoomba, Cairns, Brisbane, Rockhampton, Maroochydore, Caboolture, Mackay and Ipswich, to improve safety for victims of domestic and family violence including coercive control when attending courts.

The expense component of this measure can be found in Chapter 2 Expense measures.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Beaudesert Courthouse Replacement	—	1,924	4,682	14,521	319

The government is providing additional funding of $21.4 million over 4 years to replace the current Beaudesert courthouse.

This forms part of the government's total funding package of $246.8 million over 5 years and $27.4 million per annum ongoing to deliver an efficient and effective justice system underpinned by contemporary technology and safe, accessible and functional infrastructure. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Resources Industry Development Plan (QRIDP) Package	—	155	—	—	—

The government is providing additional funding of $155,000 in 2022-23 for the Queensland Law Reform Commission review of the objection process for mining leases. The expense component of this measure can be found in Chapter 2 Expense Measures.

This forms part of the government's commitment to a $68.5 million package over 5 years to support implementation of the final QRIDP across government. Further details on initiatives can be found in the Department of Resources, Department of State Development, Infrastructure, Local Government and Planning, Department of Employment, Small Business and Training, Department of Environment and Science, Department of Regional Development, Manufacturing and Water and Department of Agriculture and Fisheries sections of this chapter.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice response - Over Representation Strategy and Office of the Chief First Nations Justice Officer	—	113	—	—	—

The government is providing additional funding of $113,000 in 2022-23 to accommodate staff to support the co-design of a whole-of-government and communication strategy to address over representation of First Nations peoples in the criminal justice system and to establish the Office of Chief First Nations Justice Officer.

The expenses component of this measure can be found in Chapter 2 Expense measures.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Claim Farming - Legal Services Commission	—	105	—	—	—

The government is providing additional funding of $105,000 in 2022-23 for the oversight and enforcement of new measures to prohibit claim farming of personal injury claims and deter undesirable billing practices by lawyers in speculative personal injury claims.

The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Commission of Inquiry into Queensland's Crime and Corruption Commission	333	—	—	—	—

The government has provided additional funding of $333,000 in 2021-22 for the establishment and operation of the Commission of Inquiry relating to the Crime and Corruption Commission.

The expense component of this measure can be found in Chapter 2 Expense Measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Response - Immediate Legislative Amendments and Reforms	—	—	—	—	—

The department is internally funding $406,000 in 2022-23 to accommodate staff to immediately progress amendments to the *Criminal Code*, *Domestic and Family Violence Protection Act 2012, Evidence Act 1977* and *Penalties and Sentences Act 1992*.

The expense component of this measure can be found in Chapter 2 Expense measures.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

Department of State Development, Infrastructure, Local Government and Planning

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Growth Area Program	—	43,000	52,000	70,000	—

The government is providing additional funding of $200 million over 3 years, including $35 million held centrally, to deliver activities under the Growth Area Program. The program will improve planning and delivery of housing supply to cater for population growth and address pressures on the housing market. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Capital Grant Funding Support to South Bank Corporation	—	3,085	—	—	—

The government is providing additional equity funding of $3.1 million in 2022-23 to support South Bank Corporation to deliver essential safety-related capital works. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
The Spit Master Plan Implementation	3,305	1,510	10,651	(215)	249

The government is providing increased funding of $15.5 million over 5 years to continue delivery of The Spit Master Plan and associated implementation works in partnership with the Gold Coast Waterways Authority and the Gold Coast City Council. Funding of up to $13 million over 4 years is being met internally by the department to complete the program, bringing total funding for this program to $60 million.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Regional Accommodation Centre	—	—	—	—	—

The government is providing additional funding to deliver and operate the Queensland Regional Accommodation Centre, located at Wellcamp near Toowoomba. This includes a capital contribution towards Queensland's first purpose-built accommodation centre. Delivery of the centre will occur in 2 stages, with the first 500 beds operational and available to receive guests. The expense component of this measure can be found in Chapter 2 Expense Measures.

* Arrangements are commercial in confidence.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
The South East Queensland City Deal	—	—	—	—	—

The government is providing additional funding of $622.2 million to the South East Queensland City Deal which was signed by the 3 levels of government on 21 March 2022. The City Deal will benefit more than 3.5 million residents, delivering a strategic approach to infrastructure planning and investment to support the fastest growing region in the country, with a focus on accelerating job creation, supporting thriving communities and enhancing the liveability and connectivity of South East Queensland.

The expense component of this measure can be found in Chapter 2 expense measures.

Department of the Premier and Cabinet

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Go for Gold Fund (School Sports Infrastructure)	—	1,500	15,000	29,250	29,250

The government is providing additional funding of $75 million over 4 years to establish the Go for Gold Fund (School Sports Infrastructure) program. The program, which is being delivered by the Department of Education, will deliver new and upgraded sports infrastructure for schools across the State, with a focus on promoting health and wellbeing, facilitating increased community use of school sports facilities and encouraging sports participation.

Total funding for the program is $100 million over 4 years. The expense component of this measure can be found in Chapter 2 Expense measures.

Department of Tourism, Innovation and Sport

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Activate! Queensland 2019-2029	—	5,000	13,500	10,000	—

The government is providing increased funding of $28.5 million over 3 years to leverage Queensland Government-owned and/or operated sport and recreation precincts and venues to better support the community and industry to provide participation opportunities.

Funding of $13.1 million over 3 years has been internally met by the department, bringing the total funding for the next 3 years of *Activate! Queensland* to $41.6 million.

The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Stadiums Queensland Capital Funding	—	5,000	20,500	21,013	21,538

The government is providing additional funding of $68.1 million over 4 years to support Stadiums Queensland's capital activities to maintain the state's portfolio of major sporting stadiums and high performance / community venues to a contemporary standard in the lead up to the 2032 Olympic and Paralympic Games.

The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Wangetti Trail	—	—	—	—	—

The government will provide increased funding of $5.7 million in 2024-25, held centrally, towards the delivery of Queensland's first purposely designed eco-tourism trail in a national park including the 94 kilometre trail and 4 public campsites.

Department of Transport and Main Roads

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Operational Readiness of the New Generation Rollingstock Fleet for Cross River Rail Automatic Train Operation and Platform Screen Doors	15,032	80,990	93,673	55,202	30,803

The government is providing additional funding of $275.7 million over 5 years for the detailed design and fitment of Automatic Train Operation (ATO) on-board software and Platform Screen Doors (PSD) on-board equipment for the New Generation Rollingstock (NGR) fleet of 75 trains. The installation of ATO and PSD on the NGR fleet will ensure that Cross River Rail is fully operational within the scheduled timeframes. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Maritime Infrastructure Program	—	10,548	—	—	—

The government is providing increased funding of $10.5 million in 2022-23 for navigational aids. The expense component of this measure can be found in Chapter 2 Expense Measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Operational Readiness of the New Generation Rollingstock Fleet for Cross River Rail and European Train Control System	2,408	6,882	15,152	66,276	28,366

The government is providing additional funding of $119.1 million over 5 years for the modification of the European Train Control System (ETCS) and Automatic Train Operation (ATO) hardware for the New Generation Rollingstock (NGR) fleet of 75 trains. The installation of ETCS, ATO and Platform Screen Doors on the NGR fleet will ensure that Cross River Rail is fully operational within the scheduled timeframes. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Camera Detected Offence Program	—	5,500	5,500	5,000	—

The government is providing increased funding of $16 million over 3 years to improve the safety of the sections of state-controlled roads where accidents happen most frequently.

The government is providing total increased funding of $96.3 million over 4 years across departments as part of the Camera Detected Offence Program. Further funding can be found in the Department of Transport and Main Roads, Queensland Fire and Emergency Services, Queensland Police Service and Queensland Treasury sections of Chapter 2 Expense Measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Townsville Connection Road Bowen Road Bridge duplication	—	1,940	1,940	3,007	26,287

The government is providing increased funding of $67.9 million over 5 years (2022-23 to 2026-27) for Stage 3 of the Townsville Connection Road upgrade. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Long-term Transport Infrastructure Commitments	—	—	—	—	137,500

The government will provide increased funding of $137.5 million in 2025-26 and $474.4 million beyond the forward estimates for the state contribution for the following projects reflecting prior election commitments: Pacific Motorway: Daisy Hill to Logan Motorway upgrade, Inland Freight Route (Mungindi to Charters Towers), Boundary Road (Coopers Plains) rail level crossing, Mooloolah River Interchange Upgrade - Stage 1 and Roads of Strategic Importance Mount Isa to Rockhampton corridor state matching. The expense component of this measure can be found in Chapter 2 Expense measures.

Legislative Assembly of Queensland

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Electorate Office Security Upgrade (CCTV)	—	612	—	—	—

The government is providing additional funding of $612,000 in 2022-23 to improve electorate office security through the installation of a standardised CCTV monitoring system in each electorate office across Queensland. The expense component of this measure can be found in Chapter 2 Expense Measures.

Queensland Corrective Services

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Expansion of the Southern Queensland Correctional Precinct Stage 2 to Over 1,500 Beds	—	150,000	57,000	—	—

The government is providing additional capital funding of $207 million over 2 years to increase the capacity of Southern Queensland Correctional Precinct Stage 2 by 500 beds to over 1,500 beds, including through the construction of a second secure rehabilitation unit.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Infrastructure Works	—	40,950	22,820	7,000	7,000

The government is providing additional funding of $77.8 million over 4 years and $7 million per annum ongoing to progress infrastructure works and support ongoing maintenance and replacement programs. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Electronic Security Upgrade	—	—	—	—	—

The government is providing additional funding of $78.7 million over 3 years, held centrally, to provide a multi-service provider solution for Queensland Corrective Services' Electronic Security System through a competitive tender package. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Integrated Offender Management System	—	—	—	—	—

The government is providing additional funding of $16.3 million over 2 years, held centrally, to enhance the Integrated Offender Management System to support frontline correctional operations. The expense component of this measure can be found in Chapter 2 Expense measures.

Queensland Health

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Capacity Expansion Program	—	85,300	991,700	1,606,000	3,025,000

The government is providing additional funding of $9.785 billion over 6 years to deliver around 2,200 additional overnight beds across the Queensland Health system for the following projects:

- New hospitals in Bundaberg, Toowoomba and Coomera
- New Queensland Cancer Centre
- Expansions to hospitals in Cairns, Townsville, Robina, Mackay, Redcliffe, Ipswich and Hervey Bay as well as to the Princess Alexandra, QEII and the Prince Charles hospitals, and a further expansion at Logan hospital.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Digital Hospital Electronic Medical Records System	—	60,000	60,000	60,000	60,000

The government is providing additional funding of $240 million over 4 years ($300 million over 5 years) for the continued roll-out of electronic medical record functionality.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Infrastructure Maintenance Program	—	15,647	54,193	18,312	—

The government is providing increased funding of $88.2 million over 3 years for tranche 2 of the Infrastructure Maintenance Program. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Ambulance Critical Infrastructure	—	13,442	35,907	18,067	6,500

The government is providing additional funding of $73.9 million over 4 years to enable critical infrastructure projects for the Queensland Ambulance Service.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Voluntary Assisted Dying Scheme	795	6,135	—	—	—

The government is providing additional funding of $6.9 million over 2 years for the development of an information communication technology solution to support the Voluntary Assisted Dying Scheme. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Mental Health and Other Drug Services Capital Investment	—	1,791	9,016	9,691	4,641

The government is providing additional capital funding of $28.5 million over 5 years to support Queensland Health's new 5 year plan, *Better Care Together*. *Better Care Together* will improve mental health, alcohol and other drugs services as well as the suicide prevention system of care and support. The expense component of this measure can be found in Chapter 2 Expense measures.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
QEII Hospital Multi-storey Carpark	—	1,500	15,000	13,310	—

The government is providing additional funding of $29.8 million over 4 years for the development of the QEII Hospital Multi-storey Carpark as part of the statewide Hospital Car Parking Framework.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Accelerated Infrastructure Delivery Program	—	—	—	—	—

The government is providing $229.7 million over 2 years from the Sustaining Capital Program to increase bed capacity under the Accelerated Infrastructure Delivery Program. This program will deliver 289 beds across seven projects in the Metro South, Gold Coast, West Moreton and Cairns and Hinterland Hospital and Health Services, and will use off-site construction and standard designs to reduce time to commissioning.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Building Rural and Remote Health program - Phase 2	—	—	—	—	—

The government is providing $943.5 million over 7 years from the Sustaining Capital Program to replace ageing rural and regional health facilities and staff accommodation as part of the next phase of the Building Rural and Remote Health Program.

This investment in Phase 2 of the program will replace ageing infrastructure across a range of Hospital and Health Services, including Torres and Cape, North West, Cairns and Hinterland, Mackay, Darling Downs, Central Queensland, Townsville, West Moreton and Wide Bay. The first tranche of Phase 2 will replace health facilities in Moranbah, Bamaga, Normanton, Pormpuraaw, Tara and Cow Bay.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Logan Hospital Expansion	—	—	—	—	—

The government is providing additional funding of $20 million in 2022-23, held centrally, to support the provision of a 28-bed modular ward as part of the Logan Hospital expansion project.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Queensland Regional Aeromedical Hub	24,849	—	—	—	—

The government has provided additional funding of $24.8 million to the Brisbane Airport Corporation as a prepayment of the government’s net rent liabilities as a sub-tenant, reducing net-rent liabilities to nil to 2047. Funding of $20 million is being met internally by the department to support the project.

Total funding for this project is $60.3 million. The expense component of this measure can be found in Chapter 2 Expense measures.

Queensland Police Service

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Road Safety Anti Hooning Maximum Saturation Deterrence Trial	—	5,160	—	—	—

The government is providing additional funding of $5.2 million in 2022-23 to undertake a road safety anti hooning maximum saturation deterrence trial. The expense component of this measure can be found in Chapter 2 Expenses measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Queensland Government Air	—	2,941	—	—	—

The government is providing additional funding of $2.9 million in 2022-23 to ensure the ongoing delivery of Queensland Government Air services. This funding is for the planned aircraft maintenance schedule to ensure continued airworthiness of both fixed wing and rotary wing flying assets. The expense component of this measure can be found in Chapter 2 Expenses measures.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Report 1, Hear Her Voice Response - Domestic and Family Violence and Coercive Control Training and Education	—	—	—	—	—

The government is providing additional funding of $166,000 in 2022-23, held centrally, for the delivery of enhanced education and training on domestic and family violence and coercive control to all levels of the service. The expense component of this measure can be found in Chapter 2 Expense measures.

This forms part of the government's total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Report 1, Hear Her Voice Response - Review and Update of Domestic and Family Violence Operational Policy and Procedures and Risk Assessment Processes	—	—	—	—	—

The government is providing additional funding of $41,000 in 2022-23, held centrally, to ensure operational policies and procedures guide police in identifying and responding to domestic and family violence as a pattern of behaviour over time and to review risk assessment processes in consultation with First Nations stakeholders and people with lived experience of domestic and family violence. The expense component of this measure can be found in Chapter 2 Expense Measures.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Report 1, Hear Her Voice Response - Trial and Evaluate Mobile Co- responder Models	—	—	—	—	—

The government is providing additional funding of $108,000 in 2022-23, held centrally, to trial and evaluate mobile co-responder models involving joint responses between Queensland Police Service and specialist domestic and family violence services.

The services component of this measure, including for the Department of Justice and Attorney-General, can be found in Chapter 2 Expense measures.

This forms part of the government’s total funding package of $363 million over 5 years ($350 million new funding and $12.9 million internally met) to respond to the recommendations of the Queensland Women’s Safety and Justice Taskforce in *Hear her voice - Report One - Addressing coercive control and domestic and family violence in Queensland*. Further details on this package are in Chapter 1 of this paper.

4 Revenue Measures

Introduction

The following tables present the relevant portfolio revenue measures relating to decisions taken since the 2021-22 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1.

Department of Regional Development, Manufacturing and Water

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Drought Assistance and Reform Package	—	—	—	—	—

The government is providing relief of up to $1.5 million in 2022-23 through the waiver of fees associated with an annual water licence invoice and applications for stock or domestic water licences. The waiver is available to primary producers in drought declared areas and those who have an individually droughted property.

The Drought Assistance and Reform Package is a total of up to $79.6 million over 4 years from 2022-23 to support drought affected communities across the State (and $150 million over 3 years from 2022-23 for drought preparedness and emergency drought assistance loans). Further details can be found in the Department of Resources section of this chapter and the Department of Agriculture and Fisheries and the Department of Energy and Public Works sections of Chapter 2 Expense measures.

Department of Resources

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Drought Assistance and Reform Package	—	—	—	—	—

The government is providing relief of up to $3.2 million in 2022-23 through rent rebates for drought declared areas.

The Drought Assistance and Reform Package is a total of up to $79.6 million over 4 years from 2022-23 to support drought affected communities across the State (and $150 million over 3 years from 2022-23 for drought preparedness and emergency drought assistance loans). Further details can be found in the Department of Regional Development, Manufacturing and Water section of this chapter and the Department of Agriculture and Fisheries and the Department of Energy and Public Works sections of Chapter 2 Expense measures.

Queensland Health

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Fee Alignment Cost Recovery for Healthcare Services Provided to Australian Defence Force Personnel	—	2,368	2,463	2,563	2,666

The government is increasing the fees charged by Queensland Health for healthcare services provided to Australian Defence Force (ADF) personnel to continue cost recovery. The additional cost of these fees will be borne by the Australian Government not ADF personnel. This measure is estimated to generate $10.1 million in revenue from 2022-23 to 2025-26.

Queensland Treasury

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Progressive Coal Royalty Rates	—	764,807	126,549	138,693	146,226

The government is introducing three additional royalty rate tiers to the coal royalty structure, for coal sold, disposed of or used on or after 1 July 2022 as follows:

- a rate of 20 per cent on that part of the average price per tonne more than A$175 but not more than A$225
- a rate of 30 per cent on that part of the average price per tonne more than A$225 but not more than A$300
- a rate of 40 per cent on that part of the average price per tonne more than A$300.

The additional tiers of coal royalty rates will ensure during future periods of high coal prices that the royalty return to the people of Queensland is appropriate for the use of the state’s valuable and limited natural resources.

	2021-22 $‘000	2022-23 $‘000	2023-24 $‘000	2024-25 $‘000	2025-26 $‘000
Payroll Tax - Mental Health Levy	—	183,776	390,340	407,515	425,446

The government is introducing a mental health levy on large employers (or groups of employers) with annual Australian taxable wages over $10 million, to provide a sustainable funding source for mental health services.

The mental health expense measures that this initiative funds is discussed in Chapter 2 Expenses measures. Where this measure actually raises more than sufficient revenue to fund the allocation to the mental health, alcohol and other drugs funding measures any additional funding will be available to allocate to future priority mental health capital initiatives.

Subject to the passage of legislative amendments, it is proposed that for payroll tax liabilities arising on or after 1 January 2023, a 0.25 per cent levy will apply to an employer’s (or group of employers) annual Australian taxable wages above $10 million, and an additional 0.5 per cent levy will apply to annual Australian taxable wages above $100 million of the employer (or group of employers).

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Betting Tax Reform	—	40,000	80,000	80,000	80,000

The government has announced a new funding model to ensure ongoing sustainable funding for Queensland's racing industry. The reforms include applying a 5 per cent racing levy to the betting tax and making bonus bets (or free bets) taxable. Racing Queensland will then be hypothecated 80 per cent of total betting tax revenue. Subject to the passage of legislative amendments, it is proposed that the changes will take effect from 1 December 2022.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Additional Foreign Acquirer Duty Exemption for Retirement Visa Holders	—	(150)	(300)	(300)	(300)

Retirement visa holders (that is, holders of subclass 405 and 410 visas) will be exempt from additional foreign acquirer duty for purchases of their principal place of residence on or after 1 January 2023. This change will ensure that, subject to conditions, holders of retirement visas who purchase a home will not be subject to a surcharge rate of duty, and only duty at standard concessional rates will apply to eligible transactions.

The change is subject to the passage of legislative amendments.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Payroll Tax Extending Deduction Phase Out	—	(30,000)	(60,000)	(60,000)	(60,000)

The government will provide tax relief to small and medium businesses, through adjustments to the existing payroll tax deduction framework.

Subject to the passage of legislative amendments, it is proposed that for payroll tax liabilities arising on or after 1 January 2023, the payroll tax deduction will be extended from the current ceiling of $6.5 million in annual Australian taxable wages up to $10.4 million. This reflects an increase in the phase out rate of the deduction from $1 for every $4 to a rate of $1 for every $7 of taxable wages above the $1.3 million threshold, benefitting over 12,000 businesses.

	2021-22 $'000	2022-23 $'000	2023-24 $'000	2024-25 $'000	2025-26 $'000
Payroll Tax Apprentice and Trainee Rebate	—	(32,200)	—	—	—

The government is extending the 50 per cent payroll tax rebate on the exempt wages of apprentices and trainees until 30 June 2023. The extension of the rebate is part of the government's ongoing commitment to support Queensland businesses and build Queensland's skills base, including for Queensland's youth, across all regions of the state.

The change is subject to the passage of legislative amendments.

Queensland Budget 2022–23

Budget Measures   Budget Paper No.4

EXHIBIT (c)(iv)

2022-23 Budget Update

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the State of Queensland's (the "State" or "Queensland") beliefs and expectations, are forward-looking statements. These statements are based on current plans, budgets, estimates and projections and therefore you should not place undue reliance on them. The words "believe", "may", "will", "should", "estimate", "continue", "anticipate", "intend", "expect", "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements speak only as of the date they are made, and neither the Queensland Treasury Corporation nor the State undertake any obligation to update publicly any of them in light of new information or future events.

Forward-looking statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Although the Queensland Treasury Corporation and the State believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forward-looking statements involve inherent risks and uncertainties. We caution you that actual results may differ materially from those contained in any forward-looking statements.

A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. Factors that could cause the actual outcomes to differ materially from those expressed or implied in forward-looking statements include:

- the international and Australian economies, and in particular the rates of growth (or contraction) of the State's major trading partners;
- the effects, both internationally and in Australia, of any subsequent economic downturn, as well as the effect of ongoing economic, banking and sovereign debt risk;
- the effect of natural disasters, epidemics and geopolitical events, such as the novel coronavirus (COVID-19) pandemic and the Russia-Ukraine conflict;
- increases or decreases in international and Australian domestic interest rates;
- changes in and increased volatility in currency exchange rates;
- changes in the State's domestic consumption;
- changes in the State's labor force participation and productivity;
- downgrades in the credit ratings of the State and Australia;
- changes in the rate of inflation in the State;
- changes in environmental and other regulation; and
- changes in the distribution of revenue from the Commonwealth of Australia Government to the State.

Queensland
Good jobs
Better services
Great lifestyle

2022-23 BUDGET UPDATE

Queensland Government

Acknowledgement of First Nations People

The Queensland Government respectfully acknowledges the First Nations peoples in the state of Queensland, and acknowledges the cultural and spiritual connection that Aboriginal and Torres Strait Islander people have with the land and sea. We respectfully acknowledge Aboriginal people and Torres Strait Islander people as two unique and diverse peoples, with their own rich and distinct cultures, resilience and strengths.

We specifically acknowledge the unique history and cultural heritage of Aboriginal and Torres Strait Islander people as the First Peoples of Australia. We pay our respects to Elders past and present. We are dedicated to the inclusion of cultural knowledge and values as critical factors in the development, implementation and evaluation of strategies and actions to support First Nations people.

The Queensland Government is committed to providing accessible services to Queenslanders from all cultural and linguistic backgrounds. If you have difficulty in understanding this publication, you can contact us on telephone (07) 3035 3503 and we will arrange an interpreter to effectively communicate the report to you.

CONTENTS

FOREWORD

The 2022–23 Budget Update shows the fundamentals of the Queensland budget and economy are strong, despite a backdrop of international uncertainty.

This Update reinforces Queensland's world leading response to the COVID–19 pandemic.

Queensland's economy grew 4.4 per cent in 2021- 22 – stronger than national GDP growth of 3.6 per cent over this period.

Queensland's exceptional jobs growth has also continued, with employment in Queensland in October 2022 being 209,200 persons, or 8.2 per cent, higher than its pre–COVID level.

This is the strongest jobs growth of any jurisdiction over that period, in both percentage and absolute terms.

Nonetheless, the challenges ahead are daunting.

Geopolitical instability poses a threat to continued growth.

Queensland will not be spared from the continued ripples of conflict in Europe that reverberate around the world.

The IMF has downgraded its global economic growth forecasts. In its *October World Economic Outlook,* it stated: *"Risks to the outlook remain unusually large and to the downside."*

Domestically, a tight labour market and the floods earlier this year have constrained supply chains and contributed to higher inflation.

Forecast inflation for 2022–23 has been revised up to 5$^{3/4}$ per cent from the 3$^{3/4}$ per cent at Budget, while wages growth is also expected to be slightly higher.

Against those changing circumstances, our government remains focused on economic growth and job-creation.

Factors including the ongoing conflict in Ukraine, global inflation and geopolitical instability mean that the record $5.18 billion surplus for 2022–23 in today's Update may well be the high-water mark in the current economic cycle.

In that environment, our priority is to reinvest in building a resilient Queensland while maintaining the strength of our fiscal buffers.

While constraints on the labour market pose some challenges, they reflect the record low unemployment Queensland is currently enjoying, with a seasonally adjusted rate of 3.3 per cent in October, its equal lowest rate on record.

That we have been able to achieve this while thousands of people continue to flock to Queensland from southern states shows the level of confidence in our economy.

The record coal prices being enjoyed by mining companies are delivering for Queenslanders through our new bipartisan progressive royalty tiers.

That allows us to reinvest every dollar of those new royalties in regional Queensland, supporting good jobs and better services across the state.

Ongoing solid economic growth is expected in 2022–23 and 2023–24.

However, with the domestic economy operating close to capacity and in the context of rising interest rates as well as a weaker global outlook, further strengthening in economic growth is likely to be limited in the short term.

International economic conditions have deteriorated since the 2022–23 Queensland Budget, while high global energy prices are expected to persist in 2023.

Combined, these factors are expected to adversely affect demand for the volume of Queensland commodity exports, particularly coal.

Coal prices are also unlikely to remain at these inflated levels and unemployment is likely to rise next year.

But the outlook for Queensland's new and emerging industries is positive.

Our traditional resources, agriculture and manufacturing sectors continue to perform well.

Investments in renewable energy and green hydrogen will build a foundation for the development of more energy intensive industries in the future.

This is a key plank in our plan to build future prosperity and growth across the entire state by focussing on three objectives: good jobs; better services; and protecting our great lifestyle.

This 2022–23 Budget Update also outlines targeted investments across the state, including a:

- $3 billion long–term asset held by the Consolidated Fund, dedicated to future infrastructure in regional Queensland; and
- $1 billion equity contribution into government-owned corporations to support priority regional infrastructure projects.

These are in support of our $62 billion *Queensland Energy and Jobs Plan,* announced in late September, and its provisioning of common user infrastructure to support the minerals industry as well as direct support to coal communities.

These infrastructure investments build on our $59.126 billion 4–year infrastructure commitment announced in the 2022–23 Budget.

Given our current fiscal position and investments for the future, Queensland is well prepared to face the global challenges ahead of us.

The Honourable Cameron Dick MP

Treasurer
Minister for Trade and Investment

OVERVIEW

The 2022–23 Budget Update incorporates the changes to the state's economic and fiscal position since the 2022–23 Queensland Budget.

The fundamentals of the budget and economy remain strong with highlights including the state recording:

- economic growth of 4.4 per cent in 2021-22 – stronger than national GDP growth of 3.6 per cent over this period
- unemployment rate falling substantially to be below 4 per cent since June 2022, while the annual rate of inflation in Brisbane reached 7.9 per cent in September quarter 2022
- employment in October 2022 is 209,200 persons (or 8.2 per cent) above its pre-COVID level of March 2020. This is the strongest jobs growth of any state or territory, in both absolute and percentage terms
- General Government Sector net operating surplus of $5.18 billion for 2022–23, which is an improvement of over $6 billion (compared to the $1 billion deficit projected at the 2022–23 Queensland Budget) and largely driven by higher coal and petroleum royalties arising from higher-than-expected, but temporary, global coal and oil prices
- General Government Sector net debt estimated to be $14.534 billion by 30 June 2023, which is over $5.238 billion lower than projected in the 2022–23 Queensland Budget.

The Queensland Government is looking to the future, with a clear plan to build future prosperity and growth across the state by focussing on 3 objectives: good jobs; better services; and protecting our great lifestyle.

The performance of the state's economy has been characterised by strong growth in domestic activity and a substantial tightening in labour market conditions, with rising inflation.

Ongoing solid economic growth is expected in 2022–23 and 2023–24. However, with the domestic economy operating close to capacity and in the context of increasing interest rates and a substantially weaker global economic outlook, any further strengthening in economic growth is likely to be limited in the short term.

General Government Sector revenue in 2022–23 is estimated to be $7.041 billion higher than in 2021–22 and $7.340 billion higher than estimated at the time of the 2022–23 Queensland Budget.

The improved outlook reflects a combination of factors impacting on the state's key revenues of taxes, royalties, and GST.

The unprecedented surge in global coal prices since mid-2021 has seen the value of Queensland's coal exports increase significantly to record levels. Australian Bureau of Statistics (ABS) data shows the value of Queensland coal exports in 2021–22 almost tripled, up 190 per cent compared with the previous year, growing by $47.1 billion to a record $71.8 billion.

The new progressive coal royalty rates, which were introduced on 1 July 2022, are estimated to generate additional royalty revenue of around $3 billion in 2022–23. The revenue raised from coal royalties helps enable the delivery of essential services and provision of critical social and economic infrastructure to meet the needs of Queenslanders across all regions of the state.

This Update incorporates targeted investments across the state, including a $3 billion long–term asset held by the Consolidated Fund, dedicated to future infrastructure in regional Queensland.

Underpinning this investment is a $1 billion equity contribution to government-owned corporations that will also support priority regional infrastructure projects.

Additional investments from the coal royalties uplift will support the *Queensland Energy and Jobs Plan* and provide common user infrastructure to assist the minerals industry, as well as coal communities.

By delivering on a clear fiscal strategy, underpinned by the Charter of Fiscal Responsibility, the government remains on track to return the budget to surplus over the forward estimates and to stabilise the net debt burden over the medium term.

The significant public infrastructure investment program outlined in the 2022–23 Queensland Budget has been supplemented by the investment outlined in the *Queensland Energy and Jobs Plan.* This infrastructure investment is expected to remain a major driver of economic growth and job creation, with the capital program reaching $64 billion in the 4 years to 2025–26.

OUR **ECONOMIC STRATEGY**

Delivering more jobs in more industries

The Queensland Government is continuing to leverage the momentum of its nation-leading response to the COVID–19 pandemic to drive economic growth and job creation across the state.

Queensland's economy grew 4.4 per cent in 2021-22 – stronger than national GDP growth of 3.6 per cent over this period. Queensland also continues to lead the nation in job creation, with 209,200 more people employed in Queensland in October 2022 than at the start of the pandemic. Queensland's unemployment rate fell to 3.3 per cent in October 2022, its equal lowest rate on record.

The government's economic strategy is driving the creation of good, secure jobs in Queensland's traditional and emerging industries including in new energy, new economy minerals, advanced manufacturing, biomedical products, agriculture, tourism, research and education services, and creative and design industries.

By focussing on the economic settings and enablers that will enhance Queensland's competitiveness, the strategy is supporting industry, business, communities and workers to realise opportunities in global shifts, including the transition to a lower emissions global economy. These settings will drive innovation, entrepreneurship and job creation across the state.

The *Queensland Energy and Jobs Plan* is a centrepiece of the government's strategy to drive Queensland's competitiveness in the decades ahead. It outlines Queensland's pathway to a clean, reliable and affordable energy system that will provide power for generations and be a platform for strong economic growth and investment.

Box 1: *Queensland Energy and Jobs Plan*

The *Queensland Energy and Jobs Plan* supports significant investment in renewable energy, storage and transmission to decarbonise Queensland's energy system, reach the 50 per cent renewable energy target early, and achieve new targets of 70 per cent renewable energy by 2032 and 80 per cent by 2035.

The $62 billion plan will be delivered through a mix of private and public sector investment. By 2035, a new Queensland SuperGrid will include at least 25 gigawatts (GW) of large–scale renewable generation capacity, 1,500 kilometres of new high–voltage transmission lines, and 2 new pumped hydro energy storage assets that together will deliver up to 7 GW of long duration storage.

Under the plan, Queensland's energy system will remain majority owned by the people of Queensland.

The government has committed an extra $4 billion down payment to support this pathway over the next 4 years, including $2.5 billion to increase the Queensland Renewable Energy and Hydrogen Jobs Fund, now totalling $4.5 billion.

To support the integration of new renewables and storage into Queensland's energy system, over the next 4 years Powerlink is investing $285 million in SuperGrid infrastructure and $365 million for the Gladstone Grid Reinforcement to support heavy industries to decarbonise.

As Queensland expands renewable power and storage, publicly owned coal fired power stations will become clean energy hubs and impacted communities and workers will be supported through a range of initiatives, including $200 million for a Regional Economic Futures Fund to support economic and community development initiatives, $150 million for a Job Security Guarantee for all workers in publicly owned coal–fired power stations and $90 million towards transmission and training hubs in Gladstone and Townsville.

The plan will put downward pressure on electricity prices over the longer term and support a greater level of energy independence and resilience which will help guard against future price shocks.

The plan will deliver more jobs in the energy sector and across the Queensland economy.

ECONOMIC **OVERVIEW**

The performance of the state's economy has been characterised by strong growth in domestic activity and a substantial tightening in labour market conditions, in the context of rising inflation.

The state's unemployment rate has fallen substantially to be below 4 per cent since June 2022, and the annual rate of inflation reached 7.9 per cent in September quarter 2022.

Ongoing solid economic growth is forecast across 2022–23 and 2023–24. However, with the economy operating close to capacity and in the context of increasing interest rates and a substantially weaker global economic outlook, any further strengthening in economic growth is likely to be limited in the short term.

Ongoing increases in interest rates are expected to dampen domestic economic activity over the remainder of 2022–23 and beyond.

As a result, after growing strongly by 5.1 per cent in 2021–22, Queensland's state final demand growth is expected to slow to 3 per cent in 2022–23 and moderate slightly to 2¾ per cent in 2023–24. This softer domestic growth is expected to see the year-average unemployment rate rise slightly, from a low of 4 per cent in 2022–23, to 4¼ per cent in 2023–24.

In year-average terms, inflation is now forecast to be 5¾ per cent in 2022–23, the highest rate since 2000–01, before moderating back to 2¾ per cent in 2023–24.

International economic conditions have deteriorated sharply since the 2022–23 Queensland Budget, while high global energy prices are expected to persist into 2023. Combined, these factors are expected to adversely affect demand for the volume of Queensland commodity exports. Following the re-opening of the international border in early 2022, overseas services imports have strengthened and are expected to continue to rebound, reversing the temporary overseas services trade surplus experienced during the COVID–19 crisis when the international border was closed.

Table 1: Queensland economic forecasts[1]

	2021–22	2022–23		2023–24	
	Actuals	Budget	Update	Budget	Update
Gross state product[2]	4.4	2¾	2½	2¾	2½
State final demand	5.1	3½	3	2½	2¾
Employment[3]	5.0	3	2¾	1½	1½
Unemployment rate[4]	4.6	4	4	4¼	4¼
Inflation[3]	5.4	3¾	5¾	2½	2¾
Wage Price Index[3]	2.5	3½	3¾	3½	3¾
Population[3,5]	1½	1½	1¾	1½	1¾

Notes:
1. Unless otherwise stated, all figures are annual percentage changes.
2. Chain volume measure, 2020–21 reference year.
3. Annual percentage change, year-average.
4. Per cent, year-average
5. Population growth for 2021–22 is the annual growth rate in the three quarters to March quarter 2022.

Sources: ABS Annual State Accounts, Labour Force, Consumer Price Index, Wage Price Index and National, State and Territory Population, and Queensland Treasury.

External conditions

International

The October 2022 issue of the IMF's *World Economic Outlook* (WEO) forecast global economic growth to be 0.4 percentage point lower in 2022 and 0.9 percentage point lower in 2023, compared with the forecasts made in April. The IMF now forecast that the US and Euro Zone economies will only grow by 1.0 per cent and 0.5 per cent respectively in 2023.

High inflation, aggressive monetary tightening and the Russian invasion of Ukraine are the key factors leading to this downgrade. The IMF commented that '*more than a third of the global economy will contract this year or next, while the three largest economies—the United States, the European Union, and China—will continue to stall. In short, the worst is yet to come, and for many people 2023 will feel like a recession'*.

The latest Consensus Economics forecasts of US and Euro Zone economic growth for 2023 are pessimistic, with growth in those regions forecast to be only 0.2 and -0.1 per cent respectively.

The deteriorating global economic outlook and the increasing global interest rates have also led to a significant strengthening of the US$ compared with other currencies, including the A$.

Annual inflation in the US has stayed above 7 per cent, and inflation in Europe and the United Kingdom continues to accelerate.

Reflecting the downturn in the global economic outlook, forecast industrial production in 2022 and 2023 among many major economies, including Queensland's major export markets, has been substantially downgraded in recent months. Industrial production in the US, UK and Euro Zone is now expected to decline in 2023, while industrial production growth forecasts in key industrialised economies in Asia, while remaining positive, have also been downgraded (**Table 2**).

Table 2: Industrial Production Growth Forecasts, by iteration

Forecast date	Forecast year	US	Euro Zone	UK	Japan	Korea	Taiwan	China	India
April 2022	2022	4.6	1.7	2.9	2.4	4.1	5.5	4.9	6.0
	2023	2.0	2.8	1.5	2.8	2.4	2.8	5.2	5.6
November 2022	2022	4.3	0.4	-2.0	0.0	3.6	2.8	4.2	5.6
	2023	-0.2	-0.3	-1.1	2.3	1.6	0.6	4.8	4.4

Source: Consensus Economics.

The expected slowdown in industrial production means that industrial metals and energy prices have fallen in recent months.

International prices of aluminium, copper, lead, nickel and zinc have declined sharply since the end of April 2022, while global spot prices of premium hard coking coal, PCI and semi-soft coking coal are also each down more than 30 per cent over the same period. Over the same time period, the price of 5,500kcal/kg NAR quality thermal coal fell around 35 per cent in the spot market.

The Russian invasion of Ukraine, combined with supply side constraints, have significantly disrupted global market dynamics, leading to substantial price increases in premium quality thermal coal, LNG, and crude oil. While these prices have all fallen recently from their respective recent highs, they remain well above their long-term averages.

Rising geopolitical tensions have also impacted the global economic outlook more broadly and led to increased volatility in financial markets.

National economy

The Australian economy rebounded solidly following the Delta lockdown impact on the start of 2021–22. Year average GDP growth in 2021–22 rose to a decade high of 3.6 per cent.

This growth has driven a very tight labour market in Australia. The national unemployment rate has remained at around record lows of 3½ per cent over successive months, and job vacancies remain elevated.

Inflation has risen further and faster than expected. It is forecast to remain elevated and only return to within the RBA's inflation target in 2024–25.

The RBA has undertaken sharp monetary tightening over 2022. This has seen the sharpest increase in interest rates in more than a decade, with the cash rate now at its highest level since November 2012. Market expectations are for the cash rate to keep rising in the months ahead.

House prices nationally have fallen since May, with the pace of decline accelerating and the geographic scope of the downturn broadening in recent months.

Household consumption has been resilient, supported by strong labour market conditions and substantial savings accrued over the past 2 years.

The Australian Treasury has downgraded its economic growth outlook between the March and October Federal Budgets, with forecast real GDP growth lowered by a ¼ percentage point to 3¼ per cent for 2022–23 and by 1 percentage point to 1½ per cent for 2023–24. The national unemployment rate is expected to remain low in the near term, at 3¾ per cent in June quarter 2023. As economic activity and consequently employment growth slows, the national unemployment rate is now forecast to rise to 4½ per cent by June quarter 2024.

Queensland conditions

The Queensland economy has recovered strongly from the COVID-19 induced downturn, thanks to the effective health response and management of the pandemic across the state, combined with significant fiscal and monetary policy support flowing through to businesses and households during the crisis.

Strong income growth boosted household consumption while the closure of the international border supported spending on domestic goods and services in both 2020–21 and 2021–22. Favourable operating conditions and rising profits drove a rebound in business investment in 2021–22.

There are now clear signs that the Queensland economy has been likely operating close to its capacity since early 2022, with the unemployment rate falling below 4 per cent by June 2022 and accompanied by stronger inflation.

Higher inflation and interest rates in 2022–23 are expected to dampen domestic economic activity. Dwelling investment, particularly renovation activity, is expected to be hardest hit. Dwelling property values have fallen, and while construction activity remains high, delivery of the substantial pipeline of work is being constrained by supply side issues.

The deterioration of external conditions and the ongoing high global coal prices has weakened coal demand.

The re-opening of the international border since late February 2022 should see overseas services imports gradually recover.

As a result, overall economic growth in 2022–23 is now forecast to be slightly lower, at 2½ per cent, compared with the budget forecast of 2¾ per cent.

A similar outcome in terms of overall economic growth is now expected in 2023–24, with solid growth of 2½ per cent now forecast. Growth in household consumption is expected to moderate further in 2023–24 while it is expected there will be a brief return to growth in dwelling investment in that year due to completion of scheduled construction works as supply issues are expected to subside by that time.

Household consumption

Real household consumption in Queensland has risen considerably (up 9.8 per cent) between pre–COVID March quarter 2020 and June quarter 2022.

Partial indicators available since the 2022–23 Budget show household spending has remained resilient in Queensland, with pressures from tightening financial conditions offset by strong labour market conditions and elevated savings.

The substantial and abrupt increases in lending rates and declines across some asset prices are expected to put pressure on household budgets and constrain real consumption growth from the second half of 2022–23 onwards and take full effect in 2023–24.

Dwelling investment

Dwelling investment in Queensland rose 4.5 per cent in 2021–22, building on the 11.9 per cent increase in the previous year. Record low interest rates, and substantial government stimulus, drove strong increases in building approvals and lending indicators throughout 2020–21.

A sharp increase in inflation and substantial interest rate hikes have tempered expectations of house price growth, with the median dwelling price in Brisbane in November 2022 falling more than 8 per cent from its peak in June 2022 (but remaining 3.3 per cent higher over the year to November 2022). Despite these headwinds in the housing market, dwelling approvals remain above their pre–pandemic level.

The outlook for this sector has weakened since the 2022–23 Budget. Dwelling investment in Queensland has fallen for 3 consecutive quarters to be 14.0 per cent lower over the year in June quarter 2022.

The elevated level of demand for new and used dwellings is expected to remain resilient, however a portion of demand for renovation activity is expected to be lost by the time supply side factors are resolved.

Dwelling investment is expected to fall slightly in 2022–23, but to then rebound in 2023–24 as supply side issues are resolved.

Business investment

At the time of the 2022-23 Budget, business investment was continuing to recover from the COVID-19 pandemic and was expected to continue to grow over the forecast horizon, in the context of the ongoing national and international recovery from the COVID-19 crisis.

Subsequent Annual State Accounts data released by the ABS confirmed the strength of this recovery in 2021-22, with overall business investment in 2021-22 growing by 8.5 per cent compared with the previous year.

The recovery in business investment following the pandemic slowed over the first half of 2022. Investment in machinery and equipment continued to trend upwards but was offset by declining construction activity. However, the number and value of known investment projects has continued to trend upwards, with activity in recent quarters likely to have been constrained by a range of factors including the surge in omicron cases in early 2022, ongoing pandemic-induced supply chain issues, the South East Queensland floods and the tight labour market.

A renewed recovery in non-residential construction activity is expected going forward as weather returns to more normal conditions and underpinned by the strength of business profitability. Firms are also expected to continue to be encouraged to invest in capital, including plant and equipment, in response to the prevailing high rates of capacity utilisation and supply chain challenges.

Public final demand

Public final demand rose a further 5.8 per cent in 2021–22, its seventh consecutive year of solid growth and averaging 5.0 per cent per year over this period. Growth in public final demand is expected to remain robust in 2022–23.

The Queensland Government has also committed to significant investment in key areas, such as the *Queensland Energy and Jobs Plan*, which will continue to support public final demand over time. As part of the *Queensland Energy and Jobs Plan,* the government has committed an extra $4 billion to support implementation over the next 4 years, including $2.5 billion to increase the Queensland Renewable Energy and Hydrogen Jobs Fund to $4.5 billion.

Overseas exports

Despite subdued volumes, the nominal value of Queensland's overseas exports has benefited from elevated prices, particularly goods exports which more than doubled in 2021–22, from $60.8 billion to $124.1 billion. The value of Queensland's goods exports is expected to remain elevated in 2022-23.

Queensland's overseas goods and services exports rose 1.6 per cent in 2021–22, following a 16.7 per cent decline in the previous year. This reflected the continued impact of travel restrictions on Queensland's overseas services exports, which fell 8.1 per cent in 2021–22. Queensland's overseas goods exports rose 2.7 per cent in the year, with higher agriculture and LNG exports more than offsetting lower coal and metals export volumes.

Exports of goods and services are expected to recover faster than anticipated at Budget, growing by 7 per cent in 2022–23 and 6½ per cent in 2023–24 (upgraded from 4 per cent in both 2022–23 and 2023–24). The upgrade reflects a recovery in metals exports from a weaker than expected 2021–22 and a faster than anticipated recovery in international education exports.

Coal

Despite coal export volumes falling by 3.6 per cent in 2021–22, the value of Queensland's coal exports reached a record high of $71.8 billion, driven by record high export prices for hard coking, thermal and semi-soft/PCI coal.

However, the global economic outlook has materially worsened since Budget, impacting on demand for Queensland's coal exports. At the same time, global energy markets continue to be impacted by the disruption from Russia's invasion of Ukraine. The distortion of global energy markets has resulted in coal prices remaining higher for longer than anticipated in the Budget and the premium thermal coal spot prices rising above hard coking coal spot prices for the first time on record (**Chart 1**).

Premium thermal coal spot prices spiked following Russia's invasion of Ukraine in late February, rising above US$400 per tonne in March 2022. After the initial increases, premium thermal coal prices moderated, to US$259 per tonne by 31 March, as Russian coal exports were not immediately impacted.

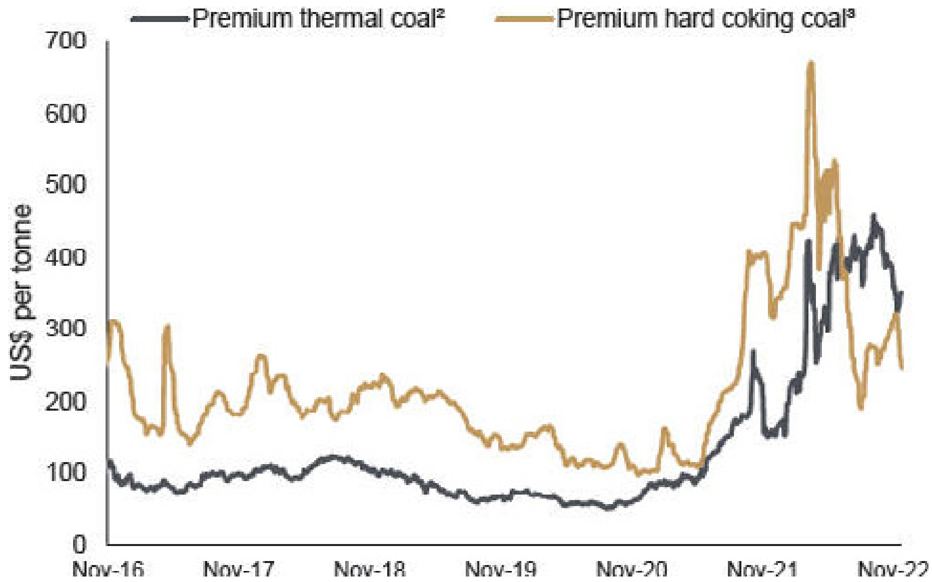
In early April, the G7, European Union and Japan announced plans to ban imports of Russian coal, to be fully implemented by August 2022, while several South Korean power companies also revealed plans to cease Russian coal imports. As a result, the premium thermal coal price rose across April and May, to be above US$400 per tonne again by mid-May.

At that time, prices were anticipated to moderate towards long-run fundamentals, although the timing of these declines was highly uncertain.

However, premium thermal coal prices remained around US$400 per tonne in subsequent months, reaching US$438 by September 2022. Ongoing weather disruptions in New South Wales constrained supply contributing to price pressures. Further, several European countries announced plans to increase coal fired power generation, to reduce reliance on Russian natural gas.

As these factors unwind, premium thermal coal prices are expected to return towards long-run fundamentals, although the speed of the decline remains a key source of uncertainty.

Chart 1: Coal spot prices[1]



Note:

1. Daily. On days in which the spot price is not published, the previous days price is used.
2. AME Newcastle 6,300 Daily Spot Price.
3. S&P Global Peak Downs hard coking coal spot price.

Sources: AME and S&P Global Commodity Insights (©2022 by S&P Global Inc).

The combination of higher prices and a weaker outlook for the global economy has resulted in the forecast for Queensland's coal export volumes being downgraded since Budget. Queensland's coal export volumes are now forecast to fall by 2½ per cent in 2022–23 (down from ¾ per cent growth at Budget), before recovering to grow by 6½ per cent in 2023–24 (unchanged from Budget), as global economic activity picks up and global energy markets stabilise.

Despite the lower outlook for coal export volumes, export prices are expected to remain higher for longer, particularly for thermal and semi-soft PCI coal, reflecting the ongoing distortions in the global energy market. As a result, the value of Queensland's coal exports is expected to be higher than anticipated at Budget, particularly in 2022–23.

LNG

The volume of Queensland's LNG exports grew a further 2.1 per cent in 2021–22 to a record 23.5 million tonnes, driven by the continued global economic recovery from COVID-19 and a colder-than-expected winter in the Northern Hemisphere.

Tightness in global LNG supply (in part due to the Russian invasion of Ukraine) is expected to keep demand for LNG elevated. However, tight supply in the domestic gas market is expected to see the volume of LNG exports moderate in 2022–23.

Prices for Queensland's LNG exports have risen sharply in 2022, doubling the nominal value of Queensland's LNG exports in 2021–22. Elevated oil prices in 2022 are expected to drive further increases in the price and value of Queensland's LNG exports in 2022–23, before they moderate in 2023–24.

Metals

The nominal value of Queensland metal exports has fallen alongside industrial metals prices in recent months as demand expectations are re-evaluated amid growing concerns for global growth.

Mining and export volumes were heavily impacted by COVID-19 related workforce disruptions, compounded by significant planned and unplanned outages across multiple refineries and smelters. As a result, metals exports fell 13.6 per cent in 2021–22 and, while COVID issues have eased across major sites, some of these impacts are likely to linger into 2022–23.

Exports of metals are forecast to largely normalise by 2023–24 and be relatively stable in 2024–25.

Agricultural

The volume of agriculture exports rose by around 15 per cent in 2021–22, driven by a sharp increase in cotton and other crops exports, as high global prices and improved growing conditions boosted Queensland production. High prices continue to support the value of agriculture exports, which totalled an estimated $13.2 billion in the 12 months to September 2022, a 30 per cent increase on the previous year.

Looking ahead, beef production and exports are expected to return to growth in 2022–23, cotton exports are expected to grow strongly, and sugar production and exports are expected to return to a more normal level.

Services

The reopening of the international borders has started to flow through into increased arrivals of international students and visitors. However, both currently remain below pre-COVID levels.

Visa applications for overseas students, which are a leading indicator of commencements, have already returned to pre-COVID levels. This points to a strong pipeline of future student inflows and commencements.

The recovery in short-term international arrivals, which drives international tourism exports, has been more gradual and has only recently reached half of pre-COVID levels. With continuing improvements in confidence and capacity, this recovery is expected to continue over the remainder of 2022–23 to see overseas services exports return to around their pre-pandemic level by 2023–24.

Labour market

Queensland's labour market remains exceptionally strong and historically tight, reflecting the state's strong recovery from COVID-19 and the impacts of international border closures restricting labour flows.

In September quarter 2022, Queensland's unemployment rate fell to 3.6 per cent, its lowest rate since 2007–2008, while the employment-to-population ratio was 64.3 per cent, its highest rate in more than a decade. Further, the job vacancy rate (a key indicator of labour demand, which is the number of vacancies as a proportion of total labour force) reached 3.0 per cent, its highest rate on record.

In year-average terms, Queensland's employment rose 5.0 per cent in 2021–22, Queensland's strongest annual employment growth since 2004–05.

On a monthly basis, employment in Queensland in October 2022 was 209,200 persons (or 8.2 per cent) above its pre-COVID level of March 2020. This was the strongest growth of any state or territory, in both absolute and percentage terms.

Queensland's labour market is expected to remain strong in the coming years and population growth is forecast to strengthen to 1¾ per cent in both 2022–23 and 2023–24 as overseas migration rebounds.

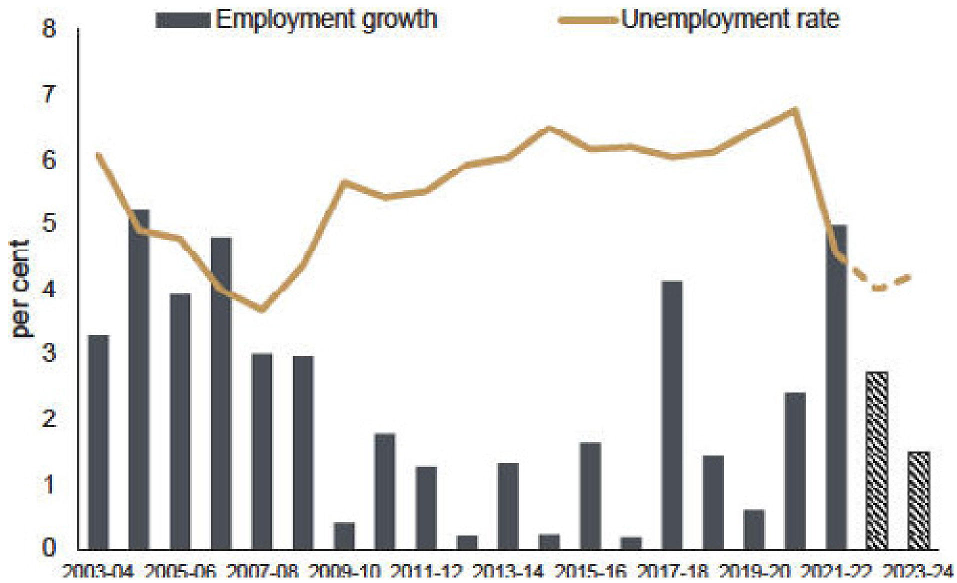
However, rising interest rates and a weaker global economic outlook compared with Budget are expected to weigh on Queensland's domestic economic growth, and therefore employment growth.

In year-average terms, employment is now forecast to grow 2¾ per cent in 2022–23, before moderating to 1½ per cent growth in 2023–24, broadly in line with population growth.

The year-average unemployment rate is forecast to remain low, falling from 4.6 per cent in 2021–22 to 4 per cent on average across 2022–23 (unchanged from Budget), before rising marginally to 4¼ per cent in 2023–24 (**Chart 2**). The unemployment rate over the past 2 decades has averaged 5.8 per cent.

The drivers of employment growth in Queensland are expected to continue to be broad based and, therefore, the benefit should be felt across most regions. Key growth industries for employment are likely to include health care, construction, retail trade, transport and warehousing, accommodation and food services, and professional services.

Chart 2: Labour market forecasts[1], Queensland



Note:

1. Year-average. 2022–23 and 2023–24 are forecasts

Sources: ABS Labour Force and Queensland Treasury.

Risks to the outlook

Despite the ongoing strong recovery and positive outlook for the Queensland economy, there remain significant risks to the outlook, at both the global and domestic levels.

Rising global inflation is leading to a tightening of monetary policy across most major economies as central banks aim to reduce the level of excess demand. There is a risk that this may lead to a ‘hard landing’ in the form of a significant contraction in global economic activity. As a result, the balance of risks at the international level are clearly on the downside.

At the same time, while there is evidence of an easing in global supply chain bottlenecks, significant supply-side risks remain in the form of the ongoing conflict in Ukraine and its impact on commodity prices. This is especially the case for European growth due to its dependence on energy imports from Russia. Ongoing COVID-related lockdowns in China also pose a risk to that country’s growth, as well as an indirect risk through the impact on global supply chains.

At a national level, the RBA is, like other central banks, increasing interest rates. The RBA has indicated this needs to be sufficiently rapid to reduce inflation back to within the target range and before expectations of higher inflation become entrenched. At the same time, monetary policy decisions need to be balanced with the objective of avoiding a sharp downturn. As such, as is the case at the international level, the ongoing inflationary and higher interest rate environment poses some downside risks to growth.

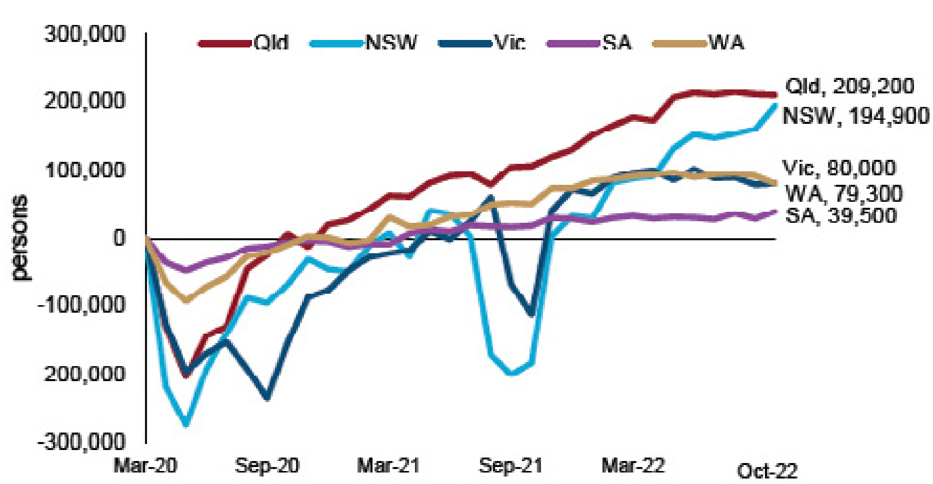
Most of 2022 has been dominated by unseasonably wet weather and flooding across most of eastern Australia. It is expected that more normal seasonal conditions will emerge over the forecast years. However, if unseasonable wet weather prevails for longer than expected, this will likely lead to ongoing delays in construction activity (and hence economic activity) and contribute to ongoing higher fruit and vegetable prices (therefore putting additional upward pressure on inflation).

Box 2: Queensland's strong economic recovery continues

Queensland has continued to outperform the national average in a range of key economic indicators:

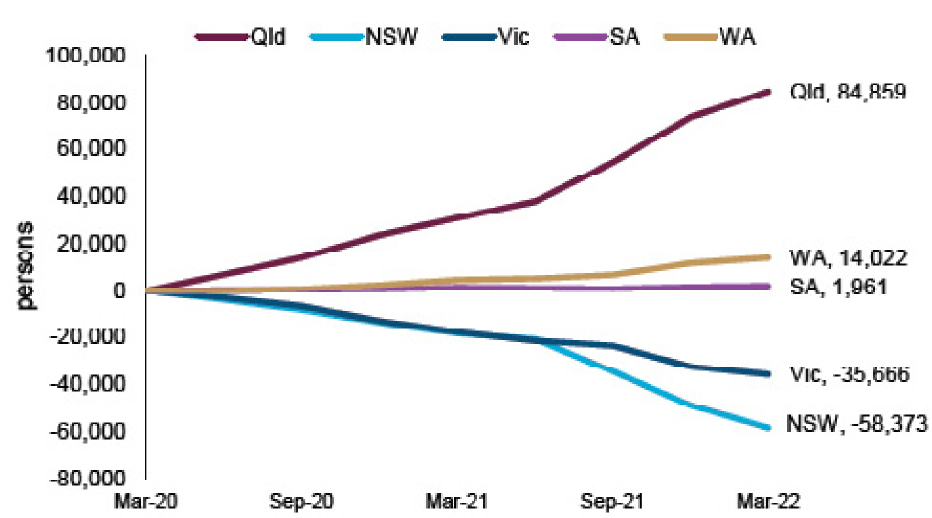
- Queensland's Gross State Product grew 4.4 per cent in 2021–22, well above the rest of Australia's growth of 3.4 per cent.
- In October 2022, employment in Queensland was 209,200 persons (or 8.2 per cent) above its pre-COVID level of March 2020, the strongest growth in absolute or percentage terms of any state or territory (**Chart 3**).
- Business conditions in September quarter 2022 were at +25 in Queensland according to the National Australia Bank *Quarterly Business Survey*, above the national average of +22 and well above the long-run average of +4.
- As of September quarter 2022, real retail turnover in Queensland was 14.3 per cent above its pre-COVID level of December quarter 2019, above growth in the rest of Australia of 11.4 per cent.
- Since the onset of the pandemic, Queensland has welcomed nearly 85,000 net interstate migrants, more than 6 times more than the next closest state in Western Australia (**Chart 4**).

Chart 3: Employment growth since March 2020



Note:
1. Seasonally adjusted, monthly.
Source: ABS Labour Force.

Chart 4: Net interstate migration since March quarter[2] 2020



Note:
1. Original, quarterly.
Source: ABS National, state and territory population.

FISCAL OVERVIEW

The key fiscal aggregates of the General Government Sector are outlined in **Table 3.**

Table 3: Key fiscal aggregates[1]

	2021–22 Actual[2] $ million	2022–23 Budget $ million	2022–23 Budget Update $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
General Government Sector						
Revenue	74,185	73,886	81,227	77,776	78,014	79,506
Expenses	69,889	74,915	76,047	78,234	77,891	79,286
Net operating balance	**4,296**	**(1,029)**	**5,180**	**(458)**	**123**	**220**
PNFA[3]	7,889	8,478	8,433	9,445	9,374	9,415
Fiscal balance	(71)	(5,635)	598	(5,298)	(4,931)	(4,061)
Borrowings	56,764	66,459	64,067	72,799	79,977	87,075
Net debt	**10,997**	**19,772**	**14,534**	**23,246**	**30,417**	**36,778**

Notes:

1. Numbers may not add due to rounding.
2. Reflects published actuals.
3. PNFA: Purchases of non-financial assets.

Net Operating Balance

A General Government Sector net operating surplus of $5.18 billion is forecast for 2022–23, an improvement of $6.209 billion compared to the operating deficit of $1.029 billion forecast at the 2022–23 Queensland Budget.

As coal and oil prices normalise, the revised operating deficit expected in 2023–24 is $458 million, an improvement of $625 million on the 2022–23 Budget estimate.

Consistent with previous forecasts, the operating position is expected to return to surplus in 2024–25 and 2025–26 as additional expenditure is managed within the uplift in revenue.

Reconciliation with 2022–23 Budget

Table 4 provides a breakdown of the movements in the net operating balance since the 2022–23 Queensland Budget.

Table 4: Reconciliation of net operating balance, 2022–23 Budget to 2022–23 Budget Update[1]

	2022–23 Update $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
2022–23 Budget net operating balance	(1,029)	(1,083)	137	187
Royalty revisions	5,791	649	97	80
Taxation revisions	285	414	508	563
GST revisions	690	1,312	(267)	(164)
Natural disaster revisions (DRFA[2])	295	(324)	(19)	37
Expense measures[3]	(721)	(750)	(564)	(690)
Other parameter adjustments[4]	(131)	(676)	231	207
2022–23 Budget Update net operating balance	**5,180**	**(458)**	**123**	**220**

Notes:

1. Numbers may not add due to rounding
2. Disaster Recovery Funding Arrangements
3. Reflects net operating balance impact of government decisions made since the 2022–23 Budget.
4. Refers to adjustments largely of a non-policy nature, primarily changes in interest paid on borrowings, actuarial adjustments to superannuation liabilities, depreciation, swaps, net flows from PNFC and PFC entities and deferrals.

Revenue

Overview

General Government Sector revenue in 2022–23 is estimated to be $7.041 billion higher than actually received in 2021–22 and $7.340 billion higher than the estimate for 2022–23 at the time of the 2022–23 Queensland Budget.

The primary factor for the improved revenues outlook is upward revisions to coal and petroleum royalties because of higher-than-expected global coal and oil prices being received by Queensland's key commodity producers. In addition, a weaker Australian dollar has meant the revenues to Queensland, from sales occurring in US dollars, were higher.

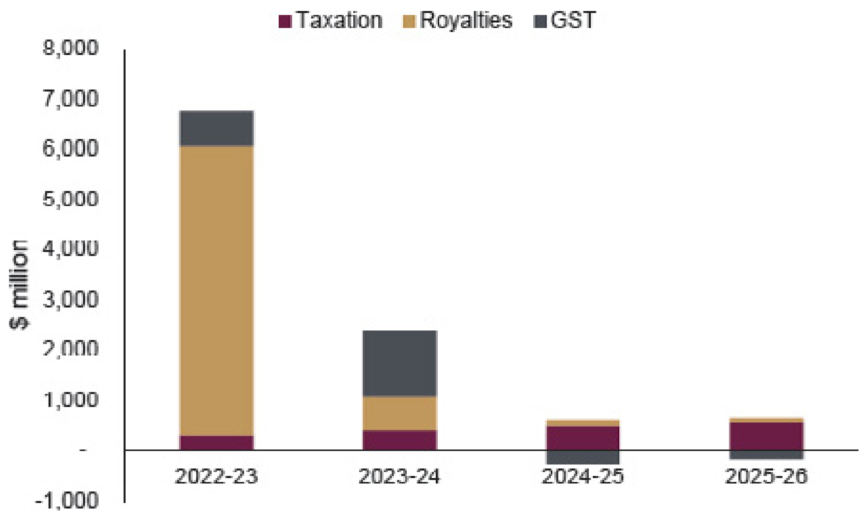
Stronger than anticipated payroll tax and motor vehicle duty are now expected in 2022–23, while transfer duty is now expected to be slightly weaker than previously forecast.

Queensland's GST revenue is now also expected to be higher than previously forecast in both 2022–23 and 2023–24, primarily reflecting the Australian Government's upward revisions to the national GST pool estimates.

While an uplift in overall key revenues is expected compared to the 2022–23 Budget, the upward revision to key revenues beyond 2023–24 is more modest, reflecting the expected reduction of coal and oil prices over time and impacts to Queensland's GST share in later years.

Compared with the 2022–23 Budget (**Chart 5**), total General Government Sector revenue forecasts over the later years of the forecast period have been revised upwards by $2.742 billion in 2023–24, $1.286 billion in 2024–25 and $1.487 billion in 2025–26.

Chart 5: Revisions in key revenues since 2022–23 Budget



Taxation

Revenue from taxation is estimated to total $19.127 billion in 2022–23, $883 million lower than actually received in 2021–22 and $285 million higher than the estimate for 2022–23 in the 2022–23 Queensland Budget.

Payroll tax forecasts have been revised upwards by $218 million in 2022–23 and by a total of $1.044 billion over the 4 years to 2025–26.

Overall, there have been upward revisions in key revenue measures for total taxation revenue totalling $1.770 billion over the 4 years to 2025–26.

Royalties

Queensland's key commodity producers, particularly the state's coal and LNG companies, have benefitted substantially from the ongoing high commodity prices that have prevailed throughout the second half of 2021–22 and first half of 2022–23.

These higher than expected commodity prices have also resulted in a short–term boost to revenue from royalties and land rents, which are now estimated to total $13.623 billion in 2022–23. This is $4.535 billion higher than in 2021–22 and $5.791 billion higher than estimated in the 2022–23 Queensland Budget.

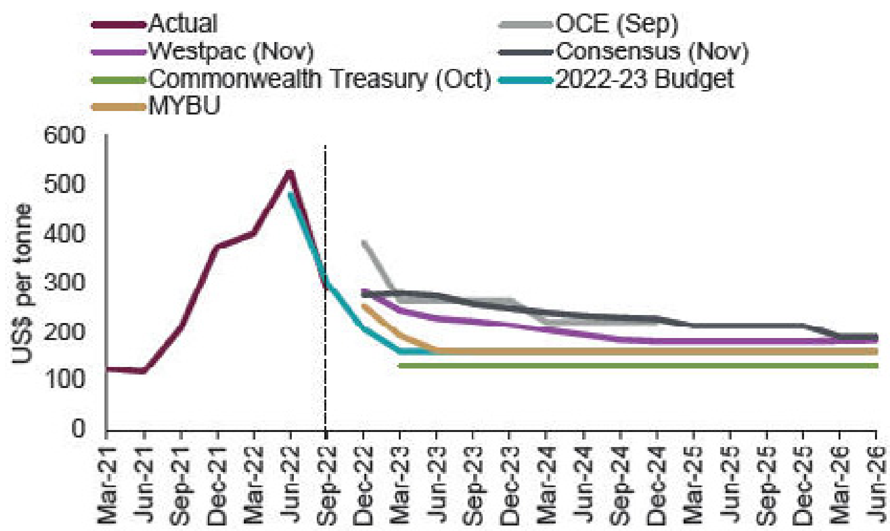
The increase in coal royalties now expected in 2022–23 is partially driven by the new progressive coal royalty rates announced in the 2022–23 Budget, but also reflects the uplift of royalties under the previously existing tiers given the sustained period of higher than previously expected prices, including the unprecedented increase in thermal coal prices.

Consistent with the 2022–23 Budget expectations, the premium hard coking coal price has declined from the unprecedented peaks experienced in late 2021–22. However, it remains elevated compared with previous years.

Premium hard coking coal prices are now expected to average around US$223 per tonne across 2022–23, around 40.6 per cent lower than prices experienced across 2021–22. Compared with the 2022–23 Budget forecasts, premium hard coking coal prices are expected to remain slightly more elevated for longer, before returning to more sustainable medium-term prices of around US$160 per tonne in mid–2023.

Most forecasters expect that coal prices will decline significantly over the coming years to medium-term anchors that are much closer to the long-term average, though there are differences around the timing and magnitude of this decline. While the 2022–23 Budget Update forecasts a slightly faster adjustment than some forecasters, Commonwealth Treasury is one that has the adjustment occurring quicker and settling at a lower price (**Chart 6**).

Chart 6: Comparison of hard coking coal forecasts



Sources: Commonwealth Treasury, Consensus Economics, OCE, Westpac, and Queensland Treasury

The Russian / Ukraine conflict and associated sanctions have led to a sustained surge in premium thermal coal prices, for example premium thermal coal spot prices[1] rose from an average of around US$162 in December 2021 to US$389 per tonne (around A$551 per tonne) in May 2022 and further to around US$438 per tonne (around A$655 per tonne) by September 2022. Prices have since moderated but remained elevated, averaging around US$390 per tonne (around A$612) in October 2022.

At the time of the 2022–23 Budget, thermal coal prices were anticipated to moderate over time towards long–run price expectations, although the timing of these declines was highly uncertain.

However, premium thermal coal prices remained around US$400 per tonne in subsequent months, likely reflecting a range of factors impacting on global energy market dynamics, including:

- In July, the European Union agreed to reduce gas consumption by 15 per cent between August 2022 and March 2023. This will increase coal–fired generation in the EU, as the region switches to other energy sources.
- Several European countries have announced plans to restart coal–fired power generation or delay closures of existing coal–fired power plants, including Germany, the Netherlands, France, and the United Kingdom.
- Russia has continued to limit gas supplies into Europe, leading to Europe increasing its LNG imports from other countries. As a result, gas prices in Europe and LNG spot prices in Asia rose to record highs in the September quarter, incentivising gas–to–coal demand switching.
- Further in late June, the EU adopted a target for increasing gas storage levels to above 85 per cent by the end of 2022, to secure sufficient supply. By November 2022, average gas storage was over 94.8 per cent of capacity, well ahead of target.
- Supply has remained constrained, with total Australian thermal coal exports in September quarter 2022 being 13.1 million tonnes (23.7 per cent) below the volumes exported in September quarter 2021.

The prevailing demand and supply dynamics have sustained the surge in the price for premium thermal coal to unprecedented levels in the period following the 2022–23 Budget. As a result, premium thermal coal prices are now expected to average around US$306 per tonne across 2022–23, substantially higher than the price expected at the time of the 2022–23 Budget.

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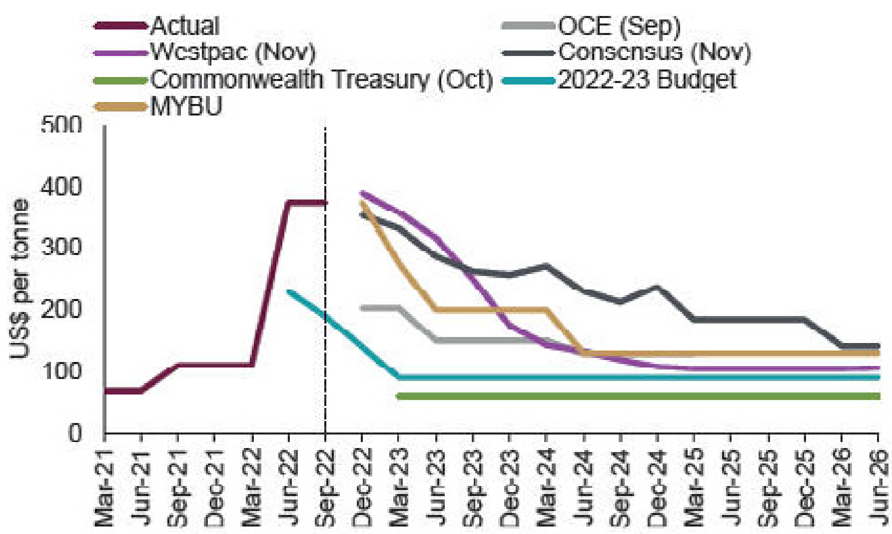
[1] Based on Newcastle 6,300 GAR spot prices.

Consistent with these changed circumstances, the Commonwealth Department of Industry, Science and Resources' (DISR) Office of the Chief Economist's latest forecasts, as of September 2022, expect the premium thermal spot price to average US$325 per tonne in December quarter 2022, compared with only US$136 per tonne in the March 2022 forecasts published prior to the 2022–23 Budget. Similarly, Consensus Economics forecasts, as of November 2022, indicate an average premium thermal spot price US$382 per tonne in December quarter 2022, compared with only US$208 per tonne in the May 2022 forecasts published at the time of the 2022–23 Budget.

Most forecasters expect that given the international energy situation, thermal prices, while easing, will remain elevated for some time before adjusting to closer to the long-term averages. However, the precise timing and magnitude of such a decline remains a risk. The 2022–23 Budget Update forecasts sit within the range of other forecasters, with some forecasters being higher but others such as the Office of the Chief Economist and Commonwealth Treasury being lower, and thermal prices conservatively expected to normalise in mid-2024 (**Chart 7**).

Chart 7: Comparison of thermal coal forecasts



Sources: Commonwealth Treasury, Consensus Economics, OCE, Westpac, and Queensland Treasury

Some of the key drivers underpinning the recent surge in thermal coal prices, such as supply disruptions, are expected to ease over coming quarters. Nevertheless, the price for premium thermal coal is now expected to remain slightly higher over the medium-term than forecast at the 2022–23 Budget. This mainly reflects expectations that, regardless of when the conflict in Ukraine ends, the ongoing impacts of sanctions and changes in market dynamics resulting from the conflict will continue.

Over the 4 years ending 2025–26, coal export volumes are forecast to be lower than expected at the 2022–23 Budget, due to lower industrial production in Queensland's major export destinations. However, solid growth in coal export volumes is expected from 2023–24 onwards as global economic activity picks up and global energy markets stabilise.

Oil prices have also remained at unexpectedly high levels throughout the second half of 2022 due to strong demand from the cold winter in the northern hemisphere, the continued global economic recovery from the pandemic and concerns about the possibility of supply disruptions.

LNG prices, which are linked to oil prices, have benefitted greatly from these elevated oil prices. While oil prices have begun to fall somewhat in recent months, the lag in LNG contracts mean that LNG prices are expected to remain relatively high for a period, driving an expected growth in petroleum royalties of around 88.0 per cent in 2022–23 compared with 2021–22. LNG prices are then expected to fall in 2023–24, with petroleum royalties expected to decline by around 39.6 per cent in 2023–24 and by a further 14.3 per cent in 2024–25.

Reflecting the expected moderation in coal and oil prices beyond 2022–23, the forecast upgrades to royalty revenues in future years are much more moderate, with a modest upward revision of $649 million in 2023–24, while royalty revenues in 2024–25 and 2025–26 are expected to remain largely in line with those forecast in the 2022–23 Budget.

Table 14 sets out the petroleum royalty revenue assumptions across the forward estimates.

Box 3: Investing Queensland's resources windfall

Coal royalties are designed to ensure that all Queenslanders receive a fair and appropriate return on the state's valuable and limited natural resources.

Coal producers have seen an exceptional surge in global coal prices since mid-2021 and throughout 2022, with spot metallurgical coal prices reaching as high as around A$900 per tonne and premium thermal prices reaching as high as around A$680 per tonne.

As outlined in Queensland Treasury's report, *Queensland's Coal Industry and Long Term Global Coal Demand* (November 2022), this unprecedented surge in coal prices has seen the value of Queensland coal exports (and, therefore, the revenues and profits being enjoyed by the state's coal mining companies) increase significantly to record levels.

ABS data shows the value of Queensland coal exports in 2021–22 almost tripled, up 190 per cent compared with the previous year, growing by A$47.1 billion to a record A$71.8 billion.

The ongoing high prices since June 2022 have seen coal producers continuing to receive record levels of revenue, with the latest ABS data showing that the value of Queensland's coal exports in the 12 months to September 2022 increased even further, to reach a new record high of A$79.7 billion.

To ensure Queenslanders receive a fair return on the use of the state's valuable and limited natural resources in periods of high prices, the 2022–23 Budget introduced three new coal royalty tiers from 1 July 2022.

The new progressive coal royalty rates, which were introduced on 1 July 2022, are estimated to generate additional royalty revenue of around $3 billion in 2022–23, reflecting the impacts of the sustained high global prices during the year, with coal producers also enjoying the benefits of exceptionally high revenues.

Reflecting the expected moderation in coal prices beyond 2022–23, the uplift to coal royalty revenues compared to 2022–23 Budget forecasts in future years are much more moderate. A modest upward revision of $417 million, to $3.7 billion in total coal royalties, is now expected in 2023–24.

Of the $3.7 billion in coal royalties expected in 2023–24, only an estimated $170 million is due to the new tiers. Royalty revenues in 2024–25 and 2025–26 are expected to remain largely in line with those forecast in the 2022–23 Budget, as coal prices are expected to return to longer run prices.

As prices normalise, the impact of the new progressive coal royalty tiers becomes very modest. In particular, coal royalties are only expected to be around 4 per cent more than they would have been.

The revenue raised from coal royalties helps enable the delivery of essential services and the provision of critical social and economic infrastructure to meet the needs of all Queenslanders across all regions of the state.

In particular, the additional revenue raised from coal royalties compared with the 2022–23 Budget estimate has enabled the funding of a range of substantial investments across regional Queensland, including in the key coal producing regions:

- $3 billion long-term asset held by the Consolidated Fund, dedicated to future infrastructure in regional Queensland.
- $1 billion in equity will be invested in government-owned corporations (GOCs) to support priority regional infrastructure projects.
- $150 million will be provided to support workers in Queensland's publicly owned coal-fired power stations and $200 million for a Regional Economic Futures Fund as part of the *Queensland Energy and Jobs Plan*.
- $150 million will be allocated for Common User Infrastructure to support development, extraction and production of critical minerals.
- $120 million to enlarge the Resources Community Infrastructure Fund, with a special focus on coal producing regions.
- $100 million to establish a Queensland Critical Minerals Investment Fund to position Queensland for the next resources boom in the critical minerals needed for the clean energy revolution.

GST

Queensland's GST revenue is estimated to total $18.501 billion in 2022–23, $690 million higher than forecast in the 2022–23 Queensland Budget.

The higher GST revenue now expected in 2022–23 largely reflects higher-than-expected national GST collections, with the Australian Government's 2022–23 Budget increasing the total GST pool by $3.117 billion in 2022–23.

It is expected that this will result in a solid increase in GST revenue compared with previous forecasts in the near term (in 2022–23 and 2023–24). However, slightly lower GST revenue is now forecast in 2024–25 and 2025–26 as the impact of the higher national GST pool is offset by other factors, including the flow-on impacts of the higher state revenues in the near-term, impacting on Queensland's GST share in the later years.

In early 2023, the Commonwealth Grants Commission is expected to deliver its recommended relativities for distributing the GST among states and territories for the 2023–24 financial year.

Expenses

General Government expenses in 2022–23 are estimated to be $76.047 billion, $1.132 billion higher than the Budget estimate. This increase is mainly due to additional health expenditure, a one–off water bill discount for households in South East Queensland, actuarial adjustments to defined benefit superannuation liabilities and costs associated with new superannuation contribution arrangements for public sector employees within the General Government Sector, with employers to make contributions on ordinary time earnings.

General Government expenses have increased since the 2022–23 Budget reflecting operating costs arising from energy transition under the new *Queensland Energy and Jobs Plan,* the response to the *Queensland Women's Safety and Justice Taskforce, Hear Her Voice – Report Two*, increased funding from the Housing Investment Fund to support the government's new target for social and affordable housing, and funding to support the implementation of the independent review of Queensland Fire and Emergency Service.

With several key public sector bargaining agreements nominally expiring during 2022, the government is continuing to participate in good faith bargaining, with new wage increases being established for the next period taking into account the prevailing economic environment. This includes the possibility of a one–off additional Cost of Living Adjustment payments where the relevant CPI measure exceeds the headline wage increase percentage, capped at 3 per cent. Employee expenses assume headline wage increases for future bargaining agreements for the next period will be consistent with those of in–principle agreements already established.

Since the 2022–23 Budget, expenses growth over the forward estimates of $6 billion is contained within the uplift in revenue of $12.8 billion over the same period.

Indexation of service delivery arrangements with community services sector organisations

The Queensland Government provides additional funding to departments each year to enable appropriate indexation of service delivery arrangements with community services sector organisations in recognition of increasing costs.

Following a recent review of the methodology for setting the rate, the government will implement a number of enhancements to ensure the methodology for setting the rate better reflects costs impacting the sector. These enhancements include providing an additional loading to compensate for increases to the superannuation guarantee, and a new mechanism to respond where inflation and wages change materially after the rate is set.

Based on wages and inflation forecasts for the 2023–24 financial year, the government has set the non-government organisation indexation rate at 3.88 per cent.

Emerging Fiscal Pressures

Beyond general uncertainties related to budget parameter assumptions key emerging fiscal issues include:

- Risks to the longer–term outlook for Queensland's GST revenue resulting from the changes made to the system of GST revenue distribution by the Australian Government in 2018.
- Queensland's fiscal position is exposed to decisions made by the Australian Government, including not renewing funding for National Partnership payments (NPs) where there are ongoing community service needs that must be met.
- Expenses and investment associated with Queensland's hosting of the Brisbane 2032 Olympic and Paralympic Games.
- Adverse weather events which are likely to occur in future with the resulting damage expected to impact on the delivery of state initiatives, noting disaster–related expenses are shared with the Australian Government under DRFA.
- Additional water infrastructure, and upgrades to existing infrastructure, will be required over the next decade to meet future water demand, provide drought contingency, and ensure the safety and reliability of Queensland's dams in line with dam safety guidelines into the future.
- The government has a potential liability with respect to compensation arising from acts that have extinguished or impaired native title since 1975.

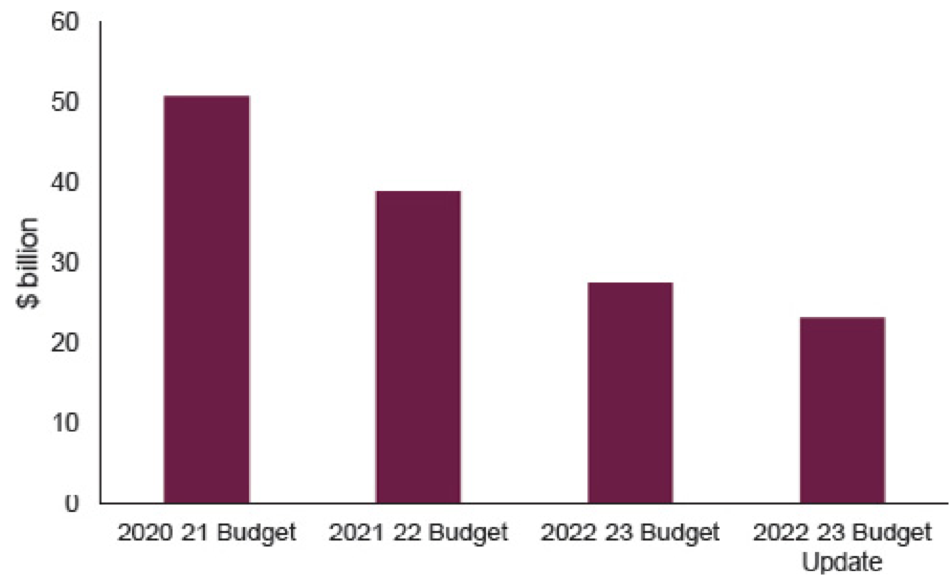
Balance Sheet

Box 4: Net debt

Net debt is a key metric for examining the soundness of a government's fiscal position. The net debt measure is the preferred metric for governments, including the Australian Government. Queensland's disciplined fiscal strategy is establishing the path to stabilising its net debt burden and returning to operating surpluses.

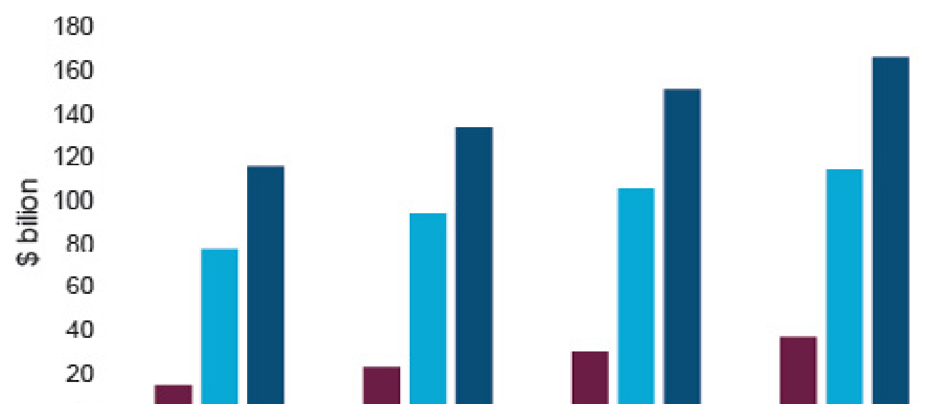
Net debt forecasts for 2023–24 have improved from $50.8 billion in the 2020–21 Budget to $27.6 billion in the 2022–23 Budget. Further improvement is forecast in the 2022–23 Budget Update with net debt dropping to $23.2 billion (**Chart 8**).

Chart 8: Net debt for 2023-24



The 2022–23 Budget Update demonstrates the government's performance in debt management, reflecting a significant reduction in General Government net debt and favourable outlook compared to New South Wales and Victoria (**Chart 9**).

Chart 9: Net debt of major states[1,2]



	2022-23	2023-24	2024-25	2025-26
QLD	15	23	30	37
NSW	78	94	106	115
VIC	116	134	152	166

Notes:
1. Source: Budget Paper No. 1–Budget Statement–Budget 2022-23 (nsw.gov.au)
2. Source: 2022 Victorian Pre-Election Budget Update.pdf (dtf.vic.gov.au)

The information contained on or linked to or from any of the foregoing websites is not incorporated by reference into this filing and should not be considered part of this filing.

General Government sector

Net debt is expected to reach $14.534 billion by 30 June 2023, which is $5.238 billion lower than anticipated at the 2022–23 Queensland Budget. The improvement in net debt arises mainly from the increase in royalty revenue which has allowed the state to invest $3 billion towards regional capital priorities.

A further $1 billion has also been invested in the Housing Investment Fund following the stronger outcome in 2021–22.

General Government Sector borrowing is estimated to be $64.067 billion by 30 June 2023, $2.392 billion lower than projected in the Budget. This is predominantly due to the improved revenue inflows being invested for future priorities and housing.

Equity funding will be provided from the General Government Sector to the Public Non–financial Corporations Sector, primarily for the *Queensland Energy and Jobs Plan* and water infrastructure as projects come online.

Public Non–financial Corporations Sector

Public Non–financial Corporation (PNFC) Sector debt is primarily held by government–owned corporations and is supported by income–generating assets including key pieces of economic infrastructure.

Borrowing with QTC of $40.677 billion is projected for 30 June 2023 in the PNFC Sector, $1.03 billion lower than Budget and mainly reflecting the $1 billion equity injection from the royalty windfall.

Along with leases and other similar arrangements of $348 million and securities and derivatives of $5.361 billion (impacted by high electricity prices), total PNFC Sector borrowing is expected to be $46.386 billion by 30 June 2023. As electricity prices normalise, total PNFC Sector borrowing is expected to decrease by $4.146 billion to $42.240 billion by 30 June 2026.

Borrowing with QTC will also fund the projected capital spending of government–owned corporations for the *Queensland Energy and Jobs Plan*.

Capital Program

The capital program outlined in the 2022–23 Budget Update continues to deliver on the government's $50 billion 4-year infrastructure guarantee. The capital program focuses on maintaining a sustainable program of works and investment in critical infrastructure across Queensland that will help ongoing economic recovery and support increased private sector productivity. Improvements in net cash flows from operating activities are still expected to primarily fund the General Government Sector capital program from 2022–23.

The current estimate of the capital program over the 4 years to 2025–26 is $64.844 billion, with the major contributor to the increase since the 2022–23 Budget being the *Queensland Energy and Jobs Plan*.

INTERGOVERNMENTAL FINANCIAL RELATIONS

Australian Government payments

Payments for specific purposes

In the 2022–23 Federal Budget delivered in October 2022, the Australian Government estimated Queensland will receive $73.647 billion over the forward estimates from 2022–23 to 2025–26. Total payments for specific purposes for Queensland over the forward estimates have remained largely consistent with those factored into the March 2022–23 Federal Budget. Some additional funding is provided for health and other services, while funding for the Infrastructure Investment Program has been reprofiled to beyond the forward estimates.

Box 5: Australian Government changes to Horizontal Fiscal Equalisation (HFE) and the No Worse off Guarantee

The state faces considerable risks in its longer-term GST revenue outlook beyond the current forward estimates period, from the changes made to the system of GST distribution by the former Australian Government in 2018.

The changes introduced by the former Australian Government mean that states will only receive GST revenue to equalise them to the stronger of New South Wales or Victoria, rather than the fiscally strongest state, currently Western Australia, in the long term. Should Western Australia remain the fiscally strongest state, it will consequently retain a much greater share of GST revenue at the expense of all other states.

At present, the Australian Government is ensuring no other states are disadvantaged by these new GST arrangements, through payment of a 'no worse off guarantee'. However, this guarantee expires after the 2026–27 financial year. The impacts of this for Queensland will become apparent in the 2024–25 Queensland Budget, when the first financial year following the end of the 'no worse off guarantee' (2027–28) is included in the forward estimates.

A review of the GST changes is scheduled to be undertaken by the Australian Productivity Commission prior to the expiry of the 'no worse off guarantee'.

Queensland considers that it is critical this review be prioritised by the Australian Government, with a clear emphasis of the review to be consideration of the long-term fiscal impacts of the changes on states, including Queensland. It is critical the review takes into account the purpose of the GST sharing arrangement (i.e. to provide states with a similar fiscal capacity to provide services, taking account of their different abilities to raise revenue and their different costs in providing services).

The outcomes of the review need to be available in a timely fashion well ahead of the cessation of the 'no worse off guarantee', given that the state's GST revenue comprised approximately a quarter of Queensland's total revenue in 2021–22, and is critical to the ongoing funding of essential services and infrastructure across the state.

GOVERNMENT **FISCAL PRINCIPLES**

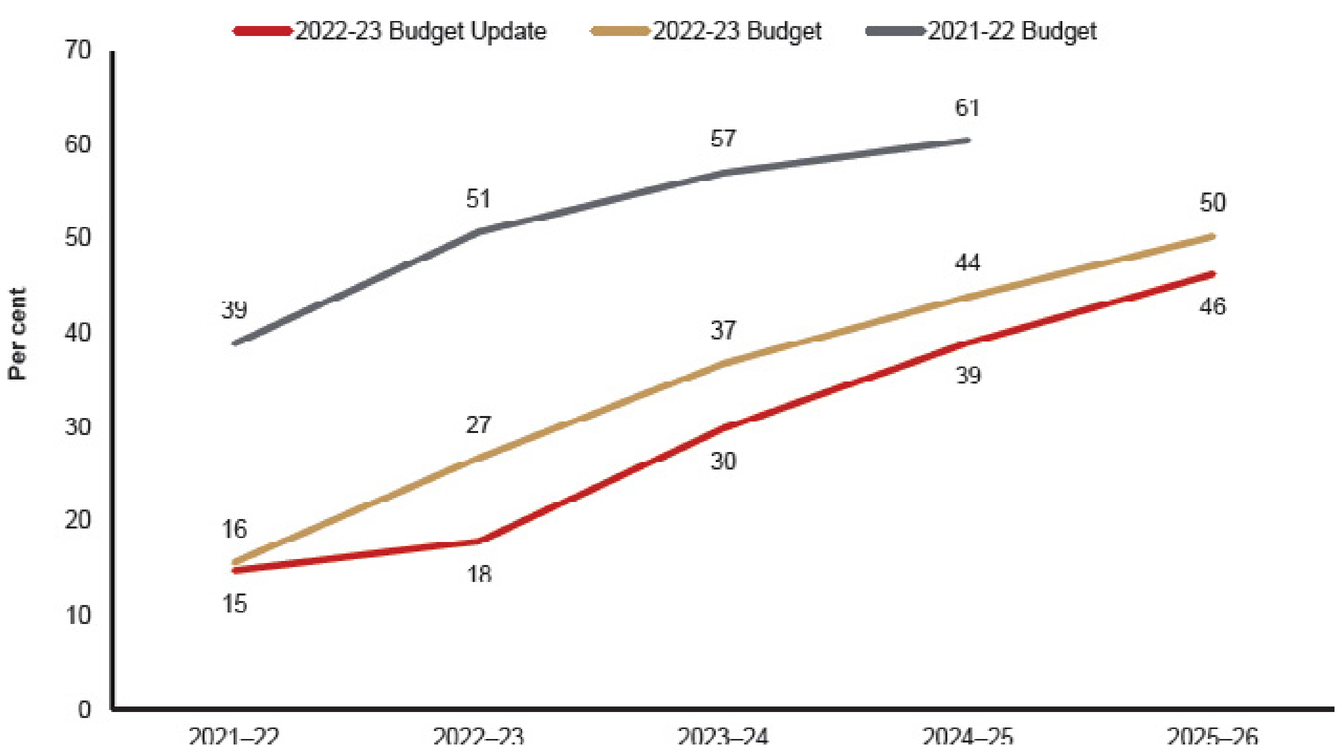
The government's Charter of Fiscal Responsibility (Charter) sets out the fiscal principles for medium-term fiscal sustainability. The fiscal principles underpin the development of the state's fiscal strategy and financial decision making. An update regarding progress towards achievement of medium-term goals is outlined below.

Principle 1 – Stabilise the General Government Sector net debt to revenue ratio at sustainable levels in the medium term, and target reductions in the net debt to revenue ratio in the long term

Stabilising the debt burden at sustainable levels ensures the state's future capacity to invest in infrastructure and respond to future external shocks.

Significant progress has been made against Fiscal Principle 1 (**Chart 10**). Between the 2021–22 Budget and the 2022–23 Queensland Budget, the net debt to revenue ratio improved by 24 percentage points in 2022–23 and 17 percentage points in 2024–25. The ratio has improved again in the 2022–23 Budget update, by a further 9 percentage points in 2022–23, bringing the reduction in this ratio to 33 percentage points relative to the 2021–22 Budget.

Chart 10: Ratio of general government net debt to revenue



Principle 2 – Ensure that average annual growth in General Government Sector expenditure in the medium term is below the average annual growth in General Government Sector revenue to deliver fiscally sustainable net operating surpluses

Prudent management of expenses growth supports the restoration of an operating surplus assisting in stabilisation of the debt burden.

Revenue growth over the forward estimates continues to reflect significant volatility driven by some temporary factors. Across the 4 years from 2021–22 to 2025–26, the average annual revenue growth is lower than expenses growth reflecting the exceptional, but temporary impact of royalty revenue performance.

Royalties are a very volatile source of revenue and can distort assessments of underlying revenue growth. Given that royalties in 2021–22 were more than 3½ times their level in 2020–21 and are expected in 2025–26 to fall to around 40 per cent of 2022–23 levels, there is a clear case for adjusting the measure. Excluding royalties revenue, revenue growth is expected to be 3.3 per cent across the four years to 2025–26, compared to expenses growth of 3.2 per cent. Measurement on the same basis as the 2022–23 Queensland Budget, i.e. over 5 years to 2025–26, indicates revenue is expected to grow at 4.8 per cent on average per annum, compared to 4.5 per cent for expenses.

Principle 3 – Target continual improvements in net operating surpluses to ensure that, in the medium term, net cash flows from investments in non-financial assets (capital) will be funded primarily from net cash inflows from operating activities. The capital program will focus on supporting a productive economy, jobs, and ensuring a pipeline of infrastructure that responds to population growth

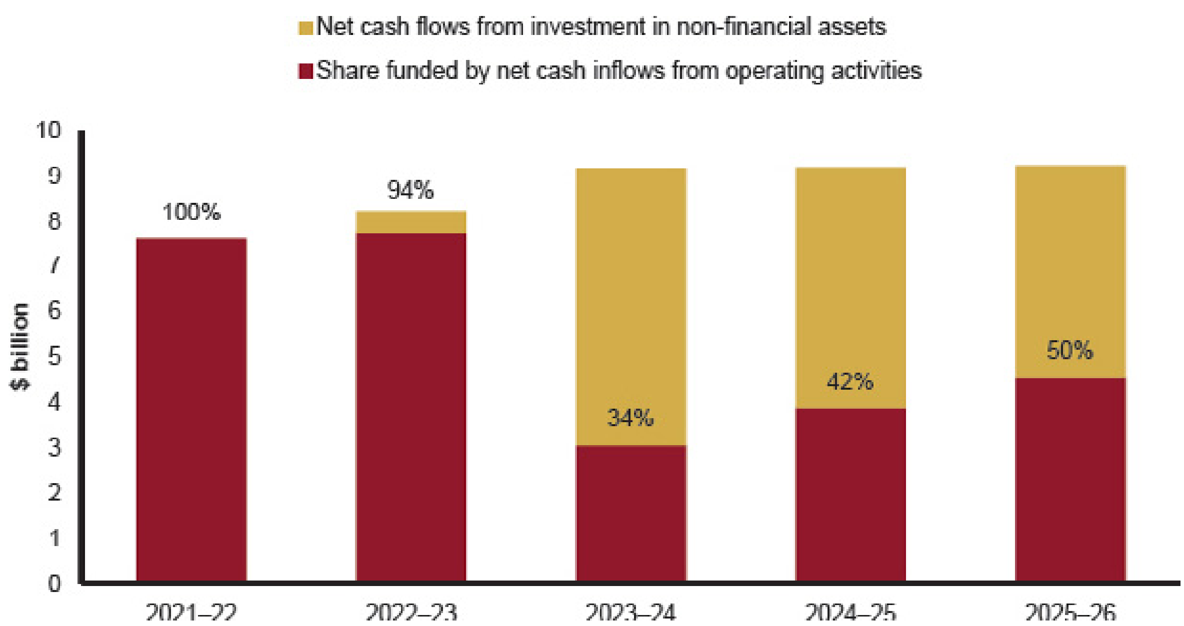
Infrastructure spending and investment supports jobs and enhances productivity. A large capital program remains a government priority and spending of $64.844 billion is planned over the 4 years to 2025–26.

Primarily funding a large capital program through operating cash surpluses rather than additional borrowings is key to stabilising net debt. In 2023, large upwards revisions to royalties and other key revenues since the 2022–23 Queensland Budget have resulted in an improvement in the Fiscal Principle 3 measure to 94 per cent.

Volatility in revenue growth combined with the naturally uneven profile of capital expenditure can be expected to produce volatile outcomes for Fiscal Principle 3. In 2023–24, the ratio is expected to reduce to 34 per cent, but the forecast has still improved compared to the 2022–23 Budget estimate in that year of 27 per cent. The proportion of capital funded through operating cash is expected to generally trend upwards, with the forecast of 50 per cent by 2025–26 consistent with the 2022–23 Budget.

Across the period 2022–23 to 2025–26, 54 per cent of the capital program will be funded from net cash inflows from operating activities (**Chart 11**).

Chart 11: Share of General Government Sector investments in non-financial assets funded from operating cash surpluses



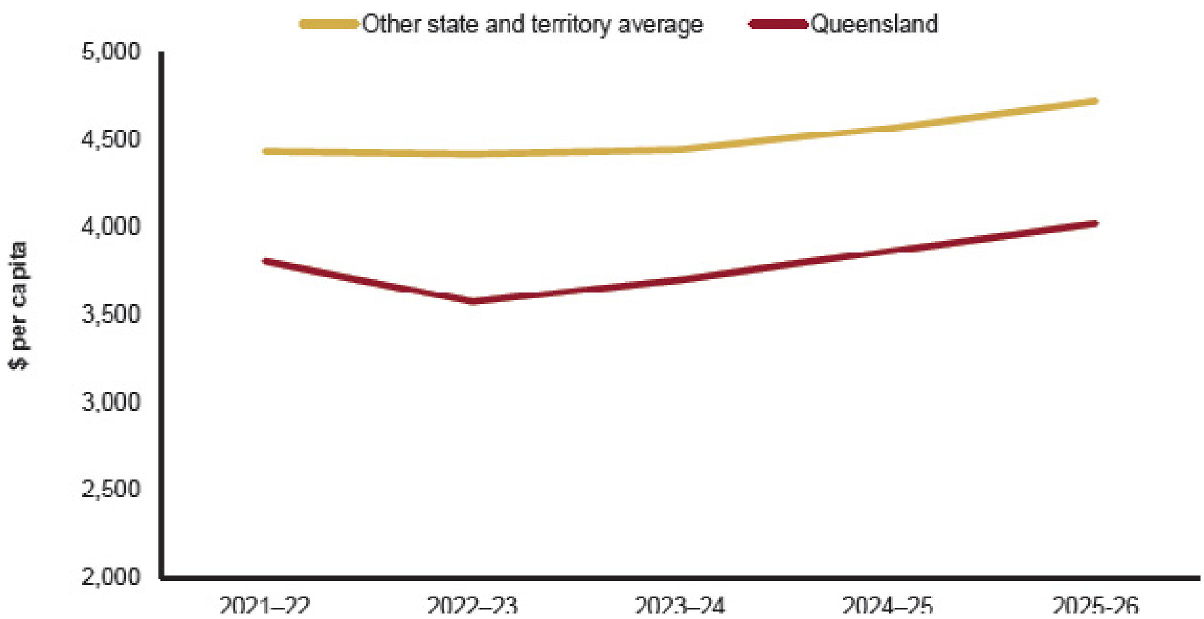
Principle 4 – Maintain competitive taxation by ensuring that, on a per capita basis, Queensland has lower taxation than the average of other states

This principle directly measures Queensland's competitiveness relative to other jurisdictions, providing a meaningful indication of the comparative impact of Queensland's tax regime and policies.

Based on the latest available outcomes for all states, Queensland's taxation per capita was $654 less than the average of other jurisdictions in 2020–21. On average, Queenslanders paid $1,114 less tax than New South Wales residents and $545 less than Victorian residents.

Using the latest forecasts, Queensland's taxation per capita of $3,578 in 2022–23 compares favourably to the average of other jurisdictions of $4,421 per capita. **Chart 12** demonstrates that Queensland plans to maintain a highly competitive tax environment.

Chart 12: Taxation per capita, Queensland and other states and territories



Sources: 2021–22 actuals sourced from annual financial reports for all jurisdictions except South Australia, which are estimated actuals sourced from the 2022–23 Budget. Forecasts use 2022–23 Budgets for all jurisdictions except Victoria, which are sourced from the 2022 Victorian Pre-Election Budget Update, and Northern Territory, which are sourced from the 2022-23 Mid-Year Report.

Principle 5 – Target the full funding of long-term liabilities such as superannuation and workers' compensation in accordance with actuarial advice

The full funding of superannuation and other long-term liabilities is a long-standing government priority and is a key plank of Queensland's financial management. Commitment to this principle has continued through the economic and fiscal recovery from the COVID-19 crisis, and it remains part of the long-term fiscal strategy. The actuarial investigation of the Defined Benefit Fund as at 30 June 2021 found it to be in surplus. As at 30 June 2022, WorkCover Queensland was fully funded.

UNIFORM PRESENTATION FRAMEWORK

Table 5: General Government Sector Operating Statement[1]

		2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
	Revenue from Transactions						
	Taxation revenue	20,011	18,842	19,127	20,114	21,293	22,469
	Grants revenue	34,135	35,242	36,118	38,977	38,283	38,786
	Sales of goods and services	5,896	6,181	6,243	6,595	6,324	6,373
	Interest income	2,643	2,847	2,898	3,049	3,091	3,126
	Dividend and income tax equivalent income	790	1,499	1,723	1,817	1,703	1,800
	Other revenue	10,710	9,275	15,117	7,225	7,320	6,952
	Total Revenue from Transactions	**74,185**	**73,886**	**81,227**	**77,776**	**78,014**	**79,506**
Less	**Expenses from Transactions**						
	Employee expenses	28,068	30,076	30,194	31,599	33,060	34,179
	Superannuation expenses						
	Superannuation interest cost	377	655	775	736	681	664
	Other superannuation expenses	3,387	3,493	3,712	3,825	4,006	4,046
	Other operating expenses	18,228	19,805	20,807	20,451	19,099	19,294
	Depreciation and amortisation	4,506	4,652	4,672	4,831	5,010	5,216
	Other interest expenses	1,508	1,826	1,753	2,306	2,764	3,267
	Grants expenses	13,817	14,407	14,134	14,486	13,271	12,621
	Total Expenses from Transactions	**69,889**	**74,915**	**76,047**	**78,234**	**77,891**	**79,286**
Equals	**Net Operating Balance**	**4,296**	**(1,029)**	**5,180**	**(458)**	**123**	**220**
Plus	Other economic flows - included in operating result	(913)	1	144	31	123	741
Equals	**Operating Result**	**3,383**	**(1,028)**	**5,324**	**(427)**	**247**	**961**
Plus	Other economic flows - other movements in equity	36,616	3,348	5,207	2,855	2,545	1,725
Equals	**Comprehensive Result - Total Change In Net Worth**	**39,999**	**2,320**	**10,530**	**2,428**	**2,791**	**2,685**
	KEY FISCAL AGGREGATES						
	Net Operating Balance	4,296	(1,029)	5,180	(458)	123	220
Less	**Net Acquisition of Non-financial Assets**						
	Purchases of non-financial assets	7,889	8,478	8,433	9,445	9,374	9,415
	Less Sales of non-financial assets	255	177	191	264	181	178
	Less Depreciation	4,506	4,652	4,672	4,831	5,010	5,216
	Plus Change in inventories	(77)	42	42	(35)	27	77
	Plus Other movements in non-financial assets	1,315	914	969	525	844	182
	Equals **Total Net Acquisition of Non-financial Assets**	**4,367**	**4,606**	**4,581**	**4,840**	**5,054**	**4,281**
Equals	**Fiscal Balance**	**(71)**	**(5,635)**	**598**	**(5,298)**	**(4,931)**	**(4,061)**

Note:
1. Numbers may not add due to rounding.

Table 6: Public Non-financial Corporations Sector Operating Statement[1]

		2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
	Revenue from Transactions						
	Grants revenue	687	851	885	661	653	653
	Sales of goods and services	14,905	12,211	13,477	12,737	12,985	13,296
	Interest income	66	56	59	71	95	113
	Other revenue	293	471	446	587	360	416
	Total Revenue from Transactions	**15,951**	**13,589**	**14,867**	**14,056**	**14,093**	**14,477**
Less	**Expenses from Transactions**						
	Employee expenses	2,245	2,471	2,421	2,502	2,552	2,599
	Superannuation expenses						
	Superannuation interest cost	(5)	—	—	—	—	—
	Other superannuation expenses	260	244	248	268	277	285
	Other operating expenses	7,484	4,576	5,742	4,370	4,261	4,293
	Depreciation and amortisation	2,719	2,924	2,980	3,114	3,281	3,412
	Other interest expenses	1,610	1,622	1,672	1,677	1,695	1,780
	Grants expenses	25	24	25	25	25	19
	Other property expenses	550	528	596	600	574	518
	Total Expenses from Transactions	**14,888**	**12,389**	**13,685**	**12,556**	**12,666**	**12,906**
Equals	**Net Operating Balance**	**1,062**	**1,199**	**1,183**	**1,500**	**1,428**	**1,571**
Plus	Other economic flows - included in operating result	(126)	138	556	(13)	(456)	(561)
Equals	**Operating Result**	**936**	**1,337**	**1,738**	**1,487**	**972**	**1,010**
Plus	Other economic flows - other movements in equity	(1,971)	816	3,307	1,987	1,266	437
Equals	**Comprehensive Result - Total Change In Net Worth**	**(1,035)**	**2,153**	**5,045**	**3,474**	**2,237**	**1,448**
	KEY FISCAL AGGREGATES						
	Net Operating Balance	1,062	1,199	1,183	1,500	1,428	1,571
Less	**Net Acquisition of Non-financial Assets**						
	Purchases of non-financial assets	3,134	3,334	3,773	4,654	4,742	5,022
	Less Sales of non-financial assets	63	33	31	14	18	32
	Less Depreciation	2,719	2,924	2,980	3,114	3,281	3,412
	Plus Change in inventories	48	16	169	(102)	8	9
	Plus Other movements in non-financial assets	60	105	106	186	96	95
	Equals **Total Net Acquisition of Non-financial Assets**	**462**	**498**	**1,036**	**1,609**	**1,546**	**1,682**
Equals	**Fiscal Balance**	**601**	**701**	**146**	**(109)**	**(119)**	**(111)**

Note:
1. Numbers may not add due to rounding.

Table 7: Non-financial Public Sector Operating Statement[1]

		2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
	Revenue from Transactions						
	Taxation revenue	19,640	18,481	18,757	19,747	20,927	22,101
	Grants revenue	34,148	35,263	36,151	39,001	38,320	38,803
	Sales of goods and services	17,960	15,519	16,737	16,611	16,648	17,041
	Interest income	2,703	2,899	2,953	3,116	3,183	3,235
	Dividend and income tax equivalent income	49	161	167	179	197	215
	Other revenue	10,984	9,744	15,561	7,810	7,678	7,366
	Total Revenue from Transactions	**85,485**	**82,066**	**90,326**	**86,464**	**86,953**	**88,761**
Less	**Expenses from Transactions**						
	Employee expenses	30,177	32,414	32,477	33,965	35,476	36,640
	Superannuation expenses						
	Superannuation interest cost	372	655	775	736	681	664
	Other superannuation expenses	3,647	3,738	3,960	4,093	4,283	4,330
	Other operating expenses	22,843	21,499	23,558	22,091	20,691	20,950
	Depreciation and amortisation	7,225	7,576	7,652	7,945	8,291	8,628
	Other interest expenses	2,905	3,228	3,199	3,759	4,236	4,824
	Grants expenses	13,167	13,601	13,306	13,874	12,680	12,004
	Total Expenses from Transactions	**80,335**	**82,710**	**84,928**	**86,464**	**86,338**	**88,041**
Equals	**Net Operating Balance**	**5,150**	**(644)**	**5,397**	**(0)**	**615**	**720**
Plus	Other economic flows - included in operating result	(1,119)	69	540	(53)	(418)	(391)
Equals	**Operating Result**	**4,030**	**(575)**	**5,937**	**(53)**	**197**	**329**
Plus	Other economic flows - other movements in equity	35,970	2,895	4,592	2,481	2,594	2,356
Equals	**Comprehensive Result - Total Change In Net Worth**	**40,000**	**2,320**	**10,529**	**2,428**	**2,791**	**2,685**
	KEY FISCAL AGGREGATES						
	Net Operating Balance	5,150	(644)	5,397	(0)	615	720
Less	**Net Acquisition of Non-financial Assets**						
	Purchases of non-financial assets	11,140	11,812	12,194	14,060	14,073	14,422
	Less Sales of non-financial assets	317	211	222	278	198	210
	Less Depreciation	7,225	7,576	7,652	7,945	8,291	8,628
	Plus Change in inventories	(29)	59	210	(137)	34	86
	Plus Other movements in non-financial assets	1,376	1,020	1,075	711	940	277
	Equals **Total Net Acquisition of Non-financial Assets**	**4,945**	**5,104**	**5,606**	**6,411**	**6,558**	**5,948**
Equals	**Fiscal Balance**	**205**	**(5,749)**	**(208)**	**(6,411)**	**(5,943)**	**(5,228)**

Note:
1. Numbers may not add due to rounding.

Table 8: General Government Sector Balance Sheet[1]

	2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
Assets						
Financial Assets						
Cash and deposits	1,710	757	938	858	793	727
Advances paid	1,233	1,408	1,218	1,239	1,226	1,136
Investments, loans and placements	44,135	46,267	49,018	49,412	49,898	50,749
Receivables	4,166	4,947	5,918	6,666	6,791	7,396
Equity						
Investments in other public sector entities	19,980	22,455	25,105	28,579	30,817	32,264
Investments - other	165	165	166	166	166	166
Total Financial Assets	**71,389**	**76,000**	**82,363**	**86,920**	**89,690**	**92,438**
Non-financial Assets						
Land and other fixed assets	282,272	254,571	288,124	294,165	300,543	306,199
Other non-financial assets	10,065	6,745	8,185	8,004	8,184	8,512
Total Non-financial Assets	**292,337**	**261,316**	**296,310**	**302,169**	**308,727**	**314,711**
Total Assets	**363,726**	**337,316**	**378,673**	**389,089**	**398,417**	**407,150**
Liabilities						
Payables	5,488	4,965	5,369	5,334	5,380	5,438
Superannuation liability	22,168	24,069	21,751	21,380	20,291	19,146
Other employee benefits	9,026	9,615	9,429	9,903	10,328	10,725
Advances received	1,310	1,745	1,641	1,956	2,356	2,315
Borrowing[2]	56,764	66,459	64,067	72,799	79,977	87,075
Other liabilities	19,347	14,210	16,262	15,136	14,711	14,391
Total Liabilities	**114,102**	**121,062**	**118,519**	**126,507**	**133,044**	**139,091**
Net Worth	**249,624**	**216,254**	**260,154**	**262,582**	**265,373**	**268,058**
Net Financial Worth	(42,713)	(45,062)	(36,156)	(39,587)	(43,353)	(46,653)
Net Financial Liabilities	62,694	67,517	61,261	68,166	74,170	78,917
Net Debt	10,997	19,772	14,534	23,246	30,417	36,778
Notes:						
1. Numbers may not add due to rounding.						
2. Borrowing line comprised of:						
Borrowing with QTC	49,000	58,853	56,408	64,937	72,161	80,358
Leases and other similar arrangements	7,671	7,385	7,566	7,768	7,722	6,624
Securities and derivatives	93	220	93	93	93	93
	56,764	66,459	64,067	72,799	79,977	87,075

Table 9: Public Non-financial Corporations Sector Balance Sheet[1]

	2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
Assets						
Financial Assets						
Cash and deposits	1,162	1,162	1,241	2,132	2,511	2,765
Advances paid	1,053	1,554	1,431	1,892	2,427	2,556
Investments, loans and placements	15,926	2,914	7,666	4,775	4,040	3,813
Receivables	2,624	2,056	2,154	1,791	1,796	1,894
Equity						
Investments - other	6	7	6	6	6	6
Total Financial Assets	**20,770**	**7,693**	**12,499**	**10,596**	**10,780**	**11,034**
Non-financial Assets						
Land and other fixed assets	64,642	65,864	66,604	68,808	70,876	73,125
Other non-financial assets	5,926	1,396	3,056	2,205	2,017	1,957
Total Non-financial Assets	**70,568**	**67,260**	**69,661**	**71,013**	**72,892**	**75,082**
Total Assets	**91,338**	**74,953**	**82,159**	**81,609**	**83,672**	**86,117**
Liabilities						
Payables	2,472	2,037	3,161	3,390	3,322	3,960
Superannuation liability	(400)	(273)	(400)	(400)	(400)	(400)
Other employee benefits	927	1,008	994	1,008	1,045	1,081
Deposits held	11	12	11	11	11	11
Advances received	22	4	21	21	20	19
Borrowing[2]	59,495	44,334	46,386	42,459	42,174	42,240
Other liabilities	11,191	7,816	9,321	8,981	9,125	9,382
Total Liabilities	**73,719**	**54,938**	**59,495**	**55,471**	**55,296**	**56,293**
Net Worth	**17,619**	**20,014**	**22,664**	**26,138**	**28,376**	**29,823**
Net Financial Worth	(52,949)	(47,245)	(46,996)	(44,875)	(44,517)	(45,259)
Net Debt	41,389	38,720	36,080	33,692	33,227	33,136

Notes:

1. Numbers may not add due to rounding.
2. Borrowing line comprised of:

Borrowing with QTC	41,851	41,700	40,677	40,366	41,078	41,512
Leases and other similar arrangements	357	326	348	405	354	304
Securities and derivatives	17,288	2,308	5,361	1,689	743	424
	59,495	44,334	46,386	42,459	42,174	42,240

Table 10: Non-financial Public Sector Balance Sheet[1]

	2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
Assets						
Financial Assets						
Cash and deposits	2,872	1,919	2,179	2,990	3,304	3,492
Advances paid	1,216	1,404	1,200	1,319	1,393	1,425
Investments, loans and placements	60,060	49,180	56,684	54,186	53,938	54,562
Receivables	5,958	5,761	6,457	6,566	6,779	6,852
Equity						
Investments in other public sector entities	2,363	2,442	2,442	2,442	2,442	2,442
Investments - other	171	172	173	173	173	173
Total Financial Assets	**72,640**	**60,879**	**69,134**	**67,676**	**68,028**	**68,945**
Non-financial Assets						
Land and other fixed assets	346,914	320,434	354,728	362,973	371,418	379,323
Other non-financial assets	1,259	1,095	1,154	1,256	1,239	1,238
Total Non-financial Assets	**348,173**	**321,530**	**355,882**	**364,228**	**372,657**	**380,561**
Total Assets	**420,813**	**382,408**	**425,016**	**431,904**	**440,685**	**449,507**
Liabilities						
Payables	7,182	5,811	6,969	6,889	6,951	7,019
Superannuation liability	21,768	23,796	21,351	20,980	19,891	18,746
Other employee benefits	9,953	10,623	10,423	10,912	11,374	11,806
Deposits held	11	12	11	11	11	11
Advances received	262	190	214	165	116	67
Borrowing[2]	116,252	110,786	110,446	115,251	122,144	129,308
Other liabilities	15,758	14,936	15,447	15,114	14,824	14,490
Total Liabilities	**171,187**	**166,154**	**164,862**	**169,322**	**175,312**	**181,448**
Net Worth	**249,625**	**216,254**	**260,154**	**262,582**	**265,373**	**268,058**
Net Financial Worth	(98,547)	(105,276)	(95,728)	(101,646)	(107,284)	(112,503)
Net Financial Liabilities	100,911	107,717	98,169	104,088	109,726	114,945
Net Debt	52,379	58,485	50,608	56,931	63,637	69,908

Notes:
1. Numbers may not add due to rounding.
2. Borrowing line comprised of:

Borrowing with QTC	90,851	100,553	97,084	105,303	113,239	121,870
Leases and other similar arrangements	8,028	7,711	7,914	8,173	8,076	6,928
Securities and derivatives	17,374	2,521	5,448	1,775	829	510
	116,252	110,786	110,446	115,251	122,144	129,308

Table 11: General Government Sector Cash Flow Statement[1]

	2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
Cash Receipts from Operating Activities						
Taxes received	20,766	18,840	19,126	20,112	21,291	22,467
Grants and subsidies received	34,377	34,382	35,230	38,608	38,125	38,903
Sales of goods and services	6,298	6,457	6,565	6,865	6,654	6,687
Interest receipts	2,638	2,844	2,894	3,044	3,087	3,122
Dividends and income tax equivalents	1,202	788	893	1,539	1,772	1,660
Other receipts	12,472	10,866	16,749	8,873	8,478	8,515
Total Operating Receipts	**77,753**	**74,178**	**81,457**	**79,041**	**79,408**	**81,353**
Cash Payments for Operating Activities						
Payments for employees	(31,739)	(34,334)	(34,719)	(36,349)	(38,020)	(39,217)
Payments for goods and services	(20,506)	(22,258)	(23,292)	(22,948)	(21,580)	(21,794)
Grants and subsidies	(13,617)	(14,293)	(14,021)	(14,439)	(13,227)	(12,573)
Interest paid	(1,441)	(1,755)	(1,682)	(2,226)	(2,682)	(3,187)
Total Operating Payments	**(67,303)**	**(72,640)**	**(73,714)**	**(75,962)**	**(75,509)**	**(76,771)**
Net Cash Inflows from Operating Activities	**10,451**	**1,538**	**7,743**	**3,079**	**3,899**	**4,582**
Cash Flows from Investments in Non-Financial Assets						
Purchases of non-financial assets	(7,889)	(8,478)	(8,433)	(9,445)	(9,374)	(9,415)
Sales of non-financial assets	255	177	191	264	181	178
Net Cash Flows from Investments in Non-financial Assets	**(7,635)**	**(8,301)**	**(8,242)**	**(9,181)**	**(9,193)**	**(9,237)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**127**	**(478)**	**(1,845)**	**(1,863)**	**(1,331)**	**(1,210)**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**(3,889)**	**1,321**	**(2,394)**	**(321)**	**(398)**	**(841)**
Receipts from Financing Activities						
Advances received (net)	(126)	900	333	317	402	(39)
Borrowing (net)	1,653	4,797	3,633	7,889	6,556	6,680
Net Cash Flows from Financing Activities	**1,527**	**5,697**	**3,966**	**8,206**	**6,958**	**6,641**
Net Increase/(Decrease) in Cash held	**581**	**(223)**	**(772)**	**(80)**	**(65)**	**(66)**
Net cash from operating activities	10,451	1,538	7,743	3,079	3,899	4,582
Net cash flows from investments in non-financial assets	(7,635)	(8,301)	(8,242)	(9,181)	(9,193)	(9,237)
Surplus/(Deficit)	**2,816**	**(6,763)**	**(499)**	**(6,102)**	**(5,294)**	**(4,656)**
Derivation of ABS GFS Cash Surplus/Deficit						
Cash surplus/(deficit)	2,816	(6,763)	(499)	(6,102)	(5,294)	(4,656)
Acquisitions under finance leases and similar arrangements	(1,051)	(810)	(864)	(343)	(163)	(2)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**1,765**	**(7,573)**	**(1,363)**	**(6,445)**	**(5,457)**	**(4,658)**

Note:
1. Numbers may not add due to rounding.

Table 12: Public Non-financial Corporations Sector Cash Flow Statement[1]

	2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
Cash Receipts from Operating Activities						
Grants and subsidies received	676	831	865	665	642	639
Sales of goods and services	16,497	14,112	15,778	14,738	14,697	14,960
Interest receipts	66	56	59	71	96	113
Other receipts	235	321	363	612	310	335
Total Operating Receipts	**17,474**	**15,319**	**17,065**	**16,086**	**15,745**	**16,047**
Cash Payments for Operating Activities						
Payments for employees	(2,493)	(2,641)	(2,602)	(2,756)	(2,793)	(2,848)
Payments for goods and services	(8,941)	(5,979)	(7,571)	(5,759)	(5,673)	(5,681)
Grants and subsidies	(25)	(24)	(25)	(25)	(25)	(19)
Interest paid	(1,606)	(1,610)	(1,638)	(1,666)	(1,685)	(1,769)
Other payments	(976)	(999)	(1,177)	(915)	(1,064)	(1,109)
Total Operating Payments	**(14,042)**	**(11,253)**	**(13,013)**	**(11,120)**	**(11,239)**	**(11,427)**
Net Cash Inflows from Operating Activities	**3,432**	**4,066**	**4,051**	**4,966**	**4,506**	**4,620**
Cash Flows from Investments in Non-Financial Assets						
Purchases of non-financial assets	(3,134)	(3,334)	(3,773)	(4,654)	(4,742)	(5,022)
Sales of non-financial assets	63	33	31	14	18	32
Net Cash Flows from Investments in Non-financial Assets	**(3,071)**	**(3,301)**	**(3,742)**	**(4,639)**	**(4,724)**	**(4,990)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**4**	**(1,017)**	**(539)**	**(530)**	**(620)**	**(219)**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**899**	**608**	**(221)**	**472**	**151**	**(19)**
Receipts from Financing Activities						
Advances received (net)	(1)	(1)	(1)	(1)	(1)	(1)
Borrowing (net)	223	(415)	(1,205)	(352)	653	379
Dividends paid	(735)	(192)	(206)	(964)	(1,042)	(936)
Deposits received (net)	(1)	—	—	—	—	—
Other financing (net)	(705)	488	1,942	1,940	1,456	1,421
Net Cash Flows from Financing Activities	**(1,220)**	**(119)**	**530**	**623**	**1,065**	**863**
Net Increase/(Decrease) in Cash held	**44**	**237**	**79**	**891**	**378**	**254**
Net cash from operating activities	3,432	4,066	4,051	4,966	4,506	4,620
Net cash flows from investments in non-financial assets	(3,071)	(3,301)	(3,742)	(4,639)	(4,724)	(4,990)
Dividends paid	(735)	(192)	(206)	(964)	(1,042)	(936)
Surplus/(Deficit)	**(375)**	**573**	**103**	**(638)**	**(1,261)**	**(1,306)**
Derivation of ABS GFS Cash Surplus/Deficit						
Cash surplus/(deficit)	(375)	573	103	(638)	(1,261)	(1,306)
Acquisitions under finance leases and similar arrangements	(13)	(26)	(27)	(103)	(15)	(14)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**(388)**	**547**	**76**	**(741)**	**(1,275)**	**(1,320)**

Note:
1. Numbers may not add due to rounding.

Table 13: Non-financial Public Sector Cash Flow Statement[1]

	2021-22 Outcome $ million	2022-23 Budget $ million	2022-23 Update $ million	2023-24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
Cash Receipts from Operating Activities						
Taxes received	20,400	18,480	18,756	19,746	20,926	22,100
Grants and subsidies received	34,390	34,392	35,251	38,627	38,151	38,908
Sales of goods and services	20,095	17,413	18,974	18,497	18,306	18,634
Interest receipts	2,698	2,896	2,949	3,112	3,179	3,231
Dividends and income tax equivalents	79	104	89	170	184	202
Other receipts	12,782	11,174	17,097	9,441	8,739	8,829
Total Operating Receipts	**90,445**	**84,459**	**93,116**	**89,593**	**89,485**	**91,904**
Cash Payments for Operating Activities						
Payments for employees	(34,096)	(36,842)	(37,184)	(38,969)	(40,676)	(41,927)
Payments for goods and services	(26,697)	(25,064)	(27,485)	(25,588)	(24,198)	(24,452)
Grants and subsidies	(12,979)	(13,496)	(13,202)	(13,819)	(12,634)	(11,959)
Interest paid	(2,837)	(3,144)	(3,095)	(3,669)	(4,145)	(4,734)
Other payments	(570)	(501)	(575)	(506)	(513)	(582)
Total Operating Payments	**(77,179)**	**(79,048)**	**(81,540)**	**(82,550)**	**(82,165)**	**(83,654)**
Net Cash Inflows from Operating Activities	**13,266**	**5,411**	**11,576**	**7,043**	**7,320**	**8,251**
Cash Flows from Investments in Non-Financial Assets						
Purchases of non-financial assets	(11,140)	(11,812)	(12,194)	(14,060)	(14,073)	(14,422)
Sales of non-financial assets	317	211	222	278	198	210
Net Cash Flows from Investments in Non-financial Assets	**(10,823)**	**(11,602)**	**(11,972)**	**(13,782)**	**(13,874)**	**(14,213)**
Net Cash Flows from Investments in Financial Assets for Policy Purposes	**112**	**(60)**	**(63)**	**(91)**	**(47)**	**(1)**
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	**(2,990)**	**1,929**	**(2,615)**	**151**	**(247)**	**(860)**
Receipts from Financing Activities						
Advances received (net)	(39)	(47)	(47)	(47)	(47)	(48)
Borrowing (net)	1,876	4,382	2,428	7,537	7,209	7,059
Deposits received (net)	(1)	—	—	—	—	—
Other financing (net)	(776)	—	—	—	—	—
Net Cash Flows from Financing Activities	**1,061**	**4,335**	**2,381**	**7,490**	**7,162**	**7,011**
Net Increase/(Decrease) in Cash held	**625**	**13**	**(693)**	**811**	**314**	**188**
Net cash from operating activities	13,266	5,411	11,576	7,043	7,320	8,251
Net cash flows from investments in non-financial assets	(10,823)	(11,602)	(11,972)	(13,782)	(13,874)	(14,213)
Surplus/(Deficit)	**2,443**	**(6,191)**	**(396)**	**(6,739)**	**(6,555)**	**(5,962)**
Derivation of ABS GFS Cash Surplus/Deficit						
Cash surplus/(deficit)	2,443	(6,191)	(396)	(6,739)	(6,555)	(5,962)
Acquisitions under finance leases and similar arrangements	(1,064)	(835)	(891)	(447)	(178)	(16)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	**1,379**	**(7,026)**	**(1,287)**	**(7,186)**	**(6,733)**	**(5,978)**

Note:
1. Numbers may not add due to rounding.

ECONOMIC AND
REVENUE ASSUMPTIONS

The 2022-23 Budget Update is based in part on assumptions made about parameters, both internal and external to Queensland, which can impact directly on economic and fiscal forecasts.

The forward estimates in the 2022-23 Budget Update are framed on a no-policy-change basis. That is, the expenditure and revenue policies in place at the time of the Budget Update (including those announced in the Budget Update) are applied consistently throughout the forward estimates period.

Key economic assumptions

Key economic assumptions underpinning the 2022-23 Budget Update include:

- International economic growth is assumed to slow significantly over the forecast horizon.
- Interest rates are likely to continue to increase with a peak in late 2023 before starting to gradually decline thereafter.
- Drawing on IMF analysis of Australia's real effective exchange rate, the A$/US$ exchange rate is also assumed to trend gradually higher, reaching around US$0.75 by December 2024.
- International borders are assumed to remain open, leading to continued recovery in travel and tourism.
- Continued strong net interstate migration to Queensland and a rebound in international migration is assumed to return population growth to pre-COVID trends.
- A return to more normal seasonal rainfall patterns is also assumed after the current La Nina ends.

Taxation and royalty revenue

Table 14 shows the main components of taxation and royalty revenue, and the forecast revenues for each component across the forward estimates.

Table 14: Taxation and royalty revenue[1]

	2021–22 Actual $ million	2022–23 Budget $ million	2022–23 Budget Update $ million	2023–24 Projection $ million	2024–25 Projection $ million	2025–26 Projection $ million
Payroll tax	5,001	5,242	5,460	6,002	6,292	6,609
Transfer duty	6,336	4,722	4,539	4,378	4,731	5,192
Other duties	1,963	1,989	2,122	2,212	2,307	2,406
Gambling taxes and levies	1,645	1,646	1,726	1,844	1,916	1,992
Land tax	1,633	1,773	1,773	1,998	2,246	2,341
Motor vehicle registration	2,103	2,152	2,180	2,259	2,341	2,426
Other taxes	1,330	1,318	1,328	1,421	1,460	1,502
Total taxation revenue	**20,011**	**18,842**	**19,127**	**20,114**	**21,293**	**22,469**
Royalties						
Coal	7,243	5,480	10,698	3,714	3,496	3,641
Petroleum[2]	1,184	1,626	2,226	1,344	1,151	1,119
Other royalties[3]	490	538	509	510	502	509
Land rents	171	190	189	193	198	203
Total royalties and land rents	**9,088**	**7,832**	**13,623**	**5,761**	**5,348**	**5,472**

Notes:
1. Numbers may not add due to rounding.
2. Includes impact of liquefied natural gas (LNG).
3. Includes base and precious metal and other mineral royalties.

Royalty assumptions

Table 15 below provides the 2022-23 Budget Update assumptions regarding coal royalties, which represent the bulk of Queensland's royalty revenue.

Table 15: Royalty assumptions

	2021–22 Actual	2022–23 Budget Update	2023–24 Projection	2024–25 Projection	2025–25 Projection
Tonnages – crown export[1] coal (Mt)	185	185	200	218	228
Exchange rate $US per $A[2]	0.72	0.69	0.74	0.75	0.75
Year average coal prices ($US per tonne)[3]					
Hard coking	376	223	160	160	160
Semi–soft	281	211	142	129	125
Thermal	175	306	183	130	130
Year average oil price					
Brent ($US per barrel)[4]	77	104	86	80	80

Notes:
1. Excludes coal produced for domestic consumption and coal where royalties are not paid to the Government, i.e., private royalties. The 2022–23 estimate for domestic coal volume is approximately 24.4 Mt and private coal is 5.1 Mt.
2. Year average.
3. Estimated year-average contract prices for highest quality coking and thermal coal. Lower quality coal can be sold below this price with indicative average prices for 2022–23 as follows: Hard coking US$205 per tonne and thermal US$191 per tonne.
4. Published Brent oil prices are lagged by four months to better align with royalty revenue.

Exchange rate and commodity prices and volumes

Estimates of mining royalties are sensitive to movements in the A$-US$ exchange rate and commodity prices and volumes.

Contracts for the supply of commodities are generally written in US dollars. Accordingly, a change in the exchange rate impacts on the Australian dollar price of commodities and, therefore, expected royalty collections.

Interest rates

The majority of General Government Sector debt is held under fixed interest rates and, therefore, the impact of interest rate variations on debt servicing costs in 2022–23 would be relatively modest, with the impact occurring progressively across the forward estimates.

KEY FISCAL AGGREGATES

Table 16: Key Fiscal Aggregates[1]

	2014–15 Actual[1] $ million	2015–16 Actual[1] $ million	2016–17 Actual[1] $ million	2017–18 Actual[1] $ million	2018–19 Actual[1] $ million	2019–20 Actual[1] $ million	2020–21 Actual[1] $ million	2021-22 Actual $ million	2022–23 Update $ million	2023–24 Projection $ million	2024-25 Projection $ million	2025-26 Projection $ million
General Government												
Total revenue	49,970	50,780	56,194	58,087	59,828	57,778	62,791	74,185	81,227	77,776	78,014	79,506
Taxation revenue	12,598	12,547	12,919	13,244	14,165	14,585	16,249	20,011	19,127	20,114	21,293	22,469
Total expenses	49,551	50,112	53,369	56,337	58,843	63,505	63,706	69,889	76,047	78,234	77,891	79,286
Employee expenses	18,592	20,045	21,258	22,681	24,019	25,662	26,385	28,068	30,194	31,599	33,060	34,179
Net operating balance	420	668	2,825	1,750	985	(5,728)	(915)	4,296	5,180	(458)	123	220
Capital purchases	4,635	4,044	4,620	5,126	5,764	6,306	6,682	7,889	8,433	9,445	9,374	9,415
Net capital purchases	996	1,163	2,265	2,337	3,192	3,436	3,942	4,367	4,581	4,840	5,054	4,281
Fiscal balance	(576)	(495)	560	(587)	(2,207)	(9,164)	(4,857)	(71)	598	(5,298)	(4,931)	(4,061)
Borrowing with QTC	41,343	34,200	31,358	29,256	29,468	37,570	46,153	49,000	56,408	64,937	72,161	80,358
Leases and similar arrangements[2]	1,761	1,286	1,882	2,142	2,612	6,485	7,703	7,671	7,566	7,768	7,722	6,624
Securities and Derivatives	(0)	(0)	(0)	122	121	198	220	93	93	93	93	93
Net debt	5,749	654	(355)	(509)	(198)	14,036	11,344	10,997	14,534	23,246	30,417	36,778
Non-financial Public Sector												
Total revenue	56,178	57,393	64,855	66,164	68,329	66,171	71,318	85,485	90,326	86,464	86,953	88,761
Capital purchases	7,811	6,852	7,291	7,643	8,460	9,482	9,877	11,140	12,194	14,060	14,073	14,422
Borrowing with QTC	73,256	71,160	69,107	66,964	67,576	76,464	85,901	90,851	97,084	105,303	113,239	121,870
Leases and similar arrangements[2]	1,802	1,316	1,882	2,142	2,612	6,977	8,157	8,028	7,914	8,173	8,076	6,928
Securities and Derivatives	175	446	895	405	720	1,503	1,570	17,374	5,448	1,775	829	510

Notes:

1. With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability.
2. Approximately $2.2 billion increase in General Government and $2.6 billion in NFPS in 2019-20 on adoption of the new lease accounting standard AASB 16.

Table 17: Key Fiscal Indicators[1]

	2014–15 Actual[1]	2015–16 Actual[1]	2016–17 Actual[1]	2017–18 Actual[1]	2018–19 Actual[1]	2019–20 Actual[1]	2020–21 Actual[1]	2021-22 Actual	2022–23 Update	2023–24 Projection	2024-25 Projection	2025-26 Projection
	%	%	%	%	%	%	%	%	%	%	%	%
General Government												
Revenue/GSP	17.0	16.9	17.1	16.6	16.3	16.0	17.1	16.6	17.5	17.1	16.7	16.4
Tax/GSP	4.3	4.2	3.9	3.8	3.9	4.0	4.4	4.5	4.1	4.4	4.6	4.6
Own source revenue/GSP	9.0	9.0	8.8	8.6	8.6	8.3	8.1	8.9	9.7	8.5	8.5	8.4
Expenses/GSP	16.8	16.6	16.3	16.1	16.1	17.6	17.3	15.6	16.4	17.2	16.6	16.4
Employee expenses/GSP	6.3	6.7	6.5	6.5	6.6	7.1	7.2	6.3	6.5	6.9	7.1	7.0
Net operating balance/GSP	0.1	0.2	0.9	0.5	0.3	(1.6)	(0.2)	1.0	1.1	(0.1)	0.0	0.0
Capital purchases/GSP	1.6	1.3	1.4	1.5	1.6	1.7	1.8	1.8	1.8	2.1	2.0	1.9
Net cash inflows from operating activities/Net cash flows from investments in non-financial assets	97.5	122.9	134.2	107.0	105.5	(2.5)	0.7	136.9	93.9	33.5	42.4	49.6
Fiscal balance/GSP	(0.2)	(0.2)	0.2	(0.2)	(0.6)	(2.5)	(1.3)	(0.0)	0.1	(1.2)	(1.1)	(0.8)
Total borrowings/GSP	14.7	11.8	10.1	9.0	8.8	12.3	14.7	12.7	13.8	16.0	17.1	18.0
Total Borrowings/Revenue	86.3	69.9	59.2	54.3	53.8	76.6	86.1	76.5	78.9	93.6	102.5	109.5
Lease and other liabilities/revenue	3.5	2.5	3.3	3.7	4.4	11.2	12.3	10.3	9.3	10.0	9.9	8.3
Net debt/revenue	11.5	1.3	(0.6)	(0.9)	(0.3)	24.3	18.1	14.8	17.9	29.9	39.0	46.3
Revenue growth	7.0	1.6	10.7	3.4	3.0	(3.4)	8.7	18.1	9.5	(4.2)	0.3	1.9
Tax growth	6.4	(0.4)	3.0	2.5	7.0	3.0	11.4	23.1	(4.4)	5.2	5.9	5.5
Expenses growth	7.2	1.1	6.5	5.6	4.4	7.9	0.3	9.7	8.8	2.9	(0.4)	1.8
Employee expenses growth	4.4	7.8	6.1	6.7	5.9	6.8	2.8	6.4	7.6	4.7	4.6	3.4
Non-Financial Public Sector												
Capital purchases/GSP	2.7	2.3	2.2	2.2	2.3	2.6	2.7	2.5	2.6	3.1	3.0	3.0
Total borrowings/GSP	25.6	24.2	21.9	19.9	19.3	23.5	26.0	26.0	23.8	25.3	26.1	26.7
Total Borrowings/Revenue	133.9	127.1	110.8	105.1	103.8	128.4	134.1	136.0	122.3	133.3	140.5	145.7
Net financial liabilities/revenue	125.2	127.4	111.2	111.5	114.9	158.3	142.5	118.0	108.7	120.4	126.2	129.5

Notes:

1. With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability. GSP figures reflect 2021-22 ABS National Accounts: State Accounts.

EXHIBIT (c)(v)

Queensland Energy and Jobs Plan

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the State of Queensland's (the "State" or "Queensland") beliefs and expectations, are forward-looking statements. These statements are based on current plans, budgets, estimates and projections and therefore you should not place undue reliance on them. The words "believe", "may", "will", "should", "estimate", "continue", "anticipate", "intend", "expect", "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements speak only as of the date they are made, and neither the Corporation nor the State undertake any obligation to update publicly any of them in light of new information or future events.

Forward-looking statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Although the Queensland Treasury Corporation and the State believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forward-looking statements involve inherent risks and uncertainties. We caution you that actual results may differ materially from those contained in any forward-looking statements.

A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. Factors that could cause the actual outcomes to differ materially from those expressed or implied in forward-looking statements include:

- the international and Australian economies, and in particular the rates of growth (or contraction) of the State's major trading partners;
- the effects, both internationally and in Australia, of any subsequent economic downturn, as well as the effect of ongoing economic, banking and sovereign debt risk;
- the effect of natural disasters, epidemics and geopolitical events, such as the novel coronavirus (COVID-19) pandemic and the Russia-Ukraine conflict;
- increases or decreases in international and Australian domestic interest rates;
- changes in and increased volatility in currency exchange rates;
- changes in the State's domestic consumption;
- changes in the State's labor force participation and productivity;
- downgrades in the credit ratings of the State and Australia;
- changes in the rate of inflation in the State;
- changes in environmental and other regulation; and
- changes in the distribution of revenue from the Commonwealth of Australia Government to the State.


QUEENSLAND
ENERGY AND JOBS PLAN
Power for generations
70%
Renewable Energy
by 2032
Affordable
Cleaner
Energy
For Everyone
100,000 jobs
OVERVIEW | September 2022
Queensland
Government

"My Government has a long standing commitment of 50 per cent renewable energy by 2030, and now we are accelerating our progress. We are committing an extra $4 billion to our energy transformation and setting two new renewable energy targets of 70 per cent renewable energy by 2032 and 80 per cent by 2035. We will showcase our clean energy credentials to the world as we prepare to deliver a climate positive Olympic and Paralympic Games in 2032."

Annastacia Palaszczuk
Premier of Queensland and Minister for the Olympics

"Cleaner energy will enable exciting new industries like renewable hydrogen which could represent billions in exports and thousands of new clean energy jobs, mostly in our regions."

Steven Miles
Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure

"Through this Plan, we will keep public ownership of our energy system, with 100% ownership of transmission, 100% ownership of deep storage, and majority ownership of generation."

Cameron Dick
Treasurer and Minister for Trade and Investment

"This Plan will build the new 'Queensland SuperGrid' – the renewable energy, storage and network infrastructure we need to power our industries, businesses and homes."

Mick de Brenni
Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

Queensland's **SuperGrid** providing power for generations

Clean energy economy

Build a clean and competitive energy system for the Queensland economy and industries as a platform for accelerating growth.

Empowered households and businesses

Deliver affordable energy for households and businesses, and support more rooftop solar and batteries.

Secure jobs and communities

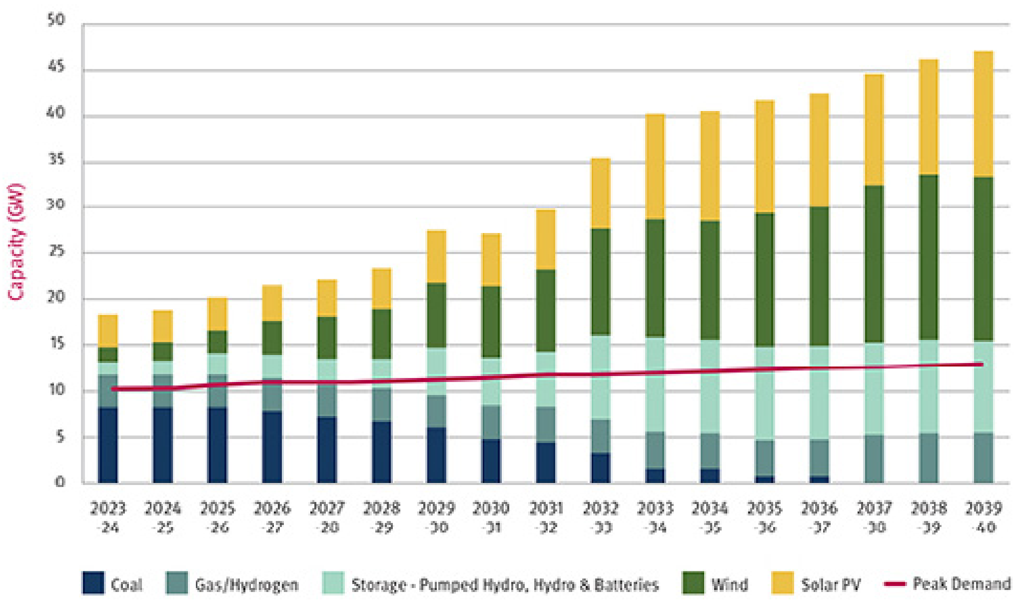
Drive better outcomes for workers and communities as partners in the energy transformation.

A Plan to deliver

More jobs | *More industries* | *Affordable power* | *Lower emissions* | *Stronger growth*

Queensland's SuperGrid will deliver clean, reliable and affordable power

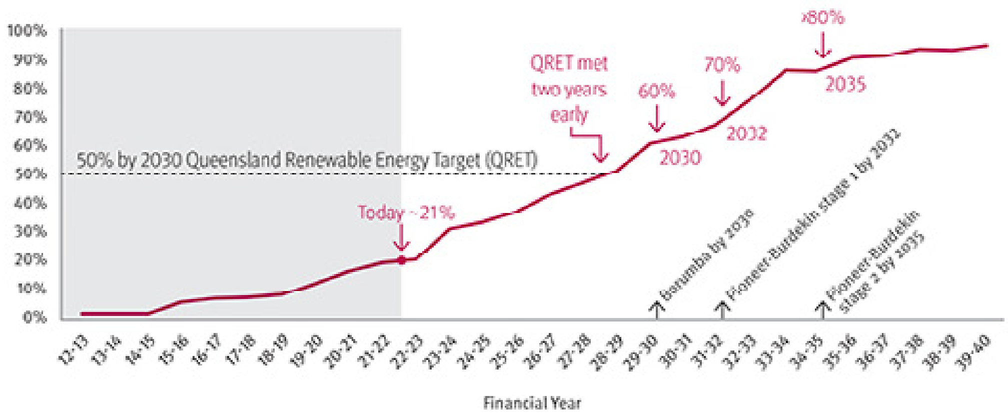
Queensland's generation mix will transform over time to include more wind, solar and storage to ensure we always have enough energy to meet Queensland's energy demand including at peak times.



Based on independent modelling

Under the Plan Queensland beats the 50 per cent renewable energy target

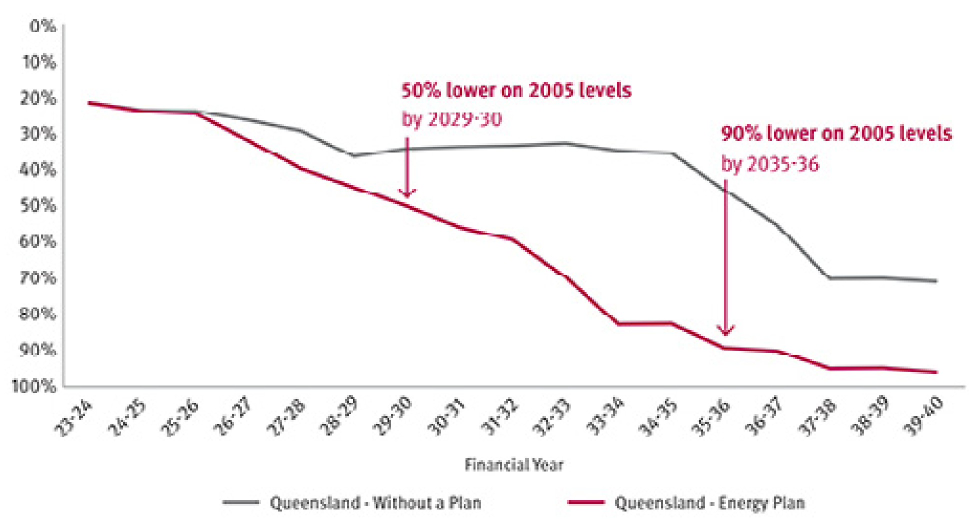
Renewable energy percentage under the Queensland Energy and Jobs Plan



And reduces electricity emissions

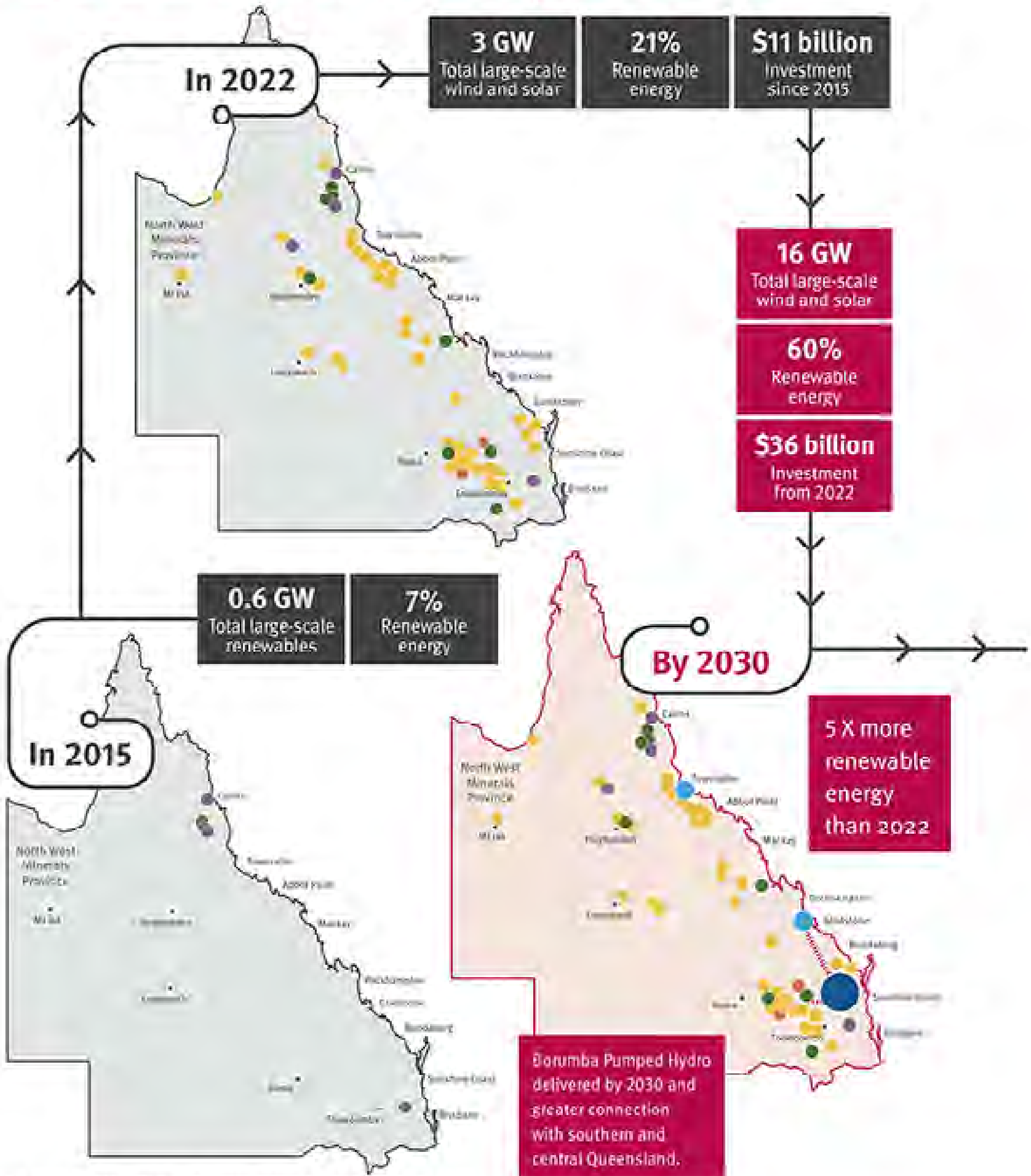
Lower electricity emissions – **90 per cent lower** by 2035-36

Electricity emissions (reduction on 2005 levels)



Based on independent modelling

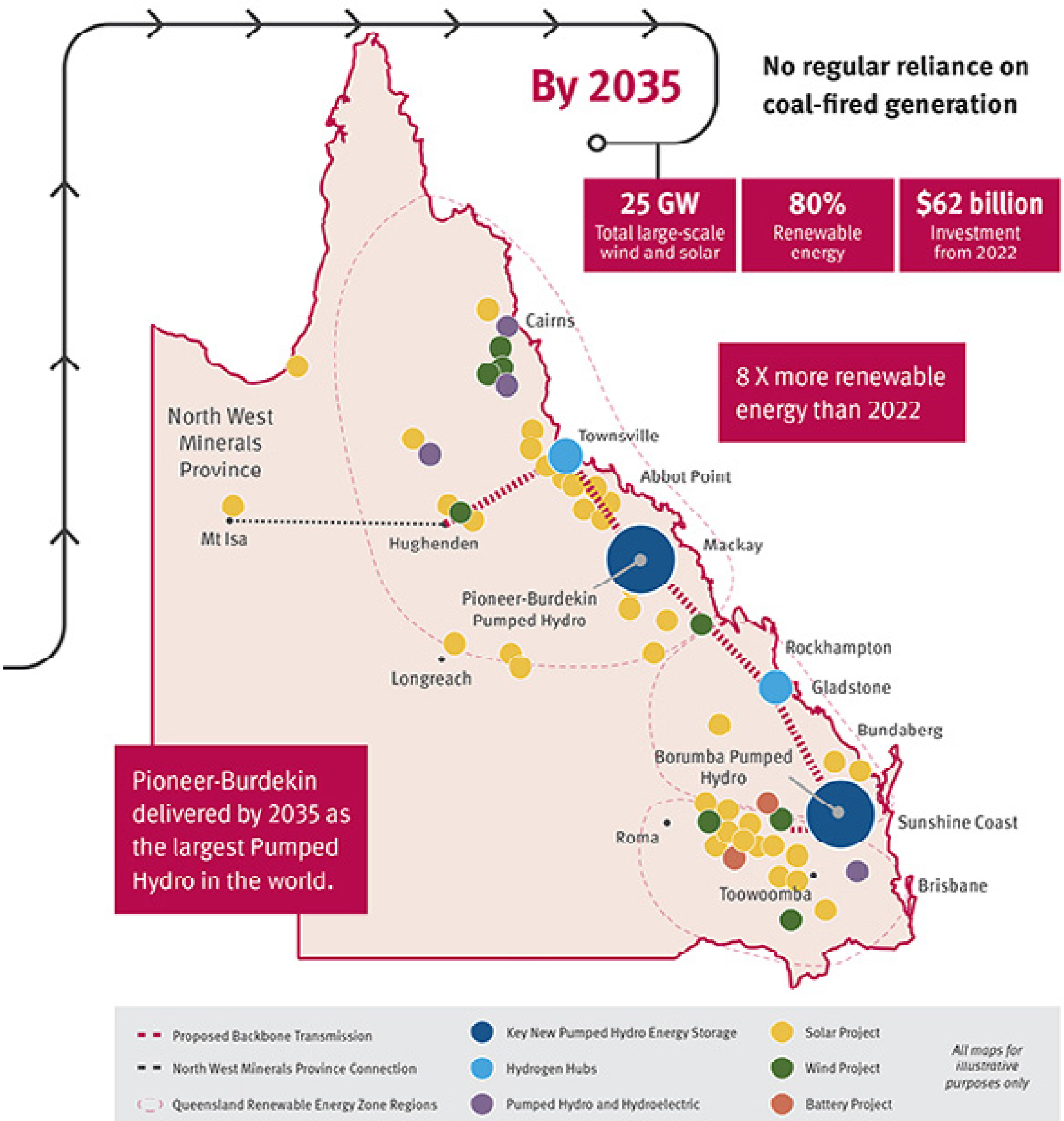
Building the Queensland SuperGrid



A number of historical smaller bioenergy sites also operational at this time

What is the Queensland SuperGrid?

The SuperGrid is all of the elements in the electricity system, including the poles, wires, solar, wind and storage that will provide Queenslanders with clean, reliable and affordable power for generations.



The Queensland Government has outlined the optimal infrastructure pathway in the *Queensland SuperGrid Infrastructure Blueprint*.

Projections informed by independent modelling and internal analysis

This Plan represents an extra $4 billion down payment on Queensland's energy transformation

$2.5 billion boost

to the Queensland Renewable Energy and Hydrogen Jobs Fund to make it a **$4.5 billion Fund**, including $500 million for grid and community batteries, and a hydrogen-ready gas peaker

Queensland's energy system will remain **majority owned by the people of Queensland**

$285 million to start building the SuperGrid and Powerlink to invest **$365 million** for Central Qld Grid Reinforcement

25 GW wind and solar by 2035

$20 million to supercharge future hydrogen hubs

64,000 jobs from building the SuperGrid including direct and indirect jobs by 2040*

36,000 more jobs by 2040 across key sectors of the economy than without a Plan including direct and indirect jobs*

$150 million Job Security Guarantee and **$90 million** for two new training hubs

Over $270 million to progress two world-class Pumped Hydros

$200 million Regional Economic Futures Fund

All publicly owned coal-fired power stations operating as clean energy hubs by 2035

Queensland's economy is **$25.7 billion** bigger by 2040 than without a Plan*

Electricity emissions **50% lower by 2030** and 90% lower by 2035 on 2005 levels*

New household savings programs to lower electricity bills

Household retail bills **$150 lower in 2032** than without a Plan*

$4 million to advance the bioenergy sector

$42 million for integrating electric vehicles

$35 million for a business savings and transformation program

Wholesale electricity prices **15% lower** on average to 2040 than without a Plan*

Key sectors of the economy like **renewable hydrogen, manufacturing and new economy minerals growing faster** than without a Plan*

$11.6 million to grow local supply chains and support manufacturers

*Based on independent modelling

Clean energy economy

Actions

- **1.1: Begin building the SuperGrid**

  Begin building Queensland's SuperGrid with $285 million to develop new backbone transmission that will connect more renewable energy and storage across the state.

- **1.2: Develop two world-class Pumped Hydros**

  Over $270 million committed to progress the Pioneer-Burdekin Pumped Hydro near Mackay, which could be the world's largest, and the Borumba Pumped Hydro. Together, these projects could deliver up to 7 GW of long duration storage for Queensland.

- **1.3: Invest in more batteries and storage**

  The Queensland Government will invest $500 million as part of the boosted Queensland Renewable Energy and Hydrogen Jobs Fund (QREHJF) for government-backed grid-scale and community batteries. The Government will also develop an energy storage strategy for a reliable and resilient system.

- **1.4: Build more renewable energy and connect an additional 22 GW by 2035**

  Boost the QREHJF to $4.5 billion with an injection of $2.5 billion from coal royalties. Powerlink will also invest $365 million for grid upgrades in Central Queensland, and the Government will prepare legislation and a long-term roadmap on Queensland Renewable Energy Zones (QREZ) to connect 22 GW of renewables by 2035.

- **1.5: Ensure reliability with low to no emissions gas**

  Invest in a new 200 MW hydrogen-ready gas peaking power station at Kogan Creek and the delivery of new low to no emissions gas, including hydrogen, for Queensland's SuperGrid.

- **1.6: Grow the future renewable hydrogen industry**

  Commit $20 million to supercharge Queensland's renewable hydrogen hubs, review the *Queensland Hydrogen Industry Strategy* in 2023 and investigate a potential new renewable hydrogen gas target.

- **1.7: Deliver sustainable liquid fuels**

  Deliver a fuels strategy that sets out the vision for developing and using sustainable liquid fuels to support decarbonisation.

- **1.8: Switch to renewable energy with new targets**

  Prepare legislation to establish the Government's renewable energy targets in law including, 50 per cent renewable energy by 2030, 70 per cent by 2032 and 80 per cent by 2035. The Government will also work towards 100 per cent renewable electricity for all large government sites by 2030.

- **1.9: Advance Queensland's bioenergy future**

  Invest $4 million to advance Queensland's bioenergy future by working with industry to investigate options for expanding generation from biomass waste streams and support innovation.

- **1.10: Establish a new technical board for expert advice**

  Establish a new Queensland Energy System Advisory Board to provide technical advice to Government on the energy transformation, including advice on how to accelerate progress and ensure affordability, reliability and security is maintained. This will include providing advice on updates to the *Queensland SuperGrid Infrastructure Blueprint* every two years from 2025.

Empowered households and businesses

Actions

- **2.1: Deliver a smarter grid that benefits all Queenslanders**

  Progress a range of initiatives to build a smarter grid and effectively integrate customer energy resources such as rooftop solar, home batteries and electric vehicles to ensure businesses and households can get the most out of their investments.

- **2.2: Deliver a new household program**

  The Government will establish a new program to support households to manage their energy use and save on electricity bills.

- **2.3: Support to reduce household bills**

  Support trusted non-government organisations with $10 million in funding to improve access to energy efficiency advice and devices for hard to reach customer cohorts, like those experiencing vulnerability, to help them manage their energy use and reduce electricity bills.

- **2.4: Drive savings for small businesses**

  Establish a new $35 million Queensland Business Energy Saving and Transformation (QBEST) program to help businesses save money on their electricity bills.

- **2.5: Integrate Queensland's zero emissions vehicles**

  Invest $42 million to deliver charging infrastructure and trials to support efficient integration of electric vehicles into the grid.

- **2.6: Enable savings for commercial buildings with Environmental Upgrade Agreements**

  Enable the use of Environmental Upgrade Agreements to deliver energy savings for commercial business owners and tenants, including ensuring the right regulatory environment is in place.

- **2.7: Ensure affordable electricity in regional and south east Queensland**

  Continue to implement the Uniform Tariff Policy to ensure all Queenslanders pay a similar price for electricity no matter where they live, for 2022–23 this represents $638.5 million in the State Budget. The Government will also keep prices affordable in south east Queensland with a review of the regulatory market, new initiatives to reduce electricity bills and supporting more rooftop solar.

Secure jobs and communities

Actions

- **3.1: Invest to modernise Queensland's publicly owned coal-fired power stations for the future**

  Queensland's publicly owned coal-fired power stations will continue to play a vital role in the energy system, with Government reserving back-up capacity, repurposing critical infrastructure and reinvesting into these sites as clean energy hubs, supported by the $4.5 billion QREHJF. All publicly owned coal-fired power stations will be operating as clean energy hubs by 2035.

- **3.2: Support workers with a Job Security Guarantee**

  A new $150 million Job Security Guarantee, backed by a fund and an *Energy Workers' Charter*, will support workers in publicly owned coal-fired power stations by guaranteeing opportunities to continue their careers within these energy businesses or pursue other career pathways.

- **3.3: Prepare Queensland's workforce and regions for growth**

  Develop a *Future Energy Workforce Roadmap* during 2023 and invest $90 million to establish two new regional transmission and training hubs. The Government will also establish a new Energy Industry Council and a Queensland Renewable Energy Jobs Advocate to provide advice on the future skills, opportunities and training pathways required.

- **3.4: Grow the renewable energy supply chain in Queensland**

  Invest $11.6 million to help build capacity in the Queensland manufacturing sector, and deliver a grant program that supports up to 400 manufacturers to increase their competitiveness in a low carbon future.

- **3.5: Clean energy for remote and First Nations communities**

  Work to reduce emissions in remote and First Nations communities with a $10 million Queensland Microgrid Pilot Fund to improve network resilience. The Government will also co-design a clean energy strategy with First Nations communities to achieve net zero electricity emissions in communities supported by Energy Queensland power stations.

- **3.6: Partner with industries and communities to maximise benefits from the energy transformation and drive regional economic opportunities**

  Deliver real and lasting benefits for regional communities through a new $200 million *Regional Economic Futures Fund* to support economic and community development initiatives and a new *Regional Energy Transformation Partnerships Framework* with $35 million for strategic planning and community engagement activities.

Learn more about the Plan

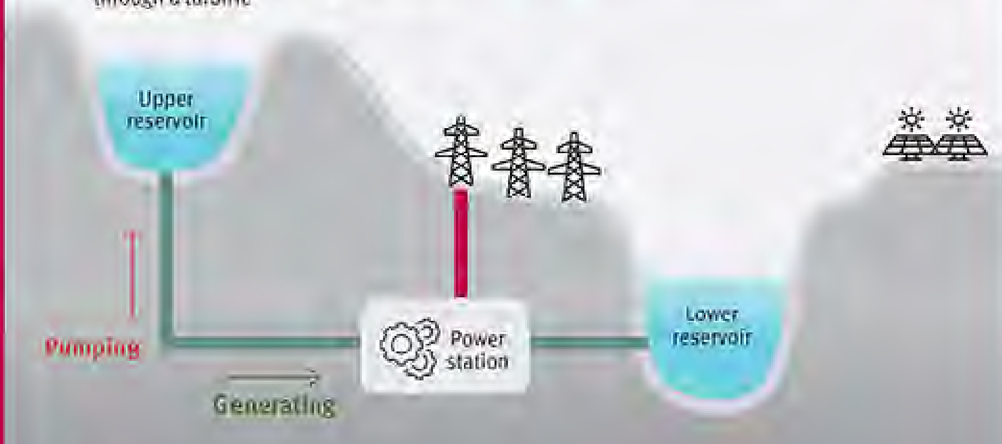
During 2023 the Queensland Government will be consulting on key initiatives in this Plan.

How does Pumped Hydro work?

Pumped Hydro acts like a giant battery:

- it uses electricity from the grid or nearby renewables to pump water from a lower reservoir into an upper reservoir when energy prices are low
- when energy is needed, water is released from the upper reservoir into the lower reservoir, generating energy as it passes through a turbine
- hydroelectricity can be generated almost immediately and at any time, so power can be fed into the grid when it is needed.

- **Drives reliable power for a clean energy economy**
- **Stores renewable energy like solar and wind**
- **Provides on demand power when we need it**



Two sites in Queensland

- Borumba close to both central and southern Queensland
- Pioneer-Burdekin the battery of the north – the largest in the world

Megawatt (MW) and Gigawatt (GW): A measure of output from a generator (1000 MW = 1 GW this is enough to power around 300,000 homes).

Dispatchable generation: Sources of electricity that can be switched on and off and ramp their power output up and down based on market needs.

Demand: The amount of power consumed at any time.

Renewable energy: Energy that comes from renewable sources, such as sun and wind.

Electricity grid: Often referred to as 'the grid', this includes the transmission and distribution networks that carry electricity from generators to energy users.

Hydrogen: A clean, renewable fuel that can be used in transport, power supply and a range of industrial processes.

QUEENSLAND ENERGY AND JOBS PLAN

Power for **generations**

13 QGOV (13 74 68) @EnergyQld


QUEENSLAND
ENERGY AND JOBS PLAN
Power for generations
70%
Renewable Energy
by 2032
Affordable
Cleaner
Energy
For Everyone
100,000 jobs
September 2022
Queensland
Government

In the spirit of reconciliation, the Queensland Government acknowledges the Traditional Custodians of country throughout Queensland and their connection to land, sea and sky.

We pay our respects to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander people today.

The Queensland Government acknowledges the continuous living culture of First Nations Queenslanders – their diverse languages, customs and traditions, knowledge and systems.

The Queensland Government acknowledges the role that First Nations people had in the delivery of Queensland's current energy system and is committed to ensuring they benefit from the new energy system. As we work together to deliver a clean, reliable and affordable energy system for Queensland, the Queensland Government is committed to genuine partnerships and meaningful engagement with Queensland's First Nations people.

Premier's message

I believe that there is no other place in the world as well positioned as Queensland to lead the clean energy revolution.

That is why Queensland is already at the forefront of becoming a renewables, hydrogen and clean energy manufacturing superpower.

In 2015, I committed my government to reaching 50 per cent renewable energy by 2030.

Since then, we have facilitated around $11 billion of investment delivering 50 new Queensland projects and over 7900 constructions jobs across the state. We are well on our way, now powering over 20 per cent of our electricity needs with renewable energy.

We are delivering on more investment and more jobs, with world class infrastructure and our highly skilled workforce to meet the growing demand for cleaner energy both here at home and across the globe.

We will showcase our clean energy credentials to the world as we prepare to deliver a climate positive Olympic and Paralympic Games in 2032.

To accelerate our progress, my government is setting new targets for our clean energy system of 70 per cent renewable energy by 2032 and 80 per cent by 2035.

Queensland's Energy and Jobs Plan builds on our investment to date and positions Queensland to have a thriving clean energy economy. It is a Plan that works. Delivering more jobs and creating clean, reliable and affordable energy to provide power for generations.

Annastacia Palaszczuk MP

Premier of Queensland and Minister for the Olympics

Foreword

Queensland is a state blessed with incredible natural resources and whilst we're known as the Sunshine State, it's our people – Queenslanders themselves, that are our greatest asset.

The Queensland Energy and Jobs Plan will harness the skills, ambition and energy of Queenslanders to deliver nation building infrastructure and drive more investment in renewable energy, create more jobs, and meet our 50 per cent renewable energy target by 2030.

We will build Australia's largest energy SuperGrid, delivering clean, reliable and affordable energy to power Queensland homes and industry. The Queensland SuperGrid will create around 100,000 jobs by 2040, with 95 per cent of investment in regional Queensland.

It's important that workers and communities benefit from our energy transformation. We will invest in our publicly owned power stations by converting them into clean energy hubs – keeping our electricity system secure and reliable.

A landmark agreement with energy unions for a new Job Security Guarantee will give energy workers certainty about their future, as well as choices and opportunities for them and their communities.

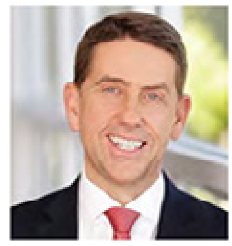
Because we have kept our energy assets in public hands, Queensland has the power like no other State to ensure a secure transition to renewable energy and to guarantee good jobs for our energy workers.

Importantly, we will retain public ownership of our energy system, with 100 per cent ownership of transmission, 100 per cent ownership of deep storage, and majority ownership of generation.

Cleaner energy will deliver exciting new industries like renewable hydrogen with the potential to create thousands of decent, secure jobs in regional Queensland.

At the core of our Plan are the people of Queensland. Our initiatives will deliver lower electricity prices for Queensland households, more secure jobs for Queenslanders and a cleaner energy future.

Steven Miles MP
Queensland Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning



Cameron Dick MP
Queensland Treasurer and Minister for Trade and Investment

Mick de Brenni MP
Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

Vision

Clean, reliable and affordable energy providing power for generations.

Our Energy and Jobs Plan

Queensland's electricity system in 2035

At least 25 GW new and existing renewable energy

Gladstone grid reinforcement to support heavy industry to switch to renewable energy and decarbonise their operations

All publicly owned coal-fired power stations operating as clean energy hubs by 2035, supported by a legislated Job Security Guarantee for energy workers

Two new world-class pumped hydro projects that together could deliver up to 7 GW of long duration storage

Around 1500km of new high voltage backbone transmission to move more power around the state

Up to 3 GW of low to zero emissions gas generation for periods of peak demand and backup security

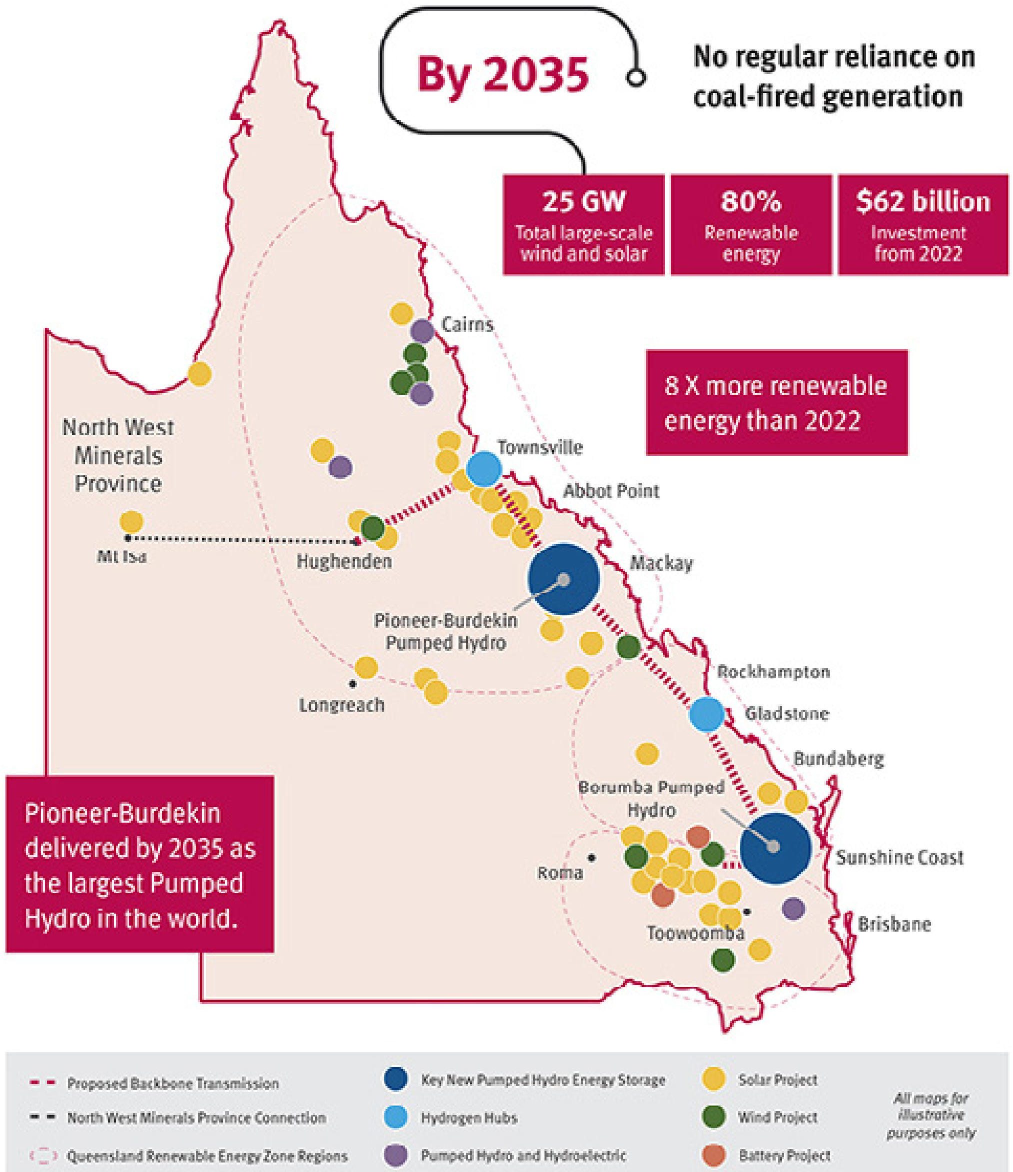
A smarter grid to support over 11 GW of rooftop solar and around 6 GW of batteries in homes and businesses

70% renewable energy by 2032

80% renewable energy by 2035

What is the Queensland SuperGrid?

The SuperGrid is all of the elements in the electricity system, including the poles, wires, solar, wind and storage that will provide Queenslanders with clean, reliable and affordable power for generations.



The Queensland Government has outlined the optimal infrastructure pathway in the *Queensland SuperGrid Infrastructure Blueprint.*

Projections informed by independent modelling and internal analysis

Jobs and economy

The Queensland Government engaged independent expert modelling to support the development of the Queensland Energy and Jobs Plan and understand the benefits for Queensland.

Energy Workers' Charter

A tripartite Queensland Energy Workers' Charter (the Charter) has been agreed by the Queensland Government, energy sector unions and employers.

The Charter sets out an enduring framework to support and provide confidence for workers through the energy transformation.

More Jobs – building **clean energy infrastructure** and **powering growth**

Modelling estimates the Plan will deliver more jobs in the energy sector and across the Queensland economy including:

- **64,000 jobs** in clean energy infrastructure including new skilled direct jobs to build the SuperGrid in construction of transmission and renewable energy projects, jobs in manufacturing and ongoing operations, and indirect jobs in the services industry that supports the energy sector
- **36,000 more jobs** in green growth opportunities including direct and indirect jobs, than without a Plan, across key sectors like renewable hydrogen, battery manufacturing, resource mining and metal refining.

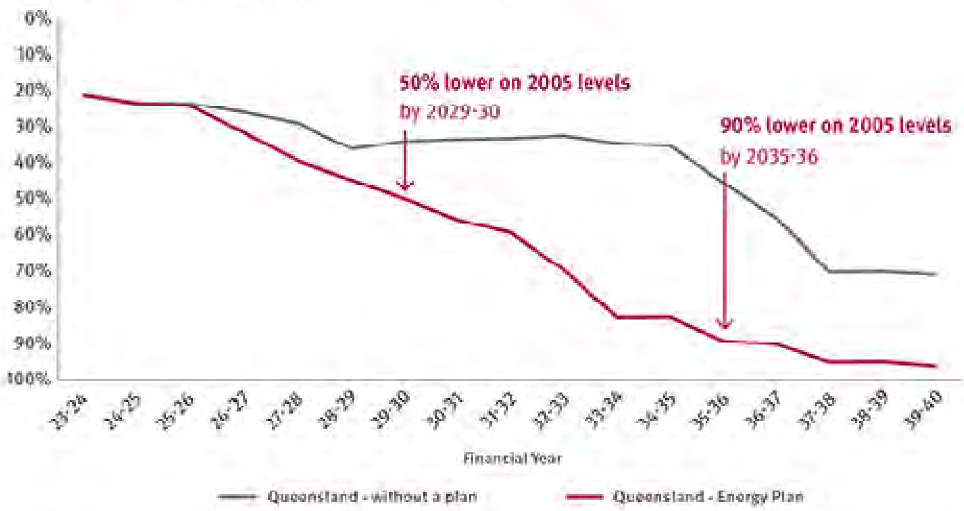
Larger economy generating green growth

Modelling estimates that the state economy will experience up to **$25.7 billion more growth by 2040** than without a Plan. Key sectors like renewable hydrogen, battery manufacturing, resource mining and metal refining will be growing at a faster rate, with Queensland a globally competitive investment destination.

Electricity emissions reductions

Lower electricity emissions – **90 per cent lower** by 2035-36

Electricity emissions (reduction on 2005 levels)



This will support Queensland delivering a climate positive Olympic and Paralympic Games in 2032.

Based on independent modelling

Lowering bills and more energy independence

Lower prices – **$150 lower** retail bills in 2032 for households and **$1,495 lower** for small business

The Plan will put downward pressure on wholesale electricity prices in the longer-term, with more investment into cheap renewable energy and storage. Independent modelling indicates that under the Plan, lower wholesale electricity prices will flow through to lower retail bills, with the average annual bill for a household projected to be $150 lower in 2032 and $1,495 lower for a small business, than without a Plan.

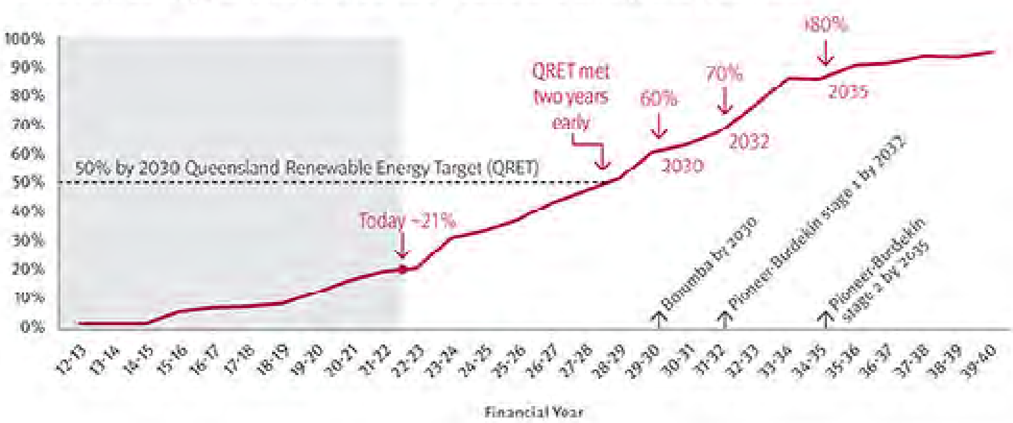
In mid 2022, electricity prices across Australia rose due to the impacts of volatile global markets and instability. Under this Plan, more renewable energy and more storage in Queensland will help to protect Queenslanders from these globally driven price shocks.

Modelling suggests wholesale prices, on average, will be 15 per cent lower to 2040 than without a Plan. The Plan increases Queensland energy independence and reduces exposure to future high prices. This will drive savings for Queensland households and businesses.

Queensland's public ownership position also supports lower electricity bills, with previous asset ownership dividends from publicly owned energy businesses going to Queensland customers to lower their bills.

Beat our renewable energy target

Renewable energy percentage under the Queensland Energy and Jobs Plan

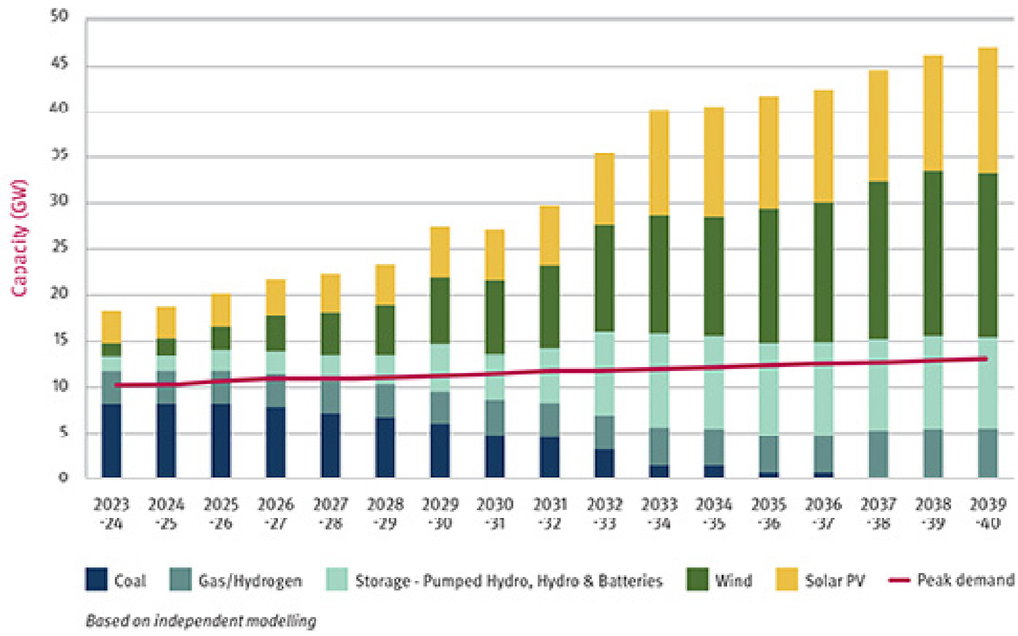


Based on independent modelling

A clear plan to transition to renewables

Queensland Energy and Jobs Plan capacity mix (GW)

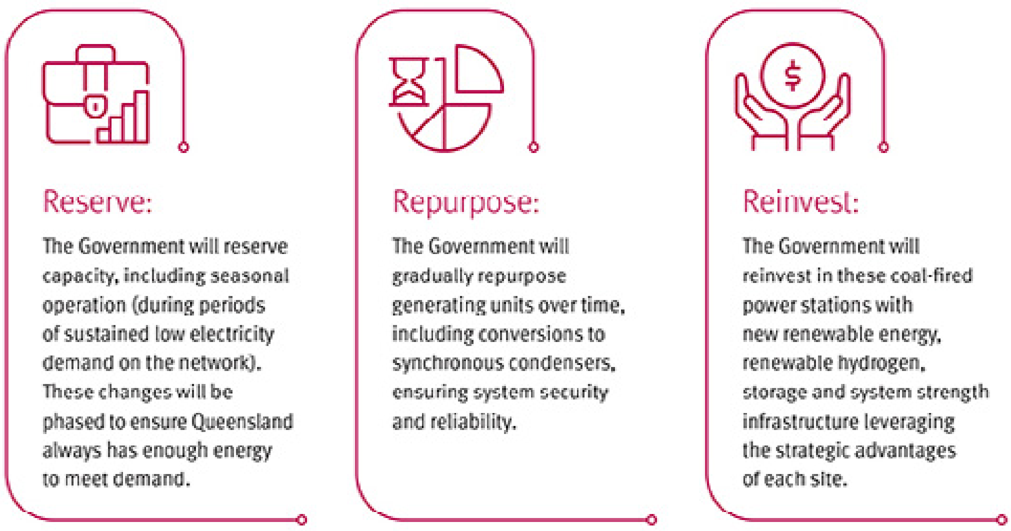
Queensland's generation mix will transform over time to include more wind, solar, and storage to ensure we always have enough energy to meet Queensland's energy demand including at peak times.



Investing in the future of our power stations

Queensland's publicly owned coal-fired power stations will continue to play an important role in our future energy system as clean energy hubs. We will not shut the gate on these power stations, their workers, or communities who will play a leading role in the energy transformation.

These power stations are located in strong parts of the Queensland network with strategic advantages like grid connection, a highly skilled workforce, established community relationships, and land. The Government will work with publicly owned energy businesses to develop proposals to reserve, repurpose and reinvest to modernise coal-fired power stations into future clean energy hubs. The Government will work directly with publicly owned energy businesses to develop proposals for clean energy hub investment backed by the boosted $4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund.



This process will occur in accordance with the Infrastructure Blueprint.

Benefits for Queensland

Keeping **majority public ownership** of Queensland's energy system

Wholesale electricity prices will be 15% cheaper on average to 2040 and average household bills will be $150 lower in 2032 than without a plan

New programs to reduce electricity bills

$42 million to integrate zero emissions vehicles

64,000 jobs to build the SuperGrid and 36,000 more jobs across key sectors of the economy by 2040, most in regional Queensland

Invest **$500 million** for grid and community batteries

Growing Queensland's renewable hydrogen industry by investing $20 million to supercharge renewable hydrogen hubs and build awareness for the industry

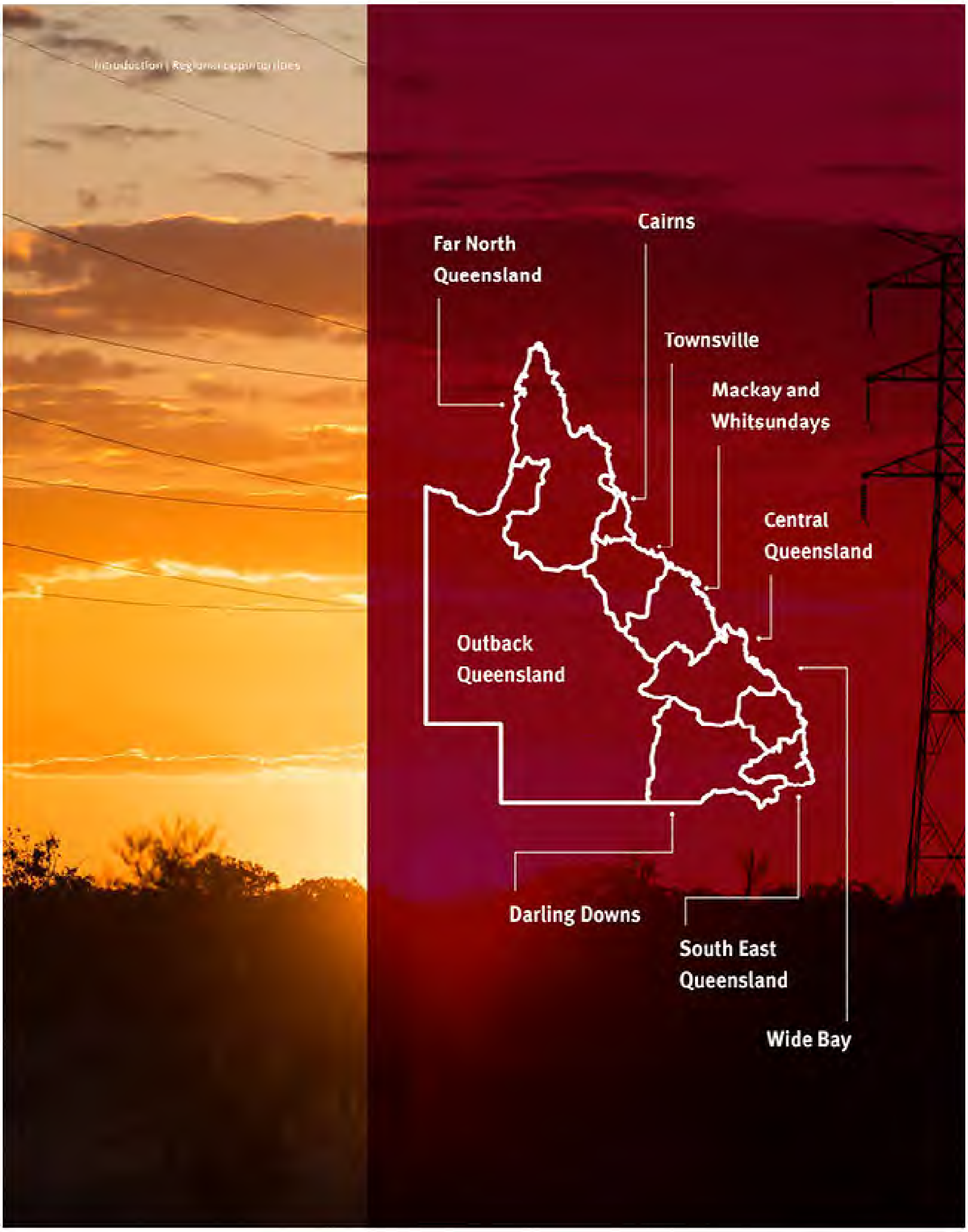
Apprentices will access **two new training hubs** in regional Queensland

Workers at Queensland's publicly owned coal-fired power stations will have a **Job Security Guarantee** and more choice

Renewable energy projects can connect in the Queensland Renewable Energy Zones more easily and **partner with Queensland's public energy businesses**

A **$2.5 billion** boost to the Queensland Renewable Energy and Hydrogen Jobs Fund to deliver on publicly owned renewables, storage and network investments

A new **$200 million** Regional Economic Futures Fund


Cairns
Far North
Queensland
Townsville
Mackay and
Whitsundays
Central
Queensland
Outback
Queensland
Darling Downs
South East
Queensland
Wide Bay

Regional opportunities

Far North Queensland and Cairns

- Since 2015, around $900 million investment in around 400 MW of large-scale renewable energy, creating approximately 600 construction jobs (operational and in the pipeline)
- Estimated additional $6.6 billion investment in electricity infrastructure by 2040

Townsville

- Since 2015, around $800 million investment in over 400 MW of large-scale renewable energy, creating more than 900 construction jobs (operational)
- Estimated additional $1.4 billion investment in electricity infrastructure by 2040
- In addition, the connection to Mount Isa represents a unique opportunity to support a clean energy industrial ecosystem from the North West Minerals Province to Townsville, growing opportunities for jobs in the clean energy economy

Mackay and Whitsundays

- Since 2015, around $1.5 billion investment in around 1 GW of large-scale renewable energy, creating around 1400 construction jobs (operational and in the pipeline)
- Estimated additional $7.8 billion investment in electricity infrastructure by 2040

Central Queensland

- Since 2015, more than $800 million investment in around 500 MW of large-scale renewable energy, creating around 900 construction jobs (operational and in the pipeline)
- Estimated additional $9.2 billion investment in electricity infrastructure by 2040

Outback Queensland

- Since 2015, around $300 million investment in more than 100 MW of large-scale renewable energy, creating approximately 300 construction jobs (operational)
- Estimated additional $1.1 billion investment in electricity infrastructure by 2040

Wide Bay

- Since 2015, there has been around $1.1 billion in investment in around 600 MW of large-scale renewable energy, creating approximately 1000 construction jobs (operational and in the pipeline)
- Estimated additional $3 billion investment in electricity infrastructure by 2040

Darling Downs

- Since 2015, around $5 billion in investment in more than 2800 MW of large-scale renewable energy, creating more than 2600 construction jobs (operational and in the pipeline)
- Estimated additional $9.9 billion investment in electricity infrastructure by 2040

South East Queensland and Toowoomba

- Since 2015, there has been almost $500 million in investment in more than 200 MW of large-scale renewable energy, creating around 500 construction jobs (operational)
- Estimated additional $1.6 billion investment in electricity infrastructure by 2040

The estimated additional investment in electricity infrastructure for each region to 2040 has been drawn from independent modelling, commissioned to support development of the Plan.

Actions

- **1.1:** Begin building the SuperGrid
- **1.2:** Develop two world-class pumped hydros
- **1.3:** Invest in more batteries and storage
- **1.4:** Build more renewable energy and connect an additional 22 GW by 2035
- **1.5:** Ensure reliability with low to no emissions gas
- **1.6:** Grow the future renewable hydrogen industry
- **1.7:** Deliver sustainable liquid fuels
- **1.8:** Switch to renewable energy with new targets
- **1.9:** Advance Queensland's bioenergy future
- **1.10:** Establish a new technical board for expert advice

Actions

- **2.1:** Deliver a smarter grid that benefits all Queenslanders
- **2.2:** Deliver a new household program
- **2.3:** Support to reduce household bills
- **2.4:** Drive savings for small businesses
- **2.5:** Integrate Queensland's zero emissions vehicles
- **2.6:** Enable savings for commercial buildings with Environmental Upgrade Agreements
- **2.7:** Ensure affordable electricity in regional and south east Queensland

Actions

- **3.1:** Invest to modernise Queensland's publicly owned coal-fired power stations for the future
- **3.2:** Support workers with a Job Security Guarantee
- **3.3:** Prepare Queensland's workforce and regions for growth
- **3.4:** Grow the renewable energy supply chain in Queensland
- **3.5:** Clean energy for remote and First Nations communities
- **3.6:** Partner with industries and communities to maximise benefits from the energy transformation and drive regional economic opportunities

1. Clean energy economy

Build a clean and competitive energy system for the Queensland economy and industries as a platform for accelerating growth.

Focus area 1: Clean energy economy

Queensland will deliver clean, reliable, and affordable energy that grows the economy, boosts employment and attracts investment to the state.

The Queensland SuperGrid will be Queensland's modern electricity system. It will consist of new foundational Pumped Hydro Energy Storage (PHES) assets, new backbone transmission, more renewables in Queensland Renewable Energy Zones (QREZ), more batteries, and low to zero emission gas. This infrastructure will allow us to reliably generate, store and transport cleaner electricity across the state with greater energy independence.

By 2040, under the Plan it is expected Queensland's economy will be $25.7 billion larger than without the Plan, and wholesale electricity prices 15 per cent lower on average. A cleaner energy system will be a platform for accelerating economic growth and unlocking opportunities renewable hydrogen, battery manufacturing, resource mining and metal refining. It will also allow Queensland to capitalise on global demand for green products.

> Competitive clean energy will make **Queensland** an **investment destination of choice**

ACTION 1.1: Begin building the SuperGrid

Queensland's publicly owned transmission network is the highway system for electricity, transporting vast amounts of power across long distances from the southern Queensland border up to Cairns and beyond.

New backbone transmission will be the foundation of the new SuperGrid, connecting energy storage and renewables to industry, businesses and consumers across the state.

The SuperGrid backbone transmission has four priority projects commencing from 2022:

- Connect Borumba PHES.
- Expand the connection of Southern Queensland to Central Queensland.
- Connect the Pioneer-Burdekin PHES into Central and Northern Queensland.
- Connect Hughenden and Townsville, unlocking more renewables – a critical step to connecting Mount Isa to the grid.

The government will **invest $285 million to undertake early works on the first two stages of the backbone transmission.**

The Queensland Government is also working on developing a **Government-led model for the connection to Mount Isa and the North West Minerals Province.**

The Queensland Government will investigate opportunities to partner with the Australian Government on this infrastructure project.

Implementation activities

#	Description	Lead/s	Delivery
a.	Progress early design and planning for the SuperGrid backbone transmission	Powerlink	2022-24
b.	Investigate appropriate legislative models to support backbone transmission	EPW	2023

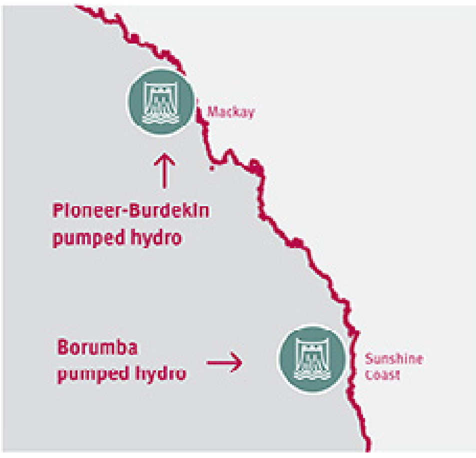
ACTION 1.2: Develop two world-class pumped hydros

To provide 24/7 reliable power, Queensland's SuperGrid will need a mix of energy storage. Excess renewable energy can be stored until it is needed so Queensland's industries, businesses and households always have secure and reliable electricity.

Long-duration storage, like PHES, is critical because it means Queensland can be confident in having reliable energy supply even during times when renewable energy generation from wind and solar is low.

PHES is a proven technology, and a foundational investment for Queensland's SuperGrid. The Queensland Government is investigating two sites:

- **Borumba pumped hydro:** Located near Imbil, this site has been undergoing detailed design and cost analysis, and consultation with the local community.
- **Pioneer-Burdekin pumped hydro:** Initial studies are underway for this site which has the potential to be the largest PHES in the world at 5 GW, with potential generation capacity 2.5 times that of Snowy 2.0.



The Government has set aside **$273.5 million – including $203.5 million new funding** – to advance consideration of the Borumba and Pioneer-Burdekin PHES projects. This funding will support detailed engineering and environmental investigations, community engagement, and some early access works.

Environmental, including water, approvals are key for these projects. Engagement with community is vital and environmental, cultural, community and technical factors will all be considered before proceeding.

The Government will **establish a new publicly owned entity, 'Queensland Hydro',** to develop government PHES assets. These foundational investments will be owned by Queensland and managed in the best interest of Queensland electricity consumers.

Implementation activities

#	Description	Lead/s	Delivery
a.	Establish "Queensland Hydro" to deliver Queensland's world-class large-scale PHES assets	QT Powerlink	2022
b.	Progress assessment and some early works for Borumba PHES	EPW QLD Hydro	2023
c.	Progress planning, analytical studies and community consultation for the Pioneer-Burdekin PHES site	EPW QLD Hydro	2024-26

How does Pumped Hydro work?

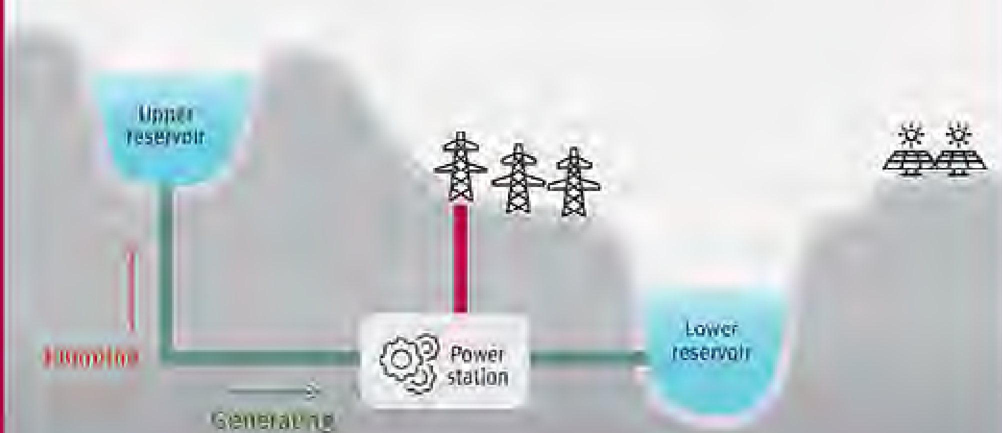
Pumped hydro acts like a giant battery.

- It uses electricity from the grid or nearby renewables to pump water from a lower reservoir into an upper reservoir when energy prices are low
- when energy is needed, water is released from the upper reservoir into the lower reservoir, generating energy as it passes through a turbine
- hydroelectricity can be generated almost immediately and at any time, so power can be fed into the grid when it is needed.

Drives reliable power for a clean energy economy

Stores renewable energy like solar and wind

Provides on demand power when we need it



Two sites in Queensland

- Borumba close to both Central and Southern Queensland
- Pioneer-Burdekin the battery of the north – the largest in the wor

ACTION 1.3: Invest in more batteries and storage

As Queensland progresses toward its renewable energy target, batteries, firming and other storage options will become increasingly important for a reliable system.

The Queensland Government will **develop an Energy Storage Strategy for release in 2024.** This will outline Queensland's storage and firming infrastructure needs, and encourage private sector investment in storage and firming, to maintain a reliable and resilient electricity system through the energy transformation. This strategy will focus on how much storage the energy system needs.

Battery storage also represents an opportunity to build manufacturing capacity in Queensland, and support more secure and local skilled jobs.

The Queensland Government is developing a new **Queensland Battery Industry Strategy.** The strategy will help grow Queensland's local industry for battery minerals, chemicals and advanced manufacturing. This strategy is focused on growing Queensland's role in the battery supply chain.

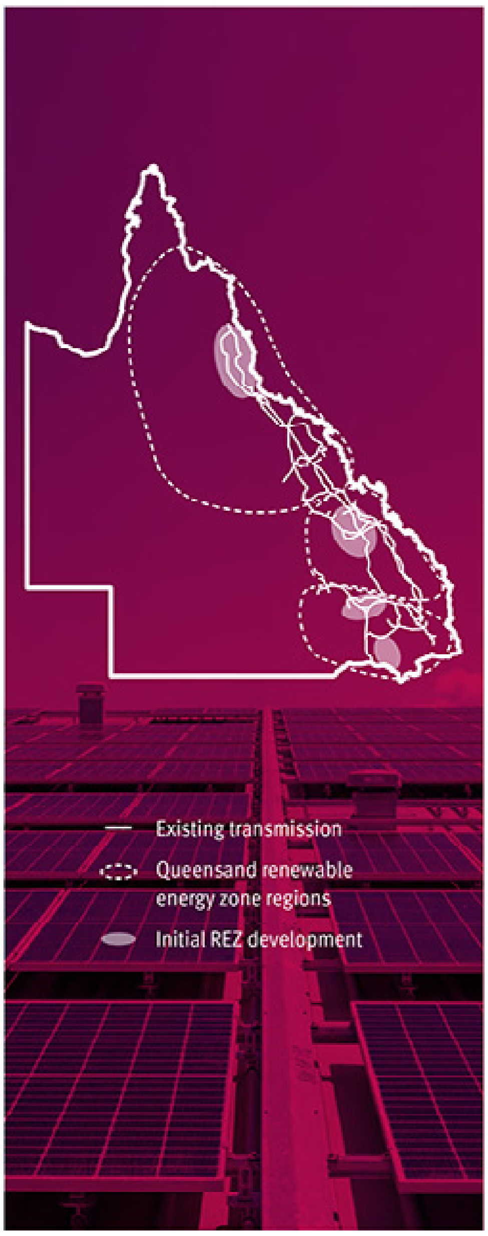
To start delivering the storage required now, the Queensland Government will **invest $500 million for more large-scale and community batteries.** This new funding will be available through the Queensland Renewable Energy and Hydrogen Jobs Fund (QREHJF) for Queensland's publicly owned energy businesses to invest in battery projects across the state that maximise local content.

This will support deployment of network batteries of different scales to provide additional energy storage to store excess rooftop solar and improve network resilience. This means that more Queenslanders will benefit from the abundant solar energy in the system and there will be more opportunities for local manufacturing.

This new $500 million investment builds on the $200 million already being invested by Energy Queensland for distribution scale batteries, including network and pole-mounted batteries, helping to provide reliable electricity supply.

Implementation activities

#	Description	Lead/s	Delivery
a.	Deliver $500 million from the boosted QREHJF for investment in batteries by publicly owned energy businesses	QT EPW Energy GOCs	2022-26
b.	Release the Queensland Battery Industry Strategy	DSDILGP	2023
c.	Release the Energy Storage Strategy	EPW	2024



ACTION 1.4: Build more renewable energy and connect an additional 22 GW by 2035

To transform the energy system, modelling indicates that Queensland will need 25 GW of renewable energy by 2035. This means **connecting an additional 22 GW wind and solar** on top of the existing 3 GW currently operational in the Queensland system.

The Queensland Government has established three regions for developing Queensland Renewable Zones (QREZ) in Northern, Central and Southern Queensland. These areas have high quality renewable resources, like strong wind and solar, which can be developed in a coordinated way to achieve Queensland's targets.

In these regions, the Queensland Government will work with communities to identify targeted areas are the most prospective for renewable development, balancing other land uses and strategic objectives. These smaller areas will be a declared REZ within each region. **A new framework, that is intended to legislated, will enable Powerlink to develop declared REZ** with coordinated transmission infrastructure to connect more renewable energy.

There are three phases for developing the three QREZ regions:

- **Phase 1:** Building on strong foundations (2022–2024).
- **Phase 2:** Scaling and expanding opportunities (2024–2028).
- **Phase 3:** Preparing for net zero (post 2028).

As part of Phase 1, the Queensland Government has worked closely with Powerlink to make initial strategic investments through the $145 million QREZ commitment made in 2020. Investments through the existing QREHJF have also been targeted in QREZ regions.

To further support renewable development, Powerlink will invest in the Central QREZ region with **$365 million for the Gladstone Grid Reinforcement.** This investment is essential for supporting heavy industries in the region to decarbonise and ensuring more renewable energy can flow into Gladstone.

Gladstone is a critical location for future clean industrial growth and the renewable hydrogen industry. This investment will form the foundation for further growth and connection of more renewable energy.

$2.5 billion boost to QREHJF for more publicly owned renewables

To deliver more publicly owned renewable energy, the Government is boosting the QREHJF to $4.5 billion, with a $2.5 billion injection from coal royalties. This funding will ensure publicly owned energy businesses can continue to invest in renewable energy, storage and hydrogen projects in the QREZ regions.

This additional funding will help deliver on the long-term targets for these regions to reach at least 25 GW of total renewable energy (3 GW operational and 22 GW additional).

6 GW in Northern Queensland:

- **Phase 1**- Initial investment into upgrades between Cairns and Townsville is delivering 500 MW capacity in the Far North Queensland REZ supporting the 157 MW Kaban Wind Farm representing $370 million in investment.

8 GW in Central Queensland:

- **Phase 1**- The foundational Gladstone Grid Reinforcement will help establish the Banana Range REZ and Fitzroy REZ. The Government will also back Central Queensland wind farms as part of QREHJF.

11 GW in Southern Queensland:

- **Phase 1** - Initial investment to deliver 1,500 MW new capacity in the Southern Downs REZ with the connection of the MacIntyre Precinct which includes the MacIntyre and Karara Wind Farms worth $2 billion in investment and 1026 MW.
- Through the QREHJF, the Government is also backing new wind farms for the Darling Downs worth almost $1 billion (including Tarong West and the Wambo Wind Farm).

Working with Powerlink, the Queensland Government will develop a longer-term ‘QREZ Roadmap’ in consultation with communities during 2022 and 2023.

This Roadmap will chart future development including strategic land use analysis to identify the best locations for renewable development, and provide details on the phased approach for QREZ regions for renewable investors and the community. Regional Reference Groups will be established for each QREZ to provide input.

This work will inform and complement Regional Infrastructure Plans and Regional Plans.

#	Description	Lead/s	Delivery
Implementation activities			
a.	Prepare legislation on the framework for QREZ development	EPW	2023
b.	Establish Powerlink as the Designated Planning Body for transmission in QREZ regions (subject to legislation)	EPW Powerlink	2023
c.	Undertake stakeholder consultation on QREZ Roadmap	EPW Powerlink	2023
d.	Deliver the Central Queensland Gladstone Grid reinforcement	Powerlink	By 2026

ACTION 1.5: Ensure reliability with low to no emissions gas

Gas is a vital energy source for Queensland's industrial and mining sectors. Into the future, the SuperGrid will require around 3 GW of low to no emission gas to generate electricity at peak times, and to provide storage, firming and dispatchable capacity (as detailed in the Infrastructure Blueprint). Blending hydrogen with natural gas in the short term will provide lower emissions gas. In the long term, the objective is to shift towards renewable hydrogen (a zero emissions gas) to provide dispatchable power.

This is an important insurance policy for the state to make sure Queensland can meet electricity demand during peak times. It also creates a domestic demand source for a growing renewable hydrogen industry.

The Queensland Government will invest **in a new 200 MW hydrogen-ready gas peaking power station at Kogan Creek** from the QREHJF to be developed by CS Energy in partnership with Iberdrola.

This asset will complement CS Energy's existing renewable hydrogen demonstration plant and 100 MW/200 megawatt hours battery at the Kogan Creek clean energy hub, diversifying the assets at this power station site for the future.

This investment into Kogan Creek is an example of how the Government will work with publicly owned energy businesses to modernise coal-fired power stations for the future.

It will be critical that Queensland's gas supply can be relied on over the short to medium term. To maintain a reliable and affordable gas supply, the Queensland Government is working with industry and the Australian Government to explore options for secure gas to meet Queensland's electricity needs (storage and firming) and investigate the role of renewable hydrogen in gas-fired power stations.

Artist impression of CS Energy Renewable Hydrogen Demonstration Plant

Implementation activities

#	Description	Lead/s	Delivery
a.	A joint venture to build, own and operate a new 200 MW hydrogen-ready gas peaking power station at Kogan Creek	CS Energy	2026
b.	Work collaboratively with industry and national bodies to help address gas supply shortfalls	EPW DoR	Ongoing
c.	Work with industry to investigate options for connecting the Bowen Basin to the East Coast Gas market and options to secure additional gas storage for electricity needs	DoR	Ongoing

ACTION 1.6: Grow the future renewable hydrogen industry

The Queensland Government has a long-standing commitment to the development of an economically sustainable and competitive renewable hydrogen industry to create new jobs and diversify Queensland's economy.

A renewable hydrogen industry has the potential to grow demand for renewable energy, assist in domestic supply for decarbonisation, and create the opportunity to export Queensland's renewable resources to the world. The **Queensland Hydrogen Industry Strategy 2019-2024** has a range of actions to increase Queensland's global competitiveness as a trusted supplier of renewable hydrogen.

To help realise the huge potential of the renewable hydrogen industry in the state, the Queensland Government will:

- commit up to **$15 million to supercharge, coordinate and further plan for renewable hydrogen hubs** in key locations across the state.
- review the *Hydrogen Development – Guidance for Local Government*
- review the Queensland Hydrogen Industry Strategy and release a revised strategy to support the sector's growth
- invest up to **$5 million to rollout a renewable hydrogen awareness program, including community hubs, over three years** to inform communities about the uses and benefits of hydrogen
- investigate the potential for a renewable hydrogen gas target, in consultation with industry.

Implementation activities

#	Description	Lead/s	Delivery
a.	Review the Hydrogen Development – Guidance for Local Government	DSDILGP	2022
b.	Complete technical and economic studies to supercharge domestic renewable hydrogen hubs	EPW DSDILGP	2023-2025
c.	Roll out a Renewable Hydrogen Awareness Program to share information with the community and build awareness	EPW DSDILGP	2022-2025
d.	Prepare legislation to support effective regulation of hydrogen development and use	EPW	2023
e.	Release an update of the Hydrogen Industry Development Strategy to cover 2024-2028	DSDILGP EPW	2023

ACTION 1.7: Deliver sustainable liquid fuels

Queensland is already leading the way and seizing opportunities in sustainable liquid fuels, boosting the E10 and the biodiesel supply chains with biofuels mandates. Sustainable liquid fuels will play an important role as both a transition fuel while alternatives such as hydrogen and electrification mature, and as a key ongoing energy source for hard-to-abate sectors.

To unlock this opportunity, the Queensland Government will collaborate with industry, the Australian Government, customers, and other key stakeholders to accelerate the uptake of sustainable liquid fuels which will support industry development.

The Queensland Government will also develop a Fuels Strategy that sets out the vision for developing and using sustainable liquid fuels.

Implementation activities

#	Description	Lead/s	Delivery
a.	Collaborate with industry, Australian Government and customers to support development of sustainable liquid fuels	EPW	Ongoing
b.	Deliver a Fuels Strategy to accelerate the uptake of sustainable liquid fuels on the pathway towards net zero and beyond	EPW	2024

ACTION 1.8: Switch to renewable energy with new targets

As Queensland's energy system transforms, the Government can demonstrate leadership and move faster to drive more renewable energy into the system.

The Queensland Government has a long-standing commitment of 50 per cent renewable energy by 2030. This Plan will ensure Queensland not only achieves this target, but also continues to support higher levels of renewable energy in the system.

To make the Queensland Government ambition clear, the Government will prepare legislation to enshrine the **existing 50 per cent renewable energy target by 2030 in law, and two new renewable energy targets — 70 per cent by 2032 and 80 per cent by 2035.**

The Queensland Government is also committing to work towards **100 per cent renewable electricity for large government sites by 2030.** This includes Queensland's hospitals, schools, police stations, museums and libraries throughout the state.

Implementation activities

#	Description	Lead/s	Delivery
a.	Prepare legislation for the Queensland Government's renewable energy targets	EPW	2023
b.	Source 100 per cent renewable energy for all large government sites by 2030	All Departments	2030

ACTION 1.9: Advance Queensland's bioenergy future

Energy from biomass and organic waste has played an important role in Queensland's energy supply for many decades, with current installed capacity of around 500 MW in the state.

A diverse energy mix, supplemented with bioenergy, will help to deliver the clean, reliable and affordable energy system needed to both meet Queensland's renewable energy targets and enable new industry growth, particularly in regional Queensland.

This supports industries (such as the sugarcane industry) to modernise bioenergy generation and use waste products for bioenergy.

The Queensland Government is **investing $4 million to work with industry** to investigate options and pathways **to expand generation from under utilised biomass waste streams and support technology innovation.**

Implementation activities

#	Description	Lead/s	Delivery
a.	Register of Interest for feasibility and technical studies	DSDILGP	2023
b.	Finalise feasibility and technical studies to identify options and pathways to expand bioenergy generation and support technology innovation in the bioenergy sector	DSDILGP	2023-26

ACTION 1.10: Establish a new technical board for expert advice

The Queensland Government will establish new governance arrangements to ensure a smooth energy transformation, support delivery of the *Queensland SuperGrid Infrastructure Blueprint* and to meet the new renewable energy targets.

A new Queensland Energy System Advisory Board (QESAB) will be established to provide expert technical advice to Government on the energy transformation including updates to the Infrastructure Blueprint every two years from 2025 and an annual market snapshot.

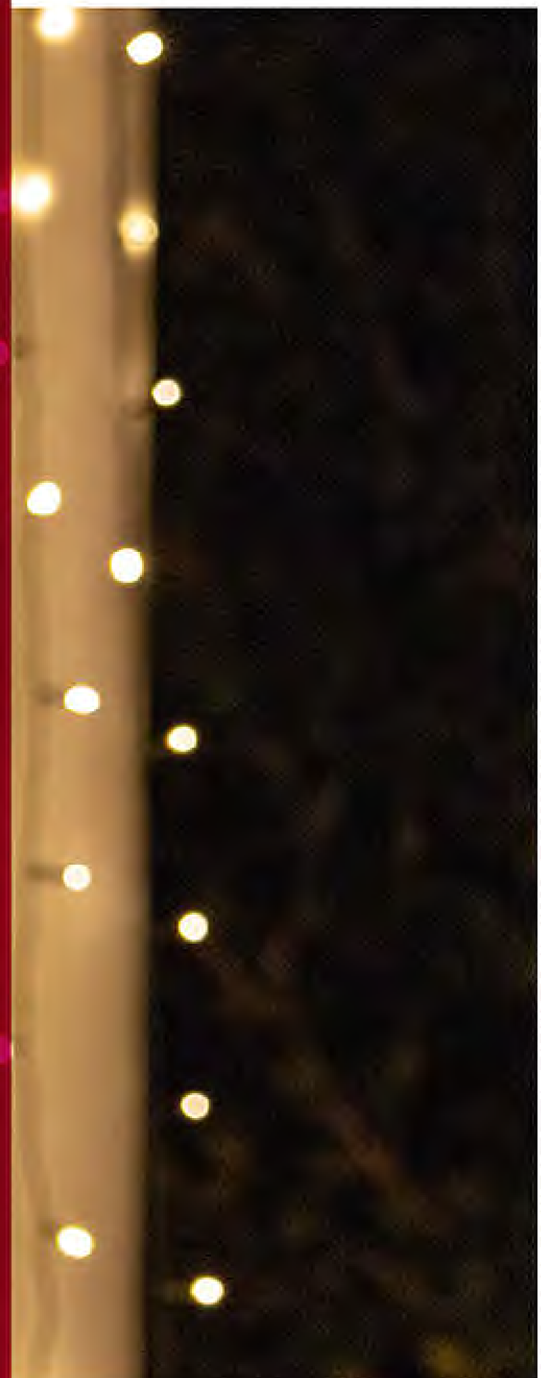
Legislation will be prepared to support the establishment and operation of the QESAB. Refer to the implementation, accountability and transparency section for more information.

Implementation activities

#	Description	Lead/s	Delivery
a.	Prepare legislation to establish the Queensland Energy System Advisory Board	EPW QT	2023
b.	Prepare first annual market snapshot	QESAB	2023-24
c.	Prepare first *Queensland SuperGrid Infrastructure Blueprint* update	EPW QT QESAB	2025

2. Empowered households and businesses

Deliver affordable energy for households and businesses, and support more rooftop solar and batteries.



Focus area 2: Empowered households and businesses

Access to affordable electricity is essential to ease cost-of-living pressures for Queensland households and businesses.

Queenslanders have embraced rooftop solar and demonstrated to the world the benefits of a more decentralised energy system – one where the decisions of individuals shape real change.

Collectively, the energy produced by Queensland rooftops is already the largest renewable generator in the state.

Rooftop solar, battery storage and new devices like electric vehicles can all play a role in keeping electricity affordable and improving outcomes in the energy system for everyone.

ACTION 2.1: Deliver a smarter grid that benefits all Queenslanders

More Queenslanders are now investing in new smart technologies and generating electricity on their rooftops, storing this electricity in home batteries and using it to power their electric vehicles.

To enable more households to optimise their energy use, Queensland will need a smarter grid. Creating a smarter, integrated electricity system will require innovation, new technologies, regulatory reform, new data requirements and markets. It will be important to expand access to the benefits of these technologies to more Queenslanders in the process.

The effective integration of rooftop solar, home batteries and electric vehicles, which are (collectively referred to as Customer Energy Resources (CER),) means businesses and households can get the most out of their investments.

To accelerate the effective integration of CER for all customers, the Queensland Government will:

- target **100 per cent penetration of smart meters by 2030**
- encourage the **inclusion of electric vehicle charging infrastructure** in buildings
- increase the rollout of **dynamic connection arrangements** for customers
- increase network access and enable orchestration of CER
- **review the regulatory framework** for retail supply to remove barriers to delivering innovative products and services

Dynamic Connection Agreements are the future of energy connections in Queensland

More and more Queensland households and businesses own and use CER such as rooftop solar, household batteries, and electric vehicles. These technologies play a significant role in Queensland's energy ecosystem.

A dynamic connection agreement will allow households and businesses to access new and emerging market opportunities (via a retailer or aggregator) such as energy trading or Virtual Power Plants as they become available. Dynamic connections will allow more households to install rooftop solar and batteries while improving outcomes for everyone.

Dynamic connections will provide our network operators with data they can use to manage the 'two-way flow' of energy in 'real time'. This will help them ensure the safe and reliable supply of electricity to all customers.

Implementation activities			
#	**Description**	**Lead/s**	**Delivery**
a.	Target 100 per cent penetration of smart meter devices with appropriate data sharing arrangements by 2030 by leveraging reforms by the Australian Energy Market Commission and other jurisdictional levers	EPW EQL	2030
b.	Develop and evolve a smart connections framework to streamline households and businesses connecting technologies to the network	EPW EQL	Ongoing
c.	Define the roles and responsibilities of Queensland's Distribution System Operator (DSO) in advance of the appointment of Energy Queensland as DSO to better coordinate energy use and supply to customers	EPW	2023-24
d.	Encourage the inclusion of electric vehicle charging infrastructure in buildings	EPW	Ongoing
e.	Increase rollout of dynamic connection arrangements for customers	EQL	Ongoing
f.	Increase network access and enable orchestration of CER	EPW EQL	Ongoing
g.	Review regulatory framework for retail supply to remove barriers to delivering innovative products and services	EPW	2023-25
h.	Publish updated technical and connection standards	EQL	Ongoing

ACTION 2.2: Deliver a new household program

The Queensland Government has a strong record of delivering affordable energy for Queenslanders. The state's public ownership position has meant that the dividends of Queensland's energy businesses can be passed through to Queenslanders as the owners of these businesses.

This year, the Queensland Government announced a $175 cost of living rebate for Queenslanders, with this applied to bills from September 2022. This is the sixth household energy rebate that the Queensland Government has delivered since 2018, and brings the total electricity bill relief to more than $1 billion.

The Queensland Government recognises that electricity costs are a key pressure for Queenslanders, and is committed to doing more to help households manage their energy use and bills. The Queensland SuperGrid will deliver clean, reliable and affordable power for generations. Independent modelling estimates, that with the Plan, typical household retail bills will be $150 lower in 2032 than without a Plan.

The Queensland Government will also develop a new household program, including support for batteries, to further support Queenslanders manage their electricity use and bills.

ACTION 2.3: Support to reduce household bills

The Queensland Government will invest **$10 million** to help households save on their electricity bills.

Funding will support non government organisations to improve access to energy efficiency advice and devices for hard to reach customer cohorts, to help them manage their energy use and reduce electricity bills.

Queenslander's experiencing vulnerability and those who have historically had limited engagement with the energy system (e.g. renters) will be prioritised.

This will help bring down the cost of electricity for customers who would benefit from additional assistance.

Implementation activities			
#	**Description**	**Lead/s**	**Delivery**
a.	Applications from eligible non-government organisations open	EPW	2023
b.	Deliver energy efficiency advice, assessments, and install smart and efficient equipment to reduce customer bills	Awarded non-government organisations	2023-26

ACTION 2.4: Drive savings for small businesses

The Queensland Government will deliver a program to save businesses money on their electricity bills with the **$35 million Queensland Business Energy Saving and Transformation (QBEST)** program targeting small to medium sized businesses.

The QBEST program will deliver support for businesses to purchase energy efficient equipment, smart technology (e.g. fans, pumps, HVAC) and to implement energy management systems.

This investment will help business to reduce their energy bills so they can spend money on other important aspects of their business, and expand to employ more people in rural and regional Queensland.

Implementation activities			
#	**Description**	**Lead/s**	**Delivery**
a.	Applications open for QBEST	EPW	2023-25
b.	Successful applicants awarded and QBEST delivered	EPW	2023-25

ACTION 2.5: Integrate Queensland's zero emissions vehicles

The Queensland *Zero Emission Vehicle Strategy and Action Plan 2022–2030* will help to drive the uptake of electric vehicles across Queensland.

The Queensland Government will invest **$12 million for charging infrastructure** and trials to support efficient integration of electric vehicles into the electricity system and **$30 million to make government buildings ZEV ready.**

This $42 million commitment is on top of already significant commitments, including $45 million for rebates towards new electric vehicle purchases and $10 million to support more public charging options.

This action will also support the replacement of government fleet vehicles (to seed the second-hand electric vehicle market) and updates to regulations and tariffs.

Implementation activities

#	Description	Lead/s	Delivery
a.	Replace all eligible government fleet vehicles with electric vehicles as leases expire, and where a suitable alternative is available and appropriate for business needs	QFleet	2026
b.	Establish a customer portal to provide information and advice to households and businesses on optimal electric vehicle charging timings and tariffs	EPW	2023
c.	Electric vehicle charging infrastructure delivered in public places at congested areas of the network and explore innovative "smart" integration and management of electric vehicle charging	EQL EPW	2023-26
d.	Deliver ZEV ready government buildings	EPW	2023-26

ACTION 2.6: Enable savings for commercial buildings with Environmental Upgrade Agreements

Energy savings for commercial building owners and tenants in Queensland can be supported with the adoption of **Environmental Upgrade Agreements (EUAs),** which will ultimately also help them save on their electricity bills.

EUAs can contribute to Queensland's emissions reduction targets by upgrading existing commercial buildings with energy-efficiency features. Local governments have an important role to play in supporting EUAs.

An EUA is a legal agreement between a commercial property owner, the local government and a finance provider. EUAs are usually long-term loans offered by a financier to the property owners with fixed interest and secured via a local government charge on land.

The loan is progressively paid back by the property owner via the council rates system. This initiative will be established and implemented following public consultation and consideration of amendments in the legislation.

Implementation activities

#	Description	Lead/s	Delivery
a.	Finalise the EUA framework through public consultation	EPW	2023
b.	Prepare legislative amendments to the Local Government Act 2009 and the City of Brisbane Act 2010 to enable the operation of EUAs	DSDILGP EPW	2024

ACTION 2.7: Ensure affordable electricity in regional and south east Queensland

Regional Queensland covers most of the state's land mass but is home to only around one third of Queensland's population. This can present challenges to ensuring regional Queenslanders can access affordable energy.

This is why the Queensland Government continues to implement its **Uniform Tariff Policy to ensure all Queenslanders pay a similar price for electricity no matter where they live.**

To continue delivering the longstanding Uniform Tariff Policy, the Government is providing combined support of **$638.5 million in the 2022–23 State Budget,** comprised of $635.2 million in Community Service Obligation payments for Ergon Energy Retail customers and $3.3 million in tariff rebates for Origin Energy customers in the Goondiwindi area.

The Queensland Government is also working to keep prices affordable in south east Queensland, with a review of the regulatory market, new initiatives to help Queenslanders reduce their electricity bills and supporting more rooftop solar, supporting overall downward pressure on prices.

Implementation activities

#	Description	Lead/s	Delivery
a.	Continue current Unform Tariff Policy arrangements	EPW QT	Ongoing
b.	Annual revision of Community Service Obligation Deed	EPW QT	Ongoing

3. Secure jobs and communities

Drive better outcomes for workers and communities as partners in the energy transformation.

Focus area 3: Secure jobs and communities

The energy transformation will drive investment and new opportunities into regional areas with 70 per cent of future clean energy jobs expected to be in regional Queensland. As the generation mix changes, the Queensland Government will support communities and workers to be partners in the energy transformation, to capture new opportunities to diversify local economies and create secure, ongoing, good jobs.

ACTION 3.1: Invest to modernise Queensland's publicly owned coal-fired power stations for the future

Queensland's publicly owned coal-fired power stations are the bedrock of the state's energy system and will play an important role in the future energy system. These power stations are in strong parts of the network with excellent grid connections, a highly skilled workforce, established community relationships, and land and other qualities providing strategic advantages.

The Queensland Government will progressively **convert all publicly owned coal-fired power stations into clean energy hubs by 2035.** Clean energy hubs will provide critical system services to the electricity grid, which may include new generation, storage and firming, or renewable hydrogen assets. This will be done by **reserving** back-up capacity so Queensland has the power it needs as the system transforms, **repurposing** existing infrastructure and **reinvesting** into new clean energy infrastructure backed by the boosted $4.5 billion QREHJF.

These changes will occur gradually from 2027 to ensure Queensland always has enough energy to meet demand. The Government will work directly with publicly owned energy businesses to develop proposals for clean energy hub investment.

Because the Queensland Government has kept its energy assets in public hands, Queensland has unprecedented control over its destiny. The Government will guide the transformation of the energy system and listen to the advice of experts to ensure that the system always remains secure and reliable.

Implementation activities

#	Description	Lead/s	Delivery
a.	CS Energy and Stanwell to invest in clean energy hubs	Energy GOCs	2035

ACTION 3.2: Support workers with a Job Security Guarantee

The Queensland Government will ensure workers in Queensland's publicly owned coal-fired power stations have a secure future, choices, and clear employment pathways and opportunities.

To do this, the Government will implement a new **$150 million Job Security Guarantee**. This will support all workers in publicly owned coal-fired power stations and ensure no worker will be out of a job. The Guarantee will be backed by a fund and a new tripartite **Energy Workers' Charter** between unions, government and employers.

These workers will have guaranteed opportunities to continue their careers within publicly owned energy businesses or pursue other career pathways. The Government will do this by supporting workers to:

- undertake additional training or skills development to secure opportunities in the future energy sector or emerging industries
- transfer between publicly owned energy corporations to secure new, ongoing employment opportunities
- extend their career, where eligible, to support Queensland's safe, reliable, and secure energy system
- seek advice on career options with dedicated future pathway managers within Queensland's publicly owned energy businesses.

A Job Security Guarantee is an investment in Queensland's energy talent and will help to deliver Queensland's clean energy future.

The Government intends to prepare legislation for this Guarantee to create an enduring framework and certainty for workers.

Implementation activities

#	Description	Lead/s	Delivery
a.	Implement the Queensland Energy Workers' Charter and the Job Security Guarantee Fund	EPW	2023
b.	Prepare legislation to support implementation of the Job Security Guarantee	EPW	2023
c.	Establish dedicated future pathway managers to assist workers to develop their career pathway	Energy GOCs	2023
d.	Leverage existing workforce programs and training programs to support delivery of the Job Security Guarantee	Energy GOCs	Ongoing

ACTION 3.3: Prepare Queensland's workforce and regions for growth

Queensland will need the right skills to build new clean energy infrastructure and industries. To successfully position Queensland workers and regional communities to capitalise on the pipeline of clean energy investment, the Queensland Government will:

- establish a new **Energy Industry Council** to provide advice to Government on new opportunities and pathways for workers and their communities.
- appoint a new **Queensland Renewable Energy Jobs Advocate** to provide advice to Government and champion future secure jobs in the renewable energy sector
- develop a **Future Energy Workforce Roadmap** which will outline steps to build and develop workforce capacity and capability, while making sure the right training is available in the right locations
- working with Powerlink, invest $90 million to establish two new regional transmission and training hubs for critical skills that will be needed in the energy transformation.

Implementation activities

#	Description	Lead/s	Delivery
a.	Establish two new regional transmission and training hubs for critical skills development, including employment of apprentices	Powerlink	2023-26
b.	Deliver the Future Energy Workforce Roadmap	DESBT	2023
c.	Appoint a Queensland Renewable Energy Jobs Advocate	EPW	2023-24
d.	Establish the Energy Industry Council to provide advice to government	EPW	2023-24

ACTION 3.4: Grow the renewable energy supply chain in Queensland

The clean energy infrastructure outlined in this Plan to build the SuperGrid will create a pipeline of investment to help expand Queensland's share of the renewable energy supply chain and increase the use of local content on projects.

By 2035, approximately 12 GW of new large-scale wind and 10 GW of new large-scale solar is set to be developed in the QREZ regions. This represents around 2,000 to 3,000 potential turbines and 36 million solar panels.

New household, community and utility scale batteries will also be deployed across the state, and could be manufactured in Queensland guided by the Queensland Battery Industry Strategy and leveraging Queensland's competitive advantages in recycling and processing of critical minerals.

To maximise opportunities for more local manufacturing and jobs from renewable investment, the Queensland Government is committed to 'Buy Local' to provide local businesses with access to the government market and stimulate regional economies.

Building Queensland's SuperGrid will support onshore manufacturing of components for renewable energy, storage and transmission infrastructure to create more jobs in regional communities. Procurement by energy government owned corporations will be in accordance with the Government's *Buy Queensland* Policy.

The Government will also commit **$11.6 million to help build capacity in the manufacturing sector and encourage local content** in Queensland to supply future projects. This commitment will include undertaking detailed local supply chain studies across priority renewable technologies and QREZ regions.

Funding will also help investigate end-of-life recycling and manufacturing of renewable energy components. This will complement the Advanced Manufacturing 10-Year Roadmap and Action Plan 2022–26 to support manufacturers to grow with more local content on renewable energy projects.

Of the $11.6 million, **$7.1 million will be invested to deliver a grant program for up to 400 Queensland manufacturing small and medium enterprises** to increase their competitiveness in a low carbon future. Grants are for energy efficiency measures that reduce energy costs and operational emissions.

Implementation activities

#	Description	Lead/s	Delivery
a.	Release local content targets to develop renewable energy supply chains and outline relevant policy mechanisms to improve investment certainty	EPW	2023-24
b.	Deliver detailed studies for priority technologies (e.g., wind)	EPW	2023-24
c.	Build capacity in the manufacturing sector including end-of-life and recycling opportunities	DSDILGP	2024
d.	Build capacity to manufacture components for priority technologies (e.g., wind, batteries, electrolyser)	DRDMW and DSDILGP	2023
e.	Publish guidelines and open the $7.1 million grant program for energy efficiency grants to manufacturers	DRDMW	2023
f.	Award successful applicants for grant program	DRDMW	2024

ACTION 3.5: Clean energy for remote and First Nations communities

Ensuring that regional and remote communities, including First Nations communities, can share the benefits of clean, reliable and affordable energy into the future is a critical part of an inclusive SuperGrid. In June 2022, the Queensland Government committed **$10 million to deliver a Queensland Microgrid Pilot Fund** to improve network resilience of these communities.

The Government is committed to zero net electricity emissions across Energy Queensland's isolated power stations. To achieve this commitment, an inclusive **Remote and First Nations clean energy strategy will be co-designed** by remote First Nations communities and the Queensland and Australian governments. Energy Queensland will be directed to update its *Isolated Networks Strategy 2030* taking into account the Australian Government initiatives to chart a pathway to net zero.

Implementation activities

#	Description	Lead/s	Delivery
a.	Implement national reforms on third party owned microgrids and standalone power systems adapted to the Queensland context as neccessary	EPW	2024
b.	Queensland Microgrid Pilot Fund guidelines released	EPW	2022
c.	Energy Queensland to update their Isolated Networks Strategy 2030 and complete feasibility studies to decarbonise isolated power stations in each community.	EPW	2023-2025
d.	Scope, consult and co-design on Remote and First Nations Clean Energy Strategy	EPW	2023-25
e.	Remote and First Nations Clean Energy Strategy released	EPW	2026

ACTION 3.6: Partner with industries and communities to maximise benefits from the energy transformation and drive regional economic opportunities

At the heart of the energy transformation is Queensland's communities. The Queensland Government is committed to partnering with communities to maximise benefits and regional opportunities.

The Queensland Government is establishing **a new $200 million Regional Economic Futures Fund (REFF) to support economic and community development initiatives.** This fund will target areas like Central Queensland. The Government will work with communities during 2023 to outline the approach for delivering this fund.

The Queensland Government is also publishing a ***Regional Energy Transformation Partnerships Framework*** to maximise the local benefits from clean energy driven by this Plan. Through the Partnerships Framework, communities, industry, and local and state government will work together on priority actions to support the energy transformation in regional Queensland. The Partnerships Framework is being released in draft to provide Queenslanders with an opportunity to further shape our clean energy future.

Community consultation from late 2022 will help to identify further actions as well as inform the design of the REFF.

To underpin initial actions within the Partnerships Framework, **$35 million** from the Queensland Government's $145 million commitment to develop the QREZ will be allocated to deliver on improving strategic planning for QREZ, new functions under proposed legislation, and community support for renewable development.

Initial actions developed to deliver on the key principles for the energy transformation include:

- commencing a review of the planning framework for renewable energy development
- developing policies for offshore wind, end-of-life and recycling of renewable components
- preparing a range of guidance materials to promote best practice
- enhancing co-existence outcomes for renewable energy development including opportunities for development at unused mine sites
- establishing an ongoing community survey to provide robust evidence to Government
- investigating initiatives to enhance benefits from QREZ development including opportunities for enhanced services (e.g. internet connectivity)
- working directly with communities to support locally led planning and resilience
- delivering on other initiatives in this Plan that support local benefits and better community outcomes.

Principles for the energy transformation are:

- **Principle 1: Drive genuine and ongoing engagement**

  Demonstrate an inclusive approach to engaging and working with communities as partners in the energy transformation.

- **Principle 2: Share benefits with communities**

  Deliver on opportunities to share the financial and other benefits of energy development with local communities.

- **Principle 3: Buy local, build local**

  Expand local procurement, manufacturing, and supply chain opportunities from energy development, and work with local businesses to enable greater participation.

- **Principle 4: Increase local jobs and secure work**

  Prioritise the employment of local people wherever possible including the development of training opportunities, promoting greater workforce diversity, and embedding improved standards for secure work.

- **Principle 5: Preserve Queensland's environment**

  Ensure the development of clean energy maximises opportunities for positive co-existence, preserves the local environment and promotes greater biodiversity.

- **Principle 6: Empower First Nations peoples**

  Empower First Nations peoples as part of the energy transformation, underpinned by inclusive engagement to enhance opportunities for employment and business participation.

- **Principle 7: Build local capacity**

  Build the capacity of local communities to realise the benefits from clean energy development, and positively manage changes associated with the energy transformation.

The Partnership Framework will empower local voices and local choices, and position communities to see real and lasting benefits from increased economic development in their regions. The Queensland Government will consult on the Framework and partner with communities to shape it and identify additional actions for maximising benefits from the energy transformation.

Implementation activities

#	Description	Lead/s	Delivery
a.	Develop and publish funding guidelines for the Regional Economic Futures Fund	DSDILGP	2023
b.	Consult on the draft Regional Energy Transformation Partnerships Framework	EPW	2022-23
c.	Deliver initial actions as part of the Regional Energy Transformation Partnerships Framework	EPW	2023-26
d.	Outline additional actions for the Regional Energy Transformation Partnerships Framework identified through community consultation	EPW	2023-26

Implementation, accountability and transparency

The **Queensland Government** will work across agencies to **deliver** and **monitor progress** against the **Plan.**

This will include the release of a biennial updates to the Infrastructure Blueprint from 2025 and annual progress reports. To ensure Queensland stays on track to meet the targets and respond to changing market conditions and technology innovations, the Queensland Government will establish new energy transformation governance frameworks.

This framework includes a new:

Renewable **Transformation Bill**

To be prepared in 2023 to legislate the new renewable energy targets, governance framework, the Job Security Guarantee and key enabling mechanisms like the Queensland Renewable Energy Zones framework.

Queensland Energy System **Advisory Board**

To provide technical advice to Government on updates to the Infrastructure Blueprint every two years starting from 2025, including on how to accelerate the transformation, and for an annual market snapshot to ensure Queensland continues to achieve the National Electricity Objectives.

Energy Industry **Council**

To provide advice to Government on a smooth transformation for workers and their communities. This Council will also provide input to key actions under the Plan including the Future Energy Workforce Roadmap and the Job Security Guarantee.

Take part

The Queensland Government will consult with communities during late 2022 and 2023 on key implementation activities in the Plan including:

- a **QREZ Roadmap** on the long-term development of QREZ regions to deliver at least 22 GW of new renewable energy
- the draft **Regional Energy Transformation Partnerships Framework** to deliver real and lasting benefits in communities from the energy transformation.
- a **Future Energy Workforce Roadmap** to provide the training and skills needed for the future energy system
- an **Energy Storage Strategy** to incentivise more investment in batteries, storage and firming technologies

September 2022

Queensland Energy and Jobs Plan released. Queensland SuperGrid Infrastructure Blueprint released.

From late 2022

Community consultation

- Cairns
- Thursday Island
- Townsville
- Mount Isa
- Mackay
- Emerald
- Kingaroy
- Rockhampton
- Gladstone
- Biloela
- Gympie
- Toowoomba
- Brisbane
- Gold Coast

From 2023

Publish key implementation documents

- QREZ Roadmap
- Additional actions identified from community consultation under the Regional Energy Transformation Partnerships Framework
- Future Energy Workforce Roadmap
- Energy Storage Strategy


Globally competitive clean energy will make **Queensland** an **investment destination of choice**

Queensland is building a SuperGrid – this is the new generation, storage and transmission needed to deliver clean, reliable and affordable power to Queenslanders.

Megawatt (MW) and Gigawatt (GW): A measure of output from a generator (1000 MW = 1 GW this is enough to power around 300,000 homes)

Demand: The amount of power consumed at any time.

Electricity grid: Often referred to as 'the grid', this includes the transmission and distribution networks that carry electricity from generators to energy users.

Baseload power: Generating units that typically produce power continuously and provide most of the power used by consumers.

Dispatchable generation: Sources of electricity that can be switched on and off and ramp their power output up and down based on market needs.

Peaking plants: Generators that run when demand is high. For example, gas-fired generators that can respond quickly.

Renewable energy: Energy that comes from renewable sources, such as sun and wind.

Hydrogen: A clean, renewable fuel that can be used in transport, power supply and a range of industrial processes.

QUEENSLAND ENERGY AND JOBS PLAN

Power for **generations**

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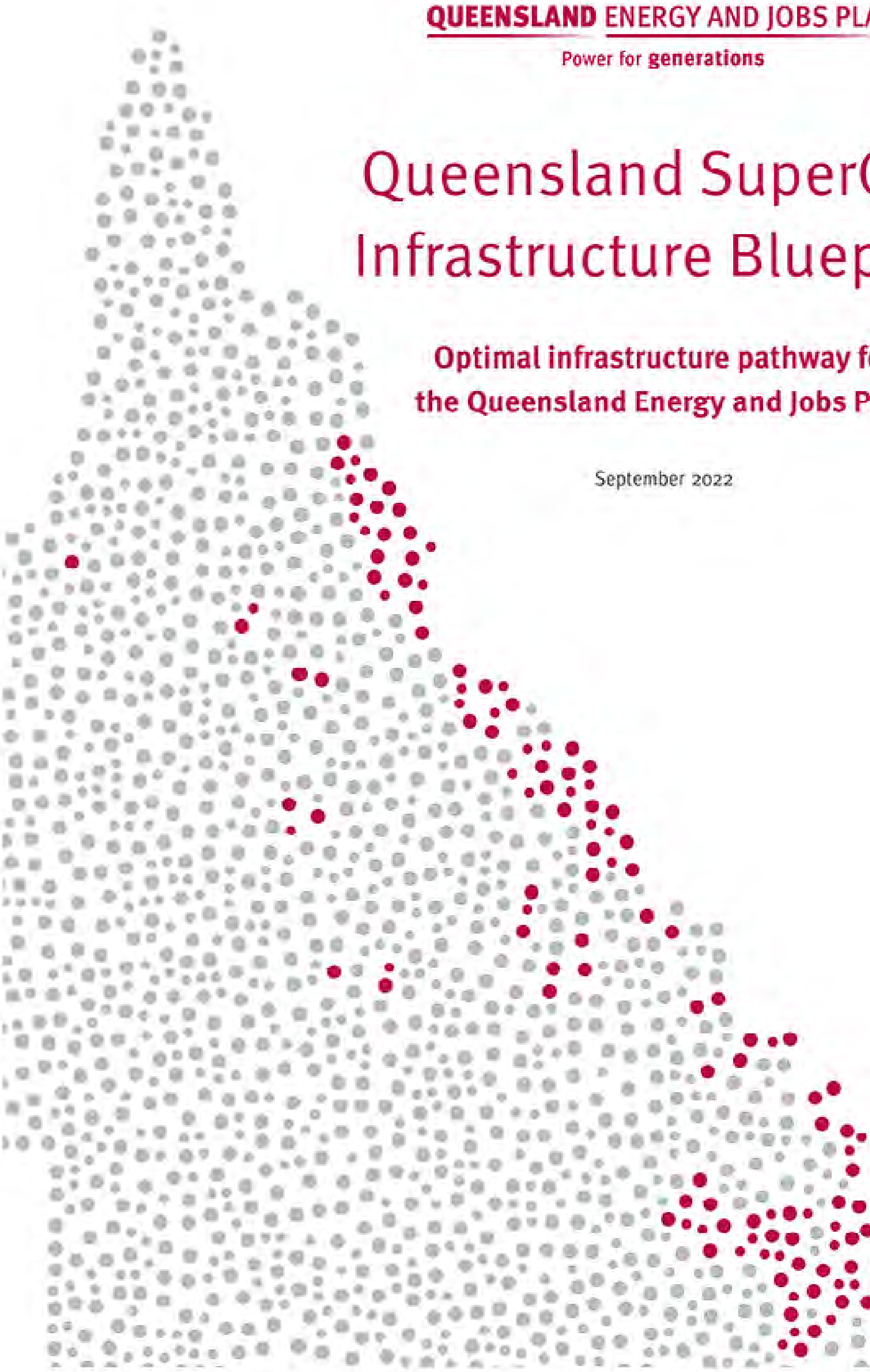
QUEENSLAND ENERGY AND JOBS PLAN

Power for **generations**

Queensland SuperGrid Infrastructure Blueprint

Optimal infrastructure pathway for the Queensland Energy and Jobs Plan

September 2022



Queensland Government

Executive summary

International investors, large industrial customers, small businesses, and households are all seeking access to clean, reliable and affordable electricity. Queensland can deliver this with timely, coordinated investments in renewable generation, storage and transmission infrastructure that transform the electricity system.

The Queensland SuperGrid Infrastructure Blueprint is designed to implement the foundational infrastructure to enable Queensland to decarbonise the existing electricity system and load in Queensland. It acknowledges major new loads are likely to eventuate, which will impact the optimal infrastructure pathway and includes a section on how these new loads and energy requirements can be incorporated into future Infrastructure Blueprints.

This Blueprint outlines the optimal infrastructure pathway to transform Queensland's electricity system. It has been developed based on energy market modelling and expert advice, and follows these principles:

- Achieve the Queensland Government's 50 per cent Queensland Renewable Energy Target by 2030 (QRET) and support continued growth of renewable energy generation.
- Support achievement of the Queensland Government's 30 per cent economy-wide emissions reduction target on 2005 levels by 2030.
- Deliver a reliable, secure system with competitively priced energy.
- Ensure publicly owned coal-fired power stations continue to play a role in the energy system, with sites progressively becoming clean energy hubs that provide critical system strength, storage, and firming services rather than coal-fired generation.
- Provide confidence to capital markets and investors that Queensland has a clear pathway to transform the electricity system.

To transform Queensland's electricity system, investments will be delivered across four key large-scale infrastructure areas:

1. **Renewable investments:** Substantial new renewable generation is critical to transform Queensland's electricity system and deliver affordable, reliable and clean power. Given the variable nature and capacity factors of renewable generation, around 25,000 megawatts (MW) of large-scale renewable generation (total) and around 7,000 MW of new rooftop solar generation is required to meet forecast demand in 2035 (without reliance on coal-fired generation).

   Significant large-scale renewable generation, beyond the 25,000 MW, will be required to support large new loads, including the emergence of an export-scale hydrogen industry or high electrification scenarios.

   Queensland Renewable Energy Zones (QREZ) are a key government lever to support the coordinated, efficient connection of the 25,000 MW of required large-scale renewable generation. Phase 1 developments in all three QREZ regions are underway, and will support the connection of an initial 6,000 MW of renewable capacity. Further developments will occur across all regions to progressively unlock additional capacity.

2. **Storage, firming and dispatchable capacity:** Queensland will need at least 6,000 MW of long duration storage[1] for a highly renewable system, complemented by approximately 3,000 MW of grid-scale storage and up to 3,000 MW of new low-to-zero emission gas-fuelled plant[2] to cover 'dunkelflaute'[3] conditions.

   Large-scale, long duration assets (e.g. pumped hydro energy storage (PHES)) have long planning, construction and delivery times, high development and capital costs, significant approval requirements and uncertainty, and therefore are unlikely to be developed by the private sector on a merchant basis. Such assets are of high strategic importance to the Queensland energy system, through the provision of strategic storage reserves and will support Queensland's macro-economic strategy. The Queensland Government, subject to final investment decisions, will develop and deliver the 2,000 MW/24—hour Borumba PHES in southern Queensland by 2030 and a second PHES in northern Queensland — the Pioneer-Burdekin PHES.

   There are numerous smaller capacity and shorter duration (generally less than 12 hours) pumped hydro projects proposed and being developed by the private sector which are expected to form an important role in firming renewable generation.

3. **Major network transmission and system strength:** Queensland's electricity system will become increasingly decentralised, and the transmission network must evolve to transport renewable energy around the state to when and where it is needed. Four new high-voltage (up to 500kV) backbone transmission projects will be constructed by the mid-2030s, connecting the two 24-hour PHES assets and areas of strong renewable resources with Queensland's demand centres. This includes:

   1. two transmission connections of 80 and 60 kilometres (km) each (140km total) to connect Borumba to the grid in southern Queensland

   2. a 290km line to move more energy between southern and central Queensland

   3. a 750km line to connect central Queensland to a north Queensland 24-hour PHES and north Queensland load

   4. a 370km line to connect Townsville to Hughenden (there is an opportunity to extend this connection to the North West Minerals Province).

[1] Based on independent internal and external assessments, at current consumption levels, at least 6 GW of long duration storage will be required when renewables reach 90-95 per cent market penetration. The independent modelling includes 5.3 GW of new long duration storage by 2032. Long duration storage is considered as having the ability to operate at maximum capacity for a period of 24 hours or longer.

[2] This is in addition to the existing 1745 MW of open cycle gas turbines installed in Queensland as at July 2022.

[3] Dunkelflaute – a word coined in Europe to describe periods of time, usually in winter in which little to no renewable energy generation is possible by wind or solar. Literally – *dark doldrums or dark wind lull.*

These new high-voltage transmission lines will allow the huge volumes of renewable and stored energy to be moved between northern and southern Queensland more efficiently and will ultimately unlock the renewable energy resources at Hughenden. The optimal transmission staging and delivery timing, for lowest cost outcomes, is linked to PHES delivery.

There is also the growing role of distributed and customer energy resources in the electricity system, led by consumers installing more solar on their rooftops, growing interest in home battery systems and the uptake of electric vehicles. To obtain the best value from these customer energy resources, changes are also needed at the distribution network level.

4. **Clean energy hubs:** Coal-fired power stations provide critical dispatchable power and system services, keeping the state's energy system reliable and secure. In the future, renewable energy generators, PHES, batteries and low emissions gas-fuelled plant will collectively provide the dispatchable capacity currently provided by coal. The Queensland Government will invest to repurpose publicly owned coal-fired power stations into clean energy hubs, capitalising on their skilled workforces, strong network connections and existing infrastructure. This reinvestment and repurposing of coal-fired power stations will occur in a coordinated manner, ensuring energy security for all Queenslanders.

Government investments will fund new technology and the conversion of existing assets to provide critical storage, firming and system strength services to support the increasing amounts of renewable generation in the Queensland system. Investment has already commenced, with grid-scale battery projects approved for installation at multiple power station sites. To avoid the possibility of energy security risks, initial generator conversions will be reversible, and units will only be converted to synchronous condensers once sufficient replacement renewable generation, storage, and transmission is in place to ensure ongoing reliability in the system.

Managing risks and uncertainty

Queensland's energy system is rapidly transforming, and the optimal pathway outlined in this Blueprint will need to adapt and evolve over time to address changes in the market outlook, emerging risks and new opportunities. Each of the infrastructure investments identified and proposed in this Blueprint will be subject to contemporary assessment along the transformation program, and this may result in the adjustment of scope or timing of existing investments and potentially the incorporation of new infrastructure investments.

To manage the uncertainty in the outlook, and to address emerging risks and opportunities, the Blueprint will be updated on a biennial basis. Appropriate governance arrangements will also be implemented (as detailed in the Queensland Energy and Jobs Plan).

Table of contents

Introduction

Purpose

This document (the Blueprint) is a key supporting document for the Queensland Energy and Jobs Plan (the Plan). It is a technical document that outlines the major electricity infrastructure investments required to transform the system – investments to achieve the Queensland Government's 50 per cent Queensland Renewable Energy Target (QRET), support emissions reduction outcomes, and support continued renewable energy growth, while maintaining an affordable, reliable electricity supply. The investments outlined in this document will build Queensland's SuperGrid.

The Blueprint:

- describes the Queensland context and development of the optimal infrastructure pathway
- describes the optimal infrastructure pathway to transform Queensland's electricity system, based on a least cost approach
- describes the options and considerations for increased load development

This Blueprint is a point-in-time document and updates will occur on a biennial basis to reflect new infrastructure investments, changing market conditions and the market outlook, with the first update released in 2025.

The Blueprint is predominantly designed to implement the foundational infrastructure to enable Queensland to decarbonise the existing system and load in Queensland. It acknowledges major new loads are likely to eventuate, which will impact the optimal infrastructure pathway – these changes are contemplated in the 'Increased load development' section.

This document does not outline the investments and policies required in the distribution network to support greater coordination and integration of customer energy resources and devices.

While social, environmental and community impacts have informed and will continue to inform Queensland Government planning, the Blueprint itself is not intended to comment on these aspects.

While social, environmental and community impacts are not addressed in the Blueprint, small-scale infrastructure and demand side measures do contribute to a decarbonised energy system and form an integral part of the broader Plan.

Objectives

The optimal infrastructure pathway has been developed based on energy market modelling and expert advice and is structured to achieve the following objectives:

- Achieve the Queensland Government's 50 per cent Queensland Renewable Energy Target by 2030 (QRET) and support continued growth of renewable energy generation.
- Support achievement of the Queensland Government's 30 per cent economy-wide emissions reduction target on 2005 levels by 2030.
- Deliver a reliable, secure system with competitively priced energy.
- Ensure publicly owned coal-fired power stations continue to play a role in the energy system, with sites progressively becoming clean energy hubs that provide critical system strength, storage, and firming services rather than coal-fired generation.
- Provide confidence to capital markets and investors that Queensland has a clear pathway to transform the electricity system.

Methodology

The Queensland Government commissioned energy market modelling to understand the optimal pathway to decarbonise Queensland's electricity system. This modelling is based on the Australian Energy Market Operator's (AEMO) *Step Change* demand forecast for 2022 which sees demand increasing over the next 10-year window.

Refinements to the modelled infrastructure pathway have been made based on operational and technical input and advice from experts to form an optimal infrastructure pathway.

Specifically, this Blueprint has been prepared to meet the objectives listed above, using the following inputs:

- Energy market modelling to identify the generation and storage capacity needed to decarbonise the electricity system (independent market and economic modelling).
- Analysis from Powerlink and the Department of Energy and Public Works (EPW) on the scope, size, timing, and cost of delivering the PHES projects.
- Analysis from Aurecon on the feasibility of converting coal-fired power stations to synchronous condensers (Aurecon: Synchronous Condenser Conversions of Coal Fired Units, February 2022).
- Analysis from Powerlink and the EPW on the location, sizing, and timing of QREZs.
- Analysis from Powerlink on the future transmission investments required to support the energy transformation, including connecting potential new generation, storage, and firming assets.
- Information gathered from relevant technical experts.

The Blueprint is flexible and proposed mechanisms have been built in to allow for regular updating and oversight to adapt to changes in both supply and demand for electricity over time.

Context

Queensland's electricity system

Queensland's electricity system has historically consisted of mainly 'dispatchable generation'. Dispatchable generation is generation that can be scheduled on or off and increased or decreased on command to ensure supply always meets demand. It includes coal-fired generators, gas turbines and hydro-electric plants. In Queensland, there is around 8,100 MW of coal-fired generation and approximately 3,000 MW of gas-fired generation. In 2021–22, the grid-supplied maximum demand (as generated)[4] was 10,100 MW.

Figure 1 depicts Queensland's coal-fired and gas-fired generators, which have been predominately located near the resource basins (i.e. coal-fired generators (maroon icons) located near the coal fields and gas-fired generators (grey icons) located on gas fields).

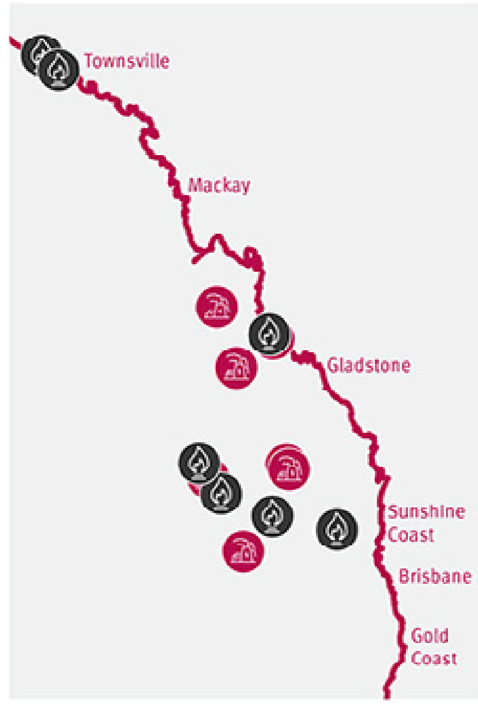


Figure 1: Queensland's coal-fired and gas-fired generators

With substantial dispatchable generation, there has been limited need for storage in Queensland. Energy can be stored in the coal stockpiles and gas pipelines. The energy system is now evolving. There is increasing amounts of variable renewable energy generation which must be complemented with storage and firming to ensure that increasingly intermittent supply matches demand. Additionally power system demand is forecast to increase significantly due to electrification, including electric vehicles and growth in domestic and export hydrogen.

[4] 'as generated' is the energy output at the individual generator terminals. It does not include internal consumption, demand that is offset by rooftop solar or transmission losses.

Increasing renewable generation

Renewable generation is variable in nature – it is entirely dependent on the weather to operate and is volatile on a day-to-day basis. Figure 2 shows the normalised annual output profile of large-scale wind and solar generation in Queensland. It is much more volatile on a day-to-day basis (Figure 3).

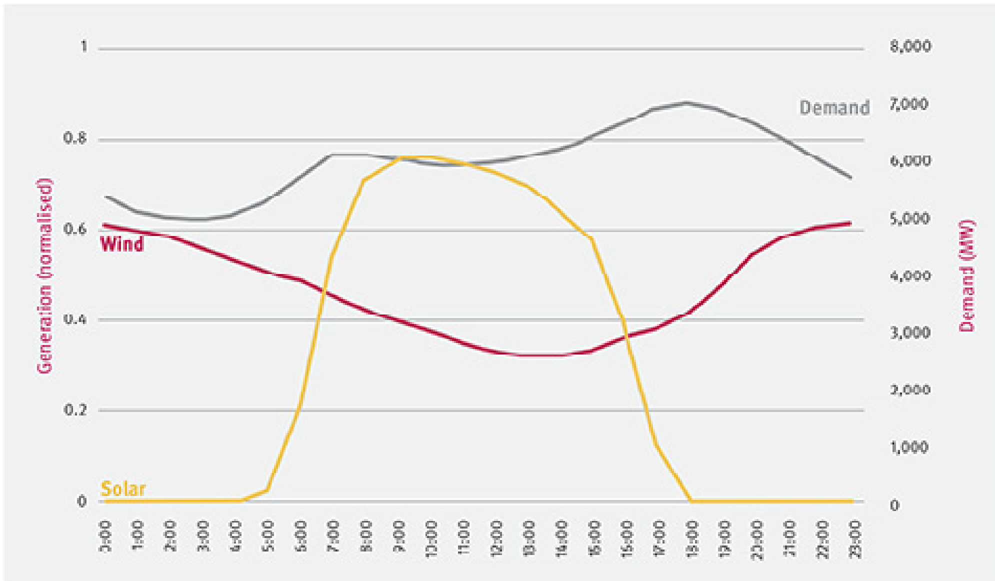


Figure 2: The normalised annual output profile of large-scale wind and solar generation in Queensland. Wind generation peaks overnight and solar generation peaks in the mid-morning, both outside times of peak Queensland electricity demand.

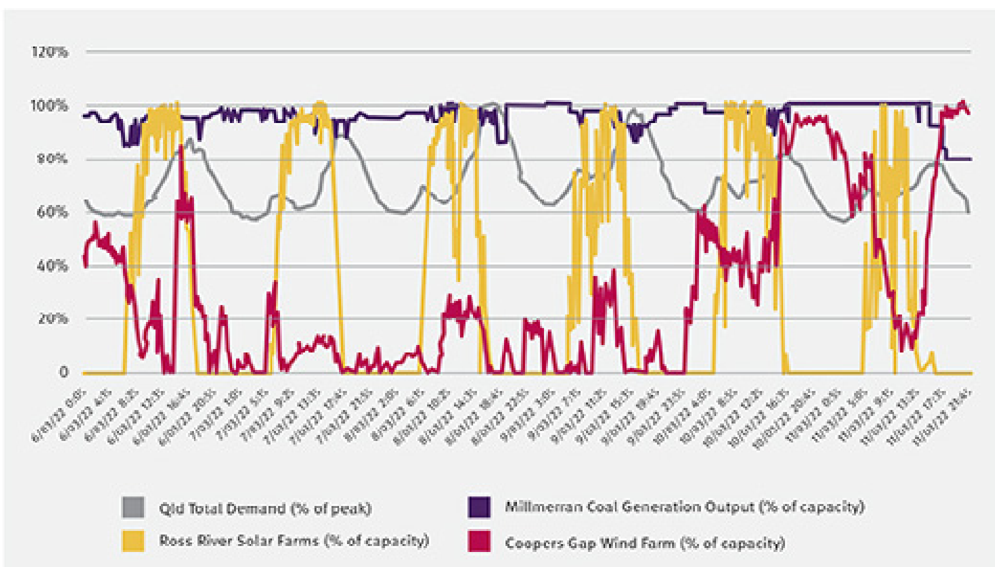


Figure 3: The historical output of different energy sources during a high demand week (the actual output from representative generators). This demonstrates the day-to-day volatility of renewable generation.

Renewable generation characteristics

The characteristics of renewable generation will influence the design and operation of Queensland's future clean energy system.

1. Solar generators only export power when the sun is shining, and the amount of generation varies considerably based on the season. Generally, large-scale solar generators have a maximum potential annual capacity factor[5] of around 25 to 33 per cent. This means large-scale solar generators are, on average, producing around 25 to 33 per cent of their nominal capacity. Further, solar output in Queensland does not typically coincide with peak demand which is usually between 6pm and 7pm after the sun has gone down[6]. Solar output can also be below 10 per cent (e.g. due to widespread cloud) for extended periods, as occurred in Queensland in early 2022.

2. Wind has higher annual capacity factors than solar (i.e. 32 to 53 per cent depending on the location) and, in Queensland, has a more nocturnal characteristic output profile (windier at night than day). This means wind sometimes contributes to peak capacity but, as shown in Figure 3, is still variable. As with solar generation, wind output can be close to zero for extended periods in some weather conditions (e.g. heatwaves).

Extended periods of extremely low wind and solar output are infrequent, but not rare. The term 'dunkelflaute' translates to *dark doldrums or dark wind lull* and is used in Germany to describe multi-day periods of very little wind and solar generation. In Australia, this same phenomenon is often referred to as a *renewable drought*. Regardless of the terminology used, it is important that any renewables-based system has a way to deal with these periods.

To meet Queensland's current maximum demand of around 10,100 MW, Queensland will need a substantial amount of installed renewable generation capacity (much more than if this demand was met from dispatchable generation capacity). With a combined average capacity factor of 33 per cent for wind and solar, Queensland would need a minimum of 24,000 MW of variable renewable generation to supply the equivalent energy of the current 8,000 MW of coal-fired capacity. This factor of three is a minimum or 'best case'. It assumes that Queensland will store all the variable renewable generation produced and use it exactly when needed. In practice, some over-build of renewable capacity will be required, resulting in a level of 'energy spill' from time to time.

[5] Capacity factor is the ratio of actual output over a given period of time to the maximum potential output over that period.

[6] The peak demand period has shifted from the middle of the day to early evening, which has been driven by the uptake of rooftop solar.

Firming and storage

As renewable energy is variable in nature, it needs to be ‘firmed’ and this means it must be stored when available and discharged when it is needed. The concept of ‘firming’ means matching the variable output of renewable generators to instantaneous demand. This can occur via battery storage systems and fast start dispatchable generation that can be ‘switched on’ as required to meet demand. Deep or long duration storage that effectively holds large amounts of energy in reserve for use during extended periods of low or no wind and solar generation is also required in a renewables-based system.

Firming and storage can take several forms:

- **Intra-day storage** – Batteries are ideal for providing intra-day storage. They can absorb 'excess'[7] solar energy from the grid throughout the day, store it, and discharge it later to meet demand. The time between storage and discharge could be minutes or even hours. Battery technology is most competitive in the one-to-four hour duration range. Medium duration PHES assets (4–12 hours duration) are also competitive in this intra-day space and are currently being developed by multiple private sector proponents in Queensland.

- **Long duration storage** – Long duration PHES (typically 24 hours or longer), coordinated batteries or multiple medium duration storage facilities (4 to 12 hours duration), provide this type of long duration storage. Long duration storage stores energy while renewable generation is plentiful and discharges it when there is insufficient instantaneous generation to meet demand – this may be for several days during wind and solar drought conditions. Long duration storage can also provide intra-day storage benefits, plus the ability to manage short-term low renewable generation such as rainy days or periods of windless nights, along with the ability to contribute to managing extended renewable droughts.

- **Dispatchable and peaking generation** – this refers to types of generation that can be quickly switched on to provide firming or backup capacity to support variable renewable generation. Gas-fuelled generators provide dispatchable generation as they can generate at peak periods or during extended renewable generation drought conditions. Gas-fuelled generators can start up and respond far more rapidly than coal-fired power stations. They can also run longer – indefinitely as long as there is a gas supply – and are lower in capital cost to build and maintain than PHES assets.

  Gas-fuelled generators, such as open cycle gas turbines and gas-fuelled reciprocating engines have comparatively high marginal running costs, but the cost of installed capacity is low. They currently represent the lowest capital cost per megawatt way to provide backup and peaking generation[8] to a renewables-based system[9].

  In the future, Queensland may convert existing turbines and install new gas turbines that can be fuelled by renewable hydrogen or a renewable hydrogen blend, further reducing emissions.

- **Transmission interconnection** – large capacity transmission interconnection to other states can provide supplementary firming capacity. This interconnection capacity can transfer generation from other states that is either dispatchable or has diverse weather characteristics compared to Queensland's renewable generation.

Based on current demand forecasts[10] and energy market modelling, Queensland is expected to need at least 6,000 MW of long duration storage for a highly renewable system, complemented by up to 3,000 MW of grid-scale storage, and up to 3,000 MW of new low-to-zero emission gas-fuelled generation and the existing interconnection to New South Wales to meet demand.

[7] 'excess' is a colloquial term for energy that would otherwise be constrained off or spilled.

[8] Peaking generation refers to the 'last' megawatt required to meet demand at any point in time. At times of very high demand, this is usually met by the highest operating cost generator.

[9] CSIRO Gencost 2021-22 Final Report.

[10] The Australian Energy Market Operator's Step Change demand assumptions in the 2022 Draft Integrated System Plan.

Applications of storage

Different energy storage technologies provide different market services.

- **Short (or shallow) duration storage** includes grid-connected energy storage with durations less than four hours. The value of this category of storage is more for capacity, fast ramping, and frequency control ancillary services (FCAS) than for its energy value.

- **Medium duration storage** includes energy storage with durations between four and 12 hours (inclusive). In addition to providing many of the same services as short duration storage, medium duration storage provides additional value in its intra-day energy shifting capabilities, driven by the daily shape of energy consumption by consumers, and the diurnal solar generation pattern.

- **Long duration (or deep) storage** includes energy storage with durations typically of 24 hours or more. In addition to the services provided by medium duration storage, long duration storage is able to manage short term periods of low renewable generation, such as rainy day or windless night, contribute to meeting demand in renewable droughts and provides smoothing of energy over weeks or months.

PHES assets provide inertia and other services that support power system security and are ‘dispatchable’ plants that can switch on as required.

PHES sites in Queensland

The Queensland Government investigations into suitable PHES sites identified potential medium duration and long duration storage sites. This is based on:

- medium duration sites typically having energy storage of 4-12 hours, with capacity ranging from 300 to 1,000 MW or more
- long duration sites assessed having generation capacity of more than 1,000 MW and storage duration of at least 24 hours.

There are also other projects in between these typical sizes, and all these projects could perform an important role in the broader storage requirements for Queensland.

Medium duration sites can provide several services to the electricity system including the ‘time shifting’ of energy daily and the provision of system strength and reliability services. The shorter storage duration (typically 4-12 hours at maximum generation capacity) means these sites are generally not able to provide significant capacity in the event of regular shortfalls in variable renewable generation, including renewable energy droughts.

Medium duration sites are of the size considered to be commercially viable by the private sector and developers have proposed several projects of this size in Queensland. These projects typically rely on selling electricity to the grid as an arbitrage product and as such provide a more limited replacement of dispatchable, baseload generation to support high volumes of renewable output.

Long duration sites can provide the system services offered by medium sized projects, but their longer storage duration (24 hours compared to 4-12 hours typical of medium-sized projects) means they also provide strategic storage reserves to the system. These projects have long lead times (8 to 10 years), greater approval complexity and uncertainty, and a high development and capital cost. This means they are unlikely to be developed by the private sector in the medium-term on a merchant/commercial basis.

The Queensland Government has assessed numerous sites as being suitable for PHES in Queensland. A PHES needs a source of water, and two reservoirs separated by a significant change in elevation (known as head). A larger head will generally provide for lower cost electricity generation and storage on a per-unit basis as the volume of water required per megawatt hour is lower. Another important requirement is for the tunnel or pipeline (penstock) connecting the upper and lower reservoir to be short and steep for a given head difference. The preference is for a horizontal distance (length) to head ratio of less than 10 to minimise costs.[11] Given the larger amount of energy stored, the cost of the dams required to store water is a more important consideration for long duration PHES than medium duration PHES.

[11] Noting Borumba PHES has a length to head ratio of 8.8 (2,900m horizontal separation, 330m head)

How does Pumped Hydro work?

Pumped hydro acts like a giant battery.

- it uses electricity from the grid or nearby renewables to pump water from a lower reservoir into an upper reservoir when energy prices are low
- when energy is needed, water is released from the upper reservoir into the lower reservoir, generating energy as it passes through a turbine
- hydroelectricity can be generated almost immediately and at any time, so power can be fed into the grid when it is needed.

Drives reliable power for a clean energy economy

Stores renewable energy like solar and wind

Provides on demand power when we need it

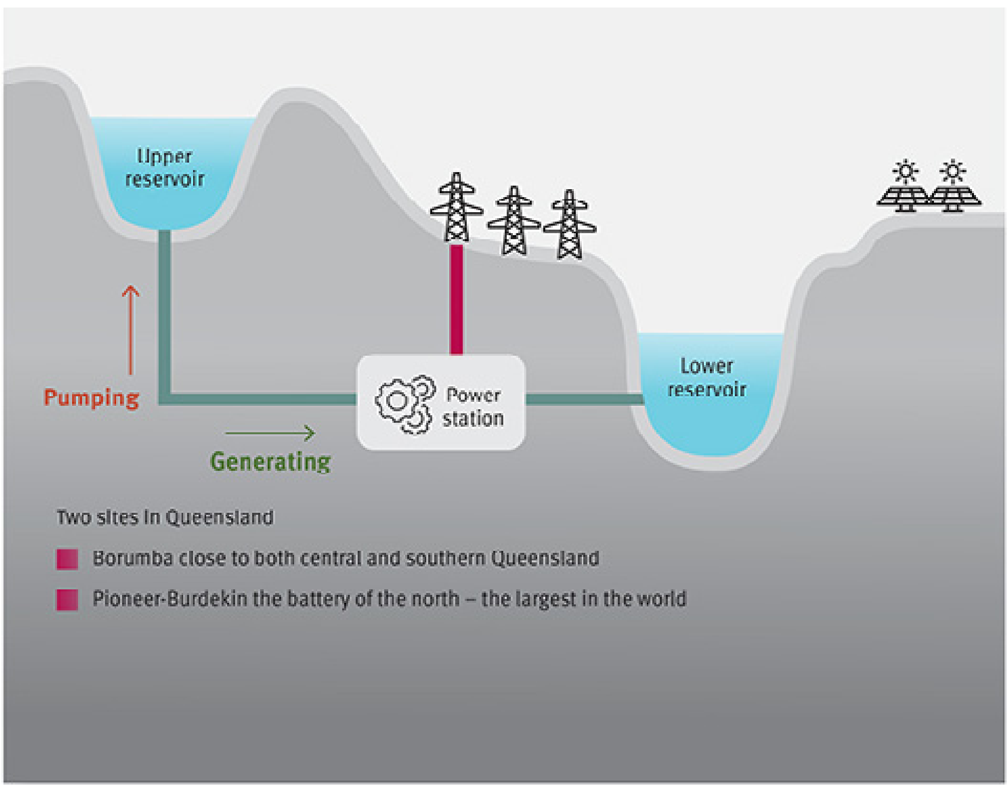


Figure 4: Diagrammatic representation of a PHES plant.

The Queensland Government has undertaken three stages of studies into potential opportunities for hydroelectric and PHES systems in Queensland. Stages 1 and 2 of the studies (delivered in 2016 and 2017 respectively) assessed the role of hydroelectric generation and PHES in the transformation of Queensland's electricity system, possible sites for both hydroelectric and PHES, and identified candidate sites for further study. Stage 3 of the studies concentrated on assessing the role of large-scale, long duration PHES – typically at least 1,000 MW of generation capacity with 24 hours storage duration.

The Queensland Government analysis used data from a range of sources including the 1,770 sites in the Australian National University (ANU) and Australian Renewable Energy Agency's (ARENA) Project – An Atlas of Pumped Hydro Energy Storage. The Queensland Government undertook a risk-based, multi-criteria assessment to identify the best PHES sites at the lowest cost, and least impact when considering:

- topology/cost – to minimise construction costs a preference for higher head sites, with short horizontal distance between reservoirs and favourable topography that support smaller dams
- capacity and storage duration – a preference for larger capacity, longer duration sites based on identified system needs and the potential to achieve economies of scale
- distance to major load centres, connection, and transmission network strength – large distances and weak networks can result in higher network augmentation costs
- environment – primarily relates to inundation of land within the reservoirs. A preference for sites that minimise such impacts, especially to environmentally sensitive areas (e.g. national parks, World Heritage areas)
- community impacts – the infrastructure needs to meet the broader community expectations in respect to impact on the natural and built environment, and human amenity
- geology – highly variable geology with faulting, igneous rock overlays and mineralisation present risks to tunnelling, and higher cost to build
- hydrology – poor hydrology can cause limitations and additional costs associated with the initial fill of the reservoir, ongoing operations, and design for floods

Native title holders were also identified and considered as part of the studies of potential PHES sites.

Based on these assessments, the Queensland Government identified the Borumba and Pioneer-Burdekin PHES sites as favourable sites.[12] These selected sites offer favourable technical and cost characteristics. Final investment decisions are yet to be made on any of the sites, however PHES is recognised as a critical asset for the transformation.

Engagement with First Nations people will occur as part of any work on identified PHES sites.

[12] Both of these sites and projects are subject to subsequent final investment decisions.

Development of renewable generation

The Queensland Government has established three QREZ regions – Northern, Central and Southern. QREZ development is based on important infrastructure cost minimisation and competitive benefit drivers and is critical to delivering a least cost transformation of Queensland's electricity system. Unlocking QREZ regions will include community engagement and input into the longer-term development pathways for these regions. Broad community engagement will be undertaken in line with release of the Plan and this Blueprint.

Key drivers for QREZ developments:

- Developing 'declared REZs' within the QREZ regions in areas of good quality, concentrated renewable resources that have transmission access (i.e. efficient use and connection of renewable resources). This will ensure the development of Queensland's optimally located renewable resources is efficiently aggregated to lower total system cost, benefiting consumers.
- Constructing efficient transmission infrastructure to connect renewable generators, with the objective of high utilisation of the transmission assets' capacity – this will keep the unit costs of connection as low as possible for renewable proponents. This benefit should then flow on to consumers.
- Connecting renewable generators into parts of the transmission system that have adequate transfer capacity so the generators should have acceptable transmission network related constraints. This will assist in ensuring that the renewable generation is as efficient and as low cost as possible.
- Developing connection and access processes that provide accelerated timeframes for connection of proponents. This concept will be finalised in 2023 and may provide Queensland with a competitive advantage compared to other states by delivering fast access to markets for proponents.

Integration of renewables, firming and storage

Queensland's renewable generation and dispatchable capacity will be located across the state and transported (at times long distances) to meet demand.

Queensland has an expansive existing 275kV transmission network incrementally developed to connect large generators – predominantly coal-fired power stations – to the load centres across the state. For a reliable future clean energy system, the existing 275kV system will be reinforced with new high-voltage Alternating Current (AC) transmission (up to 500kV). An alternative option, of reinforcing the network with a High Voltage Direct Current (HVDC) system, was also considered. While such a system may be used in the future, the high-voltage AC system proposed is a lot more flexible, with much lower costs for intermediate substations compared to HVDC and is better aligned to the immediate technical needs of the transmission system. The three key factors that necessitate a higher voltage system are:

1. **Power transfer capacity** – when renewable generation is at high levels, large amounts of power needs to be transported to load centres in south east Queensland, central and north Queensland, plus the Borumba and Pioneer-Burdekin PHES sites. Similarly, when renewable generation is at low levels, the PHES installations will be required to meet much of the demand resulting in large amounts of power being transferred to the load centres. Peak transfer amounts could be thousands of megawatts. Transfers of this magnitude, for example from the Pioneer-Burdekin PHES to large load centres in central and southern Queensland, would be difficult to achieve with a 275kV system due to inadequate capacity in the existing lines and the high energy losses incurred over this distance at this voltage.

2. **Line losses, costs and corridor acquisition issues** – a 500kV line has around three times the power capacity of a 275kV line and around one third of the losses, delivering a lower-cost solution over the long run. While a 500kV line has a higher capital cost than 275kV (around twice the cost per km), the use of a major double circuit 500kV line from northern Queensland to southern Queensland will enable high power transfers with a reasonable levels of losses.

3. **Re-use of 275kV system** – the existing 275kV network will continue to operate once the new high-voltage system is built and will support the new high-voltage backbone transmission in operation. In the early construction phases of the high-voltage network, the 275kV network will be important for enhancing overall system security and reliability outcomes, subsequently being leveraged to deliver renewable energy to PHES sites and load centres.

Customer energy resources

The Blueprint assumes a level of customer energy resource (CER) co-ordination across the distribution network, consistent with the approach adopted by AEMO in preparing the Integrated System Plan (ISP), and commitments made under the Plan for a smarter distribution grid.

Nevertheless, the scale of investment led by households and businesses across Queensland is significant. More than 4,100 MW of rooftop solar has been installed to date with an additional 7,400 MW of solar, 5,800 MW of distributed batteries and 1.6 million electric and plug-in hybrid vehicles forecast by 2035[13]. The energy generated by rooftop solar alone is expected to be more than sufficient to cover the charging requirements of electric vehicles and domestic battery systems (Figure 5).

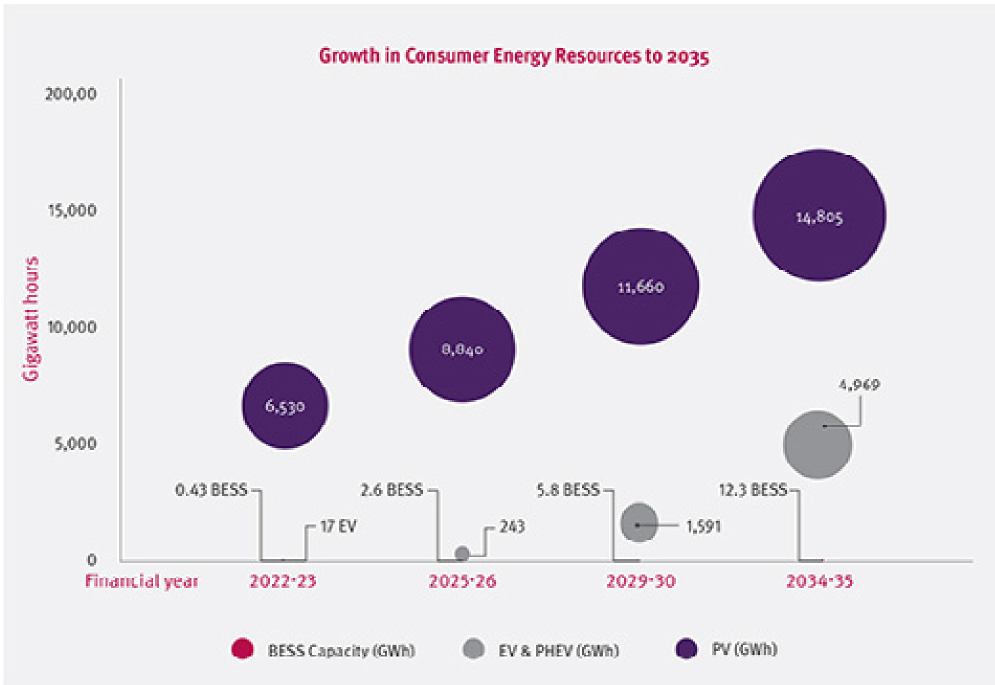


Figure 5: Forecast uptake of technology in the Distribution Network to 2035. Source data – AEMO ISP 2022, Step Change scenario.

[13] Figures reflect AEMO ISP 2022 *Step Change* scenario.

CER, predominantly rooftop solar, is already impacting the operational demand profile and shaping demand across the electricity system. The Plan seeks to build a smarter distribution grid to ensure CER is effectively integrated and customers can continue to connect their CER devices.

Historically, the electricity system was categorised by one way flow of electricity from generators to energy customers, with limited active role for people and businesses – a grid with limited integration. CER provides an opportunity for customers to participate in the electricity system in a variety of ways, and for the development of a two-way integrated and inclusive energy market – a smart, integrated grid.

The future energy system will be more complex, consisting of millions of interconnected devices and network assets including network batteries. It will require an 'Internet of Energy' that has visibility of connected equipment and supports the efficient orchestration of energy flow at the distribution level. The volume of energy flow will also be significantly greater than it is now and bi-directional. The energy system will need to be responsive to customer loads emerging at different locations and times as transport electrification accelerates.

The ability to simultaneously manage local and system network constraints, interface with customers and respond to market signals while maintaining security and reliability will be critical. This requires a more dynamic, linked and transparent system that can provide the appropriate signals to market, network and customer systems. Operational technology systems including distributed energy resource management systems (DERMS) that are integrated with network distribution management systems (DMS) will be key enablers. This system-level approach will support customer decision-making, efficient and secure network management and delivery of positive customer outcomes aligned to government renewable energy targets.

While distribution network level considerations are not the focus of the Blueprint, they remain a priority for government. Significant innovation and adoption of sophisticated operational technology and physical systems will be required to integrate CER into the electricity system.

Alternative infrastructure pathway considerations

This Blueprint outlines a point-in-time optimal infrastructure pathway to deliver a clean, reliable and affordable Queensland electricity system. The foundation components of the optimal infrastructure pathway include:

- **Long duration storage:** Long duration storage is critical to ensuring ongoing security and reliability of supply for Queensland's future electricity system with high levels of renewable generation. PHES assets will be the cornerstone of the future system. Borumba PHES is identified for delivery and a further large site/s will be needed, with this Blueprint identifying the Pioneer-Burdekin PHES in North Queensland as the preferred site. The Queensland Government has committed additional funding to support investigations into additional sites.
- **Adequate transmission:** Strong transmission networks are required to connect renewable generation with the major storage sites and loads. This will allow for the transfer of renewable energy across locations and time of use.

While long duration storage and adequate transmission are essential, other elements of the optimal infrastructure pathway may change over time due to market forces, technology costs and actual system demand. These elements are:

- **Additional storage or flexible scheduled generation:** meeting peak demand when renewable generation outputs are low can be achieved in several ways. Queensland can increase storage capacity in terms of peak output capacity and duration (volume) to ensure storage-based generation is available when required. Trying to back up a renewable energy system exclusively with storage is a high-cost pathway, with much of the storage capacity underutilised 99 per cent of the time[14]. There could be choices depending on market design.

  Strategic use of low capital cost gas-fuelled plant (such as gas turbines or gas reciprocating engines using either gas or hydrogen blends in the short-term and/or 100 per cent renewable hydrogen[15] in the longer term) may be an effective way to reduce the cost of meeting Queensland's total storage/peaking capacity requirements. While these plants have higher marginal running costs, modelling16 has shown their infrequent use results in a lower overall cost of energy. Grid-scale batteries and short duration PHES assets will also play a role in contributing back-up and firming services on an intra-day basis.

- **Demand side participation:** Customers will have increasing opportunities to use their CER to supply storage infrastructure via their own batteries and electric vehicles. Demand side participation, where large single or aggregated loads can flex on and off, will act as a storage (or 'soak' mechanism) in the energy system of the future. As new technologies emerge and cost profiles change, the optimal storage mix may change.

- **CER uptake and level of orchestration:** CER uptake is forecast to rapidly increase. Importantly, analysis assumes this will increasingly be accompanied by a level of orchestration to manage distribution-level grid considerations and greater customer interaction with electricity markets.

  This assumption will help to ensure the distribution-transmission level interface is not negatively impacted by CER uptake (e.g. due to system security or power flow).

- **Transmission interconnection:** Queensland has two interconnections to NSW, the 330kV AC Queensland-NSW Interconnector (QNI) capable of transferring up to around 1,450 MW plus a 180 MW direct current (DC) connection at Terranora. An upgraded QNI capacity may help meet demand in Queensland during scarcity events (e.g. periods of high demand combined with low renewable generation, or during transmission outage conditions), reducing the need for additional storage capacity and/or flexible dispatchable generation requirements in Queensland. A strong interconnection also improves competition in the energy market, improving customer outcomes and reduces spillage of renewables through opportunity to export excess energy.

- **Solar and wind generation:** the optimal infrastructure pathway consists of an approximate 50/50 split of large-scale solar and wind capacity (modelled result is 48:52 solar to wind). Wind is developed initially, with solar being developed alongside PHES assets. This mix is based on the market pricing achieved by wind and solar, not the input costs – the solar capital cost is currently around 60-70 per cent of wind generation but without storage its value is reduced by rooftop solar generation.[17]

  These relative technology costs are likely to change over time. This will influence the energy mix. Community acceptance for technologies and local development may also influence the mix of generation assets (i.e. visual amenity impacts of wind may result in a system with more solar and storage).

Given these trade-offs and considerations, active oversight of Queensland's energy transformation and regular review of the optimal infrastructure pathway is vital. The governance process to deliver active oversight and review is described in the Plan.

[14]Internalmodelling carried out by the Queensland Government, externally reviewed.

[15]Given plant would be expected to operate in times of low renewable generation including dunkeflaute, large volumes of hydrogen storage would be required, which could potentially be provided by geologic hydrogen storage such as salt caverns or depleted gas fields.

[16]Independent modelling June 2022 shows that development of around 3,000 MW of OCGT capacity is part of the least cost development pathway.

Optimal infrastructure pathway - Queensland's way forward

This Blueprint outlines the optimal infrastructure pathway to 2035 to deliver a clean, reliable and affordable Queensland electricity system. The scale and pace of activity and investment required to deliver this new infrastructure is significant. Staging the works provides opportunities to optimise cost outcomes by spreading out demand for labour, materials and approvals while building in future flexibility. Staging the works also allows for early renewable connections and the opportunity to deliver the benefits of renewable energy earlier.

Achievement of the Infrastructure Blueprint requires investment across four focus areas.

1. **Renewable investments** – substantial new renewable generation investment is critical. Given the variable nature and capacity factors of renewable generation, around 25,000 MW of large-scale renewable generation (total) and around 7,000 MW of new rooftop solar generation is required to meet forecast demand in 2035 (when all publicly owned coal fired power stations are repurposed into clean energy hubs). QREZ will be a key government lever for the coordinated, efficient connection of new large-scale renewable generation. It will optimise the renewable and storage connections in a declared location, accelerate connection arrangements and reduce costs to consumers.

2. **Storage and dispatchable capacity** – Queensland is forecast to require at least 6,000 MW of long storage to ensure reliability. Dispatchable low emission gas-fuelled generators are expected to economically provide further back up power while grid scale batteries and medium duration PHES systems provide firming and smooth daily renewable energy output.

3. **Major network transmission and system strength augmentation** – new transmission infrastructure is required to connect renewable generator investments and storage with Queensland's existing and future energy demand centres. Conversion of some existing generators to synchronous condensers will bolster system strength as renewable generation increases.

4. **Clean energy hubs** – Government owned coal-fired power stations will be progressively repurposed into 'clean energy hubs' that provide system strength, storage, and firming services.

While the Blueprint does not address small-scale infrastructure, the distribution network and CER, these do contribute to a decarbonised energy system and form a key part of the Plan.

[17]This occurs because rooftop solar acts as a reduction in demand on the system. As rooftop solar and utility solar are generating at the same time, rooftop solar "eats into" the load (and therefore the revenue) that could be supplied/earned by utility solar. Large storage assets, like PHES help alleviate this issue as they provide a "sink" for utility solar, allowing this energy to be discharged when the sun goes down.

Figure 6: Queensland's future electricity system will deliver affordable, reliable and clean power, with two foundational PHES assets and new backbone transmission to move large volumes of renewable and stored energy to where and when it is needed.

Renewable investments

Independent modelling indicates Queensland will require approximately 25,000 MW of total large-scale renewable generation capacity by 2035 (in addition to a further 7,000 MW of rooftop solar). This consists of:

- 2,882 MW of existing operational wind and grid-scale solar capacity (as of June 2022)
- 12,200 MW of new wind generation capacity, which equates to around 2,700 turbines, each with an average capacity of 4.5 MW. The total land area for 2,700 wind turbines is approximately 540,000 hectares (allowing 200 hectares for each turbine, based on separation distance of multiplying the blade diameter by a factor of 10)
- 10,000 MW of new large-scale solar capacity, which equates to around 40,200 hectares for solar farms, based on an average of 4 hectares per MW (all inclusive) for large-scale solar installations in Queensland.

Renewable capacity	Unit	2022-24	2024-28	2028-35	Total
Solar capacity (aggregated)	MW	3,620	500	7,990	**12,110**
Wind capacity (aggregated)	MW	1,610	2,980	8,300	**12,890**
Total renewable capacity	MW	5,230	3,480	16,290	**25,000**

Table 1: Renewable energy capacity will be progressively developed, with around 12,900 of large-scale wind generation and around 12,100 MW of large-scale solar generation anticipated by 2035. Solar build rates slow until Borumba PHES is closer to completion, increasing demand for low-cost solar energy.

While the land area required for this renewable energy development appears large, it is a small portion of Queensland's total area (i.e. 185.3 million hectares). This means the area required for wind represents 0.3 per cent of the state's land area: and 0.02 per cent for solar. As these are rules of thumb, even a doubling of the area ratio is still less than 1 per cent of the state's land area.

This modelling uses AEMO 2022 Step Change demand assumptions. If demand significantly increases (e.g. renewable hydrogen export industry or large-scale electrification), additional large-scale renewable generation will be required. The infrastructure proposals in this Blueprint provide a foundation for future growth, and further generation needs will be captured in future Blueprint reviews and updates.

Queensland Renewable Energy Zones

Queensland Renewable Energy Zones (QREZ) are a key enabler to coordinate the efficient connection of new renewable generation. The Queensland Government has established three QREZs – the Northern, Central, and Southern regions. Development of smaller declared Renewable Energy Zones (REZs) within these regions over time will coordinate efficient investment in electricity transmission and renewable generation infrastructure.

A key design element of the declared REZs is the coordination of generation sources with REZ infrastructure. This may include allowing installed generation capacity to exceed the nominal transmission capacity (based on an optimised assessment of capacity factors and generation 'shape') leading to higher transmission asset use and maximum investment opportunities.

This design concept will support least cost connection and development of the required 25,000 MW of large-scale renewable generation (total) by 2035.

QREZ phased development

Development of QREZs will occur over three phases:

- **Phase 1: Building on our strong foundations (2022–2024):** QREZ development in this timeframe is focussed on early pilot zones in areas with available network capacity or that require limited transmission investment to unlock high investor interest through scale efficiencies in connections. The Queensland Government and Powerlink will advance early investments to bring forward projects and keep investment flowing.
- **Phase 2: Scaling and expanding opportunities (2024–2028):** QREZ development in this timeframe will expand to better match renewable generation to local demand and efficiently connect new renewable capacity as the generation mix in Queensland changes, unlocking new zones across Queensland for higher levels of renewable energy generation.
- **Phase 3: Preparing for net zero (2028–2035):** QREZ development in this timeframe will support further network enhancements and expansion of renewable generation to decarbonise the electricity system, to power growing industrial demand from hydrogen export, industrial electrification, and to begin the electrification of broader energy demand in Queensland.

Phase 1 QREZ development

Northern QREZ region

The government has invested $40 million (from the $145 million QREZ funding allocation) to upgrade transmission infrastructure between Cairns and Townsville (Figure 7).

This investment will provide up to 500 MW of renewable energy connection potential in Far North Queensland. Several investors have shown interest in this area, with the 157 MW Kaban Wind Farm under construction (expected to be operational in 2023).

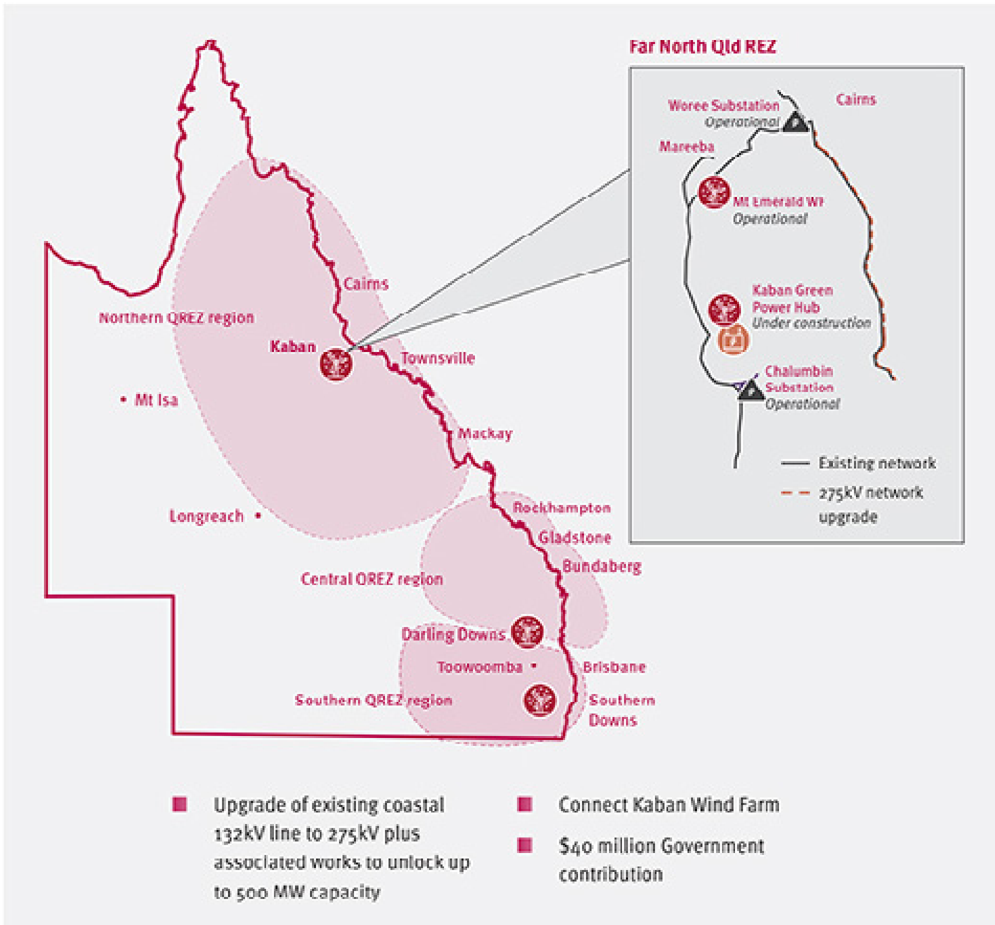


Figure 7: $40 million investment in the Northern QREZ region, which has unlocked up to 500 MW of capacity and supported the connection of the Kaban project.

Central QREZ region

Powerlink will invest $365 million into the Central QREZ to enable up to 3,300 MW of new renewable capacity to connect to the grid. While this investment provides some incremental renewable connection capacity, its primary purpose is the reinforcement of the Gladstone system to support decarbonisation of the region. This investment includes:

- a new double circuit 275kV line connecting into Gladstone (Calvale to Calliope River) (unlocking up to 1,800 MW[18] of renewable generating capacity)
- a new transformer to support 132kV capacity in Gladstone (to maintain reliability)
- a new synchronous condenser (to provide system strength with the changing energy mix)
- a battery connection (to support system strength and enable renewable capacity)
- a second circuit upgrade to enable further REZ capacity in the Banana Range (unlocking up to 1,500 MW of capacity).[19]

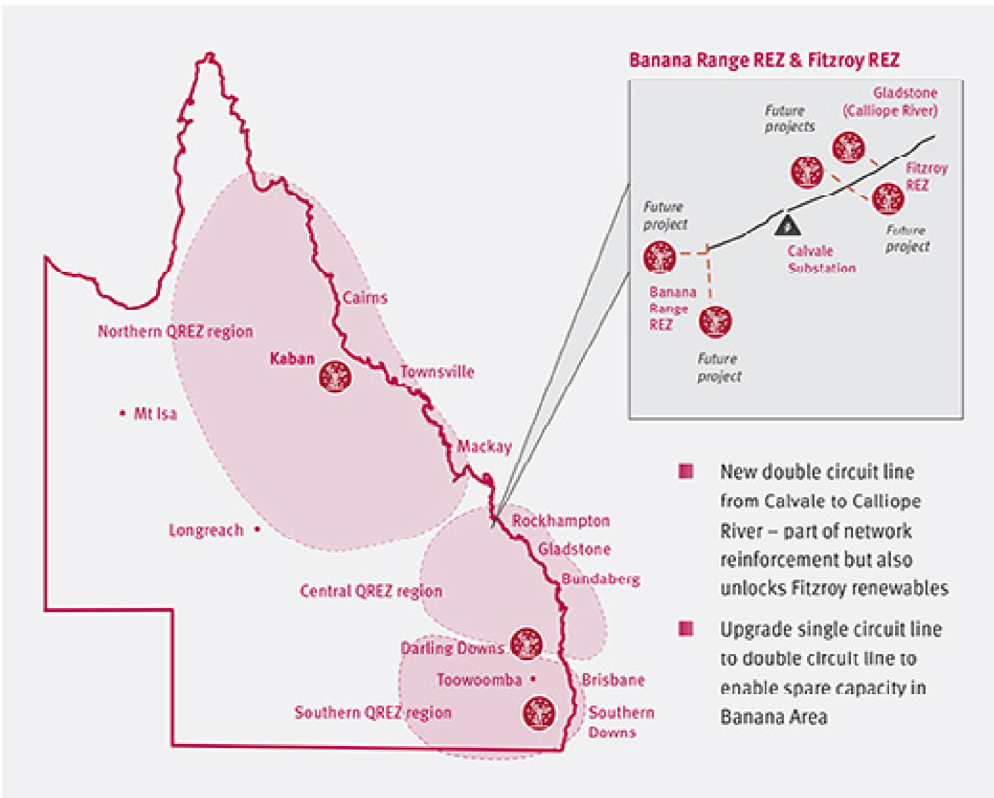


Figure 8: This initial investment in the Central QREZ region will unlock additional renewable energy capacity and supports existing industrial consumers in the region to transition to clean, reliable and affordable electricity.

[18] The amount of renewable generation able to be connected on this line section will vary depending on generation and transmission line flow patterns. Initial estimates in the QREZ Technical Discussion Paper indicated a potential of 800 MW; however, further analysis indicates this could be up to 1,800 MW of renewable capacity. Powerlink is currently carrying out further analysis to optimise the use of this line for capacity support in the Gladstone area plus the delivery of additional renewable generation connection capacity.

[19] Community consultation has commenced on this transmission project

Southern QREZ region

The Queensland Government and Powerlink are currently delivering two investments in the Southern QREZ region – the Southern Downs and Darling Downs REZs.

Powerlink is providing additional capacity on the Southern Downs at MacIntyre, which includes an investment of $167 million for transmission infrastructure. This includes connecting the MacIntyre and Karara wind farms, which have a combined generation capacity of 1,026 MW. Installation of a grid-connected battery and other localised augmentations in the southern QREZ region will increase the available generation capacity of the Southern Downs REZ significantly, with likely renewable generation hosting capacity of up to 1,500 MW.

Powerlink is providing additional capacity on the Darling Downs, which involves construction of a dedicated 275kV line to several wind developments in the area, the first of which is expected to be the 500 MW Wambo Wind Farm.[20] The total renewable generation connection capacity of the Darling Downs REZ is 1,850 MW and there is adequate wind and solar development interest in the area to fill this capacity.

[20] Phase 1 of this project is 252 MW.

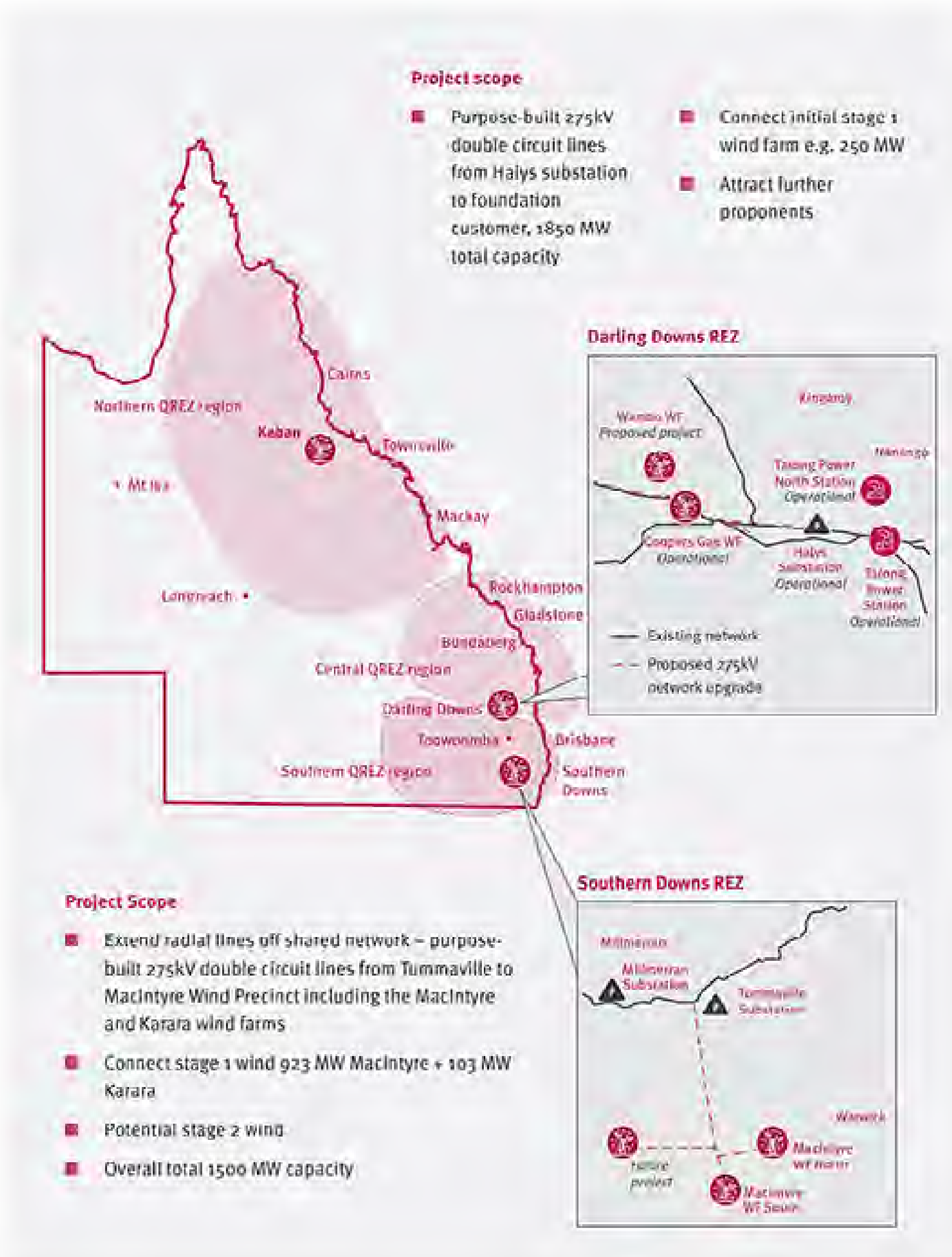


Figure 9: The Southern Downs and Darling Downs investments in the Southern QREZ region could unlock up 3350 MW of renewable energy capacity.

Future phases of QREZ development

Further development of the three QREZs will occur in stages to support connection of the 25,000 MW of large-scale renewable generation (total) required by 2035. Powerlink and the Queensland Government have identified the preliminary renewable capacity for each region (Table 2):

- more than 6,000 MW of capacity in the Northern QREZ region
- more than 8,000 MW of capacity in the Central QREZ region, and
- around 11,000 MW of capacity in the Southern QREZ region.

Project	Unit	2022-24	2024-28	2028-35	Total
Northern QREZ	MW	1220	300	4600	**6,120**
Central QREZ	MW	1010	1580	5500	**8,090**
Southern QREZ	MW	2940	1665	6190	**10,795**
Total renewable capacity	MW	5170	3480	16290	**25,000***

*Table 2: QREZ regions will be progressively developed to support the connection of the 25,000 MW (*rounded) of large-scale renewable capacity required by 2035.*

The Queensland Government will release a QREZ Roadmap for community engagement and feedback to outline the proposed approach for developing each of the three QREZs. This Roadmap will include the immediate capacity proposed to be unlocked and the longer-term capacity for each region to meet demand and the targets set out in the Plan. The capacity identified in the QREZ Roadmap will be based on technical and strategic criteria and detailed land use mapping of priority areas.

Importantly, engagement on the QREZ Roadmap will ensure communities are directly involved in the development of renewables in their region and community.

Under the QREZ framework, in each region, individual REZs will be announced by the Queensland Government, following a ministerial declaration, and informed by recommendations from the designated planning body (proposed to be Powerlink) and detailed stakeholder consultation on the QREZ Roadmap. Further details on the process for identification and declaring REZs will be in the QREZ Roadmap.

Early strategic investment as part of Phase 1 of QREZ development will be incorporated into a legislative framework. The QREZ Roadmap forms a critical component of the governance framework for implementing the Plan and investment pathway in this Blueprint.

Blueprint
This Blueprint outlines the total large-scale renewable energy capacity required to transform Queensland's electricity system and meet demand.

↓

QREZ Roadmap
The QREZ Roadmap will outline potential investigation areas for QREZ investment and progressive development.

↓

REZ Management Plans
Detailed REZ Management Plans will be developed for each declared REZ outlining the specific infrastructure investment, location, and capacity.

The QREZ designated planning body will develop detailed REZ Management Plans for each declared REZ in a coordinated way to ensure that the timing of renewable development aligns with other key Blueprint activities.

Storage, firming and dispatchable capacity

Purpose

> On the optimal infrastructure pathway, Queensland's future clean energy system includes at least 6,000 MW of long duration storage for energy security and reliability.[21]

This Blueprint only outlines the delivery of large-scale PHES assets, as development and construction of these assets is expected to be led by government. Other forms and technologies of storage and intra-day firming may form part of a clean, reliable and affordable energy system. This may include utility scale batteries, medium PHES and low or zero emissions gas fuelled turbines or reciprocating engines firing a gas-hydrogen fuel blend and up to 100 per cent renewable hydrogen fuel in the future.[22] These are anticipated to be developed by a combination of the private sector and government owned energy corporations.

Existing and committed infrastructure

As renewable energy penetration progressively increases beyond the current 20 per cent level and further toward the 50 per cent Queensland Renewable Energy Target,[23] utility and distributed scale battery energy storage systems (BESS) will initially be required to provide firming and assure security of supply on an intra-day basis. There is already multiple utility-scale BESS proposed or under construction in Queensland as shown in Table 3.

[21] This quantum may change over time depending on actual future demand outcomes.
[22] Source: [Source redacted]. Accessed 12 May 2022
[23] Queensland renewable generation as a percentage of consumption for Jan 21 to Dec 21 was 20.4 per cent.

Project	Proponent	Capacity (MW)	Storage duration (Hours)	Storage capacity (MWh)	Expected operation date
Wandoan South BESS	Vena Energy	100	1.5	150	2022
Bouldercombe	Genex Power	50	2	100	Late 2023
Southern REZ BESS	Stanwell	150	2	300	Late 2023
Central REZ BESS	Stanwell	150	2	300	Mid 2024
Chinchilla BESS	CS Energy	100	2	200	Late 2023
Greenbank BESS	CS Energy	200	2	400	2024

Table 3: Utility BESS projects proposed or under construction in Queensland as of June 2022.

In North Queensland, the Kidston PHES project is under construction at the old Kidston gold mine (capacity of 250 MW for 8 hours – expected operation in 2024) and the 570 MW Wivenhoe PHES is operational. Wivenhoe was commissioned in the 1980s to optimise power system operations, moving low-cost energy generated during off-peak periods into the morning and evening peak periods. It can perform the same functions into the future – shifting renewable energy to higher demand times of the day and acting as a load to soak up 'excess'[24] solar energy at certain times of the year.

[24] 'excess' is a colloquial term for energy that would otherwise be constrained off. The addition of the pumping load to the system creates demand and enables this generation to be online.

PHES development

Borumba PHES

A PHES project at Borumba Dam near Imbil in south-east Queensland will provide a 2,000 MW/24hr asset and is a foundational investment in Queensland's future electricity system.[25]

This is a priority large-scale PHES project because it is situated in an advantageous location, on a site owned and flagged as a potential pumped hydro site by Powerlink for the past 20 years. It is close to the existing transmission network and the significant south-east Queensland energy load.

On the optimal infrastructure pathway, the Borumba PHES is operational in 2030 when renewable energy is anticipated to exceed 50 per cent of Queensland's electricity supply.

In 2021, Powerlink commenced work on the studies for a Borumba PHES. The detailed assessment report on the project is anticipated to be completed in the first half of 2023. This will include identification and costing of the preferred design and a potential pathway to construction and full operation of the PHES in 2030.

Project costs are to be determined as part of the detailed cost analysis, dependent on completion of geotechnical investigations and finalisation of the preferred design.

The pathway to construction will identify any environmental and approval issues associated with the PHES, and appropriate project management and mitigation strategies.

The commissioning timing of the Borumba project will influence the pace of transformation. To maintain security of supply, only limited amounts of coal-fired generation – replaced by renewable energy and storage – can be removed from the electricity system before Borumba PHES is operational.

<table>
<tr><th>Phase</th><th>FY22</th><th>FY23</th><th>FY24</th><th>FY25</th><th>FY26</th><th>FY27</th><th>FY28</th><th>FY29</th><th>FY30</th><th>FY31</th></tr>
<tr><td>Detailed analytical report[1]</td><td colspan="2">FEED/technical studies</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>EIS[2]</td><td colspan="3">Environmental/technical studies</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Early works</td><td></td><td colspan="2">Site access</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Civil works</td><td></td><td></td><td></td><td colspan="4">Construct upper and lower dam, caverns, tunnels</td><td></td><td></td><td></td></tr>
<tr><td>Transmission</td><td></td><td colspan="3">Design and corridor acquisition</td><td colspan="3">Build transmission</td><td></td><td></td><td></td></tr>
<tr><td>Turbines</td><td></td><td></td><td></td><td></td><td></td><td colspan="3">Install and commission</td><td></td><td></td></tr>
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<tr><td>Final commissioning and handover</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td colspan="2">Operational</td></tr>
</table>

Table 4: The preliminary high-level works program for the Borumba PHES. This will change once feasibility works are finalised.

1. Detailed analysis report requires front end engineering design (FEED) and other studies (environmental, commercial assessment) to be completed
2. EIS and approvals includes state and federal approvals, including EIS and EPBC for the site approvals for the transmission corridor

[25]Actual plant capacity is subject to completion of final front end engineering design but is anticipated to be 2000 MW/24 hour.

Pioneer-Burdekin PHES

On the optimal infrastructure pathway, additional large-scale long duration storage is operational in 2032. The preferred site is in the western Pioneer Valley, near Mackay in North Queensland, with the upper reservoirs located at the head of the Burdekin River catchment, and the lower reservoir in the Pioneer River catchment.

This PHES site has favourable topography, with a large vertical separation between reservoirs (head), favourable horizontal distance between reservoirs (length) and relatively low cost dams. It is also located close to high-quality wind and solar resources in the Central QREZ region and could unlock large volumes of renewable energy.

The site also has an even greater storage potential than the Borumba PHES, and is able to accommodate 5,000 MW with 24 hours of storage.

The PHES project could be delivered over two stages. The first stage is 2,500 MW/24hrs (60 GWh) delivered by 2032 and the second stage is a further 2,500 MW/24hrs (60 GWh), commissioned by 2035.

The components of each stage would comprise the same infrastructure as the Borumba PHES (power station, turbines, headrace tunnel, tailrace tunnel, main access tunnel and emergency, cable, and ventilation tunnels).

Environmental, including water, approvals are key for this project.

Major network transmission and system strength

Purpose

> Queensland's existing transmission system must evolve to efficiently move renewable and stored energy across the state, both geographically and at different times of day.

Delivery program for initial connections

The optimal pathway has four key stages of major transmission reinforcement to provide initial connection capacity to support the initial PHES developments and achieve a clean, reliable and affordable electricity system, including by providing access to the State's high quality renewable energy resources. All stages are proposed as high voltage (up to 500kV) double circuit transmission assets.

- **Stage 1** – Borumba Connections
- **Stage 2** – Central Queensland Connection
- **Stage 3** – Pioneer-Burdekin PHES and NQ Connection
- **Stage 4** – Townsville to Hughenden Connection

Powerlink will undertake further detailed planning and assessment to determine the optimal timing and corridors for these stages of major transmission reinforcement. Details on the initial four stages of major transmission reinforcement are identified in Figure 6 (page 26) and in Table 5. It should be noted that line lengths, routes, costs and timeframes are high-level estimates and are subject to ongoing review and refinement. All years referred to in the text are financial years.

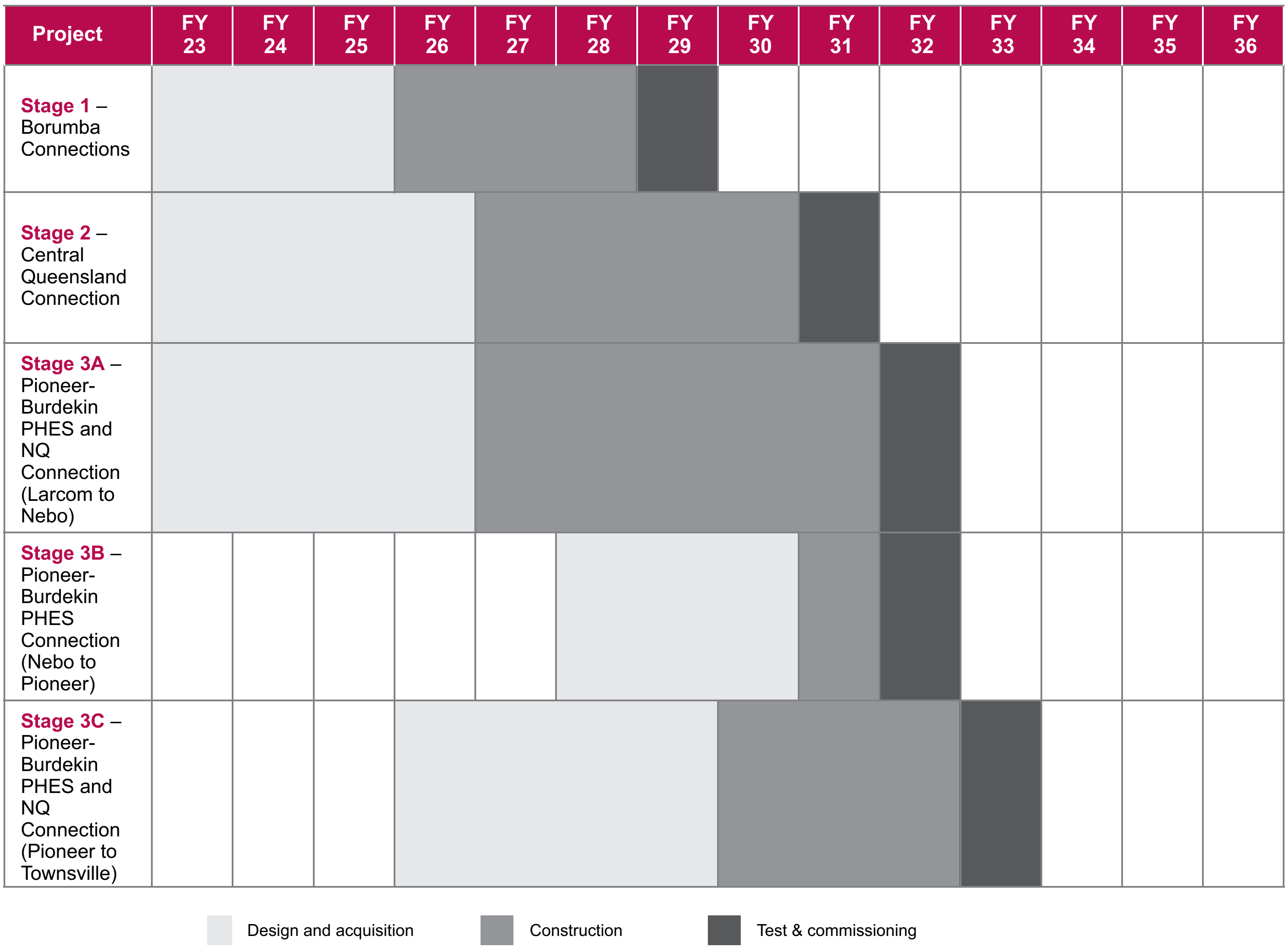


Table 5: The new backbone transmission projects will be progressively delivered by the mid-2030s, with design and corridor acquisitions commencing in 2023.

Stage 1: Borumba connection

On the optimal pathway, the Borumba PHES project is operational in 2030 and connected to the grid via new high voltage (up to 500kV) transmission. It is a cornerstone of Queensland's future clean energy system, providing critical storage and firming for increasing levels of variable renewable generation. Connection and operation of Borumba PHES will allow Queensland's reliance on coal-fired generation to reduce, allowing further coal-fired units to be repurposed into 'clean energy hubs'.

To be operational in 2030, the Borumba PHES must connect to the grid no later than 2029 to support project commissioning. The Borumba connection involves two transmission lines around 140km in length in total with an estimated cost of approximately $800 million.

Stage 2: Central Queensland connection

Central Queensland hosts much of Queensland's coal-fired generation and is a large industrial load centre, including Queensland's largest single load (the Boyne Island Aluminium Smelter). New major transmission lines (up to 500kV) will be constructed into Central Queensland to supply renewable energy generation and firming, supporting decarbonisation of these large industrial loads.

The Central QREZ investment (estimated completion 2026) will provide additional transmission capacity into the region and support connection of up to 3,300 MW of renewable generation capacity (out of the 25,000 MW total required by 2035). On the optimal infrastructure pathway, additional high voltage transmission will be constructed by 2030 to connect Borumba PHES into the Central Queensland load centre. This connection, coupled with the additional renewable capacity from the Central QREZ investment, will enable greater reliance on renewable generation and provide important storage and firming capacity for the region.

On the optimal infrastructure pathway, the 290km, high voltage Central Queensland connection is delivered by 2030 at an estimated cost of $1.3 billion. This requires easement acquisition and approvals to commence in 2023 and conclude in 2026, and construction to commence in 2027.

Stage 3: Pioneer-Burdekin PHES and NQ Connection

A second large-scale PHES is fundamental to decarbonising Queensland's electricity system and maintaining a reliable electricity supply. This Blueprint assumes the second PHES site will be the Pioneer-Burdekin PHES. The transmission requirements will alter based on the PHES developments, and this will be considered as part of future Blueprints.

The Pioneer-Burdekin PHES will be connected to both northern and central Queensland, providing access to both load centres and high-quality renewables. Given the long distances between the PHES asset and load centres, this transmission connection will be high voltage (up to 500kV) to reduce losses and provide adequate power transfer capacity.

Easement acquisition and approvals will take a considerable amount of time. Easement acquisition and approval commencements must align with the expected operational date for the second PHES. On the optimal infrastructure pathway, the second PHES commences operation in 2032.

This connection will be approximately 750km and cost approximately $3.4 billion. Detailed design and engineering works will refine the proposal.

Stage 4: Townsville to Hughenden

The Hughenden area has excellent renewable energy resources that can support new large industrial loads and demand in North Queensland, including renewable hydrogen. The renewable resources are extensive and very good quality, with high-capacity factors and significant geographic diversity compared to wind generation in other parts of the State.

A high voltage (up to 500kV) transmission line will need to be constructed from near Townsville to Hughenden by 2035, which in combination with the Pioneer-Burdekin PHES and the other high voltage transmission lines, will unlock the first significant amount of renewable resources.

Construction timing is important in terms of minimising overall infrastructure and energy cost. Due to the long distances between generation resources in the Hughenden area and existing demand in central and southern Queensland, this line will incur large transmission losses (costs) if its sole purpose is to supply energy southwards. Construction of this high voltage connection should commence once the Pioneer-Burdekin PHES and the high voltage connection to central and southern Queensland is operational – with completion expected by 2035. This will allow for the transportation of excellent renewable resources to existing large load centres, supporting industrial decarbonisation and system transformation.

The Stage 4 connection is approximately 370km at a cost of $1.7 billion. The transmission line could be extended from Hughenden to Mount Isa. The Hughenden to Mount Isa connection could be constructed at a lower voltage (i.e., 275 or 330kV).

The Queensland Government recognises the important role the North West Minerals Province (NWMP) could play in our future energy system. Critical minerals from the region could contribute to manufacturing opportunities as part of the Plan's pipeline of clean energy infrastructure.

Recognising this, the Queensland Government views a connection of the NWMP to the National Electricity Market (NEM) as an important part of the future Queensland SuperGrid. This Infrastructure Blueprint already includes the Townsville to Hughenden connection. Further connection from Hughenden to Mount Isa will integrate a new region into the NEM and must occur in close consultation with national market bodies. The Queensland Government is currently engaging with key stakeholders, including the Australian Government, on the best way to deliver the connection to the NWMP while aligning with Queensland's renewable energy ambitions.

Potential future network connections

The above transmission network development includes a high capacity, high voltage backbone, supported by the existing 275kV network. This configuration does not provide full redundancy and reliability under some operational conditions. Queensland may require additional transmission lines in the 2030s to accommodate increased load development (for example large scale renewable hydrogen projects), the location of further renewable energy developments, additional PHES developments and/or as a risk mitigation mechanism for operability and reliability considerations.

Powerlink is considering a range of both transmission and non-transmission risk mitigation measures to support this low-cost configuration, including special protection schemes and network support from PHES, batteries, generation, and loads. Monitoring the emergence of large new loads and renewable energy developments will continue.

Enhanced interconnector (QNI) capacity may eliminate or reduce the need for additional storage, peaking capacity or additional transmission reinforcements in Queensland. Assessment and decisions on whether additional major network reinforcements or alternatives are required will be necessary in the future.

Delivery considerations

Delivery of this major transmission infrastructure program will be a significant challenge. It represents the largest transmission construction program ever undertaken in Queensland, over a relatively short period of time. Prerequisites for delivery include:

- Early engagement with the community to support corridor acquisitions –this work must commence as quickly as possible to ensure landholders, First Nations Peoples and broader community stakeholders are able to have meaningful and early input into the potential transmission corridors. This should include targeted local benefits arrangements.
- Ensuring a coordinated, timely approach to planning, acquisition and works approvals processes between Powerlink and various Federal and State Government departments. This may include exploring opportunities to streamline and improve existing approval processes and regulations, where appropriate, and commencing applications for approvals (such as environmental approvals) as early as possible.
- Early engagement with relevant partners (contractors, industry, and unions) to secure labour resources in a time of major transmission construction across Australia. This is likely to require a visible forward program plus some level of precommitment to works programs to secure partner resources.
- Early engagement with equipment suppliers to obtain plant and equipment in a timely and cost-effective manner.

System strength and inertia

The Blueprint outlines critical steps to maintain system strength and security as the generation mix changes. Existing coal-fired generators are the main suppliers of system strength and inertia to the electricity system. In the future these technical services, which are critical for system stability, will need to be provided by alternative sources. This may include new synchronous machines developed as part of the PHES installations, existing coal-fired generators being converted to operate as synchronous condensers, standalone synchronous condensers, and large-scale batteries. Key elements included in this Blueprint:

- Repurposing coal-fired units (where feasible) into synchronous condensers to provide system strength and inertia and to continue to meet AEMO's operational requirements.
- Investing in (at least) two greenfield synchronous condensers (estimated at $80 million each) to provide general system strength and inertia. The timing for delivery is dependent on the timing of new renewable generation and repurposing of coal-fired generators.
- Implementing synchronous condensers and/or batteries as part of QREZ developments to provide additional system strength to support new renewable generation. The installation will be coordinated as part of the QREZ connection program, including costs.

To ensure reliability and resilience of supply, initial coal-fired unit conversions to synchronous condensers will be designed to be reversible. This allows units to return to service for forecast renewable droughts or contingency events such as coincident long duration forced outages of other generators.

System strength and inertia

System strength is one determinant of how well the power system can return to normal operation following a disturbance or fault or how quickly the power system voltage waveform can be restored to the consistent sine wave. In practical terms, power systems with system strength can maintain more stable voltages following changes in power flows.

System strength contribution and inertia are design and operational characteristics of synchronous generation technology that are not yet easily replicated in invertor connected generators and batteries. They are provided by synchronous generation as a by-product of energy production, and by synchronous condensers. As synchronous machines change operating patterns (e.g. when they are displaced in the bid stack or retire) the power system loses both system strength and inertia.

Local increases in the level of invertor connected resources can increase the need for system strength in that part of the power system since these resources currently require system strength to operate stably.

System strength is expressed in the National Electricity Rules by reference to fault levels while inertia to rates of change in frequency (RoCoF). They are related because inertia is critical for the power system's resilience to changes in active power (megawatts). In spite of these similarities, their remediation is different. For example, if synchronous condensers are used to address a fault level shortfall, they will provide enough fault level, but will not address an inertia shortfall unless they are coupled with a rotating mass or flywheel.

Clean energy hubs

At present, the role of coal-fired units extends beyond the generation of electricity – these units provide critical system services, dispatchability, system strength and inertia. On the optimal infrastructure pathway, as coal-fired generation reduces, these services must be replaced by other services that can maintain a reliable, secure electricity supply.

In Queensland, there is around 8,100 MW of coal-fired generation provided through 22 units located across eight power stations. This equates to supplying approximately 70 per cent of Queensland's annual electricity demand. CS Energy and Stanwell ("GenCos") wholly own, operate and control 12 coal fired units, as well as CS Energy having a 50% interest in the Callide C Power Station and dispatch control over the Gladstone Power Station. Millmerran is privately owned, operated, and controlled.

Stanwell and CS Energy will progressively repurpose existing publicly owned coal-fired units into 'clean energy hubs'. This means converting the generating units to synchronous condensers,installing batteries and/or installing new generation at the power station sites. Clean energy hubs will provide critical system strength, inertia, firming and storage, and help replace the system services provided by coal-fired generation.

Over time, the operating state of coal-fired units will change. Four operating states have been identified: (1) generating electricity, (2) reserve: operating seasonally, (3) repurpose: operating as a synchronous condenser, or (4) reinvest: decommissioned. These terms are defined below.

1. **Generating electricity:** the current operating condition (excluding overhauls/forced outages etc).

2. **Reserve - operating seasonally:** removing one (or more) units from service during periods of sustained low electricity demand on the network. In Queensland this typically corresponds to the autumn and spring periods where ambient temperatures are usually mild and there is minimal heating or cooling loads. Removing and storing one (or more) units from service allows the remaining units to operate at higher loads/capacity factors, improving efficiency and economics. These stored units can also provide reserve generation capacity insurance, as they could be able to be recalled in under two weeks.

3. **Repurpose - operating as a synchronous condenser:** the unit is not exporting power, but instead, the generator is providing system strength and inertia for the network whilst importing a small amount of power.

4. **Reinvest:** the unit is decommissioned and permanently removed from operation as a generating unit and replaced with renewable energy or other energy investments (where appropriate).

By 2035, the Queensland system is anticipated to have sufficient supply and storage to support zero regular reliance on coal generation. Figure 11 indicates the declining reliance on coal-fired generation as new storage and renewable energy capacity becomes operational. Privately owned power stations will make their own decisions in the context of growing renewable energy and storage, but the system is being designed to operate without reliance on coal by 2035.

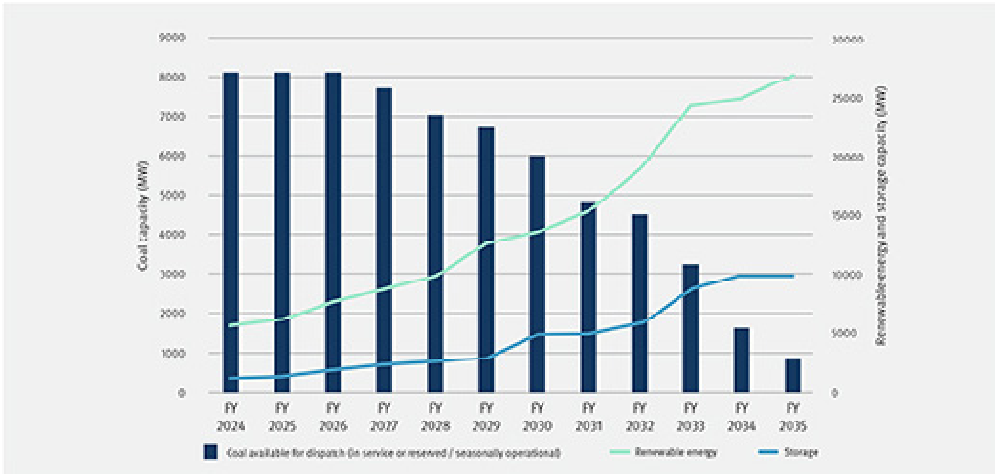


Figure 11: Gradual withdrawal of all coal-fired power stations in Queensland as more renewable energy and storage is built to support a system without coal generation by 2035.

Figure 12 illustrates an indicative reduction and reliance on coal-fired generation that is publicly owned, operated, or dispatched. The blue bars show the coal capacity available for dispatch (in service or seasonal operation), the yellow bars show the capacity that has been converted (i.e. into synchronous condensers) and the red line displays the coal in service.

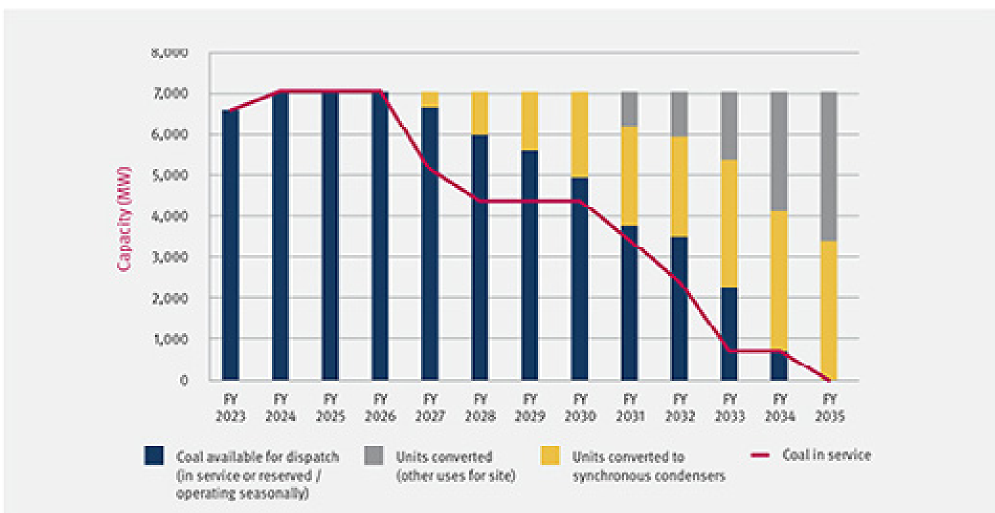


Figure 12: Publicly-owned coal portfolios will progressively transform to clean energy hubs. Coal repurposing is a secondary consideration to energy security, which is dependent on the timing of the PHES assets. MW capacities refer to nameplate capacity.

Delivery program

The Infrastructure Blueprint will ensure peak electricity demand in Queensland is met at all times.
This will be achieved through a controlled and managed conversion of publicly owned coal-fired power stations into modern clean energy hubs, where reliability is paramount.

The Blueprint outlines how the State will lead investment to create a system that is no longer regularly reliant on coal-fired generation by 2035. The modernisation process of publicly owned coal-fired power stations will commence in 2027. The Government will ensure that significant new wind, solar, hydrogen-ready gas peakers, batteries and long duration storage is in place at critical steps in the energy transformation.

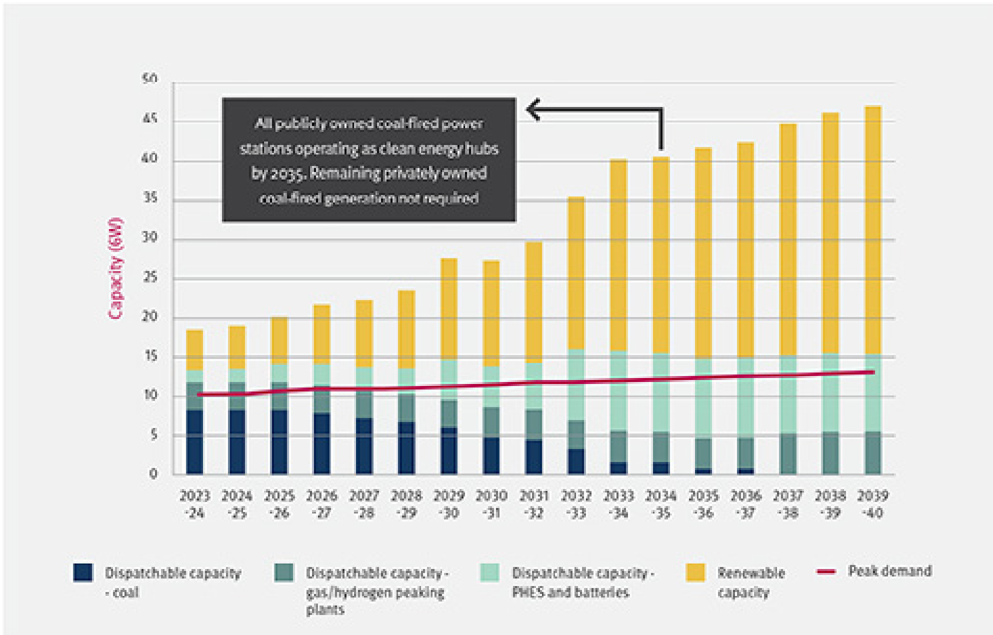


Figure 13: This figure outlines the modelled dispatchable capacity to 2040 of Queensland's future energy system, including from both coal and other sources. It also demonstrates that Queensland is expected to have sufficient dispatchable capacity to meet peak demand at all times.

Ensuring energy reliability and security

Coal-fired power stations will only be converted into modern clean energy hubs when energy reliability is assured and there is sufficient replacement generation, storage and supporting infrastructure in place. This process will commence in 2027, provided it does not impact reliability.

The Government will establish a Queensland Energy System Advisory Board to provide expert technical advice and assessment of the Queensland energy transformation every two years and to support regular updates to this Blueprint.

“Blueprint checkpoints” will enable the Government to check progress and confirm it is possible to move to the next phase of coal-fired power station modernisation. This progression will only occur once reliability is assured.

The process

The Queensland Government will work with individual Government-owned energy corporations to develop long term strategic plans to reflect the Government’s commitment to gradually convert all publicly-owned coal-fired power stations into clean energy hubs by 2035 and to meet the State’s renewable energy targets.

Phase 1: Gradual shift to seasonal operation or synchronous condenser conversion (which is reversible) for one or more units from 2027. These units will continue to operate in peak demand periods, such as summer and mid-winter, and maintain thermal generation in “reserve” as back up capacity.

Phase 2: Once the first long duration PHES is online, further conversion of units to seasonal operation and reversible conversion to synchronous condenser (except for Callide B power station which is currently scheduled to retire in 2028). Synchronous condensers provide essential stability to the system.

Phase 3: Once the second long duration PHES is online, further conversion of units to seasonal operation and reversible conversion to synchronous condensers, as well as ongoing operation as clean energy hub including potential on site storage, dispatchable capacity, hydrogen development, and operations and maintenance bases for publicly owned large-scale renewable energy.

Power Station	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	→
Stanwell (4 units)	No Change				Phase 1			Phase 2			Phase 3			
Tarong & Tarong North (5 units)	No Change				Phase 1			Phase 2				Phase 3		
Callide B (2 units)	No Change				Phase 1	Phase 2	Phase 3							
Kogan Creek (1 unit)	No Change												Phase 1	Phase 3
Large-scale Renewable Capacity (total)		5.2	5.6	6.2	7.7	8.7	9.9	12.7	13.6	15.4	19.4	24.4	25.0	→
Dispatchable Capacity (total)		13.2	13.3	14.0	14.0	13.6	13.5	14.8	13.7	14.3	16.0	15.8	15.7	→
Peak Demand		10.3	10.4	10.7	10.9	11	11.1	11.3	11.5	11.7	11.7	12.0	12.1	

Figure 14: The above figure outlines the indicative modernisation schedule for Queensland’s publicly owned coal-fired power stations. The final phasing will be confirmed with individual GenCos.

Increased load development

The emergence of large new loads on the Queensland electricity system, such as high electrification or those brought on by new industries and in particular a renewable hydrogen export industry, will require large-scale renewable energy, storage, firming and transmission developments beyond those outlined in the optimal pathway. Renewable hydrogen has the potential to greatly increase existing energy demand loads. The associated energy infrastructure should be considered specifically with industry development, and it must be coordinated. Coordination is necessary to ensure a new export industry is not developed at the expense of existing consumers and taxpayers.

The Queensland Government commissioned Advisian to undertake an extensive study to provide foundational information for the emerging renewable hydrogen industry in Queensland. To achieve this, the assessment aimed to clearly describe attributes in regions to help:

- inform policy and land-use planning
- facilitate Queensland Government cross-departmental coordination efforts
- understand hydrogen development potential based on resource availability.

Furthermore, the assessment looked at region specific impacts of potential hydrogen value chains on infrastructure corridors including separation distances, land availability, water availability, renewable generation capacity and network requirements. The study took a more in depth look at Queensland's priority ports: Townsville, Abbot Point, Hay Point/ Mackay and Gladstone. Other ports along the Queensland coast were also considered as part of a higher- level analysis.

Demand for renewable energy

Generally, existing regional electricity infrastructure development has been demand (load) driven. As a result, the capacity of existing infrastructure is reasonably well matched to existing demand in the regions. The introduction of a new electricity intensive industry, such as renewable hydrogen, will require more infrastructure and planning.

The electricity system and QREZs will need to expand to support additional demand for renewable energy into the future. This increased demand could be driven by the decarbonisation of transport and other major industrial sectors of Queensland's economy (such as major industry in Gladstone, Townsville, and the Bowen Basin). Each sector is competing for the same renewable energy resources and transmission access.

The potential for large scale renewable hydrogen projects, relying on the existing electricity system to supply hydrogen and production facilities is limited. High QREZ commitments to the NEM and industrial decabonisation mean that the variable renewable energy capacity of those close-to-load REZs will be highly sought after. Export scale hydrogen projects are each expected to have electricity demand between 1000 MW and 3000 MW, potentially requiring an additional 3000 MW to 9000 MW of installed generation capacity. These substantial additional generation assets will need to be appropriately planned for and utilised where possible to provide critical mass in helping unlock additional renewable resource areas.

Advisian suggests that hydrogen variable renewable energy could be expanded towards west Queensland.[26] This could involve hydrogen projects accessing the North Queensland Clean Energy Hub at Hughenden within the Northern QREZ region and the Barcaldine REZ in the Central QREZ region. Figure 13 shows these locations as Q2 and Q5 respectively.

[26] Ibid. Chapter 4, p10

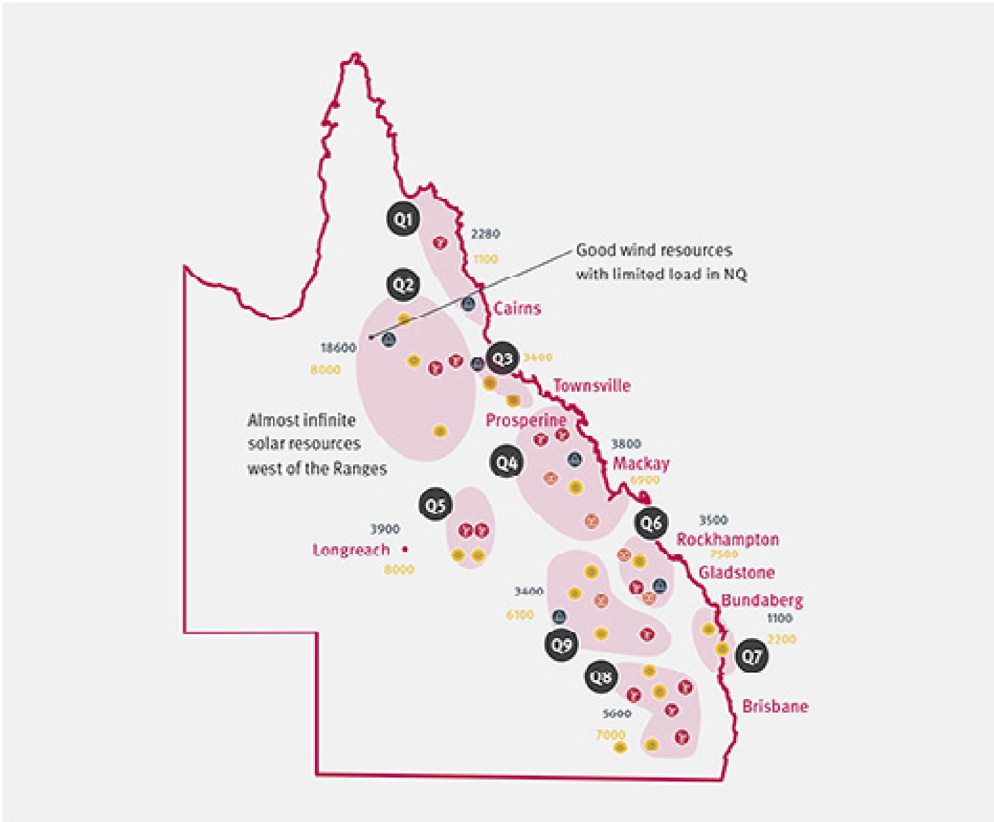


Figure 13: Renewable energy opportunities for hydrogen loads. Yellow numbers indicate potential solar resources, blue numbers indicate potential wind resources.

Requirement for energy storage

The Blueprint includes the construction of two large scale PHES (of at least 6000 MW at 24-hour capacity) as cornerstone assets for delivering the energy transformation. There are also other smaller scale storage projects proposed and/or under development in Queensland.

The scale of electrical energy storage potentially required for large new loads will present challenges. The introduction of storage combined with large loads such as hydrogen can be beneficial as it flattens the overall operating profile and increases asset utilisation. Methods for achieving this higher utilisation have been studied and include:

- diversification of renewable supply, such as combining both wind and solar sources of generation to improve capacity factors
- reliance on interconnectivity with other regions within Queensland and other states, where renewable energy supply is unaffected by certain weather events at a particular time of the year
- inclusion of localised short term energy storage (1-4 hours), such as BESS or metal hydride hydrogen storage to support short term variable renewable energy output reduction
- inclusion of medium-term storage, such as PHES, or large diameter interconnected gas pipelines

Queensland Government studies have identified potential sites suitable for large-scale PHES assets and these could be developed in the future to assist in meeting firmed power requirements for new large loads. The Blueprint does not consider PHES development beyond the Borumba PHES and the Pioneer-Burdekin PHES at this stage.

Preferred development

The Blueprint considers the augmentation and upgrades required to address demand as forecast under the AEMO Step Change scenario. This is expected to cover the requirements of the NEM decarbonisation and industrial decarbonisation (via electrification of existing industries).

The emergence of Queensland as a renewable hydrogen exporter has been foreseen and is supported through the Queensland Government's *Hydrogen Industry Strategy 2019-2024*. However, because of the emerging nature of the industry, additional facilitating infrastructure has not been specifically included in the Blueprint at this point in time. Advisian's report helps demonstrate that as the industry grows it could become, by far, the largest consumer of electricity in the state – representing an energy demand many multiples the size of the Boyne Smelter (Queensland's current largest load).

It is important that new large loads are coordinated to ensure best outcomes for consumers. Future updates of this Blueprint will monitor and consider the development of the hydrogen industry and how it can be accommodated within an optimal infrastructure pathway.

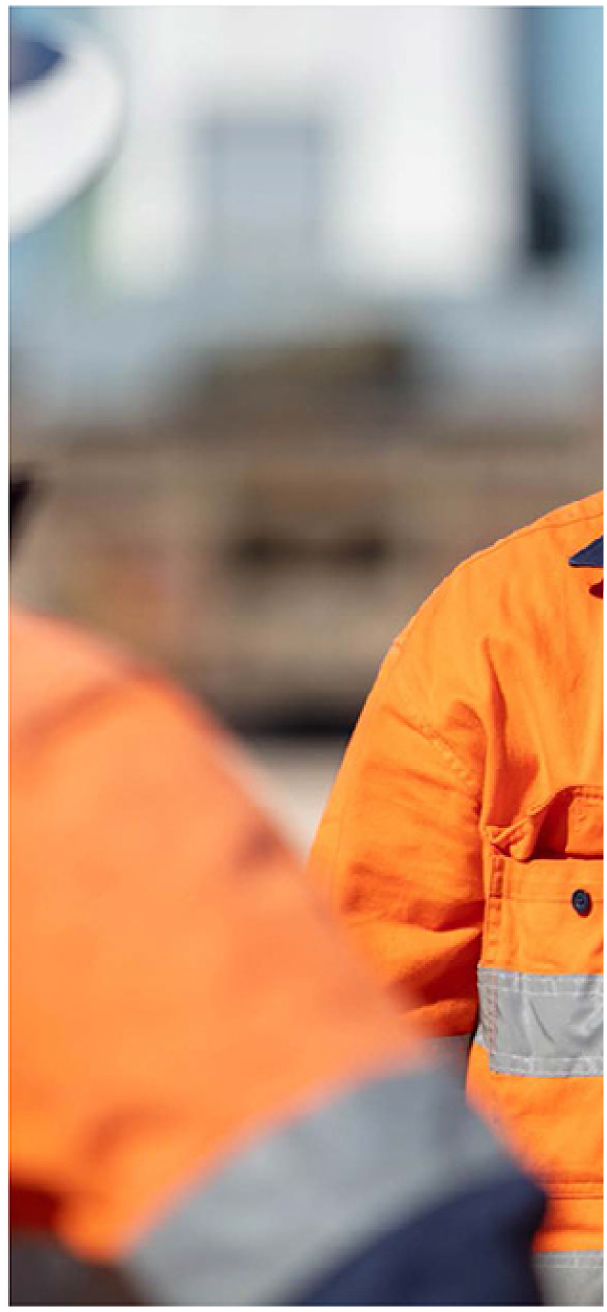
Costs

The Infrastructure Blueprint represents around $62 billion of industry wide capital investment in the energy system. It is important to note that this investment is over a timeframe of around 15 years involving both Government-owned Corporations (GOCs) and the private sector. Also, this estimate is not an incremental cost, with the system requiring renewals under any scenario (as existing assets approach end of life and the need to reach net zero emissions commitments by 2050).

The PHES investments have asset lives greater than 50 years. Once operational, they will deliver significant benefits to the system. The transmission and REZ investments are opportunities for the State to seek federal funding towards these investments to help manage the impacts.

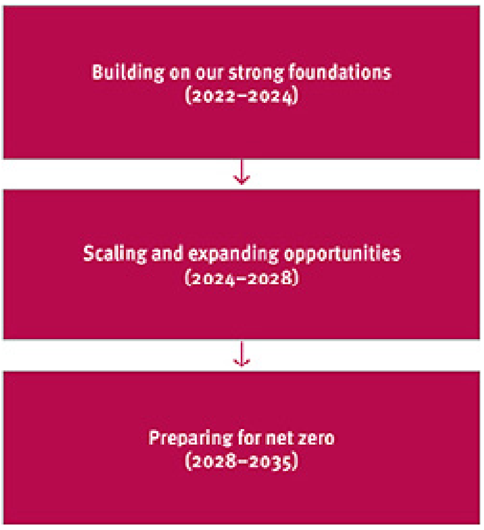
There is a role for the private sector as well as GOCs in relation to new renewable generation developments, with a timeframe for delivering these investments of around 10-15 years. Reflecting Government policy, GOCs will maintain majority ownership of generation in the energy system.

The Queensland Renewable Energy and Hydrogen Jobs Fund (QREHJF) has been boosted to $4.5 billion funded from the 2021 coal royalties investment. The QREHJF allows Government to set priorities and utilise the GOCs to identify projects, deliver infrastructure and maximise consumer outcomes.



Key transformation steps

This Blueprint outlines a pathway to transform the electricity system and build Queensland's clean, reliable and affordable SuperGrid. This transformation will be coordinated and well-sequenced to ensure system security and reliability are maintained throughout and post transformation.



Building on our strong foundations (2022–2024)

The Plan will provide clear signals to investors and capital markets of Queensland's pathway to transform and decarbonise the electricity system. Following release, the first two years will focus on laying the foundations for a clean, reliable and affordable system – it is about delivering the right investment environment, providing market signals and critical decisions on large-scale, long duration PHES which will underpin the future system.

Scaling and expanding opportunities (2024–2028)

This phase is about continuing to build renewable energy capacity through the QREZs and commencing the repurposing of Queensland's publicly owned coal-fired power stations into clean energy hubs.

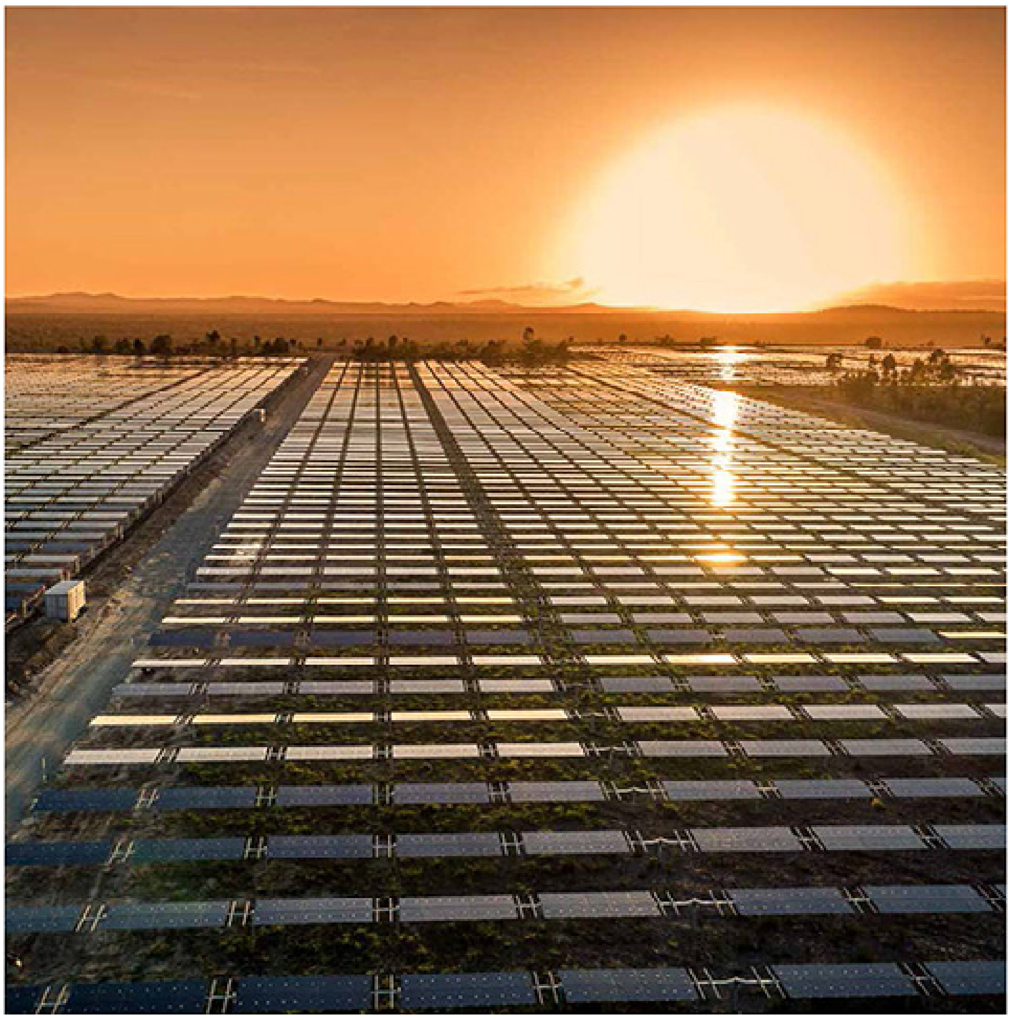
Preparing for net zero (2028–2035)

This final phase is about ramping up renewable energy generation, planning for how the energy system will achieve net zero emissions by 2050 and progressively repurposing the remaining publicly owned coal-fired power stations into clean energy hubs.

Conclusion

This Blueprint provides a point-in-time outline of the optimal infrastructure pathway to deliver a clean, reliable and affordable Queensland electricity system. This pathway is built around two foundational large-scale PHES developments, which will provide critical storage and firming services as Queensland's reliance on coal-fired generation reduces.

QREZ will be a key enabler of cost-effective and efficient connection and development of new large-scale renewable generation. New high-voltage transmission (up to 500kV) will efficiently connect QREZ and PHES to demand centres creating a SuperGrid transporting thousands of megawatts of renewable energy to consumers all over Queensland.



QUEENSLAND ENERGY AND JOBS PLAN

Power for **generations**

13 QGOV (13 74 68) @EnergyQld

EXHIBIT (c)(vi)

Queensland Treasury Corporation's 2022-23 Indicative Borrowing Program Update

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the Queensland Treasury Corporation's (the "Corporation" or "QTC") and the State of Queensland's (the "State" or "Queensland") beliefs and expectations, are forward-looking statements. These statements are based on current plans, budgets, estimates and projections and therefore you should not place undue reliance on them. The words "believe", "may", "will", "should", "estimate", "continue", "anticipate", "intend", "expect", "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements speak only as of the date they are made, and neither the Corporation nor the State undertake any obligation to update publicly any of them in light of new information or future events.

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A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. Factors that could cause the actual outcomes to differ materially from those expressed or implied in forward-looking statements include:

- the international and Australian economies, and in particular the rates of growth (or contraction) of the State's major trading partners;
- the effects, both internationally and in Australia, of any subsequent economic downturn, as well as the effect of ongoing economic, banking and sovereign debt risk;
- the effect of natural disasters, epidemics and geopolitical events, such as the novel coronavirus (COVID-19) pandemic and the Russia-Ukraine conflict;
- increases or decreases in international and Australian domestic interest rates;
- changes in and increased volatility in currency exchange rates;
- changes in the State's domestic consumption;
- changes in the State's labor force participation and productivity;
- downgrades in the credit ratings of the State and Australia;
- changes in the rate of inflation in the State;
- changes in environmental and other regulation; and
- changes in the distribution of revenue from the Commonwealth of Australia Government to the State.

Market announcement: QTC announces AUD14.4B 2022–23 term debt borrowing program

21 JUNE 2022

Subject line: QTC announces AUD14.4B 2022–23 term debt borrowing program

Following the Queensland 2022–23 State Budget release today, Queensland Treasury Corporation (QTC) estimates it will borrow AUD14.4 billion of term debt in the 2022– 23 financial year. This is a reduction of AUD5.4 billion from what was forecast at last year's borrowing program release due to general government revenue uplifts.

2022–23 indicative term debt borrowing program

Requirements	2022–23 AUD M[1]	2023–24 AUD M[1]	2024–25 AUD M[1]	2025–26 AUD M[1]
State[2]	7,100	8,200	7,300	7,500
Local Government and other entities[3]	1,100	1,400	1,000	800
Total new money	**8,200**	**9,600**	**8,300**	**8,300**
Net term debt refinancing[4]	**6,200**	**8,900**	**9,400**	**10,100**
Total term debt requirement	**14,400**	**18,500**	**17,700**	**18,400**

Data current as at 21 June 2022.

1. Numbers are rounded to the nearest AUD100 million.
2. Includes general government and government-owned corporations.
3. Other entities include: universities, grammar schools, retail water entities and water boards.
4. 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.

2022–23 funding strategy

QTC's 2022–23 funding strategy is likely to include the following, subject to market conditions and client funding requirements:

- A programmatic approach to issuance, including syndication, tenders and reverse enquiry.
- AUD benchmark bonds as the principal source of funding, including new AUD 2035 or longer maturities.
- Other term debt, which may include green bonds, floating rate notes and non-AUD denominated bonds.
- Maintaining a minimum of approximately AUD5 billion of short-term debt outstandings.

Next review of borrowing requirements

QTC will next update its borrowing program following the release of the Queensland Government's Budget Update.

LEGAL NOTICE: QTC's 2022–23 Indicative Borrowing Program and Queensland 2022–23 Budget Papers are hereby incorporated by reference into the offering documents for QTC's funding facilities, including the domestic A$ Bond Information Memorandum dated 14 January 2022 and the Euro Medium Term Note Base Prospectus dated 1 February 2022. QTC is also in the process of preparing and filing a US Form 18-K/A (exhibiting the Indicative Borrowing Program and State Budget Papers) with the US Securities and Exchange Commission as well as a supplement to QTC's Euro Medium Term Note Base Prospectus with the Luxembourg Stock Exchange.

This announcement (including information accessible through any hyperlinks) and the Budget Papers (collectively, the "Announcement") (i) does not constitute an offer to sell or the solicitation of an offer to buy any securities, (ii) may not be sent or disseminated in, directly or indirectly, any jurisdiction in which it is unlawful to so send or disseminate, and (iii) may not be sent or given to any person to whom it is unlawful to be so given. In particular, securities may not be offered or sold in the United States or to 'US Persons' (as defined in Regulation S under the US Securities Act of 1933, as amended (the 'Securities Act')) without registration under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and any other applicable US state securities laws.

This Announcement is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. This Announcement may contain statements about future events and expectations that are forward looking statements. None of the future projections, expectations, estimates or prospects in this Announcement should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Announcement.

EXHIBIT (c)(vii)

Queensland Energy and Jobs Plan Announcement

FORWARD-LOOKING STATEMENTS

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- changes in environmental and other regulation; and
- changes in the distribution of revenue from the Commonwealth of Australia Government to the State.

QTC

28 SEPTEMBER 2022

MARKET ANNOUNCEMENT

QUEENSLAND ENERGY AND JOBS PLAN ANNOUNCED

Today, the Queensland Government published the Queensland Energy and Jobs Plan.

The 2022–23 Queensland Budget contains a provision for the Queensland Energy and Jobs Plan, and as such, there is no significant impact on this year's 2022–23 funding program.

A further update on QTC's borrowing program will be shared following the Government's regular Budget Update (Mid-Year Fiscal and Economic Review) expected in December 2022.

EXHIBIT (c)(viii)

Queensland Sustainability Report 2022

FORWARD-LOOKING STATEMENTS

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QUEENSLAND SUSTAINABILITY REPORT 2022

Queensland
Good jobs
Better services
Great lifestyle

Queensland Government

Translating and interpreting assistance

The Queensland Government is committed to providing accessible services to Queenslanders from all cultural and linguistic backgrounds. If you have difficulty in understanding this publication, you can contact us on telephone (07) 3035 3503 and we will arrange an interpreter to effectively communicate the report to you.

Contents

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Message from the Treasurer

I am pleased to present the *2022 Queensland Sustainability Report.*

The Queensland Government recognises that the protection of our lifestyle and the continued growth of our economy are linked to responsible governance, protection of the natural environment and respect for human rights.

The Queensland Government is committed to creating sustainable outcomes for the people of Queensland and for our global community through the successful management of sustainability risks.

This report sets out how the Queensland Government has established its priorities for managing sustainability risks and provides information on the key policies being implemented to develop a resilient and sustainable future. This includes the actions being taken to pursue new opportunities in the future global economy.

This report also provides an overview of how the government is managing the transition to a low carbon future.

To demonstrate progress towards achieving sustainable outcomes, this report provides time series data on key sustainability policy responses.

I endorse this report and place on record my appreciation for the cooperation and professionalism involved in the preparation of the report extended to Queensland Treasury by agencies across government.

The Honourable Cameron Dick MP

Treasurer

Minister for Trade and Investment

Welcome to the 2022 Queensland Sustainability Report

Sustainability is key to the future prosperity of the people of Queensland.

The Queensland Government recognises and acknowledges the importance of providing relevant and transparent financial and non-financial information in relation to the management of sustainability risks and opportunities, demonstrating its accountability to the community and to other stakeholders.

This report has been prepared to:

- outline the Queensland Government's approach to managing sustainability risks and opportunities including the governance structures underpinning policy oversight and implementation
- provide information on the Queensland Government's major commitments and policies for addressing sustainability risks and opportunities
- describe how the Queensland Government measures, monitors and manages its sustainability risks and opportunities.

The *2022 Queensland Sustainability Report* (2022 QSR) has been developed to reflect emerging best practice reporting on sustainability both within Australia and internationally, including consideration of the *International Sustainability Standards Board* (ISSB) proposed standards. The Queensland Sustainability Report will adapt to integrate standards as they evolve to meet future reporting, transparency and disclosure expectations.

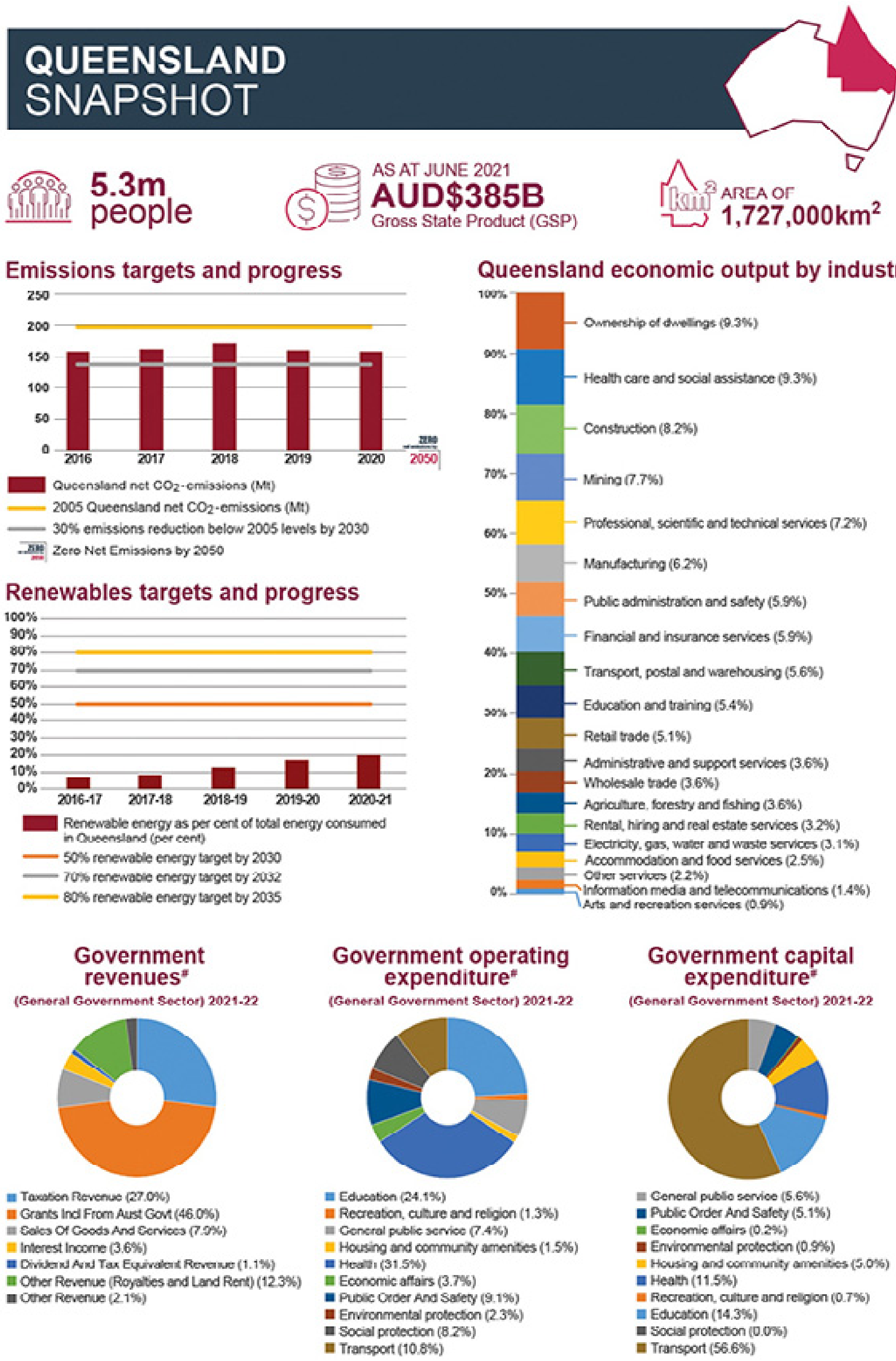
Appendix A: Datasets provides time series sustainability data on the State of Queensland compiled by the Queensland Government Statistician's Office. This data has been prepared to assist a reader to verify the effectiveness of key policy responses.

Appendix B: Source documents provides a list of the sources of the data provided in this report.

This report should be read in conjunction with the *Report on State Finances of the Queensland Government* for a complete view of the financial operations and performance of the Queensland Government.

Feedback

The Queensland Government acknowledges its role in actively managing sustainability risks and opportunities and is committed to ongoing improvements to its sustainability reporting. It welcomes the opportunity to engage with stakeholders on the State's approach to reporting on sustainability risks and opportunities, and to inform future areas of focus.



#: Not all numbers will sum to 100% due to rounding

Sources: *Population estimates: State and Territories* (https://www.qgso.qld.gov.au/statistics/theme/population/population-estimates/state-territories#current-release-population-growth-qld), *Australian National Accounts: State Accounts* (https://www.abs.gov.au/statistics/economy/national-accounts/australian-national-accounts-state-accounts/latest-release), Interesting facts about Queensland (https://www.qld.gov.au/about/about-queensland/statistics-facts/facts), *Appendix A: Datasets:* Metric 1 & Metric 4, Queensland Climate Action (https://www.des.qld.gov.au/climateaction/emissions-targets), *Queensland Energy and Jobs Plan* (https://media.epw.qld.gov.au/files/Queensland_Energy_and_Jobs_Plan.pdf) & *2021–22 Report on State Finances of the Queensland Government – 30 June 2022* (https://s3.treasury.qld.gov.au/files/Report-on-State-Finances-2021-22.pdf)

The information contained on or linked to or from any of the foregoing websites is not incorporated by reference into this filing and should not be considered part of this filing.

Queensland's approach to managing sustainability risks

The Queensland Government has a key role in managing the State's environmental, social, economic and financial resources for current and future generations. The government acknowledges the increasing expectations of the global community and capital markets to demonstrate its approach to and management of sustainability risks. Good governance underpins our approach to managing sustainability risks and opportunities as Queensland continues its progress to becoming a low carbon, resilient and sustainable economy.

Sustainability - Management

The Queensland Government (the government) is founded on the principles of the Westminster system and is a representative democracy, supported by institutions and conventions including:

- the Constitution of Queensland
- elections and the peaceful transfer of power
- separation of powers between the legislature, the executive and the judiciary
- the Queensland Parliament.

As highlighted in *Figure 1,* the Executive Government acts on the advice of the Ministry (Cabinet), led by the elected Premier of Queensland. The government is collectively responsible to the Queensland Parliament, representing the people of Queensland. Ministers are individually responsible to Parliament for the administration of their portfolios, and as a member of the State Cabinet. Each Minister forms part of the policy and decision-making process that is central to government action.

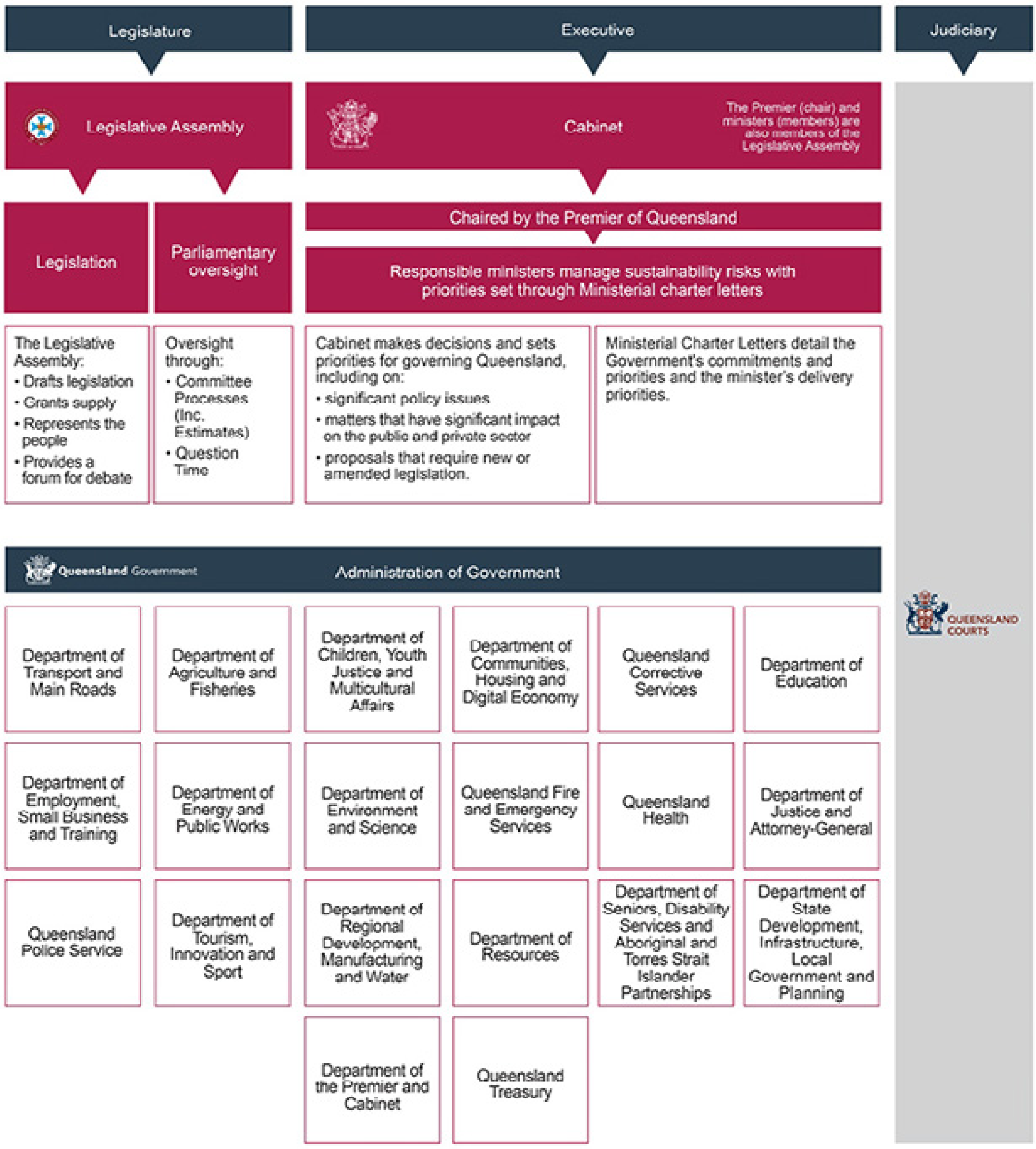
Cabinet has primary oversight and responsibility of sustainability risks and opportunities. Cabinet makes decisions and sets priorities for governing Queensland, including on policy issues and matters in relation to sustainability challenges. Cabinet establishes key metrics and targets related to key sustainability risks and opportunities and monitors progress against these targets.[1]

Meetings of Cabinet are held weekly or as otherwise determined by the Premier. The government is committed to promoting community involvement in government decision making and ensuring that communities have direct access to Ministers and senior departmental officials. Consequently, regular Cabinet meetings are held throughout the state including in regional centres. The *Regional Community Forums* program was established in 2019 to strengthen partnerships with regional Queensland and promote greater regional access to government.

The responsibilities of Cabinet Ministers are determined by the Premier of Queensland and are set out in *Administrative Arrangements Orders*[1] and *Ministerial Charter Letters*[2] issued by the Premier.

Under the *Public Service Act 2008 (Qld)*, Ministers may appoint a chief executive of a department as the accountable officer with responsibility for ensuring the operations of the department within their portfolio is carried out effectively, efficiently and economically. Ministers work with the appointed heads of these agencies to implement government policy and support agencies to meet their goals and purposes. The management of risks is embedded through the *Financial Accountability Act 2009 (Qld)*.[3]

Figure 1: Structure of the Queensland Government[4,5]



Sustainability - Strategy

The Queensland Government is committed to embedding sustainability considerations into decision making to support better communities now and into the future. At the centre of this commitment is Queensland's economic strategy (Figure 2), to take positive action to improve health and education, and to achieve sustainable economic growth while managing the impact on the environment.

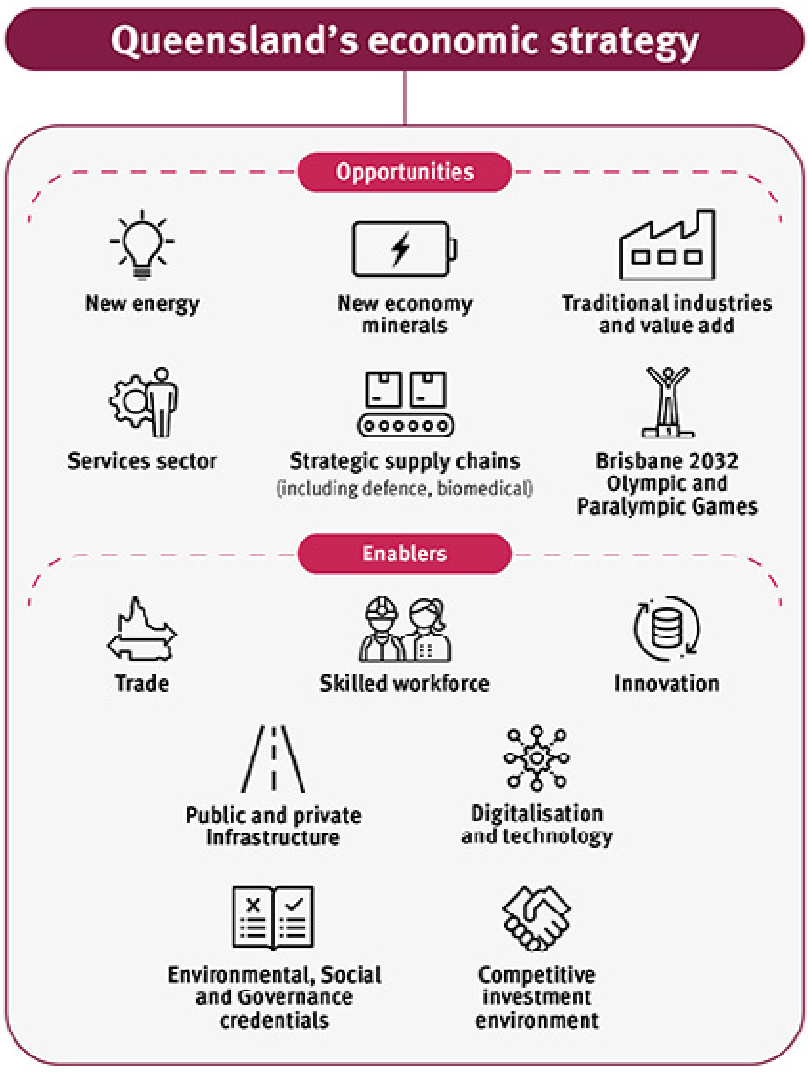
Strong economic outcomes provide the government with the fiscal capacity to deliver on its priorities and undertake targeted investment in climate change transition, social services and reforms that strengthen communities and support vulnerable Queenslanders.

Queensland's economic strategy is focused on creating good secure jobs in more industries, by providing the environment for Queensland businesses to be competitive and attract private investment allowing them to thrive as the world changes. The State is achieving its sustainability priorities by leveraging Queensland's economic strengths and competitive advantages, driving a growing, innovative economy and job creation.

This will occur across a range of traditional and emerging industries and sectors, including: new energy, new economy minerals, advanced manufacturing, biomedical products, agriculture, tourism, research and education services, and creative and design industries.

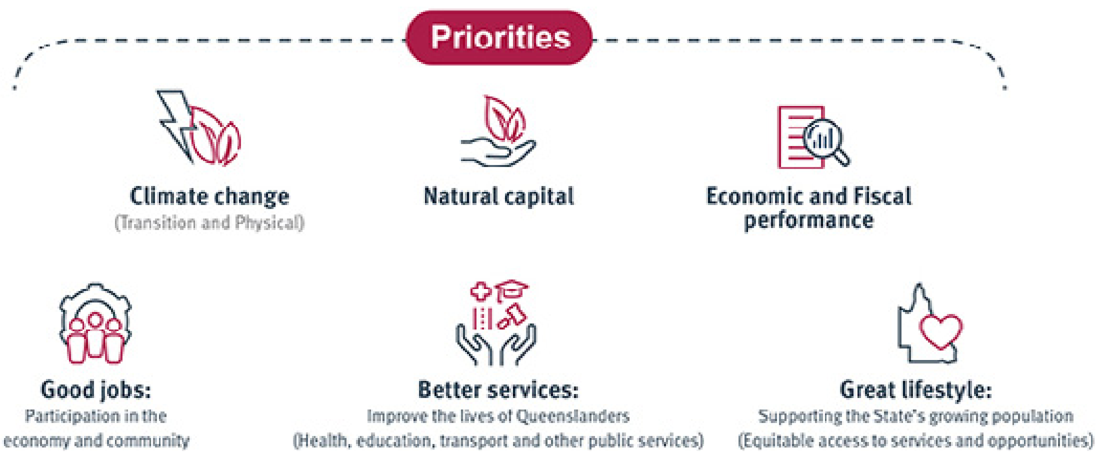
To facilitate and support the private sector growth and investment needed to maximise the benefits of these opportunities, *Queensland's economic strategy* is underpinned by enablers that will enhance the state's competitiveness and productivity, including expanded trade opportunities, a larger skilled workforce, enhanced innovation and digitalisation, continued investment in public and private infrastructure, strengthened Environment, Social and Governance credentials, and a competitive investment environment.

Figure 2: Queensland's economic strategy[6]



These actions are supported by transparent reporting on the transition to a zero net emission, equitable and sustainable future. The presentation of appropriate and reliable information on sustainability risks and opportunities is imperative as these risks have a direct bearing on the achievement of the government's sustainability priorities (*Figure 3)*.

Figure 3: Queensland's sustainability priorities



Queensland's sustainability risks and opportunities

Figure 4 summarises Queensland's sustainability priorities, risks and opportunities and sets out how they are being managed by the government. The strategies to manage these risks and opportunities, are outlined throughout the report.

In managing these risks, the Queensland Government acknowledges that climate change transition and physical risks are inter-related and impacts in one area will have impacts on other areas.

Figure 4: Sustainability priorities, risks, impacts and actions

Priority	Risks and Opportunities	Impacts	Actions
Environment			
Climate change	**Transition risks** • Changing market • Investor and consumer preference • Policy and legal • Reputation • Technology development • Supply chain • Labour force • Regulatory	• Increased infrastructure costs (construction and repair) • Written down and stranded assets • Increased demand for government services • Productivity losses in key sectors • Increasing insurance costs / increasing difficulty obtaining insurance • Inability to implement higher standards of construction, supporting resilience	Government is implementing measures to manage transition risks. Key measures include the: • Queensland Climate Action Plan 2030 • Queensland Energy and Jobs Plan
	Physical risks Acute: • Hotter, longer and more frequent heatwaves • Increased frequency and severity of dangerous fire-weather conditions • More frequent sea level extremes • More intense rainfall events • Fewer frosts • More intense, less frequent cyclones • Cyclones trending south Chronic: • Rising sea level • Increased temperatures • Longer and more frequent drought • Warmer and more acidic ocean	• Loss and damage to state-owned assets and infrastructure • Lost revenue • Increased insurance and interest costs • Higher spending on essential public services (e.g. health and emergency services) • Increased cost of protecting communities from climate hazards (e.g. protective measures or relocations) • Potential legal and liability issues	Government is implementing adaptation and resilience measures to manage physical risks. Key measures include: • Queensland Climate Adaptation Strategy • Sector Adaptation Plans
Natural capital	Changes to biodiversity and ecosystems	• Loss of natural capital assets • Reduced productivity from natural assets due to ecosystem degradation	Government is managing the State's natural capital. Key measures include: • Queensland Protected Areas Strategy 2020-2030 • Queensland Resources Industry Development Plan
Social			
Good jobs	Good secure jobs in our traditional and emerging industries	• Increased private sector growth and investment, supporting secure jobs • Improved education outcomes, improving productivity • Decreased cost of achieving health outcomes, supporting a more efficient health system • Downward pressure on the costs-of-living, supporting the Queensland lifestyle	Government is leveraging its economic strengths and competitive advantages to increase participation in the economy and community.
Better services	Deliver even better services right across Queensland		Government is delivering better services by investing in health, education, transport and other public services.
Great lifestyle	Protect and enhance our Queensland lifestyle as we grow		Government is implementing measures to improve equitable access to services and opportunities.
Governance			
Economic and Fiscal performance	Economic management	• Decreased operating and capital costs, supporting services • Greater ability to respond to future economic and market shocks • Increasing employment outcomes, increasing productivity	Implementing economic policy
	Fiscal management		Implementing fiscal policy

Sustainability - Risk management

Prioritising and managing sustainability risks is important for the government due to the potential impacts on the long-term wellbeing of the people of Queensland. The consequence of ineffective management of these risks can include damage to infrastructure, reduced ability to deliver services, significant effect on the State's fiscal position, financial performance and cash flows. These risks are managed according to embedded risk management controls highlighted in *Figure 5.*

Figure 5: Risk management controls

Measure	Description
Financial Accountability Act 2009 (Qld) (the FA Act)[7]	● Establishes the government's risk management framework, promoting effective risk management. ● Requires each department to establish and maintain internal controls and an audit function to provide reasonable assurance that the department is operating efficiently, effectively and economically and that risk management controls are in place.
A Guide to Risk Management[8]	● Supports the requirements of the FA Act, providing the minimum principles and procedures to encourage best practice. The guide is consistent with the principles set out in *AS/NZS ISO 31000:2018 Risk management - Principles and Guidelines*.
Departmental Directors General and agency accountable officers[9]	● Hold responsibility for effective risk management, including maintaining an agency governance and risk management framework. ● Manage sustainability risks particularly in relation to the effectiveness and efficiency of operations and safeguarding of assets.

Sustainability - Metrics and targets

The government uses a wide range of metrics and targets to assess, manage and monitor its performance. The *Queensland Government Performance Management Framework Policy* supports the achievement of agency objectives and risk management.[10]

The framework focuses on three key elements of public sector performance:

- Planning – at the whole-of-Government, ministerial portfolio, and agency levels is integral to determining what outcomes are to be achieved for customers, stakeholders and the community.
- Measuring and Monitoring Performance – achieved across the whole-of-Government, ministerial portfolio, and agency levels.
- Public reporting — of the performance of the Queensland Government, in a fair and balanced way, to facilitate accountability and transparency.

Service Delivery Statements provide budgeted financial and non-financial performance information and targets in relation to each Minister's portfolio. These documents are a key accountability mechanism, subject to public scrutiny, and form the basis of parliamentary accountability. Agency performance is also monitored externally through the Parliamentary Estimates process held each year after the State Budget release.

The FA Act (section 63) requires government agencies to prepare annual reports to provide public disclosure. Annual reports are an integral part of the *Queensland Government's Performance Management Framework Policy* and describe the achievements, performance, outlook and financial position of government agencies for each reporting period.

In addition, *Appendix A: Datasets* provides additional financial and non-financial data to assist readers to verify the effectiveness of key policy responses.

Environment

The environment is key to our survival and wellbeing as the source of our food, water, air and raw materials supporting society. Queensland's environment has abundant supplies of metal and mineral resources, renewable energy sources, productive agricultural land, diverse sources of water supplies, biological diversity, important ecosystems, and globally recognised protected areas. Queensland has five World Heritage areas including the Great Barrier Reef, K'gari (Fraser Island), Gondwana Rainforests of Australia (with New South Wales), Riversleigh (part of the Australian Fossil Mammal Sites) and the Wet Tropics of Queensland. These systems and resources must be managed appropriately to allow future generations to continue to enjoy their benefits.

The Queensland Government is committed to the responsible management of the environment and minimisation of the adverse human-caused impacts on the environment, including climate change. Actions mitigating the impacts of climate change are driving a global economic transformation, presenting both opportunities and challenges for Queensland's economy. Queensland's policy response is focused on building on its competitive advantages, while also ensuring the long-term sustainability and viability of communities and industries.

Oversight of Queensland environmental risks includes the Ministers noted in *Figure 6.*

Figure 6: Queensland's environmental management

Minister	Role and Focus
Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs	● Lead implementation of the *Queensland Climate Action Plan 2020-2030*, through consultation with industry and community and generate actions to reduce emissions and sustainability initiatives. ● Lead implementation of the *Queensland Government's Climate Adaptation Strategy* and oversee the implementation of the *Queensland Protected Area Strategy 2020-2030*.
Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure	● Oversee strategic planning, policy and service delivery for priority industry sectors and the implementation of the *State Infrastructure Plan* and regional plans. ● Implement the *Queensland Strategy for Disaster Resilience*.
Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement	● Work with other Ministers to coordinate a strategy to deliver the renewable targets, create jobs and maintain low electricity prices for the benefit of all Queenslanders. ● Lead implementation of the *Queensland Energy and Jobs Plan*, and co lead implementation of the *Queensland Zero Emission Vehicle Strategy 2022-32*.
Minister for Transport and Main Roads	● Implement the *Queensland Zero Emission Vehicle Strategy 2022–2032* to contribute to the Queensland Government's emission reduction and protecting the environment commitments through encouraging greater zero emission vehicle uptake
Minister for Tourism, Innovation and Sport and Minister Assisting the Premier on Olympics and Paralympics Sport and Engagement	● Drive sustainable growth of the tourism industry, supporting an industry pathway towards net zero emissions and positioning Queensland as a global leader in sustainable tourism.
Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities	● Develop future focussed strategies that enable the agriculture sector to adapt to the global challenges of climate change and technological advances. ● Drought policy reform to ensure the agriculture sector is prepared and resilient in responding to drought in a changing climate. ● Implement the Queensland Government's native timber action plan.

Minister	Role and Focus
Minister for Regional Development and Manufacturing and Minister for Water	● Deliver sustainable, safe, secure and affordable water. ● Ensure that Queensland's catchment-based water plans balance the needs of the environment, First Nations people, urban communities, agriculture and industry. ● Ensure safety of dam infrastructure, facilitate efficient water markets, and provide visibility to high quality water data
Minister for Resources	● Implement government reforms to mine rehabilitation and provide clear pathways for investment in new economy mineral exploration and production. ● Ensure Queensland's native vegetation is managed to maintain biodiversity, reduce land degradation, reduce emissions and protect water quality including the Great Barrier Reef

For this report, environmental risk management is separated into:

- Climate change
- Natural capital.

Climate change

Queensland's climate is already changing, caused by increased greenhouse gas concentrations in the atmosphere and resultant increases in global average temperatures. There is a significant risk that without stabilisation of the climate system Queensland will experience major impacts to its economy, ecosystems and community amenity. The Queensland Government is committed to playing its part in the global effort to address climate change.

Climate change - Management

The Queensland Government's climate management roles are outlined in *Figure 6.* However, given the scale and volume of initiatives being undertaken to address climate change, the Queensland Future Economy Cabinet Committee (QFECC) supports Cabinet and provides oversight and direction to key departments. QFECC has been established to:

- oversee progress, outcomes and policy tasks for managing the government's economic priorities to enable the State to meet its greenhouse gas emissions targets
- support the State's regions, industries and communities to seize the economic opportunities presented by a global shift to low or zero emissions technology
- build resilience of the State's infrastructure, built environment and communities through effective adaptation and disaster preparedness action
- support vulnerable communities and promote social justice and intergenerational equity.

Climate change - Strategy

Queensland's climate strategy is focused on managing transition and physical risks arising from climate change. A summary of these risks and potential impacts is outlined in *Figure 7.*

Figure 7: Transition and Physical Risks

Transition risk	Physical risk
'Transition risks' are those that arise from the management of the transition to a low carbon economy. They relate to the policy and legal, technology, market and reputational risks faced as a result of climate change. These risks include how organisations, including companies and governments, adjust to changes driven by and in response to mitigating and adapting to climate change, as well as to impacts driven by the economic, policy, technology, and social changes. Such shifts include automation, electrification, disruptive technologies, and information and communications technologies (ICT) innovation. These shifts will be influenced by regulatory measures to address climate change, as well as Queensland's commitment to action, will drive structural economic change. Arising from the transition to a low-carbon economy, Queensland may experience: ● Divestment and difficulty in insuring emissions intensive assets due to climate policy and changing consumer preferences. ● Technological innovation accelerating the cost-effectiveness of renewables compared to traditional energy sources. ● Increased operating costs and reduced competitiveness for businesses from changing carbon regulations. ● Lack of preparedness for electric vehicle (EV) uptake resulting in increased 'catchup' costs.	'Physical risk' refers to the physical impacts of climate change from specific events or longer- term (chronic) shifts in climate patterns. Arising from the physical impacts of climate change, Queensland may experience acute and chronic risks including: <u>Acute</u> ● Hotter, longer and more frequent heatwaves ● Increased frequency and severity of dangerous fire-weather conditions ● More frequent sea level extremes ● More intense rainfall events ● Fewer frosts ● More intense, less frequent cyclones ● Cyclones trending south. <u>Chronic</u> ● Rising sea level ● Increased temperatures ● Longer and more frequent drought ● Warmer and more acidic ocean. These changes could have a significant potential economic impact on the State of Queensland including: ● loss and damage to state-owned assets and infrastructure ● lost revenue ● increased insurance costs ● higher spending on essential public services (e.g. health and emergency services) ● protecting communities from climate hazards (e.g. protective measures or relocations) ● potential legal and liability issues.

The Queensland Government is managing the above risk by focusing on:

- creating a future economy that is environmentally sustainable and supports the transition to a low carbon future
- climate adaption activities aimed at reducing the impact of climate change on people, industries and nature, while embedding greater resilience in our environment and infrastructure
- investing in climate-related opportunities.

An outline of climate change policies being implemented by the Queensland Government is provided to support the transition to a low carbon economy are outlined in the *Climate Change - Policy Response* section.

Acknowledgment of exposure to carbon intensive industries

The Queensland Government acknowledges the state's current economic and environmental exposure to carbon intensive industries and their associated emissions:

- Metallurgical coal – The majority of Queensland's coal production (*Appendix A:* Metric 44) is metallurgical coal, which is expected to remain the industry standard in steel production for some time despite its contribution to global emissions. Queensland is a large seaborne exporter of metallurgical coal and, based on analysis conducted by the International Energy Agency, the Queensland Government considers this market to remain relatively stable for at least the medium-term.11
- Thermal coal – Used for electricity generation (*Appendix A:* Metric 44). Usage of thermal coal for Queensland's electricity generation is expected to decline as further progress is made towards Queensland's renewable energy target.

The global trend towards zero net emissions has been evident for some time now and the shift away from fossil fuels is expected to continue in the coming decades. Queensland is well place to manage the risks in this transition.

Climate change - Policy response

Below is a summary of Queensland Government policies that support management of climate change risks and opportunities.

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Implement measures to manage transition risk			
Queensland Climate Action Plan 2030	The plan outlines the State's investments and actions to reach its emissions and renewables targets, create jobs and drive economic growth. It provides a central framework and a coordinated approach to combine actions across departments and areas of ministerial responsibility. The trajectory towards the 2030 targets will build on the investments and actions already taken, with priorities identified across five key sectors: ● electricity ● transport ● agriculture ● buildings ● land.	Targets: ● 30% emissions reduction below 2005 levels by 2030.[12] ● Zero net emissions by 2050.[12] ● Brisbane 2032 will deliver a Climate Positive Olympic games.[13] Outcomes: ● Emissions reduction of 19% below 2005 levels (2020), as compared with the target of 30% reduction by 2030.[14] ● 159.2M tonnes net CO_2-e emissions (2020)[14] ● 31 tonnes net CO_2-e per capita (2020).[14] *See Appendix A: Datasets:* Metric 1, 2 and 3.	Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
Queensland Energy and Jobs Plan (QEJP)[15]	The QEJP outlines Queensland's pathway to a clean, reliable and affordable electricity system. The plan sets out the necessary investment in new generation, storage and transmission to build a clean energy *SuperGrid*. It has three focus areas: 1. Clean energy economy: Build a clean and competitive energy system that will accelerate economic growth. 2. Empowered households and businesses: Deliver affordable energy for households and businesses to support more rooftop solar and batteries. 3. Secure jobs and communities: Drive better outcomes for workers and communities as partners in the energy transformation. QEJP initiatives include: ● $150 million Job Security Guarantee Fund and Energy Workers' Charter[16], which will support workers in publicly owned coal-fired power stations by guaranteeing opportunities to continue their careers within these energy businesses or pursue other career pathways. ● Two new apprentice training hubs in Gladstone and Townsville. Regional Economic Futures Fund (REFF) to support economic and community development initiatives. The government will work with communities during 2023 to outline the approach for delivering this fund.	Targets: ● 50% renewable energy by 2030.[17] ● 70% renewable energy by 2032.[17] ● 80% renewable energy by 2035.[17] As part of QEJP implementation, by 2035, Queensland's electricity system is likely to include: ● 25 Gigawatts (GW) of new and existing renewable energy.[18] ● Two new pumped hydro projects designed to deliver up to 7 GW of long duration storage.[18] ● Approximately 3 GW of low to zero emissions gas generation for periods of peak demand and backup security.[18] ● Grid capacity supporting 11 GW of rooftop solar and approximately 6 GW of batteries in homes and businesses.[18] ● Approximately 1500km of new high voltage transmission infrastructure.[18] Outcomes: ● 21.4% of proportion of electricity consumption within Queensland is renewable, excluding exports (2021-22).[19] (2020: 20.2%) ● 19.1% renewable energy output, as percentage of total energy output (2021) (2020: 15.9%) (*Appendix A:* Metric 6, Total renewable)	Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
	As part of the QEJP, policy commitments have been made to: ● Prepare legislation to establish the government's renewable energy targets in law. ● Convert all publicly owned coal-fired power stations into clean energy hubs by 2035 supported by a legislated Job Security Guarantee for energy workers.	See *Appendix A: Datasets:* Metric 4, 5, 6, 7 and 8.	
Queensland Zero Emission Vehicle Strategy 2022–2032	Queensland's Zero Emission Vehicle Strategy 2022–2032 (ZEV Strategy)[20] and Queensland's Zero Emission Vehicle Action Plan 2022– 2024 (Action Plan) were released in 2022, highlighting key initiatives and actions that will shift Queensland to Zero Emission Vehicles (ZEVs) and lower transport emissions. The strategy details: ● the removal of barriers to enable all Queenslanders, our communities and our industries, to access and benefit from ZEVs over the next 10 years ● support for the uptake and development of ZEV technologies in Queensland and build industry and supply capability ● how to strategically integrate ZEV technology into the energy system and the built environment in a way that benefits all Queenslanders ● support for the renewable energy and hydrogen industry to power Queensland's zero emission energy need ● how Queensland will create a sustainable, accessible and affordable ZEV economy. In addition, the QFleet Electric Vehicle Transition Strategy 2023–2026 sets out the strategy for transitioning Queensland Government's fleet to EV.[21]	Targets: ZEV Strategy ● 50% of new passenger vehicle sales to be zero emission by 2030, moving to 100% by 2036[22] ● Every new TransLink funded bus to be zero emissions from 2025 in South East Queensland and from 2025-2030 across regional Queensland.[22] Queensland Electric Super Highway ● Phase 3 of the Queensland Electric Super Highway will add an extra 24 locations to increase the Super Highway up to 5,400km long.[23,24] QFleet Electric Vehicle Transition Strategy ● 100% of eligible Queensland Government fleet passenger vehicles to be zero emission by December 2026.[25] Outcomes: ● As part of the ZEV strategy, Queensland motorists are eligible for a $3,000 rebate for purchases of new EVs where the dutiable value is less than $58,000.[26] ● As at 28 February 2022, Queensland recorded a 132% increase in battery electric vehicle registrations from the 12 months prior.[27] ● The Queensland Electric Super Highway has delivered a network of 31 fast charging stations connecting electric vehicles from Coolangatta to Port Douglas and from Brisbane to Toowoomba.[28] ● As at 30 June 2022, QFleet had 303 electric vehicles (exceeding its target of 288 by end of December 2022).[29]	Minister for Transport and Main Roads Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Environmental sustainability for households and businesses	Queensland has introduced several initiatives to support households and business transition to a low-carbon economy. These include: *Digital Electricity metering:*[30] All new and replacement electricity meters installed in homes are digital meters and are now the standard electricity metering system. Digital meters provide more accurate and more up-to-date information on usage patterns to consumers, allowing for: ● smaller, more frequent bills based on actual consumption ● faster network fault detection and restoration of supply.	Targets: *Digital Electricity metering:* ● A target of 100 percent penetration of smart meters by 2030.[34] Outcomes: *Digital Electricity metering:* ● 72,000 Ergon Retail customers have been connected to digital meters across regional Queensland in 2021–22, taking the total number of digital meters to over 269,000. Approximately 31% of customer sites have digital meters.[35]	Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
	ecobiz:[31] ecoBiz is a free Queensland Government-funded program delivered by the Chamber of Commerce and Industry Queensland. It provides free personal coaching, site surveys, training and tools to small and medium sized businesses to help them improve resource efficiency, environmental sustainability and reduce operating costs.	*ecobiz:* ● Over 1,000 businesses registered from all over Queensland, 90% of businesses recorded an increase in productivity and savings[36] ● On average, participants in the program saved: 19% on their electricity costs, 31% on their water costs and 39% on their waste management costs.[37]	
	Decarbonising Remote Communities program:[32] Four indigenous communities in Queensland's far north have had renewable energy systems installed to reduce the use of diesel power. Participating Aboriginal and Torres Strait Islander Councils were key project partners in planning and delivering these projects. The program is currently being evaluated to identify learnings and insights to inform the QEJP *Action 3.5 Clean energy for remote and First Nations communities*. To achieve this commitment, an inclusive First Nations clean energy strategy will be co-designed by remote First Nations communities and the Queensland and Australian governments. *2022 Update to the National Construction Code:*[33] The Queensland Government is involved in promoting energy efficient buildings as part of the update of the National Construction Code.	*Decarbonising Remote Communities program:* ● The Mapoon Aboriginal Shire Council installed 95kW of rooftop solar and 32 kilowatt-hours of battery storage in late 2021.[38] ● 360kW of rooftop solar was installed across the Northern Peninsula Area (NPA), with all systems commissioned in the second half of 2021.[38] *2022 Update to the National Construction Code:* ● Increased residential energy efficiency standards within the National Construction Code 2022[39] to 7-stars (out of 10) for new dwellings (up from 6-stars) and a new 'whole-of-home' assessment method for the energy efficiency of the dwelling's major fixtures and any on-site renewable energy e.g. solar photovoltaic (PV) system.[40,41,42] ● The change was recognised as an action under the Queensland Building Plan Update 2021.[43]	

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Reducing emissions from government operations	Government is emissions reductions initiatives include: ● *Queensland Health - Office of Hospital Sustainability*. This office will be responsible for implementing the emissions reduction plan as well as: [44,45] – setting benchmarks and targets for environmental sustainability in Queensland Health – ensuring investment in green/sustainable infrastructure for hospitals – review of procurement policies and practices to manage waste and procure environmentally sustainable products – providing advice and support on managing the effects of climate change on Queensland's healthcare system.[46] ● *Department of Transport and Main Roads - Building sustainable roads:* Using recycled materials has the potential to deliver significant benefits including cost savings, reducing landfill, protecting the environment, network performance, circular economy and reducing emissions.[47] ● *Department of Transport and Main Roads - Light Emitting Diode (LED) lighting replacement project:*[48]More than 35,000 road lights have been identified for replacement on state-controlled roads with smart light technology delivering benefits including greatly improved lighting quality, reduced energy consumption by up to 45 per cent & reduced operating and maintenance costs. ● *Department of Education - Advancing Clean Energy Schools (ACES):* A program to install solar panels at Queensland schools to reduce electricity costs and cut carbon emissions.[49]	Outcomes: ● As at 30 June 2022 Queensland Health has reduced its carbon footprint by approximately 60,000 tonnes of carbon dioxide equivalent from 2020 levels.[50] ● 2 million m^2 of pavement has been recycled using Hot-in-place asphalt recycling (HIPAR).[47] ● In 2021–22, the government replaced 3000 obsolete road lights with high performing LED luminaires and Smart Light Control units.[48] Over 17,000 have been installed since delivery commenced in 2017.[48] ● ACES exceeded the original target of 180,000 panels at 872 schools delivering 200,000 panels at 912 schools to generate an expected average of 280 Megawatts (MW) of electricity per day.[51,52]	Minister for Education, Minister for Industrial Relations and Minister for Racing Minister for Health and Ambulance Services Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs Minister for Transport and Main Roads
Climate positive Olympic and Paralympic Games in 2032	A climate positive Brisbane 2032 will focus on delivering lasting legacies and help accelerate progress towards sustainable development goals, including emissions reduction. Climate positive is complemented by a number of broader sustainability commitments, goals and measures regarding climate change, infrastructure and natural sites, sustainable sourcing and resource management, mobility and workforce. To achieve climate positive, carbon management strategies will be guided by four key principles: ● minimising the Games' footprint before compensating more than 100% of residual emissions ● continuously improving emissions forecasting and measurement to support evidence-based decision making ● ensuring consistency and transparency across the event lifecycle to promote accountability and comparability ● influencing to create change and deliver verifiable climate positive outcomes for Queensland and Australia, including by promoting shared responsibility.	Targets: ● Climate Positive – Brisbane 2032 will deliver a carbon neutral Games involving actions and lasting behaviour changes, to achieve greenhouse gas reductions greater than the Games residual emissions.[53] ● Maximising use of existing venues and temporary infrastructure.[54]	Premier and Minister for the Olympics Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Implement adaptation and resilience measures to manage physical risk			
Queensland Climate Adaptation Strategy / Sector Adaptation Plans	The *Queensland Climate Adaptation Strategy*[55] and the sector adaptation plans outlines actions to support adaptation outcomes for the community, local governments, key sectors and systems, and the Queensland Government. Specific plans have been published for:[56] ● Human Health and Wellbeing Climate Change Adaptation Plan (H-CAP) ● Built Environment and Infrastructure Sector Adaptation Plan (BE&I SAP) ● Building a resilient tourism industry: Queensland tourism climate change response plan (Tourism SAP) ● Agriculture Sector Adaptation Plan (Ag SAP) ● Biodiversity and Ecosystems Climate Adaptation Plan (B&E CAP) ● Small and Medium Enterprise Sector Adaptation Plan (SME SAP) ● Emergency Management Sector Adaptation Plan (EM SAP)	Targets: The adaptation plans intended outcomes include: ● H-CAP – growing the understanding of the impacts of climate change on health and wellbeing, identifying the gaps and barriers to adaptation, and identifying opportunities and co-benefits.[57] ● BE&I SAP – encouraging and facilitating the sector to adapt to climate change and to design and build assets to go beyond minimum standard requirements.[58] ● Tourism SAP – identifying measures to support resilient businesses, destinations and communities, stewardship and education for healthy natural assets and the green tourism industry leading the way towards carbon neutrality.[59] ● Ag SAP – supporting stakeholder to access to climate hazard information and projections at scales that can inform industry as well as the development of tools and resources that support farm, regional, supply chain and industry-level management decision making.[60] ● B&E CAP – incorporation of climate change adaptation and the persistent management of biodiversity and ecosystems into decision making and adaptation planning.[61] ● SME SAP – consideration of workplace health and safety and the insurability in operations.[62] ● EM SAP – incorporation of priority adaptation measures for the emergency management sector to adapt to climate change impacts, including through increased investment, education, training and risk management.[63]	Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
Drought and Climate Adaptation Program (DCAP)	The DCAP assists agricultural producers to better manage the impact of drought and climate change. Through the program, climate scientists, government and non-government agencies, producers and industry leaders are collaborating to help producers better manage the financial risks associated with climate change through improved forecasting, tools and other activities.[64]	Outcomes: As of July 2021, the program has engaged 11,000 producers, with 2,180 prompted to consider changes in management decisions.[65] Examples of projects include: ● Crop Insurance - developing an approach to improve climate-related insurance options for producers and insurance businesses. The project developed a cyclone insurance report and Discretionary Mutual Fund (DMF) proposal for sugar producers, economic modelling tools to assess the economic impacts of index-based insurance products, economic assessment of alternative policy options and prototype decision-support tools.[66] ● There were 923 recorded producers/growers changing practices representing 545 business, 3.5 million hectares, 287,435 cattle, and 20,800 sheep.[67]	Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Embedding adaptation and resilience into government operations	Examples of adaptation and resilience practices being embedded into government operations and infrastructure include: *Queensland Climate Resilient Councils (Q CRC) program*:[68] The program is designed to support local governments to strengthen institutional and staff capacity to manage climate risks and opportunities. *Qcoast$_{2100}$ 2.0*:[69] This initiative assists coastal government councils understand the risks from coastal erosion, storm tide inundation and sea level rise from climate change, finalise development of their Coastal Hazard Adaptation Strategies and to commence implementation of the recommended actions.	Outcomes: *Q CRC program:* ● 54 of 77 councils[70] are participating in the program with a 2021 state-wide assessment determining a 91% improvement in governance practice standards since the commencement of the program.[71] ● In 2020, the program developed a Climate Risk Management Framework for Queensland Local Government (Pilot draft), with accompanying Guidelines.[72] *Qcoast$_{2100}$*: 30 of 77 councils are participating in the: ● development of Coastal Hazard Adaptation Strategies ● development of First Nations Coastal Hazard Studies ● implementation of the Coastal Hazard Adaptation Strategies actions through on-ground works and activities.[73]	Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs Minister for Transport and Main Roads
Queensland Reconstruction Authority	The Queensland Reconstruction Authority (QRA)[74] is the State's lead agency for disaster recovery, resilience and mitigation policy. It is tasked with: ● administering disaster resilience funding, including a range of programs and grants to help communities mitigate and manage the risks associated with disasters[75] ● managing and coordinating the Queensland Government's program of infrastructure renewal and recovery within disaster-affected communities ● working with state and local government partners to deliver best practice administration of public reconstruction and resilience funds ● working collaboratively with key stakeholders to reduce risk and bolster disaster preparedness ● providing advice to support the development of whole-of-government policies towards more resilient buildings, infrastructure and communities.	Outcomes: The QRA has reduced the impacts related to disasters[76] and has supported resilience through the: ● development of the Queensland Strategy for Disaster Resilience (QSDR) Resilient Queensland 2022-27[77] ● delivery of the *Get Ready Queensland Flood and Bushfire Communication Toolkits*, providing a suite of consistent flood messaging that councils and state agencies can use on social media, disaster dashboards and other flood communication materials for local residents[78] ● delivery of 180 new flood warning infrastructure assets for 28 councils as part of the Flood Warning Infrastructure Network benefiting communities of the Far North, North West, Townsville and surrounds.[79] Since July 2021: ● QRA has facilitated payments of more than $772 million in disaster recovery and other grants to councils, state agencies, and non-government organisations, including $224 million in response to the 2021–22 disaster season events.[80] ● Managed a delivery program estimated at $4.9 billion across 20 events over the 2020–21 and 2021–22 disaster seasons, as well as the remaining works from 2019–20 requiring extended delivery due to COVID-19.[80]	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure
Queensland Strategy for Disaster Resilience	The *Queensland Strategy for Disaster Resilience 2022-27* (QSDR)[81], promotes a systems approach to resilience, connecting agencies and sectors to deliver improved resilience outcomes for Queensland. Queensland's Regional Resilience Strategies are a commitment under the United Nations Office for Disaster Risk Reduction Sendai Framework. The QSDR has four objectives	Outcomes: Since 2018, resilience initiatives delivered include: ● Delivery of the Regional Resilience Strategies, ensuring every region across Queensland is part of a locally led and regionally coordinated blueprint to strengthen disaster resilience. The Regional Resilience Strategies are supported by detailed local resilience action plans for councils that guide implementation of	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
	● Understand risk – apply data to strengthen risk reduction understanding, culture and education to help Queensland communities become more resilient to future disasters ● Work together – increase the role of state-led coordination of resilience outcomes by enhancing cooperation to implement whole-of-government activities ● Seek new opportunities – leverage regional, local and community knowledge to enhance capability in building resilience ● Continuous improvement – clearer, more direct connection of funding to risk-based needs.	resilience actions over time aligned with potential investment pathways.[82] ● Increased Queensland community awareness of disaster preparedness through the Get Ready Queensland campaign providing alerts and warnings, understanding of the risk and tools to help people prepare for and know what to do during and after disasters.[83]	
Queensland Emergency Risk Management Framework and State Disaster Risk Report	Queensland Emergency Risk Management Framework[84] and State Disaster Risk Report managed by the Queensland Fire and Emergency Service (QFES). Under the State Disaster Management Plan, QFES is responsible for the collaborative development of the Queensland Emergency Risk Management Framework (QERMF) and the state-wide risk assessment. The QERMF is the method for managing emergency and disaster risk to inform risk-based planning across Queensland's disaster management arrangements. The State Disaster Risk Reports (SDRR)[85], is an annual State-wide assessment of disaster risk and provides a foundational level of information for risk assessments undertaken by local and district disaster management groups and other State entities to inform the development of risk-based local and district disaster management plans. The SDRR provides the results of a risk assessment at State and Regional planning levels and incorporates high-resolution climate data and projections out to the end of the century.	Outcomes: ● SDRR published on 3 August 2022 by QFES.[86] ● The State Disaster Risk Report informs the development of risk- based disaster management plans across all levels of Queensland's disaster management arrangements. The State Disaster Risk Report also provides guidance on climate change and its elation to disaster risk in Queensland.	Minister for Police and Corrective Services and Minister for Fire and Emergency Services
Disaster Recovery Funding Arrangements (DRFA)[87]	In certain situations, Queensland will enter into Disaster Recovery Funding Arrangements (DRFA) with the Commonwealth Government. The DRFA consists of joint Commonwealth and State government funding, providing financial assistance to help communities recover from eligible disasters. State funding for non-DRFA eligible disasters will continue to be administered under the State Disaster Relief Arrangements (SDRA), a wholly state funded program that may be activated for all hazards to provide assistance to alleviate personal hardship and distress. The most recent exceptional circumstances package was established in relation to the 2021–22 Rainfall and Flooding events. This included funding for business and industry support, housing and accommodation, assistance for primary producers and rural landholders, funding to address community development, health and wellbeing and assistance for impacted community, sporting and recreational not-for-profit organisations.	Outcomes: ● The DRFA provides financial assistance to help communities recover from eligible disasters.[88] ● The SDRA provides assistance to alleviate personal hardship and distress due to disasters.[89] ● Tools and resources are available for councils and state agencies to make use of the DRFA and SDRA.[89] DRFA packages under the 2021–22 Rainfall and Flooding exceptional circumstances package focussed on developing resilience, including: ● $741 million Resilient Homes Fund – assisting eligible, flood impacted homeowners across 39 local government areas whose homes were impacted by the 2021–2022 floods to repair, retrofit, raise or buy back their affected property.[90,91] ● $154 million to rebuild, recover and improve the resilience of community, sporting and recreational assets.[91]	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
		● $56.9 million for environmental recovery including flood risk management, riparian recovery, weed and pest management, biodiversity conservation and restoration of environmental assets.[91] ● $20 million in flexible funding grants to support local recovery and resilience building activities.[92] ● $24.5 million for a community health and wellbeing package funding assistance for disaster-affected communities, including individuals, families and first responders with mental health services and emotional wellbeing support for those impacted by the flooding events.[93] ● $121.1 million for an accommodation package providing short to medium term support for individuals and families displaced by the recent weather events.[94] ● $12 million for a community development program that embeds Community Recovery and Resilience Officers across eligible local government areas to support the development of capacity and skills of individuals and groups, businesses and service providers within the affected areas.[95] In addition, the Flood Risk Management Package will contribute to the following outcomes:[96] ● improved critical baseline data and information to inform flood studies and risk assessments[96] ● increased flood intelligence to be better able to prepare for and respond to flooding events[96] ● community awareness of their flood risk and the information and services available to them to manage their risks[96] ● availability of fit-for-purpose data, information, flood studies, risk assessments and management strategies, consistent with the Queensland Flood Risk Management Framework, to enable informed local decision making[96] ● prioritised future investment in flood risk management.[96]	
Community Sustainability Action grants	The Community Sustainability Action grants are providing grant funding to eligible community groups and individuals for innovative projects which seek to address climate change, conserve Queensland's natural and built environment and protect unique wildlife.	Targets: ● Grants of up to $100,000 (excluding GST) provided for eligible projects that enable community organisations to reduce emissions, boost renewables and reduce energy bills that come with running facilities and services.[97] Outcomes: ● As at 7 October 2022, a total of over $21.2 million has been allocated to 526 projects under the Community Sustainability Action grant program.[98]	Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Investing in climate change opportunities			
New Economy Minerals	The Queensland Government is investing in exploration activities to improve the scientific understanding of geosciences data needed by industry to help locate and define deposits for future production. Under the *New Economy Minerals* prospectus[99] issued in 2020, the government is committed to developing the potential North West, North East and other key mineral regions. The prospectus supports Queensland's aspirations to become a major contributor in the extraction of new economy minerals and the development of processing and downstream manufacturing industries (such as cobalt, copper, zinc and vanadium that are in high demand from the renewable energy and technology sectors). The exploration and mining of new economy minerals underpins the Queensland Government's support for the State's new energy industries. This will in turn support global decarbonisation efforts and help meet Australia's emissions targets. Actions are aligned to the Queensland Resources Industry Development Plan, noted in the *Natural Capital - Policy Response* section.	Targets: The government has facilitated the exploration and development of new economy minerals through the 4-year Strategic Resources Exploration Program.[100] This includes the: ● Acceleration of development of commercial vanadium projects (and potentially other critical minerals), by delivering a common-user vanadium demonstration facility. The facility will help lower project development costs for smaller mining companies without testing facilities and attract investment into the region. The project is currently in a preliminary development phase, focused on concept design, investigating site options, preparing cost and schedule estimates, procurement and community engagement.[101] ● Developing the Queensland Battery Industry Strategy aimed at moving Queensland's new economy minerals further along the battery value-chain to support local battery manufacturing for electrified transport and renewable energy storage.[102]	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure Minister for Resources
Queensland Hydrogen Strategy and Biofutures 10-year Roadmap and Action Plan	The Queensland Hydrogen Industry Strategy[103] aims to support a low emissions economy and create growth opportunities for new export markets. To prepare Queenslanders to take part in hydrogen opportunities and ensure the industry can access the workers it needs, the Queensland Government has worked with industry to develop the Hydrogen Industry Workforce Development Roadmap 2022–2023.[104] This Roadmap sets a path to a strong and adaptable workforce for a Queensland hydrogen industry. It sets out a range of short, medium and long term actions for government and industry to deliver together, emphasising local approaches to hydrogen workforce development that values diversity, including the potential for skills and training initiatives linked to local hydrogen opportunities. The Queensland Biofutures 10-Year Roadmap and Action Plan[105] aims for Queensland to be an Asia-Pacific hub in biomanufacturing and biorefining, enabling global efforts to decarbonise and build diverse local industrial capabilities.	Targets: The government is facilitating private sector investments by: ● Supporting the Stanwell led consortium to progress the CQH2 renewable hydrogen export facility in Gladstone.[106] ● Partnering with Fortescue Future Industries (FFI) to deliver the Global Green Energy Manufacturing Centre near Gladstone. FFI chose Gladstone, Queensland to establish Australia's first multi-gigawatt-scale electrolyser factory, with an initial capacity of 2 gigawatts per annum. The first electrolysers scheduled for production in early 2023.[107] ● Supporting initiatives to facilitate private sector investment through the Hydrogen Industry Development Fund. The Fund will support renewable hydrogen technology projects including transport, remote area power and integration of hydrogen production into waste water treatment. Outcomes ● Oceania Biofuels to establish a biorefinery in Gladstone, which will be Australia's first commercial renewable diesel and sustainable aviation fuel production facility using renewable feedstocks.[108] ● Shipping company ANL to develop a biofuel trial on a containerised shipping vessel.[109] ● Mercurius Australia to establish a pilot biorefinery to produce sustainable aviation fuel, 100% renewable diesel and biochemicals from feedstock including agricultural and forestry residuals.[110]	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure Minister for Energy, Renewables and Hydrogen and Minister for Public Works and Procurement

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Sustainable finance	Queensland Treasury Corporation (QTC) issues Green Bonds on behalf of the Queensland Government. QTC Green Bonds enable investors to support Queensland's pathway to a climate resilient and an environmentally sustainable economy. The net proceeds of Green Bonds may be allocated against eligible projects and assets that have an environmental benefit associated with the State of Queensland. QTC's Green Bonds are issued in accordance with QTC's Green Bond Framework, and either, the Climate Bonds Standard or the ICMA Green Bond Principles. QTC reports on its Capital Guaranteed Cash Fund ESG profile, using the globally recognised ESG reporting provider MSCI.[111]	Outcomes • QTC has an eligible project and asset pool of circa A$16.92 billion, of which circa A$7.02 billion of Green Bond proceeds have been allocated.[112] • QTC issued a new A$3.0 billion, 2032 maturity Climate Bond Initiative certified Green Bond on 9 September 2021. This was the largest Australian Green Bond issued to date, bringing QTC's total number of Green Bond lines on issue to four.[113]	Treasurer and Minister for Trade and Investment

Climate change - Risk management

Effective climate risk management enables the Queensland Government to continue to:

- deliver services
- protect assets, staff and programs of work
- provide leadership, strategic direction and certainty
- support the growth of the economy into the future.

The *Queensland Climate Action Plan 2020–2030* provides a central framework and coordinated approach to reach zero-net emissions by 2050 by bringing together actions across departments and areas of ministerial responsibility. It supports the management of key risks and opportunities by Cabinet through responsible Ministers and administering departments to support effective performance management consistent with the *Queensland Government's Performance Management Framework Policy*.

Coordinated actions help to ensure climate risk management is included in the government's culture, policies, systems and processes by building on organisational strategic planning, performance management and risk and governance frameworks. Examples of embedding climate risk management into government operations are provided in *Figure 8.*

Figure 8: Examples of embedding climate risk management into government operations

Queensland Climate Ready (QCR) program	● Established by the Department of Environment and Science (DES) to support departments to improve their capability to manage climate risk and undertaken in partnership with Griffith University. ● Supports Queensland government departments to better understand their climate risks, their capacity to manage these risks, and embed climate risk management into normal risk management practices. ● It provides departments with support to undertake baseline climate risk assessments and identify initiatives to improve the integration of climate risk management into existing risk management processes and policies. ● A pilot program has been undertaken with several large government departments with the learnings being used to guide a broader roll out of the program.
Specific government climate risk initiatives	● Queensland Health developed *Climate Risk Strategy 2021–2026* and *Climate Change Adaptation Guidelines* for Hospitals and Health Services. The strategy and guidelines provide information required to develop a Climate Change Risk Management Plan for Queensland Health and associated entities to: [114] – manage the risks associated with a changing climate – take advantage of opportunities that may emerge – build on existing risk management practices including disaster management arrangements. ● Department of Transport and Main Roads developed a *Climate* Change Risk and Adaptation Assessment Framework for *Infrastructure Projects*. The framework provides guidance on undertaking climate change risk assessments on infrastructure projects. Climate projections identify hazards, or changes in hazards, that may affect an asset or organisation, and identify the consequence and likelihood of that hazard or opportunity occurring. [115] ● The *Queensland Futures Climate Dashboard* was launched in 2018 and provides an interface to long-term projections for various climate variables for Queensland. The Dashboard serves a wide range of stakeholders and supports multiple functions related to climate risk management and adaptation decision making, including for health and emergency services, local governments and communities to better prepare for potential increases in the frequency and severity of extreme weather. [116]

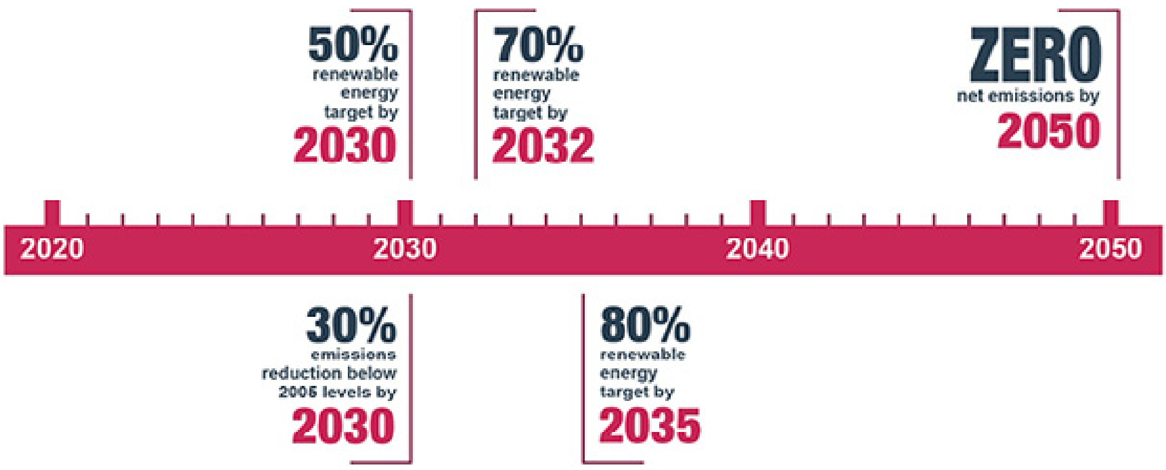
Climate change - Metrics and targets

The Queensland Government has set emissions reduction targets with the objectives of achieving zero net emissions and decarbonising the energy sector (*Figure 9)*. The Department of Environment and Science reports progress on its climate targets on the Queensland Climate Action Plan 2020–2030 website.[117]

Queensland monitors progress on its emissions reduction targets using the State and Territory Greenhouse Gas Inventories prepared by the Australian Government. All national and state/territory inventory data is publicly available from Australia's National Greenhouse Inventory.[118]

Targets and milestones have been established for key policies to monitor their effectiveness over time with progress on policies being reported in the *Climate Change - Policy Response* section.

Figure 9: Key emissions and renewable energy targets



Natural capital

Queensland has a range of natural capital assets, including an abundant supply of metal and mineral resources, renewable energy sources, productive agricultural land, diverse sources of water, biological diversity, important ecosystems, and globally recognised protected areas including World Heritage Areas.

The Queensland Government acknowledges First Nations peoples' custodianship and deep relationship, connection and responsibility to land, sea and sky Country, as an integral element of First Nations identity and culture.

The Queensland Government has responsibility for the effective management of the State's natural resources and in doing so it manages the balance of resources used between industry, the community and safeguarding the natural environment.

The Queensland Government manages nature-related risks at both a whole-of-state level and at an organisational level by establishing structures and regulating interactions of stakeholders with ecosystems. This includes surface and underground water management, biosecurity, aquaculture, forestry management and environmental protection.[119]

Natural capital - Management

The management of natural capital is undertaken by Cabinet with the support of key departments led by responsible Ministers as set out in *Figure 6.*

Natural capital - Strategy

Queensland's natural assets underpin its economy and are critical for agriculture, tourism and many other industries. Protecting Queensland's natural environment in a way that complements economic development is a priority. The State has a strong track record of leveraging its natural capital to develop new industries, such as the liquefied natural gas (LNG) export supply chain, new economy minerals and bio-futures.

Queensland's rare and diverse environment provides a natural advantage and a unique opportunity to position itself as an investment destination of choice for premium natural capital investors.

The government's approach to natural capital management is focused on conserving native biodiversity in Queensland to ensure its protection for future generations, and maintaining healthy ecosystems, clean water and clean air for everyone.

Risks and opportunities are managed through several of the government's nature-related programs and policies. These fall broadly under the following key elements of Queensland's natural environment (*Figure 10)*.

Figure 10: Queensland's natural capital – key elements

Element	Example	Overview and objectives
Land	Forests, urban, mining and agricultural lands and the impacts of land-use changes on the quality of land-based ecosystems including biodiversity	• The Queensland Government regulates land use to achieve sustainable economic prosperity while also helping to protect the environment. • The government manages the clearing of native vegetation to protect biodiversity, prevent land degradation and reduce emissions while providing for sustainable land use.
Freshwater	Fresh aquifers and surface water management	• Surface water dominates Queensland's water supply sources, with groundwater playing an important role for inland areas of the state. Access to fresh water relies heavily on rainfall which is highly seasonal and varies considerably year to year. • Underpinned by science and community consultation, water plans have been developed across the state to meet cultural, social, economic and environmental outcomes.
Ocean	Estuaries and marine ecosystems	• Marine ecosystems support much of the state's native biodiversity, including migratory birds, dugongs, dolphins, turtles and fish. • Sediment, nutrients and pesticides are the major catchment pressures that broadly impact Queensland estuaries and are targeted by key measures and included in water quality reporting.
Atmosphere	Air quality	• The main sources of air pollutants in Queensland are transport and industrial activities, with rural and domestic activities also playing a role. • Planning schemes make major contributions to air-quality management by establishing the location and nature of major infrastructure, setting up goals and processes to guide development decisions, promote the use of public transport, walking and cycling and the use of low emission vehicles.

The Queensland Government has implemented policies to mitigate the risk to natural capital and ecosystem loss along with activities to create positive outcomes by reducing impact on nature or contributing to its restoration.

An outline of natural capital policies being implemented by the Queensland Government is provided in the *Natural Capital - Policy Response* section.

Natural capital - Policy response

Below is a summary of Queensland Government policies that support management of natural capital risks and opportunities.

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Managing the State's natural capital			
Queensland Protected Areas Strategy 2020–2030	Establishes the overarching framework, strategic direction and actions to further enhance Queensland's protected areas and the natural habitats and ecosystems they support. Specific initiatives include: • Supporting the expansion, better management and sustainability of the state's protected areas.[120] • Expanding the conservation of Queensland's ecosystems and cultural heritage carried out through the Queensland Indigenous Land and Sea Ranger program. The Queensland's Protected Area Strategy issues an annual report card outlining what has been achieved during the year. It also provides baselines for the measures used to track progress.[121]	Outcomes: • Queensland's protected area network covers more than 14.2 million hectares (8.26% of Queensland land area).[122] • Queensland's protected area network is made up of: – 69% public protected areas (national parks, conservation parks and resources reserves)[122] – 31% private protected areas (special wildlife reserves and nature refuges).[122] • Queensland is home to five World Heritage areas.[122] • More than 2.5 million hectares of protected areas are managed by, or in partnership with, First Nations peoples.[122] This includes: – 54 new ranger positions across 13 communities as part of a commitment to double the number of Indigenous Land and Sea Rangers[123] – supporting 12 First Nations partner organisations to deliver outcomes for Country through the Looking after Country grant program[123] – Continuing to enhance fire management and risk mitigation, including developing a Fire Management Strategy to guide fire management, and a Bushfire Risk Management Framework to better identify, assess and treat bushfire risks to Queensland Parks and Wildlife Service managed land and our neighbours.[124] See *Appendix A: Datasets:* Metric 9.	Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
Biosecurity Management	The Queensland Biosecurity Strategy 2018–2023 (the Strategy) is a five-year plan to build the framework for Queensland's future biosecurity system. It is designed to limiting the impacts of pests and diseases.[125,126] The plan focuses on: • monitoring for unusual occurrences of pests, diseases and weeds so that they can be dealt with quickly • being prepared with systems and trained people to deal with threats • developing tools to manage the impact of invasive species, such as weeds and animals that may damage the environment or interfere with daily life • preventing outbreaks through effective border controls and property management.	Outcomes:[127] • Bio-security programs are in place to manage key risks. The full list is available from the Department of Agriculture and Fisheries (DAF).	Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Managing Natural Capital - Land			
Vegetation Management[128]	Native vegetation is critical for maintaining biodiversity, preventing land degradation and reducing Queensland's carbon emissions. Clearing in Queensland is regulated through the vegetation management framework. It applies to most land tenures, including freehold land, Indigenous land, leasehold land and occupational licences under the *Land Act 1994 (Qld).* Self-assessable accepted development codes allow low risk vegetation clearing for land management and infrastructure purposes, while higher risk vegetation clearing is assessed for development approval. In addition, incentives and support for improved land management and revegetation are provided through the Regional NRM Program and Land for Wildlife program. The government's vegetation clearing laws allow landholders to undertake a range of activities to deal with the threat or aftermath of a bushfire. *The Clearing for Bushfire Management Guide* explains the approval and notification requirements under vegetation and planning legislation.	Outcomes: • Queensland Government monitors the extent of woody native vegetation and releases an annual report (SLATS) on the area of clearing and area of regrowth.[129] See *Appendix A: Datasets:* Metric 12 and 13.	Minister for Resources Minister for Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
Sustainable Agriculture[130]	The government provides an information service to assist proponents of private sector agricultural projects.	Outcomes: Examples include: • *DAF environmental impact assessment companion guide.* Used by proponents, Commonwealth and State agencies, local governments and assessment managers to prepare initial advice statements, terms of reference, environmental impact statements and assessment reports.[131] • *Land management practices:* Information is available about land management practices in Queensland, including managing weeds, moving equipment, using chemicals, and wildlife and conservation issues. This includes best practise guides and grants funding.[132] • *Queensland agricultural land audit:* Identifies land important to current and future production and constraints to development.[133] See *Appendix A: Datasets:* Metric 10 and 11.	Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Mine site development, management and rehabilitation	The government has an established process to manage the use of land for mining. This includes: • Environmental Authority (EA): All resource activities (which includes coal and mineral mining, petroleum and gas, geothermal and greenhouse gas storage activities) must have a specific type of licence called an Environmental Authority (EA). • Mining authorities and permits: The process for the approval of resource authorities and permits considers: financial and technical capability, development plans and work programs, environmental requirements, native title, regional interests development approval, eligibility, financial security and rents and royalties. • Reports and notices: Holders of permits, licenses or leases must provide information about their activities and meet their reporting obligations under Queensland resources legislation. • Legislation and policies: The Department of Resources has developed a series of guidelines to assist existing and prospective resource authority holders understand the legislation around resources issues and the responsibilities of a resource authority holder under the *Mineral Resources Act 1989 (Qld)* (MRA). • Safety and health management and reporting requirements: The government requires that holders of Authorities and Permits meet set safety standards and expectations including accident and incident reporting and rehabilitation.	Outcomes: • Information on current and approved applications for EAs is reported through the *Environmental Protection Act 1994* Public Register.[134] • Queensland applies rigorous assessment process for resource projects which ensures the state's mineral and energy resources are explored for and developed in the public interest. Mine site rehabilitation outcomes include: • Risk and Prioritisation Framework for Abandoned Mine Management and Remediation: Supports the Abandoned Mines Management Policy to undertake prioritised works to make abandoned mines safe, secure, durable, and productive.[135] • Progressive rehabilitation and closure of mined land.[136] • Financial Provisioning Scheme: Improves the State's management of its financial risk in the event holders of a resource activity environmental authority (holders) or small scale mining tenure (SSMT) fail to comply with their environmental management and rehabilitation obligations. Over time, the scheme will also provide funds to support rehabilitation of abandoned mines and expand research into mine rehabilitation.[137]	Minister for Resources Minister for Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
Resource Recovery	The Queensland Government has developed a comprehensive Waste Management and Resource Recovery Strategy[138,139] which aims to promote more sustainable waste management practices that reduce the amount of waste produced by business, industry and households.[140] Queensland's Resource Recovery Industries 10-Year Roadmap and Action Plan provides a framework to accelerate this transition and develop Queensland's resource recovery industries.[141] The Queensland Government has created a $2.1 billion waste and resource recovery package, including a $1.1 billion Recycling and Jobs Fund that will help build infrastructure to recover more resources from waste.[142] The Queensland Government has developed the Energy from Waste Policy providing guidance for establishing EfW facilities in Queensland. It outlines important technical, environmental, regulatory, and social or community outcomes for proponents of EfW facilities to achieve.[143] To transition to a circular economy and support the targets for 2050 a range of action plans (organics, plastics, single use plastics ban and 5 year roadmap) with implementation are being supported by a $1.1 Billion Recycling and Jobs Fund and the Queensland's container refund scheme.[144]	Targets for 2050 • 25% reduction in household waste from the 2018 baseline[145] • 90% of waste is recovered and does not go to landfill from the 2018 baseline[145] • 75% recycling rates across all waste types from the 2018 baseline.[145] Outcomes: • The supply of single-use plastic straws, stirrers, plates, bowls, cutlery and expanded polystyrene takeaway food containers and cups are banned in Queensland. The ban came into effect on 1 September 2021.[146] • The Queensland Recycling Modernisation Fund (QRMF) is being delivered in partnership with the Australian Government, to fund projects that improve the sorting, processing, recycling and remanufacturing of waste materials.[147] • The Regional and Remote Recycling Modernisation Fund (RRRMF), also co-funded with the Australian Government, provided grants of up to $500,000 for local governments and their industry partners to improve the viability of sorting, processing, recycling or remanufacturing of waste in regional and remote Queensland.[148]	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure Minister for Resources Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Managing Natural Capital - Freshwater			
Water Management	The Department of Regional Development, Manufacturing and Water (RDMW) focuses on the sustainable management of water resources, focused on: • water planning that balances the needs of water users and the environment • ensuring the people of Queensland have access to safe and reliable drinking water and specific industries have access to suitable recycled water supplies, improving water security for both drinking and non-drinking purposes • facilitating efficient water markets to stimulate economic development in regional communities • ensuring the safety of dam infrastructure and downstream people and property • enabling fairness, transparency and accountability of water systems through high-quality data collection and visibility.	Outcomes • Percentage of the State's drinking water service providers compliant with drinking water regulatory requirements, Actual: 98% (Target: 90%).[149] See *Appendix A: Datasets:* Metric 14 and 15.	Minister for Regional Development and Manufacturing and Minister for Water
Water conservation and security	Investment has been made to ensure future water security through a program of initiatives in recycling, desalination, and large-scale interconnection of the pipeline networks across South-East Queensland following the 1996–2010 drought. Queensland's *Water Act 2000 (Qld)* prescribes the framework to provide long-term water security for South East Queensland. The Queensland Government engages with councils and water service providers to better understand the ability of current water supply systems to supply water for future growth (e.g. expansion of dams; storage for hydroelectricity) in regional urban areas.	Targets: • The Department of Regional Development, Manufacturing and Water provides a framework to provide long-term water security for South East Queensland (SEQ), as prescribed in the *Water Act 2000 (Qld)*. The framework sets the desired level of service (LOS) objectives for water security in the SEQ region.[150] • The Department of Regional Development, Manufacturing and Water works in partnership with local councils to develop and publish Regional Water Supply Security Assessments that identify long-term water security risk for individual communities.[151] Outcomes • In 2021–22, Regional Water Supply Security Assessments for Goondiwindi, Cassowary Coast, Dawson River communities, Biloela and Dalby have been progressed, with Biggenden and Roma being completed and published.[151] See *Appendix A: Datasets:* Metric 14 and 15.	Minister for Regional Development and Manufacturing and Minister for Water

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Managing Natural Capital – Oceans			
Protecting and managing the Great Barrier Reef	The Reef 2050 Long-Term Sustainability Plan[152] is the Australian and Queensland Government's overarching framework for protecting and managing the Great Barrier Reef. Under this plan the Queensland Government has introduced several initiatives including: • the *Sustainable Ports Development Act 2015 (Qld)* to reduce the impacts of port development • the Queensland Sustainable Fisheries Strategy 2017–2027. The government has strengthened reef protection regulations to improve reef water quality and reduce the impact of vegetation clearing. In 2021, the Queensland Government committed $270.1 million over 5 years to 2025–2026 to continue the Queensland Reef Water Quality Program, which funds a range of projects working with industry, agricultural producers and communities. The government is also working with councils and the urban development industry to better manage urban run-off. Queensland Government is also implementing the *Reef 2050 Water Quality Improvement Plan 2017–2022*[153] (WQIP) which identifies how the water quality outcomes under the Reef 2050 Long-Term Sustainability Plan will be delivered. Reef 2050 WQIP is a joint commitment of the Australian and Queensland Governments that seeks to improve the quality of water flowing from the catchments adjacent to the Great Barrier Reef. It includes social, cultural and economic values, playing a critical role in the plan's success.	Outcomes: • The Reef Water Quality Report Card measures progress towards the Reef 2050 Water Quality Improvement Plan.[154] • Inshore marine conditions were improved on the previous year and rated C[155] against Reef 2050 Water Quality Improvement Plan targets. Overall, marine condition in the inshore reef improved with seagrass and coral remaining in poor condition and water quality improving to good. This was based on data from the Australian Institute of Marine Science (AIMS) coral and in situ water quality monitoring, James Cook University (JCU) flood plume monitoring and seagrass field surveys, and eReefs (CSIRO) water quality modelling. • Freshwater wetland conditions held steady and were rated C against Reef 2050 Water Quality Improvement Plan targets. Freshwater flood plan wetlands within Great Barrier Reef catchments remain in a moderate state. Within conservation areas the state of wetlands is good.[156] • 2.2% reduction in dissolved inorganic nitrogen across the Great Barrier Reef catchment.[157] See *Appendix A: Datasets:* Metric 16.	Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
Fisheries Management	The Queensland Sustainable Fisheries Strategy 2017–2027[158] (QSFS) sets out the government's reform agenda over 10 years.	Targets: The QSFS 2017–2027 has set several targets to establish sustainable catch limits based on achieving maximum economic yield for all Queensland fisheries and demonstrate that no Queensland fisheries are overfished.[159] Outcomes: The Queensland Sustainable Fisheries Strategy: 2017–2027 - Progress report: Year 4 sets out the progress related to the strategy. Its highlights include:[160] • improved monitoring and research • establishment of sustainable catch limits • drafting harvest strategies • setting fishing rules and access.	Minister for Agricultural Industry Development and Fisheries and Minister for Rural Communities

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Managing Natural Capital – Air			
Air Quality Protection	At the state level, the *Environmental Protection Act 1994 (Qld)* and the *Environmental Protection Regulations 2008 (Qld)* establish a list of industrial activities (called environmentally-relevant activities— ERAs) that must have a current development approval or environmental authority. To prevent or minimise environmental harm, a person carrying out an activity must take all reasonable and practicable steps to ensure that best practices in environmental management are used. Conditions of approval may include: • limits on emissions of air pollutants • requirements to monitor emissions or ambient air quality. The *Environmental Protection (Air) Policy 2019* sets air quality objectives for the state. The policy sets the targets for particulate matter 2.5 and 10, particles which result from pollution, smoke, dust and haze and can negatively impact human health.	Outcomes: • The Queensland Department of Environment and Science (DES) in collaboration with industry partners operates an air quality monitoring network across the state. Data from the monitoring network is presented online as ambient concentration, air quality categories and smoke and dust health action levels which are updated hourly.[161] • Health action levels are recommendations that have been developed by Queensland Health to support and inform the community on what actions to take to protect their health during a smoke event.[162] Current air monitoring activities include:[163] • Coal dust management • Gladstone • Swanbank odour management • Mount Isa Mine Lead and air quality monitoring • Oxenford air quality monitoring project • Cleanaway New Chum. See *Appendix A: Datasets:* Metric 17.	Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
Investing in Natural Capital opportunities			
Queensland Resources Industry Development Plan	The Queensland Resources Industry Development Plan (QRIDP) outlines how government and industry work together to address and respond to key global emerging trends. Focus areas contain actions to be undertaken over the short and medium term to position Queensland's resources industry for long-term, sustainable growth over the next 30 years.[164] The six key focus areas for government and industry are: • Grow and diversify the industry • Strengthen environmental, social and governance credentials and protect the environment • Foster coexistence and sustainable communities • Ensure strong and genuine First Nations partnerships • Build a safe and resilient future workforce • Improve regulatory efficiency.	Targets: • The Queensland Government will establish a Ministerial Queensland Resources Industry Development Plan Advisory Group to monitor, guide and advise on implementation of government and industry actions and expectations agreed to in the plan.[165] Outcomes: • Progress and outcomes on actions will be tracked publicly. • Appointed the Inaugural Rehabilitation Commissioner in 2021. The Commissioner's role is to advise government on best practice mine rehabilitation, raise awareness of rehabilitation matters and facilitate better public reporting on rehabilitation performance.[166]	Minister for Resources

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Land Restoration Fund (Carbon farming)	The Queensland Government's Land Restoration Fund (LRF) is expanding carbon farming in the state by investing in land-sector projects that produce Australian Carbon Credit Units (ACCUs) as well as additional co-benefits for the environment, regional economies and First Nations people.	Outcomes (aggregated from the Land Restoration Fund Register):[167] Round 1 - 2021 • 16 carbon farming projects • An average of 6 co-benefit types delivered by each project. Round 2 - 2022 • To date, six carbon farming projects contracted • An average of six co-benefit types delivered by each project. As of 30 June 2022, 9,500 ACCUs are held by the LRF[168], equivalent to 9,500 tonnes of carbon dioxide being sequestered or avoided.	Minister for the Environment and the Great Barrier Reef and Minister for Science and Youth Affairs
Tourism	The Department of Tourism, Innovation and Sport supports investment into development of sustainable, low impact tourism infrastructure, aimed at balancing tourism development with environmental preservation and protection. This includes: • attraction and facilitation of investment in the development and refurbishment of tourism infrastructure with a focus on sustainable, regenerative and nature-based product underpinned by the appeal of Queensland's natural capital. • delivering programs such as the Activate Ecotourism Infrastructure pilot initiative to facilitate the delivery of ecotourism or nature-based tourism infrastructure adjacent to, or near, public protected areas, world heritage areas, state forests or timber reserves. The Queensland Government's Eco-certified Tourism Destination Program is also supporting Queensland destinations to achieve sustainable tourism certification, recognising the importance of natural capital in underpinning industry's long-term success.	Targets: Through Towards Tourism 2032 Queensland aims to deliver: [169] • Sustainable and regenerative tourism practices that support communities and value the contribution visitors make to their environment and lifestyle.[170] • A thriving nature-based tourism sector that balances tourism development with environmental preservation, protection and interpretation.[170]	Minister for Tourism, Innovation and Sport and Minister Assisting the Premier on Olympics and Paralympics Sport and Engagement

Natural capital - Risk management

Key risks are managed by Cabinet through responsible Ministers and administering departments with support from the *Queensland Government's Performance Management Framework Policy*.

Service Delivery Statements establish key efficiency and effectiveness service standards for each Minister's portfolio and provide information on progress toward achieving these targets.

Annual reports are prepared by each government agency on non-financial and financial performance towards achievement of government's objectives.

Natural capital - Metrics and targets

The Queensland Government uses a wide range of metrics and targets to assess, manage and monitor the government's performance in managing its natural capital. Targets and milestones are established for key policy responses to monitor their effectiveness over time. Key targets and milestones are identified in *Natural Capital - Policy Response*.

Social

Queensland has an educated, healthy, and skilled workforce, underpinned by the government's ongoing investment in education, health services, social welfare, public order and safety as well as in other essential services. Queensland benefits from a well-balanced, diversified economy. Queensland's reputation for lifestyle, geographic advantages and economic diversity attracts both skilled workers and investment to Queensland.

Social - Management

Cabinet has responsibility for the management of social risks with the Premier of Queensland assigning areas of responsibility to Ministers. *Figure 11* sets out the responsibility of Cabinet and roles of key Ministers regarding social management.

Figure 11: Queensland's social management

Minister	Role and focus
Premier and Minister for the Olympics	• Section 10 of the FA Act requires the Premier to prepare and publish a statement of the State government's broad objectives for the community.
Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure	• Support a more resilient, competitive and stronger economy, investing in productive infrastructure, building Queensland's regions, creating an environment for business confidence and investment, and supporting Queensland communities with a focus on the creation of good, secure jobs. • Oversee strategic planning, policy and service delivery for priority industry sectors, progressing major public and private projects and delivering planning and programs for priority industry sectors.
Minister for Education, Minister for Industrial Relations and Minister for Racing	• Engage with children and young people to improve educational outcomes and provide an inclusive education for all students. • Develop strategies to improve educational outcomes of Aboriginal and Torres Strait Islander people across Queensland.
Minister for Health and Ambulance Services	• Deliver timely, quality and appropriate, patient focused services in the face of increasing demand. • Invest in frontline staff to deliver appropriate public health care and invest in, build and expand new facilities across Queensland to strengthen Queensland's hospital and health system, and deliver better health care for all Queenslanders.
Minister for Transport and Main Roads	• Deliver road and transport infrastructure across Queensland. • Oversee the implementation of programs to ensure an effective, efficient and accessible public transport system • Planning, management and delivery of Queensland's integrated transport system to achieve sustainable transport solutions for road, rail, air and sea
Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence	• Deliver an effective, responsive and efficient justice system that underpins a just and safe Queensland. • Deliver effective laws and responsive systems that target criminal behaviour strategically. • Protect the privacy of Queenslanders including their digital security by introducing comprehensive laws based on the recommendations of the Queensland Law Reform Commission.

Minister	Role and focus
Minister for Police and Corrective Services and Minister for Fire and Emergency Services	• Monitor and improve police disciplinary systems to ensure accountability and fairness for police officers and the public. • Contribute to the provision of a timely, coordinated and appropriate response to minimise the effects of fire and emergency events. • Maintain a risk-based approach to emergency services and continue to support the State Emergency Service and continue to provide appropriate equipment and training opportunities.
Minister for Tourism, Innovation and Sport and Minister Assisting the Premier on Olympics and Paralympics Sport and Engagement	• Drive sustainable growth of the tourism industry, attracting tourism investment to sustain and create Queensland jobs. • Support the sport and recreation industry to increase participation of different cultural groups to enhance social cohesion.
Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts	• Benefit Queenslanders and their communities by providing housing and homelessness services that are responsive, integrated and accessible • Implement the Queensland Housing Strategy and increase home ownership outcomes for Aboriginal and Torres Strait Islander people, including those living on Indigenous communal lands. • Support arts and cultural activities that provide public value for Queensland communities, build local cultural capacity, cultural innovation and community pride, in partnership with local councils and industry.
Minister for Employment and Small Business and Minister for Training and Skills Development	• Support job creation in Queensland with focus on fostering a skilled and productive workforce now and in the years ahead. • Build a strong and resilient small business to support jobs and growth. • Support vocational education and training to ensure Queensland has a skilled population needed to attract investment and encourage job creation.
Minister for Seniors and Disability Services and Minister for Aboriginal and Torres Strait Islander Partnerships	• Support efforts across the Queensland Government to build an age- friendly state in which all Queenslanders, regardless of their age, can stay active and connected, and contribute economically, socially and culturally. • Support efforts across the Queensland Government to build an inclusive Queensland where all Queenslanders can thrive and reach their full potential as equal citizens. • Partner with Aboriginal and Torres Strait Islander people, families and communities to support and foster a strong, safe, resilient and thriving Aboriginal and Torres Strait Islander community.
Minister for Children and Youth Justice and Minister for Multicultural Affairs	• Implement and monitor the government's child and family reform agenda. Lead the development of initiatives to help prevent youth crime and improve outcomes. • Lead actions and policy that will promote Queensland as a united, harmonious and inclusive community.

Social - Strategy

The Queensland's social strategy reflects the government's broad objectives for the community as prepared by the Premier of Queensland (*Figure 12*). These broad objectives for the community inform the sustainability priorities relating to social strategy (*Figure 2*).

The objectives for the community reflect the government's vision for Queensland and outlines the plan to build future prosperity and growth across the state. The objectives are long-term and can only be achieved by everyone involved working together.

Figure 12: Queensland Government's objectives for the community

GOOD JOBS

Good, secure jobs in our traditional and emerging industries

- **Supporting jobs:** Good, secure jobs in more industries to diversify the Queensland economy and build on existing strengths in agriculture, resources and tourism.
- **Backing small business:** Help small business, the backbone of the state's economy, thrive in a changing environment.
- **Making it for Queensland:** Grow manufacturing across traditional and new industries, making new products in new ways and creating new jobs.
- **Investing in skills:** Ensure Queenslanders have the skills they need to find meaningful jobs and set up pathways for the future.

BETTER SERVICES

Deliver even better services right across Queensland

- **Backing our frontline services:** Deliver world-class frontline services in key areas such as health, education, transport and community safety.
- **Keeping Queenslanders safe:** Continue to keep Queenslanders safe as we learn to live with COVID-19 and ensure all Queenslanders can access world-class healthcare no matter where they live.
- **Connecting Queensland:** Drive the economic benefits, improve social outcomes and create greater social inclusion through digital technology and services.
- **Educating for the future:** Give our children the best start by investing in our teachers and schools.

GREAT LIFESTYLE

Protect and enhance our Queensland lifestyle as we grow

- **Protecting the environment:** Protect and enhance our natural environment and heritage for future generations and achieve a 70 per cent renewable energy target by 2032 and net zero emissions by 2050.
- **Growing our regions:** Help Queensland's regions grow by attracting people, talent and investment, and driving sustainable economic prosperity.
- **Building Queensland:** Drive investment in the infrastructure that supports the State's economy and jobs, builds resilience and underpins future prosperity.
- **Honouring and embracing our rich and ancient cultural history:** Create opportunities for First Nations Queenslanders to thrive in a modern Queensland.

The government will regularly report its achievements against the objectives for the community.

The government is dedicated to taking action to achieve these objectives (*Figure 13*).

Figure 13: Embedding objectives with actions

Objective	Social focus areas	Key sustainability related actions
GOOD JOBS		
Good secure jobs in our traditional and emerging industries	» Supporting jobs » Backing small business » Making it in Queensland » Investing in skills	Increasing opportunities for good secure jobs in more industries for Queenslanders to benefit from participation in the economy and community. • Queensland's strategy is focused on creating good, secure jobs in more industries across the state by providing an environment for Queensland businesses to be competitive, attract private investment and thrive as the world changes. • Queensland will take advantage of global shifts and build on its strengths to realise opportunities in traditional and emerging industries that support good, secure jobs.
BETTER SERVICES		
Deliver even better services right across Queensland	» Backing our frontline services » Keeping Queenslanders safe » Connecting Queensland » Educating for the future	Improving the wellbeing of Queenslanders through better health, education, transport and other public services through: • Education priorities include the establishment of the critical foundations for learning and wellbeing through quality education and empowering confident and creative lifelong learners through a student-centred approach to learning and wellbeing. • Health priorities include the delivery of an integrated system that supports the delivery of world class health services and is prepared for system-wide threats. • Implementing transport programs to ensure an effective, efficient and accessible public transport system
GREAT LIFESTYLE		
Protect and enhance our Queensland lifestyle as we grow	» Protecting the environment » Growing our regions » Building Queensland » Honouring and embracing our rich and ancient cultural history	Supporting the Queensland lifestyle through equitable access to services and opportunities. • Promoting social cohesion through a focus on equitable access to opportunities and services aimed at creating better outcomes. • The Queensland Government continues to advance policies which promote inclusion and diversity and in turn support labour force productivity. • Focus areas include gender diversity, workforce participation, equitable outcomes, equitable access to health care and education, and housing and opportunities for First Nations peoples (Aboriginal peoples and Torres Strait Islander peoples) and people from culturally and linguistically diverse backgrounds.

An outline of social polices being implemented by the Queensland Government is provided in the *Social – Policy Response* section.

Social - Policy response

Below is a summary of Queensland Government policies that support management of social risks and opportunities.

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Good secure jobs in our traditional and emerging industries			
Priority industries	The Industry Partnership Program[171] has been established to grow and create jobs across a number of priority industries including: • Biomedical: Creating a regionally integrated and globally competitive biomedical industry hub. • Hydrogen: Driving the development of a competitive renewable hydrogen industry supporting the transition to a low-emission economy. • Biofutures: For Queensland to be an Asia-Pacific hub in biomanufacturing and biorefining, enabling global efforts to decarbonise and build diverse local industrial capabilities. • METS: Getting ready for the mining equipment, technology and services (METS) sector's next wave of growth. • Resource recovery: Transitioning Queensland to a circular economy by accelerating projects that divert waste from landfill, reduce stockpiling and create jobs.[172] • Aerospace and space: Supporting the state's innovative aerospace and space sectors while creating high paid and sustainable jobs of the future. • Beef Processing: Supporting growth of the beef processing industry is part of our plan for a flourishing Queensland manufacturing sector.	Outcomes: Progress reports for each industry outline deliverables against each priority sector.[173] Highlighted outcomes from the reports include:[174] • Biomedical: Five biomedical businesses supported through the Advance Queensland Industry Attraction Fund, creating over 542 jobs and delivering cutting-edge facilities, including Australian Biotherapeutics, LuinaBio and BGI Australia.[175] • Biofutures: During an Australian-first trial of sustainable aviation fuel (SAF), over one million kilometres were flown by more than 700 domestic and international flights using the SAF mix.[176] • METS: Three late-stage commercialisation accelerator workshops delivered to support 30 innovative Queensland METS companies to commercialise their latest technologies.[177] • Resource recovery: Supported projects diverted 1.3 million tonnes of waste from landfill once operational which is 11.1% of the 11.04 million tonnes generated in 2018-19.[178] • Aerospace and space: In partnership with Boeing Australia, new advanced autonomy platform technology was developed in Queensland, with 42 Queensland SMEs participating in the project supply chain and 189 high-tech jobs supported.[179] • Beef Processing: Working to implement Regional Transport Plans, Livestock Services Contracts, the Queensland Transport and Roads Investments Program and rail infrastructure upgrades.[180]	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure
Good people. Good jobs: Queensland Workforce Strategy 2022–2032	Good people. Good jobs: Queensland Workforce Strategy 2022–2032[181,182] sets out how the government seeks to: • connect industry, community and government to more Queenslanders • educate the workforce through upskilling and reskilling • attract and retain a skilled workforce. The strategy is underpinned by five focus areas: • workforce participation • local solutions • school-to-work transitions • workforce attraction and retention • skilling Queenslanders now and into the future.	Outcomes: • Implementation of Skilling Queenslanders for Work initiative, which funds training and support for unemployed or underemployed people, with a focus on young people (including those in and transitioned from out-of-home care), First Nations people, people with disability, mature-age jobseekers, women re-entering the workforce, veterans and ex-service personnel and people from culturally and linguistically diverse backgrounds.[183] • Free Technical and Further Education (TAFE) and free apprenticeships for those under 25 years of age.[184] • Turn to Teaching Internship Program provides financial support while teachers study and provides paid internship and permanent teaching positions within a Queensland state school following completion of studies.[185] • Vocational, Education and Training Emerging Industries initiative to support skills development for manufacturing, renewable energy, agriculture, and screen and digital media (in progress).[186]	Minister for Employment and Small Business and Minister for Training and Skills Development

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
		• Implementation of the Workforce Connect Fund, an initiative aiming to improve participation and retention of Queenslanders, including those who are under-represented in the workforce; and to also support small businesses to recruit and retain these workers.[187] • Back to Work focuses on financial and non-financial support for jobseekers, employers and their employees who identify from one of the following cohorts: youth (aged 15 to 24 years), Aboriginal and Torres Strait Islander peoples, people with disability and long-term unemployed.[188] • The Growing Workforce Participation Fund aims to develop partnerships with industry to build longevity and sustainability in the workforce by empowering industry and employers to support jobseekers from identified target groups who experience greater disadvantage in the labour market.[189]	
Advanced Manufacturing 10-Year Roadmap and Action Plan	The Advanced Manufacturing 10-Year Roadmap and Action Plan has a number of strategies including:[190] • Driving advanced manufacturing in Queensland • Supporting manufacturers to grow in a carbon neutral future • Supporting manufacturers to take advantage of large scale and emerging industry and procurement opportunities • Increasing the participation of women in manufacturing	Outcomes: • The Made in Queensland (MIQ)[191] grants program continued in 2021–22. The 2021-22 round awarded grants to 21 Queensland manufacturers for projects to improve employment and competitiveness through the adoption of advanced technologies.[192] • The Manufacturing Hubs Grants Program[193] is available to manufacturers in the Cairns, Townsville, Mackay, Central Queensland and Gold Coast manufacturing hub regions. The program has awarded grant funding to 38 regional manufacturers.[192] • The Industry Engagement Program provides tools, information and demonstrations to build capacity and capability in manufacturing businesses. In 2021–22, the department delivered 89 workshops, events and seminars attracting more than 1,400 attendees.[192]	Minister for Regional Development and Manufacturing and Minister for Water
Investment in research and development (R&D)	The Queensland Government supports scientific research through funding assistance, financial incentives and policies.[194,195] The government invests in scientific research to: • inform decision making for the government, industries and community • create sustainable jobs for the future and drive innovation • prepare for the future by identifying and responding to emerging crises • prepare for future industries and forecast economic trends • improve efficiency and enhance competitive advantage • protect our natural environment.	Outcomes: Around $444 million was spent by the government on R&D in 2020–21 (2019–20: $380 million). As a proportion of total expenditure, the top three organisations were: • Queensland Health accounting for 34 per cent.[196] • Department of Agriculture and Fisheries accounting for 23 per cent.[196] • QIMR Berghofer Medical Research Institute accounting for 10 per cent.[196] See *Appendix A: Datasets*: Metric 36 and 37.	Deputy Premier, Minister for State Development, Infrastructure, Local Government and Planning and Minister Assisting the Premier on Olympics Infrastructure

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Advance Queensland	To build Queensland's competitive strengths, diversify our economy and create the knowledge-based jobs of the future, Advance Queensland is driving innovation-led economic growth through increased collaboration between government, industry and research organisations.	Outcomes: • Advance Queensland has involved the delivery of more than 140 programs and activities supporting more than 28,000 jobs and leveraging over $1 billion in funds from external partners and investors.[197] • Delivery of the *Advance Queensland Innovation for a Future Economy 2022-32 Roadmap*[198] which sets out the direction, key priority outcomes and initiatives for the next phase in Queensland's innovation journey.[199]	Minister for Tourism, Innovation and Sport and Minister Assisting the Premier on Olympics and Paralympics Sport and Engagement
Skills for Queensland	The government is ensuring Queenslanders have the skills they need to find meaningful jobs and set up pathways for the future. The Queensland Workforce Summit in March 2022 included discussion of:[200] • development of a Queensland Workforce Strategy • release of Jobs Queensland's Anticipating Future Skills • investment of $15M for new training and skills strategies • launch of the Growing Workforce Participation Fund in target areas. Skilling Queenslanders for Work (SQW) initiative is designed to achieve success on social, economic and fiscal fronts to increase workforce participation, drive job growth, improve skills development and work opportunities for disadvantaged Queenslanders. SQW funds the community sector and follows a place-based approach tailored to specific disadvantaged cohorts and communities.[201]	Outcomes: • In 2021–22 more than $1B was invested in publicly funded training and skills initiatives which contribute to building Queensland's workforce to support economic recovery and growth. From this investment, over 226,000 Queensland Government funded students have undertaken vocational education and training in 2021–22.[202] • Delivering a Queensland Workforce Strategy to position Queensland's workforce as a key enabler of the state's prosperity, by helping to build the workforce that the state needs now and in the future.[203] • SQW initiative has an ongoing annual investment of $80 million to support up to 15,000 Queenslanders into work each year.[204]	Treasurer and Minister for Trade and Investment Minister for Employment and Small Business and Minister for Training and Skills Development
Tourism	The Department of Tourism, Innovation and Sport has a role in supporting Queensland's tourism industry. It has several strategies including: • Action Plan for Tourism Recovery • Queensland Tourism and Transport Strategy. The strategies support industry to deliver greater investment in new tourism products and infrastructure. Future proofing the tourism industry, *the Interim Action Plan for Tourism Recovery* and the *Towards 2032: Reshaping Queensland's visitor economy to welcome the world* set the course for the tourism industry for the next decade and beyond.[205] *Towards 2032: Reshaping Queensland's visitor economy* to *welcome the world* sets out key principles for delivery of legacy and engagement for the Brisbane 2032 Olympic and Paralympic Games.[206]	Targets: Tourism infrastructure and investment to focus on ensuring Queensland plans, attracts and builds tourism infrastructure for the future success of Queensland's visitor economy including key ecotourism and Great Barrier Reef Island Resort projects.[207] Outcomes: Achievements in 2021–22 include: • $360 million of new capital into Queensland tourism infrastructure.[207] • delivery of $74 million Rebuilding Queensland Tourism program to activate tourism experiences, boost events and marketing.[207] • Work in Paradise program supported more than 3,550 people to take tourism and hospitality jobs in regional Queensland.[207] • Aviation Route Restart Program delivered 720,000 seats on 65 services to support an estimated 1,641 jobs.[207]	Minister for Tourism, Innovation and Sport and Minister Assisting the Premier on Olympics and Paralympics Sport and Engagement

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Deliver even better services right across Queensland			
Access to appropriate and relevant modes of learning	The Queensland Government is committed to providing a great start for all children, engaging young people in learning, and supporting wellbeing and engagement. The Department of Education Strategic Plan[208] outlines key actions, including: • introducing a new *Kindy Funding Scheme* supporting families to enrol in kindergarten[209] • the *Investing for Success (I4S)* program, that supports State schools to use funds to support students in achieving improved outcomes at all levels of schooling[210] • delivering the *Student Wellbeing Package* to employ additional wellbeing professionals and support 50 state schools to provide free general practitioner services to secondary students at school over three years from 2021–22.[211]	Targets: • Proportion of students at or above the National Minimum Standard.[212] This varies based on cohort, full targets are available from the Department of Education Service Delivery Statement and Annual Report.[213,214] • The proportion of state school students who, six months after completing Year 12, are participating in education, training or employment is 88% or more.[215] • The participation of vulnerable children in quality kindergarten programs rises to more than 95%.[215] • 6,190 new teachers and 1,139 new teacher aides to be employed over the four years from 2020–21 to support learning outcomes across the state.[216] Education access outcomes: • Proportion of students at or above the National Minimum for Years 3,5,7 and 9 are available from the Department of Education annual report.[217] • Queensland schools employed 64,269 full-time equivalent teaching staff in 2021. Of this total, 32,202 were employed in primary schools and 32,067 in secondary schools, as of February 2022.[218] • 90% of state and non-state school students, six months after completing Year 12, are participating in education, training or employment.[219] • 98% of Queensland children were enrolled in an early childhood education program in 2021–22.[220] Student Wellbeing Package outcomes: • Total of 92.28 FTEs were employed through the *Student Wellbeing Package* to support the provision of additional support for students' mental health in schools.[221] • 27 of the 50 schools selected to participate in the general practitioners (GPs) in Schools Pilot commenced providing a GP service to students in their school.[221] See *Appendix A: Datasets*: Metric 19,20, 21, 22,23 and 24.	Minister for Education, Minister for Industrial Relations and Minister for Racing

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
New schools and upgrades	The Queensland Government is committed to investing in communities to give Queensland children a great start, and providing young people with world-class learning facilities, no matter where they live.[222]	Targets: • Deliver four new schools in high growth areas for 2023 including three primary schools in Augustine Heights, Ripley and Yarrabilba, and one new secondary school in Palmview.[223] • Delivering increased internet speeds at every state school in Queensland. Upgrades will see speeds increase on average 40 times greater than the previous bandwidth allocation standard by the end of 2023 and 200 times greater by 2026.[224] • Support investment in additional classrooms at existing schools experiencing in-catchment enrolment growth.[225] Outcomes: • During 2021–22, three new state schools opened to meet community needs and offer contemporary learning environments. These schools support almost 600 full-time jobs during construction.[226]	Minister for Education, Minister for Industrial Relations and Minister for Racing
Delivery of core health services and infrastructure	Queensland Health delivers expert health system governance, statewide clinical health support services, information and communication technologies, health promotion and disease prevention strategies, urgent patient retrieval services and health infrastructure planning.[227] The department's key actions include: • operating the health and ambulance services and supporting frontline staff including doctors, nurses and paramedics • providing improved mental health services • increasing health system capacity.	Targets: • An additional 5,800 nurses, 1,500 doctors and 1,700 allied health professionals through to September 2024.[228] • Increase health care capacity including delivery of an additional 2,200 additional overnight beds at 15 facilities by 2028.[229] Outcomes: Between March 2015 and March 2022: • 10,638 (or 38.1 per cent) increase in the number of nurses[230] • 3,106 (or 39.2 per cent) increase in the number of doctors[230] • 1,103 (or 29.7 per cent) increase in the number of ambulance officers[230] • 1,350 increase in the number of available hospital beds between June 2015 and June 2022.[231] See *Appendix A: Datasets*: Metric 25, 26, 27 and 28.	Minister for Health and Ambulance Services
Health and wellbeing initiatives	Key initiatives include: • My health, Queensland's future: Advancing health 2026[232] - a 10-year vision to improve the broader health system with focus on new ideas, research and technology. • Prevention Strategic Framework 2017–2026[233] – a pathway for reducing chronic diseases and improving health for all Queenslanders. • Health and Wellbeing Queensland – established in 2019 to improve the health and wellbeing of Queenslanders and reduce health inequities.[234] • Obesity Prevention Programs – Health and Wellbeing Queensland has provided funding of $68 million over three years (to 30 June 2024) for delivery of six state-wide community healthy lifestyle programs to encourage and support Queenslanders to adopt healthier behaviours. • The Rural and Remote Health and Wellbeing Strategy 2022– 2027[235] outlines a whole-of-system approach to achieving health equity for rural and remote Queenslanders.	Outcomes: • 2.8 percentage point reduction in the number of children who are overweight or obese (2011–12 to 2017–18).[236] • 68% of children and 53% of adults were reported to have met daily recommendations for servings of fruit, and 46% of children and 59% of adults met recommendations for physical activity (2020).[237] • Queensland Health led the development of the National Obesity Strategy on behalf of the Australian Health Ministers' Meeting. The strategy was released on 4 March 2022, World Obesity Day with a joint statement from all Australian Health Ministers.[238] See *Appendix A: Datasets*: Metric 29, 30, 31, 32 and 33.	Minister for Health and Ambulance Services

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Protect and enhance our Queensland lifestyle as we grow			
Legislation and policies to support human rights and equal opportunities	Legislation and initiatives include: • *Human Rights Act 2019 (Qld)* • *Anti-Discrimination Act 1991 (Qld)* • *Right to Information Act 2009 (Qld)* • *Modern Slavery Act 2018 (Cth)* • Queensland Women's Strategy 2022-2027 • Buy Queensland Strategy and associated policies such as Social Procurement Targets.[239]	Outcomes: • Yearly average labour force participation rate of 76.8% for females compared to 83.9% for males for those aged 15 to 64 in 2021–22 (2020–21: 75.3% for females compared to 83.4% for males for those aged 15 to 64).[240] • Percentage of women appointed to Queensland Government Boards during 2021–22: 56% (2020–21: 53%). See *Appendix A: Datasets*: Metric 34 and 38.	Premier and Minister for the Olympics
National Agreement on Closing the Gap	Queensland is a signatory to the National Agreement on Closing the Gap which aims to overcome the inequality experienced by First Nations peoples and achieve life outcomes equal to all Australians. At the Centre of the National Agreement are four priority reforms: • strengthen and establish formal partnerships and decision making • build the First Nations communities-controlled sector • transform government organisations for First Nations peoples • improve and share access to data and information.	Outcomes: See Appendix A: Datasets: Metric 35.	Minister for Seniors and Disability Services and Minister for Aboriginal and Torres Strait Islander Partnerships
Reframing the relationship between First Nations Queenslanders and the Queensland Government	First Nations peoples and the Queensland Government are building a reframed relationship that acknowledges, embraces and celebrates the humanity of Indigenous Australians.[241] The Path to Treaty is a shared journey between the Queensland Government, Aboriginal and Torres Strait Islander peoples and non- Indigenous people. It is a key reform initiative with the ultimate goal of negotiating a treaty, or treaties. It aligns with parallel reforms underway in Queensland and at the national level that seek to uphold First Nations aspirations, including:[242] • Local Thriving Communities – is working with Aboriginal and Torres Strait Islander communities to establish Local Decision- Making Bodies to co-design and influence the delivery of services, ensure investment makes their community stronger and maximises opportunities from local service and industry partnerships'. • First Nations voice options, including establishing a state-based representative body through a co-design process.	Outcomes: • Released Queensland's Path to Treaty Commitment in August 2022 along with the Queensland Government Response to the Treaty Advancement Committee Report.[243] • Established the Queensland First Children and Families Board[244] • First Nations Housing Advisor was appointed[245] • Chief Aboriginal and Torres Strait Islander Health Officer in Queensland Health was appointed.[246] • Our Way: a generational strategy for Aboriginal and Torres Strait Islander children and families 2017 – 2037 is in the process of implementation.[247] • The Local Thriving Communities Action Plan 2022-24[248] sets targets and priority areas.	Minister for Seniors and Disability Services and Minister for Aboriginal and Torres Strait Islander Partnerships
First Nations programs and partnerships	The government undertakes a range of initiatives to deliver improved social and economic outcomes for First Nations people in our cities and regional communities. Examples include: • *Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy (QIPP)* - the policy provides a whole-of-government framework to increase procurement with Indigenous businesses.[249] • *Ending Rheumatic Heart Disease: Queensland First Nations Strategy 2021–2024* which guides and frames the next steps Queensland Health and its partners will take to advance the	Targets: • Increase procurement with Indigenous businesses to be three per cent of the value of government procurement contracts by 2022.[251] • The Ending Rheumatic Heart Disease: Queensland First Nations Strategy 2021–2024 will contribute to the achieving Closing the Gap Targets and Outcomes.[252] Outcomes: • 475 Aboriginal and Torres Strait Islander businesses securing government procurement in 2021–22.[253]	Minister for Seniors and Disability Services and Minister for Aboriginal and Torres Strait Islander Partnerships Minister for Health and Ambulance Services

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
	vision of ending acute rheumatic fever and rheumatic heart disease in Queensland.[250]	• $338 million of government procurement from Aboriginal and Torres Strait Islander owned businesses in 2021–22.[253]	
Protection from domestic and family violence	The *Domestic and Family Violence Prevention Strategy 2016–2026* sets the direction for collaborative action to end domestic family violence in Queensland, encouraging partnerships between the government, community and business.[254]	Outcomes: • Development of specialist women in custody and domestic and sexual violence support services, and programs for women in custody.[255] See *Appendix A: Datasets*: Metric 40.	Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence
Gender Diversity	Queensland Women's Strategy 2022-27 provides a framework for all Queenslanders to strengthen and support the rights of Queensland women and girls and work towards achieving a gender-equal Queensland, with five impact areas:[256] • women's economic security • women's safety, health and wellbeing • First Nations women • women with diverse backgrounds and experiences • empowerment and recognition.	Targets: To implement this strategy, the government will collaborate with other governments, community and industry and will develop annual Queensland Women's Statements that will include gender equality 'report cards' that will provide a statistical analysis of progress to achieve gender equality across a wide range of measures.[257] Outcomes: Queensland Women's Strategy: 2021 report cards contain statistics on the five impact areas.[258] These statistics include: • 44.4% of the Queensland Cabinet (eight of the 18 cabinet ministers) including the Premier, and 31.2% (29 of 93 seats) of Queensland Parliament members, at 6 September 2021.[259] • Females comprised 48.0% of all employed persons in September 2021.[259] See *Appendix A: Datasets*: Metric 34 and 38.	Attorney-General and Minister for Justice, Minister for Women and Minister for the Prevention of Domestic and Family Violence
Queensland Housing Strategy 2017 – 2027	The Queensland Housing Strategy 2017–2027[260] sets out the Queensland Government's commitment to work with communities, industry and the housing sector to deliver a better housing future for all Queenslanders. The Housing Strategy is being delivered through mechanisms including: • Housing Strategy Action Plan 2017–2020[261] • Aboriginal and Torres Strait Islander Housing Action Plan 2019–2023[262] • Queensland Housing and Homelessness Action Plan 2021 - 2025[263] The Queensland Housing and Homelessness Action Plan 2021– 2025 covers a range of measures including delivery of new social and affordable housing, engagement with regional and rural local councils and better integration across government providing seamless service.	Outcomes: • approx. 2,400 new social housing homes commenced since 2017[264] • Partnered with the community housing sector to increase housing supply, with 1,121 new social and affordable housing dwellings approved for construction.[264] • Established the Coordinated Housing and Homelessness Response[264] (integrated service delivery) across nine priority locations.[264]	Minister for Communities and Housing, Minister for Digital Economy and Minister for the Arts

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Housing Investment Fund (HIF)	The HIF is designed to add new social homes and affordable housing builds, refits or refurbishments across Queensland - targets four housing supply priorities to increase social housing and affordable housing: • homelessness and rough sleeping • diverse rental supply • housing choices for seniors • homes for large households.[265]	Targets: • Investment returns of up to $130 million a year will be available to support an increased target of 5,600 new social and affordable home commencements across Queensland by 30 June 2027.[266,267]	Treasurer and Minister for Trade and Investment

Social - Risk management

Key risks are managed by Cabinet through responsible Ministers and administering departments with support from the *Queensland Government's Performance Management Framework Policy*.

Service Delivery Statements establish key efficiency and effectiveness service standards for each Minister's portfolio and provide information on progress toward achieving these targets.

Annual reports are prepared by each government agency on non-financial and financial performance towards achievement of government's objectives.

Social - Metrics and targets

The Queensland Government uses a wide range of metrics and targets to assess, manage and monitor the government's performance in managing its social risks. Targets and milestones are established for key policy responses to monitor their effectiveness over time. Key targets and milestones are identified in *Social - Policy Response*.

Governance

Queensland's resilience and economic strength is underpinned by a history of stable governance. This has been achieved by establishing robust frameworks that support Ministers and accountable officers to discharge their obligations. The Queensland Government's primary governance focus is effective Economic and Fiscal management. Strong Economic and Fiscal management is fundamental to achieving government objectives and good governance.

Economic and Fiscal - Management

Economic and Fiscal matters are primarily managed between the Cabinet Budget Review Committee (CBRC) and the Treasurer and Minister for Trade and Investment (*Figure 14*).

Figure 14: Queensland's economic and fiscal management

Ministers	Role and focus
Cabinet Budget Review Committee[268]	• CBRC is a Standing Committee of Cabinet that considers financial and budgetary decisions. • Meets regularly, at the discretion of the Premier of Queensland.
Treasurer and Minister for Trade and Investment[269]	• Develops well researched economic policies and strategies that further Queensland's development. • Maintains and coordinates a robust Budget process that identifies the Queensland Government's highest priority initiatives. • Manages the Queensland Government's balance sheet through the application of sound risk management strategies for the State's assets and liabilities.

Economic and Fiscal - Strategy

The government's fiscal principles and economic strategy provide the foundation for the State's financial decision making. Queensland's economic strategy is focused on leveraging its opportunities and enablers to deliver good jobs, better services and great lifestyle. Queensland fiscal strategy is defined by the fiscal principles and focuses on stabilising debt burden at a sustainable level and targeting ongoing reductions in relative debt burden.

These strategies are drawn from the government's economic and fiscal objectives presented in *Figure 15*.

Figure 15: Queensland's economic and fiscal objectives

Type	Objective	Potential financial impacts	Policy response
Economic	Optimise the state's economic settings and enablers to promote a more flexible and resilient economy that is capable of responding to new challenges and opportunities.	Improved productivity supporting the delivery of government services	Implementing economic policy
Fiscal	Maintain competitive taxation, ensuring revenue efforts do not adversely impact economic activity and maintain government services.	Strong operating balance to restore the state's fiscal buffers	Implementing fiscal policy
	Growth in expense is maintained below growth in revenues, supporting resilience to future shocks.		
	Maintain access to capital markets.		

An outline of governance policies being implemented by the Queensland Government is provided in the *Economic and Fiscal - Policy Response* section.

Economic and Fiscal - Policy response

Below is a summary of the of Queensland Government policies that support management of economic and fiscal risks and opportunities.

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
Implementing economic policy			
Economic policy	The government's direction on economic management is informed by the government objectives for the community.[270] It is supported by the Queensland Government's robust system of checks and balances on the use of public funds, underpinned by a legislated financial accountability framework. The Queensland Budget provides capital investment and funding in areas such as health, energy transformation, social and economic infrastructure, education, family services, justice and policing, protecting the environment and reducing the cost of living. The government will achieve its objectives by: • driving productivity improvements • reducing costs for business • investing in renewable energy generation and hydrogen to add diversity to the economy • building the State's productive capacity through investment in and resilient infrastructure.	Targets: • The economic strategy will deliver a growing economy in a balanced way, alleviating cost of living pressures, investing in transport infrastructure and taking care of the environment.[271] Outcomes: • Queensland GSP rose by 2.0% in 2020–21.[272] See *Appendix A: Datasets*: Metric 39 and 41.	Treasurer and Minister for Trade and Investment
Implementing fiscal policy			
Fiscal policy	The Queensland Treasurer must prepare and table in the Legislative Assembly a Charter of Fiscal Responsibility pursuant to the *Financial Accountability Act 2009 (Qld)*. The Charter sets out the fiscal principles that retain targeting of full funding of long-term liabilities and maintaining tax competitiveness and, in the medium term, aims to stabilise net debt and restore operating surpluses. Each principle has its own target which are reported by government.	The Treasurer tabled the *Charter of Fiscal Responsibility* (including Fiscal Principles) to the Legislative Assembly on the 15th June 2021.[273]	Treasurer and Minister for Trade and Investment
Fiscal Principles[274]	Fiscal Principle 1: Stabilise the General Government Sector net debt to revenue ratio at sustainable levels in the medium term, and target reductions in the net debt to revenue ratio in the long term.	Principle 1: Ratio of GGS net debt to revenue • Net Debt to revenue ratio was 15% in 2021–22 (2020–21: 18%).[275]	Treasurer and Minister for Trade and Investment
	Fiscal Principle 2: Ensure that average annual growth in General Government Sector expenditure in the medium term is below the average annual growth in General Government Sector revenue to deliver fiscally sustainable operating surpluses	Principle 2: Average annual growth in expenditure is below the average annual growth in revenue. • In 2021–22, revenues grew by 18.1% and expenses by 9.7% compared to 2020–21[275] (2020–21: revenues grew by 8.6% and expenses by 0.3% compared to 2019–20).[276] See *Appendix A: Datasets:* Metric 42 and 43.	Treasurer and Minister for Trade and Investment

Policy response	Strategies and goals	Targets and outcomes	Responsible minister
	Fiscal Principle 3: Target continual improvements in net operating surpluses to ensure that, in the medium term, net cash flows from investments in non-financial assets (capital) will be funded primarily from net cash inflows from operating activities. The capital program to focus on supporting a productive economy, jobs, and ensuring a pipeline of infrastructure that responds to population growth.	Principle 3: A capital program increasingly being funded through cash surpluses. • In 2021–22, the General Government Sector (GGS) net investments in non-financial assets were funded in full through net cash inflows from operating activities.[277] (In 2020–21, the GGS net investments in non-financial assets were predominantly funded through borrowings.)[278] See *Appendix A: Datasets:* Metric 43.	Treasurer and Minister for Trade and Investment
	Fiscal Principle 4: Maintain competitive taxation by ensuring that, on a per capita basis, Queensland has lower taxation than the average of other states.	Principle 4: Revenue efforts do not constrain economic activity or place an undue burden on households. • Queensland's taxation per capita was projected to be $3,535 in 2022-23 Queensland Budget.[279] ($3,328 in 2021–22 Queensland Budget)[280]	Treasurer and Minister for Trade and Investment
	Fiscal Principle 5: Target the full funding of long-term liabilities such as superannuation and workers' compensation in accordance with actuarial advice.	Principle 5: A government priority to fully fund its long-term liabilities including superannuation and workers' compensation. • As at 30 June 2022, WorkCover Queensland was fully funded.[281] • As at 30 June 2021, the Defined Benefit Superannuation scheme was fully funded.[282]	Treasurer and Minister for Trade and Investment
Queensland Future Fund	The Queensland Future Fund (QFF) framework supports Queensland's future economic success. The Debt Retirement Fund (DRF) is the first fund established under the *Queensland Future Fund Act 2020 (Qld)* with the sole purpose of debt reduction. It was established to grow investment assets to support the debt position and reduce relative net debt burden of the State.	Outcomes: • The balance of the DRF as at 30 June 2022 was $7.718 billion.[283]	Treasurer and Minister for Trade and Investment
Sustainable Investment	Queensland's significant financial investments are managed by QIC Limited. Investment decisions and portfolio structuring is undertaken with a belief that material sustainability risk factors are drivers of long term value creation and can impact the performance outcomes of investment portfolios. Sustainability risks and opportunities are considered and managed as a fundamental part of the investment processes and form a primary consideration of investment decision-making.	Targets: • Transition investment portfolios in line with Government commitments for zero net emission by 2050.[284,285] Outcomes: • Use of ESG-related information to interrogate investment decision making and monitoring of assets. [285] • QIC assesses ESG capability as part of external manager selection and monitoring.[285]	Treasurer and Minister for Trade and Investment
Strengthening Integrity	The Queensland Government is committed to transparency and is working on implementing integrity plans which include:[286] • release Cabinet submissions, agendas and decisions papers proactively • strengthen lobbying and complaints regulation • develop a common framework to determine appropriate relationships among Ministers, their staff and senior public service officers.	Outcomes: The Queensland Government has an integrity regime built from: [287] • The Public Service Commission (PSC): responsible for the *Public Sector Ethics Act 1994 (Qld)* and providing ethics advice to the public service.[288] • The Office of the Queensland Ombudsman: an independent agency that investigates complaints about the actions and decisions of the state government.[289] • Office of the Information Commissioner: an independent body that promotes access to government held information and protects peoples personal information held by government under the *Information Privacy Act 2009 (Qld)*.[290]	Premier and Minister for the Olympics

Economic and Fiscal - Risk management

The government's Economic and Fiscal risk management framework contains the following elements (*Figure 16)*.

Figure 16: Embedding economic and fiscal risk management into government operations

Measure	Description
Strong Controls	• The *Financial Accountability Act 2009 (Qld)* (the FA Act) establishes the financial risk framework and primary control measures.[291] • Under the FA Act, the Treasurer prepares a *Charter of Fiscal Responsibility*. • The Treasurer regularly reports to Parliament on the outcomes the government has achieved against the objectives stated in the *Charter of Fiscal Responsibility*.[292] • The *Queensland Government's Performance Management Framework Policy* provides a structure for public sector planning, measuring and monitoring performance, and public reporting. [293]
Public Reporting	• The government publicly discloses its plans and intended results and achievements in the annual State Budget, providing detail on its strategic direction, priorities, fiscal and economic policies, and major initiatives. • The government publishes an annual Budget Update - Mid-Year Fiscal and Economic Review. • Service Delivery Statements contains budgeted financial and non-financial information about each agency for the current and coming financial year. • Each agency delivers an annual report which documents its performance and includes audited financial statements. • The Queensland Government prepares an annual *Report on State Finances* (ROSF). The ROSF incorporates an Outcomes Report and audited financial statements. The Outcomes Report includes comparisons between financial years, as well as analysis of variances between budget and the outcomes. [294]
Independent Oversight	• The Auditor-General is an independent officer, guided by professional auditing and accounting standards, that forms opinions about the reliability of financial statements. • The Auditor-General delivers public reports that contains findings, conclusions and recommendations on how the government can improve its performance. • Parliamentary Committees review the budget by examining and reporting on the proposed expenditures, mainly through the estimates process. The committees hold public hearings at which Ministers and responsible senior public servants are questioned regarding the proposed expenditures for the relevant portfolio areas.

Economic and Fiscal - Metrics and targets

The Queensland Government uses a wide range of metrics and targets to assess, manage and monitor its economic and fiscal risks. Key targets and milestones are established by the Fiscal Principles and are identified in *Economic and Fiscal - Policy Response* section.

The government's Fiscal Principles support economic and fiscal decision making. These principles are determined based on prudential benchmarks for sound financial management and the necessary measures to support the government's strategy to drive recovery, address fiscal repair and restore the State's fiscal buffers. The Fiscal Principles are reviewed each year as part of the annual State Budget process.

Appendix A: Datasets

Queensland has a detailed and evolving set of sustainability datasets which readers can use to understand the Queensland Government's risk profile. This appendix summarises the companion datasets and data dictionary, compiled by the Queensland Government Statistician's Office and represents the latest available information at the time of release. The data dictionary provides a full set of definitions and sources for the indicators referenced in the datasets.

Metric 1: Net CO2 emissions

Table: Total direct net Carbon Dioxide equivalent emissions, Queensland

	2005 (a)	2013	2014	2015	2016	2017	2018	2019	2020
CO_2-e emissions (tonnes '000)									
Carbon dioxide (CO_2)	147,771	115,521	115,667	115,169	106,375	110,601	116,577	107,491	106,769
Methane (CO_2-e)	42,876	47,187	46,477	45,940	45,576	45,901	48,683	46,590	45,584
Nitrous oxide (CO_2-e)	5,485	5,066	5,168	4,970	4,821	4,844	4,725	4,835	4,573
Other (CO_2-e)	1,208	1,704	1,828	1,930	2,012	2,063	2,078	2,262	2,276
Total direct carbon dioxide equivalent emissions (b)	197,339	169,478	169,140	168,009	158,783	163,409	172,062	161,178	159,202

Source: CO2 – Australian Government, Department of Climate Change, Energy, the Environment and Water, Australia's National Greenhouse Accounts, National Greenhouse Gas Inventory – UNFCCC classifications (as at 5 Sep 22).

Population – Australian Bureau of Statistics, National, state and territory population, March 2022.

(a) 2005 is the reference year. All emissions targets set by Queensland are based on emissions in the reference year.

(b) Total carbon dioxide equivalent emissions represents the state of Queensland's direct emissions. Direct emissions, or total emissions, are the emissions released to the atmosphere as a direct result of an activity within the state of Queensland. Australia's National Greenhouse accounts (https://www.greenhouseaccounts.climatechange.gov.au) also provide information on industry indirect Scope 2 emissions. Industry emissions are captured within the greenhouse gas inventory and form part of the state's *Total direct carbon dioxide equivalent emissions (b)* in the table.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary; Emissions are revised each year; Estimates are based on the IPCC classification system used to report Australia's greenhouse gas emission inventory under UNFCCC guidelines and to track Australia's progress towards its 2030 Paris target. Please see the National Inventory Report for further information.

The information contained on or linked to or from any of the foregoing websites is not incorporated by reference into this filing and should not be considered part of this filing.

Table: Total direct net Carbon Dioxide equivalent emissions per capita, Queensland

	2005 (a)	2013	2014	2015	2016	2017	2018	2019	2020
Population (persons) (b)	3,964,175	4,685,439	4,747,263	4,804,933	4,884,196	4,963,989	5,051,610	5,136,760	5,191,354
Per capita CO_2-e emissions (tonnes per person)									
Carbon dioxide (CO_2)	37.28	24.66	24.36	23.97	21.78	22.28	23.08	20.93	20.57
Total direct carbon dioxide equivalent emissions (c)	49.78	36.17	35.63	34.97	32.51	32.92	34.06	31.38	30.67

Source: CO2 – Australian Government, Department of Climate Change, Energy, the Environment and Water, Australia’s National Greenhouse Accounts, National Greenhouse Gas Inventory – UNFCCC classifications (as at 5 Sep 22).

Population – Australian Bureau of Statistics, National, state and territory population, March 2022.

(a) 2005 is the reference year. All emissions targets set by Queensland are based on emissions in the reference year.

(b) Population as at 31 December each year.

(c) Total carbon dioxide equivalent emissions represents the state of Queensland’s direct emissions. Direct emissions, or total emissions, are the emissions released to the atmosphere as a direct result of an activity within the state of Queensland.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary; Emissions are revised each year; Estimates are based on the IPCC classification system used to report Australia’s greenhouse gas emission inventory under UNFCCC guidelines and to track Australia’s progress towards its 2030 Paris target. Please see the National Inventory Report for further information.

Metric 2: Sulphur Dioxide emissions

Table: Sulphur Dioxide emissions Kt, Queensland

	2013	2014	2015	2016	2017	2018	2019	2020
Tonnes (‘000)								
Net SO2 emissions	190.0	183.3	191.7	196.6	200.3	204.7	201.8	199.0

Source: Australia’s National Greenhouse Accounts, Emissions by state and territory, Department of Climate Change, Energy, the Environment and Water (as at 6 Sep 22).

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 3: Non-methane volatile organic compound emissions

Table: Non-Methane Volatile Organic Compound emissions Kt, Queensland

	2013	2014	2015	2016	2017	2018	2019	2020
Tonnes (‘000)								
NMVOC emissions	422.3	442.7	424.3	415.9	416.3	401.5	377.9	330.3

Source: Australia’s National Greenhouse Accounts, Emissions by state and territory, Department of Climate Change, Energy, the Environment and Water (as at 6 Sep 22).

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 4: Renewable energy as a percentage of total energy consumed in Queensland

Table: Renewable energy as a percentage of total energy consumed in Queensland (a)

	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Renewable energy as a share of total energy consumed in Queensland (per cent)	7.0	8.5	12.9	17.2	20.2	21.4

Source: Department of Energy and Public Works Annual Report 2021-22, page 17.

(a) The government has not set annual targets for the 50% target by 2030. Output of renewable energy generation on an annual basis is a market outcome and can vary year-to-year depending on a range of factors including electricity demand, the rate of deployment of projects and climatic variations (for example, resulting in higher or lower solar/wind/water resource availability).

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 5: Electricity generation by fuel type (Non-renewable & Renewable), financial year

Table: Electricity generation in Queensland, by fuel type, physical units (a)

	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Gigawatt hours								
Non-renewable fuels:								
Black coal	40,260.7	44,553.8	48,015.8	51,042.7	53,635.3	52,120.6	48,568.9	46,248.2
Natural gas	15,454.3	18,248.5	13,816.9	12,236.6	11,045.5	9,933.9	11,214.1	10,324.4
Oil products	959.5	1,197.2	1,199.1	1,215.9	1,047.7	1,000.6	983.7	1,034.9
Total non-renewable	*56,674.5*	*63,999.5*	*63,031.9*	*64,495.2*	*65,728.5*	*63,055.1*	*60,766.8*	*57,607.5*
Renewable fuels:								
Bagasse, wood	1,403.0	1,550.3	1,656.3	1,291.8	1,252.9	1,157.9	1,029.8	1,076.4
Biogas	82.8	91.1	115.5	118.3	126.5	175.1	189.2	198.5
Wind	33.7	32.5	28.4	29.0	30.3	399.1	927.9	1,826.0
Hydro	820.9	649.1	491.7	672.2	646.1	1,057.3	634.6	950.2
Large-scale solar PV	4.0	5.9	7.3	34.1	171.5	1,491.7	3,334.5	3,395.8
Small-scale solar PV	1,460.6	1,788.0	2,055.9	2,335.9	2,760.9	3,330.2	4,120.2	5,160.9
Geothermal	0.5	0.6	0.2	0.5				n.a.
Total renewable	*3,805.5*	*4,117.5*	*4,355.3*	*4,481.7*	*4,988.1*	*7,611.4*	*10,236.2*	*12,607.9*
Renewable (per cent of total)	6.3	6.0	6.5	6.5	7.1	10.8	14.4	18.0
Total	60,480.0	68,117.0	67,387.1	68,976.8	70,716.6	70,666.5	71,003.0	70,215.4

Source: Department of Climate Change, Energy, the Environment and Water, Australian Energy Update, 2022, Table O.

(a) Total electricity generation in Queensland includes off-grid systems and generation by businesses and households for their own use. These figures are different to the metric used for reporting against Queensland’s 50% renewable energy target by 2030 (Metric 4). 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.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 6: Electricity generation by fuel type (Non-renewable and Renewable), calendar year

Table: Electricity generation in Queensland, by fuel type, physical units (a) (b)

	2015	2016	2017	2018	2019	2020	2021
Gigawatt hours							
Non-renewable fuels:							
Black coal	46,368.5	49,884.2	52,444.3	52,946.8	50,114.1	47,083.9	45,229.7
Natural gas	15,770.3	12,532.9	11,661.4	10,416.2	10,564.1	11,531.3	9,883.0
Oil products	1,080.3	1,172.0	1,164.2	1,024.1	1,000.8	985.0	1,070.6
Total non-renewable	*63,219.1*	*63,589.1*	*65,269.8*	*64,387.1*	*61,679.0*	*59,600.2*	*56,183.3*
Renewable fuels:							
Biomass	1,639.6	1,540.8	1,422.2	1,378.7	1,269.4	1,218.2	1,277.4
Wind	30.8	26.6	28.5	140.6	624.5	1,364.5	1,760.5
Hydro	506.9	543.5	662.1	825.2	1,067.7	650.8	1,066.7
Large-scale solar PV	8.0	17.1	85.8	818.6	2,733.4	3,396.0	3,449.1
Small-scale solar PV	1,922.7	2,177.4	2,525.5	3,024.1	3,692.5	4,607.3	5,716.9
Geothermal	0.4	0.4	0.3				n.a.
Total renewable	*4,108.4*	*4,305.8*	*4,724.4*	*6,187.1*	*9,387.4*	*11,236.7*	*13,270.6*
Renewable (per cent of total)	6.1	6.3	6.7	8.8	13.2	15.9	19.1
Total	67,327.5	67,894.9	69,994.2	70,574.2	71,066.5	70,836.9	69,453.9

Source: Department of Climate Change, Energy, the Environment and Water, Australian Energy Update, 2022, Table O.

(a) Calendar year data includes some estimates based on financial year data where detailed calendar year data is not available

(b) Total electricity generation in Queensland includes off-grid systems and generation by businesses and households for their own use. These figures are different to the metric used for reporting against Queensland's 50% renewable energy target by 2030 (Metric 4). 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.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 7: Primary energy consumption by fuel type, GSP, population and energy intensity

Table: Primary energy consumption by fuel type, Queensland (a)

	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Coal (PJ)	443	485	518	544	571	554	524	506
Oil (PJ)	531	555	542	564	579	568	536	504
Gas (PJ)	258	295	296	310	302	294	313	313
Renewables (PJ)	110	123	120	130	121	124	127	140
Statistical discrepancy	-3	-22	-13	-15	-24	-20	-22	-18
Total (PJ)	1,339	1,436	1,465	1,532	1,548	1,520	1,479	1,445
Population (millions) (b)	4.72	4.78	4.85	4.93	5.01	5.09	5.18	5.22
Renewables on a per capita basis (GJ/person)	23.2	25.6	24.8	26.3	24.1	24.3	24.5	26.8
GSP ($ million)	325,109	327,729	335,443	344,040	357,495	360,960	357,646	368,192
Energy consumption per capita (GJ/person)	283.7	300.6	302.3	310.8	308.9	298.4	285.7	277.0
Energy intensity (GJ/$ million)	4,118	4,382	4,366	4,453	4,330	4,212	4,134	3,925
Energy productivity ($ million/PJ)	242.8	228.2	229.0	224.6	231.0	237.4	241.9	254.8

Source: Department of Climate Change, Energy, the Environment and Water, Australian Energy Update, Table C, 2022.

Population – Australian Bureau of Statistics, National, state and territory population, March 2022.

GSP – Australian Bureau of Statistics, Australian National Accounts: State Accounts, 2021–22, CVM (2020–21 reference year). Note calculations for Energy Intensity (GJ/$ million) and Energy Productivity ($ million/PJ) are based on this dataset.

(a) These figures are different to the metric used for reporting against Queensland's 50% renewable energy target by 2030 (Metric 4). 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.

(b) Population as at 30 June each year.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 8: Electricity consumption by industry and residential

Table: Electricity consumption by industry and residential, Queensland (a)

	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Petajoules								
Agriculture, forestry and fishing	1.6	1.4	1.3	1.1	1.4	1.5	1.4	1.2
Mining	25.5	31.0	40.1	45.5	47.2	50.3	51.0	50.5
Manufacturing	61.4	58.2	57.9	54.0	50.8	49.6	49.1	49.6
Electricity supply (b)	23.4	25.9	24.5	25.9	26.2	26.1	26.1	26.5
Gas supply	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.1
Water supply, sewerage and drainage services	0.9	1.0	1.6	1.6	1.7	2.5	2.5	2.4
Construction	1.4	1.6	2.0	1.5	1.5	1.3	1.3	1.3
Transport, postal and warehousing	6.9	6.9	6.7	6.3	6.4	6.6	6.7	6.4
Commercial and services (c)	48.2	53.1	51.7	51.7	49.7	48.9	45.2	43.8
Residential	45.6	43.9	44.2	45.6	45.5	47.6	50.4	53.3
Total	215.0	223.1	230.1	233.2	230.4	234.5	233.8	235.0

Source: Department of Climate Change, Energy, the Environment and Water, Australian Energy Update, Table F, 2022.

(a) Electricity consumption excludes solar energy produced by households and industry for own use

(b) electricity supply is treated as a separate industry sector that uses electricity in the process of generating the electricity consumed by all other sectors

(c) Includes ANZSIC Divisions F, G, H, J, K, L, M, N, O, P, Q, R, S

Notes: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 9: Flora and fauna species rated either vulnerable, endangered, or extinct in the wild (threatened species)

Table: Threatened wildlife, Queensland, as at 8 April 2022

Threatened wildlife	Extinct in the wild	Endangered	Vulnerable	Total
Count of species				
Fauna:				
Amphibians	3	18	16	37
Birds	1	31	33	65
Cartilaginous fish	0	1	0	1
Ray-finned fish	0	4	5	9
Mammals	10	22	25	57
Reptiles	0	24	28	52
Insects	0	3	5	8
Decapods	0	9	1	10
Molluscs	0	2	1	3
Fauna total	*14*	*114*	*114*	*242*
Flora:				
Ferns and fern allies	7	20	35	62
Cycads, conifers	0	10	15	25
Flowering plants	10	273	421	704
Green algae	0	0	1	1
Flora total	*17*	*303*	*472*	*792*
Total	31	417	586	1,034

Source: Nature Conservation (Animals) Regulation 2020 and Nature Conservation (Plants) Regulation 2020.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Table: Threatened wildlife, Queensland

Threatened wildlife	20-Sep-19	30-Apr-21	8-Apr-22
Count of species			
Fauna:			
Amphibians	35	36	37
Birds	65	65	65
Cartilaginous fish	1	1	1
Ray-finned fish	8	9	9
Mammals	54	54	57
Reptiles	52	50	52
Insects	8	8	8
Decapods	2	10	10
Molluscs	3	3	3
Fauna total	*228*	*236*	*242*
Flora:			
Ferns and fern allies	65	61	62
Cycads, conifers	12	25	25
Flowering plants	655	697	704
Green algae	1	1	1
Flora total	*733*	*784*	*792*
Total	961	1,020	1,034

Source: Nature Conservation (Wildlife) Regulation 2006 (unpublished data); Nature Conservation (Animals) Regulation 2020 and Nature Conservation (Plants) Regulation 2020.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 10: Agricultural and forest land

Table: Proportion of total land area that can be used for some form of agriculture, Queensland

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Main agricultural land use-area (km^2)							
Crops	33,515	32,267	31,812	34,577	31,810	31,670	35,136
Grazing	1,187,167	1,166,021	1,293,725	1,296,509	1,230,342	1,204,036	1,256,549
Forestry	480	3,094	1,950	2,118	2,535	1,765	4,316
Other	206	342	231	157	231	215	292
Total	1,221,367	1,201,723	1,327,718	1,333,361	1,264,919	1,237,685	1,296,293
Agricultural land area as a per cent of total land area (per cent)	70.6	69.5	76.7	77.1	73.1	71.5	74.9

Source: 2014–15 to 2016–17: Australian Bureau of Statistics, Land Management and Farming in Australia, various years; 2017–18 to 2020–21: Australian Bureau of Statistics, Agricultural Commodities, Australia, various years.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 11: International Agricultural Exports

Table: International Agricultural Exports

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22p
Exports ($ millions)	861	904	1,089	805	842	859	1,212	2,077

Source: Queensland Government Statisticians Office, Overseas exports by industry 4-digit ANZSIC 2006 edition, as at August 2022.

p = preliminary (as at June 2022 release)

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 12: Forest Conversion

Table: Net clearing of forests, Queensland

	2013	2014	2015	2016	2017	2018	2019	2020
Hectares ('000)								
Annual area of primary forest converted	43	43	43	45	42	41	23	12
Annual area of secondary forest converted	285	261	260	302	293	274	195	113
Annual area of identified regrowth	322	374	342	331	214	182	180	168
Net clearing of forests (conversions identified less regrowth)	6	-70	-39	17	121	134	38	-43

Source: Australian Government, Department of Climate Change, Energy, the Environment and Water, Activity Table 1990-2020 - LULUCF.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 13: Forest area by forest type

Table: Protected areas - parks, forests and reserves by estate type, Queensland

Estate type	01-May-18	05-Jun-20	26-Jul-21	28-Mar-22
Land area (km^2)				
National Park	97,683	98,071	98,227	97,177
State forest	31,037	31,045	31,046	30,984
Timber reserve	663	663	663	663
Forest reserve	541	540	540	540
Total	129,924	130,320	130,477	129,364

Source: Queensland Department of Environment and Science, Protected Areas of Queensland.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 14: Physical water supply by water type

Table: Physical water supply by water type, Queensland

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Megalitres							
Self-extracted	4,766,947	4,601,415	4,384,517	4,501,348	4,163,740	4,284,458	4,514,828
Distributed	2,518,802	2,345,370	2,205,204	2,179,774	2,196,367	2,439,699	2,604,638
Wastewater	378,385	358,142	364,350	384,520	371,191	379,187	403,483
Reuse	67,320	67,794	63,291	56,791	60,643	59,292	58,870
Return flows (a)	1,137,330	1,101,929	1,006,249	1,101,300	1,080,379	1,094,674	1,074,608
Total supply	8,868,784	8,474,649	8,023,611	8,223,732	7,872,320	8,257,310	8,656,427

Source: Australian Bureau of Statistics, Water Account, 2022, Table 5. Physical Supply and Use, by Water Type, Queensland.

(a) Return flows represents the flows of water from industries and households to the environment.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 15: Physical water use by customer category

Table: Physical water use by customer category, Queensland

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Megalitres							
Agriculture, forestry and fishing (a)	2,746,463	2,610,088	2,545,532	2,573,131	2,170,425	2,226,106	2,568,318
Mining (b)	265,462	263,370	256,932	261,650	259,236	271,613	262,105
Manufacturing (c)	203,951	188,794	189,781	201,233	201,759	207,919	198,995
Water supply, sewerage and drainage services (d)	3,267,636	3,083,608	2,563,930	2,857,675	2,912,993	3,188,837	3,354,946
Other industries = Total industry - (a+b+c+d)	916,494	887,048	1,122,774	888,403	898,934	899,301	835,206
Total industry (e)	7,400,006	7,032,908	6,678,949	6,782,092	6,443,347	6,793,777	7,219,570
Households	331,448	339,813	338,414	340,341	348,594	368,859	362,249
Environment (f)	1,137,330	1,101,929	1,006,249	1,101,300	1,080,379	1,094,674	1,074,608
Total use	8,868,784	8,474,649	8,023,611	8,223,732	7,872,320	8,257,310	8,656,427

Source: Australian Bureau of Statistics, Water Account, 2022, Table 5. Physical Supply and Use, by Water Type, Queensland.

(a) Agriculture, forestry and fishing will be an under-estimate of use as the ABS has made sub-components for Distributed and/or Reuse supply not available for publication from 2014-15 to 2016-17 and 2020-21.

(b) Mining will be an under-estimate of use as the ABS has made sub-components for Reuse supply not available for publication from 2014-15 to 2016-17.

(c) Manufacturing will be an under-estimate of use as the ABS has made sub-components for Reuse supply not available for publication in 2015-16.

(d) Water supply, sewerage and drainage services will be an under-estimate of use as the ABS has made sub-components for Distributed and/or Reuse supply not available for publication in 2014-15 and 2016-17.

(e) Total industry includes, in addition to the four separately identified industries, industry users for which the ABS has decided are not available for publication.

(f) Return flows represents the flows of water from industries and households to the environment.

Notes: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 16: Marine park area

Table: Marine parks, Queensland, 2022

Marine park	Area (km^2)
Great Barrier Reef Coast	63,262
Moreton Bay	3,463
Great Sandy	5,933
Total	72,658

Source: Queensland Department of Environment and Science.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 17: Particulate Matter (PM 2.5 and PM 10) air pollution

Table: Net emissions of Particulate Matter, Queensland

	2013	2014	2015	2016	2017	2018	2019	2020
Tonnes ('000)								
PM 2.5	705	773	705	680	684	637	597	431
PM 10	325	360	348	347	319	273	278	302

Source: Australian Government, Department of Industry, Science, Energy and Resources, Australian Greenhouse Emissions Information System, National Greenhouse Gas Inventory – UNFCCC classifications (as at 5 Sep 22).

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 18: Waste Management

Table: Waste management (b)

	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Tonnes								
Waste recovered (a)	3,570,065	3,673,189	4,043,345	4,363,392	4,944,825	5,371,861	4,760,943	5,223,890
Total waste	8,364,369	8,439,043	9,165,361	9,813,843	10,891,988	11,036,686	8,798,319	9,300,311
Waste recovered (a) (per cent)	42.7	43.5	44.1	44.5	45.4	48.7	54.1	56.2

Source: Queensland Government, Recycling and waste in Queensland report 2021.

(a) Waste recovered is waste that has been diverted from landfill. It includes material that has been recycled, reprocessed or stockpiled for future use.

(b) Waste includes incoming interstate waste.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Table: Waste management (b) per capita

	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Tonnes								
Population (c)	4,719,653	4,777,692	4,845,152	4,928,374	5,010,502	5,094,718	5,175,003	5,217,653
Waste recovered (a)	0.76	0.77	0.83	0.89	0.99	1.05	0.92	1.00
Total waste	1.77	1.77	1.89	1.99	2.17	2.17	1.70	1.78

Source: Queensland Government, Recycling and waste in Queensland report 2021.

Population – Australian Bureau of Statistics, National, state and territory population, March 2022.

(a) Waste recovered is waste that has been diverted from landfill. It includes material that has been recycled, reprocessed or stockpiled for future use.

(b) Waste includes incoming interstate waste.

(c) Population as at 30 June each year.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 19: Percentage of Year 7 children achieving at or above the national minimum standards for reading

Table: Percentage of Year 7 children achieving at or above the national minimum standards for reading, Queensland

	2014	2015	2016	2017	2018	2019	2020	2021
Year 7 (per cent)	94.4	95.8	94.6	93.9	94.1	95.0	n.a.	93.7

Source: Australian Curriculum, Assessment and Reporting Authority, NAPLAN results, various years.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 20: Percentage of persons aged 20 to 64 years with a non-school qualification

Table: Per cent of persons aged 20-64 years with a non-school qualification (as a per cent of total persons aged 20-64 years), Queensland

As at May	2015	2016	2017	2018	2019	2020	2021	2022
Non-school qualification (per cent)	62.0	62.8	63.3	63.3	65.5	67.1	66.0	68.8

Source: ABS, Education and Work, Australia, May 2022.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary. Data may be randomly adjusted to avoid the release of confidential data.

Metric 21: School participation rates for students aged 12 to 18 years

Table: School participation rates for students aged 12 to 18 years, Queensland (a)

	2014	2015	2016	2017	2018	2019	2020	2021
Participation rates (per cent)								
Aged 12 years	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Aged 13 years	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Aged 14 years	100.0	99.7	100.0	100.0	100.0	100.0	99.9	99.8
Aged 15 years	98.9	99.2	97.7	98.9	99.1	99.1	98.8	98.4
Aged 16 years	93.0	93.6	94.2	93.2	93.0	92.8	91.8	90.4
Aged 17 years (b)	57.1	58.5	59.4	61.0	59.1	61.0	82.6	82.4
Aged 18 years (c)	5.7	5.8	6.0	6.2	6.3	6.5	7.3	9.1

Source: Australian Bureau of Statistics, Schools, 2021, Table 66a Capped School Participation Rates for students Aged 6-19 Years, 2011-2021.

Participation rates are determined using both part-time and full-time student counts

(a) The age reference date for students is 1 July.

(b) Queensland enrolment requirements consider a child to be of compulsory school age from 6 years and 6 months until they turn 16, or they complete Year 10 (whichever comes first).

(c) Queensland allows students to enrol in the first year of school if age 5 by 30 June, equivalent to age 17 in the last year of school. Students who commence school a year later than standard will be age 18 in the last year of school.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 22: Main destination of Year 12 completers

Table: Main destination of Year 12 completers, Queensland

	2014	2015	2016	2017	2018	2019	2020	2021
Number								
Bachelor Degree	15,507	16,287	15,920	16,273	15,538	15,666	11,508	15,139
VET Certificate IV+	2,974	2,997	2,782	2,341	2,146	2,075	1,323	2,039
VET Certificate III	1,098	1,063	1,020	1,094	988	1,096	794	1,003
VET Certificate I-II/other	1,086	1,080	1,072	931	905	836	613	950
Apprenticeship	2,449	2,388	2,538	2,577	2,701	2,492	1,729	2,942
Traineeship	1,150	970	983	1,092	1,016	958	545	1,138
Full-time employment	3,381	3,345	3,383	3,646	3,640	3,243	1,658	3,364
Part-time employment	6,803	6,815	7,137	7,671	7,648	7,687	4,738	6,498
Seeking work	4,295	4,315	4,305	4,563	4,388	4,243	3,951	2,722
NILFET (a)	896	897	970	1,178	1,091	1,160	1,592	946
Total	39,639	40,157	40,110	41,366	40,061	39,456	28,451	36,741
Per cent								
Bachelor Degree	39.1%	40.6%	39.7%	39.3%	38.8%	39.7%	40.4%	41.2%
VET Certificate IV+	7.5%	7.5%	6.9%	5.7%	5.4%	5.3%	4.7%	5.5%
VET Certificate III	2.8%	2.6%	2.5%	2.6%	2.5%	2.8%	2.8%	2.7%
VET Certificate I-II/other	2.7%	2.7%	2.7%	2.3%	2.3%	2.1%	2.2%	2.6%
Apprenticeship	6.2%	5.9%	6.3%	6.2%	6.7%	6.3%	6.1%	8.0%
Traineeship	2.9%	2.4%	2.5%	2.6%	2.5%	2.4%	1.9%	3.1%
Full-time employment	8.5%	8.3%	8.4%	8.8%	9.1%	8.2%	5.8%	9.2%
Part-time employment	17.2%	17.0%	17.8%	18.5%	19.1%	19.5%	16.7%	17.7%
Seeking work	10.8%	10.7%	10.7%	11.0%	11.0%	10.8%	13.9%	7.4%
NILFET (a)	2.3%	2.2%	2.4%	2.8%	2.7%	2.9%	5.6%	2.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Queensland Department of Education, Next Step Year 12 Completers survey, various years.

(a) Not in the labour force (that is not employed and not seeking work), education or training.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 23: Pupil-Teacher ratio, Primary and Secondary School

Table: Pupil-Teacher ratio, Primary School

Primary	2014	2015	2016	2017	2018	2019	2020	2021
Government	15.3	14.8	14.5	14.4	14.2	14.3	14.3	14.4
Non-Government	17.4	16.5	16.4	16.0	15.9	15.9	15.9	16.0
Catholic	17.9	17.2	17.0	16.6	16.4	16.3	16.3	16.4
Independent	16.8	15.5	15.5	15.3	15.3	15.4	15.5	15.4
All Affiliations	15.9	15.2	15.0	14.9	14.7	14.7	14.8	14.9

Source: Australian Bureau of Statistics, Schools, 2021, Table 53a Student (FTE) to Teaching Staff (FTE) Ratios, 2006-2021.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Table: Pupil-Teacher ratio, Secondary School

Secondary	2014	2015	2016	2017	2018	2019	2020	2021
Government	12.5	12.7	12.5	12.4	12.2	12.1	12.1	12.1
Non-Government	12.2	12.4	12.2	12.1	12.0	11.9	12.1	12.1
Catholic	12.6	12.8	12.4	12.4	12.2	12.1	12.3	12.5
Independent	11.7	12.1	11.9	11.8	11.7	11.8	11.9	11.7
All Affiliations	12.4	12.6	12.4	12.3	12.1	12.1	12.1	12.1

Source: Australian Bureau of Statistics, Schools, 2021, Table 53a Student (FTE) to Teaching Staff (FTE) Ratios, 2006-2021.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 24: Expenditure per child in government funded schools

Table: Real Australian, state and territory government recurrent expenditure per student, (2019-2020 dollars) ($ per FTE student), Queensland

	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Australian Government payments for school education services	2,010	2,200	2,402	2,611	2,943	3,101	3,200	3,323
Queensland Government recurrent expenditure	15,235	14,809	15,072	15,352	15,465	15,703	15,878	16,609
Total	17,245	17,009	17,474	17,963	18,408	18,804	19,078	19,932

Source: Productivity Commission, Report on Government Services, 2022, Section 4 School education (table 12A.4).

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 25: Available beds per 1000 people, Public hospitals (including psychiatric)

Table: Available beds per 1000 people, Public hospitals (including psychiatric), Queensland

	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
beds per 1,000 population								
Major cities	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.4
All areas	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.5

Source: Productivity Commission, Report on Government Services, 2022, Section 12 Public Hospitals (table 12A.4).

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 26: Emergency department presentations

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
number of presentations	1,378,883	1,439,143	1,457,083	1,512,118	1,561,825	1,606,395	1,887,381
presentations per 1,000 population (a) (b)	288.6	297.0	295.7	301.8	306.6	310.4	361.7

Source: AIHW, Australian hospital statistics, Emergency department care, Table 2.2 (various years).

Population - Australian Bureau of Statistics, National, state and territory population, March 2022.

(a) per 1,000 population estimates have been derived using the March 2022 release of Australian Bureau of Statistics, National, state and territory estimated resident population data rather than the population estimates from the AIHW source.

(b) Population as at 30 June each year.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 27: Hospitals separations

Table: Acute separations, same day and overnight, public and private hospitals, Queensland

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Same-day acute separations - number							
Public hospitals	631,178	683,937	761,481	826,257	895,582	927,405	990,622
Private hospitals	677,780	655,210	672,656	693,966	711,311	697,728	780,408
All hospitals	1,308,958	1,339,147	1,434,137	1,520,223	1,606,893	1,625,133	1,771,030
Overnight acute separations - number							
Public hospitals	527,038	534,444	553,668	581,654	590,750	586,428	611,921
Private hospitals	301,348	297,256	298,633	299,859	300,083	285,275	307,993
All hospitals	828,386	831,700	852,301	881,513	890,833	871,703	919,914

Source: AIHW, Australian hospital statistics, Admitted patient care, 2020-21 table 2.14 and table 2.16; 2018-19 table 2.11 and table 2.13.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Table: Acute separations per 1,000 population, same day and overnight, public and private hospitals, Queensland (a)

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
Same-day acute separations per 1,000 populations							
Public hospitals	132.1	141.2	154.5	164.9	175.8	179.2	189.9
Private hospitals	141.9	135.2	136.5	138.5	139.6	134.8	149.6
All hospitals	274.0	276.4	291.0	303.4	315.4	314.0	339.4
Overnight acute separations per 1,000 populations							
Public hospitals	110.3	110.3	112.3	116.1	116.0	113.3	117.3
Private hospitals	63.1	61.4	60.6	59.8	58.9	55.1	59.0
All hospitals	173.4	171.7	172.9	175.9	174.9	168.4	176.3

Source: AIHW, Australian hospital statistics, Admitted patient care, 2020-21 table 2.14 and table 2.16; 2018-19 table 2.11 and table 2.13.

Population - Australian Bureau of Statistics, National, state and territory population, March 2022.

(a) Population as at 30 June each year.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 28: Public hospital workforce - average full-time equivalent (FTE) per 1,000 population

Table: Public hospital workforce - average FTE per 1,000 persons, Queensland

	2015–16	2016–17	2017–18	2018–19	2019–20
FTE per 1,000 persons					
Salaried medical officers	2.0	2.0	2.1	2.2	2.2
Nurses	6.2	6.4	6.6	6.8	6.9
Diagnostic and allied health	1.9	2.0	2.0	2.1	2.1
Total	10.1	10.4	10.7	11.1	11.2

Source: Productivity Commission, Report on Government Services, 2022, Section 12 Public Hospitals (table 12A.9).

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary. Latest data are 2019-20 (released in 2022 report).

Metric 29: Prevalence of overweight adults and children

Table: Percentage of overweight or obese adults and children, Queensland

	Overweight			Obese			Overweight or obese		
	Males	Females	Persons	Males	Females	Persons	Males	Females	Persons
Per cent									
Adults									
2011–12	40.9	28	34.5	31.7	29.1	30.4	72.7	57.1	64.9
2014–15	38.4	28.6	33.4	31.9	28.4	30.2	70.7	56.6	63.6
2017–18	39.0	28.2	33.5	33.9	30.7	32.4	72.9	59.3	65.9
Children									
2011–12	15.7	19.0	17.3	8.1	9.0	8.6	23.8	28.0	25.9
2014–15	16.9	17.7	17.9	6.6	8.2	7.5	24.6	25.3	24.6
2017–18	17.4	13.9	15.4	9.8	8.4	8.7	26.2	21.7	24.5

Source: Australian Bureau of Statistics, National Health Survey (various editions); Australian Bureau of Statistics, Australian Health Survey: Updated Results, 2011–12.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary. The sum of components may not add to totals due to random adjustments by the Australian Bureau of Statistics to avoid the release of confidential data.

Metric 30: Infant mortality rate

Table: Infant mortality rates - deaths before reaching one year of age per 1,000 live births, Queensland

	2014	2015	2016	2017	2018	2019	2020	2021
Infant mortality rate (per 1,000 live births)	4.4	4.2	4.0	4.3	3.5	4.1	3.8	3.8

Source: Australian Bureau of Statistics, Deaths, Australia, 2021.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 31: Life expectancy

Table: Life expectancy at birth, Queensland

Sex	2012–2014	2013–2015	2014–2016	2015–2017	2016–2018	2017–2019	2018–2020	2019–2021
Years								
Males	79.9	80.0	80.1	80.0	80.2	80.3	80.6	80.9
Females	84.2	84.3	84.5	84.4	84.7	84.8	85.1	85.1

Source: Australian Bureau of Statistics, Life Tables, States, Territories and Australia, various editions.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 32: Life expectancy – Aboriginal and Torres Strait Islander Queenslanders (First Nations peoples)

Table: Life expectancy at birth, Aboriginal and Torres Strait Islander population of Queensland

Sex	2005–2007	2010–2012	2015–2017
Years			
Males	68.3	68.7	72.0
Females	73.6	74.4	76.4

Source: Australian Bureau of Statistics, Life Tables for Aboriginal and Torres Strait Islander Australians, various editions.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 33: Age dependency ratio

Table: Persons aged 65 years and over as a percentage of the labour force - 15 to 64 years labour force, and full labour force (age dependency ratio), Queensland

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Per cent								
Aged dependency ratio (labour force 15-64 years)	27.9	28.8	29.8	30.0	30.7	31.6	32.2	32.6
Aged dependency ratio (labour force total)	27.1	27.8	28.9	28.8	29.5	30.4	30.8	31.2

Source: Australian Bureau of Statistics, Labour Force, Australia, Detailed, September 2022.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary. Civilian population and labour force estimates are based on 12-month averages of monthly data.

Metric 34: Percentage of women appointed to government boards

Table: Proportion of women appointed to government boards, Queensland

	2017–18	2018–19	2019–20	2020–21	2021–22
Percentage of women appointed to Queensland Government boards (percent)	47.5	52.0	54.5	53.0	56.0

Source: Queensland Department of Justice and Attorney-General Annual Report 2021-22; Queensland Department of Justice and Attorney-General Annual Report 2020-21; Queensland Department of Child Safety, Youth and Women 2018-19 Annual Report.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 35: Percentage of persons aged 25 to 64 years who were employed, by Indigenous status

Table: Percentage of persons (25 to 64 years) who were employed by Indigenous status, Queensland

Indigenous status	1991	1996	2001	2006	2011	2016
Per cent						
Aboriginal and Torres Strait Islander	46.9	49.3	50.4	57.7	54.1	52.1
Non-Indigenous	67.6	69.2	70.0	74.9	76.1	75.8

Source: Australian Government Productivity Commission, Closing the Gap website (as at 14 Oct 22); Australian Census of Population and Housing, 1991–2016.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary. Calculations exclude the population whose labour force status was 'not stated'; and overseas visitors. Counts are based on a person aged 25 to 64 years of age by place of usual residence.

Metric 36: Research and Experimental Development (R&D) expenditure, Businesses

Table: Research and experimental development expenditure, business, Queensland

	2011–12	2013–14	2015–16	2017–18	2019–20
R&D ($ millions)	2,499	2,700	1,956	1,912	2,235
GSP ($ millions)	277,341	288,805	301,095	349,911	360,907
R&D as a per cent of GSP (per cent)	0.9	0.9	0.6	0.5	0.6

Source: R&D - Australian Bureau of Statistics, Research and Experimental Development, Businesses, Australia, various years.

GSP - Australian Bureau of Statistics, Australian National Accounts: State Accounts, 2021-22.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary. Data is in current prices.

Metric 37: Research and Experimental Development (R&D), Government and Private Non-Profit Organisations (NPO)

Table: Research and experimental development expenditure, government and private Non-Profit Organisations (NPO), Queensland

	2012–13	2014–15	2016–17	2018–19	2020–21
R&D ($ millions)	568	563	590	673	680
GSP ($ millions)	281,037	294,167	327,750	366,494	368,192
R&D as a per cent of GSP (per cent)	0.2	0.2	0.2	0.2	0.2

Source: R&D - Australian Bureau of Statistics, Research and Experimental Development, Government and Private Non-Profit Organisations, Australia, various years.

GSP - Australian Bureau of Statistics, Australian National Accounts: State Accounts, 2021-22.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary. Data is in current prices.

Metric 38: Selected labour force statistics

Table: Selected labour force statistics, Queensland (year-average)

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Per cent								
Labour force participation rate (persons aged 15 to 64 years)	77.2	77.4	76.7	78.3	78.3	78.0	79.3	80.3
Male labour force participation rate (persons aged 15 to 64 years)	82.5	82.5	81.5	82.9	82.5	82.6	83.4	83.9
Female labour force participation rate (persons aged 15 to 64 years)	72.0	72.4	71.9	73.9	74.2	73.5	75.3	76.8
Gap between male and female labour force participation rates (persons aged 15 to 64 years)	10.4	10.1	9.6	9.0	8.3	9.0	8.1	7.1
Unemployment rate (persons aged 15 to 64 years)	6.6	6.3	6.4	6.2	6.3	6.6	6.9	4.7
Youth unemployment rate (persons aged 15 to 24 years)	14.2	12.8	13.5	13.1	13.1	15.2	13.6	10.1

Source: Australian Bureau of Statistics, Labour Force, Australia, Detailed, September 2022.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 39: Equivalised disposable household income

Table: Selected equivalised disposable household income statistics, Queensland

	2007–08	2009–10	2011–12	2013–14	2015–16	2017–18	2019–20
Mean income per week - adjusted lowest income quintile ($)	432	422	421	433	454	440	470
Mean income per week - all persons ($)	1,046	997	1,040	1,060	1,024	1,027	1,087
Lowest income quintile mean income as a per cent of all households mean income	41.3	42.3	40.5	40.8	44.3	42.8	43.2

Source: Australian Bureau of Statistics, Household Income and Wealth, Australia, 2019–20.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 40: Family violence counselling service users with cases finalised or closed

Table: Number of domestic and family violence counselling service users with cases closed, Queensland (a)

	2019–20	2020-21	2021–22
Number of domestic and family violence counselling service users with cases closed	24,442	23,816	26,762

Source: Queensland Department of Justice and Attorney-General Annual Report 2020-21; Queensland Department of Justice and Attorney-General Annual Report 2021-22.

(a) cases closed as a a result of the majority of identified needs being met.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 41: Growth of Gross State Product

Table: Growth in Queensland and Australia’s Gross State and Domestic Product

	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Per cent									
Queensland Gross State Product	2.0	0.8	2.4	2.6	3.9	1.0	-0.9	2.9	4.4
Australia Gross Domestic Product	2.6	2.2	2.7	2.3	2.9	2.2	-0.1	2.2	3.6

Source: Australian Bureau of Statistics, Australian National Accounts: State Accounts 2021-22.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 42: General Government Sector Net Operating Balance, Actual

Table: Queensland’s general government sector net operating balance

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Net Operating Balance ($ millions)	420	668	2,825	1,750	985	-5,728	-937	4,296

Source: Queensland State Budget 2022–23 Budget Paper 2, page 233 (Appendix D); 2021-22 Report on State Finances, page 3-4.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 43: General Government Sector Borrowing Costs, Actual

Table: Queensland's general government sector borrowing costs

	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Borrowing costs ($ millions)	2,328	2,220	1,722	1,614	1,581	1,486	1,619	1,508

Source: Queensland Budget 2022–23 Budget Paper No. 2: Table 5.1 General Government Sector Expenses; Table 9.10 General Government Sector Time Series; 2021-22 Report on State Finances, page 3-8.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

Metric 44: Metallurgical and Thermal coal, saleable production

Table: Metallurgical and Thermal coal, saleable production, Queensland

	2016	2017	2018	2019	2020	2021
Volume (megatonnes)						
Metallurgical coal (a)	160.1	152.3	156.5	160.2	145.7	142.6
Thermal coal	83.6	84.5	92.4	88.6	78.9	78.0

Source: Queensland Department of Resources, updated April 2022.

Note: This is the most current available data as at November 2022, for further information on the data presented in this table please refer to the Data Dictionary.

(a) Queensland Department of Resources refers to metallurgical coal as coking coal.

Appendix B: Supporting Information

Queensland has detailed and evolving information available. Please see below for links used to source information in this report.

The information contained on or linked to or from any of the following websites is not incorporated by reference into this filing and should not be considered part of this filing.

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[1] https://www.qld.gov.au/about/how-government-works/government-responsibilities

[2] https://cabinet.qld.gov.au/ministers-portfolios.aspx

[3] https://www.legislation.qld.gov.au/view/html/inforce/current/act-2009-009 | Page 42, Section 61 Functions of accountable officers and statutory bodies

[4] https://www.parliament.qld.gov.au/

[5] https://www.qld.gov.au/about/how-government-works/government-structure

[6] https://budget.qld.gov.au/files/Budget_2022-23_Strategy_Outlook.pdf | Page 13

[7] https://www.legislation.qld.gov.au/view/html/inforce/current/act-2009-009

[8] https://www.treasury.qld.gov.au/resource/guide-risk-management/

[9] https://www.legislation.qld.gov.au/view/html/inforce/current/act-2009-009

[10] https://www.forgov.qld.gov.au/__data/assets/pdf_file/0017/183212/performance-management-framework-policy.pdf

[11] This study was prepared on the basis of information available at the time of release of the 2019 World Energy Outlook. While the analysis does not include more recent developments, particularly the COVID-19 outbreak and developments in the trade relationship between China and Australia, their impacts are expected to be relatively short-lived compared with the underlying drivers of the long-term outlook (up to 2040) described in this report. Please see https://www.iea.org and search for World Energy Outlook 2019 for more information.

[12] https://www.des.qld.gov.au/climateaction/emissions-targets

[13] https://www.des.qld.gov.au/climateaction/climate-positive-games

[14] https://www.des.qld.gov.au/climateaction/emissions-targets

[15] https://www.epw.qld.gov.au/energyandjobsplan

[16] https://www.epw.qld.gov.au/__data/assets/pdf_file/0010/33031/queensland-energy-plan-workers-charter.pdf

[17] https://www.epw.qld.gov.au/energyandjobsplan/about/supergrid

[18] https://media.epw.qld.gov.au/files/Queensland_Energy_and_Jobs_Plan.pdf | Page 6

[19] https://www.epw.qld.gov.au/__data/assets/pdf_file/0016/33037/epw-annual-report-2021-2022.pdf | Page 16

[20] https://www.qld.gov.au/transport/projects/electricvehicles/zero-emission-strategy

[21] https://www.hpw.qld.gov.au/__data/assets/pdf_file/0021/21882/qfleet-electric-vehicle-transition-strategy-2023-2026.pdf

[22] https://www.publications.qld.gov.au/ckan-publications-attachments-prod/resources/cc180075-23bb-499f-8ac2-d1704973feca/zev- strategy.pdf?ETag=2194a593a5798b4a949ddac821181e55 | Page 13

[23] https://statements.qld.gov.au/statements/95894

[24] https://www.hpw.qld.gov.au/__data/assets/pdf_file/0021/21882/qfleet-electric-vehicle-transition-strategy-2023-2026.pdf | Page 8

[25] https://www.hpw.qld.gov.au/__data/assets/pdf_file/0021/21882/qfleet-electric-vehicle-transition-strategy-2023-2026.pdf | Page 5

[26] https://www.qrida.qld.gov.au/program/queensland-zero-emission-vehicle-rebate-scheme

[27] https://www.publications.qld.gov.au/ckan-publications-attachments-prod/resources/cc180075-23bb-499f-8ac2-d1704973feca/zev- strategy.pdf?ETag=2194a593a5798b4a949ddac821181e55 | Page 14

[28] https://statements.qld.gov.au/statements/95209

[29] https://www.epw.qld.gov.au/__data/assets/pdf_file/0016/33037/epw-annual-report-2021-2022.pdf | Pages 15 and 19

[30] https://www.qld.gov.au/housing/buying-owning-home/energy-water-home/electricity/digital-meters/electricity-metering

[31] https://ecobiz.cciq.com.au

[32] https://www.epw.qld.gov.au/about/initiatives/solar-remote-communities

[33] https://ncc.abcb.gov.au

[34] https://www.epw.qld.gov.au/__data/assets/pdf_file/0029/32987/queensland-energy-and-jobs-plan.pdf | Page 37

[35] https://www.energyq.com.au/__data/assets/pdf_file/0019/1030834/EQL-Annual-Report-2021-22_DIGITAL.pdf | Page 15

[36] https://ecobiz.cciq.com.au/

[37] https://ecobiz.cciq.com.au/assets/Uploads/CCIQ-ecoBIZ-Resource-Kit-small.pdf | Page 3

[38] https://www.epw.qld.gov.au/about/initiatives/solar-remote-communities

[39] https://www.epw.qld.gov.au/about/initiatives/modern-homes/residential-energy-efficiency-standards

[40] https://abcb.gov.au/news/2022/weve-released-ncc-2022

[41] https://www.nathers.gov.au/

[42] https://ncc.abcb.gov.au/resource/standard/whole-home-efficiency-factors

[43] https://www.epw.qld.gov.au/__data/assets/pdf_file/0018/19341/qld-building-plan-update.pdf | Page 12

[44] https://www.health.qld.gov.au/__data/assets/pdf_file/0025/1125961/climate-risk-strategy-2021-2026.pdf | Page 11

[45] https://www.qao.qld.gov.au/sites/default/files/2021-03/Planning%20for%20sustainable%20health%20services%20%28Report%2016%E2%80%942020%E2%80%9321%29%E2%80%94Appendix%20A_0.pdf | Page 30

[46] https://www.des.qld.gov.au/climateaction/sector-action/built-environment#:~:text=Queensland%20Government%20made%20a%20commitment,environmental%20sustainability%20in%20Queensland%20Health

[47] https://www.tmr.qld.gov.au/Community-and-environment/Planning-for-the-future/Building-sustainable-roads

[48] https://www.publications.qld.gov.au/ckan-publications-attachments-prod/resources/d48dcb51-f328-49df-bb87-eef8573b6347/department-of- transport-and-main-roads-annual-report_2021-2022.pdf?ETag=d7039036dba9bfb60002e7154ee65884 | Page 106

[49] https://alt-qed.qed.qld.gov.au/programs-initiatives/department/building-education/major-projects/cooler-cleaner-schools

[50] https://www.health.qld.gov.au/__data/assets/pdf_file/0029/1176518/DOH_2021_22_annual_report.pdf | Page 79

[51] https://statements.qld.gov.au/statements/95839

[52] https://statements.qld.gov.au/statements/89881

[53] https://www.des.qld.gov.au/climateaction/climate-positive-games

[54] https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/rp2122/BrisbaneOlympicGames2032NetBenefitAustralianCommunity

[55] https://www.qld.gov.au/__data/assets/pdf_file/0017/67301/qld-climate-adaptation-strategy.pdf

[56] https://www.qld.gov.au/environment/climate/climate-change/adapting/sectors-systems

[57] https://www.qld.gov.au/__data/assets/pdf_file/0022/64237/h-cap-qld.pdf

[58] https://www.qld.gov.au/__data/assets/pdf_file/0037/68797/built-environment-infrastructure-sector-adaption-plan.pdf

[59] https://www.qld.gov.au/__data/assets/pdf_file/0036/68697/building-resilient-tourism-industry-qld-ccr-plan.pdf

[60] https://www.qld.gov.au/__data/assets/pdf_file/0027/67626/agricultural-sector-adaption-plan.pdf

[61] https://www.qld.gov.au/__data/assets/pdf_file/0022/87610/b-e-cap.pdf

[62] https://www.qld.gov.au/__data/assets/pdf_file/0024/104757/small-med-enterprise-sector-adaptation-plan.pdf

[63] https://www.disaster.qld.gov.au/cdmp/Documents/Adaptation-Plan/EM-SAP-FULL.pdf

[64] https://www.longpaddock.qld.gov.au/dcap/

[65] https://data.longpaddock.qld.gov.au/static/dcap/1+DCAP+ME+Report+July+2021+Final.pdf | Page 6

[66] https://data.longpaddock.qld.gov.au/static/dcap/1+DCAP+ME+Report+July+2021+Final.pdf | Page 8

[67] https://data.longpaddock.qld.gov.au/static/dcap/1+DCAP+ME+Report+July+2021+Final.pdf | Page 6

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[75] https://www.qra.qld.gov.au/funding-programs/resilience-funding-programs

[76] https://www.qra.qld.gov.au/sites/default/files/2022-09/qra_annual_report_201-22.pdf | Page 11

[77] https://www.qra.qld.gov.au/sites/default/files/2022-09/summary_-_queensland_strategy_for_disaster_resilience_2022-2027.pdf

[78] https://www.qra.qld.gov.au/resilience/resources-resilience-practitioners/flood-and-bushfire-communication-toolkits

[79] https://www.qra.qld.gov.au/fwin

[80] https://www.qra.qld.gov.au/sites/default/files/2022-09/qra_annual_report_201-22.pdf | Page 6

[81] https://www.qra.qld.gov.au/qsdr

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[277] https://s3.treasury.qld.gov.au/files/Report-on-State-Finances-2021-22.pdf | Page 3-3

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EXHIBIT (d)

Securities of the Registrant Outstanding as of June 30, 2022

The following table shows at June 30, 2022 the amount of contract maturities of the Corporation's outstanding indebtedness maturing over the next five years and for subsequent years. The face value of maturing paper is used in the maturity structure. Accordingly, comparisons with the market value of debt disclosed under the heading "Guaranteed Debt On-lent by Queensland Treasury Corporation" in Exhibit (e) are irrelevant.

Outstanding Indebtedness of QTC (Face Value)
Maturity Analysis

	0-3 months	3-12 months	1-5 years	Over 5 years	Total
			(in A$ millions)		
Offshore Debt[1]	980	501	0	1,020	2,501
Domestic Debt[2][3]	8,832	6,040	42,874	64,241	121,987
Total	**9,812**	**6,541**	**42,874**	**65,261**	**124,488**

(1) These totals have been translated into Australian dollars at a rate of exchange applicable at the balance date and do not include the net effect of currency swaps and forward currency contracts. They include US$1,020 million outstanding under the Corporation's United States and European Commercial Paper Facilities as at June 30, 2022 (2021: US$1,852 million) and US$702 million outstanding under the Corporation's United States and European Euro Medium-Term Note Facilities as at June 30, 2022 (2021: US$798 million).

(2) Maturities are included at face value.

(3) These totals include A$4,810 million outstanding under the Corporation's Australian dollar Treasury note facility as at June 30, 2022 (2021: A$3,175 million).

Other Guaranteed Debt and Contingent Liabilities

Under the provisions of the *Statutory Bodies Financial Arrangements Act 1982* (as amended by the Statutory Bodies Financial Arrangements Amendment Act 1996 and the Statutory Bodies Financial Arrangements Amendment Regulations), financial arrangements entered into by a statutory body may be guaranteed by the Treasurer on behalf of the Government of Queensland. That legislation also preserves similar guarantees given under legislation that it replaced. In addition, the *Economic Development Act 2012* preserves guarantees of borrowings of other bodies made under the *Statutory Bodies Financial Arrangements Act 1982*. Guarantees are also given in respect of borrowings made by Co-operative Housing Societies which on-lend funds for home purchase.

The Queensland Government also guarantees all insurance policies issued prior to December 1, 1996 by the Suncorp Insurance and Finance Corporation ("Suncorp"). Suncorp, together with Suncorp Building Society and Queensland Industry Development Corporation merged with Metway Bank Limited with effect from December 1, 1996. In February 2019, Suncorp sold its life insurance business to TAL Dai-ichi Life Australia Pty Ltd, however, the existing guarantees have transferred with the sale. Pursuant to the provisions of the *State Financial Institutions and Metway Merger Facilitation Act 1996*, policies or contracts of insurance or indemnity issued by Suncorp prior to December 1, 1996 will continue to be guaranteed by the Queensland Government.

Exchange Rate of the Australian Dollar

Exchange rates for the major currencies in which debt of Queensland Treasury Corporation and Queensland is denominated, expressed as an Australian dollar against the foreign currency equivalent, are shown in the table below:

Currency Year average	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
US Dollar	0.7542	0.7754	0.7154	0.6714	0.7470	0.7259
Japanese Yen	82.27	85.56	79.50	72.60	79.56	85.17
Swiss Franc	0.7476	0.7526	0.7117	0.6561	0.6797	0.6765
Pounds Sterling	0.5949	0.5760	0.5527	0.5329	0.5546	0.5456
Euro	0.6919	0.6499	0.6269	0.6069	0.6260	0.6443
NZ Dollar	1.0587	1.0853	1.0668	1.0545	1.0742	1.0669

Source: Refinitiv.

EXHIBIT (e)

Co-registrant's outstanding debt to the Commonwealth as of June 30, 2022, and its contingent liability as guarantor of the outstanding debt of other entities as of the end of the last five fiscal years

PUBLIC DEBT

The public sector indebtedness of Queensland comprises a number of distinct categories: Public Debt to the Commonwealth, Other State Debt to the Commonwealth, Queensland Treasury Corporation Guaranteed Debt and Other Guaranteed Debt and Contingent Liabilities.

During April 1995, the Commonwealth Government and Queensland Government entered into an agreement (the "1995 Financial Agreement") whereby Queensland would pre-redeem its debt to the Commonwealth. This was carried out in July 1995.

State Debt to the Commonwealth

In addition to the funds lent to the States pursuant to the 1995 Financial Agreement, the Commonwealth Government also lends funds to the States in accordance with a variety of agreed Commonwealth/State programs. In general, these funds are on-lent to borrowers in accordance with the terms of the agreed program, with repayment being made to the State from the revenues of the ultimate borrowers. When on-lent by Queensland, the debt is generally secured by State claims on tangible assets of the ultimate borrower.

The following table outlines the outstanding advances made by the Commonwealth under this category of debt.

Other State Debt to the Commonwealth and Treasury

	2020-21	2021-22
	(A$ millions)	
Advances – Commonwealth and State Housing	247	232
Advances – Other	53	31
Total	**300**	**263**

Guaranteed Debt On-lent by Queensland Treasury Corporation

Queensland Treasury Corporation's (the "Corporation" or "QTC") primary function to date has been to act as a central financing authority for on-lending funds raised by it to Queensland Government Bodies. The Treasurer of Queensland, on behalf of the State Government, guarantees QTC's obligations under all debt securities issued by QTC. The Corporation's guaranteed debt (market value), as at the end of each of the last five fiscal years, and the distribution of this debt among various borrowing authorities is detailed in the following table:

Guaranteed Debt On-lent by Queensland Treasury Corporation

Distribution of Debt	2018	2019	2020	2021	2022
			(A$ millions)		
Bodies within the Public Accounts					
Department of Education and Training	43	—	—	—	—
Department of State Development	58	—	—	—	—
Department of Transport and Main Roads – Main Roads	668	—	—	—	—
Public Works – Department of Housing and Public Works	9	—	—	—	—
Queensland Health	—	—	—	—	—
Queensland Treasury	30,400	33,173	41,923	48,869	43,507
Other	205	210	258	247	225
Government Owned Corporations					
CS Energy Ltd	720	654	658	635	873
CleanCo Queensland Limited	—	—	—	—	643
Energy Queensland Limited	17,607	18,912	19,799	19,999	17,920
Port Authorities & Facilities (various)	1,403	1,482	1,184	1,155	984
Powerlink	5,355	5,647	5,742	5,564	4,868
Stanwell Corporation Limited	921	970	980	943	1,488
Local Governments					
Brisbane City Council	2,195	2,184	2,314	2,381	2,402
Cairns Regional Council	110	123	171	179	171
Fraser Coast Regional Council	119	103	85	67	48
Gladstone Regional Council	144	141	131	108	85
Gold Coast City Council	723	702	698	704	659
Ipswich City Council	257	345	378	411	359
Logan City Council	214	211	271	258	283
Mackay Regional Council	185	177	161	139	70
Moreton Bay Regional Council	435	443	434	400	315
Redland City Council	45	42	45	46	44
Rockhampton Regional Council	132	128	148	151	147
Sunshine Coast Regional Council	307	354	592	680	416
Toowoomba Regional Council	181	180	201	207	175
Townsville City Council	396	448	440	440	418
Other	697	722	728	692	600
Statutory Bodies					
Grammar schools	94	89	107	140	113
Seqwater	10,827	11,617	11,882	11,349	9,437
Unitywater	416	435	443	431	379
Universities	407	493	505	507	507
Water Boards	280	281	255	255	238
Other	261	336	676	646	688
Other Bodies					
DBCT Holdings Pty Ltd	122	113	104	103	101
Queensland Rail Limited	3,666	3,901	4,149	4,094	3,821
Queensland Urban Utilities	2,067	2,215	2,551	2,540	2,383
Other	287	299	321	271	215
Total Funds On-lent	**81,952**	**87,129**	**98,334**	**104,611**	**94,582**
Undistributed borrowings	14,580	14,884	14,855	18,145	24,765
Total Guaranteed Debt	**96,532**	**102,013**	**113,189**	**122,756**	**119,347**

The Corporation raises funds in both the domestic and international capital markets with the market value of borrowings under management as at June 30, 2022 at A$119.347 billion, which includes A$2.411 billion of debt issued under overseas funding programs based on the prevailing rates of exchange at June 30, 2022. The Corporation hedges its foreign debt portfolio through interest rate and currency swaps and other hedging and currency switching transactions.

Outstanding Domestic Australian Dollar Indebtedness
as at June 30, 2022

Coupon Rate (% per annum)	Maturity Date	Face Value (AUD)	Market Value (AUD)
QTC Bonds			
6.00%	July 2022	7,176,715,000	7,387,285,770
4.25%	July 2023	8,576,600,000	8,873,300,780
3.00%	March 2024	752,000,000	757,942,978
5.75%	July 2024	8,046,100,000	8,663,110,546
4.75%	July 2025	8,530,200,000	9,010,247,547
3.25%	July 2026	8,569,243,000	8,559,999,590
2.75%	August 2027	8,673,500,000	8,356,348,939
3.25%	July 2028	8,471,400,000	8,326,477,642
2.50%	March 2029	1,728,849,000	1,600,139,106
3.25%	August 2029	7,535,000,000	7,294,061,366
2.75%	August 2030	384,813,752	418,350,301
3.50%	August 2030	8,584,200,000	8,377,263,878
1.25%	March 2031	1,500,000,000	1,195,213,675
1.75%	August 2031	7,357,000,000	6,078,255,262
1.50%	March 2032	3,000,000,000	2,379,453,267
1.50%	August 2032	4,027,000,000	3,151,411,534
6.50%	March 2033	723,168,000	880,046,499
2.00%	August 2033	2,828,320,000	2,279,593,263
1.75%	July 2034	4,330,000,000	3,311,593,135
2.25%	April 2040	1,882,265,000	1,399,283,347
2.25%	November 2041	1,780,655,000	1,287,780,027
4.20%	February 2047	1,024,000,000	1,010,977,137
2.25%	October 2050	411,000,000	269,937,278
Treasury Notes			
Various	July 2022	300,000,000	299,846,282
Various	August 2022	840,000,000	838,503,143
Various	September 2022	480,000,000	477,958,389
Various	October 2022	1,275,000,000	1,267,814,576
Various	November 2022	590,000,000	584,718,230
Various	December 2022	825,000,000	816,304,406
Various	January 2023	500,000,000	493,204,019
Floating Rate Notes			
3.27%	February 2023	2,800,000,000	2,807,258,020
2.64%	November 2024	2,300,000,000	2,313,440,541
2.55%	March 2026	2,275,000,000	2,274,886,961
3.03%	April 2027	3,450,000,000	3,462,791,470
Other loans			
Various	2022	50,095,000	50,450,657
Various	2023	74,504,000	73,148,616
Various	2024	49,360,000	46,171,414
Various	2025	229,510,500	208,828,860
Various	2026	56,250,211	52,957,382
Total		**121,986,748,463**	**116,936,355,383**

Outstanding Offshore Indebtedness

Euro Medium-Term Notes
as at June 30, 2022

Year of Issue	Coupon Rate	Maturity Date	Currency	Face Value (AUD)	Market Value (AUD)
2011	1.730%	September 2039	CHF	167,332,623	159,870,878
2014	2.650%	April 2039	JPY	159,876,807	207,789,361
2016	1.640%	November 2046	EUR	609,441,988	520,080,747
2020	0.69%	June 2050	EUR	83,589,300	48,734,463
Total				**1,020,240,718**	**936,475,449**

Commercial Paper
as at June 30, 2022

Year of Issue	Yield	Maturity	Currency	Face Value (AUD)	Market Value (AUD)
2022	0.270%	July 2022	USD	363,247,807	363,081,174
2022	1.020%	August 2022	USD	21,068,373	21,022,374
2022	0.810%	August 2022	USD	72,649,561	72,486,115
2022	1.095%	August 2022	USD	87,179,474	86,928,013
2022	1.200%	September 2022	USD	435,897,369	433,626,584
2022	1.285%	October 2022	USD	130,769,211	130,042,588
2022	1.568%	November 2022	USD	225,213,641	223,370,378
2022	1.720%	November 2022	USD	72,649,561	72,028,629
2022	1.570%	November 2022	USD	72,649,561	72,023,330
Total				**1,481,324,558**	**1,474,609,185**

EXHIBIT (f)

Description of Queensland and Queensland Treasury Corporation

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the Queensland Treasury Corporation's (the "Corporation" or "QTC") and the State of Queensland's (the "State" or "Queensland") beliefs and expectations, are forward-looking statements. These statements are based on current plans, budgets, estimates and projections and therefore you should not place undue reliance on them. The words "believe", "may", "will", "should", "estimate", "continue", "anticipate", "intend", "expect", "forecast" and similar words are intended to identify forward-looking statements. Forward-looking statements speak only as of the date they are made, and neither the Corporation nor the State undertake any obligation to update publicly any of them in light of new information or future events.

Forward-looking statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Although the Corporation and the State believe that the beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forward-looking statements involve inherent risks and uncertainties. We caution you that actual results may differ materially from those contained in any forward-looking statements.

A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. Factors that could cause the actual outcomes to differ materially from those expressed or implied in forward-looking statements include:

- the international and Australian economies, and in particular the rates of growth (or contraction) of the State's major trading partners;
- the effects, both internationally and in Australia, of any economic downturn, as well as the effect of ongoing economic, banking and sovereign debt risk;
- the effect of natural disasters, epidemics and geopolitical events, such as the novel coronavirus (COVID-19) pandemic and the Russian invasion of Ukraine;
- increases or decreases in international and Australian domestic interest rates;
- changes in and increased volatility in currency exchange rates;
- changes in the State's domestic consumption;
- changes in the State's labor force participation and productivity;
- downgrades in the credit ratings of the State or Australia;
- changes in the rate of inflation in the State;
- changes in environmental and other regulation; and
- changes in the distribution of revenue from the Commonwealth of Australia Government to the State.

QUEENSLAND TREASURY CORPORATION

In 1982, the State established the Queensland Government Development Authority as a corporation sole constituted by the Under Treasurer pursuant to the *Statutory Bodies Financial Arrangements Act 1982* to act as a central borrowing authority for the State of Queensland. The powers of that statutory body were expanded in 1988 and the name changed to Queensland Treasury Corporation pursuant to the *Queensland Treasury Corporation Act 1988* (the "Act").

Under the Act, the Corporation has as its statutory objectives:

(a) to act as a financial institution for the benefit of and the provision of financial resources and services to statutory bodies (as defined in the Act) and the State;

(b) to enhance the financial position of the Corporation, other statutory bodies and the State; and

(c) to enter into and perform financial and other arrangements that in the opinion of the Corporation have as their objective:

   (i) the advancement of the financial interests of the State;

   (ii) the development of the State or any part thereof; or

   (iii) the benefit of persons or classes of persons resident in or having or likely to have an association with Queensland.

In furtherance of these objectives, the Act also provides that the Corporation has the following functions:

(a) to borrow, raise or otherwise obtain financial accommodation in Australia or elsewhere for itself, statutory bodies or other persons;

(b) to advance money or otherwise make financial accommodation available;

(c) to act as a central borrowing and capital raising authority for the statutory bodies of the State;

(d) to act as agent for statutory bodies in negotiating, entering into and performing financial arrangements;

(e) to provide a medium for the investment of funds of the Treasurer of the State, statutory bodies or any other persons; and

(f) to manage or cause to be managed the Corporation's financial rights and obligations.

As at June 30, 2022, the Corporation had assets totaling A$169.052 billion and liabilities totaling A$168.497 billion (compared to total assets of A$169.556 billion and total liabilities of A$168.965 billion as at June 30, 2021). QTC has two reporting segments. The Capital Markets Operations segment is responsible for providing debt funding, liability management, cash management and financial risk management advice to its public sector clients, while the State Investment Operations segment, previously known as the Long Term Assets segment, holds portfolios of assets which are held to fund the superannuation, other long-term obligations of the State, as well as to support other state initiatives.

The Capital Markets Operations segment had assets totaling A$128.680 billion and liabilities totaling A$128.124 billion as at June 30, 2022 (compared to assets of A$131.742 billion and liabilities of A$131.150 billion as at June 30, 2021). In relation to the State Investment Operations segment, assets totaled A$40.372 billion and liabilities totaled A$40.372 billion as at June 30, 2022 (compared to assets of A$37.815 billion and liabilities of A$37.815 billion as at June 30, 2021).

The financial statements of the Corporation are comprised of the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the Financial Statements.

Organization of Queensland Treasury Corporation

The Queensland Treasury Corporation Capital Markets Board (the "Board") was established under section 10 of the Act to determine and implement ongoing strategies for capital market operations.

The present Under Treasurer of the State of Queensland is Mr. Leon Allen.

The powers, functions and duties of the Under Treasurer (save for those relating to the State Investment Operations segment – see below) have been delegated to the Board. Members of the Board are appointed by the Governor in Council of the State and are not employees of the Corporation. The current Chair of the Board is Mr. Damien Frawley.

The former Chief Executive of the Corporation, Mr. Philip Noble, left the Corporation at the end of 2022. While an executive recruitment process occurs, Mr Neville Ide, a current Corporation Board Director, is serving as Interim Chief Executive. The Corporation expects to complete the recruitment process early in the first quarter of 2023. The senior management structure includes five Managing Directors covering Funding and Markets, Client Advisory, Finance, Technology and Data, Culture and Performance, and Risk. Mr. Grant Bush, the Deputy Chief Executive and Managing Director, Funding and Markets, has resigned with effect from February 7, 2023. Mr. Chris Downs has been appointed to act as Managing Director, Funding and Markets from January 25, 2023.

The business address of the Corporation and the Board is Level 31, 111 Eagle Street, Brisbane, Queensland.

Borrowing and Lending Activities of the Issuer

With respect to borrowings, the Corporation raises funds in domestic and international capital markets primarily for on-lending to State bodies, which include statutory bodies and authorities, government departments, government owned corporations and local governments ("Government Bodies" or "clients").

At June 30, 2022, the total borrowings of the Corporation (at fair value) were A$119.347 billion. This amount included debt issued under overseas funding programs equivalent to A$2.411 billion based on the prevailing rates of exchange at June 30, 2022. All foreign currency borrowings are fully hedged back to Australian dollars by way of cross currency swaps and exchange contracts. The Capital Market Operations segment recorded a profit after tax of A$36.2 million for the year ended June 30, 2022 compared to a restated profit of A$115.1 million for the year ended June 30, 2021.

The repayment of principal and the payment of interest on all A$ Bonds (which, for purposes of the Act and certain other purposes, have been and are identified as "Inscribed Stock") issued by the Corporation under the domestic A$ Bond program is unconditionally guaranteed by the Treasurer on behalf of the Government of Queensland pursuant to section 32 of the Act. In relation to all other liabilities of the Corporation, section 33 of the Act provides that the Treasurer on behalf of the Government of Queensland may guarantee with the approval of the Governor in Council the performance of the Corporation's obligations under any financial arrangements entered into by the Corporation. Pursuant to this provision, all offshore bond, medium-term note and commercial paper programs and issuances undertaken by the Corporation have been guaranteed by the Treasurer. Furthermore, all amounts lawfully payable by the Corporation to its counterparties under relevant ISDA arrangements are guaranteed by the Treasurer pursuant to a deed of guarantee issued under section 33 of the Act.

The Corporation's borrowing and lending functions are separated. This separation is with a view to the Corporation borrowing in the markets in an orderly manner and, at the same time, reduces the likely negative impact on the Corporation's interest rates of borrowing large amounts to meet funding requirements when funds are required by clients.

Surplus borrowings are held to manage the Corporation's refinancing risk, clients' interest rate risk, and to manage the Corporation's liquidity risk. To ensure the Corporation has high levels of liquidity, these surpluses are held in funding pools with highly liquid investments being made with high quality credit counterparties.

As at June 30, 2022, the market value of the Corporation's onlendings to its clients totaled A$94.582 billion of which A$27.123 billion was to government owned corporations.

State Investment Operations

Separately from QTC's capital market operations, QTC holds two portfolios of assets that were transferred from the Queensland Government under administrative arrangements. These assets are held in unit trusts managed by QIC Limited. QTC issued the State of Queensland a fixed rate note for each portfolio in return for the assets transferred under these arrangements. These two portfolios, the Long Term Assets portfolio and the Queensland Future Fund portfolio, make up QTC's State Investment Operations segment ("SIO").

Recognizing the direct relationship between these fixed rate notes and the invested assets of SIO, any difference between the interest paid by QTC on the fixed rate notes and the return received by the State Investment Operations segment on the invested assets is recognized in the financial statements annually as a market value adjustment to the value of the fixed rate note. The market value of assets held by the State Investment Operations segment as at June 30, 2022 totaled A$40.372 billion, which matched the market value of the financial liabilities of A$40.372 billion.

The State Investment Advisory Board is responsible for oversight of the invested assets of the State Investment Operations segment. This segment does not generate cash flows and has no impact on QTC's capital market operations or its ability to meet its obligations.

Enterprise-wide Risk Management

The Corporation has an established Enterprise-wide Risk Management framework including Enterprise-wide Risk Management policies and procedures. As part of this Enterprise-wide Risk Management framework, the Corporation continues to monitor and manage its risks through identification of both material and non-material risks. Material risks are those risks that have the potential to materially affect the achievement of the Corporation's objectives. Material risks include the risk that the Corporation cannot access funding to meet debt servicing obligations and client borrowing requirements. This risk has the potential to significantly impact the Corporation's ability to fulfill its obligations under its funding programs and facilities.

To offset the risks associated with the Corporation's inability to access suitable funding markets when required, it holds significant levels of high quality liquid assets ("HQLA"), which can be readily liquidated if required. Included in these HQLA assets are funds held on account of the Corporation borrowing in advance of requirement to fund both the redemption of maturing debt and to fund the Corporation's clients' projected debt financing requirements.

While the Corporation is not subject to the Bank of International Settlements, Basel II and Basel III accords, the Corporation and its Board consider relevant aspects of these accords. As a result, the Corporation has in place a comprehensive and strict set of policies to manage liquidity, market and credit risk.

QUEENSLAND

General

The State of Queensland has the second largest land area of the six Australian States and the largest habitable area. It occupies the north-eastern quarter of the Commonwealth of Australia ("Australia" or the "Commonwealth"), covering 1.7 million square kilometers, stretching from the sub-tropical and densely populated southeast to the tropical, sparsely populated Cape York Peninsula in the north. The State's geography and climate are suitable for the production of a wide variety of agricultural products, the most important being meat, grains, sugar and cotton. In addition, the State has extensive deposits of minerals and gasses (including large reserves of coal and one of the world's largest known bauxite deposits), a diverse industrial base, well developed ports and transportation systems and an educated workforce. A land transportation network of approximately 10,000 kilometers of railway lines and 216,886 kilometers of roads supports the development of the State's resources.

Queensland is the third most populous state in Australia with a population of around 5.3 million persons, or 20.5% of Australia's population as at June 30, 2022. As at June 30, 2021, 72.6% of Queensland's population lived in South-East Queensland, an area with warm subtropical climate and a developed industrial base. The remainder of the State's population is spread quite widely, making Queensland's population the most dispersed of the Australian states.

Brisbane, the capital of Queensland, with its surrounding metropolitan area, has approximately 2.3 million persons. There are ten other population centers in Queensland with over 50,000 persons.

Government of Queensland

The Commonwealth was formed as a federal union on January 1, 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 a number of territories including the Northern Territory and the Australian Capital Territory, the latter containing the nation's capital of Canberra.

Under the Australian Constitution, the federal Parliament can make laws only on certain matters. These include international and inter-state trade; foreign affairs; defense; immigration; taxation; banking; insurance; marriage and divorce; currency and weights and measures; post and telecommunications; and invalid and old age pensions. On some matters, the Commonwealth is given exclusive powers and as such the states are unable to legislate in these areas. On other matters, the Commonwealth and the states have concurrent powers, whereby both the Commonwealth and the states may legislate. The states retain legislative powers over matters not specifically listed in the Constitution of Australia. In cases of conflict in areas where the Commonwealth and states have concurrent powers to make laws, Commonwealth law has priority and the state law is invalid to the extent of any inconsistency.

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.

While Queensland has autonomy and control in respect of those functions which are its constitutional responsibility, it forms a part of the Commonwealth and in many important respects its economic performance and prospects are closely interrelated with those of Australia as a whole. In particular, primary responsibility for overall economic management in Australia rests with the Commonwealth Government. For example, the Commonwealth Government has responsibility for national budget policy, fiscal policy and external policy. In addition, while most wage rates were historically centrally determined through Federal and state conciliation and arbitration tribunals, legislation over the last two decades has underpinned a move away from central wage fixation toward enterprise based agreements.

Legislative powers in Queensland are vested in the State Parliament, which consists of a single chamber, the Legislative Assembly, elected by the compulsory vote of all persons 18 years of age or over, for a term not exceeding three years.

The most recent Queensland State election was held in October 2020. The Australian Labor Party was returned to Government for a third term after winning 52 seats (of a 93 seat parliament) to form an outright majority. The current Premier is the Honourable Annastacia Palaszczuk, who entered the State Parliament in 2006. The next state election is due to be held in October 2024, following the commencement of fixed four-year terms.

The executive power of the State is formally exercised by the Governor of Queensland (the "Governor"), who is the representative of the Crown and is advised by the Executive Council. The Executive Council is comprised of the Governor and the Ministry. The Ministers are members of the party or coalition of parties which command the support of a majority in the Legislative Assembly. Including the Premier, there are at present a total of 18 Ministers. In practice, the executive power of the State is exercised by the Cabinet (which in Queensland, consists of all Ministers) with the decisions of the Cabinet being formally ratified by the Governor when necessary. As is the case federally, it is a well-established convention that, except in extraordinary circumstances, the Governor acts on the advice of the Cabinet.

The authority of Queensland's Parliament is required for the raising of all state revenues and for all state expenditures. The State's accounts (including the accounts of the Corporation) are audited on a continuing basis by the State's Auditor-General, who is an appointee of the Governor in Council and who reports annually to the Queensland Parliament on each year's financial operations.

Each Minister is responsible to Parliament for the operation of one or more Government departments, as well as any associated statutory authorities. Departments are staffed by independent public servants with each department having a Director-General who, under the *Financial Accountability Act 2009*, is responsible for the financial administration of the funds provided by Parliament for use by that department.

The State judicial system operates principally through the Land Court, Children's Court, Magistrates Court, the District Court, the Supreme Court and the Queensland Civil and Administrative Tribunal. The Court of Appeal is a division of the Supreme Court. The judiciary in Queensland is appointed by the Crown, as represented by the Governor, acting upon the advice of the Cabinet.

A number of separate entities have been established in Queensland under special Acts of Parliament to carry out particular functions or to provide specific community services. These entities are variously referred to as "Statutory Authorities", "Statutory Bodies", "Semi-Government Authorities", "Local Authorities", "Local Governments", "Government Owned Corporations" or "public enterprises".

QUEENSLAND ECONOMY

Overview

Queensland has a modern, vibrant economy, supported by a diverse range of industries, including agriculture, resources, construction, tourism, manufacturing and services.

Over the past two decades, Queensland's economic growth has generally exceeded the national average. Following the resources investment boom and associated ramp-up in liquefied natural gas ("LNG") exports in recent years, economic growth is expected to be more wide-ranging and largely in line with national growth in coming years.

More recently, the Queensland economy has battled with the impacts of the global COVID-19 pandemic, with outbreaks and related restrictions on activity in Australia and many other countries leading to a severe deterioration in national and international economic activity.

However, Queensland's comparatively strong health response has meant the State's economic recovery and labor market has been a standout among Australia's states and territories, as well as other peer economies internationally. Domestic activity and employment have rebounded strongly as restrictions have progressively been unwound.

Agriculture, forestry and fishing is a vital part of Queensland's diverse economy and an important part of our State's heritage, particularly in rural and regional areas. The bulk of Queensland's agricultural commodities are produced for export, providing a significant contribution to foreign earnings.

Queensland has well developed coal and minerals industries, and the liquefied natural gas industry has seen rapid expansion and transformation into a major international export sector over the past decade. The State's coal and bauxite reserves are among the largest in the world, generally of high grade and easily accessible.

Queensland is the world's largest seaborne exporter of metallurgical coal, with a large proportion of the State's coal produced from the Bowen Basin. A wide variety of minerals are produced in Queensland, with bauxite, copper, zinc, lead, silver and gold the most common. The largest concentration of minerals mines is in the region surrounding Mount Isa.

While Queensland's natural gas industry has been operating since the 1960s, the development of coal seam gas extraction and the significant investment in Liquefied Natural Gas (LNG) plants at Gladstone has opened the sector up to major export markets in Asia. Valued at A$19.2 billion in 2021-22, LNG has become Queensland's second most valuable commodity export after metallurgical coal.

Most of the resources produced in Queensland are used overseas. Overseas exports of resources (including coal, LNG and minerals) accounted for around 86% of Queensland's international merchandise exports in 2021-22.

Historically, the manufacturing industry has not been as important to the Queensland economy as other Australian States. Manufacturing in Queensland specialized to meet the internal requirements of the Queensland economy, including minerals processing and agriculture. However, in recent years the manufacturing sector has diversified and expanded into higher value-added and high technology industries.

International and interstate tourism has also been an important contributor to the Queensland economy. Queensland boasts many natural attractions, including the Great Barrier Reef, extensive beaches, island resorts and tropical rainforests as well as cosmopolitan cities and a unique countryside. International tourism has started to recover following the COVID-19 pandemic and after the reopening of international borders in late 2021. However, it may take some time before international tourism exports recover to their pre-COVID levels.

Like all modern economies, Queensland has an extensive service sector which complements a diverse range of activities, including construction, wholesale and retail trade, communications, business and financial services, as well as the tourism sector.

There have been significant structural changes in the Queensland economy over the past 20 years. The importance of the manufacturing sector has gradually declined over the period, while the importance of the healthcare and professional scientific and technical services sectors has increased.

Economic Plan

The Queensland Government is continuing to leverage the momentum of its nation-leading response to the COVID–19 pandemic to drive ongoing economic growth and job creation across the state.

Queensland's domestic economy grew by 9.1% from its pre–COVID level in March quarter 2020 to June quarter 2022, exceeding the rest of Australia's growth over the same period. Queensland also continues to lead the nation in job creation, with 209,200 more people employed in Queensland in October 2022 than at the start of the pandemic. Queensland's unemployment rate fell to 3.6% in September quarter 2022, its lowest rate since 2007–08.

It is from this strong economic position that the Queensland Government is looking to the future, with a clear plan to build future prosperity and growth across the state by focusing on three core objectives: good jobs; better services; and protecting the great Queensland lifestyle.

As outlined in the 2022-23 Queensland Budget, the government's overarching economic strategy identifies key opportunities that are driving the creation of good, secure jobs in Queensland's traditional and emerging industries, including in new energy, new economy minerals, advanced manufacturing, biomedical products, agriculture, tourism, research and education services, and creative and design industries.

To facilitate and support the private sector growth and investment needed to maximize the benefits of these opportunities, the current economic strategy is also underpinned by a focus on key enablers that will enhance the state's competitiveness and productivity. These include expanded trade opportunities, a larger skilled workforce, enhanced innovation and digitalization, continued investment in public and private infrastructure, strengthened environment, social and governance ("ESG") credentials, and a competitive investment environment.

By focusing on the critical economic settings that will enhance Queensland's competitiveness, the strategy is supporting industry, business, communities, and workers to realize opportunities in global shifts, including the transition to a lower emissions global economy.

Reflecting this transition, the Queensland Energy and Jobs Plan is a centerpiece of the government's strategy to drive Queensland's competitiveness in the decades ahead. It outlines Queensland's pathway to a clean, reliable and affordable energy system that will provide power for generations and be a platform for strong economic growth and continued investment.

The Queensland Government has set out a target for 70% renewable energy by 2032. The Queensland Energy and Jobs Plan sets out actions across three focus areas to transform the Queensland energy system, which are:

- building a clean and competitive energy system for the Queensland economy and industries as a platform for accelerating growth;

- delivering affordable energy for households and businesses, and supporting more rooftop solar and batteries; and
- driving better outcomes for workers and communities as partners in the energy transformation.

The Queensland Government is also continuing to invest in Queensland's workforce. The Queensland Workforce Strategy 2022–2032 builds on the government's existing A$1.2 billion investment to deliver high quality training and create exciting career pathways for Queenslanders. It includes A$70 million in new initiatives that will strengthen partnerships between industry, community and government and support a strong, skilled, and diverse workforce that is ready to seize the jobs of today and adapt to future opportunities.

Implementation of the A$150 million Queensland Trade and Investment Strategy 2022–32 will support expanded trade opportunities for Queensland businesses, while the new A$142.2 million Advance Queensland – Innovation for a Future Economy 2022–2032 Roadmap will drive innovation, entrepreneurship, and job creation across the state.

Investment facilitation and assistance services, including flagship programs under the A$5.84 billion Queensland Jobs Fund, are continuing to help capture opportunities and create jobs in traditional and emerging industries, including across regional Queensland.

Strengthened ESG credentials will support Queensland's competitiveness and help attract future investment. The annual Queensland Sustainability Report demonstrates the government's commitment to embedding sustainability considerations in decision making to support better communities now and into the future, with a focus on achieving improved social outcomes and sustainable economic growth, while managing the impacts on the environment.

To support all Queenslanders to participate in the economy and benefit from opportunities, the government remains committed to delivering better services across Queensland. As outlined in the 2022–23 Queensland Budget, record investments in health, education and community services are keeping Queenslanders safe and connected and supporting improved outcomes for vulnerable Queenslanders.

As the Queensland population and economy grows, the government is also acting to protect and enhance Queensland's great lifestyle, including by addressing cost of living pressures being faced by Queensland families. The government is delivering A$6.786 billion in concessions to Queenslanders in 2022–23.

Housing affordability remains a challenge for many Queenslanders, and the government is working with industry and other stakeholders, including through the recent Housing Summit, to identify innovative solutions to improve housing outcomes. This includes measures to address immediate and acute housing pressures and commence reforms to make housing supply more responsive in the medium to long-term.

By boosting the Housing Investment Fund to A$2 billion, the government is expanding its capacity to deliver more housing for Queenslanders. This additional investment will support an increased target of 5,600 new social and affordable home commencements across Queensland by 30 June 2027.

Continued investment in productive infrastructure, including through the government's estimated A$64.844 billion capital program over 4 years to 2025–26, will help connect businesses and communities, facilitate greater movement of people and goods, and support better service delivery across the state.

Economic Growth

According to the Australian Bureau of Statistics, Queensland's economic output rose by 4.4% in 2021-22, following growth of 2.9% in 2020-21 and a COVID-19 driven decline of 0.9% in the 2019-20. Real gross state product (GSP) growth in 2021-22 was primarily driven by: continued solid growth in household consumption, which contributed 2.0 percentage points to GSP growth; further growth in public final demand, which contributed 1.8 percentage points to GSP growth; and private investment, which contributed 1.6 percentage points to GSP growth.

Net overseas exports detracted 1.0 percentage point from GSP growth in 2021-22, with slower growth in exports (up 1.6%) more than offset by rapid growth in imports (up 8.4%).

Real Economic Growth—Queensland and Australia
(original, CVM[a])

	Queensland GSP		Australia GDP	
Year	A$ Billion	% Change	A$ Billion	% Change
2016-17	344.0	2.6	1,936.8	2.3
2017-18	357.5	3.9	1,992.7	2.9
2018-19	361.0	1.0	2,036.0	2.2
2019-20	357.6	-0.9	2,034.9	-0.1
2020-21	368.2	2.9	2,080.4	2.2
2021-22	384.5	4.4	2,156.8	3.7

(a) Chain volume measures; reference year 2020-21.

Source: ABS Annual State Accounts.

Major Economic Indicators

The following table lists selected major economic indicators for Queensland:

Queensland Major Economic Indicators

	2017-18	2018-19	2019-20	2020-21	2021-22
Overseas merchandise exports (A$ billion)	74.3	87.2	76.2	57.9	120.0
Retail turnover (A$ billion)	62.5	64.8	68.7	76.6	81.0
Private gross fixed capital formation (A$ billion)	69.5	66.5	64.1	67.2	80.1
Resources exports (A$ billion)	61.1	73.3	62.1	44.8	102.9
Agricultural production (A$ billion)	14.5	13.8	13.8	14.7	17.8
Employment ('000 persons)[a]	2,464	2,500	2,515	2,576	2,704
Unemployment rate (%)[a]	6.0	6.1	6.4	6.8	4.6
Increase in consumer prices (%)[a]	1.7	1.6	1.2	2.1	5.4
Average weekly total earnings (A$)[a]	1,150	1,197	1,249	1,250	1,312

(a) Year-average.

Note: All monetary values are in current prices.

Sources: ABS Annual State Accounts; Balance of Payments and International Investment Position; Labour Force; Average Weekly Earnings; Consumer Price Index; Retail Trade.

Structure of the Queensland Economy

The following table shows the annual percentage changes and contributions to growth in GSP/GDP in Queensland and Australia for 2020-21 and 2021-22.

Components of Economic Growth
(original, CVM[a])

	Queensland				Australia			
	Annual Growth (%)		Contribution to GSP growth (% points)		Annual Growth (%)		Contribution to GDP growth (% points)	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
Household consumption	5.2	3.5	2.9	2.0	1.1	3.7	0.6	1.9
Private investment	4.2	8.6	0.8	1.6	3.7	6.6	0.6	1.1
-Dwellings	11.7	4.5	0.6	0.3	3.4	3.0	0.2	0.2
-Business investment	-2.3	8.5	-0.3	0.9	1.0	7.0	0.1	0.7
(i) Non-dwelling construction	-9.5	10.6	-0.5	0.5	-6.3	4.6	-0.3	0.2
(ii) Machinery and equipment	1.9	7.5	0.1	0.3	7.8	10.7	0.3	0.4
-Other business	8.2	5.7	0.2	0.1	7.0	5.7	0.1	0.1
Private final demand[b]	5.0	4.8	3.7	3.6	1.8	4.4	1.2	3.0
Public final demand[b]	2.7	5.8	0.8	1.8	6.0	6.4	1.6	1.7
Overseas exports	-16.7	1.6	-3.8	0.3	-8.4	-0.1	-2.1	0.0
Overseas imports	-3.9	8.4	0.6	-1.3	-3.4	7.0	-0.6	1.3
Balancing item	n.a.	n.a.	0.8	-0.4	n.a.	n.a.	n.a.	n.a.
Statistical discrepancy	n.a.	n.a.	0.1	0.4	n.a.	n.a.	0.0	0.1
GSP/GDP	**2.9**	**4.4**	**2.9**	**4.4**	**2.2**	**3.7**	**2.2**	**3.7**

(a) Chain volume measure; reference year 2020-21.
(b) Final demand constitutes final consumption expenditure plus gross fixed capital formation.

Source: ABS Australian National Accounts: State Accounts and ABS Australian National Accounts.

Based on ABS *Annual State Accounts* data (see table above), key features are:

- Household consumption in Queensland rose 3.5% in 2021-22, following on from strong growth of 5.2% in 2020-21. Strong labour market conditions, previous stimulus from both the Australian and state governments, higher asset prices and international border closures have supported household consumption over the past two years. Looking forward, the substantial and abrupt increases in lending rates and declines across some asset prices are expected to put pressure on household budgets and constrain real consumption growth from the second half of 2022-23 onwards and take full effect in 2023-24.

- Dwelling investment rose 4.5% in 2021-22, building on the 11.7% increase in the previous year. A combination of record low interest rates and substantial government stimulus drove strong increases in building approvals and lending indicators throughout 2020-21. These factors drove the value of Queensland's residential work in the pipeline to a record A$11.5 billion in June quarter 2022. However, materials and labor shortages due to the COVID-19 pandemic, adverse weather including floods, and several insolvencies among construction companies have constrained the construction industry's ability to meet elevated demand. As a result, dwelling investment in Queensland in September quarter 2022 was 14.1% lower over the year. Reflecting these factors, dwelling investment is expected to fall slightly in 2022-23, but to then rebound in 2023-24 as supply side issues are resolved.

- Business investment in Queensland rose 8.5% in 2021-22, following a decline of 2.3% the previous year. Growth in 2021-22 was driven by machinery & equipment investment (up 7.5%) and non-residential construction (up 14.7%), while engineering construction (up 1.2%) grew more modestly. A renewed recovery in non-residential construction activity is expected going forward as weather returns to more normal conditions, underpinned by the strength of business profitability. Firms are also expected to continue to be encouraged to invest in capital, including plant and equipment, in response to the prevailing high rates of capacity utilization and supply chain challenges.

- Overseas exports rose 1.6% in 2021-22, with growth in goods exports (up 2.7%) more than offsetting a decline in services exports (down 8.1%). International border closures continued to restrict services exports in the year, causing international visitor arrivals to remain near zero and reducing the number of international student enrolments. Services exports have continued to recover across 2022, reaching their highest level in September quarter 2022 since March quarter 2020. The growth in goods exports was driven by strong growth in agricultural exports, reflecting ideal growing conditions in the year. Overseas imports rose 8.4% in 2021-22, with goods imports rising by 6.2%, reflecting the continued solid growth in household consumption and machinery & equipment investment, and overseas services imports rising by 32.0% as international borders reopened and outbound tourism resumed.

Overseas Merchandise Exports

Queensland is Australia's second largest exporting state, accounting for 22.5% of Australia's total merchandise exports in 2021-22.

The nominal value of Queensland's overseas merchandise exports rose 107.3% in 2021-22. The increase was broad-based across Queensland's exports, particularly coal and LNG. Prices for Queensland's key exports have rebounded from their COVID pandemic-induced lows, boosting export earnings.

The value of Queensland's coal exports rose A$46.9 billion, to A$71.6 billion in 2021-22, driven by increases in the prices for all three major types of coal. Global supply issues due to COVID-19, and more recently Russia's invasion of Ukraine, combined with recovering global demand have resulted in the record price spike. China's informal ban on the import of Australian coal remains in place, with a substantial decline in coal exports to China since October 2020. However, Queensland exporters have been successful in finding alternative markets for the majority of these coal exports, with more than 85% of export volumes lost to China having been replaced by increased exports to other markets, particularly India, Japan and South Korea.

The value of LNG exports rose A$9.7 billion to A$19.2 billion in 2021-22. The increase was driven by a 97.8% rise in export prices (which are linked to the price of oil), while export volumes rose 2.1%. A colder than expected winter in the Northern Hemisphere drove demand for LNG, which was exacerbated by tight global supply due to the war in Ukraine.

The value of metals exports rose A$1.4 billion to A$11.6 billion in 2021-22, driven by a A$709 million rise in aluminium exports (including bauxite and alumina), a A$325 million rise in copper exports and a A$274 million rise in zinc exports. Value gains reflect significantly higher prices during 2021-22, as export volumes were generally lower due to COVID-19 labour supply issues, unplanned outages and disruptions due to rainfall.

The value of meat (primarily beef) exports rose A$1.0 billion, to A$6.4 billion in 2021-22, driven by an increase in export prices (up 22.0%) while volumes fell modestly (down 3.6%). Improved weather conditions encouraged producers to retain stock for breeding purposes, which followed dry conditions in previous years that had incentivised high production and depleted herd numbers.

Improved weather conditions in Queensland resulted in the value of Queensland's crop exports (including cotton) increasing by A$2.1 billion in 2021-22, to A$4.0 billion. Weather conditions have improved across the State since 2020, boosting the production of crops in 2020-21 and 2021-22. The December 2022 *Crop Report* from the Australian Bureau of Agricultural and Resource Economics and Sciences expects Queensland's crop production to rise again in 2022-23, with above average rainfall supporting crop growing conditions.

Overseas Merchandise Exports, Queensland
(A$ million, current prices)

Export Categories[a]	2019-20	2020-21	2021-22[p]
Rural[b]			
Meat	6,884	5,461	6,424
Textile fibers[c]	448	401	1,329
Cereals and cereal preparations	129	636	1,654
Vegetables and fruit	712	887	923
Feeding stuff for animals	117	107	119
Other rural	1,671	1,418	1,566
Total	**9,961**	**8,911**	**12,016**
Crude minerals			
Coal, coke and briquettes	36,058	24,722	71,645
Metalliferous ores[d]	6,195	5,842	6,599
Petroleum and related products/materials	95	78	93
Gas, natural and manufactured	15,555	9,514	19,219
Other crude minerals	16	12	13
Total	**57,920**	**40,168**	**97,568**
Processed minerals and metals[b]			
Non-ferrous metals[b]	3,824	4,355	4,967
Other processed minerals and metals	324	311	409
Total	**4,148**	**4,666**	**5,376**
Other manufactures			
Machinery and non-transport equipment	1,459	1,369	1,481
Chemicals, fertilizers (excl. crude), plastics, etc.	922	1,045	1,290
Transport equipment	711	617	764
Leather, rubber, other materials, furniture, clothing, etc.	271	240	243
Miscellaneous manufactures and beverages	622	629	761
Total	**3,984**	**3,900**	**4,540**
Manufactures (sum of processed minerals and metals and other)	8,132	8,566	9,916
Total overseas exports of merchandise goods[b]	**76,248**	**57,892**	**119,995**

(p) Preliminary.
(a) Based on the Standard International Trade Classification (SITC), Revision 4.
(b) Sugar and some processed metal exports are not available at the state level and therefore the State total understates the actual amount of exports.
(c) Includes Queensland Treasury's estimate of cotton lint exports which were confidentialized by the ABS.
(d) Includes Queensland Treasury's estimate of alumina exports which were confidentialized by the ABS.

Note: Values have been rounded to the nearest A$ million.

Source: ABS unpublished foreign trade data and Queensland Treasury.

Queensland produces a wide variety of mineral and agricultural commodities for export. The development of large capacity rail and port facilities has increased Queensland's competitiveness in world markets and has improved access to significant Asian and European markets.

In the 2021-22 financial year, the A$ exchange rate averaged US$0.7259, a 2.8% depreciation on the previous year. So far in 2022-23, the A$ has depreciated against the US$, averaging US$0.6697 in the first five months. Global inflation concerns and aggressive monetary policy tightening by the US Federal Reserve saw the US$ strengthen against other currencies in 2022.

Although Queensland exports to a wide range of overseas markets, the major destinations for Queensland merchandise are countries in Asia, which account for around 81.5% of all exports (see table below). China was overtaken by Japan as Queensland's largest export market in 2021-22, with China accounting for 14.0% of the State's overseas merchandise exports, down from 36.1% two years prior. In previous years, China implemented bans on a range of Australian exports (particularly coal). Queensland exporters were able to partially offset the fall in exports to China by increasing exports to other major export destinations such as Japan, India and South Korea, which saw their combined share of Queensland exports increase by 16.2 percentage points since 2019-20.

The major destinations for Queensland's exports in recent years are outlined in the following table:

Queensland's Major Overseas Markets for Exports of Goods
(% of total, current prices)

	2019-20	2020-21	2021-22(p)
North Asia Total	**64.4**	**55.0**	**52.0**
China	36.1	24.4	14.0
Japan	13.1	13.6	18.2
South Korea	11.2	13.0	15.0
Taiwan	3.5	3.4	4.5
Hong Kong	0.4	0.6	0.3
South Asia Total	**20.3**	**25.7**	**29.5**
India	9.7	13.2	17.0
Indonesia	1.6	2.2	2.5
Malaysia	3.0	2.7	2.6
Thailand	0.6	1.0	0.7
Singapore	1.2	0.9	1.1
North America	**3.4**	**4.3**	**2.7**
United States	2.7	3.2	2.2
Canada	0.7	1.1	0.5
European Union(a)	**4.3**	**4.6**	**7.0**
United Kingdom	**1.1**	**1.3**	**0.7**
New Zealand	**1.3**	**1.8**	**1.1**
Brazil	**0.8**	**1.2**	**2.0**
Other	**4.3**	**6.1**	**4.9**

(a) Excludes the United Kingdom.
(p) Preliminary.

Source: ABS unpublished foreign trade data.

Tourism Exports

Due to COVID-19 induced travel restrictions, the number of overseas tourist[1] nights spent in Queensland fell sharply in 2019-20 and again in 2020-21, to a low of 0.8 million nights. The re-opening of international borders in late 2021 resulted in the start of a rebound in international tourist nights, which rose to 6.3 million nights in 2021-22. Overall, United Kingdom was the largest individual source of international tourist nights to Queensland in 2021-22, at 1.0 million nights. However, the recovery is expected to be gradual over the forecast horizon, as it will take some time for confidence to return to the international tourism market and for international transport capacity to recover. International tourists spent 36.0 million nights in Queensland in the pre-COVID 2018-19 year, with the United Kingdom (4.3 million nights), New Zealand (4.1 million nights) and China (3.8 million nights) being key source markets.

International tourist nights from Asia had grown strongly over the five years to 2018-19 (up 36.3% to 15.36 million nights), with China (up 61.7% to 3.78 million), India (up 99.2% to 1.55 million) and Taiwan (up 29.2% to 2.46 million) the largest contributors to growth over this period. However, 2019-20 saw a significant reduction in tourist nights due to the commencement of COVID-19 driven international travel restrictions in February/March 2020.

Overseas tourist[(a)] nights by source, Queensland
(thousand nights)

	2019-20	2020-21	2021-22
New Zealand	3,106	373	836
India	983	17	763
Korea	1,594	3	153
China	3,361	19	135
Singapore	314	21	119
Other Asia	5,133	79	1,129
United Kingdom	2,592	60	952
Germany	1,251	10	174
Other Europe	3,833	43	903
United States	1,306	55	322
Other Countries	2,873	91	807
Total	**26,345**	**772**	**6,292**

(a) Tourists are defined as people visiting friends/relatives or holidaying.

Source: Tourism Research Australia.

Interstate tourists are also an important tourism market for Queensland and have traditionally contributed more to Queensland economic activity than international tourism. In 2020-21 (latest available), Queensland's interstate tourism gross value added (GVA) was the largest of all states, at A$1.83 billion, slightly ahead of New South Wales (A$1.79 billion), which was more impacted by COVID-related lockdowns. In pre-COVID 2018-19, Queensland's interstate tourism GVA was the second largest (A$3.35 billion), slightly behind New South Wales (A$3.39 billion).

Interstate tourist nights to Queensland rebounded 30.8% in 2021-22 to 25.6 million due to the easing of interstate COVID-19 travel restrictions, but remain below their pre-COVID level of 34.8 million nights in 2018-19.

1 Tourists are defined as people visiting friends/relatives or holidaying.

Overseas Merchandise Imports

The nominal value of Queensland's overseas merchandise imports rose 28.0% to A$61.8 billion in 2021-22. The rise in the value of imports was primarily driven by an increase in the value of mineral fuels, petroleum and lubricants imports (up A$7.0 billion), while imports of chemicals (up A$1.8 billion), other machinery and transport equipment (up A$1.5 billion), other manufactured goods (up A$1.0 billion) and road motor vehicles (up A$780 million) also increased strongly.

The value of Queensland's imports in recent years is outlined in detail in the following table:

Overseas Merchandise Imports, Queensland
(A$ million at current prices)

Import Categories[(a)]	2019-20	2020-21	2021-22[(p)]	Annual change, 2020-21 to 2021-22 (%)
Live animals, food, beverages & tobacco	2,448	2,308	2,501	8.3
Mineral fuels, petroleum and lubricants	8,270	6,664	13,647	104.8
Chemicals	2,650	2,736	4,569	67.0
Road motor vehicles	7,128	9,334	10,115	8.4
Other machinery and transport equipment	9,084	9,905	11,430	15.4
Other manufactured goods	9,857	10,334	11,343	9.8
Other	6,093	6,992	8,202	17.3
Total overseas imports of goods	**45,531**	**48,273**	**61,806**	**28.0**

(a) Based on the Standard International Trade Classification.
(p) Preliminary.

Note: Values have been rounded to the nearest A$ million.

Source: ABS unpublished foreign trade data.

Population and Employment

As at June 30, 2022, Queensland's estimated resident population was 5.32 million, accounting for 20.5% of Australia's population. Over the year to June 30, 2022, Queensland's population grew by 2.0%, stronger than national population growth of 1.1% over the same period.

Net interstate migration strengthened in 2021-22, to 55,418 persons. The re-opening of international borders in late 2021 resulted in net overseas migration rebounding by 23,430 persons in 2021-22. Natural increase (births minus deaths) contributed 27,647 persons in 2021-22.

In year average terms, Queensland's employment rose 5.0% in 2021-22, following an increase of 2.4% the previous year, driven by strong domestic conditions as Queensland's economy continued to recover from the COVID-19 induced downturn in mid-2020.

Similarly, Queensland's labor force participation rate rose 0.6 percentage point in 2021-22 to 66.6%, the highest year-average participation rate since 2011-12. While the unemployment rate fell 2.2 percentage points to 4.6% in 2021-22, the lowest year-average unemployment rate since 2008-09. The seasonally adjusted unemployment rate has fallen even further in early 2022-23, to 3.3% in October 2022, the equal lowest monthly unemployment rate since the start of the series in 1978.

In 2021-22, Health Care & Social Assistance remained Queensland's largest employing industry, employing 425,800 persons (or 15.7% of total employment in the State), followed by Retail Trade (9.4%), Construction (8.8%) and Education & Training (8.7%). The private sector accounted for 84.9% of employment in Queensland in 2021-22.

The following tables show employment by industry for Queensland and the rest of Australia and average annual growth over the five years to 2021-22.

Employed Persons by Industry, Queensland[(a)]

	2016-17 ('000)	2017-18 ('000)	2018-19 ('000)	2019-20 ('000)	2020-21 ('000)	2021-22 ('000)	2016-17 to 2021-22 Average annual % change
Agriculture, Forestry & Fishing	52.4	63.0	69.5	79.8	84.1	66.7	4.9
Mining	57.5	61.0	68.3	65.0	76.2	77.3	6.1
Manufacturing	164.5	170.4	171.2	164.4	177.8	186.9	2.6
Electricity, Gas, Water & Waste Services	24.6	33.0	30.0	31.4	29.4	32.3	5.6
Construction	229.3	238.8	235.8	245.2	230.4	238.1	0.8
Wholesale Trade	64.4	64.4	73.3	71.8	79.9	68.6	1.3
Retail Trade	253.6	262.0	252.9	231.8	266.5	254.1	0.0
Accommodation & Food Services	180.8	181.9	192.5	191.7	182.7	206.1	2.7
Transport, Postal & Warehousing	132.4	140.5	136.3	128.6	133.9	140.2	1.2
Information Media & Telecommunications	35.7	28.4	33.3	28.6	27.2	29.1	-4.0
Financial & Insurance Services	63.3	62.1	65.9	59.8	76.1	69.8	2.0
Rental, Hiring & Real Estate Services	50.0	47.9	42.5	52.3	51.6	55.8	2.2
Professional, Scientific & Technical Services	171.9	169.3	169.3	192.3	190.6	214.4	4.5
Administrative & Support Services	80.1	90.6	85.4	87.4	80.0	82.7	0.6
Public Administration & Safety	162.7	149.7	168.3	157.1	165.8	170.1	0.9
Education & Training	189.0	203.1	217.8	217.3	209.9	234.3	4.4
Health Care & Social Assistance	312.5	351.3	350.5	354.9	375.0	425.8	6.4
Arts & Recreation Services	43.2	45.2	43.6	45.5	43.5	40.7	-1.2
Other Services	102.3	106.3	101.7	104.6	101.3	114.9	2.4
Total[(b)]	**2,370.3**	**2,468.9**	**2,508.2**	**2,509.5**	**2,582.0**	**2,707.9**	**2.7**

(a) Yearly average.

(b) Industry estimates of employment are compiled on the mid-month of each quarter. Therefore, the total of industry employment does not match the aggregate monthly estimates of employed persons.

Note: Due to rounding, amounts may not add to totals.

Source: ABS Labour Force, Australia, Detailed.

Employed Persons by Industry, Rest of Australia[(a)]

	2016-17 ('000)	2017-18 ('000)	2018-19 ('000)	2019-20 ('000)	2020-21 ('000)	2021-22 ('000)	2016-17 to 2021-22 Average annual % change
Agriculture, Forestry & Fishing	252.0	266.3	264.2	254.2	253.6	236.0	-1.3
Mining	161.4	161.9	178.8	173.8	180.6	200.4	4.4
Manufacturing	744.0	735.9	734.7	722.9	695.6	688.4	-1.5
Electricity, Gas, Water & Waste Services	112.8	115.8	124.0	124.4	123.2	122.8	1.7
Construction	856.4	932.2	929.7	934.4	930.0	915.8	1.4
Wholesale Trade	298.9	301.1	316.6	320.4	300.9	283.4	-1.1
Retail Trade	985.7	1,024.7	1,024.6	1,004.2	1,017.9	1,022.5	0.7
Accommodation & Food Services	682.4	708.5	708.2	659.9	651.5	661.4	-0.6
Transport, Postal & Warehousing	486.5	499.8	521.4	512.6	515.2	529.1	1.7
Information Media & Telecommunications	180.5	192.7	181.4	176.2	165.3	168.2	-1.4
Financial & Insurance Services	373.8	368.7	379.1	406.9	407.4	474.9	4.9
Rental, Hiring & Real Estate Services	159.2	164.2	169.9	162.1	158.7	175.5	2.0
Professional, Scientific & Technical Services	846.6	858.7	934.2	955.1	998.0	1,034.1	4.1
Administrative & Support Services	350.5	325.0	343.6	350.7	336.7	344.4	-0.4
Public Administration & Safety	614.1	588.2	667.7	670.7	700.3	733.3	3.6
Education & Training	792.9	822.0	824.1	867.9	902.4	895.4	2.5
Health Care & Social Assistance	1,251.1	1,321.4	1,334.3	1,408.4	1,425.0	1,535.1	4.2
Arts & Recreation Services	176.6	201.6	205.6	180.3	191.1	183.4	0.8
Other Services	384.0	392.3	402.8	380.6	386.2	423.4	2.0
Total[(b)]	**9,709.4**	**9,981.1**	**10,244.9**	**10,265.7**	**10,339.6**	**10,627.5**	**1.8**

(a) Yearly average.

(b) Industry estimates of employment are compiled on the mid-month of each quarter. Therefore, the total of industry employment does not match the aggregate monthly estimates of employed persons.

Note: Due to rounding, amounts may not add to totals.

Source: ABS Labour Force, Australia, Detailed.

Prices

The Brisbane consumer price index ("CPI") rose 5.4% in 2021-22, the fastest annual growth since 2000-01 following the introduction of the GST. While price increases have been broad-based, the acceleration in Brisbane's annual CPI growth has been primarily driven by sharp rises in housing and automotive fuel prices. This compares with average annual growth in Brisbane's consumer prices of 2.6% since the Reserve Bank of Australia's adoption of inflation targeting in 1993-94. The national CPI rose 4.4% in 2021-22.

Income

Queensland recorded 5.0% growth in average weekly earnings in 2021-22, compared with 3.4% growth nationally. Queensland's relative strength in this measure of wages reflects its very tight labor market at present.

The most recent figures available for average weekly earnings and household income per capita are listed below:

Measures of Income

State	Household Income per capita 2021-22	Average Weekly Earnings 2021-22
	A$	A$
Queensland	68,467	1,312
New South Wales	74,648	1,361
Victoria	68,572	1,295
South Australia	63,998	1,225
Western Australia	78,472	1,462
Tasmania	65,352	1,144
Australia	72,040	1,337

Sources: ABS Australian National Accounts: State Accounts; Average Weekly Earnings.

Wages Policy

Wage bargaining at the enterprise level has become widely accepted in Australia since its introduction in October 1991 and has gradually replaced the "Award" system of centralized wage-fixing as the dominant method of structured wages negotiation in Australia.

On December 31, 2009, Queensland legislation referred state industrial relations powers for the private sector to the Commonwealth. This referral complemented the Commonwealth legislation for a national industrial relations system, which commenced on January 1, 2010. The national industrial relations system applies to all Queensland private sector employees.

Public sector and local government workers in Queensland generally remain under the state industrial relations system. As of June 2022, State and local public sector employees in Queensland totaled 400,400 persons, accounting for 14.4% of all employed persons in the State.

The Australian Labor Party formed Federal government in May 2022. The current Federal Government's policies include a mandate to reinvigorate Australia's enterprise bargaining system to promote productivity.

Queensland's industrial relations system is underpinned by Awards and Agreements. In October 2022, Queensland's Parliament passed the Industrial Relations and Other Legislation Amendment Bill 2022 giving effect to the recommendations of the independent five year review of the laws. Changes included strengthening workers protection from sexual, sex or gender-based workplace harassment, providing better access to parental leave and domestic and family violence leave, and promoting gender pay equity in collective bargaining. Also minimum employment standards now align with federal standards by providing greater flexibility for paid and unpaid parental leave to include adoption, surrogacy or parentage transferred under a cultural recognition order.

Prior to the emergence of COVID-19, The Queensland Public Sector Wages Policy was for annual growth of 2.5% on agreement pay rates. While wage increases were deferred in 2020 due to the financial pressures of the COVID-19 pandemic, all affected public sector agreements incorporated an additional 2.5% wage increase at a later date to ensure there was no ongoing impact for public sector employees.

Several key public sector bargaining agreements have expired during 2022. With the current bargaining cycle underway, government is committed to good faith bargaining to establish wages increases for new agreements that address the prevailing economic environment. The government's offer for wage increases is 4% in years 1 and 2, and 3% in year 3 and a non-recurrent cost of living payment that addresses pressures on workers if inflation outcomes end up exceeding the wage increase offer. In terms of the budgetary outlook, Employee expenses assume headline wage increases for future bargaining agreements for the next period will be consistent with those where in–principle agreement has already been established.

The whole of government full-time equivalent (“FTE”) employment levels continue to be actively managed through approved agency FTE caps. Temporary restrictions on non-frontline recruitment activity have ceased, giving agencies flexibility to manage within approved FTE caps. Central oversight of external recruitment to senior executive service positions will continue to ensure close management of the senior executive cohort.

The Government remains committed to employment security and critical frontline services.

PRINCIPAL SECTORS OF THE QUEENSLAND ECONOMY

The following table shows the main components of Queensland and Australia's industry gross value added.

Queensland/Australian Gross Product-Major Industry Sectors, 2021-22[(a)]
(nominal)

Sector	Queensland (A$ millions)	Australia (A$ millions)	Queensland as a share of Australia (%)
Agriculture, forestry and fishing	16,604	73,259	22.7
Mining	74,202	314,959	23.6
Manufacturing	23,992	125,183	19.2
Construction	31,035	158,165	19.6
Services[(b)]	272,453	1,486,856	18.3
Total	**418,286**	**2,158,422**	**19.4**

(a) Based on industry gross value added. Gross value added refers to the value of output at basic prices minus the value of intermediate consumption at purchasers' prices. Basic prices valuation of output removes the distortion caused by variations in the incidence of commodity taxes and subsidies across the output of individual industries.

(b) Includes electricity, gas, water & waste services, wholesale trade, retail trade, accommodation & food services, transport, postal & warehousing, information, media & telecommunications, finance & insurance services, rental, hiring & real estate services, professional, scientific & technical services, administrative & support services, public administration & safety, education & training, health care & social assistance, arts & recreation services, other services and ownership of dwellings.

Source: ABS Annual State Accounts.

Mining

Over the past decade, the mining sector has been a significant contributor to Queensland's economy.

Queensland has large reserves of coal, bauxite, gold, copper, silver, lead and zinc, as well as large "unconventional" resources of coal seam natural gas.

Three major CSG-to-LNG projects commenced production in Queensland in 2015, with a total capital expenditure in excess of A$60 billion.

The first LNG was exported from the Queensland Curtis LNG project in January 2015, and 2015-16 saw the first year of substantial LNG exports, with all LNG "trains" becoming operational by October 2016. LNG has become Queensland's second most valuable goods export after coal, with a nominal value of A$19.2 billion in 2021-22.

In 2021-22, Queensland accounted for 23.6% of the nation's total mining output (nominal). Industry output has grown at an average annual rate of 1.5% in the five years to 2021-22 (real, CVM), although this annual average rate of growth is down from 7.4% in the five years to 2018-19 (pre-COVID).

In 2021-22, Queensland's mining industry accounted for 17.7% of the State's total industry gross value added (nominal), the highest on record, well above the previous peak of 14.8% in 2008-09. The strong growth in nominal mining output was driven by record high coal prices and elevated oil prices in the year. Meanwhile, 77,300 people were directly employed in the mining industry (2.9% of Queensland's total employment).

The Queensland mining industry is a major source of export earnings and makes a substantial contribution to capital investment and regional development. Mining also provides a base for a number of the State's leading value-added industries.

Coal

Coal is Queensland's most valuable export commodity. In 2021-22, the value of coal exports accounted for 59.7% of Queensland's total merchandise exports. Record high coal prices (up 198% over the year) more than offset lower export tonnages (down 2.8%) resulting in the value of coal exports rising by 190%, to A$71.6 billion in 2021-22.

The value and quantity of selected minerals produced in Queensland from 2016-17 to 2021-22 are shown in the following tables.

Queensland Key Resources Production – Estimated Value[(a)]
(A$ millions)

Resource	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Black coal[(b)]	41,083	45,923	52,792	40,496	28,002	87,347
Liquefied Natural Gas[(c)]	8,641	10,737	15,728	15,555	9,514	19,219
Copper	1,765	1,996	2,047	1,833	2,179	2,440
Gold	1,055	1,027	925	1,049	1,026	1,093
Bauxite	1,260	1,275	1,494	1,649	1,339	1,247
Lead	755	715	839	814	844	822
Zinc	1,204	1,670	2,614	2,489	2,746	3,417

(a) Value of production is calculated using Queensland's production volumes and the Australia price for each commodity.
(b) Estimated based on Queensland's unit export price.
(c) Export value.

Source: Australian Department of Industry, Science and Resources, ABS and Queensland Treasury.

Queensland Key Resources Production – Volume

Resource	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Black coal ('000t)	237,675	248,622	257,209	245,422	227,043	238,698
Copper ('000t)	247	227	238	218	205	184
Gold (kg)	19,695	19,084	16,286	13,938	12,845	13,446
Bauxite ('000t)	30,041	32,030	35,829	41,087	35,812	38,110
Lead ('000t)	270	228	301	288	318	259
Zinc ('000t)	359	405	702	757	773	710
Coal seam gas (Mcm)[(a)]	34,358	35,404	37,600	39,904	40,627	40,817

(a) National production data. The vast majority of production occurs in Queensland.

Source: Australian Department of Industry, Science and Resources.

Agriculture

The agriculture, forestry and fishing industry in Queensland accounted for 4.0% of Queensland's industry gross value added (nominal) and 22.7% of Australia's total agricultural output in 2021-22. The bulk of Queensland's agricultural production has traditionally been exported, providing a significant contribution to Queensland's foreign earnings.

In 2021-22, more than half of the nominal gross value of Queensland's agricultural production was derived from three products – beef, sugar cane and cotton, each of which is produced primarily for export.

Queensland also produces tropical and citrus fruits, rice, vegetables, timber, peanuts, oilseeds, eggs and dairy products, principally for domestic markets.

According to the Queensland Department of Agriculture and Fisheries, the nominal value of Queensland's agricultural production rose 21.1% in 2021-22 to A$17.8 billion. This was driven by gains in the gross value of cotton (up A$976 million, or 186.3%, to A$1.5 billion), beef (up A$949 million, or 15.9%, to A$6.9 billion) and wheat (up A$431 million, or 91.7%, to A$901 million).

The following table presents figures on the nominal gross value and volume of agricultural commodities produced in Queensland over the five years to 2021-22.

Queensland's Major Agricultural Commodities – Nominal value and volume of production

	2017-18	2018-19	2019-20	2020-21	2021-22
Gross Value (A$m)					
Cattle and calves	5,473	5,803	6,547	5,902	6,851
Poultry	561	587	568	600	631
Pigs	248	289	363	334	389
Sheep and lambs	55	58	67	72	79
Sugar cane	1,234	1,192	1,060	1,150	1,374
Wool	98	108	79	60	89
Grain, oilseeds and pulses	1,171	809	733	1,374	2,100
Fruit and vegetables and nuts	3,270	3,132	2,881	3,198	3,117
Dairying (total whole milk production)	230	219	215	207	220
Cotton	882	279	102	524	1,500
Other	1,294	1,323	1,232	1,315	1,494
Total agriculture	**14,516**	**13,798**	**13,847**	**14,737**	**17,843**
Volume of Production					
Beef and veal ('000 tonnes)	1,077	1,111	1,112	923	926
Sugar cane ('000 tonnes)(a)	31,472	30,489	28,443	29,330	28,479
Wool (tonnes)(b)	5,042	3,953	4,102	4,946	4,116
Wheat ('000 tonnes)	765	420	418	1,594	1,825
Cotton lint ('000 tonnes)	320	164	31	222	422

(a) Calendar year data.
(b) Taxable wool received by brokers and purchased by dealers from wool producers.

Sources: ABS *Livestock Products*; Queensland Department of Agriculture and Fisheries; Australian Sugar Milling Council; Australian Bureau of Agricultural and Resource Economics and Sciences.

Other Primary Industries

Forestry and logging

The value of Queensland's forestry and logging production is estimated to have risen 0.8% to A$253 million in 2021-22. Demand for wood is largely determined by demand for the construction of new dwellings and alterations and additions to existing dwellings.

Fisheries

The value of Queensland's fisheries and aquaculture production is estimated to have risen 7.4% to A$466 million in 2021-22, with fisheries accounting for 51% of the gross value of production and aquaculture accounting for 49%.

Manufacturing

In 2021-22, the manufacturing industry accounted for 5.7% of Queensland's industry gross value added (nominal) and 6.9% of Queensland's employment. Queensland's share of Australia's total manufacturing output was 19.2% in 2021-22.

Historically, manufacturing in Queensland was developed to service and process the State's agricultural and mineral resources. In common with most industrialized nations, the relative importance of manufacturing has declined in Australia in favor of service-based industries over time.

In 2020-21 (latest data available), food product manufacturing accounted for the largest component of manufacturing income in Queensland (28.9%), followed by primary metal & metal product manufacturing (11.6%), fabricated metal product manufacturing, and machinery & equipment manufacturing (both 8.9%).

Construction

The Queensland construction industry directly contributed 7.4% to State GVA, whilst also providing 8.8% of employment in the State in 2021-22.

- Dwelling investment rose 4.5% in 2021-22, building on the 11.7% increase in the previous year.
  - A combination of record low interest rates and substantial government stimulus drove strong increases in building approvals and lending indicators throughout 2020-21. These factors drove the value of Queensland's residential work in the pipeline to a record A$11.5 billion in June quarter 2022.
  - However, material and labor shortages due to the COVID-19 pandemic, adverse weather including floods, and several insolvencies among construction companies have constrained the construction industry's ability to meet elevated demand. As a result, dwelling investment in Queensland in September quarter 2022 was 14.1% lower over the year.
- Non-dwelling construction – which consists of non-residential building (shops, offices, factories, etc.) and engineering construction (mines, ports, roads, etc.) – rose 10.6% in 2021-22.
  - New engineering construction in Queensland rose 1.2% in 2021-22, following cumulative decline of 31.0% over the previous three years.

- o Non-residential building construction rose 14.7% in 2021-22, rebounding strongly from a cumulative decline of 25.6% over the previous three years.

Services

Transport

Queensland has 16 trading ports, most of which are equipped with bulk handling facilities for the major products of their respective regions. In addition, Queensland has two community ports and a number of non-trading ports located at regular intervals from Maryborough in the south east to Burketown in the north-west. In 2021-22, the total tonnage throughput via Queensland port systems was estimated at 288.8 million tonnes (largely unchanged over the year).

The Queensland railway network encompasses over 10,000 kilometers of track, which includes the electric main railroad line and heavy haul lines serving the major coal mines in Central Queensland. Competition has been introduced into rail freight with the privately owned Pacific National active in Queensland, while the coal and freight components of the previously government owned Queensland Rail (now "Aurizon") have been privatized. Rail freight operators also compete with road haulage companies for Queensland's freight. Commodities which are moved substantially by rail include coal and minerals. Substantial amounts of containerized freight are hauled by both rail and road.

The Queensland public road network is constantly being upgraded and extended to maintain its safety and viability.

Queensland has two major and five secondary international airports (including the privately owned Wellcamp Airport in Toowoomba which commenced international passenger flight operations in October 2016), as well as a large network of commercial domestic airports and private airfields. Brisbane Airport is the third busiest in the country behind Sydney and Melbourne with 10.0 million passenger transiting in 2021-22, down from the pre COVID level of 23.6 million in 2018-19. Following several years of construction, in July 2020 the Brisbane airport opened its completed new runway, which has doubled the airport's capacity.

Communications

Queensland is served on a state-wide basis by the national postal system and a number of major telecommunications companies. Two-way satellite communications are available in remote areas, providing education and other services to isolated residents. The State has a widespread non-commercial television network principally operated by the Australian Broadcasting Corporation and the Special Broadcasting Service. In addition, three commercial television networks, each with numerous sub-channels, operate within the State. Queensland has a widespread cable and satellite pay television service in operation, and comprehensive commercial and public radio networks.

Broadband internet services are also available in all major centers across the State. The Federal Government completed the initial build phase of the national broadband network (the "NBN") in June 2020. The NBN is delivered through a "multi-technology mix" network comprising fibre-to-the-premises, fibre-to-the-node, fibre-to-the-basement, fibre-to-the-curb, hybrid fibre coaxial, fixed wireless and satellite technologies. The NBN is the default Statutory Infrastructure Provider (the "SIP") for all of Australia and, where it is the SIP, it must meet legal obligations, including in relation to minimum service speed. Within its capital constrains, NBN Co will continue to upgrade the network technologies to support retailers to meet demand from end users which exceeds these minimum requirements, including implementing current plans to expand access to peak download speeds of up to close to 1 gigabit per second. As at December 1, 2022, a total of 2,434,754 homes/businesses have been declared as ready to connect in Queensland, while a total of 1,690,838 homes/businesses have had services activated.

Tourism

Tourism directly accounted for an estimated 2.2% of overall output (gross value added, at basic prices) in the State in 2020-21 (latest estimate available). Prior to the outbreak of COVID-19 and international border closures, tourism accounted for 3.6% of overall output in 2018-19. The success of tourism in Queensland is to a great extent attributable to certain natural advantages such as a favorable climate for vacations and one of the finest arrays of natural attractions in Australia, including the Great Barrier Reef and its islands, hundreds of kilometers of beaches, large wilderness areas, mountain panoramas, national parks, the tropical north, the Darling Downs and the outback.

South of Brisbane is the Gold Coast, Australia's largest and most popular resort area. The Gold Coast is famous for its 32 kilometers of beaches which provide facilities for surfing, fishing, cruising and a variety of other sporting activities. West of the coast, the rugged rainforest-covered slopes of the MacPherson Range extend the Gold Coast's appeal to include mountain climbing, bushwalking, horse riding, national parks, waterfalls, and panoramic views. The Gold Coast's natural attractions have been supplemented by developments including theme parks, world class golf courses, extensive canal developments and internationally-recognized restaurants and entertainment venues.

The Great Barrier Reef is a major attraction for both domestic and international tourists, and resorts have been developed on islands and centers on the coast. The waters of the Great Barrier Reef offer some of the best fishing in the world, and Cairns has become an international center for big-game fishing, notably for black marlin. The Whitsunday Coast, on the mainland near the Whitsunday group of islands, has developed in the last decade in response to the increasing popularity of the Great Barrier Reef and its islands. The area offers reef and island holidays with daytrips and extended cruises to places of interest.

In 2021-22, 223,000 international tourists (defined as those arriving for holiday or visiting friends and relatives) visited Queensland, up from 32,000 in 2020-21 following the re-opening of international borders in late 2021, but well below the pre-COVID level of 2.4 million in 2018-19. In total, international tourists spent 6.3 million nights in Queensland, up from 0.8 million in 2020-21, but well below the pre-COVID level of 36.0 million in 2018-19.

Traditionally, domestic tourism has been a larger market than international tourism in Queensland, although a significant amount of domestic tourism is from intrastate (Queenslanders travelling within Queensland). There were 16.3 million domestic tourist overnight trips to Queensland in 2021-22, with 12.9 million intrastate trips and 3.4 million interstate trips. Domestic tourists spent 66.7 million nights in Queensland in 2021-22, up from 62.1 million in 2020-21, below 71.7 million in 2018-19 but above 65.2 million in 2017-18. In 2021-22, 41.1 million of the domestic tourist nights in Queensland were from intrastate tourists, while 25.6 million were from interstate tourists.

FINANCIAL RELATIONSHIP WITH THE COMMONWEALTH OF AUSTRALIA

Commonwealth Grants

Since World War II, the Commonwealth has acted as the sole income taxing authority, and annual general revenue grants have been paid by the Commonwealth to the states. The Commonwealth also has exclusive constitutional power to impose excise duty, a goods and services tax and customs duty. The Commonwealth raises no wealth taxes, estate or gift duties. The states impose payroll taxes, stamp duties and land taxes, and local governments impose taxes based on the ratable value of real property.

At the 1985 Premiers' Conference it was agreed that tax sharing arrangements then in operation should be replaced by financial assistance grants to the states. The Commonwealth Grants Commission continued to make recommendations for the distribution of these general purpose payments based on the principle of horizontal fiscal equalization. This principle requires state governments to receive funding which offsets the differences in revenue raising capacity and the cost of delivering services between states, such that every state has the capacity to delivery comparable services and associated infrastructure at a similar tax burden.

Financial assistance grants were paid in addition to grants provided by the Commonwealth to the states for specified purposes or with conditions attached. Although these grants for specific purposes have existed for much of the period since federation, their importance as a form of Commonwealth grant has increased significantly since the 1970s.

Commonwealth-State Relations – the GST

The introduction of a Goods and Services Tax ("GST"), a broad-based consumption tax, was the cornerstone of national tax reform introduced by the Commonwealth Government on July 1, 2000. The reforms included significant changes to Commonwealth-State financial relations. All Australian governments signed an Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations.

The main features of the Agreement included:

- the provision to the States of all revenue from the GST. The principle of horizontal fiscal equalization was endorsed as the method for distributing GST revenue among the states;
- the abolition of financial assistance grants to the states; and
- the abolition of a number of state taxes. In Queensland's case, this includes the abolition of nine taxes over time in order to improve the overall efficiency of the national taxation system.

In 2022–23, Queensland will receive around A$18.5 billion in GST revenue as published in the 2022-23 Budget Update. Queensland is currently assessed by the Commonwealth Grants Commission as requiring more than an equal per capita share of the GST distribution.

The Intergovernmental Agreement on Federal Financial Relations

On March 26, 2008, the Council of Australian Governments agreed to implement a new framework for federal financial relations. The focus of the new framework was to significantly reduce Commonwealth prescriptions on service delivery by the states, in conjunction with clearer roles and responsibilities and outcomes-based public accountability.

A new agreement — the Intergovernmental Agreement on Federal Financial Relations — commenced on January 1, 2009. The main features of the new framework included:

- a reduction in the number of specific purpose payments, without reducing the overall level of payments. A large number of these payments were aggregated into five broader streams of funding supported by new national agreements in the areas of healthcare, schools, skills and workforce development, disability services and housing.
- a focus on outcomes that improve the well-being of Australians, through improvements in the quality, efficiency and effectiveness of government service delivery, with reduced Commonwealth prescriptions on how the States achieve outcomes or deliver services, and enhanced accountability to the public for outcomes achieved or outputs delivered.
- greater funding certainty to the States, with the new national agreements to be ongoing with periodic reviews to ensure the maintenance of funding adequacy and the relevance of objectives.
- the provision of National Partnership payments by the Commonwealth to the States to support the delivery of specified projects and facilitate or reward nationally significant reforms.
- the continued provision of all GST revenue to the States.

An ongoing task for Queensland and other governments is to ensure the original intent of the framework is maintained, given the different and competing priorities sometimes facing state, territory and Australian Governments.

New governance arrangements — Australian federal relations

In May 2020, the Australian Government and state and territory governments agreed to new national governance arrangements and federal relations architecture. At the core of this architecture is National Cabinet.

First Ministers will continue meeting as National Cabinet and Treasurers will continue to meet as the Council on Federal Financial Relations (the "CFFR"). Under the new arrangements, the CFFR will have responsibility for overseeing the financial relationship between the Commonwealth and the states and territories. This includes taking responsibility for all funding agreements, including National Partnership Agreements, complementing its existing responsibility for overseeing the Intergovernmental Agreement on Federal Financial Relations.

National Health reform

The National Health Reform Agreement (the "NHRA") commenced on July 1, 2012. In May 2020, an Addendum to the 2011 NHRA was signed by all jurisdictions and is to apply from July 1, 2020 to June 30, 2025. Funding is being provided through a combination of activity-based funding for larger hospitals and block funding for smaller regional hospitals. Under the Addendum, the Commonwealth funds 45% of the efficient growth in public hospital services, subject to a 6.5% national cap on the growth of NHRA funding, irrespective of demand growth.

In response to the COVID-19 outbreak, the Commonwealth offered jurisdictions a National Partnership Agreement on COVID-19 Response (the "NPACR"). Under the NPACR, the Commonwealth will provide a 50% contribution for costs incurred by state health services in responding to the COVID-19 outbreak. Funding is uncapped, demand driven and will cover costs incurred from January 21, 2020 (when the virus was first identified as a "Listed Human Disease" under the Biosecurity Act 2015 (Cth)).

The health response to COVID-19 necessitated the temporary suspension of non-urgent health activity, such as most elective surgeries. Consequently, the Commonwealth has provided a hospital funding guarantee for 2019–20, 2020–21 and 2021–22. Under the guarantee, the Commonwealth has undertook to provide to Queensland, as a minimum, a set level of combined funding under the NHRA and the hospital services component of the NPACR. At the time of the 2022–23 Queensland Budget, Queensland expected to receive Australian Government funding of A$6.030 billion under the NHRA.

Quality Schools

At the time of the 2022–23 Queensland Budget, Queensland expected to receive Australian Government funding of A$2.276 billion in 2022–23 (A$9.690 billion over four years to 2025-26 excluding GST) for Queensland Government schools. Non-government schools funding (including GST) will be A$3.818 billion in 2022–23 (A$16.230 billion over four years to 2025-26).

2022 Commonwealth Grants Commission ("CGC") Report on GST Revenue Sharing Relativities

In March 2022, the CGC released its Report on GST Revenue Sharing Relativities – 2022 Update (the "2022 CGC Update Report") which considered changes in state circumstances to determine the distribution of GST. The 2022 CGC Update Report recommended an increase in Queensland's GST revenue, with an underlying impact of A$2,837 million in 2022-23 incorporating the Australian Governments HFE transition payments, changes in population, growth in the GST pool and changes in relative fiscal capacity.

An increase to Queensland's GST share is based on the CGC's determination that Queensland has lower fiscal capacity per capita compared to other states. Queensland is assessed to have higher spending needs for education and health and lower revenue raising capacity for land tax and transfer duty which is partially offset by a higher capacity to raise mining royalties as a result of higher coal prices and a greater share of Commonwealth payments.

QUEENSLAND GOVERNMENT FINANCES

State Budgetary Strategy

The Budget for each fiscal year is normally presented by the Treasurer to the Legislative Assembly in June prior to the commencement of the fiscal year, and incorporates details of estimated actual revenue and expenditures in the current fiscal year and budgeted revenue and the expenditure of moneys in the next and following three fiscal years. Approval for the raising of revenue is provided under various existing Acts of Parliament while Parliament approves expenditure via the Appropriation Acts (the "Appropriation Acts") on a yearly basis.

With the Budget generally presented to Parliament in June, the Appropriation Acts are passed by Parliament around August/September after the Budget Estimates hearings. The Appropriation Acts approve expenditure for the upcoming financial year (i.e., the Budget year). These Acts also approve an aggregate amount of expenditure sufficient to provide for the normal services of Government for the first few months of the next succeeding financial year, until the Appropriation Bill receives Royal Assent. There is one Act for the Legislative Assembly and one for all other agencies.

2021-22 State Budget and 2021-22 Budget Update: MYFER

The 2021–22 Budget, handed down on June 15, 2021, focused on the delivery of the Economic Recovery Plan and supporting jobs following the successful containment of COVID-19 in the state. The continued delivery of high quality frontline services and infrastructure and delivery of the government's election commitments remained a key focus.

The 2021–22 Budget committed A$52.216 billion over four years to fund construction of critical infrastructure and capital works with a focus on maintaining a sustainable program of works through to 2024-25.

The economy recovered sooner and stronger than forecast in the 2020–21 Budget, translating to higher-than-expected increases in key revenue streams. Coupled with expenditure restraint and the continued implementation of the government's Savings and Debt Plan, operating deficits were lower than estimated at the 2020–21 Budget with a modest return to surplus projected in 2024–25.

The 2021-22 Budget Update: Mid-Year Fiscal and Economic Review (each such annual review, the "MYFER") was released on December 16, 2021. A deficit over the four years to 2024–25 of A$4.289 billion was A$2.451 billion lower than expected at the 2021–22 Budget, with the 2021–22 year being revised upwards predominantly due to a temporary increase in royalty revenue along with higher than expected transfer duties.

Revenue across the four years to 2024–25 was expected to grow an average of 3.4% while expenses were expected to grow an average of just 3% over the same period.

2022-23 State Budget and 2022-23 Budget Update

With the state's rapid and strong economic recovery from the COVID-19 crisis, due in large part to its nation leading health response, the 2022–23 Budget focus turned to creating more jobs in more industries, delivering better services and protecting the Queensland lifestyle.

The 2022–23 Budget committed A$59.126 billion over four years to fund essential social and economic infrastructure to support the state's growing population, including a transformational investment to boost health system capacity, investment in new schools and critical infrastructure upgrades and continuation of the substantial ongoing investment in transport infrastructure.

With substantially improved economic conditions since mid-2020, revenue was expected to rebound strongly in 2021-22 and remain elevated over the forward estimates compared to the 2021-22 Budget Update, with additional funding to support service delivery and economic priorities, expected to be managed within the revenue uplift. Average annual expenditure growth was projected to be 4.1% over the five years to 2025-26 compared to annual revenue growth of 4.5% over the same period.

The 2022-23 Budget Update was released on December 7, 2022. A A$5.18 billion surplus is expected in 2022-23, A$6.209 billion higher than the expected deficit of A$1.029 billion in the 2022-23 Budget. The improved outlook is largely driven by upward revisions to coal and petroleum royalties, reflecting higher than expected, but temporary, global coal and oil prices, and stronger GST and payroll tax revenue.

A smaller deficit of A$458 million is projected for 2023-24, with small surpluses still projected for 2024-25 and 2025-26 largely in line with the 2022-23 Budget.

The significant public infrastructure investment program outlined in the 2022-23 Budget has been supplemented by the investment in the Queensland Energy and Jobs plan. The capital program over the four years to 2025-26 is now expected to be A$64.844 billion.

Fiscal Principles

The Financial Accountability Act 2009 (Qld) requires the Treasurer to prepare and table in the Legislative Assembly a Charter of Fiscal Responsibility (the "Charter"). The Charter sets the Government's fiscal objectives and the fiscal principles that support those objectives.

The Treasurer must report regularly to the Legislative Assembly on progress the Government has made against the priorities stated in the Charter. This report is published each year in the Budget papers and Budget Update.

In order to ensure the Fiscal Principles remained fit for purpose and provided a balanced and sensible path to restore Queensland's fiscal buffers following the COVID-19 pandemic, the Government developed a new Charter to inform the 2021–22 Budget strategy. The new Fiscal Principles provide objective measures supporting the delivery of net operating surpluses and the stabilization of net debt.

Fiscal Principle 1 – Stabilize the General Government Sector net debt to revenue ratio at sustainable levels in the medium term, and target reductions in the net debt to revenue ratio in the long term.

A key component of the fiscal strategy is to stabilize debt at a sustainable level in the medium term.

Queensland's net debt to revenue ratio was 15% in 2021-22, a reduction from the 18% ratio reported in the 2020-21 Outcome. The reduction in the General Government Sector net debt to revenue ratio reflects the Government's prudent management of short term revenue uplifts to restore fiscal buffers, such as the investment of A$2.5 billion of the royalties windfall for future critical infrastructure.

By 2024–25, the ratio is forecast to reach 46%, compared to 61% in the 2021–22 Budget. This follows a steady reduction in forecasts for the General Government net debt to revenue ratio in successive budget updates since the 2020–21 Budget.

Fiscal Principle 2 – Ensure that average annual growth in General Government Sector expenditure in the medium term is below the average annual growth in General Government Sector revenue to deliver fiscally sustainable net operating surpluses.

Fiscal Principle 2 is designed to provide a broad measure of expenditure growth management. Delivering operating surpluses will assist debt stabilization.

Queensland's net operating balance has improved substantially since the 2021-22 Budget, from a forecast operating deficit of A$3.485 billion to an actual operating surplus of A$4.296 billion. In 2021-22, revenues grew by 18.1% and expenses by 9.7% compared to 2020-21.

Over the 5 years to 2025-26, revenue is expected to grow at 4.8% on average per annum, compared to 4.5% for expenses. An operating surplus is expected to be achieved in 2024-25.

Fiscal Principle 3 – Target continual improvements in net operating surpluses to ensure that, in the medium term, net cash flows from investments in non-financial assets (capital) will be funded primarily from net cash inflows from operating activities. The capital program will focus on supporting a productive economy, jobs, and ensuring a pipeline of infrastructure that responds to population growth.

The government's A$50 billion Infrastructure Guarantee has ensured the maintenance of a substantial capital program through the COVID-19 crisis and a capital program of A$64.8 billion is planned over the 4 years to 2025–26.

The capital program includes purchases of non-financial assets, capital grants and new finance leases and similar arrangements. The capital program delivered by the State Non-financial Sector in 2021-22 was A$14.294 billion. In 2021-22, particularly strong revenue growth resulted in General Government Sector net investments in non-financial assets being funded in full through net cash flows inflows from operating activities. Volatility in revenue growth combined with the profile of capital expenditure, which is uneven by nature, means a degree of volatility is expected in the outcomes for Fiscal Principle 3 on an individual year basis. While the proportion will decrease in 2022-23, it is expected to gradually rise over the forward estimates to a forecast 50% as the operating position improves.

This positions Queensland well for continued improvement beyond the forward estimates period towards the medium-term goal of funding capital primarily through operating cash surpluses.

Fiscal Principle 4 – Maintain competitive taxation by ensuring that, on a per capita basis, Queensland has lower taxation than the average of other states.

The fiscal principle ensures that Queenslanders continue to pay less tax than Australians in other states and territories, providing a meaningful indication of the comparative impact of Queensland's tax regime and policies.

Based on the latest available outcomes, Queensland's taxation per capita was A$654 less than the average of other jurisdictions in 2020-21. On average, Queenslanders paid A$1,114 less tax than New South Wales residents and A$545 less than Victorian residents.

Fiscal Principle 5 – Target the full funding of long-term liabilities such as superannuation and workers' compensation in accordance with actuarial advice.

Consistent with the long-standing practice of successive governments, the Queensland Government is committed to ensuring that the State sets aside assets, on an actuarially determined basis, to meet long term liabilities such as superannuation and WorkCover. The latest full actuarial review of the QSuper scheme was as at June 30, 2021 and was published in a report dated December 3, 2021. The report found the scheme to be fully funded.

As at June 30, 2022, WorkCover Queensland was fully funded.

Table 1 Key Financial Aggregates
(UPF Basis)

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual
	A$ million			
General Government Sector:				
Revenue	59,828	57,778	62,791	74,185
Expenses	58,843	63,505	63,706	69,889
Net operating balance	985	(5,728)	(915)	4,296
Purchases of non-financial assets	5,764	6,306	6,682	7,889
Fiscal balance	(2,207)	(9,164)	(4,857)	(71)
Public Non-Financial Corporations Sector:				
Revenue	14,256	13,589	13,269	15,951
Expenses	12,587	12,661	12,071	14,888
Net operating balance	1,669	928	1,198	1,062
Purchases of non-financial assets	2,687	3,156	3,139	3,134
Fiscal balance	1,471	305	687	601
Non-Financial Public:				
Revenue	68,329	66,171	71,318	85,485
Expenses	67,368	72,056	71,770	80,335
Net operating balance	961	(5,886)	(452)	5,150
Purchases of non-financial assets	8,460	9,482	9,877	11,140
Fiscal balance	(2,439)	(9,965)	(4,973)	205

Note: Where applicable, balances have been restated for changes in accounting policies, presentational and timing differences and errors.

Operating Statement

2021-22 Outcome

On a Uniform Presentation Framework ("UPF") basis, the General Government Sector recorded an operating surplus of A$4,296 million in 2021-22, compared to a restated operating deficit of A$915 million in 2020-21. Queensland's economy continued to grow in 2021-22, despite the outbreak of the Omicron variant of COVID-19 and major flooding in South East Queensland. Improved economic conditions within Queensland and the national economy, as well as high commodity prices, led to a strong rebound in revenue and significant recovery in net operating balance.

The fiscal balance decreased from a deficit of A$4,857 million in 2020-21 to a deficit of A$71 million in 2021-22, mainly driven by the improved net operating balance, offset to an extent by higher purchases of non-financial assets.

Revenue

Revenue from transactions increased by 18.15% (or A$11,394 million) in 2021–22 after increasing by 8.68% (or A$5,013 million) in 2020–21.

Commonwealth grants are the principal form of revenue for the State, accounting for around 46% of General Government revenue, with taxes contributing around 27%. Commonwealth and other grants increased by A$1,122 million in 2021-22, mainly due to higher GST revenue reflective of improvements in the national GST pool and Queensland receiving a larger share of the GST pool in 2021-22, and an uplift in payments principally due to the health response to the pandemic and funding for quality schools under the "Quality Schools" policy.

Increased taxation revenue in 2021–22 compared to 2020-21 (A$3,762 million) was primarily the result of strong housing and labor market conditions in Queensland leading to increases in transfer duty on the sale of residential properties and in payroll tax.

GGS other revenue was A$6,563 million higher in 2021–22 than in 2020-21, mainly due to an increase in royalties and land rents, reflecting a temporary surge in coal and oil prices.

Expenses

Based on actual results, General Government expenses increased by A$6,183 million (or 9.71%) in 2021-22.

Employee and superannuation expenses were 7.2% higher in 2021-22, broadly consistent with the estimate in the 2022-23 Budget. This was due in part to the deferral of scheduled increases in GGS wages from 2020-21 into the following two years to assist in funding its response to the COVID-19 pandemic, growth in key frontline services and higher defined benefit superannuation costs due to change in actuarial assumptions.

Other operating expenses were A$1,727 million (or 10.5%) higher than 2020-21 mainly due to growth in demand for public hospital and health services, including the State's response and management of COVID-19, growth in demand within the Child Protection System and Domestic and Family Violence Services, higher school education services and an increase in operating costs associated with the delivery of the State's road and rail infrastructure program.

Depreciation and amortization costs increased by A$336 million to A$4,506 million for the GGS, mainly due to increases in the stock of infrastructure.

Interest costs reduced by A$111 million to A$1,508 million for the GGS, as lower average book rates more than offset the impact of higher borrowing balances.

Grant expenses of A$13,817 million in the GGS were A$2,104 million higher than 2020-21. Contributing to the increase in grants expenses were lump sum waste reform annual payments in advance to local councils (to reduce the household impact of the waste levy), COVID-19 Business Support Grants (incorporating Tourism and Hospitality Sector Hardship Grants), higher Australian Government grants on-passed to non-government schools and Disaster Recovery Funding Arrangement payments following significant flooding in the 2021-22 disaster season.

Purchases of non-financial assets and borrowings

Table 2 below provides data on the State's purchases of non-financial assets and borrowings.

Table 2
Purchase non-financial assets and borrowings
(UPF Basis)

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Actual
		(A$ million)		
Purchases of Non-Financial Assets:				
General Government Sector	5,764	6,306	6,682	7,889
Public non-financial corporations sector	2,687	3,156	3,139	3,134
Non-financial public sector[1]	8,460	9,482	9,877	11,140
Borrowings:				
General Government Sector	32,202	44,253	54,076	56,764
Public non-financial corporations sector	38,707	40,698	41,558	59,495
Non-financial public sector	70,909	84,944	95,627	116,252

Notes:

(1) Under present Uniform Presentation Framework arrangements, budget and forward estimate data are not required for Public Financial Corporations, due to the difficulties in preparing robust projections of activity. No capital expenditure is assumed for this sector.

The net worth, or equity, of the State is the amount by which the State's assets exceed its liabilities. This is the value of the investment held on behalf of the people of Queensland by public sector instrumentalities.

Net worth of the General Government sector was A$249,624 million as at June 30, 2022.

Borrowings in the General Government sector were A$56,764 million at June 30, 2022, A$2,688 million more than in 2020–21. Increases in borrowings arose largely from additional borrowing from QTC for capital expenditure.

Capital Purchases

On a UPF basis, the General Government's purchases of non-financial assets (i.e. capital expenditure) in 2021-22 was A$7,889 million, A$1,207 million more than in 2020–21.

Forward Estimates

Table 3 below provides a summary of the State's Forward Estimates on a UPF basis.

Table 3
Key financial aggregates forecasts (Summary) – 2022-23 Budget Update

	2022-23 Projection	2023-24 Projection	2024-25 Projection	2025-26 Projection
		A$ millions		
General Government Sector:				
Revenue	81,227	77,776	78,014	79,506
Expenses	76,047	78,234	77,891	79,286
Net operating balance	5,180	(458)	123	220
Purchases of non-financial assets	8,433	9,445	9,374	9,415
Fiscal balance	598	(5,298)	(4,931)	(4,061)
Public Non-Financial Corporations Sector:				
Revenue	14,867	14,056	14,093	14,477
Expenses	13,685	12,556	12,666	12,906
Net operating balance	1,183	1,500	1,428	1,571
Purchases of non-financial assets	3,773	4,654	4,742	5,022
Fiscal balance	146	(109)	(119)	(111)
Non-Financial Public Sector:				
Revenue	90,326	86,464	86,953	88,761
Expenses	84,928	86,464	86,338	88,041
Net operating balance	5,397	0	615	720
Purchases of non-financial assets	12,194	14,060	14,073	14,422
Fiscal balance	(208)	(6,411)	(5,943)	(5,228)

Table 4 below provides data on the latest forecasts and projections of the State's purchases of non-financial assets and borrowings.

Table 4
Borrowings and Purchases of Non-financial assets
(UPF Basis)

	2022-23 Projection	2023-24 Projection	2024-25 Projection	2025-26 Projection
		A$ millions		
Purchases of non-financial assets:				
General Government Sector	8,433	9,445	9,374	9,415
Public non-financial corporations sector	3,773	4,654	4,742	5,022
Non-financial public sector	12,194	14,060	14,073	14,422
Borrowings[(1)]:				
General Government Sector	64,067	72,799	79,977	87,075
Public non-financial corporations sector	46,386	42,459	42,174	42,240
Non-financial public sector	110,446	115,251	122,144	129,308

(1) Borrowings inclusive of leases, securities and derivatives.

EXHIBIT (g)

Consents

CONSENT

I hereby consent to the use of (i) the Chief Executive's Report found on pages 6 to 7 of the Queensland Treasury Corporation's Consolidated Financial Statements for the year ended June 30, 2022 (the "Consolidated Fiscal Year Financial Statements") and (ii) the Certificate of the Queensland Treasury Corporation, dated August 19, 2022, found on page 59 of the Consolidated Fiscal Year Financial Statements, which Consolidated Financial Statements are hereby filed as exhibit (c)(i) in the Form 18-K to be filed and incorporated by reference in the Prospectus included in the Registration Statement dated December 10, 2009 filed by Queensland Treasury Corporation and the Treasurer on behalf of the Government of Queensland with the United States Securities and Exchange Commission (File No. 333-147600).

By: /s/ Philip Noble
Mr. Philip Noble
Former Chief Executive
Queensland Treasury Corporation

Date: December 30, 2022

CONSENT

I hereby consent to the use of (i) the Chair’s Report found on page 5 of the Queensland Treasury Corporation’s Consolidated Financial Statements for the year ended June 30, 2022 (the “Consolidated Fiscal Year Financial Statements”) and (ii) the Certificate of the Queensland Treasury Corporation, dated August 19, 2022, found on page 59 of the Consolidated Fiscal Year Financial Statements, which Consolidated Fiscal Year Financial Statements are hereby filed as exhibit (c)(i) in the Form 18-K to be filed and incorporated by reference in the Prospectus included in the Registration Statement dated December 10, 2009 filed by Queensland Treasury Corporation and the Treasurer on behalf of the Government of Queensland with the United States Securities and Exchange Commission (File No. 333-147600).

By: /s/ Damien Frawley
Mr. Damien Frawley
Chair, Queensland Treasury Corporation

Date: January 13, 2023

CONSENT

I hereby consent to the use of the Auditor General's title under the heading "Experts and Public Official Documents" in connection with the information specified with respect to the Auditor General under such heading and to the use of (i) the Report found on pages 60 to 63 of the Queensland Treasury Corporation's Consolidated Financial Statements for the year ended June 30, 2022 (the "QTC Consolidated Fiscal Year Financial Statements") and (ii) the Report found on pages 5-104 to 5-108 of the Government of Queensland's Consolidated Financial Statements for the year ended June 30, 2022 (the "QLD Consolidated Fiscal Year Financial Statements"), which QTC Consolidated Fiscal Year Financial Statements and QLD Consolidated Fiscal Year Financial Statements are hereby filed as exhibits (c)(i) and (c)(ii), respectively, in the Form 18-K to be filed and incorporated by reference in the Prospectus included in the Registration Statement dated December 10, 2009 filed by Queensland Treasury Corporation and the Treasurer on behalf of the Government of Queensland with the United States Securities and Exchange Commission (File No. 333-147600).

By: /s/ Brendan Worrall
Brendan Worrall
Auditor-General, State of Queensland

Date: January 13, 2023