FORM 18-K

For Foreign Governments and Political Subdivisions Thereof

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

ANNUAL REPORT

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, 2023

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:

Leon Allen Chief Executive Officer Queensland Treasury Corporation Level 31, 111 Eagle Street Brisbane, Queensland 4000 Australia Michael Carey 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, 2023 totaled AUD 125.8 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, 2023, 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 211
Repayable in Japanese yen	JPY 157
Repayable in Euros	EUR 747
Repayable in Swiss francs	CHF 185

- 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, 2023, 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, 2023", as of June 30, 2023, 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, 2023, 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, 2023 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 "<u>Commonwealth</u>"). As of June 30, 2023, the co-registrant had no direct internal funded debt. Public debt levels for the years 2018 to 2023 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, 2023, 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, 2023 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, 2023, 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, 2023, 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, 2023, 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) <u>The following exhibits</u>:

Exhibit (a)	-	None.
Exhibit (b)	-	None.
Exhibit (c)(i)	-	Consolidated Financial Statements of the Registrant for the fiscal year ended June 30, 2023.
Exhibit (c)(ii)	-	Consolidated Financial Statements of the Co-Registrant for the fiscal year ended June 30, 2023.
Exhibit (c)(iii)	-	Budget Papers of the Co-Registrant for 2023-24.
Exhibit (c)(iv)	-	2023-24 Budget Update.
Exhibit (c)(v)	-	Queensland Energy and Jobs Plan and 2023 Update.
Exhibit (c)(vi)	-	Queensland Treasury Corporation's 2023-24 Indicative Borrowing Program.
Additional exhibit	<u>ts</u> :	

Exhibit (d) - Securities of the Registrant Outstanding as of June 30, 2023.

Exhibit (e)	-	Co-registrant's outstanding debt to the Commonwealth as of June 30, 2023, 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 Leon Allen, Chief Executive Officer, Queensland Treasury Corporation.
		(2) Consent of Damien Frawley, Chair, Queensland Treasury Corporation.

(2) 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 18th day of January, 2024.

QUEENSLAND TREASURY CORPORATION

By: /s/ Leon Allen

Name: Mr. Leon Allen Title: Chief Executive Officer

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 18th day of January, 2024.

GOVERNMENT OF QUEENSLAND

By: /s/ Michael Carey

on behalf of Name: The Honourable Cameron Dick MP Title: Deputy Premier, Treasurer and Minister for Trade and Investment

INDEX TO EXHIBITS

Exhibit (a)	- None.
Exhibit (b)	- None.
Exhibit (c)(i)	- Consolidated Financial Statements of the Registrant for the fiscal year ended June 30, 2023.
Exhibit (c)(ii)	- <u>Consolidated Financial Statements of the Co-Registrant for the fiscal year ended June 30, 2023.</u>
Exhibit (c)(iii)	- <u>Budget Papers of the Co-Registrant for 2023-24.</u>
Exhibit (c)(iv)	- <u>2023-24 Budget Update.</u>
Exhibit (c)(v)	- Queensland Energy and Jobs Plan and 2023 Update.
Exhibit (c)(vi)	- Queensland Treasury Corporation's 2023-24 Indicative Borrowing Program.

Additional exhibits:

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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, 2023

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the Queensland Treasury Corporation's (the "<u>Corporation</u>" or "<u>QTC</u>") and the State of Queensland's (the "<u>State</u>" or "<u>Queensland</u>") 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, the Russia-Ukraine conflict and the Israel-Hamas 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.

(c)(i)-1



2022–23 ANNUAL REPORT



Protecting and advancing Queensland's financial interests

Acknowledgment of Country

In the spirit of reconciliation, Queensland Treasury Corporation (QTC) acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We acknowledge Aboriginal and Torres Strait Islander peoples as the First Australians and pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

QTC acknowledges the Jagera and the Turrbal people as the Traditional Custodians of Meanjin (Brisbane) and the lands on which we live and work.



My Father's Country

Paul Norman

"'My Father's Country' is a celebration of my land and my ancestors; the countless generations that came before me. Without them I would not be here now. My country is a beautiful and powerful place filled with animals and totems. When I walk in this country I am proud of who I am. I am proud to paint it."

Paul Norman is a traditional owner of Pormpuraaw, located on western Cape York Peninsula in Queensland. He is a saltwater person and Thaayorre is his language and clan group. Paul has little hearing and cannot speak and he loves to paint and go camping.

Artist information is from the Pormpuraaw Arts & Cultural Centre Incorporated website

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Turrbal Country (Meanjin) Level 31, 111 Eagle Street Brisbane Queensland Australia

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

Queensland Treasury Corporation's annual reports (ISSN 1837-1256 print; ISSN 1837-1264 online) are available on QTC's website



17 August 2023

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 to the parliament the Annual Report 2022-23 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 66 of this Annual Report.

Sincerely

Rungfule

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

2023–27 Strategic Goals

1 State and client value

2 Operational 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

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

QTC is the central financing authority for the Queensland Government and provides financial resources and services for the State. We manage the State's funding program in the global capital markets to deliver sustainable and cost-effective borrowings for the Queensland Government—principally through Queensland Treasury. Our clients also include government owned corporations, departments, agencies, local governments, and other entities such as universities.

With a statutory role to advance the financial interests and development of the State, we work in partnership with Queensland Treasury and other clients to deliver financial, economic and social outcomes. This includes the development of 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 financial exposures, to identify opportunities to minimise costs and risks, and maximise outcomes.

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 2022–23. The 2022–23 financial year was a significant year of transformation and growth for QTC and the Board.

On 20 February 2023, we welcomed Leon Allen as the new Chief Executive Officer of QTC. His appointment followed the resignation of former QTC Chief Executive, Philip Noble on 31 December 2022. QTC extended its sincere thanks to Mr Noble for his significant contribution and service to QTC from 2010–2022.

Mr Allen joined QTC with a wealth of knowledge in the private and public sector, including his recent role as Under Treasurer of Queensland Treasury, and extensive institutional and financial services experience in senior leadership roles both domestically and offshore.

The smooth transition between leaders was enabled by Mr Neville Ide, QTC Board Member who provided operational leadership as QTC's Interim Chief Executive Officer while the Board undertook an executive recruitment process.

In 2022–23, the Board extended its appreciation to departing Board members—Ms Anne Parkin and Mr Jim Stening—for their years of service and valuable contribution to the Board's oversight and strategic role. Mr John Wilson was welcomed as a member of the Board, along with Mr Dennis Molloy, Deputy Under Treasurer, as the new ex officio member of the Board. We also benefitted by the reappointment of Karen Smith-Pomeroy for a further term.

Standards of governance continue to rise across all sectors, including for financial services. To support the Board's governance and decision-making, the Board undertook a strategic review and streamlined QTC's strategic goals to reflect its ambitions of achieving 'State and Client Value' and 'Operational Excellence' throughout every aspect of the organisation. This included steering QTC's client work to align with the Queensland Government's objectives and Queensland Treasury's strategic priorities.

QTC's resilience, solid operating model and talented pool of employees ensured that all strategic goals for the year were achieved. This included the completion of the State's \$13.4 billion 2022–23 borrowing program during a challenging year for financial markets. QTC navigated the external environment with strategic financial markets decision-making and enterprise-wide risk management.

This year, QTC's strength of alignment to Queensland Treasury's priorities has seen some legacy outcomes for Queensland, including QTC playing an important role in the development of the Queensland Energy and Jobs Plan and Infrastructure Blueprint. Across its advisory work, QTC delivered solutions for clients that helped manage financial risks, created social and economic benefits, and enhanced the State's fiscal position.

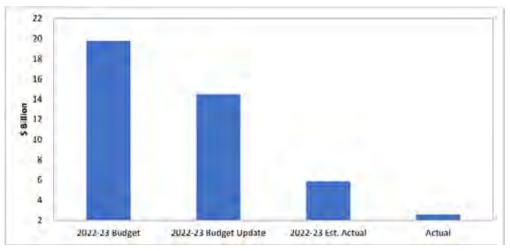
The next decade presents an environment of opportunity for Queensland and QTC, with many futurechanging projects to deliver across the Queensland Government's portfolios. The Board is committed to guiding QTC's future focus and strategic vision to provide funding and financial risk management advice to underpin Queensland's economic prosperity.

I look forward to working with my fellow Board members and the new Executive Leadership Team to set a continued successful path for QTC.

D J FRAWLEY Chair 17 August 2023

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CHIEF EXECUTIVE OFFICER'S REPORT



LEON ALLEN CHIEF EXECUTIVE OFFICER

The 2022–23 financial year saw the continuation of challenging economic and market conditions that have been a feature of QTC's operating environment in recent years. Bond market conditions were volatile following the size and the speed of the policy tightening by central banks around the world.

Despite this backdrop, QTC's reputation as an established semigovernment issuer enabled it to achieve \$14.7 billion in issuance during the 2022–23 financial year. QTC continued to deliver material benefits to the State through issuance, risk management, on-lending and management of the QTC Cash Fund.

Throughout the 2022– 23 financial year, QTC continued to strengthen its alignment with Queensland Treasury as its primary client to support the delivery of identified priorities and opportunities for improved fiscal outcomes. Through this partnership, QTC's advisory work focused on initiatives with the greatest impact on Queensland's economic future, including the State's renewable energy transition and delivering even better services for the community.

QTC's ability to navigate complex market conditions, and protect and advance Queensland's financial interests, was underpinned by its strong operational performance.

Funding outcomes

QTC executed term debt issuance in what has been a volatile year in bond markets and maintained its strong liquidity position over the year with all debt servicing obligations met as required. The strength of QTC's liquidity was recognised by the credit rating agencies in assessing the State's credit position during the year.

In 2022–23, QTC completed its borrowing program of \$13.4 billion, ahead of schedule, and pre-funded an additional \$100 million towards its 2023–24 term debt borrowing requirement. Issuance was executed through \$7.0 billion in syndicated deals, \$2.5 billion across five tenders and \$4.0 billion via reverse enquiry, underlining QTC's focus on public issuance.

The Queensland Government and QTC continued to provide transparent and regular updates to the market on Queensland's fiscal position and borrowing program. QTC's borrowing program was reduced by \$1.0 billion

to \$13.4 billion following the Queensland 2022– 23 Budget Update released on 7 December 2022. The reduction was due to general government revenue uplifts.

Following the Queensland 2023–24 State Budget, released on 13 June 2023, QTC announced an indicative term debt borrowing program of \$15.5 billion in the 2023–24 financial year. Following this, QTC issued \$1.2 billion to 30 June 2023.

Operating results

In 2022–23, QTC continued to protect clients' interest rate risk with effective management activities.

QTC reported an operating profit after tax from its capital markets operations of \$156.4 million (2021– 22: \$36.2 million loss after tax) and paid a dividend to the State of \$40 million). QTC's dividend payments are made on a needs basis, with no dividend required by Government in 2021–22.

QTC deployed an asset management strategy to utilise rising interest rates that captured \$320.2 million (2021– 22: \$59.6 million) in investment returns to its Government clients through the QTC Cash Fund. As at 30 June, funds under management were \$9.6 billion and outperformed the Bloomberg AusBond Bank Bill Index by 50 basis points.

QTC's retained earnings balance of \$671.8 million, demonstrates its historically strong financial position with retained earnings closely monitored to ensure QTC's Board prescribed capital requirements are met.

In addition, QTC's net earnings have contributed to the payment of \$190 million in dividends to the State over the past five years.

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 second annual Queensland Sustainability Report 2022 which presents information about the State's ESG commitments and outcomes.

In March 2023, QTC issued \$3.0 billion of a new 4.50% 9 March 2033 Green Bond, supporting Queensland's pathway to climate resilience and an environmentally sustainable economy. This was the fifth green bond line extending QTC's green bond curve for investors—with maturities of 2024, 2029, 2031, 2032 and 2033.

Value delivered for the State

QTC worked closely with Queensland Treasury to deliver a program of advisory work aligned with the Queensland Government's priorities that focused on maximising financial, social and economic development outcomes for the State.

Highlights during the year included projects to support the Government's release of its transformational Queensland Energy and Jobs Plan (QEJP) to meet its energy policy commitments and the development of the subsequent market sounding process. QTC also supported social services agencies with financial modelling and analysis for Child Services and Queensland's schools.

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 helped enhance financial capability across the public sector through its education collaboration with the University of Queensland. This year, the program reached 1,999 financial practitioners from across the State.

Credit ratings

In the year under review, S&P Global Ratings, Moody's Investors Service and Fitch Ratings reaffirmed Queensland's and QTC's credit ratings.

QTC is rated AA+/A-1+/Stable, Aa1/P-1/Stable and AA+/F1+/ Stable by S&P Global Ratings, Moody's Investors Service and Fitch Ratings respectively. These stable ratings are one of the reasons for continued demand from domestic and global investors for QTC debt, and for QTC's ability to meet larger issuance requirements.

Operational excellence

QTC strives to be an organisation with a strong reputation of meeting investor expectations and supporting clients as they deliver for Queensland.

QTC has continued to be recognised and won a national '2023 5-Star Employer of Choice' award for its fourth consecutive year from Human Resources Director.

In 2022–23, QTC continued to strengthen operational capability through system enhancements, risk practices and leadership renewal. QTC met its statutory obligations, completed core business activities on time and delivered initiatives focused on continuous improvement. Organisational development strategies were also implemented with a focus on talent, engagement and development to support a dynamic and resilient workforce.

To support QTC's growth and transformation, a new Executive Leadership Team (ELT) is being formed with an executive recruitment process to be finalised in the first half of the 2023–24 financial year and an interim ELT in place during the transition.

Looking ahead

Our focus is to continue to adapt to the ever-changing external environment and identify ways to improve sustainability and performance. This includes refreshed enterprise-wide risk management, workforce development, technology and business strategy.

With the support of the Board, the new ELT will guide QTC's strategic direction to deliver operational excellence. Central to this strategy is to put the client at the heart of all that we do with an inclusive culture that reflects the community that we serve.

I would like to extend my sincere thanks to QTC's dedicated staff of skilled professionals who have remained focused on serving Queensland's public interest and delivering services to a high standard through a period of change.

L ALLEN Chief Executive Officer 17 August 2023

ACHIEVING SUSTAINABLE ACCESS TO FUNDING



Completed the State's \$13.4 billion borrowing program



Issued approx. \$7.8 billion of benchmark bonds



Issued \$2,5 billion through five tenders – average bid to cover ratio of 4,4 times



Liquidity in QTC bonds with approximately \$130 billion traded in the secondary market*

QTC completed the State's \$13.4 billion 2022–23 indicative term debt borrowing program on 18 May 2023, ahead of schedule. QTC continued to attract a diversified investor base,

on 18 May 2023, ahead of schedule. QTC continued to attract a diversified investor base, further supported by the establishment of three new bond lines, including a \$3.0 billion, 9 March 2033 green bond—equal in size to QTC's largest green bond issuance.

Meeting the State's funding requirements

QTC is an established bond issuer in global fixed-income markets and raises the funds needed by the State each year with its bond issues consistently over-subscribed.

On 21 June 2022, following the release of the 2022–23 State Budget, QTC announced it would raise \$14.4 billion to meet the State's term debt borrowing requirement.

On 7 December 2022, the requirement was decreased by \$1.0 billion to \$13.4 billion, following the Queensland 2022–23 Budget Update. The reduction was due to general government revenue uplifts.

QTC met its borrowing requirement of \$13.4 billion and pre-funded an additional \$100 million towards its 2023–24 term debt borrowing requirement. Issuance was executed through \$7.0 billion in syndicated deals, \$2.5 billion across five tenders and \$4.0 billion via reverse enquiry.

QTC's well-managed funding program and reputation for high-quality debt issuance, means Queensland has been able to 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.

2022-23 funding highlights included:

- \$2.5 billion 3m BBSW+2.5bp 25 February 2028 floating rate note
- \$1.5 billion 4.50% 22 August 2035 benchmark bond
- \$3.0 billion 4.50% 9 March 2033 green bond

In 2022–23, QTC maintained the State's strong liquidity position, which supports the State's credit rating and provides reserves during periods of market volatility.

On 13 June 2023, QTC announced its indicative \$15.5 billion term debt borrowing requirement for 2023–24. Following this, QTC issued \$1.2 billion to 30 June 2023.

Funding performance

QTC's proactive management of the State's borrowing program and the management of clients' funding requirements helped to smooth the maturity profile of debt on issue, reducing refinancing risk. All fixed rate debt issued in 2022–23 was in maturities 2029 and longer.

Over the financial year, QTC continued to keep the market informed with open and transparent information on funding activity and the State's economic, fiscal and environmental, social and governance (ESG) commitments. This included regular market engagements through the Funding and Markets Division, digital communication channels, and virtual and face-to-face meetings and events.

QTC's issuance strategy continues to support its commitment to a diverse range of funding sources, complementing its core AUD benchmark bonds and offering investors flexibility in their investment options.

*Turnover for period 1 July 2022 to 30 June 2023.

QUEENSLAND TREASURY CORPORATION | ANNUAL REPORT 2022-23

Sustainable finance

In March 2023, QTC issued its fifth green bond line, extending QTC's green bond curve for investors—with maturities of 2024, 2029, 2031, 2032 and 2033. The \$3.0 billion issuance of QTC's new 2033 green bond was equal in size to QTC's largest green bond transaction, highlighting the continuation of both onshore and offshore demand in QTC's green bond program. The transaction was well supported across both geography and investor type, with approximately one third of the transaction allocated to offshore investors.

As at 30 June 2023, QTC was the largest Australian semi-government issuer of Climate Bonds Standard Certified Green Bonds, with \$10.545 billion on issue. QTC continues to engage with clients to grow and diversify its pool of eligible green bond assets and support the State in Queensland's pathway to climate resilience and an environmentally sustainable economy.

In 2022, QTC also collaborated with the Queensland Government on the development of the Queensland Sustainability Report 2022 with information about the State's ESG commitments and outcomes.

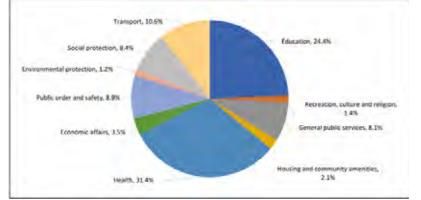
Funding instruments

 QTC has a diverse range of funding instruments in a variety of markets and currencies. The majority of QTC's funding is sourced through longterm debt instruments, with QTC's AUD benchmark bonds being the principal source of funding. As at 30 June 2023, QTC's total debt outstanding was approximately \$127.3 billion at face value.

 overview AS AT 30 JUNE 2023
 SIZE (AUDM)
 MATURITIES
 CURRENCIES

OVERVIEW AS AT	30 JUNE 2023	SIZE (AUDWI)	MATURITIES	CORRENCIES
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			13 benchmark lines: 2023-2035	
	AUD Bond	Unlimited	A range of non- benchmark lines* (green bonds, floating rate notes etc.)	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.



ANNUAL REPORT 2022-23 | QUEENSLAND TREASURY CORPORATION

CREATING VALUE FOR THE STATE AND CLIENTS

In 2022–23, QTC partnered with Queensland Treasury to deliver financial, economic and social outcomes to enhance Queensland's prosperity. This work delivered cost-savings, economic benefits and more informed decision-making. The positive outcomes were achieved through high-quality services in financial advisory, debt and cash management, foreign exchange and economic research.

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 the Queensland Government's priorities to maximise financial and social outcomes for the State. Through its partnership with Queensland Treasury, QTC focused on key priority areas including energy, investment, housing and health.

QTC also delivered a broad range of financial advisory assignments for departments and agencies, local governments and government owned corporations that supported sound investment, minimised risk, increased efficiencies and delivered broader social and economic outcomes.

Supporting the government's priorities

The key projects QTC delivered during 2022–23 included:

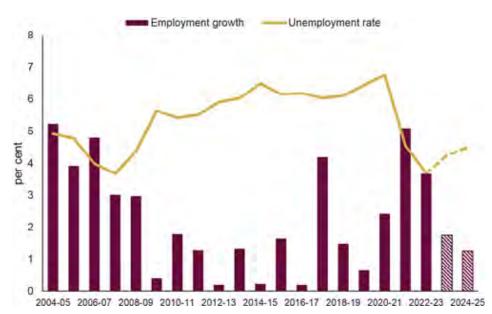
- Energy Provided market modelling, analysis and research delivery of the Queensland Energy and Jobs Plan (QEJP) and a range of reforms to meet energy policy commitments. QTC also assisted with the establishment of Queensland Hydro, the new state-owned entity tasked with planning, delivering, owning and operating the proposed Borumba and Pioneer-Burdekin pumped hydro energy storage projects.
- Investment Coordinated development of the Energy Manufacturing Opportunity Prospectus to further support the QEJP, and engaged with domestic and international manufacturing businesses as part of the Government's market sounding process.
- Child Services Assisted Queensland Treasury and the Department of Children, Youth Justice and Multicultural Affairs to develop a new funding model to allow the Department to plan for reforms and deliver better placement outcomes.
- Schools Future Funding Program – Assisted the Department of Education to establish a rolling land fund to



Queensland Sustainability Report 2022 – Collaborated on the development of the second Queensland Sustainability Report, with information about the State's environmental, social and governance (ESG) commitments and outcomes.

Financial risk management for government owned corporations

QTC assisted government owned corporations (GOC) with risk management, advisory, forecasting, asset and debt strategies, and commercial evaluations. This includes GOC performance reviews for Queensland Treasury and detailed annual borrowing assessments and credit reviews, as well as funding options analysis for large infrastructure projects. QTC combined its deep quantitative and technical skills with a unique combination of equity and debt perspectives, to deliver timely and impactful commercial advice. This included making multiple submissions to the review of the Australian Energy Regulator's approach for determining the allowed rate of return for regulated electricity distribution and transmission GOCs.



QUEENSLAND TREASURY CORPORATION | ANNUAL REPORT 2022-23

Fostering strong relationships with local government

QTC has continued to work closely with local governments and key stakeholders to support delivery of financially sustainable council outcomes. This year the focus was on assisting the remote Indigenous Councils to improve their financial sustainability by identifying and mitigating business risks, improving financial and governance processes and working collectively to uplift capability.

QTC assisted the Department of State Development, Infrastructure, Local Government, and Planning (DSDILGP) with the implementation of the new Local Government Sustainability Framework due in 2023–24.

During the year, QTC also delivered economic updates for councils, and bespoke workshops for elected members and council officers. In addition, QTC contributed to the Local Government Finance Professionals (LGFP) forum and facilitated a masterclass on assisting local governments to understand the challenges in a high inflationary environment and the potential impacts for councils.

Debt and risk management

In the year under review, QTC continued to provide 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 debt management strategies provided cash flow savings for the Treasury Core Portfolio-Linked Loans (PLL) and government-owned corporations. This was in a market where increasing interest rates presented challenges for issuers and borrowers alike.

Since late 2019, the combined duration of the Treasury Core and Super-Long PLL had been progressively lengthened at relatively low interest rates. This resulted in the Core PLL book rate being further protected from the increase in yields that began in September 2021 and sharply increased throughout 2022–23.

QTC has proactively managed the timing of drawdowns, use of facilities and book rate reviews to capture further value in interest costs paid by Treasury during the year. QTC also designed and implemented a new variable investment solution for Queensland Treasury to capture additional savings.

Cash management

QTC offers cash management products that enable our clients to maximise the value of their surplus funds. The products include a Cash Fund, Fixed Rate Deposits, and a Working Capital Facility.

In 2022–23, the Cash Fund delivered \$320.2 million in investment returns to its government clients during the year. At 30 June 2023, funds under

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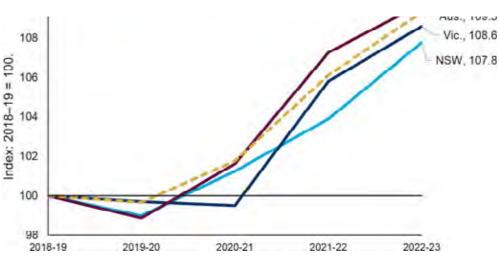
NSW



management were \$9.6 billion. The Cash Fund provided strong relative returns and outperformed the Bloomberg AusBond Bank Bill Index by 50 basis points.

Throughout the year, QTC focused on an asset management strategy benefiting from rising interest rates. The Cash Fund is underpinned by the asset's investment profile, with 100 per cent of the Cash Fund invested in entities rated 'BBB+' or higher by S&P Global Ratings at 30 June 2023.

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.



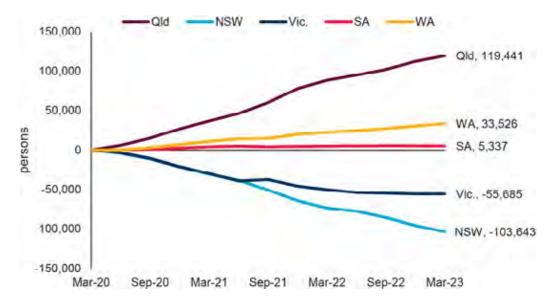
Foreign exchange

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 2022–23, the FX service grew to record transaction volumes, including a number of large transactions supporting the Queensland Energy and Jobs Plan. QTC continued to work with agencies to increase cost saving opportunities through dual currency pricing for the procurement of goods manufactured offshore.

Economic research

QTC provided clients with a variety of economic publications, including a Weekly and Monthly Economic Review, as well as research articles on topical issues. In the past year, this included research on the effect of interest rate increases on the Australian economy, the drivers of higher inflation, and the possible path for the RBA's cash rate, among other topics.



Enhancing financial capability in Queensland's public sector

QTC provides education services to enhance financial decision-making across the Queensland public sector. Since 2017, the QTC Education Program has collaborated with the University of Queensland (UQ) to facilitate delivery of specialised content to public sector and local government employees across the State. In 2022–23, the QTC Education Program engaged 1,999 participants through a combination of workshops, webinars, and masterclass sessions, which received an average learning satisfaction score of 9.29/10.

Key outcomes were achieved through delivering custom training programs to several Hospital and Health Services, DSDILGP, and the Department of Energy and Public Works over the course of the past twelve months with a strong focus on regional Queensland (61% vs 39% SEQ). Additionally, the QTC Education Program reached a wide range of public sector employees in a variety of different financial literacy topics through the open programs (23%) as well as custom delivery (77%).

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.

Loans to clients

	TOTAL DEBT OUTSTANDING (MARKET VALUE) 30 JUNE 23 A\$000	TOTAL DEBT OUTSTANDING (MARKET VALUE) 30 JUNE 22 A\$000
General Government*	40 342 397	44 146 056
Energy**	26 630 422	25 791 568
Water**	12 478 368	12 785 013
Local governments	5 864 843	6 192 908
Transport**	5 181 618	4 804 668
Education	554 242	624 475
Other	354 725	237 560
Total	91 406 615	94 582 248

* General Government includes Queensland Treasury and Arts Queensland. ** Includes Government Owned Corporations' exposure

ACHIEVING OPERATIONAL EXCELLENCE

QTC's performance in 2022–23 was underpinned by its operational excellence, risk management and dynamic workforce. 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

In 2022–23, QTC continued its ongoing focus on continuous improvement of its operational capability through system enhancements, mature risk practices, culture and leadership. In February 2023, a new Chief Executive was appointed by the Board to guide QTC's strategic direction and continue delivering operational excellence and adapt to the ever- changing external environment.

Four priority streams of strategy, technology, people and risk were identified as focus areas to enhance QTC's core business and elevate future opportunities, while assessing emerging risks. The four strategic priority areas form a significant program of work that is being coordinated into the 2023–24 performance year. To support the organisation's strategic direction, the new Chief Executive embarked on the formation of a new Executive Leadership Team (ELT) with an executive recruitment process underway and an interim ELT in place during the transition.

Technology, system and process enhancements

In the year under review, QTC settled \$353.4 billion in transaction volume, with cost of errors at less than 0.01% (\$202) and continued to automate processes, improve data quality and maintain system currency.

Two important system upgrades were initiated this year, including a major version upgrade for one of QTC's core financial systems, which is critical for the management and administration of financial market exposures and client onlendings. This upgrade reduces operational risk by ensuring ongoing system support. In addition, QTC performed a major version upgrade to its central data hub to ensure that it remains current and cost-effective to support.

QTC also led a new Identity Governance Project, to increase security, gain efficiencies, improve controls and automate processes for ongoing user access reviews.

Corporate risk management and efficiency

QTC continues to promote a healthy risk culture, with a proactive approach to identifying and mitigating risks, requiring the engagement of all staff. This includes ongoing review of its risk appetite statement that defines the amount of risk that QTC is prepared to accept for each of its material risks. 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 designed well and operating effectively. Throughout 2022–23, 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 frameworks.

The outcome of the 2022–23 internal audit program was positive with 11 internal audits conducted and completed successfully, with ratings demonstrating a well-controlled operating environment.

QTC manages cyber risk by continual review and improvement through 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 organisational defences were undertaken, and infrastructure upgrades were also implemented in the period to improve detection and protection capabilities.

QTC has a comprehensive compliance training program designed to ensure QTC staff are risk aware and understand their obligations. QTC staff are required to adhere to highest standards of integrity and conduct. In addition to mandatory on-line compliance training, QTC staff also participated in face-to-face anti-money laundering and counter-terrorism financing training to ensure they understand the risks and their reporting obligations.

In line with QTC's commitment to creating and sustaining a work environment that is free from harassment, bullying and discrimination, all QTC staff also attended tailored workplace harassment, bullying and discrimination training. In addition, QTC's Work Health and Safety (WHS) online training module was updated to capture recent Respect at Work legislation, and Fair Work and WHS amendments.

QTC employees also completed an online program of mandatory compliance training with an emphasis on the code of conduct, workplace health and safety, financial crime awareness, and privacy.

The Enterprise Design Committee monitored and prioritised QTC's key organisational initiatives to ensure the integrity of QTC's Enterprise Architecture 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.

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 2022–23, key initiatives focused on aligning our workforce, culture and our values to the broader community that we serve and 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 culturally significant events and enhanced our focus on aligning our initiatives with the Queensland Government's community events and the community that we serve
- embraced equity and hosted an International Women's Day panel of female leaders to celebrate and recognise International Women's Day
- elevated employees understanding of First Nations Peoples and Queensland's Path to Treaty, including dedicated townhalls and a new comprehensive First Nations Resource Hub for staff
- embraced community giving by continuing our support of FareShare with QTC employees helping to prepare free and nutritious meals for people in need
- introduced a new group of accredited staff as Mental Health First Aid Officers, to support colleagues who may be experiencing a mental health problem, and
- continued 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.

Dynamic workforce and culture

In 2022–23, QTC's talent, engagement and development practices continued to focus on supporting a dynamic workforce.

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

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 one of the elements for attracting and retaining talented employees.

Total compensation is benchmarked against Australian financial services industry remuneration data. QTC's variable remuneration element of total compensation, through an annual short-term incentive for eligible employees, is 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.

In 2022–23, QTC's voluntary turnover has moved in line with industry average. While aspects of the employment market have eased, unemployment remains low and the pressure on attraction and retention of talent has continued this year.

QTC's professional development program is another key element of QTC's attraction and retention strategies. It offers 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 increased its focus on leadership, talent and professional development.

In the year under review, there were significant legislative amendments impacting the Australian employee relations landscape such as psychological risk and pay secrecy. QTC supported the Board's and employees' awareness, understanding and obligations of these changes through leader forums, interactive staff workshops, lunch and learns and ongoing internal communications.

In 2022–23, other key people initiatives included:

- risk assessment and design mitigation strategies around psychosocial risks
- enhancing Flexible Work Arrangements Policy and the approach to a hybrid working environment
- delivering development and leadership programs
- enhancing QTC's fire safety approach, including an external assessment of fire safety to inform the new initiatives
- introducing new Mental Health First Aid Officers
- driving active talent management and succession planning programs, including an internship and graduate program, and
- continuing the Chief Executive Awards recognition program-aligned to QTC's values.

In 2022–23, QTC continued to focus on embedding and elevating a strong workplace culture, with an inclusive environment where staff can share ideas in an open and constructive way. QTC values employee feedback and regularly initiates feedback channels. This included staff surveys with results demonstrating strong employee engagement, as well as opportunities for continuous improvement.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITMENT

In 2022–23, QTC worked closely with its stakeholders to deliver key Environmental, Social and Governance (ESG) initiatives, including:

- providing institutional investors with green investment opportunities via QTC green bonds
- supporting the Queensland Government to deliver initiatives that support ESG outcomes for Queensland
- enhancing cultural awareness of First Nations Peoples, and
- providing organisational contributions that benefit the community.

Supporting the Queensland Sustainability Report 2022

QTC collaborated with the Queensland Government on the development of the second Queensland Sustainability Report that outlines the Queensland Government's approach to managing sustainability risks and opportunities. The report includes the governance structures underpinning policy oversight and implementation, provides information on the Queensland Government's commitments and policies for addressing sustainability risks and opportunities, and describes how the Queensland Government measures, monitors and manages its sustainability risks and opportunities.

Supporting ESG outcomes for Queensland

QTC supported Queensland Treasury and other agencies with projects to enhance environmental outcomes for the State, including supporting the delivery of the Queensland Energy and Jobs Plan (QEJP).

QTC has also worked closely with its clients on initiatives that support social outcomes for the State, including projects to support the Government address challenges to meet the housing needs of Queenslanders, improve the financial sustainability of health services, and build solutions for regional local governments.

Supporting Queensland's Energy Transition

QTC provided Queensland Treasury and other agencies with market modelling, research and analysis to assist the Queensland Government to deliver the Queensland Energy and Jobs Plan (QEJP) and meet its energy policy commitments. QTC also assisted with the establishment of Queensland Hydro, the new state-owned entity tasked with planning, delivering, owning and operating the proposed Borumba and Pioneer-Burdekin pumped hydro energy storage projects. Since release of the QEJP, QTC has continued its work with the energy government owned corporations (GOCs) regarding strategic GOC performance reviews, borrowing assessments, credit reviews and funding advice.

Expanding QTC's green bond issuance

QTC green bonds support Queensland's pathway to climate resilience and an environmentally sustainable economy.

In March 2023, QTC issued \$3.0 billion of a new 4.50% 9 March 2033 green bond. This was the fifth and longest tenor green bond for QTC, further diversifying funding alternatives and continuing to build QTC's green bond curve.

QTC is currently the largest Australian semi-government issuer of Climate Bonds Standard Certified Green Bonds, with \$10.545 billion on issue as at 30 June 2023.

Enhancing cultural awareness of First Nations Peoples

This year, QTC has made strong progress in supporting employees' understanding of our First Nation's cultural heritage. This included the launch of QTC's First Nation's resource hub to provide resources and information to support genuine and respectful workplace practices and enhance cultural awareness of First Nations Peoples. In addition, QTC held dedicated townhalls with Mick Gooda, Board Member, Interim Truth and Treaty Body on Queensland's Path to Treaty to understand more about the establishment of the Path to Treaty legislation, the First Nations Treaty Institute, and the Truth Telling and Healing Inquiry.

Contributing to our community

In 2022-23, 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 a 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 high school visits to promote diversity in finance and economics as a career path, NAIDOC Week, RUOK Day, Harmony Day, Queensland Mental Health Week and International Women's Day.

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

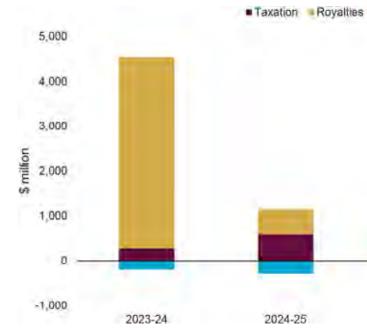
CORPORATE GOVERNANCE

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 (SIAB), which was established in July 2008 to manage the State's long-term investment 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 exercising 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 fulltime 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 Officer and assess the Chief Executive Officer'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
- evaluate Board and Board committee performance, and
- monitor Board composition and succession planning.

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 m	nitor and o	isclose any actual			
or potential confl	cts of interest. Ur		ard determines			
otherwise, a con	ilicted Board mem		ot receive any			
Board papers, at	tend any meeting	s or take pa	rt 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
- people material risks, and
 - Board composition and succession planning.

members and meet at least three times a year.

The Human Resources Committee must have at least three

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 enterprisewide 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

	в	DARD		DING AND S COMMITTEE		RESOURCES		SK AND COMMITTEE
ORDINARY MEETINGS HELD		8		4	3		4	
	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND
Damien Frawley – Chair	8	8	3	4	3	3	2	2
Leon Allen ¹	3	3	2	2	-	-	-	-
Neville Ide ²	6	7	3	3	-	-	2	3
Anne Parkin ³	1	2	-	-	0	1	2	2
Karen Smith-Pomeroy4	6	6	1	1	2	2	4	4
Jim Stening ⁵	6	8	3	4	-	-	1	1
Rosemary Vilgan	8	8	-	-	3	3	2	2
John Wilson ⁶	3	4	-	-	1	1	-	-
Dennis Molloy ⁷	3	4	1	1	-	-	-	-

¹ Mr Allen resigned from the Board on 8 December 2022. Mr Allen held an ex officio role as the Queensland Treasury representative.

² Mr Ide took a leave of absence from the Board and committees from 3 January 2023 to 19 February 2023 for a term as Interim Chief Executive of QTC.

³ Ms Parkin's term ended on 30 September 2022.

⁴ Ms Smith-Pomeroy's term ended on 30 September 2022. Ms Smith-Pomeroy was reappointed from 15 December 2022.

⁵ Mr Stening's term ended on 30 June 2023.

⁶ Mr Wilson was appointed to the Board from 15 December 2022.

7 Mr Molloy was appointed to the Board from 25 January 2023 and holds an ex officio role as the Queensland Treasury representative.

DAMIEN FRAWLEY

Chair

Appointed 1 July 2022. Tenure to 30 June 2025.

Board Committees

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

NEVILLE IDE

BBUS (ACCOUNTING), MCOMM (ACCOUNTING AND FINANCE), FCPA, FAICD

Appointed 1 October 2018. Tenure to 30 September 2025.

Board Committees

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

DENNIS MOLLOY

BCOM, BECON (HONS)

Appointed 25 January 2023 Tenure to 30 September 2026.

Board Committees

 Member, Funding and Markets Committee

KAREN

SMITH-POMEROY ADIP (ACCOUNTING), GAICD, FIPA, FFA, SFFIN, GIA (AFFILIATE)

FIPA, FFA, SFFIN, GIA (AFFILIATE)

Appointed 9 July 2015. Tenure to 30 November 2025. Board Committees

Chair, Risk and Audit Committee

QTC's Capital Markets Board members

as at 30 June 2023

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 \$100 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 its Head of Institutional and Retail in 2007.

He also held senior roles at Merrill Lynch Investment Management, Barclays Global Investors and Citi-bank.

Mr Frawley is also the Independent Chair of Hostplus, a Non-Executive Director of Mirvac Group, a Director and the Chair of AMPS Agribusiness Limited, and a Director of Blue Sky Beef.

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 and Advisory Board Chair of Cryptoloc Technology Pty Ltd.

Dennis Molloy is an experienced senior fiscal and economics executive and has held the role of Deputy Under Treasurer of the Economics and Fiscal Group, Queensland Treasury, since May 2021.

Mr Molloy has been closely involved in all Queensland State Budgets since 2010 and is experienced in both the Queensland and Australian governments in economics and public policy.

He also worked as the Executive Director of Economic Policy in the Department of the Premier and Cabinet and took a particular interest in policies that would facilitate growth of the Queensland economy.

Mr Molloy started his career as an economist with the Commonwealth Treasury, with roles spanning a decade, and a focus on economic forecasting, competition policy, Commonwealth and state financial relations—and advising the Commonwealth Treasurer on the health, education, social security and defence portfolios.

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

She held senior executive roles with Suncorp Group Limited from 1997 to 2014, including as Chief Risk Officer of Suncorp Bank from 2009 to 2013, and Executive Director, Suncorp Group subsidiary entities from 2009 to 2014. She is an experienced director with prior roles on a number of Boards and committees including CS Energy Limited, Southbank Corporation, In Focus Wealth Management Limited, Infigen Energy Limited and Tarong Energy Corporation Limited.

Ms Smith-Pomeroy is currently Chair of the 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 Queensland Department of State Development, Infrastructure, Local Government and Planning Audit and Risk Committee, and a member of the Queensland Department of the Premier and Cabinet and Public Sector Commission Audit and Risk Management Committee.

JIM STENING

DIP FIN SERV, FAICD

Appointed 13 November 2014. Tenure to 30 June 2023.

Board Committees

Chair, Funding and Markets Committee

ROSEMARY VILGAN

BBUS, DIP SUPN MGT, FAICD, FASFA

Appointed 1 October 2020. Tenure to 30 September 2023.

Board Committees

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

JOHN WILSON

BA LLB, LLM, MA

Appointed 15 December 2022. Tenure to 30 November 2025.

Board Committees

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

Mr Stening has extensive experience in debt markets, business development, executive management and corporate govern-ance 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 is an experienced non-executive director, with specific expertise in financial services and business leader-ship and transformation. She was the Chief Executive of QSuper, a global financial services business with \$90 billion in ac-counts, from 1998 until 2015.

She is currently the Chairperson of the Commonwealth Bank Group Staff Superannuation Fund and a Member of the Cam-booya Investment Committee. Ms Vilgan's former roles include Chairperson of the Federal Government's Safety, Rehabilita-tion and Compensation Commission, a member of the Board of the Children's Hospital Foundation (Qld), a member of the Board of the Guardians of New Zealand Superannuation, 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.

John Wilson has more than 30 years' experience in investment and capital markets.

Most recently, Mr Wilson was a Senior Advisor and Managing Director at Goldman Sachs from 2015 to 2019. Prior to that, he spent the majority of his executive career, 1997 to 2013, at PIMCO where he held a number of executive roles including Chief Executive of PIMCO Australia and Head of the PIMCO US Institutional Business. He also held executive roles at BT Funds Management and was a lawyer with Shearman & Sterling in New York.

Mr Wilson currently serves as a Director of Ord Minnett and a special advisor to Brighter Super. His previous directorships include QIC, LGIASuper, Etihad Stadium, Rugby Australia, the UNE Foundation, Chairman of the Australian Rugby Foun-dation and Chairman of the NSWALC Investment Committee.

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 Officer and the Executive Leadership Team. The Chief Executive Officer is appointed by the Board and executives are appointed by the Chief Executive Officer. 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 2023

Leon Allen	Chief Executive Officer
Chris Downes	Acting Managing Director, Funding and Markets
Stephanie Challen	Acting Managing Director, Client
Anthony Matthews	Acting Managing Director, Risk, and Chief Risk Officer
Natalie Garnett	Acting Managing Director, Finance, Technology and Data

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 for the 2022–23 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, the internal audit was completed 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 forming opinions about the reliability of QTC's financial statements, along with other public sector entities, with the results of these financial audits tabled in Queensland's Parliament.

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 effect for QTC

In 2022-23, 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 2022-23, the members of the SIAB were:

POSITION	ATTENDED	ELIGIBLE TO ATTEND
Chair	1	1
Chair	2	2
Member	3	3
	Chair Chair Member Member Member	Chair1Chair2Member3Member3Member3

¹ This position is an ex officio appointment within Queensland Treasury.
² Ms Kelly's position on the Board started on 16 February 2023 when Ms Kelly became Under Treasurer. The ex officio position of Under Treasurer as Chair was reappointed on 7 July 2022.
³ Mr Allen's position on the Board ceased on 15 February 2023 when he resigned as Under Treasurer.

Treasurer.
 Treasurer.
 4 Mr Ryan's term ended on 30 June 2022 and Mr Ryan was reappointed from 7 July 2022.
 5 Mr Graham's term ended on 30 June 2022 and Mr Graham was reappointed from 7 July 2022.
 6 Ms Witton's term ended on 30 June 2022 and Ms Witton was reappointed from 7 July 2022.
 7 Ms Wood was appointed on 7 July 2022.

SIAB Board Members

as at 30 June 2023

MARYANNE KELLY

BA (HUM), GRAD DIP PUBLIC POLICY, MAICD

Chair

Appointed 16 February 2023 Tenure to 30 September 2025.

Maryanne has held leadership roles for over 25 years in the Australian, United Kingdom and Queensland Governments. Her roles have focused on delivering strategic policies and programs in dynamic, multifaceted and fiscally challenging environments. Maryanne has provided expert policy advice to governments, successfully negotiated national agreements and delivered high-profile programs for the community.

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.

MARIA WILTON AM BEC, CFA, FAICD, FAIST Appointed 4 July 2019. Tenure to 30 September 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 currently Chair of Spirit Super and Growth Farms Australia and a member of the Global Board of Governors of the Chartered Financial Analyst Institute. She is Vice Chair of Infrastructure Victoria, a Director of Dexus Wholesale Property Fund, VFMC and the Confident Girls Foundation.

CATE WOOD AM

BSS, DIP FP, GAICD Appointed 7 July 2022. Tenure to 30 September 2025.

Cate Wood has more than 25 years' experience in the superannuation industry. Ms Wood was Executive Officer and a Director of AGEST Super, a Director and Chair of CareSuper, a Director of SunSuper, and served on the Investment Committees of these funds.

Ms Wood was a Director of the Industry Superannuation Property Trust (ISPT) and a Member of the ACT Investment Advisory Board. She is currently a Member of the Professional Standards Councils and Chair of the Centre for Workers' Capital.

PHILIP (PHIL) GRAHAM

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

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FINANCIAL STATEMENTS

For the year ended 30 June 2023

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Statement of comprehensive income

For the year ended 30 June 2023

	NOTE	2023 \$000	2022 \$000
CAPITAL MARKETS OPERATIONS			
Net gain/(loss) on financial instruments at fair value through profit or loss			
Gain/(loss) on financial assets	3	2 382 028	(12 367 842)
(Loss)/gain on financial liabilities	3	(2 226 944)	12 324 996
		155 084	(42 846)
Other income			
Fee income		100 738	96 525
		100 738	96 525
Expenses			
Administration expenses	4	(80 111)	(76 442)
Depreciation of right-of-use assets	14	(1 935)	(1 919)
		(82 046)	(78 361)
Profit/(loss) from Capital Markets Operations before income tax		173 776	(24 682)
Income tax expense	5	(17 372)	(11 552)
Profit/(loss) from Capital Markets Operations after income tax		156 404	(36 234)
STATE INVESTMENT OPERATIONS			
Net return from investments			
Net change in fair value of unit trusts	16	2 965 642	1 602 754
Net change in fair value of fixed rate notes	16	19 279	1 073 122
Interest on fixed rate notes	16	(2 738 745)	(2 446 413)
Management fees	16	(246 176)	(229 463)
Profit/(loss) from State Investment Operations		-	-
Total net profit/(loss) for the year after tax		156 404	(36 234)
Total comprehensive profit/(loss) attributable to the owner		156 404	(36 234)
Total comprehensive income/(loss) derived from:			
Capital Markets Operations		156 404	(36 234)
State Investment Operations		-	-
Total comprehensive (loss)/income		156 404	(36 234)

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

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 portfolios of assets to QTC to support the State's superannuation obligations and other long-term Government initiatives (refer note 1).

Balance sheet As at 30 June 2023

	NOTE	2023 \$000	2022 \$000
ASSETS – CAPITAL MARKETS OPERATIONS			
Cash and cash equivalents	6	7 354 347	5 247 278
Receivables		11 189	6 448
Financial assets at fair value through profit or loss	7	30 896 629	28 529 672
Derivative financial assets	8	116 079	297 945
Onlendings	9	91 406 615	94 582 248
Property, plant and equipment	13	1 712	2 277
Right-of-use assets	14	5 091	7 026
Intangible assets		-	2 838
Deferred tax asset		3 498	3 944
		129 795 160	128 679 676
ASSETS – STATE INVESTMENT OPERATIONS			
Financial assets at fair value through profit or loss	16	43 474 801	40 372 412
		43 474 801	40 372 412
Total Assets		173 269 961	169 052 088
LIABILITIES – CAPITAL MARKETS OPERATIONS			
Payables		26 421	25 458
Derivative financial liabilities	8	239 145	300 604
Financial liabilities at fair value through profit or loss			
- Interest-bearing liabilities	10(a)	118 533 840	119 347 440
- Deposits	10(b)	10 307 948	8 431 220
Lease liabilities	14	9 362	12 823
Other liabilities		6 636	6 727
		129 123 352	128 124 272
LIABILITIES – STATE INVESTMENT OPERATIONS			
Financial liabilities at fair value through profit or loss	16	43 474 801	40 372 412
		43 474 801	40 372 412
Total Liabilities		172 598 153	168 496 684
NET ASSETS		671 808	555 404
EQUITY – CAPITAL MARKETS OPERATIONS			
Retained surplus		671 808	555 404
		671 808	555 404
EQUITY – STATE INVESTMENT OPERATIONS			
Retained surplus		-	-
		-	
Total Equity		671 808	555 404

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

Statement of changes in equity For the year ended 30 June 2023

		CAPITAL MARKETS OPERATIONS	STATE INVESTMENT OPERATIONS	
	NOTE	RETAINED SURPLUS \$000	RETAINED SURPLUS \$000	TOTAL EQUITY \$000
Balance at 1 July 2021		591 638	-	591 638
Loss for the year		(36 234)	-	(36 234)
Balance at 30 June 2022		555 404		555 404
Balance at 1 July 2022		555 404	-	555 404
Profit for the year		156 404	-	156 404
Transactions with owners in their capacity as owners:				
- Dividend paid	24	(40 000)	-	(40 000)
Balance at 30 June 2023		671 808	-	671 808

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

Statement of cash flows For the year ended 30 June 2023

	2023 NOTE \$000	2022 \$000
Cash flows from operating activities		
Interest received from onlendings	3 005 187	2 889 314
Interest received from investments and other sources	971 866	530 119
Fees received	98 441	95 051
Net Goods and Services Tax (GST)	(3)	(294)
Interest paid on interest-bearing liabilities	(5 287 697)	(3 847 128)
Administration expenses paid	(88 169)	(74 713)
Interest paid on deposits	(244 556)	(55 913)
Income tax paid	(10 302)	(8 607)
Net cash used in operating activities	15(a) (1 555 233)	(472 171)
Cash flows from investing activities		
Proceeds from sale of investments	48 372 490	27 200 288
Payments for investments	(50 492 487)	(41 161 982)
Net client onlendings	1 515 514	(5 323 857)
Payments for property, plant and equipment	(193)	(709)
Net cash used in investing activities	(604 676)	(19 286 260)
Cash flows from financing activities		
Proceeds from interest-bearing liabilities	29 660 715	35 113 381
Repayment of interest-bearing liabilities	(27 184 998)	(22 233 304)
Net client deposits	1 831 261	322 419
Dividends paid	(40 000)	-
Net cash provided by financing activities	15(b) 4 266 978	13 202 496
Net increase/(decrease) in cash and cash equivalents held	2 107 069	(6 555 935)
Cash and cash equivalents at 1 July	5 247 278	11 803 213
Cash and cash equivalents at 30 June	6 7 354 347	5 247 278

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

For the year ended 30 June 2023

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General information

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 (the State).

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

- administration fee to cover the cost of administering the loan. ACC 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 operations 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. 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

51

52

56

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57

In addition to assets and cash previously transferred to fund the State's superannuation and other long-term obligations, \$903 million of additional invested assets were transferred into the portfolio in July

2022. (b) State Initiatives Portfolio

In December 2022, an additional \$1.0 billion was transferred to the State Initiatives Portfolio.

(c) Government Holdings Portfolio

No additional assets were transferred to this portfolio during the 2022-23 financial year.

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 SIO portfolios 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 (2022: 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 (2022: 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.

For the year ended 30 June 2023

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. 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.

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 2023 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 2022.

Compliance with International Financial Reporting Standards

QTC is a not-for-profit entity, however in preparing these financial statements QTC has elected to comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) as if it is a for-profit entity.

Changes in accounting policy, disclosures, standards and interpretations

New accounting standards and interpretations

New accounting standards and interpretations

No new accounting standards became effective for the year ended 30 June 2023. Amendments to current accounting standards and interpretations which are effective for the first time for the year ended 30 June 2023 have had no material impact on the financial statements.

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.

(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 recorded 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 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.

For the year ended 30 June 2023

2 Significant accounting policies and other explanatory information continued

(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 QTC and are recognised at their assessed values with terms and conditions similar to trade debtors.

Impairment (i)

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.

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 value less cost of disposal or value in use.

Employee benefits (k)

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 undisconted 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.

Rounding (I)

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

Comparative figures

No material adjustments have been made to prior year comparatives. (n) 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.

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 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 businesses.

Capital Markets Operations

For the year ended 30 June 2023

3 Net gain/(loss) 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.

	2023 \$000	2022 \$000
Net gain/(loss) on financial assets at fair value through profit or loss		
Cash and cash equivalents	97 751	15 026
Financial assets at fair value through profit or loss	864 294	(241 375)
Derivatives	74 916	323 965
Onlendings	1 345 067	(12 465 458)
	2 382 028	(12 367 842)
Net (loss)/gain on financial liabilities at fair value through profit or loss		
Derivatives	(44 365)	292 155
Financial liabilities at fair value through profit or loss		
- Short-term	(196 796)	(142 743)
- Long-term	(1 685 427)	12 240 121
Deposits	(290 023)	(54 031)
Other	(10 333)	(10 506)
	(2 226 944)	12 324 996

4 Administration expenses

	2023 \$000	2022 \$000
Salaries and related costs	41 842	43 427
Superannuation contributions	3 400	3 374
Special payments ⁽¹⁾	651	-
Contractors	3 394	854
Consultants' fees	2 386	2 721
Information and registry services	3 910	3 516
Depreciation on property, plant and equipment	758	733
Amortisation and impairment on intangible assets	2 838	5 572
Office occupancy	1 262	1 202
Information and communication technology	14 009	11 312
Other administration expenses	5 661	3 731
	80 111	76 442

(1) Special payments represent ex-gratia payments that QTC is not contractually or legally obligated to make to other parties. During 2022–23 ex-gratia payments over \$5,000 were made to members of the Executive Leadership Team on the cessation of their employment. The ex-gratia payments are disclosed within note 21(c).

Capital Markets Operations For the year ended 30 June 2023

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.

	2023 \$000	2022 \$000
Current tax	16 922	10 617
Deferred tax expense	450	935
Total income tax expense recognised in the year	17 372	11 552
Numerical reconciliation between income tax expense and pre-tax accounting profit		
Profit/(loss) for the year before tax	173 744	(24 682)
Less profit/(loss) from non-taxable portfolios:		
- Capital Markets Operations	115 838	(63 159)
- State Investment Operations	-	-
Operating profit from taxable portfolios	57 906	38 477
Tax at the Australian tax rate of 30% on taxable portfolios	17 372	11 543
Effect of non-deductible items	-	9
Income tax expense	17 372	11 552

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	e to cash.	
	2023 \$000	2022 \$000
Cash at bank 73	354 347	5 247 278
73	354 347	5 247 278

Capital Markets Operations

For the year ended 30 June 2023

Financial assets at fair value through profit or loss 7

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 statement of comprehensive income.

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.

	2023 \$000	2022 \$000
Discount securities 8	078 139	9 015 293
Commonwealth and state securities ⁽¹⁾	438 988	2 137 752
Floating rate notes 10	227 181	8 772 443
Term deposits 9	767 739	7 940 159
Other investments 1	384 582	664 025
30	896 629	28 529 672

(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 2023, \$8.7 billion (2022: \$8.6 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 statement of comprehensive income. 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.

	2023 \$000	2022 \$000
Derivative financial assets		
Interest rate swaps	52 080	183 379
Cross currency swaps	59 984	19 761
Foreign exchange contracts	2 323	86 132
Futures contracts	1 692	8 673
	116 079	297 945
Derivative financial liabilities		
Interest rate swaps	(205 842)	(169 475)
Cross currency swaps	(26 643)	(75 901)
Futures contracts	(6 660)	(55 228)
	(239 145)	(300 604)
Net derivatives	(123 066)	(2 659)

As at 30 June 2023, derivatives with a net liability position of \$90.8 million have maturity dates exceeding 12 months (2022: net liability position of \$58.5 million).

Capital Markets Operations

For the year ended 30 June 2023

Onlendings 9 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.

	2023 \$000	2022 \$000
Government departments and agencies	40 103 888	43 704 767
Government owned corporations	27 943 926	27 123 470
Statutory bodies	17 198 764	17 222 205
Local governments	5 869 692	6 192 908
QTC related entities ⁽¹⁾	99 705	101 339
Other bodies ⁽²⁾	190 640	237 559
	91 406 615	94 582 248

 (1) QTC related entities includes DBCT Holdings Pty Ltd.
 (2) The amount for Other bodies in 2022 included loans advanced under the Industry Support Package. All of the Industry Support Package loans were repaid by 31 December 2022. At 30 June 2023, client deposits of \$5.2 billion were placed in redraw facilities and offset the value of onlendings in the balance sheet (2022: \$2.4 billion). The gross value of onlendings at 30 June 2023 was \$96.6 billion (2022: \$97.0 billion).

As at 30 June 2023, \$98.1 billion of principal repayments of a total book value of \$99.5 billion is expected to be received after 12 months (2022: \$94.7 billion of a total book value of \$101.1 billion).

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.

	2023 \$000	2022 \$000
Interest-bearing liabilities		
Short-term		
Treasury notes	4 846 903	4 778 349
Commercial paper	208 586	1 474 609
	5 055 489	6 252 958
Long-term		
AUD Bonds	100 251 180	100 868 073
Floating rate notes	11 867 168	10 858 377
Medium-term notes	939 427	936 475
Other	420 576	431 557
	113 478 351	113 094 482
Total interest-bearing liabilities	118 533 840	119 347 440

69.5% (2022:72.2%) of QTC borrowings are guaranteed by the State under the Act. As at 30 June 2023, \$105.0 billion (2022: \$102.8 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 movements. 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 2023, QTC has issued Green Bonds with a market value of \$9.46 billion (2022: \$5.93 billion).

Capital Markets Operations For the year ended 30 June 2023

10 Financial liabilities at fair value through profit or loss continued

Interest-bearing liabilities continued (a)

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 2023	FAIR VALUE \$000	REPAYMENT AT MATURITY \$000	DIFFERENCE \$000
Interest-bearing liabilities			
Short-term			
Treasury notes	4 846 903	4 900 000	(53 097)
Commercial paper	208 586	211 259	(2 673)
	5 055 489	5 111 259	(55 770)
Long-term			
AUD Bonds	100 251 180	108 615 493	(8 364 313)
Floating rate notes	11 867 168	11 800 000	67 168
Medium-term notes	939 427	1 088 362	(148 935)
Other	420 576	444 424	(23 848)
	113 478 351	121 948 279	(8 469 928)
Total interest-bearing liabilities	118 533 840	127 059 538	(8 525 698)
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)

Notes to the Financial Statements **Capital Markets Operations**

For the year ended 30 June 2023

Financial liabilities at fair value through profit or loss continued 10

(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 is disclosed as deposits.

2023 \$000	2022 \$000
Client deposits	
Local governments 3 598 797	4 691 689
Statutory bodies 2 778 562	3 131 029
Government departments and agencies 3 372 958	93 862
Government owned corporations 162 770	42 074
QTC related entities ⁽¹⁾ 110 818	101 288
Other depositors 247 562	224 978
10 271 467	8 284 920
Collateral held 36 481	146 300
Total deposits 10 307 948	8 431 220

(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 Ptv Ltd.

As at 30 June 2023, \$10.2 billion (2022: \$8.3 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, interest rate risk, and other price 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.

Capital Markets Operations For the year ended 30 June 2023

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.

	BOI	BORROWINGS		RE INVESTMENTS	DERIVATI	VE CONTRACTS	ITRACTS NET EXPOSURE	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
USD	(211 259)	(1 481 325)	-	-	211 259	1 481 325	-	-
CHF	(184 554)	(167 333)	-	-	184 554	167 333	-	-
JPY	(156 501)	(159 877)	-	-	156 501	159 877	-	-
EUR	(747 307)	(693 031)	-	75 990	747 307	617 041	-	-

(ii) Interest rate risk

(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. 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) Other price risk

QTC is not directly exposed to equity or 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 State, (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 through the SIO segment of QTC.

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 2023

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 2023	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	7 354 347	-	-	-	-	7 354 347	7 354 347
Receivables	11 189	-	-	-	-	11 189	11 189
Onlendings ⁽¹⁾	2 032 656	1 623 832	1 624 296	17 119 448	93 925 329	116 325 561	91 406 615
Financial assets at fair value through profit or loss	13 891 235	6 433 036	2 102 056	7 992 362	3 014 277	33 432 966	30 896 629
Total financial assets	23 289 427	8 056 868	3 726 352	25 111 810	96 939 606	157 124 063	129 668 780
Financial liabilities							
Payables	(26 421)	-	-	-	-	(26 421)	(26 421)
Deposits	(7 304 954)	(66 156)	(46 246)	(3 066 815)	(88 075)	(10 572 246)	(10 307 948)
Financial liabilities at fair value through profit or loss							
- Short-term	(1 995 450)	(3 115 809)	-	-	-	(5 111 259)	(5 055 489)
- Long-term	(9 436 858)	(216 554)	(2 625 181)	(56 442 437)	(75 596 940)	(144 317 970)	(113 478 351)
Total financial liabilities	(18 763 683)	(3 398 519)	(2 671 427)	(59 509 252)	(75 685 015)	(160 027 896)	(128 868 209)
Derivatives							
Interest rate swaps	(6 079)	(25 390)	(31 697)	(72 623)	(36 886)	(172 675)	(153 762)
Cross currency swaps	(748)	(6 154)	(20 201)	(108 232)	(343 720)	(479 055)	33 341
Foreign exchange contracts	2876	-	-	-	-	2876	2 323
Futures contracts	-	(3 450 000)	750 000	1 007 300	(68 100)	(1 760 800)	(4 968)
Net derivatives	(3 951)	(3 481 544)	698 102	826 445	(448 706)	(2 409 654)	(123 066)
Net (liabilities)/assets	4 521 793	1 176 805	1 753 027	(33 570 997)	20 805 885	(5 313 487)	677 505
Cumulative	4 521 793	5 698 598	7 451 625	(26 119 372)	(5 313 487)		

(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.

Capital Markets Operations For the year ended 30 June 2023

11 Financial risk management continued

(b) Funding and liquidity risks continued

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 2023

11 Financial risk management continued

(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).

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

BY CREDIT RATING ⁽¹⁾ 30 JUNE 2023	AAA \$000	AA+ \$000	AA \$000	AA- \$000	A+ \$000	A \$000	OTHER ⁽²⁾ \$000	TOTAL \$000
Cash & cash equivalents	-	-	-	7 354 347	-	-	-	7 354 347
Financial assets ⁽³⁾	2 079 083	609 490	364 300	22 523 794	3 312 250	919 183	522 423	30 330 523
Derivatives	-	-	-	38 968	16 183	-	-	55 151
	2 079 083	609 490	364 300	29 917 109	3 328 433	919 183	522 423	37 740 021
	6%	2%	1%	79%	9%	2%	1%	100%

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%

⁽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 2023, QTC's exposure to systemically important domestic banks (which are rated AA-) was approximately 73% (2022: 61%). QTC's concentrated investment exposure to domestic banks reflects the structure of the Australian credit markets because the domestic credit markets are dominated by issuance from Australian banks rather than corporations and other entities. This means that the Australian credit markets are not as diversified as other global markets. Due to this market structure, QTC executes a range of risk management processes to deliver a heightened continuous monitoring of the domestic and global banking sectors and the credit markets they operate within. These measures span credit reviews of QTC's counterparties, monitoring of ratings agency assessments, daily quantitative analysis of market price and credit spread movements and continuous thematic reporting on macro and event-driven developments. This credit risk management framework is used to inform decisions on credit limits within Board appetite and to assist decision-making in managing these exposures (such as altering investments or duration).

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 higher, 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 a range of factors including an assessment against key credit risk metrics and characteristics of their Australian dollar 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.

Capital Markets Operations For the year ended 30 June 2023

11 Financial risk management continued

(c) Credit risk continued

(ii) Onlending counterparties

QTC is also exposed to the credit risk associated with onlendings to clients. Except for some small exposures to private companies, 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).

69.5% of QTC's onlendings (2022: 72.2%) are explicitly guaranteed by the State, including 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 \$27.2 billion at 30 June 2023 (2022: \$26.5 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, over 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

69.5% (2022: 72.2%) of QTC's borrowings are guaranteed by the State. 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.

(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
2023				
Derivative assets: - subject to master netting arrangements	116 079	-	(101 434)	14 645
Derivative liabilities: - subject to master netting arrangements	(239 145)	-	218 492	(20 653)
Net exposure	(123 066)	-	117 058	(6 008)
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

Notes to the Financial Statements Capital Markets Operations

For the year ended 30 June 2023

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.

	QUOTED PRICES LEVEL 1 \$000	OBSERVABLE INPUTS LEVEL 2 \$000	TOTAL \$000
AS AT 30 JUNE 2023 Financial assets	\$ υυυ	\$000	\$000
Cash and cash equivalents	7 354 347	-	7 354 347
Financial assets through profit or loss	15 727 554	15 169 075	30 896 629
Derivative financial assets	1 692	114 387	116 079
Onlendings	-	91 406 615	91 406 615
Total financial assets	23 083 593	106 690 077	129 773 670
Financial liabilities			
Derivative financial liabilities	6 660	232 485	239 145
Financial liabilities through profit or loss			
- Short-term	-	5 055 489	5 055 489
- Long-term	86 766 105	26 712 246	113 478 351
Deposits	-	10 307 948	10 307 948
Total financial liabilities	86 772 765	42 308 168	129 080 933
	QUOTED PRICES	OBSERVABLE INPUTS	

AS AT 30 JUNE 2022	LEVEL 1 \$000	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

QTC holds no Level 3 financial instruments.

Capital Markets Operations For the year ended 30 June 2023

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 10 – 25%

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:

2023 \$000	2022 \$000
Cost at balance date 5838	5 645
Accumulated depreciation and impairment (4 126)	(3 368)
Net carrying amount 1712	2 277
Movement	
Net carrying amount at the beginning of the year 2 277	2 967
Additions 193	43
Depreciation expense (758)	(733)
Net carrying amount at the end of the year 1712	2 277

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	14 – 33%

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

	2023 \$000	2022 \$000
Cost at balance date	12 368	12 368
Accumulated depreciation and impairment	(7 277)	(5 342)
Net carrying amount at the end of the year	5 091	7 026
Movement		
Net carrying amount at the beginning of the year	7 026	8 278
Additions	-	667
Depreciation expense	(1 935)	(1 919)
Net carrying amount at the end of the year	5 091	7 026

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

2023 \$000	
Net carrying amount at the beginning of the year12 823	15 165
Additions -	667
Interest 183	233
Lease repayments (3 644)	(3 242)
Net carrying amount at the end of the year9 362	12 823

Notes to the Financial Statements Capital Markets Operations For the year ended 30 June 2023

15 Notes to the statement of cash flows

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

	2023 \$000	2022 \$000
Profit/(loss) for the year	156 404	(36 234)
Non-cash flows in operating surplus		
Gain on interest-bearing liabilities	(1 199 288)	(14 660 103)
Loss/(gain) on deposits held	193	(273)
Loss on onlendings	1 679 557	15 348 389
(Gain)/loss on financial assets at fair value through profit or loss	(90 167)	382 210
Depreciation and amortisation	5 531	8 225
Changes in assets and liabilities		
Decrease in financial assets at fair value through profit or loss	25 073	47 292
Decrease in deferred tax asset	446	949
(Increase)/decrease in onlendings	(19 437)	4 449
(Increase)/decrease in receivables	(4 735)	880
Increase in interest-bearing liabilities	(2 151 488)	(1 566 051)
Increase in deposits	45 275	1 390
Decrease in payables and other liabilities	(2 597)	(3 294)
Net cash used in operating activities	(1 555 233)	(472 171)

(b) Reconciliation of liabilities arising from financing activities

AS AT 30 JUNE 2023	OPENING BALANCE \$000	CASH FLOWS \$000	FAIR VALUE MOVEMENT \$000	FOREIGN EXCHANGE MOVEMENT \$000	OTHER NON-CASH MOVEMENTS \$000	CLOSING BALANCE \$000
Interest-bearing liabilities (1)	119 648 044	2 475 717	(1 294 795)	95 507	(2 151 488)	118 772 985
Deposits	8 431 220	1 831 261	192	-	45 275	10 307 948
Dividend paid	-	(40 000)	-	-	40 000	-
	128 079 264	4 266 978	(1 294 603)	95 507	(2 066 213)	129 080 933
AS AT 30 JUNE 2022						
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
	131 101 805	13 202 496	(14 758 894)	98 518	(1 564 661)	128 079 264

⁽¹⁾ Includes derivatives.

2023

Notes to the Financial Statements

State Investment Operations

For the year ended 30 June 2023

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 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.

		2023	TOTAL STATE INVESTMENT
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	LTA ⁽¹⁾ \$000	QFF ⁽²⁾ \$000	OPERATIONS \$000
Investments in unit trusts and other holdings - QIC:			
Movement during the year:			
Opening balance	32 654 392	7 718 020	40 372 412
Deposits ⁽³⁾	2 497 799	-	2 497 799
Withdrawals (3)	(2 114 876)	-	(2 114 876)
Fees paid	(197 434)	(48 742)	(246 176)
Net change in fair value of unit trusts	2 298 819	666 823	2 965 642
Closing balance	35 138 700	8 336 101	43 474 801
		2022	TOTAL STATE
	LTA ⁽¹⁾	QFF ⁽²⁾	INVESTMENT
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	\$000	\$000	\$000
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 was the DRF. The DRF was established to support both the State's credit rating and generate returns to reduce the State's debt

(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 2023

16 Financial instruments at fair value through profit or loss continued

	LTA ⁽¹⁾	2023 QFF ⁽²⁾	TOTAL STATE INVESTMENT OPERATIONS
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	\$000	\$000	\$000
Comprised of the following asset classes:			
Defensive assets			
Cash	3 925 783	1 450 236	5 376 019
Fixed interest	1 812 152	234 785	2 046 937
Growth assets			
Equities	9 432 169	3 128 188	12 560 357
Diversified alternatives	6 197 578	692 495	6 890 073
Unlisted assets			
Infrastructure (3)	4 458 302	746 948	5 205 250
Private equity	3 605 102	382 843	3 987 945
Real estate ⁽³⁾	5 707 614	1 700 606	7 408 220
	35 138 700	8 336 101	43 474 801
		2022	TOTAL STATE
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	LTA ⁽¹⁾ \$000	QFF ⁽²⁾ \$000	INVESTMENT OPERATIONS \$000
	\$000	4000	4000
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 ⁽³⁾	7 807 543	1 748 002	9 555 545
Private equity	3 749 903	403 795	4 153 698
Real estate ⁽³⁾	2 297 570	456 665	2 754 235
	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) 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) The change to the infrastructure and real estate asset classes during the year ended 30 June 2023 were as a result of the reclassification of an underlying asset, not a change in underlying asset exposure. Further information is disclosed in note 18(b).

State Investment Operations

For the year ended 30 June 2023

16 Financial instruments at fair value through profit or loss continued

		2023	
			TOTAL STATE INVESTMENT
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	LTA ⁽¹⁾ \$000	QFF ⁽²⁾ \$000	OPERATIONS \$000
Fixed rate notes			
Movement during the year:			
Opening balance	32 654 392	7 718 020	40 372 412
Increases (3)	2 497 799	-	2 497 799
Interest	2 204 192	534 553	2 738 745
Decreases ⁽³⁾	(2 114 876)	-	(2 114 876)
Net change in fair value of the fixed rate note ⁽⁴⁾	(102 807)	83 528	(19 279)
Closing balance	35 138 700	8 336 101	43 474 801
		2022	TOTAL STATE
	LTA (1)	QFF (2)	INVESTMENT
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	\$000	\$000	\$000
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

(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) 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 negative net change in the fair value of the fixed rate notes for 2023 and 2022, reflects the lower returns achieved on the invested assets when compared to the interest paid by QTC on the FRN of 6.5%.

State Investment Operations

For the year ended 30 June 2023

17 Financial risk management

QTC also holds a portfolio of assets that was transferred to QTC by the State but is 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 market risk, liquidity risk and credit 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. 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 State'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 GS007 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 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:

	2023 C	HANGE	2023 P	ROFIT/EQUITY	2022 0	HANGE	2022 P	ROFIT/EQUITY
	Low %	High %	Decrease \$000	Increase \$000	Low %	High %	Decrease \$000	Increase \$000
Cash and fixed interest ⁽¹⁾	-0.4%	0.4%	(29 273)	29 273	-3%	3%	(187 149)	187 149
Equities	-10%	10%	(1 256 036)	1 256 036	-10%	10%	(1 154 239)	1 154 239
Diversified alternatives (2)	-10%	10%	(688 439)	688 439	-10%	10%	(617 948)	617 948
Infrastructure	-10%	10%	(520 276)	520 276	-10%	10%	(955 940)	955 940
Private equities	-10%	10%	(398 603)	398 603	-10%	10%	(415 244)	415 244
Real estate	-11%	12%	(793 447)	864 855	-13%	16%	(343 605)	444 914
Currency overlay	-10%	10%	(961 891)	961 891	-10%	10%	(876 129)	876 129
			(4 647 965)	4 719 373			(4 550 254)	4 651 563

⁽¹⁾ Cash and fixed interest include 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.

State Investment Operations

For the year ended 30 June 2023

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.

	OBSERVABLE INPUTS LEVEL 2	UNOBSERVABLE INPUTS LEVEL 3	TOTAL
AS AT 30 JUNE 2023	\$000	\$000	\$000
Financial assets			
Cash and cash equivalents	5 376 019	-	5 376 019
Fixed interest	2 046 937	-	2 046 937
Equities	12 560 357	-	12 560 357
Diversified alternatives	2 568 721	4 321 352	6 890 073
Infrastructure	-	5 205 250	5 205 250
Private equities	-	3 987 945	3 987 945
Real estate	583 669	6 824 551	7 408 220
Total financial assets	23 135 703	20 339 098	43 474 801
Financial liabilities			
Fixed rate note - LTA	-	35 138 700	35 138 700
Fixed rate note - QFF	-	8 336 101	8 336 101
Total financial liabilities	-	43 474 801	43 474 801
AS AT 30 JUNE 2022	OBSERVABLE INPUTS LEVEL 2 \$000	UNOBSERVABLE INPUTS LEVEL 3 \$000	TOTAL \$000
AS AT 30 JUNE 2022 Financial assets	INPUTS LEVEL 2	INPUTS LEVEL 3	
	INPUTS LEVEL 2	INPUTS LEVEL 3	
Financial assets	INPUTS LEVEL 2 \$000	INPUTS LEVEL 3 \$000	\$000
Financial assets Cash and cash equivalents	INPUTS LEVEL 2 \$000 4 224 605	INPUTS LEVEL 3 \$000	\$000 4 224 605
Financial assets Cash and cash equivalents Fixed interest	INPUTS LEVEL 2 \$000 4 224 605 1 960 589	INPUTS LEVEL 3 \$000	\$000 4 224 605 1 960 589
Financial assets Cash and cash equivalents Fixed interest Equities	4 224 605 1 960 589 11 542 389	INPUTS LEVEL 3 \$000 - - -	\$000 4 224 605 1 960 589 11 542 389
Financial assets Cash and cash equivalents Fixed interest Equities Diversified alternatives	INPUTS LEVEL 2 \$000 4 224 605 1 960 589 11 542 389 2 115 368	INPUTS LEVEL 3 \$000 - - - 4 065 983	\$000 4 224 605 1 960 589 11 542 389 6 181 351
Financial assets Cash and cash equivalents Fixed interest Equities Diversified alternatives Infrastructure	INPUTS LEVEL 2 \$000 4 224 605 1 960 589 11 542 389 2 115 368	INPUTS LEVEL 3 \$000 - - - 4 065 983 9 555 545	\$000 4 224 605 1 960 589 11 542 389 6 181 351 9 555 545
Financial assets Cash and cash equivalents Fixed interest Equities Diversified alternatives Infrastructure Private equities	INPUTS LEVEL 2 \$000 4 224 605 1 960 589 11 542 389 2 115 368	INPUTS LEVEL 3 \$000 - - - 4 065 983 9 555 545 4 153 698	\$000 4 224 605 1 960 589 11 542 389 6 181 351 9 555 545 4 153 698
Financial assets Cash and cash equivalents Fixed interest Equities Diversified alternatives Infrastructure Private equities Real estate	INPUTS LEVEL 2 \$000 4 224 605 1 960 589 11 542 389 2 115 368 - - - -	INPUTS LEVEL 3 \$000 - - - 4 065 983 9 555 545 4 153 698 2 754 235	\$000 4 224 605 1 960 589 11 542 389 6 181 351 9 555 545 4 153 698 2 754 235
Financial assets Cash and cash equivalents Fixed interest Equities Diversified alternatives Infrastructure Private equities Real estate Total financial assets	INPUTS LEVEL 2 \$000 4 224 605 1 960 589 11 542 389 2 115 368 - - - -	INPUTS LEVEL 3 \$000 - - - 4 065 983 9 555 545 4 153 698 2 754 235	\$000 4 224 605 1 960 589 11 542 389 6 181 351 9 555 545 4 153 698 2 754 235
Financial assets Cash and cash equivalents Fixed interest Equities Diversified alternatives Infrastructure Private equities Real estate Total financial assets Financial liabilities	INPUTS LEVEL 2 \$000 4 224 605 1 960 589 11 542 389 2 115 368 - - - - 19 842 951	INPUTS LEVEL 3 \$000 - - - 4 065 983 9 555 545 4 153 698 2 754 235 20 529 461	\$000 4 224 605 1 960 589 11 542 389 6 181 351 9 555 545 4 153 698 2 754 235 40 372 412

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.

State Investment Operations

For the year ended 30 June 2023

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 2023. 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 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
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.

Ŭ					
30 JUNE 2023	OPENING BALANCE	DISTRIBUTIONS (1)	UNREALISED MARKET MOVEMENTS ⁽¹⁾	SETTLEMENTS (1)	CLOSING BALANCE
ASSET CLASS	\$000	\$000	\$000	\$000	\$000
Diversified alternatives	4 065 983	(639 271)	132 508	762 132	4 321 352
Infrastructure	9 555 545	(534 489)	291 086	(4 106 892) ⁽²⁾	5 205 250
Private equities	4 153 698	(187 792)	(59 973)	82 012	3 987 945
Real estate	2 754 235	(182 476)	487 894	3 764 898 (2)	6 824 551
i teal estate	2754255	(102 410)	401 004	01040000	0 02 1 00 1
	2 7 34 233	(102 410)		0704000(7	
30 JUNE 2022	OPENING		UNREALISED		CLOSING
		DISTRIBUTIONS (1) \$000		SETTLEMENTS (1) \$000	
30 JUNE 2022	OPENING BALANCE	DISTRIBUTIONS ⁽¹⁾	UNREALISED MARKET MOVEMENTS ⁽¹⁾	SETTLEMENTS ⁽¹⁾	CLOSING BALANCE
30 JUNE 2022 ASSET CLASS	OPENING BALANCE \$000	DISTRIBUTIONS (1) \$000	UNREALISED MARKET MOVEMENTS ⁽¹⁾ \$000	SETTLEMENTS (1) \$000	CLOSING BALANCE \$000
30 JUNE 2022 ASSET CLASS Diversified alternatives	OPENING BALANCE \$000 3 149 225	DISTRIBUTIONS ⁽¹⁾ \$000 (513 803)	UNREALISED MARKET MOVEMENTS ⁽¹⁾ \$000 466 868	SETTLEMENTS ⁽¹⁾ \$000 963 693	CLOSING BALANCE \$000 4 065 983

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

(2) The movements to the infrastructure and real estate asset classes were as a result of the reclassification of an underlying asset, not a change in underlying asset exposure

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.

Other information

For the year ended 30 June 2023

19 Contingent liabilities

The following contingent liabilities existed at balance date:

QTC has provided guarantees to the value of \$3.3 billion (2022: \$2.8 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, 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. 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:

- loan balances with a book value of \$89.4 billion (2022: \$90.9 billion) and interest received \$2.7 billion (2022: \$2.5 billion)
- investment of cash surpluses \$5.2 billion (2022: \$1.9 billion) and interest paid \$103.8 million (2022: \$11.4 million)
- fees received \$80.2 million (2022: \$75.4 million)
- dividends paid to Queensland Treasury \$40 million (2022: No dividend)
- The State transferred \$1.9 billion to the LTA portfolio of the SIO segment (2022: \$2.5 billion).

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 \$225.7 million in management fees to QIC (2022: \$236.7 million) and \$0.5 million (2022: \$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 \$1.0 million (2022: \$1.4 million).
- QTC has a shareholding in QTH and its associated entities (QTH group). The QTH group hold deposits of \$110.8 million (2022: \$101.3 million) and loans of \$99.7 million (2022: \$101.3 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 (2022: \$0.4 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 \$1.7 billion (2022: \$1.0 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 \$35.6 million (2022: \$31.4 million).
- From time to time QTC holds foreign exchange balances in segregated accounts on behalf of its clients to facilitate foereign exchange transactions. QTC is not exposed to the risks and benefits of these balances as it does not own or control these accounts. The balances of the foreign exchange in these segregated accounts at year end was \$14.0 million (2022: Nil).

Other information

For the year ended 30 June 2023

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 *Act*.

(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 *Act*. 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 ultimate responsibility and decision making for remuneration matters. QTC receives annual industry benchmarking data from the Financial Institutions Remuneration Group (FIRG) and Aon Hewitt, where applicable, 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 for QTC employees is reviewed each year and is benchmarked against the FIRG remuneration data and Aon Hewitt, where applicable. Total compensation levels were 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 were 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 (STI) opportunity for eligible employees, aligned to financial year performance. This opportunity is designed to differentiate and reward performance. 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 2023, STI payments will be made to eligible staff in September 2023.

Variable remuneration - short term incentives for the Executive Leadership Team

Members of the Executive Leadership Team (ELT), excluding members on secondment to QTC, are eligible for an STI if their performance meets or exceeds corporate and individual key performance indicators. STIs are at risk with no payment made for underperformance and additional premiums of up to 30% of the target paid for above expected performance.

STI payments are based on a percentage of individual total fixed remuneration with the STI 'target' range for permanent ELT members of between 40% and 50%. For acting ELT members, the STI payment is based on a percentage of their total fixed remuneration from their substantiative position, excluding any higher duties allowance for acting in a higher position. The STI 'target' for acting ELT members is 40%.

QTC's overall performance for 2022-23, documented in the annual performance assessment reviewed and approved by QTC's Board, was assessed as achieving the benchmark. This reflects the performance achieved across QTC's whole-of-State, client, funding, and operational activities. This performance assessment led to individual STIs for the Executive Leadership Team of between 40% and 50% of fixed remuneration.

Deferral of short-term incentives for the Chief Executive Officer

The remuneration package for the Chief Executive Officer provides 40% of their determined STI to be deferred and paid over 24 months comprising two deferral periods:

■ 20% paid out at the conclusion of 12 months after the original STI was determined, and

20% paid out at the conclusion of 24 months after the original STI was determined

Payment of the deferred STI will be subject to satisfying the criteria outlined in the Risk Gateway Framework, which is defined in the Short-Term Incentive Risk Gateway and Deferral Policy. At the end of each deferral period, a report prepared by the Chief Risk Officer on the criteria in the Risk Gateway Framework will be assessed by the Board to determine whether the deferred STI will vest.

For 2022-23, the total STI entitlement for the Chief Executive Officer is \$142,650, which includes the STI deferral of \$57,060. The STI deferral has been fully expensed in 2022-23 and recognised as a long-term employee benefit.

Other information

For the year ended 30 June 2023

21 Key management personnel continued

(c) Remuneration by category

	2023 \$	2022 \$
Capital Markets Operations		
Directors		
Short-term employment benefits (1)	317 131	350 563
Post-employment benefits ⁽⁴⁾	31 765	21 350
Total	348 896	371 913
Executive Leadership Team		
Short-term employment benefits ⁽²⁾	2 912 362	4 031 798
Long-term employment benefits ⁽³⁾	120 460	81 437
Post-employment benefits ⁽⁴⁾	166 769	128 063
Ex-gratia payments	650 570	-
Termination benefits ⁽⁵⁾	1 103 888	141 424
Total	4 954 049	4 382 722
	2023 \$	2022 \$
State Investment Operations		
Directors		
Short-term employment benefits (1)	99 054	100 653
Post-employment benefits ⁽⁴⁾	10 401	10 065
Total	109 455	110 718

(1) Directors' short-term benefits include Board member and committee fees, and in relation to the Chair of the Capital Markets Board, it 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 and deferred STI (2023).

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

⁽⁵⁾ Termination benefits include payments in lieu of notice and redundancy payments.

Ex-gratia payments

During the year ended 30 June 2023, QTC made ex-gratia payments totalling \$650,570 to five executives on cessation of their respective employment with QTC. The payments made were in addition to individual contractual entitlements, but were duly considered by the Capital Markets Board and were in-step with industry practice for commercial organisations. The payments recognised individual contributions towards organisational performance and took account of the nature of the separations. Payments were within the delegations contained in section 14 of the Act. Individual deeds of separation were utilised to give effect to the separations which is common practice across industry.

Other information

For the year ended 30 June 2023

21 Key management personnel continued

(c) Remuneration by category continued

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		FITS BENEFITS		AL
	2023 2022 \$ \$		2023 \$	2022 \$	2023 \$	2022 \$
Damien Frawley – Chair ⁽¹⁾	126 728	-	11 773	-	138 501	-
Gerard Bradley – Chair ⁽²⁾	-	137 069	-	-	-	137 069
Leon Allen ⁽³⁾⁽⁴⁾	-	-	-	-	-	-
Neville Ide ⁽⁵⁾	37 764	43 856	3 965	4 386	41 729	48 242
Dennis Molloy ⁽⁶⁾⁽⁴⁾	-	-	-	-	-	-
Anne Parkin ⁽⁷⁾	10 964	43 856	1 151	4 386	12 115	48 242
Karen Smith-Pomeroy ⁽⁸⁾	37 802	45 362	3 969	4 536	41 771	49 898
Jim Stening ⁽⁹⁾	41 498	40 210	4 357	4 021	45 855	44 231
Rosemary Vilgan	42 786	40 210	4 493	4 021	47 279	44 231
John Wilson ⁽¹⁰⁾	19 589	-	2 057	-	21 646	-
Total	317 131	350 563	31 765	21 350	348 896	371 913

(1) Appointed 1 July 2022

(2) Resigned 30 June 2022

(3) Resigned 8 December 2022

(4) No remuneration is payable to the Queensland Treasury representative

(5) Leave of absence for term as Interim Chief Executive Officer 3 January 2023 to 19 February 2023

(6) Appointed 25 January 2023

(7) Term ended 30 September 2022

(8) Term ended 30 September 2022. Reappointed 15 December 2022

⁽⁹⁾ Term ended 30 June 2023

(10) Appointed 15 December 2022

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Other information

For the year ended 30 June 2023

21 Key management personnel continued

(c) Remuneration by category continued

Capitalmarkets operations 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:

Total	2 594 774	220 335	97 253	166 769	120 460	650 570	1 103 888	4 954 049
Managing Director, Culture and Performance, and Company Secretary ⁽¹⁰⁾	230 647		13 107	20 053	6 079	56 580	303 017	629 483
Managing Director, Finance, Technology and Data, and Chief Financial Officer ⁽¹⁰⁾	253 375	-	11 429	20 053	9 215	64 285	335 697	694 054
Acting Managing Director, Finance, Technology and Data ⁽⁹⁾	78 480	-	3 810	8 629	1 943	-	-	92 862
Managing Director, Risk, and Chief Risk Officer ⁽⁷⁾	271 384	-	11 429	20 053	12 998	143 020	39 346	498 230
Acting Managing Director, Risk, and Chief Risk Officer ⁽⁸⁾	85 470	33 140	4 863	7 352	1 301	-	-	132 126
Managing Director, Client (7)	287 236	-	12 142	20 053	11 491	146 385	40 352	517 659
Acting Managing Director, Client (6)	93 772	33 830	4 959	7 352	-	-	-	139 913
Deputy Chief Executive and Managing Director, Funding and Markets ⁽⁵⁾	317 084	-	12 968	16 902	-	-	-	346 954
Acting Managing Director, Funding and Markets ⁽⁴⁾	165 266	67 775	6 972	16 876	3 873	-	-	260 762
Chief Executive ⁽³⁾	391 462	-	8 943	14 635	16 500	240 300	385 476	1 057 316
Interim Chief Executive (2)	117 406	-	-	4 834	-	-	-	122 240
Chief Executive (1)	303 192	85 590	6 631	9 977	(11) 57 060	-	-	462 450
30 JUNE 2023	EMP BASE \$	SHORT-TERM LOYMENT BENE SHORT-TERM INCENTIVE \$	FITS NON- MONETARY \$	EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	EX-GRATIA PAYMENTS	TERMINATION BENEFITS	TOTAL \$
	EMP	LOYMENT BENE						

(1) Commenced 20 February 2023

(2) Appointed for the period 3 January 2023 to 19 February 2023

(3) Ceased 31 December 2022

(4) Commenced 25 January 2023

(5) Ceased 24 January 2023

(6) Commenced 25 March 2023

(7) Ceased 9 March 2023

(8) Commenced 27 March 2023

(9) Commenced 22 March 2023

(10) Commenced 1 July 2022, ceased 15 March 2023

(11) Long-term benefit for the Chief Executive is a deferred STI

		SHORT-TERM EMPLOYMENT BENEFITS		POST- EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	TERMINATION BENEFITS	TOTAL
30 JUNE 2022	BASE \$	SHORT-TERM INCENTIVE \$	NON- MONETARY \$	\$	\$		\$
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

Other information

For the year ended 30 June 2023

21 Key management personnel continued

(c) Remuneration by category continued

StateInvestment Operations

(iii) 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	
	2023 2022 \$ \$		2023 \$	2022 \$	2023 \$	2022 \$	
Maryanne Kelly - Chair ⁽¹⁾⁽²⁾	-	-	-		-	-	
Leon Allen - Chair ⁽²⁾⁽³⁾	-	-	-	-	-	-	
Philip Graham ⁽⁴⁾	33 018	33 551	3 467	3 355	36 485	36 906	
Tony Hawkins ⁽⁵⁾	-	33 551	-	3 355	-	36 906	
William Ryan ⁽²⁾	-	-	-	-	-	-	
Maria Wilton ⁽⁴⁾	33 018	33 551	3 467	3 355	36 485	36 906	
Cate Wood ⁽⁶⁾	33 018	-	3 467	-	36 485	-	
Total	99 054	100 653	10 401	10 065	109 455	110 718	

(1) Appointed 16 February 2023

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

(3) Resigned 15 February 2023

(4) Term ended 30 June 2022, reappointed 7 July 2022

(5) Term ended 30 June 2022

(6) Appointed 7 July 2022

(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.

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:

	2023 \$	2022 \$
Audit services		
Audit of QTC financial statements	397 000	387 000

Other information

For the year ended 30 June 2023

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(n) Judgments and assumptions).

24 Dividends

Each year the Board determines the appropriate level of dividends to be paid to the Queensland Government taking into consideration the financial situation of the Corporation. In June 2023 a dividend of \$40 million was paid (2022: No dividend).

25 Events subsequent to balance date

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 FA 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 FA 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 2023.

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

Brisbane 17 August 2023

L ALLEN Chief Executive Officer

Independent Auditor's report



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 2023, 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.

The financial report comprises the balance sheet as at 30 June 2023, 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 significant accounting policies and other explanatory information, and the management certificate given by the Chairman and Chief Executive Officer.

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 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.



Better public services

Valuation, presentation and disclosure of financial assets at fair value through profit or loss for State Investment Operations (SIO) (\$43.5 billion as at 30 June 2023)

(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').	 My procedures included but were not limited to: evaluating the audited assurance report on controls over investment management services for the year 1 July 2022 to 30 June 2023 to confirm that the controls at QIC are appropriately designed and implemented, and operated effectively.
The fair value of these underlying investments is based on the pre-distribution exit prices as at 30 June 2023 as advised by QIC to QTC on 7 August 2023.	 assessing the representation letter provided by QIC to QTC confirming the following processes were performed by QIC:
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 2023.	 checks performed over pricing of the underlying assets at 30 June 2023 and checks performed post balance date on prices for highly illiquid
Significant judgement is required to determine whether the unaudited valuations advised by QIC are materially consistent with the fair value as at 30 June 2023, or if an adjustment is required.	 investments. confirming the value of the investments reported at 30 June 2023 by: agreeing the reported value in QIC's confirmation to the financial
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.	 statements obtaining a confirmation from QIC on any changes to the value initially reported and assessing the impact of changes in value to
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:	the financial statements. Where the change in prices is materially different to the prices initially determined at 30 June 2023, we request management to recognise the change in the prices to reflect the correct valuation.

- 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.
- 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 QTC 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 AASB13 Fair Value Measurement.



Better public services

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. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.



Better public services

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- 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 2023

- 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.

May 2023

Introduced the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 into Queensland Parliament. Queensland's renewable hydrogen industry has the potential to be a world leader in the sector. The Bill provides effective regulation of hydrogen and other renewable gas pipelines, an important step in supporting the safe, transparent, and sustainable growth for the industry.

June 2023

Consulted on an exposure draft of the Energy (Renewable Transformation and Jobs) Bill 2003, to support the delivery of the plan. The Bill enshrines commitments made in the plan, including renewable energy targets, public ownership, and the Job Security Guarantee.

July 2023

The Premier announced S8.5 million for the Abbot Point Activation Initiative. Technical and economic studies to supercharge domestic renewable hydrogen hubs also commenced.

August 2023

Completed investigations into renewable energy supply chains for wind, solar, grid-scale battery energy storage systems and transmission to strengthen resilience and to support local businesses.

September 2023

Launched the Climate Smart Energy Savers initialive for households to apply for rebates on energy efficient appliances.

> Queensland Audit Office Brisbane

April 2023

Western Downs Green Power Hub, near Chinchilla, becomes the largest solar farm in Australia with one million solar panels producing renewable energy

June 2023

Allocated \$10 billion in the 2023-24 Queensland Budget over four years to support new wind, solar, storage and transmission. The budget also allocated funds to provide weetricity bill support for Queensland households and small businesses facing cost of living pressures.

July 2023

Released the draft 2023 Queensland Renewable Energy Zobe (REZ) Roadmap for consultation. Development of REZs will help ensure clean energy infrastructure development throughout Queensland is coordinated. Community benefits are at the hoart of this development:

August 2023

Opened the SuperGrid Training Centre and. Transmission Hub in Townsville, to be co-located with a new office for CopperString 2032.

September 2023

Completed consultation with key stakeholders on the draft acr3 Queensland Renewable Energy Zone Roadmap and the Regional Energy Transformation Partnerships Framework.

Brendan Worrall Auditor-General

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APPENDICES

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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.

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 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 2023, 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 \$6,6			
Member	\$33,551	Member	\$5,152		

The total remuneration payments made to the members of the QTC Capital Markets Board was \$334,290 and the total on-costs (including travel, accommodation, car parking and professional memberships for members) was \$25,491.

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

33,551

The total remuneration payments made to the members of the QTC State Investment Advisory Board was \$109,455 and the total on-costs (including travel, accommodation, car parking and professional memberships for members) was \$12,325.

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	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	<i>Copyright Act 1968</i> 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, 15		
	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 30-57		
GOVERNANCE – MANAGEMENT	Organisational structure	ARRs – section 13.1	Pages 16-20		
AND STRUCTURE	Executive management	ARRs – section 13.2	Page 20		
	Public Sector Ethics	Public Sector Ethics Act 1994 ARRs – section 13.4	Appendix A		
	Human Rights	<i>Human Rights Act 2019</i> ARRs – section 13.5	Appendix A		
GOVERNANCE – RISK	Risk management	ARRs – section 14.1	Pages 13, 17		
MANAGEMENT AND ACCOUNTABILITY	Audit committee	ARRs – section 14.2	Page 19		
ACCOUNTABILITY	Internal audit	ARRs – section 14.3	Page 20		
	Information systems and record keeping	ARRs – section 14.5	Appendix A		
GOVERNANCE – HUMAN RESOURCES	Strategic workforce planning and performance	ARRs – section 15.1	Pages 14		
OPEN DATA	Statement advising publication of information	ARRs – section 16	Appendix A		
	Consultancies	ARRs – section 31.1	Appendix A		
	Overseas travel	ARRs – section 32.2	Appendix A		
	Queensland Language Services Policy	ARRs – section 31.3	Appendix A		
FINANCIAL STATEMENTS	Certification of financial statements	FAA – section 62	Page 58		
		FPMS – sections 38, 39 and 46 ARRs – section 17.1			
	Independent Auditor's Report	FAA – section 62	Pages 59-62		
		FPMS – section 46			
		ARRs – section 17.2			

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

Queensland Treasury Corporation's annual reports (ISSN 1837-1256 print; ISSN 1837-1264 online) are available on QTC's website.

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 annual 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.

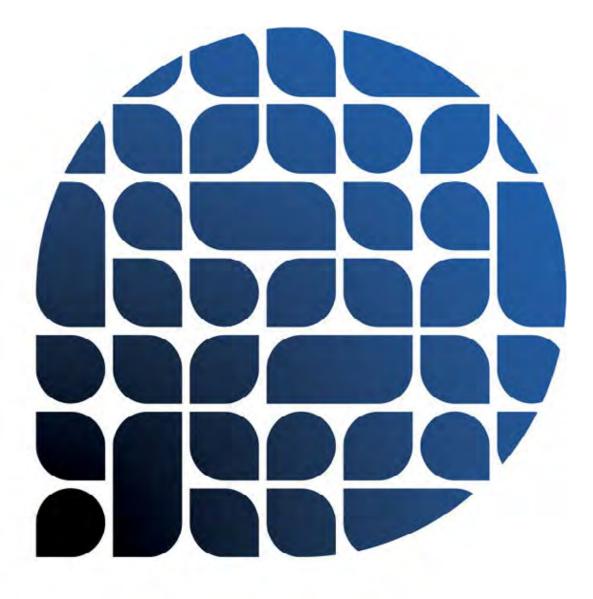
Bloomberg ticker: qtc

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GPO Box 1096 Brisbane QLD Australia 4001 T: +617 3842 4600 E: investorrelations@qtc.com.au @ ourmaind Terms Ordentice 303

EXHIBIT (c)(ii)

Consolidated Financial Statements of the Co-Registrant for the fiscal year ended June 30, 2023

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the State of Queensland's (the "<u>State</u>" or "<u>Queensland</u>") 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 forwardlooking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forwardlooking 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, the Russia-Ukraine conflict and the Israel-Hamas 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.

(c)(ii)-1

QUEENSLAND TREASURY

2022–23 Report on State Finances

of the Queensland Government – 30 June 2023

Incorporating the Outcomes Report and the AASB 1049 Financial Statements



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Message from the Treasurer

I present Queensland's 2022-23 Report on State Finances which includes the Outcomes Report and AASB 1049 Financial Statements.

The Queensland economy has continued to grow in 2022-23 despite rising interest rates, inflationary pressures, and temporary domestic and international supply chain constraints.

The strength of the Queensland economy, including the state's labour market performance, combined with exceptionally high prices received by the state's coal producers have resulted in Queensland delivering an operating surplus of \$13.93 billion in 2022-23. This record surplus is \$1.625 billion higher than the \$12.305 billion surplus estimated in the 2023-24 Budget mainly due to the Australian Government bringing forward funding from later years.

The record surplus provides Queensland with the capacity to deliver substantial cost-of-living measures support for Queensland families and businesses, while also supporting the state's record capital program over the next four years.

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 2022-23 actual results with the revised forecasts contained in the 2023-24 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 2021-22 year, as well as analysis of variances between the published 2022-23 Budget and the 2022-23 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

2022–2023 Outcomes Report

Uniform Presentation Framework of the Queensland Government – 30 June 2023



Overview

Queensland's strong economic performance and continued exceptionally high commodity prices have resulted in a substantial improvement in the State's fiscal position in 2022-23 compared to the original 2022-23 Budget forecasts.

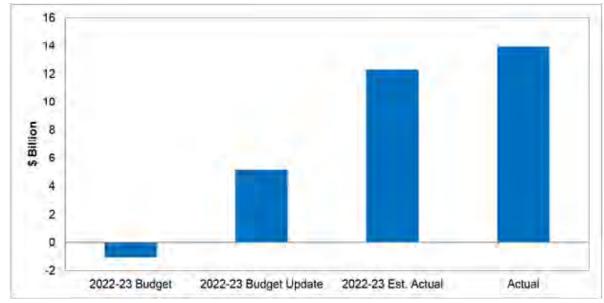
The General Government Sector (GGS) realised a Uniform Presentation Framework (UPF) net operating surplus of \$13.93 billion for 2022-23. This is the largest surplus in Queensland's history and follows the previous record surplus of \$4.284 billion (restated) in 2021-22.

The 2022-23 operating surplus was an improvement of \$1.625 billion compared to the estimated operating surplus of \$12.305 billion reported in the 2023-24 Budget, and a substantial turnaround relative to the original 2022-23 Budget operating deficit estimate of \$1.029 billion. Refer Chart 3.1.

The record surplus in 2022-23 reflects higher royalty revenue, driven by higher coal prices and new progressive coal royalty tiers, and strong labour market performance. The stronger revenue performance in 2022-23 has resulted in lower borrowings, enabling restoration of fiscal buffers to respond to future external shocks and build capacity for the State's transformative capital program.

The \$1.625 billion increase in net operating balance since the 2023-24 Budget is primarily due to the Australian Government providing advance payments under the Disaster Recovery Financial Arrangements (DRFA) and Social Housing Accelerator program in 2022-23.

Chart 3.1: 2022-23 General Government Sector UPF net operating balance compared to budget forecasts



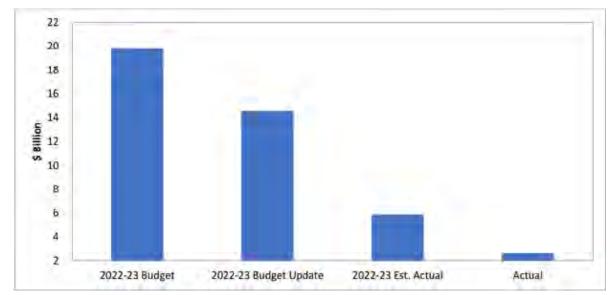
Source: 2022-23 and 2023-24 Queensland State Budgets, 2022-23 Budget Update and 2022-23 Queensland Report on State Finances

In 2022-23, GGS revenue totalled \$89.81 billion, up \$2.187 billion on the 2023-24 Budget estimated actual revenue of \$87.623 billion. The increase in revenue primarily reflects the Australian Government's decision in late June 2023 to make advance payments of Financial Assistance Grants (FAGs), DRFA payments and Social Housing Accelerator program grants.

Higher GGS expenses partly offset the improved revenue in 2022-23. GGS expenses totalled \$75.88 billion in 2022-23, \$563 million higher than the 2023-24 Budget estimated actual. The higher expenses largely reflect the on-passing to local councils of the advance payment of FAGs from the Australian Government.

Overview continued

GGS net debt in 2022-23 is \$2.615 billion, a \$3.237 billion improvement since the 2023-24 Budget. Refer Chart 3.2. Chart 3.2: 2022-23 General Government Sector net debt compared to budget forecasts



Source: 2022-23 and 2023-24 Queensland State Budgets, 2022-23 Budget Update and 2022-23 Queensland Report on State Finances

Higher than estimated net operating cash flows, partly as a result of advance grant payments from the Australian Government, contribute toward the lower net debt outcome in 2022-23. Better than expected market valuation of investments, loans and placements also contributed to lower net debt. These movements were partly offset by higher purchases of non-financial assets.

Net debt has improved significantly since the original 2022-23 Budget forecast of \$19.772 billion as the government has used stronger royalty revenue to reduce borrowing requirements and set aside investments for future regional infrastructure. GGS net debt has declined for a third consecutive year, demonstrating the broad strength of the Queensland economy following the Government's health response and recovery measures to the COVID-19 pandemic in 2019-20.

As at 30 June 2023, GGS borrowing totalled \$53.726 billion, \$967 million lower than the 2023-24 Budget estimated actual. Lower borrowing were 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) borrowing as at 30 June 2023 was \$102.821 billion, marginally higher than estimated actual in the 2023-24 Budget. Higher NFPS borrowing reflects a market value adjustment to derivatives held by energy Government-owned corporations (GOCs) to hedge movements in electricity prices, offset in part by lower GGS borrowing.

NFPS net debt is \$42.848 billion as at 30 June 2023, a \$2.801 billion improvement on the 2023-24 estimated actual projection. This improvement is predominantly due to the better than expected GGS net debt outcome.

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 the State's fiscal position and the net debt to revenue ratio indicates the Government's ability to service this debt.

Outcomes Report - Overview and Analysis

Fiscal principles continued

Like other Australian jurisdictions, Queensland's strong public health response to the COVID-19 virus and its decision to prioritise economic recovery resulted in an increase in gross borrowings and net debt, particularly in 2019-20. The Government is focused on stabilising net debt in the medium term by restoring operating surpluses, as per Fiscal Principle 2.

Queensland's net debt to revenue ratio was 3 per cent in 2022-23, a reduction from the 15 per cent ratio reported in the 2021-22 Outcome. The continued revenue strength in 2022-23 has resulted in a consecutive year reduction in the GGS net debt to revenue ratio and reflects the Government's prudent management of short term revenue uplifts to restore fiscal buffers and provide capacity to invest in transformative 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 2022-23 Budget, from an operating deficit of \$1.029 billion to an operating surplus of \$13.93 billion. This historical surplus follows the previous record surplus of \$4.284 billion (restated) in 2021-22.

In 2022-23, revenues grew by 21.1 per cent and expenses by 8.6 per cent compared to 2021-22. Adjusting revenue for the extraordinary uplift from royalty revenue driven by high commodity prices over the last 2 years, revenue growth was 9.7 per cent, over 1 per cent higher than expenses growth in 2022-23.

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.

In 2022-23, GGS net cash flows from operating activities of \$19.885 billion were more than double the GGS net cash flows from investments in non-financial assets of \$9.718 billion, enabling lower borrowings in the short term to provide capacity for the state's future capital program.

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 2022-23 was \$17.561 billion, \$559 million, or 3.5 per cent higher than the estimated actual forecast in the 2023-24 Budget.

The Government announced in the 2023-24 Budget, the biggest infrastructure build ever undertaken by the State with a capital program of \$88.729 billion planned over the next 4 years to 2026-27. The expanded infrastructure program will focus on delivering increased health system capacity, decarbonisation of the state's energy system, improving water security and preparing for the Brisbane 2032 Olympic and Paralympic Games.

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.

At the time of the 2023-24 Budget, Queensland's taxation per capita was \$720 less than the average of other jurisdictions in 2021-22 (latest available data).

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. The next triennial review will report on the funding status of the scheme as at 30 June 2024.

As at 30 June 2023, WorkCover Queensland was fully funded.

Outcomes Report - Overview and Analysis

Key UPF Financial Aggregates

Outlined in the table below are the key aggregates, by sector for 2022-23. The actual outcome for 2022-23 is compared to the estimated actual per the 2023-24 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	87,623	89,810	15,835	16,270	98,403	100,821	
Expenses	75,317	75,880	14,887	15,222	85,660	86,341	
Net operating balance	12,305	13,930	948	1,048	12,743	14,480	
Capital purchases	9,194	9,899	4,489	4,497	13,601	14,300	
Fiscal balance	6,786	8,092	(824)	(904)	5,533	6,786	
Borrowing with QTC	47,014	46,166	43,074	43,276	90,088	89,442	
Leases and similar arrangements	7,586	7,519	354	367	7,941	7,887	
Securities and derivatives	93	41	4,447	5,458	4,533	5,491	
Borrowings	54,693	53,726	47,875	49,101	102,561	102,821	
Net Debt	5,852	2,615	39,804	40,240	45,649	42,848	

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

<u>Revenue</u>

General Government Revenue	2022-23 Est. Actual \$ million	2022-23 Outcome \$ million
Taxation revenue	20,563	20,601
Grants revenue	36,571	38,335
Sales of goods and services	6,344	6,483
Interest income	3,166	3,226
Dividend and income tax equivalent income	1,043	1,007
Other revenue	19,937	20,160
Total Revenue	87,623	89,810
Note:		
1. Numbers may not add due to rounding.		

General Government revenue totalled \$89.81 billion in 2022-23, up \$2.187 billion or 2.5 per cent compared to the 2023-24 Budget estimated actual projection of \$87.623 billion.

The increase in revenue since the 2023-24 Budget was in large part due to the Australian Government making grant payments in advance in 2022-23. Grants revenue was \$1.764 billion higher than the 2023-24 Budget estimated actual forecast. Grants revenue received in advance included \$758 million DRFA grants, representing around 40 per cent of DRFA payments budgeted to be received in 2023-24, \$620 million in Financial Assistance Grants (FAGs) brought forward in full from the 2023-24 financial year and \$398 million in up-front funding for the Social Housing Accelerator program. National Health Reform grant funding was also higher than forecast, however, this was largely offset by lower GST revenue and the timing of infrastructure grants.

Better than expected sales revenue, interest income and other revenue, including modestly higher royalty revenue, also contributed towards higher than forecast revenue compared to the estimated actual forecast.

Report on State Finances 2022-23 - Queensland Government

3-4

Key UPF Financial Aggregates continued

General Government Sector continued

Expenses

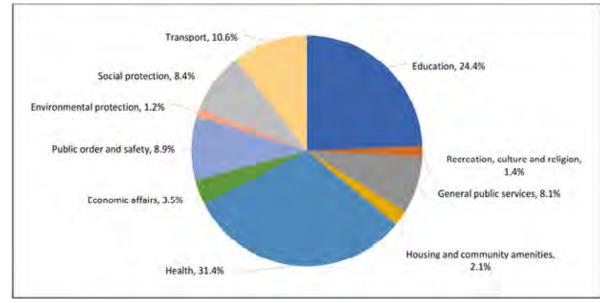
General Government Expenses	2022-23 Est. Actual \$ million	2022-23 Outcome \$ million
Employee expenses	30,279	30,557
Superannuation expenses		
Superannuation interest cost	775	776
Other superannuation expenses	3,733	3,756
Other operating expenses	20,287	20,014
Depreciation and amortisation	4,910	5,018
Other interest expenses	1,715	1,688
Grants expenses	13,618	14,072
Total Expenses	75,317	75,880
Note: 1. Numbers may not add due to rounding.		

Total GGS expenses for 2022-23 were \$563 million or 0.7 per cent higher than expected in the 2023-24 Budget.

The higher expenses largely reflect the on-passing to local councils of the advance payment of FAGs from the Australian Government.

GGS expenditure is focused on the delivery of core services to the community. As shown in Chart 3.3 below, education and health account for over half of the total expenses, consistent with their share in other jurisdictions.

Chart 3.3: 2022-23 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 \$13.93 billion for 2022-23. The 2022-23 outcome was a \$1.625 billion increase on the \$12.305 billion operating surplus forecast at the time of the 2023-24 Budget. Revenue was \$2.187 billion higher and expenses were \$563 million higher, 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 \$9.899 billion, which was \$705 million higher than the 2022-23 estimated actual. Reclassification of \$245 million capital expenditure from acquisitions of non-financial assets under new finance leases to purchases of non-financial assets partly were partly a factor for the increase compared to the estimated actual projection. The net increase in capital expenditure of \$459 million was due to higher than expected activity in the final quarter.

Fiscal Balance

The fiscal balance measure broadly shows how much of the acquisition of non-financial assets is financed by the net operating balance (excluding depreciation) and how much by borrowing.

The fiscal surplus of \$8.092 billion for 2022-23 was \$1.306 billion higher than the estimated actual projection of an \$6.786 billion surplus. The larger than forecast fiscal surplus is mainly due to the improved net operating surplus, offset in part by higher than expected net acquisition of non-financial assets.

<u>Borrowing</u>

Borrowing was \$53.726 billion, compared to the 2023-24 Budget projection of \$54.693 billion, a decrease of \$967 million. The lower balance partly reflects the increase in cash flows from operating activities offset in part by higher capital purchases. Not all of the improved net operating cash flows, net of higher capital purchases, flows through as a corresponding decrease in borrowings, as some of the additional net cash inflows were retained as cash balance at year end.

<u>Net Worth</u>

The GGS net worth was \$303.973 billion as at 30 June 2023, \$34.763 billion higher than the estimated actual included in the 2023-24 Budget. The increase is predominantly due to upward valuations of roads infrastructure, land under roads, school buildings and public housing.

Net Debt

Net debt is defined as the sum of particular financial liabilities: deposits held, advances received and borrowings less particular assets: cash and deposits, advances paid and investments, loans and placements. Financial liabilities exceeded financial assets in the GGS by \$2.615 billion at 30 June 2023, a \$3.237 billion reduction in net debt from the 2023-24 Budget estimate of \$5.852 billion.

Net debt has decreased since the 2023-24 Budget due to lower borrowings and higher cash balances from the improved net cash flows from operating activities partly offset by modestly higher capital purchases. Better than expected market valuations of investments, loans and placements also contributed to the improved net debt metric.

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 \$14.128 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 \$2.408 billion since the 2023-24 Budget reflecting the increased net operating surplus, better than expected market value adjustments to investments, loans and placements, and downward actuarial adjustments of the government's self insurance liabilities, offset in part by the increase in the actuarial valuations of the Long Service Leave Central Scheme.

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 comprehensive result for 2022-23 was \$54.349 billion, an increase of \$34.762 billion from the 2022-23 estimated actual forecast. The increase in the actual comprehensive result is mainly due to significant upward valuations of non-financial assets.

3-6

Outcomes Report - Overview and Analysis

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 \$1.048 billion, \$100 million higher than the 2023-24 Budget forecast.
- The fiscal balance was a deficit of \$904 million, compared to an estimated 2022-23 deficit of \$824 million. The modest increase in fiscal deficit is due to higher net acquisitions of non-financial assets of \$180 million exceeding the relative improvement in net operating balance.
- PNFC borrowing with Queensland Treasury Corporation (QTC) was \$202 million higher than budgeted due to the slight deterioration in net cash flows from operating activities. Securities and derivative liabilities were \$5.458 billion at year end, \$1.011 billion higher compared to the 2022-23 estimated actual projection. Higher securities and derivatives were primarily driven by market value movements in the value of electricity hedging contracts held by the generator GOCs.
- Net debt for the PNFC sector was \$40.24 billion, \$436 million higher than the 2023-24 Budget estimated actual forecast. Net debt has increased since the 2023-24 Budget partly due to higher borrowing with QTC resulting from lower than projected net cash flows from operating activities. 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 2022-23 was a surplus of \$11.098 billion.
- Purchases of non-financial assets for the SFS were \$14.309 billion.
- The SFS net worth was \$311.514 billion, an increase of \$55.842 billion compared to that published in the 2021-22 Outcomes Report. This was mainly due to non-financial asset revaluations and operating result achieved in 2022–23.

2022 - 23 Operating Statement by Sector (\$ million)

	General Go Sect		Public Non Corporation		Non-financial Pu	blic 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	20,563	20,601			20,190	20,189	-	20,051
Grants revenue	36,571	38,335	867	912	36,592	38,352	-	38,233
Sales of goods and services	6,344	6,483	14,314	14,735	17,719	18,161	3,140	20,838
Interest income	3,166	3,226	92	117	3,238	3,312	4,355	2,184
Dividend and income tax equivalent income Other revenue	1,043 19.937	1,007 20,160	562	- 506	167 20.497	164 20.644	- 144	- 20.778
Total Revenue from Transactions	87,623	20,160 89,810	00∠ 15,835	16,270	20,497 98,403	20,644 100.821	7.639	102,084
Total Revenue from Transactions	07,023	69,610	15,635	10,270	90,403	100,021	7,039	102,064
Expenses from Transactions		~~		0.500			450	
Employee expenses	30,279	30,557	2,491	2,532	32,623	32,925	453	32,988
Superannuation expenses Superannuation interest cost	775	776		(17)	775	759		759
Other superannuation expenses	3.733	3.756	290	308	4,024	4.063	29	4.092
Other operating expenses	20.287	20.014	7.087	7.608	24,427	24,544	2,934	27,468
Depreciation and amortisation	4.910	5.018	2,945	2,720	7.855	7.737	2,334	7.760
Other interest expenses	1.715	1.688	1.679	1.675	3,159	3.107	7.300	4.712
Grants expenses	13,618	14,072	25	29	12,798	13,206	119	13,206
Other property expenses	-		369	369			56	
Total Expenses from Transactions	75,317	75,880	14,887	15,222	85,660	86,341	10,913	90,986
Net Operating Balance	12,305	13,930	948	1,048	12,743	14,480	(3,274)	11,098
Other economic flows - included in operating result	(585)	198	(594)	(574)	(1,339)	(466)	4,024	5,052
Operating Result	11,720	14,128	355	474	11,404	14,014	750	16,150
Other economic flows - other movements in equity	7,866	40,221	3,711	3,316	8,181	40,333	(108)	39,692
Comprehensive Result - Total Change in Net Worth ^(d)	19,587	54,349	4,065	3,790	19,585	54,347	643	55,842
KEY FISCAL AGGREGATES								
Net Operating Balance	12,305	13,930	948	1,048	12,743	14,480	(3,274)	11,098
Net Acquisition/(Disposal) of Non-financial Assets								
Purchases of non-financial assets	9,194	9.899	4,489	4,497	13,601	14,300	9	14,309
Less Sales of non-financial assets	104	181	38	63	142	243	-	243
Less Depreciation	4,910	5,018	2,945	2,720	7,855	7,737	23	7,760
Plus Change in inventories	65	79	169	129	234	208	-	208
Plus Other movements in non-financial assets	1,275	1,058	97	108	1,371	1,167	2	1,169
Equals Total Net Acquisition of Non-financial Assets	5,520	5,838	1,772	1,952	7,210	7,694	(12)	7,682
Fiscal Balance	6.786	8.092	(824)	(904)	5.533	6.786	(3,262)	3,416

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

3-8

2022 - 23 Balance Sheet by Sector (\$ million)

Investments, loans and placements 48,330 49,426 5,638 6, Receivables 4,075 4,320 2,238 2, Equity Investments in other public sector entities 24,717 24,414 - Investments - other 165 175 56 Total financial assets 79,580 81,930 10,380 11, Non-Financial Assets 290,149 322,812 68,471 68, Cher non-financial assets 6,915 9,743 1,608 4, Total Non-financial Assets 297,064 332,554 70,079 72, Total assets 376,644 414,484 80,459 84, Liabilities 21,205 20,913 (400) (Other employee benefits 9,559 10,419 956 1, Deposits held - - 11 Advances received 1,782 1,909 4 Borrowing (a) 54,693 53,726 47,875 49, 0 11 Adv	al or Non-financial Public Sector (Public Financial Corporations ^{b)} Sector ^(b)	State Financial Sector
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Receivables 4,075 4,320 2,238 2, 2,238 2, 2, 56 10,380 11, Non-Financial Assets 290,149 322,812 68,471 70,079 72,72,772,72,772,772,772,772,773 70,079 72,72,72,72,72,72,72,72,72,72,72,72,72,7	194 53,967 55,6		103,039
Equity Investments in other public sector entities 24,717 24,414 - Investments - other 165 175 56 Total financial assets 79,580 81,930 10,380 11, Non-Financial Assets 290,149 322,812 68,471 68, Cother non-financial assets 6,915 9,743 1,608 4, Total Non-financial Assets 297,064 332,554 70,079 72, Total assets 376,644 414,484 80,459 84, Liabilities 29,212 2,035 2, 2,035 2, Payables 5,295 5,921 2,035 2, 3, 3,4,4000) () Other employee benefits 9,559 10,419 956 1, 1, 1, 1, 1, 1, 2,035 2, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1	742 5,413 6,2		6,603
Investments in other public sector entities 24,717 24,414 - Investments - other 165 175 56 Total financial assets 79,580 81,930 10,380 11, Non-Financial Assets 290,149 322,812 68,471 68, Land and other fixed assets 290,149 332,554 70,079 72, Other non-financial assets 6,915 9,743 1,608 4, Total Non-financial Assets 297,064 332,554 70,079 72, Total assets 376,644 414,484 80,459 84, Liabilities - - 11 - Payables 5,295 5,921 2,035 2, Superannuation liability 21,205 20,913 (400) (1) Other employee benefits 9,559 10,419 956 1, Deposits held - - 11 - Advances received 1,782 1,909 4 4 Borrowing (^a)<	0,110 0,2		0,000
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Non-Financial Assets 290,149 322,812 68,471 68, 0,6915 9,743 1,608 4, 1,608 4, 4,608 4, 1,608 4, 4,608 4, 8,0459 84, Liabilities 376,644 414,484 80,459 84, 5,295 5,921 2,035 2, 0,035 2, 2,035 2, 2,035 2, 2,035 2, 2,035 2, 2,035 2, 2,035 2, 2,035 1, 0,001 61, 0,019 956 1, 1, 0,01419 956 1, 1, 2,099 4 8, 4,833 1,7,82 1,909 4 8, 2,94 11, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,		74 -	174
Land and other fixed assets 290,149 322,812 68,471 68, Other non-financial assets 6,915 9,743 1,608 4, Total Non-financial assets 297,064 332,554 70,079 72, Total assets 376,644 414,484 80,459 84, Liabilities 79,255 5,921 2,035 2, Superannuation liability 21,205 20,913 (400) (100) <td>642 65,780 69,6</td> <td>57 184,108</td> <td>120,039</td>	642 65,780 69,6	57 184,108	120,039
Land and other fixed assets 290,149 322,812 68,471 68, Other non-financial assets 6,915 9,743 1,608 4, Total Non-financial Assets 297,064 332,554 70,079 72, Total assets 376,644 414,484 80,459 84, Liabilities - - 297,064 332,554 70,079 72, Superannuation liability 21,205 20,913 (400) (0,016 <t< td=""><td></td><td></td><td></td></t<>			
Other non-financial assets 6,915 9,743 1,608 4, Total Non-financial Assets 297,064 332,554 70,079 72, Total assets 376,644 414,484 80,459 84, Liabilities 5,295 5,921 2,035 2, Superannuation liability 21,205 20,913 (400) (1) Other employee benefits 9,559 10,419 956 1, Advances received 1,782 1,909 4 Borrowing (4) 54,693 53,726 47,875 49, Other liabilities 14,898 17,622 8,294 11, Total liabilities 107,434 110,511 58,774 63, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Net Financial Worth (27,853) (28,581) (48,395) (51,	176 358.619 390.9	87 132	391,119
Total Non-financial Assets 297,064 332,554 70,079 72, Total assets 376,644 414,484 80,459 84, Liabilities 29/205 5,921 2,035 2, Superannuation liability 21,205 20,913 (400) (Other employee benefits 9,559 10,419 956 1, Deposits held 1,782 1,909 4 11 Advances received 1,782 1,909 4 11 Borrowing (d) 54,693 53,726 47,875 49, 0ther liabilities 14,898 17,622 8,294 11, 11 Total liabilities 107,434 110,511 58,774 63, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Vert Financial Worth (27,853) (28,581) (48,395) (51,	707 1,125 1,2		1,216
Liabilities 5,295 5,921 2,035 2, Payables 5,295 5,921 2,035 2, Superannuation liability 21,205 20,913 (400) (Other employee benefits 9,559 10,419 956 1, Deposits held - - 11 Advances received 1,782 1,909 4 Borrowing (d) 54,693 53,726 47,875 49, Other liabilities 14,898 17,622 8,294 11, Total liabilities 107,434 110,511 58,774 63, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Vertinancial Worth (27,853) (28,581) (48,395) (51,	883 359,743 392,2	16 399	392,335
Payables 5,295 5,921 2,035 2, Superannuation liability 21,205 20,913 (400) (Other employee benefits 9,559 10,419 956 1, Deposits held - - 11 - 11 Advances received 1,782 1,909 4 - 11 Borrowing (d) 54,693 53,726 47,875 49, Other liabilities 14,898 17,622 8,294 11, Total liabilities 107,434 110,511 58,774 63, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Vert Financial Worth (27,853) (28,581) (48,395) (51,	526 425,523 461,8	73 184,507	512,373
Payables 5,295 5,921 2,035 2, Superannuation liability 21,205 20,913 (400) (Other employee benefits 9,559 10,419 956 1, Deposits held - - 11 - 11 Advances received 1,782 1,909 4 - 11 Borrowing (d) 54,693 53,726 47,875 49, Other liabilities 14,898 17,622 8,294 11, Total liabilities 107,434 110,511 58,774 63, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Vert Financial Worth (27,853) (28,581) (48,395) (51,			
Other employee benefits 9,559 10,419 956 1, Deposits held Advances received 1,782 1,909 4 Borrowing (d) 54,693 53,726 47,875 49, 0ther liabilities Total liabilities 14,898 17,622 8,294 11, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Net Financial Worth (27,853) (28,581) (48,395) (51,	105 6,484 7,2	75 171	7,340
Deposits held - - 11 Advances received 1,782 1,909 4 Borrowing (d) 54,693 53,726 47,875 49, Other liabilities 14,898 17,622 8,294 11, Total liabilities 107,434 110,511 58,774 63, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Vert Financial Worth (27,853) (28,581) (48,395) (51,	354) 20,805 20,5	59 -	20,559
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Borrowing (d) Other liabilities 54,693 14,898 53,726 17,622 47,875 8,294 49, 11, Total liabilities 14,898 17,622 8,294 11, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Verth (27,853) (28,581) (48,395) (51,		14 10,298	5,104
Other liabilities 14,898 17,622 8,294 11, Total liabilities 107,434 110,511 58,774 63, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES Vet Financial Worth (27,853) (28,581) (48,395) (51,		35 -	235
Total liabilities 107,434 110,511 58,774 63, Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES (27,853) (28,581) (48,395) (51,			132,216 23,765
Net Worth 269,210 303,973 21,685 21, KEY FISCAL AGGREGATES			200,859
KEY FISCAL AGGREGATES Net Financial Worth (27,853) (28,581) (48,395) (51,			,
Net Financial Worth (27,853) (28,581) (48,395) (51,	409 269,210 303,9	73 3,006	311,514
Net Einancial Liabilities	474) (90,533) (88,24	43) 2,606	(80,820)
	NA 93,566 91,24		80,820
Net Debt 5,852 2,615 39,804 40, Notes:	240 45,649 42,8	48 (11,014)	24,293

(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	47.014	46.166	43.074	43.276	90.088	89,442	-	-
Leases and other similar arrangements	7,586	7,519	354	367	7,941	7,887	485	8,372
Securities and derivatives	93	41	4,447	5,458	4,533	5,491	161,827	123,844
	54.693	53.726	47.875	49,101	102.561	102.821	162.312	132.216

Report on State Finances 2022–23 – Queensland Government

2022 - 23 Cash Flow Statement by Sector (\$ million)

				ns Sector		blic Sector (b)	Corporations Sector ^(b)	Financial Sector
	Est. Actual	Outcome	Est. Actual	Outcome	Est. Actual	Outcome	Outcome ^(c)	Outcome (c)
Cash Receipts from Operating Activities								
Taxes received	20,561	20,410	-	-	20,189	20,002	-	19,864
Grants and subsidies received	36,948	38,684	844	841	36,956	38,701	-	38,583
Sales of goods and services	5,712	6,886	17,086	17,092	19,495	20,825	3,404	23,777
Interest receipts	3,169	3,201	92	106	3,242	3,279	4,353	2,150
Dividends and income tax equivalents	837	922	-	-	91	101	-	-
Other receipts	20,498	22,502	425	402	20,838	22,843	176	23,010
	87,725	92,604	18,447	18,442	100,811	105,752	7,934	107,384
Cash Payments for Operating Activities	(0.1.70.1)	(0.4.000)	(0.750)	(0.750)	(07.400)	(00.040)	(175)	(00.000
Payments for employees	(34,791)	(34,232)	(2,758)	(2,750)	(37,403)	(36,818)	(475)	(36,903
Payments for goods and services	(20,955)	(23,090)	(9,449)	(9,727)	(27,094)	(29,729)	(2,103)	(31,835
Grants and subsidies	(13,532)	(13,777)	(25)	(29)	(12,720)	(12,984)	(119)	(12,984
Interest paid	(1,639)	(1,616)	(1,674)	(1,671)	(3,078)	(3,036)	(7,298)	(4,641
Other payments	(1)	(4)	(1,117)	(1,149)	(612)	(554)	(344)	(837
	(70,918)	(72,719)	(15,023)	(15,325)	(80,907)	(83,120)	(10,340)	(87,200
Net Cash Flows from Operating Activities	16,807	19,885	3,424	3,117	19,904	22,631	(2,406)	20,184
Cash Flows from Investing Activities Non-financial Assets								
Purchases of non-financial assets	(9,194)	(9,899)	(4,489)	(4,497)	(13,601)	(14,300)	(9)	(14,309)
Sales of non-financial assets	104	181	38	63	142	243	-	243
	(9,090)	(9,718)	(4,451)	(4,434)	(13,459)	(14,056)	(9)	(14,065
Financial Assets (Policy Purposes)	(774)	(766)	(703)	(711)	35	56	-	56
Financial Assets (Liquidity Purposes)	(7,122)	(8,035)	370	463	(6,752)	(7,573)	875	(550)
Net Cash Flows from Investing Activities	(16,986)	(18,519)	(4,784)	(4,682)	(20,177)	(21,573)	866	(14,559
Net Cash Flows from Financing Activities								
Advances received (net)	482	598	(1)	(1)	(62)	(28)	-	(28
Borrowing (net)	(942)	(1,318)	1,592	2,202	650	885	(1,337)	(452
Dividends paid	()	(.,=.=)	(246)	(246)			(40)	(
Deposits received (net)	-	-	(=)	3	-	3	1,878	(1,536
Other financing (net)	-	-	(296)	(523)	(1,264)	(1,401)	3,439	(1,084
Net Cash Flows from Financing Activities	(460)	(719)	1,049	1,435	(676)	(542)	3,940	(3,099
Net Increase/(Decrease) in Cash Held	(638)	647	(311)	(130)	(949)	516	2,400	2,526
KEY FISCAL AGGREGATES	, ,		, /	, 7	, 7			
	16.807	19.885	3.424	3.117	19.904	22.631	(2 406)	20.184
Net cash from operating activities Net cash from investments in non-financial assets	(9,090)	(9,718)	3,424 (4,451)	(4,434)			(2,406) (9)	20,184 (14,065
Dividends paid	(9,090)	(9,710)	(4,451) (246)	(4,434) (246)	(13,459)	(14,056)	(40)	(14,000
Cash Surplus/(Deficit)	7.717	10.167	(246) (1,273)	(246) (1,563)	6.444	8,575	(2,455)	- 6,119
Cash Garpias/(Dencity	1,111	10,107	(1,273)	(1,505)	0,444	0,575	(2,400)	0,119
Derivation of ABS GFS Cash Surplus/Deficit								
Cash surplus/(deficit)	7.717	10,167	(1,273)	(1,563)	6,444	8,575	(2,455)	6,119
Acquisitions under finance leases and similar	.,		(.,2/0)	(1,000)	0,.14	0,010	(2,:00)	5,110
arrangements	(1,082)	(849)	(34)	(49)	(1,116)	(899)	(2)	(900
ABS GFS Cash Surplus/(Deficit) Including	(1,502)	(010)	(04)	()	(.,.10)	(000)	(2)	(000
Finance Leases and Similar Arrangements	6,635	9,318	(1,307)	(1,613)	5,328	7,676	(2,457)	5,219
Notes:								

Nubes:
(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.

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Report on State Finances 2022–23 – Queensland Government

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	2022-23 Outcome \$ million
Taxes on employers' payroll and labour force	5,850
Taxes on property Land taxes Other	1,732 625
Taxes on the provision of goods and services Stamp duties on financial and capital transactions Financial institutions' transactions taxes Taxes on gambling Taxes on insurance	5,309 350 1,911 1,409
Taxes on use of goods and performance of activities Motor vehicle taxes Other Total Taxation Revenue	3,017 396 20,601

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

Dividend and Income Tax Equivalent Income	2022-23 Outcome \$ million
Dividend and Income Tax Equivalent income from PNFC sector Dividend and Income Tax Equivalent income from PFC sector	843 164
Total Dividend and Income Tax Equivalent income	1,007
Note: 1. Numbers may not add due to rounding.	
Report on State Finances 2022–23 – Queensland Government	3-1

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Outcomes Report - Other General Government UPF Data

General Government Sector continued

Grants Revenue	2022-23 Outcome \$ million
Current grants revenue	
Current grants from the Commonwealth	
General purpose grants	18,310
Specific purpose grants	10,699
Specific purpose grants for on-passing	4,740
Total current grants from the Commonwealth	33,749
Other contributions and grants	453
Total current grants revenue	34,202
Capital grants revenue	
Capital grants from the Commonwealth	
Specific purpose grants	4,088
Other contributions and grants	44
Total capital grants revenue	4,133
Total grants revenue	38,335
Note:	
NUCE.	

1. Numbers may not add due to rounding.

3,219
1015
4,015
267
776
2,921
446
11,643
619
1,615
70
125
2,430
14,072
-

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Report on State Finances 2022–23 – Queensland Government

Outcomes Report - Other General Government UPF Data

General Government Sector continued

Expenses by Function	2022-23 Outcome \$ million		2022-23 Outcome \$ million
General Public Services	6,135		23,864
Executive and legislative organs, financial and		Outpatient services	3,571
fiscal affairs, external affairs	991	Hospital services	13,057
General services	338	Mental health institutions	707
Public debt transactions	1,650	Community health services	4,972
Transfers of a general character between level		Public health services	536
of government	1,017	R&D - Health	224
General public services n.e.c.	2,139	Health n.e.c.	797
Public Order and Safety	6,703	Recreation, Culture and Religion	1,081
Police services	3,145	Recreation and sporting services	469
Civil and fire protection services	784	Cultural services	426
Law courts Prisons	1,105 1,615	Recreation, culture and religion n.e.c.	186
Public order and safety n.e.c.	53	Education	18,497
Fublic order and safety file.c.	55	Pre-primary and primary education	8,803
Economic Affairs	2,672	Secondary education	6,309
General economic, commercial and labour	2,012	Tertiary education	1,528
affairs	352	Subsidiary services to education	205
Agriculture, forestry, fishing and hunting	461	Education n.e.c.	1,652
Fuel and energy	964	Education n.e.e.	1,002
Mining, manufacturing and construction	487	Social Protection	6,390
R&D - Economic affairs	182	Sickness and disability	2,292
Other industries	205	Old age	202
Economic affairs	20	Family and children	2,227
	20	Housing	390
Environmental Protection	894	Social exclusion n.e.c.	259
Protection of biodiversity and landscape	508	Social protection n.e.c.	1,202
Environmental protection n.e.c.	386		.,=•=
		Transport	8,047
Housing and Community Amenities	1,597	Road transport	3,547
Housing development	903	Bus transport	127
Community development	137	Water transport	184
Water supply	253	Railway transport	2,389
Housing and community amenities n.e.c.	303	Multi-mode urban transport	933
	000	Transport n.e.c.	867
		Total	75,880

1. Numbers may not add due to rounding.

Report on State Finances 2022–23 – Queensland Government

General Government Sector continued

Purchases of Non-financial Assets by Function	2022-23 Outcome \$ million
General public services	255
Public order and safety	568
Economic affairs	24
Environmental protection	80
Housing and community amenities	458
Health	1,561
Recreation, culture and religion	83
Education	1,350
Social protection	83
Transport	5,437
Total	9,899
Note:	
1. Numbers may not add due to rounding.	
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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 interagency 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 2023.

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.

Dennis Molloy Deputy Under Treasurer Queensland Treasury Michael Carey Under Treasurer Queensland Treasury

16 October 2023

Report on State Finances 2022-23 - Queensland Government

QUEENSLAND TREASURY

2022–23 AASB 1049 Financial Statements

Overview and Analysis – 30 June 2023



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:

		overnment ctor 2022 \$ million	Total Sec 2023 \$ million	tor 2022
Taxation revenue Grants revenue Sales of goods and services Interest income Dividend and income tax equivalent income Other revenue Continuing Revenue from Transactions	20,601 38,335 6,483 3,226 1,007 20,160 89,810	20,011 34,135 5,896 2,643 790 10,710 74,185	20,051 38,233 20,838 2,184 - 20,778 102,084	19,508 34,034 20,282 1,188 - 11,164 86,176
Employee expenses Superannuation expenses Other operating expenses Depreciation and amortisation Other interest expenses Grants expenses Continuing Expenses from Transactions	30,557 4,532 20,014 5,018 1,688 14,072 75,880	28,068 3,763 18,229 4,506 1,508 13,827 69,902	32,988 4,851 27,468 7,760 4,712 13,206 90,986	30,251 4,045 26,075 7,250 4,064 13,167 84,853
Net Operating Balance	13,930	4,284	11,098	1,323
Other Economic Flows - Included in Operating Result	198	(913)	5,052	16,227
Operating Result	14,128	3,371	16,150	17,550
Other Economic Flows - Other Movements in Equity	40,255	36,755	39,727	36,538
Comprehensive Result 1	54,383	40,126	55,877	54,088
Purchases of non-financial assets	9,899	7,878	14,309	11,136
Fiscal Balance	8,092	(72)	3,416	(3,596)
Borrowing with QTC Leases and other similar arrangements Securities and derivatives	46,166 7,519 41	49,000 7,671 93	- 8,372 123,844	- 8,532 136,591
Assets Liabilities Net Worth	414,484 110,511 303,973	363,430 113,840 249,590	512,373 200,859 311,514	469,802 214,165 255,637
Net Debt	2,615	10,997	24,293	36,753

Note: 1. Comprehensive result is different to the Outcomes Report as it reflects the movement from the 2022 recast position, rather than the 2022 published position.

2. Numbers may not add due to rounding.

Report on State Finances 2022–23 – Queensland Government

Net Operating Balance

After a strong economic rebound in 2021-22, Queensland's economy has continued to strengthen in 2022-23 despite inflationary pressures both globally and domestically. The GGS net operating balance was an historically high surplus of \$13.93 billion compared to a restated surplus of \$4.284 billion in 2021-22. The 2022-23 record surplus was driven by the exceptionally high coal prices that have continued to be received by Queensland's coal producers, as well as the state's strong labour market performance.

GGS revenue rose by around 21 per cent (\$15.625 billion) while expenses grew by 8.6 per cent (\$5.978 billion).

The Total State Sector (TSS) net operating balance showed an operating surplus of \$11.098 billion compared to a restated surplus of \$1.323 billion in 2021-22.

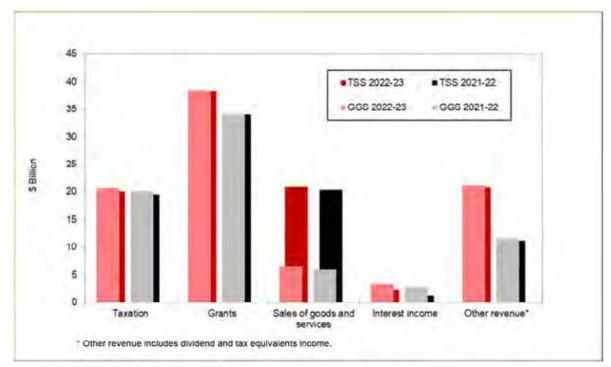
The variances are explained below.

Revenue

Revenue from transactions increased by 21 per cent from \$74.185 billion in 2021-22 to be \$89.81 billion in the GGS and totalled \$102.084 billion in the TSS, a rise of \$15.908 billion over 2021-22.

Revenues by type for the GGS and TSS are shown in the following chart:

Chart 4.1: General Government and Total State Sector Revenue by type compared to 2021-22



Taxation revenues for the GGS were \$20.601 billion in 2022-23, \$590 million or 2.9 per cent higher than 2021-22 and increased \$543 million to total \$20.051 billion for the TSS.

The increase in GGS taxation revenue reflects the strength of the domestic economic activity and the state's strong jobs growth and labour market performance. Aside from transfer duties, all taxation revenues experienced strong growth in 2022-23.

Payroll tax increased \$668 million, or 13.4 per cent in 2022-23 driven by strong employment and wages growth. In addition, from 1 January 2023, Queensland introduced a mental health levy for large businesses with national payrolls of more than \$10 million to provide a sustainable on-going funding source for mental health services and investment. Mental health levies collected in the first half of 2023 from businesses (outside of Queensland government) totalled \$182 million.

Gaming machine taxes and levies and motor vehicle registration were respectively \$266 million and \$123 million higher than 2021-22. Land taxes increased \$99 million in 2022-23 as a result of material increases in land values in recent years.

Report on State Finances 2022-23 - Queensland Government

Revenue continued

Duties declined \$826 million compared to 2021-22 in large part due to lower transfer duty as a result of significant moderation in both residential and non-residential activity following the exceptional rebound in property markets over the preceding two years.

Commonwealth and other grants comprised 43 per cent of GGS revenue and 38 per cent of TSS revenue. Grant revenue increased \$4.2 billion from 2021-22 for both the GGS and the TSS. The increase was due to

- higher GST revenue of \$2.227 billion primarily driven by a larger national GST pool;
- advance payment of \$758 million of disaster recovery funding, representing around 40% of DRFA payments expected to be received in 2023-24;
- an uplift in funding for Quality Schools, including for non-government schools;
- \$398 million in up-front funding for the Social Housing Accelerator program.

GGS sales of goods and services were \$587 million higher than 2021-22 largely due to revenue from public transport sales, hospital fees and transport and traffic fees. TSS sales of goods and services increased \$556 million compared to 2021-22.

Interest income of \$3.226 billion for the GGS was \$583 million higher than the 2021-22 due in part to interest earnings on investment of royalty windfalls in 2022 (\$2.5 billion) and 2023 (\$3 billion), and investment of an additional \$1 billion to support the Housing Investment Fund. TSS interest income increased \$996 million compared to 2021-22 driven by earnings on financial assets held by Queensland Treasury Corporation.

Dividend and income tax equivalent revenue for the GGS increased by \$217 million in comparison to 2021-22, reflecting a return to the normal GOC dividend policy in 2022-23 following the government's decision to allow GOCs to retain 2021-22 dividends for reinvestment in critical infrastructure. Higher dividend income is partly offset by lower tax equivalent revenue from electricity network GOCs.

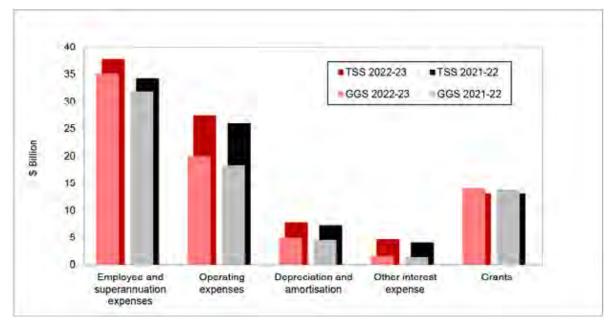
GGS other revenue was \$20.16 billion in 2022-23, \$9.45 billion higher than 2021-22 predominantly due to an increase in royalties and land rents. The increase in royalties was primarily driven by the combination of extraordinary strength in global coal and oil prices received by Queensland's key commodity producers and the introduction of new progressive coal royalty tiers. This increase flows through to the TSS.

Expenses

Total expenses for 2022-23 were \$75.88 billion for the GGS and \$90.986 billion for the TSS, \$5.978 billion and \$6.133 billion more than the previous year, respectively.

Expenses by type are shown in the following chart:

Chart 4.2: General Government and Total State Sector Expenses by Type compared to 2021-22



Report on State Finances 2022-23 - Queensland Government

Expenses continued

GGS employee and superannuation expenses together were \$3.258 billion or 10.2 per cent higher in 2022-23, broadly consistent with the estimate in the 2023-24 Budget. TSS employee and superannuation expenses were \$3.543 billion higher in 2022-23.

GGS employee expenses were \$2.489 billion (or 8.9 per cent) higher in 2022-23 in part due to numerous public sector agreements being certified within the financial year, combined with a 2.7 per cent increase in full time equivalent employees. Newly certified public sector agreements included wage increases of 4 percent in year one and two and 3 per cent in year 3, an uplift from expiring agreements annual wage increase of 2.5 per cent. In addition, certified agreements included a Cost of Living Adjustment (COLA) payment for employees where inflation exceeds headline wage increases established in agreements, capped at 3 per cent. COLA payments were triggered for newly certified agreements at the maximum cap of 3 percent, applied to base wages.

An increase in GGS superannuation expenses of \$769 million in 2022-23 arose from higher defined benefit costs due to changes in actuarial assumptions and new Queensland public sector superannuation arrangements coming into effect from 1 July 2023. The Queensland Government has simplified its employer contribution arrangements to 18 per cent of salary for police officers, 14.25 per cent for fire service officers and 12.75 per cent of salary for other employees. Superannuation contributions are payable on base salary, ordinary time allowances and paid leave.

Other operating expenses were \$1.785 billion higher in 2022-23 for the GGS mainly due to the \$175 Cost of Living Rebate on Queensland household's power bills, increased demand for health, education and child and family 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 \$1.393 billion higher in comparison to 2021-22 due to the higher costs in the GGS, offset in part by lower claims expenses for the Queensland National Injury Insurance Scheme.

Depreciation and amortisation increased by \$512 million for the GGS mainly due to increases in the stock and value of infrastructure.

GGS interest costs were \$1.688 billion, an increase of \$180 million on the previous year due to a rise in interest rates with GGS borrowing actually lower. The interest expense for TSS was \$648 million higher which reflects the increase in interest on client deposits, the nominal increase in external borrowing and higher interest rates.

Grant expenses were \$14.072 billion in the GGS, \$245 million higher than 2021-22. Contributing to the increase in grants expenses were higher Australian Government grants on-passed to non-government schools, payments as part of the Energy Price Relief Plan agreed by National Cabinet in December 2022 and higher community service obligations to Energy Queensland Limited. Higher grants expenses in 2022-23 were partly offset by the impact of waste levy payments made to councils in 2021-22 and the winding down of the Australian Government's HomeBuilder Grants program.

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 2022-23 year was a surplus of \$14.128 billion, compared to a surplus of \$3.371 billion in 2021-22. The significant upturn in the operating result is mainly due to the improved net operating balance, discussed above, improved market value adjustments to the fixed rate notes with QTC and actuarial adjustments to self-insurance liabilities.

The TSS operating result was a surplus of \$16.15 billion in 2022-23. This result is due in large part to the comparable improvement in the 2022-23 net operating balance and the net effect of realised and unrealised market value adjustments to investments and borrowings.

Fiscal Balance

The GGS fiscal surplus was \$8.092 billion for 2022-23 compared to a deficit of \$72 million for 2021-22. The TSS fiscal surplus was \$3.416 billion for 2022-23 compared to a deficit of \$3.596 billion for 2021-22. The changes are driven by the improved net operating balances offset to an extent by higher total net acquisitions of non-financial assets.

Assets

Assets controlled by the GGS at 30 June 2023 totalled \$414.484 billion, an increase of \$51.054 billion on 2021-22, while assets controlled by the TSS at 30 June 2023 totalled \$512.373 billion. This is an increase of \$42.571 billion from the 2021-2022 balance of \$469.802 billion.

Report on State Finances 2022–23 – Queensland Government

Assets continued

Financial assets in the GGS increased \$10.554 billion in the year to total \$81.93 billion as at 30 June 2023. This was mainly due to an increase in securities held following additional long-term asset investments made from the improved net operating cash flows and an increase in the investment in public enterprises. Higher investments reflect the \$3 billion investment of royalty windfalls to fund regional priority infrastructure projects and an additional \$1 billion investment to support the Housing Investment Fund, combined with the reinvestment of interest earnings for the Debt Retirement Fund. The increase in investments in public sector entities is largely due to improved net worth of government-owned electricity businesses and the National Injury Insurance Scheme, Queensland.

Financial assets of the TSS declined by \$1.738 billion, reflecting market value adjustments to derivatives held by government-owned electricity generation businesses, offset to a large extent by higher cash balances and securities held mainly by QTC.

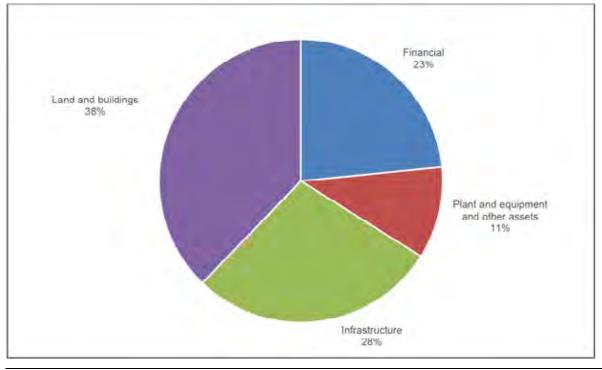
Non-financial assets increased by \$40.499 billion in the GGS due to revaluations of land under roads, road infrastructure and schools, as well as capital purchases exceeding depreciation. The increase at the TSS level was \$44.31 billion.

Of the TSS assets, GGS assets comprised 81 per cent. Total assets are made up of:

	General Government	Total State
	\$M	\$M
Financial	81,930	120,039
Infrastructure	90,560	144,911
Land and buildings	188,326	193,617
Plant and equipment and other	44,642	53,807
Deferred tax asset	9,026	—
	414,484	512,373

The main types of assets owned by the State are detailed in the following chart:

Chart 4.3: Total State Assets by Type



Report on State Finances 2022-23 - Queensland Government

Liabilities

Liabilities at 30 June 2023 totalled \$110.511 billion for the GGS and \$200.859 billion for the TSS, a decrease of \$3.329 billion over 2021-22 for the GGS and a decrease of \$13.306 billion for the State.

The overall decline in liabilities for the GGS is due to some extent to the record operating surplus in 2022-23 partly flowing through to reduced borrowing with QTC (\$2.834 billion). Lower deferred tax liabilities (\$1.285 billion), mainly from Stanwell Corporation, also contribute to the decline in liabilities within the year.

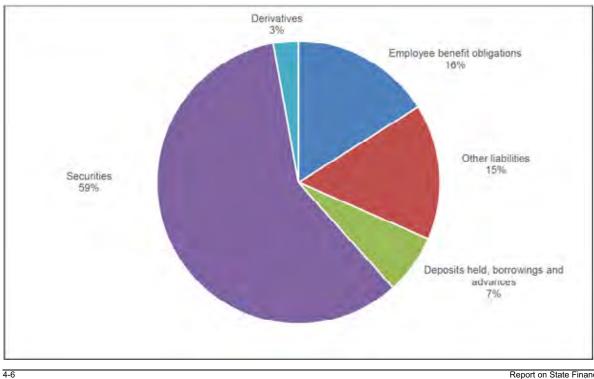
For the TSS, derivatives held by GOC electricity generation businesses declined \$11.945 billion, largely reflecting downward valuations of hedging contracts. Lower deposits primarily held by QTC (\$1.535 billion) also factored into the decline in TSS liabilities.

Of the TSS liabilities, GGS liabilities comprised 55 per cent. Total liabilities are made up of:

	General Government	Total State
	\$M	\$M
Securities	—	118,114
Derivatives	41	5,729
Deposits held, borrowings and advances	55,594	13,711
Employee benefit obligations	31,332	32,200
Other liabilities	23,544	31,105
	110,511	200,859

The components of State liabilities are shown in the following chart:

Chart 4.4: Total State Liabilities by Type



Report on State Finances 2022-23 - Queensland Government

Net Debt

The GGS net debt was \$2.615 billion at 30 June 2023, compared to \$10.997 billion in 2021-22, an improvement of \$8.382 billion. The improvement in net debt is largely driven by the record net operating surplus in 2022-23 flowing through to higher cash balances, investments and reduced borrowings with QTC.

TSS net debt at 30 June 2023 was \$24.293 billion, an improvement of \$12.46 billion on 2022, largely due to an increase in securities held by QTC for whole-of-government long term liabilities and capital market operations, and a net decrease in derivative liabilities held by energy GOCs to hedge market movements in electricity prices.

Cash Flow Statement

The GGS recorded positive net cash flows from operating activities of \$19.885 billion which were used to fund net investments in non-financial assets of \$9.718 billion, resulting in a cash surplus of \$10.167 billion (cash surplus of \$2.816 billion in 2021-22).

The TSS recorded net cash flows from operating activities for the 2022-23 financial year of \$20.184 billion. After net investments in non-financial assets of \$14.065 billion, the resulting cash surplus is \$6.119 billion, compared to a \$182 million cash deficit for 2021-22.

Report on State Finances 2022–23 – Queensland Government

QUEENSLAND TREASURY

2022–23 Audited Information

Queensland General Government and Whole of Government Consolidated Financial Statements 30 June 2023



Operating Statement for Queensland for the Year Ended 30 June 2023

	General Gov		Total S	
Notos	2023 \$M	2022	2023 \$M	2022
Continuing Operations Notes	ΦIVI	\$M	ΦΙνι	\$M
Revenue from Transactions				
Taxation revenue 3	20,601	20,011	20,051	19,508
	38,335	34,135	38,233	34,034
			20.838	
Sales of goods and services5Interest income6	6,483 3,226	5,896 2,643	20,030 2,184	20,282 1,188
	1,007	2,043	2,104	1,100
Dividend and income tax equivalent income 7 Other revenue 8	20,160	10,710	- 20,778	- 11,164
Total Revenue from Transactions	89,810	74,185	102,084	86,176
	,	,	,	,
Expenses from Transactions	00 557	00.000	00.000	00.054
Employee expenses 9	30,557	28,068	32,988	30,251
Superannuation expenses 10	4,532	3,763	4,851	4,045
Other operating expenses 11	20,014	18,229	27,468	26,075
Depreciation and amortisation 12	5,018	4,506	7,760	7,250
Other interest expenses 13	1,688	1,508	4,712	4,064
Grants expenses 14	14,072	13,827	13,206	13,167
Total Expenses from Transactions	75,880	69,902	90,986	84,853
Net Operating Balance from Continuing Operations	13,930	4,284	11,098	1,323
Other Frenzis Flows Included in Occuration Decult				
Other Economic Flows - Included in Operating Result	44	(0)	040	4 000
Gains/(losses) on sale of assets/settlement of liabilities 15	11	(6)	213	1,822
Revaluation increments/(decrements) and impairment (losses)/reversals	64	(1,087)	3,660	26
Asset write-downs 17	(271)	(516)	(300)	(535)
Actuarial adjustments to liabilities 18	236	906	386	1,523
Deferred income tax equivalents 1(i)	(103)	(446)	-	-
Dividends and tax equivalents treated as capital returns 19	90	80	-	-
Other 20	171	155	1,094	13,391
Total Other Economic Flows - Included in Operating Result	198	(913)	5,052	16,227
Operating Result from Continuing Operations	14,128	3,371	16,150	17,550
Other Economic Flows - Other Movements in Equity				
Adjustments to opening balances *	-	(14)	-	(14)
Revaluations	40,255	36,770	39,727	36,552
Total Other Economic Flows - Other Movements in Equity 21	40,255	36,755	39,727	36,538
Comprehensive Result/Total Change in Net Worth	54,383	40,126	55,877	54,088
KEY FISCAL AGGREGATES				
Net Operating Balance	13,930	4,284	11,098	1,323
Net Acquisition/(Disposal) of Non-Financial Assets				
Purchases of non-financial assets	9,899	7,878	14,309	11,136
Less Sales of non-financial assets	181	254	243	319
Less Depreciation	5,018	4,506	7,760	7,250
Plus Change in inventories	79	(77)	208	(29)
Plus Other movement in non-financial assets	1,058	1,315	1,169	1,382
Equals Net Acquisition/(Disposal) of Non-Financial Assets	5,838	4,356	7,682	4,919
Fiscal Balance	8,092	(72)	3,416	(3,596)

This Operating Statement should be read in conjunction with the accompanying notes. Note 2 provides disaggregated information in relation to the above components.

Audited Consolidated Financial Statements 2022–23 – Queensland Government

Balance Sheet for Queensland as at 30 June 2023

		General Go 2023	vernment 2022	Total 3 2023	State 2022
	Notes	\$M	\$M	\$M	\$M
Assets		,	r	r	,
Financial Assets					
Cash and deposits	22	2,357	1,710	9,007	6,481
Receivables and loans					
Receivables	23(a)	4,320	4,160	6,603	6,335
Advances paid	23(b)	1,239	1,233	1,215	1,216
Loans paid	23(c)	306	330	11,224	12,344
Securities other than shares	24(a)	49,120	43,805	91,815	95,230
Shares and other equity investments					
Investments in public sector entities	24(b)	24,414	19,973	-	-
Investments in other entities		16	6	16	6
Investments accounted for using the equity method	25(a)	159	159	158	166
Total Financial Assets		81,930	71,376	120,039	121,777
Non-Financial Assets					
Inventories	27	731	650	1,644	1,410
Assets held for sale	28	72	84	75	84
Investment properties	29	451	498	812	838
Property, plant and equipment	31	309,203	269,433	375,479	332,370
Intangibles	32	728	739	1,750	1,738
Service concession assets - GORTO	33	11,660	10,608	11,660	10,608
Deferred tax asset	1(i)	9,026	9,270	-	-
Other non-financial assets	34	682	772	915	977
Total Non-Financial Assets		332,554	292,055	392,335	348,025
Total Assets		414,484	363,430	512,373	469,802
		, -		- ,	
Liabilities	05	5 004	5 000	7.040	0.000
Payables	35	5,921	5,222	7,340	6,982
Employee benefit obligations	20(-)	00.040	00.400	20 550	04 700
Superannuation liability	36(a)	20,913	22,168	20,559	21,768
Other employee benefits	36(b)	10,419	9,029	11,641	10,137
Deposits held	37(a)	-	-	5,104	6,639
Advances received	37(b)	1,909	1,310	235	262
Borrowing with QTC	37(c)	46,166	49,000	- 8,372	9 522
Leases and other loans Securities and derivatives	37(d) 37(e)	7,519 41	7,671 93	0,372 123,844	8,532 136,591
			5,695	123,044	130,391
Deferred tax liability Provisions	1(i) 38	4,410 4,991	5,695	- 14,593	- 13,888
Service concession liabilities - GORTO	33	7,207	7,442	7,207	7,442
Other liabilities	39	1,015	1,089	1,966	1,925
Total Liabilities	55	110,511	113,840	200,859	214,165
					·
Net Assets		303,973	249,590	311,514	255,637
Net Worth					
Accumulated surplus		110,042	95,171	118,597	101,505
Reserves		193,931	154,419	192,917	154,132
Total Net Worth		303,973	249,590	311,514	255,637
KEY FISCAL AGGREGATES					
Net Financial Worth		(28,581)	(42,465)	(80,820)	(92,388)
Net Financial Liabilities		52,995	62,438	80,820	92,388
Net Debt		2,615	10,997	24,293	36,753
		_,010	,	,200	

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.

5-2

Audited Consolidated Financial Statements 2022-23 - Queensland Government

Statement of Changes in Equity (Net Worth) for Queensland General Government Sector for the Year ended 30 June 2023

	Opening Balance		Comprehensiv	Comprehensive Result for Period		Closing Balance
		Adjustments to Opening Balances ²	Movements ³	Transfers/Entity Cessation ³	Actuarial Gain/ (Loss) on Superannuation ¹	
	\$M	\$M	\$M	\$M	\$M	\$M
2023 Accumulated surplus	95,171		14,127		744	110,042
Revaluation reserve - Intancial assets	11,053	1	4,178	1	ı	15,232
non-financial assets	143,259	T	35,334	(3)	,	178,589
Other reserves	107			ω		
Total equity at the end of the financial year	249,590		53,639		744	303,973
2022						
Accumulated surplus	87,251	(14)	3,371	(25)	4,589	95,171
assets	13,339		(2,312)	27		11,053
Non-financial assets Other reserves	108,759 116		34,493	(<u>6</u>) 2		143,259 107
Total equity at the end of the financial year	209,464	(14)	35,551		4,589	249,590
Notes:						
1. Refer to Note 21 – Other economic flows – other movement in equity.	economic flows –	other movement ir	n equity.			
2. Adjustments to opening balance largely relate to accounting for water infrastructure.	alance largely rela	ite to accounting fo	or water infrastru	ucture.		
3. There have been immaterial adjustments to 2022 movements and transfers.	ial adjustments to	2022 movements	and transfers.			

Audited Consolidated Financial Statements 2022-23 - Queensland Government

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Statement of Changes in Equity (Net Worth) for Queensland Total State Sector for the Year ended 30 June 2023

255,637	4,693		49,409	(14)	201,549	iotal equity at the end of the financial year
1,059	 .	(418)	 .	 .	1,477	Other reserves
155,298		(162)	34,716		120,744	Revaluation reserve - non-financial assets
(2,226)		27	(2,857)		604	Revaluation reserve - financial assets
101,505	4,693	553	17,550	(14)	78,724	2022 Accumulated surplus
311,514	712		55,165		255,637	Total equity at the end of the financial year
994		(65)			1,059	Other reserves
191,924	1	(164)	36,789	,	155,298	Revaluation reserve - non-financial assets
			2,226	•	(2,226)	Revaluation reserve - financial asset
118,597	712	229	16,150		101,505	Accumulated surplus
\$M	AIA M	\$W	M¢	\$W	A M	2023
9	Actuarial Gain/ (Loss) on Superannuation ¹	Transfers/Entity Cessation ³	Movements ³	Adjustments to Opening Balances ²	9	
Closing Balance		Comprehensive Result for Period	Comprehensi		Opening Balance	

Notes:

1. Refer to Note 21 – Other economic flows – other movement in equity.

2. Adjustments to opening balance largely relate to accounting for water infrastructure.

3. There have been immaterial adjustments to 2022 movements and transfers.

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Audited Consolidated Financial Statements 2022-23 - Queensland Government

Cash Flow Statement for Queensland for the Year Ended 30 June 2023

		General Gov	vernment	Total Si	tate
		2023	2022	2023	2022
Cook Flows from Onersting Activities	Notes	\$M	\$M	\$M	\$M
Cash Flows from Operating Activities Cash received					
Taxes received		20,410	20,764	19,864	20,272
Grants and subsidies received		38,684	34,378	38,583	34,276
Sales of goods and services		6,886	6,297	23,777	22,567
Interest receipts		3,201	2,638	2,150	1,183
Dividends and income tax equivalents		922	1,202	-	-
Other receipts		22,502 92,604	12,478 77,757	23,010 107,384	12,950 91,247
Cash paid		52,004	11,151	107,504	51,247
Payments for employees		(34,232)	(31,739)	(36,903)	(34,168)
Payments for goods and services		(23,090)	(20,510)	(31,835)	(28,650)
Grants and subsidies paid		(13,777)	(13,628)	(12,984)	(12,979)
Interest paid		(1,616)	(1,441)	(4,641)	(3,996)
Other payments		(4) (72,719)	- (67,318)	(837) (87,200)	(820) (80,613)
Net Cash Flows from Operating Activities	40(a)	19,885	10,440	20,184	10,634
Cash Flows from Investing Activities in					
Non-Financial Assets					
Purchases of non-financial assets		(9,899)	(7,878)	(14,309)	(11,136)
Sales of non-financial assets		181	254	243	319
Einensiel Assets (Believ Durnsses)		(9,718)	(7,624)	(14,065)	(10,817)
Financial Assets (Policy Purposes) Equity acquisitions / disposals		(818)	12		3
Advances and concessional loans paid		(133)	(157)	(131)	(161)
Advances and concessional loans received		186	272	186	270
		(766)	127	56	112
Financial Assets (Liquidity Purposes)					
Purchases of investments		(13,936)	(6,470)	(62,617)	(45,758)
Sales of investments		5,900	2,580	62,067	32,718
		(8,035)	(3,889)	(550)	(13,041)
Net Cash Flows from Investing Activities		(18,519)	(11,386)	(14,559)	(23,746)
Cash Flows from Financing Activities					
Cash received		0.004			
Advances received		3,264	2,339	3	1
Proceeds of borrowing Deposits received		43	3,088	5,987 5,563	2,888 6,472
Other financing (including interest bearing liabilities)		-	_	26,755	30,244
		3,306	5,427	38,309	39,606
Cash paid		.,			,
Advances paid		(2,665)	(2,465)	(31)	(40)
Borrowing repaid		(1,360)	(1,435)	(6,439)	(6,381)
Deposits withdrawn		-	-	(7,099)	(6,217)
Other financing (including interest bearing liabilities)		-	-	(27,839)	(19,798)
		(4,025)	(3,900)	(41,408)	(32,436)
Net Cash Flows from Financing Activities		(719)	1,527	(3,099)	7,170
Net Increase/(Decrease) in Cash and Deposits Held		647	581	2,526	(5,942)
Cash and deposits at the beginning of the financial year		1,710	1,129	6,481	12,423
Cash and Cash Equivalents Held at the End of the Financial Year	22	2,357	1,710	9,007	6,481

Audited Consolidated Financial Statements 2022–23 – Queensland Government

Cash Flow Statement for Queensland for the Year Ended 30 June 2023 continued

	General G		Total S	
No	2023 es \$M	2022 \$M	2023 \$M	2022 \$M
KEY FISCAL AGGREGATES				
Net Cash from Operating Activities Net Cash Flow from Investments in Non-Financial Assets	19,885 (9,718)	10,440 (7,624)	20,184 (14,065)	10,634 (10,817)
CASH SURPLUS/(DEFICIT)	10,167	2,816	6,119	(182)
Derivation of ABS GFS Cash Surplus/Deficit Cash surplus/(deficit) Acquisitions under finance leases and similar arrangements ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	10,167 (849) 9,318	2,816 (1,051) 1,765	6,119 (900) 5,219	(182) (1,070) (1,252)

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.

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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 (TSS) 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. The asset is reported as 'Investments in public sector entities' on the Balance Sheet.

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 1(I) 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 (TSS) 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.

Audited Consolidated Financial Statements 2022-23 - Queensland Government

Sectors continued (c)

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.

New and changed accounting standards and accounting policies (e)

Accounting Standards applied for the first time in 2022-23

No new accounting standards effective for the first time in 2022-23 had a material impact on the State.

Future impact of accounting standards not yet effective

AASB 17 Insurance Contracts

This standard applies to insurance contracts and is proposed to be effective for the public sector in 2026-27. Public sector specific modifications and guidance include:

- re-requisites, indicators and other considerations that need to be judged to identify arrangements that fall within the scope of AASB 17 in a public sector context;
- guidance on coverage periods in a public sector context, which has consequences for determining the cash flows used to measure insurance liabilities and the pattern of revenue recognition; and
- an accounting policy choice to measure liabilities for remaining coverage applying the premium allocation approach.

The State has not yet commenced in-depth analysis of the potential accounting impact of AASB 17 for its insurance contracts.

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.

Audited Consolidated Financial Statements 2022–23 – Queensland Governmen

(f) Reporting period

The reporting period of the GGS and TSS is the financial year ended 30 June 2023.

(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 material 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 are translated to Australian dollars at rates of exchange prevalent at balance date.

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.
- 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.

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Audited Consolidated Financial Statements 2022–23 – Queensland Government

(h) Basis of measurement continued

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 GORTO arrangements and unearned revenue are measured at their amortised amounts after deducting revenue earned to date.

(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 1(I) 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.

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 assets and non-financial assets

- 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.

All assets that are not "financial assets" are non-financial assets.

Audited Consolidated Financial Statements 2022–23 – Queensland Government

(k) Key GFS technical terms continued

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 and TSS, net worth is the result of 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.

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.

Transactions

Refer Note 1(j).

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Audited Consolidated Financial Statements 2022-23 - Queensland Government

(I) 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 I	Net Operating Balance
Onerous contract expenses are recognised as other economic flows included in the operating result.	Onerous contract expenses are recognised as expenses from transactions when payments are made from the provision.
Dividends to owners are treated as a distribution to owners and therefore a direct debit to equity.	
	The differences do not flow through to the TSS as they arise from inter-sector transactions.
Lease expenses related to leased assets recognised on the Balance Sheet are recognised as amortisation expenses and lease finance charges	when paid.
An elimination difference arises in respect of social benefits.	Certain transactions within and between the GGS and the PNFC Sector are not eliminated on consolidation of the GGS of
Under AASB 10, intragroup transactions are eliminated in full.	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 G	FS 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	
Reconciliation to GFS Net Wo	orth 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.	
Operating leases are recognised on the balance sheet under AASB 16 <i>Leases</i> unless the lease is shorter than 12 months or where the underlying assets are worth less than \$10 000 when new.	Operating leases are not recognised on the balance sheet.
Restoration assets and restoration provisions are recognised in the Balance Sheet.	recognised.
Deferred tax assets are classified as non-financial assets and deferred tax liabilities are classified as non-financial liabilities in the palanee Sheet	
the Balance Sheet.	The difference does not flow through to the TSS as it arises from inter-sector transactions.
Service concession arrangements – GORTO assets and GORTO liabilities have been recognised in the Balance Sheet.	GORTO liabilities are not recognised.
A provision for onerous contracts is recognised on the Balance Sheet.	
Net Worth is calculated as assets less liabilities.	Net worth is measured as assets less liabilities less shares/contributed equity.
Reconciliation to GFS	
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).

Audited Consolidated Financial Statements 2022–23 – Queensland Government

Notes to the Financial Statements

2. Disaggregated information

Non-Financial Assets Fiscal Balance	Plus Change in inventories Plus Other movement in non-financial assets	Net Acquisition/(Disposal) of Non-Financial Assets Purchases of non-financial assets Less Sales of non-financial assets Less Depreciation	Net Operating Balance	KEY FISCAL AGGREGATES	Comprehensive Result/Total Change in Net Worth	Other Economic Flows - Other Movements in Equity	Operating Result from Continuing Operations	Other Economic Flows - Included in Operating Result	Net Operating Balance from Continuing Operations	Continuing Operations Revenue from Transactions Taxation revenue Grants revenue Sales of goods and services Interest income Dividend and income tax equivalent income Other revenue from Transactions Expenses from Transactions Employee expenses Superannuation expenses Other operating expenses Depreciation and amortisation Other interest expenses Grants expenses Grants expenses Other property expenses Total Expenses from Transactions
5,838 8,092	79 1,058	9,899 181 5,018	13,930		54,383	40,255	14,128	198	13,930	General 2023 2023 \$M \$M \$M \$M \$1,007 20,01 38,335 34,133 6,483 5,890 3,262 2,643 1,007 790 20,014 10,711 89,810 74,18 30,557 28,063 4,532 3,763 5,018 4,500 1,688 1,503 14,072 13,827 75,880 69,900
4,356 (72)	(77) 1,315	7,878 254 4,506	4,284		40,126	36,755	3,371	(913)	4,284	General yvernment * 301 20,011 335 34,135 346 10,710 310 74,185 326 2,643 3007 10,710 310 74,185 327 28,068 323 3,763 314 18,229 314 18,229 314 18,229 314 18,229 315 28,068 322 3,763 316 3,763 317 4,1508 327 28,068 328 1,508 329 2,72 329 1,827 320 2,902
1,952 (904)	129 108	4,497 63 2,720	1,048		3,799	3,324	474	(574)	1,048	Public Non-financial Corporations * 2023 2022 \$M \$M \$M \$M 912 697 14,735 14,894 117 66 506 293 506 293 14,735 14,894 117 66 2,532 2,535 2,720 15,951 1,675 1,615 1,675 1,616 2,720 2,719 1,675 1,616 2,720 2,720 2,720 2,719 1,675 1,610 2,720 2,720 2,720 2,720 1,675 1,610 1,675 1,610 2,9 2,9 369 505 369 505 15,222 14,897
461 593	48 60	3,134 63 2,719	1,054		(1,024)	(1,951)	927	(126)	1,054	<i>ions</i> : 2022 \$M 14,894 66 7,484 2,254 2,719 1,610 1,610 1,610 1,610
(12) (3,262)	2 -	23 - 9	(3,274)		642	(108)	750	4,024	(3,274)	Public Financia <u>Corporations *</u> 2023 2023 \$M \$M - - 3,140 2,726 4,355 3,463 1,44 177 7,639 6,377 7,639 6,377 2,934 3,229 2,934 3,229 7,300 6,336 119 114 10,913 10,177
(16) (3,790)	о ₁	2 ეკი სა	(3,806)		(411)	1	(421)	3,384	(3,806)	titions * 2022 2,726 3,467 4,372 6,372 6,372 398 3,229 6,372 2,5 6,336 4,114 49 10,178
(96) (510)		- - (96)	(606)		(2,946)	(3,745)	799	1,405	(606)	Consolidation Adjustments 2023 202 \$M \$ \$M \$ (1,014) (79) (3,520) (50) (1,014) (79) (1,013) (4,32) (1,635) (10,33) (11,635) (10,33) (11,635) (10,33) (10,31) (4,86) (3,088) (2,86) (1,014) (73) (1,014) (73) (1,014) (73) (1,014) (73) (11,029) (10,11)
118 (326)		118 	(209)		15,397	1,723	13,673	13,882	(209)	Internet 2022 \$M \$M (503) (799) (3,234) (19) (790) (19,322) (10,332) (2,867) (5,391) (5,391) (599) (10,124)
7,682 3,416	208 1,169	14,309 243 7,760	11,098		55,877	39,727	16,150	5,052	11,098	Z023 2 \$M \$ \$\$M \$ \$\$0,051 19, 38,233 34, 20,838 20, 2,184 1, 20,778 11, 20,778 11, 102,084 86, 7,760 7,766 7,766 7,766 7,766 13,206 13,206 13,206 13,206 13,206 90,986 84,
4,919 (3,596)	(29) 1,382	11,136 319 7,250	1,323		54,088	36,538	17,550	16,227	1,323	2022 2022 \$M 19,508 34,034 20,282 1,188 11,164 86,176 30,251 4,045 26,075 26,

* See Note 1(c) for explanation of sectors

Audited Consolidated Financial Statements 2022-23 - Queensland Government

2. Disaggregated information continued

Balance Sheet

* Son Note 1/n/ for exploration of antion	Non-Financial Assets Inventories Assets held for sale Investment properties Property, plant and equipment Intangibles Service concession assets - GORTO Deferred tax asset Other non-financial assets Total Non-Financial Assets	Shares and other equity investments Investments in public sector entities Investments in other entities Investments accounted for using the equity method Total Financial Assets	Cash and deposits Receivables and loans Receivables Advances paid Loans paid Securities other than shares	Assets Financial Assets
414,484	731 72 451 309,203 728 11,660 9,026 9,026 682 332,554	24,414 16 159 81,930	2,357 4,320 1,239 306 49,120	General Government * 2023 20 \$M \$
363,430	650 84 269,433 739 10,608 9,270 772 292,055	19,973 6 159 71,376	1,710 4,160 1,233 330 43,805	sral ment * 2022 \$M
84,525	912 361 1,004 4,154 72,883	- - 11,642	1,031 2,743 1,675 1,356 4,837	Public Non-financial Corporations * 2023 2022 \$M \$M
91,339	760 - 62,812 978 - 5,431 247 7 0,568	- - 6 20,771	1,162 2,637 1,053 2,178 13,736	financial ions * 2022 \$M
184,507	114 18 256 3 99	- - 184,108	7,801 485 - 91,463 84,360	Public Financial Corporations * 2023 202 \$M \$1
178,964	124 21 266 11	- - 178,542	5,401 439 - 94,639 78,061	nancial tions * 2022 \$M
(171,143)	- - - (13,436) (66) (13,501)	(24,414) - (1) (157,642)	(2,182) (945) (1,699) (81,901) (86,501)	Consolidation Adjustments 2023 20 \$M \$
(171,143) (163,931) 512,373	- - - (14,967) (14,967) (15,019)	(24,414) (19,973) - - (157,642) (148,912)	(1,792) (901) (1,070) (84,804) (40,373)	dation <u>nents</u> 2022 \$M
	1,644 75 812 375,479 1,750 11,660 - 915 915 392,335	- 16 158 120,039	9,007 6,603 1,215 11,224 91,815	Total State 2023 2 \$M
469,802	1,410 84 332,370 1,738 10,608 977 348,025	- 6 166 121,777	6,481 6,335 1,216 12,344 95,230	State 2022 \$M

* See Note 1(c) for explanation of sectors

Audited Consolidated Financial Statements 2022-23 - Queensland Government

Notes to the Financial Statements

Ņ Disaggregated information continued

Balance Sheet continued

5-16	* See Note 1(c) for explanation of sectors	Net Financial Worth Net Financial Liabilities Net Debt	KEY FISCAL AGGREGATES	Net Worth Contributed equity Accumulated surplus Reserves Total Net Worth	Net Assets	Other liabilities	Liabilities Payables Employee benefit obligations Superannuation liability Other employee benefits Deposits held Advances received Borrowing with QTC Leases and other loans Securities and derivatives Deferred tax liability Provisions	
		(28,581) 52,995 2,615		- 110,042 193,931 303,973	303,973	7,207 1,015 110,511	Government * 2023 20 \$M \$ 5,921 5,2 20,913 22,1 10,419 9,0 1,909 1,3 46,166 49,0 7,519 7,6 41 5,6 4,991 5,1	>
		(42,465) 62,438 10,997		- 95,171 154,419 249,590	249,590	7,442 1,089 113,840	<i>ment</i> * 2022 \$ <i>M</i> 5,222 22,168 9,029 9,029 1,310 49,000 49,000 7,671 7,671 5,695 5,120	
		(51,475) NA 40,240		9,767 (277) 11,919 21,409	21,408	- 972 63,117	Corporations Corporations 2023 2022 \$M \$M 2,105 2,476 (354) (400 1,041 933 14 11 25 2367 367 357 5,458 17,288 9,001 9,244 1,213 1,098	
		(52,958) NA 41,400		8,890 (293) 9,014 17,610	17,610	- 846 73,729	17,288 17,288 17,288 17,288 17,288 17,288 17,288 17,288 17,288 17,288 17,288 17,288	
Audited Consolidated Fi		2,606 NA (11,014)		690 1,393 923 3,006	3,006	- 45 181,502	Corporations (Comporations * 2023) 202 \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$	
solidated Fina		1,941 NA (9,590)		690 683 991 2,363	2,363	- 44 176,601	<i>tions</i> * 2022 \$M 100 4 8,420 504 159,589 7,749	
inancial Statements 2022–23 – Queensland Government		(3,371) NA (7,548)		(10,457) 7,440 (13,855) (16,873)	(16,872)	- (66) (154,271)	Adjustments 2023 2 \$M (857) ((5,208) (1, (1,699) (1,699) (1, (1,699)	
nts 2022–23 -		1,093 NA (6,054)		(9,580) 5,945 (10,292) (13,927)	(13,926)	- (54) (150,005)	<i>nents</i> 2022 \$M (815) (1,792) (1,070) (1,070) (90,851) (10,379) (14,965) (14,965) (79)	
- Queensland		(80,820) 80,820 24,293		- 118,597 192,917 311,514	311,514	7,207 1,966 200,859	Total State 2023 \$M 7,340 20,559 21,659 11,641 5,104 5,104 5,104 5,104 123,844 123,844 136 14,593 13	1
Government		(92,388) 92,388 36,753		- 101,505 154,132 255,637	255,637	7,442 1,925 214,165	State 2022 \$M 6,982 21,768 10,137 6,639 6,639 6,639 6,639 13,688 - 13,888	

Ņ Disaggregated information continued

Cashflow Statement

	General Government *	eral ment *	Public Non-financial Corporations *	financial ions *	Public Financial Corporations *	nancial tions *	Consolidation Adjustments	dation nents	Total State	State
Cash Flows from Operating Activities	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M
Taxes received Taxes received Grants and subsidies received Sales of goods and services Interest receipts Dividends and income tax equivalents Other receipts	20,410 38,684 6,886 3,201 922 22,502	20,764 34,378 6,297 2,638 1,202 12,478	17,092 106 402	- 687 66 - 224	- 3,404 4,353 - 176	- 2,890 3,467 - 176	(546) (3,605) (5,510) (922) (70)	(492) (788) (3,093) (4,988) (1,202) 72	19,864 38,583 23,777 2,150 - 23,010	20,272 34,276 22,567 1,183 - 12,950
Cash paid Payments for employees Payments for goods and services Grants and subsidies paid Interest paid Other payments	(34,232) (23,090) (13,777) (1,616) (4) (72,719)	(31,739) (20,510) (13,628) (1,441) - (67,318)	(2,750) (9,727) (29) (1,671) (1,149) (15,325)	(2,496) (8,938) (25) (1,606) (976) (14,042)	(475) (2,103) (119) (7,298) (7,298) (344) (10,340)	(402) (1,953) (114) (6,330) (285) (9,085)	554 3,085 940 5,944 660 11,184	468 2,752 5,382 9,831	(36,903) (31,835) (12,984) (4,641) (4,641) (837) (87,200)	(34,168) (28,650) (12,979) (3,996) (3,996) (820) (820)
Net Cash Flows from Operating Activities	19,885	10,440	3,117	3,407	(2,406)	(2,551)	(412)	(661)	20,184	10,634
Cash Flows from Investing Activities in Non-Financial Assets Purchases of non-financial assets Sales of non-financial assets	(9,899) 181 (9,718)	(7,878) 254 (7,624)	(4,497) 63 (4,434)	(3,134) 63 (3,071)	(6) (6)	(3) (3)	96 -	(118) - (118)	(14,309) 243 (14,065)	(11,136) 319 (10,817)
Financial Assets (Policy Purposes)	(766)	127	(711)	4	·		1,532	(19)	56	112
Financial Assets (Liquidity Purposes)	(8,035)	(3,889)	463	668	875	(13,563)	6,148	3,512	(550)	(13,041)
Net Cash Flows from Investing Activities	(18,519)	(11,386)	(4,682)	(2,168)	866	(13,567)	7,777	3,375	(14,559)	(23,746)
Cash Flows from Financing Activities Advances received (net) Proceeds of borrowing (net) Dividends paid (net) Deposits received (net) Other financing (net)	598 (1,318) -	(126) 1,653 - -	(1) 2,202 (246) 3 (523)	(1) 248 (735) (1) (705)	- (1,337) (40) 1,878 3,439	- (5,394) (45) 316 14,734	(626) 1 286 (3,417) (4,000)	88 - 781 (60) (3,583)	(28) (452) - (1,536) (1,084)	(39) (3,493) - 255 10,446
Net Cash Flows from Financing Activities	(719)	1,527	1,435	(1,194)	3,940	9,611	(7,755)	(2,774)	(3,099)	7,170

* See Note 1(c) for explanation of sectors

Audited Consolidated Financial Statements 2022-23 - Queensland Government

2. Disaggregated information continued

Cashflow Statement continued

	>	-					0			
	Government *	nent *	Corporations *	ons *	Corporations *	tions *	Adjustments	nents	iotal State	olale
	2023	2022	2023	2022	2023	2022	2023	2022		2022
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M		\$M
Net Increase/(Decrease) in Cash and Deposits Held	647	581	(130)	44	2,400	(6,507)	(390) (60)	(60)	2,526	(5,942)
Cash and deposits at the beginning of the financial										
	1,710	1,129	1,162	1,117	5,401	11,908	(1,792) (1,732)		6,481	12,423
Financial Year	2,357	1,710	1,031	1,162	7,801	5,401	(2,182)	(2,182) (1,792) 9,007	9,007	6,481
KEY FISCAL AGGREGATES										
Net Cash from Operating Activities	19,885	10,440	3,117	3,407	(2,406)	(2,551)	(412)	(661)	(412) (661) 20,184 10,634	10,634
Assets	(9,718)	(7,624)	(4,434)	(3.071)	(9)	(3)	96	(118)	(118) (14.065) (10.817	(10,817)
Dividends Paid			(246)	(735)	(40)	(45)	286	781		
CASH SURPLUS/(DEFICIT)	10,167	2,816	(1,563)	(400)	(2,455)	(2,600)	(30)	2	6,119	(182)
* See Note 1(c) for explanation of sectors										

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Audited Consolidated Financial Statements 2022-23 - Queensland Government

Notes to the Financial Statements

3. Taxation revenue

	General Go	overnment	Total	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Stamp duties				
Transfer	5,240	6,336	5,240	6,336
Motor vehicles	791	703	791	703
Insurance	1,371	1,219	1,371	1,219
Other duties	70	40	70	40
	7,472	8,298	7,472	8,298
Payroll tax	5,669	5,001	5,500	4,858
Mental health levy	182	-	173	-
Vehicle registration fees	2,226	2,103	2,226	2,102
Gaming taxes and levies	1,911	1,645	1,911	1,645
Land tax	1,732	1,633	1,710	1,607
Fire levy	625	604	625	604
Guarantee fees	350	333	-	-
Other taxes	434	393	434	393
	20,601	20,011	20,051	19,508

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 Go		Total Si	
	2023	2022	2023	2022
Commonwealth	\$M	\$M	\$M	\$M
General purpose payments				
GST revenue grants	18,306	16,079	18,306	16,079
Other general purpose payments	4	4	6	4
Specific purpose payments	10,109	10,225	10,111	10,228
National partnership payments	4,678	3,123	4,678	3,123
Grants for on-passing to non-Queensland Government entities	4,740	4,325	4,740	4,325
	37,837	33,756	37,842	33,759
Other		4.40	054	4.50
Industry/community contributions	241	148	251	153
Other grants	256	231	141	123
	497	379	392	275
	38,335	34,135	38,233	34,034

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 \$5.5 billion (2022: \$5.2 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 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. No material contract liability relating to this funding was recognised at year end (2022: \$11 million). The State does not have other material grants that are classified as revenue from contracts with customers.

Audited Consolidated Financial Statements 2022–23 – Queensland Government

5. Sales of goods and services

	General Go	vernment	Total	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
User charges				
Sale of goods and services	4,467	4,064	18,176	17,863
Rental income	598	553	673	628
	5,065	4,617	18,849	18,491
Fees		,	,	,
Transport and other licences and permits	986	893	986	893
Other regulatory fees	432	387	1,003	898
	1,418	1,280	1,989	1,791
	6,483	5,896	20,838	20,282

Revenue from sales of goods and services and licences is 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 \$5.7 billion (2022: \$5.2 billion) for the GGS and \$17.7 billion (2022: \$17.5 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.

Other sales of goods and services

- Fare revenue and transport and traffic fees 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 or over time based on the contractual terms, 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.
- Revenue from the Pharmaceutical Benefit Scheme subsidy is recognised at a point in time when the drugs are dispensed to patients.

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 G	overnment	Total -	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Interest on fixed rate notes	2,739	2,446	-	-
Distributions from managed funds	49	116	413	499
Other interest	438	80	1,771	688
	3,226	2,643	2,184	1,188

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Audited Consolidated Financial Statements 2022-23 - Queensland Government

7. Dividend and income tax equivalent income

	General	Government	Total S	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Dividends	606	209		
			-	-
Income tax equivalents	401	581	-	-
	1,007	790	-	-

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 G	overnment	Total S	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Royalties	18.214	8.917	18,195	8,902
Land rents	181	171	182	172
Donations, gifts and services received at below fair value	160	166	161	167
Contributed assets	311	395	370	442
Fines	815	558	815	558
Other	479	504	1,055	923
	20,160	10,710	20,778	11,164

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 Go	overnment	Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Salaries and wages	26,461	24,331	28,832	26,470
Annual leave	2,642	2,393	2,852	2,575
Long service leave	787	736	877	791
Workers' compensation	368	317	14	17
Other employee related expenses	299	291	414	399
	30,557	28,068	32,988	30,251

The number of full time equivalent employees in the GGS at 30 June 2023 relating to the GGS entities listed in Note 50 totalled 252,431 (2022: 245,872). Per Budget Paper 2, Table 5.2, the estimated number of full time equivalents for 2023 was 251,354. Using the same scope as Budget Paper 2, the actual number of full time equivalents is 245,992 (2022: 239,889).

The number of Total State full time equivalent employees at 30 June 2023 relating to the consolidated entities listed in Note 50 totalled 275,710 (2022: 267,721).

10. Superannuation expenses

	General Go	vernment	Total S	tate
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Defined Benefit (refer Note 48 for additional disclosures)				
Current service cost	721	930	740	959
Interest cost	776	377	759	372
	1,497	1,307	1,499	1,331
Accumulation contributions	3,035	2,456	3,352	2,714
	4,532	3,763	4,851	4,045

11. Other operating expenses

	General G	overnment	Total	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Supplies and services	16.226	14.863	23.216	21,779
Transport service contract	2,088	2,001	-	-
WorkCover Queensland and other claims	492	403	3,255	3,506
Other expenses	1,208	962	997	790
	20,014	18,229	27,468	26,075
Audit fees charged by the Queensland Audit Office to entities included in these				
financial statements amounted to:	16	15	23	21

12. Depreciation and amortisation

	General Go	vernment	Total S	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Depreciation and amortisation expenses for the financial year were charged in				
respect of:				
Buildings	2,301	2,002	2,446	2,139
Infrastructure	1,196	1,076	3,284	3,128
Major plant and equipment	60	51	123	129
Other plant and equipment	618	601	902	892
Heritage and cultural assets	58	37	58	37
ROU assets	630	580	692	646
SCA - non-GORTO	45	41	45	41
Software development	109	117	241	265
Capitalised depreciation expense	-	-	(31)	(28)
	5,018	4,506	7,760	7,250

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.

Audited Consolidated Financial Statements 2022-23 - Queensland Government

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 Go	overnment	Total	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Interest	1,538	1,351	4,586	3,925
Leases and service concession finance charges	109	122	116	128
Other	40	35	10	11
	1,688	1,508	4,712	4,064

Interest and other finance charges are recognised as expenses in the period in which they are incurred.

14. Grants expenses

	General G	overnment	Total S	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Grants - recurrent	10,751	10,895	10,596	10,836
Grants - capital	2,356	1,998	2,289	1,946
Grants to first home owners	73	143	73	143
Personal benefit payments	247	242	247	242
Community service obligations	644	550	-	-
	14,072	13,827	13,206	13,167

Audited Consolidated Financial Statements 2022–23 – Queensland Government

15. Gains/(losses) on sale of assets/settlement of liabilities

	General Gov	ernment	Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Financial assets/settlement of liabilities				
Derivatives	-	-	(512)	949
Other investments/settlement of liabilities	1	(11)	700	892
	1	(11)	188	1,840
Non-financial assets	10	5	25	(19)
	11	(6)	213	1,822

Revaluation increments/(decrements) and impairment (losses)/reversals 16.

	General Go 2023 \$M	overnment 2022 \$M	Total Stat 2023 \$M	te 2022 \$M
Revaluation increments/(decrements) Financial assets				
Derivatives	27	127	390	(499)
Fixed rate notes*	(19)	(1,073)	-	-
Other investments (mainly managed funds)	112	(185)	3,772	452
	119	(1,132)	4,161	(47)
Non-financial assets	(4)	131	14	117
Impairment (losses)/reversals				
Receivables and advances	(51)	(84)	(68)	(92)
Non-financial assets	<u> </u>	(2)	(447)	48
	(51)	(86)	(515)	(44)
	64	(1,087)	3,660	26

* Adjustment to reflect market value of underlying investments managed by QIC limited.

Impairment of non-financial assets

Annual impairment assessments are undertaken to identify 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. Assets that have previously been impaired are assessed annually to determine if there has been a reversal in impairment.

Specialised assets 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.

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.

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.

Audited Consolidated Financial Statements 2022–23 – Queensland Government

16. Revaluation increments/(decrements) and impairment (losses)/reversals continued

Impairment of non-financial assets continued

Impairment - electricity generators continued

Stanwell recognised an impairment loss of \$160 million representing the write-down to the recoverable amount for the Tarong Precinct cash generating unit (2022: nil).

CS Energy recognised an impairment loss of \$85 million (2022: \$133 million impairment reversal) for the Callide B Power Station and Kogan Renewable Hydrogen Demonstration plant work in progress.

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.

Sequater 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 this is incorporated in the annual valuation process (refer Note 31).

Sunwater recognised an impairment loss of \$132 million (2021-22: \$64 million), largely in relation to 2022-23 capital expenditure on its Dam Improvement Program and various water supply schemes.

Impairment of financial assets

Refer Note 23(e).

17. Asset write-downs

	General Gov	ernment	t Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Bad debts written off not previously impaired	(187)	(202)	(205)	(213)
Non-financial assets written off	(85)	(314)	(95)	(322)
	(271)	(516)	(300)	(535)

18. Actuarial adjustments to liabilities

	General Gov	ernment	Total State	,
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Long service leave - gains/(losses)	(91)	552	(91)	552
Insurances and other - gains/(losses)	328	355	477	971
	236	906	386	1,523

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 2022-23 or 2021-22.

20. Other economic flows - included in operating result - other

	General Government		Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Net market value interest revenue/(expense)	-	-	952	13,333
Time value adjustments	64	33	(9)	48
Share of net profit/(loss) of associates and joint ventures accounted for using the				
equity method	(7)	(3)	(14)	(3)
Onerous contracts expense	-	-	57	(107)
SCA - assets - GORTO depreciation	(146)	(137)	(146)	(137)
SCA - liabilities - GORTO amortisation	235	235	235	235
Other economic flows not elsewhere classified	24	27	19	23
	171	155	1,094	13,391

21. Other economic flows - other movements in equity

	General G	Government	Total S	Total State		
	2023			2022		
	\$M	\$M	\$M	\$M		
Revaluations						
Revaluations of financial assets - increments/(decrements)						
Investments in Public Sector entities	3,570	(1,495)	-	-		
Other financial assets	608	(817)	2,226	(2,857)		
	4,178	(2,312)	2,226	(2,857)		
Revaluations of non-financial assets - increments/(decrements)		(· · · /				
Property, plant and equipment	34,135	33,744	35,591	33,967		
SCA - GORTO	1,199	750	1,199	750		
	35,333	34,493	36,789	34,716		
Actuarial gain/(loss) on defined benefit superannuation plans	744	4.589	712	4.693		
Notatian gain/1000/ on donned bonont superannuation plans	40,255	36,770	39,727	36,552		

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 G	Government	Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Cash and Deposits on call	849	738	9,007	6,481
QTC cash funds	1,507	972	-	-
	2,357	1,710	9,007	6,481
Reconciliation to Cash Flow Statement				
Balances per Cash Flow Statement	2,357	1,710	9,007	6,481

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 Go		Total St	tate
	2023	2022	2023	
	\$M	\$M	\$M	
Current				
Trade debtors	1,025	1,163	2,614	
GST input tax credits receivable	404	322	456	
Income tax equivalent, dividends and guarantee fees receivable	583	500	-	
Royalties and land rents revenue receivable	76	57	76	
Taxes receivable	768	580	762	
Other receivables	2,020	2,118	2,739	
	4,876	4,739	6,647	
Less: Loss allowance	686	694	740	
	4,190	4,045	5,906	
	.,	.,	0,000	
Non-current				
Trade debtors	33	22	415	
Other	110	104	298	
	142	127	713	
Less: Loss allowance	12	12	16	
	131	115	697	
	4,320	4,160	6,603	
	.,	.,		
(h) Advances reid				
(b) Advances paid	General Go	vornmont	Total St	tata
	2023	2022	2023	ale
	2023 \$M	2022 \$M	2023 \$M	
	φινι	φινι	φινι	
Current	010	110	192	
	213	110		
Less: Loss allowance	19	17	19	
	194	93	174	
Non-current				
Advances	1,139	1,236	1,138	
Less: Loss allowance	95	96	96	
	1,044	1,139	1,041	
	1,239	1,233	1,215	
(c) Loans paid	0		Tatal Of	
	General Go 2023	2022	Total St 2023	late
	\$M	\$M	\$M	
Current		,	r	
Finance leases	15	11	17	
Other loans	21	16	1,259	
	36	27	1,235	
			1,270	
Non-current				
Onlendings		-	9,560	
Finance leases	149	172	251	
Other loans	121	131	138	
	270	303	9,948	1
	306	330	11,224	1
			11,227	

23. Receivables and loans continued

(c) Loans paid continued

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 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		Total Sta	Total State	
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Not later than 1 year	49	54	115	116	
Later than 1 year but not later than 5 years	128	152	333	343	
Later than 5 years	220	242	933	898	
	397	448	1,381	1,357	

(e) Impairment of receivables and advances

The loss allowances for receivables reflect lifetime expected credit losses, while the loss allowances for advances paid 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), and Queensland Building and Construction Commission (QBCC) claims receivables which are primarily Insurance Fund Group debtors.

SPER penalties and fines 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, with principal repayments having commenced in April 2023. The degree of estimation uncertainty for COVID-19 Jobs Support Loans has been reduced in 2023 due to the increased repayment performance data obtained. The forward looking multiplier has been increased in the measurement of the expected credit loss for these loans to acknowledge the macroeconomic uncertainty of the effects of inflation. \$58 million (2022: \$54 million) of these loans are considered credit-impaired, and \$3 million (2022: \$3 million) collateral exists in respect of these credit-impaired loans.

23. Receivables and loans continued

(e) Impairment of receivables and loans continued

Total State Sector 2023	Gross receivables \$M	Average loss rate	Expected credit losses \$M	Carrying amount \$M
Receivables				
SPER penalties and fines receivable	1,146	27.0%	310	836
Queensland Revenue Office taxes receivable	414	24.5%	102	313
QBCC claims receivable	96	77.2%	74	22
Other receivables	5,704	4.8%	271	5,432
	7,360		757	6,603
Advances paid				
QRIDA COVID-19 Jobs Support Loans receivable	693	12.8%	89	604
Other advances	637	4.1%	26	611
	1,330		115	1,215
2022				
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	5,489	4.5%	247	5,242
	7,107		772	6,335
Advances paid				
QRIDA COVID-19 Jobs Support Loans receivable	746	12.3%	91	655
Other advances	584	4.0%	23	561
	1,330		115	1,216

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.

Movement in Loss allowance

	General Government		Total Sta	Total State	
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Loss allowance as at 1 July	819	754	887	824	
Amounts written off during the year	(177)	(146)	(192)	(156)	
Increase/decrease in allowance recognised in operating result	169	211	177	219	
Loss allowance as at 30 June	812	819	872	887	

Audited Consolidated Financial Statements 2022–23 – Queensland Government

Conorol Covornment

Total State

24. Securities and shares

(a) Securities other than shares

	General C	General Government		Total State	
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Current	φιτι	ψin	ψiii	φiii	
Term deposits and other investments held at amortised cost	59	78	59	78	
1		70	55	70	
QTC deposits Securities/bonds	3,027 254	239	11 507	11 005	
			11,597	11,885	
Fixed rate notes	3,173	2,496			
Investments managed by QIC Limited*	1,027	2,005	8,856	8,261	
Derivatives					
Cash flow hedges	-	-	431	1,380	
Other derivatives	-	-	2,755	8,708	
Other	50	37	10,910	8,378	
	7,589	4,854	34,607	38,691	
	.,				
Non-current					
Term deposits and other investments held at amortised cost	101	53	110	64	
Securities/bonds	-	-	8,402	8,279	
Fixed rate notes	40,302	37,876	0,402	0,215	
			40.000	40.070	
Investments managed by QIC Limited*	694	644	46,290	43,676	
Derivatives					
Cash flow hedges	-	-	142	398	
Other derivatives	-	-	1,488	3,445	
Other	434	377	776	676	
	41,531	38,950	57,208	56,539	
			i		
	49,120	43,805	91,815	95,230	
				.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	

* Investments managed by QIC Limited were allocated over the following categories:

	Debt Retirement Fund		Total Sta	te
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Cash	1,450	1,096	12,561	8,988
Fixed interest	235	511	1,550	4,164
Global equities	3,128	2,970	11,936	10,539
Property and infrastructure	2,448	2,205	14,642	14,087
Other	1,075	936	14,456	14,159
	8,336	7,718	55,145	51,938

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 38 of Queensland Treasury's audited financial statements.

(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 Note 1(I) for a discussion of differences between GAAP and GFS.

Note 1(c) outlines the functions of the PNFC and PFC Sectors. Refer 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.

24. Securities and shares continued

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, as 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.

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 deposits with QTC, 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, derivatives, and interests under Rental Purchase Plan agreements. The accounting policy for derivatives is further discussed in Note 37.

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 (associates and joint ventures) or
- a share of revenue, expenses, assets and liabilities of the arrangement (joint operations).
- These investments are held at fair value.

(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. Associates and joint ventures 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, with the most material of these being:

(i) a 50% share in the Dumaresq-Barwon Border Rivers Commission, a joint authority constituted by an agreement between the Queensland and New South Wales Governments, and

(ii) a 25% interest in the Translational Research Institute (TRI) Trust, a discretionary unit trust founded by four members, of which Queensland Health is one. The Trust's objectives are to operate and manage the TRI Facility to promote medical study, research and education.

25. Other investments continued

(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 2027.

Sunshine Coast Hospital and Health Service

The Sunshine Coast Hospital and Health Service has a 28.9% (2022: 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 has a 50% interest in Callide Power Management Pty Ltd and Callide Power Trading Pty Ltd.
- CS Energy Limited also 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 has a 50% interest in Kogan North Joint Venture operation with the principal activities being exploration and production of gas.
- Stanwell Corporation Limited acquired a 50% interest in the Wambo Wind Farm on 15 December 2022, with Cubico Sustainable Investments holding the remaining interest. The joint operation is a staged, large scale renewable energy development located near Jandowae in the Western Downs region of Queensland.

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 undiscounted net 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.

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Education continued

(a) South East Queensland schools - Aspire continued

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).

Youth Justice, Employment, Small Business and 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.

Queensland Health and Hospital and Health Services (HHSs) continued

(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

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 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) <u>Co-location agreements</u>

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.

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Queensland Health and Hospital and Health Services (HHSs) continued

(d) Co-location agreements continued

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.

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 Broadbeach 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 15-year operations period, ownership of the system will transfer to the State.

The GCLR assets are disclosed as non-GORTO service concessions in Note 31 and liabilities in Note 37(d).

(b) Toowoomba Second Range Crossing (TSRC)

In August 2015, the State Government 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.

Transport and Main Roads continued

(b) Toowoomba Second Range Crossing (TSRC) continued

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 concessions 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.

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 26 trains in 2022-23, with a total of 44 units upgraded to date under this agreement.

At the expiry of the arrangement, 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.

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.

Transport and Main Roads continued

(f) Brisbane Airport Rail Link continued

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 2023, 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).

The estimated net undiscounted cash flows resulting from PPPs are reflected below:

	General G	overnment	Total	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Inflows				
Not later than 1 year	67	71	67	71
Later than 1 year but not later than 5 years	289	321	289	321
Later than 5 years but not later than 10 years	274	383	274	383
Later than 10 years	531	615	531	615
	1,161	1,390	1,161	1,390
Outflows				
Not later than 1 year	(998)	(1,461)	(998)	(1,461)
Later than 1 year but not later than 5 years	(4,608)	(3,631)	(4,608)	(3,631)
Later than 5 years but not later than 10 years	(3,283)	(3,487)	(3,283)	(3,487)
Later than 10 years	(6,503)	(7,038)	(6,503)	(7,038)
	(15,392)	(15,617)	(15,392)	(15,617)
Net Cash Outflows	(14,231)	(14,227)	(14,231)	(14,227)

27. Inventories

	General G	overnment	Total S	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Raw materials, work in progress and finished goods	213	235	900	806
Land held for resale	359	265	359	265
Inventories held for distribution	147	143	147	143
Environmental certificates held for sale/surrender	-	-	106	82
Other	12	8	132	114
	731	650	1,644	1,410

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 reclassifications to land inventory.

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:

2023	2022	2023	2022
\$M	\$M	\$M	\$M
1,144	903	1,144	903
224	209	224	209
269	259	273	266
1,637	1,372	1,641	1,379
1	,144 224 269	\$M \$M ,144 903 224 209 269 259	\$M \$M \$M ,144 903 1,144 224 209 224 269 259 273

31. Property, plant and equipment

Carrying amount at end of year	INEL ASSEL LIGIISIEIS	Not accet transfore	Depreciation and amortication	Revaluation increments/(decrements)	Disposals	Acquisitions	Carrying amount at beginning of year				Reconciliations of the carrying amount for each class of property, plant and equipment are set		Capital work in progress	SCA - non-GORTO	ROU assets	Heritage and cultural assets	Other plant and equipment	Major plant and equipment	Infrastructure	Buildings	Land				General Government Sector	
135,950	200	85C		12.391	(118)	471	122,967	\$M	2023	La	r each class	381,448	17,967	2,761	5,403	3,227	7,886	1,565	119,642	87,039	135,958	\$M	2023	;	Gr	
122,967	190	108		20.026	(36)	477	102,303	\$M	2022	Land	s of propert	330,137	12,353	2,584	5,101	2,579	7,438	1,384	101,310	74,413	122,975	\$M	2022		Gross	
52,376	1,100	1 1 2 8	102 2011	7.387	(54)	677	45,530	\$M	2023	Build	y, plant and	11	1											~		
45,530	1,004	1 501		3.978	(31)	851	41,230	\$M	2022	Buildings	d equipment	(72,246)	.	(235)	(2,212)	(963)	(4,856)	(227)	(29,081)	(34,663)	(8)	\$M	2023	depreciation/impairmen	Accumulated	
90,560	1,000	1 763	11 1061	13.399	(5)		76,800	\$M	2023	Infrastructure		(60,705)	1	(190)	(1,679)	(639)	(4,633)	(162)	(24,511)	(28,883)	(8)	\$M	2022	/impairment	ulated	
76,800	4,101	1 101	11 0761	9.250	(4)		64,527	\$M	2022	icture	out below:															
1,338		117	(60)	59			1,223	\$M	2023 2	Major plant and		309,203	17,967	2,526	3,191	2,265	3,031	1,338	90,560	52,376	135,950	\$M	2023		Written down value	
1,223	0	64	(51)	28	(4)	,	1,187	\$M		ant and		269,433	12,353	2,394	3,421	1,939	2,805	1,223	76,800	45,530	122,967	\$M	2022		wn value	

Audited Consolidated Financial Statements 2022-23 - Queensland Government

General Government Sector continued

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below continued:	each class of pr Other	property, p	blant and eq Heritane a	ant and equipment are Heritage and cultural	set out below o	ow continu	led:	GORTO
	Plant and equipment	quipment	assets	ets				00.00
	2023	2022	2023	2022	2023	2022		2022
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Carrying amount at beginning of year	2,805	2,911	1,939	1,595	3,421	3,517		2,293
Acquisitions	578	355	Сл	9	758	975		76
Disposals	(24)	(26)			(4)	(4)		
Revaluation increments/(decrements)	(4)	(3)	225	353	141	74		242
Depreciation and amortisation	(618)	(601)	(58)	(37)	(630)	(580)		(41)
Net asset transfers	293	169	153		(495)	(561)		(176)
Carrying amount at end of year	3,031	2,805	2,265	1,939	3,191	3,421		2,394
	Capital work in	work in	То	Total				
	progress	2002	5606	0000				
	\$M	\$M	 \$M	\$M				
Carrying amount at beginning of year	12,353	11,388	269,433	230,952				
Acquisitions	8,188 (3)	5,918 (1)	10,768	8,661 (106)				
Revaluation increments/(decrements)	- (0)	- (-)	(200) 33.730	33.948				
Depreciation and amortisation	,	ı	(4,909)	(4,388)				
Net asset transfers	(2,570)	(4,952)	389	366				
Carrying amount at end of year	17,967	12,353	309,203	269,433				

Audited Consolidated Financial Statements 2022-23 - Queensland Government

Total State Sector

332,370	375,479	(102,737)	(117,786)	435,107	493,265	
14,526	21,304	,		14,526	21,304	Capital work in progress
2,394	2,526	(190)	(235)	2,584	2,761	SCA - non-GORTO
3,763	3,522	(1,927)	(2,516)	5,690	6,039	ROU assets
1,940	2,266	(639)	(963)	2,580	3,228	assets
						Heritage and cultural
4,706	4,944	(7,924)	(8,265)	12,630	13,209	equipment
						Other plant and
2,226	2,390	(925)	(1,019)	3,151	3,408	equipment
						Major plant and
129,397	144,911	(59,955)	(67,413)	189,352	212,324	Infrastructure
47,830	54,834	(31,111)	(37,302)	78,941	92,136	Buildings
125,588	138,783	(66)	(73)	125,654	138,856	Land
					÷	
SM.	WS.	SM.	WS.	WS.	SM.	
2022	2023	2022	2023	2022	2023	
		vimpairment	depreciation/impairment			
wn value	Written down value	nulated	Accumulated	SS	Gross	

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below:

Lanc	-	Buildin	sßi	Infrastruc	ture	Major plant	tand
2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M	equipme 2023 \$M	энт 2022 \$M
125,588	104,712	47,830	43,297	129,397	117,353	2,226	2,154
479	477	677	851	139	12	ı	2
(144)	(39)	(57)	(40)	(16)	(42)		(5)
12,610	20,226	7,601	4,259	14,934	8,792	110	114
(7)		(4)	თ	(151)	72		,
ı	ı	(2,446)	(2,139)	(3,284)	(3,128)	(123)	(129)
258	211	1,234	1,596	3,892	6,338	177	89
138,783	125,588	54,834	47,830	144,911	129,397	2,390	2,226
- 93 - Oliaanalan	d Government						л
	Lanc 2023 \$M 125,588 479 (144) 12,610 12,610 (7) (7) (7) (7) (7) (7) (7)	and 3 3 104 104 20	2 2 2 47,8 (2,4 1,2 54,8	Buildings 2 2023 \$M 47,830 677 0 (57) 7,601 43, 677 (57) (57) 43, (57) (57) (57) (57) (57) (57) (57) (57)	Buildings 2 2023 2022 M \$M \$M 47,830 43,297 12 677 851 (57) (40) 7,601 4,259 1 7,601 4,259 1 (2,446) (2,139) ((2,446) (2,139) (1,234 1,596 1 54,834 47,830 14	Buildings Infrastructure 2 2023 2022 2023 47,830 43,297 129,397 117, \$M 47,830 43,297 129,397 117, 139 677 851 139 (57) (40) (16) 7,601 4,259 14,934 8, (4) 6 (151) 8, (2,446) (2,139) (3,284) (3, 8,892 6, (2,446) (2,139) (3,284) (3, 8,892 6, 1,234 47,830 144,911 129,	Buildings Infrastructure Infrastruct

Audited Consolidated Financial Statements 2022-23 - Queensland Government

Total State Sector continued

Reconciliations of the carrying amount for each class of property, plant and equipment are set out below continued:

	Other Plant and equ	ipment	Heritage and cultural assets	tural assets	ROU ass	sets	SCA - non-GORTO	-GORTO
	2023 202 \$M \$1	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M
Carrying amount at								
beginning of year	4,706	4,833	1,940	1,596	3,763	3,975	2,394	2,293
Acquisitions	617	387	ი	9	809	995	91	7
Disposals	(40)	(43)		,	(4)	(7)	,	
Revaluation								
increments/(decrements)	(26)	(30)	225	353	142	9	132	242
Impairment (losses)/reversals	(75)	2	ı	·	ı	ı	ı	
Depreciation and								
amortisation	(902)	(892)	(58)	(37)	(692)	(646)	(45)	(41
Net asset transfers	663	451	153	21	(496)	(563)	(47)	(1)
Carrying amount at end of								
year	4,944	4,706	2,266	1,940	3,522	3,763	2,526	2,394
	Capital work in	ork in	Total					
	progress 2023		2023	2022				
	\$M	\$M	\$M	\$M				
Carrying amount at								
beginning of year	14,526	13,188	332,370	293,401				
Acquisitions	12,276	8,921	15,094	11,729				
Disposals	(19)	(21)	(280)	(197)				
Revaluation								

Audited Consolidated Financial Statements 2022-23 - Queensland Government

5-42

21,304

14,526

375,479

332,370

(5,315)

(7,529)

.

(7,551) 518

(7,012) 436

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(164)

(32)

(402)

49

,

ï

35,729

33,964

increments/(decrements) Impairment (losses)/reversals Depreciation and amortisation Net asset transfers Carrying amount at end of year

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, AASB 1049 Whole of Government and General Government Sector Financial Reporting and AASB 1059 Service Concession Arrangements: Grantors. 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.

Recognition and measurement continued

Recording and valuation continued

Land under roads

The value included in the balance of land under roads is approximately \$85 billion (2022: \$77 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 a 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 - \$1.55 billion (2022: \$1.72 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 8% 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.

Recognition and measurement continued

Recording and valuation continued

Right-of-use (ROU) assets continued

Buildings on Deed of Grant in Trust land - \$825 million (2022: \$819 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 balance date 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

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.

Refer Note 16 for the State's policies and disclosures 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.

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.

Recognition and measurement continued

Fair value measurement continued

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.

Level 3 fair value reconciliation

General Government Sector			1		•		
	Land	đ	Buildings	ngs	Infrastructure	icture	Major plant and
	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M	equipment 2023 \$M
Carrying amount at beginning							
of year	16,981	14,602	41,102	37,012	76,798	64,526	1,170
Acquisitions	00	21	595	705			
Disposals	(47)	(21)	(12)	(27)	(5)	(3)	
Revaluation							
increments/(decrements)	1,426	2,156	6,982	3,693	13,395	9,250	45
Depreciation and amortisation	,	ı	(2,111)	(1,873)	(1,196)	(1,075)	(47)
Net asset transfers	249	222	993	1,592	1,563	4,100	115
Carrying amount at end of year	18,699	16,981	47,549	41,102	90,555	76,798	1,282
	Heritage and cultural	d cultural	SCA - non-GORTO	GORTO	Total	Je	
	assets))))))	
	2023	2022	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	\$M	\$M	
Carrying amount at beginning	2		2				
Acquisitions	1,898 2	1,000 15	ے , اص -	2,293 242	140,114 687	982	
Disposals Revaluation	,	(3)	,	,	(64)	(54)	
increments/(decrements)	81	325	132	(329)	22,062	15,115	
Depreciation and amortisation	(8)	(36)	(45)	(41)	(3,407)	(3,068)	
Net asset transfers	51	29		.	2,971	6,008	
Carrying amount at end of	2.024	1.898	2.253	2,166	162.363	140,114	

Audited Consolidated Financial Statements 2022-23 - Queensland Government

Level 3 fair value reconciliation continued

Total State Sector

Iotal state sector					•			
	Land		Buildings	ngs	Intrastructu	cture	Major plant and	nt and
	2023	2022	2023	2022	2023	2022	equipmen 2023	2022
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
Carrying amount at beginning of year	18,319	15,890	43,458	39,136	129,279	117,204	2,172	2,097
Acquisitions	06	21	595	705	139	11	,	N
Disposals	(71)	(21)	(12)	(29)	(16)	(37)	•	,
Revaluation	1 102	3 101	7 106	2 072	14 011	0 707	06	107
Impairment	1,100	ļ,	.,	0,010		0,101	0	
(losses)/reversals	(8)	2	(4)	ഗ	(152)	75	ı	ı
Depreciation and amortisation	ı	ı	(2,254)	(2,008)	(3,272)	(3,112)	(110)	(120)
Net asset transfers	268	237	1,081	1,676	3,762	6,347	175	88
Carrying amount at end of year	20,092	18,319	50,061	43,458	144,650	129,279	2,334	2,172
	Heritage and cultural	cultural	SCA - non-GORTO	GORTO	Total	-		
	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M		
Carrying amount at beginning of year	1,898	1,568	2,166	2,293	197,293	178,188		
Acquisitions	2	15	,	242	826	996		
Disposals		(3)			(99)	(89)		
Revaluation increments/(decrements)	81	325	132	(329)	23,909	15,057		
Impairment (losses)/reversals		ı	ı	·	(164)	81		
Depreciation and amortisation	(8)	(36)	(45)	(41)	(5,689)	(5,317)		
Net asset transfers	51	29			5,337	8,377		
Carrying amount at end of year	2,024	1,898	2,253	2,166	221,414	197,293		

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Level 3 significant valuation inputs and relationship to fair value

				Buildings				Land	Description	General Government Sector
				47,549				18,699	Fair value 2023 \$M	nent Sector
 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 	 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. 	 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. 	Within level 3 buildings, major sub-groups exist which are valued using similar methods. The most significant of these groups are valued at <u>current replacement cost</u> listed below:	Buildings classified as Level 3 are those which, due to their specialised nature and/or construction, do not have an active market.	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.	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.	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.	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.	Significant unobservable 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.

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Level 3 significant valuation inputs and relationship to fair value continued

General Government Sector continued	ment Sector co	ntinued
Description	Fair value 2023 \$M	Significant unobservable inputs
Infrastructure	90,555	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	2,253	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
		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	1,282	Major plant and equipment in the GGS primarily consist 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	2,024	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.

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Level 3 significant valuation inputs and relationship to fair value continued

Total State Sector

rollingstock.		equipment
Major plant and equipment in the TSS, in addition to that in the GGS, is primarily Queensland Rail	2,334	Major plant and
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.		
Current replacement cost		
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.		
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.		
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.		
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.		
Income based approach		
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.	144,650	Infrastructure
	\$M	
e Significant unobservable inputs	Fair value 2023	Description

32. Intangibles

General Government Sector						
	Gross	5)	Accumulated Amortisation	ortisation	Written down va	alue
	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 \$M	2022 \$M
Software development Purchased software Other	2,108 343 68	2,063 345 61	(1,464) (298) (29)	(1,416) (287) (27)	643 647 46 58 39 34	647 58 34
	2,519	2,469	(1,791)	(1,730)	728	739
Total State Sector	Gross	0	Accumulated Amortisation	ortisation	Written down	value
	2023 \$M	2022 \$M	2023 \$M	2022 \$M	2023 2022 \$M \$M	2022 \$M
Software development	3,831	3,729	(2,415)	(2,369)	1,416	1,360
Purchased software	691	691	(557)	(513)	134	178
Licences and rights	116	116	(103)	(103)	13	13
Other	372	369	(185)	(182)	187	187

Most intangibles arise from software development.

5,010

4,905

(3,260)

(3,167)

1,750

1,738

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.

from being recognised on the Balance Sheet. Internally generated goodwill, brands and items of similar substance, as well as expenditure on initial research, are specifically excluded

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 Note 16.

33. Service Concession Arrangements – Grant of Right to Operate (SCA - GORTO)

11,660	13,593 1,932	2023 2022 \$M \$M	General Go
10,608	12,391 1,783	2022 \$M	vernment
11,660	13,593 1,932	2023 \$M	Total State
10,608	12,391 1,783	2022 \$M	State

Less: Accumulated depreciation

Gross

7,442 (235) 7,207	10,608 1,199 (146) 11,660
7,677 (235) 7,442	9,996 750 (137) 10,608
7,442 (235) 7,207	10,608 1,199 (146) 11,660
7,677 (235) 7,442	9,996 750 (137) 10,608

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33. Service Concession Arrangements - Grant of Right to Operate (SCA - GORTO) continued

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 Go	overnment	Total Si	tate
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current				
Prepayments	462	492	629	646
Other	93	78	121	89
	555	570	751	735
Non-current				
Prepayments	96	194	117	219
Other	32	7	48	24
	128	202	164	243
	682	772	915	977

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 G	overnment	Total	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current				
Trade creditors	2,681	2,567	3,980	4,139
Grants and other contributions	668	320	536	260
GST payable	60	52	157	152
Other payables	2,457	2,157	2,543	2,248
	5,866	5,096	7,218	6,799
Non-current				
Trade creditors	51	121	117	176
Other payables	4	5	5	7
	55	126	122	183
	5,921	5,222	7,340	6,982

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	Total	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current				
Superannuation	1,975	1,938	1,975	1,938
Judges' pensions	30	29	30	29
	2,005	1,967	2,005	1,967
Non-current				
Superannuation	18,073	19,376	17,719	18,976
Judges' pensions	834	825	834	825
	18,908	20,201	18,553	19,801
Total superspruction lisbility (refer Note 40)				04 700
Total superannuation liability (refer Note 48)	20,913	22,168	20,559	21,768

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 2023 was 4.0% (2022: 3.7%).

Employees in the electricity industry contribute to an industry multiple employer superannuation fund, Energy Super, a sub-fund within Brighter Super (previously known as the Local Government Investment Australia Super Fund (ES LGIA)). The Energy Super fund 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 Go	overnment	Total S	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current				
Salary and wages payable	1,599	776	1,745	914
Annual leave	2,922	2,753	3,218	3,032
Long service leave	708	652	1,273	1,155
Other employee entitlements	167	41	284	149
	5,396	4,221	6,521	5,251
Non-current				
Long service leave	5,007	4,794	5,098	4,855
Other employee entitlements	16	14	22	30
	5,023	4,808	5,120	4,886
	10,419	9,029	11,641	10,137

36. Employee benefit obligations continued

(b) Other employee benefits continued

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 rate payable by participating agencies is 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 2023 was 4.0% (2022: 3.7%).

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.

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 Ge	General Government		l State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current				
Deposits at fair value through profit or loss	-	-	5,090	6,628
Interest bearing security deposits	-	-	14	11
	-	-	5,104	6,639

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37. Deposits, borrowings and advances, securities and derivatives continued

(b) Advances received

	General G	overnment	Total State		
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Current					
Commonwealth	21	30	21	30	
Public Non-financial Corporations	1,674	1,048	-	-	
	1,695	1,077	21	30	
Non-current					
Commonwealth	214	233	214	233	
	1,909	1,310	235	262	
	<u>,</u>	<u>,</u>			
(c) Borrowing with QTC					
	General Go	overnment	Total S	State	

	General	General Government		State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current	23	23	-	-
Non-current	46,143	48,976	-	-
	46,166	49,000	-	-

At 30 June 2023, \$5.215 billion (2022: \$2.415 billion) was held in a redraw facility, offsetting borrowing with QTC in the Balance Sheet. (d) Leases and other loans

	General G	Government	Total State		
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Current					
Lease liability	499	507	573	554	
SCA - non-GORTO liabilities	40	37	40	37	
Loans - other	445	974	527	1,059	
	985	1,518	1,141	1,650	
Non-current					
Lease liability	2,420	2,568	2,752	2,926	
SCA - non-GORTO liabilities	590	701	590	701	
Loans - other	3,525	2,884	3,889	3,254	
	6,534	6,153	7,231	6,881	
	7,519	7,671	8,372	8,532	

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 G	overnment	Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current				
Government securities issued	-	-	13,513	16,448
Derivatives				
Cash flow hedges	-	-	1,238	3,718
Other derivatives	-	-	2,709	8,706
	-	-	17,460	28,872

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37. Deposits, borrowings and advances, securities and derivatives continued

(e) Securities and derivatives continued

	General	Government			
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Non-current					
Government securities issued	-	-	104,601	102,468	
Derivatives					
Cash flow hedges	-	-	332	1,409	
Other derivatives	41	93	1,450	3,841	
	41	93	106,383	107,719	
	41	93	123,844	136,591	

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.

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.

37. Deposits, borrowings and advances, securities and derivatives continued

Derivative financial instruments continued

(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 four years. The nominal amount of electricity hedges outstanding and their price average are as follows:

Total State Sector

	Nominal quantity GWh	Price average \$ / MWh
2023 Electricity derivatives designated as cash flow hedges of electricity sales Electricity derivatives designated as cash flow hedges of electricity purchases	31,450 9,649	73 101
2022 Electricity derivatives designated as cash flow hedges of electricity sales Electricity derivatives designated as cash flow hedges of electricity purchases	44,635 13,077	69 85
Effects of cash flow hedge accounting on financial position and performance		
	Total 2023 \$M	State 2022 \$M
Carrying amount of cash flow hedging instruments - assets - liabilities	573 1,571	1,778 5,127
Change in fair value of hedging instruments - gain/(loss) - for calculating hedge ineffectiveness Change in value of hedged items - gain/(loss) - for calculating hedge ineffectiveness Hedge ineffectiveness recognised in profit or loss (See Note 16)	1,463 (1,383) 114	(3,823) 3,222 71
 Cash flow hedge reserve reconciliation: Opening balance Effective portion of hedging gains or losses recognised in equity Amounts reclassified to profit or loss - hedged item has affected profit or loss 1 Amounts reclassified to profit or loss - hedged future cash flows no longer expected to occur Amounts included in the carrying amount of a non-financial asset or liability Closing balance 	(3,153) 939 1,279 (1) 1 (934)	(314) (3,609) 776 (6) 1 (3,153)

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 \$29 million of losses (2022: \$42 million) 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 2023 or 2022.

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37. Deposits, borrowings and advances, securities and derivatives continued

Derivative financial instruments continued

(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 Go	vernment	Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current				
Outstanding claims			(
Workers' compensation	-	-	1,806	1,590
Other	324	262	345	276
Onerous contracts	-	-	39	39
National Injury Insurance Scheme Queensland	-	-	138	143
Queensland Government Insurance Fund	337	361	337	361
Other	377	267	547	369
	1,038	890	3,212	2,777
Non-current				
Outstanding claims				
Workers' compensation	-	-	2,948	2,643
Other	699	691	713	708
Onerous contracts	-	-	148	189
National Injury Insurance Scheme Queensland	-	-	3,545	3,340
Queensland Government Insurance Fund	2,975	3,262	2,975	3,262
Other	278	278	1,051	969
	3,953	4,231	11,381	11,111
			<u> </u>	··
	4,991	5,120	14,593	13,888
	4,331	3,120	14,333	13,000

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 2023 was 4.5% (2022: 3.9%) and the inflation rate was 3.5% (2022: 3.5%). The risk margin applied was 9% (2022: 9%).

38. Provisions continued

Outstanding claims continued

(ii) National Redress Scheme for Survivors of Institutional Child Sexual Abuse

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 3 December 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 (3.3% p.a. and 4.3% p.a. respectively for 2022-23).

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 2023, including claims incurred but not reported. The estimate of the NIISQ provision is based on market consistent assumptions of 3.5% inflation and a discount rate of 4.4% as at 30 June 2023 (3.4% and 4% respectively for 2022).

(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 2023 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 2023 was 4.3% (2022: 3.8%).

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 Inter-connection and Power Pooling Agreement and was remeasured downwards by \$57 million (2022: upwards by \$84 million) during the year due to a change in future cash flow assumptions.

38. Provisions continued

Other provisions continued

(i) Power Purchase/Pooling Agreement provisions continued

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.

Movements in provisions

General Government Sector	Outstanding Claims	QGIF	Other Provisions	Total
	2023	2023	2023	2023
	\$M	\$M	\$M	\$M
Carrying amount at beginning of year	953	3,622	545	5,120
Additional provisions recognised	304	256	187	747
Reductions in provisions and payments	(294)	(235)	(108)	(637)
Transfers and reclassifications	-	-	-	-
Change from remeasurement and discounting adjustments	61	(331)	31	(239)
Carrying amount at end of year	1,023	3,312	655	4,991

Total State Sector	Outstanding Claims	NIISQ	QGIF	Other Provisions	Total
	2023	2023	2023	2023	2023
	\$M	\$M	\$M	\$M	\$M
Carrying amount at beginning of year	5,216	3,483	3,622	1,566	13,888
Additional provisions recognised	2,857	516	256	289	3,918
Reductions in provisions and payments	(2,321)	(167)	(235)	(205)	(2,928)
Transfers and reclassifications	-	-	-	56	56
Change from remeasurement and discounting adjustments	61	(149)	(331)	79	(341)
Carrying amount at end of year	5,813	3,683	3,312	1,785	14,593

39. Other liabilities

	General Government		Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Current				
Unearned revenue	624	719	951	931
Environmental surrender obligations (RECs, GECs, NGACs)	-	-	179	174
Other	176	158	149	131
	800	877	1,279	1,236
Non-current		-		
Unearned revenue	215	204	662	671
Other	-	8	25	17
	215	212	687	688
	1,015	1,089	1,966	1,925

40. Notes to the Cash Flow Statement

(a) Reconciliation of operating result to net cash flows from operating activities

	General Government		Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Operating result	14,128	3,371	16,150	17,550
Non-cash movements:				
Depreciation and amortisation	5,166	4,644	7,914	7,391
Net (gain)/loss on disposal of Non-current assets	(11)	6	(193)	(1,819)
Impairment and write-off of bad debts	51	86	515	44
Equity accounting (profit)/loss	7	3	14	3
Unrealised net (gain)/loss on borrowings/investments	(1)	30	(879)	(13,318)
Revaluation (increments)/decrements	(115)	1,000	(4,175)	(70)
Net asset write downs, transfers and donations	(270)	(391)	(318)	(432)
Other	(35)	(347)	(72)	(723)
(Increase)/decrease in receivables	(146)	1,335	33	589
(Increase)/decrease in inventories	(129)	32	(429)	(116)
(Increase)/decrease in prepayment and other assets	(13)	155	(303)	(262)
Increase/(decrease) in payables Increase/(decrease) in provisions	1,840 (552)	1,009 (611)	1,456 248	1,370 121
Increase/(decrease) in other liabilities	(352)	118	240	306
Total non-cash movements	5,757	7,069	4,034	(6,915)
וטנמו ווטוי-כמסוו ווטעפווופוונס	5,757	7,009	4,034	(0,915)
Cash flows from operating activities	19,885	10,440	20,184	10,634

(b) Changes in liabilities arising from financing activities

General Government Sector		L Cook	- Elowo	l Mon	Cook Ch		
	Opening	Cash	r Flows Cash	Non New	Market	Other	Closing
	Balance	Received	Payments	Leases	& Time		Balance
				& similar	Value		
2023	\$M		\$M	\$M	\$M	\$M	\$M
Advances received	1,310	3,264	(2,665)	-	1	-	1,909
Borrowing with QTC	49,000	13	(46)	-	-	(2,800)	46,166
Other loans	3,858	-	(Š79)	625	-	66	3,970
Leases	3,076	-	(527)	133	141	96	2,919
SCA non-GORTOs	737	-	(202)	91	-	3	630
Securities and derivatives	93		- (4.049)		(27)	(26)	41
	58,074	3,276	(4,018)	849	116	(2,661)	55,636
2022							
Advances received	1,435	2,339	(2,465)	-	1	-	1,310
Borrowing with QTC	46,153	3,038	(36)		-	(155)	49,000
Other loans	3,818	-	(842)	815		67	3,858
Leases SCA non-GORTOs	3,191 694	-	(504)	160 76	74 3	155	3,076 737
Securities and derivatives	220	-	(36)	- 10	(127)	-	93
	55,511	5,377	(3,883)	1,051	(49)	68	58,074
	30,011		(0,000)	.,			

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40. Notes to the Cash Flow Statement continued

(b) Changes in liabilities arising from financing activities continued

Total State Sector

	Opening Balance	Cash Cash Received	h Flows Cash Payments	Non- New Leases	Cash Chang Market & Time	ges Other	Closing Balance
2022	\$M	\$M	\$M	& similar \$M	Value \$M	\$M	\$M
2023 Advances received	262	3	(31)	-	1	-	235
Other loans Leases	4,313 3,481	30 -	(623) (588)	625 184	4 142	66 107	4,416 3,326
SCA non-GORTOs Deposits held	737 6,639	5,563	(202) (7,099)	91 -	-	3	630 5,104
Securities and derivatives	136,591 152,024	26,756 32,352	(27,839) (36,381)	900	(11,637) (11,490)	(26) 150	123,844 137,554
2022	. <u> </u>						
Advances received	300	1	(40)	-	1	-	262
Other loans Leases	4,212 3,697	113 -	(862) (566)	815 180	(31) 10	67 160	4,313 3,481
SCA non-GORTOs Deposits held	694 6,384	- 6,472	(36) (6,217)	76	3	1	737 6,639
Securities and derivatives	124,191 139,479	30,244 36,831	(19,798) (27,520)	- 1,070	1,953 1,936	227	136,590 152,024
			/	<u> </u>			<u> </u>

41. Capital expenditure commitments

As at 30 June 2023, 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 Go	overnment	Total	Total State		
	2023	2022	2023	2022		
	\$M	\$M	\$M	\$M		
Capital expenditure commitments	11,129	8,555	15,081	11,474		

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:

	General G	overnment	Total State		
	2023 2022		2023	2022	
	\$M	\$M	\$M	\$M	
QIC Limited	-	-	46,340	46,616	
The Public Trustee of Queensland	2,264	1,937	2,264	1,937	
Other	402	424	402	425	
	2,666	2,361	49,006	48,978	

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 Go	overnment	Total State		
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Nature of contingency					
Guarantees and indemnities	54,443	53,646	12,747	12,842	
Other	117	174	120	178	
	54,560	53,821	12,867	13,020	

Guarantees and indemnities

General Government Sector

For the GGS, these mainly comprise guarantees of borrowings by local governments and PNFCs from QTC of \$8.79 billion and \$41.514 billion (2022: \$8.955 billion and \$40.777 billion) respectively. QTC also provided guarantees of \$2.09 billion (2022: \$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 \$150 million (2022: \$300 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 2023, there were 53 (2022: 47) unresolved native title claims before the federal court over State lands (including offshore islands). The claims cover an area of approximately 16.6% (2022: 18.1%) of the state. At reporting date, it is not possible to make an estimate of any probable outcome of these claims, or of any financial effects.

43. Contingent assets and liabilities continued

(b) Contingent liabilities – not quantifiable

General Government Sector continued

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. At reporting date, the State does not foresee the need to pay compensation in relation to any of these long-term sales permits.

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.

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 2023-24 Budget, the expected future expenditure in relation to past disasters is \$4.12 billion (2022: \$4.129 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 of QIC have assessed the recoverable amounts of the assets of the trusts and concluded that currently they have excess assets over liabilities.

43. Contingent assets and liabilities continued

Contingent liabilities - not quantifiable continued (b)

Total State Sector continued

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.

Contingent assets - quantifiable (c)

	General Go	overnment	Total State		
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Nature of contingency					
Guarantees and indemnities	7,525	6,468	8,314	7,232	
Other	11	11	11	11	
	7,535	6,478	8,324	7,243	

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 \$7.009 billion (2022: \$6.066 billion), made up of bank guarantees \$5.334 billion (2022: \$4.482 billion) and insurance bonds \$1.676 billion (2022: \$1.584 billion).

Total State Sector

In addition to the above GGS quantifiable guarantees and indemnities, the following relate specifically to the PNFC and PFC sectors:

WorkCover Queensland held bank guarantees on behalf of self-insurers totalling \$471 million (2022: \$494 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

There were no material events after the reporting date of 30 June 2023 that have a bearing on the State's operations, the results of those operations or these financial statements.

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45. Sustainability Related Risks

The Queensland Government is exposed to sustainability related risks and develops and implements strategies, policies and procedures to manage these risks. The Queensland Government has identified the below material sustainability risk factors.

Environment, Social and Governance (ESG) Factors	Policy initiatives taken to -
Climate Change	Transition to a low carbon future, by lowering greenhouse gas emission. Address the physical impacts arising from climate change by embedding adaption and resilience.
Natural Capital	Manage the balance of resources used between industry and the community whilst safeguarding the natural environment. This includes surface and underground water management, biosecurity, aquaculture, forestry management and environmental protection.
Social	Support an educated, healthy, and skilled community, through education, health services, social welfare, public order, diversity and opportunity, cyber security and safety.
Governance (Economic and Fiscal)	Provide robust frameworks that support Ministers and accountable officers to provide oversight and discharge their obligations. Strong economic and fiscal management is fundamental to achieving government's objectives and good governance.

The Queensland Government is committed to ensuring that its risk management practices reflect a high standard of governance. The Government's *Queensland Sustainability Report* (the Report) provides detailed information on how the Queensland Government manages these risks and ESG information to meet developing expectations and information needs of investors, financial markets, rating agencies and the community. 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.

Climate change is a material 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 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 is a multi-year program which supports agencies to identify and implement climate risk management within their risk management practices.

(i) The Queensland Climate Action Plan 2030 (QCAP)

The QCAP has set achievable targets for reducing the state's emissions while creating jobs and the *Queensland Climate Adaptation Strategy 2017-2030* (Q-CAS) is a central component of Queensland's climate change response, preparing the state for current and future climate changes by understanding the impacts, managing the risks and harnessing the opportunities. The QCAP supports the management of key risks and opportunities by Cabinet through the responsible Minister and administering departments.

Queensland Government has set renewable energy and emissions	-	30% emissions reduction below 2005 levels by 2030
reduction targets to meet objectives of achieving net zero	-	50% renewable energy target by 2030
emissions and decarbonising the energy sector.	—	70% renewable energy target by 2032
	—	80% renewable energy target by 2035
	-	Zero net emissions by 2050

The Queensland Government monitors progress on its 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 Accounts* (National Greenhouse Gas Inventory – UNFCCC classifications). The Department of Environment and Science reports progress on its climate targets on the *Queensland Climate Action Plan 2020-2030* website.

(ii) The Queensland Energy and Jobs Plan (QEJP)

The QEJP outlines the state's pathway to a clean, reliable and affordable energy system to provide power for generations. It includes a pathway to build the new Queensland SuperGrid to connect solar, wind, battery and hydrogen projects across the state and unlock new capacity and storage. By decarbonising Queensland's electricity network, input costs to industry will be lowered and energy sources will meet the requirements of increasingly ESG-conscious investors and consumers.

45. Sustainability Related Risks continued

(iii) Queensland new-industry development strategy

The Queensland new-industry development strategy sets out the government's approach to proactively developing the industries that will be in demand in a decarbonising world. The strategy targets six key areas:

- renewable energy manufacturing and infrastructure;
- critical minerals processing, manufacturing and product development;
- _ battery industry development;
- _ green hydrogen;
- the circular economy, including resource recovery; and bioeconomy including biofuels and sustainable aviation fuel. _

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.

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, advances 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 the wide customer base 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. \$58 million of COVID-19 Jobs Support Loans are credit-impaired as at 30 June 2023 (2022: \$54 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 advances 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.

(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:

2023	Cash & equivalent \$M	Financial assets \$M	Derivatives \$M	Total \$M	% of Total
AAA	-	2,079	-	2,079	6%
AA+	-	609	-	609	2%
AA	-	364	-	364	1%
AA-	7,354	22,524	39	29,917	79%
A+	-	3,312	16	3,328	9%
А	-	919	-	919	2%
Other	-	522	-	522	1%
	7,354	30,331	55	37,740	100%
2022	Cash & equivalent \$M	Financial assets <i>\$M</i>	Derivatives \$ <i>M</i>	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%

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 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.

(a) Credit risk continued

Cash, securities and derivatives continued

Master netting arrangements continued

The following table presents financial instruments, including collateral, that are subject to enforceable master netting or similar agreements but not yet offset in the balance sheet. The column 'net amount' shows the net impact on Total State if all set off rights (including collateral) were exercised.

	Gross amount <i>\$M</i>	Master netting & collateral \$M	Net amount <i>\$M</i>
2023			
Financial assets	5,925	(3,979)	1,946
Financial liabilities	5,722	(3,981)	1,741
Net exposure	203	2	205
2022			
Financial assets	15,753	(9,981)	5,772
Financial liabilities	17,790	(9,981)	7,809
Net exposure	(2,037)	-	(2,037)

(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:

General Government Sector

2023	1 Year or Less \$M	1 to 5 Years \$M	Over 5 Years \$M	Total \$M	Carrying Value \$M
Payables	10,555	71	-	10,626	10,626
Commonwealth advances	31	117	167	315	235
Lease liabilities	553	1,542	1,188	3,284	2,919
SCA - non-GORTO liabilities	86	327	539	952	630
Other liabilities at amortised cost	2,277	2,390	3,941	8,607	5,644
Borrowing with QTC	1,334	5,313	46,094	52,741	46,166
Derivatives	-	-	59	59	41
	14,836	9,760	51,988	76,584	66,261

(b) Liquidity risk continued

General Government Sector					
2022					
	1 Year or	1 to 5	Over 5	Total	Carrying
	Less	Years	Years		Value
	\$M	\$M	\$M	\$M	\$M
Payables	8,666	140	-	8,806	8,806
Commonwealth advances	40	117	190	348	262
Lease liabilities	548	1,552	1,336	3,436	3,076
SCA - non-GORTO liabilities	155	325	621	1,102	737
Other liabilities at amortised cost	2,147	1,958	3,927	8,032	4,905
Borrowing with QTC	1,241	4,975	48,943	55,158	49,000
Derivatives		40	78	118	93
	12,798	9,107	55,096	77,000	66,880
Total State Sector					
2023	1 year or	1 to 5	Over 5	Total	Carrying
	less	vears	vears	Total	value
	\$M	\$M	\$M	\$M	\$M
	<i>•</i>	<i>\</i>	<i>\</i>	<i> </i>	<i>ç</i>
Payables	12,463	146	-	12,609	12,609
Commonwealth advances	31	117	167	315	235
Lease liabilities	632	1,785	1,237	3,654	3,326
SCA - non-GORTO liabilities	86	327	539	952	630
Other liabilities at amortised cost	628	2,390	3,941	6,959	3,996
Government securities and other loans at fair value	22,639	59,509	75,685	157,833	123,637
Derivatives	5,172	621	246	6,038	5,730
	41,651	64,895	81,814	188,359	150,163
2022	1 year or	1 to 5	Over 5	Total	Carrying
	less	years	years		value
	\$M	\$M	\$M	\$M	\$M
Payables	10,894	213	-	11,107	11,107
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	1,982	3,927	7,009	3,882
Government securities and other loans at fair value	26,806	53,519	72,611	152,936	125,987
Derivatives	15,117	5,199	590	20,906	17,675
	54,713	63,134	79,378	197,225	163,131

(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.

(c) Market risk continued

(i) Interest rate and unit price risk continued

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 a \$24 million (2022: \$17 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 \$435 million higher or lower (2022: \$414 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 \$55 million higher or lower (2022: \$33 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 \$462 million (2022: \$490 million).

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.

	Iotal	State
	2023	2022
	\$M	\$M
Interest rate risk VaR at 30 June	40	47
Average for the year	47	27
Financial year - minimum	39	8
Financial year - maximum	62	54

The effect of a 1% movement in interest rates on the TSS cash balances would result in a \$90 million (2022: \$65 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 +\$534 million/-\$532 million (2022: +\$504 million/-\$501 million). For the range of changes to the operating result and equity that are considered reasonably possible at year end, refer individual agency statements, particularly QTC.

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(c) Market risk continued

(ii) <u>Commodity price risk</u>

The State is exposed to commodity price risk resulting from changes in electricity, coal, gas, diesel, environmental certificates and other commodity prices.

The ownership of electricity generating GOCs exposes the State 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 +\$798million/-\$797million (2022:+\$457million/-\$474million) and equity by -\$581million/+\$554million (2022:-\$883million/+\$884million).

(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.

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 Go		Total State		
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Financial assets					
Amortised cost	8,382	7,564	18,658	16,685	
FVTPL - designated upon initial recognition	5,231	3,062	100,952	104,682	
FVTPL - mandatorily measured at FVTPL	43,475	40,372	-	-	
FVTOCI - debt instruments	254	239	254	239	
FVTOCI - equity instruments	24,429	19,979	16	6	
	81,771	71,216	119,880	121,611	
Financial liabilities					
Amortised cost	66,221	66,786	20,809	19,481	
FVTPL - designated upon initial recognition	-	-	125,194	131,103	
FVTPL - held for trading	41	93	4,160	12,547	
	66,261	66,880	150,163	163,131	

47. Net fair value of financial instruments continued

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
	2023	2023	2022	2022
	\$M	\$M	\$M	\$M
Financial assets QRIDA loans	1,105	1,027	1,108	1,146
Financial liabilities Commonwealth Borrowings Education non-concessional loans QTC borrowings	235 562 46,166	308 371 40,342	262 575 49,000	346 376 43,983

Total State Sector

	Carrying amount 2023 \$M	Fair value 2023 \$M	Carrying amount 2022 \$M	Fair value 2022 \$M
Financial assets QRIDA loans	1,105	1,027	1,108	1,146
Financial liabilities Commonwealth Borrowings Education non-concessional loans	235 562	308 371	262 575	346 376

Financial instruments measured at fair value have been classified in accordance with the hierarchy described in AASB 13, except for 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: 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 inputs that are not based on observable market data.

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. Financial liabilities consist of QTC benchmark bonds and actively traded electricity derivatives.

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.

47. Net fair value of financial instruments continued

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:

The following table presents the GGS and TSS financial assets and liabilities recognised and measured at fair value.

General Government Sector	Level 1	Level 2	Level 3	Total
	\$M	\$M	\$M	\$M
2023				
Assets				
Financial assets at fair value through profit or loss				
Other investments	218	4,920	43,567	48,705
Financial assets at fair value through equity				
Securities and bonds	254			254
	472	4,920	43,567	48,959
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives	-	-	41	41
	-	-	41	41
2022				
Assets				
Financial assets at fair value through profit or loss				
Other investments	210	2,656	40,569	43,435
Financial assets at fair value through equity	210	2,000	40,303	43,433
Securities and bonds	239	_	_	239
	449	2,656	40,569	43,674
Liabilities			40,000	40,014
Financial liabilities at fair value through profit or loss Derivatives			93	93
Derivatives			93	<u> </u>
			93	33

47. Net fair value of financial instruments continued

Total State Sector	Level 1 \$M	Level 2 \$M	Level 3 \$M	Total \$M
2023				
Assets				
Financial assets at fair value through profit or loss				
Derivatives	3,228	696	893	4,817
Securities and bonds	15,299	4,445	-	19,744
Loans		9,560		9,560
Other investments	747	39,530	26,553	66,831
Financial assets at fair value through equity	054			054
Securities and bonds	254	-	-	254
	19,529	54,231	27,446	101,206
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives	4,417	1,034	287	5,738
Deposits	-	5,089	-	5,089
Government securities issued	86,766	31,347	-	118,113
Borrowings		421		421
	91,183	37,891	287	129,361
2022				
Assets				
Financial assets at fair value through profit or loss				
Derivatives	12.089	1,127	701	13,917
Securities and bonds	14,435	5,490	-	19,925
Loans	-	9,833	-	9,833
Other investments	752	34,234	26,006	60,991
Financial assets at fair value through equity				
Securities and bonds	239	-		239
	27,514	50,684	26,707	104,905
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivatives	13,960	3.069	653	17.682
Deposits		6,628	-	6,628
Government securities issued	90,549	28,367	-	118,916
Borrowings	-	432	-	432
	104,509	38,495	653	143,657

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 Go	overnment	Total S	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Opening balance asset / (liability)	40,475	37,720	26,054	18,555
Purchases	3,048	3,705	948	495
Sales	(2,121)	(2,028)	(8)	(28)
Settlements	-	-	836	1,803
Movements in other comprehensive income	-	-	72	(126)
Movements recognised in profit or loss	2,124	1,012	(746)	2,286
Transfers into Level 3	-	67	-	3,071
Transfers out of Level 3 into Level 2	-	-	3	(2)
Closing balance asset / (liability)	43,527	40,475	27,159	26,054

The sensitivity of the State's financial instruments is disclosed in Note 46.

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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 under the Judges and Governors schemes;
- Energy Super, a sub-fund within Brighter Super (previously known as Local Government Investment Australia Super Fund).

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. Governors pensions are provided in accordance with the Governors (Salary and Pensions) Act 2003. The Judges' and Governors' Schemes are wholly unfunded schemes. 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 Brighter Super

On 1 July 2021, Energy Super Fund and Brighter Super merged, creating one fund which is managed by the Brighter Super Trustee.

Queensland electricity entities contribute to Energy Super, an industry multiple employer superannuation fund. Members are entitled to benefits from the fund on retirement, resignation, retrenchment, disability or death.

Energy Super is regulated by APRA under the Superannuation Industry (Supervision) Act 1993.

48. Retirement benefit obligations continued

Energy Super - a sub-fund of Brighter Super continued

The defined benefit account 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 1 July 2021 by Willis Towers Watson.

Energy Super 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.

		Government	Total State		
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
Present value of the defined benefit obligation					
QSuper DB	26,810	27,523	26,810	27,523	
Judges ES - Brighter Super	865	854	865 802	854 738	
Total present value of the defined benefit obligation	27,675	28,377	28,477	29,115	
	· · · · · · · · · · · · · · · · · · ·			,	
Fair value of plan assets					
QSuper DB	6,762	6,209	6,762	6,209	
ES - Brighter Super Total fair value of the plan assets	6,762	- 6,209	1,157 7,918	1,138 7,347	
	0,702	0,209	7,910	1,341	
Defined benefit obligation Liability/(Asset) recognised in Balance Sheet					
QSuper DB	20,048	21,314	20,048	21,314	
Judges	865	854	865	854	
ES - Brighter Super	-	-	(354)	(400)	
Liability/(Asset) recognised in Balance Sheet	20,913	22,168	20,559	21,768	
Reconciliation of the present value of the defined benefit obligation					
Opening balance	28,377	33,868	29,115	34,802	
Current service cost	721	930	741	959	
Contributions by plan participants	162	165	173	175	
Interest cost Benefits paid (including contributions tax)	996	466	1,031	485	
Actuarial (gain)/loss	(2,363) (218)	(2,400) (4,652)	(2,428) (155)	(2,482) (4,824)	
Closing balance	27,675	28,377	28,477	<u>(4,024)</u> 29,115	
C C		- / -			
Reconciliation of the fair value of plan assets					
Opening balance	6,209	6,536	7,347	7,743	
Return on plan assets at discount rate Return on plan assets above/(below) discount rate (actuarial gain)	220 539	89 (108)	273 556	113 (131)	
Employer contributions - State share of beneficiary payments	1,965	1,900	1,965	1,900	
Employer contributions	-	-	2	2	
Contributions by plan participants	162	165	173	175	
Benefits paid (including contributions tax)	(2,334)	(2,374)	(2,399)	(2,456)	
Closing balance	6,762	6,209	7,918	7,347	

48. Retirement benefit obligations continued

	General Governmen		Total State	
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Amounts recognised in Operating Statement				
Current service cost (including employer contributions)	721	930	740	959
Superannuation interest cost	776	377	759	372
Total amounts recognised in Operating Statement	1,497	1,307	1,499	1,331
Remeasurements of net defined benefit obligation				
Actuarial gain/(loss) due to changes in demographic assumptions	-	(103)	-	(103)
Actuarial gain/(loss) due to changes in financial assumptions	650	5,094	588	5,124
Actuarial gain/(loss) due to changes in experience adjustments	(432)	(339)	(433)	(197)
Return on plan assets above/below discount rate	539	(108)	556	(131)
Amounts recognised in Statement of Changes in Net Assets (Equity)	757	4,545	712	4,693

Plan Asset Allocations

The Government Division of the Australian Retirement Trust (QSuper) holds investments with the following asset allocations:

	Quoted	Unquoted	Quoted	Unquoted
	2023	2023	2022	2022
	\$M	\$M	\$M	\$M
Global equities	5,565	-	4,794	-
Global private equity	-	50	-	62
Cash and fixed interest	-	1,147		1,352
	5,565	1,197	4,794	1,414

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.

Plan Asset Allocations

The major categories of Energy Super plan assets are as follows:

			202	23 2022
			\$	SM \$M
			0	0.07
Global equities			33	
Cash and fixed interest			45	51 432
Real estate			17	74 182
Other			19	97 216
			1,15	57 1,138
	QSuper DB	QSuper DB	ES Brighter	ES Brighter
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
Actual return on plan assets	759	(18)	70	1
The estimate of employer contributions to be paid in 2022-23 is \$2.112 billion for	r QSuper DB a	and \$2 million for	Energy Super.	

48. Retirement benefit obligations continued

Plan Asset Allocations continued

At 30 June 2023, the weighted average duration of the QSuper defined benefit obligation is 7 years (2022: 7 years).

Principal actuarial assumptions at:	QSuper DB	QSuper DB	Judges	Judges	ES Brighter	ES Brighter
	2023	2022	2023	2022	2023	2022
Discount rate (gross)	4.00%	3.70%	4.00%	3.70%	5.3 - 5.5%	4.9 - 5.1%
Future inflationary salary increases	3.40%	3.40%	3.40%	3.40%	3 - 3.5%	3 - 3.5%
Expected CPI increases	2.40%	2.40%	N/A	N/A	N/A	N/A

Sensitivity Analysis for each significant actuarial assumption

Change in defined benefit obligation brought about by a 1% increase in:	QSuper DB 2023 \$M	Judges 2023 \$M
Discount rate	(1,779)	(110)
Future inflationary salary increases	1,836	136
Expected CPI increases	149	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.

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.

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:

	2023 \$M	2022 \$M
Short-term employee benefits	6.9	6.6
Post-service benefits	0.8	0.8
Total	7.7	7.4

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.

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49. Related parties and Ministerial remuneration continued

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 (>\$100 million) and balances (>\$200 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 balances with QTC cash funds which are disclosed in Note 22 and deposits with QTC which are disclosed in Note 24.

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 \$169 million (2022: \$143 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.

Expenses and liabilities

The GGS has borrowing 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.

Equity injections and withdrawals

During the year, the GGS invested \$500 million in CleanCo Queensland Limited, \$208 million in Stanwell Corporation Limited and \$102 million in CS Energy Limited under the Government's Renewable Energy and Hydrogen Jobs Plan.

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.

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.

50. Controlled entities continued

The following controlled entities of the Government have been included in the consolidated financial statements for the year ended 30 June 2023. 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.

Audited Consolidated Financial Statements 2022-23 - Queensland Government

General Government

Departments

Agriculture and Fisheries Child Safety, Seniors and Disability Services (renamed 18 May 2023) Education * Office of Industrial Relations Energy and Public Works * QBuild - commercialised business unit * QFleet - commercialised business unit **Environment and Science** Health * Queensland Ambulance Service Housing (renamed 18 May 2023) Justice and Attorney-General Premier and Cabinet * Screen Queensland Pty Ltd **Queensland Corrective Services** Queensland Fire and Emergency Services **Queensland Police Service Queensland Treasury** Regional Development, Manufacturing and Water Resources State Development, Infrastructure, Local Government and Planning Economic Development Queensland - commercialised business unit Tourism, Innovation and Sport Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts (renamed 18 May 2023) * Arts Queensland Transport and Main Roads Digital Economy * CITEC - commercialised business unit * Corporate Administration Agency - shared service provider * Queensland Shared Services - shared service provider * RoadTek - commercialised business unit Youth Justice, Employment, Small Business and Training (renamed 18 May 2023) 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 Health and Wellbeing Queensland

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50. Controlled entities continued

Other General Government entities continued

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 Sector Commission (renamed on 1 March 2023) 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 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

50. Controlled entities continued

Public Non-financial Corporations

Brisbane Organising Committee for the 2032 Olympic and Paralympic Games CleanCo Queensland Limited

- CS Energy Limited
 - * Aberdare Collieries Pty Ltd

 - * Callide Energy Pty Ltd * CS Energy Financial Services Pty Ltd * CS Energy Group Holdings Pty Ltd
 - * CS Energy Kogan Creek Pty Ltd * CS Kogan (Australia) Pty Ltd * CSE BESS Pty Ltd

 - * CSE H2 Operations Pty Ltd * CSE H2 Pty Ltd * Kogan Creek Power Pty Ltd

 - * Kogan Creek Power Station Pty Ltd * T75 Segregated Cell
- Energy Queensland Limited
- * Energex 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 * Artex Insurance (Guernsey) PCC Limited Cell NQBP * Ports Corporation of Queensland Limited (dormant)
 - * Mackay Ports Limited (dormant)
- Port of Townsville Limited

Powerlink Queensland

- * Copperstring 2.0 Electricity Transmission Corporation Pty Ltd * Harold Street Holdings Pty Ltd * Powerlink Transmission Services Pty Ltd

- * Queensland Capacity Network Pty Ltd Queensland Bulk Water Supply Authority (trading as Seqwater)
- Queensland Hydro Pty Ltd (controlled entity of Queensland Treasury) (established 3 August 2022)

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 Stadiums Queensland

50. Controlled entities continued

Public Non-financial Corporations continued

Stanwell Corporation Limited

- Glen Wilga Coal Pty Ltd (dormant)

- * Glen Wilga Coal Pty Ltd (dormant) * Goondi Energy Pty Ltd (dormant) * Mica Creek Pty Ltd * SCL North West Pty Ltd * Stanwell Asset Maintenance Company Pty Ltd * Stanwell Asset Maintenance Company Pty Ltd * Stanwell Renewable Energy Pty Ltd * Tarong Energy Corporation Pty Ltd (dormant) * Tarong Fuel Pty Ltd

- * Tarong North Pty Ltd * TEC Coal Pty Ltd * TN Power Pty Ltd * Wambo 2 Hold Co Pty Ltd
- * Wambo 2 Project Co 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 Corporate Holdings Pty Ltd * QIC Asian Investment Services Pte. Ltd.

- * QIC Corporate Holdings Trust
- * 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 QGIF II GP No.1 S.à r.I. * QIDF GP USD S.à r.I. * QIDP GP1 S.à r.I. * QIDP GP1 S.à r.I.
- * QIC Private Capital Pty Ltd
- * QICP Pty Ltd
- * QIC Retail Pty Ltd
- 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 QGIF GP Co No. 1 Inc * QIC US Private Equity, LLC * QIC US Private Equity No. 2 LLC * QIC US Shopping Centre Fund No.1 GP LLC * South Bay Managing Member LLC Queensland Treasury Corporation

The National Injury Insurance Agency, Queensland WorkCover Queensland

51. Expenses from transactions by function

	General Go	vernment	Total S	State
	2023	2022	2023	2022
	\$M	\$M	\$M	\$M
General public services	6,135	5,182	12,079	10,357
Public order and safety	6,703	6,323	6,554	6,200
Economic affairs	2,672	2,609	10,989	10,994
Environmental protection	894	1,586	892	1,584
Housing and community amenities	1,597	1,038	2,561	1,869
Health	23,864	22,045	23,648	21,846
Recreation, culture and religion	1,081	936	1,160	1,017
Education	18,497	16,871	18,355	16,740
Social protection	6,390	5,743	6,682	6,669
Transport	8,047	7,570	8,066	7,577
	75,880	69,902	90,986	84,853

52. Sector assets by function

	General G	overnment	t Total State		
	2023	2022	2023	2022	
	\$M	\$M	\$M	\$M	
General public services ¹	63,690	55,099	94,806	88,592	
Public order and safety	9,817	9,214	9,535	9,018	
Economic affairs	14,248	13,530	53,883	60,380	
Environmental protection	105,601	95,973	105,537	95,911	
Housing and community amenities	24,144	21,601	37,347	34,719	
Health	20,160	17,691	20,011	17,538	
Recreation, culture and religion	5,604	5,213	6,592	6,125	
Education	35,888	29,683	35,852	29,652	
Social protection	2,686	2,764	5,784	5,184	
Transport	132,647	112,661	143,027	122,683	
	414,484	363,430	512,373	469,802	

¹ For GGS, includes fixed rate notes and investments in other public sector entities. For TSS, includes investments managed by QIC, securities and bonds.

53. General Government Sector Budget to actual comparison

Operating Statement

	Variance Notes	Published Budget 2023 \$M	Actual 2023 \$M	Change \$M	Change %
Revenue from Transactions Taxation revenue	4	18.842	20.601	1 750	00/
Grants revenue	1	35.242	20,601 38.335	1,759 3.092	9% 9%
Sales of goods and services	2	6.181	6,483	302	5%
Interest income	3	2,847	3,226	379	13%
Dividend and income tax equivalent income	4	1,499	1,007	(493)	(33%)
Other revenue Total Revenue from Transactions	5	9,275	20,160	10,885	117%
Iotal Revenue from Transactions		73,886	89,810	15,923	22%
Expenses from Transactions					
Employee expenses		30,076	30,557	481	2%
Superannuation expenses	0	055	770	404	400/
Superannuation interest cost Other superannuation expenses	6 6	655 3.493	776 3.756	121 262	18% 8%
Other operating expenses	0	19.805	20.014	202	1%
Depreciation and amortisation	7	4.652	5.018	366	8%
Other interest expenses	8	1,826	1,688	(139)	(8%)
Grants expenses		14,407	14,072	(335)	(2%)
Total Expenses from Transactions		74,915	75,880	964	1%
Net Operating Balance		(1,029)	13,930	14,959	
Other economic flows—included in operating result		1	198	196	
Operating Result		(1,028)	14,128	15,155	
Other economic flows—other movements in equity *	9	3,348	40,255	36,907	
Comprehensive Result—Total Change in Net Worth		2,321	54,383	52,063	
KEY FISCAL AGGREGATES					
Net Operating Balance		(1,029)	13,930	14,959	
Net Acquisition/(Disposal) of Non-Financial Assets					
Purchases of non-financial assets		8,478	9,899	1,420	
Less Sales of non-financial assets		177	181	3	
Less Depreciation		4,652	5,018	366	
Plus Change in inventories Plus Other movement in non-financial assets		42 914	79 1.058	37 144	
Equals Total Net Acquisition/(Disposal) of Non-Financial Assets		4.606	5,838	1,232	
		,	ŕ		
Fiscal Balance		(5,635)	8,092	13,727	
* For GFS, the change in Net Worth is the change from the previous published outcome. T adjustments are permitted under IFRS.	This differs from t	he AASB 1049	statements	where prior	year

53. General Government Sector Budget to actual comparison continued

Balance Sheet

Assets	Variance Notes	Published Budget 2023 \$M	Actual 2023 \$M	Change \$M	Change %
Financial Assets					
Cash and deposits	10	757	2,357	1,600	211%
Advances paid Investments, loans and placements	11	1,408 46,267	1,239 49,426	(169) 3,159	(12%) 7%
Receivables		4,947	4,320	(627)	(13%)
Equity		,	,	~ /	
Investments in other public sector entities	12	22,455	24,414	1,958	9%
Investments in other entities Total Financial Assets		165 76,000	175 81,930	9 5,930	5% 8%
		10,000	01,000	0,000	070
Non-Financial Assets Land and other fixed assets	13	254,571	322.812	68.240	27%
Other non-financial assets	13	6,745	9,743	2,998	44%
Total Non-Financial Assets		261,316	332,554	71,238	27%
Total Assets		337,316	414,484	77,168	23%
Liabilities					
Payables	15	4,965	5,921	956	19%
Superannuation liability	16	24,069	20,913	(3,156)	(13%)
Other employee benefits Advances received	17	9,615 1,745	10,419 1,909	805 165	8% 9%
Borrowing	18	66.459	53.726	(12,732)	(19%)
Other liabilities	14	14,210	17,622	`3,413´	24%
Total Liabilities		121,062	110,511	(10,550)	(9%)
Net Worth		216,254	303,973	87,719	41%
Net Financial Worth		(45,062)	(28,581)	16,481	
Net Financial Liabilities		67,517	`52,995´	(14,522)	
Net Debt		19,772	2,615	(17,157)	

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53. General Government Sector Budget to actual comparison continued

Cash Flow Statement

	Variance Notes	Published Budget 2023 \$M	Actual 2023 \$M	Change \$M	Change %
Cash Receipts from Operating Activities Taxes received Grants and subsidies received Sales of goods and services Interest receipts Dividends and income tax equivalents	19 20	18,840 34,382 6,457 2,844 788	20,410 38,684 6,886 3,201 922	1,570 4,302 429 357 134	8% 13% 7% 13% 17%
Other receipts Total Operating Receipts	21	10,866 74,178	22,502 92,604	11,636 18,426	107% 25%
Cash Payments for Operating Activities Payments for employees Payments for goods and services Grants and subsidies Interest paid Other payments Total Operating Payments		(34,334) (22,258) (14,293) (1,755) — (72,641)	(34,232) (23,090) (13,777) (1,616) (4) (72,719)	102 (832) 517 139 (4) (78)	(0%) 4% (4%) (8%) NA 0%
Net Cash Flows from Operating Activities		1,538	19,885	18,348	1193%
Cash Flows from Investments in Non-Financial Assets Purchases of non-financial assets Sales of non-financial assets	22	(8,478) 177 (8,301)	(9,899) 181 (9,718)	(1,420) 3 (1,417)	17% 2% 17%
Financial Assets for Policy Purposes	23	(478)	(766)	(288)	60%
Financial Assets for Liquidity Purposes	24	1,321	(8,035)	(9,356)	(708%)
Net Cash Flows from Investing Activities		(7,458)	(18,519)	(11,061)	148%
Receipts from Financing Activities Advances received (net) Borrowing (net) Net Cash Flows from Financing Activities	25	900 4,797 5,697	598 (1,318) (719)	(302) (6,114) (6,416)	(34%) (127%) (113%)
Net Increase/(Decrease) in Cash Held		(223)	647	871	(391%)
KEY FISCAL AGGREGATES					
Net Cash from Operating Activities Net Cash Flow from Investments in Non-Financial Assets		1,538 (8,301)	19,885 (9,718)	18,348 (1,417)	
CASH SURPLUS/(DEFICIT)		(6,763)	10,167	16,931	
Derivation of ABS GFS Cash Surplus/Deficit Cash surplus/(deficit) Acquisitions under finance leases and similar arrangements ABS GFS Cash Surplus/(Deficit) Including Finance Leases and		(6,763) (810)	10,167 (849)	16,930 (40)	
Similar Arrangements		(7,573)	9,318	16,890	

Audited Consolidated Financial Statements 2022–23 – Queensland Government

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53. General Government Sector Budget to actual comparison continued

Explanations of major variances between AASB 1049 actual amounts and corresponding original Budget amounts for GGS **Operating Statement**

- 1. Taxation revenue was \$1.759 billion or 9% higher than the 2022-23 Budget due to the stronger than expected domestic economy and state labour market. Major drivers for the improvement in taxation revenue included:
 - \$761 million in higher stamp duties, mainly from better-than-expected housing market activity and higher car sales;\$609 million in higher payroll tax revenue reflecting stronger growth in employment and wages;

 - Higher gambling taxes and motor vehicle registration of \$217 million and \$74 million respectively.
- 2. Grant revenue was \$3.092 billion higher compared to the 2022-23 Budget forecast reflecting growth in the national GST pool (\$495 million). In addition, the Australian Government made advance payments in late June 2023 of Financial Assistance Grants on-passed to local councils (\$620 million), Disaster Recovery Financial arrangements payments (\$758 million) and up-front Social Housing Accelerator program payments (\$398 million). Higher National Health Reform and Quality Schools specific payments from the Australian Government also contributed to the comparatively higher grants revenue.
- Interest income increased \$379 million compared to the 2022-23 Budget reflecting earnings on the investment of an additional \$3 billion in royalty windfalls, and an additional \$1 billion invested in the long term assets to support the Housing Investment Fund, higher interest on solicitor trust accounts, and interest on higher cash balances.
- Dividend and income tax equivalent income was \$493 million lower than forecast mainly due to lower earnings by Energy 4. Queensland and Stanwell Corporation.
- Other revenue was \$10.885 billion higher than 2022-23 Budget estimate largely driven by royalty income from extraordinarily high 5. coal and oil prices earned by Queensland commodity producers.
- Superannuation expenses in total were \$383 million higher than forecast in part due to a change in financial assumptions used in the 6. actuarial valuation of the defined benefit superannuation liabilities and the introduction of new Queensland public sector employer contribution arrangements.
- Depreciation and amortisation expenses were \$366 million higher in comparison to the 2022-23 Budget estimate because of 7. unbudgeted upward valuations of road infrastructure, schools and hospitals and increased capital expenditure.
- Other interest expenses were 8% lower than the 2022-23 Budget estimate primarily due to lower borrowing with QTC following 8. improved net operating balances realised in 2022 and 2023.
- Other movements in equity were \$36.907 billion higher than estimated in the 2022-23 Budget due to upward valuations of road infrastructure, land under roads and school buildings and upward valuation of the investment in the PNFC and PFC Sector entities. Property, plant and equipment 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 of land in Queensland. 9.

Balance Sheet

10. Refer Cash Flow Statement for movements in the cash balance.

- 11. Investments, loans and placements were \$3.159 billion higher than the 2022-23 Budget estimate mainly reflecting the government's decision to set aside \$3 billion of the extraordinary royalties uplift for future investment in Queensland regional infrastructure and an additional \$1 billion invested into the long term assets to support the Housing Investment Fund.
- 12. Investments in public sector entities were \$1.958 billion higher than the 2022-23 Budget estimate reflecting the increase in net worth of the PNFC and PFC Sectors mainly from upwards valuation of property, plant and equipment by electricity network GOCs.

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53. 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

Balance Sheet continued

- 13. The increase of \$68.24 billion in land and other fixed assets over the 2022-23 Budget mainly reflect the revaluation adjustments that occurred in the 2021-22 year end process (post 2022-23 Budget) as well as within the 2022-23 year, and result from the increased cost and shortage of inputs such as building materials and labour, as well as a significant increase in land values. Road infrastructure, school buildings and land under roads were particularly impacted. (Refer variance note 9.) To a lesser extent, higher than originally projected purchases of non-financial assets also contributed to the comparative increase.
- 14. Deferred tax assets and liabilities were higher than the 2022-23 Budget largely due to deferred tax assets and liability movements being netted off for budget reporting by Stanwell Corporation Limited, contributing to the comparative increase in other non-financial assets and other liabilities.
- 15. Payables were \$956 million higher than the Budget projection due in part to an increase in cash surety held within the Financial Provisioning Scheme and GST overpaid by the Australian Government.
- 16. The \$3.156 billion lower defined benefit superannuation liability mainly reflects the actuarial valuation adjustments which occurred in the 2021-22 year end process, post the 2022-23 Budget, when discount rates increased sharply.
- 17. Other employee benefit obligations were \$805 million higher than the 2022-23 Budget projection partly due to Cost-of-Living Adjustment payments payable to employees on certification of enterprise bargaining agreements for nurses and teachers and wages payable on agreements certified late in the year.
- 18. Compared to the 2022-23 Budget, borrowings were \$12.732 billion lower than projected primarily reflecting the lower borrowings from the 2021-22 outcome, which rolled forward into the opening balance for 2022-23 and lower than expected borrowing requirements within the year as a result of Queensland's record net operating surplus driven by higher royalty income and improved taxation revenue, partly offset by higher capital purchases.

Cash Flow Statement

- 19. Tax receipts were \$1.57 billion above the 2022-23 Budget estimate which is lower than the increase in the Operating Statement (refer variance Note 1) due to additional receivables at year end.
- 20. Grants and subsidies received are \$4.302 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 payments.
- 21. In addition to the increase in the Operating Statement (refer variance Note 5) other receipts were higher than budget due to higher than expected net GST receipts from the ATO.
- 22. Purchases of non-financial assets are \$1.42 billion higher than the 2022-23 Budget estimate as agencies have been able to deliver ahead of overall expectations for the sector.
- 23. Net cash outflows from policy purposes are \$288 million higher than budget, mainly due to the timing of equity investments in GOCs partly offset by lower than expected new concessional loans.
- 24. Net cash outflows from liquidity purposes are \$9.356 billion higher than budget, mainly due to the investment of funds to support priority regional infrastructure projects and additional investment in the QTC redraw facility.
- 25. Net proceeds from borrowing are \$6.114 billion lower than budget mainly due to the improved operating cash position reducing the State's expected funding requirements.

General Government Sector and Total State Sector Consolidated Financial Statements

2022 – 23

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 2023.

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 Michael Carey Under Treasurer Queensland Treasury

The Honourable Cameron Dick MP Treasurer Minister for Trade and Investment

Audited Consolidated Financial Statements 2022-23 - Queensland Government

16 October 2023

5-92



INDEPENDENT AUDITOR'S REPORT

To the Treasurer of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Queensland Government (the group) including the General Government Sector and Total State Sector as set out on pages 5-1 to 5-92.

In my opinion, the financial report:

- a) gives a true and fair view of the Queensland Government's financial position as at 30 June 2023, 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 (AASB 1049).

The financial report comprises the balance sheets as at 30 June 2023, the operating statements, statements of changes in equity (net worth), cash flow statements for the year then ended, notes to the financial statements including material accounting policy 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.



Valuation of property, plant and equipment (Total State Sector \$375.48 billion; General Government Sector \$309.20 billion at 30 June 2023)

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 <i>Fair Value</i> <i>Measurement</i> .	For material assets that were reported at fair value in entity financial statements, my procedures included, but were not limited to:
The valuation of some assets requires significant management judgement due to the uncertainties inherent in the valuation of these significant physical assets.	 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
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	 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
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.	 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 \$20.56 billion; General Government Sector \$20.91 billion at 30 June 2023)

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 Government Division of the Australian Retirement Trust (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 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 2023.

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*, Australian Accounting Standard 1049, and for such internal control as the Treasurer, through Queensland Treasury, determines is 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, as applicable, matters relating 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the Queensland Government's internal controls.



- Evaluate the appropriateness of material accounting policy information 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 with the Treasurer, through Queensland Treasury, 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.

17 October 2023

Queensland Audit Office

Brendan Worrall

Auditor-General

Brisbane



Queensland Government

EXHIBIT (c)(iii)

Budget Papers of the Co-Registrant for 2023-24

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the State of Queensland's (the "<u>State</u>" or "<u>Queensland</u>") 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, the Russia-Ukraine conflict and the Israel-Hamas 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.

(c)(iii)-1

QUEENSLAND BUDGET 2023-24

Queensland Good jobs Better services Great lifestyle D'S ACTION NATIONAL CO

BUDGET SPEECH BUDGET PAPER NO. 1



ON

2023–24 Queensland Budget Papers

- 1. Budget Speech
- 2. Budget Strategy and Outlook
- 3. Capital Statement
- 4. Budget Measures
- Service Delivery Statements

Appropriation Bills

Budget Overview

Regional Action Plans

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Budget Speech Budget Paper No. 1 ISSN 1445-4890 (Print) ISSN 1445-4904 (Online)

APPROPRIATION BILL 2023

THE HONOURABLE CAMERON DICK MP

TREASURER

MINISTER FOR TRADE AND INVESTMENT

Introduction

All over this country, Australians are feeling cost-of-living pressures in ways they have never felt them before.

On every trip to the supermarket, it seems like prices just keep going up and up.

Every time Australians have to fill up the car, or pay their mortgage, or pay the phone bill, costs seem to go up.

And while the Federal Government is stepping up for many Australians, many more are still feeling the pinch.

Many do not receive any Federal assistance to help them.

Today, for all those Queenslanders facing cost of living pressures, I have a simple message.

Help is on the way.

In this Budget, our government will deliver greater and more widespread cost-of-living relief than any other government in Australia, state or Federal.

Through this budget, no matter who they are, Queenslanders will receive cost-of-living relief from our government through their electricity bill.

And the value of that cost-of-living relief will be higher than anywhere else in Australia.

In this budget, the Palaszczuk Labor Government will also step up to invest even more into building our future.

This budget commits our government to the biggest building program in our state's history.

Our government will deliver more hospitals, more houses, more roads, more trains, and more schools.

Page 1 of 18

And we will support more Queenslanders with the essential government services that they deserve.

Speaker, unlike some states, we will not be racking up bills on the credit card to pay for this.

We will do it the Queensland way.

The Labor way.

As we invest in cost-of-living relief, in our infrastructure Big Build, and in services across the state, we will also pay down debt.

We can do this because of our government's strong and effective economic management.

And Labor's strong economic management is demonstrated by our budget bottom line.

That's why I am pleased to announce today, that for this financial year, Queensland's budget surplus will be \$12.3 billion.

This is the largest budget surplus ever recorded by any state or territory government.

And our budget surplus is larger than all but four surpluses delivered by the government of the Commonwealth of Australia, all more than fifteen years ago.

I am also pleased to announce that the funds from this double-digit surplus will pay down state debt.

Because of that surplus, we will finish the forward estimates with lower net debt than previously forecast by Queensland Treasury.

This will be achieved, even with our record infrastructure spend.

We can deliver our state's biggest cost of living program, our state's biggest building program, and deliver lower debt, because of one simple reason.

Progressive coal royalties.

Our decision, to take on the mining lobby, to stand our ground, and to fight for the people of our state, has delivered a rich reward for Queenslanders.

As rich as that reward is for the people of Queensland, it is a mere fraction of the rewards being earned by big coal companies.

Page 2 of 18

Those coal companies will earn four times as much in revenues as Queenslanders make in royalties.

Speaker, we know the mining lobby, and its allies, will keep fighting these progressive coal royalties.

The mining lobby and its allies simply do not think the people of Queensland deserve a fair share of mining profits.

That's why the mining lobby is spending \$40 million on a campaign to overturn progressive coal royalties.

Speaker, tomorrow marks 500 days until the next Queensland State Election.

Those 500 days will be defined by the debate over what Queenslanders deserve.

And the choice is clear.

Queenslanders can have progressive coal royalties, which means more cost-of-living relief, better services, infrastructure for regional Queenslanders including hospitals, and lower debt.

Or there can be a Queensland without progressive coal royalties, which means there will be no cost-of-living relief, cancelled infrastructure programs, cuts to services, and a higher debt burden.

Speaker, it is not enough for people to say that they support the projects, or that they support the cost-of-living relief in this budget.

To credibly support the projects in this budget, to credibly support the cost-of-living relief in this budget, then government must support keeping progressive coal royalties, permanently.

And the position of the Palaszczuk Labor Government could not be clearer.

For so long as there is a Labor Government in this state, we will keep progressive coal royalties.

I call upon those who will speak through the course of the debate on these Appropriation Bills to also make their position clear, without prevarication, evasion, or equivocation.

Do Members of this House support progressive coal royalties in their entirety, and all that they deliver for Queenslanders, or not?

Page 3 of 18

This budget debate will allow honourable Members, and all political parties, to make a public declaration on whether they support progressive coal royalties in their entirety, or not.

Our government's position is clear, because we will need every dollar to continue to deliver the budget priorities for Queensland.

Cost of living

The highest priority of this budget is cost-of-living relief.

That priority is to deliver cost-of-living relief, but to do so in a way that does not add to inflationary pressures.

This budget delivers the strongest direct cost-of-living support package of any Australian state government.

Thanks to the Albanese Labor Government, many Queensland households will receive \$250 through a Federal Government electricity rebate, matched by another \$250 from our government.

However, under the terms set by the Federal Government, around half of Queensland households will receive no relief from that rebate.

Speaker, I am pleased to announce today that our government will deliver a major expansion of the rebate program.

And we will pay for the entirety of that expansion program ourselves.

As a result of our investment, every Queensland household, including those not eligible under the Federal program, will receive an enhanced electricity rebate, totalling at least \$550.

This payment will go to every one of the 2.2 million Queensland households.

And that is only right.

Because every household in Queensland owns our electricity assets.

And through our Queensland Energy and Jobs Plan, we intend to keep it that way, as we deliver our world leading plan to transition to clean energy.

Our government also recognises that when inflation is high, low-income households bear the brunt of cost-of-living pressures.

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I know that first hand from the community I am so proud to represent in this House.

When cost-of-living pressures hit, they hit electorates like Woodridge first, and they hit hard.

So on top of the \$550 payment, eligible Queensland concession holders will also continue to access their \$372 standing concession.

Furthermore, I am pleased to announce that, on top of those payments, eligible Queensland concession holders will also receive an additional electricity bill rebate of \$150.

Altogether, it means eligible Queensland concession holders will receive a total of \$1,072 in concessions and cost-of-living relief.

That means low-income Queensland households, such as pensioners, may pay nothing for electricity next financial year.

This will free up their finances for other essential purchases.

Again, that is only fair.

Our government also understands the cost-of-living pressures faced by working Queensland families with young children.

And we understand the economic potential that is unlocked by enabling more women to get back into the workforce.

That is why today I am announcing that this Budget will provide \$645 million over four years to fund 15 hours each week of free kindergarten for all 4-year-old Queensland children from January 2024.

Over the course of a year, that means an average saving of \$4,600 for many Queensland families.

Making kindy more affordable, puts more money into the pockets of working Queenslanders.

And it gives more Queenslanders the opportunity to return to work, or to take on more work, further easing pressures.

In further targeted cost-of-living relief, this budget invests \$4.8 million over two years in a new SwimStart program.

Modelled on the successful FairPlay vouchers, this program will provide more than 30,000 vouchers valued at up to \$150 for eligible children under the age of five to learn to swim.

Page 5 of 18

Our government also recognises the distances that some Queenslanders must travel in a state as large as ours to get to the medical care they require.

That's why this Budget provides \$70 million over four years to increase accommodation and fuel subsidies under the Patient Travel Subsidy Scheme.

Health

More parents returning to the workforce because of free kindy is good for the Queensland economy.

And when more Queenslanders are healthy, that is also good for our economy.

The enduring lesson of the pandemic is that a strong health response leads to a strong economy.

Speaker, our government always puts health first.

That's why this budget sets yet another record for health funding.

Next financial year, Queensland's health budget will be a record \$25.8 billion.

The 9.6 per cent increase in the health operating budget represents the largest annual increase in the health budget in Queensland history.

This budget continues the delivery of our record \$9.8 billion hospital construction program, building new or expanded hospitals across the state including in Cairns, Townsville, Mackay, Bundaberg, Hervey Bay, Toowoomba and in South East Queensland.

This is the biggest health building program of any state or territory in Australia.

Our record health funding also includes \$764 million to specifically address ambulance ramping and healthcare pressures that contribute to emergency department wait times.

We are investing \$72 million for 200 more paramedics, \$28 million for new and replacement ambulances, and \$22 million in a cost-ofliving allowance for nursing and midwifery students in regional, rural and remote Queensland.

Housing

Across Australia, and in many parts of the world, housing shortages are a source of daily distress for those without a home, or in fear of losing their home.

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Understandably, this housing shortage is an issue of great concern to many Queenslanders.

The causes are clear.

A shortage of building and construction materials caused by pandemic-related supply chain issues.

A shortage of tradies after stronger than expected employment growth.

And a fundamental change in household composition, accelerated by the pandemic.

In 2015, the average Australian dwelling was home to 2.6 people.

Today, that number has shrunk to 2.5.

That small change has a big impact.

All other things being equal, it means Queensland would need an extra 77,000 homes just to keep pace with that decline in household size.

But so much has changed in that time.

The pandemic also demonstrated what a great place Queensland is to live.

A safe harbour, with good jobs, better services, and a great lifestyle.

Our government has been addressing the challenge of population growth.

That's why, as Treasurer, I was proud to help create the Housing Investment Fund, which is now supporting its first tenants in homes in regional Queensland.

And it's also why I am pleased to announce today an additional investment of \$1.1 billion into the housing portfolio.

This investment will meet the higher costs of construction faced by the Queensland Government in delivering our housing building program.

Anyone who pretends governments are immune from the rapid rise in construction costs that has affected the entire industry in Australia is economically naïve, or seeks to deceive Queenslanders.

Our investment will also see an additional \$322 million to increase our social housing target by another 500 homes.

Page 7 of 18

Community Safety

Every Queenslander deserves to have a home.

And every Queenslander deserves to be safe in that home.

Our government recognises increasing community concerns about youth crime, and we are acting to address those concerns.

The budget delivers additional investment of over \$440 million over five years to help boost police resources and tackle the complex causes of youth crime and support community safety.

This includes \$96 million for Youth Co-responder Teams who engage with young people, to break the cycle of youth crime.

It supports up to \$30 million in funding to enable seniors to be more secure in their homes.

Our government will provide \$37 million to implement the Strengthening Community Safety Act 2023, which ensures repeat offenders spend less time on remand, and more time serving their sentences.

And we will invest \$58.3 million over four years to implement the Domestic, Family and Sexual Violence review.

Big Build

Our government is proud to be making preparations for Queensland to host the 2032 Olympic and Paralympic Games.

We are planning for the renewable ambition of our Queensland Energy and Jobs Plan.

And as more people decide every week to become Queenslanders, we are planning for the hospitals, schools, roads and dams Queenslanders deserve, right across this state.

Today I am pleased to announce that over the four years to 2026–27, we will more than meet our \$50 billion Infrastructure Guarantee.

Queensland's Big Build, our total capital program over those four years, is forecast to be \$89 billion.

This unprecedented peak is the result of accelerated works for the Queensland Energy and Jobs Plan, and the Queensland Health and Hospitals Plan, and also takes into account higher prices for construction wages and materials.

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Even as construction costs rise significantly across the country, continuing with these investments is a deliberate decision by our government.

Government either backs these projects and accepts their higher costs, or government has to walk away.

And our government will never walk away from the needs of Queenslanders.

The labour shortages that are driving up construction costs are also testing the depth of Queensland's skills base.

Our ability to transition to a low carbon, more diversified and more industrialised economy will be underpinned by the resilience and flexibility of Queensland's workforce.

Increased skills means increased productivity, which is the key to further wages growth.

This Budget supports The Good People, Good jobs: Queensland Workforce Strategy 2022–2032, which will strengthen local communities and ensure our workforce has the agility to support growth.

Next financial year our government will invest more than \$1.2 billion in skills and training initiatives supporting workforce development and overcoming barriers to employment.

Transport Infrastructure

The \$6.9 billion to be invested in transport infrastructure next financial year includes \$420 million towards Stage 1 of the Coomera Connector.

It includes \$260 million towards Stage 3 of Gold Coast Light Rail.

This budget will fund major upgrades to the M1 and the Bruce Highway.

And it will invest in the Queensland Train Manufacturing Program in Maryborough, the Gold Coast Faster Rail project and Cross River Rail.

Water Infrastructure

In a state as vast as Queensland, we understand the importance of infrastructure.

Not just roads, but water projects as well.

Page 9 of 18

This budget includes more than \$150 million to complete construction of Rookwood Weir, as well as planning and early works for upgrades to the Burdekin Falls Dam, to Paradise Dam near Bundaberg and to the Awoonga Dam near Gladstone.

This budget also includes over \$13 million for the Toowoomba to Warwick water pipeline and over \$548 million for the Fitzroy to Gladstone water pipeline.

The Fitzroy to Gladstone water pipeline is one of many projects to be funded through our new progressive coal royalty tiers.

Education Infrastructure

As our government plans for Queensland's future, we recognise that the need for new schools in new growth areas will be enduring.

To that end, we will invest \$968 million over ten years to establish a Rolling Land Fund.

The focus of this fund will be the strategic acquisition of new school sites.

For existing Queensland state schools, this Budget invests \$358 million for new general and specialist learning spaces.

And this Budget provides a further \$259 million over three years to expand the successful school halls program.

Regional Infrastructure

As I said earlier, one of the cornerstones of this budget is the revenue generated by the coal owned by the people of Queensland.

That revenue is generated in regional Queensland, so it is only right that regional Queensland stands to benefit from what that revenue provides.

In each of the four budgets I have delivered, more than half of the total infrastructure investment has been outside greater Brisbane.

In this Budget, that proportion rises to a record 65 and a half per cent of capital investment outside Brisbane, or \$13.3 billion next financial year.

In this Budget our government will provide an additional \$6 billion in funding to our government-owned corporations, for priority infrastructure projects including energy, water and ports.

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Much of that investment will deliver the generational transformation that is the Queensland Energy and Jobs Plan.

That is a plan that will revolutionise Queensland's economy.

And it will do so in regional Queensland.

Over the next four years, our government will deliver an equity investment of \$6 billion to Queensland Hydro to help deliver the \$14 billion Borumba Pumped Hydro Project.

Operating as a gravity-fed battery, the 2-gigawatt Borumba project will have the capacity to provide one-third of Queensland's current average electricity demand for a period of 24 hours.

Next financial year, significant investments through our publicly-owned energy businesses include \$594 million for CopperString 2032.

In the coming year, through CleanCo, we will invest \$213 million to develop wind and solar projects in Central Queensland and the Swanbank Battery.

We will invest \$673 million through Stanwell to develop the Wambo and Tarong West wind farms and large-scale batteries, and \$312 million through CS Energy for Central Queensland wind farms and large-scale batteries.

Across the four years to 2026–27, this budget provides \$19 billion in total capital investment to support the Queensland Energy and Jobs Plan.

Our energy transition will not leave behind the very resource communities in regional Queensland whose toil has enabled so much wealth to be generated.

As this energy transition occurs, the world will continue to need steel-making coal and other vital minerals.

This Budget will ensure that Queensland will continue to be able to meet that need, by working with the mining industry.

We will work together to fast-track capital investments that reduce emissions through the \$500 million Low Emissions Investment Partnerships program.

And regional Queensland delivers our economic success not just through minerals resources, but through the food and fibre that is recognised around the world for its sustainable quality.

Queensland's reputation for high quality agriculture is a competitive advantage that must be maintained.

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Over five years, this Budget provides additional funding of \$22 million to address increasing animal biosecurity risks, including the risk of foot-and-mouth disease and lumpy skin disease, and a further \$22 million towards biosecurity preparedness for plant pests and diseases.

Other Infrastructure

As our planning for the 2032 Olympic and Paralympic Games continues on track, this Budget provides \$1.9 billion over the next four years to commence delivery of venue infrastructure.

And because Queenslanders know there is always a natural disaster waiting somewhere around the corner, this Budget includes \$152 million to enhance Queensland's disaster recovery and resilience.

This initiative is jointly funded with the Australian Government, from efficiencies in Disaster Recovery Funding Arrangements.

Next financial year, this Budget provides \$8 million to enable the Rural Fire Service to improve its capability and ensure a sustainable volunteer model across Queensland.

When natural disasters strike Queensland, we rely on the invaluable role that volunteers play, because volunteering is deeply ingrained in the Queensland character.

So, we are providing funding of \$3 million in 2023-24 to enable the State Emergency Service to enhance its volunteer capability.

First Nations

This year, our Parliament passed the historic Path to Treaty Bill.

And this year, Australians will vote on finally recognising our First Nations people in the Australian Constitution by enshrining an Indigenous Voice to Parliament.

Accordingly, this year's budget papers seek to reflect Queensland's First Nations heritage.

I wish to acknowledge David Williams, a proud Wakka Wakka artist, who is responsible for the artwork for this year's budget papers.

That artwork tells a story that begins at the heart of the state's economy, and the Treasury's place of duty and responsibility.

It describes Treasury's journey to connect meaningfully with communities, and recognises Treasury's responsibility to recognise and celebrate First Nations cultures, contributions, and achievements.

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To build strong and authentic connections with First Nations people and communities wherever possible.

Our government has, of course, committed to reframing Queensland's relationship with its First Nations people.

We will partner with Aboriginal and Torres Strait Islander people to deliver the best care for country through traditional knowledge and expertise, through co-stewardship arrangements and by recognising native title.

I am proud to announce this Budget will provide \$39 million over four years to ensure that we progress agreements, and relationships, that promote respect, culture, rights and active co-stewardship of Country.

Our government is also providing increased funding of \$50 million over four years for the continuation of the expanded Indigenous Land and Sea Ranger Program, which has doubled ranger numbers to 200.

Environment

Across Australia, and around the world, Queensland's natural environment is renowned.

As custodians of that environment, we have a solemn responsibility to protect it, but also to ensure Queenslanders and visitors have the opportunity to appreciate its majesty.

This Budget provides increased funding of \$38 million over four years to build new visitor trails in National Parks and to revitalise existing ones.

Doing so is good for our environment, it is good for tourism, and it is good for regional small businesses and the employment of First Nations peoples.

Our government is also providing an additional \$5.8 million over three years for investment into infrastructure improvements in Queensland's precious World Heritage areas.

And to make sure as many international and domestic visitors as possible have the chance to see those World Heritage Areas, this Budget provides \$272 million over four years for delivery of the Towards Tourism 2032: Transforming Queensland's visitor economy future strategy.

Economic forecast and fiscal update

The strength of this year's Budget gives us the ability to make the investments necessary to ensure Queensland's continued prosperity.

And we can make these investments while maintaining borrowings at sustainable levels.

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We need to conserve Queensland's fiscal strength, because the path ahead remains uncertain.

The International Monetary Fund has downgraded its global growth outlook for calendar 2023.

Russia's illegal and obscene war in Ukraine continues to inflict human misery and economic carnage every day.

Around the world, economic conditions are deteriorating as interest rates rise to ward off inflation.

Queensland's economy is forecast to grow two per cent this financial year, rising to three per cent in 2023-24.

By comparison, the Reserve Bank of Australia expects national economic growth to slow again, to one and a half per cent in calendar year 2024.

Inflation is forecast to continue easing, down to three and three-quarter per cent next financial year.

To date, household spending in Queensland has proved resilient in the face of successive interest rate rises.

But consumer spending growth is forecast to slow materially next financial year.

High rates of capacity utilisation and a strong construction pipeline should see business investment continue to rise, while easing supply constraints are forecast to see a welcome increase in dwelling investment.

As Queensland's State Final Demand has grown faster than the rest of Australia, so too has our demand for labour.

Employment growth is forecast to ease from three and a quarter per cent in 2022-23 to one per cent next financial year.

But unemployment will continue to remain low by historical standards, at four and a quarter per cent next financial year, rising to four and a half per cent in 2024–25.

Queensland's fiscal position is easily the strongest of the major states.

In 2022–23, that strength is due in large part to our progressive coal royalty tiers.

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Those progressive coal royalty tiers give our government the fiscal capacity to support Queenslanders in a way that no other state or territory can.

At the same time, expenses for 2022-23 have been managed broadly within the forecasts provided at last year's budget.

Our government is acutely aware that the cost of living measures we put in place must not risk further exacerbating inflationary pressures.

We can do so while improving our debt position and delivering a record surplus.

Three years ago, in my first Budget, I forecast four deficits in a row.

That was the prudent course of action to adopt at that time, to absorb the pain of the pandemic.

And it was what Queenslanders voted for in the 2020 State Election.

Two of those deficits have now been erased, thanks to our fiscal management and progressive coal royalties.

The one deficit that remains, in 2023-24, is the written proof that our government puts the finances of everyday Queenslanders first.

That one remaining budget deficit is the result of our deliberate decision to dig deeper than our annual revenues would otherwise allow, to support Queenslanders with cost-of-living relief.

Through our efforts, and through our commitments, we send an important message to Queensland households and families.

Our government is willing to keep our Budget in deficit, if it means keeping the budgets of more Queensland households and families in surplus.

Our fiscal strength means we can afford to make that decision, given this Budget shows a level of debt that is less than half of what was forecast, just under two years ago.

Over successive budgets, revenue from coal royalties has been targeted towards fiscal recovery and a lower reliance on debt.

Queensland's general government net debt to revenue ratio for the current financial year has been reduced from 27 per cent in the 2022–23 Budget, to just seven per cent in this Budget.

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This is below pre-pandemic expectations, with the 2019 Budget forecasting a net debt to revenue ratio of 30 per cent in 2022–23.

As a result of our \$89 billion Big Build capital investment, the ratio of net debt to revenue is expected to increase to 55 per cent by 2026–27.

But that remains far lower than the ratios of other major states, with Victoria projecting a ratio of 172 per cent in the same year, and New South Wales projecting a ratio of 102 per cent by 2025–26.

There will, of course, be those who choose to deliberately ignore this measure of net debt, which is the accepted measure of debt for the Commonwealth Government, and for every other state and territory.

They will use the figure of \$147 billion for Non-financial Public Sector Debt by the end of the forward estimates.

Some will even mistakenly compare that to net debt in other states.

Speaker, I will never stop correcting those errors, whoever makes them and wherever they are made.

But if some decide that nowhere else can be compared to the strength of the Queensland balance sheet, so be it.

If that is the number we have to wear in order to make the right decisions for Queensland, that is a number we will wear as a badge of honour.

That \$147 billion in Non-financial Public Sector borrowings shows the strength of the balance sheets of our government-owned corporations.

We make no apology for using the strength of the balance sheets of our government-owned corporations to build Queensland's renewable energy future, through our Energy and Jobs Plan.

The pumped hydro projects, the Queensland transmission SuperGrid including 500 kilovolt transmission lines, the solar and wind farms that will transform our economy and create more low emissions jobs in manufacturing and heavy industry.

Supplementary Appropriation

Speaker, this year's Budget also provides for an improved level of scrutiny of appropriations.

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Every year, after the budget, Treasurers introduce a supplementary appropriation, to deal with unforeseen expenditure that has arisen in the previous financial year.

Unforeseen Expenditure represents additional funding required by departments above what was provided for in the original appropriation.

These additional amounts reflect expenditures related to unforeseen events like natural disasters, accelerated expenditures where programs are brought forward, decisions taken by Government after the budget, as well as technical adjustments that occur throughout the year.

Rather than have the Parliament wait until September or October after the financial year, this year, unforeseen expenditure, up until April 2023, has been incorporated into the Appropriation Bill that I am introducing today.

This is an important reform, as it means those amounts for Unforeseen Expenditure can be requested from the Parliament at the earliest opportunity, and can be scrutinised by the Parliament through the Estimates process.

This is another example of our government's commitment to transparency and the Parliamentary process, and I am sure it will be welcomed by all Members.

I also note that there may still be a need for a small, supplementary appropriation to be introduced later in the year.

This will reflect any unforeseen expenditure arising in May and June of this year.

Conclusion

Speaker, the challenges faced by our state are significant.

We face tough economic headwinds, the highest inflation in a generation, the continuing war in Europe, and high interest rates.

And Queensland households and families experience those headwinds, through a higher cost of living.

But our actions, 12 months ago, to put in place progressive coal royalties is the decision that sets up our state to take on those challenges.

Speaker, because of those coal royalties, and the surplus that they have delivered, this Budget delivers what the people of Queensland need.

Comprehensive cost-of-living relief.

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Our state's record Big Build.

New investments in health, housing, and youth justice.

The transformation of our energy system to clean renewable energy.

And much lower debt.

No other government in Australia could promise this.

And no other Government in Australia could deliver, what this Budget delivers, for Queensland.

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Queensland Budget 2023–24 Budget Speech Budget Paper No.1



Queensland Budget 2023-24

Budget Speech Budget Paper No.1

'Rich history, thriving future.' artwork by David Williams of Gilimbaa.

QUEENSLAND BUDGET 2023-24





BUDGET STRATEGY AND OUTLOOK BUDGET PAPER NO. 2



2023–24 Queensland Budget Papers

- 1. Budget Speech
- 2. Budget Strategy and Outlook
- 3. Capital Statement
- 4. Budget Measures
- Service Delivery Statements

Appropriation Bills

Budget Overview

Regional Action Plans

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State Budget 2023–24

Budget Strategy and Outlook

Budget Paper No. 2

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Overview

Leveraging Queensland's strong economic performance, the 2023–24 Queensland Budget is responding to key challenges facing Queenslanders, including addressing cost-of-living pressures, enhancing health services, improving housing affordability and keeping communities safe.

The Budget is also investing substantially in healthcare and critical infrastructure across all regions to position Queensland on a clear path towards longer-term growth and prosperity.

The historic surplus in 2022–23, driven by the temporary surge in royalties due to the exceptionally high coal prices benefitting the state's coal producers, is providing capacity for the government to address these immediate challenges. This includes delivering substantial cost-of-living support to Queensland families and businesses, while also funding a record capital program to grow the economy and respond to Queensland's service and regional needs.

Tackling the cost of living

Cost-of-living pressures are being felt across the country, with all Australian households, businesses and industries continuing to face challenges including higher interest rates and higher costs of goods and services.

The Queensland Government is taking action on this national problem, with the 2023–24 Budget providing a record \$8.224 billion in concessions, an increase of over 21 per cent compared to 2022–23.

Notably, the 2023-24 Budget is providing \$1.617 billion in new and expanded cost-of-living measures in 2023-24.

This includes \$1.483 billion to deliver additional electricity bill support for households and small businesses facing cost-of-living pressures. This is the most significant electricity bill support package announced by any state or territory, more than doubling the size of the federally agreed support package for Queensland under the National Energy Bill Relief Fund.

This year's Budget provides \$645 million over 4 years from 2023–24 to provide 15 hours per week of free kindergarten from January 2024 for all 4-year-old Queensland children. This will reduce cost-of-living pressures for families, support labour market participation and improve educational outcomes.

The government is continuing to support improved social and affordable housing outcomes across Queensland, including through its \$2 billion Housing Investment Fund. The Budget includes substantial tax concessions for eligible Build to Rent developments that provide affordable dwellings at discounted rents.

Over the medium term, increasing labour force flexibility, skills and participation, and other actions to enhance the competitiveness and productivity of the state's businesses, will help reduce supply side constraints and dampen pressure on prices and cost of living.

The Big Build – infrastructure for a growing state

As Queensland continues to grow and diversify, continued investment in infrastructure will support productivity growth and enhanced standards of living.

The record capital program of \$88.729 billion over the 4 years to 2026–27, directly supporting around 58,000 jobs in 2023–24, will provide productivity-enhancing infrastructure across all regions of the state that will improve the competitiveness of Queensland's traditional industries and support growth in new and emerging sectors.

It will also provide the critical social infrastructure needed to support essential health and other services to meet the needs of a growing population.

Infrastructure delivered through the capital program will better connect communities across the state and strengthen their resilience in the face of future global challenges and natural disasters.

It will support job creation and attract people, skills and private investment to the regions, as well as improve overall liveability.

Delivering better services

The 2023–24 Budget continues to leverage off the significant investments made to date to deliver better services to Queenslanders.

Ongoing investment in essential services, including health, housing, education, justice, safety and social services, will continue delivering enduring social and economic benefits. These services support increased economic participation and improve the wellbeing of Queenslanders.

This Budget includes \$25.791 billion in total health funding and \$21.104 billion in total education and training funding in 2023–24, as well as significant levels of ongoing expenditure to safeguard and protect communities, improve liveability and enhance Queensland's lifestyle.

Through this targeted service delivery, the government is also directly investing in the growth and development of a healthy and skilled workforce to help drive productivity, boost real incomes and improve standards of living over the longer term.

Economic strategy – investing in Queensland's future

By addressing short-term challenges and laying a strong platform for future growth, the 2023–24 Budget is supporting delivery of the government's overarching community objectives of good jobs, better services and great lifestyle.

The 2023–24 Budget, including the record capital program, will also support the ongoing transformation of the Queensland economy, in line with the government's economic strategy focused on growing a sustainable and diversified economy that is resilient, productive, competitive and able to respond to future opportunities and challenges.

This investment will continue to create more jobs in more industries by leveraging Queensland's strengths, growing its traditional and emerging industries, expanding supply chains, and seizing opportunities in the lead up to the Brisbane 2032 Olympic and Paralympic Games and beyond.

Key initiatives and investments outlined in the 2023–24 Budget will help enable Queensland businesses, industries and communities to capitalise on these opportunities and drive future growth across all regions of the state. As well as the initiatives outlined above, this includes more than \$1.2 billion in skills and training initiatives in 2023–24, \$520 million over the period 2023–24 to 2029–30 for investments through the Low Emissions Investment Partnerships program, and \$16.3 million over 4 years for a package of measures to support women's economic security. As part of the government's capital program, \$19 billion is being invested over the forward estimates to deliver on the *Queensland Energy and Jobs Plan* and provide clean, reliable and affordable power for generations.

Economic outlook

Following strong growth of 4.4 per cent in 2021–22, the Queensland economy is now forecast to grow a further 2 per cent in 2022–23 and strengthen to 3 per cent growth in 2023–24. The economic growth profile reflects temporary domestic and international supply constraints, which have negatively impacted private investment, especially housing construction, and the overseas trade sector in 2022–23, and their subsequent unwinding.

Interest rates also continue to filter through to borrowers and household spending growth is expected to slow materially over the coming year.

With high rates of capacity utilisation and a solid pipeline of non-dwelling construction projects, overall business investment in Queensland is forecast to grow further.

While the nominal value of Queensland's exports is expected to grow to a record of almost \$140 billion in 2022–23, driven largely by exceptionally high global coal prices, commodity prices are forecast to normalise as supply issues abate.

In real terms, the overseas trade sector is forecast to make a one percentage point contribution to economic growth in 2023–24. The trade sector is then expected to largely return to balance in 2024–25 and make a neutral contribution to growth, as services export growth moderates.

Queensland's labour market is expected to remain exceptionally strong and tight, with the unemployment rate the lowest it has been in decades, the job vacancy rate near its historic high and the employment-to-population ratio at its highest level since the mining boom.

Following the strongest growth in 17 years, Queensland's employment growth is expected to ease to $3\frac{1}{4}$ per cent in 2022–23 and one per cent in 2023–24 as growth in domestic demand moderates. The unemployment rate is forecast to edge higher, but stay low by historical standards, to $4\frac{1}{4}$ per cent in 2023–24 and $4\frac{1}{2}$ per cent in 2024–25.

Inflation is forecast to moderate to $3\frac{3}{4}$ per cent in 2023–24 and to 3 per cent in 2024–25.

Queensland's population growth is forecast to increase to 2 per cent in 2022–23, reflecting a pickup in overseas migration. However, with interstate migration forecast to stabilise at pre-pandemic levels, population growth is forecast to ease back to $1\frac{1}{2}$ per cent by 2024–25.

Risks to the outlook however remain skewed to the downside, with inflation and monetary policy responses among major central banks the biggest risks to the global outlook.

Overview Table 1 Queensland economic forecasts/projections¹

	Actuals	Forecasts		Projections		
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Gross state product ²	4.4	2	3	3	23/4	23/4
Employment	5.1	31/4	1	11/2	13⁄4	13/4
Unemployment rate ³	4.5	33/4	41⁄4	41/2	41/2	43/4
Inflation ⁴	5.4	71⁄4	33/4	3	21/2	21/2
Wage Price Index	2.5	33/4	4	31/2	31/2	31/2
Population	1.6	2	13⁄4	11/2	11/2	11/2

Notes:

1. Unless otherwise stated, all figures are annual percentage changes.

2. Chain volume measure (CVM), 2020–21 reference year.

3. Per cent, year-average.

4. 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

Since the 2021–22 Budget, the government has committed to medium-term fiscal goals for the restoration of fiscal buffers impacted by the COVID-19 pandemic. This strategy has prepared Queensland to be able to meet contemporary and upcoming challenges.

Exceptionally high coal prices and the strength of the Queensland economy has resulted in higher than previously expected state revenues in 2022–23.

General Government Sector revenue is estimated to total \$87.623 billion in 2022–23, up \$13.437 billion (18.1 per cent) compared with 2021–22 and \$13.736 billion (18.6 per cent) higher than estimated in the 2022–23 Queensland Budget.

This significant upward revision in expected revenue in 2022–23 is largely driven by the exceptionally high coal prices that have continued to be received by Queensland's coal producers, as well as the state's strong labour market performance.

However, the substantial increase in royalties, is only temporary and not expected to be repeated over the forward estimates. As such, revenue is expected to decline sharply in 2023–24, by 6.3 per cent, as the temporary surge in coal and other commodity prices unwinds and continues to normalise.

Beyond 2023–24, revenue is expected to begin to stabilise (growing by less than 0.1 per cent) in 2024–25. Following this period of adjustment, revenue is expected to grow modestly in 2025–26 (by 0.9 per cent) and 2026–27 (by 3.3 per cent).

Given revenues are expected to moderate substantially as commodity prices normalise over the forward estimates, government has carefully planned its budgetary commitments.

The 2023–24 Budget achieves the right balance. Effective responses to immediate challenges will relieve cost-of-living pressures, strengthen the health system, and see more investment in social and affordable housing and youth services.

In parallel, government's careful management of recent extraordinary revenue performance and disciplined control of spending supports positive progress towards fiscal recovery, a lower reliance on borrowings, and creates capacity for additional public infrastructure investment.

The General Government Sector net operating surplus in 2022–23 of \$12.305 billion supports a reduction in the 2022–23 borrowing requirement and creates capacity for the transformative capital program while maintaining debt at sustainable levels.

A manageable deficit of \$2.182 billion in 2023–24 reflects commitments to priority areas, including temporary funding to relieve cost-ofliving pressures.

Going forward, wages growth alongside easing inflation are expected to see cost-of-living pressures ease. As the one-off measures in the 2023–24 Budget fall away and royalty revenue normalises across the forward estimates period, a return to operating surplus is expected.

The government's expanded program of public infrastructure investment of \$88.729 billion over 4 years to 2026–27 will underpin ongoing job creation in existing and emerging sectors and maintain a strong and diverse economy into the future. Key elements include delivering increased health system capacity, decarbonisation of the state's energy system, improved water security and preparing for the Brisbane 2032 Olympic and Paralympic Games.

Over successive budgets, the government has worked to limit the legacy impacts of the COVID-19 crisis on borrowings and fiscal sustainability.

In 2022–23 net debt will comprise just 7 per cent of revenue. Total General Government Sector borrowings are expected to be \$8.745 billion lower at 30 June 2024 than forecast in the 2022–23 Budget and remain \$2.158 billion lower by 30 June 2026.

Overview Table 2 Key fiscal aggregates¹

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Revenue	74,185	73,886	87,623	82,079	82,102	82,858	85,591
Expenses	69,889	74,915	75,317	84,261	81,967	82,653	85,214
Net operating balance	4,296	(1,029)	12,305	(2,182)	135	206	377
PNFA ²	7,889	8,478	9,194	9,347	11,473	11,417	11,389
Fiscal balance	(71)	(5,635)	6,786	(6,716)	(7,265)	(5,977)	(5,301)
Borrowing ³	56,764	66,459	54,693	65,479	76,040	85,127	94,814
Net debt	10,997	19,772	5,852	16,190	28,074	37,648	46,934

Notes:

1. Numbers may not add due to rounding.

2. PNFA: Purchases of non-financial assets.

3. Comprised of borrowing with QTC, leases and similar arrangements and securities and derivatives.

1 Budget priorities and economic strategy

Features

- Leveraging Queensland's strong economic performance, the 2023–24 Queensland Budget is responding to the challenges facing Queenslanders, including cost-of-living pressures and housing affordability. The Budget is also investing substantially in healthcare and infrastructure across all regions to position Queensland on a clear path towards longer-term growth and prosperity.
- The historic surplus in 2022–23, driven by strong royalties growth due to the high coal prices received by the state's coal producers, is providing capacity to deliver substantial cost-of-living support to Queensland families and businesses, while also funding a significant increase in the capital program to grow the economy.
- The Budget provides a record \$8.224 billion in concessions in 2023–24, an increase of over 21 per cent compared to 2022–23. The Budget is delivering \$1.483 billion for additional electricity bill support to households and small businesses facing cost-of-living pressures.
- This Budget provides \$645 million over 4 years from 2023–24 to provide 15 hours per week of free kindergarten from January 2024 for all 4-year-old Queensland children. On average, a family attending a sessional kindy for 15 hours per week that charges \$46 per day will save \$4,600 a year in fees. This will not only reduce cost-of-living pressures for families but will also support labour market participation and improve educational outcomes.
- The 2023–24 Queensland Budget is providing increased funding of \$1.1 billion for the delivery and supply of social housing across Queensland through the *Housing and Homelessness Action Plan (2021–2025)*, including to meet higher construction costs and to boost the QuickStarts Queensland program target by 500 homes, bringing it to 3,265 social housing commencements by 30 June 2025.
- This brings the total investment to \$5 billion for delivery of social and affordable housing, and housing and homelessness support, including \$3 billion funding to support the *Housing and Homelessness Action Plan 2021–2025* and \$2 billion investment for the Housing Investment Fund.
- The Budget includes substantial tax concessions for eligible Build to Rent developments that provide affordable dwellings at discounted rents.
- To drive greater gender equality and deliver a fairer, more inclusive and prosperous society, the Budget allocates a \$16.3 million package of targeted measures to support women's economic security and improve women's economic outcomes.

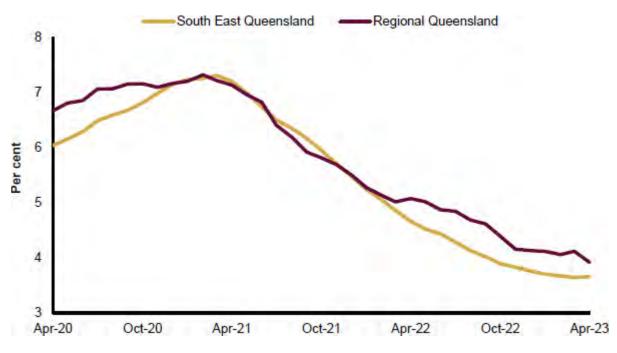
- Capacity constraints in recent years, including materials and labour supply shortages, have contributed to higher inflation, increasing the cost of living. Increasing labour force responsiveness, skills and participation, and other actions to enhance the competitiveness and productivity of the state's businesses, will help reduce these supply side constraints and dampen pressure on prices and cost of living over the medium term.
- The record capital program of \$89 billion over the 4 years to 2026–27 will provide the infrastructure to enhance productivity and the competitiveness of Queensland's traditional industries, support growth in new and emerging sectors and provide the essential health and other services needed to meet the needs of a growing population.
- In 2023–24, the government will invest \$20.321 billion in capital, directly supporting around 58,000 jobs. \$13.308 billion of this capital program will be invested outside of the Greater Brisbane region, supporting around 38,500 jobs.
- The government is continuing to invest in the growth and development of a healthy and skilled workforce to help drive productivity, boost real incomes and improve standards of living. The Budget includes \$25.791 billion in total health funding and \$21.104 billion in total education and training funding in 2023–24, as well as significant levels of ongoing expenditure to safeguard and protect communities, improve liveability and enhance Queensland's lifestyle.
- This Budget also backs the state's ongoing decarbonisation agenda through funding of \$520 million, over the period 2023–24 to 2029–30, to deliver the Low Emissions Investment Partnerships program, which will encourage the mining industry to fast-track capital investments that will both rapidly reduce its emissions profile and help maintain a competitive edge for the industry.
- By addressing short-term challenges and laying a strong platform for future growth, the Budget is supporting delivery of the government's overarching community objectives of good jobs, better services, and great lifestyle, including delivering on the government's economic strategy to create more jobs in more industries.

1.1 Building on strong foundations

The government's nation-leading response to the COVID-19 pandemic protected and maintained the health and wellbeing of Queenslanders. This set the platform for the state's remarkable economic recovery, which has seen Queensland continue to record a stronger rate of jobs growth than the rest of the nation since pre-COVID-19, with trend employment up 8.8 per cent (or 226,300 persons) since March 2020, compared with 6.5 per cent growth in the rest of Australia.

Strong employment outcomes have been widespread across the state, with unemployment rates declining across both South East Queensland and regional Queensland (see Chart 1.1).





Source: ABS, Labour Force, Australia, Detailed

The average unemployment rate across regional Queensland fell 1.2 percentage points to 3.9 per cent in the year to April 2023, to be the lowest unemployment rate recorded in regional Queensland since May 2008. Cairns (3.8 per cent), Townsville (2.3 per cent) and Wide Bay (5.6 per cent) all recorded among the lowest unemployment rates in more than a decade in April 2023.

In addition to the strength of Queensland's domestic economy and contributing to the state's strong labour market performance, Queensland exporters, in particular the state's coal producers, have been buoyed by a sustained period of exceptionally high global commodity prices.

Over the 2 years since mid-2021, Queensland coal producers have enjoyed unprecedented benefits from the surge in global coal prices, resulting in the value of Queensland coal exports reaching a calendar year record of \$83.5 billion in 2022, more than double the value in 2021 and triple the value in 2020.

Importantly, these record coal export revenues have contributed to the strong financial performance of coal mining companies, with many reporting record revenues and profits in 2022.

This performance highlights the important role that Queensland's traditional industries, such as mining, agriculture, and tourism, will continue to play alongside new and emerging growth sectors and the ongoing transformation to a low-carbon global economy.

Given the majority of Queensland's coal exports are metallurgical coal, international demand should continue to support Queensland's coal exports over coming decades.

As outlined in Queensland Treasury's report, *Queensland's Coal Industry and Long-Term Global Coal Demand*, published in November 2022, Queensland continues to offer an attractive environment for investment in coal, reflecting its numerous competitive advantages.

This includes its high-quality hard coking coal, proximity to the fast-growing Asian region, efficient supply chain, well-established infrastructure and skilled workforce.

In the context of unprecedented global coal prices, the new coal royalty tiers announced by the Queensland Government in the 2022–23 Budget mean Queenslanders are getting a fair return for the state's valuable and limited resources in a period when coal companies are generating extraordinary revenues and profits.

Driven by the strong growth in coal royalties, the historic surplus expected in 2022–23 is helping to create fiscal capacity for the productivity-enhancing infrastructure needed to facilitate Queensland's economic and energy transformation, including through the government's record 4-year capital program of \$88.729 billion.

By allowing the Budget to accommodate a much higher capital program, while keeping borrowings close to or less than the 2022–23 Budget estimate, the surge in coal royalties will enable the provision of the critical infrastructure needed to drive productivity and competitiveness for businesses and industry across the state.

The increase in coal royalties is also creating fiscal capacity for the government to address the more immediate challenges facing Queenslanders, including delivering substantial cost-of-living support to Queensland families and businesses, especially in 2023–24, in recognition of inflation growing much faster than wages the previous year.

A strong health system supports a healthy and productive population. It supports increased workforce participation and contributes to improvements in labour productivity over the longer term. As Queensland's strong economic recovery from the COVID-19 pandemic demonstrates, the state's economic success is dependent upon the health and wellbeing of Queenslanders.

By investing significantly in health services across the state, the government is protecting and enhancing the wellbeing of Queenslanders and strengthening the resilience and liveability of communities throughout the state's regions.

As Queensland continues to grow and transform, the government is also taking targeted action to help ease current pressures in the state's housing market, including supporting the supply of additional housing and rental stock. Investments to support the delivery of more social and affordable housing for Queenslanders will improve standards of living across communities and provide lasting benefits for the state's economy. Access to more affordable housing also supports positive employment outcomes, greater labour mobility and helps attract a skilled workforce and new investment opportunities.

The critical support being provided to Queensland families, communities, and small businesses in the Budget will help ensure all Queenslanders continue to enjoy an enviable lifestyle and improved standards of living.

1.2 Tackling the cost of living

Cost-of-living pressures are currently being felt right across the country. Queensland's households, businesses and industry are continuing to face these challenges, including higher interest rates, increasing electricity costs and higher costs of goods and services.

Box 1.1 Cost-of-living relief for Queenslanders

The Queensland Government recognises the challenges Queenslanders are currently facing in terms of cost-of-living pressures.

In the 2023–24 Queensland Budget, the government is providing a record \$8.224 billion in concessions to Queensland families and businesses, an increase of more than 21 per cent compared with 2022–23.

The government is providing \$1.617 billion in 2023–24 in the Budget towards new and expanded cost-of-living measures that will help address these challenges.

Electricity rebates

The 2023–24 Budget delivers \$1.483 billion for additional electricity bill support to households and small businesses facing cost-of-living pressures. This is the most significant electricity bill support package announced by any state or territory, more than doubling the size of the federally agreed support package for Queensland under the National Energy Bill Relief Fund.

As part of this package, all Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate.

In addition, vulnerable households will continue to receive the existing \$372 rebate under the Queensland Electricity Rebate Scheme, bringing total support for this group to \$1,072 in 2023–24.

The government's substantial cost-of-living relief package will more than offset typical household electricity bill increases in 2023–24. In some cases, households will have zero bills or be in credit in 2023–24.

Eligible small businesses in Queensland will also receive an automatic rebate of \$650 on their electricity bill in 2023–24. This includes around 205,000 Queensland small businesses that consume less than 100,000 kilowatt hours per annum.

Free kindy and FairPlay vouchers

The government will also provide 15 hours per week of free kindergarten from January 2024 for all 4-year-old Queensland children to further relieve cost-of-living pressures, improve access to early childhood education, and support economic participation across the state.

Eligibility for FairPlay vouchers will also be extended to more Queensland families to give more children aged 0-4 access to free swimming lessons.

Other cost-of-living support

The Budget also includes a range of other targeted measures that will reduce costs for Queenslanders.

Changes to licence fees will see Queensland's learner licence fees reduced from \$186.55 to \$75, while the fee for replacement Queensland driver licences, photo identification cards and industry authority cards will be reduced to \$35.

Access to essential health services will be enhanced through increased funding for the Patient Travel Subsidy Scheme, while other measures will provide direct support for the state's vulnerable families and children, including through the free school breakfast and critical food relief programs.

Details of the key new and expanded cost-of-living measures in 2023–24 are outlined below.

Table 1.1 – Cost-of-living relief measures

Measure	Description	2023–24 (\$ million)
Electricity Bill Support	Cost of Living Rebates for Queensland households and small businesses and other household energy initiatives.	1,483
Free Kindergarten	15 hours per week of free kindergarten from January 2024 for all 4-year-old Queensland children.	101.62
Patient Travel Subsidy Scheme	Increased funding to enhance access to essential health services.	14.18
FairPlay Vouchers	Extend availability to eligible children aged 0-4 years for swimming lessons.	2.38
Electricity Life Support Scheme	Expanded eligibility to allow more Queenslanders to access electricity rebates for life support equipment.	0.21
School Breakfast Programs	Extend and expand the programs delivered by non-government organisations across Queensland.	1.20
Critical Food Relief	Funding to help deliver critical food relief to vulnerable families and children.	0.32
Reducing Learner Licence Fees	Reducing Queensland's learner licence fees from \$186.55 to \$75.	9.38
Replacement Smartcard Product Fee Changes	Reducing the replacement fees for Queensland driver licences, photo identification cards, and industry authority cards to \$35.	5.29
Total		1,617

A range of other existing government concessions have also been increased or expanded to help further address cost-of-living pressures for Queenslanders. Refer to Appendix A for further details on the Queensland Government's \$8.224 billion in concessions.

In addition to providing immediate cost-of-living relief, the Queensland Government is focused on supporting economic growth through enablers and settings that will improve Queensland's productivity and deliver sustained increases in real wages.

This will ease cost-of-living pressures over the longer term and support improved standards of living for all Queenslanders.

Box 1.2 More affordable housing

Like many places in Australia and overseas, Queensland's housing system is experiencing significant pressures.

Reflecting its desirability as a great place to live, historically high levels of net interstate migration over 2021–22, followed by a recovery in net overseas migration over 2022–23, have both contributed to strong population growth in Queensland.

Other factors that have impacted Queensland's property market include: materials and skills shortages in the construction industry; long-term demographic trends such as the move towards smaller household sizes; working from home increasing demand for more space in different locations; and the impact of the 2022 Queensland floods.

In particular, material and labour supply shortages, weather disruptions, and several construction company insolvencies have constrained Queensland's residential construction activity, slowing the supply of new dwelling stock.

Average household size has also been declining due to both short- and long-term factors. Small changes in household size have large impacts — for each 0.01 fall in persons per household, around 8,500 additional dwellings are required.

Broader housing market conditions have tended to have the most significant impacts on the rental market. During the pandemic, the rental stock in Queensland declined significantly, partly due to the sale of properties to owner-occupiers. This drove rental vacancy rates to record lows and sharp rent increases across many Queensland regions, with a similar phenomenon apparent nationally.

The combined effect of these factors is that housing supply has not kept up with increased demand. In recognising these challenges, on 20 October 2022, the government held the Queensland Housing Summit to address the state's housing challenges and enhance supply, lift the responsiveness of the housing market and protect those who are most vulnerable.

The Queensland Government has a clear objective: that every Queenslander should have access to a safe, secure, and affordable home that meets their needs and enables participation in the social and economic life of this prosperous state.

To meet this objective, the government is implementing the *Queensland Housing Strategy 2017–2027*, delivered through the *Housing and Homelessness Action Plan 2021–2025* and *Aboriginal and Torres Strait Islander Housing Action Plan 2019–2023*. The government has also boosted the Queensland Government's flagship Housing Investment Fund (HIF) to \$2 billion, first announced under the Action Plan, with \$130 million now available per annum to support an increased target of 5,600 new social and affordable housing commencements by 30 June 2027. In 2023, the first HIF supported tenancies became active, with further units currently under construction.

The government also continues to commit significant additional investment towards social and affordable housing projects, crisis accommodation and supports, as well as services to address homelessness.

The 2023–24 Queensland Budget is providing increased funding of \$1.1 billion for the delivery and supply of social housing across Queensland through the *Housing and Homelessness Action Plan (2021–2025)*, including to meet higher construction costs and to boost the QuickStarts Queensland program target by 500 homes, bringing it to 3,265 social housing commencements by 30 June 2025.

Further to this, over \$250 million has been committed to housing and homelessness support services since the 2022–23 Budget. This includes over \$100 million provided throughout the last 12 months, as well as an additional \$150 million committed in the Budget.

Key initiatives supported in the Budget include \$51.3 million for the second *Aboriginal and Torres Strait Islander Housing and Homelessness Action Plan*, \$61.9 million (out of a total \$64.3 million) for emergency supported accommodation, and \$18.1 million to enhance and expand youth housing and homelessness services.

The government is also offering tax concessions for eligible Build to Rent developments that provide at least 10 per cent of dwellings at discounted rents, thereby supporting the construction of additional rental housing and delivering more affordable housing for more Queenslanders.

Planning changes were also announced to support housing supply and delivery, including amending planning rules to allow secondary dwellings, such as granny flats, to be rented on the open market, while increases in rents have been limited to only once a year.

Further investment is being made to unlock land for housing through delivery of essential infrastructure within areas experiencing significant growth through initiatives such as the \$171.2 million Catalyst Infrastructure Fund and the \$50 million Growth Acceleration Fund.

1.3 Investing in Queensland's future to create more jobs in more industries

While the 2023–24 Queensland Budget is providing significant targeted support to address immediate cost-of-living challenges, it simultaneously maintains a strong focus on investing to facilitate future economic growth and longer-term prosperity across the state.

1.3.1 Securing Queensland's path to a prosperous future

The Queensland economy is continuing to transform in response to global trends and in the context of an uncertain global economic and socio-political outlook.

Against this backdrop, the government's economic strategy is focused on growing a sustainable and diversified economy that is resilient, productive, competitive and able to respond to future opportunities and challenges.

The economic strategy will create more jobs by leveraging Queensland's strengths and growing its traditional and emerging industries, expanding supply chains and seizing opportunities in the lead up to the Brisbane 2032 Olympic and Paralympic Games and beyond.

Key enablers to capitalise on these opportunities and drive future growth include: a larger, more skilled workforce; targeted infrastructure investment; a competitive investment environment; expanded trade networks; increased innovation and digitalisation; and strong Environmental, Social and Governance (ESG) credentials.





1.3.2 The Big Build – infrastructure for a growing state

As Queensland continues to grow and diversify, continued investment in the right infrastructure is vital to ensure the resilience and prosperity of the state and to support productivity growth and standards of living.

The record \$88.729 billion capital program to be delivered across the state over the next 4 years will help provide the critical economic and social infrastructure to futureproof Queensland's cities and regions. This infrastructure will better connect communities across the state and strengthen their resilience in the face of future global challenges and natural disasters. It will support job creation and attract people, skills and private investment to the regions and improve overall liveability.

This includes \$20.321 billion in 2023–24, directly supporting around 58,000 jobs during construction, including 38,500 jobs outside Greater Brisbane. Many more jobs will be supported by the economic activity and connectivity generated by this investment, particularly across regional Queensland.

The government is taking a long view with its significant program of public infrastructure investment that will deliver better health and transport facilities and services, decarbonise the state's energy system, improve water security, and prepare for the Brisbane 2032 Olympic and Paralympic Games.

To ensure Queenslanders have access to world-class health services, the government is investing \$9.785 billion over 6 years to build new or expand existing hospitals across the state, as part of the *Health and Hospitals Plan*, including in Cairns, Townsville, Mackay, Bundaberg, Hervey Bay, Toowoomba and South East Queensland. The 2023–24 Queensland Budget provides further investment in health infrastructure, including \$150 million over 4 years to fund a new mental health facility at Redland Hospital.

The Budget is also keeping Queenslanders connected through a \$6.9 billion investment in 2023–24 to provide integrated, safe and efficient transport infrastructure. Investments include the ongoing Bruce Highway Upgrade Program, the Queensland Train Manufacturing Program and Gold Coast Light Rail (Stage 3).

The Budget is also delivering new and ongoing projects that will support the long-term transformation of the Queensland economy. This includes delivering critical infrastructure to facilitate the development of emerging industries, while continuing to support the traditional sectors that will remain an important source of income and economic growth well into the future.

To drive Queensland's competitiveness in the decades ahead, the *Queensland Energy and Jobs Plan* (QEJP) will provide clean, reliable and affordable power for generations. Queensland's publicly owned energy businesses are leading the state's energy transformation, investing in new wind, solar, storage and transmission infrastructure to deliver the QEJP and achieve renewable energy targets of 50 per cent renewables by 2030, 70 per cent by 2032 and 80 per cent by 2035.

The 2023–24 Budget includes a landmark capital investment of around \$19 billion over the forward estimates to deliver on the QEJP. This includes up to 7 GW of large-scale, long duration pumped hydro, CopperString 2032 to connect the North West Minerals Province to the national electricity grid, and a strong pipeline of renewable energy and storage projects.

The Queensland resources industry, a traditional driver of investment, economic growth and jobs across the state, is also undergoing transformation. The *Queensland Resources Industry Development Plan*, with committed funding of \$68.5 million over 5 years, sets out a 30-year vision to help guide the ongoing transformation and diversification of the state's resources industry.

The Budget is providing additional funding of \$21 million over 2 years to implement the Frontier Gas Exploration grants program to help unlock significant gas resources in the Bowen and Galilee basins.

With its abundance of valuable natural resources, Queensland is well placed to sustainably mine, process, manufacture and supply the critical minerals required around the world to achieve global emissions reduction targets.

Reflecting this, the government's \$5 billion investment in CopperString 2032, a 1,100 kilometre transmission line from Townsville to Mount Isa, will provide energy certainty to the North West Minerals Province and deliver reliable, affordable and renewable power to the people, businesses and communities in the region.

Acknowledging the ongoing importance of the state's mining industry as a driver of future growth opportunities, the Budget also allocates \$520 million over the period 2023–24 to 2029–30 for investments through the Low Emissions Investment Partnerships program. The program will encourage the mining industry to fast-track capital investments that will both rapidly reduce its emissions profile and help maintain a competitive edge for the industry.

A significant capital program is planned by the Public Non-financial Corporations water sector over the 4 years to 2026–27, focused on delivering additional water supply and fortifying the flood resilience of water infrastructure. A major driver of this is Seqwater, Sunwater and Gladstone Area Water Board's respective Dam Improvement Programs, which aim to ensure the safety and reliability of state-owned dams so they continue to operate safely during extreme weather events.

1.3.3 Building a skilled workforce

Queensland's ability to transition to a low carbon and more diversified economy will be underpinned by the resilience, dynamism and responsiveness of the state's labour force. Investing in skills is a key driver for addressing current capacity constraints in the labour market, while also realising sustained improvements in productivity growth in the longer term. In turn, this supports the increased resilience and competitiveness of the state's businesses and industries.

The *Good People*. *Good jobs: Queensland Workforce Strategy 2022–2032* will deliver practical and innovative solutions that will ensure the state has an agile workforce ready to support growth, strengthen local communities and capitalise on economic opportunities. The government's significant investment in skills and training (more than \$1.2 billion in skills and training initiatives in 2023–24) is supporting broader workforce development, while also helping Queenslanders overcome barriers to employment.

Further, reflecting the government's commitment to improving women's economic outcomes, the 2023–24 Queensland Budget allocates \$16.3 million over 4 years for a package of measures to support women's economic security. These include targeted grants programs and tailored support, training and mentoring services to support women's participation in male-dominated industries, enhance retention of female apprentices in trades and support women in business and innovation and disadvantaged and vulnerable women.

Box 1.3 Productivity

Productivity is essential to secure a sustained improvement in the living standards of all Queenslanders. Over the last 3 decades, labour productivity growth has been responsible for around 80 per cent of per capita income growth in Queensland.

Productivity growth can also play a key role in addressing cost-of-living challenges, including by: raising economic capacity and reducing prices; enhancing housing supply and reducing pressure on building costs and housing affordability; and helping make Queensland's industries more competitive, thereby supporting the ongoing transition of the economy.

The Queensland Government continues to make substantial investments to develop a more highly-skilled and dynamic workforce and provide the critical infrastructure to drive productivity growth, ultimately delivering higher real incomes and prosperity for Queenslanders.

A healthy, productive and agile workforce is essential to capitalise on global opportunities, attract high-class industries and businesses, and attract global investment into industries that leverage the state's valuable natural endowments like critical minerals, energy, agriculture and tourism.

The government continues to deliver high quality training and employment pathways, and provide ongoing investment in Queensland's flagship employment programs, such as Skilling Queenslanders for Work and Back to Work.

Since 2015, Skilling Queenslanders for Work has provided training to 76,000 persons, which has helped 49,000 persons secure a job, while Back to Work has helped 28,000 unemployed job seekers gain full-time employment since 2016.

The government is also providing more than \$70 million for new initiatives included in the 2022–2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022–2032* to further grow the skilled workforce to meet industry needs.

The 2023–24 Queensland Budget invests a record \$88.729 billion over 4 years through the state's capital program, to enable the state's ongoing energy transformation, improve connectivity and help workers participate in a growing economy.

The government's strong focus on productivity, including through regulatory reform and reducing costs for business, will be critical in enhancing the competitiveness of Queensland industries as they compete on the global stage. This will enable Queensland workers to access more employment opportunities and achieve higher incomes, and also ensure Queensland businesses can continue to grow, invest, innovate and export.

1.3.4 Facilitating a competitive investment and trade environment

As the Queensland economy continues to grow and diversify, the state's traditional industries, including mining, agriculture and tourism, will continue driving ongoing economic activity and support future job opportunities across the state.

It is therefore critical that these traditional industries are positioned to remain domestically and globally competitive into the future.

In May 2023, the Queensland Government published the *Queensland New-Industry Development Strategy* which enhances the focus on renewable energy manufacturing and infrastructure development, critical mineral processing, manufacturing and product development, battery industry development, green hydrogen, the circular economy and the bioeconomy. These industry sectors are expected to play increasingly significant roles in the Queensland economy in the decades ahead.

Facilitating increased levels of activity across the economy, particularly in trade-exposed industries, including attracting new businesses and industries to Queensland, relies on a dynamic investment environment that is domestically and globally competitive.

The government is committed to removing barriers to investment and growth, and working with industries and businesses to unlock opportunities for the state's workforce, enhance trade opportunities and networks and drive sustainable economic growth.

To achieve these outcomes, the Queensland Government has established specific industry attraction and investment programs, such as the \$520 million Invested in Queensland program, which is part of the flagship \$5.84 billion Queensland Jobs Fund, the \$100 million Queensland Critical Minerals and Battery Technology Fund and the \$200 million Attracting Aviation Investment Fund. The Queensland Government is partnering with industry and the private sector to ensure the state's traditional industries remain globally competitive while helping grow the emerging industries that will play a critical role in the state's economy in the future.

To further support businesses and industries right across the state, Queensland also continues to deliver a highly-competitive tax regime to support business and help attract investment into the economy. Reflecting this, the government is extending the one per cent payroll tax rate discount for regional employers to 30 June 2030 and has extended the 50 per cent payroll tax rebate for apprentices and trainees for a further 12 months until 30 June 2024.

The ability to continually innovate is important to drive sustained improvements in productivity and competitiveness through the creation and diffusion of ideas, technologies and practices. The government's innovation agenda has been underpinned by its flagship Advance Queensland initiative, which has helped leverage over \$1 billion from industry partners and supported more than 28,000 good jobs across the state, including over 11,200 in the regions.

Building off that success, the government last year released the \$142 million *Advance Queensland – Innovation for a Future Economy* 2022–2032 *Roadmap*, which sets out the direction, priorities and initiatives to establish Queensland as a world-class innovation economy.

This year, the government also released the *Our Thriving Digital Future: Queensland's Digital Economy Strategy*, which includes investment of \$200 million over the next 3 years to grow the state's digital economy and improve digital connectivity throughout Queensland.

As an open and diversified economy, Queensland relies on international trade as a driver of economic activity. In 2021–22, overseas exports were valued at \$130 billion, accounting for 29 per cent of nominal GSP, while about 1 in 5 jobs is supported directly or indirectly by exports.

The record level of exports was driven by a \$47 billion increase in the value of coal exports (due to high prices), worth \$72 billion in 2021–22. The vast majority of Queensland's coal exports are metallurgical coal, primarily used for making steel.

Other resources exports experienced strong growth due to high prices in 2021–22, with LNG exports doubling to just under \$20 billion and metals exports rising \$1 billion to \$12 billion. Queensland also has a large agricultural export industry, worth \$14 billion in 2021–22. Key agricultural exports include beef, sugar, cotton, wheat and grain sorghum.

The \$150 million *Queensland Trade and Investment Strategy 2022–2032* is positioning the state to help trade-orientated businesses adapt, thrive and grow, including targeted actions and initiatives to leverage international opportunities, drive diversity and value, create more jobs across traditional and priority industries, and champion enduring worldwide success.

The government has also released the *Queensland International Education and Training Strategy 2022–2027*, a 5-year, \$20.6 million strategy to support growth in education and training exports.

The Queensland Government also recognises that establishing and maintaining strong ESG credentials is central to achieving sustainable development outcomes and driving future competitiveness for businesses and industries throughout the Queensland economy. The government's sustainability agenda, including key risks and the government's sustainability priorities, is outlined in detail in Box 3.2 in Chapter 3.

1.4 Delivering better services

The government's significant ongoing investment in essential services, including health, education, justice, safety and social services, lies at the forefront of driving enduring social and economic outcomes. These services directly support improved living standards, participation in the economy, and increase the prosperity and wellbeing of all Queenslanders.

The 2023–24 Queensland Budget continues to leverage off the significant investments and commitments made to date to deliver better services to the people of Queensland in line with the government's community objectives.

Providing access to first-class healthcare is critical to ensure the overall wellbeing and prosperity of Queenslanders is maintained, both now and into future, including in the face of a growing, ageing and increasingly diverse population. The 2022–23 Budget injected \$1.645 billion over 5 years into mental health services. As well as improving the quality of life of Queenslanders, this will support increased participation in the economy and the community.

The 2023–24 Queensland Budget includes a Queensland Health total operating budget of \$24.153 billion, including an uplift of \$2.888 billion in additional operational growth funding over 5 years from 2022–23 to meet demand and cost pressures. This uplift will also support significant actions across the health system targeting improving ambulance responsiveness and reduce ramping, addressing pressures on emergency departments, reducing wait times for surgery and specialist clinics, as well as boosting women's health care and mental health care.

Access to a quality education and training is the cornerstone of ensuring Queenslanders are equipped with the future knowledge and skills they need to meaningfully engage and participate in the state's economy as it continues to grow and diversify. Reflecting this, the government continues to invest in the provision of inclusive and high-quality education and training services and facilities across Queensland, with total funding of \$21.104 billion for education and training in 2023–24.

The Queensland Government is also committed to supporting vulnerable Queenslanders and ensuring the state's communities are kept safe. Significant ongoing expenditure across key services such as police, justice (including youth), child safety, and social services, remain at the forefront of maintaining safe and secure communities.

2 Economic performance and outlook

Features

- Following strong growth of 4.4 per cent in 2021–22, the Queensland economy is forecast to grow by 2 per cent in 2022–23, with growth then strengthening to 3 per cent in 2023–24.
- After a strong rebound across 2021 and 2022, the global economy faces increased uncertainty and volatility, with risks to the outlook skewed to the downside.
- The International Monetary Fund (IMF) has downgraded its global growth outlook for 2023, reflecting the sharp interest rate rises required to curb inflation, deterioration in financial conditions, the impacts of the Russia-Ukraine conflict and rising geopolitical tensions.
- Similar to the global economy, national economic growth is expected to slow in coming years, weighed down by slowing growth in consumption, public spending and exports according to the Reserve Bank of Australia (RBA). The RBA expects national GDP growth to slow from 3.7 per cent in 2022 to 13/4 per cent in 2023 and 11/2 per cent in 2024.
- In Queensland, household consumption remains elevated and will contribute solidly to GSP growth in 2022–23, but as significant increases in borrowing costs continue to filter through to household budgets, spending growth is expected to slow materially in 2023–24.
- High rates of capacity utilisation and a solid pipeline of non-dwelling construction projects are expected to see overall business investment in Queensland rise further.
- In the dwelling sector, capacity constraints continue to limit output growth in the near term, but the historically high pipeline of committed residential construction work and easing supply constraints should support a boost in dwelling investment in 2023–24.
- Largely reflecting the more subdued growth in household spending, growth in Queensland's domestic economy is expected to ease slightly from 2³/₄ per cent in 2022–23 to 2¹/₂ per cent in 2023–24, before strengthening to growth of 3¹/₄ per cent in 2024–25.
- Overseas exports of goods and services are forecast to grow by 31/2 per cent in 2022–23, driven by an ongoing rebound in tourism and education services exports. After detracting from GSP growth in 2022–23, an unwinding of supply constraints on goods exports and a slowing of goods imports is forecast to result in a one percentage point contribution to growth from the trade sector in 2023–24.
- With Queensland's state final demand outperforming the rest of Australia during the pandemic, demand for labour has been exceptionally strong.
- Queensland continues to record a stronger rate of jobs growth than the rest of the nation since pre-COVID-19, with trend employment up 8.8 per cent (or 226,300 persons) since March 2020, compared with 6.5 per cent growth in the rest of Australia.
- Queensland's employment growth reached 5.1 per cent in 2021–22 (equating to an extra 130,000 jobs in the year), the strongest annual growth since 2004–05. The unemployment rate fell to just 4.5 per cent in 2021–22 and measures of underemployment were also low.
- Employment growth is expected to ease to 31/4 per cent in 2022–23 but the labour market remains extremely tight, with the unemployment rate forecast to fall to 33/4 per cent.

- Consistent with the growth profile of state final demand, employment growth is expected to moderate to one per cent in 2023–24 and $1\frac{1}{2}$ per cent in 2024–25. Similarly, the unemployment rate is forecast to edge slightly higher, but remain low by historical standards, to $4\frac{1}{4}$ per cent in 2023–24 and $4\frac{1}{2}$ per cent in 2024–25.
- There is growing evidence that inflation in Brisbane has peaked, having slowed from 7.9 per cent in September quarter 2022 to 7.4 per cent in March quarter 2023. Inflation is forecast to moderate to 3³/₄ per cent in 2023–24 and 3 per cent in 2024–25.
- Queensland population growth is expected to strengthen to 2 per cent in 2022–23, due mainly to a rebound in overseas migration, before easing to 13/4 per cent in 2023–24 and 11/2 per cent in 2024–25.

2.1 International conditions

The global economic outlook continues to be characterised by increased uncertainty and volatility. Developments over recent years have seen global financial markets being increasingly sensitive to both positive and negative news, which has seen sharp swings in the outlook for interest rates, amidst a period of global inflation and monetary policy tightening.

These developments have included:

- across 2021 and much of 2022, the easing of COVID-19 restrictions, strong consumer demand and restricted global supply chains helped drive a surge in inflation. This was exacerbated by the Russian invasion of Ukraine and its impacts on global energy prices and trade flows, as well as COVID-19-related lockdowns in China, which led to sharper interest rate rises and a weaker global outlook
- in late 2022, China unexpectedly unwound a range of its "Zero-COVID-19" restrictions which subsequently led to an upgrade to its growth forecasts from the IMF in January
- in early 2023, increased trade-related dialogue indicated a stabilisation in trade relations between Australia and China
- inflation in many advanced nations (including Australia) has proven more difficult to tame than previously expected. While goods inflation has eased as supply chains have recovered, second-round impacts have seen services inflation prove "sticky"
- some high profile banking failures in the United States and Switzerland has increased uncertainty around the outlook for rates, financial stability and growth.

Reflecting these factors, in its April 2023 *World Economic Outlook (WEO)*, the IMF downgraded its forecasts for global growth in both 2023 and 2024 from forecasts made in the January 2023 *WEO Update*, noting 'the anaemic outlook reflects the tight policy stances needed to bring down inflation, the fallout from the recent deterioration in financial conditions, the ongoing war in Ukraine, and growing geoeconomic fragmentation.'

Beyond 2024, the IMF projects the global economy to grow by slightly above 3 per cent per annum through to 2028, 'the lowest medium-term forecast in decades.'

The IMF also noted 'risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply'.

Similar to the IMF, the May 2023 issue of *Consensus Forecasts* points to a cyclical downturn among major economies in 2023 and 2024. Nevertheless, compared to the more pessimistic outlook portrayed by *Consensus Forecasts* back in late 2022, when the 2022–23 Budget Update was prepared, latest forecasts suggest that the severity of the global downturn is now less than previously expected.

Table 2.1GDP Growth Forecasts1

	2022		2023		2024	2025
Publication	Dec-22	May-23	Dec-22	May-23	May-23	Apr-233
United States	1.9	2.1	0.2	1.1	0.6	2.2
Euro Area	3.2	3.5	-0.1	0.7	0.9	1.5
United Kingdom	4.4	4.1	-1.0	-0.1	0.8	1.5
China	3.1	3.0	4.5	5.8	4.9	4.6
India ²	7.0	6.9	5.7	5.8	6.3	6.4
Japan	1.5	1.0	1.3	1.0	1.1	1.0
Korea	2.6	2.6	1.3	1.1	2.1	2.3
MTP ⁴	3.7	3.6	3.1	3.4	3.6	3.6

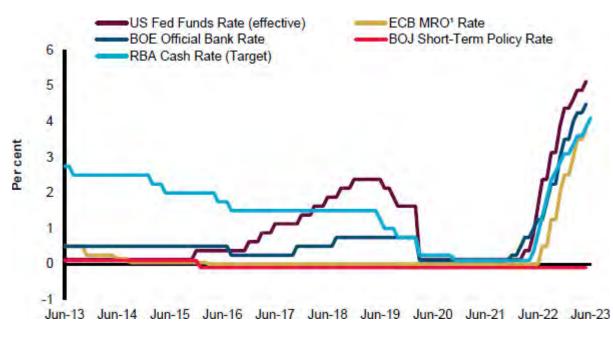
Notes:

- 1. Annual percentage change.
- 2. India Fiscal Year (April to March).
- 3. Latest available long-term forecasts.
- 4. MTP: Major Trading Partners weighted by nominal merchandise export shares.

Source: Consensus Economics.

This anticipation of a cyclical global economic downturn has been brought on by aggressive monetary tightening by many major central banks (Chart 2.1) in response to high inflation.

Chart 2.1 Key central bank interest rates



Note:

1. Main refinancing operations.

Sources: US Federal Reserve (US Fed), European Central Bank (ECB), Bank of England (BOE), Bank of Japan (BOJ) and Reserve Bank of Australia (RBA).

The success in taming inflation has so far been mixed. While headline inflation in the US has fallen from a peak of 9.1 per cent in June 2022 to 4.9 per cent in April 2023, inflation in the Euro area and the UK remains significantly higher.

Meanwhile, inflation pressure in Asia has been less severe than in the US or Europe, with inflation in both Japan and Korea moderating to around 3.5 per cent.

The causes of persistent inflation globally appear to have shifted from high energy costs and supply disruptions to broader flow on effects across the wider economy, including impacts on the cost of services.

Despite the announcement of oil production cuts by OPEC+ in early April 2023, the Brent oil price has fallen back below US\$80/bbl and is well below the US\$104/bbl average price recorded in 2022. The liquified natural gas price in the spot market in Asia has also dropped from the recent peak of US\$38/MMBtu in mid-December 2022 to below US\$10/MMBtu by early June 2023.

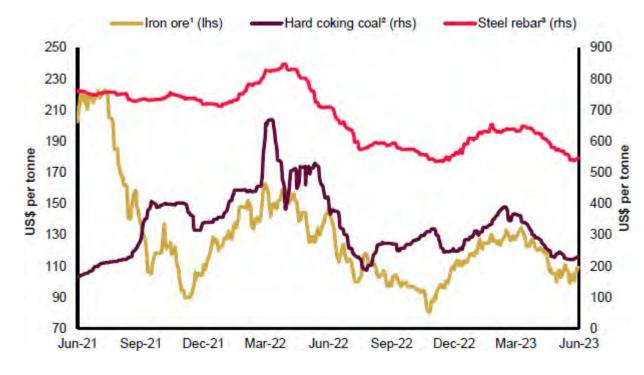
Meanwhile, the New York Federal Reserve's *Global Supply Chain Pressure Index* has fallen below average since February 2023, indicating that global supply chain conditions have largely normalised.

However, the president of the ECB has pointed out in a recent speech that Europe may be entering a period of '*lasting instability resulting in lower growth, higher costs and more uncertain trade partnerships*'.

Consistent with the expectations of a cyclical downturn, both coking coal and iron ore prices have fallen from their respective peaks in recent months (Chart 2.2).

The premium hard coking coal price fell from its recent peak of around US\$400/t in February 2023 to around US\$230/t by early June 2023, while iron ore prices have also declined, from around US\$135/t to less than US\$110/t.

Chart 2.2 Iron ore, Coking Coal and Steel Prices



Notes:

1. 62% Iron, Australia CIF China.

2. Premium Low Vol Hard Coking Coal, FOB Australia.

3. FOB China.

Sources: S&P Global Commodity Insights and Refinitiv.

2.2 National conditions

The Australian economy grew by 3.7 per cent in 2022, following a 5.2 per cent rebound in 2021 as the nation recovered from the COVID-19 induced economic downturn.

However, similar to the global economy, national economic growth is expected to slow in coming years, with the RBA forecasting growth of $1\frac{3}{4}$ per cent in 2023 and $1\frac{1}{2}$ per cent in 2024, weighed down by slowing growth in consumption, public spending and exports.

The latest forecasts from Commonwealth Treasury in the 2023–24 Federal Budget show a broadly similar profile for economic activity, with growth slowing in 2023–24 before strengthening from 2024–25. However, Commonwealth Treasury indicated there are substantial downside risks to the national outlook, including further tightening in global monetary policy and financial conditions, ongoing impacts of the war in Ukraine and inflation being more entrenched than currently expected.

Nominal household spending remains well above the pre-COVID-19 trend, although growth slowed in recent quarters as household budgets, in particular discretionary spending, have come under increasing pressure.

The national household saving ratio has fallen from 17.6 per cent in the second half of 2020 to 3.7 per cent by March quarter 2023, with many households likely drawing on savings to maintain spending. Further, net household wealth has fallen in each quarter since the monetary policy tightening cycle began in May 2022 as the value of housing assets declined.

As substantial increases in borrowing costs continue to filter through to households, disposable incomes will tighten further with higher interest payments likely to constrain household spending during the remainder of 2023 and into 2024.

Strong labour demand has so far supported consumption and incomes, with compensation of employees rising 8.3 per cent in 2022 and annual growth accelerating further to 10.8 per cent in March quarter 2023. However, the pool of available potential workers has reduced, with the national unemployment rate having fallen to around 3.5 per cent, well below the rates that prevailed in the years preceding the pandemic and close to the lowest on record.

As a result, annual wages growth has finally accelerated, to 3.7 per cent in March quarter 2023, having averaged just 2 per cent per annum between 2015 and 2021. The RBA expect the unemployment rate to rise, but to a still-low $41/_2$ per cent by mid-2025, and wages growth to accelerate to a peak of 4 per cent by December quarter 2023.

Business surveys continue to show elevated business conditions and ongoing signs of capacity constraints. Machinery and equipment investment has risen strongly to meet demand but non-dwelling and engineering construction spending, which tend to be larger projects with longer timeframes, has been more modest.

Labour shortages have continued to impact new dwelling investment nationally, causing project delays and extended completion times, while renovation activity continues to trend lower from record levels in 2021 as HomeBuilder projects reached completion. However, a large pipeline of work will support dwelling investment in the near-term, beyond which leading indicators of housing demand suggest a softer outlook.

Inflation is widely forecast to have peaked in 2022, with consumer price growth easing from a 3-decade high of 7.8 per cent in December quarter 2022 to 7.0 per cent in March quarter 2023. Further, the monthly CPI Indicator has moderated at a faster than expected pace, from 8.4 per cent in December 2022 to 6.8 per cent in April 2023.

However, services price inflation has picked up in recent quarters and is expected to limit the disinflationary impact of goods prices in coming quarters. The RBA still forecasts inflation to gradually move lower and fall within the RBA's 2 to 3 per cent target by 2025.

After raising the cash rate by 4 percentage points between May 2022 and June 2023, most market economists, as well as financial market pricing, suggest the official cash rate is close to the peak for this cycle.

The ultimate impact of higher interest rates and inflation on consumer spending remains a key uncertainty to the national economic outlook.

2.3 Key assumptions

Key assumptions underpinning the economic forecasts for Queensland include:

- broadly in line with market expectations, the RBA cash rate to peak in mid-2023, with a gradual easing of monetary policy expected over 2024
- the A\$ exchange rate to move toward its assumed medium-term anchor of around US\$0.75
- Brent oil prices to gradually ease towards a medium-term level of US\$75/bbl
- residential property prices in Brisbane appear to have stabilised in early-2023 after a period of decline. Modest price growth is expected to resume thereafter
- according to the Bureau of Meteorology (BOM), the La Niña weather pattern, which resulted in substantial rainfall across eastern Australia, has ended. Forecasts have been produced on the assumption of a return to average seasonal rainfall for the remainder of the 2023 and 2024 seasons. However, there is a risk of drier conditions evolving, with the latest modelling from the BOM, released on 6 June 2023, indicating an "El Niño Alert" had been activated, *'indicating a 70% chance of El Niño forming this year. This equates to roughly three times the normal chance of an El Niño forming*'.

2.4 Queensland conditions and outlook

Following strong growth of 4.4 per cent in 2021–22, the Queensland economy is forecast to grow by a further 2 per cent in 2022–23, with growth then strengthening to 3 per cent in 2023–24 (Chart 2.3). This growth profile largely reflects the impacts of domestic and international supply constraints and their subsequent unwinding across 2023 and 2024.

Household spending growth in Queensland has softened from the highs recorded in mid-2022 as consumers began to reassess their discretionary spending in the context of higher interest rates and other cost-of-living pressures. Even so, consumption remains considerably higher than the pre-COVID-19 trend, supported by population and employment growth recorded following the initial COVID-19 crisis, as well as the substantial savings accumulated during the pandemic.

As significant increases in borrowing costs continue to flow through to households, disposable incomes will tighten further and substantially slow spending growth to 3 per cent in 2022–23 and $1\frac{1}{4}$ per cent in 2023–24. Expected future cuts to interest rates and introduction of the Stage 3 income tax cuts by the Australian Government should provide some support to consumption from 2024–25 onwards.

Strong business conditions have been supported by elevated household spending and strong economic activity more broadly. While businesses are concerned about a potential economic slowdown, the high rates of capacity utilisation and a solid pipeline of non-dwelling construction projects should see overall business investment rise further.

In the dwellings sector, capacity constraints continue to limit output growth and industry completion times have drawn out. Renovation activity has fallen from the HomeBuilder peak in 2021, while declining house prices and rising construction costs have further contributed to a fall in dwelling approvals.

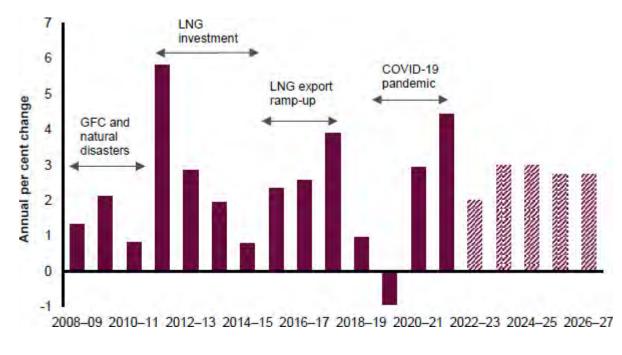


Chart 2.3 Economic growth, Queensland¹

Note:

1. Gross State Product, Chain volume measure (CVM), 2020-21 reference year.

Sources: ABS Annual State Accounts and Queensland Treasury.

Following 2 years of strong growth, dwelling investment in Queensland is expected to fall 5 per cent in 2022–23, primarily because of supply side constraints, with a substantial pipeline of work yet to be done.

The solid pipeline of committed residential construction work and easing supply constraints should support a boost in dwelling investment in 2023–24, forecast to rise by $5\frac{1}{2}$ per cent. However, the growth of new dwelling investment coming into the pipeline is subdued amid the impacts of higher interest rates and elevated construction costs. This suggests a potential softening beyond completion of the current committed pipeline of residential construction work.

Commodity prices and nominal export values have moderated from their peaks and are expected to normalise from still-high levels as domestic and international supply issues abate.

Both exports and imports of services are forecast to increase towards pre-COVID-19 trends over the forecast horizon as global travel and related activity continues to normalise.

Overseas exports of goods and services are forecast to grow $3\frac{1}{2}$ per cent in 2022–23, driven by an ongoing rebound in tourism and education services exports. An unwinding of supply constraints on goods exports and slowing goods imports is forecast to result in a one percentage point contribution from the trade sector in 2023–24, before the trade sector largely returns to balance, with a neutral contribution to growth, in 2024–25 as services export growth moderates.

With Queensland's state final demand outperforming the rest of Australia during the pandemic, demand for labour has been exceptionally strong. Queensland's employment growth reached 5.1 per cent in 2021–22 (equating to an additional 130,000 jobs across the state), the strongest annual gain since 2004–05. The year-average unemployment rate fell to just 4.5 per cent and measures of underemployment are also low.

The job vacancy rate is near its record high and, combined with a smaller pool of potential workers since before the pandemic, wages growth picked up from a low of 1.4 per cent in early 2021 to 3.7 per cent by March quarter 2023, which is the highest annual growth since mid-2012.

Employment growth is expected to ease modestly to $3\frac{1}{4}$ per cent in 2022–23 but the labour market remains exceptionally tight, with the unemployment rate forecast to fall to $3\frac{3}{4}$ per cent, its lowest level since 2007–08. Consistent with the growth profile of state final demand, employment growth is expected to moderate to one per cent in 2023–24 and $1\frac{1}{2}$ per cent in 2024–25.

The unemployment rate is expected to edge slightly higher as the domestic economy slows, but remain low by historical standards, at 41/4 per cent in 2023–24 and 41/2 per cent in 2024–25.

While incomes remain under pressure in real terms, wages are forecast to strengthen to $3\frac{3}{4}$ per cent in 2022–23, up from 2.5 per cent in 2021–22. Consistent with the lagged impact of a very tight labour market, wages growth is forecast to strengthen further to 4 per cent in 2023–24.

Inflationary pressures have continued to build in 2022–23, with year-average growth in Brisbane's consumer price index forecast to rise from 5.4 per cent in 2021–22 to an estimated $7\frac{1}{4}$ per cent for 2022–23. While goods prices (especially prices related to new dwelling purchase by owner-occupiers and automotive fuel components) have evolved largely as expected, the inflation outlook is higher than previously anticipated due to inflationary pressures in the services sector.

However, there is growing evidence that headline inflation has peaked, having slowed from 7.9 per cent in September quarter 2022 to 7.4 per cent in March quarter 2023. In year-average terms, inflation is forecast to moderate to $3\frac{3}{4}$ per cent in 2023–24 and then 3 per cent in 2024–25.

Queensland's population growth is expected to strengthen to 2 per cent in 2022–23, reflecting a pickup in overseas migration as departures have temporarily lagged arrivals. With interstate migration forecast to stabilise at around pre-COVID-19 levels and net overseas migration to be maintained at elevated levels, Queensland's population growth is forecast to ease back to $1\frac{1}{2}$ per cent by 2024–25.

Table 2.2Queensland economic forecasts/projections1

	Actuals	Forecasts		Projections		
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Gross state product ²	4.4	2	3	3	23/4	23/4
Employment	5.1	31/4	1	11/2	13⁄4	13/4
Unemployment rate ³	4.5	33/4	41⁄4	41/2	41/2	43/4
Inflation ⁴	5.4	71⁄4	33⁄4	3	21/2	21/2
Wage Price Index	2.5	33/4	4	31/2	31/2	31/2
Population	1.6	2	13/4	11/2	11/2	11/2

Notes:

1. Unless otherwise stated, all figures are annual percentage changes.

2. Chain volume measure (CVM), 2020–21 reference year.

3. Per cent, year-average.

4. 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.

2.4.1 Household consumption

Following the impacts on spending during the initial stages of the pandemic, real household consumption in Queensland rebounded considerably across 2020–21 and 2021–22, rising 9.0 per cent between March quarter 2020 and June quarter 2022.

Since then, aggregate household spending in Queensland has generally been sustained at elevated levels with tight labour market conditions, a pick-up in population growth and substantial savings accumulated during the pandemic offsetting the impacts of higher cost-of-living pressures.

At a component level, consumption patterns that had altered during COVID-19 have continued to normalise and rebalance towards services. This has particularly been the case as consumers increased spending on travel services after the international border re-opened in early-2022.

However, there are signs that households are now adjusting spending in response to the substantial increase in borrowing costs. After being broadly unchanged in December quarter 2022, household consumption in Queensland fell marginally in March quarter 2023.

Household spending is expected to be constrained further as the lagged impact of higher interest payments weigh on household budgets, particularly with many mortgages rolling-off from fixed rates and onto higher variable rates during 2023. This, along with recent declines in asset prices lowering household wealth, is expected to see growth in real household consumption slow significantly from 3 per cent in 2022-23 to $1\frac{1}{4}$ per cent in 2023-24 (Chart 2.4).

Over the remainder of the forward estimates, consumption growth is forecast to recover gradually, with scheduled income tax cuts and easing of interest rates supporting disposable incomes. However, persistent consumer caution and a maturing dwelling construction cycle will likely keep spending growth over the later years of the forecast period below the average recorded in the pre-COVID-19 decade.

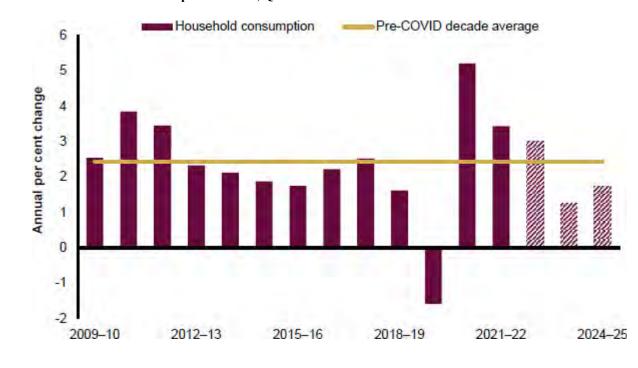


Chart 2.4 Real household consumption outlook, Queensland¹

Note:

1. Chain volume measure, year-average.

Sources: ABS National Accounts and Queensland Treasury.

2.4.2 Dwelling investment

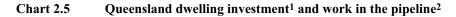
Dwelling investment in Queensland fell 14.0 per cent over the year to June quarter 2022, with both new and used construction and renovation activity lower over the year. Residential construction activity was greatly constrained by material and labour supply shortages, poor weather and flooding, and several construction company insolvencies.

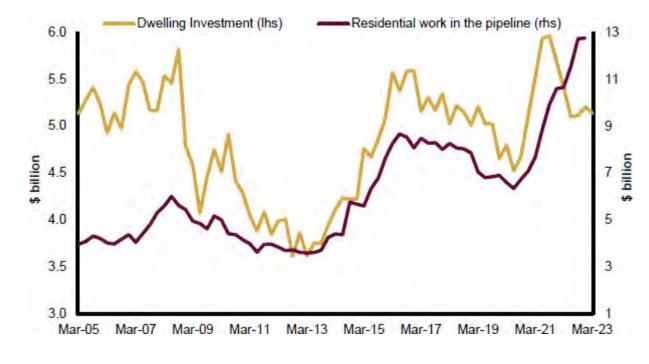
However, there are signs that supply constraints are beginning to ease, particularly for materials, with new and used construction in March quarter 2023 rising 10.4 per cent from its trough in June quarter 2022, though this has largely been offset by lower renovation activity.

As a result of supply constraints, there remains a considerable amount of work in the pipeline, given that previous record low interest rates and indications by the RBA that rates would remain low for an extended period, as well as generous government incentives in response to COVID-19, underpinned a boom in dwelling investment in recent years.

Reflecting this strong demand, there was a record \$12.7 billion of residential work in the pipeline in December quarter 2022, easily eclipsing the previous record in 2016 during the inner-city apartment boom in Brisbane (Chart 2.5).

Following 2 years of strong growth, dwelling investment in Queensland is expected to fall 5 per cent in 2022–23. Dwelling investment is then forecast to rebound $5\frac{1}{2}$ per cent in 2023–24 and be maintained at around this level in 2024–25, supported by the continued easing of supply constraints.





Notes:

1. Quarterly, chain volume measure, seasonally adjusted.

2. Quarterly, nominal, original.

Sources: ABS National Accounts and Building Activity.

Box 2.1 Housing and rental market dynamics

Previously low interest rates and substantial government support at a national and state level in response to the COVID-19 pandemic underpinned a boom in Queensland's housing market, creating a strong pipeline of work.

However, material and labour supply shortages, weather disruptions, and several construction company insolvencies have constrained Queensland's residential construction activity, slowing the supply of new dwelling stock (see Chart 2.5 above).

In contrast to supply, high rates of household formation have driven strong growth in housing demand. Historically high levels of net interstate migration over 2021–22, followed by a recovery in net overseas migration over 2022–23, both contributed to strong population growth in Queensland.

Average housing size has also been declining over time due to both short and long-term factors. Small changes in household size have large impacts — for each 0.01 fall in persons per household, around 8,500 additional dwellings are required.

Broader housing market conditions have tended to have the most significant impacts on the rental market. During the pandemic, the rental stock in Queensland declined significantly, partly due to the sale of properties to owner-occupiers. This drove rental vacancy rates to record lows and sharp rent increases across many Queensland regions, with a similar phenomenon apparent nationally.

The vacancy rate in Queensland had been on a downward trend since the end of 2016, which accelerated during the COVID-19 pandemic, reaching a record low of 0.6 per cent by April 2022. However, according to SQM Research, the residential rental vacancy rate in Queensland has improved marginally over the year, having risen to 1.0 per cent by April 2023 (Chart 2.6).



Note:

1. Monthly, seasonally adjusted.

Sources: SQM Research and Queensland Treasury.

While vacancy rates remain low across Queensland, improvements over the year can be seen across several regions, including Cairns, Townsville, Toowoomba, Sunshine Coast, Gold Coast and Greater Brisbane.

The Queensland Government has taken a range of actions to address housing affordability and increase housing availability, as outlined in Chapter 1.

2.4.3 Business investment

Total private business investment was easing ahead of the pandemic and fell further during 2020 and early 2021 during the early stages of the pandemic. It has subsequently strengthened in line with the recovery in general economic activity, growing strongly by 8.8 per cent in the year to March quarter 2022 and a further 7.2 per cent in the year to March quarter 2023.

High levels of capacity utilisation, strong business conditions and a tight labour market (which will encourage some firms to substitute capital for labour) are all expected to support growth in machinery and equipment investment.

Leading indicators of non-residential building have eased recently but remain at elevated levels while a strong pipeline of major investment projects, including in renewable energy, is expected to support engineering construction.

Supply chain disruptions have pushed up building and construction costs in recent years. The producer price index for Queensland nonresidential building and construction rose by over 12 per cent in the year to June quarter 2022. However, ongoing resolution of supply disruptions has seen some easing in cost pressures with the index growing by a more moderate 8.4 per cent in the year to March quarter 2023.

Building cost inflation is expected to ease further over the forecast horizon and overall real business investment is expected to continue to grow at a moderate pace.

2.4.4 Public final demand

Public final demand is forecast to grow 41/4 per cent in 2022–23 and then 43/4 per cent in 2023–24 and 51/4 per cent in 2024–25.

The 2023–24 Queensland Budget is continuing to support delivery of the government's overarching community objectives of good jobs, better services, and great lifestyle through an unprecedented capital works program which will facilitate and deliver productivity enhancing economic and social infrastructure across the state, including a range of major projects across regional Queensland.

The record capital program of \$88.729 billion over the 4 years to 2026–27 will enhance the productivity and competitiveness of Queensland businesses and industries over the medium to longer term, including supporting the transition of the economy in the context of global decarbonisation, and will also help support ongoing solid growth in public final demand across the forecast period.

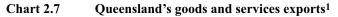
2.4.5 Overseas exports and imports

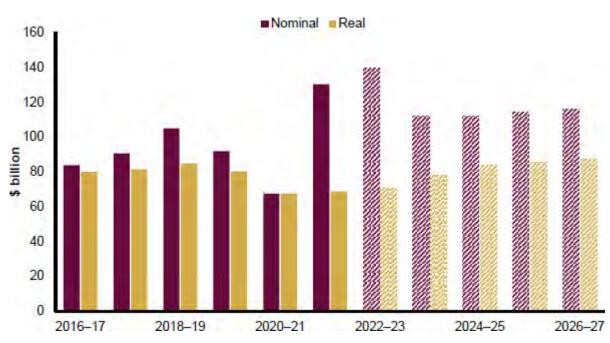
High prices for Queensland's key commodity exports have boosted the nominal value of Queensland's goods and services exports to a record high of \$130.2 billion in 2021–22, with the value of exports expected to grow even higher to nearly \$140 billion in 2022–23.

Growth in real terms is expected to be more muted, given the strong increase in global prices for many key exports (Chart 2.7).

Overseas exports of goods and services are forecast to grow by $3\frac{1}{2}$ per cent in 2022–23. This reflects strong growth in services exports, as they recover from the impacts of the pandemic, more than offsetting a decline in goods exports caused by unscheduled LNG maintenance and weather-related supply constraints impacting coal export volumes.

Goods and services exports are forecast to grow strongly, by $10\frac{1}{2}$ per cent, in 2023–24 as supply constraints affecting goods exports unwind and services exports continue to recover towards pre-COVID-19 levels. In 2024–25, overseas exports are expected to continue to grow strongly but at a slightly lower rate of $6\frac{3}{4}$ per cent, as the growth of services exports moderates considerably.





Note:

1. Real values are chain volume measure 2020–21.

Sources: ABS Balance of Payments and Queensland Treasury.

Coal

Queensland's coal export volumes are estimated to fall by $\frac{1}{2}$ per cent in 2022–23, as poor weather conditions constrained supply and global pig iron production, a key driver of demand for metallurgical coal, declined.

Spot prices for premium hard coking coal have moderated from the unprecedented highs in 2021-22 following Russia's invasion of Ukraine but remain elevated by historical standards. The premium hard coking coal spot price fell from an average of US\$594 per tonne (/t) in March 2022 to US\$265/t by December 2022.

Supply disruptions in early 2023, including extreme rainfall in January, a train derailment and subsequent track closure, and a cyclone off the coast of North Queensland disrupting shipping in February, all contributed to the premium hard coking coal price rebounding to US\$369/t in February 2023.

Since then, supply constraints have eased and the spot price has fallen to average US\$231/t in May 2023. Hard coking coal prices are expected to continue to normalise across 2023–24, returning towards prices in line with medium-term fundamentals.

The hard coking coal price is now expected to return to US\$175/t in the medium term, up from US\$160/t assumed in the 2022–23 Budget Update, reflecting persistently higher than expected inflation and the impacts of decarbonisation efforts, which are expected to increase mining costs in the medium term.

Premium thermal coal spot prices remained extremely high across the first half of 2022–23, averaging nearly US\$400/t, more than 5 times higher than the pre-COVID-19 average in 2019 of US\$75/t. However, as supply constraints eased in the first half of 2023, the spot price fell rapidly, from US\$400/t in December 2022 to US\$180/t in March 2023, and US\$170 in May 2023.

Premium thermal coal prices are expected to continue to ease across 2023–24. However, the thermal coal market is expected to remain tight over the forecast period, as concerns about climate change reduce the viability of new investments in thermal coal supply globally. As a result, thermal coal prices are expected to remain above their historical long-run average price across the forecast period.

In January 2023, China lifted its unofficial ban on Australian coal imports, by allowing some companies to resume importing. China has subsequently allowed all companies to resume importing coal from Australia. Ports data show that Queensland exported 5.0 million tonnes of coal to China across January to April.

Looking forward, China's resumption of coal imports from Queensland and Australia may help support demand for Queensland's coal exports across the forward estimates. However, this impact is expected to be modest.

Following China's initial ban in October 2020, Queensland's coal exporters were largely successful in finding alternative customers for their coal, offsetting the vast majority of exports to China through increased exports to other countries, primarily Japan, India and Korea.

Queensland's coal exports are forecast to grow by $6\frac{1}{4}$ per cent in 2023–24, as supply conditions normalise. Coal exports are then forecast to grow further in 2024–25, returning towards pre-COVID-19 levels, as global growth strengthens.

In 2025–26 and 2026–27, coal exports are projected to grow modestly, as global economic conditions and growth normalise.

LNG

The volume of Queensland's LNG exports is estimated to fall 5³/₄ per cent to 22.2 million tonnes in 2022–23, largely due to maintenance issues at one of the LNG plants on Curtis Island.

The majority of Queensland's LNG exports are sold under long-term contracts linked to global oil prices, with several months lag. The Russian invasion of Ukraine sparked concerns about an oil supply shortfall in the market, which saw the Brent crude oil price average above US\$100/bbl in 2022, peaking at nearly US\$140/bbl in early March 2022.

These higher oil prices have flowed through to Queensland's LNG export prices, boosting the value of Queensland's LNG exports, which more than doubled in value in 2021–22 and are expected to rise a further $171/_{2}$ per cent in 2022–23.

However, concerns surrounding a global shortfall of oil have not materialised, and global supply of oil overtook global consumption in 2022, putting downward pressure on oil prices.

As a result, global oil prices have fallen back to levels in late 2022 and early 2023 similar to those seen before the war in Ukraine, reaching as low as US\$73/bbl in late May 2023. The value of Queensland's LNG exports will decline from their record high as oil prices moderate.



With maintenance issues expected to be resolved, Queensland's LNG export volumes are expected to rebound 3 per cent in 2023–24, with all 3 LNG plants assumed to resume production at contracted capacity.

Metals

Queensland's industrial metals exports fell 12.5 per cent in 2021–22 as production was hampered by COVID-19 related workforce disruptions, weather interruptions and outages at major refineries and smelters.

Production and exports generally rebounded strongly in late 2022. However, a workplace incident at the Dugald River mine and the significant flooding in early 2023, which saw production reduced across several sites for an extended period, resulted in overall output being reduced in the March and June quarters.

After a range of delays, commissioning of the Sun Metals zinc refinery expansion is expected to support a lift in metals exports in 2023–24 and 2024–25.

From 2025, several significant zinc and copper mines are scheduled to close as economically viable ore is depleted and this will impact Queensland's industrial metals exports by mid-decade. However, Queensland base metal exploration has grown rapidly in recent years, particularly for copper, and there are several potential expansions currently under review which will have some offsetting effect if they proceed.

Agriculture

The volume of agricultural exports rose by 4.3 per cent in 2021–22, driven by sharp increases in cotton, grain sorghum and wheat exports, as favourable weather conditions and elevated prices incentivised growers to expand production. Beef exports moderated slightly as producers retained stock following another wet 2021–22 summer.

Agriculture exports are expected to further strengthen in 2022–23, as increased winter rainfall in 2022, combined with elevated commodity prices, lead to increased cotton and crop production and exports.

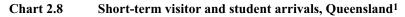
Beef exports are expected to return to growth in 2022-23 and 2023-24, as drier conditions lead to increased cattle processing.

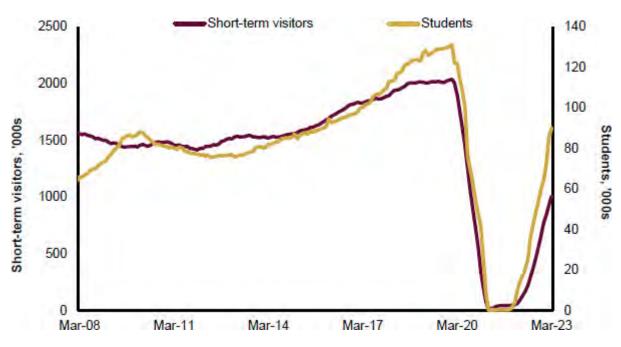
Similarly, cotton exports are projected to rise sharply in 2022–23, due to a large harvest in 2021–22 and a sizeable crop in 2022–23 driven by high rainfall in key cotton producing areas. Cotton exports are expected to moderate from 2023–24 as drier conditions set in, resulting in a drawdown in water storages.

Services exports

The reopening of Australian borders has seen a large increase in overseas visitor inflows, albeit from exceptionally low levels (Chart 2.8).







Note:

1. 12-month rolling sum, '000s.

Source: ABS Overseas Arrivals and Departures.

Following a prolonged period of negligible arrivals, the number of international short-term visitors has risen strongly and, on a rolling 12month basis, in the year to March 2023 is now close to 50 per cent of the pre-COVID-19 peak.

Overseas student arrivals have increased even more strongly. On a 12-month rolling basis, student arrivals in the year to March 2023 are back to almost 70 per cent of their previous peak.

A combination of international airline capacity constraints, ongoing uncertainty, and travel restrictions in China (previously a major source of visitors and students) has prevented a complete recovery to date. However, the recent relaxation of Chinese travel restrictions, together with the assumed improvements in travel capacity and confidence, are expected to produce a further recovery in visitor arrivals over the forecast horizon.

This is expected to translate into continued strong growth in services exports.

Imports

Overseas imports are expected to grow by $11\frac{1}{2}$ per cent in 2022–23, driven by strong growth in goods imports in the first half of the year, as global supply chains recovered and reflecting the first full financial year without international travel restrictions.

Imports are then expected to grow by $5\frac{1}{2}$ per cent in 2023–24, as overseas travel continues to recover but goods imports contract, as household consumption is constrained by the impacts of interest rate rises.

In 2024–25, overseas imports are forecast to grow $8\frac{1}{2}$ per cent, with goods imports returning to growth. Meanwhile, growth rates for services imports are expected to moderate, but the level of overseas travel is expected to have returned by then to above pre-COVID-19 levels.

Reflecting the trends in exports and imports detailed above, in net terms the overseas trade sector is expected to detract $1\frac{1}{4}$ percentage points from growth in 2022–23, as strong growth in both goods and services imports and a decline in goods exports more than offset the recovery in services exports.

In 2023–24, net overseas exports are forecast to make a one percentage point contribution to growth, as goods exports recover and goods imports are impacted by slowing household consumption growth (Chart 2.9). The trade sector is then forecast to return to balance in 2024–25, with a neutral contribution to GSP growth in that year.

Services exports Goods imports Goods exports Services imports Net exports 2.5 2.0 1.5 Percentage point 1.0 0.5 0.0 -0.5 -1.0 -1.5 -2.0 -2.5 2021-22 2024-25 2022 - 232023-24

Chart 2.9 Overseas exports and imports¹

Note:

1. Percentage point contribution to GSP growth. 2022–23 onwards are forecasts.

Sources: ABS Balance of Payments and Queensland Treasury.

2.4.6 Labour market

Queensland's labour market remains remarkably strong and tight, with the unemployment rate at around decade lows, the job vacancy rate near its historic high and the employment-to-population ratio around its highest level in more than a decade.

As of April 2023, Queensland has recorded among the strongest employment gains of any state or territory, and stronger jobs growth in percentage terms than the rest of the nation, since the beginning of the COVID-19 pandemic in March 2020. Trend employment in Queensland has grown by 226,300 persons (or 8.8 per cent) over this period.

Despite this strong performance, there have been signs that interest rate rises have impacted the labour market in the second half of 2022 and into 2023.

Annual employment growth has slowed, from a peak of 4.8 per cent in July 2022 to 1.5 per cent in April 2023, while the unemployment rate has edged up slightly from a low of 3.5 per cent in October 2022 to 3.8 per cent in April 2023.

The full impact of rapid monetary policy tightening is expected to continue to flow through to domestic economic activity and the labour market over coming quarters.

After growing by 5.1 per cent in 2021–22, year-average employment growth is expected to moderate but remain strong at $3\frac{1}{4}$ per cent in 2022–23. As the effects of sharp interest rate rises flow through to consumption and the domestic economy, employment growth is forecast to slow to one per cent in 2023–24. As domestic economic activity recovers, employment growth is forecast to pick-up to $1\frac{1}{2}$ per cent in 2024–25 (Chart 2.10).

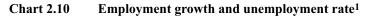
Through this period of softening private sector demand, ongoing growth in public final demand, including the government's substantial infrastructure program, will provide support to the labour market.

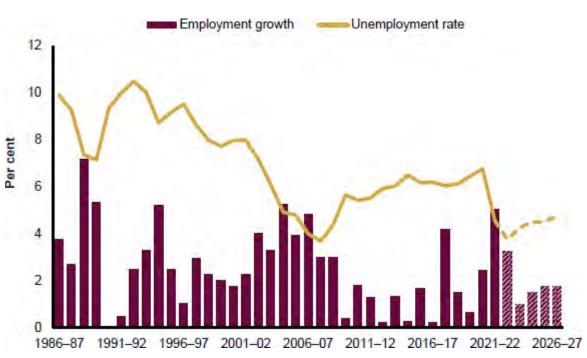
Beyond 2024–25, employment is projected to grow by $1\frac{3}{4}$ per cent per annum in both 2025–26 and 2026–27, in line with projected working age population growth.

Queensland's unemployment rate is forecast to fall from an average of 4.5 per cent in 2021-22 to an exceptionally low $3\frac{3}{4}$ per cent in 2022-23. This would be Queensland's lowest year-average unemployment rate since 2007-08.

As domestic activity is expected to be more constrained in 2023–24, the unemployment rate is forecast to rise moderately to $4\frac{1}{4}$ per cent but remain very low by historical standards.

Queensland's unemployment rate is then expected to continue to normalise over the forward estimates, averaging $4\frac{1}{2}$ per cent in both 2024–25 and 2025–26, reaching $4\frac{3}{4}$ per cent in 2026–27.





Note:

1. Original.

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 rose 3.1 per cent in the 12 months to April 2023, led by Sunshine Coast (up 13,500 persons, or 7.0 per cent), Moreton Bay – South (up 11,000 persons, or 9.5 per cent) and Moreton Bay – North (up 8,900 persons, or 7.7 per cent). Brisbane – South (up 7,900 persons) and Brisbane – West (up 7,800 persons) also recorded strong employment gains during the period.

Many regional Queensland labour markets have recovered strongly from the COVID-19 pandemic, with key regional industries supported by high commodity prices, solid domestic tourism, improved rainfall and the strong dwelling sector. Employment in regional Queensland grew 5.4 per cent in the year ended April 2023 with Central Queensland (up 12,200 persons, or 10.4 per cent) and Wide Bay (up 10,600 persons, or 8.9 per cent) recording the strongest employment growth.

The average unemployment rate across regional Queensland fell 1.2 percentage points to 3.9 per cent in the year to April 2023, to be the lowest unemployment rate recorded in regional Queensland since May 2008.

Cairns (3.8 per cent), Townsville (2.3 per cent) and Wide Bay (5.6 per cent) all recorded among the lowest unemployment rates in more than a decade in April 2023.



2.4.7 Prices and wages

In year-average terms, growth in Brisbane's consumer price index (CPI) strengthened to 5.4 per cent in 2021–22, up from 1.2 per cent during the height of the COVID-19 pandemic in 2019–20 and 2.1 per cent in 2020–21.

Inflationary pressures have continued to build in the first half of 2022–23, with CPI growth rising to a peak of 7.9 per cent over the year to September quarter 2022, the strongest annual increase since 1987.

There is strong evidence, however, that annual inflation has peaked, having slowed to 7.7 per cent in December quarter 2022 and 7.4 per cent in March quarter 2023.

While the initial surge in inflation was predominantly driven by accelerating goods inflation, more recently inflationary pressures have also broadened across services components. In fact, in March quarter 2023, 70 of the 87 expenditure components that comprise the Brisbane CPI basket recorded annual price increases of above 3 per cent, up from just 14 components in March quarter 2021.

While new dwelling purchase for owner-occupier inflation has eased from the historical high increase of 30.2 per cent in June quarter 2022, the component remains the strongest contributor to headline inflation, having risen 12.7 per cent over the year to March quarter 2023.

Meanwhile, several services components continue to strengthen, with rents, buoyed by historically low vacancy rates, rising 7.0 per cent over the year to March quarter 2023. Further, strong demand for travel throughout 2022 and into early 2023 at a time when the number of operating flights had not yet returned to pre-COVID-19 levels, resulted in holiday travel and accommodation annual inflation surging to a record high 24.9 per cent in the March quarter.

Brisbane's CPI growth is expected to average $7\frac{1}{4}$ per cent in 2022–23. If realised, this would be the strongest year-average increase in Brisbane's CPI since 1989–90.

Beyond 2022–23, services inflation is expected to become the primary driver of inflationary pressures in Brisbane. Goods price inflation is expected to continue to ease in the near-term, driven by a range of factors including consumers continuing to switch spending from goods to services, falling global shipping costs, lower oil prices flowing through to automotive fuel, material and labour shortages continuing to ease and a normalisation in food price inflation as agricultural production recovers from the impacts of flooding events in 2022.

However, these falls are expected to be partially offset by services inflation remaining elevated for some time, primarily driven by further strengthening in rents, as population growth tempers the improvement in vacancy rates, and ongoing strong demand for holiday travel and accommodation.

The net impact of these divergent trends is expected to result in CPI growth moderating to $3\frac{3}{4}$ per cent in 2023–24, 3 per cent in 2024–25 and $2\frac{1}{2}$ per cent over the remainder of the forecast period.

Consistent with the very tight labour market, Queensland's wage price index (WPI) annual growth has accelerated over recent years, rising from a trough of 1.4 per cent in March quarter 2021 to 3.7 per cent in March quarter 2023, which is the highest annual growth since June quarter 2012.



Queensland's WPI growth is expected to strengthen to $3\frac{3}{4}$ per cent in 2022–23, up from 2.5 per cent in 2021–22, and strengthen further to 4 per cent in 2023–24.

Box 2.2 Recent inflation trends

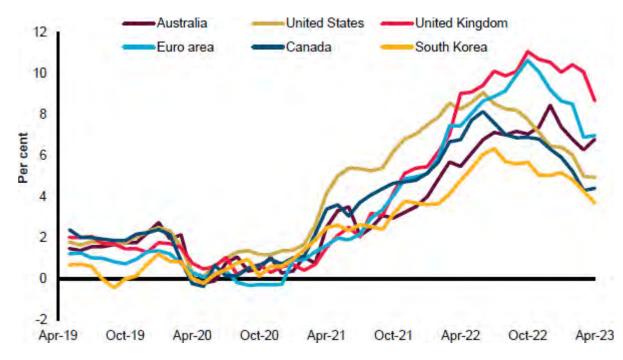
Global trends

Annual consumer price inflation rates surged globally throughout 2021 and the first half of 2022. This was driven by significant fiscal and monetary stimulus in response to the COVID-19 pandemic and supply chain disruptions, initially due to factors associated with the pandemic but then exacerbated by Russia's invasion of Ukraine.

However, more recently there have been some signs of global disinflation (Chart 2.11) as the impact of aggressive interest rate rises begin to impact consumer demand and global supply chain disruptions have eased.

In the United States, headline consumer price inflation has eased to 4.9 per cent in April 2023, down from a peak of 9.1 per cent in June 2022. Inflation is also easing in the Euro area (7.0 per cent in April 2023, down from a peak of 10.6 per cent in October 2022), Canada (4.4 per cent in April 2023, down from 8.1 per cent in June 2022) and South Korea (3.7 per cent in April 2023, down from 6.3 per cent in July 2022).





Source: Refinitiv.

However, global oil prices having almost halved since Brent crude oil peaked at US\$140/bbl in March 2022 has been the predominant driver of these falling headline inflation rates. As such, various measures of core inflation, which typically remove volatile CPI components including fuel prices, have fallen at a slower rate.

Core inflation measures continue to be supported by elevated rates of services inflation. This is particularly evident in the United States where annual core inflation has remained stable at around $5\frac{1}{2}$ per cent in early-2023 (while headline inflation has fallen considerably during the same period), supported by annual services inflation of 6.8 per cent in April 2023.

Domestic trends

Inflationary trends in Brisbane and nationally have broadly followed global trends in recent years, with the initial surge in headline inflation primarily driven by goods components, in particular new dwelling purchases by owner-occupiers and automotive fuel, while services inflation was more delayed.

In Brisbane, annual services inflation has accelerated from 2.9 per cent in December quarter 2021 to 7.6 per cent in March quarter 2023. The March quarter 2023 result is the highest rate of annual services inflation since 1995.

Key components supporting services inflation include rents and holiday travel and accommodation costs.

Rental vacancy rates in Brisbane have trended lower since the onset of the COVID-19 pandemic, partly driven by a falling average household size as many renters opted for more living space. Partially reflecting the fall in Queensland's rental stock, Brisbane's rental vacancy rate has been at, or below, one per cent since early 2022, supporting strong growth in rents.

Meanwhile, strengthening demand, rising fuel costs and airline capacity remaining significantly below pre-COVID-19 levels resulted in holiday travel and accommodation costs rising significantly throughout 2022 and early-2023.

Consumer inflation trends in Australia have also been impacted by flooding events throughout 2022, impacting agricultural supply. The flooding exacerbated food price inflation that had already been impacted by Russia's invasion of Ukraine and other constraints, including COVID-19-related supply chain disruptions and high transport and fertiliser costs.

To help address these national cost-of-living pressures, the government is providing a record \$8.224 billion worth of concessions in 2023–24, an increase of 21.2 per cent from 2022–23.

The government is providing \$1.617 billion in the 2023–24 Queensland Budget towards new and expanded cost-of-living measures that will help address the challenges Queenslanders are facing.

This includes an unprecedented \$1.483 billion in 2023–24 for additional electricity bill support to households and small businesses facing cost-of-living pressures.

As part of this package, all Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate.

In addition, vulnerable households will continue to receive the existing \$372 rebate under the Queensland Electricity Rebate Scheme, bringing total support for this group to \$1,072.

Eligible small businesses in Queensland will also receive an automatic rebate of \$650 on their electricity bill in 2023–24. This includes around 205,000 Queensland small businesses that consume less than 100,000 kilowatt hours per annum.

The Queensland Government's cost-of-living relief package significantly increases and broadens support under the National Energy Bill Relief Plan, jointly funded by the Queensland and Australian Governments.

As part of this package, the Queensland Government has also allocated a total of \$60 million for a Household Energy Initiatives program, and \$10 million to support community non-government organisations to deliver energy literacy and education programs.

2.4.8 Population

Queensland's overall population growth recovered to 1.6 per cent in 2021–22, after the pandemic related international border restrictions slowed growth to 1.0 per cent in 2020–21.

Queensland's relatively better COVID-19 health outcomes, along with stronger labour market outcomes and relative housing affordability, drove a surge in net interstate migration during the pandemic. At around 101,000 persons since June quarter 2020, Queensland's net interstate migration during the COVID-19 pandemic has been the highest in Australia.

This is consistent with the long-term trend of Queensland being a substantial net recipient of interstate migrants, particularly from New South Wales and Victoria.

However, after a substantial upswing in the first 3 quarters of 2021–22 (up 46,930 persons), net interstate migration to Queensland has continued to normalise during the subsequent 2 quarters, averaging only around 8,200 persons per quarter. Over the remainder of the forward estimates, net interstate arrivals are expected to broadly stabilise at around pre-COVID-19 levels.

Latest data show overseas migrant arrivals have returned to pre-pandemic levels, but departures are still lagging as there are fewer recently arrived temporary migrants who are due to leave. As a result, having generally been a net outflow throughout the pandemic, net overseas migration to Queensland has risen over 41,600 persons in the first 3 quarters of 2022. This contrasted with a detraction of almost 2,400 persons over the same period in 2021.

Tight labour market conditions are also expected to support elevated levels of net overseas migration over the medium term as local firms seek overseas workers where they can't meet workforce demands locally.

Queensland's birth rate picked up during much of the pandemic period. However, with the overseas borders opened again and tightening financial conditions expected to impact household incomes, the increase in births seen during the COVID-19-period is likely to have only been temporary and is expected to unwind, with fertility rates expected to broadly return to the downward trend seen prior to the pandemic.

The population increase attributed to natural increase is forecast to broadly return to pre-COVID-19 trends.

Reflecting this combination of factors, Queensland overall population growth is expected to strengthen to 2 per cent in 2022–23, before easing to $1\frac{3}{4}$ per cent in 2023–24 and then easing further to average around $1\frac{1}{2}$ per cent over the remainder of the forward estimates.

Box 2.3 Population growth in Queensland

International border closures during the COVID-19 pandemic led to slower population growth in Queensland and in Australia by historical standards. In year-average terms, Queensland's population growth slowed to 1.0 per cent in 2020–21, compared with average growth of around 1.6 per cent in the preceding 5 years.

However, Queensland's population growth recovered to 1.6 per cent in 2021–22, underpinned by a surge in net interstate migration. Queensland's relatively better health outcomes, labour market conditions and housing affordability drove this increase in interstate migration.

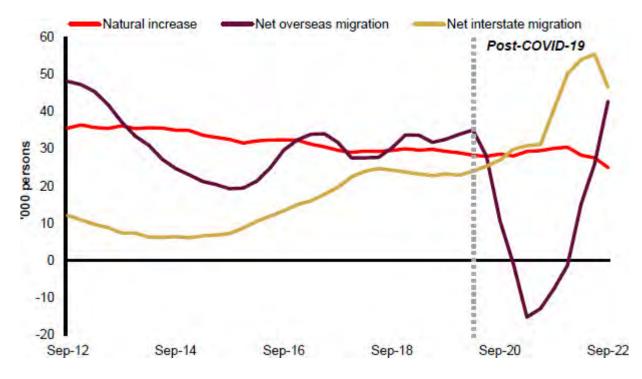
Net interstate migration is now expected to stabilise at around pre-COVID-19 levels.

Recovery in net overseas migration

Net overseas migration is now recovering following the pandemic (Chart 2.12). Overseas arrivals have returned to pre-pandemic levels, while departures are still lagging, with overseas migration is expected to be the main driver of population growth over the forward estimates.

Net overseas migration to Queensland rose by over 41,600 persons in the first 3 quarters of 2022, compared with a detraction of just under 2,400 persons over the same period in 2021.

Chart 2.12 Queensland's population growth, by component¹



Note:

1. Four-quarter rolling sum. The dotted vertical line represents March quarter 2020.

Source: ABS National, State and Territory Population.

Reflecting these trends, Queensland's overall population growth is expected to have strengthened to 2 per cent in 2022–23 but is then expected to ease to 13/4 per cent in 2023–24 before easing further to average around 11/2 per cent over the rest of the forward estimates.



Population growth across Queensland's regions

As at 30 June 2022, approximately 1.4 million people lived in local government areas (LGAs) outside of South East Queensland, accounting for 27 per cent of the state's population.

Population growth has varied across Queensland regions since the COVID-19 pandemic, with some regional LGAs growing faster than the state average, including Fraser Coast (2.8 per cent), Livingstone (2.7 per cent), Gympie (2.4 per cent) and Whitsunday (2.4 per cent).

A range of other regional LGAs have experienced more moderate, but still solid population growth, including Bundaberg (2.1 per cent), Gladstone (1.8 per cent), Cairns (1.7 per cent), Mackay (1.6 per cent) and Townsville (1.6 per cent).

Long-term population outlook

Despite the recent strength of interstate migration and the return of overseas migration, the impact of COVID-19 international border restrictions and lower fertility rates have resulted in the growth in Queensland's population over the medium to longer term now being lower than expected prior to the pandemic.

- The closure of international borders caused Queensland to record negative net overseas migration over the period from June 2020 to December 2021. This resulted in the lowest rate of population growth since World War II in 2020–21, with annual growth averaging just 0.8 per cent in both March and June quarters of 2021.
- Since peaking in the late 2000s, declining fertility has been a common trend across the world. In Australia, the total fertility rate (number of births per woman) fell from a peak of 2.02 in 2008 to 1.59 in 2020, while the OECD average fell from 1.76 to 1.56 over the same period.
- Queensland's fertility rate fell from a peak of 2.17 in 2009 to 1.65 in 2020, and fertility is expected to remain low despite a temporary increase to 1.79 observed in 2021 (Chart 2.13).

The 2018 edition of the *Queensland Government Population Projections* (the Projections) showed Queensland's population by 2036 was expected to grow by over 1.4 million people, to reach 6.7 million.

The 2023 edition of the Projections, updated by Queensland Treasury with the latest Census data and assumptions reflecting developments over the last 5 years, projects the state's population to now grow more slowly, by over 1.2 million people to 6.5 million, over the same period.

This almost 200,000 lower projected population in Queensland in the 2023 edition equates to a population approximately the size of Cairns local government area.

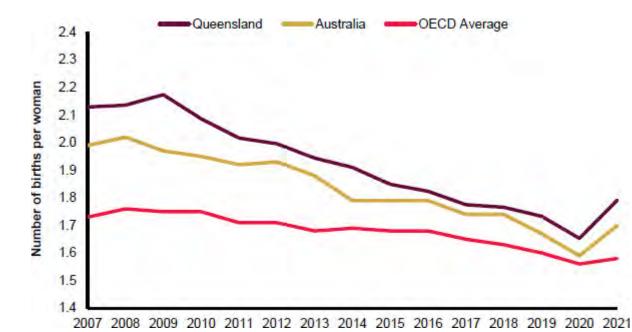


Chart 2.13 Total fertility rate by region

Sources: ABS and OECD.

Despite the relatively lower growth outlook, ageing of the state's population is expected to continue with the number of Queenslanders aged 65 years and over projected to grow by almost 0.5 million, to reach 1.3 million, by 2036.

Over the longer term, the population of 65+ year olds in Queensland is projected to more than double, to reach 2.3 million, over the 50 years to 2071 under the medium population series.

Budget priorities to meet the needs of state's growing population

As outlined in Chapter 1, the government's budget priorities and longer-term economic strategy are at the forefront of addressing challenges associated with the state's growing and ageing population, both now and into the future.

The government's ongoing substantial investment in education and training will ensure continued growth of a highly skilled, productive and flexible workforce across the state to meet the needs of the growing population and in the context of the ongoing transformation of the economy.

The government's record capital program of \$89 billion over 4 years to 2026–27 will directly facilitate the provision of the social and economic infrastructure across the state, thereby supporting the creation of more jobs in more industries, enhancing future prosperity, and improving the standard of living for Queenslanders and communities.

In the more immediate term, the government is also providing substantial support, including through actions to improve housing affordability, to address key cost-of-living pressures facing Queensland households and small businesses.

2.5 Risks to the outlook

As outlined in the 2022–23 Budget Update, global inflation and monetary policy responses among major central banks remain the biggest risks to the global outlook.

This is particularly the case in Europe where inflation remains elevated, which is likely to attract more aggressive monetary tightening from the European Central Bank and Bank of England. This in turn may lead to a 'hard landing' in the region, which may have global repercussions, including a potential destabilisation of the financial system in some economies.

Another risk is the rising tensions between the US and China, which have already led to significant commercial sanctions according to global financial media coverage. Any resulting disruptions to supply chains in critical sectors could prolong global inflation, weaken global growth potential and may impact negatively on Australia's mineral and energy exports.

The potential escalation of Russia's military actions against Ukraine is also an ongoing risk to the outlook.

In Australia, the persistence of inflation and strength of the labour market may lead the RBA to continue monetary tightening further than currently expected, further impacting a sizeable portion of recent homeowners. If this was to eventuate, combined with the rising uncertainty of the international outlook, this could lead to weaker overall growth.

Table 2.3Queensland economic forecasts1, by component

	Actuals 2021–22	2022–23	Forecasts 2023–24	2024–25
Economic output ²				
Household consumption	3.4	3	11⁄4	13/4
Dwelling investment	4.4	-5	51/2	3/4
New and used	5.4	21/4	5	13/4
Alterations and additions	3.4	-121/2	61/2	-3/4
Business investment	8.8	43/4	2	43/4
Non-dwelling construction	10.9	41⁄4	91/4	131/2
Machinery and equipment	10.1	61/4	-41/4	-33/4
Private final demand	4.7	2	11/2	21/4
Public final demand	5.6	41⁄4	43/4	51/4
State Final Demand	5.0	23/4	21/2	31/4
Overseas goods and services exports	1.7	31/2	101/2	63/4
Overseas goods and services imports	8.2	111/2	51/2	81/2
Gross state product	4.4	2	3	3
Employment	5.1	31/4	1	11/2
Unemployment rate ³	4.5	33/4	41⁄4	41/2
Inflation ⁴	5.4	71⁄4	33/4	3
Wage Price Index	2.5	33/4	4	31/2
Population	1.6	2	13⁄4	11/2

Notes:

- 1. Unless otherwise stated, all figures are annual percentage changes.
- 2. CVM, 2020–21 reference year. The comparable nominal GSP growth rates are 22.5 per cent in 2021–22, 8 per cent in 2022–23, -1/2 per cent in 2023–24 and 5 per cent in 2024–25. The exceptionally strong growth in 2021–22 largely reflects the impact of substantial increases in commodity prices on nominal exports.
- 3. Per cent, year-average.
- 4. Brisbane, per cent, year-average.

Sources: ABS Annual State Accounts, Australian National Accounts, Balance of Payments, National, State and Territory Population, Labour Force, Wage Price Index, Consumer Price Index and Queensland Treasury.

3 Fiscal strategy and outlook

Features

- The Queensland Government is committed to investing in economic and social infrastructure to meet the needs of Queensland's growing population and accelerate regional economic development through the strategic allocation of royalties and revenue uplifts. These investments will leverage Queensland's natural endowments, productive capacity and competitive advantages to deliver good jobs, better services and a great lifestyle for Queenslanders.
- An operating surplus of \$12.305 billion is expected in 2022–23 driven by unprecedented strength in coal royalties, attributed to a combination of high coal prices and progressive coal royalties measures introduced in the 2022–23 Budget. This will be the largest operating surplus in Queensland history, following what was a record surplus in 2021–22.
- The surplus in 2022–23 will see the General Government Sector borrowing \$11.8 billion less in that year than anticipated in the 2022–23 Budget. This has provided the opportunity to fund the state's record \$89 billion capital program while maintaining debt at sustainable levels. General Government Sector debt in 2025–26 remains \$2.2 billion lower than forecast in the 2022–23 Budget.
- As royalty revenue normalises, the Budget will return to modest operating surpluses across the forward estimates, other than in 2023–24. An operating deficit of \$2.182 billion is expected in 2023–24, compared to the projected deficit in the 2022–23 Budget of \$1.083 billion. This is in part driven by the government's significant cost-of-living relief measures, including \$1.483 billion for additional electricity bill support to households and small businesses. As wages grow and inflation falls, cost-of-living pressures should ease.
- The significant program of public infrastructure investment reflects the challenges and opportunities associated with decarbonising the state's energy system, expanding the capacity of the health system, ensuring Queensland's water security, and preparing to host the 2032 Olympic and Paralympic Games.
- Queensland is well positioned to meet these challenges, with a lower General Government Sector net debt to revenue ratio than interstate peers. Queensland's ratio of 20 per cent in 2023–24 compares to 90 per cent for New South Wales and 152 per cent for Victoria.
- Sustainability risk management, including environmental, social, and governance factors, is a strategic imperative for the state. The Queensland Government publishes an annual *Queensland Sustainability Report* which sets out how the government has established its priorities and provides information on key policies being implemented and performance measures to develop a resilient and sustainable future.
- A new public sector wages offer balances the government's commitment to frontline service delivery and employee retention with disciplined management of operating expenses growth.

- Queensland's credit ratings with S&P Global (AA+) and Moody's (Aa1) remained stable through the pandemic crisis and recovery, while Fitch upgraded Queensland's rating from AA to AA+ in December 2021. Sound financial management supports the credit rating and provides the capacity to respond to future economic and financial shocks and position the economy for growth.
- Disaster events in the summer of 2022–23 followed the devastating floods of 2021–22, with recovery and reconstruction continuing to progress. Disaster related expenses over the 5 years to 2026–27 are large but will be significantly offset by Australian Government payments under disaster funding arrangements.

3.1 Fiscal outlook

The strength of the Queensland economy and continued high commodity prices have resulted in further upward revisions to revenue in the 2023–24 Queensland Budget, following the uplifts incorporated into the 2022–23 Budget and 2022–23 Budget Update. Since the 2022–23 Budget, revenue has been revised upwards by \$13.736 billion in 2022–23 and \$30.994 billion, or 10 per cent, over the 4 years to 2025–26. While revenue has increased significantly, expenses for 2022–23 have been managed broadly within 2022–23 Budget estimates. This has produced a substantial improvement in Queensland's 2022–23 net operating balance, from a deficit of \$1.029 billion in the 2022–23 Budget to a surplus of \$12.305 billion, the largest in Queensland's history.

Prudent management of the rebound in revenue forecasts has driven significant progress against the Charter of Fiscal Responsibility since those targets were set in 2021–22. The government is restoring its fiscal buffers. Over progressive budgets, temporary revenue windfalls have been targeted towards fiscal recovery and a lower reliance on debt. Queensland's General Government Sector net debt to revenue ratio in 2022–23 has been reduced from 27 per cent in the 2022–23 Budget, to just 7 per cent in this Budget. This is below pre-pandemic expectations, with the 2019–20 Budget forecasting a net debt to revenue ratio of 30 per cent in 2022–23.

This improvement means that Queensland is well placed to meet the challenges associated with the significant additional investment that is required to decarbonise the state's energy system, expand the capacity of the health system, ensure Queensland's water security and prepare for hosting the Brisbane 2032 Olympic and Paralympic Games. At the same time, continued capital investment in areas such as housing, education and transport must continue to ensure service delivery can continue to keep pace with the needs of a growing population. Queensland's total capital program over the 4 years to 2026–27 is estimated at \$88.729 billion, compared to the \$59.126 billion estimated capital program over the 4 years to 2025–26 in the 2022–23 Budget.

While delivery of this record capital program is challenging, the investment is necessary to ensure Queensland's continued prosperity. It can also be achieved while maintaining borrowings at sustainable levels. The ratio of net debt to revenue is expected to increase to 55 per cent by 2026–27 as a result of this significant capital investment, but remains far lower than the ratios of other states, with Victoria projecting a ratio of 172 per cent in the same year, and New South Wales projecting a ratio of 102 per cent by 2025–26. A sustainable level of borrowings means that Queensland is comparatively well positioned in an environment of increased interest rates.

While the government's \$1.617 billion in new or expanded cost-of-living relief measures in 2023–24 alongside revenues normalising will result in a once-off operating deficit in 2023–24, an operating surplus is forecast in 2024–25.

Total concessions funding in 2023–24 is \$8.224 billion, which represents an increase of more than 21 per cent compared with 2022–23.

Consistent with Queensland's fiscal principles, net operating surpluses from 2024–25 onward and maintaining borrowings at a sustainable level will be achieved without compromising Queensland's competitive taxation regime. The government is also ensuring that employee costs remain sustainable with a public sector wages offer that balances the government's commitment to frontline service delivery with disciplined management of operating expenses growth.

Continued careful budget management will be key to ensuring Queensland's fiscal position remains sustainable as revenues normalise and the substantial capital program is delivered, while progress is made towards medium term goals.

3.1.1 Fiscal Principles

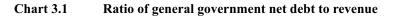
In the 2021–22 Queensland Budget, the government set out its medium-term fiscal strategy, including a new Charter of Fiscal Responsibility (the Charter) with renewed fiscal principles with objective measures to support the restoration of fiscal buffers. An update of progress towards achievement of medium-term goals is outlined below.

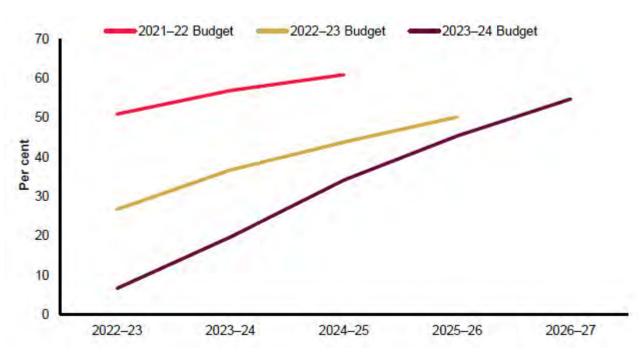
Fiscal Principle 1 – Stabilise the General Government Sector net debt to revenue ratio at sustainable levels in the medium term, and target reductions in the net debt to revenue ratio in the long term.

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 Fiscal Principle 1. Revenue strength in 2022–23 has resulted in a lower debt requirement in that year and a downwards revision to the net debt to revenue ratio of 20 percentage points since the 2022–23 Budget and 44 percentage points since the 2021–22 Budget.

The reduced debt requirement in the near term provides capacity for additional capital investment while maintaining debt at sustainable levels. By 2026–27, the ratio is forecast to reach 55 per cent, a sustainable level which is less than the 2021–22 Budget estimate for 2023–24. The ratio in 2023–24 has been revised down to 20 per cent, a 37 percentage point reduction compared to the 2021–22 Budget estimate for 2023–24.





The downwards revisions to borrowings and net debt since the 2021–22 Budget are the result of prudent management of the significant, but short term, revenue uplifts experienced over progressive budget cycles. Borrowings increase over the forward estimates to fund the 4-year capital program, but the buffer created by recent debt reductions means that by 2026–27, the net debt to revenue ratio remains lower than the 2021–22 Budget estimates for 2023–24.

Queensland's net debt to revenue ratio of 20 per cent in 2023–24 compares favourably to that of its peers. The net debt to revenue ratio in 2023–24 is 90 per cent for New South Wales (2023 Pre-election Budget Update) and 152 per cent for Victoria (2023–24 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.

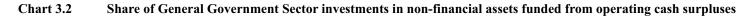
Fiscal Principle 2 provides a broad measure of expense growth management. Maintaining a lower rate of expenses growth than revenue growth will in general ensure the restoration of an operating surplus and assist debt stabilisation. In the 2023–24 Budget, revenue growth over the forward estimates continues to be affected by temporary factors causing significant volatility. Across the 4 years from 2022–23 to 2026–27, the average annual revenue growth is lower than expenses growth reflecting the short-term strength of royalty revenue. While royalties have been boosted in the last few years by high commodity prices, they are expected to normalise to around a third of 2022–23 levels by 2025–26. An adjusted measure removing royalties is therefore reported to better reflect underlying growth.

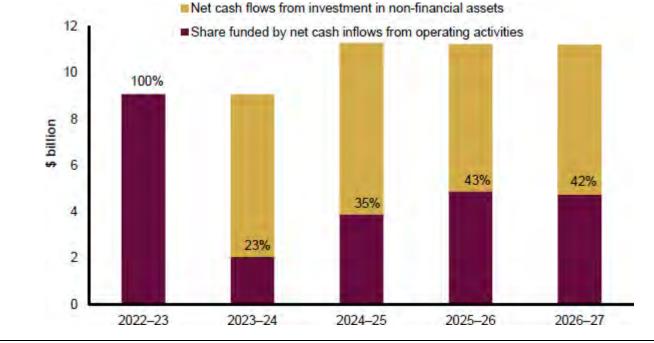
Excluding royalties revenue, revenue growth is expected to be 3.5 per cent on average across the 4 years to 2026–27, compared to expenses growth of 3.1 per cent. Over the 5 years to 2026–27, growth of 4.1 per cent is expected for revenue excluding royalties and land rents compared to 4.0 per cent for expenses.

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 is a key priority. The \$88.729 billion capital program includes additional investment in major transformative projects as well as providing the critical infrastructure that is required to support service delivery, in a challenging environment of escalating cost pressures.

Volatility in revenue growth 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. In 2022–23, net cash inflows from operating activities greatly exceed investments in non-financial assets. The ratio reduces to 23 per cent in 2023–24 and is expected to reach 42 per cent in 2026–27. On average across the period 2022–23 to 2026–27, 62 per cent of the capital program will be funded from net cash inflows from operating activities.







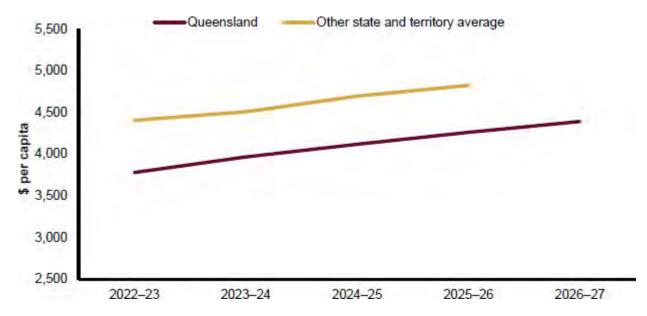
Fiscal Principle 4 – Maintain competitive taxation by ensuring that, on a per capita basis, Queensland has lower taxation than the average of other states.

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 \$720 less than the average of other jurisdictions in 2021–22. On average, Queenslanders paid \$1,087 less tax than New South Wales residents and \$928 less than Victorian residents.

Using the latest forecasts, Queensland's taxation per capita of \$3,966 in 2023–24 compares favourably to the average of other jurisdictions of \$4,507 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 continued through the economic and fiscal recovery from the COVID-19 crisis, and it remains part of the long-term fiscal strategy.

The triennial 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.

3.2 Key fiscal aggregates

The key fiscal aggregates for the 2023–24 Queensland Budget are outlined in Table 3.1.

Table 3.1Key fiscal aggregates1

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Revenue	74,185	73,886	87,623	82,079	82,102	82,858	85,591
Expenses	69,889	74,915	75,317	84,261	81,967	82,653	85,214
Net operating balance	4,296	(1,029)	12,305	(2,182)	135	206	377
PNFA ²	7,889	8,478	9,194	9,347	11,473	11,417	11,389
Fiscal balance	(71)	(5,635)	6,786	(6,716)	(7,265)	(5,977)	(5,301)
Borrowing ³	56,764	66,459	54,693	65,479	76,040	85,127	94,814
Net debt	10,997	19,772	5,852	16,190	28,074	37,648	46,934

Notes:

- 1. Numbers may not add due to rounding. Bracketed numbers represent negative amounts.
- 2. PNFA: Purchases of non-financial assets.
- 3. Comprised of borrowing with QTC, leases and similar arrangements and securities and derivatives.

3.2.1 Net operating balance

Table 3.2 compares the General Government Sector net operating balance forecasts for the previous budget with the 2023–24 Budget forecasts.

Table 3.2 General Government Sector – net operating balance forecasts

	2022–23 \$ million	2023–24 \$ million	2024–25 \$ million	2025–26 \$ million	2026–27 \$ million
2022–23 Budget	(1,029)	(1,083)	137	183	
2023–24 Budget	12,305	(2,182)	135	206	377

Since the 2022–23 Budget, the General Government Sector net operating balance has improved substantially in 2022–23, from a deficit of \$1.029 billion to a surplus of \$12.305 billion. This improvement is attributable to significantly higher revenue, especially the temporary and unprecedented strength in coal royalties. The large operating surplus is reducing the 2022–23 borrowing requirement and creating capacity for a transformative capital program while maintaining debt at sustainable levels.

A deficit is expected for a single year in 2023–24 as revenues normalise and additional funding is required for priority areas, including temporary funding to alleviate cost-of-living pressures. The government's cost-of-living relief measures in 2023–24 include \$1.483 billion for additional electricity bill support to households and small businesses.

Continued revenue growth and prudent management of expenses means that Queensland remains on track to achieve a surplus in 2024–25, consistent with every forecast since the 2021–22 Budget. Continued surpluses are expected across the remainder of the forward estimates.

Queensland's net operating surplus in 2022–23 contrasts with deficits of \$12.0 billion for New South Wales (2023 Pre-election Budget Update) and \$10.3 billion for Victoria (2023–24 Budget). While New South Wales and Queensland both expect to achieve an operating surplus in 2024–25, Victoria does not expect to return to a surplus until 2025–26.

Table 3.3Reconciliation of net operating balance, 2022–23 Budget Update to 2023–24 Budget1

	2022–23 \$ million	2023–24 \$ million	2024–25 \$ million	2025–26 \$ million
2022–23 Budget Update net operating balance	5,180	(458)	123	220
Taxation revisions ²	1,436	1,824	1,832	1,816
Royalty revisions ²	4,671	1,556	580	558
GST revisions	(104)	(105)	(244)	(109)
Expense measures ³	(775)	(3,277)	(1,646)	(1,476)
Natural disaster revisions (DRFA) ⁴	370	166	(243)	(212)
Net flows from PNFC and PFC entities ⁵	(656)	(442)	(71)	(254)
Australian Government funding revisions ⁶	420	(547)	(309)	(83)
Other parameter adjustments ⁷	1,764	(898)	112	(255)
2023–24 Budget net operating balance	12,305	(2,182)	135	206

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 and royalty revisions exclude impact of revenue measures contained in Budget Paper 4 (BP4).
- 3. Reflects the operating balance impact of government expense measures since the 2022–23 Budget Update (refer to BP4 Chapter 2 Budget Measures for details) except for Natural disasters and Transport Service Contract measures which are included elsewhere in the reconciliation, as per footnotes 4 and 5.
- 4. Net impact of Disaster Recovery Funding Arrangements.
- Represents revisions to dividends and tax equivalent payments from, and community service obligations (CSOs) and Transport Service Contract (TSC) payments to, Public Non-financial Corporations and Public Financial Corporations, net of CSO and TSC expense measures.
- 6. 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.
- 7. Refers to adjustments largely of a non-policy nature, primarily changes in interest paid on borrowings, depreciation, swaps, lapses and deferrals.

Impact of disaster recovery on the net operating balance

Significant flood events in the 2021–22 and 2022–23 disaster season have meant that related expenses and the impact of Australian Government payments for Disaster Recovery Funding Arrangements (DRFA) materially affect the net operating balance. Box 3.1 details the financial impact of the flood events and reports on progress on initiatives to support community recovery and resilience. Table 3.4 details the impact of disaster expenses and DRFA on the net operating balance. While disaster expenses of \$4.447 billion are expected in total over the forward estimates, the majority is offset by \$3.356 billion disaster related revenue.

Table 3.4Impact of disaster funding on the net operating balance^{1,2}

	2022–23 \$ million	2023–24 \$ million	2024–25 \$ million	2025–26 \$ million	2026–27 \$ million
Net Operating Balance	12,305	(2,182)	135	206	377
less Disaster revenue	623	1,849	884		_
add Disaster expenses	1,099	1,728	1,316	212	92
Underlying Net Operating Balance	12,781	(2,303)	567	418	469
Disaster capital expenditure	138	268	270	234	—

Notes:

- 1. Numbers may not add due to rounding.
- 2. The disaster revenue and expenditure shown above include estimates from events prior to 2022–23 and so exceed estimates for those occurring in the summer of 2022–23.

Box 3.1 2022–23 Disaster Season

The summer of 2022–23 has seen the state impacted by 7 disaster events, including long-term and record-breaking flooding in North West Queensland that forced evacuations and isolated already remote townships, including Burketown, Doomadgee and Urandangi.

Of Queensland's 77 local government areas, 55 have been activated for joint State-Commonwealth Disaster Recovery Funding Arrangements (DRFA) assistance to provide support to individuals, families, businesses, primary producers and other organisations directly affected by the disasters.

Early indications suggest the cost of recovery and reconstruction from the flooding events under the DRFA for the summer of 2022–23 will be more than \$500 million, coupled with complex recovery needs given the extended duration, scale of impact of the flooding, and remoteness of affected communities.

To support initial recovery, several extraordinary measures were immediately made available through the jointly funded DRFA, including personal hardship assistance for individuals and families, recovery grants for local governments, primary producers and small businesses, community mental health and coordinated livestock and carcass disposal support packages.

During 2022–23, the state continued to progress recovery following the devastating floods of 2021–22. Along with mobilisation of reconstruction efforts, the joint state and Australian Government \$2.1 billion extraordinary assistance package was implemented to assist ongoing recovery, with a focus on the health, wellbeing, and resilience of communities, sustaining medium size businesses and tourism, restoring the environment, repairing community and recreational assets, supporting community development and ensuring essential public assets can be built back better. The total recovery and reconstruction cost for the 2021–22 disaster season is estimated at \$4.5 billion.

A core component of the packages, the innovative \$761.6 million Resilient Homes Fund has seen offers accepted for the voluntary buyback of more than 350 homes at high risk of repeated flooding, and demolition commence of initial purchased properties.

The government will also provide additional funding of \$152 million over 3 years for a suite of programs and projects selected in accordance with the Disaster Recovery Funding Arrangements Efficiencies Framework to enhance Queensland's disaster resilience, mitigate risk and create stronger and safer communities.

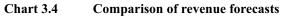
While the impact of the disaster events of 2021–22 and 2022–23 will be felt for many years across the entire state, efforts to build resilience and support community recovery mean that Queensland will be even better placed to handle future inevitable disasters.

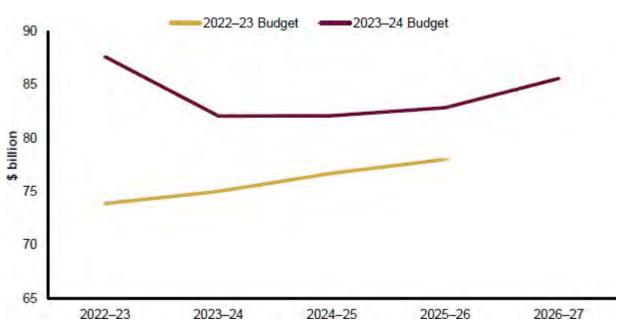
3.2.2 Revenue

General Government Sector revenue is estimated to total \$87.623 billion in 2022–23, \$13.437 billion higher than 2021–22. This is \$13.736 billion higher than estimated in the 2022–23 Budget, driven largely by a \$10.462 billion increase in royalties, reflecting the extraordinary strength in coal and oil prices across 2022 and early 2023. Taxes are also \$1.721 billion higher, reflecting the strength of domestic economic activity and labour market performance, while GST has increased \$586 million due primarily to a larger GST pool.

In 2023–24, royalties are expected to be \$10.982 billion lower than in 2022–23, reflecting the expectation that currently elevated prices for coal and oil continue to return to levels more consistent with medium term expectations. In total, revenue is forecast to decline by \$5.544 billion in 2023–24, with the decrease in royalties expected to be partially offset by a \$2.095 billion increase in Australian Government grants, and a \$1.080 billion increase in GST revenue.

In total over the 4 years to 2025–26, strong economic conditions and the temporary uplift to royalties means that General Government Sector revenue is forecast to be \$30.994 billion, or 10 per cent, higher than forecast in the 2022–23 Budget.





Further detail on revenues is provided in Chapter 4.

3.2.3 Expenses

Expenses in the 2023–24 Queensland Budget reflect the government's commitment to deliver better services to improve the lives of Queenslanders, support the state's growing population and economic growth. Additional initiatives in the Budget are targeted to address areas of community need including support to alleviate cost-of-living pressures in 2023–24, while ensuring that fiscal targets, such as the achievement of an operating surplus in 2024–25, continue to be met.

On average, General Government Sector expenses are forecast to increase by 3.1 per cent per annum over the 4 years to 2026–27. Excluding the extraordinary impact of volatile royalty revenue, this is lower than the forecast annual increases in revenue of 3.5 per cent over the same period and is consistent with Fiscal Principle 2.

Key new initiatives in the Budget include:

- an uplift of \$2.888 billion in additional health operational growth funding over 5 years from 2022–23 to meet demand and cost pressures. This uplift will also support significant actions across the health system targeting improving ambulance responsiveness and reduce ramping, addressing pressures on emergency departments, reducing wait times for surgery and specialist clinics, as well as boosting women's health care and mental health care
- \$1.483 billion for additional electricity bill support to households and small businesses facing cost-of-living pressures
- \$645 million over 4 years from 2023–24 to provide 15 hours per week of free kindergarten from January 2024 for all 4-year-old Queensland children

- \$586.1 million towards a new 10-year agreement with LifeFlight Australia
- over \$150 million over 5 years to provide temporary accommodation and to extend and enhance housing and homelessness services
- \$96.2 million over 4 years and \$17.9 million ongoing to continue the co-responder model to deal with or divert high risk young people, including to expand Youth Co-responder Teams into Toowoomba, Fraser Coast, Mount Isa, Ipswich and South Brisbane
- \$16.3 million for a package of measures to support women's economic security, including grants, training, and increased investment for women in male dominated industries, women in business and innovation and disadvantaged and vulnerable women.

Employee expenses and certified agreements

Salaries and wages form a large proportion of General Government Sector expenses, with increases in salaries and wages negotiated through certified agreements. Maintaining an effective public service relies on attraction and retention strategies based on competitive remuneration and employment conditions. These need to be balanced with disciplined management of growth in operating expenses that supports fiscal sustainability and meeting fiscal goals in the medium term, particularly as employee expenses form a large proportion of General Government Sector expenses.

With the majority of public sector certified agreements nominally expiring during 2022 and 2023, the government established a public sector wages policy of 4 per cent headline wage increases in the first 2 years and 3 per cent in year 3, which recognises prevailing economic circumstances while keeping expenses growth sustainable. A Cost of Living Adjustment will also be payable where inflation exceeds headline wages increases established in agreements, capped at 3 per cent of base wages. Chapter 5 provides more detail on the public sector wages policy, superannuation arrangements and employee expenses.

3.2.4 Investment

Queensland's total capital program has increased from an estimated \$59.126 billion over the 4 years to 2025–26 in the 2022–23 Budget, to \$88.729 billion over the 4 years to 2026–27. The updated capital program responds to a range of challenges that must be met to continue to support ongoing economic growth, meet renewable energy targets and ensure future prosperity while delivering the infrastructure that is needed to maintain critical services. Key areas of focus in the forward estimates period and over the medium term include:

- transforming Queensland's energy system through the Queensland Energy and Jobs Plan
- expanding the capacity of the health system, delivering the new infrastructure and increased number of beds to deliver better services
- safeguarding Queensland's future water security and flood resilience
- delivering the infrastructure required to support the successful hosting of the Brisbane 2032 Olympic and Paralympic Games.

As well as further progressing these key priority areas, the capital program must respond to unavoidable cost pressures in the current environment to ensure that critical infrastructure is provided when it is needed, and longer-term priorities remain on track. While growing demand for capital and constrained market conditions present a challenge for the capital program, continuing to deliver the infrastructure that is needed is a priority to support service delivery and avoid the potential negative economic consequences of not making necessary investments.

Queensland's long-term capital planning provides a clear roadmap for the investment required to support growth. Sustainability risks (including environmental, social and governance factors) and Queensland's sustainability priorities are an integral part of longer-term investment planning and budget decisions. This is detailed in Box 3.2.

Queensland Energy and Jobs Plan

The *Queensland Energy and Jobs Plan* (QEJP) outlines the state's pathway to transform the energy system over the next 10 to 15 years to deliver clean, reliable, and affordable power, creating a platform for strong economic growth and continued investment.

The Plan charts an ambitious infrastructure investment pathway to 2035, including two large-scale pumped hydros in regional Queensland, 22 gigawatts of new renewable energy, and major new transmission lines across the state which will form Queensland's SuperGrid.

In total, the 2023–24 Budget includes a landmark capital investment of around \$19 billion across the forward estimates to support the QEJP.

The government's publicly owned energy businesses are leading Queensland's energy transformation, investing in new wind, solar, storage and transmission, supported by the \$4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund.

To date, \$2.7 billion has been allocated from the Fund. This includes \$192.5 million towards Stanwell's investment in the 252-megawatt (MW) Wambo Wind Farm near Dalby, and \$776.1 million towards Stanwell's 500 MW Tarong West Wind Farm near Kingaroy. CS Energy is being supported for renewables investments in Central Queensland, including \$564 million from the Fund for wind developments.

The government has also allocated \$300 million to CS Energy for energy projects supporting decarbonisation in Central Queensland as well as \$500 million to CleanCo to support 2.3 gigawatts of renewables projects in Central Queensland.

Throughout the transformation, the government is committed to maintaining public ownership of energy assets and supporting impacted communities and workers through a range of initiatives, including a \$150 million Job Security Guarantee Fund to support affected energy workers through the transformation.

Health capacity expansion

In the 2022–23 Budget, the Queensland Government provided 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. In 2023–24, Queensland Health will continue the delivery of this ambitious program, which has now awarded more than \$3 billion of contracts to deliver expansions in Brisbane, Ipswich, Mackay, Logan, Townsville and Cairns.

Other major projects commencing or continuing during 2023-24 include:

- opening all 7 Satellite Hospitals at Caboolture, Kallangur, Ripley, Eight Mile Plains, Tugun, Bribie Island and Redlands in 2023-24
- completion of major expansions at Caboolture and Logan Hospitals
- \$150 million for a new mental health facility as part of the staged expansion of Redland Hospital.

Water capital expenditure

A significant capital program is planned by the Public Non-financial Corporations water sector over the 4 years to 2026–27 focused on delivering additional water supply and fortifying the flood resilience of water infrastructure. A major driver of this is Seqwater, Sunwater and Gladstone Area Water Board's respective Dam Improvement Programs, which aim to ensure the safety and reliability of state-owned dams so they continue to operate safely during extreme weather events. In 2023–24, \$155.8 million will be invested for planning and early works on improvements to Paradise, Burdekin Falls, Somerset, Wivenhoe, North Pine, Lake Macdonald and Awoonga dams.

Major projects commencing or continuing during 2023-24 include:

- a further \$440 million commitment, on top of an existing \$100 million, has been provided towards Sunwater's Burdekin Falls Dam Improvement and Raising Project, improving and raising the dam by two meters to further support water security
- progression of the \$983 million Fitzroy to Gladstone Pipeline to provide long term water security to Gladstone's large industrial base and its urban areas with \$548.5 million in 2023–24
- continued construction of the \$568.9 million Rookwood Weir with Sunwater expected to spend a further \$156.7 million in 2023–24
- advancing planning and preconstruction activities on the \$1.2 billion Paradise Dam Improvement Project, supported by \$600 million commitments each from the Queensland and Australian Governments, with \$116.4 million in 2023–24
- the delivery of the \$273.1 million Toowoomba to Warwick Pipeline, part of a more than \$300 million investment into water security in the Toowoomba and Southern Downs regions with \$13.4 million in 2023–24
- progressing the \$128.4 million Mount Crosby Flood Resilience Program to reduce the flood risk of critical bulk water infrastructure with \$24.3 million in 2023–24



• completion of the \$95.2 million South West Pipeline connecting Beaudesert to the South East Queensland Water Grid with \$24.4 million in 2023–24.

Brisbane 2032 Olympic and Paralympic Games

The 2023–24 Queensland Budget includes funding to continue to support preparations for the Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032).

The Budget has provisions for total capital expenditure for Brisbane 2032 venues infrastructure of \$7.1 billion over 10 years. This venues infrastructure program is jointly funded by the Queensland and Australian Governments to support the hosting of Brisbane 2032. The allocation of funding for specific venues projects will be subject to government investment decisions following completion of project assessment activities.

The venues infrastructure program comprises the Brisbane Arena (\$2.5 billion), the Gabba Redevelopment (\$2.7 billion) and 16 new or upgraded venues under the Minor Venues Program (\$1.9 billion). Of this, total forecast expenditure over 4 years to 2026–27 is \$1.9 billion.

The Budget also includes \$44 million as the state's contribution to the University of Queensland's proposed Paralympic Centre of Excellence as part of the Brisbane 2032 Legacy Plan. A further \$154.7 million is provided over 4 years from 2024–25 for Economic Development Queensland to deliver public infrastructure to facilitate the development of services and land for the Brisbane Athlete Village.

Social housing

The 2023–24 Queensland Budget is providing increased funding of \$1.1 billion for the delivery and supply of social housing across Queensland through the *Housing and Homelessness Action Plan (2021–2025)*, including to meet higher construction costs and to boost the QuickStarts Queensland program target by 500 homes, bringing it to 3,265 social housing commencements by 30 June 2025.

At the Queensland Housing Summit in October 2022, the Queensland Government also boosted the Housing Investment Fund (HIF) to \$2 billion. Under the expanded HIF, \$130 million per annum is available to support an increased target of 5,600 new social and affordable home commencements by 30 June 2027.

This brings the total investment in social housing to \$5 billion for delivery of social and affordable housing, and housing and homelessness support, including \$3 billion funding to support the *Housing and Homelessness Action Plan 2021–2025* and \$2 billion investment for the Housing Investment Fund.

Support for service delivery

At the same time as delivering significant transformative investment projects, the capital program must continue to support growing service delivery needs. Other key capital investments in 2023–24 include:

- \$6.946 billion investment in transport infrastructure. This includes \$829.2 million to continue construction work on Cross River Rail, \$200 million to commence the Queensland Train Manufacturing Program and substantial ongoing investment to fund major upgrades to the M1 Pacific Motorway, the Bruce Highway and continuing the construction of Stage 3 of the Gold Coast Light Rail
- \$1.5 billion to ensure that facilities in Queensland's state schools are world class and continue to meet demand and support contemporary learning requirements. Investment in new schools is being facilitated through the \$3 billion Building Future Schools Fund.

Further information about the government's capital program is provided in the Capital Statement (Budget Paper 3).

Box 3.2 Environmental, Social and Governance Credentials

The Queensland Government recognises that establishing and maintaining strong environmental, social, and governance (ESG) credentials is central to achieving sustainable development outcomes and driving the future competitiveness of Queensland business and industry.

In this context, the government is cognisant of identifying and mitigating potential sustainability risks, including through proactive actions and investments to enhance Queensland's strong ESG standards.

Sustainability risks describe ESG factors that can materially impact the community, economy and government.

Increased community and financial market focus on understanding potential material impacts of ESG factors have arisen from heightened global integration and heightened awareness of the impacts of climate change.

Sound financial and risk management requires the government to recognise and manage all issues that can materially impact the Queensland economy and the government's fiscal position.

Queensland has identified several material sustainability risks and is proactively implementing policy initiatives to manage them.

Budget	Strategy	and	Outlook	2023-24

ESG Factor	Policy initiatives taken to -
Climate change	Transition to a low carbon future, by lowering greenhouse gas emissions. Address the physical impacts arising from climate change by embedding adaption and resilience
Natural capital	Manage the balance of resources used between industry, the community and safeguarding the natural environment. This includes surface and underground water management, biosecurity, aquaculture, forestry management and environmental protection.
Social	Support an educated, healthy, and skilled community, through education, health services, social welfare, public order, diversity and opportunity, cyber security and safety.
Governance (Economic and fiscal)	Provide robust frameworks that support Ministers and accountable officers to provide oversight and discharge their obligations. Strong economic and fiscal management is fundamental to achieving government's objectives and good governance.

The Queensland Government has embedded sustainability considerations into policy and budget settings to promote sustainable economic growth and development for better communities now and into the future. At the centre of this are Queensland's sustainability priorities.



The state is advancing its Sustainability Priorities by leveraging Queensland's economic strengths and competitive advantages to drive a growing, innovative economy and job creation. Achievement of these sustainability priorities are at the centre of the state ESG credentials, one of the enablers of the state economic strategy.

Strong economic outcomes provide government with the fiscal capacity to take positive actions and deliver continued targeted investment in climate change transition, social services and reforms that strengthen communities and support vulnerable Queenslanders.

Positive action includes:

- Queensland's Economic Strategy to drive economic growth into the future
- maximising opportunities for Queensland's economy and industries based on Queensland's competitive and comparative advantages
- supporting innovation and new technology
- providing a Just Transition through assistance or support programs for impacted industries, workers and communities
- advancing social cohesion.

By implementing initiatives that attract investment and promote innovation, as well as focusing on economic opportunities and enablers aligned with long-term sustainability goals, the government is building a prosperous and sustainable future.

The *Good People, Good jobs: Queensland Strategy 2022–2032* will be central to ensuring the skills and capabilities of the state's workforce are a critical economic enabler to realising the state's economic opportunities.

The government is building a bigger Queensland to deliver an expansion to the health system, expansion to social and affordable housing, decarbonise the state's energy system, improve water security and prepare for the Brisbane 2032 Olympic and Paralympic Games.

By supporting economic growth through enablers and settings that will improve Queensland's productivity the state will deliver sustained increases in real wages and ease cost-of-living pressures over the longer term and support improved standards of living for all Queenslanders.

The *Queensland Climate Action Plan 2030* outlines the state's investments and actions to reach its emissions and renewable targets, create jobs and drive economic growth. This Budget backs the state's ongoing decarbonisation agenda through funding of \$520 million to deliver the Low Emissions Investment Partnerships program.

Sustainability risk management is a strategic imperative for the state, with transparency in reporting sitting at its core. The government's proactive and transparent approach to the management of sustainability risks and opportunities is underpinned by its fiscal strategy and financial risk management framework.

The Queensland Government publishes an annual *Queensland Sustainability Report* which sets out how the government has established its priorities for and approach to managing sustainability risks, provides information on key policies being implemented and reports against performance measures.

3.2.5 Borrowings and net debt

Over successive budgets, the government has worked to limit the legacy impacts of the COVID-19 crisis on borrowings and fiscal sustainability. Prudent use of temporary revenue uplifts has gradually shifted 2022–23 net debt forecasts from 51 per cent of revenue in the 2021–22 Budget, to 27 per cent of revenue in the 2022–23 Budget, to just 7 per cent in this Budget. This represents a \$27.474 billion reduction in expected General Government net debt in 2022–23 since the 2021–22 Budget.

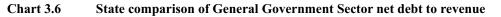
The delivery of the government's transformative capital program combined with ongoing global cost escalation means that borrowings will increase over the forward estimates period. However, the reductions to estimated debt that have been achieved in the near term mean that Queensland is well positioned to meet these challenges, with forecast debt levels that continue to compare well to peers. Forecast net debt of \$37.648 billion in 2025–26 compares to \$118.352 billion for New South Wales (2023 Pre-election Budget Update) and \$162.202 billion for Victoria (2023–24 Budget).

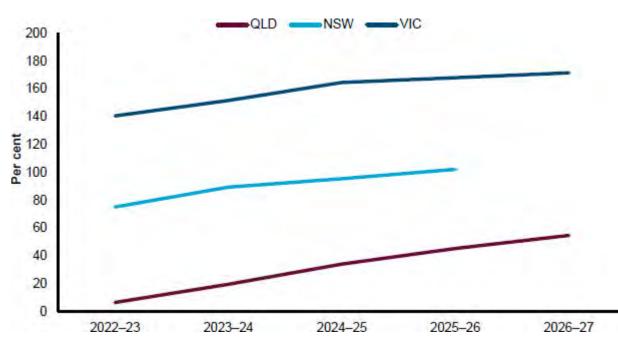




Source: 2023 Pre-election Budget Update for NSW, 2023–24 budgets for Queensland and Victoria.

Relative to revenue, Queensland's net debt forecast of 45 per cent in 2025–26 compares to 102 per cent for New South Wales and 168 per cent for Victoria.

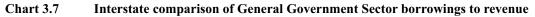




Source: 2023 Pre-election Budget Update for NSW, 2023–24 budgets for Queensland and Victoria.

Total General Government Sector borrowings are expected to be \$8.745 billion lower at 30 June 2024 than forecast in the 2022–23 Budget and remain \$2.158 billion lower by 30 June 2026. General Government Sector borrowings also compare well to interstate peers. Queensland's forecast borrowings of \$85.127 billion in 2025–26 are far lower than those of New South Wales (\$187.490 billion, 2023 Preelection Budget Update) and Victoria (\$198.473 billion, 2023–24 Budget) in both absolute terms and as a percentage of revenue.



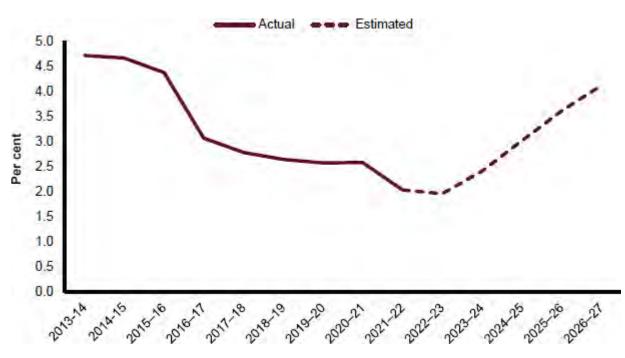




Source: 2023 Pre-election Budget Update for NSW, 2023–24 budgets for Queensland and Victoria.

Reductions to Queensland's General Government Sector borrowings in the near term are particularly important in light of the risk of increasing debt servicing costs. Queensland's lower levels of debt compared to other states means it is less exposed to future interest rate rises. While Queensland's borrowing costs are increasing as borrowings increase to fund investment, the costs remain manageable. In 2023–24, General Government Sector interest expenses are expected to be around 2.4 per cent of revenue. By 2026–27, interest expenses are expected to increase to 4.1 per cent of revenue, which remains below the peak of 4.7 per cent in 2013–14 (Chart 3.8).

Chart 3.8 General Government Sector ratio of borrowing costs to revenue



Queensland's credit ratings

Queensland's credit rating is stable with S&P Global (AA+), Moody's (Aa1) and Fitch (AA+). Fitch upgraded Queensland's rating from AA to AA+ in December 2021 driven by an upwards reassessment of the state's risk profile to 'Stronger' and a debt sustainability score in the 'a' category. These ratings outcomes are supported by the diversity and strength of Queensland's economy and effective financial management, including the government's commitment to restoring a strong budgetary performance and maintaining borrowings at a sustainable level. The establishment of the Queensland Future Fund – Debt Retirement Fund also demonstrated a commitment to active debt management and supports Queensland's credit rating.

In August 2022, Moody's affirmed Queensland's rating at Aa1 (stable), noting that Queensland's credit strengths are its mature institutional framework and strong governance, which underpin fiscal strength and flexibility, and its large and diverse economic base. The stable outlook reflects that fiscal buffers have largely been rebuilt post-pandemic stimulus, and Moody's expectation that the state's economy will continue to underpin its capacity to service its debt burden.

S&P Global affirmed Queensland's AA+ (stable) rating in April 2023, reflecting that the economy continues to outpace the national average and that liquidity remains exceptional even as debt levels rise due to infrastructure spending. Experienced financial management supports the ratings and delivery of the state's capital program.

Fitch affirmed Queensland's rating at AA+ (stable) in August 2022, reflecting their view that Queensland's economy and fiscal performance will continue to recover from the disruption caused by the pandemic, including prudent economic and financial management and strong outcomes in the near term for commodity exports. Debt is expected to remain manageable as investment in key services increases borrowings.

3.2.6 Emerging Fiscal Pressures

Beyond general uncertainties related to budget parameters assumptions, 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 Box 4.6
- adverse weather events are likely to occur in the 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 delivering significant capital investment in the medium term, including the transformation of the energy system away from a reliance on coal-fired generation, meeting future water demand and providing drought contingency, and preparing to host the Brisbane 2032 Olympic and Paralympic Games.



4 Revenue

Features

- The strength of the Queensland economy, including the state's strong labour market performance, combined with the exceptionally high prices that have continued to be received by Queensland's coal producers since late 2022, has resulted in higher than previously expected state revenues in 2022–23.
- However, as the extraordinary and temporary high coal prices normalise, total key state revenues (taxes, royalties and GST) are expected to decline substantially in 2023–24 and remain at more moderate levels across the later years of the forecast period.
- General Government Sector revenue is estimated to total \$87.623 billion in 2022–23, up \$13.437 billion (18.1 per cent) compared with 2021–22. This is \$13.736 billion (18.6 per cent) higher than estimated in the 2022–23 Queensland Budget, with this upward revision largely driven by:
 - a \$10.462 billion increase in royalties, reflecting the extraordinary strength in coal and oil prices across 2022 and early 2023
 - a \$1.721 billion increase in taxation, reflecting the strength of domestic economic activity and the state's exceptional jobs growth and labour market performance
 - a \$586 million increase in GST, driven primarily by a larger national GST pool.
- In 2023–24, General Government Sector revenue is estimated to total \$82.079 billion, a decrease of \$5.544 billion (6.3 per cent) compared with 2022–23. This decline largely reflects a substantial decline in royalties, as the temporary surge in coal prices begins to unwind and return towards medium-term expectations.
- Total key revenues are then expected to grow by an average of 1.9 per cent over the 3 years to 2026–27, reflecting average annual growth in taxation of 5.0 per cent and GST of 1.0 per cent across that period. However, this growth in tax and GST is partially offset by an expected further decline in royalties as coal and oil prices continue to normalise.
- Australian Government payments to Queensland in 2023–24 are expected to total \$39.3 billion, an increase of \$3.175 billion (8.8 per cent) compared with payments in 2022–23. This includes an increase in GST revenue, which is expected to be 5.9 per cent higher than in 2022–23, due primarily to higher national GST collections.
- Importantly, Queensland is maintaining its competitive tax status, with per capita state tax estimated to be \$720 below the average of other states and territories in 2021–22.
- The government has extended the payroll tax discount for regional employers into the longer term, out to 30 June 2030, and the 50 per cent payroll tax rebate on wages for apprentices and trainees until 30 June 2024. A package of land tax concessions is also being provided to eligible Build to Rent developments to help drive the provision of increased rental supply and affordable dwellings for Queenslanders.

4.1 2022–23 Estimated actual

General Government Sector revenue is estimated to be \$87.623 billion in 2022–23, \$13.736 billion (18.6 per cent) higher than forecast at the time of the 2022–23 Queensland Budget.

The substantial upward revision compared with the 2022–23 Queensland Budget estimate is largely driven by:

- a \$10.462 billion increase in royalties, reflecting higher-than-expected global coal and oil prices being received by Queensland's key commodity producers
- a \$1.721 billion increase in taxation revenue, reflecting the strength of domestic economic activity and the state's exceptional jobs growth and labour market performance
- a \$586 million increase in GST, driven primarily by a larger national GST pool.

The total General Government Sector revenue expected in 2022–23 represents growth of 18.1 per cent compared with 2021–22.

Total key revenues of taxes, GST and royalties are estimated to be 26.8 per cent higher in 2022–23 compared with 2021–22, reflecting:

- higher coal royalties, due to a sustained period of high global coal prices in combination with the new progressive coal royalty rates announced in the 2022–23 Queensland Budget, which ensure Queenslanders receive a fairer return on this valuable non-renewable resource during periods when coal producers are receiving extraordinary prices and revenues
- a 14.4 per cent increase in GST revenue, primarily driven by a larger national GST pool, reflecting the exceptional strength of consumption expenditure nationally.

However, growth in key state revenues is expected to moderate significantly in later years from the strength seen in 2021–22 and 2022–23.

In particular, the substantial increases in royalties experienced in 2021–22 and 2022–23, due to the unprecedented high coal and oil prices, are only temporary and are not expected to be repeated over the forward estimates as coal and other commodity prices normalise.

4.2 2023–24 Budget and outyears

General Government Sector revenue is forecast to decline by \$5.544 billion (6.3 per cent) in 2023–24, to be \$82.079 billion, as outlined in Table 4.1. This decline in revenue is:

- due to a \$10.982 billion fall in royalties, reflecting the expectation that the currently elevated prices for coal and oil return to levels more consistent with medium term expectations
- expected to be partially offset by a \$2.095 billion increase in Australian Government grants, a \$1.080 billion increase in GST revenue, and a \$1.374 billion increase in taxation revenue.

Total key revenues are forecast to decline by 14.9 per cent in 2023-24 as royalty revenue normalises.

In 2024–25, total key revenues are expected to begin to stabilise (declining by around 2 per cent) with an expected decline in GST revenue being offset by an expected increase in taxation revenue, due to modest ongoing growth in transfer duty and continued strength in the labour market supporting payroll tax. Following this period of adjustment, all key revenues are expected to grow in the years beyond 2024–25.

Chart 4.1 outlines the growth in revenue across the 3 key revenue streams and the share of growth attributable to each item across the period to 2026–27.

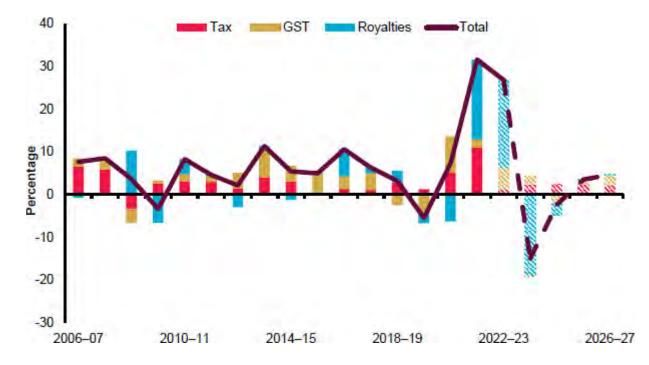


Chart 4.1 Annual growth in key revenues¹

Note:

1. Annual contribution to growth in key revenues. Total is the annual growth of the sum of the 3 categories.

Taxation revenue is forecast to grow by 4.9 per cent per annum on average over the period 2021–22 to 2026–27. This reflects strong growth in land tax and payroll tax, along with the impact of revenue measures, including the mental health levy, introduced in the 2022–23 Queensland Budget. The growth profile for taxation revenue over this period also reflects the fact that transfer duty revenue is coming off a very high base in 2021–22, having more than doubled over the preceding 2 years as a result of the exceptional cyclical strength in property markets.

Royalties are expected to decline by 60.7 per cent in 2023–24, and then decline by a further 19.6 per cent in 2024–25. This reflects the expectation that coal and oil prices will return from recently elevated levels to more sustainable levels in 2024.

Royalties are then expected to grow by 1.7 per cent in 2025–26 and 0.9 per cent in 2026–27, primarily reflecting an expected modest increase in coal export volumes over time.

Queensland's GST revenue is estimated to grow by 5.9 per cent in 2023–24 but then decline by 4.9 per cent in 2024–25, as the higher coal royalties received in 2022–23 are expected to lead to Queensland being assessed as requiring a lower share of the GST pool in later years.

However, overall GST revenue is still expected to grow slightly, by 2.2 per cent in 2025–26 and 6.0 per cent in 2026–27, largely driven by expected ongoing growth in the national GST pool, as outlined in the recent 2023–24 Federal Budget.

Table 4.1 details Queensland's total General Government Sector revenue by component across the forward estimates period.

Table 4.1General Government Sector revenue1

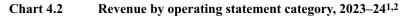
	2021–22 Actual \$ million	2022–23 Budget \$ million	2022–23 Est. Act \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Taxation revenue	20,011	18,842	20,563	21,938	23,125	24,285	25,387
Sales of goods and services	5,896	6,181	6,344	6,921	6,969	7,054	6,871
Interest income	2,643	2,847	3,166	3,206	3,173	3,116	3,107
Grants revenue							
GST revenue	16,079	17,811	18,397	19,477	18,528	18,927	20,069
Australian Government and other grants and contributions	15,308	14,561	15,203	16,467	16,726	16,756	17,287
Australian Government capital grants, other grants and							
contributions	2,749	2,870	2,971	3,699	3,689	3,254	3,261
Dividend and income tax equivalent income							
Dividends	209	928	628	970	1,224	1,212	1,290
Income tax equivalent income	581	572	415	551	659	644	668
Other revenue							
Royalties and land rents	9,088	7,832	18,288	7,318	5,929	6,032	6,087
Other	1,623	1,442	1,649	1,532	2,079	1,577	1,563
Total revenue	74,185	73,886	87,623	82,079	82,102	82,858	85,591

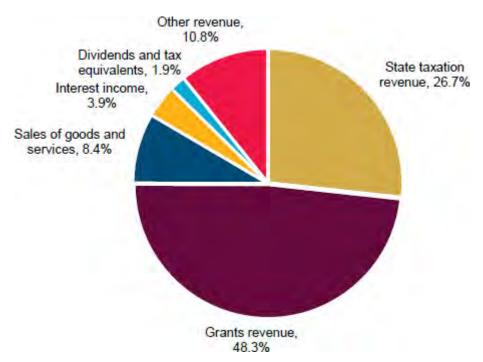
Note:

1. Numbers may not add due to rounding.

The major sources of total General Government Sector revenue in 2023–24 are grants revenue, which includes GST revenue and Australian Government Grants (48.3 per cent), and taxation revenue (26.7 per cent).

Chart 4.2 illustrates the expected composition of Queensland General Government Sector revenue in 2023-24.





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 8.9 per cent of total revenues.

4.3 Revenue initiatives

General practitioner payroll tax amnesty

Medical practices are liable to pay payroll tax on payments made to contracted general practitioners (GPs) unless an exemption applies.

An amnesty is being provided to qualifying medical practices, otherwise liable to pay payroll tax on payments made to contracted GPs, up to 30 June 2025 and for the previous 5 years (i.e. 2018 to 2025). The amnesty recognises a potential lack of awareness of the payroll tax treatment of contractors among GPs and the need to support these practices to come into compliance with the least disruption possible.

The additional payroll tax revenue which may have been recovered in absence of the amnesty is estimated to be up to \$100 million per annum during the amnesty period.

Extension of payroll tax discount for regional employers

In the 2019–20 Queensland Budget, the government introduced a one per cent discount on the payroll tax rate for employers that had an ABN registered business address in regional Queensland and at least 85 per cent of their taxable wages paid to employees located outside South East Queensland. Accordingly, a reduced tax rate of 3.75 per cent or 3.95 per cent, as applicable, applied to those businesses.

This measure was set to expire in June 2023. However, the government has committed to continue this initiative over the longer term to ensure that vital support for jobs and growth across regional Queensland is maintained. Accordingly, this measure has been extended for 7 years, until 30 June 2030, to provide certainty to regional businesses until the end of the decade.

It is estimated this initiative will result in total tax relief of \$505.4 million over the 4 years ending 2026–27, supporting more than 3,400 regional Queensland businesses.

Extension of 50 per cent apprentice and trainee payroll tax rebate

The 50 per cent payroll tax rebate for wages paid to apprentices and trainees will be extended for 12 months until 30 June 2024. In addition to apprentice and trainee wages generally being exempt from payroll tax, this rebate provides additional support for businesses supporting youth employment and businesses who employ trainees and apprentices.

It is estimated this initiative will result in tax relief of \$48.6 million for Queensland businesses employing trainees and apprentices in 2023–24.

Box 4.1 Ongoing payroll tax relief to support employment and regional businesses

As part of the Queensland Government's commitment to support businesses across regional Queensland, as well as supporting apprentice and trainee opportunities across the state, the 2023–24 Queensland Budget includes 2 key payroll tax relief measures that will deliver substantial savings to thousands of Queensland businesses.

The Regional Payroll Tax Discount, which supports regional businesses and employment by reducing costs for regional businesses and incentivising regionally-based businesses to hire local employees, will be extended over the long term to 30 June 2030.

This discount is available to all eligible employers regardless of their taxable wage levels and across all industries and sectors. It helps support regional businesses across all industries, including mining, agriculture and manufacturing through to education, retail trade and services.

Businesses eligible for the discount operate across regional Queensland and, importantly, the vast majority of benefitting businesses (around 75 per cent of eligible businesses) are businesses with annual wages of less than \$6.5 million.

Since the introduction of the regional discount in 2019, the unemployment rate has reduced substantially across regional Queensland, with the average unemployment rate across Queensland's regions outside South East Queensland being 3.9 per cent as at April 2023.

The continuation of the regional discount will continue to support these employment gains and create further job opportunities across regional economies.

The 50 per cent Apprentice and Trainee Rebate, which applies in addition to the exemption of apprentice and trainee wages from payroll tax, has been extended to 30 June 2024.

The extension of the rebate to reduce costs for businesses across the state that employ apprentices and trainees aligns with the government's broader objectives of supporting youth engagement in employment, skills and education, and will also help to address skills shortages across industries, including in trades and hospitality.

The Apprentice and Trainee Rebate also complements the broad suite of other Queensland Government support provided to drive enhanced employment outcomes for apprentices and trainees, including youth. This includes:

- the revitalised Back to Work Program, which provides support payments to employers engaging unemployed jobseekers. This includes a Youth Boost payment of up to \$20,000 for employers who hire an eligible jobseeker aged between 15-24 years
- free apprenticeships for under 25s, which contributes to the cost of training for priority apprentice and trainee qualifications
- a travel and accommodation allowance of up to 26 cents per kilometre for travel and \$40 to \$76 per night for accommodation, for apprentices and trainees that need to travel greater than 100km for work
- workers compensation discounts for firms that hire apprentices.

Build to Rent

Following the Queensland Government's Housing Roundtable on 28 March 2023, the government announced a proposal to provide tax concessions for Build to Rent developments that provide at least 10 per cent of dwellings as affordable housing, at a discounted rent.

This initiative, to commence from 1 July 2023, will help support the delivery of an enhanced supply of rental dwellings across the state, including more affordable housing for Queenslanders.

Box 4.2 Build to Rent

The Queensland Government's Build to Rent tax concessions will deliver more affordable housing for more Queenslanders by supporting Build to Rent developments that provide at least 10 per cent of dwellings as affordable housing at discounted rents.

Discounted rents will need to be provided at least 25 per cent below market rents of similar dwellings in the Build to Rent development to qualify.

The initiative will commence from 1 July 2023 and will be available to eligible Build to Rent developments across the state.

Eligible Build to Rent developments will be able to benefit from the following tax concessions:

- 50 per cent reduction in the taxable value of land for land tax, for land used for a Build to Rent development, up to a maximum term of 20 years
- 100 per cent reduction in the taxable value of land for land tax foreign surcharge for land used for a Build to Rent development up to a maximum term of 20 years
- 100 per cent discount on any additional foreign acquirer duty for land for a Build to Rent development.

The tax concessions will be made available for a maximum term of 20 years or until 30 June 2050 (whichever comes sooner).

Concessions will only be available once a development is operational, noting eligible developments must be operational by 30 June 2030 to qualify for the concessions.

To be eligible, a Build to Rent development must provide at least 50 self-contained dwellings and be owned under a unified ownership structure and managed by a single entity.

Tenants eligible for the discounted rent will need to meet appropriate income and asset tests, which will include:

- a household income test based on average weekly full-time adult total earnings in Queensland, published by the Australian Bureau of Statistics for May each year
- a household's asset wealth cannot exceed 25 per cent of a benchmark set with reference to Services Australia pension assets test for non-homeowners.

Queensland Revenue Office compliance and debt recovery

The 2023–24 Queensland Budget provides funding for the Queensland Revenue Office (QRO) to continue and establish key compliance and debt recovery measures. These comprise a range of activities that both support taxpayers to understand and meet their obligations and enforce compliant behaviour through audits, investigations and escalated enforcement actions.

These measures build community confidence in the fairness and equity of tax administration and, by safeguarding key state revenues, will help deliver better services and critical infrastructure for Queenslanders, including enabling the ongoing funding of investments in new hospitals, schools, road upgrades and essential services across the state.

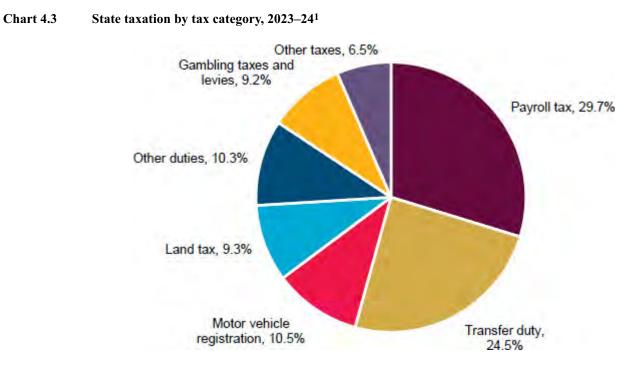
4.4 Revenue by operating statement category

4.4.1 Taxation revenue

Chart 4.3 outlines the composition of estimated state taxation revenue for 2023–24, with the largest sources being payroll tax and transfer duty, together representing 54.3 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 and how this feeds through to employment and wages growth. Transfer duty can be much more variable, reflecting pronounced cyclical residential and non-residential market conditions.

Land tax growth can also reflect variability in the property market, such as the material increases in land values seen in recent years, but is generally more stable than most other tax lines due to the relatively stable base and assessments being based on 3-year average of land values, which helps mitigate the impact of increasing land values.



Note:

 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. 'Payroll tax' includes the mental health levy.

Table 4.2 shows the main components of taxation revenue and the forecast revenues for each component across the forward estimates.

Table 4.2State taxation revenue1

	2021–22 Actual \$ million	2022–23 Est. Act \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Payroll tax	<u>+</u>	<u></u>	<u>+</u>			
Payroll tax	5,001	5,690	6,122	6,491	6,872	7,272
Mental health levy	0	184	402	422	443	466
Total payroll tax	5,001	5,874	6,524	6,913	7,315	7,738
Duties						
Transfer	6,336	5,209	5,385	5,607	5,877	6,166
Vehicle registration	703	782	786	809	834	859
Insurance ²	1,219	1,360	1,428	1,500	1,575	1,653
Other duties ³	40	70	41	41	42	42
Total duties	8,298	7,422	7,640	7,957	8,328	8,720
Gambling taxes and levies						
Gaming machine tax	851	999	1,001	1,031	1,062	1,094
Health services levy	117	160	161	173	187	202
Lotteries taxes	381	394	418	443	470	498
Wagering taxes	160	216	266	273	280	288
Casino taxes and levies	112	130	142	147	152	158
Keno tax	23	28	28	29	30	31
Total gambling taxes and levies	1,645	1,927	2,015	2,096	2,182	2,271
Other taxes						
Land tax	1,633	1,777	2,031	2,280	2,416	2,471
Motor vehicle registration	2,103	2,186	2,301	2,398	2,499	2,589
Emergency management levy	604	629	660	687	716	745
Waste disposal levy	348	390	423	453	477	496
Guarantee fees	333	318	311	307	319	322
Other taxes ⁴	45	41	32	34	34	35
Total taxation revenue	20,011	20,563	21,938	23,125	24,285	25,387

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 revenue is estimated to total \$5.690 billion in 2022–23, \$689.4 million (13.8 per cent) higher than in 2021–22, driven by stronger than expected employment and wages growth.

Payroll tax is expected to grow by 7.6 per cent in 2023–24, with average annual growth of around 5.9 per cent then forecast over the 3 years ending 2026–27. This reflects expected ongoing solid employment and wages growth over the forward years.

Queensland's payroll tax exemption threshold of \$1.3 million is one of the highest of all jurisdictions, meaning most Queensland small businesses are not liable for payroll tax, while the standard rate of 4.75 per cent is one of the lowest rates of all jurisdictions. For comparison, New South Wales currently has an exemption threshold of \$1.2 million and a standard rate of 5.45 per cent, while Victoria has an exemption threshold of \$700,000 and a standard rate of 4.85 per cent. Further, Queensland offers 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 \$10.4 million in annual Australian taxable wages, that reduces the amount of tax payable between this wage range. The deduction was extended to the \$10.4 million ceiling in the 2022–23 Queensland Budget, increasing substantially from the previous \$6.5 million ceiling, benefitting an estimated 12,000 Queensland businesses.

Mental health levy

The mental health levy was announced in the 2022–23 Queensland Budget in order to provide a sustainable funding source to enhance the provision of mental health services and investment.

The levy only applies to large businesses with national payrolls of more than \$10 million, with those businesses paying a 0.25 per cent levy on taxable wages above \$10 million. Very large businesses with national payrolls of more than \$100 million pay an extra 0.5 per cent levy on wages above \$100 million.

The levy commenced from 1 January 2023 and, as such, 2022–23 revenue reflects only half a year of revenues following its implementation. Mental health levy revenue in 2022–23 is estimated at \$184 million, consistent with expectations at the 2022–23 Budget Update. Over the forward estimates, mental health levy revenue is expected to grow largely in line with broader payroll tax growth.

Box 4.3 Mental health levy funding investment in Queenslanders' wellbeing

Many Queenslanders experience mental ill health, problematic alcohol and other drug use and mental health crisis in their lifetime. These issues impact individuals, families and communities.

In recognition of this, the government provided \$1.645 billion in the 2022–23 Budget to support the implementation of mental health, alcohol and other drug (MHAOD) and suicide prevention services across the state.

Delivering on the recommendations of the Mental Health Select Committee, in its report to Parliament – *Report No.1, 57th Parliament – Inquiry into the opportunities to improve mental health outcomes*, a mental health levy on large businesses began 1 January 2023.

Funds raised through the levy are used to provide services or infrastructure that supports mental health, pursuant to the *Mental Health Act* 2016 and the *Queensland Mental Health Commission Act* 2013.

Funding has already started to roll-out to MHAOD services with 2022-23 expenditure as at 25 May 2023 including initiatives such as:

- \$10.9 million for whole of government action on the social determinants of mental health and wellbeing, including improving access to improved tenancy sustainment and expanded employment opportunities for people with MHAOD issues
- \$11.0 million for a new perinatal mental healthcare centre being established at Mater Hill
- \$7.7 million for new and existing mental health co-responder model with Queensland Ambulance Service
- \$3.5 million to deliver improved services with First Nations peoples.

Additional support for MHAOD from 2023-24 will include:

- \$150 million for a new mental health facility at the Redland Hospital, which will almost double mental health capacity and free up critical land on the hospital site for potential future expansion
- \$67.8 million over 5 years to expand existing and establish new Crisis Support Spaces, offering an alternative to the emergency department for people experiencing mental distress and/or suicidality. Home-like environments will be designed at 11 additional hospital campuses, available by the end of 2024
- \$45.1 million increase over 5 years to the Head to Health services. This will establish 12 new adult services (including Cairns, Bundaberg, Rockhampton, Logan, and the Redlands) and 2 new children's services (opening in the Gold Coast and Brisbane, to also service the Logan-Beaudesert and Moreton Bay regions)

- \$44.5 million over 5 years to provide consultation liaison and specialist MHAOD clinical in-reach services to all headspace centres, providing free health services for young people aged 12 to 25 years
- Through this significant investment, supported by the mental health levy, the government is continuing its momentum to improve mental health and wellbeing outcomes for Queenslanders by transforming, optimising and growing state funded MHAOD treatment, care and support and responses to mental health crisis and suicidality.

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 property 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 valued at \$500,000 or under they will pay no duty, with reduced rates available up to \$550,000.

Queensland's transfer duty settings compare favourably to other jurisdictions. For a home buyer purchasing a principal place of residence reflecting median capital city dwelling prices as at May 2023, they would pay around \$24,000 less transfer duty in Queensland than if they purchased in New South Wales, and around \$22,000 less transfer duty than if they purchased in Victoria.

Transfer duty revenue is estimated to be 17.8 per cent lower in 2022–23 compared with 2021–22, reflecting a significant moderation in both residential and non-residential activity since 2021–22. Modest growth of 3.4 per cent is forecast in 2023–24 as housing market activity begins to stabilise. However, in the context of recent and potential future increases in interest rates, the size and timing of impacts on housing markets remain uncertain.

After declining in 2022–23, house prices are expected to return to modest growth across 2023–24 and 2024–25, and transaction volumes are also expected to return to be more in line with pre-2020–21 levels. The combination of these factors, along with ongoing recovery in the non-residential sector, is supporting an expected average annual growth of 4.6 per cent in transfer duty over the 3 years ending 2026–27.

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 2022–23 is expected to be 11.2 per cent higher than in 2021–22, 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 remain relatively flat in 2023–24, due to rising interest rates and broader cost-of-living pressures, but is then forecast to grow by around 3 per cent per annum over the 3 years ending 2026–27.

Land tax

Land tax is imposed on the taxable value of a landowner's aggregated holdings of freehold land owned in Queensland as at 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 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 is equal to or greater than \$350,000.

Land tax revenue is expected to grow by 14.3 per cent in 2023–24, largely reflecting the impact of recent land value growth. However, the impact of these value increases has also been tempered by the 3-year averaging of land values applied in determining land tax liability.

While the strong land value growth seen in recent years will continue to flow through to support growth in land tax revenue in future years due to the effect of 3-year averaging, the subsequent falls in residential property values in 2022–23 are expected to partially offset that impact and moderate growth in land values for land tax purposes going forward.

Average annual growth of 6.8 per cent is forecast for land tax over the 3 years ending 2026–27.

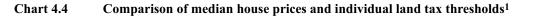
Box 4.4 Queensland's competitive land tax regime

Land tax is generally considered one of the most efficient forms of tax available to states. Its broad application provides a stable and growing revenue base, and minimises distortionary impacts, including prolonged land banking.

The thresholds at which land tax becomes payable in Queensland are among the most generous in Australia. For individuals, the land taxfree threshold of \$600,000 is the second highest in the country, only behind New South Wales.

Other major states also have materially higher comparative average house and associated land values. CoreLogic data for May 2023 shows that, compared to the median house price of \$792,125 in Brisbane, the median house price in Sydney is \$1,293,529 (63 per cent higher than Brisbane) while the median house price in Melbourne is \$911,007 (15 per cent higher than Brisbane).

When land tax thresholds are considered against these median house prices, noting land value is the most significant component of house prices, the competitiveness of Queensland's individual tax-free threshold becomes apparent as shown in Chart 4.4.





Note:

1. From 1 January 2024, Victoria's tax-free threshold for general land tax rates will decrease to \$50,000 as part of its temporary COVID Debt Levy

Sources: state revenue office websites (various), CoreLogic (May)

This shows that Queensland's individual tax-free threshold relative to median capital city house prices compares favourably with other states. However, importantly, the home that Queenslanders live in is exempt from land tax, meaning the vast majority of Queensland homeowners are not liable for any land tax.

The Queensland Government has also recently announced it will put in place an automatic exemption process for the principal place of residence for eligible owners, based on appropriate verifying data.

Land tax in Queensland is also subject to a system of 3-year averaging of the land value, which further reduces the impacts of increasing land values on the tax payable by landholders.

Consistent with most other jurisdictions, Queensland has a progressive land tax regime, with different thresholds of taxable land value at which different rates of tax apply. Therefore, as land values increase and individuals' or entities' wealth increases (i.e. taxable landholdings increase in value), their land tax liability also tends to increase. Hence, it is considered a relatively fair form of tax.

Individuals are subject to more generous tax-free thresholds and lower average tax rates than companies, trusts and absentees.

Land tax provides an important revenue source to help fund the provision of essential government services and infrastructure for all Queenslanders, including critical health, education, law and order, transport and other services across the state.

Gambling taxes and levies

A range of gambling activities are subject to state taxes and levies. Total gambling tax and levy collections are expected to be 17.1 per cent higher in 2022–23 compared with 2021–22, reflecting the ongoing strong levels of gambling-related activity, including in the state's hotels and clubs, as well as partially reflecting the betting tax measures announced in the 2022–23 Budget.

Total gambling tax and levy collections are expected to grow by 4.6 per cent in 2023–24, and average annual growth of 4.1 per cent is forecast for gambling tax revenue over the 3 years ending 2026–27, incorporating increased revenue over time from the opening of the Queen's Wharf Brisbane casino.

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.

To help Queensland reach its waste recovery targets, changes to the waste levy commenced from 1 July 2022. These included dividing the existing levy zone into metropolitan and regional levy areas, which have different annual levy rate increases. The metropolitan levy rate was increased by \$10 to \$95 per tonne and the regional levy rate increased in line with the consumer price index to \$88 per tonne.

Revenue from the waste disposal levy is estimated to be \$390 million in 2022–23, 12.0 per cent higher than in 2021–22 reflecting the increase of the metropolitan levy rate.

The government has committed to using 70 per cent of proceeds from the waste levy for resource recovery and other programs that reduce the impact of waste and protect the environment and local communities.

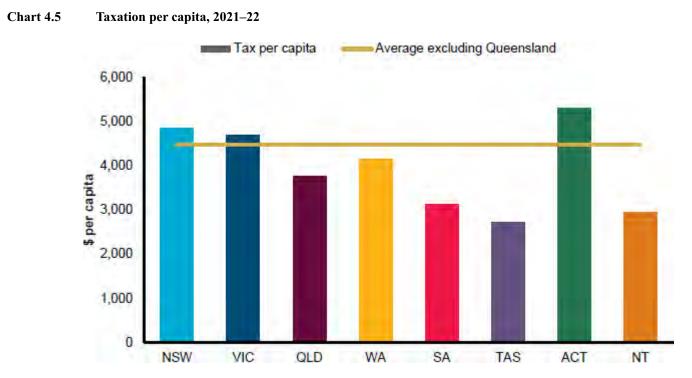
Queensland's competitive tax status

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 2021–22 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 2021–22 was \$720 less than the average of other jurisdictions. On average, Queenslanders paid \$1,087 less tax than New South Wales residents and \$928 less than Victorian residents, as highlighted in Chart 4.5.



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 2021–22 (latest available CGC estimate, based on 2021–22 data and using total taxation revenue effort for CGC-assessed taxes) was 5.4 per cent below the national average.

The third measure of tax competitiveness (that is, taxation as a share of gross state product) 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 4.3 summarises the estimates of these 3 measures compared with other states and territories and demonstrates that the Queensland tax system is very competitive.

Table 4.3Tax competitiveness, 2021–22

	NSW	VIC	QLD	WA	SA	TAS	ACT ⁴	NT	Avg ⁵
Taxation per capita ¹ (\$)	4,844	4,685	3,757	4,155	3,126	2,722	5,308	2,956	4,477
Taxation effort ² (%)	96.8	106.9	94.6	102.1	96.3	87.9	139.3	86.2	100
Taxation % of GSP ³ (%)	5.7	6.0	4.5	2.9	4.4	4.0	5.2	2.4	5.0

Notes:

- 1. 2021–22 data (latest available actuals). Sources: *ABS Government Finance Statistics* and *ABS National, State and Territory Population*.
- 2. 2021–22 data (latest available). Source: Commonwealth Grants Commission 2023 Update total taxation 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. 2021-22 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.

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.

An 8.4 per cent increase in total grants revenue is forecast for 2023–24, primarily driven by an expected 11.8 per cent growth in Australian Government grants and an expected 5.9 per cent increase in GST revenue.

Table 4.4Grants revenue1,2

	2021–22 Actual \$ million	2022–23 Est. Act \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Current grants						
GST revenue grants ³	16,079	18,397	19,477	18,528	18,927	20,069
Australian Government grants ⁴	14,992	14,790	16,145	16,410	16,438	16,968
Other grants and contributions	315	413	323	317	318	319
Total current grants	31,387	33,600	35,944	35,254	35,683	37,356
Capital grants						
Australian Government capital grants	2,706	2,938	3,679	3,654	3,248	3,261
Other grants and contributions	42	33	20	35	7	0
Total capital grants	2,749	2,971	3,699	3,689	3,254	3,261
Total Australian Government payments	33,778	36,125	39,300	38,591	38,613	40,298
Total grants revenue	34,135	36,571	39,643	38,943	38,937	40,618

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.
- 4. Queensland Treasury estimates. Differs from Chapter 7 due to the inclusion of direct Australian Government payments to Queensland agencies for Australian Government own purpose expenditure.

GST revenue

Growth in the national GST pool, along with an increase in Queensland's share of the pool, have been the key drivers of stronger Queensland GST revenue across 2022–23 and 2023–24 compared with previous years.

Queensland's GST revenue in 2022–23 is expected to be 14.4 per cent higher than in 2021–22, with this increase attributed to higher national GST collections. The 2023–24 Federal Budget estimated the total GST pool in 2022–23 to be \$8.2 billion higher compared with 2021–22.

A further increase of 5.9 per cent in GST revenue in 2023–24 is expected compared with 2022–23. This more modest rate of growth, compared to the previous year, is driven by changes in the GST pool and population, combined with the CGC's recommendation related to Queensland's GST share in 2023–24.

Queensland's expected share of GST, and the key factors impacting on it over the remainder of the forecast period, are discussed in further detail below.

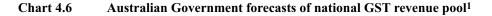
Revisions to the GST pool

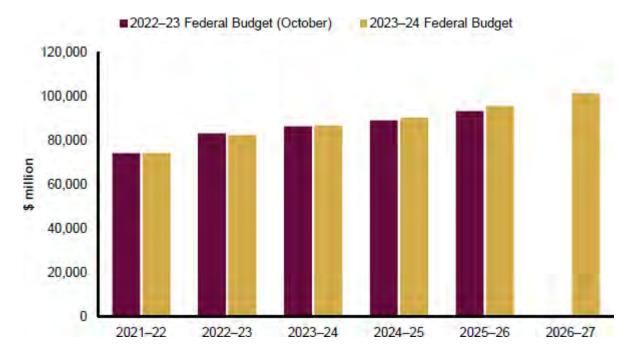
The Australian Government's national GST pool forecasts were upgraded in the 2023–24 Federal Budget, to be \$2.9 billion higher across the 4 years to 2025–26 compared with the October 2022–23 Federal Budget estimates.

The 2023–24 Federal Budget stated that increases in GST receipts largely reflect compliance measures and parameters and other variations. In particular, the 2023–24 Federal Budget announced a 4-year extension of its GST compliance program to ensure businesses meet their tax obligations, including accurately accounting for and remitting GST, and correctly claiming GST refunds. The Australian Government estimates this measure will increase GST receipts by \$3.8 billion over the 4 years ending 2026–27.

The Australian Government expects the GST pool to increase by 5.2 per cent in 2023–24 and 3.9 per cent in 2024–25, in line with nominal household consumption.

Chart 4.6 compares GST pool forecasts published in the 2022-23 and 2023-24 Federal Budgets.





Note:

1. The 2022–23 October Federal Budget estimates are limited to the 2025–26 financial year.

Source: 2021-22 Final Budget Outcome, 2022-23 Federal Budget (October), and 2023-24 Federal Budget.

Box 4.5 2025 GST Methodology Review

GST is distributed between states and territories under a GST distribution methodology administered by the CGC. This methodology involves balancing fiscal capacity between state and territory governments so a similar standard of services and infrastructure can be delivered by each state to their population, no matter where they live. This is known as horizontal fiscal equalisation.

The GST distribution methodology is multifaceted to take into account different revenue raising capacities and differing need and costs of providing services across states and territories.

Since the introduction of the GST in 2000–01, the GST distribution methodology has been reviewed 4 times — on a 5-yearly basis — most recently in 2020. These reviews occur under terms of reference issued by the Australian Treasurer to the CGC and allow the CGC, in consultation with the states and territories, to consider changes to the data and methods for measuring fiscal capabilities and determining how GST is shared.

Terms of reference for the 2025 Methodology Review — to review the GST distribution methods to apply from 2025–26 — were issued by the Australian Treasurer to the CGC on 9 February 2023 and are available on the CGC's website.

In 2022–23, GST is estimated to represent approximately 21 per cent of Queensland's state revenue – providing critical funds for essential state government services such as health, education, law and order, transport and other services that are utilised by all Queenslanders.

Queensland Treasury will ensure Queensland's position is clearly communicated and advocated for in the Methodology Review, to ensure Queensland receives its fair share of GST revenue. This significant body of work will be a focus for Queensland Treasury for the next 2 years, until the scheduled issue of CGC's outcome report in March 2025.

It will also involve significant input from departments across the Queensland Government, to ensure the data used and assumptions relied upon by the CGC appropriately reflect the needs of the people of Queensland. This includes taking into account the state's growing population, social-demographic composition and the challenges of service delivery in a large and decentralised state.

GST – Queensland's assessed fiscal capacity

In early 2023, the Australian Government accepted the CGC's recommendation that Queensland requires a similar share of GST revenue in 2023–24 compared with 2022–23, with the CGC estimating Queensland's share of the GST pool at 21.2 per cent.

This was driven by the following factors:

- population a lower than average decline in Queensland's population growth between 2018–19 and 2021–22, coupled with downward revisions in urban populations in New South Wales and Victoria, increased Queensland's share of investment needs relative to other states
- property sales very strong growth in the value of properties transferred in New South Wales increased its capacity to raise revenue from stamp duties, reducing its assessed GST needs relative to other states.

These were offset by the following factors:

- mining production the increased value of coal production increased Queensland's relative revenue raising capacity from miningrelated activity and reduced its assessed GST needs
- capital improvements national urban transport investment more than doubled between 2018–19 and 2021–22, decreasing the assessed GST needs of Queensland compared to more densely populated states such as New South Wales.

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 4.6 No worse off guarantee

In 2018, the former Australian Government legislated a new way to distribute GST revenue among the states, referred to as the new equalisation arrangements. These changes included:

- equalising to the stronger of New South Wales or Victoria, rather than the state with the greatest fiscal capacity, with this change to be gradually introduced over 6 years from 2021–22
- a relativity floor of 0.7 in 2022–23, increasing to 0.75 from 2024–25. That is, no state will receive less than 70 per cent of their population share of GST in 2022–23 and no less than 75 per cent in 2024–25 and beyond
- a permanent boost to the GST Pool. The Australian Government will inject \$600 million per year from 2021–22 and an extra \$250 million per year from 2024–25. This boost will continue in perpetuity and grow with the national pool
- provision of a 'no worse off' guarantee that would result in supplementary payments to any state that cumulatively received less GST under the new system than it would have received under the previous system, to apply between the years from 2021–22 to 2026–27 (the transition period)
- the Australian Productivity Commission to review the system by December 2026.

Queensland's longer-term GST revenue, from 2027–28 onwards, is at significant risk under these arrangements, compared to the ongoing revenue outcomes expected under the previous

system. In particular, the cessation of the no worse off guarantee will involve significant revenue implications for Queensland, and most other states and territories, from 2027–28 onwards, once the transition period ends.

The 2023–24 Federal Budget estimates that Queensland's no worse off guarantee payment for 2022–23 will be \$949 million, increasing to \$1.303 billion by 2025–26.

Queensland Treasury currently estimates that cessation of the no worse off guarantee could result in Queensland being worse off by almost \$1 billion a year from 2027–28 onwards.

The Treasurers of all states and territories have collectively requested that the Australian Treasurer extend the no worse off guarantee indefinitely.

The Queensland Government looks forward to genuine engagement with the Australian Government on this critical issue given its potentially significant implications for future state funding needed to provide essential services and infrastructure to the people of Queensland.

The 2024–25 Budget will be the first year where state budgets include 2027–28 GST forecasts in the forward estimates.

Australian Government payments

Australian Government payments to Queensland in 2023–24 are expected to total \$39.3 billion, representing an increase of \$3.175 billion (8.8 per cent) compared to payments in 2022–23. This increase is attributable to a 11.8 per cent increase in Australian Government grants and a 5.9 per cent increase in GST.

Chapter 7 provides a detailed overview of federal 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 (forecast to be 0.9 per cent in 2023–24).

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.

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 rose substantially across 2021–22, providing a substantial short-term boost to revenues. Global prices have since moderated somewhat but remain elevated compared to historical levels.

However, the recent strength in prices, particularly in relation to coal 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 2024, but the timing and extent of the decline remains uncertain.

Forecast royalties and land rents are detailed in Table 4.5.

Table 4.5Royalties and land rents1

	2021–22 Actual \$ million	2022–23 Est. Act \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Coal	7,243	15,296	5,345	4,024	4,224	4,400
Petroleum ²	1,184	2,332	1,275	1,222	1,143	1,039
Other royalties ³	490	477	503	483	460	440
Land rents	171	183	195	200	204	209
Total royalties and land rents	9,088	18,288	7,318	5,929	6,032	6,087

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.

Coal royalties

A large proportion of Queensland's royalties comes from coal mining and the majority of this revenue is attributable to the hard-coking coal (HCC) used in global steel production.

The lower level of royalties collected from thermal coal mining compared with HCC reflects the smaller volume of thermal coal mined in Queensland, the generally lower values per tonne of thermal coal and the tiered coal royalty rate system, where lower value coal is subject to a lower average royalty rate. In 2022, HCC, in volume terms, represented around 52 cent of coal exported from Queensland, with semi soft/PCI 21 per cent and thermal coal 27 per cent.

Coal royalties are expected to total \$15.296 billion in 2022–23, more than double that in 2021–22 and around 9 times the coal royalties raised in 2020–21.

The increase in coal royalties expected in 2022–23 is partially driven by the new progressive coal royalty rates announced in the 2022–23 Queensland Budget, but it primarily reflects the sustained period of higher than previously expected prices flowing through to royalty revenues more broadly. Without the new tiers introduced through the 2022–23 Queensland Budget measure, royalties during this period of unprecedented coal prices would have been around one third lower.

Importantly, as outlined in the 2022–23 Budget Update, the additional revenue raised from coal royalties, has enabled the funding of a range of substantial investments across regional Queensland, including in the key coal producing regions. The Queensland Government's action in implementing these investments is outlined in Box 4.7 below.

Box 4.7 New tiers delivering for regional Queensland

Over the 2 years since mid-2021, Queensland's coal producers have enjoyed unprecedented benefits from an exceptional surge in global coal prices. These prices resulted in the value of Queensland coal exports reaching a calendar year record of \$83.5 billion in 2022, more than double the value in 2021 and triple the value in 2020.

The record export revenues have contributed to the strong financial performance of coal mining companies operating in Queensland, with many reporting record revenues and profits in 2022.

Meanwhile, the favourable conditions created by high prices has supported strong employment growth in the mining sector, with Queensland Mines Inspectorate data showing employment in Queensland coal mines grew by 7.4 per cent in the second half of 2022.

In the context of these unprecedented global coal prices, the new coal royalty tiers announced by the Queensland Government in the 2022– 23 Budget mean Queenslanders are also benefitting from these exceptional prices. Queenslanders are getting a fair and reasonable return for the use of the state's valuable and limited resources in a period when coal mining companies are generating extraordinary revenues and profits.

Given the ongoing strength of coal prices, in particular hard coking coal prices, since the 2022–23 Budget Update, the new progressive coal royalty tiers are now expected to generate a revenue uplift of around \$7.2 billion over the 5 years ending 2026–27, with most of this (around \$5.7 billion) expected in 2022–23.

A more modest revenue uplift of around \$783 million is expected in 2023–24. Then, as prices unwind to more normal levels in line with medium-term expectations, an average revenue uplift from the new tiers of around \$235 million per annum is expected from 2024–25 onwards, representing only around 6 per cent of total coal royalty revenue once prices normalise.

The additional revenue raised from coal royalties due to the ongoing exceptionally high prices, including the revenue raised from the new progressive royalty tiers, has allowed the Queensland Government to invest more than \$16 billion towards economic and social infrastructure and essential services to meet the needs of Queenslanders across all regions of the state, including coal-producing regions.

This includes continuing to deliver world class health services across regional Queensland and providing the productivity-enhancing infrastructure needed to support key growth industries and facilitate the energy transformation critical to drive increased employment opportunities and higher incomes into the future.

In the 2022–23 Budget Update, the government committed to utilise the uplift in royalty revenue to fund a combined \$4 billion in productivity-enhancing investments across regional Queensland, which includes a \$3 billion long-term asset held by the Consolidated Fund and \$1 billion provided as equity investments in the Public Non-financial Corporations sector.

In this Budget, the government is providing an additional \$6 billion in funding for the Borumba Pumped Hydro Energy Storage project. This brings the government's total commitment to \$10 billion for relevant regional PNFC sector infrastructure projects funded by the General Government Sector equity injections supported by coal royalties, and includes:

- \$1.06 billion towards CopperString 2032, which will support the construction of the 1,100km transmission line from Townsville to Mount Isa, connecting Queensland's North West Minerals Province to the national electricity grid project
- \$7 billion towards state-owned, large-scale, long duration pumped hydro, including \$6 billion for the Borumba project over the construction period and \$1 billion for the Pioneer-Burdekin project
- \$550 million for the Fitzroy to Gladstone Pipeline, enabling long-term water security to the region
- \$500 million to CleanCo to support a 2.3-gigawatt portfolio of wind and solar projects in Central Queensland
- \$440 million towards Sunwater's Burdekin Falls Dam Improvement and Raising Project, improving and raising the dam by 2 metres to further support water security, noting this is on top of the existing \$100 million commitment towards the project
- \$300 million for CS Energy to pursue investments in new wind projects and energy firming options to support future industrial decarbonisation in Central Queensland
- \$100 million for Gladstone Port Corporation's Northern Land Expansion project, subject to approvals, supporting the release of additional land at Gladstone port and the development of renewable energy and other industries
- \$50 million for the replacement of North Queensland Bulk Ports' Bowen Wharf, with the plans, design and approvals subject to further consultation with stakeholders.

Further, leveraging Queensland's economic strengths and to help capitalise on global growth opportunities in new and emerging sectors that will drive sustainable job creation, the following investments have been committed across regional Queensland:

- \$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
- \$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 and Battery Technology Fund to position Queensland for the next resources boom in the critical minerals needed for the clean energy revolution.

The Budget also allocates \$520 million for investments through the Low Emissions Investment Partnerships program to encourage the mining industry to fast-track capital investments that will both rapidly reduce their emissions profile and help maintain a competitive edge for the industry.

To ensure Queenslanders residing in regions have access to world class health services, the government is also investing:

- more than \$3.6 billion to build new or expanded hospitals in the coal producing regions of Moranbah and Mackay, as well as in Cairns, Townsville, Bundaberg, Fraser Coast and Toowoomba
- \$920 million for new 10-year agreements with the Royal Flying Doctor Services and LifeFlight Australia to provide aeromedical services across the state including from bases in Bundaberg, Cairns, Charleville, Longreach, Mount Isa, Rockhampton, Roma, Townsville and Toowoomba
- \$70 million over 4 years, and \$21 million per annum ongoing, to support an increase to the Patient Travel Subsidy Scheme (PTSS) which primarily supports Queenslanders in rural and regional areas to access specialist medical services not available locally.

The government is also providing a \$29 million boost to the initial \$25 million election commitment for the Browne Park redevelopment in Rockhampton.

More broadly, the increase in royalties due to the windfall prices enjoyed by coal producers has also enabled the government to provide ongoing substantial support to regional businesses across the state, by extending the one per cent regional discount on payroll tax for a further 7 years until June 2030, estimated to cost more than \$500 million over the 4 years to 2026–27.

Coal prices

Global coal prices have experienced an unprecedented surge since mid-2021, with the premium HCC spot price averaging US392 per tonne (/t) in 2021–22, an increase of 220 per cent on 2020–21. This surge in coal prices has been driven by a number of short-term factors including:

- China's strong demand for coal from other exporters since late 2020, due to its reduced importation of Australian coal at that time, appears to have distorted global market dynamics, leading to a shortage in supply and potentially contributing to upward pressure on prices
- European buyers reducing their purchases of Russian coal following the commencement of the Russia-Ukraine conflict in early 2022. This also led to concern about securing supply, putting further upward pressure on prices
- COVID-19 impacts and a range of weather-related supply shortages across 2022 and early 2023.

As noted in the 2022–23 Queensland Budget and 2022–23 Budget Update, these factors are all expected to be temporary in nature. In particular, COVID-19 and weather-related impacts are expected to subside, resulting in an easing of the supply constraints and thus lessening the upward pressure on coal prices. Therefore, global coal prices are expected to continue to unwind over coming quarters to align more with medium-term expectations.

However, to date, throughout late 2022 and the first half of 2023, coal prices have remained higher than previously expected and exceptionally strong compared with historical prices.

While the higher-than-expected coal prices seen in early 2023 have led to a large short-term boost to royalty revenues in 2022–23, the sustained higher global prices have also resulted in a sustained period of extraordinary returns and profits for the state's major coal producers.

Across the 2021 calendar year, the value of Queensland coal exports totalled \$39.5 billion, a growth of 41 per cent compared to the 2020 calendar year total of \$28.0 billion. The value of coal exports across 2022 was more than double that of 2021, totalling \$83.5 billion, or 3 times the value of coal exported only 2 years earlier.

Continued high prices in early 2023 have sustained the extraordinary returns being received by the state's coal producers. The latest ABS data shows that the value of Queensland's coal exports over the 12 months to March 2023 have remained at exceptionally high levels, at \$80.0 billion, highlighting the extended period over which coal producers have been receiving exceptionally high prices and revenues.

While coal prices are expected to decline significantly over time, the precise timing and magnitude of such a decline is not known. Queensland Treasury has taken an appropriately conservative approach to its coal forecasts and assumed prices will normalise over time, with HCC and thermal coal prices returning to more sustainable medium-term levels in early 2024 and late 2024 respectively.

Given the expectation of lower coal prices over subsequent years compared with the prices seen across 2021–22 and so far in 2022–23, coal royalty revenue is forecast to decline by 65.1 per cent in 2023–24 and by a further 24.7 per cent in 2024–25.

Coal royalty revenue is forecast to grow by 5.0 per cent in 2025–26 and by a further 4.1 per cent in 2026–27 with crown export coal tonnages¹ forecast to gradually increase over this period. This largely reflects the continued recovery in global economic activity.

Coking coal prices

At the time of the 2022–23 Budget Update, HCC spot prices were expected to average US\$231/t in December quarter 2022 and decline to US\$177/t in March quarter 2023. HCC prices were expected to decline across the remainder of 2022–23 reaching US\$160/t by June 2023.

Prices have fallen substantially since the unprecedented levels in early to mid-2022, with HCC prices averaging US\$271/t (A\$405/t) in April 2023, a fall of 43 per cent compared to April 2022.

¹ Excludes coal where royalties are not paid to the Queensland Government, that is, private royalties.

However, HCC prices remained stronger than expected following the 2022–23 Budget Update, growing from an average of US\$279/t (A\$426/t) in December quarter to an average of US\$343/t (A\$501/t) across March quarter.

The continued strength in HCC prices so far in 2023 has been driven primarily by concerns around supply, in particular due to the impacts of wet weather. In particular, January 2023 was a particularly wet month in Queensland's coal mining regions, with delays in port loadings and several major producers indicating wet weather in late 2022 and early 2023 was a factor in reducing supply. For example:

- major ports in Queensland experienced delays of 1-2 weeks in mid-January due to issues with loading caused by the heavy rainfall
- in their December 2022 production reports, several major coal companies, including BHP, Yancoal, Stanmore, Coronado, Glencore and Anglo American, cited wet weather as a factor in reducing supply
- a train collision caused Aurizon to close its Blackwater coal rail system in Central Queensland. The rail line was closed from 29 January to 12 February, with coal exports from the Port of Gladstone falling by 2.8 million tonnes (Mt) in February
- Severe Tropical Cyclone Gabrielle formed off the coast of North Queensland in February, which affected shipping going to Queensland ports, resulting in delays and increasing prices.

There is a consensus among market analysts that the recent surge in HCC prices cannot be sustained indefinitely, and prices are still expected to decline over coming quarters as weather-related issues constraining supply diminish and international markets continue to adjust to other temporary factors that have contributed to the recent high prices. For example:

- the Commonwealth Department of Industry Science and Resources' Office of the Chief Economist (OCE) stated that 'prices are expected to ease slowly over the outlook period, with the largest fall expected in 2023 as supply conditions (notably in Australia) improve and normalise¹'
- Wood Mackenzie indicated that 'supply availability recovers and trade flow inefficiencies are worked out, pushing prices down in the next three years²'
- S&P Global Commodity Insights reported that 'prices are largely driven by the weather impact on mining and shipping operations in the Australian state of Queensland, as evidenced by the strong prices earlier in the year. With drier weather in store now the three-year La Nina event has finished, along with the end of the rainy season in northern Australia, supply is set to increase³'
- ¹ Department of Industry, Science and Resources, Commonwealth of Australia (2023), *Resources and Energy Quarterly March 2023*.
- ² Wood Mackenzie (2023). Global Metallurgical Coal Strategic Planning Outlook H1 2023.
- ³ Bartholomew, P., Cao, S., Hao, C. (2023) Coking coal prices heading lower in Q2. S&P Global Commodity Insights 4 May 2023.

• The International Energy Agency¹ expect Australian metallurgical coal supply to improve 'as weather conditions normalise, improving mine and infrastructure performance. Conditions were poor for three consecutive years due to the La Nina weather phenomenon. In addition, met coal projects under development are expected to advance as they continue to find financing, insurance and government support.'

However, global coal prices are now expected to be slightly higher in the longer term than previously expected, as global markets continue to adjust over time to factors impacting market dynamics and prices such as:

- higher hard coking coal prices continuing to be sustained in early 2023 compared to previous expectations, with market analysts and forecasters now generally expecting prices to remain higher for longer than previously expected
- China's decision to lift its strict COVID-19 restrictions in late December/early January, which is expected to provide some potential upside to overall global demand for coal, including Australian coal, over time
- the likelihood of ongoing impact of global cost pressures in a high inflation environment, including the impacts of prevailing supply chain constraints and labour market tightness
- the impacts of decarbonisation efforts on mining costs in the medium term.

These expectations are broadly consistent with the views outlined in the 2023–24 Federal Budget which provided the following commentary around the short to medium-term outlook for commodity prices²:

- a series of significant and interrelated shocks have affected global commodity markets in recent years. In early 2022, Russia's invasion of Ukraine precipitated a shift in global commodity supply, including a significant reduction in global gas supply and forced restructuring of global oil trade flows
- major weather disruptions in key producing regions, including for coal production in Australia and iron ore production in Brazil, reduced both the level and reliability of non-Russian supplies to global commodity markets
- the global economy has also experienced a sustained period of cost inflation that has increased production costs across the global mining sector. Input prices for the Australian coal sector, for example, have increased by around 15 per cent since 2021
- strong cost inflation has built in a materially higher cost base across the industry that is expected to result in structurally higher prices over the medium term.

As a result, while HCC prices are still expected to moderate substantially across 2023 from the exceptional prices seen in 2022 and early 2023, they are now expected to average US\$175/t across the 3 years from 2024–25 to 2026–27 compared to the previous forecast of US\$160/t over those years.

- ¹ IEA (2022), *Coal 2022*, IEA, Paris.
- ² The Commonwealth of Australia (2023). 2023–24 Budget Budget Strategy and Outlook

The upward revision to coal price forecasts in forward years compared to those expected at the time of the 2022–23 Queensland Budget is consistent with other forecasters, for example:

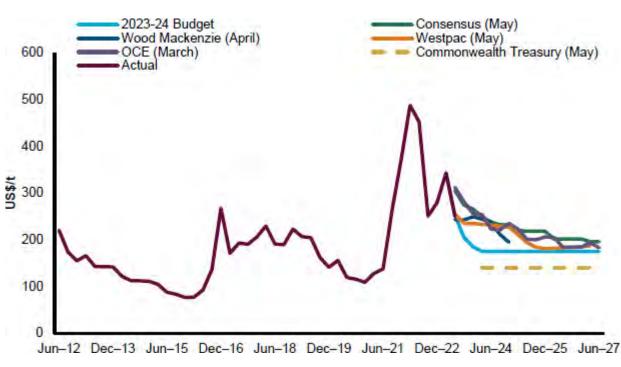
- Consensus Economics' May 2023 HCC price forecasts were revised upwards compared to those in May 2022, as follows: up from US\$209/t to US\$238/t in 2024; from US\$184/t to US\$219/t in 2025; and from US\$162/t to US\$202/t in 2026
- OCE's March 2023 HCC spot price forecasts were revised upwards compared to those in March 2022 as follows: up from US\$157/t to US\$233/t in 2024; from US\$154/t to US\$208/t in 2025; from US\$152/t to US\$189/t in 2026; and from US\$150/t to US\$188/t in 2027.

Chart 4.7 shows HCC price forecasts compared to the latest quarterly price forecasts from Consensus Economics, Wood Mackenzie, Westpac, OCE, and the Commonwealth Treasury.

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. Queensland Treasury's medium-term anchor price of US\$175/t for HCC is similar to most other forecasters, although the pace of adjustment differs.

As at 31 May 2023, the June quarter 2023 HCC spot price averaged US\$250/t, which is closely aligned with Queensland Treasury's implied forecast for average spot prices of US\$252/t in the quarter. Other key forecasters' estimated spot price for June quarter 2023 ranged from US\$243/t (Wood Mackenzie, April 2023 forecast) to US\$312/t (OCE, March 2023 forecast).

Chart 4.7 Coking coal price forecasts^{1,2}



Notes:

- 1. Actual price for June quarter 2023 reflects the average actual spot prices up until 31 May 2023
- 2. Spot prices used where possible. Where spot prices are unavailable, contract prices have been used.

Sources: Consensus Economics, Wood Mackenzie, Westpac, OCE, Commonwealth Treasury, and Queensland Treasury.

Thermal coal prices

The Russia-Ukraine conflict and associated sanctions led to a sustained surge in premium thermal coal prices beyond those expected in the 2022–23 Queensland Budget. For example, premium thermal coal spot prices¹ rose from an average of around US\$389/t (A\$551/t) in May 2022 to a peak of around US\$458/t (A\$675/t) in early September 2022.

Thermal coal prices have since fallen substantially as expected at the time of the 2022–23 Budget Update, averaging around US\$253/t (A\$369/t) across March quarter 2023 as the extreme tightness in spot availability of high-energy coal started to subside. However, they remain elevated compared to previous levels, for example premium thermal coal (spot) prices averaged around US\$79/t (A\$105/t) in 2020–21.

The price for premium thermal coal is still expected to decline further from its recent peaks. However, consistent with the medium-term price outlook in the 2022–23 Budget Update, the spot price is now expected to decline to US153/t (A209/t) across 2023–24 before reaching a medium-term level of US120/t (around A160/t) across 2024–25, 2025–26, and 2026–27.

¹ Based on Newcastle 6,300 GAR spot prices.

This mainly reflects expectations that, regardless of when the conflict in Ukraine ends, the ongoing impacts of sanctions and changes in global market dynamics resulting from the conflict will continue to impact over the medium term.

Importantly, the expectation that global coal prices may now remain slightly higher over the medium term than previously expected also implies the state's coal producers will receive greater revenues than previously expected.

By way of illustration, the upward revision to coal price forecasts in this Budget, compared to the 2022–23 Queensland Budget forecasts, is estimated to result in an indicative uplift to coal producer revenue of around \$8.1 billion in each 2023–24, 2024–25, and 2025–26.

In comparison, the expected higher prices over the medium term will only result in an estimated uplift in state revenues from the new tiers of around \$657 million in 2023–24, and around \$90 million in 2024–25 and in 2025–26 compared with the revenue expected from the new tiers at the time of the 2022–23 Queensland Budget.

Coal export volumes

Chart 4.8 shows coal export tonnage forecasts compared to the 2022–23 Queensland Budget outlook. This highlights that coal export tonnages have been revised downwards by around one per cent over the 4 years ending 2025–26.

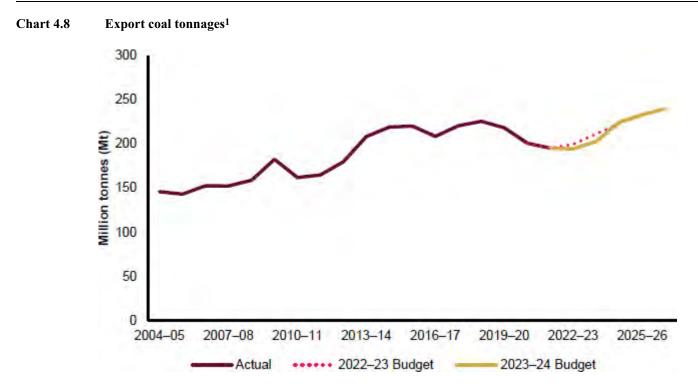
The reduced export tonnages compared to the 2022–23 Queensland Budget are due to downward revisions in thermal coal exports. This is because Australian thermal coal exports to India have fallen sharply over the past year.

In 2022, Indian thermal imports from Indonesia increased by 30.7Mt compared to 2021 and imports from Russia increased by 6.7Mt. Meanwhile Indian thermal coal imports from South Africa fell by 20.7Mt in 2022, while imports from Australia fell by 9.3Mt. This reflects the impacts of the relatively high Australian thermal coal prices compared with some cheaper alternatives, including from Russia.

This downward revision is partially offset by an upward revision in forecast metallurgical coal exports. This is driven by a range of factors, including China's re-opening of the economy from COVID-19 restrictions and indications China is willing to reconsider importing coal from Australia, both of which may lead to upward pressure on demand globally and demand for Australian coal.

In addition, the decision by some key markets, including Japan and Taiwan, to not import Russian coal has increased the upside for exports of PCI coal¹.

PCI coal is used in the blast furnace route of steelmaking to provide heat to the process to reduce use of higher priced coking coal. Queensland is one of the major suppliers of high quality PCI coal in the Asian market.



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

An ongoing risk to global coal demand and 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, several South East Asian nations have announced policies to phase out coal fired power generation over the longer term. Queensland exported 11.8Mt of thermal coal to South East Asia in 2022, accounting for 22.5 per cent of total thermal coal exports, with most of this exported to Vietnam (7.5Mt) and Singapore (1.9Mt).

However, as outlined above, given the majority of Queensland's coal exports are metallurgical coal, it is still expected that international demand should continue to support Queensland's coal exports over coming decades.

As outlined in Queensland Treasury's report on *Queensland's Coal Industry and Long-Term Global Coal Demand* (November 2022), the positive outlook for Queensland's long term metallurgical coal industry reflects several key factors¹:

- Queensland continues to offer an attractive environment for investment in coal, reflecting its numerous competitive advantages including its high-quality hard coking coal, proximity to the fast-growing Asian region, efficient supply chain, good infrastructure, and skilled workforce.
- Since mid-2022, there have been numerous announcements of substantial investments or acquisitions in the Queensland coal industry, providing a clear indication of coal producers' ongoing confidence and appetite to invest in Queensland.
- Queensland accounted for around 90 per cent of Australia's metallurgical coal production in 2021–22 and, given around 70 per cent of the state's coal production in 2021–22 was metallurgical coal, Queensland's coal industry remains relatively well placed over the longer term compared with other jurisdictions that are much more reliant on thermal coal production and exports.
- As such, Queensland's coal industry continues to enjoy key advantages compared with many of its global competitors.
- ¹ Queensland Treasury (2022) Queensland's Coal Industry and Long-Term Global Coal Demand November 2022.

Box 4.8 Queensland coal producers continue to enjoy strong returns and profits

In the lead up to the 2022–23 Queensland Budget, coal producers were benefitting substantially from an exceptional surge in global coal prices, with spot metallurgical coal prices reaching as high as around A\$900/t.

At the time, prices were expected to decline significantly as the temporary nature of the key factors driving the spike in global coal prices were expected to unwind relatively quickly.

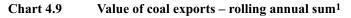
However, following the 2022–23 Queensland Budget, premium thermal coal prices surged to a peak of around A\$675/t in September 2022. While prices have since moderated from these highs, they remain elevated compared to historical levels. In addition, while hard coking coal prices began to moderate following the 2022–23 Queensland Budget, they have remained stronger for longer than expected.

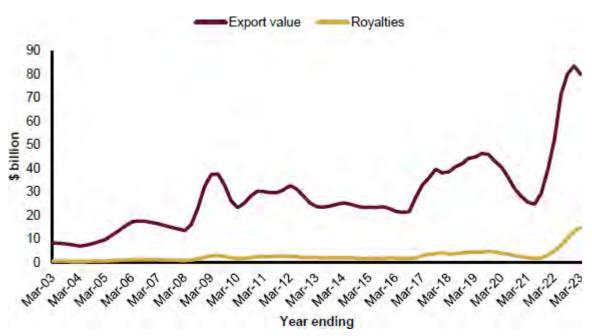
As outlined in Queensland Treasury's report, *Queensland's Coal Industry and Long Term Global Coal Demand* (November 2022), this unprecedented surge in coal prices has seen the value of Queensland coal exports (and, therefore, the revenues and profits being enjoyed by the state's coal mining companies) increase significantly to record levels.

The ongoing high prices across 2022 saw coal producers continuing to receive record levels of revenue, with ABS data showing that the value of Queensland's coal exports in 2022 increased by a further 112 per cent to reach a new record high of A\$83.5 billion, 3 times the value of coal exports recorded only 2 years earlier.

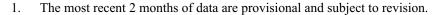
Continued high prices in early 2023 have sustained the extraordinary returns being received by the state's coal producers, with the latest ABS data showing that the value of Queensland's coal exports over the 12 months to March 2023 remained at exceptionally high levels, at A\$80.0 billion.

Chart 4.9 shows Queensland's total coal export values over the past 20 years, highlighting the exceptional and unprecedented returns being received by Queensland's coal producers during the recent extended period of high prices, including the extent of those increased revenues to coal companies compared with the royalties to Queenslanders.





Note:



Source: Unpublished ABS trade data

Prior to the 2022–23 Queensland Budget, the highest marginal royalty rate applicable to Queensland coal royalties was 15 per cent, payable on that part of the average price per tonne exceeding A\$150. This royalty rate structure was not providing a fair return to Queenslanders during periods of exceptionally high prices.

To ensure a fairer return to the people of Queensland, at the 2022–23 Queensland Budget, the government introduced 3 additional tiers to the coal royalty structure, with effect for coal sold, disposed of or used on or after 1 July 2022.

Since that time, global coal prices have remained stronger for longer than expected, but the recent surge in coal prices cannot be sustained indefinitely. Prices are still expected to decline in coming quarters as the current temporary drivers of higher prices diminish and international markets adjust.

However, given the various factors impacting global coal market dynamics, global coal prices are now expected to be slightly higher in the longer term than previously expected.

When prices are high coal miners receive higher revenues and profits. As prices adjust downwards and drop below key price thresholds, they will no longer trigger the higher royalty tiers, and royalty revenue will fall significantly.

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.

For 2022–23, petroleum and gas royalties are estimated to total \$2.332 billion, almost double 2021–22.

Oil prices were at unexpectedly high levels throughout 2022 following Russia's invasion of Ukraine, with concerns surrounding global oil supply due to sanctions on Russian oil. However, global oil production has since outpaced global oil consumption, which has seen oil prices moderate from their record high levels to pre-Ukraine war levels. While uncertainty in the market resulting from the war remains, its impact on oil prices has lessened greatly.

LNG prices, which are linked to oil prices, have benefitted greatly from these elevated oil prices. While oil prices have fallen throughout 2022–23, the lag in LNG contracts mean that LNG prices are expected to remain relatively high for a period, driving the expected growth in petroleum royalties compared with 2021–22.

LNG prices are expected to fall in 2023–24, with petroleum royalties expected to decline by around 45.3 per cent in 2023–24 and by a further 4.1 per cent in 2024–25.

Oil price (and subsequently LNG price) forecasts have been revised down since the 2022-23 Queensland Budget.

Other royalties

Other royalties include revenue from base and precious metals mined in Queensland such as gold, silver, copper, lead, and zinc, and other minerals such as bauxite.

Revenue from other royalties is estimated to total \$477 million in 2022–23, 2.8 per cent lower than in 2021–22. This is mainly driven by heavy rainfall in early March 2023 causing significant mine access and flooding issues with several large operations shutting down. This is partially offset by a decline in shipping costs (which are deductible when calculating royalties) from previously elevated levels due to COVID-19-related issues.

Other royalties are expected to grow by around 5.5 per cent in 2023–24 reflecting an expected return to previously expected production levels following the disruptions caused by flooding as well as an expected increase in bauxite volumes.

Across the 3 years to 2026–27, other mineral royalties are forecast to decline on average by around 4.4 per cent per annum, driven by a reduction in copper, lead, and zinc volumes.



Land rents

Revenue from land rents derived from mining and petroleum leases and pastoral holdings is estimated to total \$183 million in 2022–23. This is 7.5 per cent higher than in 2021–22 but 3.4 per cent lower than expected at the 2022–23 Budget, due to fewer leases subject to land rent than anticipated.

Revenue from land rents is forecast to grow by 6.3 per cent in 2023–24 driven by higher rental valuations.

Revenue from land rents is then expected to grow by 2.4 per cent per annum over the forward estimates.

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 4.6 provides a breakdown of the categories of goods and services captured in terms of these revenues.

Table 4.6Sales of goods and services1

	2021–22 Actual \$ million	2022–23 Est. Act \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Fee for service activities	2,696	2,959	3,236	3,331	3,305	2,995
Public transport: South East Queensland	203	275	338	358	371	385
Rent revenue	549	554	595	620	633	644
Sale of land inventory	94	53	94	75	105	131
Hospital fees	810	875	827	827	837	844
Transport and traffic fees	509	553	574	597	620	645
Other sales of goods and services	1,036	1,075	1,257	1,162	1,183	1,226
Total	5,896	6,344	6,921	6,969	7,054	6,871

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

As shown in Table 4.6, 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 \$3.166 billion in 2022–23, 11.2 per cent higher than expected at the 2022–23 Budget, and 19.8 per cent higher than received in 2021–22. The increase in interest income in 2022–23 largely driven by interest earnings on investment of Queensland's increased resources-related revenue.

Interest income is expected to grow by a further 1.3 per cent in 2023–24, before declining across the remaining forward estimates as investments are drawn down to fund priority infrastructure projects largely undertaken by Public Non-financial Corporation sector entities.

4.4.6 Dividend and income tax equivalent income

Revenue from dividend and income tax equivalent income is estimated to total \$1.043 billion in 2022–23, \$253 million (32.0 per cent) higher than in 2021–22, but \$456 million (30.4 per cent) lower than expected at the time of the 2022–23 Queensland Budget.

Higher dividends in 2022–23 compared to 2021–22 reflect a return to normal government owned corporation (GOC) dividend policy in 2022–23 following the government's prior year decision to allow the GOCs to retain 2021–22 dividends for critical infrastructure and growth initiatives. This reflects steady earnings growth across this sector.

Dividends and income tax equivalents are expected to increase from \$1.521 billion in 2023–24 to \$1.958 billion by 2026–27. This reflects steady earnings growth across the energy generation sector, as investment in new renewable generation grows and wholesale prices stabilise and significant volumes of new renewable generation and energy storage enter the market.

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 10.8 per cent of total General Government Sector revenue in 2023–24 (see Table 4.7). Royalties and land rents account for 8.9 per cent of total revenue in 2023–24 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 expected to grow by 53.0 per cent in 2022–23, partly driven by the increase in penalties for high-risk driving offences, and the full year impact of mobile phone and seatbelt detection cameras. This revenue is then expected to decline by 4.7 per cent in 2023–24 driven by expected behavioural changes associated with the mobile phone and seatbelt camera infringements and grow by 5.4 per cent in 2024–25 reflecting changes to the forward camera program schedule.

After providing for the cost of administration, funds raised from camera detected offences 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 based on risk assessment, road safety education and awareness programs, enabling practices and behaviours that improve road safety 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 4.7Other revenue1

	2021–22 Actual \$ million	2022–23 Est. Act \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Royalties and land rents	9,088	18,288	7,318	5,929	6,032	6,087
Fines and forfeitures	558	853	814	857	859	859
Revenue not elsewhere classified	1,065	795	719	1,221	718	704
Total other revenue	10,710	19,937	8,850	8,008	7,609	7,650

Note:

1. Numbers may not add due to rounding.

5 Expenses

Features

- The 2023–24 Budget provides a substantial range of expense measures to address the immediate cost-of-living pressures facing households and businesses across Queensland, boost health funding, further support programs to alleviate housing pressures and strengthen Queensland's community safety and youth justice systems.
- Estimated General Government Sector expenses for 2023–24 are estimated to be \$84.261 billion, an increase of \$8.944 billion (or 11.9 per cent) on 2022–23.
- New cost-of-living measures are mostly contained to 2023–24, with expenses growth expected to fall by 2.7 per cent in 2024–25 before growing moderately across the remainder of the forward estimates.
- Total expenses are projected to grow at an average annual rate of 4.0 per cent over the 5 years to 2026–27.
- In 2023–24, the major areas of expenditure are in the key frontline services of health and education, which constitute approximately 52.3 per cent of General Government Sector expenses.

This chapter provides an overview of General Government Sector expenses for the forecast 2023–24 Budget year and projections for 2024–25 to 2026–27. The forward estimates are based on the economic projections outlined in Chapter 2.

5.1 2022–23 estimated actual

General Government Sector expenses in 2022–23 are estimated to total \$75.317 billion, 0.5 per cent above the 2022–23 Budget estimate, largely attributable to the timing of other operating expenses and grants expenses and higher depreciation costs following revaluations of infrastructure assets in 2021–22.

5.2 2023–24 Budget and outyears

Table 5.1General Government Sector expenses1

	2021–22 Outcome \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Employee expenses	28,068	30,279	32,175	32,825	33,864	34,930
Superannuation interest costs	377	775	721	665	621	587
Other superannuation expenses	3,387	3,733	4,188	4,302	4,419	4,523
Other operating expenses	18,228	20,287	22,969	21,615	21,781	22,411
Depreciation and amortisation	4,506	4,910	5,039	5,242	5,443	5,672
Other interest expenses	1,508	1,715	1,974	2,472	2,984	3,520
Grants expenses	13,817	13,618	17,195	14,845	13,542	13,570
Total Expenses	69,889	75,317	84,261	81,967	82,653	85,214

Note:

1. Numbers may not add due to rounding.

The 2023–24 Budget provides a substantial range of expense measures to address the cost-of-living pressures facing Queenslanders across the state. These measures provide critical and targeted cost-of-living relief for households, businesses and vulnerable Queenslanders.

In 2023–24, General Government Sector expenses are estimated to be \$84.261 billion, an expected increase of \$8.944 billion (or 11.9 per cent) over the estimated actual for 2022–23. This increase is due in large part to temporary factors including:

- \$1.483 billion in additional electricity bill support to households and small businesses facing cost-of-living pressures. All Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate. Eligible small businesses will also receive an automatic rebate of \$650 on their electricity bill in 2023–24
- significant \$1.7 billion in Disaster Recovery Funding Arrangement (DRFA) expenses in 2023–24, largely for the South East Queensland rainfall and flooding event in the summer of 2022
- costs associated with the most recent public sector wages offer including a Cost of Living Adjustment (COLA) payment for employees where inflation exceeds headline wage increases established in agreements
- energy initiatives under the *Queensland Energy and Jobs Plan* (QEJP) and community investment programs in regional Queensland, such as the Resources Community Infrastructure Fund.

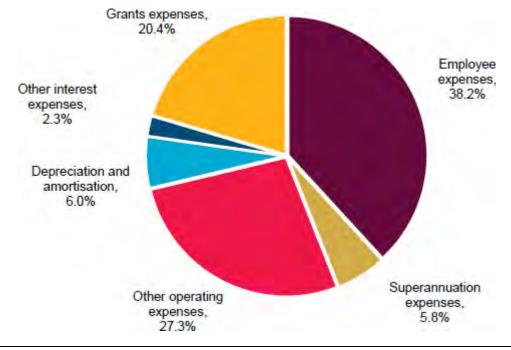


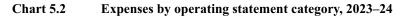
General Government Sector expenses are expected to decline by 2.7 per cent in 2024–25 as most of the cost-of-living measures are largely limited to addressing inflationary pressures within 2023–24.

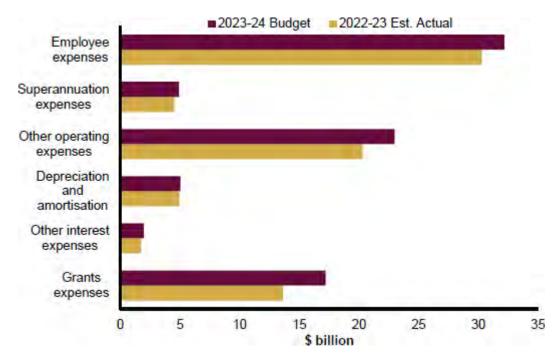
5.3 Expenses by operating statement category

As outlined in Chart 5.1, employee and superannuation expenses account for 44 per cent of the General Government Sector expenses. Other operating expenses (27.3 per cent) follows, reflecting non-labour costs of providing goods and services to government and non-government recipients including, for example, repairs and maintenance but also transport service contract payments to Queensland Rail, subsidies to households and payments to contractors.

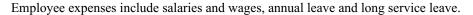
Chart 5.1 Expenses by operating statement category, 2023–24







5.3.1 Employee expenses



In 2023–24, employee expenses are expected to be \$32.175 billion, \$1.896 billion or 6.3 per cent higher than the 2022–23 estimated actual. This increase is due in part to the public sector wage offer and related cost-of-living payments to employees and growth of 1.86 per cent in full-time equivalent employees.

Employee expenses growth is expected to be lower in 2024–25, compared to 2023–24 partly as the cost-of-living payments to employees described below are not expected to be triggered post 2023–24.

Public sector wages policy

Queensland's public servants are dedicated to delivering essential services to Queenslanders. The majority of public sector certified agreements nominally expired during 2022 or will expire during 2023. The government has always promoted good faith bargaining and in a climate of escalating cost of living, it has established a public sector wages offer that includes the following elements:

• 3-year agreements with wage increases of 4 per cent in years one and two and 3 per cent in year three. This is higher than the previous 2.5 per cent in recognition of prevailing economic circumstances and maintains capacity for strong frontline service delivery

• a Cost of Living Adjustment (COLA) payment for employees where inflation exceeds headline wage increases established in agreements. Where the relevant Brisbane consumer price index (March quarter annual percentage change) is higher than the relevant wage increase under a certified agreement, eligible employees will receive a once-off COLA payment equivalent to the percentage point difference, applied to their base wages and capped at 3 per cent.

Full-time equivalents

The government is delivering on its commitment to revitalise frontline service delivery. This has contributed to full time equivalents (FTE) increasing by 44,900 FTE from 2014–15 to 2022–23.

As at March 2023, 91.1 per cent of public servants are engaged in frontline and frontline support roles, with 22,031 FTE in corporate service roles.

The government is also committed to ensuring that public service staff are located where there is demand. Around 46 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 4,666 (or 1.86 per cent) in 2023–24, driven principally by increases in Department of Youth Justice, Employment, Small Business and Training, Queensland Health and Queensland Police Service.

The Public Sector Commission publishes a bi-annual Queensland Public Sector Workforce Profile, which includes specific reporting of agencies listed in Table 5.2. The March 2023 workforce profile reports a total of 244,060 FTE for these agencies, an increase of 3,876 FTE since September 2022. The increase reflects growth of 3,190 FTE frontline and frontline support roles and 686 FTE non-frontline roles. It is noted that the reporting basis of the workforce profile reflects active FTE engaged at March 2023 while FTE levels reported in Table 5.2 reflect approved funded FTE positions for the financial year.

Table 5.2Funded Controlled FTE positions by Department1

	2022–23 Adjusted Budget ²	2022–23 Est. Act. ³	2023–24 Budget
Agriculture and Fisheries	2,108	2,118	2,120
Child Safety, Seniors and Disability Services ⁴	5,384	5,431	5,342
Education	76,774	76,726	77,160
Electoral Commission of Queensland	81	81	101
Energy and Public Works	2,303	2,317	2,576
Environment and Science ⁴	2,863	2,864	2,958
Housing ⁴	2,297	2,298	1,363
Justice and Attorney-General	3,792	3,806	4,075
Office of the Inspector-General Emergency Management	22	22	22
Premier and Cabinet	474	516	589
Public Service Commission	64	94	82
Queensland Audit Office	191	191	191
Queensland Corrective Services	6,606	6,663	7,249
Queensland Fire and Emergency Services	3,901	3,900	4,145
Queensland Health	105,686	105,686	106,743
Queensland Police Service	17,548	17,549	18,350
Queensland Treasury	1,302	1,301	1,426
Regional Development, Manufacturing and Water	602	676	714
Resources	1,425	1,427	1,442
State Development, Infrastructure, Local Government and Planning ⁴	974	1,020	1,047
The Public Trustee of Queensland	606	606	633
Tourism, Innovation and Sport	472	503	570
Transport and Main Roads	8,675	8,769	9,564
Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	1,903	1,907	679
Youth Justice, Employment, Small Business and Training ⁴	4,778	4,883	6,879
Total	250,831	251,354	256,020

Notes:

1. Departmental FTE can also be found in the Service Delivery Statements (SDS).

2. Adjusted Budget reflects movements of FTE following Machinery of Government (MOG) changes (except for agencies per note 4).

3. May be subject to finalisation of MOG change negotiations.

4. For these agencies, the 2022–23 Adjusted Budget and 2022–23 Estimated Actuals information disclosed is presented on a pre-MOG change basis.

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 plans.

Superannuation interest costs are dependent on the applicable discount rate at the beginning of the year. Following rate increases in 2021–22, superannuation interest costs are higher in 2022–23 before declining modestly in 2023–24 as forecast rates stabilise. 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).

Other superannuation expenses are forecast to increase in 2022–23 and 2023–24 due in part to the public sector wage offer and new superannuation contribution arrangements coming into effect from 1 July 2023.

The Queensland Government is simplifying its employer superannuation contribution arrangements to 18 per cent of salary for police officers, 14.25 per cent for fire service officers and 12.75 per cent of salary for other employees. Superannuation contributions will be paid on base salary, ordinary time allowances and paid leave. Contribution rates into defined benefit categories remain unchanged, with defined benefit members receiving top up payments into accumulation accounts to match the above rates.

5.3.3 Other operating expenses

Other operating expenses comprise the non-labour costs of providing goods and services including services to government and nongovernment organisations (NGO), repairs and maintenance, consultancies, contractors, electricity, communication 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 NGO indexation rate, on which this funding is calculated, was approved at 3.88 per cent in the 2022–23 Budget Update.

The government is considering a revision to the 2023–24 NGO indexation rate in light of the Fair Work Commission's Annual Wage Review decision on 2 June 2023 and higher forecast inflation in 2023–24.

Other operating expenses in 2023–24 are estimated to total \$22.969 billion, representing an increase of \$2.682 billion or 13.2 per cent, compared to the 2022–23 estimated actual.

The increase in other operating expenses can be attributed to:

- \$1.483 billion in additional electricity bill support to households and small businesses facing cost-of-living pressures. All Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate. Eligible small businesses will also receive an automatic rebate of \$650 on their electricity bill in 2023–24
- school education-related initiatives and additional funding under the National School Reform Agreement and associated Bilateral Agreement
- an increase in transport funding including higher Transport Service Contract payments to Queensland Rail
- further support for domestic and family and sexual violence services and expansion of a comprehensive youth justice reform agenda to target serious repeat offenders, support community safety and address the complex causes of youth crime
- offset by agency contributions towards new budget initiatives, totalling \$90 million in 2023-24.

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 such as hospitals and state schools.

Other interest expenses are estimated to increase \$259 million in 2023–24 to \$1.974 billion as borrowing with QTC increases to fund the expanded capital program.

Other interest expenses are estimated to be lower across all years of the forward estimates compared to the 2022–23 Budget Update due to the improved net cash flows from operating activities, mainly from the temporary uplift in royalty income in 2022–23.

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 non-state schools, businesses and households (including the Queensland First Home Owners' Grant) for capital purposes.



Table 5.3 provides a breakdown of grants by category and recipient type.

Table 5.3Grant expenses1

	2021–22 Outcome \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million
Current			
Grants to local government ²	1,581	450	755
Grants to private and not-for-profit organisations			
State funding for non-state schools	834	848	867
Australian Government funding for non-state schools	3,634	3,935	4,114
Other ³	2,009	2,783	3,679
Grants to other sectors of government			
Community service obligations to PNFCs	550	645	560
Other payments to PNFCs and PFCs	59	137	160
Other (includes payments to NDIA)	2,142	2,092	2,347
Other	878	405	386
Total current grants	11,686	11,295	12,868
Capital			
Grants to local government ⁴	1,262	1,498	2,111
State funding for non-state schools	118	123	127
Grants to private and not-for-profit organisations	326	444	1,295
Grants to PNFCs	41	43	411
Queensland First Home Owners' Grants	143	76	72
Other	240	139	311
Total capital grants	2,130	2,323	4,327
Total current and capital grants	13,817	13,618	17,195

Notes:

1. Numbers may not add due to rounding.

2. Current grants to local governments were higher in 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.

3. Other current grants to private and non-financial organisations include fuel subsidy payments as part of the joint program with the Australian Government to contain electricity price increases.

4. Capital grants to local governments increase in 2023–24 compared to 2022–23 in large part due to DRFA grants.

In 2023–24, grant expenses are estimated to total \$17.195 billion, \$3.577 billion higher than the 2022–23 estimated actual. The increase is mainly due to:

- lower Australian Government Financial Assistance Grants (FAGs) to local councils in 2022–23 with the Australian Government making the 2022–23 FAGs payments in the 2021–22 financial year
- implementation of a cap of \$125 per tonne on the price of coal used for electricity generation in Queensland. This program is part of the Energy Price Relief Plan agreed by National Cabinet in December 2022 and funded in partnership with the Australian Government
- higher Australian Government grants on-passed to non-government schools
- substantial reconstruction and resilience programs under the DRFA in partnership with the Australian Government, in the main for the 2022 flooding disaster events. Further details are discussed in Chapter 3
- additional funding for the Resources Community Infrastructure Fund
- introduction of 15 hours per week of free kindergarten from 1 January 2024 for all 4-year-old children
- · additional grant funding to support the delivery of social and affordable housing to address housing pressures
- provision for the transfer of non-financial assets to the PNFC sector.

Grants expenses are expected to decline in 2024–25 as some funding boosts conclude and the substantial DRFA program of work for the 2022 flood event draws closer to completion.

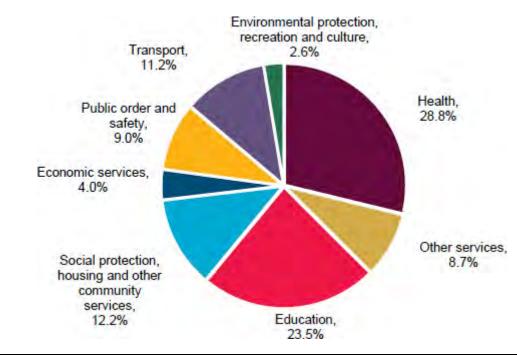
5.4 Operating expenses by purpose

Chart 5.3 indicates the proportion of expenditure by major purpose classification for the 2023–24 Budget. Health accounts for the largest share of expenses (28.8 per cent) followed by Education (23.5 per cent).

In 2023–24, the substantial Cost of Living Rebates to households and small businesses and additional funding to alleviate housing pressures increase the social protection, housing and other community services functions relative share of total General Government Sector expenses.

Similarly, disaster payments for local council road infrastructure under DRFA increase transport services and social protection, housing and other community services' respective share of expenses comparative to most other expenditure.





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6 Balance sheet and cash flows

Features

- The increase in revenue is providing capacity to reinvest in the economy and service capacity while still keeping General Government Sector borrowings lower in 2025–26.
- General Government Sector net debt at 30 June 2023 is forecast to be \$5.852 billion. This is less than half of what was expected at the time of the 2022–23 Budget.
- Net Debt in the General Government Sector is expected to be lower in every year of the forward estimates compared to estimates in the 2022–23 Budget.
- By 2025–26, Queensland's forecast net debt of \$37.648 billion is around one quarter of the latest available estimate of \$162.202 billion for Victoria (2023–24 Budget) and less than half of \$116.505 billion (latest estimate, 2022–23 Half-Yearly review) for New South Wales.
- Forecast borrowings for 2023–24 have been progressively revised down since the 2021–22 Budget, consistent with prudent management of revenue improvements from unusually high commodity prices.
- As the Queensland Government continues to support jobs and economic growth, borrowing will grow over the forward estimates but is still expected to be \$2.158 billion lower by 2025–26 than at the time of the 2022–23 Budget, and is expected to be \$9.542 billion lower by 2024–25 than at the time of the 2021–22 Budget.
- The capital program over the 4 years to 2026–27 totals \$89 billion. The profile of the capital program over the forward estimates includes public infrastructure investment in projects associated with the *Queensland Energy and Jobs Plan* (QEJP), delivering the health capacity expansion announced in the 2022–23 Budget, providing critical water infrastructure and preparing for the Brisbane 2032 Olympic and Paralympic Games.
- The Non-financial Public Sector (NFPS) capital program for the period 2023–24 to 2026–27 comprises \$76.905 billion of purchases of non-financial assets (PNFA), \$9.768 billion of capital grant expenses and acquisitions of non-financial assets under finance leases and similar arrangements of \$2.055 billion.
- Positive NFPS operating cash flows of \$48.118 billion are projected from 2022–23 to 2026–27. This will fund 53.2 per cent of the \$90.507 billion PNFA over the same period.
- The net worth of the state has increased in 2022–23 by over \$50 billion compared to the 2022–23 Budget estimates. The increase is due to the increase in the value of non-financial assets and investments, and improved operating position resulting in lower borrowings in 2022–23.

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 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 sheet¹

	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection § million	2026–27 Projection \$ million
Financial assets	76,000	79,580	84,347	87,778	91,246	94,751
Non-financial assets	261,316	297,064	304,312	314,265	322,951	331,199
Total assets	337,316	376,644	388,659	402,043	414,197	425,950
Borrowings	66,459	54,693	65,479	76,040	85,127	94,814
Advances	1,745	1,782	1,734	1,818	2,236	2,184
Superannuation liability	24,069	21,205	20,827	20,075	19,047	17,752
Other provisions and liabilities	28,790	29,753	29,845	30,209	30,521	30,120
Total liabilities	121,062	107,434	117,886	128,142	136,930	144,870
Net worth	216,254	269,210	270,774	273,900	277,266	281,080
Net financial worth	(45,062)	(27,853)	(33,538)	(40,365)	(45,685)	(50,119)
Net financial liabilities	67,517	52,570	61,953	73,129	81,905	89,603
Net debt	19,772	5,852	16,190	28,074	37,648	46,934

Note:

1. Numbers may not add due to rounding.

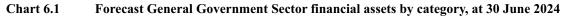
6.2.1 Financial assets

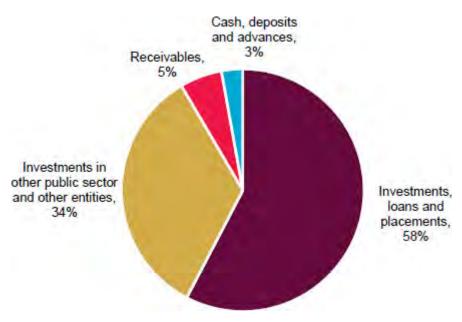
The major categories of financial assets are investments, loans and placements and investments in other public sector entities. Investments, loans and placements incorporate investments held to meet future liabilities, including superannuation and insurance, as well as investments relating to the Queensland 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 \$79.580 billion are estimated for 2022–23, \$3.580 billion higher than published in the 2022–23 Budget. Investments, loans and placements have increased by \$2.063 billion since the 2022–23 Budget, predominantly due to setting aside investments to support the Housing Investment Fund and Queensland's energy transformation, partly offset by market value adjustments. The investments set aside for delivering affordable and reliable energy for Queenslanders are budgeted to be largely drawn down and rolled out to GOCs as equity contributions over the forward estimates.

As the value of GOCs increases due to capital investment and revaluations, total financial assets are expected to increase by \$4.767 billion to \$84.347 billion by 30 June 2024. 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 reach \$94.751 billion by 30 June 2027.

Chart 6.1 shows forecast General Government Sector financial assets by category at 30 June 2024.





6.2.2 Non-financial assets

General Government Sector non-financial assets are estimated to be \$297.064 billion at 30 June 2023, \$35.748 billion higher than expected in the 2022–23 Budget.

Non-financial assets in 2023-24 are expected to increase by a further \$7.248 billion to be \$304.312 billion at 30 June 2024.

Total non-financial assets at 30 June 2024 consist primarily of land and other fixed assets of \$296.744 billion, the majority of which are roads, schools, hospitals and other infrastructure. Other non-financial assets of \$7.568 billion held by the state include prepayments and deferred income tax assets relating to GOCs.

General Government Sector capital expenditure for 2023–24 is forecast to be \$13.674 billion, which comprises \$9.347 billion of PNFA and \$4.327 billion of capital grant expenses. In addition, acquisitions of non-financial assets under finance leases and similar arrangements are forecast to be \$814 million, bringing the General Government Sector capital program for 2023–24 to \$14.488 billion.

Over the 4 years to 2026–27, General Government Sector capital expenditure is forecast to be \$53.838 billion, which comprises \$43.626 billion of PNFA and \$10.212 billion of capital grants expenses. Acquisitions of non-financial assets under finance leases and similar arrangements are forecast to be \$1.679 billion, bringing the total General Government Sector capital program over the period to \$55.517 billion.



Over the forward estimates, the government will invest in:

- transformative transport infrastructure, including additional train rollingstock, Gold Coast Light Rail, M1 highway upgrades and Cross River Rail
- construction of new schools
- critical infrastructure upgrades and construction, including the Woodford Youth Detention Centre, hospitals and social housing
- venue infrastructure for the Brisbane 2032 Olympic and Paralympic Games.

The finance leases and similar arrangements are mainly in relation to Public Private Partnerships (PPPs). PPPs total \$2.761 billion over the period 2022–23 to 2026–27 and includes the Tunnel, Stations and Development components of Cross River Rail and construction of Gold Coast Light Rail Stage 3.

Over the 4 years to 2026–27, the capital program for the Public Non-financial Corporations sector is forecast to be \$33.727 billion. This is \$20.286 billion more than the 2022–23 Budget capital program for this sector, mainly due to the roll-out of the QEJP, which will transform Queensland's energy system over the next 10 to 15 years to deliver clean, reliable and affordable power. Queensland's publicly-owned energy businesses are investing in new wind, solar, storage and transmission infrastructure. This includes up to 7 gigawatts of large-scale, long duration pumped hydro, a \$5 billion investment in CopperString 2032 connecting the North West Minerals Province to the national electricity grid, and a strong pipeline of renewable energy and storage projects.

The NFPS capital purchases for the 4 years from 2022–23 to 2025–26 have increased by \$19.489 billion since the 2022–23 Budget. Over this same period, the operating cash flows for the NFPS have increased by nearly \$13 billion. As a result, the increase in capital purchases is to be largely funded by operating cash flows.

Table 6.2 shows the increase in NFPS capital purchases since the 2022–23 Budget.

Table 6.2 Non-financial Public Sector – Capital Purchases¹

	2022–23 Budget \$ million	2023–24 Budget \$ million	Increase \$ million
Capital Purchases - 4 years to 2025–26			
General Government Sector	36,288	41,431	5,144
Public Non-financial Corporations Sector	13,164	27,607	14,443
Other adjustments		(98)	(98)
Total Non-financial Public Sector	49,451	68,940	19,489
Largely funded by operating cash flows			12,768

Note:

1. Numbers may not add due to rounding.

The current estimate of the capital program over the 4 years to 2026–27 is \$88.729 billion. The PNFA by the NFPS over this period are forecast to be \$76.905 billion. With capital grant expenses of \$9.768 billion, this brings total capital expenditure to \$86.673 billion. In addition to this, acquisitions of non-financial assets under finance leases and similar arrangements of \$2.055 billion bring the total capital program over the period to \$88.729 billion.

6.2.3 Liabilities

General Government Sector

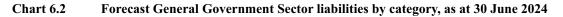
Total General Government Sector liabilities are estimated to be \$107.434 billion at 30 June 2023, a decrease of \$13.628 billion since 2022–23 Budget, predominantly due to lower-than-expected borrowings.

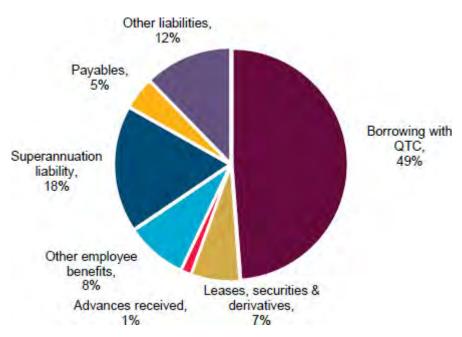
Total liabilities are expected to increase by \$10.452 billion in 2023–24 to be \$117.886 billion. General Government Sector borrowing with QTC will increase by \$10.480 billion in 2023–24, to be \$57.494 billion. This is \$8.921 billion lower than the 2022–23 Budget estimate for 2023–24 due to capital investment being partially funded by the uplift in revenue. General Government Sector borrowing with QTC is then forecast to grow over the forward estimates as the state invests in job-creating infrastructure projects and commits to delivering the QEJP through equity contributions to the PNFC sector.

By 2025–26, borrowing with QTC is expected to reach \$78.104 billion, \$2.518 billion lower than expected in the 2022–23 Budget. In 2026–27, total borrowing with QTC will increase by \$10.050 billion from 2025–26 to \$88.154 billion.

The defined benefit superannuation liability is projected to be \$21.205 billion at 30 June 2023, \$2.864 billion lower than expected in the 2022–23 Budget. This is predominantly due to a change in actuarial assumptions. By 30 June 2024 the superannuation liability is projected to be \$20.827 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 2024 is illustrated in Chart 6.2.





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 \$102.561 billion by 30 June 2023, \$8.225 billion lower than the 2022–23 Budget. Within the NFPS borrowing, derivative liabilities are estimated to be \$2.012 billion higher than expected in the 2022–23 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 pool prices reduce and electricity is delivered.

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 2022–23 is estimated to be \$5.852 billion, \$13.920 billion lower than expected in the 2022–23 Budget. The lower net debt is predominantly the result of improved operating cash flows in 2022–23, and lower net debt rolling forward from the 2021–22 outcome.

Net debt is lower in each year than estimated in the 2022–23 Budget and by 2025–26 is estimated to be \$1.566 billion lower than the 2022–23 Budget.

Chart 6.3 shows the net debt to revenue ratio in 2023-24 for the NFPS is lower than forecast at the time of the 2021-22 Budget.

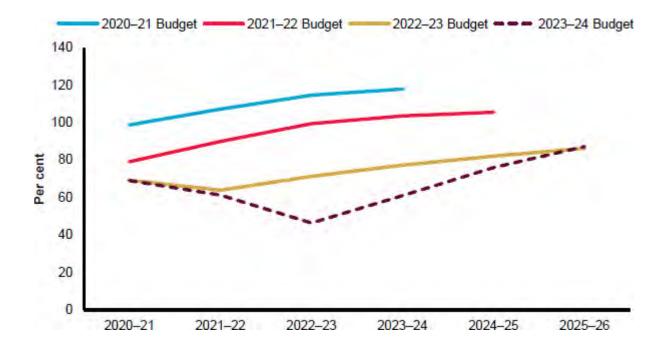


Chart 6.3 Ratio of non-financial public sector net debt to revenue

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 (e.g. accrued employee liabilities such as superannuation and long service leave entitlements).

The net financial liabilities of the General Government Sector for 2022–23 are estimated to be \$52.570 billion and are estimated to increase by \$9.383 billion by 30 June 2024. 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 \$249.624 billion at 30 June 2022. It is expected to increase to \$269.210 billion in 2022-23.

Net worth has increased in 2022–23 with the improved operating position and increases in the value of non-financial assets and investments in other public sector entities.

The net worth of the NFPS is projected to steadily grow over the forward estimates to be \$281.080 billion by 2026–27.

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 2022–23 is estimated to be \$7.717 billion, which is \$14.480 billion higher than the deficit forecast at the time of the 2022–23 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.

A cash deficit of \$7.010 billion is forecast for 2023–24. Net cash flows from operating activities increased over the forward estimates compared to 2023–24, 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 into the PNFC and Public Financial Corporations sector are the primary driver of net outflows of \$11.086 billion over the period from 2023–24 to 2026–27. These equity injections will support the QEJP and GOC infrastructure projects.

Net cash flows from investments in financial assets for liquidity purposes represent net investment in financial assets to, for example, cover liabilities such as superannuation and insurance, as well as deposits and withdrawals to or from the redraw facility with QTC and other specific investments.

Total General Government Sector PNFA of \$9.347 billion are budgeted for 2023–24. Over the period from 2023–24 to 2026–27, General Government Sector PNFA are expected to total \$43.626 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 functions under this framework is providing funding to states to deliver essential services and infrastructure, representing approximately 47.9 per cent of all Queensland's General Government revenue in 2023–24.
- It is estimated the Australian Government will provide the Queensland Government with \$39.300 billion in 2023–24 (\$3.175 billion more than in 2022–23), comprising:
 - \$18.613 billion¹ in payments for specific purposes (\$1.471 billion more than 2022–23)
 - \$1.210 billion in other Australian Government grants, including payments direct to Queensland Government agencies for Australian Government own-purpose expenditure (\$623 million more than 2022–23)
 - \$19.477 billion in payments for general purposes (\$1.080 billion more than 2022–23). Further detail is provided in Chapter 4.
- Payments for specific purposes to Queensland in 2023–24 include:
 - \$6.509 billion for Quality Schools funding²
 - \$6.503 billion for National Health Reform funding
 - \$4.903 billion for National Partnership payments (including the Infrastructure Investment Program, Disaster Recovery Funding Arrangements (DRFA), National Energy Bill Relief, the South East Queensland City Deal and the Brisbane 2032 Olympic and Paralympic Games)
 - \$356 million for National Housing and Homelessness funding
 - \$343 million for National Skills and Workforce Development funding.
- National Partnership payments to Queensland will increase in 2023–24 primarily due to: large Disaster Recovery Funding Arrangements (DRFA) payments relating to the 2021–22 floods, funding to support projects in the South East Queensland City Deal and funding to support the delivery of targeted energy bill assistance to eligible households and small businesses in Queensland.
- The Queensland Government provides considerable assistance to local governments, recognising the important services they provide to the community, and will provide a total of \$2.866 billion to local governments in 2023–24.

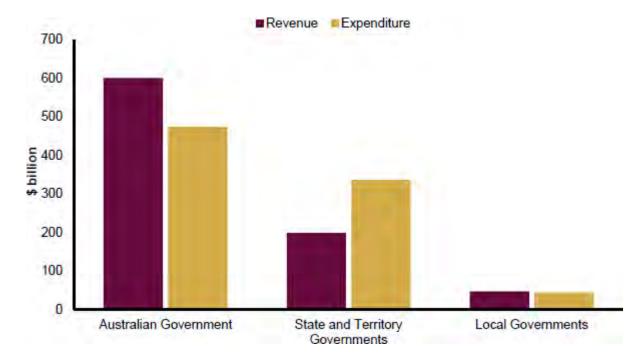
¹ Total payments for specific purposes may not add due to rounding.

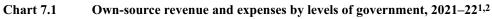
² Quality Schools funding includes payments for government schools (exclusive of GST) and non-government schools (inclusive of GST).

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 and territories' (states) ability to raise revenue is less than required to meet their service delivery and infrastructure responsibilities. This vertical fiscal imbalance (VFI) is addressed through a system of intergovernmental payments from the Australian Government to the states.

In 2021–22, the Australian Government collected 71 per cent of government revenue nationally, while states collected 23.5 per cent, with local governments responsible for the balance $(5.6 \text{ per cent})^1$. Chart 7.1 illustrates the revenue and expense disparity between the different levels of government.





Notes:

- 1. Revenue calculated as total revenue minus grant revenue.
- 2. Expenses calculated as total expenses minus grant expenses.

Source: ABS Government Finance Statistics.

¹ ABS Government Finance Statistics.

To address VFI, the Australian Government makes 2 types of payments:

- 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 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.

As part of the national governance arrangements, the Council on Federal Financial Relations (CFFR; Chaired by the Australian Treasurer and comprising all state Treasurers) oversees national agreements and transfers between the Australian Government and states.

States have also formed the Board of Treasurers (the Board) to collaborate on common issues, advance national reform priorities from state and territory perspectives, and promote united agenda setting in federal affairs. The Board is chaired by a state Treasurer on a rotational basis for a calendar year — Queensland is the Chair in 2023.

The Board focuses on key community issues such as health and housing. This includes the implementation of the National Housing Accord which supports outcomes from the Queensland Housing Summit.

The remainder of this chapter focuses on payments for specific purposes. Detail on GST revenue is provided in Chapter 4.

Box 7.1 The four major funding agreements

Queensland Government is committed to working collaboratively with the Australian Government towards sustainable, long-term funding arrangements that give states the flexibility to deliver services and infrastructure that are responsive to the local context.

Queensland Government is currently negotiating multiple agreements with the Australian Government, including the National Health Reform Agreement, National School Reform Agreement, National Skills Agreement and the National Housing and Homelessness Agreement. Combined, these 4 agreements account for \$13.710 billion of the \$18.613 billion (73.7 per cent) Queensland will receive in 2023–24 in specific purposes funding.

Health

The 2020–25 Addendum to the National Health Reform Agreement (NHRA) — an agreement between the Australian Government and the states to improve health outcomes for all Australians and ensure a sustainable health system — will expire on 30 June 2025.

The mid-term review of the NHRA has commenced and is due to be delivered to Health Ministers by the end of 2023. The review will consider whether the current NHRA funding arrangements are fit-for-purpose given emerging priorities, such as the need for better integrated care and improving interfaces between the health and primary care, mental health, aged care and disability sectors.

The Queensland Government is providing input to the review ahead of renegotiations of the next NHRA, which is due to commence from 1 July 2025. The Queensland Government seeks funding flexibility to deliver best outcomes and will work with the Australian Government to address short-term funding issues and embed long-term fiscal sustainability in the Queensland and national health systems.

Education

The National School Reform Agreement (NSRA) — an agreement between the Australian Government and the states to lift student outcomes across Australian schools — will expire at the end of 2023.

In December 2022, Education Ministers agreed to establish an expert panel to undertake a review to inform the development of the next NSRA, with the final report to be delivered to Education Ministers by 31 October 2023. To provide time for this work, it is proposed the current NSRA will be extended for 12 months to 31 December 2024.

The Queensland Government will work with the Australian Government to ensure a well-resourced school system that enables better learning and wellbeing outcomes for all Queensland school students.

Housing

The National Housing and Homeless Agreement (NHHA) — the key agreement that defines roles in funding and provides housing and homelessness services — is supported by bilateral schedules that expire on 30 June 2023. The Australian and Queensland governments have agreed in-principle to extend the existing NHHA bilateral schedule by 12 months to 30 June 2024 while long-term funding arrangements are being considered.

The Queensland Government seeks to secure long-term future funding arrangements that account for the pressures on the state's housing market, in the context of the recommendations from the Productivity Commission's study report on the NHHA — *In Need of Repair: The National Housing and Homeless Agreement* — the National Housing Accord, and the National Housing and Homelessness Plan.

Skills

The Queensland Government is currently negotiating a long-term National Skills Agreement (NSA) with the Australian Government to replace the existing National Agreement for Skills and Workforce Development following the Productivity Commission's review in 2019.

Through this process, the Queensland Government is focused on ensuring Queenslanders can access high quality and relevant training and skills required to support the ongoing growth and resilience of the Queensland economy and prepare us for the future.



7.2 Australian Government funding to all states and territories

In the 2023–24 Federal Budget Paper No.3: Federal Financial Relations, the Australian Government estimates it will provide funding of \$179.863 billion in 2023–24 across all states, which is \$11.039 billion (or 6.5 per cent) more than in 2022–23, comprising:

- \$91.536 billion in payments as shares of general revenue assistance (i.e. GST revenue) (\$5.078 billion more than in 2022–23)
- \$87.393 billion in payments for specific purposes (\$6.590 billion more than in 2022–23) including:
 - \$28.535 billion in National Health Reform funding
 - \$28.288 billion in Quality Schools funding
 - \$1.707 billion in National Housing and Homelessness funding
 - \$1.670 billion in National Skills and Workforce Development funding
 - \$1.110 billion in National Energy Bill Relief
 - \$26.083 billion in National Partnership payments (e.g. Infrastructure Investment Program, National Water Grid Fund, DisabilityCare Australia Fund and Preschool Reform Agreement).
- \$934.3 million in other payments to states, including:
 - \$890.3 million for certain royalty payments to Western Australia
 - \$44.0 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 or other financial or in-kind contributions. This reduces budget flexibility for states, particularly in cases where it is not a Queensland Government priority or where the Australian Government dictates specific conditions related to the funding.

Box 7.2 Australian Government Independent Strategic Review of the Infrastructure Investment Program

The Australian Government commenced an Independent Strategic Review of its Infrastructure Investment Program (the review) in May 2023, to be completed within 90 days. The purpose is to deliver a pipeline of land transport infrastructure that is sustainable, aligned to market capacity and comprised of nationally significant projects.

While the review is conducted, the Australian Government has deferred decisions on future infrastructure investment for projects within the scope of the review.

The Queensland Government will continue to advocate for the state's fair share of the national program through this process. This must reflect Queensland's status as the state with the fastest growing population — the Queensland Government will seek to ensure Queensland will not be worse off and that the Australian Government maintains its current level of funding for the transport corridors that connect the state's dispersed population centres and other priority locations.

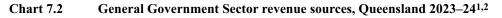
The Queensland Government would expect that priority transport infrastructure projects, including those that support delivery of the Brisbane 2032 Olympic and Paralympic Games, will be considered separately from any deferral arrangements as part of the review.

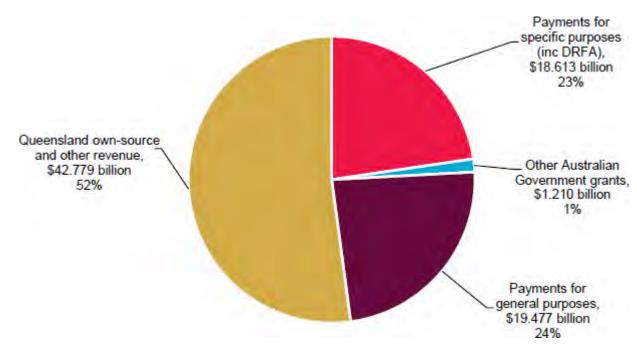
7.3 Australian Government funding to Queensland

It is estimated the Australian Government will provide the Queensland Government with \$39.300 billion in 2023–24 (\$3.175 billion more than in 2022–23).

Australian Government funding is estimated to account for 47.9 per cent of Queensland's total General Government Sector revenue sources in 2023–24 (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.





Notes:

- 1. Queensland own-source and other revenue figure includes taxation revenue, sales of goods and services, royalties and land rents.
- Queensland Treasury estimates. Other Australian Government grants include payments direct to Queensland Government agencies for Australian Government own-purpose expenditure.

Sources: 2023–24 Federal Budget Paper No. 3 and Queensland Treasury estimates.

7.4 Payments to Queensland for specific purposes

In 2023–24, Queensland expects to receive \$18.613 billion¹ in payments for specific purposes, \$1.471 billion (8.6 per cent) more than in 2022–23.

Payments for specific purposes comprise funding for National Health Reform, Quality Schools, National Housing and Homelessness, the Skills and Workforce Development National SPP and NP payments.

¹ Queensland Treasury estimates.

Table 7.1Estimated payments of Australian Government grants1

	2021–22 Actual <u>\$ million</u>	2022–23 Est. Act. § million	2023–24 Budget \$ million
Payments for specific purposes			
Skills and Workforce Development funding	321	330	343
National Health Reform funding ²	6,505	6,232	6,503
Quality Schools funding ³	5,793	6,219	6,509
National Housing and Homelessness funding	335	343	356
National Partnership payments (incl. DRFA)	3,663	4,019	4,903
Total payments for specific purposes	16,617	17,142	18,613
Other Australian Government grants ⁴	1,082	587	1,210
Total payments for specific purposes and other Australian Government grants	17,699	17,729	19,824

Notes:

- 1. Numbers may not add due to rounding.
- 2. Includes funding for the COVID-19 public health response of \$894.6 million in 2021–22 and \$192.7 million in 2022–23. The National Partnership on COVID-19 Response expired on 31 December 2022, with the Australian Government minimum funding guarantee ending 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: 2023–24 Federal Budget Paper No. 3 and Queensland Treasury estimates.

In 2023–24, National Health Reform funding, which accounts for 34.9 per cent of the total payments for specific purposes, is estimated to increase by \$271 million (4.4 per cent) from 2022–23. The small increase in 2023–24 is due to the unwinding of COVID-19 public health response funding. If the impact of the COVID-19 health response funding is removed, National Health Reform funding is expected to increase by \$464 million (7.7 per cent) from 2022–23.

Queensland Government projections of National Health Reform funding differ from the projections contained in the 2023–24 Federal Budget as Australian Government projections represent cash payments made in the financial year (rather than the entitlement amount for the financial year) and include adjustments for services delivered in prior years. Actual National Health Reform payments vary from estimates provided in budget papers as they are based on actual public hospital activity delivered each year.

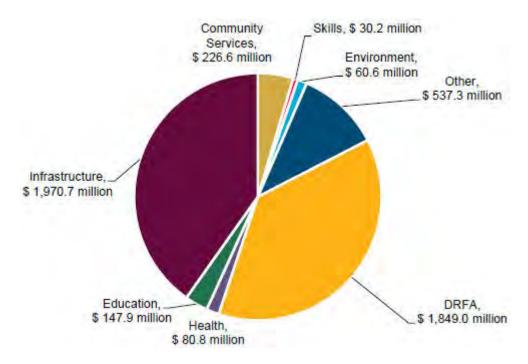
Quality Schools funding, which accounts for 35 per cent of the total payments for specific purposes, is estimated to increase by \$290 million (4.7 per cent) to \$6.509 billion in 2023–24.

National Housing and Homelessness funding is estimated to increase by \$13 million (3.8 per cent) in 2023–24, which comprises indexation and a temporary funding boost to address the homelessness challenges revealed in the 2021 Census.

Skills and Workforce Development funding is expected to increase by \$13 million (3.9 per cent) in 2023–24 compared to 2022–23. Given the priority to grow a skilled and highly productive workforce in a tight labour market, the Australian, 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) account for 26.3 per cent of the total payments for specific purposes in 2023–24. It is estimated to increase by \$885 million (22 per cent) from 2022–23 to 2023–24. A significant proportion of NP payments in 2023–24 is allocated to DRFA, infrastructure and other (refer to Chart 7.3).

Chart 7.3 National Partnership Payments by sector, 2023–241



Note:

1. Excludes Australian Government funding to local government and payments direct to Queensland Government agencies for Australian Government own-purpose expenditure.

Sources: 2023–24 Federal Budget Paper No. 3 and Queensland Treasury estimates.

The increase in NP payments between 2022–23 and 2023–24 is mainly due to:

- large DRFA payments in 2023–24 relating to the 2021–22 flood events
- new Australian Government funding from 2023–24 to support projects in the South East Queensland City Deal
- new Australian Government funding from 2023–24 to support the delivery of targeted energy bill assistance to eligible households and small businesses in Queensland.

Other Australian Government grants include payments direct to Queensland Government agencies for Australian Government ownpurpose expenditure.

In 2023–24, Queensland expects to receive \$1.210 billion in other Australian Government grants, \$623 million (106.2 per cent) more than in 2022–23. The significant increase 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 (including DRFA payments) are expected to increase modestly, with average growth of approximately 1.5 per cent between 2023–24 and 2026–27. If the impact of DRFA payments is removed, the average growth of total payments for specific purposes is expected to be 5.1 per cent between 2023–24 and 2026–27.

National Health Reform funding is expected to grow by an average of 6.5 per cent over the forward estimates. 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. Current estimates are based on this methodology.

Growth in Quality Schools funding for Queensland is expected to average 3.4 per cent between 2023–24 and 2026–27 in line with enrolment changes, increased funding per student and legislated Commonwealth funding shares. Queensland is expecting to receive \$10.111 billion for state schools and \$17.342 billion (including GST) for non-government schools from 2023–24 to 2026–27.

Growth in NP payments (excluding DRFA) for Queensland are expected to average 6.2 per cent between 2023–24 and 2026–27. The increase is mainly due to:

- \$1.076 billion over the forward estimates from 2023–24 to support venue infrastructure for the Brisbane 2032 Olympic and Paralympic Games
- \$390.7 million over the forward estimates from 2023–24 to support projects in the South East Queensland City Deal, in addition to other related funding arrangements
- \$328.5 million estimated from 2023–24 to 2024–25 to support the delivery of targeted energy bill assistance to eligible households and small businesses in Queensland
- \$285 million over the forward estimates from 2022–23 to support the establishment of a Queensland Cancer Centre in Brisbane.

DRFA payments of \$3.356 billion are estimated from 2022–23 to 2024–25. These mainly reflect Australian Government funding for eligible expenditure under DRFA for the 2021–22 Queensland disaster season, including significant flood events.

7.4.2 Expiring agreements

Under the Intergovernmental Agreement on Federal Financial Relations, the Australian Government provides time-limited funding to states 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.

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 26 agreements¹ expected to expire in 2022–23. At the 2023–24 Federal Budget, the Australian Government allocated funding beyond 2022–23 for 14 expiring agreements, including the following key agreements:

- National School Chaplaincy Program replaced by the National Student Wellbeing Program with funding from 2022–23 to 2026–27
- Public Dental Services for Adults funding extended to 2024–25
- Family, Domestic and Sexual Violence Responses national funding allocated over two years from 2023–24 to extend the agreement, with state allocations yet to be finalised
- Wet Tropics of Queensland and Tasmanian Wilderness World Heritage Areas funding extended to 2027–28
- World Heritage Management funding extended to 2027–28
- Lansdown Eco-Industrial Precinct additional funding committed to 2024–25
- Port of Townsville Channel Capacity Upgrade funding reprofiled to 2024-25 to reflect updated project completion date
- HomeBuilder extension announced.

The 2023–24 Federal Budget did not allocate funding beyond 2022–23 for 5 expiring funding agreements:

• Operation of Hummingbird House

1

- Japanese Encephalitis Virus Mitigation through Mosquito Surveillance and Control
- Recreational Fishing and Camping Facilities Program
- Improve NDIS Participant Transition in Queensland
- Stimulating South Queensland Sheep Production Building Strategic Alliance in southwest Lamb Supply Chains (Paroo Sheep Meat Value Chain Hub).

A funding extension or renewal was not sought for the remaining 7 expiring agreements due to the short-term nature of the program or completion of the project. These include temporary funding provided for JobTrainer, COVID-19 World and National Heritage projects, implementation of the Australian Fire Danger rating system and the joint national Japanese encephalitis response program (agricultural industries).

Includes any expiring schedules to Federation Funding Agreements.

7.5 State–local government financial relations

The Queensland Government allocates considerable funding in the 2023–24 Queensland Budget to support local governments across the state. This recognises the critical role local governments play in supporting their local communities.

In 2023–24, the Queensland Government will provide a total of \$2.866 billion in grants to local governments.

This includes recurrent 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.

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 2026–27)
Works for Queensland	Supports local governments in regional areas to undertake job creating maintenance and minor infrastructure works.	\$1 billion
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 ¹
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.	\$200 million
Unite and Recover Community Stimulus Package	Supports South East Queensland 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 ¹
Transport Infrastructure Development Scheme	Provides targeted investment in regional local government transport infrastructure.	\$846 million ²
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.	\$347.9 million ²
Coastal Hazard Adaptation Program – QCoast2100	Assists coastal local governments to prepare plans and strategies for addressing the impact of climate change.	\$20.2 million
Queensland Water Regional Alliances Program	Assists regional councils to collaborate and improve the efficiency and administration of water infrastructure.	\$14.2 million

Notes:

1. These programs are stimulus measures in response to the COVID-19 pandemic and are scheduled to cease following 2023–24.

2. Funding is ongoing. Figure is based on current projections.

In addition to the above grant programs, the Queensland Reconstruction Authority (QRA) administers funding available under 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 Queensland Government administers significant funding to local governments (more than \$1.259 billion expected in 2023–24), 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.

QRA also administers several resilience programs of the Queensland and Australian Governments to support disaster mitigation projects and build resilience to natural disasters. These programs include the Queensland Resilience and Risk Reduction Fund, the North Queensland Natural Disasters Mitigation Program, and the National Flood Mitigation Infrastructure Program.

The Queensland Government also understands there are added challenges and disadvantages faced by Indigenous councils to ensure their communities have access to essential services and critical infrastructure, including low populations, remoteness and dispersion. To help address these challenges, the Queensland Government has allocated substantial operating funding to specifically support Indigenous councils and their communities.

The Indigenous Council Funding Program will replace the State Government Financial Aid, the Indigenous Economic Development Grant and the Revenue Replacement Program. Funding from the replaced programs will be combined into a single grant which will continue to support Indigenous Councils to service their communities and deliver critical infrastructure. This will simplify and improve the way State funding is provided to Indigenous Councils.

The 2023–24 Budget commits \$25.8 million in 2023–24 in addition to existing funding for the Indigenous Council Funding Program.

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 2026–27)
Indigenous Council Funding Program ¹	Assists Indigenous councils to address	\$208 million
	financial sustainability and capacity issues.	
Indigenous Councils Critical Infrastructure	Contributes to the cost of water, wastewater	\$120 million
Program	and solid waste infrastructure in Indigenous communities.	
Indigenous Economic Development Grant ²	Contributes funding towards service positions to support permanent jobs that deliver local government services.	\$11.5 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
Revenue Replacement Program ²	Provides funding to assist Indigenous councils that have divested or surrendered profitable liquor licenses.	\$28.2 million
State Government Financial Aid ²	A financial contribution (in lieu of rates) to meet the costs incurred by Indigenous councils in the provision of local government services.	\$265.7 million
Indigenous Local Government Sustainability Program (2016–18)	Assisted Indigenous councils to increase their capacity, capability and sustainability.	\$7.7 million

Notes:

1. This is a new program, replacing the Indigenous Economic Development Grant, Revenue Replacement Program and State Government Financial Aid (total funding reflects 2023–24 to 2026–27).

2. This program will cease from 1 July 2023 and funding will be allocated through the new Indigenous Council Funding Program (total funding reflects 2015–16 to 2022–23).

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, and port services.
- The Queensland Government has a strong commitment to maintaining public ownership of its 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 \$3.829 billion in 2023–24, a \$1.482 billion increase from 2022–23. Sector-wide earnings over the forward estimates reflect the improved performance of the electricity sector.
- The 2023–24 Budget includes a landmark capital investment of around \$19 billion over the forward estimates to deliver on the *Queensland Energy and Jobs Plan* (QEJP). The government's publicly-owned energy businesses are leading Queensland's energy transformation, investing in new wind, solar, storage and transmission, supported by the \$4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund.
- As a cornerstone of the QEJP, the newly established Queensland Hydro will deliver up to 7 gigawatts (GW) of large-scale, longduration pumped hydro. The government is also investing \$5 billion in CopperString 2032, a 1,100-kilometre transmission line from Townsville to Mount Isa, and delivering a strong pipeline of renewable energy and storage projects.
- Increased borrowings over the forward estimates primarily reflect capital requirements to deliver the QEJP and investments to support water security. Key projects in the water sector include the Fitzroy to Gladstone Pipeline, Rookwood Weir, Mount Crosby Flood Resilience Program, Toowoomba to Warwick Pipeline, and South West Pipeline.
- Major transport sector projects continuing in 2023–24 include the Channel Capacity Upgrade at the Port of Townsville, expansion of the Cairns Marine Precinct, and a range of rail infrastructure projects to support the transformation of the Citytrain network.
- In 2022–23, PNFC Sector dividends are expected to be \$511 million, or \$304 million lower than forecast at the 2022–23 Budget, largely due to movements in the value of electricity hedging contracts. Returns from the PNFC Sector contribute to consolidated revenue and are used to pay for various government services, including investment into critical infrastructure delivered by PNFC Sector entities.
- The 2023–24 Budget delivers \$1.483 billion in 2023–24 for additional electricity bill support to households and small businesses facing cost-of-living pressures. As part of this package, all Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate.

- Including the \$550 Cost of Living Rebate in 2023–24, the government will have provided all Queensland households with a total of \$1,125 in electricity rebates since 2018.
- These payments complement the government's longstanding commitment under the Uniform Tariff Policy that all Queenslanders pay a similar price for electricity no matter where they live. To support the Uniform Tariff Policy, the government provides an annual Community Service Obligation payment, costing \$537 million in 2023–24.
- The new progressive coal royalty rates announced in the 2022–23 Budget ensure that Queenslanders receive a fair return on the state's valuable natural resources. The government is funding productivity-enhancing investments across regional Queensland, with \$10 billion for PNFC Sector infrastructure projects supported by coal royalties in the energy, water, and ports sectors.

8.1 Context

Entities comprising the PNFC Sector provide vital services such as electricity supply and distribution, water supply, rail, and port services.

Queensland government owned corporations (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 Queensland Hydro and Stadiums Queensland).

GOCs are accountable for their financial performance and must operate commercially and efficiently. These requirements are legislated under the GOC Act with similar provisions made in the enabling legislation of Queensland Rail and Seqwater. Entities incur costs and bear commercial risks in the delivery of their services or products, and target 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, including investment into critical infrastructure delivered by PNFC Sector entities.

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 for most customers 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 has a strong ongoing commitment to maintain public ownership of the entities in the PNFC Sector. Public ownership of electricity, port, rail, and water infrastructure provides the Queensland Government with opportunities to support strategic investment in a growing economy and achieve better outcomes for all Queenslanders.

Box 8.1 Reinvesting in the regions

The new progressive coal royalty rates announced in the 2022–23 Budget ensure that Queenslanders receive a fair return on this valuable natural resource. The uplift in royalties has allowed the Queensland Government to invest more than \$16 billion towards economic and social infrastructure and essential services to meet the needs of Queenslanders across all regions of the state. Box 4.7 provides further detail.

In the 2022–23 Budget Update, the government committed to utilise the uplift in royalty revenue to fund \$4 billion in productivityenhancing investments across regional Queensland. This will support investments across energy, water, and ports sectors for projects which will underpin Queensland's future economic prosperity.

In this Budget, the government is providing an additional \$6 billion in funding for the Borumba Pumped Hydro Energy Storage project. This brings the Government's total commitment to \$10 billion for relevant regional PNFC sector infrastructure projects funded by the general government sector equity injections supported by coal royalties, and includes:

- \$1.06 billion towards CopperString 2032, which will support the construction of the 1,100-kilometre transmission line from Townsville to Mount Isa, connecting Queensland's North West Minerals Province to the national electricity grid
- \$7 billion towards state-owned, large-scale, long-duration pumped hydro, including \$6 billion for the Borumba project over the construction period and \$1 billion for the Pioneer-Burdekin project
- \$550 million towards the Fitzroy to Gladstone Pipeline, enabling long term water security in the region
- \$500 million for CleanCo to support a 2.3 GW portfolio of wind and solar projects in Central Queensland
- \$440 million towards Sunwater's Burdekin Falls Dam Improvement and Raising Project, improving and raising the dam by two metres to further support water security, noting this is on top of the existing \$100 million commitment towards the project
- \$300 million for CS Energy to pursue investments in new wind projects and energy firming options to support future industrial decarbonisation in Central Queensland
- \$100 million for Gladstone Port Corporation's Northern Land Expansion project, subject to approvals, supporting the release of additional land at Gladstone Port and the development of renewable energy and other industries

• \$50 million for the replacement of North Queensland Bulk Ports' Bowen Wharf, with the plans, designs, and approvals subject to further consultation with stakeholders.

Table 8.1Key financial aggregates1

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Revenue	15,951	13,589	15,835	15,746	15,578	16,539	17,816
Expenses	14,888	12,389	14,887	15,116	14,951	15,541	16,499
Net Operating Balance	1,062	1,199	948	630	626	998	1,317
PNFA ²	3,134	3,334	4,489	5,849	8,735	8,534	10,233
Assets	91,338	74,953	80,459	82,492	88,371	94,694	102,088
Borrowings	59,495	44,334	47,875	45,166	46,120	48,664	52,207

Notes:

1. Numbers may not add due to rounding.

2. PNFA: Purchases of non-financial assets.

8.1.1 Electricity networks

The government owns two electricity network businesses, Powerlink Queensland and Energy Queensland Limited, which are responsible for transporting safe, reliable electricity to consumers across the state.

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.

Powerlink

Powerlink owns, develops, operates, and maintains the electricity transmission network in Queensland. Its network spans approximately 1,700km from north of Cairns to the New South Wales border and comprises 15,345km 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.

Powerlink took carriage of the CopperString 2032 project in March this year, with early works expected to commence later in 2023, and construction in 2024. Under the QEJP, Powerlink is also progressing investments to deliver the Queensland SuperGrid and renewable energy zones.

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 has several 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 provides 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.

Box 8.2 CopperString 2032

The Queensland Government is investing \$5 billion in CopperString 2032, a 1,100-kilometre transmission line from Townsville to Mount Isa that will connect Queensland's North West Minerals Province to the national electricity grid.

This project will unlock one of Australia's largest renewable energy zones and potentially more than \$500 billion in new critical minerals in North Queensland. To be delivered by Powerlink, CopperString 2032 will connect vast renewable wind and solar resources with critical minerals mining and processing that can be used to make batteries and renewables.

CopperString 2032 is one of the most significant investments in economic infrastructure ever seen in North Queensland and has the potential to support around 800 direct jobs over its 6-year construction period (to 2029), and thousands more in critical minerals mining and renewable energy industries. Early works are expected to start later in 2023 and construction in 2024.

In the 2023–24 Budget, \$1.06 billion has been allocated towards CopperString 2032, made available from the progressive coal royalties introduced at the 2022–23 Budget.

This project is being delivered as part of the QEJP, a pathway to transition Queensland to clean, reliable and affordable power.

8.1.2 Electricity generation

Queensland has three electricity generation GOCs – CleanCo, CS Energy and Stanwell. To date, these GOCs have committed to own or offtake over 2.4 GW of new renewable generation, 850 megawatts (MW) of new large-scale batteries, and are progressing a range of additional investment opportunities.

Public ownership of generation assets positions Queensland to transform the state's energy system and deliver the government's decarbonisation objectives -50 per cent renewables by 2030, 70 per cent by 2032, and 80 per cent by 2035 - and reach net zero emissions by 2050.

CleanCo

CleanCo owns and operates a portfolio of low and no emissions generation assets. In addition to its foundation portfolio, CleanCo is on track to meet its commitment to deliver at least 1,400 MW of new renewable energy by 2025. This is being achieved through power agreements with wind and solar farms in the Darling Downs, Western Downs, and Far North Queensland, and to build, own and operate Swanbank Battery.

CleanCo is continuing to grow its renewable project pipeline, working with partners to develop a publicly owned and operated renewable project portfolio of up to 2.3 GW in Central Queensland. CleanCo is also supporting the sustainable energy goals of major commercial customers, including BHP and Coles, by entering long-term agreements to supply firmed renewable energy.

CS Energy

CS Energy is a major supplier of electricity across Queensland, with an energy portfolio of around 3,500 MW, including the wholly-owned Callide B and Kogan Creek Power Stations and a 50 per cent interest in the Callide C Power Station. 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.

In line with the QEJP, CS Energy is diversifying its portfolio as it invests in renewable generation, storage and gas-peaking capacity, and hydrogen development. CS Energy's investments in projects such as the 200 MW Greenbank Battery, Brigalow hydrogen-ready gas peaking plant at Kogan Creek, wind farms in Central Queensland, and the Kogan Renewable Hydrogen Project near Chinchilla, are all being supported by the Queensland Renewable Energy and Hydrogen Jobs Fund.

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.

Stanwell

Stanwell is a major supplier of electricity across Queensland, with an energy portfolio of around 3,300 MW from its three coal-fired power stations in Queensland. Stanwell also sells electricity directly to large commercial and industrial customers in Queensland and interstate.

Stanwell is advancing a pipeline of new energy projects across Queensland, focusing on renewable generation, storage, and hydrogen. Stanwell has entered energy offtake agreements with several renewable projects, including the Mount Hopeful and Clarke Creek Wind Farms in Central Queensland, and the Blue Grass Solar Farm and MacIntyre Wind Farms in Southern Queensland.

In 2023–24, Stanwell will be supported by the Queensland Renewable Energy and Hydrogen Jobs Fund to continue the development of the Wambo Wind Farm in partnership with global renewables developer, Cubico Sustainable Investments, progress the Tarong West Wind Farm, and also undertake a Front End Engineering Design Study of the Central Queensland Hydrogen Project near Gladstone, with a consortium of partners.

Box 8.3 Queensland Energy and Jobs Plan

The *Queensland Energy and Jobs Plan* outlines the state's pathway to transform the energy system over the next 10 to 15 years to deliver clean, reliable, and affordable power, creating a platform for strong economic growth and continued investment.

The QEJP charts an ambitious infrastructure investment pathway to 2035, including two large-scale pumped hydros in regional Queensland, 22 GW of new renewable energy, and major new transmission lines across the state which will form Queensland's SuperGrid.

In total, the 2023–24 Budget includes a landmark capital investment of around \$19 billion across the forward estimates to support the *Queensland Energy and Jobs Plan*.

The government's publicly-owned energy businesses are leading Queensland's energy transformation, investing in new wind, solar, storage and transmission, supported by the \$4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund. To date, \$2.7 billion has been allocated from the Fund, including:

- \$192.5 million for Stanwell's 252 MW Wambo Wind Farm near Dalby, \$776.1 million for Stanwell's 500 MW Tarong West Wind Farm near Kingaroy, and \$563.5 million for CS Energy's wind investments in Central Queensland
- \$330 million for CleanCo's Swanbank Battery and \$218 million for CS Energy's Greenbank Battery, and a \$500 million allocation to large-scale and community batteries under Action 1.3 of the *Queensland Energy and Jobs Plan*
- \$85.5 million for CS Energy's Brigalow Hydrogen-ready Gas Peaking Plant
- \$28.9 million for CS Energy's Kogan Renewable Hydrogen Project and \$15 million for Stanwell's Central Queensland Hydrogen Project Front End Engineering Design Study.

Through coal royalties, the government has also allocated \$300 million to CS Energy for energy projects supporting decarbonisation in Central Queensland, as well as \$500 million to CleanCo to support 2.3 GW of renewables projects in Central Queensland.

The government is also delivering the critical deep storage capacity essential to Queensland's future energy system. This includes the 2 GW Borumba Pumped Hydro Energy Storage project which will be a cornerstone of Queensland's energy system. The 2023–24 Budget approves \$6 billion in equity funding over the project's construction phase, enabling Queensland Hydro to deliver this world class project while it also continues to lead the detailed feasibility study into the Pioneer-Burdekin Pumped Hydro Energy Storage project.

As outlined by the QEJP, Queensland's existing publicly owned thermal generation assets will be transformed into clean energy hubs to support critical system reliability and stability. This work has already begun at CS Energy's Kogan Creek Clean Energy Hub, comprising the Chinchilla Battery, Kogan Renewable Hydrogen Demonstration Plant, and future Brigalow Hydrogen-ready Gas Peaking Power Plant.

Throughout the transformation, the government is committed to maintaining public ownership of energy assets and supporting impacted communities and workers through a range of initiatives, including a \$150 million Job Security Guarantee Fund to support affected energy workers through the transformation.

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 2023–24, Queensland Rail will continue to work with external partners and support delivery of significant new rail infrastructure to transform the Citytrain network, including the Cross River Rail project, new stations and accessibility upgrades, modern signalling equipment and additional train stabling capacity. These investments will increase rail service delivery for the state's growing population and support local manufacturing supply chains, and jobs in regional areas.

8.1.4 Ports

Queensland has a large network of ports along its coastline that are owned and run by GOCs. These businesses, Gladstone Ports Corporation (GPC), North Queensland Bulk Ports Corporation (NQBP), Port of Townsville Limited (POTL), and Far North Queensland Ports Corporation Limited (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 by planning and delivering strategic projects which facilitate trade activity. Their ongoing efficient and responsible operation is critical to economic growth, job creation and sustainable development across the state.

Major port projects continuing throughout 2023-24 include:

- the continuation of the \$251 million Channel Capacity Upgrade at the Port of Townsville to improve freight export and import opportunities for North Queensland
- the completion of the \$21 million Multi-Use Conveyor at the Port of Bundaberg, in partnership with the Australian Government and Sugar Terminals Limited
- expansion of the Cairns Marine Precinct (CMP) with delivery of 2 new wharves as part of a \$32 million early works package. Further to this investment, the Queensland Government has committed \$180 million, subject to approvals, to deliver an expansion of the CMP with the development of a Common User Facility. The proposed facility will include a 5,000 tonne shiplift, 3 hardstand areas, 2 blast and paint sheds and wet berth capacity to cater for vessels up to 120 metres in length. The Queensland Government is working with the Australian Government, which has committed a co-contribution of \$180 million, bringing total funding to \$360 million to progress the project
- working with various proponents in Gladstone, Townsville, and other major ports to identify and progress potential hydrogen-related project opportunities.

8.1.5 Water

The two 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.

Sequater is primarily responsible for supplying safe, secure and reliable bulk drinking water for over 3 million 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. Sequater also provides essential flood mitigation services, manages seven water supply schemes which provide irrigation services and provides a range of community recreation facilities.

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.

During 2023–24, the Queensland Government is delivering additional water supply, fortifying the flood resilience of water infrastructure and ensuring the ongoing safety and reliability of dams through state-owned water businesses. Major projects include:

- construction of the \$983 million Fitzroy to Gladstone Pipeline, enabling long term water security in the Central Queensland region
- continued construction of the \$568.9 million Rookwood Weir

- delivery of the \$273.1 million Toowoomba to Warwick Pipeline, part of a more than \$300 million investment for water security in the Toowoomba and Southern Downs regions
- completion of the \$95.2 million South West Pipeline, connecting Beaudesert to the South East Queensland Water Grid.

Dam safety is a major focus for the water sector. Sunwater, Seqwater and the Gladstone Area Water Board have ongoing dam improvement programs to ensure the safety and reliability of dams, and compliance with dam safety guidelines into the future. In 2023–24, \$155.8 million will be invested for planning and early works on improvements to Paradise, Burdekin Falls, Somerset, Wivenhoe, North Pine, Lake Macdonald, and Awoonga dams.

8.1.6 Other

Queensland Hydro

In 2022, the government established the new publicly-owned entity, Queensland Hydro, to develop, deliver, own, and operate the largescale, long-duration pumped hydro storage assets that will be the cornerstone of Queensland's future energy system. These assets will be critical to Queensland's energy transformation, supporting renewable energy and system security by absorbing excess renewable generation and dispatching it in peak demand periods.

In 2022–23, the government approved proceeding with the \$14.2 billion, 2 GW, 24-hour Borumba Pumped Hydro Energy Storage, to be located southwest of Gympie. During 2023–24, Queensland Hydro will progress State and Australian Government approvals, exploratory works, and procurement for main works.

Queensland Hydro will also continue the feasibility study for the Pioneer-Burdekin Pumped Hydro Energy Storage project, to be located west of Mackay. Pending final investment decision of this project, staged construction is expected to commence as early as 2026–27.

8.2 Finances and performance

8.2.1 Earnings before interest and tax

Estimated total PNFC Sector EBIT of \$2.347 billion for 2022–23 is \$1.172 billion lower than forecast at the 2022–23 Budget. Across the forward estimates, PNFC Sector EBIT is expected to increase to \$4.101 billion by 2026–27.

The electricity network sector EBIT is estimated at \$873 million in 2022–23, lower than forecast at the 2022–23 Budget, predominantly due to movements in the value of hedging contracts held by EQL's retail business. Sector earnings are expected to recover year-on-year from 2023–24, to \$1.806 billion by 2026–27, consistent with expected regulated revenue movements.

For the electricity generation sector, a lower EBIT of \$604 million in 2022–23 is forecast to recover strongly in 2023–24 (to \$1.687 billion), with movements in the value of hedging contracts continuing to drive earnings volatility in this sector. Generators enter appropriate hedging contracts to provide earnings certainty, including on the Australian Securities Exchange, with the earnings impacts of some contracts extending over multiple years. These temporary variations are expected to moderate over the forward estimates.

Rail sector EBIT in 2022–23 is slightly lower than that estimated at the 2022–23 Budget. This primarily reflects escalation of operational and capital costs during 2022–23, including in support of, and preparations for, Cross River Rail and associated works.

Port sector EBIT in 2022–23 largely aligns with the 2022–23 Budget and is forecast to trend upwards over the forward estimates, reflecting the various long-term revenue contracts with customers and cost recoveries from the completion of revenue generating capital expansions.

Water sector EBIT in 2022–23 of \$415 million is lower than estimated at the 2022–23 Budget due to lower water sales, but expected to trend around \$500 million over the forward estimates.

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. Over the forward estimates, earnings will be offset by expenses as venues are updated and maintained to a contemporary standard in the lead up to the Brisbane 2032 Olympic and Paralympic Games.

Table 8.2Earnings before interest and tax1

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Electricity Networks	1,660	1,312	873	1,185	1,291	1,547	1,806
Electricity Generation	203	1,067	604	1,687	1,470	1,156	1,236
Rail	295	312	258	315	374	402	364
Ports	183	219	238	248	277	296	308
Water	479	594	415	548	493	470	530
Other ²	(47)	15	(41)	(154)	(76)	(77)	(143)
Total PNFC sector	2,773	3,519	2,347	3,829	3,828	3,793	4,101

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 proposed capital expenditure program, together with the implications of borrowings on key financial and performance related indicators.

PNFC Sector entity asset values are a relevant factor in considering PNFC Sector borrowings, with PNFC Sector entities borrowing around 55 per cent of their asset values in 2023–24 (on average). Over the forward estimates, 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 forecast to fall to 51 per cent by 2026–27.

Total PNFC Sector borrowing for 2022–23 is estimated at \$47.875 billion, or \$3.541 billion higher than forecast at the 2022–23 Budget, largely 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 \$8.908 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.

Ports and rail sector borrowings have contributed to the funding of major capital works in these sectors and are forecast to sit at around \$1 billion and \$5 billion, respectively, over the forward estimates.

Queensland Hydro, a major contributor to the PNFC 'Other' sector, drives an increase in borrowings over the forward estimates as early works and construction activities advance on pumped hydro energy storage projects.

Table 8.3Borrowings and total assets1

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Electricity Networks	23,967	24,361	25,118	26,498	27,758	29,942	32,780
Electricity Generation	20,339	4,817	7,185	3,225	2,633	2,555	1,128
Rail	4,121	4,401	4,637	4,652	4,868	4,814	4,807
Ports	1,083	1,064	1,071	1,049	1,026	970	945
Water	9,827	9,543	9,700	9,472	8,989	8,453	7,953
Other ²	158	147	164	271	846	1,930	4,594
Total PNFC sector	59,495	44,334	47,875	45,166	46,120	48,664	52,207
Total Assets	91,338	74,953	80,459	82,492	88,371	94,694	102,088

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 through 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, including investment into critical infrastructure delivered by PNFC Sector entities. 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.

While total PNFC Sector dividends for 2022–23 are expected to be \$511 million, or \$304 million lower than forecast at the 2022–23 Budget, the PNFC Sector is expected to deliver cumulative dividends of \$4.113 billion over the forward estimates, with annual dividends increasing to \$1.122 billion by 2026–27.

Electricity network dividends are expected to be \$93 million in 2023–24, rising steadily over the forward estimates, in line with earnings growth.

The electricity generation sector is expected to provide reliable dividends over the forward estimates, at around \$500 million per year commencing in 2023–24. This reflects steady earnings across this sector, as investment in new renewable generation grows and wholesale prices stabilise. Dividends in 2022–23 have been impacted by lower earnings and unfavourable fair value adjustments on hedge contracts.

Ports sector dividends are forecast to remain steady over the forward estimates, in line with estimated earnings and expected stable trade throughput across various cargo categories.

In the water sector, dividends for 2022–23 are expected to be above the 2022–23 Budget due to Gladstone Area Water Board. Dividends are expected to be modest over the forward estimates due to the repayment of debt by Seqwater and dam improvement costs, with the Mount Isa and Gladstone Area Water Boards forecasting dividends.

Table 8.4 Dividends¹

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Electricity Networks		233	151	93	113	189	312
Electricity Generation	—	284		463	609	511	503
Rail	194	168	161	146	207	189	126
Ports	—	118	150	138	154	165	169
Water	15	12	49	4	4	7	14
Total PNFC sector	209	815	511	844	1,086	1,061	1,122

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 \$159 million lower than forecast at the 2022–23 Budget but expected to increase to \$596 million in 2026–27.

Table 8.5Tax equivalent payments1

	2021–22 Outcome <u>\$ million</u>	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Electricity Networks	322	156	77	64	75	114	141
Electricity Generation	107	219	142	261	332	285	312
Rail	71	81	64	102	114	96	55
Ports	55	61	76	68	77	81	80
Water	(24)	6	6	2	2	4	7
Other ²	1		1			1	1
Total PNFC sector	532	524	365	498	601	580	596

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. An 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 remain at around \$215 million across the forward estimates, with some increases to 2025–26 and 2026–27 in line with increased borrowing.



Table 8.6Competitive neutrality fee payments1

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Electricity Networks	152	165	160	148	141	136	124
Electricity Generation	14	12	22	22	21	28	32
Rail	29	28	21	25	29	39	49
Ports	9	8	8	8	8	9	9
Water	4	5	5	6	6	6	6
Total PNFC sector	208	218	216	209	205	217	220

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 (e.g., 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 budgeted CSO cost for electricity networks in 2022–23 is due to regulated revenue under-recoveries in previous years being recovered in 2022–23.

Sequater 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. Over the forward estimates a substantial amount of Water CSO payments are due to the government's rural irrigation water price discount for Sunwater and Sequater customers which has been extended to 2024–25. There is no CSO forecast in 2026–27 because irrigation prices have not yet been set for 2025–26 and beyond.

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 2022–23 are expected to be \$2.729 billion, largely in line with the 2022–23 Budget. Over the forward estimates, CSO and TSC payments are expected to increase to \$3.099 billion by 2026–27. This trend is largely driven by TSC payments, which reflect a range of adjustments associated with growth, maintenance, and safety of the rail network. This includes delivery of significant capital projects, upgrades to existing assets, and operational activities associated with transformation and Cross River Rail.

Table 8.7Community service obligation payments and transport services contracts1

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Electricity Networks	525	635	621	537	538	548	573
Rail	1,998	2,153	2,085	2,306	2,492	2,580	2,526
Water	25	24	24	23	28	7	
Total PNFC sector	2,548	2,812	2,729	2,866	3,059	3,135	3,099

Note:

1. Numbers may not add due to rounding.

8.2.5 Equity movements

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. The Queensland Government provides new equity to support Queensland's publicly-owned businesses invest in critical new infrastructure projects across the state.

In 2022–23, total PNFC Sector net equity contributions are expected to be \$808 million, compared to a \$418 million forecast at the 2022–23 Budget, with the difference primarily due to a \$500 million allocation to CleanCo for wind and solar investments in Central Queensland.

Over the forward estimates, total PNFC Sector equity movements reflect \$4 billion from increased coal royalties allocated to a range of projects in regional Queensland, including in the energy, water, and ports sectors, as well as new government funding to support the rollout of the QEJP, including Queensland's pumped hydro energy storage assets and projects supported by the \$4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund.

In the electricity networks and generation sectors, equity adjustments reflect new investments in renewable energy, hydrogen, and storage assets, as well as to maintain the gearing ratios of network businesses over time, including special dividends. Due to ongoing delays, CleanCo is pausing the development of the Karara Wind Farm, with the \$250 million equity allocation for the project repurposed towards other renewable project investment opportunities.

In the rail sector, equity movements primarily relate to new investments in significant capital projects associated with reconfiguration of the rail network and Cross River Rail.

In the ports sector, major equity movements relate to GPC and NQBP major projects (including those funded from coal royalties), and the pass through of funding under existing agreements with the Australian Government, such as the Bundaberg Port conveyor under the Hinkler Regional Deal and the Townsville Channel Capacity Upgrade under the Townsville City Deal.

In the water sector, the government has committed over \$2 billion in new funding for Sunwater's Paradise Dam Improvement Project and Burdekin Falls Dam Improvement and Raising Project, Seqwater's Toowoomba to Warwick Pipeline, and Gladstone Area Water Board's Fitzroy to Gladstone Pipeline. Equity over the forward estimates in the corporations captured under 'Other' is primarily for Queensland Hydro to deliver the Borumba Pumped Hydro Energy Storage project and continue progressing the detailed feasibility study for Pioneer-Burdekin Pumped Hydro Energy Storage project.

Table 8.8Equity movements1

	2021–22 Outcome § million	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Electricity Networks	(40)	(70)	(160)	372	393	165	235
Electricity Generation	—	370	809	682	1,319	100	100
Rail	(5)	36	36			197	
Ports	26	37	41	82	217	118	43
Water	—	3	22	570	666	454	457
Other ²	4	43	60	254	853	1,684	1,689
Total PNFC sector	(14)	418	808	1,960	3,447	2,717	2,524

Notes:

1. Numbers may not add due to rounding.

2. Includes other public corporations.

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 Statement¹

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est.Actual \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Revenue from Transactions							
Taxation revenue	20,011	18,842	20,563	21,938	23,125	24,285	25,387
Grants revenue	34,135	35,242	36,571	39,643	38,943	38,937	40,618
Sales of goods and services	5,896	6,181	6,344	6,921	6,969	7,054	6,871
Interest income	2,643	2,847	3,166	3,206	3,173	3,116	3,107
Dividend and income tax equivalent income	790	1,499	1,043	1,521	1,884	1,857	1,958
Other revenue	10,710	9,275	19,937	8,850	8,008	7,609	7,650
Total Revenue from Transactions	74,185	73,886	87,623	82,079	82,102	82,858	85,591
Less Expenses from Transactions							
Employee expenses	28,068	30,076	30,279	32,175	32,825	33,864	34,930
Superannuation expenses							
Superannuation interest cost	377	655	775	721	665	621	587
Other superannuation expenses	3,387	3,493	3,733	4,188	4,302	4,419	4,523
Other operating expenses	18,228	19,805	20,287	22,969	21,615	21,781	22,411
Depreciation and amortisation	4,506	4,652	4,910	5,039	5,242	5,443	5,672
Other interest expenses	1,508	1,826	1,715	1,974	2,472	2,984	3,520
Grants expenses	13,817	14,407	13,618	17,195	14,845	13,542	13,570
Total Expenses from Transactions	69,889	74,915	75,317	84,261	81,967	82,653	85,214
Equals Net Operating Balance	4,296	(1,029)	12,305	(2,182)	135	206	377
<i>Plus</i> Other economic flows—included in operating							
result	(913)	1	(585)	(40)	(33)	(9)	14
Equals Operating Result	3,383	(1,028)	11,720	(2,222)	102	197	391
<i>Plus</i> Other economic flows—other movements in equity	36,616	3,348	7,866	3,785	3,024	3,169	3,422
Equals Comprehensive Result—Total Change In Net Worth	39,999	2,320	19,587	1,563	3,126	3,366	3,814
KEY FISCAL AGGREGATES							
Net Operating Balance	4,296	(1,029)	12,305	(2,182)	135	206	377
x 0	.,_> 0	(1,0-)	12,000	(_,10_)	100	200	011
Less Net Acquisition of Non-financial Assets	7 000	0 470	0.104	0 2 4 7	11 472	11 417	11 200
Purchases of non-financial assets	7,889	8,478	9,194	9,347	11,473	11,417	11,389
Less Sales of non-financial assets	255	177	104	276	185	180	177
Less Depreciation	4,506	4,652	4,910	5,039	5,242	5,443	5,672
Plus Change in inventories	(77)	42	65	(35)	51	1	(47)
<i>Plus</i> Other movements in non-financial assets Equals Total Net Acquisition of Non-financial	1,315	914	1,275	538	1,303	388	185
Assets	1 267	1 606	5 520	1 521	7 400	6 1 9 2	5 (70
Equals Fiscal Balance	4,367	4,606	5,520	4,534	7,400	6,183	5,678
Equais Fiscal Dalance	(71)	(5,635)	6,786	(6,716)	(7,265)	(5,977)	(5,301)
Note:							
1. Numbers may not add due to rounding.							

1. Numbers may not add due to rounding.

Table 9.2Public Non-financial Corporations Sector Operating Statement1

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est.Actual \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Revenue from Transactions							
Grants revenue	687	851	867	805	721	704	667
Sales of goods and services	14,905	12,211	14,314	13,664	14,428	15,422	16,807
Interest income	66	56	92	94	93	101	85
Other revenue	293	471	562	1,183	335	312	258
Total Revenue from Transactions	15,951	13,589	15,835	15,746	15,578	16,539	17,816
Less Expenses from Transactions							
Employee expenses	2,245	2,471	2,491	2,692	2,866	2,938	2,957
Superannuation expenses							
Superannuation interest cost	(5)	_					_
Other superannuation expenses	260	244	290	320	333	340	350
Other operating expenses	7,484	4,576	7,087	6,575	5,861	5,844	6,180
Depreciation and amortisation	2,719	2,924	2,945	3,195	3,370	3,696	3,997
Other interest expenses	1,610	1,622	1,679	1,807	1,891	2,120	2,396
Grants expenses	25	24	25	25	25	19	19
Other property expenses	550	528	369	502	605	584	601
Total Expenses from Transactions	14,888	12,389	14,887	15,116	14,951	15,541	16,499
Equals Net Operating Balance	1,062	1,199	948	630	626	998	1,317
<i>Plus</i> Other economic flows—included in operating result	(126)	138	(594)	691	590	9	(308)
Equals Operating Result	936	1,337	355	1,320	1,216	1,007	1,010
<i>Plus</i> Other economic flows—other movements in equity	(1,971)	816	3,711	2,378	3,133	2,449	2,254
<i>Equals</i> Comprehensive Result—Total Change In Net Worth	(1,035)	2,153	4,065	3,698	4,349	3,456	3,264
KEY FISCAL AGGREGATES							
Net Operating Balance	1,062	1,199	948	630	626	998	1,317
Less Net Acquisition of Non-financial Assets							
Purchases of non-financial assets	3,134	3,334	4,489	5,849	8,735	8,534	10,233
Less Sales of non-financial assets	63	33	38	5	6	15	3
Less Depreciation	2,719	2,924	2,945	3,195	3,370	3,696	3,997
Plus Change in inventories	48	16	169	(37)	13	1	2
Plus Other movements in non-financial assets	60	105	97	795	82	83	85
Equals Total Net Acquisition of Non-financial							
Assets	462	498	1,772	3,408	5,455	4,907	6,320
Equals Fiscal Balance	601	701	(824)	(2,778)	(4,829)	(3,909)	(5,003)
Note:							
1. Numbers may not add due to rounding.							

Table 9.3 Non-financial Public Sector Operating Statement¹

	2021–22 Outcome	2022–23 Budget	2022–23 Est.Actual	2023–24 Budget	2024–25 Projection	2025–26 Projection	2026–27 Projection
Revenue from Transactions	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
Taxation revenue	19,640	18,481	20,190	21,553	22,735	23,877	24,970
Grants revenue	34,148	35,263	36,592	39,693	38,986	38,983	40,651
Sales of goods and services	17,960	15,519	17,719	17,557	18,155	19,223	20,856
Interest income	2,703	2,899	3,238	3,279	3,246	3,202	3,174
Dividend and income tax equivalent income	49	161	167	179	197	215	239
Other revenue	10,984	9,744	20,497	9,664	8,340	7,918	7,906
Total Revenue from Transactions	85,485	82,066	98,403	91,924	91,660	93,420	97,796
Less Expenses from Transactions							
Employee expenses	30,177	32,414	32,623	34,711	35,530	36,635	37,716
Superannuation expenses		,	,	,		,	
Superannuation interest cost	372	655	775	721	665	621	587
Other superannuation expenses	3,647	3,738	4,024	4,507	4,635	4,759	4,873
Other operating expenses	22,843	21,499	24,427	26,499	24,212	24,349	25,744
Depreciation and amortisation	7,225	7,576	7,855	8,234	8,612	9,138	9,669
Other interest expenses	2,905	3,228	3,159	3,551	4,137	4,872	5,679
Grants expenses	13,167	13,601	12,798	16,098	14,193	12,903	12,956
Total Expenses from Transactions	80,335	82,710	85,660	94,320	91,985	93,277	97,224
Equals Net Operating Balance	5,150	(644)	12,743	(2,397)	(325)	143	572
<i>Equals</i> Net Operating Balance <i>Plus</i> Other economic flows—included in operating result	5,150 (1,119)	(644) 69	12,743 (1,339)	(2,397) 580	(325) 472	143 (90)	
	,		,				
Plus Other economic flows—included in operating result	(1,119)	69	(1,339)	580	472	(90)	(383)
Plus Other economic flows—included in operating result Equals Operating Result	(1,119) 4,030	69 (575)	(1,339) 11,404	580 (1,816)	472 147	(90) 53	(383) 189
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity	(1,119) 4,030	69 (575)	(1,339) 11,404	580 (1,816)	472 147	(90) 53	(383) 189
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net	(1,119) 4,030 35,970	69 (575) 2,895	(1,339) 11,404 8,181	580 (1,816) 3,379	472 147 2,980	(90) 53 3,313	(383) 189 3,625
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth	(1,119) 4,030 35,970	69 (575) 2,895	(1,339) 11,404 8,181	580 (1,816) 3,379	472 147 2,980	(90) 53 3,313	(383) 189 3,625
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES	(1,119) 4,030 35,970 40,000	69 (575) 2,895 2,320	(1,339) 11,404 8,181 19,585	580 (1,816) 3,379 1,563	472 147 2,980 3,126	(90) 53 3,313 3,366	(383) 189 3,625 3,814
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES Net Operating Balance	(1,119) 4,030 35,970 40,000	69 (575) 2,895 2,320	(1,339) 11,404 8,181 19,585	580 (1,816) 3,379 1,563	472 147 2,980 3,126	(90) 53 3,313 3,366	(383) 189 3,625 3,814
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES Net Operating Balance Less Net Acquisition of Non-financial Assets	(1,119) 4,030 35,970 40,000 5,150	69 (575) 2,895 2,320 (644)	(1,339) 11,404 8,181 19,585 12,743	580 (1,816) 3,379 1,563 (2,397)	472 147 2,980 3,126 (325)	(90) 53 3,313 3,366 143	(383) 189 3,625 3,814 572
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES Net Operating Balance Less Net Acquisition of Non-financial Assets Purchases of non-financial assets Less Sales of non-financial assets Less Depreciation	(1,119) 4,030 35,970 40,000 5,150 11,140 317 7,225	69 (575) 2,895 2,320 (644) 11,812 211 7,576	(1,339) 11,404 8,181 19,585 12,743 13,601 142 7,855	580 (1,816) 3,379 1,563 (2,397) 15,231 281 8,234	472 147 2,980 3,126 (325) 20,135 191 8,612	(90) 53 3,313 3,366 143 19,973	(383) 189 3,625 3,814 572 21,566 180 9,669
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES Net Operating Balance Less Net Acquisition of Non-financial Assets Purchases of non-financial assets Less Sales of non-financial assets Less Depreciation Plus Change in inventories	(1,119) 4,030 35,970 40,000 5,150 11,140 317 7,225 (29)	69 (575) 2,895 2,320 (644) 11,812 211 7,576 59	(1,339) 11,404 8,181 19,585 12,743 13,601 142 7,855 234	580 (1,816) 3,379 1,563 (2,397) 15,231 281 8,234 (72)	472 147 2,980 3,126 (325) 20,135 191 8,612 64	(90) 53 3,313 3,366 143 19,973 196 9,138 2	(383) 189 3,625 3,814 572 21,566 180 9,669 (45)
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES Net Operating Balance Less Net Acquisition of Non-financial Assets Purchases of non-financial assets Less Sales of non-financial assets Less Depreciation Plus Change in inventories Plus Other movements in non-financial assets	(1,119) 4,030 35,970 40,000 5,150 11,140 317 7,225	69 (575) 2,895 2,320 (644) 11,812 211 7,576	(1,339) 11,404 8,181 19,585 12,743 13,601 142 7,855	580 (1,816) 3,379 1,563 (2,397) 15,231 281 8,234	472 147 2,980 3,126 (325) 20,135 191 8,612	(90) 53 3,313 3,366 143 19,973 196	(383) 189 3,625 3,814 572 21,566 180 9,669
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES Net Operating Balance Less Net Acquisition of Non-financial Assets Purchases of non-financial assets Less Sales of non-financial assets Less Depreciation Plus Other movements in non-financial assets Less Depreciation Plus Other movements in non-financial assets	(1,119) 4,030 35,970 40,000 5,150 11,140 317 7,225 (29) 1,376	69 (575) 2,895 2,320 (644) 11,812 211 7,576 59 1,020	(1,339) 11,404 8,181 19,585 12,743 13,601 142 7,855 234 1,371	580 (1,816) 3,379 1,563 (2,397) 15,231 281 8,234 (72) 1,333	472 147 2,980 3,126 (325) 20,135 191 8,612 64 1,385	(90) 53 3,313 3,366 143 19,973 196 9,138 2 471	(383) 189 3,625 3,814 572 21,566 180 9,669 (45) 271
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES Net Operating Balance Less Net Acquisition of Non-financial Assets Purchases of non-financial assets Less Sales of non-financial assets Less Depreciation Plus Other movements in non-financial assets Equals Total Net Acquisition of Non-financial assets Equals Total Net Acquisition of Non-financial Assets	(1,119) 4,030 35,970 40,000 5,150 11,140 317 7,225 (29) 1,376 4,945	69 (575) 2,895 2,320 (644) 11,812 211 7,576 59 1,020 5,104	(1,339) 11,404 8,181 19,585 12,743 13,601 142 7,855 234 1,371 7,210	580 (1,816) 3,379 1,563 (2,397) 15,231 281 8,234 (72) 1,333 7,977	472 147 2,980 3,126 (325) 20,135 191 8,612 64 1,385 12,781	(90) 53 3,313 3,366 143 19,973 196 9,138 2 471 11,112	(383) 189 3,625 3,814 572 21,566 180 9,669 (45) 271 11,942
Plus Other economic flows—included in operating result Equals Operating Result Plus Other economic flows—other movements in equity Equals Comprehensive Result—Total Change In Net Worth KEY FISCAL AGGREGATES Net Operating Balance Less Net Acquisition of Non-financial Assets Purchases of non-financial assets Less Sales of non-financial assets Less Depreciation Plus Other movements in non-financial assets Less Depreciation Plus Other movements in non-financial assets	(1,119) 4,030 35,970 40,000 5,150 11,140 317 7,225 (29) 1,376	69 (575) 2,895 2,320 (644) 11,812 211 7,576 59 1,020	(1,339) 11,404 8,181 19,585 12,743 13,601 142 7,855 234 1,371	580 (1,816) 3,379 1,563 (2,397) 15,231 281 8,234 (72) 1,333	472 147 2,980 3,126 (325) 20,135 191 8,612 64 1,385	(90) 53 3,313 3,366 143 19,973 196 9,138 2 471	(383) 189 3,625 3,814 572 21,566 180 9,669 (45) 271

Note:

1. Numbers may not add due to rounding.

Table 9.4 General Government Sector Balance Sheet¹

Acceta	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est.Actual \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Assets Financial Assets							
Cash and deposits	1,710	757	1,072	846	784	826	800
Advances paid	1,233	1,408	1,072	1,540	1,634	1,672	1,704
Investments, loans and placements	44,135	46,267	48,330	48,638	47,366	47,216	47,561
Receivables	4,166	4,947	4,075	4,744	5,065	5,147	5,038
Equity	,	<u> </u>	,		- ,	- , .	- ,
Investments in other public sector							
entities	19,980	22,455	24,717	28,415	32,764	36,220	39,484
Investments—other	165	165	165	165	165	165	165
Total Financial Assets	71,389	76,000	79,580	84,347	87,778	91,246	94,751
Non-financial Assets							
Land and other fixed assets	282,272	254,571	290,149	296,744	306,318	314,648	322,494
Other non-financial assets	10,065	6,745	6,915	7,568	7,946	8,303	8,705
Total Non-financial Assets	292,337	261,316	297,064	304,312	314,265	322,951	331,199
Total Assets	363,726	337,316	376,644	388,659	402,043	414,197	425,950
	505,720	557,510	570,011	500,057	102,015	111,127	123,950
Liabilities							
Payables	5,488	4,965	5,295	5,328	5,415	5,506	5,447
Superannuation liability	22,168	24,069	21,205	20,827	20,075	19,047	17,752
Other employee benefits	9,026	9,615	9,559	10,028	10,525	10,989	10,879
Advances received	1,310	1,745	1,782	1,734	1,818	2,236	2,184
Borrowing ²	56,764	66,459	54,693	65,479	76,040	85,127	94,814
Other liabilities	19,347	14,210	14,898	14,489	14,270	14,026	13,793
Total Liabilities	114,102	121,062	107,434	117,886	128,142	136,930	144,870
Net Worth	249,624	216,254	269,210	270,774	273,900	277,266	281,080
Net Financial Worth	(42,713)	(45,062)	(27,853)	(33,538)	(40,365)	(45,685)	(50,119)
Net Financial Liabilities	62,694	67,517	52,570	61,953	73,129	81,905	89,603
Net Debt	10,997	19,772	5,852	16,190	28,074	37,648	46,934

Notes:

Numbers may not add due to rounding. Borrowing line comprised of: 1.

2.

Borrowing with QTC	49,000	58,853	47,014	57,494	67,872	78,104	88,154
Leases and other similar arrangements	7,671	7,385	7,586	7,892	8,074	6,929	6,567
Securities and derivatives	93	220	93	93	93	93	93
	56,764	66,459	54,693	65,479	76,040	85,127	94,814

Table 9.5 Public Non-financial Corporations Sector Balance Sheet¹

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est.Actual \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Assets							
Financial Assets							
Cash and deposits	1,162	1,162	851	950	1,069	1,142	1,280
Advances paid	1,053	1,554	1,597	1,598	1,656	2,122	2,121
Investments, loans and placements	15,926	2,914	5,638	2,739	1,837	1,590	1,361
Receivables	2,624	2,056	2,238	2,419	2,510	2,640	2,744
Equity							
Investments—other	6	7	56	66	66	66	66
Total Financial Assets	20,770	7,693	10,380	7,772	7,137	7,559	7,571
Non-financial Assets							
Land and other fixed assets	64,642	65,864	68,471	73,250	79,823	85,796	93,248
Other non-financial assets	5,926	1,396	1,608	1,470	1,411	1,338	1,269
Total Non-financial Assets	70,568	67,260	70,079	74,720	81,234	87,134	94,517
Total Assets	91,338	74,953	80,459	82,492	88,371	94,694	102,088
Total Assets Liabilities	91,338	74,953	80,459	82,492	88,371	94,694	102,088
	91,338 2,472	74,953 2,037	80,459 2,035	82,492 2,717	88,371 2,942	94,694 2,940	102,088 3,135
Liabilities		,		,	,	,	,
Liabilities Payables	2,472	2,037	2,035	2,717	2,942	2,940	3,135
Liabilities Payables Superannuation liability	2,472 (400)	2,037 (273)	2,035 (400)	2,717 (400)	2,942 (400)	2,940 (400)	3,135 (400)
Liabilities Payables Superannuation liability Other employee benefits	2,472 (400) 927	2,037 (273) 1,008	2,035 (400) 956	2,717 (400) 1,015	2,942 (400) 1,072	2,940 (400) 1,116	3,135 (400) 1,160
Liabilities Payables Superannuation liability Other employee benefits Deposits held	2,472 (400) 927 11	2,037 (273) 1,008 12	2,035 (400) 956 11	2,717 (400) 1,015 11	2,942 (400) 1,072 11	2,940 (400) 1,116 11	3,135 (400) 1,160
Liabilities Payables Superannuation liability Other employee benefits Deposits held Advances received	2,472 (400) 927 11 22	2,037 (273) 1,008 12 4	2,035 (400) 956 11 4	2,717 (400) 1,015 11 3	2,942 (400) 1,072 11 2	2,940 (400) 1,116 11 2	3,135 (400) 1,160 11 1
Liabilities Payables Superannuation liability Other employee benefits Deposits held Advances received Borrowing ²	2,472 (400) 927 11 22 59,495	2,037 (273) 1,008 12 4 44,334	2,035 (400) 956 11 4 47,875	2,717 (400) 1,015 11 3 45,166	2,942 (400) 1,072 11 2 46,120	2,940 (400) 1,116 11 2 48,664	3,135 (400) 1,160 11 1 52,207
Liabilities Payables Superannuation liability Other employee benefits Deposits held Advances received Borrowing ² Other liabilities	2,472 (400) 927 11 22 59,495 11,191	2,037 (273) 1,008 12 4 44,334 7,816	2,035 (400) 956 11 4 47,875 8,294	2,717 (400) 1,015 11 3 45,166 8,596	2,942 (400) 1,072 11 2 46,120 8,892	2,940 (400) 1,116 11 2 48,664 9,174	3,135 (400) 1,160 11 1 52,207 9,522
Liabilities Payables Superannuation liability Other employee benefits Deposits held Advances received Borrowing ² Other liabilities Total Liabilities	2,472 (400) 927 11 22 59,495 11,191 73,719	2,037 (273) 1,008 12 4 444,334 7,816 54,938	2,035 (400) 956 11 4 47,875 8,294 58,774	2,717 (400) 1,015 11 3 45,166 8,596 57,109	2,942 (400) 1,072 11 2 46,120 8,892 58,640	2,940 (400) 1,116 11 2 48,664 9,174 61,506	3,135 (400) 1,160 11 52,207 9,522 65,637

Notes:

1. Numbers may not add due to rounding.

2. Borrowing line comprised of:

Borrowing with QTC	41,851	41,700	43,074	42,963	44,932	47,743	51,402
Leases and other similar arrangements	357	326	354	653	594	527	460
Securities and derivatives	17,288	2,308	4,447	1,550	594	394	345
	59,495	44,334	47,875	45,166	46,120	48,664	52,207



Table 9.6 Non-financial Public Sector Balance Sheet¹

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est.Actual \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Assets Financial Assets							
	2,872	1.010	1 0 2 2	1 706	1 950	1.067	2 070
Cash and deposits Advances paid	1,216	1,919 1,404	1,923 1,223	1,796 1,542	1,852 1,637	1,967 1,676	2,079 1,708
Investments, loans and placements	60,060	49,180	53,967	51,377	49,203	48,806	48,922
Receivables	5,958	5,761	5,413	5,760	5,897	6,084	5,956
Equity	5,950	5,701	5,415	5,700	5,697	0,004	5,950
Investments in other public sector							
entities	2,363	2,442	3,033	3,033	3,033	3,033	3,033
Investments—other	171	172	221	231	231	231	231
Total Financial Assets	72,640	60,879	65,780	63,738	61,853	61,797	61,930
	.)				- ,	- ,	- ,
Non-financial Assets		220 424	AFO (10)		206111	100 111	
Land and other fixed assets	346,914	320,434	358,619	369,993	386,141	400,444	415,741
Other non-financial assets	1,259	1,095	1,125	1,205	1,160	1,130	1,100
Total Non-financial Assets	348,173	321,530	359,743	371,198	387,300	401,574	416,841
Total Assets	420,813	382,408	425,523	434,937	449,153	463,371	478,770
Liabilities							
Payables	7,182	5,811	6,484	6,699	6,735	6,801	6,816
Superannuation liability	21,768	23,796	20,805	20,427	19,675	18,648	17,352
Other employee benefits	9,953	10,623	10,516	11,044	11,597	12,105	12,040
Deposits held	11	12	11	11	11	11	11
Advances received	262	190	190	142	168	118	68
Borrowing ²	116,252	110,786	102,561	110,638	122,152	133,784	147,015
Other liabilities	15,758	14,936	15,746	15,203	14,914	14,637	14,389
Total Liabilities	171,187	166,154	156,313	164,163	175,253	186,105	197,690
Net Worth	249,625	216,254	269,210	270,774	273,900	277,266	281,080
Net Financial Worth	(98,547)	(105,276)	(90,533)	(100,424)	(113,400)	(124,308)	(135,761)
Net Financial Liabilities	100,911	107,717	93,566	103,458	116,434	127,341	138,794
Net Debt	52,379	58,485	45,649	56,077	69,639	81,464	94,384

Notes:

Numbers may not add due to rounding. Borrowing line comprised of: 1.

2.

Borrowing with QTC	90,851	100,553	90,088	100,457	112,803	125,847	139,556
Leases and other similar arrangements	8,028	7,711	7,941	8,545	8,668	7,456	7,027
Securities and derivatives	17,374	2,521	4,533	1,636	681	481	432
	116,252	110,786	102,561	110,638	122,152	133,784	147,015

Table 9.7 General Government Sector Cash Flow Statement¹

	2021–22 Outcome \$ million	2022–23 Budget \$ million	2022–23 Est.Actual \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Cash Receipts from Operating Activities	4						<u></u>
Taxes received	20,766	18,840	20,561	21,936	23,123	24,283	25,385
Grants and subsidies received	34,377	34,382	36,948	39,641	38,942	38,939	40,619
Sales of goods and services	6,298	6,457	5,712	7,196	7,321	7,392	7,462
Interest receipts	2,638	2,844	3,169	3,203	3,173	3,117	3,110
Dividends and income tax equivalents	1,202	788	837	1,080	1,529	1,830	1,749
Other receipts	12,472	10,866	20,498	9,790	8,638	8,621	8,716
Total Operating Receipts	77,753	74,178	87,725	82,846	82,725	84,181	87,042
Cash Payments for Operating Activities							
Payments for employees	(31,739)	(34,334)	(34,791)	(37,332)	(38,069)	(39,261)	(41,079)
Payments for goods and services	(20,506)	(22,258)	(20,955)	(24,872)	(23,600)	(23,670)	(24,258)
Grants and subsidies	(13,617)	(14,293)	(13,532)	(16,689)	(14,782)	(13,488)	(13,525)
Interest paid	(1,441)	(1,755)	(1,639)	(1,892)	(2,374)	(2,874)	(3,442)
Total Operating Payments	(67,303)	(72,640)	(70,918)	(80,786)	(78,825)	(79,294)	(82,305)
Net Cash Inflows from Operating Activities	10,451	1,538	16,807	2,060	3,901	4,887	4,737
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(7,889)	(8,478)	(9,194)	(9,347)	(11,473)	(11,417)	(11,389)
Sales of non-financial assets	255	177	104	276	185	180	177
Net Cash Flows from Investments in							
Non-financial Assets	(7,635)	(8,301)	(9,090)	(9,071)	(11,288)	(11,237)	(11,212)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	127	(478)	(774)	(2,264)	(3,534)	(2,744)	(2,545)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	(3,889)	1,321	(7,122)	4,657	1,391	226	(314)
Receipts from Financing Activities							
Advances received (net)	(126)	900	482	(46)	86	419	(49)
Borrowing (net)	1,653	4,797	(942)	4,437	9,383	8,490	9,356
Net Cash Flows from Financing Activities	1,527	5,697	(460)	4,391	9,469	8,909	9,307
Net Increase/(Decrease) in Cash held	581	(223)	(638)	(226)	(62)	42	(26)
Net cash from operating activities	10,451	1,538	16,807	2,060	3,901	4,887	4,737
Net cash flows from investments in non-financial assets	(7,635)	(8,301)	(9,090)	(9,071)	(11,288)	(11,237)	(11,212)
Surplus/(Deficit)	2,816	(6,763)	7,717	(7,010)	(7,388)	(6,350)	(6,475)
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	2,816	(6,763)	7,717	(7,010)	(7,388)	(6,350)	(6,475)
Acquisitions under finance leases and similar							
arrangements	(1,051)	(810)	(1,082)	(814)	(644)	(216)	(5)
ABS GFS Cash Surplus/(Deficit) Including Finance							
Leases and Similar Arrangements	1,765	(7,573)	6,635	(7,824)	(8,032)	(6,566)	(6,480)

Note:

1. Numbers may not add due to rounding.

Table 9.8 Public Non-financial Corporations Sector Cash Flow Statement¹

653
19,034
85
216
19,988
(3,262)
(7,946)
(19)
(2,380)
(1,235)
14,842)
5,145
10,233)
3
10,230)
(0.0)
(89)
(20)
(1)
3,737
(1,061)
—
2,656
5,332
138
5,145
10,230)
(1,061)
(6,146)
(6,146)
(6)
(6,152)

Note:

1. Numbers may not add due to rounding.

Table 9.9 Non-financial Public Sector Cash Flow Statement¹

	2021–22 Outcome <u>\$ million</u>	2022–23 Budget \$ million	2022–23 Est.Actual \$ million	2023–24 Budget \$ million	2024–25 Projection § million	2025–26 Projection § million	2026–27 Projection \$ million
Cash Receipts from Operating Activities							
Taxes received	20,400	18,480	20,189	21,552	22,734	23,876	24,969
Grants and subsidies received	34,390	34,392	36,956	39,679	38,974	38,973	40,641
Sales of goods and services	20,095	17,413	19,495	19,401	20,160	21,242	23,273
Interest receipts	2,698	2,896	3,242	3,276	3,245	3,203	3,177
Dividends and income tax equivalents	79	104	91	169	184	202	222
Other receipts	12,782	11,174	20,838	10,511	8,865	8,924	8,870
Total Operating Receipts	90,445	84,459	100,811	94,588	94,162	96,420	101,151
Cash Payments for Operating Activities							
Payments for employees	(34,096)	(36,842)	(37,403)	(40,129)	(41,049)	(42,328)	(44,171)
Payments for goods and services	(26,697)	(25,064)	(27,094)	(29,776)	(27,857)	(27,662)	(28,952)
Grants and subsidies	(12,979)	(13,496)	(12,720)	(15,955)	(14,129)	(12,850)	(12,913)
Interest paid	(2,837)	(3,144)	(3,078)	(3,455)	(4,027)	(4,729)	(5,585)
Other payments	(570)	(501)	(612)	(534)	(560)	(682)	(764)
Total Operating Payments	(77,179)	(79,048)	(80,907)	(89,849)	(87,622)	(88,251)	(92,385)
Net Cash Inflows from Operating Activities	13,266	5,411	19,904	4,738	6,541	8,169	8,766
Cash Flows from Investments in Non-Financial Assets							
Purchases of non-financial assets	(11,140)	(11,812)	(13,601)	(15,231)	(20,135)	(19,973)	(21,566)
Sales of non-financial assets	317	211	142	281	191	196	180
Net Cash Flows from Investments in							
Non-financial Assets	(10,823)	(11,602)	(13,459)	(14,950)	(19,944)	(19,777)	(21,386)
Net Cash Flows from Investments in Financial Assets							
for Policy Purposes	112	(60)	35	(314)	(87)	(27)	(22)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	(2,990)	1,929	(6,752)	4,667	1,373	207	(333)
Receipts from Financing Activities							
Advances received (net)	(39)	(47)	(62)	(47)	28	(48)	(48)
Borrowing (net)	1,876	4,382	650	4,958	11,549	11,293	13,093
Deposits received (net)	(1)			_	—	—	
Other financing (net)	(776)	—	(1,264)	820	597	298	42
Net Cash Flows from Financing Activities	1,061	4,335	(676)	5,731	12,174	11,543	13,087
Net Increase/(Decrease) in Cash held	625	13	(949)	(127)	57	115	112
Net cash from operating activities	13,266	5,411	19,904	4,738	6,541	8,169	8,766
Net cash flows from investments in non-financial assets	(10,823)	(11,602)	(13,459)	(14,950)	(19,944)	(19,777)	(21,386)
Surplus/(Deficit)	2,443	(6,191)	6,444	(10,211)	(13,403)	(11,608)	(12,620)
Derivation of ABS GFS Cash Surplus/Deficit							
Cash surplus/(deficit)	2,443	(6,191)	6,444	(10,211)	(13,403)	(11,608)	(12,620)
Acquisitions under finance leases and similar							
arrangements	(1,064)	(835)	(1,116)	(1,174)	(649)	(221)	(11)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	1,379	(7,026)	5,328	(11,386)	(14,052)	(11,829)	(12,632)

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 2010–11 to 2021–22 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 Series¹

Leases and similar arrangements (NFPS)	Borrowing with QTC (NFPS)	Leases and similar arrangements	Borrowing with QTC ²	Net Debt	Net Worth	Cash Surplus/(Deficit)	Fiscal Balance	Net acquisition of non-financial assets	Purchases of non-financial assets	OTHER KEY AGGREGATES	Net Operating Balance	Total Expenses	Grant expenses	Other interest expenses	Depreciation and amortisation	Other operating expenses	Other superannuation expenses	Superannuation interest costs	Superannuation expenses	Employee expenses	Expenses from Transactions	Total Revenue	Other revenue	Dividend and income tax equivalent income	Interest income	Sales of goods and services	Grant revenue	Taxation revenue	Revenue from Transactions	
884	52,521	508	23,711	(9,542)	177,875	(5,880)	(7,049)	5,583	8,237		(1, 466)	43,479	10,963	1,125	2,507	8,646	2,171	1,240		16,826		42,013	3,921	1,232	2,368	4,172	20,338	9,981		2010–11 Actual \$ million
1,127	60,205	637	28,391	(5,720)	170,745	(4,951)	(5,467)	5,241	7,971		(226)	46,028	10,327	1,659	2,777	9,497	2,301	1,216		18,250		45,801	3,942	1,112	2,485	5,002	22,652	10,608		2011–12 Actual \$ million
1,559	67,116	734	36,508	2,399	172,963	(8,585)	(7,947)	3,389	7,001		(4,558)	46,312	7,182	1,940	2,902	12,817	2,420	923		18,130		41,755	3,415	1,351	2,644	5,087	18,322	10,937		2012–13 Actual \$ million
1,752	70,668	882	39,864	5,208	166,492	(3,213)	(2,599)	3,087	6,323		488	46,217	6,792	2,200	3,060	13,108	2,277	963		17,816		46,705	3,650	1,975	2,460	5,039	21,740	11,840		2013–14 Actual \$ million
1,802	73,256	1,126	41,343	5,749	171,933	(105)	(572)	992	4,635		420	49,551	7,758	2,328	3,137	14,539	2,319	878		18,592		49,970	3,322	2,554	2,470	5,443	23,583	12,598		2014–15 Actual \$ million
1,316	71,160	1,370	34,200	653	188,099	866	(497)	1,164	4,044		668	50,112	6,841	2,220	2,921	14,811	2,507	767		20,045		50,780	3,577	2,661	2,543	5,712	23,740	12,547		2015–16 Actual \$ million
1,882	69,107	1,503	31,358	(355)	194,988	1,448	560	2,265	4,620		2,825	53,369	8,568	1,722	3,068	15,578	2,661	514		21,258		56,194	5,223	2,675	2,351	5,642	27,384	12,919		2016–17 Actual \$ million
2,142	66,964	2,142	29,256	(509)	195,038	337	(587)	2,337	5,126		1,750	56,337	8,048	1,614	3,326	17,259	2,741	667		22,681		58,087	5,685	2,920	2,389	5,884	27,966	13,244		2017–18 Actual \$ million
2,612	67,576	2,612	29,468	(198)	200,861	302	(2,207)	3,192	5,764		985	58,843	9,647	1,581	3,451	$16,\!480$	3,012	653		24,019		59,828	6,598	2,784	2,191	5,783	28,307	14,165		2018–19 Actual \$ million
6,977	76,464	6,485	37,570	14,036	195,646	(6,228)	(9,164)	3,436	6,306		(5,728)	63,505	11,702	1,486	4,033	17,085	3,183	354		25,662		57,778	5,915	1,926	2,088	5,618	27,645	14,585		2019–20 Actual \$ million
8,157	85,901	7,703	46,153	11,344	209,464	(6, 421)	(4,857)	3,942	6,682		(915)	63,706	11,713	1,619	4,170	16,500	3,073	246		26,385		62,791	4,147	1,329	1,948	6,105	33,013	16,249		2020–21 Actual \$ million
8,028	90,851																			28,068										2021–22 Actual \$ million

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 revenue1

	2022–23 Est. Act. \$ million	2023–24 Budget \$ million
Current grant revenue		
Current grants from the Commonwealth		
General purpose grants	18,401	19,508
Specific purpose grants	10,694	11,433
Specific purpose grants for on-passing	4,090	4,680
Total current grants from the Commonwealth	33,185	35,621
Other contributions and grants	415	323
Total current grant revenue	33,600	35,944
Capital grant revenue		
Capital grants from the Commonwealth		
General purpose grants	2	
Specific purpose grants	2,936	3,679
Total capital grants from the Commonwealth	2,938	3,679
Other contributions and grants	33	20
Total capital grant revenue	2,971	3,699
Total grant revenue	36,571	39,643

Note:

1. Numbers may not add due to rounding.

Table 9.12 General Government Sector grant expenses¹

	2022–23 Est. Act \$ million	2023–24 Budget \$ million
Current grant expense		
Private and Not-for-profit sector	3,582	4,497
Private and Not-for-profit sector on-passing	3,984	4,164
Local Government	294	189
Local Government on-passing	156	566
Grants to other sectors of Government	2,875	3,067
Other	405	385
Total current grant expense	11,295	12,868
Capital grant expense		
Private and Not-for-profit sector	567	1,421
Local Government	1,498	2,111
Grants to other sectors of Government	43	411
Other	215	383
Total capital grant expense	2,323	4,327
Total grant expense	13,618	17,195

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 income¹

	2022-23	2023-24
	Est. Act. \$ million	Budget \$ million
Dividend and Income Tax Equivalent income from PNFC sector	876	1,342
Dividend and Income Tax Equivalent income from PFC sector	167	179
Total Dividend and Income Tax Equivalent income	1,043	1,521

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 9.14General Government Sector expenses by function1

	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
General public services	6,555	6,057	7,319	7,416	7,723	7,963
Public order and safety	6,719	6,623	7,615	7,744	7,824	7,972
Economic affairs	2,810	2,817	3,375	2,411	2,255	2,200
Environmental protection	846	998	1,008	864	850	906
Housing and community amenities	1,539	1,377	2,091	1,451	1,306	1,363
Health	22,466	23,434	24,260	25,088	25,873	27,308
Recreation, culture and religion	1,022	960	1,218	1,012	1,085	1,130
Education	18,232	18,597	19,805	19,996	20,494	21,076
Social protection	6,936	6,414	8,154	6,651	6,577	6,874
Transport	7,791	8,041	9,415	9,333	8,666	8,423
Total Expenses	74,915	75,317	84,261	81,967	82,653	85,214

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 9.15General Government Sector purchases of non-financial assets by function1

	2022–23 Budget \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
General public services	223	201	243	289	254	254
Public order and safety	766	618	1,213	910	358	421
Economic affairs	47	47	131	126	124	58
Environmental protection	46	40	84	132	161	27
Housing and community amenities	371	399	415	530	364	265
Health	1,222	1,411	1,502	2,430	2,835	2,897
Recreation, culture and religion	140	129	186	141	97	130
Education	1,321	1,368	1,485	1,461	1,111	651
Social protection	65	67	129	88	81	41
Transport	4,278	4,914	3,959	5,367	6,030	6,645
Total Purchases	8,478	9,194	9,347	11,473	11,417	11,389

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 9.16General Government Sector taxes1

	2022–23 Est. Act. \$ million	2023–24 Budget \$ million
Taxes on employers' payroll and labour force	5,874	6,524
Taxes on property		
Land taxes	1,777	2,031
Stamp duties on financial and capital transactions	5,209	5,385
Other	1,408	1,435
Taxes on the provision of goods and services		
Taxes on gambling	1,927	2,015
Taxes on insurance	1,401	1,460
Taxes on use of goods and performance of activities		
Motor vehicle taxes	2,968	3,087
Total Taxation Revenue	20,563	21,938

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 2021–22 Report on State Finances – whole-of-government financial statements (note 43).

A summary of the state's quantifiable contingent liabilities as at 30 June 2022 is provided in Table 9.17.

Table 9.17Contingent liabilities

Nature of contingent liability	2021–22 \$ million
Guarantees and indemnities	12,842
Other	178
Total	13,020

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 two points in time. Flows comprise two 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 Generally 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 discussions of the GFS framework of reporting, including definitions of GFS terms, can be obtained from the website page of the ABS.

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

Child Safety, Seniors and Disability Services (renamed from Children, Youth Justice and Multicultural Affairs)

Housing (renamed from Communities, Housing and Digital Economy)

Education

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

State Development, Infrastructure, Local Government and Planning

Tourism, Innovation and Sport

Transport and Main Roads

Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts (renamed from Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships)

Youth Justice, Employment, Small Business and Training (renamed from Employment, Small Business and Training)

Commercialised Business Units

CITEC

Economic Development Queensland

QBuild

QFleet

RoadTek

Shared Service Providers

Corporate Administration Agency

Queensland Shared Services

Other General Government entities	Prostitution Licensing Authority				
Board of the Queensland Museum	Public Sector Commission				
Crime and Corruption Commission	Queensland Art Gallery Board of Trustees				
Cross River Rail Delivery Authority	Queensland Audit Office				
Electoral Commission of Queensland	Queensland Building and Construction Commission				
Gold Coast Waterways Authority	Queensland Curriculum and Assessment Authority				
Health and Wellbeing Queensland	Queensland Family and Child Commission				
Hospital and Health Services	Queensland Human Rights Commission				
Cairns and Hinterland	Queensland Mental Health Commission				
Central Queensland	Queensland Performing Arts Trust				
Central West	Queensland Racing Integrity Commission				
Children's Health Queensland	Queensland Reconstruction Authority				
Darling Downs	Queensland Rural and Industry Development Authority				
Gold Coast	Residential Tenancies Authority				
Mackay	South Bank Corporation				
Metro North	TAFE Queensland				
Metro South	The Council of the Queensland Institute of Medical Research				
North West	The Public Trustee of Queensland				
South West	Tourism and Events Queensland				
Sunshine Coast	Trade and Investment Queensland				
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					

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 (Seqwater) Queensland Hydro Pty Ltd Queensland Rail Queensland Treasury Holdings Pty Ltd Stadiums Queensland Stanwell Corporation Limited Sunwater Limited

Appendix A: Concessions statement

1

Queensland Government subsidies, discounts and rebates to ease cost-of-living pressures and support businesses

The Queensland Government is taking action on the national cost-of-living challenge, building on an extensive program of existing concessions and subsidies to deliver relief for households and small businesses.

Cost-of-living pressures are currently being felt right across the country, with Queensland households, businesses and industry continuing to face challenges including rising interest rates, increasing electricity costs and higher costs of goods and services.

While income support is the responsibility of the Australian Government, the Queensland Government has been actively working to assist households and businesses to manage cost-of-living pressures.

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.

As highlighted in Chart A.1, the total value of all concessions provided to Queenslanders is estimated to be \$8.224 billion in 2023–24. This represents an increase of 21.2 per cent compared with estimated actual concessions of \$6.788 billion in 2022–23.

This uplift in concessions being paid to Queenslanders in 2023–24 reflects in part the government providing \$1.617 billion¹ in 2023–24 towards new and expanded cost-of-living measures that will help address the challenges Queenslanders are facing.

This includes \$1.483 billion for additional electricity bill support to households and small businesses facing cost-of living pressures. This is the most significant electricity bill support package announced by any state or territory, more than doubling the size of the Federally agreed support package for Queensland under the National Energy Bill Relief Fund.

As part of this package, all Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate.

The government's substantial cost-of-living relief package will more than offset typical household electricity bill increases in 2023–24. In some cases, households will have zero bills or be in credit in 2023–24.

Including the \$550 Cost of Living Rebate in 2023–24, the government will have provided all Queensland households with a total of \$1,125 in electricity rebates since 2018.

Some minor elements of the cost-of-living measures included in this figure are grants and support measures not defined as concessions for the purposes of this chapter.

Eligible small businesses in Queensland will also receive an automatic rebate of \$650 on their electricity bill in 2023–24. This includes around 205,000 Queensland small businesses that consume less than 100,000 kilowatt hours per annum.

The Budget is providing \$645 million over 4 years from 2023–24 to provide 15 hours per week of free kindergarten from January 2024 for all 4-year-old Queensland children.

In addition to relieving cost-of-living pressures for families, this measure will remove cost as a barrier to participation in kindergarten, support labour market participation, and improve educational outcomes.

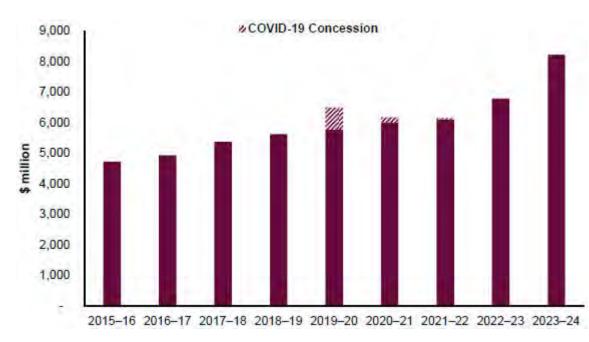


Chart A.1 Total concessions value by year¹

Note:

1. Due to the timing of the 2020–21 Budget, an actual figure was calculated for the total concessions value in 2019–20. Values for all other years are estimated actuals aside from 2023–24, which is the budgeted amount.

Total government spending on concessions is expected to increase by 73.9 per cent from 2015–16 to 2023–24. This increase, on average, exceeds inflation by 4 per cent per annum.

This has ensured that the real value of concessions available to Queenslanders has not only been maintained but has grown over time. Further detail regarding Queensland Government cost-of-living support can be found in Chapter 1.

Box A.1 Cost-of-living relief for Queenslanders

The majority of Queenslanders benefit from at least one Queensland Government concession and, in many cases, may benefit from multiple concessions each year.

Retired couple

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, could benefit from a broad range of concessions in 2023–24 including:

- \$700 Cost of Living Rebate plus the existing \$372 electricity rebate, bringing total support to \$1,072 off their electricity bill
- \$120 South East Queensland water subsidy
- \$200 for council rates
- \$87 for reticulated natural gas
- an average benefit of \$830 for general dental care under the Oral Health Scheme
- 50 per cent discount on Translink public transport services in South East Queensland
- registration fee concessions, which for a 4-cylinder vehicle would reduce the 12-month registration fee by 50 per cent from \$360.60 to \$180.30.

Low-income family

A low-income family with a Health Care Card and 3 children aged 4, 13 and 16 could benefit from a broad range of concessions in 2023–24, including:

- \$700 Cost of Living Rebate on their electricity bill plus the existing \$372 electricity rebate, bringing total support to \$1,072
- \$463 through the Textbook and Resource Allowance paid to the children's school
- 15 hours of free kindergarten per week. On average, a family attending a sessional kindergarten for 15 hours per week that charges \$46 per day will save \$4,600 a year in fees
- 50 per cent discount on Translink public transport services in South East Queensland for their 3 children.

School-leaver

A low-income casual worker who has just graduated from high school and has a Health Care Card could benefit from a substantial range of concessions in 2023–24, including:

- an interest-free and fee-free bond loan providing average support of \$1,600
- \$700 Cost of Living Rebate on their electricity bill plus the existing \$372 electricity rebate, bringing total support to \$1,072
- an average subsidy of \$3,270 to undertake their first post-school Certificate III qualification
- an average benefit of \$830 for general dental care under the Oral Health Scheme.

Other relevant concessions that individuals could be eligible for include:

- an average subsidy of \$10,209 to pre-approved public and private registered training organisations to subsidise the cost of training and assessment for eligible Queensland apprentices and trainees, or complementary pathways through the User Choice program
- an average subsidy of \$4,846 to undertake a priority Certificate IV, diploma or advanced diploma qualification or industry endorsed skillset through the VET Higher Level Skills Tuition Fee Subsidy
- financial assistance for apprentices and trainees to cover the cost of travel incurred in attending off-the-job training at a registered training organisation through the Travel and Accommodation Subsidy
- an average rental rebate of around \$12,181 per annum for people living in social housing through the Government Managed Housing Rental Rebate.

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 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 and concessional leases (industry, commercial and community) 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 the 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.1.1Concession by entity1

Concession by entity	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Agency		
Department of Agriculture and Fisheries	18.5	34.3
Department of Child Safety, Seniors and Disability Services	725.0	1,780.5
Department of Education	194.2	286.3
Department of Energy and Public Works	641.8	560.0
Department of Environment and Science	2.0	2.2
Department of Housing	619.6	722.5
Department of Justice and Attorney-General	114.8	118.2
Department of Regional Development, Manufacturing and Water	31.7	40.6
Department of Resources	3.2	3.2
Department of Tourism, Innovation and Sport	2.0	2.1
Department of Transport and Main Roads	3,436.6	3,641.1
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships,		
Communities and the Arts	6.6	6.6
Department of Youth Justice, Employment, Small Business and Training	547.5	538.9
Queensland Fire and Emergency Services	11.2	11.7
Queensland Health	302.6	343.4
Total Agency	6,657.3	8,091.6
Government-owned corporations		
Energy Queensland Limited	22.2	23.8
Far North Queensland Ports Corporation Limited	2.1	2.0
Gladstone Ports Corporation Limited	43.5	39.3
North Queensland Bulk Ports Corporation Limited	1.4	1.4
Port of Townsville Limited	6.5	6.6
Queensland Rail	2.2	2.6
Sunwater Limited	52.5	56.6
Total Government-owned corporations	130.4	132.3
Total all entities	6,787.7	8,223.9

Note:

1. Numbers may not add due to rounding.

A.2 Concessions by agency

Table A.2.1 Department of Agriculture and Fisheries

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Primary Industry Productivity Enhancement Scheme (PIPES) ¹	11.9	20.5
Drought Preparedness Grant Scheme	3.0	3.0
Drought Relief Assistance Scheme	2.2	2.6
Drought Carry-on Finance Loan Scheme ¹		2.6
Drought Ready and Recovery Finance Loan Scheme ¹	0.3	2.6
Emergency Drought Assistance Loan Scheme ¹		1.9
Farm Management Grants Program ²	1.0	1.0
Stocked Impoundment Permit Scheme	0.1	0.1
Total	18.5	34.3

Notes:

- 1. The increase is mainly due to the anticipated increase in loan advances and higher interest rates.
- 2. The value of this concession includes Queensland Government funding only. The Australian Government also contributes towards the funding for this program.

Primary Industry Productivity Enhancement Scheme (PIPES)

PIPES is administered by the Queensland Rural and Industry Development Authority 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 4.9 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 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 Relief Assistance Scheme

As part of the Drought Assistance and Reform Package, the Drought Relief Assistance Scheme provides freight subsidies and emergency water infrastructure rebates during drought declarations of up to 50 per cent to eligible applicants, between \$20,000 and \$50,000 per property, per financial year. Freight subsidies are available for 2 years after drought revocation for the movement of livestock. These concessions are only available to 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 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 6.43 per cent per annum and an average concessional interest rate for new lending of 4.06 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 6.43 per cent per annum and an average concessional interest rate for new lending of 4.06 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 6.43 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.



Stocked Impoundment Permit Scheme

The Stocked Impoundment Permit Scheme provides world class, sustainable fishing options in freshwater environments. It helps reduce fishing pressure on wild fish stocks through a requirement to hold a permit to fish in one of the state's 63 impoundments. The scheme provides concessions if you have a Queensland Seniors Card, Pensioner Concession Card, Health Care Card or a Repatriation Health Card (Gold Card) and aims to encourage participation in recreational fishing for seniors and concession card holders. The concession provides a discount of \$16.40 on the cost of an annual permit in 2022–23 and will increase to \$16.96 per annual permit in 2023–24.

Table A.2.2 Department of Child Safety, Seniors and Disability Services

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Cost of Living Rebate and National Energy Bill Relief ¹	385.0	1,435.0
Electricity Rebate Scheme ²	243.0	245.9
Pensioner Rate Subsidy Scheme	58.6	59.7
South East Queensland Pensioner Water Subsidy Scheme	20.1	20.5
Home Energy Emergency Assistance Scheme	10.0	10.0
Medical Cooling and Heating Electricity Concession Scheme ³	2.9	3.4
Electricity Life Support Concession Scheme ^{3,4}	2.7	3.1
Reticulated Natural Gas Rebate Scheme	2.7	2.9
Total	725.0	1,780.5

Notes:

- The variance is due to an increase in the value of the Cost of Living Rebate (COLR) from \$175 to \$550 for all households, and \$700 for all Queensland households that receive an electricity rebate under the Electricity Rebate Scheme. The 2023–24 estimate also includes a \$650 rebate for small businesses under the National Energy Bill Relief (NEBR) plan. This measure includes contributions from the Australian Government under the NEBR, with the Queensland Government contributing an estimated \$1.1 billion.
- 2. Electricity rebates have historically been adjusted annually according to the Queensland Competition Authority's (QCA) price determination for general household electricity tariff (Tariff 11). However, given the provision of the COLR for 2023–24, this cohort will be protected from electricity price rises through those programs. Therefore, the value of the Electricity Rebate Scheme will be held at \$372.20.
- 3. The Medical Cooling and Heating Electricity Concession Scheme and Electricity Life Support Concession Scheme are adjusted annually according to the QCA price determination for Tariff 11. For 2023–24, the QCA determined Tariff 11 will increase by 28.7 per cent.
- 4. The Queensland Government has expanded eligibility for the Electricity Life Support Concession Scheme to include Queenslanders with a home-based life support system acquired through the Australian Government Home Care Package.

Cost of Living Rebate and National Energy Bill Relief

In 2022–23, the Queensland Government allocated \$385 million to provide all Queensland households with a Cost of Living Rebate of \$175.

In 2023–24, all Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate.

In addition, vulnerable households will continue to receive the existing \$372 rebate under the Queensland Electricity Rebate Scheme, bringing total support for this group to \$1,072 in 2023–24 (see below).

The government's substantial cost-of-living relief package will more than offset typical household electricity bill increases in 2023–24. In some cases, households will have zero bills or be in credit in 2023–24.

Including the \$550 Cost of Living Rebate in 2023–24, the government will have provided all Queensland households with a total of \$1,125 in electricity rebates since 2018.

Eligible small businesses in Queensland will also receive an automatic rebate of \$650 on their electricity bill in 2023–24. This includes around 205,000 Queensland small businesses that consume less than 100,000 kilowatt hours per annum.

The Queensland Government's cost-of-living relief package significantly increases and broadens support under the National Energy Bill Relief Plan, jointly funded by the Queensland and Australian Governments.

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. It is estimated that approximately 600,000 households will receive an electricity rebate in 2023–24.

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 \$479 per annum for eligible concession card holders with a medical condition who have dependence on air conditioning to regulate body temperature.

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 \$976 per annum for users of oxygen concentrators and a rebate of up to approximately \$653 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.

Reticulated Natural Gas Rebate Scheme

The Reticulated Natural Gas Rebate Scheme provides a rebate of up to approximately \$87 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).

Table A.2.3Department of Education

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Queensland Kindergarten Funding ¹	32.7	115.7
Textbook and Resource Allowance ²	78.3	83.2
School Transport Assistance for Students with Disability ³	52.0	53.7
Living Away from Home Allowance Scheme ⁴	8.6	10.2
Tuition Fee Exemptions/Waivers - Dependants of International Students ⁵	8.0	8.2
Non-State Schools Transport Assistance Scheme ⁶	7.6	7.9
Dalby State High School - Bunya Campus Residential Facility	2.6	2.7
Spinifex State College - Mount Isa Student Residential Facility	1.3	1.4
Western Cape College - Weipa Campus Student Residential College	1.3	1.4
Distance Education - Information and Communication Technology Subsidy		
Scheme	1.1	1.1
Distance Education - Non-Government Student Fee Subsidy ⁷	0.7	0.8
Total	194.2	286.3

Notes:

- The variance is due to the new Queensland Kindergarten Funding model commencing from 1 January 2023. The 2022–23 current budget relates to the period 1 January 2023 to 30 June 2023. Indexation has also been included in the 2023–24 Estimate. The 2023– 24 Estimate also includes an affordability subsidy from January 2024 to be provided for 15 hours per week to make kindergarten free for all 4-year-olds.
- 2. The increase is due to enrolment growth and CPI indexation.
- 3. The increase is due to rate increases, additional bus services and operational costs due to enhanced student safety on buses.
- 4. The increase is due to CPI indexation and an increase in the Remote Area Tuition Allowance.
- 5. The increase is due to CPI indexation.
- 6. The increase is due to CPI indexation and increased demand for assistance under the scheme.
- 7. The variance is due to a higher number of students utilising the service in 2023–24.

Queensland Kindergarten Funding

Queensland Kindergarten Funding provides funding to eligible kindergarten service providers to ensure greater access to a quality kindergarten program for Queensland children and to reduce out-of-pocket fees for many families.

Subsidies paid to eligible kindergarten service providers in 2023 that aim to reduce out-of-pocket costs for families include:

- Sessional Kindergarten Base Subsidy \$1,500 mandated pass through which is provided for each eligible child who is enrolled in an approved kindergarten program
- Affordability Subsidy provided for each eligible child who meets one or more specified criteria. The two affordability subsidies Kindy Plus and Kindy Family Tax Benefit (FTB) are paid to eligible service providers and must be applied to each child's account to reduce a family's out-of-pocket cost for the kindergarten program. For sessional kindergarten, the Kindy Plus subsidy is an average of \$3,000 per child, per annum and the Kindy FTB subsidy is \$2,044 per child, per annum. For long day care, families may be eligible for a subsidy of between \$500 and \$1,409 per child, per annum.

These subsidies are funded by both the Queensland Government and the Australian Government under the Preschool Reform Agreement 2022 to 2025.

From 1 January 2024, the Queensland Government will provide an affordability subsidy of 15 hours per week to make kindergarten free for all 4-year-olds. On average, a family attending a sessional kindergarten that charges \$46 per day (15 hours per week) will save \$4,600 a year in fees.

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 2023, the rates per annum are \$146 for students in Years 7 to 10 and \$317 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 2023 are:

- Remote Area Tuition Allowance assistance is available for primary students of up to \$4,360 per annum (increasing to \$8,360 per annum in 2024) and secondary students of up to \$6,276 per annum (increasing to \$10,276 per annum in 2024) for students who board at approved non-state schools
- Remote Area Allowance assistance of \$2,740 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
- 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 \$164 per annum to a maximum of \$2,011 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 \$8,916 per student, per annum.

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 estimateed average amount exempted or waived per student is \$12,162 in 2023-24.

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 Semester 1 2023, the weekly threshold is \$35 per family, or \$25 for families with a current Health Care Card, Pensioner Concession Card or Veterans' Affairs Card. From Semester 2 2023, the weekly threshold rates will be adjusted to \$25 per family, or \$15 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 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.

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.

Western Cape College – Weipa Campus Student Residential College

The Western Cape College – Weipa Campus 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.

Distance Education – Information and Communication Technology Subsidy Scheme

The Distance Education Information and Communication Technology Subsidy 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

The 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 \$1,508 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.2.4Department of Energy and Public Works

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Uniform Tariff Policy - Energy Queensland (Excluding Isolated Systems) ¹	555.3	446.6
Uniform Tariff Policy - Energy Queensland (Isolated Systems) ²	65.2	90.4
Non-residential Buildings - Subsidised Rents	7.6	7.6
Electricity Tariff Adjustment Scheme ³	6.1	6.2
Drought Relief from Electricity Charge Scheme ⁴	5.0	5.0
Uniform Tariff Policy - Origin Energy ⁵	2.6	4.2
Total	641.8	560.0

Notes:

- The decrease is driven by the CSO returning to historical normal levels after a one-off regulatory impact on network charges in 2022–23. As regional Queensland electricity prices are based on the cost of supply in South East Queensland, this reduction in the CSO payment does not reflect a reduction of support.
- 2. The increase is largely driven by changes in diesel fuel costs.
- 3. This was a new initiative for 2021–22 targeted at 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. The slight increase is due to an adjustment made in 2022–23 for overpayments in the previous year.
- 4. Expenditure is dependent on the extent of drought conditions, the number of registered eligible parties in drought declared areas and the number of customers seeking a rebate for the fixed charges of their electricity accounts. Due to improving seasonal conditions it is anticipated that expenditure will be lower than previous financial years.
- 5. The increase is due to regulated tariffs in regional Queensland increasing relative to prices in regional New South Wales.

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 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 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.

Non-residential Buildings – Subsidised Rents

Accommodation is provided to 35 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 25 properties comprising a total floor area of approximately 39,934 square metres. 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.

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.

Drought Relief from Electricity Charge Scheme

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.

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 non-market 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.

Table A.2.5 Department of Environment and Science

	2022-23	2023-24
	Est. Act.	Estimate
Concession	\$ million	\$ million
Queensland Parks and Wildlife Service - Tour Fee and Access Permits ¹	2.0	2.2
Total	2.0	2.2

Note:

1. Variance is primarily due to anticipated increase in visitation to national parks and visitor centres including the David Fleay Wildlife Park and Mon Repos Turtle Centre.

Queensland Parks and Wildlife Service - Tour Fee and Access Permits

Visitor admission and ranger guided tour fees concessions of 10 to 100 per cent are available at several attractions and visitor centres for eligible persons including children, pensioners, concession card holders and groups undertaking visits for educational purposes.

Vehicle access permit concessions of up to 100 per cent are available in the Cooloola Recreation Area, Bribie, Moreton (Mulgumpin) and K'gari for approved applicants including First Nations peoples and local residents required to traverse the protected area estate.

Camping concessions of 45 to 100 per cent are available in all national park and state forest camping areas for educational purposes and children under 5 years of age.

In 2023–24, approximately 225,000 persons are expected to access the range of concessions available through the Department of Environment and Science.

Table A.2.6Department of Housing

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Government Managed Housing Rental Rebate ¹	570.6	670.5
Home Assist Secure ²	23.0	26.4
National Rental Affordability Scheme ³	20.3	12.8
Helping Seniors Secure Their Homes ⁴	4.0	11.0
Rental Bond Loans	1.7	1.8
Non-government Managed Housing ⁵		
Total	619.6	722.5

Notes:

- 1. The increase is due to an increase in private market rents based on prevailing conditions.
- 2. The variance is based on the anticipated year-on-year demand for services paid under this scheme.
- 3. 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.
- 4. New item for 2023–24. This program was announced in April 2023. The expenditure profile across 2022–23 and 2023–24 is based on the anticipated expenditure informed by the timing of program implementation and delivery being trialled in Cairns, Mount Isa and Townsville local government areas. The trial will be expanded to include the Toowoomba local government area and the greater Cairns region. The government is providing up to an additional \$15 million in 2023–24, centrally held if needed to expand the program in other locations. This will bring the total funding available for this program up to \$30 million over 2 years.
- 5. 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 the government based on household income.

Assistance is provided to approximately 55,000 households. The estimated average yearly subsidy per household for 2023–24 is \$12,181.

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 2023–24, 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 2023–24, the government has allocated \$12.8 million for the payment of financial incentives to NRAS investors who are then required to discount rents to tenants.

Helping Seniors Secure Their Homes

Helping Seniors Secure Their Homes provides assistance to eligible homeowners aged 60 years and over who are Pensioner Concession Card holders to subsidise the cost of improving the safety and security features of their homes, allowing them to remain safe and secure in their homes. The program provides financial assistance of up to \$10,000 per household to allow them to implement a range of security measures to increase home security, including door and window locks, security screening on doors and windows, security lighting and sensor lights, alarm systems and CCTV cameras.

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:

- Bond Loans: equivalent to a maximum amount of 4 weeks rent
- 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 2023–24, \$20.8 million in Bond Loans and Bond Loan Plus may be advanced to an estimated 13,000 clients, averaging \$1,600 in support per client.

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 and 30 per cent of a household's 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.

Assistance is expected to be provided to approximately 16,500 households to access non-government managed housing in 2023–24.

Table A.2.7 Department of Justice and Attorney-General

2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
42.1	43.3
29.6	30.5
27.3	26.4
11.9	12.5
3.4	4.9
0.4	0.4
0.1	0.2
114.8	118.2
	Est. Act. <u>\$ million</u> 42.1 29.6 27.3 11.9 3.4 0.4 0.1

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 seeks 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 well-being, 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. Aboriginal peoples and Torres Strait Islander peoples, people who are homeless, domestic and family violence victims, etc.) and those impacted by major emergencies (e.g. natural disasters such as cyclones and bushfires).

Table A.2.8 Department of Regional Development, Manufacturing and Water

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Sunwater Rural Irrigation Water Price Subsidy	19.5	19.5
Horticulture Rural Irrigation Water Price Rebate Scheme administered by the		
Queensland Rural and Industry Development Authority ¹	2.0	9.9
Cloncurry Pipeline Water Supply Subsidy ²	6.6	7.0
Seqwater Rural Irrigation Water Price Subsidy ³	2.3	2.4
Disaster Relief Arrangements - Annual Water Licence Fee Waiver	1.0	0.9
Drought Relief Arrangements - Water Licence Fee Waiver	0.3	0.9
Total	31.7	40.6

Notes:

- 1. The increase is due to an expected increase in the number of applications.
- 2. The increase is due to indexation and increased insurance costs.
- 3. The variance is due to prices paid by rural irrigation customers which gradually transition towards cost recovery.

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 irrigation prices gradually transition towards cost recovery.

Funding is also provided to continue a 15 per cent discount on Sunwater irrigation prices for a 4-year period ending 2024–25.

Horticulture Rural Irrigation Water Price Rebate Scheme administered by the Queensland Rural and Industry Development Authority

Payments to Queensland Rural and Industry Development Authority (QRIDA) to deliver an additional 35 per cent rebate on Sunwater and Seqwater irrigation water prices related to horticulture production for a 3-year period ending 2023–24, 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 water supply and supports industrial development in the region. The Queensland 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

Sequater'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 Sequater to offset the reduced revenue and to ensure that irrigation prices gradually transition towards cost recovery.

Funding is also provided to continue a 15 per cent discount on Sequater irrigation prices for a 4-year period ending 2024–25.

Disaster Relief Arrangements - Annual Water License Fee Waiver

Fees associated with annual water licences (\$92.01) will be waived for 2023–24 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. In 2023–24, it is estimated 9,000 waivers will be issued to landholders.

Drought Relief Arrangements - Water Licence Fee Waiver

As part of the Drought Assistance Reform Package, fees associated with an annual water licence invoice (\$92.01) and applications for stock or domestic water licences (\$146.17) will be waived for 2023–24. It is estimated that 6,000 waivers will be issued to landholders.

The waiver is available to primary producers in drought declared areas and those who have an individually droughted property (IDP).

Table A.2.9Department of Resources

Concession	2022–23 Est. Act. \$ million	2023–24 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 rental 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 Tourism, Innovation and Sport

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Sport and Recreation Venues - Concessional Usage Rates	2.0	2.1
Total	2.0	2.1

Sport and Recreation Venues – Concessional Usage Rates

Concessional usage rates of 20 per cent 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 Sport and Recreation owned and operated venues, including Queensland Recreation Precincts at Currimundi and Tallebudgera.

Table A.2.11 Department of Transport and Main Roads

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
General Public Transport Concessions (South East Queensland) ¹	1,800.4	1,874.2
Rail Network and Infrastructure Funding ²	776.7	867.3
General Public Transport Concessions (Regional Queensland)	314.0	334.4
Vehicle and Boat Registration Concessions	198.3	206.8
School Transport Assistance Scheme	153.9	165.1
TransLink Transport Concessions (South East Queensland)	77.7	96.1
Livestock and Regional Freight Contracts	35.4	36.1
Rail Concession Scheme	27.1	27.8
Other Transport Concessions (Regional Queensland) and Taxi Subsidies	24.2	24.4
Practical Driving Test	4.5	4.5
Designated Public Transport Concessions for Seniors Card Holders	4.2	4.3
COVID-19 Relief Measures - Transport Services ³	0.2	0.1
Mount Isa Line Incentive Scheme	20.0	
Total	3,436.6	3,641.1

Note:

- 1. The increase is due to significant investment in the South East Queensland rail network to make it reliable both in the near term and in the future when the expanded network is live.
- 2. The increase is due to a change in the investment timeline for significant network improvement infrastructure projects.
- 3. 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 the 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

Vehicle registration concessions for light and heavy motor vehicles and recreational boats are provided to a wide variety of individuals and organisations, 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, primary producers and charitable organisations. As at 31 March 2023, the Queensland Government is providing vehicle registration concessions on approximately 686,850 vehicles, totalling \$206.8 million.

Person based concessions, such as those aimed at improving access to travel for pensioners, seniors and people with disability, provide a reduced rate of registration fees. For most eligible card holders, a concession for a 4-cylinder vehicle would reduce the 12-month registration fee by 50 per cent from \$360.60 to \$180.30. For a recreational boat up to and including 4.5 metres in length, the concession reduces the registration fee by 50 per cent from \$97.35 to \$48.70. As at 31 March 2023, these concessions apply to approximately 573,760 vehicles and 20,590 vessels.

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 SIV concession would reduce the 12-month registration fee for a 6-cylinder SIV over 80 per cent from \$570.95 to \$101.60. As at 31 March 2023, this concession applies to approximately 40,801 vehicles.



A registration concession is also available for prescribed heavy vehicles that are solely used for the purpose of carrying on the business of a primary producer. A primary production business consists mainly of the production of raw materials for clothing or food (derived from agriculture, dairying, fishing, raising of livestock or viticulture). Eligible primary producers receive registration concessions for prescribed heavy vehicles, reducing their registration fees by 50 to 75 per cent. For example, a primary producer's 12-month registration fee for a 2-axle truck with a Gross Vehicle Mass over 12 tonne reduces from \$1,068.00 to \$534.00. As at 31 March 2023, this concession applies to approximately 30,583 heavy vehicles.

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 (STAS) 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 (e.g. from Bargara to Bundaberg High School). In 2023–24, approximately 130,000 students will be STAS eligible.

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 territory students, JobSeeker and Youth Allowance 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, JobSeeker and Youth Allowance 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.

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 (\$64.95 (including GST) as at 1 July 2023), providing a direct concession to applicants.

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. Under current fare arrangements, this enables eligible interstate visitors to receive at least a 50 per cent discount when compared to the same applicable adult fare.

COVID-19 Relief Measures – Transport Services

Transport services COVID-19 relief measures provided by the government include financial assistance for the personalised transport industry.

Mount Isa Line Incentive Scheme

Under the Mount Isa Line Incentive Scheme, the Queensland Government provided \$20 million per annum for 4 years between 2019–20 and 2022–23 to reduce below rail access costs for eligible freight users. The scheme ended in 2022–23.

Table A.2.12 Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Queensland Museum - Arts Concessional Entry Fees	2.6	2.8
Queensland Performing Arts Trust - Arts Concessional Entry Fees1	1.6	1.2
Arts Queensland - Discount on Property Lease Rentals	0.8	0.8
Queensland Performing Arts Trust - Venue Hire Rebates	0.5	0.6
Queensland Art Gallery - Arts Concessional Entry Fees	0.4	0.5
Arts Queensland - Venue Hire Rebates	0.4	0.4
State Library of Queensland - Venue Hire Rebates	0.3	0.3
Total	6.6	6.6

Note:

1. The variance is primarily due to two major shows produced by QPAC in 2022–23, with no similar major shows expected in 2023–24.

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.

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.

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.

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.

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.

Table A.2.13 Department of Youth Justice, Employment, Small Business and Training

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
User Choice - Apprentice and Trainee Training Subsidy ¹	251.1	252.0
Vocation Education and Training (VET) - Certificate 3 Guarantee Tuition Fee		
Subsidy ¹	228.4	218.9
VET - Higher Level Skills Tuition Fee Subsidy	65.0	65.0
Travel and Accommodation Subsidy	3.0	3.0
Total	547.5	538.9

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 \$1,240 to \$50,720, depending on student eligibility and qualification subsidised. The average subsidy value is \$10,209.

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 III 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 III qualifications).

The value of this subsidy for each qualification ranges from \$496 to \$6,990, depending on student eligibility and qualification subsidised. The average subsidy value is \$3,270.

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 \$1,235 to \$12,830, depending on student eligibility and qualification subsidised. The average subsidy value is \$4,846.

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 for distances of 1,100km or more if necessary
- cost of ferry travel if necessary
- accommodation assistance of \$40 per day for overnight stay within Queensland and \$76 for interstate travellers, if it is necessary to live away from their usual place of residence to attend training.

Table A.2.14 Queensland Fire and Emergency Services

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate § million
Emergency Management Levy Concession	11.2	11.7
Total	11.2	11.7

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, 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). In 2023–24, 282,000 property owners are estimated to receive the concession.

Table A.2.15Queensland Health

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Oral Health Scheme ¹	173.5	185.9
Patient Travel Subsidy Scheme ²	89.6	113.8
Medical Aids Subsidy Scheme ³	28.7	31.8
Spectacle Supply Scheme ⁴	9.0	10.1
Hospital Car Parking Concession Scheme ⁵	1.8	1.8
Total	302.6	343.4

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 2023–24 Federal Budget and will be the same as recent years.
- 2. The increase in Patient Travel Subsidy Scheme (PTSS) expenditure is due to increased PTSS claims, driven by increased demand projections and increased concession rate subsidies.
- 3. The 2022–23 estimated actual of \$28.7 million is lower than the 2022–23 estimate by \$0.8 million due to continued, although reduced, impacts of COVID-19. 2023–24 estimate represents a return to normal operations utilising the full year MASS budget.
- 4. 2023–24 estimate represents a return to normal operations utilising the full year Spectacle Supply Scheme budget.
- 5. 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 \$830 for general care, \$2,200 for treatment involving dentures, and \$290 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). Commencing from 2023–24, the mileage subsidy will be increased from 30 cents to 34 cents per kilometre where patients travel by private car. Accommodation subsidies will also be increased in 2023–24 from \$60 per person, per night, to \$70 per person, per night, for the patient and approved escort if they stay in commercial accommodation. Should the patient or escort stay with family or friends, a subsidy of \$10 per person per night remains.

In 2023–24, the government has also provided funding in relation to repatriation costs for deceased patients under the PTSS scheme to their place of residence.

Medical Aids Subsidy Scheme

The Medical Aids Subsidy Scheme 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 2022–23 reflects the continued and changing impacts of COVID-19 and implementation of the National Disability Insurance Scheme since 2020–21.

Based on demand in 2022–23, and current applications, the scheme is estimated to provide 57,000 occasions of service to approximately 48,400 clients in 2022–23. The scheme is estimated to provide approximately 60,000 occasions of service to approximately 45,000 clients in 2023–24.

Spectacle Supply Scheme

The Spectacle Supply Scheme (SSS) provides eligible Queensland residents with free access to a comprehensive range of basic spectacles every two 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). With eligibility on a 2-year basis, demand can fluctuate across financial years. During 2022–23, it is estimated that SSS will provide approximately 76,000 items to 57,600 clients. The average cost of services provided to applicants during 2022–23, is approximately \$118 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 to provide affordable car parking for eligible patients and their carers at 15 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 50 to 60 per cent of the commercial cost of parking, with 60 per cent average discount realised across all sites in 2022–23.

A.3 Concessions by Government-owned corporation

Table A.3.1 Energy Queensland Limited

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Regulated Service Charges—Ergon Energy	11.4	12.2
Regulated Service Charges—Energex	10.8	11.6
Total	22.2	23.8

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 Far North Queensland Ports Corporation Limited

	2022–23	2023-24
	Est. Act.	Estimate
Concession	<u>\$ million</u>	<u>\$ million</u>
Covid-19 Relief	0.1	—
Total	0.1	

COVID-19 Relief

In response to COVID-19, Far North Queensland Ports Corporation Ltd provided relief measures including temporary reductions to commercial leases and other measures. The scheme ended in 2022–23.

Table A.3.3 Gladstone Ports Corporation Limited

	2022–23 Est. Act.	2023–24 Estimate
Concession	\$ million	\$ million
Concessional Port Charges	40.5	36.0
Total	40.5	36.0

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.3.4Sunwater Limited

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate <u>\$ million</u>
Water Supply Contracts	52.5	56.6
Total	52.5	56.6

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.3.5 Concessional Leases by Entity (Industry, Commercial and Community)

Concession	2022–23 Est. Act. \$ million	2023–24 Estimate \$ million
Port of Townsville Limited	6.5	6.6
Gladstone Ports Corporation Limited	3.0	3.3
Queensland Rail Limited	2.2	2.6
Far North Queensland Ports Corporation Limited	2.0	2.0
North Queensland Bulk Ports Corporation Limited	1.4	1.4
Total	15.1	15.9

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.

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 was significant and the Queensland Government moved quickly to introduce substantial tax relief measures to support Queensland businesses, particularly small to 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 resulted in a significant increase in forgone revenue, most notably in 2019–20 and 2020–21, although some measures continued to impact in 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 what features of a tax constitute a tax expenditure, as well as the relevant 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 2021–22 and 2022–23 for payroll tax, the mental health levy, 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.18Tax expenditure summary1

	2021–22 ² \$ million	2022–23 \$ million
Payroll tax		
Exemption threshold	1,060	1,093
Graduated tax scale	28	31
Deduction scheme	497	545
Regional discount	97	108
COVID-19 relief ³	4	
Section 14 exemptions	858	884
Local government	178	184
Education	222	229
Hospitals (excluding public hospitals)	67	69
Charities	391	403
Apprentice and trainee exemption	86	106
Apprentice and trainee rebate	37	45
General practitioner payroll tax amnesty ⁴	100	100
Total payroll tax	2,767	2,912
Mental health levy ⁵		
Graduated scale		86
Total mental health levy		86
Land tax		
Liability threshold ⁶	846	891
Graduated land tax scale	1,543	1,840
Principal place of residence exemption	343	410
Primary production exemption	175	197
Part 6 Divisions 2 and 3 exemptions not included elsewhere ⁷	161	169
Land developers' concession	7	6
COVID-19 relief ³	1	—
Total land tax	3,076	3,513
Duties		
Transfer duty		
Home concession ⁸	608	500
First home concession ⁸	250	181
First home vacant land ⁸	24	14
AFAD exemption/ex gratia	10	12

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Insurance duty		
WorkCover	79	93
Health insurance	523	549
Compulsory third party (CTP) ⁹	87	89
Total duties	1,581	1,438
Queensland waste levy		
Exempt waste – general	97	92
Approved exemptions	94	94
Approved discounts	8	10
Total waste levy	199	196
Taxes on gambling		
Gaming machine taxes	125	135
Casino taxes	11	11
Total gambling tax	136	146
Total	7,759	8,291

Notes:

- 1. Numbers may not add due to rounding.
- 2. 2021–22 estimates may have been revised since the 2022–23 Queensland Budget.
- 3. A 'cashflow benefit' was provided through deferrals related to COVID-19 support initiatives, 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. Estimates reflect the amnesty period covering the five years prior to 30 June 2025 (i.e. including 2021–22 and 2022–23).
- 5. 2022–23 estimates reflect implementation from 1 January 2023 (i.e. half a financial year).
- 6. Land tax is payable only on the value of taxable land above a threshold, depending on ownership structure.
- 7. Applicable, but not limited to; religious bodies, public benevolent institutions, and other exempt charitable institutions.
- 8. The reduction in estimated tax expenditures in 2022–23 reflects the reduced level of housing market activity, including by eligible first home buyers, in 2022–23 relative to the elevated levels observed in 2021–22.
- 9. 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 2022 average weekly adult total earnings, the threshold corresponded to businesses with payrolls equivalent to employing approximately 14 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

Until 1 January 2023, 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.

From 1 January 2023, the deduction applies to payrolls between \$1.3 million and \$10.4 million, reducing by \$1 in every \$7 by which the annual payroll exceeds \$1.3 million. No deduction is available for employers or groups that have annual payroll in excess of \$10.4 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 foregone revenue, most notably in 2019–20 and 2020–21, with a small impact in 2021–22. The specific support measures that impacted revenues in 2021–22 are the implied foregone interest on:

- the deferral of payroll tax liabilities from the 2020 calendar year over four payments ending in January 2022
- a six-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.

General practitioner payroll tax amnesty

An amnesty is being provided to qualifying medical practices, otherwise liable to pay payroll tax on payments made to contracted general practitioners (GPs), up to 30 June 2025 and for the previous 5 years (i.e. 2018-25). The amnesty recognises a potential lack of awareness of the payroll tax treatment of contractors among GPs and the need to support these practices to come into compliance with the least disruption possible.

Mental health levy

The benchmark tax base for the mental health levy is assumed to be taxable wages, salaries and supplements (including employer superannuation contributions) paid in Queensland, as defined in the *Payroll Tax Act 1971* that are paid by employers or groups of employers with Australian taxable wages of at least \$10 million (on an annual basis).

A number of organisations are provided with exemptions from the mental health levy under Section 14 of the *Payroll Tax Act 1971*. Further, most apprentice and trainee wages are exempt from the mental health levy. The revenue foregone as a result of these exemptions cannot be quantified at this time.



Graduated scale

Queensland employers with Australian payrolls between \$10 million and \$100 million are liable for a primary rate of 0.25 per cent, and those with payrolls above \$100 million are liable for the primary rate of 0.25 per cent plus an additional rate of 0.5 per cent. The benchmark rate for the mental health levy is assumed to be 0.75 per cent.

For the 2022–23 financial year, the thresholds are adjusted to accommodate the levy commencing during the financial year. For wages paid or payable for the period 1 January to 30 June 2023, Queensland employers with Australian payrolls between \$5 million and \$50 million are liable for a primary rate of 0.25 per cent, and those with payrolls above \$50 million are liable for the primary rate of 0.25 per cent.

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 owner, 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 elsewhere included)

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 number of measures were implemented with most of the impact in earlier financial years. The foregone revenue in 2021–22 reflects the interest cost associated with the 3-month deferral of 2020–21 land tax liabilities.

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. In 2022–23, the levy rate was \$95 per tonne in the metropolitan levy area and \$88 per tonne in the regional levy area (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. Seventy 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 2023–24 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 uncertainty in global and national economic conditions in the context of recent global and domestic developments that have impacted key revenues.

The forward estimates in the 2023–24 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.19Taxation and royalty revenue1

	2021–22 Actual \$ million	2022–23 Est. Act. \$ million	2023–24 Budget \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
Payroll tax and mental health levy	5,001	5,874	6,524	6,913	7,315	7,738
Transfer duty	6,336	5,209	5,385	5,607	5,877	6,166
Other duties	1,963	2,213	2,255	2,350	2,450	2,554
Gambling taxes and levies	1,645	1,927	2,015	2,096	2,182	2,271
Land tax	1,633	1,777	2,031	2,280	2,416	2,471
Motor vehicle registration	2,103	2,186	2,301	2,398	2,499	2,589
Other taxes	1,330	1,378	1,426	1,481	1,546	1,597
Total tax revenue	20,011	20,563	21,938	23,125	24,285	25,387
Royalties						
Coal	7,243	15,296	5,345	4,024	4,224	4,400
Petroleum ²	1,184	2,332	1,275	1,222	1,143	1,039
Other royalties ³	490	477	503	483	460	440
Total royalties	8,917	18,105	7,123	5,730	5,827	5,878
Land rents	171	183	195	200	204	209
Total royalties and land rents	9,088	18,288	7,318	5,929	6,032	6,087

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 2023–24, wages in Queensland are forecast to increase by 4 per cent, while employment is forecast to rise 1 per cent in 2023–24.

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 total payroll tax collections by approximately \$65 million in 2023–24.

Transfer duty estimates

Transfer duty collections in 2023–24 are expected to grow modestly by 3.4 per cent compared with 2022–23 as housing market activity begins to stabilise. However, in the context of recent and future increases in interest rates, there are uncertainties as to the size and timing of impacts on housing markets.

After declining in 2022–23, house prices are expected to return to modest growth across 2023–24 and 2024–25, and transaction volumes are also expected to return to be more in line with pre-2020–21 levels. The combination of these factors, along with ongoing recovery in the non-residential sector, is supporting an expected average annual growth of 4.6 per cent in transfer duty over the 3 years ending 2026–27.

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 \$54 million in 2023–24.

Royalty assumptions and revenue risks

Table C.2 provides the key assumptions adopted for the 2023–24 Queensland Budget in relation to coal and petroleum royalties, which represent the bulk of Queensland's royalty revenue.

Table C.20Coal royalty assumptions1

	2021–22 Actual	2022–23 Est. Act.	2023–24 Budget	2024–25 Projection	2025–26 Projection	2026–27 Projection
Tonnages—crown export ² coal (Mt)	185	188	199	219	230	238
Exchange rate US\$ per A\$ ³	0.72	0.68	0.73	0.75	0.75	0.75
Year average coal prices (US\$ per tonne) ^{4,5}						
Hard coking	392	281	185	175	175	175
PCI/Semi-soft	310	265	158	149	149	149
Thermal	244	310	153	120	120	120
Year average oil price						
Brent (US\$ per barrel) ⁶	77	102	81	79	76	75

Notes:

- 1. Numbers in this table may be affected by rounding.
- Excludes coal produced for domestic consumption and where royalties are not paid to the government (private royalties). The 2023– 24 estimated domestic coal volume is approximately 25.5 Mt and private coal is 4.1 Mt.
- 3. Estimated year-average.
- 4. Estimated year-average spot prices for highest quality coking and thermal coal. Lower quality coal can be sold below this price, with indicative average prices for 2023–24 as follows: hard coking US\$170/t and thermal US\$122/t.
- 5. In previous budget papers, year-average contract price assumptions were published. However, spot prices are now considered to better reflect expected price movements in the dynamic global coal market. As such, spot prices are outlined in this Budget and will be presented in future budget papers.
- 6. 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.

Since mid-2021, there has been an unprecedented surge in coal prices. While prices have since moderated from these exceptionally high levels, they remain elevated compared to historical levels.

The recent strength 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 across the forward estimates. However, the timing and extent of the decline remains uncertain.

Coal royalties are based on progressive rates with higher royalty rates applying to higher coal prices. This means coal royalty estimates are even more sensitive to price movements at times when prices are very high, therefore providing increased returns to Queenslanders from royalties on this valuable and limited resource during times when coal producers are also benefitting from the high prices in terms of increased revenues and profits.

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 revenue¹

For each one cent movement in the A\$-US\$ exchange rate in 2023–24, the impact on royalty revenue would be approximately \$136 million.

A one per cent variation in export coking and thermal coal volumes would lead to a change in royalty revenue of approximately \$47 million. A one million tonne variation would lead to a change in royalty revenue of approximately \$24 million.

A one per cent variation in the average price of export coal would lead to a change in royalty revenue of approximately \$98 million.

Parameters influencing Australian Government GST payments to Queensland

The 2023–24 Queensland Budget incorporates estimates of GST revenue grants to Queensland based on 2023–24 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 2023–24 Budget and forward estimates reflect growth in full-time equivalent and wage increases consistent with existing agreements, the government's wages policy, and an allowance for future bargaining agreements. A one percentage point increase in wage rates above expectation would increase employee expenses by around \$322 million per annum.

¹ Sensitivities represent the estimated change to royalty revenue accruing over the 2023–24 return period.

Interest rates

The General Government Sector has a total debt servicing cost forecast at \$1.974 billion in 2023–24. The current average duration of General Government Sector borrowing with the Queensland Treasury Corporation (QTC) is 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 2023–24 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.

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Appendix D: Fiscal aggregates and indicators

	2015–16 Actual ¹ \$ million	2016–17 Actual ¹ \$ million	2017–18 Actual ¹ S million	2018–19 Actual ¹ \$ million	2019–20 Actual ¹ \$ million	2020–21 Actual ¹ \$ million	2021–22 Actual ¹ \$ million	2022–23 Est. Act. S million	2023–24 Projection \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
General Government												
Total revenue	50,780	56,194	58,087	59,828	57,778	62,791	74,185	87,623	82,079	82,102	82,858	85,591
Tax revenue	12,547	12,919	13,244	14,165	14,585	16,249	20,011	20,563	21,938	23,125	24,285	25,387
Total expenses	50,112	53,369	56,337	58,843	63,505	63,706	69,889	75,317	84,261	81,967	82,653	85,214
Employee expenses	20,045	21,258	22,681	24,019	25,662	26,385	28,068	30,279	32,175	32,825	33,864	34,930
Net operating balance	899	2,825	1,750	985	(5,728)	(915)	4,296	12,305	(2, 182)	135	206	377
Capital purchases	4,044	4,620	5,126	5,764	6,306	6,682	7,889	9,194	9,347	11,473	11,417	11,389
Net capital purchases	1,163	2,265	2,337	3,192	3,436	3,942	4,367	5,520	4,534	7,400	6,183	5,678
Fiscal balance	(495)	560	(587)	(2,207)	(9, 164)	(4,857)	(71)	6,786	(6,716)	(7,265)	(5,977)	(5,301)
Borrowing with QTC	34,200	31,358	29,256	29,468	37,570	46,153	49,000	47,014	57,494	67,872	78,104	88,154
Leases and similar arrangements ²	1,286	1,882	2,142	2,612	6,485	7,703	7,671	7,586	7,892	8,074	6,929	6,567
Securities and Derivatives	(0)	(0)	122	121	198	220	93	93	93	93	93	93
Net debt	654	(355)	(509)	(198)	14,036	11,344	10,997	5,852	16,190	28,074	37,648	46,934
Non-financial Public Sector												
Total revenue	57,393	64,855	66,164	68,329	66,171	71,318	85,485	98,403	91,924	91,660	93,420	97,796
Capital purchases	6,852	7,291	7,643	8,460	9,482	9,877	11,140	13,601	15,231	20,135	19,973	21,566
Borrowing with QTC	71,160	69,107	66,964	67,576	76,464	85,901	90,851	90,088	100,457	112,803	125,847	139,556
Leases and similar arrangements ²	1,316	1,882	2,142	2,612	6,977	8,157	8,028	7,941	8,545	8,668	7,456	7,027
Securities and Derivatives	446	895	405	720	1,503	1,570	17,374	4,533	1,636	681	481	432
Notes-												

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With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability. 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.

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	2015–10 Actual ¹ %	2010–17 Actual ¹ %	2017–18 Actual ¹ %	2010–19 Actual ¹ %	2019–20 Actual ¹ %	2020–21 Actual ¹ %	Actual ¹ %	2022–23 Est. Act. %	2023–24 Projection %	2024–23 Projection %	2023–20 Projection %	2020–27 Projection %
General Government												
Revenue/GSP	16.9	17.1	16.6	16.3	16.0	17.1	16.6	18.1	17.0	16.2	15.6	15.3
Tax/GSP	4.2	3.9	3.8	3.9	4.0	4.4	4.5	4.2	4.6	4.6	4.6	4.5
Own source revenue/GSP	9.0	8.8	8.6	8.6	8.3	8.1	8.9	10.5	8.8	8.5	8.3	8.0
Expenses/GSP	16.6	16.3	16.1	16.1	17.6	17.3	15.6	15.6	17.5	16.2	15.5	15.2
Employee expenses/GSP	6.7	6.5	6.5	6.6	7.1	7.2	6.3	6.3	6.7	6.5	6.4	6.2
Net operating balance/GSP	0.2	0.9	0.5	0.3	(1.6)	(0.2)	1.0	2.5	(0.5)	0.0	0.0	0.1
Capital purchases/GSP	1.3	1.4	1.5	1.6	1.7	1.8	1.8	1.9	1.9	2.3	2.1	2.0
Net cash inflows from operating activities/Net cash flows from												
investments in non-financial assets	122.9	134.2	107.0	105.5	(2.5)	0.7	136.9	184.9	22.7	34.6	43.5	42.3
Fiscal balance/GSP	(0.2)	0.2	(0.2)	(0.6)	(2.5)	(1.3)	(0.0)	1.4	(1.4)	(1.4)	(1.1)	(0.9)
Total borrowings/GSP	11.8	10.1	9.0	8.8	12.3	14.7	12.7	11.3	13.6	15.0	16.0	17.0
Total Borrowings/Revenue	69.9	59.2	54.3	53.8	76.6	86.1	76.5	62.4	79.8	92.6	102.7	110.8
Lease and other liabilities/revenue	2.5	3.3	3.7	4.4	11.2	12.3	10.3	8.7	9.6	9.8	8.4	7.7
Net debt/revenue	1.3	(0.6)	(0.9)	(0.3)	24.3	18.1	14.8	6.7	19.7	34.2	45.4	54.8
Revenue growth	1.6	10.7	3.4	3.0	(3.4)	8.7	18.1	18.1	(6.3)	0.0	0.9	3.3
Tax growth	(0.4)	3.0	2.5	7.0	3.0	11.4	23.1	2.8	6.7	5.4	5.0	4.5
Expenses growth	1.1	6.5	5.6	4.4	7.9	0.3	9.7	7.8	11.9	(2.7)	0.8	3.1
Employee expenses growth	7.8	6.1	6.7	5.9	6.8	2.8	6.4	7.9	6.3	2.0	3.2	3.1
Non-Financial Public Sector												
Capital purchases/GSP	2.3	2.2	2.2	2.3	2.6	2.7	2.5	2.8	3.2	4.0	3.8	3.9
Total borrowings/GSP	24.2	21.9	19.9	19.3	23.5	26.0	26.0	21.2	23.0	24.1	25.1	26.3
Total Borrowings/Revenue	127.1	110.8	105.1	103.8	128.4	134.1	136.0	104.2	120.4	133.3	143.2	150.3
Net financial liabilities/revenue	127.4	111.2	111.5	114.9	158.3	142.5	118.0	95.1	112.5	127.0	136.3	141.9
Notes:												

:-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 and Queensland Treasury forecasts.



Queensland Budget 2023-24

Budget Strategy and Outlook Budget Paper No.2

'Rich history, thriving future.' artwork by David Williams of Gilimbaa.

\$89 BILLION OVER 4 YEARS





QUEENSLAND BUDGET 2023–24

Capital Statement BUDGET PAPER NO. 3

'Rich history, thriving future.' artwork by David Williams of Gilimbaa.



2023-24 Queensland Budget Papers

- 1. Budget Speech
- 2. Budget Strategy and Outlook
- 3. Capital Statement
- 4. Budget Measures
- Service Delivery Statements

Appropriation Bills

Budget Overview

Regional Action Plans

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State Budget 2023–24

Capital Statement

Budget Paper No. 3

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1 Approach and highlights

Features

- The Queensland Government is continuing to deliver the economic and social infrastructure needed to support a growing Queensland through a record 4-year capital program. The Big Build will underpin the long-term, sustainable development of our cities and regions, supporting good jobs, better services and a great lifestyle for Queenslanders.
- With total capital commitments of \$88.729 billion over 4 years, the 2023–24 Queensland Budget again delivers on the Queensland Government's \$50 billion Infrastructure Guarantee. This investment will create generational change, cement Queensland's role on the world's stage and provide first-class facilities for Queensland. Over the 12 years to 2026–27, the government will have supported over \$184.970 billion in infrastructure works.
- In 2023–24, the government will invest \$20.321 billion in capital, directly supporting around 58,000 jobs. A record \$13.308 billion, or 65.5 per cent (up from 63.3 per cent in 2022–23) of this capital program will be invested outside of the Greater Brisbane region, supporting around 38,500 jobs.
- Capital expenditure on health infrastructure in 2023–24 will total \$1.638 billion with a focus on increasing bed capacity across the state. Work is continuing on the government's \$9.785 billion Capacity Expansion Program to deliver around 2,200 additional beds. Seven Satellite Hospitals are also due to open in 2023-24 at Caboolture, Kallangur, Ripley, Eight Mile Plains, Tugun, Bribie Island and Redlands.
- Capital expenditure by the transport portfolio is budgeted to total \$6.946 billion in 2023–24, this includes \$829.2 million to continue construction work on Cross River Rail, \$420.0 million towards construction on Coomera Connector (Stage 1) and \$259.4 million to continue Gold Coast Light Rail (Stage 3). There is also substantial ongoing investment to fund major upgrades to the Bruce Highway, the M1 Pacific Motorway and the rail network through the Logan and Gold Coast Faster Rail project and the Queensland Train Manufacturing Program to build 65 new trains in Maryborough.
- In 2023–24, the government will invest over \$1.5 billion to ensure that facilities in Queensland's state schools are world-class and continue to meet demand and support contemporary learning requirements. Investment in new schools is being facilitated through the \$3 billion Building Future Schools Program. This Budget also includes a \$968 million investment over the next decade in a strategic land acquisition fund to secure the land needed for new and expanded schools into the future.
- The 2023–24 Queensland Budget includes a landmark capital investment of around \$19 billion over the forward estimates to deliver on the Queensland Energy and Jobs Plan. The government's publicly owned energy businesses are leading Queensland's energy transformation, investing in new wind, solar, storage and transmission.

- Significant investments through the government's energy businesses in 2023-24 include \$594.0 million for CopperString 2032, \$212.6 million for CleanCo renewables projects in Central Queensland and the Swanbank Battery, \$673.0 million for Stanwell to develop the Wambo and Tarong West Wind Farms and large-scale batteries, \$312.1 million for CS Energy to invest in Central Queensland wind farms and large-scale batteries, and \$183.7 million for Queensland Hydro to progress the Borumba Pumped Hydro Energy Storage project.
- Through state-owned water businesses, 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. Major investments in 2023-24 include \$548.5 million for the Fitzroy to Gladstone Pipeline, \$156.7 million to complete construction of Rookwood Weir, \$24.3 million for the Mount Crosby Flood Resilience Program, \$13.4 million to deliver the Toowoomba to Warwick Pipeline, and \$24.4 million to complete the South West Pipeline.
- During 2023-24, Sunwater, Seqwater and Gladstone Area Water Board will also invest \$155.8 million for planning and early works on improvements to Paradise, Burdekin Falls, Somerset, Wivenhoe, North Pine, Lake Macdonald and Awoonga Dams. As part of reinvesting in the regions, \$440 million, on top of an existing \$100 million commitment, is allocated toward improving and raising Burdekin Falls Dam by 2 metres.
- The 2023–24 Queensland Budget is providing an additional \$1.1 billion for the delivery and supply of social housing across Queensland through the Housing and Homelessness Action Plan 2021–2025, including to meet higher construction costs and to boost the QuickStarts Queensland program target by 500 homes, bringing it to 3,265 social housing commencements by 30 June 2025.
- The government will continue to progress work on 2 new youth detention centres for Queensland. The first of these will be built at the Woodford Correctional Precinct, north west of Brisbane, with the expenditure subject to commercial negotiation with potential providers. The second youth detention centre is proposed to be built in Cairns.
- 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 \$3.915 billion in capital grants in 2023–24, including \$2.487 billion outside of the Greater Brisbane region. This includes more than \$1.265 billion 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 2023–24.

The 2023–24 capital program is a record investment in infrastructure across the state that will sustain and enhance the Queensland lifestyle as the population continues to grow. This includes investment in new and ongoing projects in health, transport, energy, education, water and social and affordable housing.

The government's Big Build takes a long-term view, with the capital program to deliver an expansion to the health system, decarbonise the State's energy system, improve water security and prepare for the Brisbane 2032 Olympic and Paralympics Games.

The \$20.321 billion of investment outlined in the 2023–24 Capital Statement is estimated to directly support around 58,000 jobs, with 38,500 of these jobs located outside of the Greater Brisbane region.

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 2023–24, the capital program is to be delivered in the midst of a building boom, with heightened competition for materials and labour. The government has made the deliberate decision to meet these higher costs, as well as increase infrastructure investment, to support a growing Queensland.

The government's infrastructure frameworks and planning processes are critical to prioritise the continued delivery of this infrastructure program, incorporating the latest population projections from the Queensland Government's Statistician's Office.

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 20-year period to 2042. These statewide priorities 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.

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 focus on realising infrastructure opportunities and addressing challenges that Queensland will face into the future.

Regional Infrastructure Plans

Queensland is a diverse state and its 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 proposals for 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 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. In the 2022–23 Budget, the Queensland Government provided 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:

- New Bundaberg Hospital
- New Coomera Hospital
- New Toowoomba Hospital
- New Queensland Cancer Centre
- Cairns Hospital expansion
- Hervey Bay Hospital expansion
- Ipswich Hospital expansion
- Logan Hospital expansion
- Mackay Hospital expansion
- Princess Alexandra Hospital expansion
- QEII Hospital expansion
- Redcliffe Hospital expansion
- Robina Hospital expansion
- The Prince Charles Hospital expansion
- Townsville University Hospital expansion.

In 2023-24, Queensland Health will continue the delivery of this ambitious program which has now awarded contracts valued at more than \$3 billion to deliver hospital expansions in Brisbane, Ipswich, Mackay, Logan, Townsville and Cairns.

Accelerated Infrastructure Delivery Program

Queensland Health is delivering \$269.2 million over 2 years to immediately increase bed capacity across Queensland. The Accelerated Infrastructure Delivery Program will commission 289 overnight beds across 7 projects to be delivered over the next 2 years.

Through a lease arrangement, 45 additional sub-acute beds have already been delivered in Cairns under this Program.

Construction contracts have been awarded for 5 of the 6 remaining projects, with works currently underway on these sites, with the final contract to be awarded in the second half of 2023.

Satellite Hospitals: Better Care, Closer to Home

The government is providing \$376.9 million in funding to deliver Satellite Hospitals at Bribie Island, Caboolture, Eight Mile Plains, Kallangur, Tugun, Ripley and Redlands. Five of the facilities are on track to open in 2023 and the remaining 2 in the first half of 2024.

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 facilities will provide non-urgent health care services that are more appropriately delivered in the community, closer to home and in a more convenient setting.

Each Satellite Hospital will include a Minor Injury and Illness Clinic that will be open 7 days a week from 8:00 am and will accept patients until 10:00 pm. These clinics will provide walk-in urgent care for common injuries and illnesses, including strains and sprains, broken bones, minor head injuries, infections and rashes, minor eye issues, minor cuts and burns, tooth ache and earache, and fever.

The Satellite Hospitals will also include a range of other services depending on the location, such as renal dialysis, chemotherapy, antenatal and post-natal services, and day medical treatments, as well as consult and treatment rooms.

Regional, Rural and Remote Health Infrastructure

To ensure Queenslanders 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. In 2023-24, Queensland Health will continue to deliver the \$943.5 million Building Rural and Remote Health Program to replace ageing infrastructure and to ensure new ways of working and models of care can be delivered right across Queensland over the next 6 years.

A number of projects to replace ageing infrastructure in regional and remote Queensland will commence construction in 2023-24, including:

- Blackwater Multipurpose Health Centre
- St George Primary and Allied Health Centre
- Charleville Primary and Allied Health Centre
- Morven Community Clinic
- Moranbah Hospital
- Pormpuraaw Primary Health Care Centre
- Camooweal Primary Health Care Centre
- Cow Bay Primary Health Care Centre
- Tara Hospital
- Millmerran Hospital.

Cross River Rail

Cross River Rail is the largest transport project in South East Queensland. It is funded via a capital contribution of \$6.349 billion along with financing of \$1.499 billion secured through a public private partnership.

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 and 4 new high capacity underground stations (at Boggo Road, Woolloongabba, Albert Street and Roma Street).

The Cross River Rail project is being delivered in partnership with the private sector through 2 major infrastructure packages of work: Tunnel, Stations and Development (TSD) with Pulse Consortium through a public private partnership; and Rail, Integration and Systems (RIS) through an alliance model with Unity Alliance.

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 run more frequently, efficiently and with improved safety.

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 fourth year of major construction, with work underway at 17 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 four-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 2023–24 to 2026–27 represents a \$32.1 billion¹ investment over the 4 years. QTRIP is developed in accordance with funding allocations identified by the Queensland and Australian Governments in their annual budgets, which align to both governments' policy objectives and agendas. The Australian Government has commenced an independent review of its Infrastructure Investment Program to refocus on nationally significant land transport projects. This may result in changes to funding allocations within QTRIP.

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

¹ Total QTRIP investment is inclusive of both non-capital and capital components.

Queensland and Australian Governments, is delivering major projects, such as the Varsity Lakes (Exit 85) to Tugun (Exit 95) upgrade, Eight Mile Plains to Daisy Hill upgrade, and the Exit 49 interchange upgrade at Pimpama. The Queensland and Australian Governments have also committed \$1 billion towards upgrades between Daisy Hill and the Logan Motorway.

The M1 program of works is complemented by the Australian Government and Queensland Government commitment of \$2.163 billion (on a 50:50 basis) to plan and construct Coomera Connector (Stage 1) between Coomera and Nerang. Coomera Connector (Stage 1) will provide an alternative route for the growing communities and commercial hubs of Helensvale and Coomera.

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 2023-24 capital program includes investment towards several key projects on the Bruce Highway, improving safety and access and supporting jobs across the regions, including the following example investments (noting the total budgets):

- \$1.0 billion to construct Cooroy to Curra (Section D)
- \$662.5 million to upgrade the Bruce Highway between Caboolture Bribie Island Road and Steve Irwin Way
- \$336.0 million towards a bypass of Tiaro, to increase the flood immunity, safety and efficiency of the Bruce Highway.

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 Australian Government and Queensland Government have committed a total of \$2.598 billion (on a 50:50 basis) towards the Logan and Gold Coast Faster Rail (Kuraby to Beenleigh) upgrade.

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 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 accessibility upgrades and level crossing removals along this 20 kilometre corridor.

By connecting the 2 largest centres in South East Queensland, the Gold Coast rail line will also play a significant role in servicing the travel needs of the Brisbane 2032 Olympic and Paralympic Games.

Queensland Train Manufacturing Program

The Queensland Government's Queensland Train Manufacturing Program (QTMP) was established to meet the increasing demand for rail transport in South East Queensland over the next 10 years.

The QTMP will build 65 new 6-car passenger trains at a purpose-built manufacturing facility at Torbanlea, in the Maryborough region. As part of the program, a new rail facility will also be constructed at Ormeau, in the Gold Coast region.

The QTMP will support South East Queensland's population and economic growth, as well as Cross River Rail and the Brisbane 2032 Olympic and Paralympic Games.

Construction of the facilities, trains, and maintenance of the fleet will support Queensland jobs now and into the future. The program brings with it a pipeline of training and development opportunities to Queensland.

The Queensland Government has committed \$4.869 billion for the manufacturing phase of the QTMP.

Social and Affordable Housing

The 2023–24 Queensland Budget is providing increased funding of \$1.1 billion for the delivery and supply of social housing across Queensland through the *Housing and Homelessness Action Plan 2021–2025*, including to meet higher construction costs and to boost the QuickStarts Queensland program target by 500 homes, bringing it to 3,265 social housing commencements by 30 June 2025.

Since July 2021, the QuickStarts Queensland program has commenced over 1,500 dwellings.

The 2023–24 total capital program is 67 per cent greater than the 2022–23 housing capital program budget, including capital grants.

At the Queensland Housing Summit in October 2022, the Queensland Government also boosted the Housing Investment Fund (HIF) to \$2 billion. Under the expanded HIF, \$130 million per annum is available to support an increased target of 5,600 new social and affordable home commencements by 30 June 2027.

To date, over 1,500 homes have been approved for support under the HIF. This includes support for the purchase of up to 335 properties existing under the Federal Government's soon-to-be closed National Rental Affordability Scheme in Townsville and South-East Queensland by the National Affordable Housing Consortium.

It also includes support for the delivery of a pipeline of up to 1,200 new social and affordable homes through a commercial partnership between community housing provider Brisbane Housing Company and the Queensland Investment Corporation Limited.

Government Employee Housing

In 2023-24, the Queensland Government will invest \$118.2 million to deliver secure and fit-for-purpose government employee housing 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 of an appropriate amenity for government workers in locations across Queensland.

New School Infrastructure

Through the \$3 billion Building Future Schools Program, the government is delivering new state schools in high-growth areas across Queensland.

The government has delivered 25 new schools since 2015, and a further 2 new schools will open in 2024.

The Department of Education is planning for the delivery of more new schools and additional classrooms to meet expected enrolment growth into the future. To better support the planning and delivery process, this year's Budget includes \$968 million over 10 years to establish a strategic land acquisition fund, to help secure the land needed for new and expanded schools into the future.

Queensland Energy and Jobs Plan

Over the next 10 to 15 years, Queensland's energy system will be transformed through the Queensland Energy and Jobs Plan (the Plan) to deliver clean, reliable, and affordable power, create a platform for strong economic growth and continued investment, and support the achievement of the state's renewable energy and emissions reduction objectives.

Through the energy government owned corporations, the 2023-24 capital program is delivering on the Plan with investments across a range of renewable energy, storage and network projects that will support the decarbonisation of the State's energy system, including:

- \$221.2 million for Stanwell to develop the 252-megawatt Wambo Wind Farm near Dalby, in partnership with global renewables developer, Cubico
- \$208.0 million for CS Energy to invest in Central Queensland wind farms
- \$200.0 million for Stanwell to develop the 500-megawatt Tarong West Wind Farm near Kingaroy Australia's largest state-owned wind farm
- \$171.1 million for CleanCo to develop up to 2.3 gigawatts of wind and solar projects in Central Queensland
- \$183.7 million for Queensland Hydro to commence delivery of the 2 gigawatt, 24-hour Borumba Pumped Hydro Energy Storage project
- \$183.2 million for Stanwell for the 150-megawatt Southern Renewable Energy Zone battery near the Tarong Power Station
- \$85.5 million for CS Energy to develop a 200-megawatt battery with 2-hour storage at Powerlink's Greenbank substation, south of Brisbane
- \$41.5 million for CleanCo to build, own and operate Queensland's largest grid-scale battery at the Swanbank Power Station a 250-megawatt battery with 2-hour storage.

Borumba Pumped Hydro Energy Storage

In 2023-24, the Queensland Government will proceed with the 2 gigawatt, 24-hour Borumba Pumped Hydro Energy Storage project located southwest of Gympie, subject to final approvals by

the Queensland and Australian Governments. This project, to be delivered by the Queensland Government-owned Queensland Hydro, is a cornerstone investment of the Queensland Energy and Jobs Plan. It plays a fundamental role in transitioning the Queensland energy sector towards renewables to meet the Queensland Government's renewable energy targets and net zero emissions by 2050.

The total cost to deliver the Borumba Pumped Hydro Energy Storage project is estimated to be \$14.159 billion. The 2023–24 Queensland Budget approved up to \$6 billion in equity funding over the project's construction phase.

In addition to supporting the transition of Queensland's electricity grid towards renewables, the project will provide benefits to the local economy. During construction, project personnel will peak at over 2,000. Exploratory works are expected to start later in 2023, with main works targeted to commence in 2025.

CopperString 2032

The Queensland Government is investing \$5 billion in Copperstring 2032, a 1,100-kilometre transmission line from Townsville to Mount Isa that will connect Queensland's North West Minerals Province to the national electricity grid. In 2023-24, Powerlink is investing \$594.0 million on initial construction works for the project.

This project, to be delivered by Queensland Government-owned Powerlink, will unlock one of Australia's largest renewable energy zones and potentially more than \$500 billion in new critical minerals in North Queensland. It will connect vast renewable wind and solar resources with critical minerals mining and processing that can be used to make batteries and renewables. Copperstring 2032 has the potential to support around 800 direct jobs over its 6-year construction (to 2029), and thousands more in critical minerals mining and renewable energy industries. Early works are expected to start later in 2023, with construction commencing in 2024.

This project will support the Queensland Energy and Jobs Plan and the transition of Queensland to clean, reliable and affordable power.

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 breadth and width of the state, provide much needed infrastructure that creates flow-on economic development opportunities, improved liveability and jobs for Queenslanders.

Since December 2015, the program has approved over \$417.4 million towards 370 projects across 68 local governments and one town authority, supporting an estimated 3,179 jobs during construction. This has leveraged further financial co-contributions of over \$609.2 million from local governments, the Australian Government, and other organisations, with a total capital expenditure value of over \$1 billion.

Of this, \$348.2 million was approved towards 271 projects under Building our Regions Rounds 1-5. These projects were approved and being delivered by the Department of State Development, Infrastructure, Local Government and Planning.

In 2021–22, a further \$70 million was made available under Building our Regions Round 6. 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. To date,

\$69.2 million in funding has been approved towards 99 projects, including over \$59.4 million towards 55 water and sewerage infrastructure projects and over \$9.8 million towards 35 water and sewerage planning projects. These investments leverage almost \$70 million in co-contributions resulting in an expected total capital expenditure of over \$139 million for the round.

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 2023–24, \$42.8 million will be delivered towards Works for Queensland projects. As at 31 March 2023, local governments 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 is administered by the Queensland Reconstruction Authority, with \$13.1 million to be delivered in 2023–24 to support disaster mitigation projects and build resilience to natural disasters.

The \$10.0 million North Queensland Natural Disaster Mitigation Program will allocate \$5.0 million in 2023–24 to help local governments 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.

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 Round 2 \$0.9 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 2023–24.

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

As part of the continued 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 committed 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 from 2022–23 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.

Construction is on track to commence at 4 of the 8 sites (Toowoomba, Ipswich, Cairns and Caboolture) in 2023-24, and at the remaining 4 sites by late 2024.

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 \$251.2 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 1,800 people having worked on the project to date.

Cairns Marine Precinct

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 \$180 million, subject to approvals, to deliver 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 is working with the Australian Government, which has committed to a co-contribution of \$180 million, bringing total funding to \$360 million to progress the project.

In addition to the above, the Queensland Government recently announced \$27 million for the provision of direct access to the Cairns Marine Precinct – Common User Facility for shipyard operators.

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. It will ensure that the Port of Cairns continues to be the leading maintenance, repair and overhaul facility in Northern Australia.

Rookwood Weir

Construction of the \$568.9 million Rookwood Weir on the Fitzroy River is nearing completion, with the first water from the weir to be available in early 2024, weather permitting. The project will add up to 86,000 megalitres of medium priority equivalent water supply to Central Queensland. The Queensland and Australian Governments have each funded a total of \$183.6 million (\$367.2 million), with the remainder funded by Sunwater including \$156.7 million in 2023-24. 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.

Burdekin Falls Dam Improvement and Raising Project

As part of reinvesting in the regions, which utilises royalty revenues to fund productivity-enhancing investment, the 2023-24 Queensland Budget allocates \$440.0 million toward improving and raising Burdekin Falls Dam by 2 metres. This is on top of the Queensland Government's existing \$100.0 million commitment to this important project. Raising the dam by 2 metres will create an additional 150,000 megalitres of water supply and support long-term economic development in North Queensland. Planning and preconstruction activities will continue during 2023-24 while the Environmental Impact Statement process, which will inform a final investment decision, is underway.

Dam Improvement Program

To ensure state-owned dams continue to operate safely during extreme weather events, Sunwater, Seqwater and Gladstone Area Water Board are delivering significant dam safety investment through their respective Dam Improvement Programs in 2023–24.

The 2023–24 Queensland Budget allocates investments of \$155.8 million for dam improvement projects, with work this year focusing on planning activities for Paradise Dam, Burdekin Falls Dam, Somerset Dam, Wivenhoe Dam, Lake Macdonald Dam, North Pine Dam and Awoonga Dam.

This year's Budget supports the Queensland Government's continuing commitment to rebuild and improve Paradise Dam, with \$116.4 million allocated to planning and pre-construction activities in 2023-24.

The Paradise Dam Improvement project will deliver \$1.2 billion of dam safety investment to keep downstream communities safe and support economic growth by increasing water supply by 130,000 megalitres. The project is jointly funded by matching \$600.0 million funding contributions from the Queensland and Australian Governments and will support 250 jobs during construction.

South West Pipeline

The \$95.2 million South West Pipeline project is nearing completion and will be the largest addition to the South East Queensland Water Grid since completion of the Northern Pipeline Interconnector in 2012.

The project involves the construction of a 24-kilometre pipeline connecting Beaudesert to the South East Queensland Water Grid to improve regional water security as well as supporting the Bromelton State Development Area.

Up to 100 jobs have been supported during construction, which is on track to be completed in early 2024, with \$24.4 million allocated to the project in 2023–24.

Toowoomba to Warwick Pipeline (formerly the Southern Downs Drought Resilience Package)

The Queensland Government has committed \$273.1 million for construction of the Toowoomba to Warwick Pipeline, part of a more than \$300 million investment into water security in the Toowoomba and Southern Downs regions. The project will provide a permanent water supply to 3,400 residents in the Toowoomba region and drought contingency supply to 24,000 residents in the Southern Downs region.

Sequater is delivering the pipeline and is undertaking further site investigations, final design, land acquisitions and approvals, with procurement and construction commencing in 2024–25. The project will support 420 jobs during construction and the targeted 2026–27 completion date will ensure a contingent supply is in place for Warwick before local supplies are put at risk by potential future droughts.

Mount Crosby Flood Resilience Program

The 2023–24 Queensland Budget provides \$24.3 million of investment for multiple projects under Seqwater's 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 electrical upgrades to the East Bank Pump Station.

Enabling works for the new substation were completed in December 2022 and construction on the new \$29.5 million road bridge commenced in mid-2022. The East Bank Pump Station upgrade project will commence in 2023–24.

Fitzroy to Gladstone Pipeline

The Fitzroy to Gladstone Pipeline is a 117 kilometre raw water pipeline with capacity to transfer 30 gigalitres of water per annum from the Lower Fitzroy River to Gladstone. The pipeline will provide long term water security to Gladstone's large industrial base and its urban areas. The pipeline is also expected to meet some early stage water demands of the region's emerging clean energy industry, including hydrogen.

The Queensland Government has committed \$983.0 million towards the project which will also support an estimated 400 jobs during construction. To date, \$166.4 million has been expended and budgeted expenditure in 2023-24 is \$548.5 million. Gladstone Area Water Board will deliver and operate the pipeline. The pipeline is expected to be completed in early 2026.

Brisbane 2032 Olympic and Paralympic Games

The 2023-24 Queensland Budget has provisions for total capital expenditure for Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032) venues infrastructure of \$7.1 billion over 10 years. The venues infrastructure program is jointly funded by the Queensland and Australian Governments to support the hosting of Brisbane 2032. The allocation of funding for specific venues projects will be subject to government investment decisions following completion of project assessment activities.

The venues infrastructure program comprises the Brisbane Arena (\$2.5 billion), the Gabba Redevelopment (\$2.7 billion) and 16 new or upgraded venues under the Minor Venues Program (\$1.9 billion).

This year's Budget also includes \$44 million as the Queensland Government's contribution to the University of Queensland's proposed Paralympic Centre of Excellence as part of the Brisbane 2032 Legacy Plan. A further \$154.7 million is provided over 4 years from 2024– 25 for Economic Development Queensland to bring forward delivery of public infrastructure to facilitate the development of services and land for the Brisbane Athlete Village.

1	7

2 2023–24 Capital program overview

2.1 Introduction

In this year's Budget, the Queensland Government has allocated a total of \$20.321 billion in 2023–24 to provide productivity-enhancing economic and essential social infrastructure to meet the needs of a growing Queensland.

This investment will help create jobs, support Queensland businesses and deliver economic stimulus, including in Queensland's vital regional areas. The 2023–24 capital program is estimated to directly support around 58,000 jobs across the state.

The 2023–24 capital program comprises \$16.405 billion of purchases of non-financial assets (PNFA) and acquisitions of non-financial assets under finance leases, and \$3.915 billion of capital grants expenses.

Importantly, the 2023–24 capital program demonstrates the government's commitment to growing the state's regions, with a record \$13.308 billion, or 65.5 per cent (up from 63.3 per cent in 2022–23) of the capital program in 2023–24 to be spent outside of the Greater Brisbane region (Brisbane and Redlands, Logan and Ipswich), supporting an estimated 38,500 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 2023–24 total \$6.209 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 2023–24 capital program includes \$16.405 billion of PNFA and acquisitions of non-financial assets under finance leases.

Capital purchases in 2023–24, categorised according to purpose, are outlined in Chart 1. Transport continues to account for the largest share of purchases. The significant investment in the Queensland Energy and Jobs Plan has increased the overall share of energy infrastructure to 30 per cent of capital purchases, followed by health, housing, and community services and education and training.

Chart 1 Capital purchases by purpose 2023–24

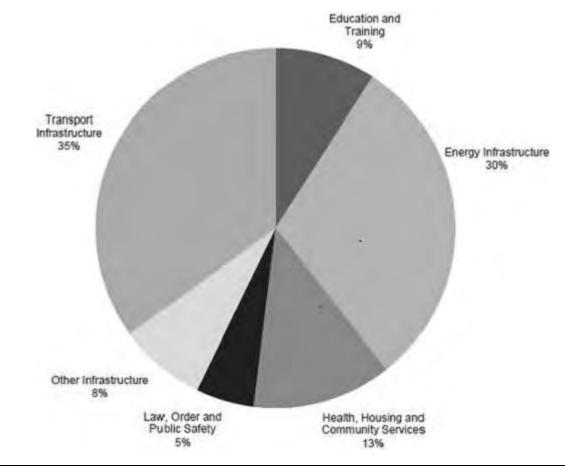




Table 1 outlines the capital purchases by Queensland Government entity, including the 2022–23 year (estimated actual) and the Budget for 2023–24. Transport and Main Roads has the largest proportion of total capital purchases.

Table 1Capital purchases by Queensland Government entity1,2,6

Entity	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
Agriculture and Fisheries	23,148	45,284
Child Safety, Seniors and Disability Services	56,811	49,587
Education	1,400,829	1,534,355
Energy and Public Works		
Energy and Public Works	172,410	155,448
Energy Generation Sector	932,482	2,252,602
Energy Transmission and Distribution	2,265,234	3,212,201
Environment and Science	76,788	69,618
Housing	421,174	511,148
Justice and Attorney-General	31,729	48,858
Legislative Assembly of Queensland	31,413	36,880
Premier and Cabinet	377	1,337
Queensland Corrective Services	343,936	439,599
Queensland Fire and Emergency Services	78,040	125,004
Queensland Health	1,523,655	1,638,431
Queensland Police Service	177,515	337,577
Queensland Treasury	1,942	43,950
Regional Development, Manufacturing and Water		
Regional Development, Manufacturing and Water	128,107	3,500
Water Distribution and Supply	457,992	981,435
Resources	12,103	10,976
State Development, Infrastructure, Local Government and Planning	150,682	125,741
Tourism, Innovation and Sport	55,089	69,526
Transport and Main Roads		
Transport and Main Roads	5,146,367	4,192,450
Port Authorities	234,028	236,427
Queensland Rail	806,557	1,134,521
Cross River Rail Delivery Authority	1,196,543	762,905
Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	7,327	111,968
Youth Justice, Employment, Small Business and Training	135,113	115,541
Other agencies ³	4,533	5,538
Other adjustments ⁴	(454,218)	(597,068)
Anticipated contingency reserve ⁵	(700,000)	(1,250,000)
Total capital purchases	14,717,706	16,405,339

Total capital purchases breakdown Consisting of:	2022–23 Est. Actual \$`000	2023–24 Budget \$`000
Purchases of non-financial assets per Non-financial Public Sector Cash Flow Statement (BP2 Table 9.9)	13,601,396	15,230,921
New leases	1,116,310	1,174,418
Total capital purchases	14,717,706	16,405,339

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 under spending resulting in a carryover of capital allocations.
- 6. The 2022–23 estimated actuals are presented on a pre-machinery-of-government basis.

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 \$10.821 billion (66.0 per cent) of capital purchases in 2023–24 will be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich).

Table 2Capital purchases by RAP region and statistical area for 2023–24^{1,2}

Regional Action Plan region	Capital purchases \$'000	Statistical area	Capital purchases \$'000
Brisbane and Redlands	3,508,002	301 Brisbane East	337,151
		302 Brisbane North	405,450
		303 Brisbane South	552,897
		304 Brisbane West	213,533
		305 Inner Brisbane	1,998,972
Ipswich	1,113,659	310 Ipswich	1,113,659
Wide Bay	1,628,252	319 Wide Bay	1,628,252
Darling Downs	910,634	307 Darling Downs Maranoa	614,464
		317 Toowoomba	296,170
Gold Coast	1,862,000	309 Gold Coast	1,862,000
Logan	962,555	311 Logan Beaudesert	962,555
Mackay-Whitsunday	525,319	312 Mackay	525,319
Outback Queensland ³	402,355	315 Outback	672,560
Far North Queensland ³	1,232,219	306 Cairns	962,014
Central Queensland	1,816,465	308 Central Queensland	1,816,465
Sunshine Coast	727,927	316 Sunshine Coast	727,927
Moreton Bay	691,771	313 Moreton Bay North	312,761
		314 Moreton Bay South	379,010
Townsville	1,024,180	318 Townsville	1,024,180
Total capital purchases			16,405,339

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. \$270,205,000 of capital purchases in Outback statistical area belong to the Far North Queensland RAP region.

2.3 Capital grants

Chart 2

The Queensland Government provides capital grants to a range of organisations.

Total capital grants are expected to be \$3.915 billion in 2023–24, with Chart 2 below outlining the capital grants to local governments (LG) and non-government organisations (NGOs).

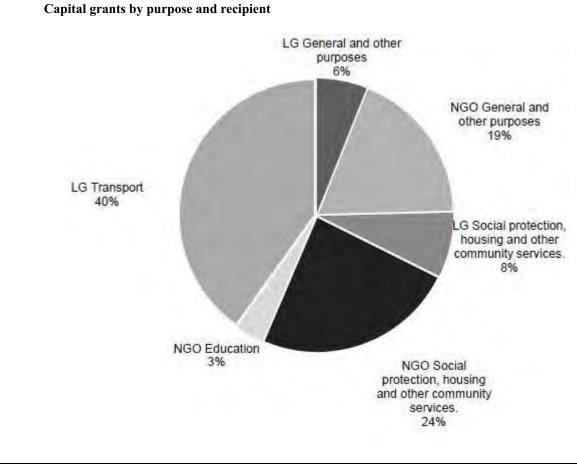


Table 3 shows the planned expenditure on capital grants by Queensland Government entity for 2023–24. State Development, Infrastructure, Local Government and Planning has the highest proportion of capital grants.

Table 3Expenditure on capital grants by Queensland Government entity1,2,4

Entity	2022–23 Est. Actual \$'000	2023–24 Budget \$'000
Agriculture and Fisheries	800	5,100
Child Safety, Seniors and Disability Services	3,110	
Education	139,037	174,205
Energy and Public Works	12,500	207,557
Environment and Science	5,058	31,240
Housing	153,451	239,884
Premier and Cabinet	5,508	14,643
Queensland Fire and Emergency Services	2,121	11,712
Queensland Police Service	—	25,000
Queensland Treasury	131,825	152,001
Regional Development, Manufacturing and Water	82,593	103,569
State Development, Infrastructure, Local Government and Planning	1,047,418	1,698,884
Tourism, Innovation and Sport	70,218	218,929
Transport and Main Roads		
Transport and Main Roads	536,082	553,078
Cross River Rail Delivery Authority	11,143	66,344
Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	1,315	2,214
Youth Justice, Employment, Small Business and Training	20,147	
Other adjustments ³	62,083	410,943
Total capital grants	2,284,409	3,915,303

Notes

1. Includes associated statutory bodies.

2. Numbers may not add due to rounding.

3. Includes assets transferred, funds held centrally and other technical accounting adjustments.

4. The 2022–23 estimated actuals are presented on a pre-machinery-of-government basis.

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 \$2.487 billion (63.5 per cent) of capital grants in 2023–24 will be spent outside of Greater Brisbane (Brisbane and Redlands, Logan and Ipswich).

Table 4Capital grants by RAP region and statistical area for 2023–241,2

Designal Action Dise main	Capital grants	G4 4 1 4		Capital grants
Regional Action Plan region Brisbane and Redlands	\$ `000 817,055	Statist 301	ical area Brisbane East	\$`000 243,058
Disbane and Rediands	817,035			
		302	Brisbane North	90,775
		303	Brisbane South	105,513
		304	Brisbane West	56,850
		305	Inner Brisbane	320,860
Ipswich	147,615	310	Ipswich	147,615
Wide Bay	235,764	319	Wide Bay	235,764
Darling Downs	153,469	307	Darling Downs Maranoa	73,826
		317	Toowoomba	79,643
Gold Coast	446,429	309	Gold Coast	446,429
Logan	463,666	311	Logan Beaudesert	463,666
Mackay-Whitsunday	98,102	312	Mackay	98,102
Outback Queensland ³	273,470	315	Outback	461,660
Far North Queensland ³	472,382	306	Cairns	284,192
Central Queensland	186,490	308	Central Queensland	186,490
Sunshine Coast	231,786	316	Sunshine Coast	231,786
Moreton Bay	233,531	313	Moreton Bay North	84,822
		314	Moreton Bay South	148,709
Townsville	155,544	318	Townsville	155,544
Total capital grants				3,915,303

Notes

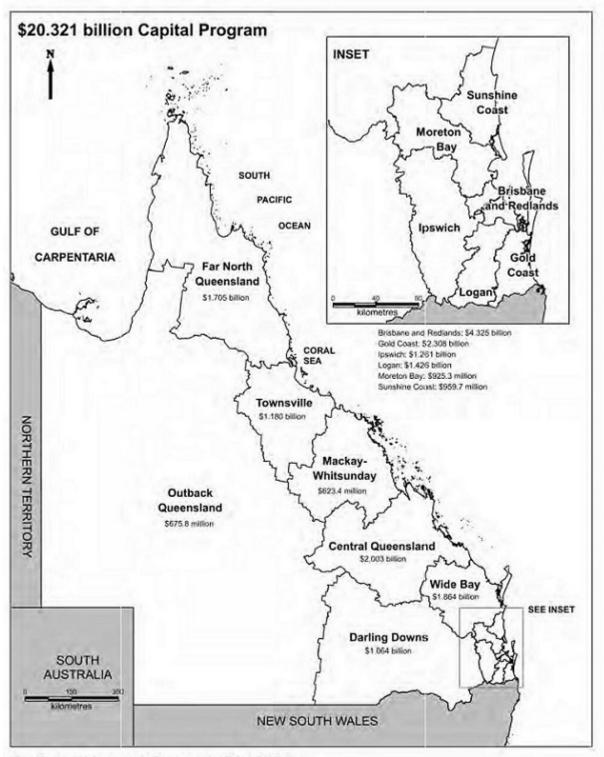
1. Numbers may not add due to rounding.

2. The anticipated capital contingency reserve and other adjustments have been spread across statistical areas proportionate to capital spends.

3. \$188,190,000 of capital grants in Outback statistical area belong to the Far North Queensland RAP region.

Chart 3 shows the distribution of the total 2023–24 capital program (capital purchases and capital grants) across the geographical regions of Queensland, as classified for Budget Paper 3 purposes.





Note: Boundaries are based on Regional Action Plans, 2023-24

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 \$27.3 million for 2023-24. 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)

- \$4.0 million to continue upgrades to the department's research and operational facilities through the research facilities development, scientific equipment and minor works programs.
- \$2.1 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.
- \$1.7 million for new and replacement heavy plant and equipment including trucks, tractors, irrigators, all-terrain vehicles and other machinery.
- \$1.5 million to upgrade infrastructure and equipment at Gatton Smart Farm.
- \$1.4 million to develop and replace the Brands Information System.
- \$1.4 million to continue to replace vessels and marine equipment for fisheries research and regulatory functions.
- \$1.4 million to upgrade the Wild Dog Barrier Fence.
- \$965,000 to Acquaculture Transformation towards the development of a diverse aquaculture industry at Bribie Island Research Centre.
- \$820,000 to upgrade the fitout at Ecosciences and Health and Food Sciences Precincts.
- \$585,000 to upgrade Longreach office accommodation.

Program Highlights (Capital Grants)

- \$4 million to finalise long-term decisions on the future of assets formerly held by the Queensland Agricultural Training Colleges.
- \$600,000 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 \$23.1 million for 2023-24.

Program Highlights (Property, Plant and Equipment)

• Up to \$20 million to relocate the Racing Science Centre to make way for the Brisbane 2032

Olympic and Paralympic Games.

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\$2.5 million for upgrades to laboratory equipment to support drug testing services.

Agriculture and Fisheries

	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$`000	\$`000	\$'000
DEPARTMENT OF AGRICULTURE AND FISHERIES					
Property, Plant and Equipment					
Computer equipment	Various			4,290	Ongoing
Assets formerly held by Queensland Agricultural Training Colleges	308	5,850	714	2,075	3,061
Scientific equipment	Various			1,477	Ongoing
Research facilities development	Various			549	Ongoing
Heavy plant and equipment	Various			1,700	Ongoing
Minor works	Various			1,943	Ongoing
Gatton Smart Farm	317	2,000	488	1,512	
Brands Information System replacement	305	1,566	163	1,404	
Vessels and marine equipment	Various			1,406	Ongoing
Wild Dog Barrier Fence	307			1,428	Ongoing
Queensland Aquaculture Transformation	313	965		965	
Other property, plant and equipment	Various			969	Ongoing
Longreach office upgrade	315	1,170	585	585	
Longreach office fire information panel & smoke detectors upgrade	315	306	30	276	
Fitout of Ecosciences and Health and Food Sciences Precincts	303			820	Ongoing
Gatton Research Facility fire hydrant upgrade	317	270		270	
Maroochy Research Facility Spillway upgrade	316	300	35	265	
Maroochy Research Facility fire hydrant water mains upgrade	316	354	100	254	
Total Property, Plant and Equipment				22,189	
Capital Grants					
Assets formerly held by Queensland Agricultural Training Colleges	315	4,000		4,000	
Young Animal Protection Society upgrade	306	1,000	300	600	100
Queensland Country Women's Association	Various	1,000	500	500	
Total Capital Grants				5,100	
QUEENSLAND RACING INTEGRITY COMMISSION					
Property, Plant and Equipment					
Relocation of the Racing Science Centre	305	20,000		20,000	

Agriculture and Fisheries

Project_	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$'000	Budget 2023-24 \$`000	Post 2023-24 \$'000
Racing Science Centre laboratory technology upgrades	305			2,545	Ongoing
Other asset replacement	Various			400	Ongoing
Registration and licensing environment	Various	4,847	3,297	150	1,400
Total Property, Plant and Equipment				23,095	
TOTAL AGRICULTURE AND FISHERIES (PPE)				45,284	
TOTAL AGRICULTURE AND FISHERIES (CG)				5,100	

3.2 CHILD SAFETY, SENIORS AND DISABILITY SERVICES

Child Safety, Seniors and Disability Services

The total capital outlay for the Department of Child Safety, Seniors and Disability Services is \$49.6 million in 2023-24.

These funds provide the infrastructure and systems to support children, young people and families to be safe and to safeguard and promote the inclusion, rights and social participation of seniors, carers and people with disability.

Program highlights (Property, Plant and Equipment)

- \$36.0 million in 2023-24 of a total \$93.5 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 services reforms while engaging with young people, families, carers and services.
- \$6.0 million for Child and Family Services facilities, including fit out and upgrade of Child Safety service centres and office accommodation and upgrades to Residential Care properties.
- \$2.8 million to enhance and develop information systems and programs to provide additional system functionality, information security and contemporary technology to improve service delivery.
- \$1.7 million to advance the provision of infrastructure for clients transitioning from Forensic Disability Services to accommodation within the Wacol Disability Services Precinct.
- \$1.7 million to upgrade Forensic Disability Services accommodation to support people with cognitive disability who require access to specialist forensic support and treatment.
- \$798,000 for capital replacement of information technology infrastructure that is at end of life.
- \$611,000 to continue upgrading, improving and modifying accommodation facilities for Disability Services clients.

Child Safety, Seniors and Disability Services

	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$`000	\$'000	\$'000	\$`000
DEPARTMENT OF CHILD SAFETY, SENIORS AND DISABILITY					
SERVICES					
Property, Plant and Equipment					
Information Systems and Technology					
Unify (Integrated Client Management System replacement) Program	Various	93,498	55,569	36,047	1,882
Information system enhancements	Various			2,813	Ongoing

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Child Safety, Seniors and Disability Services			Expenditure		
Project	Statistical Area	Estimated Cost \$'000	to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$'000
Information technology infrastructure replacement	Various			798	Ongoing
Sub-total Information Systems and Technology				39,658	
Child and Family Services facilities					
Child and Family Services facilities	Various			5,950	Ongoing
Sub-total Child and Family Services facilities				5,950	
Disability Services					
Forensic Disability Services House 2 rectification and upgrade works	310	1,808	115	1,693	
Disability Services - Wacol FDS transition accommodation	310	8,650	6,975	1,675	
Disability Services - General property upgrades	Various			611	Ongoing
Sub-total Disability Services				3,979	
Total Property, Plant and Equipment				49,587	
TOTAL CHILD SAFETY, SENIORS AND DISABILITY SERVICES					
(PPE)				49,587	

3.3 EDUCATION

Total capital purchases for the Education portfolio (including the Department of Education and related entities) are \$1.534 billion in 2023-24. Total capital grants for the portfolio are \$174.2 million in 2023-24.

Department of Education

The 2023-24 capital purchases of \$1.534 billion include the capital works program of \$1.451 billion for the construction and refurbishment of school educational facilities and early childhood education and care services. Capital works planning targets government priorities through consideration of population growth and shifts, changes in educational needs and addressing high priority needs for student and staff health and safety.

Program Highlights (Property, Plant and Equipment)

- \$421.9 million for the Building Future Schools Program to deliver world-class learning environments for students.
- \$326.3 million for the provision of additional facilities at existing state schools experiencing faster enrolment growth.
- \$221.7 million to replace and enhance facilities at existing schools; including \$138 million for critical infrastructure upgrades to create contemporary learning environments as part of the Special School Renewal, Contemporary Specialist Spaces and Discrete Indigenous Community Renewal programs.
- \$202.6 million as part of the School Halls program to boost education infrastructure investment across Queensland.
- \$106.3 million as part of the new strategic land acquisition fund, to acquire land for future new and expanded schools.

Program Highlights (Capital Grants)

- \$126.8 million is provided for the non-state schooling sector and student hostels.
- \$47.4 million is provided for racing infrastructure projects that contribute to the growth and sustainability of the Queensland racing industry.

Educ:	ition	Total Estimated	Expenditure to	Budget	Post
Project	Statistical Area	Cost \$`000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
DEPARTMENT OF EDUCATION					
Property, Plant and Equipment					
Education Capital Works Program					
New schools ¹	Various	630,011	10,072	157,791	462,148
New primary school in Bellbird Park	310	73,030	20,930	49,425	2,675
New primary school in Redland Bay	301	63,966	30,270	20,398	13,298
Ayr State High School - New hall facility	318	5,175	380	4,795	



Capital Statement 2023-24

Education

Education							
			Total	Expenditure		D. (
		Statistical	Estimated Cost	to 30-06-23	Budget 2023-24	Post 2023-24	
Project		Area	\$'000	\$'000	\$'000	\$'000	
Baringa State Secondary College - Ne	w secondary school	316	111,575	90,860	4,794	15,921	
Bracken Ridge State High School - A	dditional classrooms	302	18,003	9,757	5,486	2,760	
Bray Park State High School - Addition	onal classrooms	314	16,268	245	16,023		
Bremer State High School - Additiona	l specialist classrooms	310	6,585		6,585		
Brisbane South State Secondary Colle	ege - Stage 1 sports fields	303	13,160	5,197	7,963		
Brisbane South State Secondary Colle	ege - Stage 2 fit out	303	16,016	2,739	13,277		
Buderim Mountain State School - Nev	w hall facility	316	9,699	3,276	6,423		
Burnside State High School - New ha	ll facility	316	9,630	2,937	6,693		
Bwgcolman Community School - Adr	ninistration upgrades	318	3,150	930	2,220		
Bwgcolman Community School - New	w home economics building	318	6,807	1,202	5,605		
Cairns State High School - Additional	specialist classrooms	306	606	14	592		
Cairns State Special School - Addition		306	9,140	110	1,354	7,676	
Capalaba State College - New hall fac	eility	301	11,537	4,614	6,923		
Centenary Heights State High School	 Additional classrooms 	317	9,101	4,797	4,304		
Claremont Special School - Additiona	l classrooms	310	12,972	7,723	5,249		
Clifton State High School - Amenities	upgrades	307	1,200	160	1,040		
Clifton State High School - Upgrade e		307	2,484	1,584	900		
Coombabah State High School - Addi	tional classrooms	309	13,119	11,419	1,700		
Coomera State Special School - New	special school	309	47,874	30,128	17,746		
Corinda State High School - Addition	al specialist classrooms	304	9,000		375	8,625	
Darling Point Special School - Additie	onal classrooms	301	22,264	5,110	12,554	4,600	
Darra State School - Additional classr	ooms	310	11,016	430	10,586		

Capital	Statement	2023-24
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Education					
Project	Statistical Area	Total Estimated Cost \$`000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$'000
Deception Bay State High School - Additional classrooms	313	7,336	1,345	5,991	
Deception Bay State School - New hall facility	313	7,405	3,504	3,901	
Dirranbandi P-10 State School - Additional specialist classrooms	307	606	302	304	
Emerald State High School - Additional classrooms	308	8,167	2,183	5,984	
Everleigh State School - New primary school	311	64,484	38,801	18,492	7,191
Ferny Hills State School - Amenities upgrades	314	960	160	800	
Flagstone State School - Additional classrooms	311	10,065	8,102	491	1,472
Gainsborough State School - New primary school	309	51,990	50,313	1,677	
Gladstone Central State School - New hall facility	308	5,175	3,375	1,800	
Gladstone State High School - Additional specialist classrooms	308	9,731	1,076	8,655	
Glenala State High School - Additional classrooms	310	10,541	5,494	3,759	1,288
Glenala State High School - Upgrade existing hall facility	310	6,153	4,192	1,961	
Glenala State High School - Upgrade skills development and training facilities	310	2,768	1,449	1,319	
Glenview State School - Administration upgrades	316	5,012	4,170	842	
Goodna Special School - Additional classrooms	310	19,937	16,345	1,200	2,392
Goondiwindi State High School - Additional specialist classrooms	307	606	237	369	
Gordonvale State High School - Additional specialist classrooms	306	566		566	
Highfields State School - Administration upgrades	317	2,700	1,800	900	
Holland Park State High School - Additional specialist classrooms	303	11,771	3,833	7,938	
Indooroopilly State School - Administration upgrades	304	3,600	134	360	3,106
Inglewood State School - Additional specialist classrooms	307	606	233	373	
Inner west Brisbane primary school network upgrades	Various	19,800		3,960	15,840

Capital Statement 2	2023-24
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Education

		Total	Expenditure		
	Statistical	Estimated Cost	to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$'000	\$'000	\$'000
Innisfail State College - Additional specialist classrooms	306	364		364	
Ipswich State High School - Additional classrooms	310	25,848	12,108	10,095	3,645
James Nash State High School - Additional specialist classrooms	319	1,662	122	1,540	
Kallangur State School - Additional classrooms	314	10,874	6,937	3,937	
Keebra Park State High School - Additional specialist classrooms	309	8,492	161	2,497	5,834
Kenmore South State School - Additional classrooms	304	23,486	1,206	13,633	8,647
Kenmore State High School - Additional specialist classrooms	304	4,893		4,893	
Kepnock State High School - Additional specialist classrooms	319	6,393	381	6,012	
Kilcoy State High School - New hall facility	313	4,770	3,060	1,710	
Kilcoy State School - Amenities upgrades	313	952	592	360	
Kingston State School - FamilyLinQ - school-based hub	311	13,055	6,786	6,269	
Kirwan State School - Administration upgrades	318	3,060	1,800	1,260	
MacGregor State High School - Site renewal	303	4,893	3,128	1,765	
Malanda State School - Enhance outdoor learning area	306	1,161	3	1,158	
Manly State School - Additional classrooms	301	9,292	442	8,850	
Miami State High School - New hall facility	309	10,800	6,118	4,682	
Millmerran State School - Amenities upgrades	307	1,600	320	1,280	
Mitchelton Special School - Additional classrooms	304	14,016	7,918	2,418	3,680
Moranbah East State School - Additional classrooms	312	5,704	3,036	2,668	
Moranbah State High School - Additional classrooms	312	7,436	2,260	5,176	
Morayfield State High School - Additional classrooms	313	20,818	4,495	14,759	1,564
Nerang State High School - Upgrade existing hall facility	309	4,500	902	3,598	
Nirimba State Primary School - New primary school	316	41,833	41,418	415	

Education					
Project	Statistical Area	Total Estimated Cost \$`000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$'000
Noosa District State High School - Pomona Campus - New hall facility	316	10,638	919	9,719	
North Arm State School - Administration upgrades	316	5,119	4,500	619	
Northern Peninsula Area College - Bamaga Junior Campus - Administration					
upgrades	315	1,951	888	1,063	
Oakey State High School - New hall facility	307	8,151	1,647	6,504	
Oakleigh State School - New hall facility	305	7,329	2,869	4,460	
One Mile State School - Amenities upgrades	319	1,600		1,600	
Pallara State School - Additional classrooms	303	14,553	1,309	13,244	
Palm Beach-Currumbin State High School - New hall facility	309	9,802	8,866	936	
Palmview State Primary School - New primary school	316	53,639	47,684	5,955	
Palmview State Secondary College - New secondary school	316	88,157	51,582	15,056	21,519
Palmview State Special School - New special school	316	50,855	44,927	5,928	
Park Ridge State High School - Additional classrooms	311	11,132	10,321	811	
Petrie Terrace State School - Renew entry and install walkway covers	305	473	172	301	
Pimlico State High School - Additional specialist classrooms	318	404	15	389	
Pimlico State High School - New hall facility	318	15,045	3,683	11,362	
Pittsworth State High School - Additional specialist classrooms	307	727	371	356	
Pittsworth State High School - New hall facility	307	7,433	2,767	4,666	
Proserpine State High School - Additional specialist classrooms	312	606		606	
Proserpine State School - Amenities upgrades	312	400		400	
Redlynch State College - Upgrade hall facility	306	6,255	443	5,812	
Ripley Central State School - New primary school	310	68,760	51,470	10,409	6,881
Ripley Valley State Secondary College - stage 2	310	17,578	3,995	13,583	
Rochedale State High School - New hall facility	303	13,160	5,549	7,611	
Rochedale State High School - Site renewal	303	1,478		1,478	

Education		— 1			
	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$`000	\$'000	\$`000
Rockhampton North Special School - Additional classrooms	308	15,640	11,311	3,501	828
Rockhampton Special School - Additional classrooms	308	8,769	686	8,083	
Rosewood State High School - Additional classrooms	310	6,440	5,165	1,275	
Sandgate District State High School - Upgrade existing hall facility	302	15,946	369	15,577	
Serviceton South State School - Additional classrooms	310	6,992	1,735	5,257	
Seven Hills State School - New hall facility	305	7,200	3,067	4,133	
South Rock State School - New primary school	311	62,310	54,437	5,335	2,538
Spinifex State College - Mount Isa - Senior Campus - Amenities upgrades	315	536	260	276	
Spinifex State College - Mount Isa - Student Residential - security fence	315	558		558	
Spring Mountain State School - Additional classrooms	310	22,758	1,049	21,709	
Sunnybank State High School - Site renewal	303	2,805	821	1,984	
Taigum State School - Additional classrooms	302	9,987	2,490	7,497	
The Hall State School - New hall facility	308	11,370	2,349	9,021	
Thuringowa State High School - New hall facility	318	5,175	4,608	567	
Toogoolawah State High School - New hall facility	310	7,722	2,883	4,839	
Toolooa State High School - Additional classrooms	308	7,176	5,621	1,555	
Toolooa State High School - New hall facility	308	2,880	1,812	1,068	
Trinity Bay State High School - Additional specialist classrooms	306	1,454	122	1,332	
Trinity Bay State High School - New hall facility	306	10,350	2,758	7,592	
Upper Mount Gravatt State School - Carpark renewal	303	559	249	310	
Urangan Point State School - New hall facility	319	5,175	3,529	1,646	
Urangan State High School - New hall facility	319	9,630	2,321	7,309	
Walloon State School - Additional classrooms	310	4,784	4,048	736	

Capital S	Statement	2023-24
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Education

Education					
		Total Estimated	Expenditure to	Budget	Post
	Statistical	Cost	30-06-23	2023-24	2023-24
Project	Area	\$`000	\$'000	\$'000	\$'000
Warwick State High School - New hall facility	307	8,002	2,995	5,007	
Western Cape College - Weipa - Additional classrooms	315	10,114	644	9,470	
Whites Hill State College - Site renewal	303	2,978	2,581	397	
Wilston State School - New hall facility	305	7,200	4,246	2,954	
Wishart State School - Additional classrooms	303	10,202	1,188	9,014	
Woodcrest State College - Additional specialist classrooms	310	1,662	122	1,540	
Woodford State School - Amenities upgrades	313	1,200	160	1,040	
Woogaroo Creek State School - New primary school	310	77,096	63,394	9,193	4,509
Wooloowin State School - Additional classrooms	305	11,776	7,221	4,555	
Woombye State School - Replacement of classroom block	316	1,200	800	400	
Woree State School - New hall facility	306	6,071	758	5,313	
Wowan State School - Amenities upgrades	308	645		645	
Yandina State School - Additional classrooms	316	8,363	4,903	3,460	
Discrete communities renewal	Various	36,681	3,825	9,028	23,828
General and minor works	Various			220,942	Ongoing
Go for Gold (School sports Infrastructure)	Various	75,000	1,500	15,000	58,500
Growth program - Additional classrooms	Various	304,353		52,177	252,176
Halls program - Additional learning infrastructure	Various	186,322		4,860	181,462
Land acquisition	Various			174,367	Ongoing
School infrastructure enhancement	Various			25,000	Ongoing
School playground and tuckshop upgrades	Various	15,000		15,000	
School Subsidy Scheme	Various			9,100	Ongoing
School Upgrade Fund ²	Various	48,387	7,979	40,408	
Shovel Ready Program - Various minor works	Various	48,025	44,200	3,825	
Special school renewal	Various	102,957	6,684	46,508	49,765
Sub-total Education Capital Works Program				1,445,013	
Early Childhood Education and Care Capital Works Program					
General and minor works	Various			5,536	Ongoing
Sub-total Early Childhood Education and Care Capital Works Program				5,536	

	Education					
Project		Statistical Area	Total Estimated Cost \$`000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$'000
Plant and Equipment						
Education plant and equipment		Various			80,028	Ongoing
Office of Industrial Relations plant and equipment		Various			3,778	Ongoing
Sub-total Plant and Equipment					83,806	
Total Property, Plant and Equipment					1,534,355	
Capital Grants						
Capital grants - Education		Various			126,792	Ongoing
Racing Infrastructure Fund		Various	179,928	82,515	47,413	50,000
Total Capital Grants					174,205	
TOTAL EDUCATION (PPE)					1,534,355	
TOTAL EDUCATION (CG)					174,205	

Notes:

1. Refers to funding allocated for 7 new schools (primary schools in the Park Ridge, Caboolture West, Caloundra South, Ripley, Flagstone and Bahrs Scrub areas, and a secondary school in Collingwood Park).

2. Australian Government funding received to support capital projects to keep students and staff safe after disruptions due to COVID-19.

3.4 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 2023-24 is \$5.620 billion. The portfolio's capital grants for 2023-24 are \$207.6 million.

Department of Energy and Public Works

Total capital purchases for the Department of Energy and Public Works are \$149.7 million in 2023-24. Total capital grants for the department are \$207.6 million in 2023-24.

Program highlights (Property, Plant and Equipment)

- \$118.2 million investment to deliver safe and secure government employee housing including in remote and regional communities as part of government's 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.
- \$12.5 million to make Zero Emission Vehicle (ZEV) charging infrastructure available in Queensland government buildings.

Program Highlights (Capital Grants)

• \$201.6 million to eligible homeowners to raise, repair or retrofit 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 2023-24 is \$631.9 million. The capital program is focused on building new renewable energy assets and firming the energy portfolio, maintaining existing assets, developing trading and reporting systems and refreshing server infrastructure.

Program Highlights (Property, Plant and Equipment)

- \$171.1 million to develop new wind and solar projects in Central Queensland.
- \$41.5 million to build and install battery storage at Swanbank.
- \$29.6 million for the Kogan North Gas Fields development to support fuel security.
- \$16.1 million to maintain existing assets including a major overhaul at Wivenhoe Power Station.
- \$12.9 million to maintain existing assets including preparing for the gas turbine overhaul and undertaking site reconfiguration at Swanbank E Power Station.

CS Energy Limited

Total capital expenditure planned for 2023-24 is \$579.5 million. This reflects CS Energy's continued commitment to expanding its portfolio in renewable energy and to ongoing reliability and efficiency of generation plant at its power station sites.

Program highlights (Property, Plant and Equipment)

- \$208.0 million for development of wind farm investments in Central Queensland.
- \$185.9 million for overhauls, enhancements and refurbishments to existing infrastructure at Callide Power Station.
- \$85.5 million for development of the Greenbank Battery.
- \$33.4 million for development of the Brigalow hydrogen ready gas peaking plant.
- \$20.1 million for overhauls, enhancements and refurbishments to existing infrastructure at Kogan Creek Power Station.
- \$18.5 million for development of the Chinchilla Battery.
- \$1.1 million for development of the Kogan Renewable Hydrogen Demonstration Plant.

Energy Queensland Limited

Total capital expenditure planned for 2023-24 is \$2.042 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, and to support the transformation of Queensland's energy system to deliver clean, reliable and affordable energy for generations.

Program Highlights (Property, Plant and Equipment)

- \$150.0 million to continue the roll-out of local network batteries, projects to decarbonise isolated networks, and support renewable generation across Queensland.
- \$99.9 million for network replacement in the Mackay region.
- \$25.3 million to continue the refurbishment of the Mossman Substation.
- \$14.5 million to continue the refurbishment of the Ergon Energy Cairns operational depot.
- \$13.2 million to replace the Pialba Substation.
- \$10.8 million to continue the replacement of the Kilkivan Substation.
- \$10.4 million to continue the upgrade of the 66 kilovolt Cannonvale to Jubilee Pocket powerline.

Powerlink Queensland

Total capital expenditure planned for 2023-24 is \$1.170 billion. Powerlink Queensland is the high voltage electricity transmission entity for Queensland. Powerlink has a central role in delivering the Queensland Energy and Jobs Plan, including transmission investments in CopperString 2032 and the SuperGrid, along with replacement of aged equipment and assets to ensure supply security.

Program Highlights (Property, Plant and Equipment)

- \$594 million on construction works for CopperString 2032, a transmission line from Townsville to Mt Isa that will connect the Queensland North West Minerals Province to the national electricity grid.
- \$193.8 million for non prescribed transmission network connections which includes the Genex Kidston 275 kilowatt transmission connection, Borumba Pumped Hydro Energy Storage project, MacIntyre Windfarm connections and the Calvale Calliope River 275 kilowatt Transmission Line project.

- \$26.0 million for the commencement of construction of the Gladstone Transmission Training Hub.
- \$24.0 million to upgrade infrastructure on the Davies Creek to Bayview Heights Transmission Line to ensure continued reliability of supply to the surrounding area.
- \$5.6 million to replace primary plant at the Ross Substation near Townsville.
- \$5.5 million to replace secondary systems plant at the Nebo Substation near Mackay.

Queensland Hydro Pty Ltd

Total capital expenditure planned for 2023-24 is \$183.7 million. This includes progress of approvals, exploratory works, and procurement for the main works of the Borumba Pumped Hydro Energy Storage project.

Program Highlights (Property, Plant and Equipment)

• \$183.7 million for detailed design and exploratory works for the Borumba Pumped Hydro Energy Storage project, which will be capable of producing 2 gigawatts and storing up to 24 hours of energy.

Stanwell Corporation Limited

Total capital expenditure planned for 2023-24 is \$857.5 million. This reflects Stanwell's commitment to delivering a balanced portfolio for the future, through investment in the reliability and efficiency of its generation plant, along with renewable generation and energy storage.

Program Highlights (Property, Plant and Equipment)

- \$221.2 million for the Wambo Wind Farm.
- \$200.0 million for the Tarong West Wind Farm.
- \$183.2 million for the Southern Renewable Energy Zone battery project.
- \$77.2 million to replace and refurbish existing infrastructure at Tarong Power Station to ensure the continued reliability of supply to Queensland and the National Electricity Market.
- \$68.6 million for the Central Renewable Energy Zone battery project.
- \$60.9 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.

Energy and Public Works		Total	Expenditure		
Drainat	Statistical	Estimated Cost	to 30-06-23	Budget 2023-24	Post 2023-24
Project DEPARTMENT OF ENERGY AND PUBLIC WORKS	Area	\$'000	\$'000	\$'000	\$`000
Property, Plant and Equipment					
Government Employee Housing	Various			118,159	Ongoing
Government Buildings ZEV ready	Various	30,000	2,000	12,500	15,500
Office Accommodation Program	Various			11,342	Ongoing

Energy and Public Works

Energy and Public Works						
		Total Estimated	Expenditure to	Budget	Post	
	Statistical	Cost	30-06-23	2023-24	2023-24	
Project Regional Infrastructure Upgrades	Area Various	\$`000 16,567	\$'000	\$`000 5,852	\$`000 10,715	
Other property, plant and equipment	Various	10,507		5,852 1,358	Ongoing	
Building works and capital replacements	Various			1,558	Ongoing	
Total Property, Plant and Equipment	various			149,711	Oligoling	
Capital Grants				147,711		
Resilient Homes Fund	Various	288,377	12,500	201,557	74,320	
Queensland Business Energy Saving and Transformation Program (QBEST)	Various	13,000	12,500	6,000	7,000	
Total Capital Grants	Various	15,000		207,557	7,000	
OBUILD						
Property, Plant and Equipment						
Other property, plant and equipment	Various	697		697		
Rapid Accommodation and Apprenticeship Centre Cairns	306	2,702		2,702		
Regional Infrastructure Upgrades	Various	944		944		
Total Property, Plant and Equipment				4,343		
QUEENSLAND BUILDING AND CONSTRUCTION COMMISSION						
Property, Plant and Equipment						
Other property, plant and equipment	Various	1,394		1,394		
Total Property, Plant and Equipment				1,394		
CLEANCO QUEENSLAND LIMITED						
Property, Plant and Equipment						
New Renewables and Firming						
Central Queensland renewable projects	308	500,000	58,161	171,076	270,763	
Swanbank Battery Storage	310	424,653	843	41,494	382,316	
Kaban Wind Farm capacity purchase agreement ¹	306	343,725		343,725		
Sub-total New Renewables and Firming				556,295		
Wivenhoe major overhauls	310			5,827	Ongoing	
Wivenhoe other projects	310			10,251	Ongoing	
Swanbank E major overhaul	310			1,402	Ongoing	
Swanbank E other projects	310			11,460	Ongoing	
Kareeya Hydro other projects	306			6,886	Ongoing	
Barron Gorge Hydro other projects	306			3,282	Ongoing	

Energy and Public W	orks	Total	Expenditure		
Project	Statistical Area	Estimated Cost \$`000	to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$`000
Koombooloomba Dam other projects	306			659	Ongoing
Other corporate projects	305			6,284	Ongoing
Kogan North Gas Fields development	307			29,550	Ongoing
Total Property, Plant and Equipment				631,896	
CS ENERGY LIMITED					
Property, Plant and Equipment					
New Renewables and Firming Wind farm investments in Central					
Queensland	308	1,112,544		208,043	904,501
Greenbank Battery	311	325,275	67,881	85,517	171,877
Brigalow hydrogen ready gas peaking plant	307	189,982		33,427	156,555
Chinchilla Battery	307	110,745	92,248	18,497	
Sub-total New Renewables and Firming				345,484	
Callide Power Station enhancements, overhauls, refurbishment and rebuild	308			185,915	Ongoing
Kogan Creek Power Station enhancements, overhauls and refurbishment	307			20,057	Ongoing
Kogan Creek Mine developments and refurbishment	307			14,350	Ongoing
Upgrade of corporate information technology systems	305			12,612	Ongoing
Kogan Renewable Hydrogen Demonstration Plant	307	15,000	13,875	1,125	
Total Property, Plant and Equipment				579,543	
ENERGY QUEENSLAND LIMITED					
Property, Plant and Equipment					
System replacements					
Network replacement - Cairns	306			99,926	Ongoing
Network replacement - Darling Downs	307			24,981	Ongoing
Network replacement - Central Queensland	308			24,981	Ongoing
Network replacement - Mackay	312			99,926	Ongoing
Network replacement - Outback Queensland	315			99,926	Ongoing
Network replacement - Toowoomba	317			49,963	Ongoing
Network replacement - Townsville	318			99,926	Ongoing
Network replacement - Wide Bay - Ergon	319			49,963	Ongoing
Network replacement - Gold Coast	309			31,688	Ongoing

Energy and Public Works		T . 1	F		
	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$'000	\$'000	\$`000
Network replacement - Brisbane	305			119,554	Ongoing
Network replacement - Ipswich	310			16,074	Ongoing
Network replacement - Sunshine Coast	316			38,854	Ongoing
Network replacement - Wide Bay - Energex	319			4,190	Ongoing
Childers - Gayndah - aged line rebuild	319	65,000	41,747	8,991	14,262
Replace 66 kilovolt outdoor switchgear at Garbutt	318	28,771	22,535	5,477	760
Emerald Comet Substation upgrade	308	7,113	3,631	2,605	877
Kilkivan Substation Replacement	319	33,654	17,791	10,810	5,052
Mossman Substation, transmission plant and sections of timber feeder					
replacement	306	31,618	5,407	25,304	907
East Bundaberg Substation refurbishment	319	11,461	3,337	5,992	2,132
West Toowoomba 11 kilovolt Plant Replacement	317	15,363	3,807	9,108	2,448
Kleinton Substation	317	16,092	920	1,248	13,924
Rockhampton Glenmore Substation refurbishment	308	10,158	459	573	9,126
Replace 33 kilovolt feeder (Kilcoy to Woodford)	313	22,700	10,462	8,913	3,325
Replace 11 kilovolt switchgear Nudgee Substation	302	13,073	6,154	5,355	1,564
Rebuild Maleny Substation	316	13,450	1,963	4,543	6,943
Mount Crosby East Substation	310	22,290	1,728	9,038	11,524
Rebuild Rosewood Substation	310	11,795	160	1,172	10,463
Rebuild Pialba Substation	319	19,758	3,255	13,220	3,283
Barcaldine Asset Refurbishment	315	12,600	3,462	3,231	5,906
System augmentation					
Network augmentation - Cairns	306			20,258	Ongoing
Network augmentation - Darling Downs	307			5,065	Ongoing
Network augmentation - Central Queensland	308			5,065	Ongoing
Network augmentation - Mackay	312			20,258	Ongoing
Network augmentation - Outback Queensland	315			20,258	Ongoing
Network augmentation - Toowoomba	317			10,129	Ongoing
Network augmentation - Townsville	318			20,258	Ongoing
Network augmentation - Wide Bay	319			10,129	Ongoing
Network augmentation - Brisbane	305			52,228	Ongoing
Network augmentation - Sunshine Coast	316			20,958	Ongoing

Energy and Public Works

Energy and Public Works					
		Total Estimated	Expenditure	Dudget	Post
	Statistical	Cost	to 30-06-23	Budget 2023-24	2023-24
Project	Area	\$'000	\$'000	\$'000	\$'000
Network augmentation - Ipswich	310			7,587	Ongoing
Network augmentation - Gold Coast	309			18,681	Ongoing
Cannonvale-Jubilee Pocket 66 kilovolt reinforcement	312	30,440	20,063	10,377	
ICT					
Digital office capital expenditure - Energy Queensland	Various			187,100	Ongoing
Non-regulated					
Ergon Energy Retail information communications and technology	305			28,488	Ongoing
Metering dynamics	305			44,429	Ongoing
Other isolated systems capital work	Various			51,967	Ongoing
Yurika infrastructure services - build, own, operate and maintain	Various			17,671	Ongoing
Distributed Generation and Storage	Various			149,950	Ongoing
Alternative control services					
Sunshine Coast	316			40,696	Ongoing
Ipswich	310			17,889	Ongoing
Gold Coast	309			7,760	Ongoing
Brisbane	305			7,135	Ongoing
Wide Bay	319			3,775	Ongoing
Ergon Energy	Various			59,852	Ongoing
Non-system					
Tools and equipment - Energex	Various			5,118	Ongoing
Tools and equipment - Ergon Energy	Various			6,256	Ongoing
Vehicles - Energex	Various			18,893	Ongoing
Vehicles - Ergon Energy	Various			45,607	Ongoing
Property and buildings program - Energex funded	Various			2,130	Ongoing
Property - minor program - Ergon funded	Various			20,447	Ongoing
Ergon Energy Cairns operational depot redevelopment	306	32,195	17,670	14,525	
Rocklea depot & training facility redevelopment	303	19,500		8,500	11,000
System connections					
Gold Coast	309			14,957	Ongoing
Sunshine Coast	316			23,724	Ongoing
Brisbane	305			58,673	Ongoing

	Energy and Public Works				
		Total Estimated	Expenditure to	Budget	Post
Project	Statistical	Cost \$`000	30-06-23 \$`000	2023-24 \$'000	2023-24 \$`000
Ipswich	<u>Area</u> 310	\$ 000	\$ 000	7,982	Ongoing
Ergon Energy	Various			101,903	Ongoing
Total Property, Plant and Equipment				2,042,207	88
POWERLINK QUEENSLAND					
Property, Plant and Equipment					
Gladstone South secondary systems replacement	308	20,800	9,256	763	10,782
Nebo secondary systems replacement	312	36,000	29,984	5,519	497
Total other projects	Various	,	,	305,242	Ongoing
Calvale and Callide B secondary systems replacement	308	21,800	19,683	1,185	932
Bouldercombe primary plant replacement	308	40,400	34,789	2,280	3,332
Total non-prescribed transmission network connections	Various			193,830	Ongoing
Nebo primary plant replacement	312	26,800	22,199	2,655	1,946
Ross 275 kilovolt primary plant replacement	318	28,800	13,239	5,563	9,998
Advanced energy management system replacement	302	65,500	54,486	3,933	7,081
Lilyvale selected primary plant replacement	308	27,900	9,743	1,439	16,718
Lilyvale transformers replacement	308	21,500	13,148	2,285	6,067
Dense Wave Division Multiplexing Network replacement		35,000	25,775	1,272	7,954
Davies Creek to Bayview Heights 275 kilovolt refit	306	45,000	3,494	24,030	17,476
Gladstone Transmission Training Hub	308	52,000		26,000	26,000
CopperString 2032	Various	5,000,000		594,000	4,406,000
Total Property, Plant and Equipment				1,169,994	
QUEENSLAND HYDRO PTY LTD					
Property, Plant and Equipment					
Borumba Pumped Hydro Energy Storage ²	319	14,159,006		183,703	13,975,303
Total Property, Plant and Equipment				183,703	
STANWELL CORPORATION LIMITED					
Property, Plant and Equipment					
New Renewables and Firming					
Wambo Wind Farm	307	374,344	81,453	221,224	71,667

Energy and F	Public Works
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	Energy and Public Works	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project		Area	\$'000	\$'000	\$'000	\$'000
Southern Renewable Energy Zone battery storage		319	269,144	41,342	183,155	44,647
Tarong West Wind Farm		319			200,000	Ongoing
Central Renewable Energy Zone battery storage		308	216,841		68,600	148,241
Service and maintenance for renewable projects		Various	1,840		1,840	
Sub-total New Renewables and Firming					674,819	
Stanwell Power Station - turbine overhauls		308			3,915	Ongoing
Other capital projects		Various			13,487	Ongoing
Meandu Mine - development program		319			9,996	Ongoing
Meandu Mine - minor works		319			19,526	Ongoing
Stanwell Power Station - overhauls		308			30,307	Ongoing
ICT - hardware and software upgrades		305			1,520	Ongoing
Tarong Power Station - overhauls		319			33,248	Ongoing
Tarong Power Station - cooling tower refurbishment		319	7,339	2,620	4,719	
Stanwell Power Station - generator rotor replacement		308	4,360	839	3,521	
Stanwell Power Station - other sustaining projects		308			23,130	Ongoing
Tarong Power Station - other sustaining projects		319			39,273	Ongoing
Total Property, Plant and Equipment					857,460	
TOTAL ENERGY AND PUBLIC WORKS (PPE)					5,620,251	
TOTAL ENERGY AND PUBLIC WORKS (CG)					207,557	

Notes:

Kaban Wind Farm capacity purchase agreement is a right-of-use asset with no cashflow impacts in 2023-24 1.

Note this estimate excludes financing costs. 2.

3.5 ENVIRONMENT AND SCIENCE

Department of Environment and Science

In 2023-24, the Department of Environment and Science has a capital program of \$100.9 million. This includes \$69.6 million in capital purchases and \$31.2 million in capital grants. The capital program will focus on the department's core purpose of partnering to manage, protect and restore Queensland's natural environment and heritage. This is achieved by expanding and conserving protected areas, improving environmental outcomes and providing leading edge scientific services.

Government has previously set aside \$250 million over 4 years (\$25 million in 2023-24), held centrally, for land acquisitions and capital works to support the Protected Area Strategy 2020-2030.

Program Highlights (Property, Plant and Equipment):

- \$5.6 million for high priority land acquisitions for the expansion of the protected area land portfolio. An additional \$25 million in centrally held funds will also be spent on land acquisitions during 2023-24.
- \$4.6 million for implementation of the Queensland Waste Management and Resource Recovery Strategy and administration and compliance relating to the Queensland waste disposal levy.
- \$3.8 million towards buildings and park infrastructure to support visitor recreation, management and access of the Quandamooka Country parks and recreation areas jointly managed with Traditional Owners on Minjerribah (North Stradbroke Island) and Mulgumpin (Moreton Island).
- \$3.7 million to provide ecotourism facilities as part of the Ngaro trail on Whitsunday Islands National Park.
- \$2.9 million for the major upgrade of visitor infrastructure at Central Station on K'gari.
- \$2.8 million to deliver the final tranche of the Government Science Platform.
- \$1.6 million for the construction of the Girraween National Park Information Hub.
- \$1.5 million to upgrade and build new nature-based visitor experiences and facilities along the Thorsborne trail on Hinchinbrook Island National Park.
- \$1.4 million for upgrades to visitor facilities at Crater Lakes National Park.
- \$1.4 million to replace the Jindalba Boardwalk in Daintree National Park (Cape York Peninsula Aboriginal Land).
- \$1.2 million to upgrade visitor infrastructure at Springbrook National Park.
- \$1.0 million to upgrade visitor infrastructure at Booloumba Creek in Conondale National Park.
- \$1.0 million to upgrade visitor infrastructure at Bunya Mountains National Park.
- \$1.0 million towards the replacement of major vessels for marine parks management.

Program Highlights (Capital Grants):

• \$30.9 million in capital grants for buildings, infrastructure and equipment to improve waste management and recycling outcomes.

Environment and Science		Total	Expenditure		
	Statistical	Estimated Cost	to 30-06-23	Budget 2023-24	Post 2023-24
Project DEPARTMENT OF ENVIRONMENT AND SCIENCE	Area	\$'000	\$'000	\$'000	\$'000
Property, Plant and Equipment					
Land					
Protected Area Strategy - land acquisitions ¹	Various	38,150	32,570	5,580	
Sub-total Land				5,580	
Buildings and infrastructure					
Quandamooka Country	Various	17,063		3,763	13,300
Whitsunday Islands National Park - Ngaro trail ecotourism facilities	312	4,900	1,200	3,700	
K'gari - Central Station area upgrade	319	9,196	2,261	2,935	4,000
Girraween National Park Information Hub	307	7,850	150	1,600	6,100
Hinchinbrook Island National Park - Thorsborne trail and visitor facilities					
upgrade	306	3,200	614	1,518	1,068
Crater Lakes National Park visitor facilities upgrade	306	6,700	150	1,400	5,150
Daintree National Park (Cape York Peninsula Aboriginal Land) - Jindalba					
boardwalk redevelopment	306	6,030	30	1,350	4,650
Springbrook National Park visitor facilities upgrade	309	16,410	190	1,230	14,990
Conondale National Park - Booloumba Creek visitor facilities upgrade	316	2,584	1,584	1,000	
Bunya Mountains National Park visitor facilities upgrade	319	5,450	950	1,000	3,500
Mon Repos Turtle Centre carpark extension	319	865		865	
David Fleay Wildlife Park Nocturnal House	309	1,600		800	800
Great Barrier Reef Investment Marine Park reef trails	Various	2,500	1,750	750	
Magnetic Island National Park trails network	318	743	135	608	
Recreation Areas Management	Various			500	Ongoing
Parks and forests - other recreation and visitor facilities	Various			11,707	Ongoing
Parks and forests - other management facilities	Various			7,536	Ongoing
Parks and forests - tracks and trails	Various			2,175	Ongoing
Parks and forests - fences, roads and firelines	Various			1,631	Ongoing
Sub-total Buildings and infrastructure				46,068	

Environment and Science					
		Total	Expenditure	D	D4
	Statistical	Estimated Cost	to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$'000	\$'000	\$'000
Plant and equipment					
Marine parks major vessel replacements	Various	2,000		1,000	1,000
Queensland Reef Water Quality monitoring equipment	Various	1,412	406	902	104
General plant and equipment	Various			7,484	Ongoing
Sub-total Plant and equipment				9,386	
Systems development					
Waste management systems	Various	5,000	450	4,550	
Government Science Platform	Various	7,727	4,937	2,790	
General systems development	Various			1,244	Ongoing
Sub-total Systems development				8,584	
Total Property, Plant and Equipment				69,618	
Capital Grants					
Waste and Recycling program	Various	30,940		30,940	
Newstead House capital works program	305	5,492	5,192	300	
Total Capital Grants				31,240	
TOTAL ENVIRONMENT AND SCIENCE (PPE)				69,618	
TOTAL ENVIRONMENT AND SCIENCE (CG)				31,240	

Notes:

1. An additional \$25 million previously approved and held centrally, will also contribute to land acquisitions in 2023-24 as part of the total capital funding of \$270.6 million committed to support the Protected Area Strategy 2020-2030 through land acquisitions and capital works to expand the protected area estate.

3.6 HOUSING

Department of Housing

The total capital program in 2023-24 for the Department of Housing is \$751.0 million, including capital works of \$501.9 million, capital grants of \$239.9 million and other property, plant and equipment of \$9.2 million.

Under the *Queensland Housing Strategy 2017-2027* the government is providing additional funding of \$1.1 billion over 5 years to continue the delivery and supply of social housing as part of the *Housing and Homelessness Action Plan*, including within remote and discrete First Nations communities.

Program Highlights (Property, Plant and Equipment)

- \$441.4 million to deliver social housing dwellings, commence and continue construction, and upgrade existing social housing dwellings.
- \$60.5 million to deliver social housing dwellings in Aboriginal and Torres Strait Islander communities, commence and continue construction of dwellings, and upgrade existing social housing dwellings.

Program Highlights (Capital Grants)

- \$175.8 million to deliver social housing dwellings, commence and continue construction, and upgrade existing dwellings.
- \$64.1 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.

Housing

	Housing					
Project		stical rea	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$'000	Budget 2023-24 \$'000	Post 2023-24 \$'000
DÉPARTMENT OF HOUSING						
Property, Plant and Equipment						
Housing and Homelessness Services						
Construct social housing						
Brisbane - East	3	01			2,017	Ongoing
Brisbane - North	3	02			989	Ongoing
Brisbane - South	3	03			8,000	Ongoing
Brisbane - West	3	04			2,500	Ongoing
Brisbane Inner City	3	05			20,886	Ongoing
Cairns	3	06			41,475	Ongoing
Darling Downs - Maranoa	3	07			1,421	Ongoing
Central Queensland	3	08			5,804	Ongoing
Gold Coast	3	09			17,580	Ongoing



Capital Statement 2023-2	24
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	Housing		Total			
oject		Statistical Area	Estimated Cost \$'000	Expenditure to 30-06-23 \$'000	Budget 2023-24 \$'000	Post 2023-24 \$'000
Ipswich		310	<u> </u>	<u> </u>	13,961	Ongoing
Logan - Beaudesert		311			22,655	Ongoing
Mackay		312			5,120	Ongoing
Moreton Bay - North		313			17,025	Ongoing
Moreton Bay - South		314			1,300	Ongoing
Queensland - Outback		315			12,895	Ongoing
Sunshine Coast		316			4,523	Ongoing
Toowoomba		317			4,906	Ongoing
Townsville		318			16,452	Ongoing
Wide Bay		319			25,470	Ongoing
Statewide		Various			15,674	Ongoing
Sub-total Construct social housing					240,653	
Upgrade existing social housing						
Brisbane - East		301			3,609	Ongoing
Brisbane - North		302			4,603	Ongoing
Brisbane - South		303			8,995	Ongoing
Brisbane - West		304			1,634	Ongoing
Brisbane Inner City		305			10,315	Ongoing
Cairns		306			28,032	Ongoing
Darling Downs - Maranoa		307			1,093	Ongoing
Central Queensland		308			7,397	Ongoing
Gold Coast		309			5,402	Ongoing
Ipswich		310			7,570	Ongoing
Logan - Beaudesert		311			6,370	Ongoing
Mackay		312			3,731	Ongoing
Moreton Bay - North		313			5,367	Ongoing
Moreton Bay - South		314			1,380	Ongoing
Queensland - Outback		315			7,398	Ongoing
Sunshine Coast		316			3,864	Ongoing
Toowoomba		317			2,211	Ongoing
Townsville		318			10,761	Ongoing
Wide Bay		319			4,431	Ongoing
Sub-total Upgrade existing social housing					124,163	
Social housing land acquisition						
Brisbane - North		302			2,500	Ongoing

	Housing		Total			
Project		Statistical Area	Estimated Cost \$'000	Expenditure to 30-06-23 \$'000	Budget 2023-24 \$'000	Post 2023-24 \$`000
Brisbane - South		303	<u> </u>	<u> </u>	2,500	Ongoing
Cairns		306			2,000	Ongoing
Central Queensland		308			2,000	Ongoing
Gold Coast		309			2,000	Ongoing
Ipswich		310			2,000	Ongoing
Mackay		312			2,000	Ongoing
Moreton Bay - North		313			1,500	Ongoing
Moreton Bay - South		314			1,500	Ongoing
Sunshine Coast		316			2,000	Ongoing
Toowoomba		317			1,000	Ongoing
Townsville		318			2,000	Ongoing
Wide Bay		319			2,000	Ongoing
Statewide		Various			500	Ongoing
Sub-total Social housing land acquisition					25,500	
Purchase of existing properties						
Brisbane Inner City		305			38,759	Ongoing
Cairns		306			10,000	Ongoing
Darling Downs - Maranoa		307			1,500	Ongoing
Central Queensland		308			3,150	Ongoing
Ipswich		310			3,500	Ongoing
Mackay		312			3,414	Ongoing
Moreton Bay North		313			1,275	Ongoing
Moreton Bay South		314			850	Ongoing
Toowoomba		317			1,797	Ongoing
Townsville		318			10,278	Ongoing
Wide Bay		319			3,825	Ongoing
Statewide		Various			33,284	Ongoing
Sub-total Purchase of existing properties					111,632	
Other plant and equipment and intangibles		Various			9,200	Ongoing
Sub-total Housing and Homelessness Services					511,148	
Total Property, Plant and Equipment					511,148	
Capital Grants						
Housing and Homelessness Services						
Brisbane - East		301			6,552	Ongoing

	Housing	Total			
Project		Estimated stical Cost rea \$'000	1 Expenditure to 30-06-23 \$'000	Budget 2023-24 \$'000	Post 2023-24 \$'000
Brisbane - North	30)2		903	Ongoing
Brisbane - South	30)3		3,787	Ongoing
Brisbane - Inner City	30)5		32,838	Ongoing
Cairns	30	06		54,446	Ongoing
Darling Downs - Maranoa	30	07		667	Ongoing
Central Queensland	30)8		1,677	Ongoing
Gold Coast	30)9		23,449	Ongoing
Ipswich	3	10		11,474	Ongoing
Mackay	3	12		4,061	Ongoing
Moreton Bay - North	3	13		3,490	Ongoing
Queensland - Outback	3	15		5,369	Ongoing
Sunshine Coast	3	16		20,863	Ongoing
Toowoomba	3	17		1,960	Ongoing
Townsville	3	18		6,637	Ongoing
Wide Bay	3	19		13,375	Ongoing
Statewide	Var	ious		48,336	Ongoing
Sub-total Housing and Homelessness Services				239,884	
Total Capital Grants				239,884	
TOTAL HOUSING (PPE)				511,148	
TOTAL HOUSING (CG)				239,884	

3.7 JUSTICE AND ATTORNEY-GENERAL

The 2023-24 capital acquisitions budget for the Justice and Attorney-General portfolio (including the Department of Justice and Attorney-General, Crime and Corruption Commission, Electoral Commission Queensland and Public Trustee of Queensland) is \$48.9 million.

Department of Justice and Attorney-General

The Department of Justice and Attorney-General capital acquisitions budget for 2023-24 is \$43.5 million.

Program Highlights (Property, Plant and Equipment)

- \$17.3 million to continue the ongoing program of minor capital works in courthouses.
- \$9.8 million to expand and upgrade existing audio-visual capacity in the justice system, which includes video conferencing and in-custody court appearances.
- \$6.3 million to continue the domestic and family violence courthouse improvements in Toowoomba, Cairns, Brisbane, Rockhampton, Maroochydore, Caboolture, Mackay and Ipswich. This forms part of the 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.
- \$4.7 million to continue the replacement of the Beaudesert courthouse.

Crime and Corruption Commission

The Crime and Corruption Commission's 2023-24 capital acquisitions budget is \$2.3 million.

Program Highlights (Property, Plant and Equipment)

- \$1.5 million to replace computer and other information technology equipment.
- \$800,000 to replace vehicles.

Electoral Commission of Queensland

Electoral Commission of Queensland's 2023-24 capital acquisitions budget is \$2.1 million of which \$2.0 million is to purchase the Election Management System (EMS) to ensure the long-term stability and integrity of the system and \$79,000 is allocated to replace plant and equipment.

Program Highlights (Property, Plant and Equipment)

- \$2.0 million to purchase the Election Management System.
- \$79,000 to replace plant and equipment.

Public Trustee of Queensland

The 2023-24 capital budget is \$1.0 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)

• \$400,000 to enhance and develop information systems.



• \$600,000 for refurbishment of existing regional office premises.

Justice and Attorney-General		T + 1	F 1		
		Total Estimated	Expenditure to	Budget	Post
Project	Statistical Area	Cost \$'000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
DEPARTMENT OF JUSTICE AND ATTORNEY-GENERAL			<u> </u>	<u> </u>	
Property, Plant and Equipment					
Domestic and family violence courthouse improvements	Various	49,050	1,825	6,300	40,925
Beaudesert courthouse replacement	311	21,446	724	4,682	16,040
Courthouses - minor capital works	Various			17,309	Ongoing
Justice System - audio visual capacity expansion and upgrades	Various			9,824	Ongoing
Minor capital works - software	305			2,065	Ongoing
Leasehold improvements	305			1,424	Ongoing
Courthouses - information systems upgrades and replacements	305			795	Ongoing
Other acquisitions of property, plant and equipment	Various			1,080	Ongoing
Total Property, Plant and Equipment				43,479	
CRIME AND CORRUPTION COMMISSION					
Property, Plant and Equipment					
Other plant and equipment	Various			1,506	Ongoing
Vehicle replacements	Various			794	Ongoing
Total Property, Plant and Equipment				2,300	
ELECTORAL COMMISSION OF QUEENSLAND					
Property, Plant and Equipment					
Election Management System	Various	2,000		2,000	
Plant and equipment	Various			79	Ongoing
Total Property, Plant and Equipment				2,079	
PUBLIC TRUSTEE OF QUEENSLAND					
Property, Plant and Equipment					
Information systems development	Various			400	Ongoing
Other acquisitions of property, plant and equipment	Various			600	Ongoing
Total Property, Plant and Equipment				1,000	
TOTAL JUSTICE AND ATTORNEY-GENERAL (PPE)				48,858	

3.8 LEGISLATIVE ASSEMBLY OF QUEENSLAND

Legislative Assembly of Queensland

The total planned 2023-24 capital expenditure for the Legislative Assembly of Queensland is \$36.9 million.

Major capital projects include the necessary repairs and upgrades to the external façade of the Parliamentary Annexe, and the refurbishment of soft furnishings in Members' office and overnight accommodation floors (levels 9 to 23). Other capital projects include modernising AV broadcast infrastructure and the ongoing electorate office accommodation improvement program.

Legislative Assembly of Queensland

Legislative Assembly of Queensian	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$`000	\$'000	\$'000
LEGISLATIVE ASSEMBLY OF QUEENSLAND					
Property, Plant and Equipment					
Annexe critical infrastructure and services upgrade	305	58,021	26,006	32,015	
Electorate office accommodation improvement program	Various			2,110	Ongoing
Other property, plant and equipment	305			1,484	Ongoing
Queensland Parliament digital transformation program	305	1,891		865	1,026
Information technology network infrastructure	305			406	Ongoing
Total Property, Plant and Equipment				36,880	
TOTAL LEGISLATIVE ASSEMBLY OF QUEENSLAND (PPE)				36,880	

3.9 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 \$1.3 million and capital grants of \$14.6 million in 2023-24.

Department of the Premier and Cabinet

Program Highlights (Property, Plant and Equipment)

- \$691,000 for ongoing upgrades to and maintenance of departmental ICT systems and other minor works.
- \$646,000 for ongoing upgrades and maintenance of existing Ministerial Services ICT systems and other minor works.

Program Highlights (Capital Grants)

- \$8.1 million of a total \$12.6 million for the Far North Queensland screen production studio, a multipurpose facility in Cairns.
- \$5.0 million for the Gold Coast production hub servicing film and television projects.
- \$1.5 million of a total \$5.2 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 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$`000
DEPARTMENT OF PREMIER AND CABINET					
Property, Plant and Equipment					
Departmental ICT systems and other minor works	305			691	Ongoing
Ministerial Offices and Office of the Leader of the Opposition - ICT systems and					
other minor works	305			646	Ongoing
Total Property, Plant and Equipment				1,337	
Capital Grants					
Queensland Remembers Grants Program	Various	5,191	1,841	1,500	1,850
Screen Queensland Studios, Cairns	306	12,600	4,457	8,143	
Screen Queensland Studios, Gold Coast	309	5,000		5,000	
Total Capital Grants				14,643	
TOTAL PREMIER AND CABINET (PPE)				1,337	
TOTAL PREMIER AND CABINET (CG)				14,643	

3.10 QUEENSLAND CORRECTIVE SERVICES

Queensland Corrective Services' 2023-24 capital program of \$439.6 million will primarily focus on correctional centre expansion and enhancements.

Queensland Corrective Services

Program Highlights (Property, Plant and Equipment)

- \$341.0 million of total \$861.0 million to continue the expansion of Southern Queensland Correctional Precinct Stage 2. 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.
- \$3.0 million of total \$5.4 million to acquire video conference suites and other property, plant and equipment for prison industries at Southern Queensland Correctional Precinct Stage 2.
- \$3.3 million of total \$31.8 million to install information technology infrastructure in correctional centres to enhance the provision of health care.
- \$20.0 million for pre-commencement activities including design works, site investigations and other preliminary works for the future expansion of the Townsville Correctional Precinct.
- \$10.0 million for pre-commencement activities including design works, site investigations and other preliminary works for the future establishment of a new Wacol Precinct Enhanced Primary Health Care facility located at the Brisbane Correctional Centre.
- \$41.6 million of total \$71.8 million to progress infrastructure works and support ongoing maintenance and replacement programs.
- \$4.1 million of total \$13.6 million to upgrade the intercom system at the Woodford Correctional Centre.
- \$1.0 million of total \$8.0 million to install additional bunk beds in high security correctional centres across Queensland to manage the increasing prison population.
- \$1.0 million of total \$3.0 million to complete the refurbishment of the Princess Alexandra Hospital Secure Unit.
- \$14.6 million to acquire other property, plant and equipment.

Queensland Corrective Services	5				
		Total	Expenditure		
		Estimated	to	Budget	Post
	Statistical	Cost	30-06-23	2023-24	2023-24
Project	Area	\$`000	\$`000	\$'000	\$`000
QUEENSLAND CORRECTIVE SERVICES					
Property, Plant and Equipment					
Major works - correctional centres					
Southern Queensland Correctional Precinct - Stage 2					
Stage 2 construction over 1,500 beds	310	860,978	472,023	340,955	48,000
Stage 2 Property, Plant and Equipment	310	5,390		2,990	2,400
Information Technology Infrastructure	Various	31,750		3,321	28,429
Townsville Correctional Precinct	318	20,000		20,000	



Queensland Corrective Services		m . 1	.		
Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$'000
Wacol Precinct Enhanced Primary Health Care Facility	310	10,000	\$ 000	10,000	\$ 000
Sub-total Major works - correctional centres				377,266	
Correctional centre enhancements					
Infrastructure works	Various	71,770	22,829	41,591	7,350
Woodford Correctional Centre - intercoms	313	13,600	9,512	4,088	
Princess Alexandra Hospital Secure Unit	303	3,040	1,999	1,041	
Additional bunk beds	Various	8,000	7,032	968	
Sub-total Correctional centre enhancements				47,688	
Other acquisitions of property, plant and equipment					
Other acquisitions of property, plant and equipment	Various			14,645	Ongoing
Sub-total Other acquisitions of property, plant and equipment				14,645	
Total Property, Plant and Equipment				439,599	
TOTAL QUEENSLAND CORRECTIVE SERVICES (PPE)				439,599	

3.11 QUEENSLAND FIRE AND EMERGENCY SERVICES

Queensland Fire and Emergency Services

The 2023-24 Queensland Fire and Emergency Services (QFES) capital program of \$125.0 million in capital purchases and \$11.7 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.

Fire and Rescue Service

Program Highlights (Property, Plant and Equipment)

- \$18.7 million for replacement and new fire and rescue appliances.
- \$17.9 million for land acquisitions for replacement facilities at Atherton, Beerwah, Bundaberg East, Hervey Bay, Highfields, South Townsville and Wulguru.
- \$12.1 million for operational equipment including specialised firefighting, scientific analysis and detection, breathing apparatus, and rescue equipment.
- \$8.2 million to complete the new permanent fire and rescue station at Mount Cotton Road.
- \$7.0 million to continue the delivery of the new permanent fire and rescue station at Caloundra South.
- \$5.8 million for the upgrade and refurbishment of auxiliary fire and rescue stations across Queensland including at Allora, Boonah, Emerald, Imbil and Mitchell.
- \$4.7 million to continue replacement of the permanent and auxiliary fire and rescue stations at Airlie Beach and Drayton.
- \$3.0 million to complete the new permanent fire and rescue station at Moreton Bay Central.
- \$2.5 million to continue the delivery of the new permanent fire and rescue station at Greater Springfield.
- \$2.4 million to continue the delivery of the replacement permanent fire and rescue station at Gympie South.
- \$2.4 million for minor works across auxiliary and permanent fire and rescue stations across Queensland.
- \$2.0 million for refurbishment of the fire and rescue station at Roma Street in Brisbane.

Rural Fire Service

Program Highlights (Property, Plant and Equipment)

- \$16.2 million for replacement and new rural fire appliances.
- \$7.0 million for support vehicles to enhance Rural Fire Service response capability.
- \$3.7 million to complete new or upgraded rural fire brigade stations across Queensland including at Moore Linville and Mount Alford.
- \$3.5 million to complete the new Maryborough area brigade headquarters.
- \$2.6 million for operational equipment including specialised firefighting, breathing apparatus, and rescue equipment.

- \$1.0 million for the retrofitting of cabin deluge systems into rural fire appliances.
- \$1.0 million to upgrade rural fire service facilities.

Program Highlights (Capital Grants)

• \$500,000 in capital grants for Rural Fire Brigades.

State Emergency Service

Program Highlights (Property, Plant and Equipment)

• \$3.0 million for support vehicles to enhance State Emergency Service response capability.

Program Highlights (Capital Grants)

• \$11.2 million in capital grants for the State Emergency Service.

Queensland Fire and Emergency Servi	ces	Total	Expenditure		
Project	Statistical Area	Estimated Cost \$'000	to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$`000
QUEENSLAND FIRE AND EMERGENCY SERVICES					
Property, Plant and Equipment					
Buildings					
Fire and Rescue Facilities					
Airlie Beach replacement permanent and auxiliary fire and rescue station	312	8,900	300	2,250	6,350
Allora auxiliary fire and rescue station refurbishment	307	970		970	
Boonah auxiliary fire and rescue station upgrade and refurbishment	310	2,500		300	2,200
Caloundra South new permanent fire and rescue station	316	8,500	200	7,000	1,300
Drayton replacement permanent and auxiliary fire and rescue station	317	7,500	100	2,400	5,000
Emerald permanent and auxiliary fire and rescue station works	308	400		400	
Greater Springfield new permanent fire and rescue station	310	10,000	100	2,500	7,400
Gympie South replacement permanent fire and rescue station	319	7,500	100	2,400	5,000
Imbil auxiliary fire and rescue station upgrade and refurbishment	319	1,900		1,900	

Queensland Fire and Emergency Servic	es	Total	Expenditure		
	Statistical	Estimated Cost	to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$'000	\$`000	\$'000
Mitchell auxiliary fire and rescue station upgrade and refurbishment	307	2,200		2,200	
Moreton Bay Central new permanent fire and rescue station	313	6,800	3,800	3,000	
Mount Cotton Road new permanent fire and rescue station	311	10,500	2,270	8,230	
Roma Street fire station refurbishment	305	2,000		2,000	
Minor works	Various			2,400	Ongoing
Sub-total Fire and Rescue Facilities				37,950	
Rural Fire Service Facilities					
Maryborough area brigade headquarters	319	4,000	500	3,500	
Millaroo Dalbeg rural fire brigade station	318	300		300	
Moore Linville rural fire brigade station	313	700		700	
Mount Alford rural fire brigade station	310	700		700	
Whetstone rural fire brigade station	307	450		450	
New and replacement rural fire station build program	Various	3,350	1,800	1,550	
Rural Fire Service facilities program	Various			1,000	Ongoing
Sub-total Rural Fire Service Facilities				8,200	
Other Facilities					
Bamaga fire and emergency services complex	315	4,500		300	4,200
Sub-total Buildings				46,450	
Strategic Land Acquisitions					
Atherton replacement fire and rescue station land acquisition	306	3,000		3,000	
Beerwah replacement fire and rescue station land acquisition	316	3,770		3,770	
Bundaberg East new fire and emergency services facility	319	2,000		2,000	
Hervey Bay replacement fire and rescue station land acquisition	319	1,700		1,700	
Highfields replacement fire and rescue station land acquisition	317	2,000		2,000	
South Townsville replacement fire and rescue station land acquisition	318	3,200		3,200	
Wulguru replacement fire and rescue station land acquisition	318	2,200		2,200	

Queensland Fire and Emergency Services

Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$`000
Rural Fire Service operations land acquisitions	Various			200	Ongoing
Sub-total Strategic Land Acquisitions				18,070	
Plant and Equipment					
Fire and Rescue					
Fire and rescue appliances	Various			18,705	Ongoing
Operational equipment	Various			12,082	Ongoing
Sub-total Fire and Rescue				30,787	
Rural Fire Service					
Operational equipment	Various			2,590	Ongoing
Rural Fire Service deluge system retrofit	Various	3,000	1,000	1,000	1,000
Rural Fire Service support vehicles	Various	6,950		6,950	
Rural Fire Service appliances	Various			16,157	Ongoing
Sub-total Rural Fire Service				26,697	
State Emergency Service					
State Emergency Service support vehicles	Various	3,000		3,000	
Sub-total State Emergency Service				3,000	
Sub-total Plant and Equipment				60,484	
Total Property, Plant and Equipment				125,004	
Capital Grants					
Rural fire brigades	Various			500	Ongoing
State Emergency Service	Various			11,212	Ongoing
Total Capital Grants				11,712	
TOTAL QUEENSLAND FIRE AND EMERGENCY SERVICES (PPE)				125,004	
TOTAL QUEENSLAND FIRE AND EMERGENCY SERVICES (CG)				11,712	

3.12 QUEENSLAND HEALTH

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 2023-24 for Queensland Health, including QIMR, is \$1.638 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 2023-24, 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 2023-24 include:

\$414.6 million for the Queensland Health Capacity Expansion Program to deliver around 2,200 additional overnight beds. 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.

\$346.5 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.

\$135.2 million from the Sustaining Capital Program to enhance 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, South West, Central West, Torres and Cape, Townsville, West Moreton and Wide Bay Hospital and Health Services.

\$121.4 million as part of the Building Better Hospitals program including:

- \$82.0 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.
- \$34.4 million for the Caboolture Hospital Redevelopment to support an additional 130 beds and refurbishment of critical clinical support services.
- \$4.7 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.
- \$0.4 million 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.

\$108.3 million 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.

\$78.9 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 will have a Minor Injury and Illness Clinic (MIIC) with medical imaging and diagnostic services to alleviate pressure on Emergency Departments as well as referral-based outpatient services, such as mental health support, renal dialysis and a range of medical and allied health specialty clinics, based on the specific needs of their local communities.

\$58.4 million in hospital parking projects to meet increasing demand for parking, including:

- \$43.7 million for construction of a new multi-storey car park at The Prince Charles Hospital.
- \$10.0 million for construction of a new multi-storey car park at the Queen Elizabeth II Jubilee Hospital.
- \$2.7 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.
- \$2 million for completion of a new multi-level car park for Redland Hospital.

\$52.1 million for an expansion of the Gold Coast University Hospital to deliver a Secure Mental Health Rehabilitation Unit.

\$45.6 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.

\$28.7 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.

\$20.2 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.

\$12.0 million for the Staff Accommodation Program to renew and enhance healthcare staff accommodation in Torres and Cape and North West Hospital and Health Services.

\$11.5 million for the Toowoomba Day Surgery Theatre to construct a 2-theatre day surgery unit at the Baillie Henderson Hospital Campus.

\$10.3 million for planning and initiatives under Better Care Together, a new 5-year plan for state funded mental health, alcohol and other drug services.

\$9.8 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.

\$8.3 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.

\$8.3 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.

\$8.2 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.

\$8.0 million will be spent in 2023–24 for the demolition and construction of a new clinical services building and a new mental health facility as the first tranche of the Stage 2 Redland Hospital Expansion. This is from the total approved commitment of \$150.0 million over 4 years.

\$84.9 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.

\$11.4 million will be allocated by Hospital and Health Services for capital projects across Queensland in 2023–24. Projects include:

- \$5.8 million for digital works for the Caboolture Hospital Redevelopment project.
- \$1.5 million for the replacement of the electrical, mechanical, hydraulic infrastructure, park lift and refurbishment of the level 3 residential care spaces and roof repairs at Halwyn Centre.
- \$1.2 million for refurbishment works and the extension of the Cunnamulla Multi-Purpose Healthcare Service to support an additional ten aged care beds.
- \$0.8 million for an extension of the Augathella Multi-Purpose Healthcare Service to support an additional two aged care beds.
- \$0.7 million for an extension of the Injune Multi-Purpose Healthcare Service to support an additional two aged care beds.
- \$0.6 million for an extension of the Surat Multi-Purpose Healthcare Service to support an additional two aged care beds.

\$4.1 million has been allocated to other acquisitions of property, plant and equipment across the state, including:

- \$1.7 million for the completion of the Statewide General Chemistry and Immunoassay Replacement and Automation Project.
- \$1.1 million for the AUSLAB Unique Tube Identifier project delivering additional system functionality to the AUSLAB Laboratory Information System.
- \$0.3 million for the Queensland Health Emission Reduction Program to support Queensland Health's statewide energy efficiency projects.

Queensland Ambulance Service

In 2023–24, the QAS will invest \$105.3 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:

- \$48.3 million to progress the planning and construction phases for new ambulance stations at Caloundra South, Lawnton and Morayfield, the new Ripley Ambulance Station and West Moreton District Office, replacement of the North Rockhampton Ambulance Station and Central Queensland Regional Office and the new Burdell Ambulance Station and the North Queensland and Townsville District Office.
- \$8.4 million for the planning, design and construction phases for the redevelopment of the Cairns Ambulance Station and Operations Centre, Gold Coast Operations Centre (Coomera), Southport Ambulance Station and Pimpama Ambulance Station.
- \$10.8 million for the planning, design and construction phases for the relocation of the Springwood Ambulance Station and Sandgate Ambulance Station and the redevelopment of Beenleigh Ambulance Station.
- \$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.
- \$28.3 million to commission 144 new and replacement ambulance vehicles including the continued rollout of power assisted stretchers and \$1.5 million for the fit out of emergency response vehicles.
- \$2.1 million investment in information and communication technology for software development projects to enhance patient care and service delivery.
- \$1.0 million in operational equipment to support frontline services.

Council of the Queensland Institute of Medical Research

The 2023–24 QIMR Berghofer capital program will invest \$7.7 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 30-06-23 \$'000	Budget 2023-24 \$'000	Post 2023-24 \$`000
QUEENSLAND HEALTH AND HOSPITAL AND HEALTH SERVICES					
Property, Plant and Equipment ¹					
Hospital and Health Services	X 7 '	257.006	010 077		10.550
Advancing Queensland Health Infrastructure Program	Various	257,986	218,077	20,159	19,750
Alcohol and Other Drug Community Treatment Program	305	51,000	4,298	8,294	38,408
Better Care Together	305	28,455	500	10,307	17,648
Bowen Overall Program of Works	312	3,700	3,200	500	
Building Better Hospitals					
Caboolture Hospital Redevelopment Stage 1 ²	313	352,900	247,013	34,362	71,525
Ipswich Hospital Expansion Stage 1A ²	310	146,300	133,757	4,685	7,858
Logan Hospital Expansion Stage 1 ²	311	460,871	244,327	81,981	134,563
Logan Hospital Maternity Services Upgrade ³	311	15,600	15,198	402	
Building Rural and Remote Health Program	Various	94,660	13,288	45,592	35,780
Business Case Program	Various			9,914	Ongoing
Caboolture Hospital Multi-Storey Car Park	313	46,610	37,933	2,675	6,002
Cairns Bay Village Project	306	12,000	250	5,000	6,750
Cairns Hospital Emergency Department Expansion	306	30,000	15,484	3,844	10,672
Cairns Hospital Research Education and Innovation Centre Land					
Acquisition	306	11,000	10,026	974	
Capacity Expansion Program					
New Bundaberg Hospital	319	1,200,000	16,901	52,300	1,130,799
New Coomera Hospital	309	1,300,000	16,263	74,000	1,209,737
New Toowoomba Hospital	317	1,300,000	15,000	50,000	1,235,000
Capacity Expansion Program - Rest of Program	Various	5,985,000	70,333	238,260	5,676,407
Capital Infrastructure Projects - CHQ	305	7,691	4,983	1,910	798
Community Health and Hospitals					
Caboolture Hospital Chemotherapy Chairs	313	10,000	6,010	3,990	
Emerald Hospital Emergency Department Upgrade	308	10,000	7,290	2,610	100
Logan Urgent and Specialist Care Centre	311	33,400	662	22,738	10,000
Redcliffe Hospital Paediatric Emergency Department Redesign	313	10,000	8,561	76	1,363
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Queensland	Health
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	Queensland Health					
		St-4:	Total Estimated	Expenditure to	Budget	Post
Pro	ject	Statistical Area	Cost \$'000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
	Redland Hospital Expansion - Stage 1 ⁴	301	62,000	8,196	28,410	25,394
	Townsville Hospital South Block Level 1 Fit Out 33-Bed Acute					
	Medical Receiving Unit	318	12,980	11,044	401	1,535
	Dakabin Family and Community Place	314	8,056	510	7,546	
	Fraser Coast Mental Health Project	319	39,610	27,003	8,203	4,404
	Gold Coast Secure Mental Health Rehabilitation Unit	309	122,744	16,290	52,075	54,379
	Ipswich Hospital Upgrade	310	22,000	5,959	8,325	7,716
	Kirwan Health Campus	318	40,000	1,453	17,990	20,557
	Logan Hospital 28-Bed Modular Ward	311	20,000	13,014	2,635	4,351
	Mackay Community Mental Health Refurbishment	312	6,000	322	2,253	3,425
	Master Planning Studies	305			1,850	Ongoing
	Moura Multi-Purpose Healthcare Service	308	7,200	132	499	6,569
	Old Roma Hospital Project Finalisation	307	3,327	2,894	433	
	Princess Alexandra Hospital Limited Care Dialysis Unit Refurbishment	303	12,731	101	8,812	3,818
	Proserpine Hospital Acute Primary Care Clinic Upgrade	312	5,000	9	3,993	998
	Queen Elizabeth II Jubilee Hospital Car Park	303	29,810	1,500	10,000	18,310
	Queensland Health Spinal Unit	303	5,000		5,000	
	Redland Hospital Expansion - Stage 2	301	150,000		8,000	142,000
	Redland Hospital Multi-Level Car Park ⁵	301	50,465	42,385	2,010	6,070
	Rockhampton Hospital Cardiac Hybrid Theatre	308	18,200	661	1,500	16,039
	Rockhampton Hospital Mental Health Ward Expansion	308	6,000	64	720	5,216
	Rural and Regional Infrastructure Package					
	Cairns Hospital Mental Health Unit	306	70,000	38,262	21,533	10,205
	Mer (Murray) Island Building Replacement	315	8,800	7,090	1,710	
	Sarina Hospital Redevelopment ⁶	312	31,500	24,419	5,443	1,638
	Rural and Regional Renal Program	Various	9,320	6,013	2,697	610
	Satellite Hospitals Program	Various	376,900	274,036	78,937	23,927
	Staff Accommodation Program	315	21,104	832	12,000	8,272
	Sunshine Coast University Hospital	316	1,872,151	1,846,571	16,580	9,000
	Sunshine Coast University Hospital Patient Access and Coordination Hub	316	5,000	150	4,850	
	Sustaining Capital Program ⁷	Various			346,540	Ongoing

Queensland Health

Queensland Health					
		Total Estimated	Expenditure to	Budget	Post
	Statistical	Cost	30-06-23	2023-24	2023-24
Project The Drives Charles Hermital Car Davis	Area	\$'000	\$'000	\$'000	\$'000
The Prince Charles Hospital Car Park	302	81,940	6,729	43,679	31,532
Toowoomba Day Surgery Theatre	317	42,000	20,501	11,531	9,968
Townsville University Hospital Hybrid Theatre	318	17,000	933	13,122	2,945
Townsville University Hospital Upgrades	318	8,000	915	6,203	882
Voluntary Assisted Dying ICT Solution	305	6,930	6,135	795	0.044
Woorabinda Multi-Purpose Health Service	308	17,241	4,573	9,824	2,844
Yeronga Child and Youth Community Hub	303	7,835	467	4,380	2,988
Sub-total Hospital and Health Services				1,425,052	
Other Acquisitions of Property, Plant and Equipment					
AUSLAB Unique Tube Identifier	305	2,624	1,537	1,087	
Building Works Capital Project Management	305			850	Ongoing
Cladding Investigation and Remediation Program	312	27,300	26,763	60	477
Queensland Health Emission Reduction Program	Various	30,000	16,865	346	12,789
State-Wide General Chemistry and Immunoassay Replacement and					
Automation Project	305	16,511	14,385	1,727	399
Sub-total Other Acquisitions of Property, Plant and Equipment				4,070	
Information Communication and Technology					
Information Communication and Technology	305			84,929	Ongoing
Sub-total Information Communication and Technology				84,929	
Central West					
Central West - ROU Lease	315	1,463	340	231	892
Sub-total Central West				231	
Mackay					
Mackay - ROU Lease	312	2,393	1,213	162	1,018
Sub-total Mackay				162	
Metro North					
Halwyn Centre Infrastructure Replacement and Refurbishment	305	2,151	620	1,531	
Metro North Health Caboolture Hospital Redevelopment Digital Project	305	20,000	13,694	5,814	492
Sub-total Metro North				7,345	

Queensland Health		Total	Expenditure		
		Estimated	to	Budget	Post
Project	Statistical Area	Cost \$'00	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
Metro South		<u>φ 00</u>	<u> </u>	\$ 000	\$ 000
Metro South - Capital Projects	303	7,057	6,814	34	209
Sub-total Metro South				34	
South West					
Augathella Multi-Purpose Healthcare Service 2-Bed Aged Care	315	1,642	861	781	
Cunnamulla Multi-Purpose Healthcare Service 10-Bed Aged Care Project	315	2,149	931	1,218	
Surat Multi-Purpose Healthcare Service 2-Bed Aged Care	307	1,490	843	647	
Injune Multi-Purpose Healthcare Service 2-Bed Aged Care	307	1,660	950	710	
Sub-total South West				3,356	
Sunshine Coast					
Sunshine Coast University Hospital Group 4 ICT Project	316	66,300	66,288	12	
Sub-total Sunshine Coast				12	
Torres and Cape					
Thursday Island Hospital CT Scanner	315	1,842	1,602	240	
Sub-total Torres and Cape				240	
Queensland Ambulance Service					
Beenleigh Ambulance Station Replacement	311	16,500		300	16,200
Burdell New Station and Townsville District Office	318	12,400	456	10,819	1,125
Cairns Ambulance Station and Operations Centre	306	14,415	502	1,175	12,738
Caloundra South New Ambulance Station	316	7,900	432	6,168	1,300
Gold Coast Operations Centre Redevelopment (Coomera)	309	17,000	977	7,000	9,023
Lawnton New Ambulance Station	314	7,800	1,105	6,210	485
Morayfield New Ambulance Station	313	8,450	1,311	6,739	400
North Rockhampton Replacement Ambulance Station and District Office	308	12,150	432	11,000	718
Pimpama Ambulance Station Redevelopment	309	5,500	193	100	5,207
Ripley New Ambulance Station and West Moreton District	310	10,900	3,056	7,344	500
Sandgate Ambulance Station Relocation		11,000		9,000	2,000

Queensland Health

Project	Statistical Area	Total Estimated Cost \$`000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$`000
Southport Ambulance Station Redevelopment	309	14,000	481	100	13,419
Springwood Ambulance Station Relocation	311	8,100	100	1,500	6,500
Minor Works	305			5,000	Ongoing
Strategic Land Acquisitions	305			1,500	Ongoing
Operational Equipment	305			1,000	Ongoing
Ambulance Vehicle Purchases	305			28,270	Ongoing
Information Systems Development	305			2,100	Ongoing
Sub-total Queensland Ambulance Service				105,325	
Total Property, Plant and Equipment				1,630,756	
QUEENSLAND INSTITUTE OF MEDICAL RESEARCH BERGHOFE	R				
Property, Plant and Equipment					
Other scientific equipment - QIMRB	305			7,675	Ongoing
Total Property, Plant and Equipment				7,675	
TOTAL QUEENSLAND HEALTH (PPE)				1,638,431	

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 funding for the Redland Hospital Expansion Stage 1 is \$62 million including State funding of \$32 million.
- 5. Total funding for the Redland Hospital Multi-level Carpark is \$50.4 million including funding of \$16 million from Community Health and Hospitals.
- 6. Total funding for Sarina Hospital Redevelopment is \$31.5 million including funding of \$10 million from Mackay Hospital and Health Service.
- 7. Amount is net of non capital component of project expenditure.

3.13 QUEENSLAND POLICE SERVICE

The 2023–24 Queensland Police Service capital program of \$362.6 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)

- \$108.7 million for the aircraft acquisition program.
- \$59.8 million for new and replacement police service vehicles including new armoured vehicles for Specialist Response Group.
- \$22.6 million for the Public Safety Network.
- \$20.5 million to continue the replacement police facilities at Cunnamulla, Hervey Bay, Kirwan and Rosewood.
- \$17.9 million for Camera Detected Offence Program equipment.
- \$17.0 million for information and communications technology.
- \$15.2 million to complete the upgrade of the police facilities at Cairns, Dalby and Maryborough.
- \$12.7 million to complete the replacement police facilities at Clermont, Cooroy and Dayboro.
- \$11.1 million for minor capital works and other plant and equipment across the state.
- \$9.0 million to continue the new police facilities at Caloundra and Ripley.
- \$8.9 million to continue the upgrades of the Mackay and Warwick police facilities.
- \$7.3 million for the marine rescue vessel replacement program, which will be transferred to Marine Rescue Queensland in 2023–24.
- \$6.1 million for Queensland Ambulance Service and Queensland Fire and Emergency Services information systems.
- \$5.5 million for upgrades and replacements to air conditioning and closed circuit cameras at police facilities across the state.
- \$4.1 million for new and replacement police service vessels.
- \$3.7 million for aircraft maintenance.
- \$3.0 million for the new residential accommodation at Mount Isa and Tara.
- \$2.7 million for mobile capability and the development of new applications for the QPS QLiTE mobile tablet devices.
- \$1.5 million for land acquisitions.
- \$250,000 to continue the replacement police facilities at Longreach, Proserpine, Rainbow Beach and Winton, and the multi-agency community safety facility at Palm Island.
- \$200,000 to commence the replacement of the water police facility at Hervey Bay.

Program Highlights (Capital Grant)

• \$25.0 million to PCYC Queensland for infrastructure development.

Queensland Police Service		Total	Expenditure		
Project	Statistical Area	Estimated Cost \$'000	to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$'000
QUEENSLAND POLICE SERVICE	Alta	\$ 000	\$ 000	\$ 000	\$ 000
Property, Plant and Equipment					
Buildings/ General Works					
Cairns police facility upgrade	306	20,000	18,600	1,400	
Caloundra South new police facility	316	13,500	500	4,000	9,000
Clermont replacement police facility	312	3,500	200	3,300	,
Cooroy replacement police facility	316	5,300	366	4,934	
Cunnamulla replacement police facility	315	13,000	139	2,361	10,500
Dalby police facility upgrade	307	19,000	8,852	10,148	
Dayboro replacement police facility	314	4,800	360	4,440	
Hervey Bay replacement police facility	319	14,000	160	940	12,900
Hervey Bay replacement water police facility	319	3,800		200	3,600
Kirwan replacement police facility	318	30,000	1,200	15,000	13,800
Longreach replacement police facility	315	13,800	50	50	13,700
Mackay police facility upgrade	312	4,000	500	3,000	500
Maryborough police facility upgrade	319	4,000	379	3,621	
Mount Isa new residential accommodation	315	5,750	100	1,000	4,650
Palm Island multi-agency community safety facility	318	18,000	50	50	17,900
Proserpine replacement police facility	312	2,300	50	50	2,200
Rainbow Beach replacement police facility	319	2,300	50	50	2,200
Ripley new police facility	310	25,000	1,000	5,000	19,000
Rosewood replacement police facility	310	4,000	309	2,191	1,500
Tara new residential accommodation	307	2,500	500	2,000	
Warwick police facility upgrade	307	15,000	640	5,860	8,500
Winton replacement police facility	315	4,600	50	50	4,500
Sub-total Buildings/ General Works				69,645	
Land					
Land acquisition	Various			1,500	Ongoing
Sub-total Land				1,500	
Plant and Equipment					
Air conditioning plant replacement program	Various			4,000	Ongoing
Aircraft Acquisition Program	Various	146,301	25,849	108,672	11,780
Aircraft Maintenance	Various			3,740	Ongoing
				,	0

Queensland Police Service

Queensland Police Servi	ce				
Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$'000
Camera Detected Offence Program	Various	\$ 000	<u> </u>	17,908	Ongoing
Closed circuit camera upgrades in various police facilities	Various			1,500	Ongoing
Information and communication technology	Various			16,950	Ongoing
Marine rescue vessel replacement program	Various			7,250	Ongoing
Minor works	Various			6,045	Ongoing
Mobile capability	Various			2,720	Ongoing
New and replacement vehicles including new armoured vehicles for	Various			59,818	Ongoing
Specialist Response Group Police vessel management program	Various			4,115	Ongoing
Public Safety Network	Various			22,570	Ongoing
Queensland Ambulance Service information systems development	Various			3,250	Ongoing
Queensland Fire and Emergency Services information and	Various			,	Ongoing
communications systems and equipment				2,828	
Other plant and equipment	Various			5,066	Ongoing
Sub-total Plant and Equipment				266,432	
Total Property, Plant and Equipment				337,577	
Capital Grants					
PCYC Queensland Capital Works	Various	50,000		25,000	25,000
Total Capital Grants				25,000	
TOTAL QUEENSLAND POLICE SERVICE (PPE)					
				337,577	
TOTAL QUEENSLAND POLICE SERVICE (CG)					
				25,000	

3.14 QUEENSLAND TREASURY

Queensland Treasury

Queensland Treasury has a capital purchase of \$44.0 million and capital grants of \$152.0 million in 2023-24.

Program Highlights (Total Property, Plant and Equipment)

• \$44.0 million to develop a Queensland Resources Common User Facility to support pilot and demonstration scale trials of processing methods and technologies for critical minerals and rare earth elements.

Program Highlights (Capital Grants)

- \$72.0 million through the Queensland First Home Owners' Grant to assist first-time home buyers buying or building a new home with grants to get into the market sooner.
- \$80.0 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.

Q	ueensland Treasury				
		Total Estimated	Expenditure to	Budget	Post
Project	Statistical	Cost \$`000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
QUEENSLAND TREASURY	Area	\$ 000	\$ 000	\$100	\$ 000
Property, Plant and Equipment					
Queensland Resources Common User Facility	318	60,742	1,542	43,950	15,250
Total Property, Plant and Equipment				43,950	
Capital Grants					
Queensland First Home Owners' Grant	Various			72,001	Ongoing
HomeBuilder Grant (Australian Government)	Various	364,290	284,290	80,000	
Total Capital Grants				152,001	
TOTAL QUEENSLAND TREASURY (PPE)				43,950	
TOTAL QUEENSLAND TREASURY (CG)				152,001	

3.15 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 Area Water Board, Seqwater and Sunwater Limited. In 2023-24 the portfolio's capital program includes capital purchases of \$984.9 million and capital grants of \$103.6 million.

Department of Regional Development, Manufacturing and Water

The Department of Regional Development, Manufacturing and Water has capital purchases of \$3.5 million and capital grants of \$103.6 million.

Program Highlights (Property, Plant and Equipment)

• The Rookwood Weir project is providing investment into Central Queensland's water supply for both agricultural and urban customers and will create up to 86,000 megalitres of new (medium priority equivalent) water allocations. The Queensland and Australian governments have each committed \$183.6 million towards the project (\$367.2 million in total). The total cost of the project is now estimated to be \$568.9 million due to escalating supplier costs and multiple site inundations caused by high river flows; the increased cost will be funded by Sunwater. The project is on track for completion by early 2024.

Program Highlights (Capital Grants)

- \$32.2 million through the Made in Queensland program to assist small to medium sized manufacturers to increase international competitiveness, productivity and innovation via the adoption of new technologies, systems and processes, and to generate high-skilled jobs for the future.
- \$28.0 million as part of the \$70.0 million Building our Regions program (Round 6) to assist water service providers to deliver water and sewerage projects that create regional and economic development opportunities, support local industry growth, generate jobs, and improve liveability in Queensland's regional communities.
- \$16.7 million through the Manufacturing Hubs Grant Program to assist regional small to medium sized manufacturers to become more productive, build their advanced manufacturing capabilities and create the jobs of the future.
- \$10.8 million as part of the \$40.4 million Mount Morgan Pipeline project for Rockhampton Regional Council to construct a drinking water pipeline from Gracemere to Mount Morgan providing reliability of water supply.
- \$5.3 million for the Toowoomba Regional Council to undertake construction of water treatment and supply works for its four satellite communities of Cambooya, Greenmount, Nobby and Clifton.

Gladstone Area Water Board

Total expenditure planned for 2023-24 is \$585 million, and is focused on continuing and improving water security and the effective, reliable, and safe operation of Gladstone Area Water Board's infrastructure.

Program Highlights (Property, Plant and Equipment)

• \$548.5 million for construction of the Fitzroy to Gladstone Pipeline, a water security initiative

to address the single source supply risk from Lake Awoonga, delivering water from the Lower Fitzroy River to Gladstone Area Water Board's existing network.

- \$5.2 million for a new treated water connection at Aldoga to enable new customer connections within the Gladstone State Development Area.
- \$2.7 million for construction of a solar farm at Awoonga Dam to facilitate the reduction of carbon emissions.
- \$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.
- \$1.2 million to continue planning for the expansion of the Boat Creek pump station to increase resilience and capacity.

Mount Isa Water Board

Total capital expenditure planned for 2023-24 is \$9.9 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)

- \$2.5 million to renew the high-voltage yard and electro-mechanical equipment in the Fred Haigh pump station to improve operational reliability and efficiency.
- \$1.8 million to renew the leaking joint sealant system of the 50 megalitre reservoir, including refurbishment of existing North reservoir to serve as a backup.
- \$815,000 to continue replacing the aged timber poles and cross-arms of the Lake Julius 66kV power line with bushfire-resistant materials (concrete and steel).
- \$670,000 to address recurring damage to Lake Julius access road and renewals of other road assets.

Seqwater

Total capital expenditure planned for 2023-24 is \$173.9 million. The capital program is focused on delivering a safe, secure and reliable water supply across South East Queensland, as well as supporting planning activities for future dam improvement projects. Seqwater operates the South East Queensland Water Grid and has facilities located throughout the region. This requires a large program of renewals as well as upgrades and compliance-driven works to ensure effective operation.

Program Highlights (Property, Plant and Equipment)

- \$24.4 million to complete construction on the South West Pipeline to connect the Beaudesert region to the South East Queensland Water Grid and improve water security.
- \$17.5 million to continue planning and investigatory work for dam improvement projects to comply with dam safety standards for extreme weather events, including Wivenhoe Dam, North Pine Dam, Somerset Dam and Lake Macdonald Dam.
- \$13.4 million to construct the Toowoomba to Warwick Pipeline to provide a drought contingency for Warwick and surrounding communities and a permanent water supply to four Toowoomba satellite communities.
- \$11.1 million for the Mount Crosby Weir Bridge structure upgrade to construct a new vehicle bridge to improve flood resilient access between Mount Crosby East Bank and West Bank and improve structure performance.

Sunwater Limited

Total capital expenditure planned for 2023-24 is \$212.6 million. The capital program is focused



on enhancing Sunwater's dam infrastructure to continue operating safely during extreme weathe conditions and to provide a reliable water supply to regional Queensland. It will also support the expansion of Sunwater's Rocklea laboratory facility to produce commercial modelling for dam safety design and development programs.

Program Highlights (Property, Plant and Equipment)

- \$116.4 million to continue planning and commence enabling works for the Paradise Dam improvement project.
- \$19.5 million to continue planning and commence pre-construction activities for the Burdekin Falls Dam improvement and raising projects. \$440 million has been committed as part of reinvesting in the regions, on top of the existing \$100 million commitment.

Regional Development, Manufacturing a	nd Water	Total	Expenditure		
	G	Estimated	to	Budget	Post
Project	Statistical Area	Cost \$'000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
DEPARTMENT OF REGIONAL DEVELOPMENT, MANUFACTURING AN	ND WATEF	2			
Property, Plant and Equipment ¹					
Other property, plant and equipment	Various			3,500	Ongoing
Total Property, Plant and Equipment				3,500	
Capital Grants					
Building our Regions (Round 6)	Various	70,000	21,000	28,000	21,000
Fish-friendly water extraction project: Condamine-Balonne and Border Rivers	Various	6,614	4,218	2,396	
Improving Great Artesian Basin Drought Resilience	Various	18,200	15,600	2,600	
Made in Queensland	Various	101,500	49,555	32,160	19,785
Manufacturing Hub Grant Program	Various	28,500	11,331	16,669	500
Mount Morgan Pipeline	308	40,350	18,150	10,825	11,375
Southern Downs Drought Resilience Package	307	7,640	4,861	2,779	
Southern Downs smart reticulation and network monitoring	307	8,500	1,700	1,700	5,100
Toowoomba water treatment to four communities	317	15,000		5,250	9,750
Warren's Gully system capacity upgrade project	318	4,760	3,570	1,190	
Total Capital Grants				103,569	
GLADSTONE AREA WATER BOARD					
Property, Plant and Equipment					
Aldoga treated water connection	308	7,711	2,481	5,230	
Awoonga Dam pipeline remediation	308	3,410	1,005	1,595	810
Awoonga Dam recreation area expansion	308	7,195	4,426	2,769	
Awoonga Dam solar farm	308	2,946	200	2,746	

Regional	Development.	Manufacturing	and Water

Regional Development, Manufacturing and Water							
		Total Estimated	Expenditure to	Budget	Post		
Project	Statistical Area	Cost \$'000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000		
Awoonga Dam spillway capacity upgrade - planning	308	8,494	6,207	2,287			
Boyne Island Reservoir roof replacement	308	2,636	1,368	1,268			
East End Pipeline replacement - planning	308	9,616	109	1,141	8,366		
Expansion of Boat Creek pump station - planning	308	5,507	416	1,191	3,900		
Fitzroy to Gladstone Pipeline	308	983,000	166,400	548,530	268,070		
Gladstone Water Treatment Plant onsite generator	308	1,000		1,000			
Golegumma pipeline replacement	308	6,700	2,450	3,000	1,250		
Program of smaller capital works projects	308			7,755	Ongoing		
Queensland Alumina Limited raw water pipeline replacement	308	6,737	264	4,316	2,157		
Raw water pipeline, Glen Eden and Moura rail reline	308	1,789	211	1,000	578		
Right of use lease assets	308	1,214		1,214			
Total Property, Plant and Equipment				585,042			
MOUNT ISA WATER BOARD							
Property, Plant and Equipment							
Booster station switchyard renewal	315	660		150	510		
Fred Haigh pump station electro-mechanical overhaul	315	12,488	9,988	2,500			
Lake Julius access road renewal and other road renewals	315	1,951	81	670	1,200		
Lake Julius power pole replacement	315	1,921	821	815	285		
Mount Isa Terminal Reservoir filtration membrane modules options	315	1,850		650	1,200		
Other asset enhancements	315			495	Ongoing		
Other asset renewals	315			700	Ongoing		
Pipeline renewals	315	1,115		300	815		
Power network upgrade	315	1,003	88	160	755		
Reservoir renewals	315	3,704		1,800	1,904		
Second pathogen disinfection system	315	1,859	140	1,684	35		
Total Property, Plant and Equipment				9,924			
SEQWATER							
Property, Plant and Equipment							
Dayboro water source and treatment upgrade with pipeline grid connection	314	20,314	12	270	20,032		

Regional Development, Manufacturing	and Water				
		Total Estimated	Expenditure to	Budget	Post
	Statistical	Cost	30-06-23	2023-24	2023-24
Project	Area	\$'000	\$'000	\$'000	\$'000
Information and communication technology capital program	310	105.050	05 50 4	18,401	Ongoing
Lake Macdonald Dam improvement project - planning ²	316	127,278	25,734	989	100,555
Lowood Water Treatment Plant sludge capacity upgrade	310	10,016	41	267	9,708
Mount Crosby East Bank sub-station and enabling works	310	35,600	24,855	3,130	7,615
Mount Crosby East Bank sub-station critical electrical infrastructure upgrade	310	49,400	6,830	9,907	32,663
Mount Crosby Weir Bridge upgrade	310	29,450	14,412	11,050	3,988
Mount Crosby West Bank Water Treatment Plant centrifuge installation	310	13,935	1,072	250	12,613
Non-infrastructure capital works	310			8,382	Ongoing
North Pine Dam improvement project - planning		12,140	6,900	5,240	
Other infrastructure improvements - other infrastructure projects	310			26,340	Ongoing
Other infrastructure improvements - water storage projects	310			6,391	Ongoing
Other infrastructure improvements - water transport projects	310			6,696	Ongoing
Other infrastructure improvements - water treatment projects	310			27,480	Ongoing
Somerset Dam improvement project - planning	310	34,792	32,502	2,290	
South West Pipeline	311	95,200	70,079	24,400	721
Toowoomba to Warwick Pipeline ³	317	273,100	13,697	13,412	245,991
Wivenhoe Dam improvement project - planning	310	11,600	2,600	9,000	
Total Property, Plant and Equipment				173,895	
SUNWATER LIMITED					
Property, Plant and Equipment					
Burdekin Falls Dam improvement and raising projects - planning	318			19,548	Ongoing
Burdekin Moranbah Pipeline - inline storage	312	12,711	441	9,134	3,136
Enterprise data and analytics service	305	18,201	5,148	4,562	8,491
Eungella Water Pipeline (stage 3)	312	22,987	3,624	14,106	5,257
Leslie Dam dead storage access	307	2,269	222	2,047	
Lower Burdekin rising groundwater mitigation project	318	10,808	2,039	1,982	6,787
Non-infrastructure capital works	Various			5,585	Ongoing

Regional Development, Manufacturing and Water

Project	Statistical Area	Total Estimated Cost \$`000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$'000
Non-routine capital works - bulk water infrastructure	Various	\$ 000	\$ 000	5,300	Ongoing
Non-routine capital works - industrial pipelines	Various			5,021	Ongoing
Non-routine capital works - irrigation systems	Various			12,966	Ongoing
Paradise Dam improvement project - planning and enabling works	319	1,198,225	68,081	116,400	1,013,744
Right of use leased assets	Various			3,048	Ongoing
Rocklea laboratory facility upgrade	303	20,031	5,322	12,875	1,834
Total Property, Plant and Equipment				212,574	
TOTAL REGIONAL DEVELOPMENT, MANUFACTURING AND WATER (PPE)				984,935	
TOTAL REGIONAL DEVELOPMENT, MANUFACTURING AND WATER (CG)				103,569	

Notes:

- 1. The construction of Rookwood Weir is excluded from the department's Budget Paper No.3 Capital Statement as all State and Australian Government funds are expected to be paid to Sunwater during 2022-23. The total estimated cost of the project has increased to \$568.9 million due to escalating supplier costs and multiple site inundations caused by high river flows; the increased cost will be funded by Sunwater and appear as an expense in Sunwater's Income Statement.
- 2. The Lake Macdonald Dam improvement project budget in 2023-24 reflects the cost of the ongoing options assessment process. The \$127.3 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 a revised business case.
- 3. \$273.1 million relates to construction of the Toowoomba to Warwick Pipeline only. This forms part of a more than \$300 million investment into water security in Toowoomba and Southern Downs regions.

3.16 **RESOURCES**

Department of Resources

The capital purchases budget for the Resources portfolio for 2023–24 is \$11.0 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.

Program Highlights (Property, Plant and Equipment)

- \$900,000 in 2023–24 to continue improving and maintaining stock route water facilities across the state to ensure their safe and efficient operation.
- \$500,000 in 2023–24 to manage health, safety and environmental risks at the disclaimed Thalanga Copper mine site as part of the Abandoned mine sites care and maintenance, risk mitigation and remediation program.

Resources		Total	Expenditure		
	Q ₁ (1) (1)	Estimated	to	Budget	Post
Project	Statistical Area	Cost \$'000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
DEPARTMENT OF RESOURCES	· · · · · · · · · · · · · · · · · · ·				· · · · · · · · · · · · · · · · · · ·
Property, Plant and Equipment					
Systems development	Various			4,700	Ongoing
Stock route network	Various			900	Ongoing
Abandoned mine sites - care and maintenance, risk mitigation and					
remediation program	318	500		500	
Other property, plant and equipment	Various			4,876	Ongoing
Total Property, Plant and Equipment				10,976	
TOTAL RESOURCES (PPE)				10,976	

3.17 STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING

In 2023-24, the State Development, Infrastructure, Local Government and Planning portfolio, including Economic Development Queensland, the Queensland Reconstruction Authority and South Bank Corporation, has capital purchases of more than \$125.7 million and capital grants of \$1.699 billion.

Department of State Development, Infrastructure, Local Government and Planning

The Department of State Development, Infrastructure, Local Government and Planning has capital purchases of \$5.6 million and capital grants of \$433.5 million in 2023-24.

Program Highlights (Capital Grants)

- \$143.1 million as part of the \$218.2 million Resources Community Infrastructure Fund to support regional communities by improving economic and social infrastructure across Queensland's resources communities.
- \$63.8 million as part of the \$221.4 million Industry Partnership Program to support the creation of jobs and rebuild the State's economy by boosting its industry footprint and raising the State's profile in industry development.
- \$58.5 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.
- \$42.8 million as part of the \$1.0 billion Works for Queensland program to support local governments in regional Queensland undertaking job-creating maintenance and minor infrastructure works.
- \$34.4 million towards the \$200.0 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.
- \$16.3 million as part of the \$120.0 million Indigenous Councils Critical Infrastructure Program to support Indigenous councils to deliver infrastructure relating to critical water, wastewater and solid waste assets, and provide a basis for the long-term strategic management of essential assets.
- \$15.8 million as part of the \$25.0 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.
- \$10 million towards the \$41.1 million Recycling Modernisation Fund to support businesses to improve recycling infrastructure for waste streams impacted by waste export bans.

Economic Development Queensland

In 2023-24, Economic Development Queensland has capital purchases of more than \$101.1 million.

Program Highlights (Property, Plant and Equipment)

- \$18.2 million for the development of the Gladstone State Development Area.
- \$16.2 million for planned land acquisition at Southport.
- \$10.6 million for the development of the Sunshine Coast Industrial Park (Stage 2).
- \$10.6 million for the urban renewal development at Northshore Hamilton.

- \$9.4 million for the development of the Yeronga Priority Development Area.
- \$9.4 million for the development of the Carseldine Village.
- \$8.1 million for the development of the Oxley Priority Development Area.
- \$8 million for the development of Currumbin Eco-Parkland.

Queensland Reconstruction Authority

In 2023-24, the Queensland Reconstruction Authority has capital grants of more than \$1.265 billion 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)

- \$1.240 billion 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 2023. This program is jointly funded by the Queensland Government and the Australian Government.
- \$13.1 million towards the \$65.5 million Queensland Resilience and Risk Reduction Fund, part of a National Partnership Agreement, jointly funded with the Australian Government, to support disaster mitigation projects and build resilience to natural disasters over 5 years.
- \$6 million as part of the \$28 million Recovery and Resilience Grants to support 14 local government areas hardest hit by the 2019 North Queensland Monsoon Trough, funded by the Australian Government.
- \$5 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 2023-24, the South Bank Corporation has budgeted capital purchases of more than \$19 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 DEPARTMENT OF STATE DEVELOPMENT, INFRASTRUCTURE, LOC	Statistical Area	Total Estimated Cost \$`000 RNMENT A	Expenditure to 30-06-23 \$'000 AND PLAN	Budget 2023-24 \$`000 NING	Post 2023-24 \$`000
Property, Plant and Equipment					
Cairns Marine Precinct Common User Facility	306	6,275	741	5,534	
State development area property management	308	200	100	50	50
Total Property, Plant and Equipment				5,584	
Capital Grants					
Resources Community Infrastructure Fund	Various	218,200	10,935	143,100	64,165
Industry Partnership Program	Various	221,361	3,000	63,842	154,519
Local Government Grants and Subsidies Program	Various			58,530	Ongoing



State Development, Infrastructure,	Local Government and Planning
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Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$'000
Works for Queensland	Various	1,000,000	742,962	42,824	214,214
South East Queensland Community Stimulus Program	Various	200,000	65,581	34,419	100,000
Indigenous Councils Critical Infrastructure Program	Various	120,000	103,749	16,251	
Regional Recovery Partnerships Program	Various	25,000	6,615	15,810	2,575
Recycling Modernisation Fund	Various	41,113	1,113	10,000	30,000
Building our Regions (Rounds 1-5)	Various	329,510	309,360	8,150	12,000
Modern Manufacturing Initiative	Various	56,530	1,000	6,500	49,030
Community Infrastructure Investment Partnership	Various	15,000	7,563	5,437	2,000
Southport Spit	309	10,614	5,769	4,480	365
Grant maturity project	Various	3,500		3,500	
Barcaldine Renewable Energy Zone	315	7,000		3,500	3,500
Kenrick Park Masterplan (Stage 1)	306	3,000		3,000	
Hinchinbrook Harbour new sewage plant	306	6,433	1,022	2,835	2,576
Roma Street Parklands	305			2,372	Ongoing
Northern Peninsula Area water supply system - replacement of asbestos					
cement pipelines	315	5,000	3,039	1,961	
COVID-19 Works for Queensland	Various	200,000	198,348	1,652	
Splash Parks in Mareeba and Douglas Shires	306	3,000	1,650	1,350	
Logan City Council - digital infrastructure and connectivity	311	2,500	1,250	1,250	
Trinity Beach Community Activity Space	306	935		935	
BBD Brewery Waste Water Treatment Plant	319	1,000	400	600	
Torres Strait Ferry Funding Program	315	500		500	
Kuranda infrastructure levy	306			444	Ongoing
Unite and Recover Community Stimulus Package	Various	50,000	49,760	240	
Total Capital Grants				433,482	
ECONOMIC DEVELOPMENT QUEENSLAND					
Property, Plant and Equipment					
Gladstone State Development Area	308	83,149	60,349	18,200	4,600
Southport	309	18,954		16,185	2,769
Sunshine Coast Industrial Park (Stage 2)	316	31,535	20,920	10,615	
Northshore Hamilton	302	418,151	114,457	10,602	293,092
Yeronga Priority Development Area	303	32,755	23,323	9,432	

State Development, Infrastructure, Local Government and Planning

Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$'000
Carseldine Village	302	36,301	26,374	9,410	517
Oxley Priority Development Area	310	34,250	25,863	8,055	332
Currumbin Eco-Parkland	309	39,000	15,000	8,000	16,000
Yeerongpilly Green	303	71,825	56,347	3,582	11,896
Gold Coast Health and Knowledge Precinct	309	41,738	26,622	3,354	11,762
Coolum Eco Industrial Park (Stage 2)	316	35,000	2,500	2,500	30,000
Clinton Industrial Estate	308	2,629	2,129	500	
Salisbury Plains Industrial Precinct	312	9,225	2,725	250	6,250
Willowbank Industrial Precinct	310	22,656	22,406	250	
Townsville Regional Industrial Estate	318	6,551	4,751	200	1,600
Total Property, Plant and Equipment				101,135	
QUEENSLAND RECONSTRUCTION AUTHORITY					
Capital Grants					
Disaster Recovery Funding Arrangements	Various			1,239,952	Ongoing
Queensland Resilience and Risk Reduction Fund	Various	65,507	31,442	13,102	20,963
Recovery and Resilience Grants	Various	28,000	15,000	6,000	7,000
North Queensland Natural Disasters Mitigation Program	Various	10,000	3,000	5,000	2,000
National Flood Mitigation Infrastructure Program	Various	10,794	9,178	1,348	268
Total Capital Grants				1,265,402	
SOUTH BANK CORPORATION					
Property, Plant and Equipment					
Brisbane Convention and Exhibition Centre enhancements and replacements				10,835	Ongoing
South Bank Parklands enhancements and replacements	305			7,557	Ongoing
Investment properties - other enhancements and replacements	305			585	Ongoing
Car park upgrades and replacements	305			45	Ongoing
Total Property, Plant and Equipment				19,022	
TOTAL STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING (PPE)				125,741	
TOTAL STATE DEVELOPMENT, INFRASTRUCTURE, LOCAL GOVERNMENT AND PLANNING (CG)				1,698,884	

3.18 TOURISM, INNOVATION AND SPORT

Department of Tourism, Innovation and Sport

Total capital purchases for the Department of Tourism, Innovation and Sport are estimated to be \$27.1 million in 2023-24. Total capital grants for the department are estimated to be \$218.9 million in 2023-24.

Program Highlights (Property, Plant and Equipment)

- \$17.0 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.
- \$10.0 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)

- \$53.0 million to support sport and recreation organisations with the clean up and repair of equipment and facilities damaged from the South East Queensland rain and flooding event in February 2022.
- \$33.6 million for the Stage 1 redevelopment of Browne Park including building a contemporary 3,500 seat grandstand, public amenities, food and beverage outlets, media and coach facilities, and increasing the ground capacity.
- \$26.4 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.
- \$17.5 million to progress the construction of the Quandamooka Art Museum and Performance Institute (QUAMPI) and auxiliary infrastructure for the recreational trail.
- \$17.2 million for minor facility improvements that support increased opportunities for Queenslanders to participate in sport and active recreation.
- \$16.6 million under the Regional Tourism Recovery Program, to rebuild the heritage listed Binna Burra lodge and cabins rooms on Mount Roberts.

Stadiums Queensland

Stadiums Queensland's 2023-24 capital outlay of \$42.5 million represents the minimum capital investment required to assist in ensuring that Queensland's major sports and entertainment facilities continue to provide world-class fan experiences, support high performance development and facilitate community participation in sport and physical activity.

Tourism, Innovation and Sport

Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$'000	Budget 2023-24 \$'000	Post 2023-24 \$'000
DEPARTMENT OF TOURISM, INNOVATION AND SPORT					
Property, Plant and Equipment					
Queensland Active Precincts	Various	88,585	41,936	16,986	29,663
Wangetti Trail	306	30,462	1,806	10,000	18,656
Queensland Academy of Sport - specialist equipment	303	450		75	375
Total Property, Plant and Equipment				27,061	
Capital Grants					
Community Recreational Assets Recovery and Resilience Program	Various	73,500	11,500	53,000	9,000
Browne Park Redevelopment	308	54,326	1,400	33,600	19,326
Local community sporting infrastructure	Various	48,380	18,895	26,410	3,075
Minjerribah Futures Program	301	19,516	2,009	17,507	
Sport Minor Infrastructure Program	Various	38,518	1,668	17,216	19,634
Binna Burra Lodge rebuild	309	18,000	1,038	16,609	353
Sport infrastructure program	Various	10,000		10,000	
Tourism Experience Development Fund	Various	10,050	2,000	8,050	
Activate Ecotourism	Various	9,200		7,200	2,000
Drive It NQ	318	10,000	2,800	7,200	
Sporting infrastructure	Various	13,157	2,557	5,850	4,750
Active Community Infrastructure - Round 1	Various	26,235	23,678	2,557	
Pajinka infrastructure	315	2,000		2,000	
QRA SEQ 2022 Floods Tourism infrastructure	Various	4,750		1,950	2,800
Great Barrier Reef Marine infrastructure	Various	3,000		1,500	1,500
Active Game Day Schools	Various	8,465	7,036	1,429	
Abbey Museum Art Gallery & Cafe and Abbey Medieval Festival Site Redevelopment	313	2,100	648	1,402	50
Wangetti Trail (Mowbray North)	306	5,737	4,341	1,396	
Regional Tourism Recovery Projects	Various	3,300	78	1,184	2,038
Growing Indigenous Tourism in Queensland Fund	Various	6,353	5,322	1,031	
Surf Lifesaving infrastructure	Various	6,000	4,550	850	600
Townsville skate park (Harold Phillips Park)	318	1,000	500	500	
Allied Health and Wellbeing Centre (Clem Jones Centre)	303	5,000	4,750	250	

Tourism, Innovation and Sport

Project Attracting Tourism Fund Total Capital Grants	Statistical Area Various	Total Estimated Cost \$'000 10,213	Expenditure to 30-06-23 \$*000 9,975	Budget 2023-24 \$*000 238 218,929	Post 2023-24 \$`000
STADIUMS QUEENSLAND					
Property, Plant and Equipment					
Stadiums Queensland - Annual capital program	Various			42,465	Ongoing
Total Property, Plant and Equipment				42,465	
TOTAL TOURISM, INNOVATION AND SPORT (PPE)				69,526	
TOTAL TOURISM, INNOVATION AND SPORT (CG)				218,929	

3.19 TRANSPORT AND MAIN ROADS

TRANSPORT AND MAIN ROADS

In 2023-24, total capital purchases for the Transport and Main Roads portfolio are \$6.946 billion including capital grants of \$619.4 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, Gold Coast Waterways Authority and CITEC.

Department of Transport and Main Roads

In 2023-24, capital purchases total \$4.704 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)

- \$420 million towards Coomera Connector (Stage 1), Coomera to Nerang, at a total estimated cost of \$2.163 billion (jointly funded with the Australian Government).
- \$259.4 million towards Gold Coast Light Rail (Stage 3), Broadbeach South to Burleigh Heads, at a total estimated cost of \$1.219 billion (jointly funded with the Australian Government and City of Gold Coast).
- \$240 million towards Logan and Gold Coast Faster Rail, as part of a total commitment of \$2.598 billion (jointly funded with the Australian Government).
- \$200 million towards the Queensland Train Manufacturing Program, at a total estimated capital cost of \$4.869 billion.
- \$190 million towards Pacific Motorway, Varsity Lakes (Exit 85) to Tugun (Exit 95) upgrade, as part of a total commitment of \$1 billion (jointly funded with the Australian Government).
- \$170.5 million towards Bruce Highway, (Cooroy to Curra) Section D, construction, at a total estimated cost of \$1 billion (jointly funded with the Australian Government).
- \$123.1 million towards ongoing accessibility modifications for New Generation Rollingstock to comply with disability standards.
- \$110 million towards Pacific Motorway, Eight Mile Plains to Daisy Hill upgrade, at a total estimated cost of \$750 million (jointly funded with the Australian Government).
- \$100 million towards Rockhampton Ring Road, at a total estimated cost of \$1.065 billion (jointly funded with the Australian Government).
- \$94.8 million towards New Gold Coast Train Stations (Pimpama, Hope Island and Merrimac), at a total estimated cost of \$500 million.
- \$64.8 million towards Beerburrum to Nambour Rail Upgrade (Stage 1), at a total estimated cost of \$550.8 million (jointly funded with the Australian Government).
- \$60.7 million towards Sunshine Motorway, Mooloolah River Interchange Upgrade (Stage 1), at a total estimated cost of \$320 million (jointly funded with the Australian Government).
- \$60 million towards Northern Transitway, bus priority works, at a total estimated cost of \$172 million.
- \$54.8 million towards New Generation Rollingstock, European Train Control System fitment, install new signalling, at a total estimated cost of \$374.1 million.
- \$50 million towards the Centenary Bridge upgrade, as part of a total commitment of



\$271.5 million (jointly funded with the Australian Government).

- \$44.8 million towards Walkerston Bypass, as part of a total commitment of \$187.4 million (jointly funded with the Australian Government).
- \$43.2 million towards Cleveland Redland Bay Road, Anita Street to Magnolia Parade, duplicate to four lanes, at a total estimated cost of \$97 million.
- \$42.4 million towards Bruce Highway (Brisbane Gympie), Caboolture Bribie Island Road to Steve Irwin Way upgrade, at a total estimated cost of \$662.5 million (jointly funded with the Australian Government).
- \$41.7 million towards Gore Highway (Millmerran Goondiwindi), Wyaga Creek, upgrade floodway, as part of a total commitment of \$46.7 million (jointly funded with the Australian Government).
- \$40 million towards Pacific Motorway, Exit 49, upgrade interchange, at a total estimated cost of \$110.8 million (jointly funded with the Australian Government).
- \$38.9 million towards New Generation Rollingstock, Automatic Train Operation and Platform Screen Doors fitment, at a total estimated cost of \$275.7 million.
- \$38.5 million towards disaster recovery reconstruction works along the Cunningham Highway between Ipswich and Warwick, at a total estimated cost of \$134.4 million (jointly funded with the Australian Government).
- \$37 million towards Townsville Connection Road (Stuart Drive), University Road to Bowen Road Bridge (Idalia), improve safety, at a total estimated cost of \$96 million.
- \$35.9 million towards Strathpine Samford Road, Eatons Crossing Road and Mount Samson Road intersection, improve safety, at a total estimated cost of \$75.2 million.
- \$35 million towards Bruce Highway, Pine River to Caloundra Road, Smart Motorways (Stage 2), at a total estimated cost of \$105 million (jointly funded with the Australian Government).
- \$32 million towards Pacific Motorway, Daisy Hill to Logan Motorway, funding commitment, as part of a total commitment of \$1 billion (jointly funded with the Australian Government).
- \$30.9 million towards Cairns Western Arterial Road, Redlynch Connector Road to Captain Cook Highway duplication, at a total cost of \$300 million (jointly funded with the Australian Government).

Program Highlights (Capital Grants)

- \$76 million towards Transport Infrastructure Development Scheme to local governments, including Aboriginal and Torres Strait Islander community assistance.
- \$22.5 million towards charging infrastructure as part of the Zero Emission Vehicle strategy 2022-32 and Action Plan 2022-24.
- \$16.2 million towards Beams Road (Carseldine and Fitzgibbon), upgrade rail level crossing, as part of a total commitment of \$209.3 million (jointly funded with the Australian Government and Brisbane City Council).
- \$12 million towards development of the cycle network throughout Queensland.

RoadTek

In 2023-24, \$26 million is allocated to replace the construction plant and equipment for road construction and maintenance throughout Queensland.

CITEC

In 2023-24, CITEC has capital purchases of \$1.4 million, comprising right of use lease assets and hardware replacement.

Program Highlights (Property, Plant and Equipment)

- \$1 million for hardware replacement.
- \$440,000 of right of use lease assets for ICT services.

Queensland Rail

In 2023-24, \$1.135 billion is allocated towards capital purchases for Queensland Rail.

Program Highlights (Property, Plant and Equipment)

\$711.6 million is provided towards projects that will grow or enhance the Queensland Rail network including:

- \$151.3 million towards constructing Clapham Yard Stabling at Moorooka.
- \$121.1 million towards implementing the European Train Control System Level 2 in the Brisbane Inner City Network.
- \$90.6 million towards station accessibility upgrades including at Banyo, Bundamba, Burpengary, Lindum and Morningside.
- \$48.7 million towards signalling integration works to enable delivery of the European Train Control System.
- \$35 million towards the Roma Street surface station integration project.
- \$20 million towards constructing the Breakfast Creek Bridge Replacement.

\$422.9 million to replace, renew and upgrade rail infrastructure, rollingstock, buildings, facilities, and other network assets including:

- \$198.8 million to invest in the South East Queensland network including rollingstock, operational facilities, track infrastructure, civil structures and signalling.
- \$173.9 million to invest in the regional network including rollingstock, operational facilities, track infrastructure, civil structures and signalling.
- \$50.3 million for business enabling investment on corporate, property and ICT works across Queensland.

Gold Coast Waterways Authority

Program Highlights (Property, Plant and Equipment)

In 2023-24, the Gold Coast Waterways Authority has allocated \$14.4 million to improve management of, and provide better access to, the Gold Coast Waterway, canals and rivers and to deliver The Spit Works Program.

- \$8.8 million to deliver The Spit Works Program, including Muriel Henchman boat ramp and carparking facilities.
- \$3.4 million to upgrade Muriel Henchman Park Pontoon and boat ramp, Isle of Capri and Tallebudgera (Murlong Crescent) boat ramp replacements, and improvements to the Sand Bypass System.

Cross River Rail Delivery Authority

In 2023-24, \$829.2 million has been allocated to construct a new 10.2 kilometre rail line from

Dutton Park to Bowen Hills, including 5.9 kilometres of twin tunnels under the Brisbane River and CBD, and four new underground stations.

Program Highlights (Property, Plant and Equipment)

• \$762.9 million in 2023-24 to continue delivery of Cross River Rail, at a total estimated cost of \$7.686 billion.

Program Highlights (Capital Grants)

• \$66.3 million towards third party returnable works for Cross River Rail, at a total estimated cost of \$162.2 million.

Far North Queensland Ports Corporation Limited

In 2023-24, Far North Queensland Ports Corporation Limited has allocated \$15.4 million towards new and continuing development within its ports in Far North Queensland.

Program Highlights (Property, Plant and Equipment)

• \$6 million for the Horn Island Passenger Jetty and Cargo Wharf, at a total estimated cost of \$8.5 million.

Gladstone Ports Corporation Limited

In 2023-24 Gladstone Ports Corporation Limited has allocated \$126 million towards ongoing development of the Port of Gladstone, and additional works at the Port of Bundaberg and the Port of Rockhampton (Port Alma).

Program highlights (Property Plant & Equipment)

- \$36.9 million towards replacement of Ship Loader 1 at the RG Tanna Coal Terminal at the Port of Gladstone.
- \$7.3 million towards Port Services projects, including East Shores Stage 1C Auckland Hill.

North Queensland Bulk Ports Corporation Limited

In 2023-24, North Queensland Bulk Ports Corporation Limited has allocated \$19.4 million to continue port planning and development initiatives to meet industry requirements for export facilities.

Program Highlights (Property, Plant and Equipment)

- \$6.5 million to replace Middle Breakwater fuel line supports at the Port of Mackay, at a total estimated cost of \$9.1 million.
- \$2.5 million to improve the Northern Breakwater revetment at the Port of Mackay, at a total estimated cost of \$3 million.
- \$2 million to reseal and upgrade the road from the Bruce Highway to the Port of Abbot Point.
- \$500,000 to undertake hydrogen trade studies.



Port of Townsville Limited

In 2023-24, Port of Townsville Limited has allocated \$75.6 million towards ongoing development at the Port of Townsville.

Program Highlights (Property, Plant and Equipment)

• \$60.7 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 \$251.2 million.

Transport and Main Road Project	s Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$'000
DEPARTMENT OF TRANSPORT AND MAIN ROADS					
Property, Plant and Equipment					
South Coast District					
Beaudesert - Beenleigh Road, Milne Street to Tallagandra Road, duplicate					
to four lanes ¹	311	12,000	2,792	7,208	2,000
Beenleigh Connection Road and City Road (Beenleigh), upgrade					
intersection ²	311	11,000	900	3,700	6,400
Brisbane - Beenleigh Road, improve safety	311	13,290		4,856	8,434
Brisbane - Beenleigh Road, Kingston Road and Compton Road, upgrade					
intersection	311	14,670	1,020	6,000	7,650
Coomera Connector (Stage 1), Coomera to Nerang ¹	309	2,162,707	358,897	420,000	1,383,810
Cunningham Highway (Ipswich - Warwick), 2020 Disaster Recovery					
Funding Arrangements reconstruction works ³	310	134,400	19,440	38,520	76,440
Currumbin Creek - Tomewin Road, 2022 Disaster Recovery Funding					
Arrangements reconstruction works ³	309	16,259		8,129	8,129
Gold Coast - Springbrook Road (Stage 1), 2022 Disaster Recovery					
Funding Arrangements reconstruction works ³	309	33,163	13,324	19,838	
Gold Coast - Springbrook Road (Stage 3), 2022 Disaster Recovery					
Funding Arrangements reconstruction works ³	309	19,398		9,699	9,699
Gold Coast - Springbrook Road, 2023 Disaster Recovery Funding					
Arrangements immediate reconstruction works ³	309	15,000	5,000	10,000	
Gold Coast Light Rail (Stage 3), Broadbeach South to Burleigh Heads ⁴	309	1,219,000	391,433	259,396	568,171
Loganlea train station relocation ²	311	95,076	15,700	9,961	69,415
Mount Lindesay Highway (Brisbane - Beaudesert), Johanna Street to					
South Street (Jimboomba), duplication ²	311	57,400	11,080	24,120	22,200
Nerang - Murwillumbah Road, various locations, safety treatments	309	38,668	25,173	10,300	3,196

Transport and Main Roads

Transport and Main Roads					
Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$'000
New Gold Coast Stations (Pimpama, Hope Island and Merrimac)	309	500,000	91,524	94,817	313,659
Other construction - South Coast District (Transport and Main Roads)	Various			114,279	Ongoing
Pacific Motorway, Daisy Hill to Logan Motorway funding commitment ⁵	311	1,000,000	69,000	32,000	899,000
Pacific Motorway, Eight Mile Plains to Daisy Hill upgrade ¹	311	750,000	437,982	110,000	202,018
Pacific Motorway, Exit 49, upgrade interchange ¹	309	110,768	36,963	40,000	33,805
Pacific Motorway, Varsity Lakes (Exit 85) to Tugun (Exit 95) upgrade ¹	309	1,000,000	756,975	190,000	53,025
Sub-total South Coast District				1,412,823	
Metropolitan District					
Brisbane Metro, Woolloongabba Station ⁶	303	450,000	48,117	8,700	393,183
Cannon Hill Shopping Centre, upgrade bus station	303	12,405	1,416	7,277	3,712
Centenary Bridge upgrade ¹	304	271,507	61,738	50,000	159,769
Chermside Bus Layover, Gympie Road and Murphy Road intersection,					
construct bus facilities	302	17,480	6,307	3,223	7,950
Chermside bus stop, construct southbound platform	302	16,536	4,002	1,500	11,034
Cleveland - Redland Bay Road, Anita Street to Giles Road, duplicate lanes	301	80,000		7,000	73,000
Cleveland - Redland Bay Road, Anita Street to Magnolia Parade, duplicate					
to four lanes	301	97,000	39,937	43,183	13,880
Gateway Motorway, Bracken Ridge to Pine River upgrade funding					
commitment ⁷	302	1,000,000	19,000	18,000	963,000
Inner Northern Busway, Roma Street, improve bus station	305	12,000	1,000	7,000	4,000
Linkfield Road Overpass upgrade ⁸	302	131,400	11,991	5,796	113,613
Northern Transitway, bus priority works	302	172,000	75,057	60,000	36,943
Veloway 1 (V1) Cycleway, O'Keefe Street, construct cycle bridge and					
approaches	303	22,030	14,106	4,493	3,431
Other construction - Metropolitan District (Transport and Main Roads)	Various			82,237	Ongoing
Sub-total Metropolitan District				298,409	
North Coast District					

		Total Estimated	Expenditure to	Budget	Post
Project	Statistical Area	Cost \$`000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
Beerburrum to Nambour Rail Upgrade (Stage 1) ¹	316	550,791	103,260	64,801	382,730
Brisbane Valley Highway (Ipswich - Harlin), Warrego Highway to Fernvale,					
improve safety	310	14,400	7,618	4,182	2,600
Bruce Highway (Brisbane - Gympie), Caboolture - Bribie Island Road to					
Steve Irwin Way upgrade ¹	313	662,500	332,255	42,393	287,852
Bruce Highway (Brisbane - Gympie), Dohles Rocks Road to Anzac Avenue					
upgrade funding commitment ⁷	314	250,000	27,050	14,150	208,800
Bruce Highway (Brisbane - Gympie), Gateway Motorway to Dohles Rocks					
Road upgrade funding commitment ⁹	314	948,000	19,000	23,000	906,000
Bruce Highway, Pine River to Caloundra Road, Smart Motorways (Stage 2) ¹	316	105,000	62,426	35,000	7,574
Caboolture - Beachmere Road, improve safety	313	11,000	853	5,500	4,647
Caboolture - Bribie Island Road, Hickey Road to King Johns Creek,					
upgrade ²	313	36,367		1,000	35,367
Caboolture - Bribie Island Road, upgrade program ¹⁰	313	39,315	16,132	7,500	15,683
Clontarf - Anzac Avenue (Elizabeth Avenue), construct active transport					
overpass ¹	313	22,000	11,378	10,622	
Coominya Connection Road, Buaraba Creek, replace timber bridge	310	12,000	400	6,000	5,600
Kin Kin Road, Six Mile Creek, replace timber bridge	316	22,500	11,366	9,184	1,950
Maleny - Kenilworth Road (Cambroon), various locations, strengthen and					
widen pavement	316	11,600	1,995	9,206	399
Strathpine - Samford Road, Eatons Crossing Road and Mount Samson Road					
intersection, improve safety	314	75,200	13,644	35,906	25,650
Sunshine Motorway, Mooloolah River Interchange Upgrade (Stage 1) ¹	316	320,000	60,198	60,680	199,122
Other construction - North Coast District (Transport and Main Roads)	Various			80,591	Ongoing
Sub-total North Coast District				409,716	
Wide Bay Burnett District					
Booral Road and Boundary Road (Urangan), upgrade intersection	319	18,487	1,499	5,988	11,000
Bruce Highway (Cooroy to Curra) Section D, construction ¹	319	1,000,000	688,459	170,507	141,034

Transport and Main Roads	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$'000	Budget 2023-24 \$`000	Post 2023-24 \$`000
Bruce Highway (Gympie - Benaraby), various locations, upgrade culverts ¹	305	44,194	22,194	4,500	17,500
Bruce Highway (Gympie - Maryborough), Owanyilla to Tinana, upgrade intersection and improve safety ¹¹	319	11,590	1,005	3,333	7,252
Bruce Highway (Gympie - Maryborough), Tiaro Bypass, construct four lane bypass ¹	319	336,000	8,595	8,000	319,405
D'Aguilar Highway (Yarraman - Kingaroy), Alexander Lane to Bunya Highway, improve safety	319	23,910	11,467	4,000	8,443
Isis Highway (Bundaberg - Childers), various locations, improve safety	319	41,943	7,364	13,000	21,578
Maryborough - Hervey Bay Road and Pialba - Burrum Heads Road, upgrade	519	+1,9+5	7,504	13,000	21,570
intersection ²	319	45,892	500	8,000	37,392
Other construction - Wide Bay Burnett District (Transport and Main Roads)	319	,		53,938	Ongoing
Pialba - Burrum Heads Road, O'Regan Creek, upgrade existing floodway	319	28,950	50	1,100	27,800
Torbanlea - Pialba Road, various locations, upgrade intersections and		,			ŕ
floodways ²	319	31,400	24,894	4,606	1,900
Sub-total Wide Bay Burnett District				276,972	
Darling Downs District					
Cunningham Highway (Ipswich - Warwick), Tregony to Maryvale, improve safety ¹	307	16,750	682	1,560	14,508
Cunningham Highway (Warwick - Inglewood), improve safety	307	16,885		1,000	15,885
Gore Highway (Millmerran - Goondiwindi), Wyaga Creek, upgrade floodway ²	307	46,672	4,491	41,729	452
Gore Highway (Toowoomba - Millmerran) and Toowoomba - Athol Road,	507	10,072	1,191	11,722	152
improve safety	307	23,359		1,000	22,359
New England Highway (Toowoomba - Warwick), improve safety	307	13,200	2,969	9,259	971
Toowoomba - Cecil Plains Road, improve safety	307	27,031		1,000	26,031
Other construction - Darling Downs District (Transport and Main Roads)	Various			73,517	Ongoing
Sub-total Darling Downs District				129,065	
South West District					
Castlereagh Highway (St George - Hebel), 2022 Disaster Recovery Funding					
Cashereagn mgnway (St George - Heber), 2022 Disaster Recovery Funding		10.050		• • • • •	
Arrangements betterment works ³	307	10,078		3,000	7,078

Transport and Main Roads	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project Other construction - South West District (Transport and Main Roads)	Area Various	\$'000	\$'000	\$`000 20,599	\$'000 Ongoing
Sub-total South West District	various			23,599	ongoing
Fitzroy District					
Access to Gladstone Port, upgrade ¹	308	125,000		2,000	123,000
Bruce Highway (Gin Gin - Benaraby), Station Creek and Boyne River, upgrade bridges ¹	308	13,800	2,172	6,135	5,494
Bruce Highway (Rockhampton - St Lawrence) and Bolsover Street, upgrade intersection ¹	308	37,616	3,273	1,360	32,983
Bruce Highway (Rockhampton - St Lawrence), various locations (Rockhampton), improve intersections ¹	308	21,788	4,901	10,000	6,887
Duaringa - Apis Creek Road, Foleyvale Crossing (Mackenzie River Crossing), upgrade road	308	12,199	6,199	6,000	
Rockhampton - Emu Park Road, upgrade overtaking lanes and improve					
safety	308	21,000	6,098	14,902	
Rockhampton - Yeppoon Road, Yeppoon Road upgrade ²	308	85,400	12,932	19,500	52,968
Rockhampton Ring Road ¹²	308	1,065,000	152,081	100,000	812,919
Other construction - Fitzroy District (Transport and Main Roads)	308			41,206	Ongoing
Sub-total Fitzroy District				201,103	
Central West District					
Capricorn Highway (Emerald - Alpha) (Package 2), strengthen and widen					
pavement ¹	315	45,000	18	2,482	42,500
Capricorn Highway (Emerald - Alpha), widen pavement	315	11,150	8,550	2,600	
Other construction - Central West District (Transport and Main Roads)	315			19,043	Ongoing
Sub-total Central West District				24,125	
Mackay Whitsunday District					
Bruce Highway (Bowen - Ayr), Bowen Connection Road to Champion Street intersection, widen pavement ¹	312	31,398	16,459	10,303	4,636
Bruce Highway (Mackay - Proserpine), Jumper Creek, upgrade flood immunity ¹	312	23,000	15,893	4,400	2,707
Bruce Highway (Mackay - Proserpine), Palm Tree and Blackrock Creek bridges, strengthen bridges ¹	312	10,000	2,060	2,500	5,440

Transport and Main Roads					
	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$'000	\$'000	\$'000
Bruce Highway (Proserpine - Bowen), Bowen Connection Road, improve					
intersection ¹	312	12,042	6,809	3,094	2,139
Bruce Highway (Proserpine - Bowen), Emu Creek to Drays Road, various					
locations, widen formation ¹	312	56,450	25,446	18,007	12,997
Mackay Port Access, Bruce Highway to Mackay - Slade Point Road,					
construct new two lane road ¹	312	350,000	21,190	7,680	321,130
Mackay Ring Road (Stage 1) ¹³	312	497,375	398,359	22,453	76,563
Other construction - Mackay Whitsunday District (Transport and Main	212			20 421	Onacian
Roads)	312 312	21.000	4.021	29,431	Ongoing
Proserpine - Shute Harbour Road, Hamilton Plains, flood immunity upgrade ¹	312	21,000	4,031	8,180	8,789
Walkerston Bypass ¹	312	187,401	81,562	44,754	61,086
Sub-total Mackay Whitsunday District				150,802	
Northern District					
Bruce Highway (Bowen - Ayr), Fredericksfield Road to Homestead Road,					
construct overtaking lanes ¹¹	318	11,365	3,096	4,401	3,868
Burdekin River Bridge, rehabilitation program ¹⁴	318	96,931	56,891	4,000	36,040
Douglas - Garbutt Road (Townsville), various locations (Stage 1), improve					
intersections	318	13,562	2,454	3,001	8,107
Garbutt - Upper Ross Road (Riverway Drive) (Stage 2), Allambie Lane to					
Dunlop Street, duplicate to four lanes ¹	318	95,000	6,150	1,500	87,350
Garbutt - Upper Ross Road, Halliday Street to Gouldian Avenue, improve					
safety	318	43,210	400	1,000	41,810
Other construction - Northern District (Transport and Main Roads)	318			28,960	Ongoing
Ross River Road, Mabin Street to Rolfe Street, improve safety	318	19,320	400	1,000	17,920
Townsville Connection Road (Stuart Drive), Bowen Road Bridge (Idalia),					
duplicate bridge and approaches	318	70,000	1,502	2,000	66,498
Townsville Connection Road (Stuart Drive), University Road to Bowen Road					
Bridge (Idalia), improve safety	318	96,000	9,381	36,980	49,639
Townsville Ring Road (Stage 5)	318	280,000	255,000	10,000	15,000
Sub-total Northern District				92,841	
North West District					

Transport	and	Main	Roads
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Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$'000
Flinders Highway (Julia Creek - Cloncurry), Scrubby Creek, strengthen					
pavement and widen floodway ¹	315	42,650	25,401	16,086	1,163
Kennedy Developmental Road (The Lynd - Hughenden), progressive sealing ¹	315	50,000	37,154	11,444	1,402
Richmond - Winton Road, strengthen and widen pavement ¹	315	13,000	634	7,770	4,596
Other construction - North West District (Transport and Main Roads)	315			14,699	Ongoing
Sub-total North West District				49,999	
Far North District					
Bruce Highway (Ingham - Innisfail), Dallachy Road, install floodway ¹	306	11,000	3,176	6,478	1,346
Bruce Highway, Cairns Southern Access Corridor (Stage 5), Foster Road,				,	
upgrade intersection ¹	306	225,000	6,129	1,146	217,725
Cairns Southern Access Cycleway, construct cycleway ¹⁵	306	31,849	22,375	6,692	2,782
Cairns Western Arterial Road, Redlynch Connector Road to Captain Cook					
Highway, duplication ¹	306	300,000	22,111	30,943	246,946
Captain Cook Highway (Cairns - Mossman) (Section 2), improve safety	306	21,667	17,143	3,054	1,470
Captain Cook Highway, Cairns CBD to Smithfield, upgrade1	306	359,000	16,789	5,973	336,238
Gulf Developmental Road (Croydon - Georgetown) (Package 4), strengthen					
and widen pavement ¹	315	12,060		1,500	10,560
Other construction - Far North District (Transport and Main Roads)	Various			54,104	Ongoing
Peninsula Developmental Road (Coen - Weipa), Archer River Crossing					
southern approach, pave and seal ¹	315	11,462	9,396	2,067	
Peninsula Developmental Road (Coen - Weipa), Archer River Crossing,					
construct bridge ¹	315	54,867	35,686	14,181	5,000
Peninsula Developmental Road (Laura - Coen), Musgrave to Red Blanket					
(Part B), pave and seal ¹	315	11,073	2,578	2,574	5,921
Peninsula Developmental Road (Laura - Coen), Yarraden to Three Sisters					
(Part A), pave and seal ¹	315	17,641	2,880	10,231	4,530
Sub-total Far North District				138,943	

Transport and Main Roads Total			Expenditure		
	Statistical	Estimated Cost	to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$'000	2023-24 \$`000	\$`000
Statewide District					
Bruce Highway (Pine River - Cairns), Road Operations Improvements ¹	Various	56,000	41,559	4,000	10,441
Logan and Gold Coast Faster Rail ²	311	2,598,155	136,617	240,000	2,221,538
Marine Safety minor works	Various			9,035	Ongoing
New Generation Rollingstock	Various	4,155,705	1,647,235	123,138	2,385,332
New Generation Rollingstock, Automatic Train Operation and Platform					
Screen Doors fitment	Various	275,700	50,749	38,850	186,101
New Generation Rollingstock, European Train Control System fitment,					
install new signalling	Various	374,084	138,679	54,818	180,587
Queensland Train Manufacturing Program	319	4,869,000	239,966	200,000	4,429,034
Rockhampton Rail yards, rail maintenance, manufacturing and logistics					
centre	308	33,400	25,346	5,300	2,754
Transport Corridor Acquisition Fund	Various			38,800	Ongoing
Other construction - Statewide (Transport and Main Roads)	Various			151,061	Ongoing
Sub-total Statewide District				865,003	
Other Plant and Equipment					
Asset replacement for Smart Service Queensland	Various			600	Ongoing
Corporate buildings	Various			23,360	Ongoing
Information technology	Various			30,255	Ongoing
Plant and Equipment	Various			22,962	Ongoing
Sub-total Other Plant and Equipment				77,177	
Total Property, Plant and Equipment				4,150,579	
Capital Grants					
Active Transport Rail Trails	Various			2,194	Ongoing
Beams Road (Carseldine and Fitzgibbon), upgrade rail level crossing ¹⁶	303	209,330	16,330	16,217	176,783
Black Spot Program	Various	,	,	24,335	Ongoing
Boundary Road (Coopers Plains), upgrade rail level crossing funding					0 0
commitment ¹⁶	303	352,500	6,550	2,000	343,950
Capital grants - Transport and Roads	Various			360,277	Ongoing
Cycling Program	Various			12,038	Ongoing
Lansdown Eco-Industrial Precinct (Calcium), upgrade road and rail				-	0 0
infrastructure	318	12,000	4,800	3,000	4,200

Transport and Main Roads

Transport and Main Roads		Total	Expenditure		
		Estimated	to	Budget	Post
	Statistical	Cost	30-06-23	2023-24	2023-24
Project Lindum rail level crossing, upgrade signalisation ¹⁶	Area 301	\$`000 20,000	\$`000 5,450	\$`000 8,300	\$`000 6,250
Passenger Transport Accessible Infrastructure Program	Various	20,000	5,450	2,796	Ongoing
Saraji Road, Phillips Creek, replace bridge ¹	312	18,000		5,900	12,100
School Bus Upgrade Program	Various	18,000		11,747	Ongoing
School Transport Infrastructure Program	Various	60,000	23,252	3,824	32,924
Transport Infrastructure Development Scheme	Various	00,000	25,252	75,950	Ongoing
Wheelchair accessible taxi sustainability funding	Various	20,890	18,890	2,000	Oligoling
Zero Emission Vehicle Action Plan ¹⁷	Various	55,000	17,500	2,500	15,000
Total Capital Grants	various	55,000	17,500	553,078	15,000
Total Capital Grants				333,078	
ROADTEK					
Property, Plant and Equipment					
Construction Plant Works	Various			26,000	Ongoing
Total Property, Plant and Equipment				26,000	
CITEC					
Property, Plant and Equipment					
Hardware replacement	305			1,000	Ongoing
Right of use lease assets	305			440	Ongoing
Total Property, Plant and Equipment				1,440	
QUEENSLAND RAIL LIMITED					
Property, Plant and Equipment					
Growth - Externally Led					
Breakfast Creek Bridge, realign track ¹⁸	305	55,280	23,334	7,862	24,083
Bridge pier protection ¹⁸	305	3,778	3,500	278	
Clapham Yard Stabling ¹⁸	303	532,356	132,168	151,336	248,852
European Train Control System Level 219	305	717,323	509,732	121,100	86,491
Other European Train Control System Level 2 - Inner City	305			10,460	Ongoing
Station Upgrades Fairfield to Salisbury ¹⁸	303	105,355	36,060	9,211	60,084
Inner City signalling upgrades ¹⁸	Various	64,913	30,565	8,714	25,634
Mayne Yard Relocations ¹⁸	302	33,712	12,594	4,099	17,019
Mayne Yard Accessibility ¹⁸	302	152,723	93,921	2,907	55,895
Moolabin Power Upgrade ¹⁸		18,075		586	17,489

Transport and Main Roads

Transport and Main Roads		T 1			
		Total Estimated	Expenditure to	Budget	Post
Project	Statistical Area	Cost \$'000	30-06-23 \$`000	2023-24 \$`000	2023-24 \$`000
New Generation Rollingstock compatible stabling yard upgrades	Various	76,900		28,200	48,700
Other rail network enhancements	Various			10,350	Ongoing
Other station and network improvements	Various			2,740	Ongoing
Rail station access improvements ²⁰	Various	212,448	20,809	41,809	149,830
Signalling Integration Works	Various	153,259	15,250	48,709	89,300
Narangba train station, construct park 'n' ride ²¹	313	6,500	217	712	5,572
Roma Street surface station integration ¹⁸	305	35,000		35,000	
Station Precinct Infrastructure Program ²¹	Various	20,000		1,000	19,000
Ormeau feeder substation	309	110,700		1,100	109,600
Ormeau Mainline connection works	309	136,200		1,400	134,800
Station Accessibility Upgrades Other	Various			32,996	Ongoing
Train Crew Capacity Upgrades	Various	4,000		4,000	
Other park 'n' rides	Various			1,096	Ongoing
Sub-total Growth - Externally Led				525,664	
Growth - Internally Led					
Breakfast Creek Bridge Replacement	305	28,000	2,000	20,000	6,000
Inner City Rail Corridor, upgrade signalling and interlocking	Various	1,500	200	1,300	
Mount Isa Line, capacity and resilience improvements ²²	Various	50,000	5,011	11,681	33,308
Other Rail Growth	Various			58,619	Ongoing
Autonomous track inspections	Various	650		650	
Cross River Rail Tunnel Maintenance Plant	305	22,350	50	2,250	20,050
Track Construction Enabling Plant Package	Various	800		800	
Auchenflower train station, Auchenflower Terrace, upgrade station	305	46,406	45,356	1,050	
Banyo train station, St Vincents Road, upgrade station	302	54,284	6,396	11,709	36,178
Bundamba train station, Mining Street, upgrade station	310	59,545	9,238	14,012	36,295
Buranda train station, Arne Street (Woolloongabba), upgrade station	303	36,690	5,440	14,456	16,793
Burpengary train station, Burpengary Road, upgrade station	313	53,033	5,242	14,258	33,532
Cannon Hill train station, Barrack Road, upgrade station	303	26,700	24,933	1,767	

Transport and Main Roads					
Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$'000
Lindum train station, Sibley Road, upgrade station	301	58,992	7,344	15,056	36,592
Morningside train station, Waminda Street, upgrade station	302	69,925	6,625	18,335	44,966
Sub-total Growth - Internally Led				185,943	
South East Queensland Network					
Rail Network Maintenance Program, South East Queensland network,					
maintain below rail assets ²³	Various			76,879	Ongoing
Rail Network Maintenance Program, South East Queensland network, maintain above rail assets ²⁴	Various			121,877	Ongoing
Sub-total South East Queensland Network				198,756	
Regional Network					
Maintenance of below rail assets - Townsville - Mount Isa Rail Line	Various			11,045	Ongoing
Rail Network Maintenance Program, North Coast Line, maintain below rail assets ²⁵	Various			68,837	Ongoing
Rail Network Maintenance Program, Regional network, maintain above rail assets ²⁶	Various			39,543	Ongoing
Rail Network Maintenance Program, West Moreton, maintain below rail assets ²⁷	Various			39,210	Ongoing
Rail Network Maintenance Program, Western region, maintain below rail assets ²⁸	Various			15,238	Ongoing
Sub-total Regional Network				173,873	- 6- 6
Enterprise					
Enterprise Assets	Various			29,408	Ongoing
Enterprise Other	Various			8,990	Ongoing
Information and Technology	Various			11,563	Ongoing
Safety and Risk	Various			322	Ongoing
Sub-total Enterprise				50,284	0 0
Total Property, Plant and Equipment				1,134,521	
GOLD COAST WATERWAYS AUTHORITY					
Property, Plant and Equipment					
Boating Infrastructure Program, various locations	309			3,362	Ongoing
Plant, equipment and minor works	309			2,270	Ongoing

Transport and Main Re	oads				
	Statistical	Total Estimated	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	Cost \$'000	\$'000	\$'000	\$'000
Spit Masterplan (Southport), northern end of Main Beach, implement spit masterplan	309	33,153	11,099	8,799	13,255
Total Property, Plant and Equipment				14,431	
CROSS RIVER RAIL DELIVERY AUTHORITY					
Property, Plant and Equipment					
Cross River Rail	305	7,686,278	5,633,041	762,905	1,290,331
Total Property, Plant and Equipment				762,905	
Capital Grants					
Cross River Rail - third party returnable works	305	162,196	95,852	66,344	
Total Capital Grants				66,344	
FAR NORTH QUEENSLAND PORTS CORPORATION LIMITED					
Property, Plant and Equipment					
Cairns shipping development project - fine sediment offset	306	110,605	109,855	750	
General cargo consolidation	306			200	Ongoing
Horn Island Passenger Jetty and Cargo Wharf Upgrade	315	8,500		6,000	2,500
Lease Acquisition	306	2,000		1,000	1,000
Mourilyan Land Development for Bulk Cargo	306	5,400	200	200	5,000
Plant, equipment and minor works	306			2,235	Ongoing
Site decontamination at Cityport Precinct 5	306	6,000	2,500	3,500	
Smith's Creek Cargo Land Consolidation	306			200	Ongoing
Tingira Street Subdivision Development	306	10,669	4,784	745	5,140
Tingira Street Warehouse/Shops	306			200	Ongoing
Wharf 7 and 8 Southern Approach	306	1,006	606	400	
Total Property, Plant and Equipment				15,430	
GLADSTONE PORTS CORPORATION LIMITED					
Property, Plant and Equipment					
Auckland Point Central projects	308			2,000	Ongoing
Auckland Point projects					
Auckland Point 1 projects	308			867	Ongoing
Auckland Point 3 projects	308			3,470	Ongoing
Auckland Point 4 projects	308			1,800	Ongoing
Barney Point projects	308			1,050	Ongoing
Fisherman's landing projects	308			2,480	Ongoing

Transport and Main Roads

Project	Statistical	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24
Information systems projects	Area 308	\$ 000	\$ 000	2,419	\$`000 Ongoing
Marina projects	308			1,355	Ongoing
Marine pilot services projects	308			500	Ongoing
Plant, equipment and minor works	308			3,474	Ongoing
Port Alma projects	308			2,382	Ongoing
Port of Bundaberg conveyor project	319	19,127	11,427	7,700	
Port of Bundaberg projects	319			500	Ongoing
Port Services projects	308			7,341	Ongoing
Quarry projects	308			1,500	Ongoing
RG Tanna Coal Terminal Projects					
Conveyor life extension	308			1,380	Ongoing
Process control systems, stockpile management and upgrades	308			46,289	Ongoing
Ship loader (SL1) replacement	308	63,921	21,587	36,942	5,392
Right-of-use lease assets	308			2,572	Ongoing
Total Property, Plant and Equipment				126,021	

NORTH QUEENSLAND BULK PORTS CORPORATION LIMITED

Property, Plant and Equipment					
5 Yearly Dredging at Hay Point	312			2,096	Ongoing
Abbot Point Road Resealing and Asphalting	312	2,000		2,000	
Armour Rock Stockpile	312			350	Ongoing
Cargo Handling Security & Operational Improvements	312	1,892	142	500	1,250
Harbour Road Upgrade (Middle Breakwater)	312	3,131	131	500	2,500
Hydrogen trade studies	312			500	Ongoing
Louisa Creek Acquisition Program	312			1,052	Ongoing
Marine Offloading Facility Expansion - Stage 1	312			500	Ongoing
Middle Breakwater Fuel Line Supports Replacement	312	9,131	2,631	6,500	
New Abbot Point Eastern Precinct Facility (Stage 1)	312	1,575	175	1,400	
North Queensland Bulk Ports Corporation Limited - Port Development					
General	312			1,501	Ongoing
Northern Breakwater Inner Revetment Upgrade	312	2,990	490	2,500	
Total Property, Plant and Equipment				19,399	
PORT OF TOWNSVILLE LIMITED					

Transport and Main Roads

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Project Property, Plant and Equipment	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$`000
Channel capacity upgrade	318	251,180	169,998	60,699	20,483
Other infrastructure and maintenance works	318			3,565	Ongoing
Plant, equipment and minor works	318			1,522	Ongoing
Road network upgrades	318			3,200	Ongoing
Wharf facilities upgrades	318			6,591	Ongoing
Total Property, Plant and Equipment				75,578	
TOTAL TRANSPORT AND MAIN ROADS (PPE)				6,326,303	
TOTAL TRANSPORT AND MAIN ROADS (CG)				619,422	

Notes:

- 1. Jointly funded with the Australian Government.
- 2. Jointly funded with the Australian Government and subject to the Australian Government's Infrastructure Investment Program review.
- 3. Jointly funded with the Australian Government. Funding administered by the Queensland Reconstruction Authority.
- 4. Jointly funded with the Australian Government and City of Gold Coast.
- 5. Jointly funded with the Australian Government. Project cost, scope and timing subject to further planning.
- 6. Represents a funding commitment by the Australian Government, Queensland Government and Brisbane City Council.
- 7. Jointly funded with the Australian Government. This commitment is part of integrated planning underway for Gateway Motorway and Bruce Highway upgrades. Project cost, scope and timing subject to further planning and negotiation with the Australian Government.
- 8. Jointly funded with the Australian Government (part of the Bruce Highway Upgrade Program) and subject to the Australian Government's Infrastructure Investment Program review.
- 9. Jointly funded with the Australian Government. This commitment is part of integrated planning underway for Gateway Motorway and Bruce Highway upgrades and also considers upgrades to Gympie Arterial Road (between Strathpine Road and Gateway Motorway). Project cost, scope and timing subject to further planning and negotiation with the Australian Government.
- 10. Jointly funded with the Australian Government and subject to the Australian Government's Infrastructure Investment Program review. Includes funding for Old Toorbul Point Road intersection signalisation.
- 11. Funded by the Australian Government.
- 12. Jointly funded with the Australian Government. \$280 million package of works committed in the forward estimates for the first phase of construction (early works). Major works timing subject to negotiation with the Australian Government.
- 13. Jointly funded with the Australian Government. Construction on the Mackay Ring Road is complete, with remaining works associated with the Bald Hill Connection Road.
- 14. Jointly funded with the Australian Government. Includes an agreed contribution from Queensland Rail.
- 15. Jointly funded with the Australian Government (funded as part of the Bruce Highway, Cairns Southern Access Stage 2 project) and subject to the Australian Government's Infrastructure Investment Program review.
- 16. Jointly funded with the Australian Government and Brisbane City Council and subject to the Australian Government's Infrastructure Investment Program review.
- 17. Zero Emission Vehicle Action Plan includes the Queensland Zero Emission Vehicle Rebate Scheme and the Queensland Electric Vehicle Charging Infrastructure Co-Fund Scheme
- 18. This project is being delivered by Cross River Rail Delivery Authority.
- 19. The project is being delivered by Cross River Rail Delivery Authority and Department of Transport and Main Roads with support from Queensland Rail.

- 20. Rail station access improvements include Roma Street train station, Dutton Park train station and Boggo Road train station, Pimpama train station, Hope Island train station and Merrimac train station.
- 21. Jointly delivered by Queensland Rail and Department of Transport and Main Roads.
- 22. The works involve increased structural gauge, waterway resilience and track renewal.
- 23. The works relate to renewal, improvement, replacement and upgrade of track infrastructure in the South East Queensland rail network.
- 24. The works relate to maintenance of stations, platforms and rollingstock in the South East Queensland rail network.
- 25. The works relate to renewal, replacement and upgrade of track infrastructure on the North Coast Line.
- 26. The works relate to maintenance of rollingstock, stations, yards and locomotives in the Regional Queensland rail network.
- 27. The works relate to renewal, improvement, replacement and upgrade of rail infrastructure on West Moreton system.
- 28. The works relate to renewal, improvement, replacement and upgrade of the Western Regional rail systems.

3.20 TREATY, ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS, COMMUNITIES AND THE ARTS

The Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts portfolio includes the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts together with Arts Queensland, and statutory bodies reporting to the Minister for Treaty, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Communities and Minister for the Arts.

The portfolio's capital purchases for 2023-24 are \$112.0 million. The portfolio's capital grants for 2023-24 are \$2.2 million.

Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts

Total capital purchases for the Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts are \$105.9 million in 2023-24. Total capital grants for the department are \$2.2 million in 2023-24.

Program Highlights (Property, Plant and Equipment)

- \$44.1 million to continue construction of the new performing arts venue at the Queensland Performing Arts Centre, benefiting Queensland artists and audiences.
- \$12.2 million to continue the upgrade and construction program for neighbourhood centres and other key social infrastructure.
- \$11.4 million to address Stage 2 of urgent and unavoidable critical infrastructure renewal works at the Queensland Cultural Centre.
- \$9.0 million to deliver priority infrastructure projects across state owned arts and cultural facilities.
- \$8.0 million for capital asset renewal works, compliance and safety improvements and amenities upgrades across the Queensland Cultural Centre.
- \$5.9 million towards the upgrade and acquisition of capital equipment within the Queensland Performing Arts Centre.
- \$3.4 million towards the design and construction of a new neighbourhood centre in Rockhampton.
- \$2.9 million towards the redevelopment of the Bribie Island neighbourhood centre.
- \$2.8 million to deliver security enhancement measures across the Queensland Cultural Centre, including additional funding of \$500,000 for installation of new security cameras across the Precinct.
- \$2.0 million towards construction of a flexible performance space within the Queensland Performing Arts Centre.
- \$1.6 million towards the fit-out of the Yeronga neighbourhood centre.
- \$1.0 million towards the upgrade of the Mount Isa Diversion centre to enable a specific service offering for women.
- \$700,000 to complete the reconfiguration of the Grey and Russell Street intersection, South Brisbane to enhance vehicular access to the Queensland Performing Arts Centre.
- \$898,000 for office accommodation and other property plant and equipment.

Program Highlights (Capital Grants)

- \$1.45 million towards the construction of the Thursday Island Splash Park.
- \$763,000 towards the construction of the Atherton Neighbourhood Centre.

Library Board of Queensland

The Library Board of Queensland has capital purchases of \$2.2 million in 2023-24, 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)

- \$1.6 million to acquire new items for the digital, heritage and information collections.
- \$638,000 to replace information technology equipment.

Queensland Art Gallery

The Queensland Art Gallery has capital purchases of \$2.8 million in 2023-24, for acquiring art for the gallery's collection, as well as lifecycle 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 \$1.0 million in the lifecycle replacement of operational property, plant and equipment assets, such as theatre equipment and food and beverage equipment.

Treaty, Aboriginal and Torres Strait Islander Partnerships, Comm	unities and the				
Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$'000	Post 2023-24 \$'000
DEPARTMENT OF TREATY, ABORIGINAL AND TORRES STRAIT ISLANDER	PARTNER	SHIPS, C	OMMUNI	TIES A	ND
THE ARTS					
Property, Plant and Equipment					
Arts Queensland					
New Performing Arts Venue at QPAC ¹	305	150,000	102,558	44,100	3,342
Queensland Cultural Centre critical infrastructure works - Stage 2 2021 to 2025	305	30,519	7,778	11,400	11,341
Arts Infrastructure Investment Fund - Stage 2 2021 to 2024	305	9,525	536	8,989	
Queensland Cultural Centre - Capital Works, Asset Upgrades and Refurbishment					
Projects	305	53,700	700	8,000	45,000

Treaty, Aboriginal and Torres Strait Islander Partnerships	, Communities	and the Art Total	s Expenditure		
Project	Statistical Area	Estimated Cost \$'000	to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$`000
Queensland Performing Arts Venue - Capital Upgrades	305	5,940	<u> </u>	5,940	\$ 000
Queensland Cultural Centre - Security Upgrades	305	4,010	300	2,800	910
Flexible Performance Space	305	14,600		2,000	12,600
Realignment of Grey and Russell Street Intersection	305	1,400	700	700	, í
Sub-total Arts Queensland				83,929	
Community Services					
Rockhampton Neighbourhood Centre	308	4,555	1,106	3,449	
Bribie Island Neighbourhood Centre	313	3,000	100	2,900	
Fitout of the Yeronga Neighbourhood Centre	303	1,788	200	1,588	
Mount Isa Diversion Centre Upgrade	315	4,000		1,000	3,000
New and Replacement Neighbourhood Centres	Various			7,687	Ongoing
General Property Upgrades	Various			4,470	Ongoing
Office accommodation, fixtures and fittings	Various			496	Ongoing
Sub-total Community Services				21,590	
Other Property, Plant and Equipment - Minor capital works	Various			402	Ongoing
Total Property, Plant and Equipment				105,921	
Capital Grants					
Splash Park - Thursday Island	315	3,000	1,549	1,451	
Atherton Neighbourhood Centre	306	1,907	1,144	763	
Total Capital Grants				2,214	
LIBRARY BOARD OF QUEENSLAND					
Property, Plant and Equipment					
Digital collection	305			795	Ongoing
Heritage collection	305			465	Ongoing
Information collection	305			349	Ongoing
Information technology equipment	305			638	Ongoing
Total Property, Plant and Equipment				2,247	
QUEENSLAND ART GALLERY					
Property, Plant and Equipment					
Acquisitions for the Queensland Art Gallery's collection	305			2,500	Ongoing

Treaty, Aboriginal and Torres Strait Islande	r Partnerships, C	ommunities and Total	d the Arts Expenditure		
	Statistical	Estimated	to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$'000	\$'000	\$'000
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			1,000	Ongoing
Total Property, Plant and Equipment				1,000	
TOTAL TREATY, ABORIGINAL AND TORRES STRAIT					
ISLANDER PARTNERSHIPS, COMMUNITIES AND THE					
ARTS (PPE)				111,968	
TOTAL TREATY, ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIPS, COMMUNITIES AND THE					
ARTS (CG)				2,214	

Notes:

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

3.21 YOUTH JUSTICE, EMPLOYMENT, SMALL BUSINESS AND TRAINING

In 2023-24, the Youth Justice, Employment, Small Business and Training portfolio, including TAFE Queensland, has capital purchases of \$115.5 million.

Department of Youth Justice, Employment, Small Business and Training

The 2023-24 capital program for the Department of Youth Justice, Employment, Small Business and Training of \$99.4 million.

Program Highlights (Property, Plant and Equipment)

- \$31.8 million for the continued delivery of Equipping TAFE for Our Future projects including Eagle Farm Robotics and Advanced Manufacturing Centre and Bohle Hydrogen and Renewable Energy Training Facility, (noting that the Annual Training Infrastructure Program funding also contributes to Equipping TAFE for Our Future Projects).
- \$8.0 million for the commencement and delivery of the Great Barrier Reef International Marine College expansion project.
- \$5.8 million for the commencement and delivery of TAFE Technology Fund projects including Loganlea Clinical Skills Laboratory, Pimlico Visual Arts Precinct and Thursday Island Health Hub.
- \$40.5 million for the delivery of the Annual Training Infrastructure Program including 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.
- \$13.4 million for ongoing upgrades and minor works to Youth Detention centres and Youth Justice services centres.

Youth Justice, Employment, Small Business and Training

Project	Statistical Area	Total Estimated Cost \$'000	Expenditure to 30-06-23 \$`000	Budget 2023-24 \$`000	Post 2023-24 \$'000
DEPARTMENT OF YOUTH JUSTICE, EMPLOYMENT, SMALL BUSIN	ESS AND TR	AINING			
Property, Plant and Equipment					
Equipping TAFE for Our Future					
Eagle Farm Robotics and Advanced Manufacturing Centre	302	28,900	2,450	26,450	
Bohle Hydrogen and Renewable Energy Training Facility	318	10,600	5,300	5,300	
Great Barrier Reef International Marine College Expansion	306	16,000		8,000	8,000
TAFE Technology Fund					
Pimlico Visual Arts Precinct	318	2,500		2,500	
Loganlea Clinical Skills Laboratory	311	2,300		2,300	

Youth Justice.	Employment, Small Business and Training	
Touch oustice,	Employment, Sman Dusiness and Training	

Four sustee, Employment, Sman Busin	Statistical	Total Estimated Cost	Expenditure to 30-06-23	Budget 2023-24	Post 2023-24
Project	Area	\$'000	\$'000	\$'000	\$'000
Thursday Island Health Hub	315	1,000		1,000	
Annual Training Infrastructure Program	Various			40,473	Ongoing
Youth Justice Services					
Youth Justice facilities	Various			13,386	Ongoing
Total Property, Plant and Equipment				99,409	
TAFE QUEENSLAND					
Property, Plant and Equipment					
Training and operational equipment acquisition, replacement and					
modernisation					
Rolling replacement program	Various			1,995	Ongoing
Modernisation and Reinvigoration projects	Various			2,500	Ongoing
ICT program of work					
ICT hardware and equipment	Various			5,061	Ongoing
Product development	Various			5,576	Ongoing
Aviation Australia Capital Program	Various			1,000	Ongoing
Total Property, Plant and Equipment				16,132	
TOTAL YOUTH JUSTICE, EMPLOYMENT, SMALL BUSINESS AND					
TRAINING (PPE)				115,541	

Appendices

Appendix A: Entities included in capital outlays 2023–24

Agriculture and Fisheries

- Department of Agriculture and Fisheries
- Queensland Racing Integrity Commission

Child Safety, Seniors and Disability Services

• Department of Child Safety, Seniors and Disability Services

Education

• Department of Education

Energy and Public Works

- Department of Energy and Public Works
- CleanCo Queensland Limited
- CS Energy Limited
- Energy Queensland Limited
- Powerlink Queensland
- Queensland Hydro Pty Ltd
- Stanwell Corporation Limited

Environment and Science

Department of Environment and Science

Housing

•

• Department of Housing

Justice and Attorney-General

- Department of Justice and Attorney-General
- Crime and Corruption Commission
- Electoral Commission of Queensland
- 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

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
- RoadTek

- CITEC
- Queensland Rail Limited
- Gold Coast Waterways Authority
- 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

Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts

- Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts
- Library Board of Queensland
- Queensland Art Gallery
- Queensland Performing Arts Trust

Youth Justice, Employment, Small Business and Training

- Department of Youth Justice, Employment, Small Business and Training
- TAFE Queensland

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 outlay 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 \$20.321 billion capital works program in 2023–24 is estimated to directly support around 58,000 jobs, equating to around 53,200 fulltime equivalent jobs. The estimate of jobs supported by the Government's capital works program in 2023–24 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 2023–241

Entity ²	East \$'000	North \$'000	Brisbane : South \$'000	and Redlands West \$'000	Inner city \$'000	Sub total \$'000
Agriculture and Fisheries	576	328	1,372	277	25,628	28,181
Child Safety, Seniors and Disability Services	1,839	1,991	2,866	1,638	2,791	11,124
Education	88,145	65,088	126,417	54,481	67,499	401,630
Energy and Public Works	45,762	40,213	59,356	26,502	507,158	678,990
Environment and Science	3,964	1,929	3,245	1,628	4,601	15,366
Housing	8,304	10,574	23,669	6,228	73,297	122,072
Justice and Attorney-General	1,821	1,688	2,839	1,424	6,553	14,326
Legislative Assembly of Queensland	96	89	150	75	34,890	35,301
Premier and Cabinet	—			—	1,337	1,337
Queensland Corrective Services	2,764	2,561	5,348	2,161	3,443	16,276
Queensland Fire and Emergency Services	2,997	2,777	4,671	2,343	5,734	18,521
Queensland Health	66,455	67,341	52,886	12,371	301,034	500,087
Queensland Police Service	12,234	11,336	19,066	9,565	15,243	67,444
Queensland Treasury						
Regional Development, Manufacturing and Water	1,617	1,499	15,395	1,264	6,577	26,353
Resources	478	443	745	374	596	2,637
State Development, Infrastructure, Local Government and Planning	—	20,012	13,014	—	19,022	52,048
Tourism, Innovation and Sport	2,715	2,515	4,306	2,122	3,382	15,040
Transport and Main Roads	131,908	190,940	272,859	112,433	1,050,993	1,759,132
Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	596	552	2,517	466	90,719	94,850
Youth Justice, Employment, Small Business and Training	2,585	28,982	4,028	2,021	3,220	40,836
Other Agencies ³	256	240	399	201	318	1,415
Anticipated capital contingency reserve and other adjustments ⁴						
Funds allocated	337,151	405,450	552,897	213,533	1,998,972	3,508,002

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.

		Darling Downs Wide DD				
Entity ²	Ipswich \$'000	Bay \$`000	Maranoa \$'000	Toowoomba \$'000	Sub total \$'000	Gold Coast \$'000
Agriculture and Fisheries	608	828	1,904	2,258	4,162	1,084
Child Safety, Seniors and Disability Services	6,527	2,303	1,088	1,210	2,298	5,363
Education	226,441	67,491	41,545	31,148	72,693	143,103
Energy and Public Works	185,275	883,056	415,795	137,527	553,322	174,149
Environment and Science	3,577	7,658	2,696	1,370	4,066	7,854
Housing	31,632	39,081	5,424	11,677	17,100	32,474
Justice and Attorney-General	3,129	2,282	959	1,199	2,157	5,095
Legislative Assembly of Queensland	166	121	51	63	114	269
Premier and Cabinet					—	
Queensland Corrective Services	358,693	3,462	1,454	1,819	3,273	7,730
Queensland Fire and Emergency Services	8,648	15,254	5,197	6,372	11,569	8,383
Queensland Health	83,911	94,645	19,236	71,945	91,180	189,374
Queensland Police Service	28,208	20,137	24,446	8,051	32,498	34,220
Queensland Treasury			—	—	—	
Regional Development, Manufacturing and Water	132,362	118,426	2,898	14,476	17,375	4,524
Resources	822	599	252	315	567	1,338
State Development, Infrastructure, Local Government and Planning	8,305	_	_	_		27,539
Tourism, Innovation and Sport	4,663	3,401	1,429	1,787	3,215	7,593
Transport and Main Roads	146,657	547,812	157,392	36,032	193,424	1,411,892
Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	1,024	747	314	392	706	1,667
Youth Justice, Employment, Small Business and Training	7,998	3,943	1,431	1,701	3,132	7,300
Other Agencies ³	401	330	136	174	310	690
Anticipated capital contingency reserve and other adjustments ⁴						
Funds allocated	1,113,659	1,628,252	614,464	296,170	910,634	1,862,000

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.

<u>Entity2</u>	Logan - Beaudesert \$'000	Mackay - Whitsunday \$'000	Outback and Far North Outback Cairns \$'000 \$'000		Queensland Sub total \$'000	Central Queensland \$'000
Agriculture and Fisheries	583	1,277	992	668	1,660	2,732
Child Safety, Seniors and Disability Services	5,953	1,360	593	2,587	3,180	1,920
Education	92,558	38,005	24,075	66,948	91,024	77,462
Energy and Public Works	148,127	212,962	468,824	638,120	1,106,944	852,177
Environment and Science	3,230	5,875	671	6,532	7,203	1,962
Housing	33,180	16,246	21,156	84,419	105,576	20,875
Justice and Attorney-General	7,508	1,347	587	1,981	2,568	1,717
Legislative Assembly of Queensland	149	71	31	105	136	91
Premier and Cabinet		—	_	_		—
Queensland Corrective Services	4,288	2,044	891	3,005	3,896	2,604
Queensland Fire and Emergency Services	12,880	4,466	1,266	6,259	7,525	3,224
Queensland Health	169,201	46,446	50,506	63,361	113,867	54,658
Queensland Police Service	18,980	15,398	7,405	14,703	22,108	11,529
Queensland Treasury		—				
Regional Development, Manufacturing and Water	26,909	24,436	10,445	1,759	12,204	586,566
Resources	742	354	154	520	674	451
State Development, Infrastructure, Local Government and Planning		250		5,534	5,534	18,750
Tourism, Innovation and Sport	4,212	2,008	875	12,952	13,827	2,558
Transport and Main Roads	534,330	209,373	155,877	148,068	303,944	374,877
Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	925	441	1,192	648	1,840	4,011
Youth Justice, Employment, Small Business and Training	6,780	1,912	2,656	11,888	14,544	2,573
Other agencies ³	394	194	85	271	357	244
Anticipated capital contingency reserve and other adjustments ⁴						
Funds allocated	962,555	525,319	672,560	962,014	1,634,574	1,816,465

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 South \$'000	Moreton Bay Moreton Bay North \$'000	Sub total \$'000	Townsville \$'000	Totals ¹ \$'000
Agriculture and Fisheries	1,361	1,362	489	1,850	958	45,284
Child Safety, Seniors and Disability Services	3,280	2,381	1,832	4,212	2,067	49,587
Education	128,051	71,939	57,461	129,399	66,499	1,534,355
Energy and Public Works	184,346	44,459	29,751	74,210	566,693	5,620,251
Environment and Science	4,578	2,333	2,063	4,397	3,852	69,618
Housing	14,990	28,169	7,524	35,692	42,229	511,148
Justice and Attorney-General	3,130	2,041	1,696	3,737	1,862	48,858
Legislative Assembly of Queensland	166	108	90	198	98	36,880
Premier and Cabinet				—	—	1,337
Queensland Corrective Services	4,749	7,185	2,573	9,758	22,825	439,599
Queensland Fire and Emergency Services	15,920	7,058	2,790	9,849	8,764	125,004
Queensland Health	62,046	65,574	70,111	135,686	97,331	1,638,431
Queensland Police Service	29,959	13,710	15,830	29,540	27,557	337,577
Queensland Treasury					43,950	43,950
Regional Development, Manufacturing and Water	3,768	1,812	7,016	8,828	23,183	984,935
Resources	822	536	445	981	989	10,976
State Development, Infrastructure, Local Government and Planning	13,115	_	_		200	125,741
Tourism, Innovation and Sport	4,665	3,042	2,527	5,569	2,775	69,526
Transport and Main Roads	328,618	162,321	142,457	304,778	211,466	6,326,303
Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts	1,024	3,568	555	4,123	609	111,968
Youth Justice, Employment, Small Business and Training	4,865	3,849	2,477	6,326	15,333	115,541
Other agencies ³	430	236	288	523	250	5,538
Anticipated capital contingency reserve and other adjustments ⁴						(1,847,068)
Funds allocated	727,927	379,010	312,761	691,771	1,024,180	16,405,339

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 2023–24 Capital Statement Budget Paper No.3



Queensland Budget 2023–24

Capital Statement Budget Paper No.3

QUEENSLAND BUDGET 2023-24





BUDGET MEASURES

BUDGET PAPER NO. 4



2023–24 Queensland Budget Papers

- 1. Budget Speech
- 2. Budget Strategy and Outlook
- 3. Capital Statement
- 4. Budget Measures
- Service Delivery Statements

Appropriation Bills

Budget Overview

Regional Action Plans

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State Budget 2023–24

Budget Measures

Budget Paper No. 4

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Key Features

- The 2023–24 Budget measures will support more jobs in more industries, deliver even better services and enhance the great Queensland lifestyle.
- To support Queenslanders across the state, the government has committed \$8.224 billion in total concessions funding in 2023–24, an increase of 21 per cent from 2022–23. This includes \$1.617 billion in new and expanded cost of living relief measures in 2023–24.
- This includes \$1.483 billion of additional electricity bill support to households and small businesses facing cost-of-living pressures. As part of this package, all Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate.
- This budget provides \$645 million over 4 years from 2023–24 to provide 15 hours per week of free kindergarten from January 2024 for all 4-year-old Queensland children. This will not only reduce cost of living pressures for families, but will also support labour market participation and improve educational outcomes.
- The government is providing an uplift to Queensland Health's operating funding envelope of \$2.888 billion to address demand and cost pressures, and support a suite of programs and initiatives targeting improving ambulance responsiveness and reducing ramping, addressing pressures on emergency departments, reducing wait times for surgery and specialist clinics, as well as boosting women's health care and mental health care.
- This uplift means that the 2023–24 Budget delivers a 9.6 per cent boost to the health system, with record operating funding of \$24.153 billion.
- The 2023–24 Budget provides an additional \$1.25 billion over 5 years for housing and homelessness across Queensland, including \$1.1 billion for social housing infrastructure and \$150 million for housing and homelessness supports.
- The Big Build outlined in this Budget delivers above and beyond the government's \$50 billion Infrastructure Guarantee, with total commitments of \$88.729 billion over 4 years.
- The government is committed to environmentally sustainable growth through renewable energy targets outlined in the Queensland Energy and Jobs Plan, including 70 per cent renewable energy by 2032 and 80 per cent by 2035.
- The 2023–24 Budget delivers on energy projects such as the equity investment of up to \$6 billion for the Borumba Pumped Hydro Energy Storage project over the construction period. This project is critical as it is close to the load centres of the South East and Central Queensland.

1 Introduction

The document provides a consolidated view of policy decisions with budgetary impacts made by the government since the 2022–23 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 2022–23 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 2022–23 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 1.3 to 1.5 identify expense, capital and revenue measures separately, categorised as: up to and including 2022–23 Budget Update, and since the 2022–23 Budget Update.

1.2 Overview

The following section presents selected measures relating to decisions taken since the 2022-23 Budget.

1.2.1 Cost of living measures

Queensland households and businesses are facing increased financial pressure due to a range of economic factors including ongoing global inflation and raising interest rates. The government is providing a range of measures to help Queenslanders with some of these pressures, including:

- \$8.224 billion in total concessions funding in 2023–24. This represents an increase of 21.2 per cent compared with estimated actual concessions of \$6.788 billion in 2022–23.
- \$1.617 billion in new and expanded cost of living relief measures in 2023-24. This includes \$1.483 billion for additional electricity bill support to households and small businesses facing cost of living pressures. As part of this package, all Queensland households will automatically receive a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a total \$700 Cost of Living Rebate.
- \$645 million over 4 years from 2023–24 making 15 hours of kindergarten free from 1 January 2024 for all 4-year-old children across sessional kindergartens and long day care services.

This will not only reduce cost-of-living pressures for families, but will also support labour market participation and improve educational outcomes.

1.2.2 Health

The government continues to deliver a world class health system for our community, ensuring patients get treated at the right place, at the right time. The 2023–24 Budget delivers:

- \$2.888 billion uplift to the Queensland Health operating funding envelope to address demand and cost pressures and support a suite
 of programs and initiatives targeting improving ambulance responsiveness and reducing ramping, addressing pressures on emergency
 departments, reducing wait times for surgery and specialist clinics, as well as boosting women's health care and mental health care.
 This includes measures such as: Domestic and Family Violence services system reform, *Making Tracks Towards Achieving Health
 Equity with First Nations People 2021–2025*, and Rural and Regional Birthing Services.
- \$586.1 million over 10 years for a new commercial agreement between Queensland Health and LifeFlight Australia Limited, for on-going emergency medical helicopter services to those in rural, regional and remote Queensland.
- \$150 million for a new mental health facility at the Redland Hospital, which will more than double mental health capacity and free up critical land on the hospital site for potential future expansion.
- \$70.3 million over 4 years and \$21 million ongoing to increase the Patient Travel Subsidy Scheme, supporting financially vulnerable Queenslanders to access the clinical care they need.

1.2.3 Housing

The government has committed to protect and enhance the Queensland lifestyle as we grow, with continued investment in housing across the state working towards the vision of every Queenslander having access to safe, affordable housing.

- \$1.1 billion for the delivery and supply of social housing across Queensland through the *Housing and Homelessness Action Plan* (2021–2025) including to meet higher construction costs and to boost the QuickStarts Queensland program target by 500 homes, bringing it to 3,265 social housing commencements by 30 June 2025.
- Over \$150 million additional funding for housing and homelessness support, including \$51.3 million for the second *Queensland Aboriginal and Torres Strait Islander Housing Action Plan*, \$61.9 million for emergency supported accommodation, and \$32 million for enhanced operational services of three accommodation sites and to support enhanced and expanded youth services.

1.2.4 Women

As part of its commitment to gender responsive budgeting, the 2023–24 Budget bids were assessed to determine alignment with the impact areas identified in the *Queensland Women's Strategy 2022–27*. The aim of this work was to focus funding on initiatives that were supportive of the impact areas of economic security, safety, health and wellbeing, elevating First Nations women, women with diverse backgrounds and experiences, and empowerment and recognition.

It led to \$16.3 million additional funding for a package of measures focussed on enhancing the economic opportunities and economic security of women. The package includes grants, training and increased investment for women in male dominated industries, women in business and innovation and disadvantaged and vulnerable women.

1.3 Whole-of-Government Measures

Good People. Good Jobs: Queensland Workforce Strategy 2022-2032

The government is delivering the *Good people. Good jobs: Queensland Workforce Strategy 2022–2032* to guide the development and growth of Queensland's workforce across industry sectors and regions. The strategy is supporting employers to effectively respond to workforce change and helping to ensure every Queenslander has the opportunity to participate in work.

The strategy includes 33 actions that the government is delivering in partnership with industries, regions and communities, including:

- Workforce Connect Fund: a \$20 million fund to increase investment in industry and community-led projects addressing workforce issues. To date, 16 projects have been funded, creating 6,300 new jobs and upskilling almost 14,000 existing workers.
- Industry Workforce Advisors: \$6.5 million to provide workforce planning support for up to 1,800 small and medium sized enterprises through a network of advisors across 11 industries.
- Rural and Remote Capacity Building Project: \$3 million working in partnership with Local Government Association of Queensland to support 24 councils in rural and remote areas to deliver local skills and job creation initiatives to increase workforce capacity.
- Diverse Queensland Workforce: \$8.5 million to assist up to 2,500 migrants, refugees and international students into employment across 9 delivery locations in the state. To date more than 1,000 people have been assisted, with 85 per cent of participants exiting the program gaining employment.
- Paving the Way First Nations Training Strategy: \$8.3 million to support Aboriginal and Torres Strait Islander peoples' skills development and respond to local and community employment needs.
- Hydrogen Gateway to Industry Schools project: to deliver a new hydrogen stream in the Gateway to Industry Schools Program, supporting career pathways into this emerging industry for up to 2,000 students across more than 30 schools.
- Train and Retain activities: supporting apprenticeship and traineeship retention and completions. The activities are underpinned by the Let's Protect Respect campaign, supporting positive action to embrace gender equality and ensure sexism and unfair treatment has no place in the workplace.

Youth Justice

The 2023–24 Budget includes investment of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

This includes:

- \$96.2 million over 4 years and \$17.9 million ongoing for youth co-responder teams who engage with young people to break the cycle of youth crime
- \$64.0 million over 3 years for policing responses including high visibility patrols and specialist youth crime rapid response squads



- \$50.0 million for infrastructure development at priority Queensland Police-Citizens Youth Club (PCYC) sites to improve frontline social program delivery and intervention initiatives for vulnerable youths and \$6.0 million to enable PCYC police officers to increase their focus on social programs aimed at the prevention of youth crime
- \$37.0 million over 4 years to support amendments to the *Strengthening Community Safety Act 2023* and to ensure repeat offenders spend less time on remand and more time serving their sentences
- up to \$30.0 million over 2 years to help seniors secure their homes
- \$15.0 million over 2 years to empower communities to develop local solutions to youth crime issues
- \$10.0 million over 3 years for a trial to help subsidise the cost for Queenslanders to install vehicle immobilisers in Cairns, Townsville and Mount Isa
- \$9.0 million over 4 years to respond better to victims of property crime where violence or a threat of violence has occurred.

Response to Hear her voice – Report Two

The Queensland Government has committed \$225 million over 5 years (\$32.7 million per annum ongoing) for a package of reforms in response to the Queensland Women's Safety and Justice Taskforce, *Hear her voice – Report Two – Women and girls' experiences across the criminal justice system.* The reform package focuses on the systemic change required to improve the experiences of women and girls in the criminal justice system as victim-survivors of sexual violence, or as accused persons and offenders. Particular focus will be on:

- educating the community about the fundamental importance of respectful relationships
- · increasing specialist support and systemic advocacy for victim-survivors of sexual violence
- · improving the responses of police, health workers, prosecutors and courts to victim-survivors of sexual violence
- extensive law reform relating to sexual offences, including changes to the laws of evidence, consent laws and court procedures to minimise trauma for victim-survivors of sexual violence
- addressing the underlying drivers of women and girls' contact with the criminal justice system
- supporting the diversion of women and girls away from the criminal justice system
- ensuring the human rights of women and girls are adequately protected when they are detained in watchhouses and prisons
- rehabilitation to address women's needs and reduce reoffending and the number of women in prison and girls in detention.

Table 1.1 Hear her voice – Report 2 response package

	2022-23 \$million	2023-24 \$million	2024-25 \$million	2025-26 \$million	2026-27 \$million	Total \$million
Expense Measures		<u> </u>	-	<u> </u>	<u> </u>	-
Community attitudes to sexual violence and consent	0.3	1.3	0.5	0.5		2.5
Barriers to reporting sexual violence	0.1	0.8	0.5	0.5		1.9
Support for victim-survivors through their criminal justice journey	0.5	3.1	3.3	3.0	2.8	12.6
Prosecution response to victim-survivors of sexual violence		2.0	2.0	2.0	2.1	8.1
Treatment of victim-survivors in trials for sexual offences	0.6	2.4	1.8	1.3	1.3	7.4
Improving court management of sexual offence cases		1.0	2.0	1.8	1.7	6.5
Jury directions and the use of expert evidence in trials for sexual offences		1.8	2.6	2.5	_	7.0
Limitations on publishing the identity of victims and accused people			0.3			0.3
Restorative justice for victims of sexual violence		0.5		0.2	0.7	1.4
Women and girls' experiences in watchhouses, on remand, and when						
applying for bail		0.6	1.7	1.7	1.7	5.7
Women and girls' experiences of the legal and court system		0.4	0.5	2.4	2.5	5.8
Sentencing women and girls		0.3	3.7	3.7		7.7
Health, wellbeing, prenatal and postnatal care and birth experiences in prison						
and detention	0.1	1.0	1.0	2.9	4.8	9.8
Treatment in custody, complaints mechanisms and oversight	0.3	1.3	1.8	1.8	1.8	7.0
Rehabilitating women in prison and girls in detention	0.1	4.2	8.8	10.9	16.0	40.0
Reintegrating women and girls into the community		1.9	2.4	5.4	5.5	15.2
Data, investment, evaluation and implementation	0.3	0.5	1.7	2.3		4.8
Demand impacts from Reports 1 & 2 and for recommendations needing						
further exploration				26.0	30.0	56.0
Sub Total - Expense Measures	2.2	23.2	34.7	68.9	70.8	199.8

Budget Measures 2023-24

Capital measures	2022-23 <u>\$million</u>	2023-24 <u>\$million</u>	2024-25 <u>\$million</u>	2025-26 <u>\$million</u>	2026-27 <u>\$million</u>	Total <u>\$million</u>
Treatment of victim-survivors in trials for sexual offences		4.4	4.4	4.0		12.8
Sentencing women and girls		1.5				1.5
Treatment in custody, complaints mechanisms and oversight		11.0				11.0
Sub Total - Capital Measures		16.9	4.4	4.0		25.3
Total ¹	2.2	40.0	39.1	72.9	70.8	225.0

Notes

1. Figures shown are net additional funding, including funds held centrally, and may not sum due to rounding

Women's economic security

The Government is committing \$16.3 million over 4 years for a package of measures to support women's economic security. Measures within the package are aimed at improving women's economic participation and outcomes, with a focus on supporting:

- women in male dominated industries (including construction and trades)
- women in business and innovation
- disadvantaged and vulnerable women to access and maximise economic opportunities.

The package of measures is summarised in Table 1.2 and additional details can be found in Chapter 2 Expense measures.

Table 1.2Women's economic security package

	2022-23 \$million	2023-24 \$million	2024-25 \$million	2025-26 \$million	2026-27 \$million	Total \$million
Supporting women in male dominated industries (including construction	and trade	s)				
Women in Network Grants Program		0.6	0.6	0.8	0.7	2.8
Women in Trade Apprenticeships Mentoring Program	—	2.3	2.3			4.6
Supporting women in business and innovation						
Female Founders Co-Investment Fund		1.0	2.0			3.0
Accelerating Female Founders		1.0	1.0			2.0
Supporting disadvantaged and vulnerable women to access and maximise	e economi	c opportur	nities			
Fresh Start for Me (transition from recovery to workforce)		0.5				0.5
Future Women – Jobs Academy		0.8	1.6	0.8		3.2
Working Women's Centre	—		—			0.0
Other						
Resourcing to support Office for Women initiatives		0.1	0.1			0.2
Total		6.4	7.6	1.6	0.7	16.3

Brisbane 2032 Olympic and Paralympic Games

The 2023-24 Budget includes funding to continue to support preparations for the Brisbane 2032 Olympic and Paralympic Games (Brisbane 2032). Specific measures to support these activities can be found in the Department of the Premier and Cabinet, the Department of State Development, Infrastructure, Local Government and Planning and the Queensland Police Service sections of chapter 2.

Consistent with the Brisbane 2032 Intergovernmental Agreement signed with the Australian Government on 17 February 2023, funding contributions from each government have been agreed for the jointly funded \$7.1 billion venues infrastructure program to support the hosting of Brisbane 2032. The venues infrastructure program comprises:

- Brisbane Arena (\$2.5 billion)
- Gabba redevelopment (\$2.7 billion)
- Minor Venues Program for 16 new and upgraded venues across the state (\$1.9 billion).

The 2023-24 Budget includes provision for total expenditure of \$1.9 billion over 4 years for Brisbane 2032 venues infrastructure.

	2022-23 \$million	2023-24 \$million	2024-25 \$million		2026-27 \$million	Total \$million
Venues infrastructure		67.7	197.9	622.7	1,006.8	1,895.1

Reinvesting in regional infrastructure projects

The new progressive coal royalty rates announced in the 2022–23 Budget ensure that Queenslanders receive a fair return on this valuable natural resource. The uplift in royalties has allowed the Queensland Government to invest more than \$16 billion towards economic and social infrastructure and essential services to meet the needs of Queenslander across all regions of the State. Box 4.7 of *Budget Paper No. 2 Budget Strategy and Outlook 2023-24* provides further detail.

In the 2022–23 Budget Update, the government committed to utilise the uplift in royalty revenue to fund \$4 billion in productivityenhancing investments across regional Queensland. This will support investments across energy, water and ports sectors for projects which will underpin Queensland's future economic prosperity, including CopperString 2032 and the Fitzroy to Gladstone water pipeline.

In this Budget, the government is providing an additional \$6 billion in funding for the Borumba Pumped Hydro Energy Storage project. This brings the Government's total commitment to \$10 billion for relevant Public Non-financial Corporations sector infrastructure projects funded by the general government sector equity injections supported by coal royalties Box 8.1 of *Budget Paper No.2 Budget Strategy and Outlook 2023-24* provides further detail on these equity injections.

Public Sector Wages Policy

Queensland's public servants are dedicated to delivering essential services to Queenslanders. The majority of public sector enterprise bargaining agreements nominally expired during 2022 or will expire during 2023. Government has always promoted good faith bargaining and in the context of immediate cost of living challenges, it has established a public sector wages offer that includes the following elements:

- 3-year agreements with wage increases of 4 per cent in years one and two and 3 per cent in year 3. This is higher than the previous 2.5 per cent in recognition of prevailing economic circumstances and maintains capacity for strong frontline service delivery.
- A Cost of Living Adjustment (COLA) payment for employees where inflation exceeds headline wage increases established in agreements. Where the relevant Brisbane Consumer Price Index (March quarter annual percentage change) is higher than the relevant wage increase under a certified agreement, eligible employees will receive a once-off COLA payment equivalent to the percentage point difference, applied to their base wages and capped at 3 per cent.

The Queensland Government is also simplifying its superannuation contribution arrangement for its employees – employer superannuation contributions of 18 per cent of salary for police officers, 14.25 per cent for fire service officers, and 12.75 per cent of salary for other employees. Superannuation contributions will be paid on base salary, ordinary time allowances and paid leave. Contribution rates into defined benefit categories remain unchanged, with defined benefit members receiving top up payments into accumulation accounts to match the above rates.

Integrity reforms

The government has made a total funding commitment of \$50.8 million over 5 years from 2022-23 (\$13.5 million held centrally), with \$11.5 million ongoing, to deliver a package of reforms to improve integrity, accountability and transparency in government decisions and enhance the role of the Public Sector Commission and provide greater independence to integrity bodies, including the Office of the Queensland Integrity Commissioner.

These reforms deliver on the recommendations in the report by Professor Coaldrake AO, *Let the Sunshine In: Review of culture and accountability in the Queensland public sector*, and the report by Mr Kevin Yearbury PSM, *Strategic Review of the Integrity Commissioner's Functions*. Further details can be found in the Department of the Premier and Cabinet (including the Office of the Queensland Integrity Commissioner), the Public Sector Commission, the Department of Justice and Attorney-General and the Office of the Queensland Ombudsman sections of Chapter 2.

1.4 Government Indexation Policy

For the 2023–24 year, the government has set the Government Indexation Rate for fees and charges at 3.4 per cent. This is in line with wages growth and government's commitment to ease cost of living pressures.

Table 1.3:Expense measures since the 2022-23 Budget

Expense measures up to and including 2022–23 Budget Update	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$`000	2026–27 \$`000
Department of Agriculture and Fisheries					
Biosecurity Preparedness Package	8,060	4,977	4,056	2,398	2,497
Portfolio Total	8,060	4,977	4,056	2,398	2,497
Department of Child Safety, Seniors and Disability Services					
Reform of Queensland's Positive Behaviour Support and Restrictive Practices	1,179	4,843	4,326	4,437	4,551
Queensland Disability Advocacy Program	—	4,047	4,047	4,047	4,047
National Disability Insurance Scheme (NDIS) Assessment Services ¹		3,677	—	—	—
Youth Justice Investment—Fast-track Sentencing ¹	227	605	110		
Portfolio Total	1,406	13,172	8,483	8,484	8,598
Department of Education					
Queensland Workforce Strategy—Regional School Industry Partnerships	845	1,643	1,690	866	
Portfolio Total	845	1,643	1,690	866	
Department of Energy and Public Works					
Bundaberg East Levee Project					
Portfolio Total					
Department of Environment and Science					
Queensland Workforce Strategy—Multicultural Affairs Settlement Team	746	739	760	779	
Revitalising National Parks	740	3,457	3,545	3,631	3,722
Queensland Indigenous Land and Sea Ranger Program		2,813	15,000	15,675	16,367
Strategic Science and International Partnerships		728	1,500	1,500	1,500
Portfolio Total	746	7,737	20,805	21,585	21,589
Department of Housing	/+0	1,131	20,003	21,505	21,507
Immediate Housing Response Package	12.000	32,000			
Youth Justice Investment—Stronger Communities Initiative: Early Action Groups	12,000	287	545		
Hear her voice—Report 2—Reintegrating Women and Girls into the Community		124	590	3,533	3,551
Homes for Homes ¹		124	590	5,555	5,551
Housing Summit Outcomes ¹					
Portfolio Total	12,000	32,411	1,135	3,533	3,551
Department of Justice and Attorney-General	12,000	52,411	1,155		5,551
Legal Aid Queensland—Extension of Protected Witness Scheme		4,595	4,641	1677	4,708
Response to the Commission of Inquiry Relating to the Crime and Corruption		4,595	4,041	4,677	4,708
Commission 1	950	4,075	4,186	4,050	4,080
Hear her voice—Report 2—Support for victim-survivors through their criminal	950	4,075	4,100	4,030	4,080
justice journey	518	3,074	3,252	2,964	2,835
Hear her voice—Report 2—Treatment of victim-survivors in trials for sexual	510	5,074	5,252	2,704	2,055
offences	635	2,377	1,804	1,253	1,296
Hear her voice—Report 2—Prosecution response to victim-survivors of sexual violence		1,954	1,978	2,037	2,087

Expense measures up to and including 2022–23 Budget Update	2022–23 \$'000	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Hear her voice—Report 2—Jury directions and the use of expert evidence in trials					
for sexual offences		1,837	2,607	2,516	
Hear her voice—Report 2—Community attitudes to sexual violence and consent	250	1,286	500	500	
Hear her voice—Report 2—Barriers to reporting sexual violence ¹	(278)	1,178	500	500	
Hear her voice—Report 2—Data, investment, evaluation and implementation	280	545	1,714	2,257	
Hear her voice—Report 2—Restorative justice for victims of sexual violence		500			400
Hear her voice-Report 2-Women and girls' experiences of the legal and court					
system		409	516	2,406	2,466
Hear her voice—Report 2—Improving court management of sexual offence cases			604	564	373
Hear her voice—Report 2—Limitations on publishing the identity of victims and					
accused people			333		
Hear her voice—Report 2—Reintegrating women and girls into the community					
Hear her voice—Report 2—Women and girls' experiences in watchhouses, on					
remand, and when applying for bail					
Youth Justice Investment—Fast-track sentencing 1	1,330	3,570	790		
Queensland Worker Screening Program	395	2,759	1,838	1,727	
Strengthening Timely Access to Civil Justice for Vulnerable and Everyday	575	2,739	1,050	1,727	
Queenslanders ¹		1,787			
Office of the Information Commissioner—Demand Pressures		736	765	796	828
Child Safe Standards and Reportable Conduct Scheme	179	373	194		
Portfolio Total	4,259	31,055	26,222	26,247	19,073
	4,239	51,055	20,222	20,247	19,073
Department of Regional Development, Manufacturing and Water		(00	22 200		
Irrigation Pricing Discount and Cap		600	22,200		
Portfolio Total		600	22,200		
Department of State Development, Infrastructure, Local Government and Planning					
Resources Community Infrastructure Fund ¹	—	118,200			
Rockhampton Regional Council (Mount Morgan Water Supply)	5,400	5,400			
Toowoomba to Warwick Pipeline	1,500		—		—
Portfolio Total	6,900	123,600			
Department of the Premier and Cabinet					
Screen Queensland—Studios Hemmant		2,000	2,000	3,000	
Domestic and Family Violence (DFV) Prevention Council		849	1,154	1,167	283
Queensland Integrity Commissioner reforms		676	471	495	501
Paralympic Centre of Excellence					
Portfolio Total		3,525	3,625	4,662	784
			3,023	4,002	704
Department of Tourism, Innovation and Sport		52 114	72 1 22	72 027	72 726
Tourism and Events Queensland's Funding	2 000	53,114	73,123	72,927	72,726
Browne Park	2,000	33,000	19,326		
2023 Year of Accessible Tourism	1,500	10,500			
FIFA Women's World Cup Infrastructure 2023	2,000				
Portfolio Total	5,500	96,614	92,449	72,927	72,726

Expense measures up to and including 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$'000
Department of Transport and Main Roads					
Concessions and Rebates Awareness Campaign	3,000			—	
Disaster Contact Centre Service Response Capacity ¹	—		—	—	
Driver Protection Barrier Retrofit Program ¹					
Portfolio Total	3,000				
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communit	ies and th	e Arts			
Queensland Men's Shed Association		150	150	150	150
Portfolio Total	_	150	150	150	150
Department of Youth Justice, Employment, Small Business and Training		·	- <u></u> -		
Youth Detention Centre Capacity—Addressing Capacity Issues at Youth Detention					
Centres ¹	1,532	2,154		_	
Youth Justice Investment—Fast-track Sentencing ¹	444	1,202	217		
Small Business Support and Wellness Package	2,280	2,980	1,490	_	_
Queensland Workforce Strategy—Diverse Queensland Workforce Program	900	2,275	2,275		
Queensland Workforce Strategy—Industry Workforce Advisors	2,100	2,160	2,200	_	_
Queensland Workforce Strategy—Gateway to Industry Schools Program	1,371	1,371	1,371		
Queensland Workforce Strategy—Implementation Arrangements	1,910	1,280	1,310	800	
Queensland Workforce Strategy—Place-based Skills and Job Creation Initiatives	1,000	1,000	1,000	500	
Hear her voice—Report 2—Rehabilitating women in prison and girls in detention				1,963	6,846
Hear her voice—Report 2—Restorative justice for victims of sexual violence				180	270
Hear her voice Report 2—Health, wellbeing, prenatal and postnatal care and birth					
experiences in prison and detention				1,862	3,710
Queensland Workforce Strategy—Workforce Connect Fund ¹					
Portfolio Total	11,537	14,422	9,863	5,305	10,826
Public Sector Commission			_ <u></u> _		
Public Sector Culture and Integrity Reforms	1,429	4,127	4,303	4,504	4,220
Portfolio Total	1.429	4,127	4,303	4,504	4,220
Queensland Corrective Services					
Southern Queensland Correctional Precinct—Stage 2—Commissioning and					
Maintenance ¹	8,979	9,400			
Hear her voice—Report 2—Treatment in custody, complaints mechanisms and	0,575	,100			
oversight	280	1,033	845	742	761
Hear her voice—Report 2—Health, wellbeing, prenatal and postnatal care and birth	200	1,000	0.0	, .=	, 01
experiences in prison and detention	70	998	1,038	1,069	1,096
Hear her voice—Report 2—Reintegrating women and girls into the community		400	300	309	317
Hear her voice—Report 2—Sentencing women and girls		315			
Hear her voice—Report 2—Rehabilitating women in prison and girls in detention	_				
Portfolio Total	9,329	12,146	2,183	2,120	2,174
			_,100	_,	_,_,

Expense measures up to and including 2022–23 Budget Update	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Queensland Health					
Palliative and End of Life Care ¹		10,000	12,000	13,810	—
Youth Justice Investment—Fast-track Sentencing ¹	58	175	45		
Portfolio Total	58	10,175	12,045	13,810	
Queensland Police Service					
Youth Justice Investment—Fast-track Sentencing ¹	216	446	464		—
Youth Justice Investment—Youth Co-responder Teams ¹					
Weapons Licensing Management System Replacement Project		1,459	745		—
Portfolio Total	216	1,905	1,209		
Queensland Treasury					
Queensland Resources Common User Facility	1,300	5,000	3,700		
Portfolio Total	1,300	5,000	3,700		
Total impact on Expense up to and including 2022-23 Budget Update	66,585	363,259	214,118	166,591	146,188

Expense measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Department of Agriculture and Fisheries					
Continuation of Fisheries Reform	(2,000)	7,465	6,223	_	—
Queensland's Obligations under the National Biosecurity System	7,668	7,000	—	—	—
Biosecurity Preparedness and Capability Uplift	804	6,957	7,307	3,919	2,730
Rural Economic Development Grants Program		3,300	—		
Innovative Emergency Animal Disease Response Preparedness Tools		1,764	—	—	
Improving Swimmer Safety including the Shark Control Program	527	1,306	1,893	2,443	3,022
Implementing Independent Data Validation as part of Fisheries Reform			—	—	
National Red Imported Fire Ant Eradication Program in South East Queensland	_				
Portfolio Total	6,999	27,792	15,423	6,362	5,752
Department of Child Safety, Seniors and Disability Services			15,425	0,502	
Cost of Living Rebate and National Energy Bill Relief		1,435,000			
Supporting people with disability ineligible for the National Disability		1,435,000			
Insurance Scheme		4,206	4,332	4,462	4,596
		4,206			
National Disability Insurance Scheme (NDIS) Assessment Services ²	_	,	4,669	1,818	2,029
Seniors support package		2,871	4,448	4,495	4,439
Human Services Quality Framework Funding		956	918	508	521
Family Support and Child Protection Reforms—Our Way		16,347	32,046	51,930	66,922
Child and Family Services—Delivering Placement Reforms		6,280	6,109	6,320	6,486
Child and Family Services—Responses to Child Sexual Abuse		2,824	2,846	2,947	3,027
Youth Justice Investment—Fast-track Sentencing ²	59	167	30		_
Child and Family Services—Parameter Based Funding Model					
Family Support and Child Protection Reforms—Family and Child Connect			16,182	16,182	16,182
Future delivery of Queensland Accommodation Support and Respite Services (AS&RS)					
Portfolio Total	59	1,472,615	71,580	88,662	104,202
Department of Education		<u> </u>			
Free Kindergarten in Queensland		101,624	173,724	180,720	189,359
School Infrastructure and Land Acquisitions		16,785	28,978	14,819	4,498
Youth Justice Investment—Stronger Communities Initiative: Early Action		10,700	20,970	11,019	1,150
Groups		261	491		
Youth Detention Centre Capacity—Addressing Capacity Issues at Youth		201	171		
Detention Centres	220	242			
Non-State Schools Transport Assistance Scheme	81	212	364	521	674
Teacher Housing		220	234	248	264
Addressing Market Pressures			14,456	14,456	14,456
School Infrastructure—Renewal			14,450	14,450	14,450
Portfolio Total	301	110 252	218 247	210 764	200 251
	301	119,353	218,247	210,764	209,251
Department of Energy and Public Works		40.000	00.000		
Household Energy Initiatives		40,000	20,000		_
ReBuild QBuild	6,411	15,267	9,022	8,438	—
Queensland Business Energy Saving and Transformation Program	6,000	14,500	14,500		_
Queensland Energy and Jobs Plan Implementation	11,775	13,050	10,845	8,150	

Expense measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Hydrogen Hubs Initiative	1,000	13,000	6,000		
Queensland Renewable Energy Zones Planning and Community Engagement	2,000	12,000	15,000	6,000	
Vulnerable Households Energy Advice Initiatives		7,500	2,500		
Public Information Regarding Access to Energy Bill Support		5,000			
Drought Assistance and Reform Package					
Government Employee Housing Expansion—Program Management			1,128	1,155	
Portfolio Total	27,186	120,317	78,995	23,743	
Department of Environment and Science				-)	
Multicultural Affairs—Celebrating Multicultural Qld		1,176	1,178	1,184	1,189
Managing Country with First Nations Peoples		9,019	9,459	10,386	9,704
Partnering with Quandamooka On Land and Sea Country		2,261	4,604	5,541	4,648
Keeping the Queensland public safe from crocodiles and management of flying		2,201	1,001	5,511	1,010
foxes		1,310	2,162	1,703	800
World-Class Protected Area Management		978	4,811	5,898	8,767
Currumbin Eco-Parkland	_	574	624	648	667
Waste Package	139,600				94,400
Portfolio Total	139,600	15,318	22,838	25,360	120,175
Department of Housing	157,000	15,510	22,030	23,500	120,175
Housing with Support Initiative		13,515	18,515		
Youth Justice Investment—Helping Seniors Secure their Homes	4,000	11,000	16,515		
Second Aboriginal and Torres Strait Islander Housing Action Plan	4,000	6,669	14,877	14,877	14,877
Acceleration of Social and Affordable Housing Delivery		5,583	5,794	5,965	6,111
Frontline Support Services		5,418	5,794	5,905	0,111
Additional Social Housing Supply		3,060	9,800	20,260	27,383
		2,274			3,000
Emergency Accommodation Helena's House Project	2,274	2,274	2,274	2,274	
Queensland Housing Strategy 2017-2027—Supply of Social Housing		1,475			
Homes for Homes ²		1,475			
Housing Summit Outcomes ²					
		<u> </u>		42.25(
Portfolio Total	6,274	50,994	51,260	43,376	51,371
Department of Justice and Attorney-General			0.400	0.444	0.04.
Supporting escalating workloads within the District Court of Queensland		8,205	8,408	8,614	8,812
Response to the Commission of Inquiry Relating to the Crime and Corruption					
Commission ²		4,218	4,293	3,686	2,842
Domestic, Family and Sexual Violence Investment Review Outcomes					20,700
Coroners Court of Queensland—Sustainable Resourcing	_	3,639	3,796	5,687	5,790
Forensic DNA Commission of Inquiry	459	3,422	3,458	3,487	3,011
Hear her voice—Report 2—Adult Restorative Justice Program	—	1,549	1,557	—	—
Hear her voice—Report 2—Barriers to reporting sexual violence ²	378	(378)	—	—	—
Youth Justice Investment—Enhanced Assistance for Victims of Crime	—	2,653	2,080	2,117	2,150
Youth Justice Investment—Townsville Community Youth Response: High Risk Youth Court		2,234	2,300		

Expense measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$'000	2024–25 \$`000	2025–26 \$`000	2026–27 \$'000
Youth Justice Investment—Fast-track sentencing ²	759	2,020	476		—
Youth Justice Investment—Strengthen Bail Laws: Resourcing		1,985	2,045	_	
Youth Justice Investment—Youth Justice Reinvestment	—	1,250	1,250	1,250	1,250
Body Corporate and Community Management—contemporary service delivery to					
address demand growth in the community titles sector		1,493	1,010	1,041	
Queensland Human Rights Commission—Addressing complaint management					
resourcing requirements		1,318			—
Implementation of Cabinet Proactive Release		1,016	1,016	1,016	1,016
Blue Card Services—Demand Management	—	896		—	—
Strengthening Timely Access to Civil Justice for Vulnerable and Everyday					
Queenslanders ²		820	3,523	3,567	3,658
Strengthen casino oversight and regulation		750			—
Increased funding to support the community legal sector		336	336		—
Office of the Independent Implementation Supervisor for Commission of Inquiry into					
Queensland Police Service Responses to Domestic and Family Violence		329	335	342	348
Queensland Human Rights Commission—Complaints Management System		—	50	50	50
Safe Night Precincts	—	—	—	—	—
Victim Liaison Services			808	830	851
Portfolio Total	1,596	41,455	49,941	52,387	50,478
Department of Regional Development, Manufacturing and Water					
Toowoomba Water Treatment to Four Communities		5,250	6,000	3,000	750
Hydrogen Water Requirements in Gladstone—Detailed Business Case		4,000	4,000		
Strengthening First Nations Peoples' Inclusion and Economic Development in Water					
Management		3,838	3,886	3,933	
Grow Manufacturing Capacity through Energy Programs in Queensland	55	2,717	2,728	2,438	962
Urban Water Risk Assessment—Stage 1		2,578			
Southern Downs Smart Reticulation and Network Monitoring	1,700	1,700	2,975	1,700	425
Advanced Robotics in Manufacturing (ARM) Hub		621	2,200	2,200	2,200
Fitzroy to Gladstone Water Pipeline Administration	30	300	585	585	
River Improvement Trusts		300			
Toowoomba to Warwick Pipeline Administration	50	200	300	300	150
Portfolio Total	1,835	21,504	22,674	14,156	4,487
Department of Resources					
Abandoned Mine Sites Program		13,425	6,000		
Enhanced Vegetation Compliance		1,573	2,679	2,743	2,798
Frontier Gas Exploration Program		517	20,528		_,//0
Portfolio Total		15,515	29,207	2,743	2,798
Department of State Development, Infrastructure, Local Government and Planning		10,010			-,770
Industry Partnership Program		53,539			
Disaster Resilience		28,543	28,543	14,272	
Indigenous Council Funding Program		28,343	28,343	14,272	
Regional Industrial Land Improvement Program		15,000	20,000	10,000	
		15,000	20,000	10,000	

Expense measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$'000	2026–27 \$'000
Sanofi Translational Science Hub	5,440	12,240	12,240	14,520	11,800
Resilient Homes Fund		8,257	8,257	4,128	
Queensland Energy and Jobs Plan	—	6,850	16,850	32,000	50,000
South East Queensland Digital Twin		5,000			
Housing Site Investigations	—	4,000	3,500	—	—
Barcaldine Renewable Energy Zone		3,500	3,500		
Kenrick Park Masterplan Stage 1	—	3,000	—	—	—
Regional Infrastructure Plans		2,100	437	536	538
Office of the Independent Assessor	—	1,702	1,684	1,744	1,764
Trinity Beach Community Activity Space		935			
Currumbin Eco-Parkland	—	875	882	889	550
Torres Strait Ferry Funding Program		500			
Cairns Shipyards Upgrades					
Emergency Management Reforms—Queensland Reconstruction Authority					
Resources Community Infrastructure Fund ²					
ShapingSEQ			_	_	
Supporting Housing Diversity				—	
Portfolio Total	5,440	171,841	95,893	78,089	64,652
Department of the Premier and Cabinet			<u> </u>	<u> </u>	
Brisbane 2032 Coordination Office		36,841	19,104	19,942	24,373
Screen Queensland—Production Attraction Strategy		28,000			
Screen Queensland—Post, Digital and Visual Effects		8,000			
Screen Queensland—Digital Games Program		2,000			
Screen Queensland—Aboriginal and Torres Strait Islander Screen Program		500			
Implementation of the Cabinet Proactive Release		2,338	1,210	1,248	1,277
All hazards disaster and crisis management capability		1,000	1,000	1,000	1,000
Demand for Legislative drafting, editing, and publishing services		886	908	937	961
Queensland Community Forum Program		451	643		
Youth Justice Investment—Early intervention and prevention coordination in Mount					
Isa and Toowoomba		400	_	_	
Office of the Governor	_	381	369	277	284
Policy Insights Analytical Capability		351	358	369	378
Queensland Remembers Grants Program	_	164	171	1,526	
Youth Justice Investment—Independent Evaluation					
Portfolio Total		81,312	23,763	25,299	28,273
Department of Tourism, Innovation and Sport		01,012	20,100		
Tourism Experience and Infrastructure Grants Program		20,000			
Sport Infrastructure Program		10,000			
Sport and Recreation Infrastructure		7,000	1,000		
FairPlay		2,384	2,384		
Women's Economic Security: Female Founders		2,000	3,000	_	
•					
Portfolio Total		41,384	6,384		

Expense measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$'000	2026–27 \$'000
Department of Transport and Main Roads					
Rail Transport Service Contract		132,217	238,070	226,471	226,471
Remote Community Freight Contracts	650	22,157	17,516	18,367	19,252
Camera Detected Offence Program	(1,500)	18,454	23,066	28,274	27,726
Translink Network Officers and Third-party Enforcement Program	3,233	13,735	14,216	14,571	14,936
Cyber Security Unit		12,265	13,706	15,645	17,778
Regional Urban Bus Service Contracts		11,695	13,472	16,097	16,802
Transport Infrastructure Development Scheme		5,950			
Tell Us Once Operational Model		5,665	5,996	5,398	5,514
Zero Emission Bus Program Stage 1		5,000			
Long Distance Passenger Rail Program	800	3,400	800		
Specialist School Transport-Replacement, Capacity and Growth Bus Fleet		3,336	285	294	303
Cyber Security Partnerships		3,322	3,441	3,549	3,756
Torres Strait Islands Marine Infrastructure Program	500	2,500	2,500	2,500	2,500
Translink Resourcing		1,330	4,903	3,861	4,187
Phillips Creek Bridge Replacement Project		1,180	620		
Hull Identification Number Program		500	500		
Cyber Security Supports				_	_
Disaster Contact Centre Service Response Capacity ²			_	206	
Driver Protection Barrier Retrofit Program ²			3,000	3,000	3,000
Youngs Crossing Road	15,000				5,000
Portfolio Total	18,683	242 706	242.001	220.222	242.225
		242,706	342,091	338,233	342,225
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com			342,091	338,233	342,225
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts		and the	342,091	338,233	342,225
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief		and the 4,251			
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders		4,251 1,205	1,480		
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing		4,251 1,205 700	1,480	 	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement		4,251 1,205 700 688	1,480 	 	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program		4,251 1,205 700 688 2,875	1,480 		
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage		4,251 1,205 700 688 2,875 2,036	1,480 	 1,694	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program		4,251 1,205 700 688 2,875 2,036 2,000	1,480 1,375 2,875 1,624	 1,694 	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement		4,251 1,205 700 688 2,875 2,036 2,000 2,000	1,480 	 1,694 	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872	1,480 1,375 2,875 1,624 — 894	 1,694 916	 939
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference		4,251 1,205 700 688 2,875 2,036 2,000 872 610	1,480 	 1,694 	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House		4,251 1,205 700 688 2,875 2,036 2,000 872 610 600	1,480 1,375 2,875 1,624 — 894	 1,694 916	 939
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872 610 600 335	1,480 1,375 2,875 1,624 894 610	 1,694 916 610 	 939
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program Connect Queenslanders to Art—Digital Transformation Initiative		4,251 1,205 700 688 2,875 2,036 2,000 872 610 600	1,480 1,375 2,875 1,624 894 610	 1,694 916 610	 939
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program Connect Queenslanders to Art—Digital Transformation Initiative Cultural Tourism Programming Strategy—Exhibition Funding		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872 610 600 335	1,480 1,375 2,875 1,624 894 610 	 1,694 916 610 	 939
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program Connect Queenslanders to Art—Digital Transformation Initiative		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872 610 600 335 200	1,480 1,375 2,875 1,624 894 610 220	 1,694 916 610 240	 939 260
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program Connect Queenslanders to Art—Digital Transformation Initiative Cultural Tourism Programming Strategy—Exhibition Funding		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872 610 600 335 200	1,480 1,375 2,875 1,624 894 610 220 	 1,694 916 610 240 2,175	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program Connect Queenslanders to Art—Digital Transformation Initiative Cultural Tourism Programming Strategy—Exhibition Funding Queensland Museum Network—World Science Festival		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872 610 600 335 200	1,480 1,375 2,875 1,624 894 610 220 	 1,694 916 610 240 2,175	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program Connect Queenslanders to Art—Digital Transformation Initiative Cultural Tourism Programming Strategy—Exhibition Funding Queensland Museum Network—World Science Festival Aboriginal and Torres Strait Islander Cultural Initiatives		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872 610 600 335 200 — 445	1,480 1,375 2,875 1,624 894 610 220 3,000 	 1,694 916 610 2,175 3,000 	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program Connect Queenslanders to Art—Digital Transformation Initiative Cultural Tourism Programming Strategy—Exhibition Funding Queensland Museum Network—World Science Festival Aboriginal and Torres Strait Islander Cultural Initiatives First Nations Economic Development		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872 610 600 335 200 — 445	1,480 1,375 2,875 1,624 894 610 220 3,000 	 1,694 916 610 2,175 3,000 	
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Com Arts Critical Emergency and Food Relief Support for Vulnerable Queenslanders Community Services Resourcing Public Intoxication Program Enhancement Asset Management Model and Maintenance Program Storage for State Cultural Collections—Business Case and Short-Term Storage Queensland Cultural Centre—Flood Resilience Program Queensland Performing Arts Centre—Strategic Capability Enhancement Queensland Museum—First Nations Repatriation Program Queensland Music Network BIGSOUND conference State Library of Queensland—Vision Australia and Braille House Queensland Museum—Maintenance Program Connect Queenslanders to Art—Digital Transformation Initiative Cultural Tourism Programming Strategy—Exhibition Funding Queensland Museum Network—World Science Festival Aboriginal and Torres Strait Islander Cultural Initiatives First Nations Economic Development Youth Justice Investment—Stronger Communities Initiative: Early Action		4,251 1,205 700 688 2,875 2,036 2,000 2,000 872 610 600 335 200 445 348		 1,694 916 610 2,175 3,000 	 939 939 260 2,229 3,000

Expense measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$'000
Department of Youth Justice, Employment, Small Business and Training					
Youth Detention Centre Operations	12,737	20,222	22,870	25,007	29,015
Youth Detention Centre Capacity—Addressing Capacity Issues at Youth					
Detention Centres ²	36	12,504	979	—	
Youth Justice Investment—Youth Co-responder Teams	—	24,459	25,219	14,055	14,402
Youth Justice Investment—Intensive Case Management	—	10,690	13,285	3,010	3,084
Youth Justice Investment—Diversion	—	7,287	7,333	7,381	7,416
Youth Justice Investment—Intensive Bail Initiative	—	6,677	8,054	5,328	5,338
Youth Justice Investment—Empowering communities to develop local solutions					
to youth crime issues	—	2,500	2,500	—	—
Youth Justice Investment—On Country	—	2,080	2,080	—	—
Youth Justice Investment—Specialist Youth Crime Rapid Response Squad	1,000	2,000	2,000	—	
Youth Justice Investment—The Street University Townsville	782	1,596	1,846	—	—
Youth Justice Investment—Townsville Community Youth Response: High Risk					
Youth Court	—	1,345	1,345		
Youth Justice Investment—Stronger Communities Initiative: Early Action					
Groups	—	728	1,030		
Youth Justice Investment—Fast-track Sentencing ²	223	628	109		
Youth Justice Investment—Townsville Stockland and other shopping precincts					
crime prevention program	—	350	500		
Youth Justice Investment—Big Bounce Initiative	—	—			
Vocational Education and Training Modernisation and Transformation Program		8,823	15,942	4,987	
Queensland Workforce Strategy—Micro-Credentialing	2,950	2,950		_	
Women's Economic Security—Women in Trade Apprenticeships Mentoring Program	_	2,300	2,300		
Queensland Workforce Strategy—Train and Retain	1,133	1,133	1,134		
Australian Training Works Group	—	—			
Queensland Workforce Strategy—Group Training Organisation Pre-					
Apprenticeships Program	7,300	—			
Queensland Workforce Strategy—Workforce Connect Fund ²	—	—			
Portfolio Total	26,161	108,272	108,526	59,768	59,255
Legislative Assembly of Queensland					
Queensland Parliament Digital Transformation Program	_	268	732	751	253
Portfolio Total		268	732	751	253
Office of the Queensland Ombudsman	<u> </u>				
Public Sector Culture and Integrity Reforms		763	1,401	1,418	1,453
Portfolio Total		763	1,401	1,418	1,453
Queensland Corrective Services		/05	1,401	1,410	1,455
Queensland Corrective Services additional prisoner growth funding		51 700	1 6 2 9		
Parole Board Queensland		51,799	1,628		
Southern Queensland Correctional Precinct—Stage 2—Commissioning and		7,556	15,909		
Southern Queensiand Correctional Precinct—Stage 2—Commissioning and Maintenance ²	(1,000)	1 255	1 700	1 504	700
	(1,000)	4,255	4,706	1,524	788
Psychological and Disability Services		3,699	3,515	3,624	3,731
In-Cell Technology in Queensland Correctional Centres		2,000			
Gangs Exit Program		543		_	_

Prisoner Capacity and Health Services Youth Justice Investment—Electronic Monitoring Portfolio Total (1 Queensland Fire and Emergency Services (1 Emergency Management Reform—State Emergency Service (1 Emergency Management Reform—Rural Fire Service (1 Supporting Our Fire Service Officers (1 Bushfire Safety Campaign (2 Camera Detected Offence Program (2 Fire Communications Staffing (2 Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) (2 Portfolio Total (4 Queensland Health (325) Palliative and End of Life Care 2 (325)	<u>)000</u> 	\$ '000 358 	\$`000 1,255	<u>\$`000</u> 1,596	\$`000 1,443
Portfolio Total(1Queensland Fire and Emergency Services	.,000)				1,775
Portfolio Total(1Queensland Fire and Emergency Services	,000)				
Queensland Fire and Emergency Services Emergency Management Reform—State Emergency Service Emergency Management Reform—Rural Fire Service Supporting Our Fire Service Officers A Bushfire Safety Campaign Camera Detected Offence Program Fire Communications Staffing Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) Portfolio Total 4 Queensland Health Health Funding Uplift 325 Palliative and End of Life Care 2 2)···/	70,210	27,013	6,744	5,962
Emergency Management Reform—Rural Fire Service Emergency Management Reform—Rural Fire Service Supporting Our Fire Service Officers Aushfire Safety Campaign Camera Detected Offence Program Fire Communications Staffing Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) Portfolio Total 4 Queensland Health Health Funding Uplift 325 Palliative and End of Life Care 2					- ;
Emergency Management Reform—Rural Fire Service Supporting Our Fire Service Officers 4 Bushfire Safety Campaign 4 Camera Detected Offence Program 7 Fire Communications Staffing 6 Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) 4 Portfolio Total 4 Queensland Health 325 Palliative and End of Life Care 2 7		18,304			
Supporting Our Fire Service Officers 4 Bushfire Safety Campaign 6 Camera Detected Offence Program 7 Fire Communications Staffing 9 Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) 4 Portfolio Total 4 Queensland Health 4 Health Funding Uplift 325 Palliative and End of Life Care 2 4		11,989			_
Bushfire Safety Campaign Camera Detected Offence Program Fire Communications Staffing Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) Portfolio Total 4 Queensland Health Health Funding Uplift 325 Palliative and End of Life Care 2 4	,583	4,894	5,162	5,291	5,424
Camera Detected Offence Program Fire Communications Staffing Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) Portfolio Total <u>4</u> Queensland Health Health Funding Uplift 325 Palliative and End of Life Care ²		1,600	600	600	
Fire Communications Staffing Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) Portfolio Total 4 Queensland Health Health Funding Uplift 325 Palliative and End of Life Care 2 4		605	628	651	674
Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre Contracts) Portfolio Total 4 Queensland Health 4 Health Funding Uplift 325 Palliative and End of Life Care 2 4			020		<u> </u>
Centre Contracts)Portfolio TotalQueensland HealthHealth Funding Uplift325Palliative and End of Life Care 2					
Portfolio Total4Queensland Health325Health Funding Uplift325Palliative and End of Life Care 2					
Queensland HealthHealth Funding Uplift325Palliative and End of Life Care 2	592	27 202	6 200	6,542	6 000
Health Funding Uplift325Palliative and End of Life Care 2	,583	37,392	6,390	0,542	6,098
Palliative and End of Life Care ²	500	500 505	501 100	570 0.00	0.50 005
		508,707	521,133	572,869	959,337
Forensic DNA Commission of Induiry 7		25,664	37,974	52,377	
	,755	17,520	16,090	10,345	10,200
Patient Travel Subsidy Scheme		14,179	16,407	18,679	20,996
Waterproof Artificial Limbs	—	2,327	2,327	2,327	2,327
Women's Economic Security: Future Women—Jobs Academy		800	1,600	800	
Women's Economic Security: Women in Network Grants Program	—	625	625	825	725
Women's Economic Security: Fresh Start for Me (transition from recovery to					
workforce)	—	533	—		—
Women's Economic Security: Resourcing to support Office for Women initiatives	_	100	100	_	_
Youth Detention Centre Capacity—Addressing Capacity Issues at Youth					
Detention Centres	386	386			
Youth Justice Investment—Fast-track Sentencing ²	52	157	41		
Domestic and Family Violence Services System Reform					
Improvement to Salary Packaging and Fringe Benefits Tax (FBT) Policy for Hospital Employees			_	_	_
LifeFlight Australia Limited Emergency Helicopter Services New 10-year					
	2,432				
Making Tracks Towards Achieving Health Equity With First Nations Peoples 2021-2025	, - 			_	_
Nursing and Midwifery Student Regional Placements Allowance	_				
Queensland Ambulance Service (QAS) Additional Ambulance Operatives			_	_	
Rural and Regional Birthing Services					
),511				
Workforce Attraction Incentive Scheme					
	5,639	570,998	596,297	658,222	993,585
	10J7	. 1/11.770			

Expense measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$'000
Queensland Police Service					
Emergency Management Reforms—Marine Rescue Queensland		27,000	—	—	—
Emergency Management Reforms—Disaster Management	—	16,500	—	—	—
Emergency Management Reforms—Queensland Police Service Reform					
Implementation Taskforce		—	—	—	—
Youth Justice Investment—Program for Queensland Police-Citizens Youth Club					
(PCYC) Capital Works		25,000	25,000		
Youth Justice Investment—Police Extreme High Visibility Patrols	5,000	10,000	10,000	—	—
Youth Justice Investment—Youth Co-responder Teams ²	—	5,447	5,529	3,379	3,459
Youth Justice Investment—Police Online Engagement and Intelligence Team	2,320	5,040	5,471	—	—
Youth Justice Investment—Empowering communities to develop local solutions to					
youth crime issues		5,000	5,000	—	
Youth Justice Investment—Specialist Youth Crime Rapid Response Squad	2,321	4,825	5,352	—	—
Youth Justice Investment—Queensland Police-Citizens Youth Club (PCYC)					
Restructure		3,985			
Youth Justice Investment—Bail Monitoring		3,417	3,661		
Youth Justice Investment—Police Liaison Officer High Visibility Proactive Patrols	1,000	2,500	2,630		
Youth Justice Investment—Fast-track Sentencing ²	45	1,120	650	24	
Youth Justice Investment—Youth Development Partnership Fund: Cairns Safer					
Streets and Midnight Basketball Program	375	750	375	—	
Youth Justice Investment—Youth Crime Taskforce	237	489	507	_	
Youth Justice Investment—Townsville Community Youth Response: High Risk		274	206		
Youth Court		374	386		
Youth Justice Investment—Stronger Communities Initiative: Early Action Groups	76	330	337		—
Youth Justice Investment—Police Blitz on Bail		80	83		
Youth Justice Investment—Vehicle Immobiliser Trial		1 000	—		
Relocation of the Oxley Police Academy to Wacol		1,000		-	
Brisbane 2032 Olympic and Paralympic Games		745	1,207	2,016	3,498
Gangs Exit Program		623			
Armoured Vehicle Fleet		370	568	568	568
Camera Detected Offence Program		285	577	921	
Budget Modernisation Program		—	—		
Domestic and Family Violence Commission of Inquiry					
Recruitment Drive—Additional Police Personnel			_	_	
Youth Detention Centre Capacity—Addressing Capacity Issues at Youth Detention					
Centres					
Portfolio Total	11,374	114,880	67,333	6,908	7,525
Queensland Treasury					
Gympie Road Bypass—funding to investigate the construction of road tunnels between Kedron and Carseldine	_	35,000	_	_	
Financial Reporting and Management Enhanced Systems		16,800	20,100	11,900	4,500
Camera Detected Offence Program	_	6,737	8,124	9,110	10,169
Low Emissions Investment Partnerships Program	—	5,000	5,000	5,000	5,000
Debt Recovery and Compliance Program	(4,579)	4,579	15,983	16,472	16,917
Queensland Revenue Office Increased Compliance Work		3,049	6,080	7,571	7,744
Regional Resources Development Fund—additional operational funding	—	1,500	750	750	

Expense measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$'000
Queensland Workforce Strategy—Skilled Workforce Attraction Office		1,100	1,100	1,100	1,100
Borumba Dam Pumped Hydro	—	1,000			
Land tax—unilateral application of the home exemption	—	1,000			
Fine Modernisation Program Foundation Phase	—				
Portfolio Total	(4,579)	75,765	57,137	51,903	45,430
Total decisions made but not yet announced	33,070	18,000	6,500	6,000	6,000
Total impact on Expense since 2022—23 Budget Update	774,831	3,438,109	1,912,609	1,716,427	2,116,020
Total impact on Expense since the 2022—23 Budget	841,416	3,801,368	2,126,727	1,883,018	2,262,208

1.

Further funding for this measure can be found in the Post Budget Update section of this table. Further funding for this measure can be found in the up to and including Budget Update section of this table. 2.

Table 1.4:Capital measures since the 2022-23 Budget

Capital measures up to and including 2022–23 Budget Update	2022-23	2023-24	2024-25	2025-26	2026-27
Department of Environment and Science	\$'000	\$'000	\$'000	\$'000	\$'000
Revitalising National Parks		7,500	10,000	10,000	10,000
Portfolio Total		7,500	10,000	10,000	10,000
Department of Justice and Attorney-General					
Hear her voice—Report 2—Treatment of victim-survivors in trials for sexual					
offences	—	4,387	4,387	3,987	
Portfolio Total		4,387	4,387	3,987	
Department of State Development, Infrastructure, Local Government and					
Planning					
Catalyst Infrastructure Fund					
Portfolio Total					
Legislative Assembly of Queensland					
Annexe Critical Infrastructure and Services Upgrade	18,092				
Portfolio Total	18,092				
Queensland Corrective Services					
Southern Queensland Correctional Precinct—Stage 2—Commissioning	—	2,990	2,400		
Hear her voice—Report 2—Sentencing women and girls	—		_	—	—
Hear her voice—Report 2—Treatment in custody, complaints mechanisms and oversight	_			_	_
Portfolio Total		2,990	2,400		
Queensland Police Service					
Youth Justice Investment—Youth Co-responder Teams ¹		168			
Portfolio Total		168			
Queensland Treasury					
Queensland Critical Minerals and Battery Technology Fund	—	100,000			—
Queensland Resources Common User Facility	1,542	43,950	15,250		
Portfolio Total	1,542	143,950	15,250		
Total impact on Capital up to and including 2022-23 Budget Update	19,634	158,995	32,037	13,987	10,000

Capital measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Department of Agriculture and Fisheries					
Relocation of the Racing Science Centre		20,000	—	—	—
Portfolio Total		20,000			
Department of Education					
School Infrastructure and Land Acquisitions		195,102	470,280	333,377	117,376
Teacher Housing		10,780	11,451	12,165	12,922
Addressing Market Pressures		_	89,744	89,744	89,744
School Infrastructure—Renewal					_
Portfolio Total		205,882	571,475	435,286	220,042
Department of Energy and Public Works		. <u></u>		. <u></u>	
Government Buildings Electrical Vehicle Ready	2,000	12,500	12,500	3,000	
ReBuild QBuild Capital	3,291	9,498	8,415	8,250	_
Government Employee Housing Expansion—Capital			153,351	139,161	
Portfolio Total	5,291	21,998	174,266	150,411	
Department of Environment and Science	· <u> </u>	<u> </u>		·	
Partnering with Quandamooka on Land and Sea Country	_	1,500	4,300	9,000	_
World-Class Protected Area Management		1,100	3,350	1,350	
Portfolio Total		2,600	7,650	10,350	
Department of Housing					
Queensland Housing Strategy 2017-2027—Supply of Social Housing	120,000	201,600	194,834	130,833	130,833
Emergency Accommodation	5,300	44,480			
Additional Social Housing Supply		35,896	123,606	90,531	11,739
Purchase of New Social Housing				—	
Portfolio Total	125,300	281,976	318,440	221,364	142,572
Department of Justice and Attorney-General					
Queensland Human Rights Commission—Complaints Management System		350			_
Portfolio Total		350			
Department of Resources					
Abandoned Mine Sites Program		500			
Portfolio Total		500			
Department of State Development, Infrastructure, Local Government and Plan	ning				
Currumbin Eco-Parkland	-	8,000	8,000	8,000	_
Yeronga Community Centre		2,642			
Brisbane Athlete Village			33,300	33,300	33,300
Gladstone Land Acquisition Strategy	—				
Townsville Concert Hall	_	_	_	_	_
Portfolio Total		10,642	41,300	41,300	33,300

Capital measures since 2022–23 Budget Update2022–3 \$'0002023–24 \$'0002024–25 \$'000Department of Tourism, Innovation and Sport2032 High Performance Strategy—75752032 High Performance Strategy—7575Portfolio Total—7575Department of Transport and Main Roads New Gold Coast Stations9,30066,60068,200	2025-26 \$'000 75 75 19,700 140,170 29,000 7,500 4,000	2026–27 \$'000 75 75 75 144,900 21,000 7,500
2032 High Performance Strategy—7575Portfolio Total—7575Department of Transport and Main Roads—7575	75 19,700 140,170 29,000 7,500	75
Portfolio Total—7575Department of Transport and Main Roads—7575	75 19,700 140,170 29,000 7,500	75
Department of Transport and Main Roads	19,700 140,170 29,000 7,500	 144,900 21,000
· ·	140,170 29,000 7,500	21,000
New Cold Coast Stations 0.200 66 600 68 200	140,170 29,000 7,500	21,000
New Gold Coast Stations 9,300 66,600 68,200	29,000 7,500	21,000
Camera Detected Offence Program — 13,500 105,260	7,500	
Cleveland-Redland Bay Road Upgrade - 7,000 23,000		7,500
Torres Strait Islands Marine Infrastructure Program — 1,000 5,500	4000	.,
Access to Gladstone Port Project - 400 1,000	1,000	19,600
Kurrimine Beach Boat Ramp — — — —		
Portfolio Total 9,300 88,500 202,960	200,370	193,000
Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the	·	
Arts		
Queensland Performing Arts Centre—Capital Upgrades - 5,940 -		
Queensland Performing Arts Centre—Flexible Performance Space — 2,000 12,600		
Queensland Cultural Centre—Security Upgrades — 500 —		
Public Intoxication Program Enhancement - 1,000 3,000		
Portfolio Total <u> </u>		
Department of Youth Justice, Employment, Small Business and Training	·	
Great Barrier Reef International Marine College — 8,000 8,000		
Youth Detention Centre Operations – 2,000 3,500	3,500	3,500
Youth Detention Centre Capacity—Addressing Capacity Issues at Youth		
Detention Centres — — — —		
Portfolio Total <u>– 10,000 11,500</u>	3,500	3,500
Legislative Assembly of Queensland		
Queensland Parliament Digital Transformation Program – 465 626	_	_
Portfolio Total – 465 626		
Queensland Corrective Services	. <u> </u>	
Prisoner Capacity and Health Services — 33,465 19,245	8,504	857
Infrastructure—Safety and Security — 15,000 —		
Portfolio Total – 48,465 19,245	8,504	857
Queensland Fire and Emergency Services	0,504	0.57
Emergency Management Reform—Rural Fire Service — 8,000 —		
Emergency Management Reform—State Emergency Service — 3,000 —		
Portfolio Total 11,000		

Capital measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Queensland Health					
Base Capital Program		60,000			
Queensland Ambulance Service (QAS) New Ambulances	—	10,770			—
Redland Hospital Expansion- Mental Health Facility	_	8,000	1,800	60,000	80,200
Queensland Health Spinal Unit		5,000			
Portfolio Total		83,770	1,800	60,000	80,200
Queensland Police Service					
Enhanced Capital Program	700	4,400	18,100	25,250	22,300
Camera Detected Offence Program		3,667	2,925	3,143	
Armoured Vehicle Fleet	_	2,195	1,980		—
Youth Justice Investment—Youth Co-responder Teams ²	—	42			
Youth Justice Investment—Youth Crime Taskforce	—	42			—
Gangs Exit Program	—	37			
North Queensland Police Academy					
Relocation of the Oxley Police Academy to Wacol	—				—
Youth Detention Centre Capacity—Addressing Capacity Issues at Youth					
Detention Centres	_	_			—
Youth Justice Investment—Police Liaison Officer High Visibility					
Proactive Patrols	2,500	—			—
Youth Justice Investment—Stronger Communities Initiative: Early Action					
Groups	126				
Portfolio Total	3,326	10,383	23,005	28,393	22,300
Total decisions made but not yet announced	24,396	1,500	1,504		
Total impact on Capital since 2022-23 Budget Update	167,613	807,546	1,389,446	1,159,553	695,846
Total impact on Capital since the 2022-23 Budget	187,247	966,541	1,421,483	1,173,540	705,846

1.

Further funding for this measure can be found in the Post Budget Update section of this table. Further funding for this measure can be found in the up to and including Budget Update section of this table. 2.

Table 1.5:Revenue measures since the 2022-23 Budget

Revenue measures up to and including 2022–23 Budget Update Department of Transport and Main Roads	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Reducing Learner Licence Fees	(2,975)	(9,376)	(9,850)	(10,349)	(10,873)
Portfolio Total	(2,975)	(9,376)	(9,850)	(10,349)	(10,873)
Queensland Treasury					
Debt Recovery and Compliance Program ¹					
Portfolio Total					
Total impact on Revenue up to and including 2022-23 Budget Update	(2,975)	(9,376)	(9,850)	(10,349)	(10,873)

Revenue measures since 2022–23 Budget Update	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Department of Agriculture and Fisheries					
Horticulture Food Safety Schemes		303	622	1,062	1,089
Exhibited Animals		78	161	165	173
Portfolio Total		381	783	1,227	1,262
Department of Education					
Homestay Program Fees for International Students		101	261	265	272
Portfolio Total		101	261	265	272
Department of Justice and Attorney-General					
Civil Partnerships—Revision of Prescribed Fees		486	498	512	524
Justice Services Fees and Charges					—
Portfolio Total		486	498	512	524
Department of Regional Development, Manufacturing and Water					
Drought Assistance and Reform Package					
Portfolio Total					
Department of Resources					
Drought Assistance and Reform Package			_		_
Portfolio Total					
Department of Transport and Main Roads					
Secure Taxi Rank Program Review		(1,207)	(1,214)	(1,222)	(1,222)
Replacement Smartcard Product Fee Changes		(5,292)	(5,604)	(5,915)	(6,240)
Portfolio Total		(6,499)	(6,818)	(7,137)	(7,462)
Queensland Fire and Emergency Services					
Reduction in Alarm Monitoring Fees		(3,893)	(3,990)	(4,089)	(4,191)
Portfolio Total		(3,893)	(3,990)	(4,089)	(4,191)
Queensland Treasury					
Queensland Revenue Office Increased Compliance Work		18,000	44,100	74,250	88,425
Debt Recovery and Compliance Program ²			128,400	128,400	128,400
Build to Rent Tax concession		(1,500)	(3,000)	(5,000)	(6,000)
50 per cent Payroll Tax Rebate for Apprentices and Trainees		(48,600)		—	—
General practitioner payroll tax amnesty	(100,000)	(100,000)	(100,000)		_
Regional Payroll Tax Discount		(116,100)	(122,800)	(129,600)	(136,900)
Portfolio Total	(100,000)	(248,200)	(53,300)	68,050	73,925

Revenue measures since 2022–23 Budget Update Total decisions made but not yet announced	2022–23 \$`000	2023–24 \$'000 453	2024–25 \$`000 2,603	2025–26 \$`000 3,090	2026–27 \$`000 3,164
Total impact on Revenue since 2022-23 Budget Update	(100,000)	(257,171)	(59,963)	61,918	67,494
Total impact on Revenue since the 2022-23 Budget	(102,975)	(266,547)	(69,813)	51,569	56,621

1.

Further funding for this measure can be found in the Post Budget Update section of this table. Further funding for this measure can be found in the up to and including Budget Update section of this table. 2.

2 Expense Measures

Introduction

The following tables present the relevant portfolio expense measures relating to decisions taken since the 2022-23 Budget. This does not represent the full amount of additional funding provided to agencies since the 2022-23 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1.

Department of Agriculture and Fisheries

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Continuation of Fisheries Reform	(2,000)	7,465	6,223		

The government is providing increased funding of \$11.7 million over 3 years to continue the fisheries reform process which includes upgrades to the compliance system and fish aggregating devices.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$`000	\$`000
Queensland's Obligations under the National Biosecurity System	7,668	7,000			

The government is providing increased funding of \$14.7 million over 2 years to meet immediate and known obligations within the National Biosecurity System.

The government will also provide increased funding of up to \$7 million per annum ongoing, held centrally, towards future obligations to help mitigate the risks and impacts of significant pests and diseases.

Total government funding for this measure is up to \$35.7 million over 5 years and \$7 million per annum ongoing.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Biosecurity Preparedness and Capability Uplift	804	6,957	7,307	3,919	2,730

The government is providing additional funding of \$21.7 million over 5 years and \$2.8 million per annum ongoing towards biosecurity preparedness for plant pests and diseases. This shifts Biosecurity Queensland's posture to proactively meet emerging threats and empower the collective responsibility of the community and industry.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$'000	2026-27 \$'000	
Biosecurity Preparedness Package	8,060	4,977	4,056	2,398	2,497	

The government is providing additional funding of \$22 million over 5 years and \$2.5 million per annum ongoing to address increasing animal biosecurity risks, including foot-and-mouth disease and lumpy skin disease.

The government has also provided additional funding of \$4.7 million in 2022-23, to introduce an individual electronic identification traceability system for sheep and goats in Queensland, as part of a national initiative. This funding is held centrally, until the Australian Government's contribution has been documented.

This forms part of the government's total funding of \$26.7 million over 5 years and \$2.5 million per annum ongoing towards biosecurity preparedness for emergency animal diseases.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Rural Economic Development Grants Program		3,300		_	

The government is providing increased funding of \$3.3 million in 2023-24 to increase employment and agribusiness development in regional Queensland.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$`000	\$'000	\$'000
Innovative Emergency Animal Disease Response Preparedness Tools		1,764			

The government is providing additional funding of \$1.8 million in 2023-24 to commence developing innovative rapid detection tools to improve the speed at which an animal disease incursion can be diagnosed and managed. The associated capital expense for this initiative is \$98,000 in 2023-24.

This forms part of the government's total funding of \$1.9 million in 2023-24 to invest in this new technology.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$'000
Improving Swimmer Safety including the Shark Control Program	527	1,306	1,893	2,443	3,022

The government is providing increased funding of \$9.2 million over 5 years and \$3 million per annum ongoing to continue the shark control program, undertake research and trial the application of new technologies (such as drones) in swimmer risk mitigation, and roll out education and awareness programs.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$'000
Implementing Independent Data Validation as part of Fisheries Reform		_		_	

The government is providing additional funding of \$22 million over 4 years to implement independent data validation which will monitor commercial fishing activities at sea to provide more accurate data to support sustainable fisheries management. Funding is held centrally pending the negotiation of matching funds from the Australian Government.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$`000
National Red Imported Fire Ant Eradication Program in South East Queensland					

The government is providing increased funding of \$60.9 million over 4 years to continue delivery of the critical National Red Imported Fire Ant Eradication Program. Funding is held centrally, subject to a National Cost Sharing Agreement being finalised with the Australian Government and other States and Territories.

Department of Child Safety, Seniors and Disability Services

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Cost of Living Rebate and National Energy Bill Relief		1,435,000			

The government is providing increased funding of \$1.435 billion in 2023-24 to provide cost of living relief for Queensland households and small businesses through a Cost of Living Rebate (COLR). In 2023-24, all Queensland households will automatically receive a \$550 COLR on their electricity bill, while around 600,000 vulnerable households will benefit from a higher \$700 COLR. Approximately 205,000 small businesses will also receive a \$650 rebate to assist with the higher cost of electricity.

This measure includes contributions from the Australian Government under the National Energy Bill Relief plan, with the Queensland Government contributing an estimated \$1.1 billion.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
National Disability Insurance Scheme (NDIS) Assessment Services		7,641	4,669	1,818	2,029

The government is providing increased funding of \$16.2 million over 4 years and \$2 million per annum ongoing to continue the operation of Assessment and Referral teams until December 2024, and then from January 2025 to establish and maintain a specialist disability assessment team to support high-complexity clients intersecting with multiple mainstream service systems.

	2022-23 \$`000		2024-25 \$`000		2026-27 \$`000
Reform of Queensland's Positive Behaviour Support and Restrictive Practices	1,179	4,843	4,326	4,437	4,551

The government is providing increased funding of \$19.3 million over 5 years and \$4.6 million per annum ongoing to progress a review of the current Positive Behaviour Support and Restrictive Practices authorisation framework and to continue the current authorisation framework pending implementation of a reformed authorisation framework.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$`000
Supporting people with disability ineligible for the National Disability Insurance					
Scheme	—	4,206	4,332	4,462	4,596

The government is providing increased funding of \$17.6 million over 4 years and \$4.6 million per annum ongoing to provide specialist disability supports to adult clients ineligible for the National Disability Insurance Scheme.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$'000	\$`000	\$`000
Queensland Disability Advocacy Program		4,047	4,047	4,047	4,047

The government is providing increased funding of \$16.2 million over 4 years and \$4 million per annum ongoing to support the continuation of disability advocacy services in Queensland to assist Queenslanders with disability to understand their rights, navigate the National Disability Insurance Scheme and other mainstream services, address discrimination, conflict and unfair treatment, make informed decisions, safeguard well-being and build capacity to self-advocate.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$'000	\$'000
Seniors support package		2,871	4,448	4,495	4,439

The government is providing increased funding of \$16.3 million over 4 years and \$4.3 million per annum ongoing for a range of measures to support and engage with carers and older Queenslanders. Measures include continued engagement through Seniors expos, support for the Carers Advisory Council, extension of the Electricity Life Support concession eligibility, increased funding from 2024-25 for social isolation support services, and working with Volunteering Queensland to support seniors volunteering.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$`000	\$'000	\$`000
Human Services Quality Framework Funding	_	956	918	508	521

The government is providing increased funding of \$2.9 million over 4 years and \$521,000 per annum ongoing to continue and strengthen the Human Services Quality Framework as the core cross-government quality system for outsourced human service delivery.

	2022-23 \$`000	2023-24 \$'000		2025-26 \$`000	
Family Support and Child Protection Reforms - Our Way		16,347	32,046	51,930	66,922

The government is providing increased funding of \$167.2 million over 4 years and \$20 million per annum ongoing to eliminate the overrepresentation of Aboriginal and Torres Strait Islander children in the child protection system and build the Aboriginal and Torres Strait Islander services sector to meet the needs of children and families and safely reunify children with their families.

A further \$14 million over 4 years and \$1.5 million per annum ongoing will be internally met by the department.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Child and Family Services - Delivering Placement Reforms		6,280	6,109	6,320	6,486

The government is providing additional funding of \$25.2 million over 4 years and \$6.5 million per annum ongoing to support critical placement reforms, ensuring placements of children and young people match their needs and deliver intended cost efficiencies.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$'000	\$'000	\$'000
Child and Family Services - Responses to Child Sexual Abuse		2,824	2,846	2,947	3,027

The government is providing additional funding of \$11.6 million over 4 years and \$3 million per annum ongoing to administer litigation on behalf of the State, required following the removal of the civil statutory time limit for victims of sexual abuse as recommended by the Royal Commission into Institutional Responses to Child Sexual Abuse.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Youth Justice Investment - Fast-track Sentencing	286	772	140		

The government is providing additional funding of \$1.2 million over 3 years to deliver a fast-track sentencing pilot in 4 locations for 18 months to address delays in court proceedings through proactive case management of matters. This forms part of total additional funding of \$16.5 million over 4 years for these pilots.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$`000	\$'000
Child and Family Services - Parameter Based Funding Model					

The government has approved a Parameter Based Funding Model for tertiary child protection services which will enable funding to vary in accordance with actual demand while also incentivising placement reform efforts.

	2022-23 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$'000
Family Support and Child Protection Reforms - Family and Child Connect		 16,182	16,182	16,182

The government will provide increased funding of \$48.5 million over 3 years from 2024-25 and \$16.2 million per annum ongoing to continue to help families to navigate the child and family support system and connect them to appropriate supports.

A further \$17.1 million over 3 years from 2024-25 and \$5.8 million per annum ongoing will be internally met by the department.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$'000	\$`000
Future delivery of Queensland Accommodation Support and Respite Services (AS&RS)					

The Queensland Government has committed to continuing the provision of AS&RS to allow continuity of care for people with a disability, with the department to register as a National Disability Insurance Scheme (NDIS) provider and undertake consultation to confirm future service delivery models from 2025 with key stakeholders, including clients, families, staff and unions. The Government will meet any costs of service delivery above that provided by the NDIS.

Department of Education

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Free Kindergarten in Queensland		101,624	173,724	180,720	189,359

The government is providing increased funding of \$645.4 million over 4 years and \$189.4 million per annum ongoing, with indexation, for 15 hours per week of free kindergarten from 1 January 2024 for all 4-year-olds. This initiative will remove cost as a barrier to participation, relieve cost of living pressure for Queensland families, support labour market participation for parents, and improve educational outcomes.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
School Infrastructure and Land Acquisitions		16,785	28,978	14,819	4,498

The government is providing increased funding of \$65.1 million over 4 years (\$79.4 million over 10 years), and a further \$4.3 million over 5 years held centrally, to deliver critical educational infrastructure to accommodate enrolment growth in state schools. This includes funding to establish a strategic land acquisition fund for future new and expanded schools, provide another round of school hall and performing arts centre projects, and provide additional classrooms in existing schools that are nearing capacity.

Total funding for this initiative is \$1.231 billion over 4 years (\$1.727 billion over 10 years). The capital component of this measure can be found in Chapter 3 Capital measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Queensland Workforce Strategy - Regional School Industry Partnerships	845	1,643	1,690	866	

The government is providing additional funding of \$5 million over 4 years to strengthen local school-industry partnerships and support school to work transitions.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good people*. *Good jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities.

Further details on initiatives can be found in the Department of Youth Justice, Employment, Small Business and Training, the Department of Environment and Science and Queensland Treasury sections of this chapter.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Stronger Communities Initiative: Early Action Groups		261	491		

The government is providing increased funding of \$752,000 over 2 years to extend the Townsville Early Action Group and expand to Cairns and Mount Isa to help break the cycle of youth crime. This initiative aims to deal with underlying issues that lead some young people to offend, including poor school attendance, mental health concerns, drug and substance misuse, domestic violence and family dysfunction. This forms part of total increased funding of \$5.1 million over 3 years for the Early Action Groups.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

Youth Detention Centre Capacity - Addressing Capacity Issues at Youth Detention	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	<u>\$'000</u>	\$'000	\$`000
Centres	220	242			

The government is providing additional funding of \$462,000 over 2 years to assist education delivery for young people in watchhouses. Further funding of up to \$2.5 million over 2 years to 2023-24 is held centrally to support strategies addressing capacity issues at Youth Detention Centres.

This forms part of total increased funding of \$89.7 million over 3 years (\$78.1 million new funding and \$11.6 million from existing resources) to address capacity issues for Youth Detention Centres. Further details can be found in the Department of Youth Justice, Employment, Small Business and Training, Queensland Health and Queensland Police Service sections of this chapter.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Non-State Schools Transport Assistance Scheme	81	221	364	521	674

The government is providing increased funding of \$1.9 million over 5 years and \$674,000 per annum ongoing for the Non-State Schools Transport Assistance Scheme.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Teacher Housing		220	234	248	264

The government is providing increased funding of \$966,000 over 4 years for safe and secure teacher housing in regional and remote communities.

Total funding for this initiative is \$48.3 million over 4 years. The capital component of this measure can be found in Chapter 3 Capital measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Addressing Market Pressures	_		14,456	14,456	14,456

The government is providing increased funding of \$43.4 million over 3 years to address cost escalation in the construction market.

Total funding for this initiative is \$312.6 million over 3 years. The capital component of this measure can be found in Chapter 3 Capital measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
School Infrastructure - Renewal	<u> </u>				

The government has provided increased funding of \$29 million in 2022-23, held centrally, for the renewal, upgrade and enhancement of critical infrastructure in existing state schools, including tuckshop and playground upgrades and priority flood mitigation works.

Total funding for this initiative is \$117.4 million over 6 years. The capital component of this measure can be found in Chapter 3 Capital measures.

Department of Energy and Public Works

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Household Energy Initiatives		40,000	20,000		

The government is providing additional funding of \$60 million over 2 years to deliver efficiency measures to keep costs down for households, enabling more choice and greater energy equity. This constitutes Queensland's co-contribution to the Australian Government's Household Energy Upgrades Fund.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$`000	\$`000	\$'000
ReBuild QBuild	6,411	15,267	9,022	8,438	

The government is providing additional funding of \$39.1 million over 4 years and a further \$27.4 million over 2 years from 2024-25 held centrally to support the next stages of ReBuild QBuild. This includes re-introduction of funding for apprentice training and support for initial operating costs for Rapid Accommodation and Apprentice Centres in Eagle Farm and Cairns.

The capital component to this measure can be found in Chapter 3 Capital Measures.

	2022-23 \$`000	2023-24 \$'000	2024-25 \$`000	2026-27 \$'000
Queensland Business Energy Saving and Transformation Program	6,000	14,500	14,500	

The government is providing additional funding of \$35 million over 3 years to support businesses in Queensland to reduce their electricity bills.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Queensland Energy and Jobs Plan Implementation	11,775	13,050	10,845	8,150	

The government is providing additional funding of \$43.8 million over 4 years to support implementation of the Queensland Energy and Jobs Plan and to deliver energy transformation including electricity modelling, SuperGrid Blueprint updates and community engagement.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Hydrogen Hubs Initiative	1,000	13,000	6,000		

The government is providing additional funding of \$20 million over 3 years to grow the future hydrogen industry by super-charging Queensland's Hydrogen Hubs and engaging the community around hydrogen.

	2022-23 \$`000	2023-24 \$`000		2025-26 \$`000	2026-27 \$'000
Queensland Renewable Energy Zones Planning and Community Engagement	2,000	12,000	15,000	6,000	

The government is providing additional funding of \$35 million over 4 years to undertake strategic planning and community engagement activities to develop Queensland Renewable Energy Zones in a coordinated way and increase community benefits.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Vulnerable Households Energy Advice Initiatives	_	7,500	2,500		

The government is providing additional funding of \$10 million over 2 years to deliver a range of energy bill savings initiatives, by providing energy efficiency advice, assessments and including installing smart, innovative products to reduce power bills. This constitutes Queensland's co-contribution to the Australian Government's Household Energy Upgrades Fund.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Public Information Regarding Access to Energy Bill Support		5,000			

The government is providing additional funding of up to \$5 million for public information to advise and assist households to access significant energy bill relief, along with other energy programs and concessions.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Bundaberg East Levee Project					

The government is providing increased funding of \$132.5 million, held centrally subject to agreement with the Australian Government, for the Bundaberg East Levee from 2023-24 to support the delivery of a 1.7-kilometre levee to reduce the impact of flooding on parts of Bundaberg East and Bundaberg South. Funding includes \$57.4 million fully funded by the Australian Government from the Emergency Response Fund and \$60 million jointly funded by the State and Commonwealth Governments from Disaster Recovery Funding Arrangements Efficiencies. This brings total funding for the Bundaberg East Levee to \$174.7 million.

This forms part of the government's total investment of \$152 million from the Disaster Recovery Funding Arrangements Efficiencies. For further details see the Department of State Development, Infrastructure, Local Government and Planning section of this chapter.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$'000	\$`000	\$'000
Drought Assistance and Reform Package					

The government is providing increased funding of up to \$5 million in 2023-24, held centrally, to provide relief to farmers and irrigators from 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.

Further details can be found in the Department of Regional Development, Manufacturing and Water and the Department of Resources sections of Chapter 4 Revenue Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Government Employee Housing Expansion - Program Management			1,128	1,155	

The government is providing \$3.5 million over 3 years to manage and deliver an increased program of work. A further \$1.2 million will be held centrally in 2026-27.

The capital component to this measure can be found in Chapter 3 Capital measures.

Department of Environment and Science

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Multicultural Affairs - Celebrating Multicultural Qld		1,176	1,178	1,184	1,189

The government is providing increased funding of \$4.7 million over 4 years and \$1.2 million per annum ongoing for multicultural projects that engage people from culturally diverse backgrounds and the wider community contributing to building a united, harmonious and inclusive Queensland.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Queensland Workforce Strategy - Multicultural Affairs Settlement Team	746	739	760	779	

The government is providing additional funding of \$3 million over 4 years to establish a Multicultural Affairs Settlement Team to advocate and improve workforce outcomes for migrants and refugees. This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Youth Justice, Employment, Small Business and Training, the Department of Education and Queensland Treasury sections of this chapter.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Managing Country with First Nations Peoples		9,019	9,459	10,386	9,704

The government is providing increased funding of \$38.6 million over 4 years and \$10.4 million per annum ongoing to honour existing commitments with First Nations peoples in Queensland, to ensure progression of agreements and relationships that promote respect, culture, rights and active co-stewardship of Country.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Revitalising National Parks		3,457	3,545	3,631	3,722

The government is providing increased funding of \$14.4 million over 4 years and \$3.8 million per annum ongoing to continue the delivery of the Values-Based Management Framework, support improved visitor experiences in Queensland's national parks, and support the revitalisation of visitor infrastructure.

The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Queensland Indigenous Land and Sea Ranger Program		2,813	15,000	15,675	16,367

The government is providing increased funding of \$49.9 million over 4 years and \$16.4 million per annum ongoing (indexed annually) for the continuation of the expanded Indigenous Land and Sea Ranger Program, which increased ranger numbers from 100 to 200.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$'000	\$'000	\$'000
Partnering with Quandamooka On Land and Sea Country		2,261	4,604	5,541	4,648

The government is providing increased funding of \$17.1 million over 4 years and \$1.7 million per annum ongoing to support Traditional Owner decision making and enhanced joint management of protected areas including new fire management programs on Mulgumpin (Moreton Island) in partnership with the Quandamooka People.

The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$`000	\$'000
Keeping the Queensland public safe from crocodiles and management of flying foxes		1,310	2,162	1,703	800

The government is providing increased funding of \$6 million over 4 years and \$300,000 per annum ongoing to support public safety through collaboration and commercialisation of devices to detect and deter crocodiles, an enhanced 'Be Crocwise' safety program, and extend the Local Government Flying-Fox Roost Management Grant Program to support local governments' management of urban flying-fox roosts.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$'000	\$'000	\$'000
World-Class Protected Area Management		978	4,811	5,898	8,767

The government is providing increased funding of \$32.8 million over 5 years (including \$12.4 million in 2027-28) and \$11.9 million per annum ongoing from 2028-29, for the continuation of *Queensland's Protected Area Strategy 2020-2030* and to improve the management of Queensland's World Heritage Areas.

The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Strategic Science and International Partnerships		728	1,500	1,500	1,500

The government is providing increased funding of \$5.2 million over 4 years and \$1.5 million per annum ongoing to continue science engagement and promotion. This initiative aims to enhance the connection of Queenslanders to science and support Strategic International Science Partnerships.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$'000	\$'000
Currumbin Eco-Parkland		574	624	648	667

The government is providing increased funding of \$2.5 million over 4 years and \$682,000 per annum ongoing to support ongoing management activities.

This forms part of the government's total funding of \$46 million over 5 years to support the Currumbin Eco-Parkland. Further details can be found in the Department of State Development, Infrastructure, Local Government and Planning section of this chapter.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$'000	\$'000	\$`000
Waste Package	139,600				94,400

The government is providing increased funding of \$234 million over 5 years for continued delivery of the \$2.1 billion Waste Package, announced in 2022-23. This includes an allocation of \$94.4 million in 2026-27 for year 5 of the program and bringing forward \$139.6 million in planned annual payments to local councils to 2022-23 to provide financial certainty.

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.

Department of Housing

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$'000	\$`000
Immediate Housing Response Package	12,000	32,000			

The government is providing additional funding of \$54 million over 2 years for the Immediate Housing Response package, including \$10 million through the Housing Roundtable and Housing Summit Outcomes, with funding allocated from a whole-of-government provision.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Housing with Support Initiative		13,515	18,515		

The government is providing additional funding of \$32 million over 2 years for operational services including for 3 accommodation sites, to support enhanced services across 5 youth shelters and to deliver specialist mobile supports across 13 locations.

As part of the Queensland Housing Summit outcomes, funding of \$5 million in 2023-24 is being provided for emergency temporary accommodation. This brings the total funding for this program to \$37 million over 2 years from 2023-24.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$'000	\$`000	\$`000	\$'000
Youth Justice Investment - Helping Seniors Secure their Homes	4,000	11,000			

The government is providing additional funding of \$15 million over 2 years commencing 2022-23 to the Helping Seniors Secure Their Homes program currently being trialled in Cairns, Mount Isa and Townsville local government areas. The trial will be expanded to include the Toowoomba local government area and the greater Cairns region.

The government is providing an additional \$15 million in 2023-24, held centrally, if needed. This brings the total funding available for this program to \$30 million over 2 years.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and

support community safety. Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23 \$`000		2024-25 \$`000	2025-26 \$`000	2026-27 \$'000
Second Aboriginal and Torres Strait Islander Housing Action Plan		6,669	14,877	14,877	14,877

The government is providing additional funding of \$51.3 million over 4 years for the second Queensland Aboriginal and Torres Strait Islander Housing Action Plan (2024-2027), with a focus on progressing Closing the Gap initiatives, enhancing culturally safe services and delivering innovative housing supply solutions.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Acceleration of Social and Affordable Housing Delivery		5,583	5,794	5,965	6,111

The government is providing additional funding of \$23.5 million over 4 years and \$6.3 million per annum ongoing from 2027-28 to support the delivery of Housing Investment Fund initiatives, including ongoing contract management activities.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Frontline Support Services		5,418	_		

The government is providing increased funding of \$5.4 million in 2023-24 to continue the delivery of critical frontline housing and homelessness services to vulnerable Queenslanders.

	2022-23 \$`000	2023-24 \$`000		2025-26 \$'000	2026-27 \$'000
Additional Social Housing Supply		3,060	9,800	20,260	27,383

The government is providing increased funding of \$60.5 million over 4 years and \$2 million per annum ongoing to expand the QuickStarts Queensland program of new social housing with a new commencements target of 3,265 by 30 June 2025. Total program funding is \$322.2 million when combined with the capital component of this measure. Further details can be found in Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Emergency Accommodation	2,274	2,274	2,274	2,274	3,000

The government is providing additional funding of \$12.1 million over 5 years from 2022-23 and \$3 million per annum ongoing to purchase and lease accommodation complexes and provide housing supports for emergency accommodation in inner Brisbane. A further \$2.4 million is being met internally by the department. Total funding for this initiative is \$14.5 million over 5 years from 2022-23 and \$3 million per annum ongoing.

The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Helena's House Project		2,000		_	

The government is providing additional funding of \$2 million in 2023-24 to BestLife Incorporated for the Helena's House project to support the safe transition of young people with a disability from the family home to a living solution of their choice.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Queensland Housing Strategy 2017-2027 - Supply of Social Housing		1,475			

The government is providing increased funding of \$1.5 million in 2023-24 to maintain dwellings for social housing that would have otherwise been sold.

The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Stronger Communities Initiative: Early Action Groups		287	545		

The government is providing increased funding of \$832,000 over 2 years to extend the Townsville Early Action Group and expand to Cairns and Mount Isa to help break the cycle of youth crime by dealing with underlying issues that lead some young people to offend including poor school attendance, mental health concerns, drug and substance misuse, domestic violence, and family dysfunction. This forms part of total increased funding of \$5.1 million over 3 years for the Early Action Groups.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Hear her voice - Report 2 - Reintegrating Women and Girls into the Community		124	590	3,533	3,551

The government is providing increased funding of \$7.8 million over 4 years and \$3.6 million per annum ongoing to support reintegrating women and girls into the community. Total funding for this program is \$8 million over 4 years, with funding of up to \$196,000 is being met internally by the department. This program will support the review of the Absence from your Home policy and expansion of the Next Step Home program for women and girls.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report Two - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper and in the Department of Justice and Attorney-General and Queensland Corrective Services sections of this chapter.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
for Homes					

The government has provided additional funding of \$500,000 in 2022-23 to Homes for Homes to contribute towards social and affordable housing, with funding allocated from a whole-of-government provision.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$'000
Housing Summit Outcomes					

The government is providing funding of \$45.2 million over 2 years as part of the Queensland Housing Summit outcomes to expand housing supply and increase housing support. This includes increased funding of \$5 million in 2022-23 for the Immediate Housing Response package.

This forms part of the government's total funding of \$56 million over 2 years to deliver outcomes from the Queensland Housing Summit with funding allocated from a whole-of-government provision.

Department of Justice and Attorney-General

		2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$'000
Res	ponse to the Commission of Inquiry Relating to the Crime and Corruption					
C	Commission	950	8,293	8,479	7,736	6,922

The government is providing increased funding of \$32.4 million over 5 years and \$6.4 million per annum ongoing to implement the Government response to the Commission of Inquiry Relating to the Crime and Corruption Commission and other reforms to enhance the operations of the Crime and Corruption Commission (including \$20.8 million over 5 years and \$3.4 million per annum ongoing for the Crime and Corruption Commission).

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Supporting escalating workloads within the District Court of Queensland		8,205	8,408	8,614	8,812

The government is providing increased funding of \$34 million over 4 years and \$8.8 million per annum ongoing to address sustained growth in demand in the criminal justice system (including \$17 million over 4 years and \$4.4 million per annum ongoing for Legal Aid Queensland).

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Legal Aid Queensland - Extension of Protected Witness Scheme		4,595	4,641	4,677	4,708

The government is providing increased funding of \$18.6 million over 4 years and \$4.7 million per annum ongoing for Legal Aid Queensland to meet demand arising from extension of the protected witness scheme to domestic and family violence victim-survivors.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$`000
Domestic, Family and Sexual Violence Investment Review Outcomes		3,700	13,200	20,700	20,700

The government is providing increased funding of \$58.3 million over 4 years and \$20.7 million per annum ongoing to address gaps in domestic, family and sexual violence service provision and to meet the immediate demand in the sector.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$'000
Coroners Court of Queensland - Sustainable Resourcing		3,639	3,796	5,687	5,790

The government is providing additional funding of \$18.9 million over 4 years and \$5.8 million per annum ongoing to support sustainable resourcing and to meet community expectations of comprehensive and timely coronial investigations.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$'000	\$'000	\$'000	\$'000
Forensic DNA Commission of Inquiry	459	3,422	3,458	3,487	3,011

The government is providing additional funding of \$3.8 million over 5 years to the Director of Public Prosecutions to assess witness statements and manage cases in a timely manner.

The government is also providing \$10 million over 4 years for victim support services.

This forms part of the government's total funding package of \$105.3 million over 5 years and \$10.2 million per annum ongoing for immediate measures in response to the Commission of Inquiry into Forensic DNA Testing in Queensland.

Further details can be found in the Queensland Health section of this chapter.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$'000
Hear her voice - Report 2 - Support for victim-survivors through their criminal justice					
journey	518	3,074	3,252	2,964	2,835

The government is providing additional funding of \$12.6 million over 5 years and \$2.6 million per annum ongoing to support victimsurvivors through their criminal justice journey. A further \$3.6 million (\$597,000 per annum ongoing) is being met internally by the department. This includes to pilot a statewide victim advocate service; develop a 5-year sexual violence service system strategic investment plan; implement a victim-centric, trauma-informed service model for responding to sexual violence; embed a system of safe pathways for victim survivors of sexual violence across the criminal justice systems; establish a victim's commissioner, consider establishment of an independent sexual violence case review board; and to review policies, guidelines and court models to ensure the needs of women and girls are met.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$'000	\$'000	\$'000
Hear her voice - Report 2 - Treatment of victim-survivors in trials for sexual offences	635	2,377	1,804	1,253	1,296

The government is providing additional funding of \$7.4 million over 5 years and \$1.3 million per annum ongoing to improve the safety and experience of victim-survivors in trials for sexual offences. A further \$877,000 over 5 years and \$130,000 per annum ongoing is being met internally by the department. This includes improving the safety for all victim-survivors of sexual violence when attending courts; and ensuring that victim-survivors of sexual violence have access to legal information and advice. The capital component of the measure can be found in Chapter 3 Capital Measures.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Hear her voice - Report 2 - Prosecution response to victim-survivors of sexual violence		1,954	1,978	2,037	2,087

The government is providing additional funding of \$8.1 million over 4 years to support prosecution responses to victim-survivors of sexual violence. This includes training for all legal staff who work with victim-survivors of sexual violence within the Office of the Director of Public Prosecutions, Police Prosecution Corps, and legal assistance services and to review, update and publish the memorandum of understanding relating to the investigation and prosecution of sexual violence cases.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$`000
Hear her voice - Report 2 - Jury directions and the use of expert evidence in trials for					
sexual offences		1,837	2,607	2,516	

The government is providing additional funding of \$7 million over 3 years to better understand the use of jury directions and expert evidence in trials for sexual offences. This includes trialling and evaluating a pilot expert evidence panel for sexual offence proceedings.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Hear her voice - Report 2 - Adult Restorative Justice Program		1,549	1,557		

The government is providing increased funding of \$3.1 million over 2 years to deliver timely adult restorative justice conferencing to address demand.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in Hear her voice - Report Two - Women and girls' experiences across the criminal justice system. Further details on this package are in Chapter 1 of this paper.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$'000	2026-27 \$`000	
Hear her voice - Report 2 - Community attitudes to sexual violence and consent	250	1.286	500	500		

The government is providing additional funding of \$2.5 million over 5 years, to implement a primary prevention-focused community education campaign to improve awareness and understanding about sexual violence and consent. A further \$821,000 is being internally met by the department.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$`000	\$`000
Hear her voice - Report 2 - Barriers to reporting sexual violence	100	800	500	500	

The government is providing additional funding of \$1.9 million over 4 years (with a further \$1.5 million being met internally by the department) to address barriers to reporting sexual violence. This includes for a review of the reasonable excuses listed in section 229BC(4) of the Criminal Code; and community awareness campaign targeting youth, and sexual assault and health services about the failure to report offence.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$'000	\$'000
Hear her voice - Report 2 - Data, investment, evaluation and implementation	280	545	1,714	2,257	

The government is providing increased funding of \$4.8 million to support data, investment, evaluation and implementation activities. A further \$33.8 million is being met internally by the department with \$864,000 per annum ongoing. This includes to develop a plan to replace the Queensland Wide Inter-linked Courts database with a contemporary and innovative database; improve data analytics capability across the courts and legal process; develop a whole-of-government monitoring and evaluation framework; and expand the role of the independent implementation supervisor to include responsibility to oversee implementation of Report 2 recommendations.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Hear her voice - Report 2 - Restorative justice for victims of sexual violence		500		_	400

The government is providing additional funding of \$900,000 over 4 years for restorative justice for victims of sexual violence. This includes the development of options for a sustainable long-term plan for the expansion of adult restorative justice in Queensland; and a pilot restorative justice program for adult sexual and domestic and family violence offences.

Further details can be found in the Department of Youth Justice, Employment, Small Business and Training section of this chapter. This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Hear her voice - Report 2 - Women and girls' experiences of the legal and court system		409	516	2,406	2,466

The government is providing additional funding of \$5.8 million over 4 years and \$2.5 million per annum ongoing to improve women and girls' experiences of the legal and court system. A further \$1 million over 5 years and \$194,000 per annum ongoing is being met internally by the department.

This includes: exploring establishment of an independent legal assistance program in women's correctional facilities; funding for Legal Aid Queensland, and other community legal services or lawyers to provide legal advice and representation to women; to consider future program developments to improve how the Queensland Drug and Alcohol Court is meeting the needs of women, informed by the recommendations of an independent evaluation; and in consultation with the Chief Magistrate, pilot an approach for women participants on the Court Link program that addresses their underlying needs while they are on bail.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Hear her voice - Report 2 - Improving court management of sexual offence cases			604	564	373

The government will provide additional funding of \$6.5 million over 3 years (\$5 million of this held centrally) and \$1.3 million per annum ongoing (held centrally) with a further \$110,000 being met internally by the department for improving court management of sexual offence cases.

This includes for the consideration of a specialist list and to design and implement a pilot of voluntary case conferencing model in sexual violence cases in the District Court of Queensland; to identify opportunities for courts to improve efficiency and timeliness; and exploring options to provide information to judicial officers and lawyers in the Supreme and District Courts of Queensland regarding the laws and procedures for sexual violence cases.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

Hear her voice - Report 2 - Limitations on publishing the identity of victims and accused	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$'000
people	—		333	—	

The government will provide additional funding of \$333,000 to address limitations on publishing the identity of victims and accused persons. This includes the development of a guide for the media to support responsible reporting of sexual violence.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Hear her voice - Report 2 - Reintegrating women and girls into the community					

Funding of \$102,000 in 2023-24 will be met internally by the department to support reintegrating women and girls into the community. This includes the consideration of options to develop tailored, accessible resources for women in custody.

Further details can be found in Department of Housing and Queensland Corrective Services section of this chapter. This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$`000
Hear her voice - Report 2 - Women and girls' experiences in watchhouses, on remand,					
and when applying for bail				—	

The government is providing increased funding of \$5.7 million over 4 years, held centrally, and \$1.7 million per annum ongoing to improve women and girls' experiences in watchhouses, on remand, and when applying for bail. This includes for the expansion of the provision of early bail support programs and early intervention services for women and girls to areas beyond Southeast Queensland.

This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$`000
Youth Justice Investment - Fast-track sentencing	2,089	5,590	1,266		

The government is providing additional funding of \$8.9 million over 3 years to deliver a fast-track sentencing pilot in 4 locations for 18 months to address delays in court proceedings through proactive case management of matters (including \$4.7 million for Legal Aid Queensland).

This forms part of total additional funding of \$16.5 million over 4 years for these pilots.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Enhanced Assistance for Victims of Crime		2,653	2,080	2,117	2,150

The government is providing increased funding of \$9 million over 4 years to support victims of violent crime, including victims of domestic and family violence, and to assist in more effectively responding to the victims of property crime where violence or a threat of violence has occurred.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$'000	2026-27 \$`000
Youth Justice Investment - Townsville Community Youth Response: High Risk Youth					
Court		2,234	2,300	_	

The Government is providing increased funding of \$4.5 million over 2 years to continue the specialist court established in 2017 as part of the Townsville Community Youth Response.

This forms part of total increased funding of \$8 million over 2 years for the Townsville High Risk Youth Court.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$`000	\$`000
Youth Justice Investment - Strengthen Bail Laws: Resourcing		1,985	2,045		

The government is providing additional funding of \$4 million over 2 years to strengthen youth justice bail laws introduced by the Youth Justice and Other Legislation Amendment Bill 2021.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Youth Justice Investment - Youth Justice Reinvestment		1,250	1,250	1,250	1,250

The government is providing additional funding of \$5 million over 4 years from 2023-24 to establish community-led, place-based justice reinvestment initiatives to address the underlying causes of youth crime.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Queensland Worker Screening Program	395	2,759	1,838	1,727	

The government is providing additional funding of \$6.7 million over 4 years to undertake transition and implementation activities to co-locate and co-administer worker screening checks.

	2022-23 \$'000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$`000
Strengthening Timely Access to Civil Justice for Vulnerable and Everyday					
Queenslanders	—	2,607	3,523	3,567	3,658

The government is providing increased funding of \$13.4 million over 4 years and \$1.2 million per annum ongoing, with a further \$1.5 million (\$386,000 per annum ongoing) being met internally by the department, for the Queensland Civil and Administrative Tribunal to address increasing demand, wait times and meet service demand pressures and deliver an efficient and sustainable civil system for vulnerable Queenslanders.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$`000
Body Corporate and Community Management - contemporary service delivery to					
address demand growth in the community titles sector		1,493	1,010	1,041	

The government is providing increased funding of \$3.5 million over 3 years to support the implementation of community titles legislation reform in an environment of continued significant sector growth and increasing dispute resolution pressure.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$`000
Queensland Human Rights Commission - Addressing complaint management resourcing					
requirements		1,318			

The government is providing increased funding of \$1.3 million for 2023-24 to enhance capacity in frontline services to manage complaints and enquiries. This will provide the additional support and relief needed by preventing further increases to wait times.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Implementation of Cabinet Proactive Release		1,016	1,016	1,016	1,016

The government is providing additional funding of \$4.1 million over 4 years and \$1 million ongoing per annum to implement the Proactive Release Policy.

This forms part of the government's total funding commitment of \$50.8 million over 5 years from 2022-23 (\$13.5 million held centrally), with \$11.5 million ongoing, to deliver a package of reforms to improve integrity, accountability and transparency in government decisions and enhance the role of the Public Sector Commission and provide greater independence to integrity bodies, including the Office of the Queensland Integrity Commissioner. These reforms deliver on the recommendations in the report by Professor Coaldrake AO, *Let the Sunshine In: Review of culture and accountability in the Queensland public sector*, and the report by Mr Kevin Yearbury PSM, *Strategic Review of the Integrity Commissioner's Functions*.

Further details can be found in the Department of the Premier and Cabinet (including the Office of the Queensland Integrity Commissioner), the Public Sector Commission, and the Office of the Queensland Ombudsman sections of this chapter.

	2022-23 \$'000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$`000	
Blue Card Services - Demand Management		896		_		

The government is providing increased funding of \$896,000 in 2023-24 to address the increase in service demand pressures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$'000	\$'000	\$'000
Strengthen casino oversight and regulation		750			

The government is providing additional funding of \$750,000 to progress the design and implementation of a casino levy to cover the costs of casino regulation.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Office of the Information Commissioner - Demand Pressures		736	765	796	828

The government is providing increased funding of \$3.1 million over 4 years and \$828,000 per annum ongoing to respond to the current and continuing increased demand for services.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Child Safe Standards and Reportable Conduct Scheme	179	373	194		

The government is providing additional funding of \$746,000 over 3 years to continue project implementation work and \$10 million per annum ongoing from 2023-24, held centrally, to support establishment of a Reportable Conduct Scheme and support implementation of the Child Safe Standards by non-government institutions.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Increased funding to support the community legal sector		336	336		

The government is providing increased funding of \$672,000 over 2 years to support the Queensland Coronial Legal Service in the provision of legal assistance to bereaved families involved in coronial processes.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$`000
Office of the Independent Implementation Supervisor for Commission of Inquiry into					
Queensland Police Service Responses to Domestic and Family Violence	—	329	335	342	348

The government is providing additional funding of \$1.4 million over 4 years for the Office of the Independent Implementation Supervisor to oversee the government's response to the Commission of Inquiry into Queensland Police Service Responses to Domestic and Family Violence.

This forms part of the government's total funding package of \$100 million, held centrally, to implement the Queensland Government's response to A Call for Change Commission of Inquiry into Queensland Police Service responses to domestic and family violence. This investment will support a whole of government effort to deliver more victims liaison officers, more domestic and family violence support workers in police stations, more specialist domestic and family violence officers and more specialist police prosecutors. Further details of this package can be found in the Queensland Police Service section of this chapter.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Queensland Human Rights Commission - Complaints Management System			50	50	50

The government is providing increased funding of \$150,000 over 3 years and \$50,000 per annum ongoing to deliver a complaint management system that will enable the delivery of information and services to clients.

The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$'000	\$'000
Safe Night Precincts	_				

Funding of up to \$1 million per annum ongoing is being provided from the Gambling Community Benefit Fund to support the Safe Night Precinct program and implement initiatives specifically targeting women's safety in and around licensed venues.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Victim Liaison Services			808	830	851

The government will provide increased funding of \$2.5 million over 3 years and \$851,000 per annum ongoing to deliver victim liaison services and support information and referral services for victims of crime.

Department of Regional Development, Manufacturing and Water

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Toowoomba Water Treatment to Four Communities		5,250	6,000	3,000	750

The government is providing additional funding of \$15 million over 4 years for the construction of water treatment and supply works to the communities of Cambooya, Greenmount, Nobby and Clifton.

This forms part of the more than \$300 million funding for the Toowoomba to Warwick Pipeline project.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Hydrogen Water Requirements in Gladstone - Detailed Business Case		4,000	4,000	_	

The government is providing additional funding of \$8 million over 2 years to develop a detailed business case for the preferred long-term bulk water supply source to meet the hydrogen industry's water requirements in Gladstone post 2030.

	2022-23 \$`000	2023-24 \$`000	2024-25 \$`000	2025-26 \$`000	2026-27 \$'000
Strengthening First Nations Peoples' Inclusion and Economic Development in Water					
Management		3,838	3,886	3,933	

The government is providing additional funding of \$11.7 million over 3 years for the development of a Water for First Nations Strategy and to develop effective strategies for engagement with First Nations Peoples on water planning and other decision-making.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$`000	\$'000
Grow Manufacturing Capacity through Energy Programs in Queensland	55	2,717	2,728	2,438	962

The government is providing additional funding of \$8.9 million over 5 years to implement energy efficiency measures for small to medium manufacturing enterprises and undertake detailed analysis of wind farm supply chains.

This forms part of the government's Queensland Energy and Jobs Plan.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Urban Water Risk Assessment - Stage 1		2,578			

The government is providing additional funding of \$2.6 million to complete rapid and detailed assessments of drinking water and water security risks to regional and remote communities.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Southern Downs Smart Reticulation and Network Monitoring	1,700	1,700	2,975	1,700	425

The government is providing additional funding of \$8.5 million over 5 years for installation of water monitoring across the Southern Downs reticulation network to identify where water is being lost or extracted.

This forms part of the more than \$300 million funding for the Toowoomba to Warwick Pipeline project.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$`000
Advanced Robotics in Manufacturing (ARM) Hub		621	2,200	2,200	2,200

The government is providing increased funding of \$7.2 million over 4 years (\$8.8 million over 5 years) to continue operational support to the ARM Hub.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Irrigation Pricing Discount and Cap		600	22,200		

The government is providing increased funding of \$22.8 million over 2 years to continue the government's election commitment to discount irrigation prices by 15 per cent for one additional year and as a result of the decision to cap all Sunwater and Seqwater irrigation prices at Queensland Competition Authority assessed cost recovery levels from 2023-24.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$`000	\$'000
Fitzroy to Gladstone Water Pipeline Administration	30	300	585	585	

The government is providing additional funding of \$1.5 million over 4 years to facilitate delivery of the Fitzroy to Gladstone water pipeline and manage state interests and risks relating to its delivery.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
River Improvement Trusts		300			

The government is providing increased funding of \$300,000 to continue operational support for River Improvement Trusts.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Toowoomba to Warwick Pipeline Administration	50	200	300	300	150

The government is providing additional funding of \$1 million over 5 years to facilitate delivery of the Toowoomba to Warwick Pipeline and manage state interests and risks relating to its delivery.

Department of Resources

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Abandoned Mine Sites Program		13,425	6,000		

The government is providing increased funding of \$19.4 million over 2 years to continue decommissioning activities at the underground coal gasification project sites at Hopeland (formerly Linc Energy) and Bloodwood Creek (formerly Carbon Energy), and manage safety, health and environmental risks at other high-risk abandoned mine sites. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$`000
Enhanced Vegetation Compliance		1,573	2,679	2,743	2,798

The government is providing additional funding of \$9.8 million over 4 years to implement an enhanced vegetation compliance model to reduce emissions from unexplained land clearing as part of the government's commitment to achieve emissions reductions targets.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$'000	\$'000
Frontier Gas Exploration Program		517	20,528	_	

The government is providing additional funding of \$21 million over 2 years to implement the Frontier Gas Exploration grants program to support appraisal activities to unlock significant gas resources in the Bowen and Galilee basins.

Department of State Development, Infrastructure, Local Government and Planning

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$`000	\$`000	\$'000
Resources Community Infrastructure Fund		118,200			

The government is providing increased funding of \$118.2 million in 2023-24 for Round 3 of the Resources Community Infrastructure Fund.

This brings the government's commitment for Round 3 to \$120 million, with total funding of \$220 million over 5 years for the Resources Community Infrastructure Fund, in partnership with industry, to support improvements in economic and social infrastructure across Queensland's resources communities. Further detail can be found in the Department of Transport and Main Roads section of this chapter.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$'000
Industry Partnership Program		53,539			

The government is providing increased funding of \$53.5 million to expand the Industry Partnership Program to incentivise emerging industries, target supply chain gaps, create jobs and strengthen Queensland's economy though the transition to decarbonisation.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Disaster Resilience		28,543	28,543	14,272	_

The government is providing additional funding of \$131.4 million over 3 years, including \$60 million held centrally, subject to further government consideration, from the Disaster Recovery Funding Arrangements Efficiencies jointly funded by the Queensland and Australian Governments. This will deliver a suite of programs and projects to enhance Queensland's disaster resilience, mitigate risk and create stronger and safer communities.

This forms part of the government's total investment of \$152 million from the Disaster Recovery Funding Arrangements Efficiencies. Further detail can be found in the Department of Energy and Public Works section of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$'000	\$'000
Indigenous Council Funding Program		25,800			

The government is providing additional funding of \$25.8 million for the Indigenous Council Funding Program initiative to support the sustainability challenges facing Indigenous local governments and assist in the delivery of essential local government services.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Regional Industrial Land Improvement Program		15,000	20,000	10,000	

The government is providing additional funding of \$45 million over 3 years for the Regional Industrial Land Improvement Program to develop land in Mackay and support the development of the hydrogen industry in Gladstone.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Sanofi Translational Science Hub	5,440	12,240	12,240	14,520	11,800

The government is providing additional funding of \$65 million over 6 years to establish a world-first research centre in Brisbane. The \$280 million Translational Science Hub will be established under an agreement between Sanofi, the University of Queensland, Griffith University and the Queensland Government.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Resilient Homes Fund		8,257	8,257	4,128	

The government is providing increased funding of \$20.6 million over 3 years from the Disaster Recovery Funding Arrangements Efficiencies, jointly funded by 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 total investment of \$152 million from the Disaster Recovery Funding Arrangements Efficiencies. Further detail can be found in the Department of Energy and Public Works section of this chapter.

2	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Queensland Energy and Jobs Plan	_	6,850	16,850	32,000	50,000

The government is providing additional funding of \$205.7 million over 5 years including \$200 million to establish the Regional Economic Futures Fund, \$1.7 million to investigate renewable energy precincts and recycling and manufacturing opportunities and \$4 million to advance Queensland's bioenergy future by supporting technical studies into options to expand bioenergy generation. These programs are part of the Queensland Energy and Jobs Plan.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Rockhampton Regional Council (Mount Morgan Water Supply)	5,400	5,400			

The government is providing additional funding of \$10.8 million over 2 years to support the Rockhampton Regional Council to transport drinking water from the Gracemere Water Treatment Plant to the Mount Morgan Water Treatment Plant.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
South East Queensland Digital Twin		5,000			

The government is providing additional funding of \$5 million to deliver a pilot on 2032 venues, precincts and transport connections as proof-of-concept for the South East Queensland Digital Twin.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Housing Site Investigations		4,000	3,500		

The government is providing additional funding of \$7.5 million over 2 years to support Economic Development Queensland to undertake detailed site investigations of mixed tenure residential and housing developments, including social and affordable housing.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Barcaldine Renewable Energy Zone		3,500	3,500		

The government is providing additional funding of \$7 million over 2 years to support the establishment of the Barcaldine Renewable Energy Zone precinct.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Kenrick Park Masterplan Stage 1		3,000			

The government is providing additional funding of \$3 million for the delivery of the Kenrick Park Masterplan Stage 1, including site preparation, service connection, recreational infrastructure and arboretum, subject to matched funding from Cairns Regional Council.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Regional Infrastructure Plans		2,100	437	536	538

The government is providing additional funding of \$3.6 million over 4 years to support the delivery of regional infrastructure plans throughout Queensland and the development of a robust benefits realisation and evaluation framework.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Office of the Independent Assessor	_	1,702	1,684	1,744	1,764

The government is providing increased funding of \$6.9 million over 4 years and \$1.8 million per annum ongoing, to support the delivery of recommendations from the State Development and Regional Industries Committee *Inquiry into the Independent Assessor and councillor conduct complaints system*.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Trinity Beach Community Activity Space		935			

The government is providing additional funding of \$935,000 for the delivery of the Trinity Beach Community Activity Space to create a space for residents to connect, gather, learn, share and play, subject to matched funding from Cairns Regional Council.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Currumbin Eco-Parkland		875	882	889	550

The government is providing increased funding of up to \$3.8 million over 5 years for the Currumbin Eco-Parkland. This forms part of the government's total funding of \$46 million over 5 years to support the Currumbin Eco-Parkland.

Further details can be found in the Department of Environment and Science section of this chapter. The capital component of this measure can be found in Chapter 3 Capital measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Torres Strait Ferry Funding Program		500			

The government is providing additional funding of \$500,000 to support the Torres Strait Island Regional Council's critical maintenance activities and ensure continuity of ferry services for the local community.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Cairns Shipyards Upgrades					

The government is providing additional funding of \$12 million over 2 years from 2023-24, held centrally, for use by existing Cairns shipyards to upgrade facilities within the Cairns Marine Precinct, subject to matched industry funding and satisfactory business cases.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$'000	\$`000
Emergency Management Reforms - Queensland Reconstruction Authority					

The government is providing increased funding for the Queensland Reconstruction Authority, held centrally, to continue to improve Queensland's preparedness and response to emergency and disaster events.

This forms part of the government's total funding package of up to \$578 million (\$493.2 million held centrally) over 5 years and \$142 million per annum ongoing, to deliver enhanced emergency and fire services for a safer Queensland.

The government's investment, in response to the Independent Review of Queensland Fire and Emergency Services, will provide for an uplift of over 500 full time emergency services staff, the establishment of a new Queensland fire department and provide support for our volunteers in Marine Rescue Queensland, the State Emergency Service and the Rural Fire Brigade. Implementation of these reforms is being overseen by the Reform Implementation Taskforce, including developing the ongoing operating and funding models beyond 2023-24.

Further details can be found in Chapter 3 Capital Measures of this paper and in the Queensland Police Service and Queensland Fire and Emergency Services sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
ShapingSEQ					

The government is providing additional funding of \$2.5 million over 2 years to review the South East Queensland Regional Plan (ShapingSEQ), to ensure land and housing supply settings are fit for purpose and responsive to current growth, and to provide for an enhanced framework to engage with councils to accelerate the delivery of increased housing.

This forms part of the government's total funding of \$56 million over 2 years, with funding allocated from a whole-of-government provision, to deliver outcomes from the Queensland Housing Summit.

	2022–23 \$*000	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000	
ing Diversity						

The government is providing additional funding of \$3.5 million in 2023-24 for a community engagement campaign in partnership with local government and industry. Funding of \$1.5 million over 2 years is being met internally by the department to complete the program. Total funding to Support Housing Diversity is \$5 million over 2 years from 2022-23.

This forms part of the government's total funding of \$56 million over 2 years, with funding allocated from a whole-of-government provision, to deliver outcomes from the Queensland Housing Summit.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Toowoomba to Warwick Pipeline	1,500				

The government has provided additional funding of \$1.5 million for operational costs associated with the Toowoomba to Warwick Pipeline compulsory land acquisitions.

Department of the Premier and Cabinet

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Brisbane 2032 Coordination Office		36,841	19,104	19,942	24,373

The government is providing additional funding of \$100.3 million over four years and \$13.6 million per year ongoing from 2027-28, for delivering the Brisbane 2032 Games. The Brisbane 2032 Coordination Office will oversee key aspects of Games preparations. This includes planning and designing infrastructure like venues and athletes' villages, as well as transport, environment, legacy, First Nations and security. The Coordination Office will also work closely with the Organising Committee for the Brisbane 2032 Olympic and Paralympic Games to ensure Government meets its contractual commitments to the International Olympic Committee.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Screen Queensland - Production Attraction Strategy		28,000	_		

The government is providing increased funding of \$28 million for the Production Attraction Strategy to help grow a pipeline of large-scale film and high-end television productions in Queensland.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Screen Queensland - Post, Digital and Visual Effects		8,000			

The government is providing increased funding of \$8 million to continue the Post, Digital and Visual Effects (PDV) incentive to harness the economic, industry and employment benefits of Queensland's PDV industry.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Screen Queensland - Digital Games Program		2,000			

The government is providing increased funding of \$2 million in 2023-24 for the Digital Games Program, designed to harness the economic, industry and employment benefits of Queensland's growing games industry. Funding of \$2 million in 2023-24 is being met internally by Screen Queensland, bringing total funding for this program to \$4 million in 2023-24.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Screen Queensland - Aboriginal and Torres Strait Islander Screen Program		500			

The government is providing additional funding of \$500,000 to develop an Aboriginal and Torres Strait Islander Screen Program to build, expand and empower Queensland's Aboriginal and Torres Strait Islander screen industry.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$`000
Implementation of the Cabinet Proactive Release		2,338	1,210	1,248	1,277

The government is providing additional funding of \$6.1 million over four years and \$1.3 million per annum ongoing to implement the Coaldrake Report recommendation that Cabinet material be proactively released, including \$649,000 in 2023-24 to support the continuation of the Integrity Reform Taskforce.

This forms part of the government's total funding commitment of \$50.8 million over 5 years from 2022-23 (\$13.5 million held centrally), with \$11.5 million ongoing, to deliver a package of reforms to improve integrity, accountability and transparency in government decisions and enhance the role of the Public Sector Commission and provide greater independence to integrity bodies, including the Office of the Queensland Integrity Commissioner. These reforms deliver on the recommendations in the report by Professor Coaldrake AO, *Let the Sunshine In: Review of culture and accountability in the Queensland public sector*, and the report by Mr Kevin Yearbury PSM, *Strategic Review of the Integrity Commissioner's Functions*.

Further details can be found in the Public Sector Commission, the Department of Justice and Attorney-General and the Office of the Queensland Ombudsman sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Screen Queensland - Studios Hemmant		2,000	2,000	3,000	

The government is providing increased funding of \$7 million over 3 years to continue the operation of the Screen Queensland Studios in Hemmant.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$`000
All hazards disaster and crisis management capability		1,000	1,000	1,000	1,000

The government is providing additional funding of \$4 million over 4 years and \$1 million ongoing to enhance the all hazards disaster and crisis management capability.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$`000
Demand for Legislative drafting, editing, and publishing services		886	908	937	961

The government is providing increased funding of \$3.7 million over 4 years and \$961,000 per annum ongoing to the Office of the Queensland Parliamentary Counsel to meet demand for legislative drafting, editing, and publishing services.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$`000
Domestic and Family Violence (DFV) Prevention Council		849	1,154	1,167	283

The government is providing increased funding of \$3.5 million over 4 years for the continuation of monitoring and evaluation activities and to support the operation of the DFV Prevention Council, for the remainder of the DFV Strategy 2016-2026.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Queensland Integrity Commissioner reforms		676	471	495	501

The government is providing additional funding of \$4.1 million over 5 years from 2022-23, including \$2 million held centrally, and \$958,000 per annum ongoing from 2027-28 to enhance the functions of the Office of the Queensland Integrity Commissioner (OQIC) in relation to capability and competency building across the public sector and support the OQIC's independence.

This forms part of the government's total funding commitment of \$50.8 million over 5 years from 2022-23 (\$13.5 million held centrally), with \$11.5 million ongoing, to deliver a package of reforms to improve integrity, accountability and transparency in government decisions and enhance the role of the Public Sector Commission and provide greater independence to integrity bodies, including the Office of the Queensland Integrity Commissioner. These reforms deliver on the recommendations in the report by Professor Coaldrake AO, *Let the Sunshine In: Review of culture and accountability in the Queensland public sector*; and the report by Mr Kevin Yearbury PSM, *Strategic Review of the Integrity Commissioner's Functions*.

Further details can be found in the Public Sector Commission, the Department of Justice and Attorney-General and the Office of the Queensland Ombudsman sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$`000
Queensland Community Forum Program		451	643		

The government is providing increased funding of \$1.1 million over 2 years to expand the Queensland Community Forum Program to support the Gold Coast and Sunshine Coast regions. Funding of \$200,000 is being met internally by the department.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$'000	2026–27 \$'000
Youth Justice Investment - Early intervention and prevention coordination					
in Mount Isa and Toowoomba	—	400		—	—

The government is providing additional funding of \$400,000 to scope and support enhanced coordination of youth justice, early intervention and prevention services in Mount Isa and Toowoomba.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Office of the Governor		381	369	277	284

The government is providing additional funding of \$1.3 million over 4 years and \$284,000 per annum ongoing to meet increased Office of the Governor commitments.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Policy Insights Analytical Capability		351	358	369	378

The government is providing increased funding of \$1.5 million over 4 years and \$378,000 per annum ongoing to support the newly established Policy Insights analytical capability function to support a responsive government in developing policy solutions and ensuring better service outcomes for Queensland.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Queensland Remembers Grants Program		164	171	1,526	

The government is providing increased funding of \$1.9 million over 3 years to extend the Queensland Remembers Grants Program.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$`000
Paralympic Centre of Excellence					

The government has committed to providing additional funding of \$44 million, to be held centrally pending finalisation of funding agreements, to support the University of Queensland (UQ) to deliver a world leading Paralympic Centre of Excellence at its St Lucia campus. The Centre will provide a powerful legacy for the Brisbane 2032 Olympic and Paralympic Games, and the paralympic movement more generally, by creating a world-first facility that combines sport, rehabilitation, movement services, research and education facilities all in one space.

The Centre will help facilitate participation and training by para-athletes, which will include international standard sport facilities for all levels of ability, a wheelchair and prosthetics workshop and dedicated testing facilities and world-class research and education facilities.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Youth Justice Investment - Independent Evaluation					

The government is providing additional funding of \$10 million over 3 years, held centrally, to support a comprehensive independent evaluation of the government's youth justice response.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

Department of Tourism, Innovation and Sport

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Tourism and Events Queensland's Funding		53,114	73,123	72,927	72,726

The government is providing increased funding of \$271.9 million over 4 years to deliver on its objectives as required under the *Tourism* and *Events Queensland Act 2012* and to contribute to the delivery of the Towards Tourism 2032: Transforming Queensland's visitor economy future strategy.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Browne Park	2,000	33,000	19,326		

The government is providing additional funding of \$54.3 million over 3 years for stage one of the redevelopment of Browne Park being the home of Rugby League in Central Queensland, and also hosting a range of other sporting and entertainment events.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Tourism Experience and Infrastructure Grants Program		20,000	_		

The government is providing additional funding of \$20 million to support tourism experience development in priority areas with focus on First Nations, sustainability, eco/nature, accessibility and paleo.



	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
2023 Year of Accessible Tourism	1,500	10,500			

The government is providing additional funding of \$12 million over 2 years for the 2023 Year of Accessible Tourism to deliver the Accessible Tourism Fund, increase awareness and capability, and for visitor experience development.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$`000
Sport Infrastructure Program		10,000			

The government is providing additional funding of \$10 million for an Infrastructure Program to support the delivery of priority infrastructure projects that enhance the accessibility, safety, and inclusiveness of community level sport and active recreation infrastructure, including for females and people with disability.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Sport and Recreation Infrastructure		7,000	1,000		

The government is providing additional funding of \$8 million over 2 years to finalise delivery of in progress, approved projects, and to improve Scouts and Girls Guides infrastructure.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
FairPlay		2,384	2,384		

The government is providing increased funding of \$4.8 million over 2 years to expand the FairPlay voucher program to support swimming lessons for 0 to 4 year olds who meet the FairPlay eligibility criteria.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$'000	\$`000	\$'000
Women's Economic Security: Female Founders		2,000	3,000		

The government is providing increased funding of \$5 million over 2 years to expand on the pilot of the Female Founders Co-Investment Fund and the existing Accelerating Female Founders program. This forms part of the government's total funding of \$16.3 million over 4 years for the Women's Economic Security package. Further details on this package are in Chapter 1 of this paper and the Department of Youth Justice, Employment, Small Business and Training and the Queensland Health sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
FIFA Women's World Cup Infrastructure 2023	2,000				

The government has provided additional funding of \$2 million to improve facilities at 5 suburban football grounds to support the FIFA Women's World Cup 2023.

Department of Transport and Main Roads

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Rail Transport Service Contract		132,217	238,070	226,471	226,471

The government is providing increased funding of \$823.2 million over 4 years and \$226.5 million per annum ongoing for Queensland Rail to deliver capital and operational objectives under the Rail Transport Service Contract.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$`000
Remote Community Freight Contracts	650	22,157	17,516	18,367	19,252

The government is providing additional funding of \$77.9 million over 5 years (\$90.7 million over 6 years) to deliver Remote Community Freight Contracts targeting specific freight disadvantage in remote and very remote communities across Queensland.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Camera Detected Offence Program	(1,500)	18,454	23,066	28,274	27,726

The government is providing increased funding of \$96 million over 5 years and \$27.7 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.

This forms part of the government's total funding of \$548.1 million over 5 years, and \$183.5 million per annum ongoing, 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 in the Department of Transport and Main Roads and Queensland Police Service sections of Chapter 3 Capital measures.

	2022–23 \$`000	2023–24 \$`000		2025–26 \$`000	
Translink Network Officers and Third-party Enforcement Program	3,233	13,735	14,216	14,571	14,936

The government is providing increased funding of \$60.7 million over 5 years and \$14.9 million per annum ongoing (indexed annually) for additional Network Officers to improve safety on the bus network.

	2022–23 \$'000	2023–24 \$`000		2025–26 \$`000	2026–27 \$'000
Cyber Security Unit		12,265	13,706	15,645	17,778

The government is providing increased funding of \$59.4 million over 4 years from 2023-24 and \$17.8 million per annum ongoing from 2027-28 to support the permanent function of the Cyber Security Unit.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Regional Urban Bus Service Contracts		11,695	13,472	16,097	16,802

The government is providing increased funding of \$58.1 million over 4 years and \$16.8 million per annum ongoing (indexed annually) to address ongoing operator revenue shortfalls due to COVID-19, and to fund indexation and operator cost increases including increased fuel costs.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Transport Infrastructure Development Scheme		5,950			

The government is providing increased funding of \$6 million for the Transport Infrastructure Development Scheme (TIDS) to provide a 50 per cent boost to the Aboriginal and Torres Strait Islands TIDS funding component and to apply indexation of 2.5 per cent.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Tell Us Once Operational Model		5,665	5,996	5,398	5,514

The government is providing increased funding of \$22.6 million over 4 years for the operational model for the Tell Us Once Platform which provides customers with a single view of government and the flexibility to access online services using an account of their choice.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Zero Emission Bus Program Stage 1		5,000			

The government is providing additional funding of \$5 million for the Zero Emission Bus Program Stage 1, to allow for more detailed investigations into financing strategy and options, ownership and operating models, fleet integration and depot strategy and \$40 million equity funding in 2023-24, held centrally, to progress establishment of Zero Emission Bus depots.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$`000
Long Distance Passenger Rail Program	800	3,400	800		

The government is providing additional funding of \$5 million over 3 years for completion of the Long Distance Passenger Rail Program business case and pre-procurement activities.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$`000	\$`000	\$'000
Specialist School Transport - Replacement, Capacity and Growth Bus Fleet		3,336	285	294	303

The government is providing increased funding of \$4.2 million over 4 years for bus fleet replacement, capacity and growth for Specialist School Transport (SST) and \$52.6 million over 3 years, held centrally, for bus replacement. SST is delivered in Queensland state schools through the School Transport Assistance Scheme for students with disability.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$'000
Cyber Security Partnerships	_	3,322	3,441	3,549	3,756

The government is providing increased funding of \$14.1 million over 4 years to support delivery of cyber security partnerships with local government agencies and statutory bodies in Queensland.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Torres Strait Islands Marine Infrastructure Program	500	2,500	2,500	2,500	2,500

The government is providing additional funding of \$10.5 million over 5 years (\$12.5 million over 6 years) to deliver Stage 1 of the Torres Strait Islands Marine Infrastructure Program. The program will prioritise and deliver marine infrastructure and provide ongoing maintenance in partnership with the councils and communities in the region. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Translink Resourcing		1,330	4,903	3,861	4,187

The government is providing additional funding of \$14.3 million over 4 years and \$4.2 million per annum ongoing (indexed annually) for public transport network transformation. The following projects are shaping the future of the passenger transport network across the state and will impact all aspects of the delivery and management of the passenger transport networks: Smart Ticketing project, Brisbane Metro, Cross River Rail, Gold Coast Light Rail Stage 3, European Train Control System, On Demand Transport, Mobility as a Service and Zero Emission Buses.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Phillips Creek Bridge Replacement Project		1,180	620		

The government is providing additional funding of \$1.8 million over 2 years for the Phillips Creek Bridge Replacement Project as part of Round 3 of the Resources Community Infrastructure Fund. A further \$1.8 million over 2 years will be met internally by the department to complete the project. Total state funding for this project is \$3.6 million over 3 years.

This brings the government's commitment for Round 3 to \$120 million, with total funding of \$220 million over 5 years for the Resources Community Infrastructure Fund, in partnership with industry, to support improvements in economic and social infrastructure across Queensland's resources communities. Further detail can be found in the Department of State Development, Infrastructure, Local Government and Planning section of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Hull Identification Number Program		500	500		

The government is providing additional funding of \$1 million over 2 years for the introduction of permanent recording of a Hull Identification Number for vessels.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$`000	\$'000
Concessions and Rebates Awareness Campaign	3,000				

The government has provided additional funding of \$3 million in 2022-23 to deliver the Concessions and Rebates Awareness Campaign to better inform the community about available Queensland Government rebates and concessions.

		2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Cyber Seeury Suppris	Cyber Security Supports			_		

The government is providing additional funding of up to \$5 million over 2 years from 2023-24, held centrally, to prepare and implement cyber security support initiatives for small to medium enterprises.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Disaster Contact Centre Service Response Capacity				206	

The government is providing increased funding of \$8.8 million over 3 years from 2023-24, including \$8.6 million reallocated from Smart Services Queensland COVID-19 response, to improve the disaster contact centre service response capacity.

In addition, the government has provided additional funding of \$1.5 million in 2022-23, held centrally, to cover any shortfall in disaster contact centre response coverage during disaster events.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
Driver Protection Barrier Retrofit Program			3,000	3,000	3,000

The government is providing additional funding of \$12.7 million over 5 years from 2022-23 for the roll out of driver protection barriers on up to 600 buses, with funding of \$3.7 million met internally by the department.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$'000	\$'000	\$'000
Youngs Crossing Road	15,000				

The government has provided additional funding of \$15 million as the State's contribution towards the Youngs Crossing Road-Dayboro Road intersection being delivered by Moreton Bay Regional Council.

Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Critical Emergency and Food Relief		4,251			

The government is providing increased funding of \$7.6 million to extend and expand food and emergency relief throughout Queensland, including funding of \$3.3 million in 2022-23 which forms part of the Government's total funding of \$56 million over 2 years, with funding allocated from a whole-of-government provision, to deliver outcomes from the Queensland Housing Summit.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Support for Vulnerable Queenslanders		1,205	1,480		

The government is providing increased funding of \$2.7 million over 2 years to extend and expand school breakfast programs delivered by non-government organisations in areas experiencing hardship across Queensland.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$`000
Community Services Resourcing		700			

The government is providing increased funding of \$700,000 in 2023-24 to support core departmental functions in the delivery of community services.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$'000	\$'000
Public Intoxication Program Enhancement		688	1,375		

The government is providing increased funding of \$2.1 million over 2 years for public intoxication diversionary services in Mount Isa.

The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Queensland Men's Shed Association		150	150	150	150

The government is providing increased funding of \$150,000 per annum from 2023-24 as a contribution towards administration costs for Queensland Men's Shed Association (annually indexed).

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Asset Management Model and Maintenance Program		2,875	2,875		

The government is providing additional funding of \$5.8 million over 2 years to progress development of a revised Asset Management Model and undertake urgent and unavoidable maintenance projects at the Queensland Cultural Centre.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Storage for State Cultural Collections - Business Case and Short-Term Storage		2,036	1,624	1,694	

The government is providing additional funding of \$5.4 million over 3 years to fund collections storage requirements for the Arts statutory bodies. This is in addition to funding to complete the business case for long term storage solutions.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
Queensland Cultural Centre - Flood Resilience Program		2,000			

The government is providing additional funding of \$2 million in 2023-24 to complete an options assessment and feasibility study identifying methods of improving Queensland Cultural Centre flood resilience.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Queensland Performing Arts Centre - Strategic Capability Enhancement	_	2,000			

The government is providing increased funding of \$2 million in 2023-24 to the Queensland Performing Arts Centre to continue growth and development of the First Nations initiatives and digital capacity.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$`000
Queensland Museum - First Nations Repatriation Program		872	894	916	939

The government is providing increased funding of \$3.6 million over 4 years (\$4.6 million over 5 years) for the Queensland Museum Network First Nations Repatriation Program, as a vital step on the Path to Treaty.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Queensland Music Network BIGSOUND conference	610	610	610	610	

The government is providing increased funding of \$2.44 million over 4 years to secure a strong future for the Queensland Music Network's annual industry conference and showcase, BIGSOUND.

This is in addition to existing Queensland Government funding of \$1.4 million over 4 years, funded from internal budget sources, bringing the total funding for this initiative to \$3.84 million.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
State Library of Queensland - Vision Australia and Braille House		600			

The government is providing additional funding of \$600,000 in 2023-24 to administer grants to Vision Australia Queensland Library and Braille House to enhance library services for vision impaired Queenslanders.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Queensland Museum - Maintenance Program		335			

The government is providing increased funding of \$335,000 in 2023-24 to undertake urgent and unavoidable maintenance projects at the Queensland Museum.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Connect Queenslanders to Art - Digital Transformation Initiative		200	220	240	260

The government is providing additional funding of \$920,000 over 4 years and \$260,000 per annum ongoing for delivery of systems and programs under the Digital Transformation Initiative.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Cultural Tourism Programming Strategy - Exhibition Funding				2,175	2,229

The government will provide increased funding of \$4.4 million over 2 years from 2025-26 and \$2.2 million ongoing for special exhibitions and events, annually indexed.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$'000
Queensland Museum Network - World Science Festival			3,000	3,000	3,000

The government is providing increased funding of \$9 million over 3 years for the World Science Festival (2025-2027).

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$`000
Aboriginal and Torres Strait Islander Cultural Initiatives		445			

The government will provide increased funding of \$345,000 to review and improve the cultural capability training and resources and \$100,000 to increase Celebrating Reconciliation Grants in line with the launch of the strategy.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
First Nations Economic Development		348	355	362	367

The government is providing additional funding of \$1.4 million over 4 years to support First Nations economic development.

	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Youth Justice Investment - Stronger Communities Initiative: Early Action					
Groups	—	290	551		

The government is providing increased funding of \$841,000 over 2 years to extend the Townsville Early Action Group and expand to Cairns and Mount Isa to help break the cycle of youth crime by dealing with underlying issues that lead some young people to offend including poor school attendance, mental health concerns, drug and substance misuse, domestic violence and family dysfunction. This forms part of total increased funding of \$5.1 million over 3 years for the Early Action Groups.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

Department of Youth Justice, Employment, Small Business and Training

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Youth Detention Centre Operations	12,737	20,222	22,870	25,007	29,015

The government is providing additional funding of \$109.9 million over 5 years and \$29 million per annum ongoing to address non-discretionary budget pressures in existing Youth Detention Centres.

Total funding for this initiative is \$122.4 million over 5 years and \$31 million per annum ongoing. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth Detention Centre Capacity - Addressing Capacity Issues at Youth Detention					
Centres	1,568	14,658	979		

The government is providing increased funding of \$17.2 million over 3 years to address capacity issues at Youth Detention Centres, with a further \$11.6 million reallocated from existing resources.

Funding of \$11.8 million is being used to establish regional response teams and brokerage to provide services and supports to young people detained in watchhouses. \$2.1 million is being used to establish a watchhouse response co-ordination unit. \$1.4 million is being allocated to continue funding Murri Watch to provide advocacy and support services to young people detained in watchhouses. \$4.7 million is being used for an operational implementation team, recruitment and training. \$8.8 million in 2023-24 is provided for continued preliminary work and procurement activities, including sole sourcing options, on the new youth detention centres, to be located at the Woodford Corrections Precinct and near Cairns, and interim options.

The government is providing increased funding of a further \$11.7 million, held centrally, to provide services to support strategies addressing capacity issues at Youth Detention Centres.

This forms part of total increased funding of \$89.7 million over 3 years (\$78.1 million new funding and \$11.6 million from existing resources) to address capacity issues at Youth Detention Centres. Further details can be found in the Department of Education, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Youth Co-responder Teams		24,459	25,219	14,055	14,402

The government is providing increased funding of \$78.1 million over 4 years and \$14.4 million per annum ongoing to continue to deliver and expand the co-responder model to deal with or divert high risk young people including those on bail and those subject to electronic monitoring. This forms part of total increased funding of \$96.2 million over 4 years and \$17.9 million per annum ongoing for the co-responder model.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23 \$'000	2023–24 \$`000	2024–25 \$'000		
Youth Justice Investment - Intensive Case Management		10,690	13,285	3,010	3,084

The government is providing increased funding of \$30.1 million over 4 years and \$3.1 million per annum ongoing to continue and expand service responses to reduce frequency and severity of offending behaviours by young people by addressing risk and enhancing young person and family capacity for pro-social decision making.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Youth Justice Investment - Diversion		7,287	7,333	7,381	7,416

The government is providing increased funding of \$29.4 million over 4 years and \$7.4 million per annum ongoing to provide location specific diversionary responses to youth crime and young people engaging in anti-social behaviour including after-hours support, cultural mentoring, bridging to flexi-school and case management, and alternative opportunities and activities for at-risk young people.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
Youth Justice Investment - Intensive Bail Initiative		6,677	8,054	5,328	5,338

The government is providing increased funding of \$25.4 million over 4 years and \$5.3 million per annum ongoing to continue and expand intensive support to high-risk young people on bail and their families, and provide assistance to aid compliance with bail including young people with an electronic monitoring device as a condition of bail.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth Justice Investment - Empowering communities to develop local solutions to					
youth crime issues		2,500	2,500		

The government is providing increased funding of \$5 million over 2 years to focus on empowering local communities to develop and trial localised responses that address youth offending behaviour and enhance positive connections between young people and their community.

This forms part of increased funding of \$15 million aimed at empowering communities to develop local solutions to youth crime issues and connecting local leaders to prevent and respond to youth crime.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - On Country		2,080	2,080		

The government is providing increased funding of \$4.2 million over 2 years to continue providing culture-based rehabilitation for young First Nations peoples with complex needs in Cairns, Mount Isa and Townsville.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
Youth Justice Investment - Specialist Youth Crime Rapid Response Squad	1,000	2,000	2,000		

The government is providing additional funding of \$5 million over 3 years to engage expert youth justice workers to partner with the Queensland Police Service to establish a Specialist Youth Crime Rapid Response Squad as part of a holistic response to prevent, disrupt and respond to youth crime in hot spot areas around the state. This forms part of total additional funding of \$17.5 million over 3 years for the Specialist Youth Crime Rapid Response Squad.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Fast-track Sentencing	667	1,830	326		

The government is providing additional funding of \$2.8 million over 3 years to deliver a fast-track sentencing pilot in 4 locations for 18 months to address delays in court proceedings through proactive case management of matters. This forms part of total additional funding of \$16.5 million over 4 years for these pilots.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Youth Justice Investment - The Street University Townsville	782	1,596	1,846		

The government is providing additional funding of \$4.2 million over 3 years to provide a safe space for young people in Townsville to engage in vocational and educational workshops, drug and alcohol treatment services, life skills training and mentoring with pathways to further education.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

Youth Justice Investment - Townsville Community Youth Response: High Risk Youth	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$`000
Court	—	1,345	1,345		—

The government is providing increased funding of \$2.7 million over 2 years to continue the specialist court established in 2017 as part of the Townsville Community Youth Response. This forms part of total increased funding of \$8 million over 2 years for the Townsville High Risk Youth Court.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Stronger Communities Initiative: Early Action Groups		728	1,030		

The government is providing increased funding of \$1.8 million over 2 years to extend the Townsville Early Action Group and expand to Cairns and Mount Isa to help break the cycle of youth crime by dealing with underlying issues that lead some young people to offend including poor school attendance, mental health concerns, drug and substance misuse, domestic violence and family dysfunction. This forms part of total increased funding of \$5.1 million over 3 years for the Early Action Groups.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and

the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth Justice Investment - Townsville Stockland and other shopping precincts					
crime prevention program		350	500	—	—

The government is providing additional funding of \$850,000 over 2 years to engage at risk young people in pro-social activities and divert them from crime targeting young people congregating at Stockland and other shopping precincts in Townsville.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Youth Justice Investment - Big Bounce Initiative					

The government is providing additional funding of \$2 million over 2 years from 2023–24, held centrally, to expand the Big Bounce Initiative to provide diversionary programs to youths at risk of offending and rehabilitation programs to youths in detention. Youths identified as at-risk of offending will be provided with access to community basketball clinics, Brian Kerle Academy clinics, peer leadership workshops, mentoring, and assistance with education and employment opportunities. Youth in detention will receive weekly engagement activities through basketball sessions to build trust and rapport with young people, followed by support through an outreach project with intensive case management post release.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum

ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Vocational Education and Training Modernisation and Transformation Program		8,823	15,942	4,987	

The government is providing additional funding of \$29.8 million over 3 years to upgrade and modernise existing government Vocational Education and Training Information and Communication Technology systems.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$`000	\$'000	\$`000
Small Business Support and Wellness Package	2,280	2,980	1,490		

The government is providing additional funding of \$6.8 million over 3 years for a package of initiatives to support the mental health and wellness of small business owners.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$'000	\$`000	\$'000
Queensland Workforce Strategy - Micro-Credentialing	2,950	2,950			

The government is providing increased funding of \$5.9 million over 2 years to extend the Micro-Credentialing Pilot Program to provide increased access to industry-supported short courses.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Women's Economic Security - Women in Trade Apprenticeships Mentoring Program		2,300	2,300		

The government is providing additional funding of \$4.6 million over 2 years to support women undertaking a trade apprenticeship and provide them with a network to improve retention and completion rates, in alignment with the *Good People*. *Good Jobs: Queensland Workforce Strategy 2022-2032*.

This forms part of the government's total funding package of \$16.3 million over 4 years for the Women's Economic Security package. Further details on this package are in Chapter 1 of this paper and the Department of Tourism, Innovation and Sport and the Queensland Health sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Queensland Workforce Strategy - Diverse Queensland Workforce Program	900	2,275	2,275		

The government is providing increased funding of \$5.5 million over 3 years to expand the Diverse Queensland Workforce Program to support migrants, refugees and international students into employment.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Queensland Workforce Strategy - Industry Workforce Advisors	2,100	2,160	2,200		

The government is providing additional funding of \$6.5 million over 3 years for a network of Industry Workforce Advisors to work directly with employers to help them to address workforce challenges, diversify their workforces and support workforce growth.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Queensland Workforce Strategy - Gateway to Industry Schools Program	1,371	1,371	1,371		

The government is providing increased funding of \$4.1 million over 3 years to expand the Gateway to Industry Schools Program to include the hydrogen industry and increase accessibility for individuals and groups that may be underrepresented.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Queensland Workforce Strategy - Implementation Arrangements	1,910	1,280	1,310	800	

The government is providing additional funding of \$5.3 million over 4 years for the implementation arrangements of the Queensland Workforce Strategy.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Queensland Workforce Strategy - Train and Retain	1,133	1,133	1,134		

The government is providing additional funding of \$3.4 million over 3 years to implement new initiatives focussed on supporting apprentices and trainees to complete their training.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Queensland Workforce Strategy - Place-based Skills and Job Creation Initiatives	1,000	1,000	1,000	500	

The government is providing additional funding of \$3.5 million over 4 years to partner with rural and remote communities to deliver place-based skills and job creation initiatives to increase workforce capacity in these locations.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Australian Training Works Group					

The government is providing additional funding of up to \$1 million in 2023-24, subject to determining a final project scope, to the Australian Training Works Group Pty Ltd to assist with the development of the Cairns Indigenous Training Centre.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Hear her voice - Report 2 - Rehabilitating women in prison and girls in detention				1,963	6,846

The government will provide increased funding of \$8.8 million over 2 years from 2025-26 and \$2.5 million per annum ongoing to support rehabilitating girls in detention. This includes funding for the improvement of rehabilitation programs offered to girls, including those on remand.

Further details can be found in the Queensland Corrective Services section of this chapter. This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report Two - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Hear her voice - Report 2 - Restorative justice for victims of sexual violence				180	270

The government will provide additional funding of \$450,000 over 2 years from 2025-26 for restorative justice for victims of sexual violence. This includes funding for the independent review of the use of youth justice conferencing in cases involving sexual offences.

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 \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report Two - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23 \$'000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$'000
Hear her voice Report 2 - Health, wellbeing, prenatal and postnatal care and birth					
experiences in prison and detention	—	—		1,862	3,710

The government will provide additional funding of \$5.6 million over 2 years from 2025-26 and \$3.4 million per annum ongoing to support health, wellbeing, prenatal and postnatal care and birth experiences in detention. These services are funded so as to better meet the health and wellbeing, and disability support needs of girls in custody; and to design and implement culturally appropriate family and parenting support to girls in custody who are mothers.

Further details can be found in the Queensland Corrective Services section of this chapter. This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report Two - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Queensland Workforce Strategy - Group Training Organisation Pre-Apprenticeships					
Program	7,300	—		—	—

The government has provided increased funding of \$7.3 million to expand the Group Training Organisation Pre-Apprenticeships Program to encourage more individuals to complete an apprenticeship and to provide employers with greater access to skilled workers.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

\$*000	\$'000	\$'000	\$'000	\$'000
Queensland Workforce Strategy - Workforce Connect Fund				

Funding of \$20 million over 2 years is being met internally by the department to increase investment in industry and community led projects that address attraction, retention and participation issues within the workforce.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the *Good People. Good Jobs: Queensland Workforce Strategy 2022-2032* to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities. Further details on initiatives can be found in the Department of Education, the Department of Environment and Science and Queensland Treasury sections of this chapter.

Legislative Assembly of Queensland

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Queensland Parliament Digital Transformation Program		268	732	751	253

The government is providing additional funding of \$2.0 million over 4 years and \$253,000 per annum ongoing to replace and modernise business-critical legacy IT systems which directly support the effective operations of the Queensland Legislative Assembly and parliamentary committees.

The capital component of this measure can be found in Chapter 3 Capital Measures.

Office of the Queensland Ombudsman

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$`000
Public Sector Culture and Integrity Reforms		763	1,401	1,418	1,453

The government is providing increased funding of \$5 million over 4 years and \$1.5 million per annum ongoing to enhance the Office of the Queensland Ombudsman's complaints and investigations management capacity.

This forms part of the government's total funding commitment of \$50.8 million over 5 years from 2022-23 (\$13.5 million held centrally), with \$11.5 million ongoing, to deliver a package of reforms to improve integrity, accountability and transparency in government decisions and enhance the role of the Public Sector Commission and provide greater independence to integrity bodies, including the Office of the Queensland Integrity Commissioner. These reforms deliver on the recommendations in the report by Professor Coaldrake AO, *Let the Sunshine In: Review of culture and accountability in the Queensland public sector*; and the report by Mr Kevin Yearbury PSM, *Strategic Review of the Integrity Commissioner's Functions*.

Further details can be found in the Department of the Premier and Cabinet (including the Office of the Queensland Integrity Commissioner), the Public Sector Commission, and the Department of Justice and Attorney-General sections of this chapter.

Public Sector Commission

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$`000
Public Sector Culture and Integrity Reforms	1,429	4,127	4,303	4,504	4,220

The government is providing additional funding of \$18.6 million over 5 years and \$4.2 million per annum ongoing to deliver on the Coaldrake Report recommendations to:

- rejuvenate the public sector
- drive substantial cultural and capability reforms
- reposition the Public Sector Commission as a public service system leader.

This forms part of the government's total funding commitment of \$50.8 million over 5 years from 2022-23 (\$13.5 million held centrally), with \$11.5 million ongoing, to deliver a package of reforms to improve integrity, accountability and transparency in government decisions and enhance the role of the Public Sector Commission and provide greater independence to integrity bodies, including the Office of the Queensland Integrity Commissioner. These reforms deliver on the recommendations in the report by Professor Coaldrake AO, *Let the Sunshine In: Review of culture and accountability in the Queensland public sector*; and the report by Mr Kevin Yearbury PSM, *Strategic Review of the Integrity Commissioner's Functions*.

Further details can be found in the Department of the Premier and Cabinet (including the Office of the Queensland Integrity Commissioner), the Department of Justice and Attorney-General, and the Office of the Queensland Ombudsman sections of this chapter.

Queensland Corrective Services

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Queensland Corrective Services additional prisoner growth funding		51,799	1,628		

The government is providing additional funding of \$53.4 million over 2 years to support and safely manage the demands of a growing prisoner population.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Southern Queensland Correctional Precinct - Stage 2 - Commissioning and					
Maintenance	7,979	13,655	4,706	1,524	788

The government is providing additional funding of \$28.7 million over 5 years for the Southern Queensland Correctional Precinct - Stage 2 commissioning project to design and deliver the commissioning documentation and planning, design and establish the operating processes, and develop the holistic service delivery model for the centre. This includes procurement and contract management of a facility maintenance provider.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Parole Board Queensland		7,556	15,909		

The government is providing increased funding of \$23.5 million over 2 years to enhance Parole Board Queensland operations to enable efficient consideration of parole matters.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Psychological and Disability Services		3,699	3,515	3,624	3,731

The government is providing increased funding of \$14.6 million over 4 years and \$3.7 million per annum ongoing for psychological and disability services resourcing to ensure continuity of core frontline services, uphold human rights, and minimise the risk to community safety.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
In-Cell Technology in Queensland Correctional Centres		2,000			

The government is providing additional funding of \$2 million to explore opportunities for prisoner in-cell technology in correctional centres with self-service capabilities and alternatives for service delivery.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Hear her voice - Report 2 - Treatment in custody, complaints mechanisms and					
oversight	280	1,033	845	742	761

The government is providing additional funding of \$7 million over 5 years from 2022-23 (\$3.4 million held centrally), and \$1.8 million per annum ongoing (\$1 million held centrally) to support treatment in custody, complaints mechanisms and oversight.

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 \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Hear her voice - Report 2 - Health, wellbeing, prenatal and postnatal care and birth					
experiences in prison and detention	70	998	1,038	1,069	1,096

The government is providing additional funding of \$4.3 million over 5 years from 2022-23 and \$1.1 million per annum ongoing to support health, wellbeing, prenatal and postnatal care and birth experiences in prison and detention. This includes the design and implementation of culturally appropriate family and parenting support to women and girls in custody who are mothers; and to better meet the needs of women and girls in custody with their mothers.

Further details can be found in the Department of Youth Justice, Employment, Small Business and Training section of this chapter. This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Hear her voice - Report 2 - Reintegrating women and girls into the community		400	300	309	317

The government is providing increased funding of \$7.4 million over 4 years from 2023-24 (including \$6.1 million held centrally) and \$1.9 million per annum ongoing to support reintegrating women and girls into the community. A further \$379,000 over 4 years from 2023-24 and \$99,000 per annum ongoing is being met internally by the department. This is to:

- implement a scheme to enable safe storage of personal belongings of women and girls in custody
- develop options to better identify girls and women who are at risk of being refused bail and women eligible to apply for parole, to assist them to access accommodation, services and to support their transition from custody
- implement a process to enable women and girls in custody to apply for identification documents so they can have them prior to their release.

Further details can be found in the Department of Housing and Department of Justice and Attorney-General sections of this chapter. This forms part of the government's total funding package of \$225 million over 5 years to respond to recommendations of the Queensland

Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Hear her voice - Report 2 - Sentencing women and girls		315			

The government is providing increased funding of \$7.7 million over 3 years from 2023-24, \$7.4 million (held centrally), and a further \$883,000 is being met internally by the department. This includes to assist with the design and evaluation of a trial of dedicated court advisory services.

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 \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Hear her voice - Report 2 - Rehabilitating women in prison and girls in detention					

The government is providing increased funding of \$31.2 million over 5 years from 2022-23, held centrally, and \$9.2 million per annum ongoing to support rehabilitating women in prison and girls in detention. This includes for the improvement of the provision of rehabilitation programs; and improved access to quality education programs, including online programs.

Further details can be found in the Department of Youth Justice, Employment, Small Business and Training section of his chapter. This forms part of the government's total funding package of \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Gangs Exit Program		543			

The government is providing increased funding of \$0.5 million in 2023-24 to continue to support the Exit program and to scope and assess its expansion into Queensland correctional centres.

The Exit program, established in July 2020, is aimed at preventing Outlaw Motorcycle Gang crime, reducing victims of crime (including those experiencing domestic and family violence) and combating recidivism.

This forms part of the government's total funding of \$1.2 million in 2023-24 to support the Queensland Gangs Exit program. Further details of this package can be found in the Queensland Police Service section of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$`000
Prisoner Capacity and Health Services		358	1,255	1,596	1,443

The government is providing additional funding of \$4.7 million over 4 years for the Enhanced Community Corrections Pilot being piloted initially in Townsville to enhance court advice and prosecution support services to reduce the imprisonment of First Nations peoples, maximise rehabilitative outcomes and put downward pressure on rates of recidivism. Additional funding also provides for the installation of information technology infrastructure in correctional centres to enhance the provision of health care.

The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Youth Justice Investment - Electronic Monitoring					

The government is providing increased funding of \$4 million over 2 years from 2023-24 (held centrally) for the expanded use of electronic monitoring of young offenders on bail.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.9 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Health and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

Queensland Fire and Emergency Services

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$'000	\$`000	\$`000
Emergency Management Reform - State Emergency Service		18,304			

The government is providing increased funding of \$18.3 million in 2023-24 to continue to enhance the State Emergency Service volunteer capability across Queensland. This includes an additional 60 full time equivalent positions provided over 2 years, with 30 recruited in 2023-24. This will bring a total uplift of 105 positions to the State Emergency Service, as part of the government's response.

This forms part of the government's total funding package of up to \$578 million (\$493.2 million held centrally) over 5 years and \$142 million per annum ongoing, to deliver enhanced emergency and fire services for a safer Queensland.

The government's investment, in response to the Independent Review of Queensland Fire and Emergency Services, will provide for an uplift of over 500 full time emergency services staff, the establishment of a new Queensland fire department and provide support for our volunteers in Marine Rescue Queensland, the State Emergency Service and the Rural Fire Service. Implementation of these reforms is being overseen by the Reform Implementation Taskforce including developing the ongoing operating and funding models beyond 2023-24.

Further details can be found in Chapter 3 Capital Measures of this paper and in the Queensland Police Service and Department of State Development, Infrastructure, Local Government and Planning sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Emergency Management Reform - Rural Fire Service		11,989			

The government is providing increased funding of \$12 million in 2023-24 to continue the commitment to uplift Rural Fire Service capability and ensure a sustainable volunteer model across Queensland.

This forms part of the government's total funding package of up to \$578 million (\$493.2 million held centrally) over 5 years and \$142 million per annum ongoing, to deliver enhanced emergency and fire services for a safer Queensland. The government's investment, in response to the Independent Review of Queensland Fire and Emergency Services, will provide for an uplift of over 500 full time emergency services staff, the establishment of a new Queensland fire department and provide support for our volunteers in Marine Rescue Queensland, the State Emergency Service and the Rural Fire Service. Implementation of

these reforms is being overseen by the Reform Implementation Taskforce including developing the ongoing operating and funding models beyond 2023-24. Further details can be found in Chapter 3 Capital Measures of this paper and in the Queensland Police Service and Department of State Development, Infrastructure, Local Government and Planning sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Supporting Our Fire Service Officers	4,583	4,894	5,162	5,291	5,424

The government is providing additional funding of \$19.9 million over 4 years and \$5.4 million per annum ongoing to increase employer superannuation contributions for those fire officers who are statutorily required to retire from employment with Queensland Fire and Emergency Services by the age of 65 years.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$`000	\$`000	\$`000
Bushfire Safety Campaign		1,600	600	600	

The government is providing increased funding of \$2.8 million over 3 years, to enhance Queensland's bushfire safety and preparedness messaging campaigns.

Funding of up to \$2.2 million over 3 years is being met internally by Queensland Fire and Emergency Services to deliver the campaigns. Total funding for this program is \$5 million over 3 years from 2023-24.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Camera Detected Offence Program		605	628	651	674

The government is providing increased funding of \$2.6 million over 4 years and \$700,000 per annum ongoing, to enhance delivery of Queensland Fire and Emergency Services' Road Attitudes and Action Planning programs across Queensland.

This forms part of the government's total funding of \$548.1 million over 5 years, and \$183.5 million per annum ongoing, as part of the Camera Detected Offence Program. Further funding can be found in the Queensland Police Service, Department of Transport and Main Roads, and Queensland Treasury sections of this chapter. The capital component of this measure can be found in the Department of Transport and Main Roads and Queensland Police Service sections of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Fire Communications Staffing					

Funding of \$10.4 million over 4 years from 2023-24 and \$3.5 million ongoing is being met internally by the department to fully fund an additional 20 full time equivalent Fire Communication Officers to enhance emergency dispatch operations. An additional 7 officers will be recruited in 2023-24 with the full complement of 20 officers expected to commence in 2024-25.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Queensland's Aerial Firefighting Capability (National Aerial Firefighting Centre					
Contracts)	—	—	—	—	

The government is providing increased funding over 3 years, held centrally, to enhance Queensland's aerial firefighting capability to include intelligence gathering aircraft platforms and additional suppressant delivery aircraft under additional National Aerial Firefighting Centre contracts.

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Queensland Health

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
Health Funding Uplift	325,503	508,707	521,133	572,869	959,337

The government is providing an uplift to Queensland Health's operating funding envelope of \$2.888 billion over 5 years to address demand and cost pressures and support a suite of programs and initiatives targeting improving ambulance responsiveness and reducing ramping, addressing pressures on emergency departments, reducing wait times for surgery and specialist clinics, as well as boosting women's health care and mental health care. This uplift in funding will also support:

- the operating requirements for the Satellite Hospitals and the Logan and Caboolture Hospital expansions
- Domestic and Family Violence services system reform
- Making Tracks towards Achieving Health Equity with First Nations People 2021-2025
- Rural and Regional Birthing Services
- Queensland Ambulance Services additional ambulance operatives.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Palliative and End of Life Care		35,664	49,974	66,187	

The government is providing additional funding of \$151.8 million over 3 years to support palliative care reform. This includes funding to support the government's response to the Health, Communities, Disability Services and Domestic and Family Violence Prevention Committee's Report No. 33, 56th *Parliament Aged care, end-of-life and palliative care*.

Funding of up to \$19.4 million is being met internally by the department to support this reform.

Total funding for palliative care reform is \$171.2 million over 5 years, including \$9.7 million in 2022-23.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$'000	\$`000	\$'000
Forensic DNA Commission of Inquiry	7,755	17,520	16,090	10,345	10,200

The government is providing additional funding of \$81.2 million over 4 years (including \$29.5 million held centrally) for a range of measures including to support and expand forensic DNA service delivery, design and establish the new Queensland forensic science agency and dedicated retrospective case and sample review function, and support retrospective DNA testing and analysis required following case review.

This forms part of the government's total funding package of \$105.3 million over 5 years and \$10.2 million per annum ongoing for immediate measures in response to the Commission of Inquiry into Forensic DNA Testing in Queensland.

Further details can be found in the Department of Justice and Attorney-General sections of this chapter.

	2022–23 \$`000	2023–24 \$`000		2025–26 \$`000	2026–27 \$'000
Patient Travel Subsidy Scheme		14,179	16,407	18,679	20,996

The government is providing increased funding of \$70.3 million over 4 years and \$21 million per annum ongoing from 2026-27 to support an increase to the Patient Travel Subsidy Scheme (PTSS). The increase to the PTSS will assist with offsetting current cost of living pressures and support financially vulnerable Queenslanders to seek the clinical care they need.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$`000
Waterproof Artificial Limbs		2,327	2,327	2,327	2,327

The government is providing additional funding of \$9.3 million over 4 years to provide eligible applicants under the Queensland Artificial Limb Service the option of a prosthesis with waterproof components, where appropriate.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Women's Economic Security: Future Women - Jobs Academy		800	1,600	800	

The government is providing additional funding of \$3.2 million to support a Future Women -Jobs Academy program for a 2-year period to train, support and connect up to an estimated 500 unemployed and underemployed Queensland women with paid employment and training programs.

This forms part of the government's total funding package of \$16.3 million over 4 years for the Women's Economic Security package. Further details on this package are in Chapter 1 of this paper and the Department of Tourism, Innovation and Sport, and Department of Youth Justice, Employment, Small Business and Training sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Women's Economic Security: Women in Network Grants Program		625	625	825	725

The government is providing additional funding of \$2.8 million over 4 years from 2023-24, including \$300,000 for evaluation, for the Women in Network grant program to support girls and women's participation and pathways in male dominated industries, including through support to recruit, retain, upskill and progress into leadership positions in these industries.

This forms part of the government's total funding package of \$16.3 million over 4 years for the Women's Economic Security package. Further details on this package are in Chapter 1 of this paper and the Department of Tourism, Innovation and Sport, and Department of Youth Justice, Employment, Small Business and Training sections of this chapter.

	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Women's Economic Security: Fresh Start for Me (transition from recovery to					
workforce)	—	533		—	

The government is providing additional funding of \$533,000 in 2023-24 for the Fresh Start For Me program to establish online resources to support women, post domestic and family violence crisis, to return to or enter the workforce.

This forms part of the government's total funding package of \$16.3 million over 4 years for the Women's Economic Security package. Further details on this package are in Chapter 1 of this paper and the Department of Tourism, Innovation and Sport, and Department of Youth Justice, Employment, Small Business and Training sections of this chapter.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Women's Economic Security: Resourcing to support Office for Women					
initiatives		100	100		
		100	100		

The government is providing additional funding of \$200,000 over 2 years for implementation of Women's Economic Security initiatives led by the Office for Women.

This forms part of the government's total funding package of \$16.3 million over 4 years for the Women's Economic Security package. Further details on this package are in Chapter 1 of this paper and the Department of Tourism, Innovation and Sport, and Department of Youth Justice, Employment, Small Business and Training sections of this chapter.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth Detention Centre Capacity - Addressing Capacity Issues at Youth					
Detention Centres	386	386			

The government is providing additional funding of \$722,000 over 2 years for health services as part of the Government's response to addressing capacity issues in youth detention centres. A further \$118,991 is held centrally for this measure.

This forms part of total increased funding of \$89.7 million over 3 years (\$78.1 million new funding and \$11.6 million from existing resources) to address capacity issues at Youth Detention Centres. Further details can be found in the Department of Education, Department of Youth Justice, Employment, Small Business and Training and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Youth Justice Investment - Fast-track Sentencing	110	332	86		

The government is providing \$528,000 over 3 years to enhance existing child and youth mental health court liaison services to support the fast-track sentencing pilot in 4 locations for 18 months to address delays in court proceedings through proactive case management of matters.

This forms part of the government's total additional funding of \$16.5 million over 4 years for these pilots.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Queensland Corrective Services, Department of Youth Justice, Employment, Small Business and Training and Queensland Police Service sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Domestic and Family Violence Services System Reform					

The government will provide \$21.6 million over 4 years for trauma-informed domestic and family violence (DFV) training to the frontline health workforce across Queensland, and mental health, alcohol and other drug service participation in DFV High Risk Teams.

This initiative will be funded from within the \$2.888 billion Health Funding Uplift.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Improvement to Salary Packaging and Fringe Benefits Tax (FBT) Policy for					
Hospital Employees	—	—	—	—	—

Funding is being met internally by the department to assist in attraction and retention of frontline staff, particularly to regional and remote Hospital and Health Services, by simplifying salary packaging arrangements.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
LifeFlight Australia Limited Emergency Helicopter Services New 10-year Service					
Agreement	32,432	—	—		

The government is providing \$586.1 million held centrally towards a new, fully costed, 10-year commercial agreement between Queensland Health and LifeFlight Australia Limited.

The government has provided an increase of \$13.8 million to LifeFlight Australia's operating expenditure as a one-off contribution. The government is also providing an increase of \$18.6 million for Queensland Health to provide a grant to LifeFlight Australia for the land lease, construction and fit-out of a new 3-bay hangar at Sunshine Coast Airport.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Making Tracks Towards Achieving Health Equity With First Nations Peoples					
2021-2025					

The government will provide an additional \$123 million over 4 years to continue initiatives under Making Tracks Towards Achieving Health Equity with First Nations Peoples 2021-25.

This initiative will be funded from within the \$2.888 billion Health Funding Uplift.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$'000
Nursing and Midwifery Student Regional Placements Allowance					

The government is providing additional funding of \$22.0 million over 4 years from 2023-24, to be held centrally, to provide a cost-of-living allowance of \$5,000 per student to provide financial assistance to student nurses and midwives undertaking placements in regional, rural and remote areas.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Oueensland Ambulance Service (OAS) Additional Ambulance Operatives					

The government is providing \$207 million over 4 years for an additional 200 Queensland Ambulance operatives.

This initiative will be funded from within the \$2.888 billion Health Funding Uplift.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Rural and Regional Birthing Services					

The government is providing \$42 million over 4 years for continued support for maternity birthing services in regional and rural locations and strengthening outreach obstetric and gynaecology services.

This initiative will be funded from within the \$2.888 billion Health Funding Uplift.

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Transitional Support 130.511 — — — —		2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
11	Transitional Support	130,511				

The government has provided an additional \$130.5 million as transitional support for Queensland Health to meet cost and demand pressures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Workforce Attraction Incentive Scheme					

The government is providing an incentive of up to \$20,000 for eligible health workers and up to \$70,000 for doctors to attract interstate and international clinical workers to move to Queensland and work in the public health system, particularly targeting rural and remote health facilities.

Queensland Police Service

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Emergency Management Reforms - Marine Rescue Queensland		27,000			

The government is providing additional funding of \$27 million to continue the commitment to establish an integrated volunteer marine rescue service to ensure a sustainable model to enhance the marine rescue volunteer capability for on-water safety across Queensland.

This forms part of the government's total funding package of up to \$578 million (\$493.2 million held centrally) over 5 years and \$142 million per annum ongoing, to deliver enhanced emergency and fire services for a safer Queensland. The government's investment, in response to the Independent Review of Queensland Fire and Emergency Services, will provide for an uplift of over 500 full time emergency services staff, the establishment of a new Queensland fire department and provide support for our volunteers in Marine Rescue Queensland, the State Emergency Service and the Rural Fire Service.

Implementation of these reforms is being overseen by the Reform Implementation Taskforce, including developing the ongoing operating and funding models beyond 2023-24. Further details can be found in Chapter 3 Capital Measures of this paper, and in the Queensland Fire and Emergency Services and Department of State Development, Infrastructure, Local Government and Planning sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Emergency Management Reforms - Disaster Management		16,500			

The government is providing increased funding of \$16.5 million in 2023-24 to progress the government's commitment from the Independent Review of Queensland Fire and Emergency Services.

This forms part of the government's total funding package of up to \$578 million (\$493.2 million held centrally) over 5 years and \$142 million per annum ongoing, to deliver enhanced emergency and fire services for a safer Queensland. The government's investment, in response to the Independent Review of Queensland Fire and Emergency Services, will provide for an uplift of over 500 full time emergency services staff, the establishment of a new Queensland fire department and provide support for our volunteers in Marine Rescue Queensland, the State Emergency Service and the Rural Fire Service.

Implementation of these reforms is being overseen by the Reform Implementation Taskforce, including developing the ongoing operating and funding models beyond 2023-24. Further details can be found in Chapter 3 Capital Measures of this paper, and in the Queensland Fire and Emergency Services and Department of State Development, Infrastructure, Local Government and Planning sections of this chapter.

	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Emergency Management Reforms - Queensland Police Service Reform					
Implementation Taskforce	_				

The government is providing additional funding of \$10 million over 2 years, held centrally, to establish the Queensland Police Service Reform Implementation Taskforce and to implement the Government Response to the independent review of Queensland Fire and Emergency Services.

This forms part of the government's total funding package of up to \$578 million (\$493.2 million held centrally) over 5 years and \$142 million per annum ongoing, to deliver enhanced emergency and fire services for a safer Queensland. The government's investment, in response to the Independent Review of Queensland Fire and Emergency Services, will provide for an uplift of over 500 full time emergency services staff, the establishment of a new Queensland fire department and provide support for our volunteers in Marine Rescue Queensland, the State Emergency Service and the Rural Fire Service. Implementation of these reforms is being overseen by the Reform Implementation Taskforce, including developing the ongoing operating and funding models beyond 2023-24. Further details can be found in Chapter 3 Capital Measures of this paper, and in the Queensland Fire and Emergency Services and Department of State Development, Infrastructure, Local Government and Planning sections of this chapter.

	2022–23 \$'000	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Youth Justice Investment - Program for Queensland Police-Citizens Youth Club					
(PCYC) Capital Works		25,000	25,000	—	—

The government is providing additional funding of \$50 million over 2 years for a grant program to PCYC to facilitate infrastructure development in priority locations; improving frontline social program delivery and intervention initiatives targeting youth offending and recidivism, and victimisation.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$`000	\$`000
Youth Justice Investment - Police Extreme High Visibility Patrols	5,000	10,000	10,000		

The government is providing increased funding of \$25 million over 3 years to support Police Extreme High Visibility Patrols in hot spots and at targeted times throughout the year.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Youth Justice Investment - Youth Co-responder Teams	_	5,447	5,529	3,379	3,459

The government is providing increased funding of \$17.8 million over 4 years and \$3.5 million per annum ongoing to continue to deliver and expand the youth co-responder model to deal with or divert high risk young people including those on bail and those subject to electronic monitoring. This forms part of total increased funding of \$96.2 million over 4 years and \$17.9 million per annum ongoing for the youth co-responder model.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$'000	\$`000
Youth Justice Investment - Police Online Engagement and Intelligence Team	2,320	5,040	5,471		

The government is providing additional funding of \$12.8 million over 3 years to support a police online engagement and intelligence team to monitor social media platforms and identify and respond to potential criminal activity.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth Justice Investment - Empowering communities to develop local solutions to					
youth crime issues	—	5,000	5,000		

The government is providing increased funding of \$10 million over 2 years to support communities to develop local solutions to youth crime issues. This forms part of increased funding of \$15 million aimed at empowering communities and connecting local leaders to prevent and respond to youth crime.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$'000	\$'000	\$'000
Youth Justice Investment - Specialist Youth Crime Rapid Response Squad	2,321	4,825	5,352		

The government is providing additional funding of \$12.5 million over 3 years to engage expert youth justice workers to partner with the Queensland Police Service to establish a Specialist Youth Crime Rapid Response Squad as part of a holistic response to prevent, disrupt and respond to youth crime in hot spot areas around the state. This forms part of increased funding of \$17.5 million over 3 years for the Specialist Youth Crime Rapid Response Squad.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

		2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth	Justice Investment - Queensland Police-Citizens Youth Club (PCYC)					
Res	tructure		3,985			

The government is providing additional funding of \$4 million in 2023-24 to implement a PCYC restructure and enable police officers to focus on delivering frontline youth programs including domestic and family violence and early intervention initiatives, reducing victimisation, youth offending and youth recidivism. This includes \$175,000 for the After Dark drop in program. Funding of \$2 million in 2023-24 is also internally committed by the department to complete the program, bringing total funding for this program to \$6 million in 2023-24.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Bail Monitoring		3,417	3,661		

The government is providing increased funding of \$7.1 million over 2 years to support Bail Monitoring, to assist young people to comply with their bail conditions and keep them from returning to custody.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$'000	
Youth Justice Investment - Police Liaison Officer High Visibility Proactive Patrols	1,000	2,500	2,630			

The government is providing additional funding of \$6.1 million over 3 years to support Police Liaison Officer High Visibility Proactive Patrols to deter potential offenders in crime hot spots and conduct community safety engagement initiatives across the state. 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 \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Fast-track Sentencing	261	1,566	1,114	24	

The government has provided additional funding of \$3 million over 4 years to a deliver fast-track sentencing in 4 locations for 18 months to address delays in court proceedings through proactive case management of matters. This forms part of total additional funding of \$16.5 million over 4 years for these pilots.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 4 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23 \$'000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth Justice Investment - Youth Development Partnership Fund: Cairns Safer					
Streets and Midnight Basketball Program	375	750	375		

The government is providing additional funding of \$1.5 million over 3 years to support the Cairns Safer Streets and Midnight Basketball Program to engage young people and minimise the risk of anti-social behaviour administered through the Youth Development Partnership Fund which will invest in the development, implementation and facilitation of early intervention and diversionary crime prevention programs for young people across Queensland. A further \$2.5 million is being internally reprioritised by the Department of Tourism, Innovation and Sport towards the Youth Development Partnership Fund.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing,

Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Youth Crime Taskforce	237	489	507		

The government is providing increased funding of \$1.2 million over 3 years to continue the Youth Crime Taskforce to build on the case management approach of serious repeat youth offenders, strengthening the collaboration of government departments and support agencies to break the cycle of reoffending. 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 \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Youth Justice Investment - Townsville Community Youth Response: High Risk					
Youth Court	—	374	386		

The government is providing increased funding of \$760,000 over 2 years to continue the specialist court established in 2017 as part of the Townsville Community Youth Response. This forms part of total increased funding of \$8 million over 2 years for the Townsville High Risk Youth Court.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth Justice Investment - Stronger Communities Initiative: Early Action					
Groups	76	330	337		

The government is providing increased funding of \$743,000 over 3 years to extend the Townsville Early Action Group and expand to Cairns and Mount Isa to help break the cycle of youth crime by dealing with underlying issues that lead some young people to offend including poor school attendance, mental health concerns, drug and substance misuse, domestic violence and family dysfunction. This forms part of total increased funding of \$5.1 million over 3 years for the Early Action Groups.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet,

Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$`000
Youth Justice Investment - Police Blitz on Bail		80	83		

The government is providing increased funding of \$163,000 over 2 years to support the Police Blitz on Bail providing specialist prosecutors to review charges, bail objections and court decisions.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$`000
Youth Justice Investment - Vehicle Immobiliser Trial					

The government is providing additional funding of \$10 million over 3 years, held centrally, to establish the Vehicle Immobiliser Trial for eligible residents in Cairns, Townsville and Mt Isa. This program is designed to prevent crime, particularly vehicle theft and unlawful use of vehicles by supporting community members to improve the security of their vehicles. This program is to be administered by the Department of Tourism, Innovation and Sport.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Budget Measures 2023-24

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$`000
Weapons Licensing Management System Replacement Project		1,459	745		

The government is providing increased funding of \$2.2 million over 2 years to continue support for the weapons licensing function. The government is also providing additional funding, held centrally, to upgrade the current Weapons Licensing Management System.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$`000	\$'000
Relocation of the Oxley Police Academy to Wacol		1,000			

The government is providing increased funding of \$1 million for design and scope works for the relocation of the Oxley Police Academy, and other co-located Queensland Police Service functions, to the Wacol Police Precinct or other appropriate site. The capital component of this measure can be found in Chapter 3 Capital Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$`000	\$'000
Brisbane 2032 Olympic and Paralympic Games		745	1,207	2,016	3,498

The government is providing additional funding of \$7.5 million over 4 years to develop the public safety and security arrangement for the Brisbane 2032 Olympic and Paralympic Games.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Gangs Exit Program		623			

The government is providing increased funding of \$623,000 to continue the highly acclaimed Queensland Gangs Exit Program. The capital component of this measure can be found in Chapter 3 Capital Measures.

This forms part of the government's total funding of \$1.2 million in 2023-24 to support the Queensland Gangs Exit Program. Further details of this package can be found in the Queensland Corrective Services section of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Armoured Vehicle Fleet		370	568	568	568

The government is providing additional funding of \$2.1 million over 4 years and \$568,000 per annum ongoing for an enhanced armoured vehicle fleet to meet special response operational requirements. The capital component of this measure can be found in Chapter 3 Capital Measures.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Camera Detected Offence Program		285	577	921	

The government is providing increased funding of \$1.8 million over 3 years for road safety initiatives.

This forms part of the government's total funding of \$548.1 million over 5 years, and \$183.5 million per annum ongoing, as part of the Camera Detected Offence Program. Further funding can be found in the Queensland Fire and Emergency Services, Department of Transport and Main Roads and Queensland Treasury sections of this chapter. The capital component of this measure can be found in the Department of Transport and Main Roads and Queensland Police Service sections of Chapter 3 Capital measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$'000
Budget Modernisation Program					

The government is providing \$12 million over 4 years and \$3 million ongoing, held centrally, to increase capability and capacity in financial management, and implement the Queensland Police Service Budget Modernisation Program.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Domestic and Family Violence Commission of Inquiry					

The government is providing additional funding of \$100 million, held centrally, to implement the Queensland Government's response to A Call for Change - Commission of Inquiry into Queensland Police Service responses to domestic and family violence. This investment will support a whole of government effort to deliver more victims liaison officers, more domestic and family violence support workers in police stations, more specialist domestic and family violence officers and more specialist police prosecutors.

Further details of this package can be found in the Department of Justice and Attorney-General section of this chapter.

Recruitment Drive - Additional Police Personnel	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	<u>\$`000</u>	<u>\$`000</u>	\$`000
The government is providing additional funding of \$87.5 million over 5 years, held	l centrally,	to support tl	ne recruitme	ent of additi	onal

police personnel.					
	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Youth Detention Centre Capacity - Addressing Capacity Issues at Youth					

The government is providing additional funding of up to \$45 million, held centrally, for the Queensland Police Service to support strategies addressing capacity issues at Youth Detention Centres.

Detention Centres

This forms part of total increased funding of \$89.7 million over 3 years (\$78.1 million new funding and \$11.6 million from existing resources) to address capacity issues at Youth Detention Centres. Further details can be found in the Department of Education, Department of Youth Justice, Employment, Small Business and Training and Queensland Health sections of this chapter, and the Queensland Police Service section of Chapter 3 Capital Measures.

Queensland Treasury

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Gympie Road Bypass - funding to investigate the construction of road tunnels between					
Kedron and Carseldine		35,000			

The government is providing additional funding of \$35 million to develop a detailed investment proposal for the construction of road tunnels from Carseldine to Kedron.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Financial Reporting and Management Enhanced Systems		16,800	20,100	11,900	4,500

The government is providing additional funding of \$53.3 million over 4 years to replace and modernise the legacy whole-of-government financial reporting and budget management enterprise systems to support enhanced budget management outcomes and fiscal sustainability.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$`000
Camera Detected Offence Program		6,737	8,124	9,110	10,169

The government is providing increased funding of \$34.1 million over 4 years and \$10.2 million per annum ongoing to Queensland Revenue Office for the Camera Detected Offence Program.

This forms part of the government's total funding of \$548.1 million over 5 years, and \$183.5 million per annum ongoing, as part of the Camera Detected Offence Program. Further funding can be found in Queensland Fire and Emergency Services, Department of Transport and Main Roads 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 and Queensland Police Service sections of Chapter 3 Capital measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Low Emissions Investment Partnerships Program		5,000	5,000	5,000	5,000

The government is providing additional funding of \$520 million between 2023–24 and 2029-30, with \$500 million held centrally, for the Low Emissions Investment Partnerships Program to drive emissions reductions, with a focus on the state's highest emitting metallurgical coal mines.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$`000
Queensland Resources Common User Facility	1,300	5,000	3,700		

The government is providing additional funding of \$10 million over 3 years to develop the Queensland Resources Common User Facility. This facility is to accommodate a broader range of purposes in the future beyond vanadium processing to include additional minerals and rare earth elements as well as research and development activities by universities and research institutes. The capital component of this measure can be found in Chapter 3 Capital Measures.

This forms part of the Common User Infrastructure which has a total funding commitment of \$150 million over 5 years for the development of critical minerals for projects that demonstrate sustainable value to the state.

				2025-26	
	\$'000	\$'000	\$'000	\$'000	\$'000
Debt Recovery and Compliance Program	(4,579)	4,579	15,983	16,472	16,917

The government will provide increased funding of \$49.4 million over 3 years and \$16.9 million per annum ongoing to retain Queensland Revenue Office's ongoing capacity to deliver increased debt recovery and compliance measures for ongoing additional revenue for Queensland. The revenue component of this measure can be found in Chapter 4 Revenue Measures.

Budget Measures 2023-24

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Queensland Revenue Office Increased Compliance Work		3,049	6,080	7,571	7,744

The government is providing additional funding of \$24.4 million over 4 years to increase Queensland Revenue Office's capacity to undertake taxation compliance work to increase revenue for Queensland. The revenue component of this measure can be found in Chapter 4 Revenue Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$`000	\$`000	\$'000
Regional Resources Development Fund - additional operational funding		1,500	750	750	

The government is providing additional funding of \$3 million over 3 years for the ongoing administration of the Regional Resources Development Framework.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$`000	\$'000
Queensland Workforce Strategy - Skilled Workforce Attraction Office		1,100	1,100	1,100	1,100

The government is providing additional funding of \$4.4 million over 4 years and \$1.1 million per annum ongoing to establish the Skilled Workforce Attraction Office within Trade and Investment Queensland to strengthen delivery of the State Nominated Migration Program, including enhanced industry engagement activities, and for skilled migration policy and coordination to be consolidated within Queensland Treasury.

This forms part of the government's total funding package of over \$70 million for new initiatives included in the 2022-2025 Action Plan as part of the Good People. Good Jobs: Queensland Workforce Strategy 2022-2032 to create a strong and diverse workforce ready to seize today's jobs and adapt to future opportunities.

Further details on initiatives can be found in the Department of Youth Justice, Employment, Small Business and Training, the Department of Education and the Department of Environment and Science sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$`000	\$'000	\$'000
Borumba Dam Pumped Hydro		1,000			

The government is providing additional funding of \$1 million in 2023-24 to progress work to define future trading arrangements for stateowned pumped hydro assets.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Land tax - unilateral application of the home exemption		1,000			

The government is providing additional funding of \$1 million in 2023-24 to implement and operationalise arrangements that will remove the requirement for landowners to apply for a land tax home exemption in relation to the property in which they live where data matching verifies eligibility.

The change is subject to the passage of legislative amendments.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Fine Modernisation Program Foundation Phase					

Funding of \$12.9 million in 2023-24 is being internally reprioritised to fund the Fine Modernisation Program (FMP) Foundation Phase, which will deliver early benefits for the community and government through business improvement initiatives such as earlier payment reminders to clients, and provide a sound basis to support the FMP Stage 2 Business Case.

3 Capital Measures

Introduction

The following tables present the relevant portfolio capital measures relating to decisions taken since the 2022-23 Budget. This does not represent the full amount of additional funding provided to agencies since the 2022-23 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1.

Department of Agriculture and Fisheries					
	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Relocation of the Racing Science Centre		20,000			

The government is providing additional funding of up to \$20 million to relocate Queensland Racing Integrity Commission's Racing Science Centre to make way for the Brisbane 2032 Olympic and Paralympic Games.

Department of Education

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$'000	\$'000	\$`000
School Infrastructure and Land Acquisitions		195,102	470,280	333,377	117,376

The government is providing increased funding of \$1.116 billion over 4 years (\$1.575 billion over 10 years), and a further \$67.9 million over 5 years held centrally, to deliver critical educational infrastructure to accommodate enrolment growth in state schools. This includes funding to establish a strategic land acquisition fund for future new and expanded schools, provide another round of school hall and performing arts centre projects, and provide additional classrooms in existing schools that are nearing capacity.

Total funding for this initiative is \$1.231 billion over 4 years (\$1.727 billion over 10 years). The expense component of this measure can be found in Chapter 2 Expense measures.

-	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$'000	\$`000	\$'000
Teacher Housing		10,780	11,451	12,165	12,922

The government is providing increased funding of \$47.3 million over 4 years for safe and secure teacher housing in regional and remote communities.

Total funding for this initiative is \$48.3 million over 4 years. The expense component of this measure can be found in Chapter 2 Expense measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Addressing Market Pressures	_		89,744	89,744	89,744

The government is providing increased funding of \$269.2 million over 3 years to address cost escalation in the construction market.

Total funding for this initiative is \$312.6 million over 3 years. The expense component of this measure can be found in Chapter 2 Expense measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
School Infrastructure - Renewal					

The government is providing increased funding of \$88.4 million over 5 years, held centrally, for the renewal, upgrade and enhancement of critical infrastructure in existing state schools, including tuckshop and playground upgrades and priority flood mitigation works.

Total funding for this initiative is \$117.4 million over 6 years. The expense component of this measure can be found in Chapter 2 Expense measures.



Department of Energy and Public Works

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$`000	\$`000	\$'000
Government Buildings Electrical Vehicle Ready	2,000	12,500	12,500	3,000	

The government is providing additional funding of \$30 million over 4 years to make zero emission vehicles charging infrastructure available in Queensland government buildings across Queensland.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$`000
ReBuild QBuild Capital	3,291	9,498	8,415	8,250	

The government is providing additional funding of \$29.5 million over 4 years to support ReBuild QBuild to upgrade and redevelop depots across the state and investment in Rapid Accommodation and Apprentice Centres in Eagle Farm and Cairns.

The expense component to this measure can be found in Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Government Employee Housing Expansion - Capital			153,351	139,161	

The government is providing \$455.3 million over 3 years to manage and deliver an increased program of work. Of the funding provided, \$162.8 million will be held centrally in 2026-27.

The expense component to this measure can be found in Chapter 2 Expense measures.

Department of Environment and Science

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Revitalising National Parks		7,500	10,000	10,000	10,000

The government is providing increased funding of \$37.5 million over 4 years to continue revitalising and investing in new visitor infrastructure including trails and amenities, with opportunities to support the growth of regional small businesses and First Nations peoples employment.

The expense component of this measure can be found in Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Partnering with Quandamooka on Land and Sea Country		1,500	4,300	9,000	

The government is providing increased funding of \$14.8 million over 3 years and \$170,000 per annum ongoing from 2027-28 for new and modernisation of infrastructure, plant and equipment to support joint management of country in partnership with Quandamooka First Nations peoples.

The expense component of this measure can be found in Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
World-Class Protected Area Management		1,100	3,350	1,350	

The government is providing increased funding of \$5.8 million over 3 years for investment into infrastructure and visitor amenities improvements in Queensland's World Heritage Areas.

The expense component of this measure can be found in Chapter 2 Expense Measures.

Department of Housing

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$'000	2026–27 \$'000	
Queensland Housing Strategy 2017-2027 - Supply of Social Housing	120,000	201,600	194,834	130,833	130,833	

The government is providing increased funding of \$778.1 million over 5 years to continue the delivery of existing Housing and Homelessness Action Plan commencement targets, including in remote and discrete First Nations communities, to offset unavoidable cost increases and supply chain impacts in the construction sector and to retain and upgrade dwellings for social housing that would have otherwise been sold. Funding of up to \$24.7 million over 4 years is being met internally by the department to maintain head leased social housing homes. Total funding for this program is \$802.8 million over 5 years from 2022–23.

The expense component of this measure can be found in Chapter 2 Expense measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Emergency Accommodation	5,300	44,480			

The government is providing additional funding of \$49.8 million over 2 years from 2022–23 to purchase and lease accommodation complexes and provide housing supports for emergency accommodation in inner Brisbane.

The expense component of this measure can be found in Chapter 2 Expense measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Additional Social Housing Supply		35,896	123,606	90,531	11,739

The government is providing increased funding of \$261.8 million over 4 years to expand the QuickStarts Queensland program of new social housing, with a new commencement target of 3,265 dwellings by 30 June 2025. Total program funding is \$322.2 million when combined with the capital component of this measure. Further details can be found in Chapter 2 Expense measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$`000	\$'000	\$'000	\$`000
ousing					

The government is providing funding of \$25 million over 2 years from 2022-23 to purchase up to 64 existing dwellings for use as social housing, with funding allocated from a whole-of-government provision.

Department of Justice and Attorney-General

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$'000	\$`000	\$'000	\$'000
Hear her voice - Report 2 - Treatment of victim-survivors in trials for sexual offences		4,387	4,387	3,987	

The government is providing additional funding of \$12.8 million over 3 years to improve the safety and experience of victim-survivors in trials for sexual offences. A further \$2.4 million over 3 years will be met internally by the department. This includes implementing transformational information technology infrastructure and technological solutions to expand remote witness technology in regional Queensland and improve the safety of victim-survivors of sexual 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 \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*.

Further details on this package are in Chapter 1 of this paper.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$`000	\$'000
Queensland Human Rights Commission - Complaints Management System		350			

The government is providing increased funding of \$350,000 to deliver a complaint management system that will enable the delivery of information and services to clients.

The expense component of this measure can be found in Chapter 2 Expense measures.

Department of Resources					
	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Abandoned Mine Sites Program		500			

The government is providing increased funding of \$500,000 to manage health, safety and environmental risks at the disclaimed Thalanga Copper mine site as part of the Abandoned Mine Sites - Care and Maintenance, Risk Mitigation and Remediation Program. The expense component of this measure can be found in Chapter 2 Expense measures.

Department of State Development, Infrastructure, Local Government and Planning

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Currumbin Eco-Parkland		8,000	8,000	8,000	

The government is providing increased funding of \$24 million over 3 years for the delivery of the Currumbin Eco-Parkland.

This forms part of the government's total funding of \$46 million over 5 years to support the Currumbin Eco-Parkland. The expense component of this measure can be found in the Department of State Development, Infrastructure, Local Government and Planning and the Department of Environment and Science sections of Chapter 2 Expense measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Yeronga Community Centre		2,642			

The government is providing increased funding of \$2.6 million to support delivery of the Yeronga Community Centre as part of the Parkside Yeronga Masterplan.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$`000	\$`000	\$'000
Brisbane Athlete Village			33,300	33,300	33,300

The government will provide additional funding of \$154.7 million over 4 years from 2024-25 to bring forward the delivery of public infrastructure required for the Brisbane Athlete Village.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$'000
Catalyst Infrastructure Fund					

Funding of \$21.2 million over 2 years is being met internally by the department for the Catalyst Infrastructure Fund as part of the government's broader response to the Queensland Housing Summit. Total funding for this program is \$171.2 million over 4 years from 2022-23.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
lstone Land Acquisition Strategy					

The government is providing additional funding of \$80 million over 3 years, held centrally, and subject to further government consideration to deliver a state-led approach to identify and secure key linear infrastructure corridors and strategic sites for bulk chemical storage facilities required for industrial development. This includes developing the hydrogen industry and improving connectivity to the Port of Gladstone.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Townsville Concert Hall					

The government is providing additional funding of up to \$50 million over 3 years, held centrally and subject to finalisation of a business case and matched funding from Townsville City Council, to support the delivery of the proposed Townsville Concert Hall.

Budget Measures 2023-24

Department of Tourism, Innovation and Sport					
	2022–23 <u>\$`000</u>	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
2032 High Performance Strategy		75	75	75	75
2032 High Performance Strategy	—	75	75	75	75

The government is providing increased funding of \$450,000 over 6 years for specialist high-performance equipment to prepare elite athletes for success at Olympic and Paralympic Games, including Brisbane 2032.

Department of Transport and Main Roads

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$`000	\$'000	\$'000
New Gold Coast Stations	9,300	66,600	68,200	19,700	

The government is providing increased funding of \$163.8 million over 4 years to support delivery of new Gold Coast rail stations.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Camera Detected Offence Program		13,500	105,260	140,170	144,900

The government is providing increased funding of \$403.8 million over 4 years and \$144.9 million per annum ongoing to improve the safety of the sections of state-controlled roads where accidents happen most frequently.

This forms part of the government's total funding of \$548.1 million over 5 years, and \$183.5 million per annum ongoing, as part of the Camera Detected Offence Program. Further funding can be found in the Queensland Police Service section of this chapter. The expense component of this measure 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.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Cleveland-Redland Bay Road Upgrade		7,000	23,000	29,000	21,000

The government is providing additional funding of \$80 million over 4 years to deliver the next stage of the Cleveland-Redland Bay Road duplication between Anita Street and Giles Road.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Torres Strait Islands Marine Infrastructure Program	_	1,000	5,500	7,500	7,500

The government is providing additional funding of \$21.5 million over 4 years (\$27.5 million over 5 years) to deliver Stage 1 of the Torres Strait Islands Marine Infrastructure Program. The program will prioritise and deliver marine infrastructure and provide ongoing maintenance in partnership with the councils and communities in the region. The expense component of this measure can be found in Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Access to Gladstone Port Project		400	1,000	4,000	19,600

The government is providing additional funding of \$25 million over 4 years to improve access to the Port of Gladstone.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Kurrimine Beach Boat Ramp					

Funding of up to \$3.5 million is being met internally by the department as the State's contribution to support delivery of the Kurrimine Beach boat ramp.

Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$`000	\$`000	\$'000
Queensland Performing Arts Centre - Capital Upgrades		5,940			

The government is providing additional funding of \$5.9 million for upgrade and acquisition of capital equipment within the Queensland Performing Arts Centre.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$`000	\$`000	\$'000	\$'000	\$'000
Queensland Performing Arts Centre - Flexible Performance Space		2,000	12,600		

The government is providing additional funding of \$14.6 million over 2 years to construct a Flexible Performance Space at the Queensland Performing Arts Centre.

	2022-23	2023-24	2024-25	2025-26	2026-27
	\$'000	\$`000	\$`000	\$`000	\$`000
Queensland Cultural Centre - Security Upgrades		500			

The government is providing additional funding of \$500,000 to install additional security cameras at the Queensland Cultural Centre.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$'000
Public Intoxication Program Enhancement		1,000	3,000		

The government is providing increased funding of \$4 million over 2 years to upgrade the Mount Isa Diversion Centre.

The expense component of this measure can be found in Chapter 2 Expense measures.

Department of Youth Justice, Employment, Small Business and Training

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$'000
Great Barrier Reef International Marine College		8,000	8,000		

The government is providing additional funding of \$16 million over 2 years to expand TAFE Queensland's Great Barrier Reef International Marine College in Cairns, which will include construction of a new workshop, additional classrooms, staff facilities and a boat shed.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
Youth Detention Centre Operations		2,000	3,500	3,500	3,500

The government is providing additional funding of \$12.5 million over 4 years and \$2 million per annum ongoing to address critical upgrade requirements in existing Youth Detention Centres to ensure capacity and effectiveness.

Total funding for this initiative is \$122.4 million over 5 years and \$31 million per annum ongoing. The expense component of this measure can be found in Chapter 2 Expense Measures.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Youth Detention Centre Capacity - Addressing Capacity Issues at Youth					
Detention Centres					

The government is providing increased funding over 2 years from 2023-24 for the construction of an 80 bed youth detention centre at Woodford. Expenditure for this measure is subject to commercial negotiation with potential contractors.

Legislative Assembly of Queensland

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Queensland Parliament Digital Transformation Program		465	626		

The government is providing additional funding of \$1.1 million over 2 years to replace and modernise business-critical AV broadcast infrastructure which directly supports the effective operations of the Queensland Legislative Assembly and parliamentary committees.

The expense component of this measure can be found in Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$'000
Annexe Critical Infrastructure and Services Upgrade	18,092				

The government has provided increased funding of \$18.1 million to undertake the necessary repairs and upgrades to the external façade of the Parliamentary Annexe, and the refurbishment of soft furnishings in Members' office and overnight accommodation floors (levels 9 to 23).

1	8	2

Queensland Corrective Services

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
Prisoner Capacity and Health Services		33,465	19,245	8,504	857

The government is providing additional funding of \$62.1 million over 4 years for: pre-commencement activities including design works, site investigations and other preliminary works for the future expansion of the Townsville Correctional Precinct and the future establishment of a new Wacol Precinct Enhanced Primary Health Care facility located at the Brisbane Correctional Centre; installation of information technology infrastructure in correctional centres to enhance the provision of health care; and office accommodation to support the Enhanced Community Corrections Pilot.

The expense component of this measure can be found in Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$`000
Infrastructure - Safety and Security		15,000			

The government is providing additional funding of \$15 million to progress priority maintenance and upgrades to critical prison infrastructure to ensure safety and security.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$`000
Southern Queensland Correctional Precinct - Stage 2 - Commissioning		2,990	2,400		

The government is providing additional capital funding of \$5.4 million over 2 years from 2023-24 to acquire video conference suites and other property, plant and equipment for prison industries, providing vocational skills for prisoners to help them reintegrate into the community on release and avoid reoffending.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Hear her voice - Report 2 - Sentencing women and girls					

The government is providing increased funding of \$1.5 million in 2023-24, held centrally, to assist with the design and evaluation of a trial of dedicated court advisory services. 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 \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system*. Further details on this package are in Chapter 1 of this paper.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$`000	2026–27 \$`000
Hear her voice - Report 2 - Treatment in custody, complaints mechanisms and					
oversight			—	—	—

The government is providing additional funding of \$11 million in 2023-24, held centrally, to support treatment in custody, complaints mechanisms and oversight. This includes support for the introduction of non-invasive screening technology to minimise the practice of strip searches in all women's correctional facilities. 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 \$225 million over 5 years to respond to the recommendations of the Queensland Women's Safety and Justice Taskforce in *Hear her voice - Report 2 - Women and girls' experiences across the criminal justice system.* Further details on this package are in Chapter 1 of this paper.

Queensland Fire and Emergency Services

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$'000
Emergency Management Reform - Rural Fire Service	_	8,000			

The government is providing increased funding of \$8 million in 2023-24 to continue the commitment to uplift Rural Fire Service capability and ensure a sustainable volunteer model across Queensland.

This forms part of the government's total funding package of up to \$578 million (\$493.2 million held centrally) over 5 years and \$142 million per annum ongoing, to deliver enhanced emergency and fire services for a safer Queensland. The government's investment, in response to the Independent Review of Queensland Fire and Emergency Services, will provide for an uplift of over 500 full time emergency services staff, the establishment of a new Queensland fire department and provide support for our volunteers in Marine Rescue Queensland, the State Emergency Service and the Rural Fire Service. Implementation of these reforms is being overseen by the Reform Implementation Taskforce including developing the ongoing operating and funding models beyond 2023-24.

Further details can be found in Chapter 2 Expense Measures of this paper and in the Queensland Police Service and Department of State Development, Infrastructure, Local Government and Planning sections of this chapter.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Emergency Management Reform - State Emergency Service		3,000		_	

The government is providing increased funding of \$3 million in 2023-24 to continue to enhance the State Emergency Service volunteer capability across Queensland.

This forms part of the government's total funding package of up to \$578 million (\$493.2 million held centrally) over 5 years and \$142 million per annum ongoing, to deliver enhanced emergency and fire services for a safer Queensland. The government's investment, in response to the Independent Review of Queensland Fire and Emergency Services, will provide for an uplift of over 500 full time emergency services staff, the establishment of a new Queensland fire department and provide support for our volunteers in Marine Rescue Queensland, the State Emergency Service and the Rural Fire Service. Implementation of these reforms is being overseen by the Reform Implementation Taskforce including developing the ongoing operating and funding models beyond 2023-24.

Further details can be found in Chapter 2 Expense Measures of this paper and in the Queensland Police Service and Department of State Development, Infrastructure, Local Government and Planning sections of this chapter.

Queensland Health

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$'000
Base Capital Program		60,000			

The government is providing an additional \$60 million for Queensland Health's Base Capital Program in 2023-24.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Queensland Ambulance Service (QAS) New Ambulances		10,770			

The government is providing \$10.8 million in 2023-24 for 40 new ambulance vehicles, including stretchers/loaders and defibrillators, to support and equip frontline ambulance operatives.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$`000	\$`000	\$'000
Redland Hospital Expansion-Mental Health Facility		8,000	1,800	60,000	80,200

The government is providing \$150 million over 4 years for the demolition and replacement of the existing mental health facility, as part of the staged capacity increase at Redland Hospital.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$`000
Queensland Health Spinal Unit		5,000			

The government is providing \$5 million for a detailed business case on the redevelopment of the Spinal Injuries Unit at the Princess Alexandra Hospital.

Queensland Police Service

	2022–23 \$`000	2023–24 \$`000		2025–26 \$`000	2026–27 \$`000
Enhanced Capital Program	700	4,400	18,100	25,250	22,300

The government is providing additional funding of \$70.8 million over 5 years to deliver replacement police facilities and new residential accommodation for police officers across multiple regions in Queensland.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Camera Detected Offence Program		3,667	2,925	3,143	

The government is providing increased funding of \$9.7 million over 3 years for road safety initiatives.

This forms part of the government's total funding of \$548.1 million over 5 years, and \$183.5 million per annum ongoing, as part of the Camera Detected Offence Program. Further funding can be found in the Department of Transport and Main Roads section of this chapter. The expense component of this measure 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.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Armoured Vehicle Fleet		2,195	1,980		

The government is providing additional funding of \$4.2 million over 2 years for an enhanced armoured vehicle fleet to meet special response operational requirements. The expense component of this measure can be found in the Chapter 2 Expenses Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Youth Justice Investment - Youth Co-responder Teams		210			

The government is providing increased funding of \$210,000 to support the expansion of the Youth Co-responder Teams into South Brisbane, Ipswich, Toowoomba, Mount Isa and Fraser Coast to engage with at-risk youth to address issues which contribute to involvement in youth crime and improve community safety. This forms part of total increased funding of \$96.2 million over 4 years and \$17.9 million per annum ongoing for the youth co-responder model.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Youth Justice Investment - Youth Crime Taskforce		42			

The government is providing \$42,000 to build on the case management approach of serious repeat youth offenders, strengthening the collaboration of government departments and support agencies to break the cycle of reoffending.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Gangs Exit Program		37			

The government is providing increased funding of \$37,000 to continue the highly acclaimed Queensland Gangs Exit Program. The expense component of this measure can be found in Chapter 2 Expenses Measures.

This forms part of the government's total funding of \$1.2 million in 2023-24 to support the Queensland Gangs Exit Program.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
North Queensland Police Academy					

The government is providing additional funding, held centrally, for the construction of the replacement North Queensland Police Academy as part of the new Kirwan Police Precinct in Townsville.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Relocation of the Oxley Police Academy to Wacol					

The government will provide increased funding, held centrally, for construction costs and for the relocation of the Oxley Police Academy and Dog Squad to the Wacol Police Precinct and the Specialist Response Group to an alternative site. The expense component of this measure can be found in Chapter 2 Expenses Measures.

	2022–23 \$`000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Youth Detention Centre Capacity - Addressing Capacity Issues at Youth					
Detention Centres	—				

The government is providing additional funding of \$395,000, held centrally, for the Queensland Police Service to support strategies addressing capacity issues at Youth Detention Centres. Further details can be found in Chapter 2 Expense Measures.

This forms part of total increased funding of \$89.7 million over 3 years (\$78.1 million new funding and \$11.6 million from existing resources) to address capacity issues at Youth Detention Centres. Further details can be found in the Department of Education, Department of Youth Justice, Employment, Small Business and Training and Queensland Health sections of Chapter 2 Expense Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Youth Justice Investment - Police Liaison Officer High Visibility Proactive Patrols	2,500				

The government has provided additional funding of \$2.5 million to support Police Liaison Officer High Visibility Proactive Patrols and community safety engagement initiatives across the state. 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 \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 2 Expense Measures.

2022–23 \$`000	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
126				
	\$'000	\$'000 \$'000	\$ '000 \$ '000 \$'000	\$'000 \$'000 \$'000 \$'000

The government is providing increased funding of \$126,000 to extend the Townsville Early Action Group and expand to Cairns and Mount Isa to help break the cycle of youth crime by dealing with underlying issues that lead some young people to offend including poor school attendance, mental health concerns, drug and substance misuse, domestic violence and family dysfunction. This forms part of total increased funding of \$5.1 million over 3 years for the Early Action Groups.

This forms part of the government's total funding package of \$446.4 million (\$441.9 million new funding and \$4.5 million internally funded) over 5 years and \$33.7 million per annum ongoing to help boost police resources and tackle the complex causes of youth crime and support community safety.

Further details can be found in Chapter 1 of this paper and in the Department of Child Safety, Seniors and Disability Services, Department of Education, Department of Housing, Department of Justice and Attorney-General, Department of the Premier and Cabinet, Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts, Department of Youth Justice, Employment, Small Business and Training, Queensland Corrective Services and Queensland Health sections of this chapter and the Queensland Police Service section of Chapter 2 Expense Measures.

Queensland Treasury

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Queensland Critical Minerals and Battery Technology Fund		100,000			

The government is providing additional funding of \$100 million to establish Queensland Critical Minerals and Battery Technology Fund with the Queensland Investment Corporation to assist in positioning Queensland for the next resources boom in critical minerals and support the development of battery technology and advanced materials needed for the clean energy revolution.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Queensland Resources Common User Facility	1,542	43,950	15,250		

The government is providing additional funding of \$60.7 million over 3 years to develop the Queensland Resources Common User Facility. This Facility is to accommodate a broader range of purposes in the future beyond vanadium processing to include additional minerals and rare earth elements as well as research and development activities by universities and research institutes. Further capital funding can be found in the Department of Resources. The expense component of this measure can be found in Chapter 2 Expense Measures.

This forms part of the Common User Infrastructure which has a total funding commitment of \$150 million over 5 years for the development of critical minerals for projects that demonstrate sustainable value to the state.

4 Revenue Measures

Introduction

The following tables present the relevant portfolio revenue measures relating to decisions taken since the 2022-23 Budget. For further explanation, refer to Explanation of Scope and Terms in Chapter 1.

Department of Agriculture and Fisheries

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Horticulture Food Safety Schemes		303	622	1,062	1,089

The government is introducing fees to administer horticulture food safety schemes to facilitate implementation of a national decision that ensures the safe production of high risk horticulture commodities.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$'000
Exhibited Animals		78	161	165	173

The government is introducing fees to support the licensing, assessment, monitoring and compliance services associated with exhibited animals. The additional cost of these fees will be borne by entities exhibiting and dealing with animals under an exhibited animal authority.



Department of Education					
	2022–23 \$'000	2023–24 \$'000	2024–25 \$'000	2025–26 \$'000	2026–27 \$`000
Homestay Program Fees for International Students		101	261	265	272

The government is aligning the fee for airport transfer services for arriving international students enrolled in the Department of Education International (DEi) Homestay Program to include fees incurred for this service.

Department of Justice and Attorney-General

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$'000	\$'000
Civil Partnerships - Revision of Prescribed Fees		486	498	512	524

The government is introducing a new civil partnership fee schedule to achieve cost recovery. Implementing the revised fee schedule would enable the civil partnership scheme to sustainably operate at full cost recovery and alleviate the resource burden administering the scheme places on other frontline services. This measure is estimated to generate \$2 million in revenue from 2023-24 to 2026-27.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Justice Services Fees and Charges					

The government will provide fee exemptions for persons seeking appointment as a Justice of the Peace or as a Commissioner for Declarations where they are above 18 years of age and can demonstrate financial hardship. The government will also provide fee exemptions for applications to the Queensland Civil and Administrative Tribunal in relation to Voluntary Assisted Dying.

Department of Regional Development, Manufacturing and Water

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$'000	\$'000	\$'000
Drought Assistance and Reform Package					

The government is providing relief of up to \$910,000 in 2023-24 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 for those who have an individually droughted property.

Further details can be found in the Department of Resources section of this chapter and the Department of Energy and Public Works section of Chapter 2 Expense Measures.

Department of Resources					
	2022–23 \$`000	2023–24 \$`000	2024–25 \$'000	2025–26 \$'000	2026–27 \$'000
Drought Assistance and Reform Package			—		—

The government is providing relief of up to \$3.2 million in 2023-24 through rent rebates for primary production leases in drought declared areas.

Further details can be found in the Department of Regional Development, Manufacturing and Water section of this chapter and the Department of Energy and Public Works section of Chapter 2 Expense Measures.

Department of Transport and Main Roads

	2022–23 \$`000	2023–24 \$`000	2024–25 \$`000	2025–26 \$'000	
Secure Taxi Rank Program Review		(1,207)	(1,214)	(1,222)	(1,222)

The government is removing the late night surcharge and the Taxi Industry Security Levy at an estimated cost of \$4.9 million over 4 years.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$'000	\$'000	\$'000	\$'000	\$'000
Replacement Smartcard Product Fee Changes		(5,292)	(5,604)	(5,915)	(6,240)

The government is reducing the replacement fee for Queensland driver licences, photo identification cards and industry authority cards to \$35 from 1 July 2023 at an estimated cost of \$23.1 million over 4 years and \$6.2 million per annum ongoing.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Reducing Learner Licence Fees	(2,975)	(9,376)	(9,850)	(10,349)	(10,873)

The government is reducing Queensland's learner licence fees from \$186.55 to \$75 at an estimated cost of \$43.4 million over 5 years.

Queensland Fire and Emergency Services

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$'000	\$`000
Reduction in Alarm Monitoring Fees		(3,893)	(3,990)	(4,089)	(4,191)

The government is reducing annual fire alarm monitoring charges by up to 15 per cent as a result of modernising fire alarm services provided by Queensland Fire and Emergency Services.

Queensland Treasury

	2022–23 \$`000	2023–24 \$`000		2025–26 \$`000	2026–27 \$'000
Queensland Revenue Office Increased Compliance Work		18,000	44,100	74,250	88,425

The government is increasing taxation revenue compliance work undertaken by Queensland Revenue Office. The compliance program is expected to generate revenue of \$224.8 million over 4 years. The expenses component of this measure can be found in Chapter 2 Expenses Measures.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
Debt Recovery and Compliance Program			128,400	128,400	128,400

The Debt Recovery and Compliance Program is expected to generate revenue of \$385.2 million over 3 years through a package of increased revenue compliance and collection measures. The expenses component of this measure can be found in Chapter 2 Expenses Measures.

	2022–23 \$`000	2023–24 \$`000	2024–25 \$'000	2025–26 \$`000	2026–27 \$'000	
Build to Rent Tax concession		(1,500)	(3,000)	(5,000)	(6,000)	

The government is providing tax concessions for eligible Build to Rent developments that provide at least 10 per cent of dwellings as affordable homes at discounted rents. The initiative is estimated to result in \$15.5 million over 4 years in tax relief, with ongoing costs up to 30 June 2050 in the form of tax concessions to support eligible Build to Rent developments that become operational between 1 July 2023 and 30 June 2030.

The change is subject to the passage of legislative amendments.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$'000	\$`000	\$`000
50 per cent Payroll Tax Rebate for Apprentices and Trainees		(48,600)			

The government is extending the 50 per cent payroll tax rebate on the exempt wages of apprentices and trainees until 30 June 2024. 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.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$`000	\$`000	\$`000	\$`000
General practitioner payroll tax amnesty	(100,000)	(100,000)	(100,000)		

An amnesty is being provided to qualifying medical practices, otherwise liable to pay payroll tax on payments made to contracted general practitioners (GPs), up to 30 June 2025 and for the previous 5 years (i.e. 2018-25). The amnesty recognises a potential lack of awareness of the payroll tax treatment of contractors among GPs and the need to support these practices to come into compliance with the least disruption possible. The additional payroll tax revenue which may have been recovered in absence of the amnesty is estimated to be up to \$100 million per annum during the amnesty period.

	2022–23	2023–24	2024–25	2025–26	2026–27
	\$`000	\$'000	\$`000	\$`000	\$'000
Regional Payroll Tax Discount		(116,100)	(122,800)	(129,600)	(136,900)

The government is extending the one per cent discount on the payroll tax rate for eligible regional employers until 30 June 2030 to provide ongoing certainty to regional businesses across the state. It is estimated this initiative will result in total tax relief to eligible businesses of \$505.4 million over the 4 years ending 2026-27.

The change is subject to the passage of legislative amendments.

Queensland Budget 2023–24 Budget Measures Budget Paper No.4



Queensland Budget 2023–24

Budget Measures Budget Paper No.4

'Rich history, thriving future.' artwork by David Williams of Gilimbaa.

EXHIBIT (c)(iv)

2023-24 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 "<u>State</u>" or "<u>Queensland</u>") 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, the Russia-Ukraine conflict and the Israel-Hamas 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.

(c)(iv)-1



First Nations acknowledgement

Queensland Treasury acknowledges Aboriginal peoples and Torres Strait Islander peoples as the Traditional Owners and custodians of the land. We recognise their connection to land, sea and community, and pay our respects to Elders past, present and emerging.

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BUDGET UPDATE 2023-24

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FOREWORD



The 2023–24 Budget Update showcases the continuing strength of Queensland's growing economy, against a backdrop of subdued global economic conditions and cost-of-living pressures affecting households.

Queensland's economy has continued to outperform most other states and territories, with strong growth in population, employment, wages, and exports.

This strength, combined with robust fiscal management has enabled the Government to continue to address national cost-of-living pressures for Queenslanders.

Building on the record \$8.224 billion in concessions outlined in the 2023–24 Budget, we are providing more support to families and businesses facing cost-of-living pressures, including:

- boosting the First Home Owner Grant to \$30,000, the equal highest in the nation, until June 2025
- freezing the registration fee and traffic improvement fee components of Motor Vehicle Registration Costs in 2024– 25
- freezing public transport fares in 2024
- maintaining critical investment for both financial counselling and resilience services, and food relief and emergency relief.

We've delivered nation-leading rebates and concessions, while also funding investment in critical infrastructure and services that support long-term growth.

Against a backdrop of subdued global economic conditions, Queensland's strong labour market and population growth, combined with significant public investment, have supported solid domestic activity.

The Queensland economy grew 2.3 per cent in 2022–23 and growth is forecast to strengthen to 3 per cent in both 2023–24 and 2024–25. Our economy has rebounded since the COVID-19 pandemic to be 9.8 per cent larger than it was in 2018–19, highlighting the resilience of the state's diversified economic base.

Queensland's labour market continues to perform strongly.

In October 2023, employment in Queensland was 286,900 persons, or 11.1 per cent, above its pre-COVID level of March 2020. That jobs growth is the equivalent to more than the population of Ipswich. It is the second strongest rate of jobs growth of any state or territory, and accounted for one quarter of national job gains over that period.

And our regions are benefiting from strong employment conditions, with Toowoomba, Townsville, and Logan— Beaudesert all seeing employment growth of over 20 per cent since pre-COVID levels in March 2020.

Queensland recorded an unemployment rate averaging 3.7 per cent in 2022–23, the lowest year-average unemployment rate since 2007–08 and the second lowest on record since 1978.

The improved revenue outlook in 2023–24 primarily reflects upward revisions to coal and petroleum royalties, due to higher-than-expected global metallurgical coal prices, and higher oil prices.

The record 2022–23 net operating surplus and improved fiscal position in 2023–24, both of which are driven by the temporary and unprecedented strength in coal royalties and introduction of progressive coal royalties, provides Queensland with the capacity to deliver additional cost-of-living measures, while also supporting the state's record capital program over the next 4 years.

The 2023–24 Budget Update includes a current capital program of \$96.2 billion over the 4 years to 2026–27. The government is delivering productivity-enhancing economic and social infrastructure needed to support a growing Queensland. The Big Build capital program is supporting the state's economic and energy transformation and improving the liveability and sustainability of Queensland communities.

These investments will support the growth of Queensland's traditional and emerging industries and create more jobs across the state.

With a focus on growing the Queensland economy, we'll continue to invest in the future for families and businesses across the state.

The Honourable Cameron Dick MP

Treasurer Minister for Trade and Investment

2 BUDGET UPDATE 2023-24

OVERVIEW

The 2023–24 Budget Update incorporates the changes to the state's economic and fiscal position since the 2023–24 Queensland Budget.

The fundamentals of the budget and economy remain strong with highlights including the state recording:

- economic growth of 9.8 per cent since the pre-COVID level in 2018–19 – stronger than national GDP growth of 9.3 per cent over the same period
- unemployment rate averaging 3.7 per cent in 2022–23, the lowest year-average unemployment rate since 2007– 08 and the second lowest on record since 1978
- employment in October 2023 being 286,900 persons (or 11.1 per cent) above its pre-COVID level of March 2020, accounting for one quarter of national job gains over the period
- a small net operating deficit of \$138 million is forecast for 2023–24, which is a \$2.044 billion improvement on the deficit projected in the 2023–24 Budget
- the improvement in 2023–24 follows on from Queensland's record General Government Sector net operating surpluses of \$13.93 billion for 2022–23 and \$4.3 billion in 2021–22 which benefitted from high coal prices and from June 2022 the introduction of new progressive coal royalty tiers
- modest surpluses are still forecast from 2024–25 onwards, as commodity prices normalise, consistent with previous updates
- General Government Sector net debt is estimated to be \$14.676 billion by 30 June 2024, which is \$1.514 billion lower than projected in the 2023–24 Queensland Budget.

Queensland's ongoing strong economic recovery and performance following the COVID-19 pandemic continues to highlight the resilience of the state's diversified economy.

The strong labour market and population growth, combined with significant public investment, have supported solid domestic activity. After growing by 2.3 per cent in 2022–23, overall economic growth is forecast to strengthen to 3 per cent in both 2023–24 and 2024–25.

The government's economic strategy is continuing to support Queensland's transition to a more sustainable and diversified economy, by focussing on key enablers of growth. These include infrastructure investment, a skilled workforce, a competitive investment and trade environment, innovation, and technology, and enhancing the state's strong Environmental, Social and Governance (ESG) credentials. General Government Sector revenue in 2023–24 is estimated to be \$3.7 billion higher than estimated at the time of the 2023–24 Queensland Budget. The improved revenue outlook in 2023–24 primarily reflects upward revisions to coal and petroleum royalties, due to higher-than-expected global metallurgical coal and oil prices being received by Queensland's key commodity producers.

The record 2022–23 net operating surplus and improved fiscal position in 2023–24 provides Queensland with the capacity to deliver additional cost-of-living measures, while also supporting the state's record capital program over the next four years.

Building on the record \$8.224 billion in concessions outlined in the 2023–24 Budget, the government is providing more support to families and businesses facing cost-of-living pressures, including:

- boosting the First Home Owner Grant until June 2025
- freezing the registration fee and traffic improvement fee components of Motor Vehicle Registration Costs in 2024– 25
- freezing public transport fares in 2024.

The government is delivering productivity-enhancing economic and social infrastructure needed to support a growing Queensland. The 2023–24 Budget Update includes a current capital program of \$96.2 billion over the 4 years to 2026–27. Enhancements that have been incorporated into the capital program in recent budgets include delivering increased health system capacity, decarbonisation of the state's energy system, improving water security and preparing for the Brisbane 2032 Olympic and Paralympic Games. The government is keenly aware of cost pressures and continues to work closely with the Australian government on its Infrastructure Investment Program review.

OUR ECONOMIC STRATEGY

Delivering for Queenslanders

Queensland's strong economic performance is enabling the Queensland Government to continue to address the challenges facing Queenslanders today, while also laying a solid foundation for future growth and prosperity.

Despite subdued global economic conditions, the Queensland economy grew by 2.3 per cent in 2022–23. In October 2023, employment in Queensland was 286,900 persons, or 11.1 per cent, above its pre-COVID level of March 2020.

This strong economic and labour market performance, and the impact of high coal prices, has enabled the Queensland Government to deliver nation-leading cost-of-living support to Queensland households and businesses, while also funding investments in critical infrastructure and services that support long-term growth.

As outlined in the 2023–24 Budget, the government is providing a record \$8.224 billion in concessions in 2023–24 to support families and businesses facing cost-of-living pressures, an increase of more than 21 per cent from 2022–23. Since then, the government has announced further significant support for Queenslanders facing cost-of-living pressures, including to help address housing affordability challenges by boosting the First Home Owner Grant.

As well as addressing immediate challenges, the government's economic strategy is continuing to support Queensland's transition to a more sustainable and diversified economy, by focussing on key enablers of growth including infrastructure investment, a skilled workforce, a competitive investment and trade environment, innovation and technology, and enhancing the state's strong Environmental, Social and Governance (ESG) credentials.

The government is delivering the productivity-enhancing economic and social infrastructure needed to support a growing Queensland. This includes the Big Build capital program which is supporting the state's economic and energy transformation and improving the liveability and sustainability of Queensland communities.

These investments will support the growth of Queensland's traditional and emerging industries and create more jobs across the state.

To capitalise on these opportunities, the government is also investing in the growth and development of Queensland's workforce. *Queensland's Clean Energy Workforce Roadmap*, released in October 2023, builds on the *Good people. Good Jobs: Queensland Workforce Strategy 2022–2032* and sets out a \$30 million roadmap to create a skilled, job-ready workforce to deliver Queensland's clean energy transformation.

Box 1: Cost-of-living relief for Queenslanders

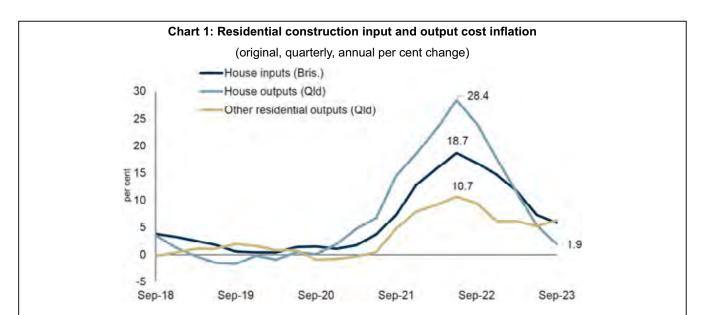
The global inflationary environment since the COVID-19 pandemic drove up the cost of living around the world and nationally. However, as global and domestic supply chains have responded and tighter interest rate settings have curbed demand, the inflation rate, while still high, is moderating.

Annual Consumer Price Index (CPI) growth in Queensland has clearly peaked, having now fallen for four consecutive quarters from a peak of 7.9 per cent in September quarter 2022. The latest quarterly CPI data show Brisbane's headline CPI rose 0.7 per cent in September quarter 2023, to be 5.2 per cent higher over the year.

The key contributors to CPI growth over the year to September quarter 2023 in Brisbane were housing (including rents), food and automotive fuel costs. Housing was up 5.3 per cent, food and non-alcoholic beverages up 4.6 per cent and fuel up 9.0 per cent over the year.

However, there are clear signs that growth in construction costs is stabilising following an extended period of material and labour supply constraints, which saw construction costs surge in 2022 (**Chart 1**). Annual growth in residential construction costs in Queensland in September quarter 2023 had fallen to 1.9 per cent, compared with the peak of 28.4 per cent growth recorded a year earlier.

4 BUDGET UPDATE 2023–24



The Queensland Government is acutely aware of the challenges Queenslanders are currently facing in terms of national cost-of-living pressures. That is why in the 2023–24 Budget, the government provided a record \$8.224 billion in concessions to Queensland families and businesses.

In particular, the Budget delivered \$1.483 billion for additional electricity bill support to households and small businesses facing cost-of-living pressures. As part of the package, all Queensland households are automatically receiving a \$550 Cost of Living Rebate on their electricity bill in 2023–24, while around 600,000 vulnerable households will benefit from a higher \$700 Cost of Living Rebate.

In addition, vulnerable households will continue to receive the existing \$372 rebate under the Queensland Electricity Rebate Scheme, bringing total support for this group to \$1,072 in 2023–24.

The first instalment of this package has had an immediate impact on lowering inflation, with Brisbane electricity prices falling by 10.2 per cent in the September quarter. In comparison, the ABS estimated that electricity prices would have increased by 21.5 per cent in the absence of the government's overall energy bill relief.

The 2023–24 Budget also provided increased funding of \$1.1 billion for the delivery and supply of social housing across Queensland through the *Housing and Homelessness Action Plan 2021-2025*, including to meet higher construction costs and to boost the QuickStarts Queensland program target by 500 homes, bringing it to 3,265 social housing commencements by 30 June 2025.

The Budget also committed over \$150 million over 5 years to provide temporary accommodation and extend and enhance housing and homelessness services. In addition, the Queensland Government is actioning key reforms, including limiting rent increases to once a year to give a fairer go to Queenslanders who rent.

The government is also providing \$64.3 million for the Remote Community Freight Contracts – Northern Peninsula, Torres Strait and Gulf region, to be delivered through a freight retail discount scheme applied at the cash register on eligible essential goods at participating retailers, to assist those living in the Cape York, Torres Strait and Gulf regions.

Since the 2023–24 Budget, including in this Budget Update, the Queensland Government has announced further significant support for Queenslanders facing cost-of-living pressures.

Boost to First Home Owner Grant

The government has temporarily doubled the First Home Owner Grant for eligible first home buyers to \$30,000, estimated to support around 12,000 Queenslanders to unlock their first home by 30 June 2025, when the boost is set to expire. This increase means Queenslanders will now have access to the equal highest First Home Owner Grant in Australia, and triple the grants available in New South Wales, Victoria and Western Australia.

Freeze on motor vehicle registration costs

To further alleviate cost of living pressures on Queenslanders, the Government has frozen the registration fee and traffic improvement fee components of Motor Vehicle Registration Costs for 2024–25.

Freeze on public transport fare increases

Fare increases on Queensland public transport services will be frozen in 2024.

Other cost of living support for vulnerable Queenslanders

The Budget Update also provides \$557,000 in 2023–24 and \$1.1 million in 2024–25 to maintain critical investment in financial counselling and resilience services until 31 December 2024, and \$1.95 million in 2024–25 to maintain critical funding for food relief and emergency relief until 31 December 2024.

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ECONOMIC OVERVIEW

Domestic economic developments have largely played out as expected since the 2023–24 Queensland Budget. However, the outlook for the global economy remains subdued, with risks skewed to the downside.

The International Monetary Fund (IMF) projects global economic growth to slow from 3.5 per cent in 2022 to 3.0 per cent in 2023 and 2.9 per cent 2024, weaker than the 3.8 per cent per annum historical average.

National economic growth is expected to slow in 2023–24, weighed down by subdued growth in consumption and a slowdown in exports, according to the Reserve Bank of Australia (RBA). After growing 3.0 per cent in 2022–23, the RBA forecasts national GDP growth to slow to 13⁄4 per cent in 2023–24 before picking up to 2 per cent in 2024–25.

In Queensland, household budgets continue to be constrained by the substantial increases in lending rates and other cost-of-living pressures, which are expected to result in slower household spending growth in 2023–24. However, household consumption growth is expected to recover somewhat in 2024–25 as easing inflationary pressures help support real disposable incomes.

With supply constraints continuing to ease, new housing construction activity in Queensland's has rebounded recently. As capacity constraints unwind further and the substantial pipeline of construction work progresses, dwelling investment is forecast to rebound strongly in 2023–24 and grow at a modest rate in 2024–25.

After growing by 2.7 per cent in 2022–23, Queensland's state final demand growth is expected to remain steady at 2³/₄ per cent in 2023–24, before strengthening to 3 per cent in 2024–25.

Despite the weaker global outlook tempering demand, an unwinding in supply constraints across the Queensland resources sector is expected to boost coal, LNG, and metals export volumes in the near term, while drier conditions are expected to increase short-term beef exports as processing rates increase. Services exports are also forecast to grow strongly as airline capacity increases. Further, goods imports are expected to moderate, in line with the softening in household spending and a sustained low A\$ making imports relatively more expensive.

The combination of these factors means that, after detracting from overall economic growth for 3 consecutive years, in real terms the overseas trade sector is forecast to make a solid contribution to overall economic growth in 2023–24. In 2024–25, the contribution from the trade sector is forecast to largely return to balance, as services export growth moderates.

After growing by 2.3 per cent in 2022–23, overall economic growth is forecast to strengthen to 3 per cent in both 2023–24 and 2024–25. This profile is consistent with the outlook published in the 2023–24 Queensland Budget.

Softer household consumption in 2023–24 is expected to see year-average employment growth slow, from the strong 3.7 per cent in 2022–23 to 13⁄4 per cent in 2023–24, before growing a further 11⁄4 per cent in 2024–25.

Reflecting the strength of Queensland's labour market, the state's unemployment rate averaged 3.7 per cent in 2022–23, in line with the Budget forecast. This was Queensland's lowest year-average unemployment rate since 2007–08 and the second lowest on record since monthly ABS *Labour Force* estimates began in 1978.

Queensland's unemployment rate is forecast to edge slightly higher, from a low of 3.7 per cent in 2022–23 to 41/4 per cent in 2023–24 and $41/_2$ per cent in 2024–25. However, these are still relatively low unemployment rates historically, compared with an annual average of 5.6 per cent over the previous 2 decades.

Consistent with national trends, inflation appears to have peaked, with annual growth in Brisbane's Consumer Price Index slowing from 7.9 per cent in September quarter 2022 to 5.2 per cent a year later. However, reflecting higher fuel prices and a weaker A\$, inflationary pressures, particularly for goods, are expected to persist for longer than anticipated at Budget. Consequently, after having peaked at 7.3 per cent in 2022–23, Brisbane's year-average inflation is now expected to be 41⁄4 per cent in 2023–24, before moderating to 3 per cent in 2024–25.

Queensland's Wage Price Index grew by 3.6 per cent in 2022–23, marginally below the 33/4 per cent forecast at Budget. Following strong growth in September quarter 2023, wages growth is expected to pick up to 43/4 per cent in 2023-24, before moderating in 2024–25 to 31/2 per cent as capacity constraints in the labour market begin to ease.

Combined, these forecasts for year-average wages growth and inflation imply that real wages will grow by half a percentage point in both 2023-24 and 2024-25.

Queensland's population growth is expected to have strengthened to 21/4 per cent in 2022-23, reflecting strong overseas migration as departures have temporarily lagged arrivals. With interstate migration forecast to stabilise at around pre-COVID levels and net overseas migration to remain elevated, Queensland's population is forecast to grow a further 2 per cent in 2023-24 before easing back to growth of 11/2 per cent in 2024-25.

Table 1: Queensland economic forecasts¹ 2022-23 2023-24

2024-25

	Actuals	Budget	Update	Budget	Update
Gross state product ²	2.3	3	3	3	3
State final demand	2.7	21⁄2	23⁄4	31⁄4	3
Employment	3.7	1	13⁄4	11⁄2	11⁄4
Unemployment rate ³	3.7	41⁄4	41⁄4	41⁄2	41⁄2
Inflation ⁴	7.3	33⁄4	41⁄4	3	3
Wage Price Index	3.6	4	43⁄4	31⁄2	31⁄2
Population	21⁄4	13⁄4	2	11⁄2	11⁄2

Unless otherwise stated, all figures are annual percentage changes. Chain volume measure (CVM), 2021–22 reference year. 1.

2

Per cent, year-average.

Notes

4. Brisbane, per cent, year-average. 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

Global economic growth has slowed in 2023, with a slowing in growth across major advanced economies weighed down by a synchronised rapid tightening of monetary policy globally.

The IMF is forecasting global economic growth to slow from 3.5 per cent in 2022 to 3.0 per cent in 2023 and 2.9 per cent in 2024, although the risk of a significant global economic downturn is now considered less likely than previously anticipated.

While world economic output in coming years is now forecast to be slightly stronger than expected at Budget, it is still weaker than the 3.8 per cent per annum average over the 2 decades prior to COVID-19.

Since Budget, long term government bond yields have risen further, including in the United States where economic activity has been particularly resilient.

Globally, inflation has moderated from multi-decade highs but remains above-target and a key challenge in most advanced economies, particularly for services. The IMF forecasts global headline inflation to fall from its peak of 8.7 per cent in 2022 to 6.9 per cent in 2023 and 5.8 per cent in 2024.

While interest rates increasingly appear to be near their peak in most advanced economies, labour markets generally remain resilient, supporting demand, while core measures of inflation are proving sticky.

Further, rising energy prices have temporarily halted the inflation slowdown in recent months in many economies, including in Australia, with global oil prices in October being 21 per cent higher than they were in May, as supply cuts by major producers were extended.

BUDGET UPDATE 2023-24 8



Note:

1. Monthly, annual per cent change.

Source: Refinitiv.

In China, which regained its place as Queensland's top export market in the year to October 2023, economic growth has moderated since re-opening from COVID-19 lockdowns. A range of economic data since the Budget point to a weakening in China's economy, including in the property sector, and authorities have responded with policy stimulus aimed at the property and household sectors, as well as lower interest rates. China's economy, which is now forecast to grow by 5.0 per cent in 2023 and 4.2 per cent in 2024, remains a key risk to the outlook.

On balance, given these factors, risks to the global outlook remain skewed to the downside. The conflict in the Middle East has so far had only modest impacts on financial and commodity markets, but a broadening in the conflict could impact oil supply and have broader spillover effects.

While overall global economic activity has evolved broadly as expected, the outlook for industrial production across Queensland's major trading partners has deteriorated. Trade tensions and restrictions have continued, including between the US and China. For 2023, industrial production is forecast to contract in Japan, Korea, Singapore, Taiwan, and the Eurozone, while growth in China has also been downgraded.

Weaker growth or declines in industrial production in key trading partners suggests softer demand for Queensland's commodities, including metallurgical coal. Commodity prices are generally lower than at Budget, although ongoing supply constraints have made metallurgical coal and oil prices notable exceptions.

Despite the weaker global outlook tempering demand, an unwinding in supply constraints across the Queensland resources sector is expected to boost coal, LNG, and metals export volumes in the near term, while drier conditions are expected to increase short-term beef export volumes as processing rates increase.

	2022	2023		20	24
_	Actual	Budget	Current	Budget	Current
China	3.6	5.2	4.3	5.0	4.7
India	5.3	3.5	5.5	5.4	5.4
Japan	0.0	0.0	-1.4	2.4	1.0
Korea	1.4	-1.8	-3.2	3.3	3.8
Singapore	2.7	-0.7	-5.3	2.5	2.1
Taiwan	-1.8	-2.0	-11.6	3.8	6.1
US	3.4	-0.9	0.3	-0.8	0.0
UK	-3.3	-1.2	0.9	0.7	-0.2
Euro zone	2.1	0.6	-2.0	1.6	0.1

Table 2: Industrial Production growth Forecasts

Source: Consensus Economics.

National economy

The Australian economy has remained robust amid a slowing global economy and geopolitical uncertainty, with GDP growing by 3.0 per cent in 2022–23.

Solid economic growth during the post-pandemic recovery has sustained a tight labour market in Australia, with the national unemployment rate remaining under 4 per cent since March 2022.

Inflation in Australia is moderating, but it has fallen at a slower rate than expected due to growth in automotive fuel prices and persistent services inflation. The RBA expects inflation to return to the top end of its 2 to 3 per cent target range by the end of 2025.

The RBA has tightened monetary policy substantially since May 2022. From the "emergency low" of 0.1 per cent during the COVID-19 pandemic, the cash rate had been raised 425-basis points to 4.35 per cent — the highest rate since November 2011. Market pricing currently suggests the cash rate is at its peak and may begin declining by late 2024.

National house prices in November 2023 rebounded 8.3 per cent since the recent low in January 2023. While the increase in house prices has been broad-based across capital cities and regions, the rate of growth nationally appears to have moderated in recent months, driven by slowdowns in Sydney and Melbourne.

National household consumption and dwelling investment has been weak with high inflation and increased mortgage repayments weighing on household disposable incomes.

The RBA revised up its near-term economic growth outlook in its latest November 2023 *Statement on Monetary Policy* due to stronger-than-expected momentum in the economy over the first half of 2023. The RBA forecasts national year average GDP growth of 13⁄4 per cent in 2023–24 before picking up to 2 per cent in 2024–25.

Queensland conditions

The Queensland economy grew a further 2.3 per cent in 2022–23, broadly in line with the 2023–24 Queensland Budget forecast of 2 per cent. The strong labour market and population growth, combined with significant public investment, have supported domestic activity.

Overall, the outlook for Queensland economic growth is unchanged from Budget, with gross state product forecast to grow by 3 per cent in both 2023–24 and 2024–25.

Household consumption

Strong growth in labour income, a pick-up in population growth and the substantial savings accumulated during the pandemic led to real household consumption growing by a solid 3.0 per cent in 2022–23. However, this was a slowing of growth from the strong 4½ per cent per annum averaged across the 2 previous years, as households reduced discretionary spending in response to higher borrowing costs and other cost-of-living pressures.

Consumption patterns that had altered during the COVID-pandemic continued to normalise during 2023, with a rebalancing towards spending on services appearing to have now mostly run its course.

Notwithstanding the wealth boost from the sharper and earlier than expected rebound in dwelling prices, elevated inflation and the lagged impact of higher interest rates are expected to continue to weigh on household budgets in the near-term and lead to a further slowing in real consumption growth in 2023–24.

As inflationary pressures subside, growth in real household consumption is forecast to regain momentum in 2024–25.

Dwelling investment

Following 2 years of strong growth, dwelling investment in Queensland fell 6.1 per cent in 2022–23. Residential construction activity in 2022 was constrained significantly by material and labour supply shortages, poor weather and flooding, and several construction company insolvencies.

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However, there are clear signs that supply constraints are beginning to ease, particularly for materials, with new and used construction in September quarter 2023 12.2 per cent above its trough in June quarter 2022. Conversely, renovation activity, which is traditionally more discretionary in nature, has trended lower as higher interest rates impact household budgets.

Record low interest rates and substantial government stimulus drove strong increases in building approvals and lending indicators throughout 2020–21. However, given the supply constraints faced by the sector across 2021 and 2022, there remains a near-record value of residential building work in the pipeline.

Supported by the continued easing of supply constraints, dwelling investment is expected to rebound strongly in 2023–24, followed by further moderate growth in 2024–25.

Business investment

Following declines in the 3 years to 2020–21, business investment recovered strongly in the subsequent 2 years as the economy rebounded from the COVID-19 pandemic, interest rates remained low and the labour market strengthened. Business investment grew by 9.3 per cent in 2021–22 and a further 5.2 per cent in 2022–23.

Over that period, strong business conditions and confidence, high commodity prices and capacity utilisation constraints all supported business investment, with these factors more than offsetting the impacts of the rapid growth in construction costs.

Consistent with the outlook at Budget, modest growth in business investment is still expected in 2023–24. While construction cost growth has moderated, indicators suggest that business confidence, conditions and capacity utilisation rates have eased over the past year. Higher interest rates and the anticipated continuation of commodity price softening will also moderate the outlook.

Public final demand

Public final demand rose a further 4.5 per cent in 2022–23, its eighth consecutive year of solid growth, with public final demand growth averaging 4.9 per cent per annum over this period. Growth in public final demand is expected to remain robust in 2023–24 and 2024–25.

Public final demand will continue to be supported by the Queensland Government's Big Build capital program, committing \$96 billion over 4 years to essential economic and social infrastructure investment across the state, including substantial investment across regional Queensland.

Overseas exports

High prices for Queensland's key commodity exports have boosted the nominal value of Queensland's goods and services exports which nearly doubled in 2021–22, before rising a further 11 per cent in 2022–23 to a record high of \$144 billion.

Overseas exports declined in real terms, falling by 1.7 per cent in 2022–23, reflecting a 5.4 per cent decline in goods exports, caused by unscheduled LNG maintenance and weather-related supply constraints impacting coal volumes. This more than offset strong growth in services exports, as they recover from the impacts of the pandemic.

Overseas exports are expected to grow in 2023–24, as supply constraints previously affecting goods exports unwind and services exports continue to recover towards pre-COVID-19 levels.

Coal

The volume of Queensland's coal exports rose 1.0 per cent in 2022–23, stronger than the $1/_2$ per cent decline expected in the 2023–24 Budget, reflecting very strong exports in June quarter 2023.

Since Budget, forecasts for industrial production growth in the majority of Queensland's primary coal export destinations have been downgraded. As a result, demand for Queensland's metallurgical coal is expected to be lower than anticipated at Budget in both 2023–24 and 2024–25. Partly offsetting this, thermal coal exports, to China in particular, have been stronger than forecast at Budget. Some of this strength is expected to continue into 2023–24 and 2024–25.

Overall, reflecting the continued unwinding of supply constraints experienced in recent years, Queensland's coal exports are forecast to grow 5 per cent in 2023–24 and a further 81/4 per cent in 2024–25.

Premium hard coking coal spot prices increased strongly in September 2023, rising from US\$268/t to US\$333/t across the month, much stronger than anticipated at Budget. The surge in coal prices occurred following news of suspended truck operations at the Peak Downs mine. BHP also reported lower coal production in September quarter 2023 at its Goonyella mine, reflecting wash plant maintenance. As supply normalises, prices will adjust towards medium term anchors.

PCI (pulverised coal injection) spot prices traded at an historic high relative to premium hard coking coal spot prices in 2022–23, following Russia's invasion of Ukraine restricting demand for Russian PCI coal. At Budget, it was assumed PCI prices would remain elevated, relative to their historic discount to hard coking coal, over the forward estimates as demand for Russian coal remained constrained. However, across July and August, the PCI spot price fell sharply, towards its average discount to premium hard coking coal. PCI prices are now expected to remain lower than expected at Budget over the forecast period.

Thermal coal prices have moved broadly as expected since Budget and forecast prices are largely unchanged, with thermal coal prices expected to continue to ease across 2023–24 but remain above their historical long-run average price across the forecast period.

LNG

The volume of Queensland's LNG exports fell 5.8 per cent in 2022–23, largely due to maintenance issues at one of the LNG plants on Curtis Island and tightness in the domestic market. However, the Australian Competition and Consumer Commission is forecasting adequate supply in the East Coast Domestic Gas Market in 2023–24, which should support a rebound in LNG export volumes.

Most of Queensland's LNG exports are sold under long-term contracts linked to global oil prices, with several months' lag. Elevated oil prices in recent years have driven the value of LNG exports to record highs, growing by 24 per cent to \$24.1 billion in 2022–23, following growth of 104 per cent the previous year. The value of LNG exports is expected to decline gradually over coming years, in line with moderating global oil prices.

However, there is considerable upside risk to oil prices if the conflict in the Middle East escalates or broadens and results in any significant impact on oil producing countries in the region.

Metals

Metals production rebounded in September quarter 2023, with most operations returning to normal production levels following lower production volumes early in the year. With several processors also increasing output, including from the Sun Metals zinc refinery expansion, the volume of metals exports is expected to rebound strongly in 2023–24.

As noted at Budget, anticipated zinc/lead and copper mine depletions are reflected in the forecast profile from 2025 onwards, including the closure of Glencore's Lady Loretta and Mount Isa copper mining activities. However, Glencore recently confirmed it intends to extend the life of the Mount Isa smelter and Townsville refinery beyond 2026, with these assets reliant on third-party feedstock from within Queensland and elsewhere.

With several projects awaiting approval and substantial exploration expenditure, particularly for copper, these factors could provide some support to metals exports in coming years. In addition, increasing activity in critical minerals is providing opportunities beyond Queensland's traditional industrial metals, although the timing and extent to which specific projects proceed, and output is exported, remains uncertain.

Agriculture

The volume of Queensland's agriculture exports rose by 4 per cent in 2022–23, driven by an increase in cotton and crops exports, as higher than average rainfall during late 2022 and early 2023 boosted production. Agriculture exports are expected to grow further in 2023–24, driven by beef as drier weather conditions associated with the onset of the El–Niño weather pattern incentivises farmers to sell cattle quickly and increase processing rates.

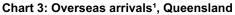
Looking ahead, growth in overall agriculture exports is predicted to slow to 1 per cent in 2024–25, as drier conditions inhibit production and exports, particularly for water sensitive commodities such as cotton and crops, despite continuing to encourage further beef processing and exports.

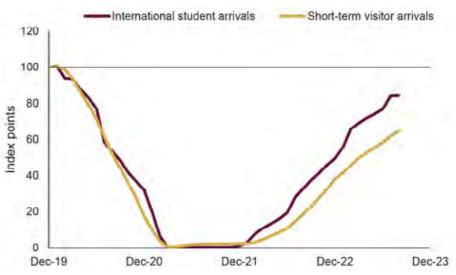
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Services

Following the re-opening of international borders, both tourist arrivals and commencements of international students have risen strongly. The relaxation of travel restrictions in China from January 2023 has also seen that key market start to recover.

The recovery has been especially pronounced in the education export sector, with international student arrivals now close to 2019 levels, while student commencements now exceed pre-COVID levels. However, tourist arrivals have continued to face capacity constraints and higher airfares which have, so far, prevented a full recovery to pre-COVID levels (**Chart 3**).





Note:

1. Rolling 12-month sum, indexed to 100 in 2019.

Source: ABS Overseas Arrivals and Departures.

Consistent with the outlook at Budget time, the ongoing gradual increase in airline capacity is expected to underpin continued recovery in tourist arrivals. However, this does appear to be taking somewhat longer than expected and, together with continued global economic instability, has led to a small downward revision in the forecast growth rate of tourist arrivals.

At the same time, the recovery in new student commencements will flow through into growth in the number of student enrolments and the overall outlook remains for continued strong growth in services exports.

Labour market

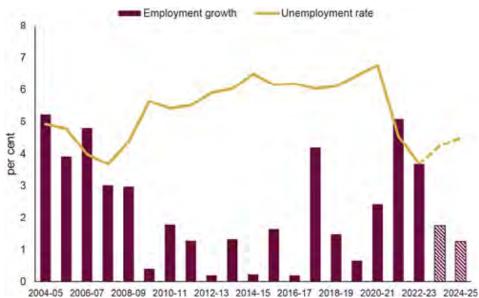
Queensland's employment grew 3.7 per cent in 2022–23, above the Budget forecast of 31/4 per cent. The stronger than forecast growth primarily reflected revisions to ABS civilian population estimates, which resulted in higher employment estimates.

The unemployment rate averaged 3.7 per cent in 2022–23, in line with the Budget forecasts. This was Queensland's lowest year-average unemployment rate since 2007–08 and the second lowest on record since monthly ABS *Labour Force* estimates began in 1978.

Partially reflecting stronger growth in population and domestic economic activity in 2023–24 than was forecast at Budget, and the historical ABS revisions that have been implemented since Budget, employment is now forecast to grow by 13/4 per cent in 2023–24 (compared with 1 per cent at Budget) and 11/4 per cent in 2024–25 (compared with 11/2 per cent at Budget).

The unemployment rate is expected to increase from its record low level, as the impacts of interest rate rises are fully felt, and household consumption slows, but remain low by historical standards (**Chart 4**). The unemployment rate is forecast to be 41/4 per cent in 2023–24 and 41/2 per cent in 2024–25.

Chart 4: Labour market forecasts¹, Queensland



Note:

1. Year-average. 2023–24 and 2024–25 are forecasts.

Sources: ABS Labour Force and Queensland Treasury.

The participation rate is expected to moderate slightly from its elevated level of 66.6 per cent in 2022–23, to 661/4 per cent in 2023–24 and 66 per cent in 2024–25.

The strength of the labour market is clearly evident across the state, including across regional Queensland. The unemployment rate in regional Queensland was 3.9 per cent in 2022–23, which was the lowest unemployment rate in the regions since estimates began in the late 1990's. Employment in regional Queensland grew by 5.1 per cent in 2022–23, the strongest regional employment growth since 2004–05.

Regional labour market conditions going forward are expected to move broadly in line with the state as a whole.

Queensland's Wage Price Index (WPI) grew by 3.6 per cent in 2022–23. Following strong growth of 2.3 per cent in September quarter 2023 (4.7 per cent over the year), wages growth is expected to pick up to 43/4 per cent in 2023–24 (compared with 4 per cent forecast at Budget). Wages growth will then moderate in 2024–25 to 31/2 per cent as capacity constraints in the labour market begin to ease.

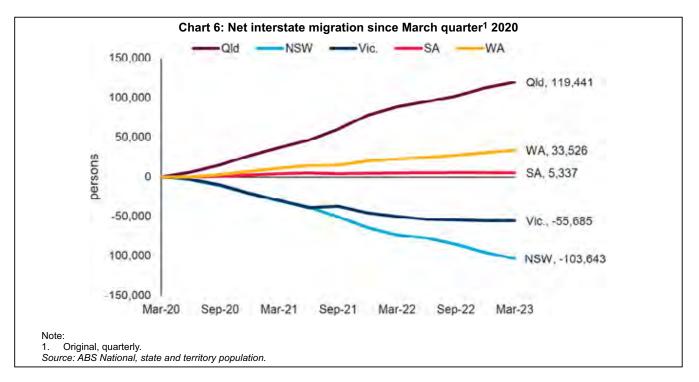
Combined, these forecasts for year-average wages and inflation imply that real wages will grow by half a percentage point in both 2023–24 and 2024–25.

As indicated above, the strong growth in employment has been supported by the ongoing strength in Queensland's population growth, which is expected to have increased to 21/4 per cent in 2022–23, reflecting a surge in overseas migration as departures have temporarily lagged arrivals.

With interstate migration forecast to stabilise at around pre-COVID levels and net overseas migration to be maintained at elevated levels, Queensland's population is forecast to grow a further 2 per cent in 2023–24 before easing back to growth of 11/2 per cent in 2024–25.

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Box 2: Queensland's strong economic recovery continues Queensland's ongoing strong economic recovery and performance following the COVID-19 pandemic continues to highlight the resilience of the state's diversified economy. Consistent with the strong economic and labour market performance outlined in the 2023-24 Budget, Queensland has continued to outperform the national average in a range of key indicators, as outlined below. As of September quarter 2023, Queensland's state final demand was 12.2 per cent above its pre-COVID level of March quarter 2020, above the 12.0 per cent growth recorded in the rest of Australia over that period. After surging 5.5 per cent in 2021–22, Queensland Gross State Product rose a further 2.3 percent in 2022–23, to be 9.8 percent above the pre-COVID level in 2018–19. This compares favourably with economic growth of 9.3 per cent nationally and the 8.6 per cent and 7.8 per cent growth in Victoria and New South Wales respectively over that period (Chart 5). Chart 5: Economic growth¹ since 2018–19 NSW Vic. - Qld -- Aus Qld, 109.8 110 Aus., 109.3 Vic., 108.6 108 NSW, 107.8 Index: 2018-19 = 100 106 104 102 100 98 2018-19 2019-20 2020-21 2021-22 2022-23 Note 1. Real Gross State Product. Source: ABS Annual State Accounts. In October 2023, employment in Queensland was 286,900 persons (or 11.1 per cent) above its pre-COVID level of March 2020, the second strongest growth rate of any state or territory and accounting for one quarter of national job gains over the period. In September quarter 2023, the Queensland WPI grew 2.3 per cent, the strongest wages growth of any state and the highest quarterly growth since commencement of the WPI series in 1997. Annual growth in Queensland's WPI in the year to September quarter 2023 accelerated to 4.7 per cent, well above national growth of 4.0 per cent and the strongest of all the states and territories. Since the onset of the pandemic, Queensland has welcomed nearly 120,000 net interstate migrants, more than triple than the next closest state, Western Australia (**Chart 6**).



Risks to the outlook

While international supply chain disruptions have largely eased, the ongoing war in Ukraine, as well as the conflict in the Middle East represent the major geopolitical risks to the outlook, especially in relation to key commodity prices such as oil and therefore energy costs. Recent weakness in the Chinese economy also presents a potential risk to the outlook.

In addition, both at the national and international level, the combination of high inflation and monetary policy tightening pose ongoing downside risks to economic growth. While inflation rates have trended downwards and expectations are that the peak in interest rates is close, it will take some time for these risks to fully dissipate.

Domestically, the recent declaration of an El–Niño weather event in Australia poses a significant downside risk to agricultural output and exports over the forecast period.

FISCAL OVERVIEW

The key fiscal aggregates of the General Government Sector are outlined in Table 3.

	2022–23 Actual \$ million	2023–24 Budget \$ million	2023–24 Update \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
General Government Sector						
Revenue	89,810	82,079	85,788	84,131	84,378	87,486
Expenses	75,880	84,261	85,926	84,009	84,287	86,865
Net operating balance	13,930	(2,182)	(138)	122	91	621
PNFA ²	9,899	9,347	11,332	13,205	12,491	12,055
Fiscal balance	8,092	(6,716)	(6,709)	(8,853)	(6,965)	(5,461)
Borrowing	53,726	65,479	63,373	76,841	86,388	96,758
Net debt	2,615	16,190	14,676	28,256	38,034	47,392

Table 3: Key fiscal aggregates¹

Notes:

Numbers may not add due to rounding.
 PNFA: Purchases of non–financial assets.

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Net Operating Balance

Queensland achieved a record surplus of \$13.9 billion in 2022-23 following on from the prior record surplus of \$4.3 billion in the previous year. Stronger revenue, primarily driven by continued high commodity prices, has improved the fiscal outlook for 2023-24.

A General Government Sector net operating deficit of \$138 million is forecast for 2023-24, an improvement of \$2.044 billion compared to the operating deficit of \$2.182 billion forecast at the time of the 2023-24 Budget.

Modest operating surpluses are forecast for the General Government Sector across the remainder of the forward estimates as coal prices continue to normalise and the impact of higher royalty revenue in the near-term impacts Queensland's share of GST in later years.

Key revenues are stronger than forecast in the 2023–24 Budget driven by royalties in 2023–24 and stronger transfer duty and land tax from 2024-25 onwards. Supported by the improved revenue outlook, the government has expanded its range of cost-of-living measures providing a temporary boost to the First Home Owner Grant and in 2024-25, freezing the registration fee and traffic improvement fee components of motor vehicle registration costs and freezing public transport fares in 2024.

Reconciliation with 2023–24 Budget

Table 4 provides a breakdown of the movements in the net operating balance since the 2023–24 Queensland Budget.

Table 4: Reconciliation of net operating balance, 2023–24 Budget to 2023–24 Budget Update1

	2023–24 Update \$ million	2024–25 Projection \$ million	2025–26 Projection \$ million	2026–27 Projection \$ million
2023–24 Budget net operating balance	(2,182)	135	206	377
Royalty and land rents revisions ²	4,256	542	180	(192)
Taxation revisions	272	591	857	1,013
GST revisions	(202)	(289)	(358)	634
Net flows from the PNFC and PFC sector entities	86	327	(96)	(214)
Natural disaster revisions (DRFA ³)	(566)	228	161	(15)
Revenue and Expense measures ⁴	(605)	(972)	(644)	(516)
Other parameter adjustments ⁵	(1,197)	(440)	(215)	(466)
2023–24 Budget Update net operating balance	(138)	122	91	621

Notes:

Numbers may not add due to rounding

Revisions include both royalties and land rents and therefore will not align with other sections focused only on royalties. 2.

3. Disaster Recovery Funding Arrangements

4

Reflects net operating balance impact of government decisions made since the 2023–24 Budget. Refers to adjustments largely of a non-policy nature, primarily changes in interest paid on borrowings, actuarial adjustments to superannuation liabilities, depreciation, swaps, and deferrals. 5.

Revenue

Overview

Total key state revenues (royalties, taxes, and GST) in 2023–24 are estimated to be \$4.248 billion (7.4 per cent) lower than in 2022–23 but \$4.336 billion (8.9 per cent) higher than estimated at the time of the 2023–24 Queensland Budget.

Over the later years of the forecast period, total key revenues have also been revised upwards, but more modestly, by \$854 million in 2024–25, \$690 million in 2025–26 and \$1.468 billion in 2026–27.

Reflecting this, total General Government Sector revenue in 2023–24 is estimated to be \$4.022 billion (4.5 per cent) lower than in 2022–23 but \$3.709 billion (4.5 per cent) higher than estimated at the time of the 2023–24 Queensland Budget.

The improved revenue outlook in 2023–24 primarily reflects upward revisions to coal and petroleum royalties, due to higherthan-expected global metallurgical coal and oil prices being received by Queensland's key commodity producers.

In addition, given key commodity exports are traded globally in \$US terms, a weaker than expected Australian dollar has contributed to the increased revenues.

Taxation revenue in 2023–24 and across the forecast period is also now expected to be somewhat stronger than anticipated at the time of the 2023–24 Budget. The improved outlook is due to stronger than anticipated collections across a number of taxes but, in particular, the sharper and earlier than expected turnaround in dwelling prices has led to upward revisions for transfer duty and land tax.

Beyond 2023–24, the upward revision to key revenues compared with the 2023–24 Budget estimates is more modest, reflecting the expected return of coal and oil prices to more sustainable levels over time, although the lower \$A exchange rate is expected to continue to support revenues across 2024–25 and 2025–26 as it gradually returns to its medium-term level.

The stronger than expected dwelling prices, and the expectation of resulting increases in land values, have led to solid upward revisions to transfer duty and land tax collections across the forward estimates, while the outlook in general for most other taxes remains largely consistent with that expected at the time of the 2023–24 Budget.

The higher-than-expected royalty revenue in the near-term will flow through to Queensland's GST share in later years. Queensland's GST revenue is expected to be lower than previously forecast in both 2024–25 and 2025–26. However, the impact on GST revenues is partially offset by the expected increases in tax revenues in other major states as reflected in their latest published budget forecasts.

When combined with Australian Government grants and other revenue sources, total General Government Sector revenue forecasts over the later years of the forecast period have been revised upwards by \$2.029 billion in 2024–25, \$1.520 billion in 2025–26 and \$1.895 billion in 2026–27.

Chart 7 outlines the revisions to forecasts in key revenues (i.e. taxes, royalties and GST) since the 2023–24 Queensland Budget.

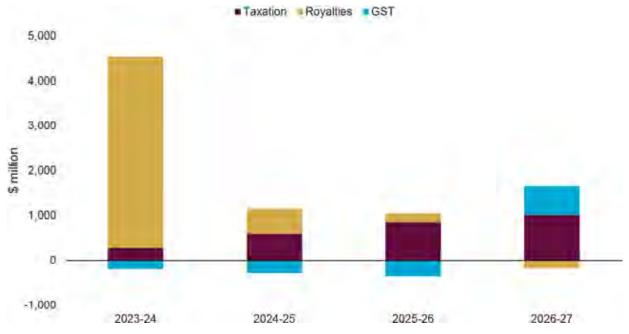


Chart 7: Revisions in key revenues since 2023–24 Budget

Taxation

Taxation revenue is estimated to total \$22.210 billion in 2023–24, \$1.609 billion (7.8 per cent) higher than received in 2022–23 and \$272 million (1.2 per cent) higher than estimated in the 2023–24 Queensland Budget. This modest revision to in tax revenues in 2023–24 reflects stronger than anticipated collections across a number of tax streams including payroll tax and duties.

Tax revenue is then expected to grow, on average, by around 5.9 per cent per annum over the 3 years ending 2026–27, reflecting broad-based growth across most key taxes.

This reflects the ongoing strength of the Queensland economy and labour market more broadly, while the unexpected strength in the property market is expected to support moderate upward revisions to transfer duty and land tax across the forward estimates period compared with the 2023–24 Budget.

Overall, compared with the 2023–24 Budget estimates, there have been upward revisions to total taxation revenue totalling \$2.733 billion over the 4 years to 2026–27.

Royalties

Royalty revenue is expected to total \$11.388 billion in 2023–24, \$6.826 billion (37.5 per cent) lower than in 2022–23 but \$4.265 billion higher than forecast at the 2023–24 Budget.

This uplift in royalties in 2023–24 is primarily driven by stronger than expected coal royalties, reflecting the ongoing high coal prices being received by Queensland's coal producers.

As outlined at Budget, global coal prices are still expected to moderate from the exceptionally high levels experienced in 2022–23. However, the latest forecast recognises the continued strength in hard coking coal (HCC) prices since mid-2023 as well as the impacts of the continued weakness in the \$A/\$US exchange rate.

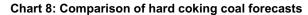
HCC prices have traded much higher in recent months than previously expected. Premium HCC spot prices averaged US\$264/t across the September quarter 2023. The recent increase in HCC prices has been driven by a range of largely temporary factors impacting production and resulting in supply tightness, evidenced in weaker export volumes of coking coal from Queensland.

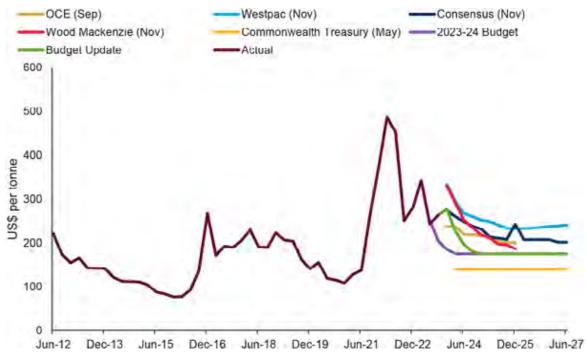
However, the recent high coal prices are considered unsustainable with prices still expected to moderate substantially in 2024, as the current drivers of higher prices diminish, and international markets continue to adjust.

The HCC price is now expected to return to medium term levels of US\$175/t by December 2024, slightly later than the 2023-24 Budget expectation of returning to this level by March quarter 2024, thereby also supporting slightly higher coal royalty revenues than previously forecast in 2024-25.

There is a general consensus among most forecasters that coal prices will decline significantly over the coming years, although there are differences around the expected timing and magnitude of this decline.

The 2023–24 Budget Update forecasts reflect a slightly quicker adjustment of HCC prices to medium term levels than some forecasters, but the forecast prices across the forward estimates period are consistently higher than those currently forecast by the Commonwealth Treasury. A comparison of HCC price forecasts with other key forecasters is shown below (Chart 8).





Notes

Actual prices up to September quarter 2023, estimates/forecasts for December quarter 2023 onwards Spot prices used where possible. Where spot prices are unavailable, contract prices have been used.

1. 2. Sources: Commonwealth Treasury, Consensus Economics, OCE, Westpac, Wood Mackenzie and Queensland Treasury

Conversely, PCI (pulverised coal injection) coal prices fell by more than anticipated, with PCI spot prices averaging US\$168/t (A\$257/t) across September quarter 2023, due to Russian PCI coal re-entering the global market more quickly than expected.

In terms of volumes, a slightly weaker outlook for industrial production of Queensland's major trading partners since the 2023-24 Budget has resulted in a downward revision to metallurgical coal export volumes across the later years of the forecast period. However, in contrast, thermal coal export volumes have been upgraded slightly, reflecting increased thermal coal exports to China.

Thermal coal prices have tracked broadly in line with Budget forecasts since mid-2023 and are still expected to reach a mid-term anchor of US\$120/t by September 2024, as forecast in the 2023-24 Budget.

The new progressive coal royalty rates, introduced on 1 July 2022, generated additional royalty revenue of around \$5.8 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.

The recent strength in HCC prices is estimated to result in a revenue uplift due to the new progressive coal royalty rates of around \$2.8 billion in 2023–24 (compared to \$783 million expected in the 2023–24 Budget). As coal prices moderate beyond 2023–24, the revenue attributed to the new tiers is forecast to be around \$280 million per annum on average across the 3 years to 2026–27 (slightly above the average of \$235 million per annum forecast at Budget).

Revenue from petroleum royalties is forecast to total \$1.650 billion in 2023–24, \$699 million (29.8 per cent) lower than 2022–23 but \$375 million higher than expected at the 2023–24 Budget.

This expected decline from 2022–23 levels is consistent with 2023–24 Budget expectations that oil prices, and therefore LNG prices, would unwind from recent highs. However, while global oil prices are still expected to moderate, this has not occurred as quickly as anticipated, leading to higher-than-expected petroleum royalties.

The long-term nature of LNG contracts mean LNG prices are expected to remain elevated for longer, leading to an upward revision of 13.8 per cent in petroleum royalties in 2024–25 compared to Budget, which is also supported by the lower \$A. LNG prices and petroleum royalties are then expected to decline across the forecast period.

As discussed earlier in terms of the economic outlook, the current conflict in the Middle East could pose a potential risk to global oil prices going forward, and any material or sustained change in oil prices would flow through to LNG prices and, therefore, petroleum royalties.

GST

Queensland's GST revenue is estimated to total \$19.275 billion in 2023–24, \$969 million (5.3 per cent) higher than in 2022–23 but \$202 million (1.0 per cent) lower than forecast at Budget.

This increase compared to the previous year is primarily driven by forecast growth in the national GST pool. However, the downward revision from Budget reflects the expectation that GST collections across 2023–24 will be lower than previously anticipated.

GST revenue is forecast to be \$18.238 billion in 2024–25 and remain more subdued at \$18.570 billion in 2025–26, reflecting the flow-on impacts of the higher state revenues in the near term on Queensland's GST share in the later years.

Given the higher-than-expected royalties revenue in 2023–24, Queensland's GST revenue is now forecast to be slightly lower in 2024–25 and 2025–26 than forecast in the Budget.

However, GST revenue is forecast to rebound solidly in 2026–27, growing by 11.5 per cent to \$20.704 billion, driven by ongoing growth in the national GST pool and the expectation that the impact on Queensland's GST share from the high coal royalties in recent years will begin to subside.

In early 2024, the Commonwealth Grants Commission is expected to deliver its recommended relativities for distributing the GST among states and territories for the 2024–25 financial year.

Box 3: Investing Queensland's resources windfall

Since mid-2021, Queensland's coal producers have enjoyed unprecedented benefits from an exceptional surge in global coal prices.

ABS data shows the value of Queensland coal exports totalled \$71.6 billion in 2021–22, almost triple the \$24.7 billion in coal exports in 2020–21. Coal producers continued to enjoy the benefits of exceptionally high global coal prices in 2022–23, with the value of Queensland coal exports totalling \$72.4 billion.

The new coal royalty tiers announced by the Queensland Government in the 2022–23 Budget have meant that Queenslanders are getting a fair and reasonable return for the use of the state's valuable and limited resources in a period when coal mining companies are generating extraordinary revenues and profits.

The new progressive coal royalty rates, introduced on 1 July 2022, generated additional royalty revenue of around \$5.8 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.

The recent strength in hard coking coal prices is estimated to result in a revenue uplift due to the new progressive tiers of around \$2.8 billion in 2023–24. As coal prices moderate beyond 2023–24, the revenue from the new tiers is forecast to average around \$280 million per annum across the 3 years to 2026–27.

In the 2023–24 Budget, the government outlined how the additional royalty revenue due to the extended period of high prices had allowed the investment of more than \$16 billion towards economic and social infrastructure and essential services across all regions of the state, including coal-producing regions.

The increased revenues from progressive coal royalties have also given the government the fiscal capacity to deliver nation-leading cost-of-living support to Queensland households through electricity rebates and free kindergarten.

Since the 2023–24 Budget, including announcements in the 2023–24 Budget Update, the ongoing strength in coal prices and resulting royalties from the new progressive coal royalty tiers has enabled the government to provide substantial additional investment across Queensland's regions, including:

- an additional \$30 million Backing Bush Communities Fund for workforce training and invasive species
 management and community projects
- an additional \$79.1 million for a new mental health facility in Rockhampton
- up to \$30 million to accelerate development of resource projects in the North West Minerals Province in the next 5 years
- up to \$20 million for an economic structural adjustment package for Mount Isa and North West Queensland
- \$1.4 million for Regional Job Expos to showcase current and future employment opportunities in regions.
- The uplift in coal royalty revenue is also supporting the expansion and continuation of existing programs such as:
 - \$100 million to boost the upcoming 2024–27 Works for Queensland round for a total round of \$300 million so regional councils can deliver more local infrastructure
 - \$18.8 million to continue the Abandoned Mine Land Program
 - \$70 million to increase the Queensland Critical Mineral and Battery Technology Fund to support the development of the critical mineral and battery technology industries
 - \$7 million for drought preparedness grants.

The Queensland Government is also utilising the revenue uplift from coal royalties to support several significant statewide programs, including:

- \$210 million to temporarily double the First Home Owner Grant to \$30,000 for eligible first home purchases
- \$23 million in funding for emergency housing support
- \$7.1 million for the Manufacturing Energy Efficient Grant program.

Expenses

In 2023–24, General Government expenses are estimated to be \$85.926 billion, compared to the 2023–24 Budget estimate of \$84.261 billion. The increase largely arises from technical adjustments such as increased depreciation following revaluations of infrastructure in 2022–23, as well as around \$600 million for a range of measures such as disaster relief, housing and support for victims of crime.

The 2023–24 Budget included a substantial increase in expenses in 2023–24 for largely temporary factors including significant Disaster Recovery Funding Arrangements expenses for the South East Queensland rainfall and flooding event in the summer of 2022, Cost of Living Adjustment (COLA) payments for public sector enterprise bargaining agreements and \$1.483 billion in additional electricity support to households and small businesses facing cost-of-living pressures.

General Government Sector expenses are expected to decline by 2.2 per cent in 2024–25 as most of the cost-of-living measures announced in the 2023–24 Budget are targeted to addressing inflationary pressures within 2023–24.

Across the forward estimates, General Government expenses have increased since the 2023–24 Budget, supported by the stronger than expected revenue outlook. The government has expanded the range of cost-of-living measures available to Queensland families and small businesses to include: boosting the First Home Owner Grant, freezing the registration fee and traffic improvement fee components of Motor Vehicle Registration costs in 2024–25, and freezing public transport fares in 2024.

Other key policy measures increasing expenses across the forward estimates include:

- a support package for educational engagement for a range of students, including those needing additional support to remain engaged or become re-engaged in learning and those involved in youth justice.
- strengthening support for victims of crime
- advancing Queensland's Quantum and Advanced Technologies Strategy
- extending support to non-government organisations and community programs that provide services to keep Queenslanders safe
- a support package for workers impacted by the closure of Glencore's Mount Isa Copper Operations and Lady Loretta Zinc Mine
- implementing the Service Queensland Action Plan (2023 to 2028) to create a digital wallet, provide ongoing support for the Digital Licence App, facilitate customer movement to the Queensland Digital Identify platform and to prepare for modernising the transport registration.

General Government expenses are estimated to grow at an average annual rate of 3.4 per cent over the 4 years to 2026–27. Excluding royalty revenue, revenue is forecast to grow at an average annual rate consistent with expenses growth.

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 beyond 2029-30 resulting from the changes made to the system of GST revenue distribution by the Australian Government in 2018. The outcomes from the Commonwealth Grant Commission's 2025 Methodology Review will also impact GST shares from 2025-26.
- Queensland's fiscal position is exposed to decisions made by the Australian Government, including not renewing funding for National Partnership payments where there are ongoing community service needs that must be met. The high-level outcomes of the National Cabinet Meeting of 6 December, with respect to a boost to health funding and additional State contribution on the National Disability Insurance Scheme, still need to be detailed and assessed. The full implications of the Commonwealth's Infrastructure Review will also need to be assessed as details are confirmed and further dialogue with the Australian Government continues.
- 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 Disaster Recovery Funding Arrangements (DRFA).

- Challenges arising from delivering significant capital investment in the medium term, including the transformation
 of the energy system away from reliance on coal-fired generation, meeting future water demand, and preparing to
 host the Brisbane 2032 Olympic and Paralympic Games.
- The government has a potential liability with respect to compensation arising from acts that have extinguished or impaired native title since 1975.

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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 \$39.2 billion in the 2021–22 Budget to \$16.2 billion in the 2023–24 Budget. Further improvement is forecast in the 2023–24 Budget Update with net debt dropping to \$14.7 billion (**Chart 9**).

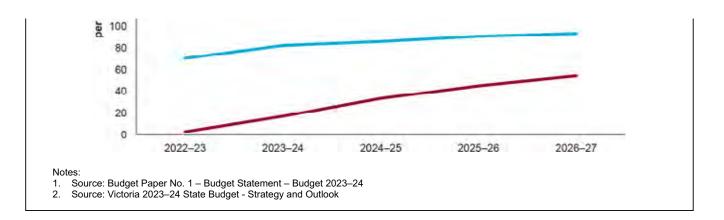
Chart 9: Net debt for 2023–24



Queensland's General Government net debt relative to revenue compares favourably to New South Wales and Victoria (**Chart 10**). For example, Queensland's net debt ratio of 54 per cent in 2026–27 compares to 93 per cent in New South Wales and 172 per cent in Victoria.

Chart 10: Net debt to revenue of major states 1, 2







General Government Sector Debt

Net debt is expected to reach \$14.676 billion by 30 June 2024, which is \$1.514 billion lower than anticipated at the 2023–24 Queensland Budget. The improvement in net debt arises mainly from the improved operating cash flows in 2022–23 which lowered net debt rolling forward from the 2022–23 outcome.

General Government Sector borrowing is estimated to be \$63.373 billion by 30 June 2024, which is \$2.1 billion lower than projected in the Budget.

Borrowings are expected to increase over the forward estimates to fund the state's large and transformative capital program. This will also see net debt rise over time.

Significant equity funding is being 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 Debt

Public Non-financial Corporations (PNFC) Sector debt is primarily held by government–owned operations and is supported by income–generating assets including key pieces of economic infrastructure.

Borrowing with Queensland Treasury Corporation (QTC) of \$44.316 billion is projected for 30 June 2024 in the PNFC Sector, \$1.353 billion higher than the 2023–24 Budget, largely due to the timing of capital purchases.

Along with leases and other similar arrangements of \$687 million and securities and derivatives of \$1.526 billion (impacted by electricity prices), total PNFC Sector borrowing is expected to be \$46.528 billion by 30 June 2024.

Borrowing with QTC will also fund the projected capital spending of government–owned corporations for the Queensland Energy and Jobs Plan.

Capital Program

The Non-financial Public Sector (NFPS) capital program for the period 2023–24 to 2026–27 is \$96.220 billion. The capital program comprises \$82.516 billion of purchases of non-financial assets (PNFA), \$11.475 billion of capital grant expenses, and acquisitions of non-financial assets under finance leases and similar arrangements of \$2.229 billion.

Changes to the NFPS capital program since the 2023–24 Budget include a provision for replacing the existing bus fleet with Zero Emission Buses, acceleration of the Queensland Train Manufacturing Program and delivery of the Australian Government funded Housing Acceleration Program. The roll out of the *Queensland Energy and Jobs Plan* continues, with \$19 billion of renewable energy projects budgeted over the forward estimates.

The impact of the Australian Government's Infrastructure Investment Program review continues to be assessed. It is expected that the outcome will, in the medium term, significantly reduce the Australian Government's share of funding for Queensland's future transport infrastructure. Indications are the Australian Government will move from funding 80 per cent of regional transport infrastructure to a 50:50 funding basis with the state.

INTERGOVERNMENTAL FINANCIAL RELATIONS

Australian Government payments

Australian Government payments contribute to Queensland's ability to meet its service delivery and infrastructure responsibilities. The 2 main forms of payment are 'Payments for specific purposes' and 'General revenue assistance'. Together, Australian Government payments make up around 48 per cent of Queensland's total revenue.

Payments for specific purpose are arranged through Commonwealth-State agreements and cover a wide range of policy purposes. Major agreements include the National Health Reform Agreement, National Disability Insurance Scheme, National Housing and Homelessness Agreement, National School Reform Agreement and the National Skills Agreement. The main source of general revenue assistance is the distribution of goods and services tax (GST) revenue.

In the 2023–24 Federal Budget delivered in May 2023, the Australian Government estimated the Queensland Government would receive \$39.3 billion in 2023–24 comprising: \$18.6 billion in payments for specific purposes; \$1.2 billion in other Australian Government grants (including payments to Queensland Government agencies for Australian Government own-purpose expenditure); and \$19.5 billion in payments for general purposes.

Changes to the Infrastructure Investment Program

On 16 November 2023, the Australian Government released the outcomes of its Independent Strategic Review of the Infrastructure Investment Program (the Review), including a summary of changes to funding for projects.

Initial analysis on the outcomes of the Review suggests a negative financial impact for Queensland due to various factors, such as, the Australian Government moving away from funding 80 per cent of projects in regional areas, introducing caps on road corridors, categorising a number of existing project commitments to be subject to further planning, and proposing to cancel federal funding for some projects entirely.

While the Australian Government has released the Review outcomes, release of the Federal Mid-Year Economic and Fiscal Outlook (MYEFO) is yet to occur. Release of the Australian Government's MYEFO will allow for further dialogue with the Australian Government. The Queensland Government will then be better positioned to more fully consider and respond to the ongoing financial implications for Queensland's transport capital program.

Box 5: Australian Government changes to Horizontal Fiscal Equalisation (HFE) and extension of the No Worse off Guarantee

Each year, the Commonwealth Grants Commission recommends to the Australian Government how GST should be distributed to states and territories for horizontal fiscal equalisation (HFE). The HFE methodology allocates a varying amount of GST to each state and territory depending on its fiscal capacity to deliver a similar standard of services and infrastructure to its population, no matter where they live.

In 2018, the previous Australian Government legislated changes to HFE, including: that states will equalise to the stronger of New South Wales or Victoria, rather than the state with the greatest fiscal capacity; that a relativity floor would be introduced; and that the Australian Government would provide a permanent boost to the GST pool. These changes are being gradually introduced over a 6-year transition period from 2021–22 to 2026–27.

Given the potentially significant implications of these changes for the GST received by individual states in any given year, the Australian Government also introduced a "No Worse Off Guarantee" (NWOG) over the transition period, which provides supplementary payments to any state that receives less GST under the new system than it would have received under the previous system.

The 2023–24 Federal Budget estimated Queensland's NWOG payment for 2023–24 will be \$1.121 billion.

Under the new arrangements, the NWOG was scheduled to end in 2026-27, which would have resulted in most states and territories, including Queensland, facing significant revenue reductions from 2027–28 onwards.

However, on 6 December 2023, National Cabinet agreed to extend the NWOG payments by a further 3 years, to 2029–2030.

The agreement by the Australian Government to a temporary extension of the NWOG was welcomed and is beneficial in providing greater GST revenue certainty to states and territories for an extended period.

The extension of the NWOG was also critical to provide ongoing funding certainty to states and territories in order to allow time for the scheduled Australian Productivity Commission review of GST arrangements to be completed.

Queensland will continue to engage with the Australian Government and other jurisdictions in an effort to establish the NWOG as a permanent arrangement, to ensure that the changes introduced by the previous Australian Government do not result in any significant decrease in ongoing revenue over the longer term.

GOVERNMENT FISCAL PRINCIPLES

The government's fiscal strategy is guided by the Charter of Fiscal Responsibility (the Charter) fiscal principles and objective measures supporting the restoration of fiscal buffers. An update of progress towards achievement of medium-term goals is outlined below.

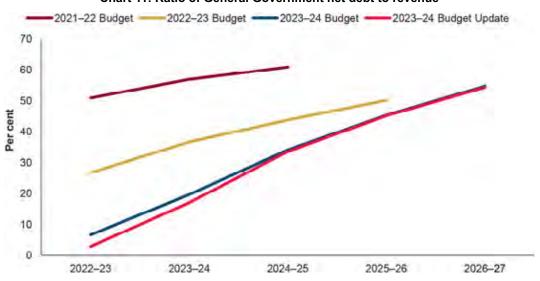
Principle 1 – Stabilise the General Government Sector net debt to revenue ratio at sustainable levels in the medium term, and target reductions in the net debt to revenue ratio in the long term

Stabilising debt at a sustainable level is key to having capacity to invest in infrastructure and respond to future external shocks.

Since the development of the current Charter as part of the 2021–22 Budget, significant progress has been made against Fiscal Principle 1. Revenue strength in 2022–23 resulted in a lower debt requirement in that year with a net debt to revenue ratio outcome of 3 per cent, a significant reduction from the 15 per cent outcome for 2021–22.

The downwards revisions to net debt since the 2021–22 Budget are the result of the prudent management of the unprecedented, but short term, revenue uplifts experienced over successive budget cycles. This has allowed the establishment of a buffer to accommodate additional borrowings over later years to fund Queensland's large capital program.

The 2023–24 Budget Update results in the ratio being broadly consistent with the 2023–24 Budget. It is expected to be 17 per cent in 2023–24 and is forecast to reach 54 per cent in 2026–27.



Queensland's net debt to revenue ratio of 17 per cent in 2023–24 compares favourably to that of its peers. Based on 2023– 24 Budget estimates, the net debt to revenue ratio in 2023–24 is 82 per cent for New South Wales and 152 per cent for Victoria.

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Chart 11: 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

Maintaining a lower rate of expenses growth than revenue growth will in general ensure the restoration of an operating surplus and assist debt stabilisation.

Revenue growth over the forward estimates continues to reflect significant volatility driven by some temporary factors. While royalties have been boosted in the last few years from high commodity prices, they are expected to normalise at much lower levels.

With royalties continuing to be a very volatile source of revenue, an adjusted measure removing royalties is reported to better reflect underlying growth. Excluding royalties revenue, revenue and expenses are expected to grow at a consistent average annual rate of 3.4 per cent over the 4 years to 2026–27. Across the 5 years to 2026–27, average revenue growth is expected to be 4.6 per cent, compared to expenses growth of 4.4 per cent.

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

Capital investment supporting jobs and enhances productivity remains a key priority. The 2023–24 Budget Update includes a current capital program of \$96.2 billion over the 4 years to 2026–27. The capital program supports service delivery and the productive flow of goods and services to the community and economy. Enhancements that have been incorporated into the capital program in recent budgets include delivering increased health system capacity, decarbonisation of the state's energy system, improving water security and preparing for the Brisbane 2032 Olympic and Paralympic Games.

Funding a large capital program primarily through operating cash surpluses rather than additional borrowings is key to stabilising net debt. However, volatility in revenue growth 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.

In 2022–23, net cash inflows from operating activities greatly exceeded investments in non-financial assets. In 2023–24 the ratio is expected to reduce to 35 per cent and then reach 47 per cent in 2026–27.

On average across the period 2022–23 to 2026–27, 66 per cent of the capital program will be funded from net cash inflows from operating activities.

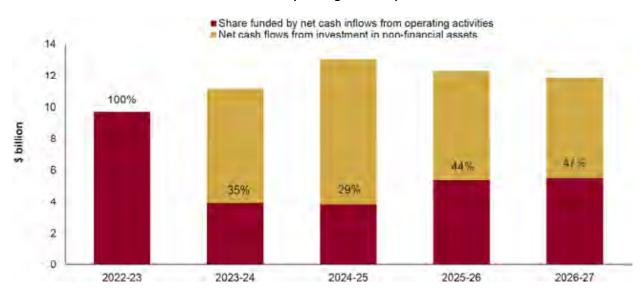


Chart 12: Share of General Government Sector investments in non-financial assets funded from operating cash surpluses

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, Queensland's taxation per capita was \$708 less than the average of other jurisdictions in 2021–22. On average, Queenslanders paid \$1,073 less tax than New South Wales residents and \$919 less than Victorian residents.

Using the latest forecasts, Queensland's taxation per capita of \$4,048 in 2023–24 compares favourably to the average of other jurisdictions of \$4,821 per capita. **Chart 13** demonstrates that Queensland is expected to maintain a highly competitive tax environment.

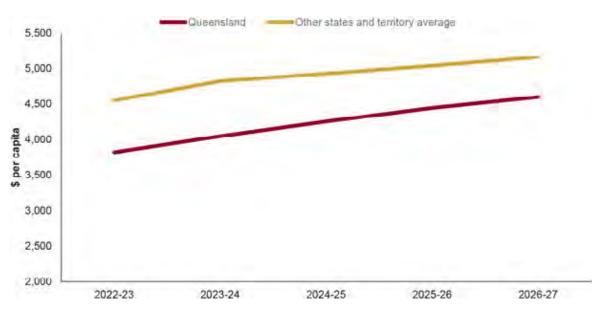


Chart 13: Taxation per capita, Queensland and other states and territories

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 triennial actuarial investigation of the Defined Benefit Fund as at 30 June 2021 found it to be in surplus. As at 30 June 2023, WorkCover Queensland was fully funded.

UNIFORM PRESENTATION FRAMEWORK

Table 5: General Government Sector Operating Statement¹

		2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
		Outcome	Budget	Update	Projection	Projection	Projection
		\$ million					
	Revenue from Transactions						
	Taxation revenue	20,601	21,938	22,210	23,716	25,142	26,40
	Grants revenue	38,335	39,643	38,401	39,149	39,107	41,42
	Sales of goods and services	6,483	6,921	7,090	7,140	7,228	7,03
	Interest income	3,226	3,206	3,376	3,366	3,352	3,40
	Dividend and income tax equivalent income	1,007	1,521	1,674	2,280	1,838	1,82
	Other revenue	20,160	8,850	13,038	8,480	7,710	7,39
	Total Revenue from Transactions	89,810	82,079	85,788	84,131	84,378	87,48
ess	Expenses from Transactions						
	Employee expenses	30,557	32,175	32,541	33,088	34,155	35,23
	Superannuation expenses						
	Superannuation interest cost	776	721	788	755	684	6
	Other superannuation expenses	3,756	4,188	4,245	4,307	4,435	4,5
	Other operating expenses	20,014	22,969	23,912	21,831	21,652	22,2
	Depreciation and amortisation	5,018	5,039	5,285	5,401	5,607	5,9
	Other interest expenses	1,688	1,974	1,978	2,614	3,265	3,9
	Grants expenses	14,072	17,195	17,178	16,014	14,489	14,2
	Total Expenses from Transactions	75,880	84,261	85,926	84,009	84,287	86,8
quals	Net Operating Balance	13,930	(2,182)	(138)	122	91	6
Plus	Other economic flows - included in operating result	198	(40)	(61)	(249)	(201)	(14
Equals	Operating Result	14,128	(2,222)	(199)	(127)	(110)	4
Plus	Other economic flows - other movements in equity	40,221	3,785	4,259	2,753	2,951	3,02
Equals	Comprehensive Result - Total Change In Net Worth	54,349	1,563	4,060	2,626	2,841	3,50
	KEY FISCAL AGGREGATES						
	Net Operating Balance	13,930	(2,182)	(138)	122	91	62
.ess	Net Acquisition of Non-financial Assets						
	Purchases of non-financial assets	9,899	9,347	11,332	13,205	12,491	12,0
	Less Sales of non-financial assets	181	276	163	185	180	17
	Less Depreciation	5,018	5,039	5,285	5,401	5,607	5,9
	Plus Change in inventories	79	(35)	(27)	50	1	(•
	Plus Other movements in non-financial assets	1,058	538	712	1,306	352	1
	Equals Total Net Acquisition of Non-financial Assets	5,838	4,534	6,570	8,975	7,056	6,0
	Fiscal Balance	8,092	(6,716)	(6,709)	(8,853)	(6,965)	(5,4

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		2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
		Outcome	Budget	Update	Projection	Projection	Projection
		\$ million					
	Revenue from Transactions						
	Grants revenue	912	805	855	815	791	75
	Sales of goods and services	14,735	13,664	13,525	14,686	15,682	16,96
	Interest income	117	94	139	129	110	7
	Other revenue	506	1,183	876	635	306	25
	Total Revenue from Transactions	16,270	15,746	15,396	16,265	16,889	18,05
Less	Expenses from Transactions						
	Employee expenses	2,532	2,692	2,722	2,936	3,025	3,05
	Superannuation expenses						
	Superannuation interest cost	(17)	—	—	_	_	-
	Other superannuation expenses	308	320	347	385	403	41
	Other operating expenses	7,608	6,575	6,793	6,113	5,984	6,23
	Depreciation and amortisation	2,720	3,195	3,112	3,354	3,731	4,04
	Other interest expenses	1,675	1,807	1,848	2,008	2,284	2,55
	Grants expenses	29	25	27	27	21	2
	Other property expenses	369	502	442	600	498	49
	Total Expenses from Transactions	15,222	15,116	15,291	15,424	15,946	16,83
Equals	Net Operating Balance	1,048	630	105	841	943	1,22
Plus	Other economic flows - included in operating result	(574)	691	725	433	(64)	(45
Equals	Operating Result	474	1,320	831	1,275	879	77
Plus	Other economic flows - other movements in equity	3,316	2,378	3,944	2,688	1,908	2,42
Equals	Comprehensive Result - Total Change In Net Worth	3,790	3,698	4,775	3,963	2,787	3,19
	KEY FISCAL AGGREGATES						
	Net Operating Balance	1,048	630	105	841	943	1,22
Less	Net Acquisition of Non-financial Assets						
	Purchases of non-financial assets	4,497	5,849	6,587	8,186	8,745	9,96
	Less Sales of non-financial assets	63	5	11	10	18	
	Less Depreciation	2,720	3,195	3,112	3,354	3,731	4,04
	Plus Change in inventories	129	(37)	49	—	2	
	Plus Other movements in non-financial assets	108	795	825	85	83	8
	Equals Total Net Acquisition of Non-financial Assets	1,952	3,408	4,339	4,907	5,081	6,00
	Fiscal Balance	(904)	(2,778)	(4,234)	(4,066)	(4,138)	(4,77

Table 6: Public Non-financial Corporations Sector Operating Statement¹

		2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
		Outcome	Budget	Update	Projection	Projection	Projection
		\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
	Revenue from Transactions						
	Taxation revenue	20,189	21,553	21,803	23,278	24,662	25,890
	Grants revenue	38,352	39,693	38,462	39,222	39,162	41,472
	Sales of goods and services	18,161	17,557	17,587	18,575	19,646	21,16
	Interest income	3,312	3,279	3,459	3,455	3,450	3,47
	Dividend and income tax equivalent income	164	179	175	210	188	20
	Other revenue	20,644	9,664	13,545	9,113	8,014	7,64
	Total Revenue from Transactions	100,821	91,924	95,032	93,852	95,122	99,84
Less	Expenses from Transactions						
2000	Employee expenses	32,925	34,711	35,090	35,834	36,980	38,08
	Superannuation expenses	02,020	S.,/ //	00,000	55,001	23,000	00,00
	Superannuation interest cost	759	721	788	755	684	63
	Other superannuation expenses	4,063	4,507	4,592	4,692	4,838	4,96
	Other operating expenses	24,544	26,499	27,661	24,677	24,356	25,66
	Depreciation and amortisation	7,737	8,234	8,397	8,755	9,338	9,98
	Other interest expenses	3,107	3,551	3,554	4,352	5,275	6,19
	Grants expenses	13,206	16,098	3,554 16,044	4,352	13,774	13,60
	•						
	Total Expenses from Transactions	86,341	94,320	96,126	94,363	95,244	99,13
Equals	Net Operating Balance	14,480	(2,397)	(1,094)	(511)	(122)	71
Plus	Other economic flows - included in operating result	(466)	580	664	185	(265)	(59
Equals	Operating Result	14,014	(1,816)	(430)	(326)	(387)	12
Plus	Other economic flows - other movements in equity	40,333	3,379	4,490	2,953	3,228	3,38
Equals	Comprehensive Result - Total Change In Net Worth	54,347	1,563	4,060	2,626	2,841	3,50
	KEY FISCAL AGGREGATES						
	Net Operating Balance	14,480	(2,397)	(1,094)	(511)	(122)	71
Less	Net Acquisition of Non-financial Assets						
	Purchases of non-financial assets	14,300	15,231	17,945	21,381	21,214	21,97
	Less Sales of non-financial assets	243	281	174	195	197	18
	Less Depreciation	7,737	8,234	8,397	8,755	9,338	9,98
	Plus Change in inventories	208	(72)	23	50	2	(4
	Plus Other movements in non-financial assets	1,167	1,333	1,537	1,391	435	27
	Equals Total Net Acquisition of Non-financial Assets	7,694	7,977	10,934	13,872	12,116	12,03
	Fiscal Balance	6.786	(10,373)	(12,028)	(14,383)	(12,238)	(11,32

Table 7: Non-financial Public Sector Operating Statement¹

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Outcome	Budget	Update	Projection	Projection	Projection
	\$ million					
Assets						
Financial Assets						
Cash and deposits	2,357	846	976	801	763	779
Advances paid	1,239	1,540	1,540	1,656	1,710	1,775
Investments, loans and placements	49,426	48,638	48,495	47,825	48,540	49,562
Receivables	4,320	4,744	5,086	5,673	5,387	5,118
Equity						
Investments in other public sector entities	24,414	28,415	29,189	33,152	35,939	39,132
Investments - other	175	165	175	175	175	175
Total Financial Assets	81,930	84,347	85,460	89,281	92,515	96,541
Non-financial Assets						
Land and other fixed assets	322,812	296,744	331,485	342,686	351,863	360,175
Other non-financial assets	9,743	7,568	10,327	10,730	11,129	11,567
Total Non-financial Assets	332,554	304,312	341,812	353,417	362,992	371,742
Total Assets	414,484	388,659	427,272	442,697	455,506	468,283
Liabilities						
Payables	5,921	5,328	5,605	5,693	5,703	5,757
Superannuation liability	20,913	20,827	20,062	19,698	18,868	17,887
Other employee benefits	10,419	10,028	10,691	11,252	11,786	11,728
Advances received	1,909	1,734	2,314	1,696	2,660	2,751
Borrowing ²	53,726	65,479	63,373	76,841	86,388	96,758
Other liabilities	17,622	14,489	17,195	16,858	16,601	16,398
Total Liabilities	110,511	117,886	119,239	132,038	142,006	151,278
Net Worth	303,973	270,774	308,033	310,659	313,500	317,004
Net Financial Worth	(28,581)	(33,538)	(33,779)	(42,757)	(49,492)	(54,738)
Net Financial Liabilities	52,995	61,953	62,968	75,909	85,431	93,869
Net Debt	2,615	16,190	14,676	28,256	38,034	47,392
Notes:						
1. Numbers may not add due to rounding.						
2. Borrowing line comprised of:						
Borrowing with QTC	46,166	57,494	55,403	68,570	79,253	89,993
Leases and other similar arrangements	7,519	7,892	7,930	8,231	7,094	6,724
Securities and derivatives	41	93	41	41	41	41
	53,726	65,479	63,373	76,841	86,388	96,758

Table 8: General Government Sector Balance Sheet¹

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Outcome \$ million	Budget \$ million	Update \$ million	Projection \$ million	Projection \$ million	Projection \$ million
•	¢ minori	ψ minori	ψ minori	¢ minori	¢	¢ minori
Assets Financial Assets						
Cash and deposits	1,031	950	1,620	1,420	1,037	1,020
Advances paid	1,675	1,598	2,178	1,534	2,347	2,627
Investments, loans and placements	6,194	2,739	2,724	1,742	1,579	1,520
Receivables	2,742	2,419	2,906	3,085	3,229	3,313
Equity	2,172	2,413	2,300	5,005	5,225	5,515
Investments - other		66	4	4	4	4
Total Financial Assets	 11.642	7,772	9,432	4 7,786	4 8,196	4 8,484
Total Financial Assets	11,042	1,112	9,432	1,100	0,190	0,404
Non-financial Assets						
Land and other fixed assets	68,176	73,250	73,857	79,871	86,010	93,000
Other non-financial assets	4,707	1,470	4,436	4,182	3,926	3,826
Total Non-financial Assets	72,883	74,720	78,293	84,053	89,936	96,826
Total Assets	84,526	82,492	87,725	91,839	98,132	105,310
Liabilities						
Payables	2,105	2,717	2,816	3,502	3,149	3,331
Superannuation liability	(354)	(400)	(354)	(354)	(354)	(354)
Other employee benefits	1,040	1,015	1,093	1,193	1,260	1,325
Deposits held	14	11	14	14	14	14
Advances received	25	3	24	24	23	22
Borrowing ²	49,101	45,166	46,528	45,551	49,031	52,390
Other liabilities	11,185	8,596	11,420	11,762	12,075	12,455
Total Liabilities	63,117	57,109	61,541	61,692	65,198	69,182
Net Worth	21,409	25,383	26,184	30,147	32,934	36,127
Net Financial Worth	(51,474)	(49,338)	(52,109)	(53,906)	(57,001)	(60,699
Net Debt	40,240	39,893	40,044	40,892	44,104	47,260
Notes:						
1. Numbers may not add due to rounding.						
2. Borrowing line comprised of:						
Borrowing with QTC	43,276	42,963	44,316	44,642	48,400	51,876
Leases and other similar arrangements	367	653	687	626	556	486
Securities and derivatives	5,458	1,550	1,526	283	74	29
	49,101	45,166	46,528	45,551	49,031	52,390

Table 9: Public Non-financial Corporations Sector Balance Sheet¹

Table TV. Non-Infancial Public Sector Dalance Sheet	Table 10: Non-financial Public Sector Balance Sheet ¹	
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	2022-23 Outcome \$ million	2023-24 Budget \$ million	2023-24 Update \$ million	2024-25 Projection \$ million	2025-26 Projection \$ million	2026-27 Projection \$ million
Assets						
Financial Assets						
Cash and deposits	3,388	1,796	2,596	2,221	1,799	1,799
Advances paid	1,215	1,542	1,567	1,683	1,539	1,742
Investments, loans and placements	55,619	51,377	51,218	49,567	50,120	51,082
Receivables	6,256	5,760	6,544	6,804	7,001	6,778
Equity						
Investments in other public sector entities	3,006	3,033	3,006	3,006	3,006	3,006
Investments - other	174	231	179	179	179	179
Total Financial Assets	69,657	63,738	65,109	63,460	63,643	64,585
Non-financial Assets						
Land and other fixed assets	390,987	369,993	405,341	422,556	437,873	453,174
Other non-financial assets	1,229	1,205	1,275	1,210	1,163	1,139
Total Non-financial Assets	392,216	371,198	406,617	423,766	439,035	454,314
Total Assets	461,873	434,937	471,726	487,226	502,679	518,899
Liabilities						
Payables	7,275	6,699	7,031	7,301	7,298	7,496
Superannuation liability	20,559	20,427	19,708	19,343	18,514	17,533
Other employee benefits	11,460	11,044	11,784	12,445	13,046	13,053
Deposits held	14	11	14	14	14	14
Advances received	235	142	187	213	164	113
Borrowing ²	102,821	110,638	109,894	122,385	135,412	149,141
Other liabilities	15,537	15,203	15,076	14,865	14,731	14,544
Total Liabilities	157,900	164,163	163,693	176,567	189,179	201,894
Net Worth	303,973	270,774	308,033	310,659	313,500	317,004
Net Financial Worth	(88,243)	(100,424)	(98,584)	(113,107)	(125,536)	(137,309
Net Financial Liabilities	91,249	103,458	101,589	116,113	128,541	140,315
Net Debt	42,848	56,077	54,714	69,141	82,132	94,645
Notes:						
1. Numbers may not add due to rounding.						
2. Borrowing line comprised of:	00.470	400 457	00 740	440.040	407.050	444.000
Borrowing with QTC	89,442	100,457	99,718	113,212	127,653	141,869
Leases and other similar arrangements Securities and derivatives	7,887 5,491	8,545 1,636	8,616 1,560	8,857 317	7,651 108	7,210
טבטוווובא מווע עבווימוויבא	102,821	110,638	1,560	122,385	135,412	62 149,141

Table 11: General Government Sector Cash Flow Statement¹

	2022-23 Outcome \$ million	2023-24 Budget \$ million	2023-24 Update \$ million	2024-25 Projection \$ million	2025-26 Projection \$ million	2026-27 Projection \$ million
Cash Receipts from Operating Activities						
Taxes received	20,410	21,936	22,208	23,714	25,140	26,399
Grants and subsidies received	38,684	39,641	38,410	39,147	39,107	41,429
Sales of goods and services	6,886	7,196	7,616	7,541	7,681	7,762
Interest receipts	3,201	3,203	3,373	3,364	3,350	3,405
Dividends and income tax equivalents	922	1,080	989	1,755	2,185	1,731
Other receipts	22,502	9,790	15,314	10,336	10,044	9,743
Total Operating Receipts	92,604	82,846	87,910	85,856	87,508	90,470
Cash Payments for Operating Activities						
Payments for employees	(34,232)	(37,332)	(37,991)	(38,395)	(39,595)	(41,418)
Payments for goods and services	(23,090)	(24,872)	(27,163)	(25,180)	(24,929)	(25,426)
Grants and subsidies	(13,777)	(16,689)	(16,954)	(15,948)	(14,434)	(14,243)
Interest paid	(1,616)	(1,892)	(1,897)	(2,516)	(3,155)	(3,857)
Other payments	(4)	(·,)	(.,,	(_,)	(-,)	(-,)
Total Operating Payments	(72,719)	(80,786)	(84,006)	(82,039)	(82,113)	(84,944)
Net Cash Inflows from Operating Activities	19,885	2,060	3,905	3,818	5,395	5,526
Cash Flows from Investments in Non-Financial Assets						
Purchases of non-financial assets	(9,899)	(9,347)	(11,332)	(13,205)	(12,491)	(12,055)
Sales of non-financial assets	181	276	163	185	180	177
Net Cash Flows from Investments in Non-financial Assets	(9,718)	(9,071)	(11,170)	(13,020)	(12,311)	(11,879)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	(766)	(2,264)	(3,538)	(3,433)	(2,434)	(2,770)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	(8,035)	4,657	6,219	789	(640)	(990)
Receipts from Financing Activities						
Advances received (net)	598	(46)	406	(616)	965	93
Borrowing (net)	(1,318)	4,437	2,796	12,288	8,985	10,037
Net Cash Flows from Financing Activities	(719)	4,391	3,203	11,672	9,951	10,130
Net Increase/(Decrease) in Cash held	647	(226)	(1,381)	(175)	(38)	17
Net cash from operating activities	19,885	2,060	3,905	3,818	5,395	5,526
Net cash flows from investments in non-financial assets	(9,718)	(9,071)	(11,170)	(13,020)	(12,311)	(11,879)
Surplus/(Deficit)	10,167	(7,010)	(7,265)	(9,202)	(6,916)	(6,353)
Derivation of ABS GFS Cash Surplus/Deficit						
Cash surplus/(deficit)	10,167	(7,010)	(7,265)	(9,202)	(6,916)	(6,353)
Acquisitions under finance leases and similar arrangements	(849)	(814)	(992)	(647)	(180)	(5)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	9,318	(7,824)	(8,258)	(9,849)	(7,096)	(6,359)
Note:						
1. Numbers may not add due to rounding.						

Table 12: Public Non-financial Corporations Sector Cash Flow Statement ¹

	2022-23 Outcome \$ million	2023-24 Budget \$ million	2023-24 Update \$ million	2024-25 Projection \$ million	2025-26 Projection \$ million	2026-27 Projection \$ million
Cash Receipts from Operating Activities						
Grants and subsidies received	841	799	918	802	779	739
Sales of goods and services	17,092	15,616	15,656	16,707	17,789	19,218
Interest receipts	106	94	137	131	110	79
Other receipts	402	687	184	540	221	193
Total Operating Receipts	18,442	17,195	16,895	18,181	18,899	20,229
Cash Payments for Operating Activities						
Payments for employees	(2,750)	(2,953)	(3,016)	(3,221)	(3,361)	(3,408)
Payments for goods and services	(9,727)	(8,331)	(9,070)	(8,240)	(8,279)	(8,360)
Grants and subsidies	(29)	(25)	(27)	(27)	(21)	(21)
Interest paid	(1,671)	(1,793)	(1,831)	(1,986)	(2,231)	(2,527)
Other payments	(1,149)	(976)	(778)	(733)	(784)	(680)
Total Operating Payments	(15,325)	(14,078)	(14,722)	(14,207)	(14,676)	(14,997)
Net Cash Inflows from Operating Activities	3,117	3,117	2,172	3,974	4,223	5,233
Cash Flows from Investments in Non-Financial Assets						
Purchases of non-financial assets	(4,497)	(5,849)	(6,587)	(8,186)	(8,745)	(9,966)
Sales of non-financial assets	63	5	11	10	18	7
Net Cash Flows from Investments in Non-financial Assets	(4,434)	(5,844)	(6,577)	(8,176)	(8,727)	(9,959)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	(711)	(80)	(508)	644	(813)	(280)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	463	10	67	(29)	(22)	(33)
Receipts from Financing Activities						
Advances received (net)	(1)	(1)	(1)	(1)	(1)	(1)
Borrowing (net)	2,202	521	1,384	517	3,740	3,406
Dividends paid	(246)	(474)	(453)	(1,061)	(1,474)	(1,156)
Deposits received (net)	3	_	_	—	_	_
Other financing (net)	(523)	2,850	4,504	3,932	2,691	2,773
Net Cash Flows from Financing Activities	1,435	2,896	5,435	3,387	4,956	5,022
Net Increase/(Decrease) in Cash held	(130)	99	589	(200)	(383)	(17)
Net cash from operating activities	3,117	3,117	2,172	3,974	4,223	5,233
Net cash flows from investments in non-financial assets	(4,434)	(5,844)	(6,577)	(8,176)	(8,727)	(9,959)
Dividends paid	(246)	(474)	(453)	(1,061)	(1,474)	(1,156)
Surplus/(Deficit)	(1,563)	(3,201)	(4,857)	(5,264)	(5,978)	(5,883)
Derivation of ABS GFS Cash Surplus/Deficit						
Cash surplus/(deficit)	(1,563)	(3,201)	(4,857)	(5,264)	(5,978)	(5,883)
Acquisitions under finance leases and similar arrangements	(49)	(360)	(386)	(8)	(5)	(6)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	(1,613)	(3,562)	(5,242)	(5,272)	(5,983)	(5,889)
Note: 1. Numbers may not add due to rounding.						

	2022-23	2023-24	2023-24	2024-25	2025-26	2026-27
	Outcome \$ million	Budget \$ million	Update \$ million	Projection \$ million	Projection \$ million	Projection \$ million
	φπιιοπ	φπιιιοπ	φπιιιοπ	ψΠΠΙΟΠ	ψΠΠΙΟΠ	φπιιιοπ
Cash Receipts from Operating Activities						
Taxes received	20,002	21,552	21,802	23,277	24,661	25,889
Grants and subsidies received	38,701	39,679	38,466	39,208	39,151	41,461
Sales of goods and services	20,825	19,401	19,849	20,586	21,786	23,727
Interest receipts	3,279	3,276	3,456	3,453	3,448	3,473
Dividends and income tax equivalents	101	169	156	186	204	192
Other receipts	22,843	10,511	15,522	10,864	10,240	9.889
Total Operating Receipts	105,752	94,588	99,252	97,574	99,490	104,631
Cash Payments for Operating Activities						
Payments for employees	(36,818)	(40,129)	(40,834)	(41,425)	(42,756)	(44,619)
Payments for goods and services	(29,729)	(40,123)	(32,796)	(29,744)	(42,730)	(30,518)
Grants and subsidies	(12,984)	(15,955)	(16,121)	(15,233)	(13,720)	(13,557)
Interest paid	(3,036)	(3,455)	(3,458)	(4,231)	(13,720)	(13,337)
Other payments	(554)	(534)	(393)	(4,231)	(3,112)	(0,003)
Total Operating Payments	(83,120)	(89,849)	(93,603)	(90,854)	(91,367)	(95,074)
		,			,	,
Net Cash Inflows from Operating Activities	22,631	4,738	5,649	6,720	8,123	9,557
Cash Flows from Investments in Non-Financial Assets						
Purchases of non-financial assets	(14,300)	(15,231)	(17,945)	(21,381)	(21,214)	(21,976)
Sales of non-financial assets	243	281	174	195	197	183
Net Cash Flows from Investments in Non-financial Assets	(14,056)	(14,950)	(17,771)	(21,186)	(21,017)	(21,793)
Net Cash Flows from Investments in Financial Assets for Policy Purposes	56	(314)	(344)	(108)	156	(192)
Net Cash Flows from Investments in Financial Assets for Liquidity Purposes	(7,573)	4,667	6,286	760	(661)	(1,023)
Receipts from Financing Activities						
Advances received (net)	(28)	(47)	(47)	28	(48)	(48)
Borrowing (net)	885	4,958	4,181	12,804	12,725	13,443
Deposits received (net)	3	· _	· _	_		
Other financing (net)	(1,401)	820	1,254	607	300	56
Net Cash Flows from Financing Activities	(542)	5,731	5,388	13,439	12,977	13,451
Net Increase/(Decrease) in Cash held	516	(127)	(791)	(375)	(422)	_
Net cash from operating activities	22,631	4,738	5,649	6,720	8,123	9,557
Net cash flows from investments in non-financial assets	(14,056)	(14,950)	(17,771)	(21,186)	(21,017)	(21,793)
Surplus/(Deficit)	8,575	(10,211)	(12,122)	(14,466)	(12,894)	(12,236)
Derivation of ABS GFS Cash Surplus/Deficit						
Cash surplus/(deficit)	8,575	(10,211)	(12,122)	(14,466)	(12,894)	(12,236)
Acquisitions under finance leases and similar arrangements	(899)	(1,174)	(1,378)	(655)	(12,004)	(12,200)
ABS GFS Cash Surplus/(Deficit) Including Finance Leases and Similar Arrangements	7,676	(11,386)	(13,500)	(15,121)	(13,079)	(12,247)
Note:	1,010	(11,000)	(10,000)	(13,121)	(10,079)	(12,247)
1. Numbers may not add due to rounding.						

ECONOMIC AND REVENUE ASSUMPTIONS

The 2023-24 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 2023-24 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 2023-24 Budget Update include:

- Consistent with IMF projections, international economic growth is assumed to slow over the forecast horizon and be below the pre-COVID decade average.
- Interest rates are assumed to plateau at the current level in early 2024 for this monetary tightening cycle before starting to gradually ease thereafter.
- The A\$/US\$ exchange rate is assumed to trend gradually higher, reaching around US\$0.70 by mid-2025 and move towards the medium-term anchor of US\$0.75 thereafter.
- Brent oil prices to remain elevated in the near term and gradually ease towards a medium-term level of US\$75/bbl by the end of the forecast period.
- Residential property prices in Brisbane are expected to maintain modest growth over the forecast horizon.
- Consistent with historical trends, the drier than average conditions resulting from the current El-Niño weather pattern are generally expected persist in the near-term. A return to normal seasonal rainfall patterns is assumed thereafter.

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 revenue¹

	2022–23	2023–24	2023–24	2024–25	2025–26	2026–27
	Actual	Budget	Update	Projection	Projection	Projection
	\$ million					
Payroll tax and mental health levy	5,850	6,524	6,590	6,980	7,384	7,809
Transfer duty	5,240	5,385	5,402	5,921	6,380	6,754
Other duties	2,232	2,255	2,424	2,529	2,637	2,749
Gambling taxes and levies	1,911	2,015	2,000	2,096	2,182	2,271
Land tax	1,732	2,031	2,032	2,327	2,508	2,613
Motor vehicle registration	2,226	2,301	2,334	2,362	2,465	2,547
Other taxes	1,409	1,426	1,429	1,501	1,587	1,658
Total tax revenue	20,601	21,938	22,210	23,716	25,142	26,400
Royalties						
Coal	15,360	5,345	9,188	4,342	4,272	4,149
Petroleum ²	2,350	1,275	1,650	1,391	1,222	1,053
Other royalties ³	504	503	550	549	524	497
Total royalties	18,214	7,123	11,388	6,282	6,018	5,698
Land rents	181	195	186	189	193	198
Total royalties and land rents	18,395	7,318	11,574	6,471	6,211	5,895

Includes liquefied natural gas (LNG).
 Includes base and precious metal and other mineral royalties.

Royalty assumptions

Table 15 below provides the 2023-24 Budget Update assumptions regarding coal royalties, which represent the bulk of Queensland's royalty revenue.

	2022–23 Actual	2023–24 Update	2024–25 Projection	2025–26 Projection	2026–27 Projectior
Tonnages – crown export ¹ coal (Mt)	190	200	214	225	233
Exchange rate \$US per \$A ²	0.67	0.66	0.69	0.72	0.75
Year average coal prices (\$US per tonne) ³					
Hard coking	279	241	176	175	175
Semi–soft	259	142	123	123	123
Thermal	304	138	120	120	120
Year average oil price					
Brent (\$US per barrel) ⁴	102	83	80	77	75

Table 15: Royalty assumptions

Excludes coal produced for domestic consumption and coal where royalties are not paid to the Government (i.e. private royalties). The 2023–24 estimate for domestic coal volume is approximately 25.5 Mt and private coal is 4.1 Mt. 1.

2. Year average.

Estimated year-average spot prices for highest quality coking and thermal coal. Lower quality coal can be sold below this price with indicative average prices for 2023–24 as follows: Hard coking US\$220 per tonne and thermal US\$114 per tonne. Published Brent oil prices are lagged by 4 months to better align with royalty revenue. 3. л

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 2023-24 would be relatively modest, with the impact occurring progressively across the forward estimates.

KEY FISCAL AGGREGATES

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.	Notes: 1. With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability	Securities and Derivatives	Leases and similar arrangements ²	Borrowing with QTC	Capital purchases	Total revenue	Non-financial Public Sector	Net debt	Securities and Derivatives	Leases and similar arrangements ²	Borrowing with QTC	Fiscal balance	Net capital purchases	Capital purchases	Net operating balance	Employee expenses	Total expenses	Tax revenue	Total revenue	General Government			
n increase in Ge	of the latest GFS	446	1,316	71,160	6,852	57,393	-	654	(0)	1,286	34,200	(495)	1,163	4,044	668	20,045	50,112	12,547	50,780		\$ million	Actual ¹	2015–16
neral Gover	3 Manual (A	895	1,882	69,107	7,291	64,855		(355)	(0)	1,882	31,358	560	2,265	4,620	2,825	21,258	53,369	12,919	56,194		\$ million	Actual ¹	2016-17
nment and \$	GFS15), son	405	2,142	66,964	7,643	66,164		(509)	122	2,142	29,256	(587)	2,337	5,126	1,750	22,681	56,337	13,244	58,087		\$ million	Actual ¹	2017-18
2.6 billion in	ne categories	720	2,612	67,576	8,460	68,329		(198)	121	2,612	29,468	(2,207)	3,192	5,764	985	24,019	58,843	14,165	59,828		\$ million	Actual ¹	2018-19
NFPS in 201	s have been	1,503	6,977	76,464	9,482	66,171		14,036	198	6,485	37,570	(9,164)	3,436	6,306	(5,728)	25,662	63,505	14,585	57,778		\$ million	Actual ¹	2019-20
19-20 on add	restated to e	1,570	8,157	85,901	9,877	71,318		11,344	220	7,703	46,153	(4,857)	3,942	6,682	(915)	26,385	63,706	16,249	62,791		\$ million	Actual ¹	202021
option of the	nsure comp	17,374	8,028	90,851	11,130	85,485		10,997	93	7,671	49,000	(72)	4,356	7,878	4,284	28,068	69,902	20,011	74,185		\$ million	Actual ¹	2021-22
new lease a	arability.	5,491	7,887	89,442	14,300	100,821		2,615	41	7,519	46,166	8,092	5,838	9,899	13,930	30,557	75,880	20,601	89,810		\$ million	Actual	2022-23
ccounting sta		1,560	8,616	99,718	17,945	95,032		14,676	41	7,930	55,403	(6,709)	6,570	11,332	(138)	32,541	85,926	22,210	85,788		\$ million	Update	2023-24
andard AASB		317	8,857	113,212	21,381	93,852		28,256	41	8,231	68,570	(8,853)	8,975	13,205	122	33,088	84,009	23,716	84,131		\$ million	Projection	2024-25
16.		108	7,651	127,653	21,214	95,122		38,034	41	7,094	79,253	(6,965)	7,056	12,491	91	34,155	84,287	25,142	84,378		\$ million	Projection	2025-26
		62	7,210	141,869	21,976	99,846		47,392	41	6,724	89,993	(5,461)	6,082	12,055	621	35,239	86,865	26,400	87,486		\$ million	Projection	2026-27

Notes: 1. With the implementation of the latest GFS Manual (AGFS15), some categories have been restated to ensure comparability. GSP figures reflect 2022–23 ABS National Accounts: State Accounts and Queensland Treasury forecasts.	Net financial liabilities/revenue	Total Borrowings/Revenue	Total borrowings/GSP	Capital purchases/GSP	Non-Financial Public Sector	Employee expenses growth	Expenses growth	Tax growth	Revenue growth	Net debt/revenue	Lease and other liabilities/revenue	Total Borrowings/Revenue	Total borrowings/GSP	Fiscal balance/GSP	Net cash inflows from operating activities/Net cash flows from investments in non-financial assets	Capital purchases/GSP	Net operating balance/GSP	Employee expenses/GSP	Expenses/GSP	Own source revenue/GSP	Tax/GSP	Revenue/GSP	General Government			
ntation of the nd Queensla	/revenue	enue	Ū	Ϋ́Ρ	c Sector	growth						enue			operating ws from nancial	Ÿ	e/GSP	GSP		GSP			-			
latest GFs nd Treasur	127.4	127.1	24.2	2.3		7.8	1.1	(0.4)	1.6	1.3	2.5	69.9	11.8	(0.2)	122.9	1.3	0.2	6.7	16.6	9.0	4.2	16.9		%	Actual ¹	2015–16
6 Manual (A y forecasts.	111.2	110.8	21.9	2.2		6.1	6.5	3.0	10.7	(0.6)	3.3	59.2	10.1	0.2	134.2	1.4	0.9	6.5	16.3	8.8	3.9	17.1		%	Actual ¹	2016–17
,GFS15), son	111.5	105.1	19.9	2.2		6.7	5.6	2.5	3.4	(0.9)	3.7	54.3	9.0	(0.2)	107.0	1.5	0.5	6.5	16.1	8.6	3.8	16.6		%	Actual ¹	2017–18
ne categories	114.9	103.8	19.4	2.3		5.9	4.4	7.0	3.0	(0.3)	4.4	53.8	8.8	(0.6)	105.5	1.6	0.3	6.6	16.1	8.6	3.9	16.3		%	Actual ¹	2018–19
s have been	158.3	128.4	23.5	2.6		6.8	7.9	3.0	(3.4)	24.3	11.2	76.6	12.3	(2.5)	(2.5)	1.7	(1.6)	7.1	17.6	8.4	4.0	16.0		%	Actual ¹	2019–20
restated to e	142.5	134.1	26.0	2.7		2.8	0.3	11.4	8.7	18.1	12.3	86.1	14.7	(1.3)	0.7	1.8	(0.2)	7.2	17.3	8.1	4.4	17.1		%	Actual ¹	202021
ensure comp	117.8	136.0	25.6	2.5		6.4	9.7	23.1	18.1	14.8	10.3	76.5	12.5	(0.0)	136.9	1.7	0.9	6.2	15.4	8.8	4.4	16.3		%	Actual ¹	2021-22
arability. GS	90.5	102.0	20.4	2.8		8.9	8.6	2.9	21.1	2.9	8.4	59.8	10.7	1.6	204.6	2.0	2.8	6.1	15.1	10.2	4.1	17.8		%	Actual	2022-23
P figures ref	106.9	115.6	21.6	3.5		6.5	13.2	7.8	(4.5)	17.1	9.2	73.9	12.5	(1.3)	35.0	2.2	(0.0)	6.4	16.9	9.3	4.4	16.9		%	Update	2023-24
1ect 2022–23 ,	123.7	130.4	23.4	4.1		1.7	(2.2)	6.8	(1.9)	33.6	9.8	91.3	14.7	(1.7)	29.3	2.5	0.0	6.3	16.1	8.6	4.5	16.1		%	Projection	2024–25
ABS National /	135.1	142.4	24.9	3.9		3.2	0.3	6.0	0.3	45.1	8.4	102.4	15.9	(1.3)	43.8	2.3	0.0	6.3	15.5	8.3	4.6	15.5		%	Projection	2025–26
Accounts:	140.5	149.4	26.2	3.9		3.2	3.1	5.0	3.7	54.2	7.7	110.6	17.0	(1.0)	46.5	2.1	0.1	6.2	15.3	8.1	4.6	15.4		%	Projection	2026–27

EXHIBIT (C)(V)

Queensland Energy and Jobs Plan and 2023 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 "<u>State</u>" or "<u>Queensland</u>") 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 forwardlooking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct. Forwardlooking 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, the Russia-Ukraine conflict and the Israel-Hamas 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.

(c)(v)-1









"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."

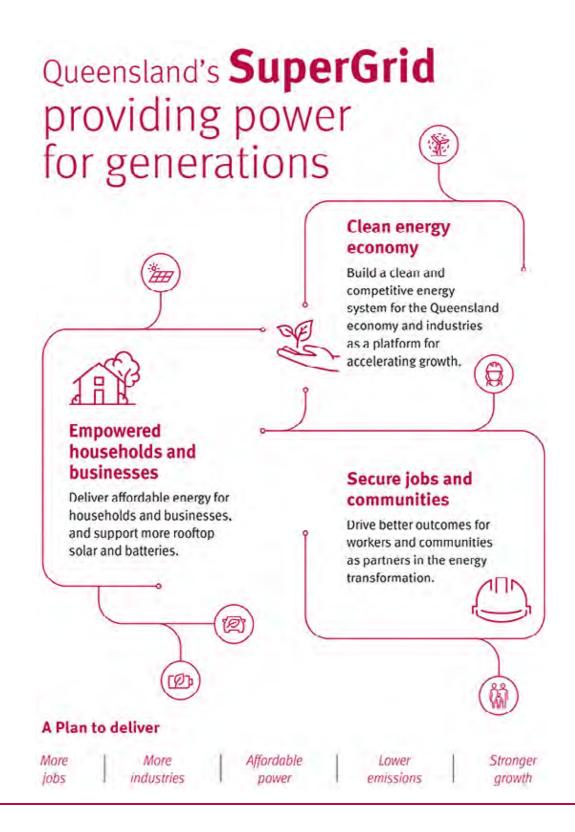
Cameron Dick Treasurer and Minister for Trade and Investment

"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

2 | Queensland Energy and Jobs Plan

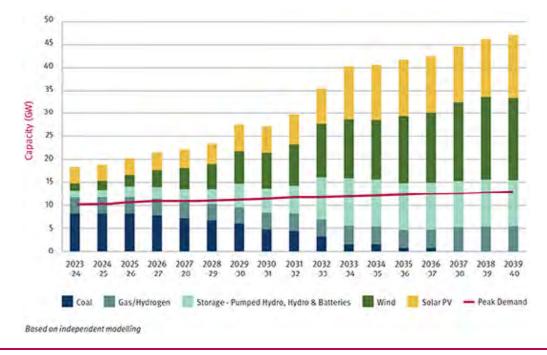


Overview | 3



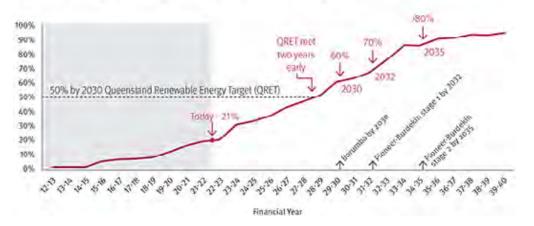
Queensland's SuperGrid will deliver clean, reliable and affordable power

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.



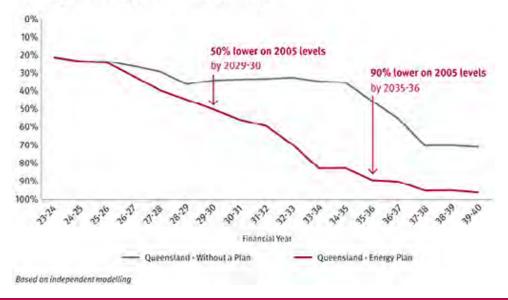
Under the Plan Queensland beats the 50 per cent renewable energy target

Renewable energy percentage under the Queensland Energy and Jobs Plan



And reduces electricity emissions

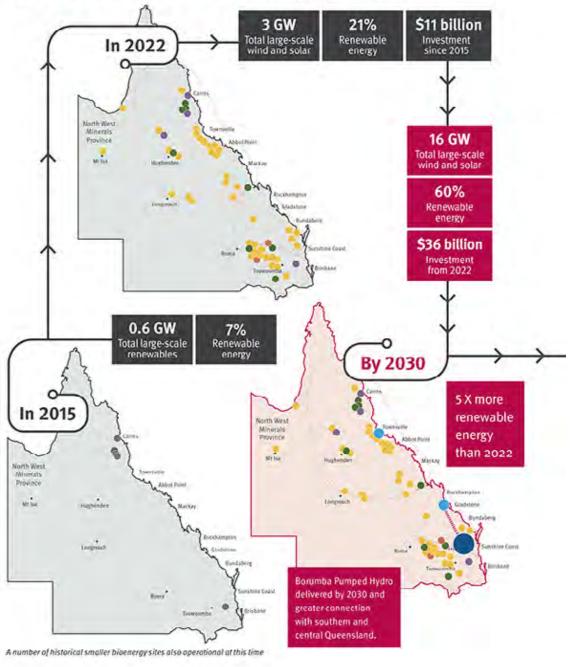
Lower electricity emissions – 90 per cent lower by 2035-36



Electricity emissions (reduction on 2005 levels)

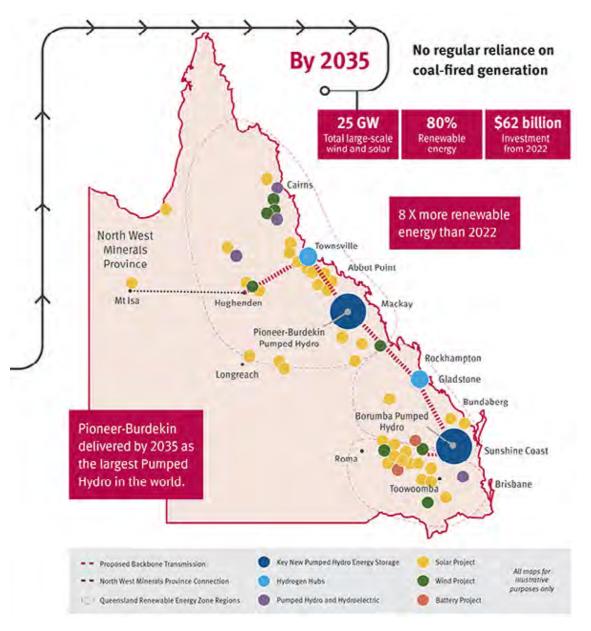
Overview | 5

Building the Queensland SuperGrid



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

Overview | 7

This Plan represents an extra S4 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 **S4.5 billion Fund**, including \$500 million for grid and community batteries, and a hydrogenready 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
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



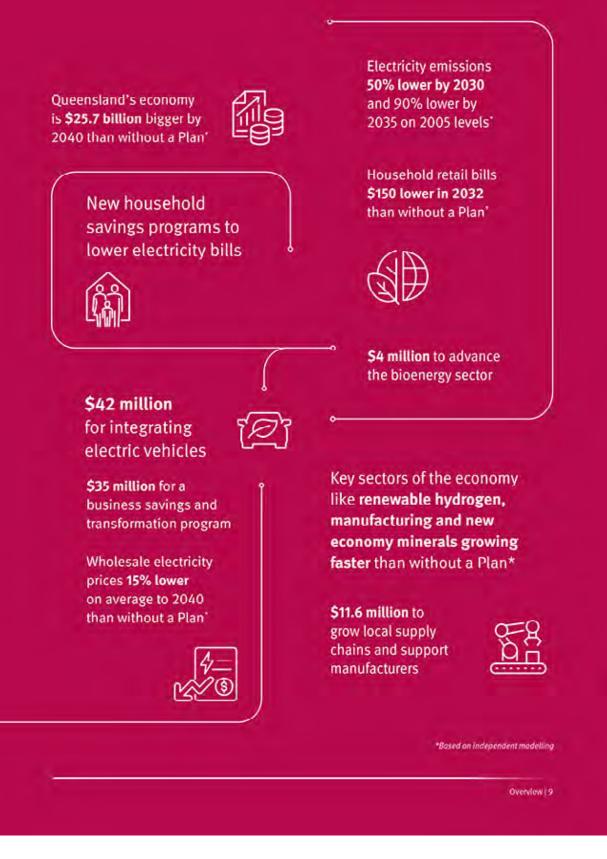
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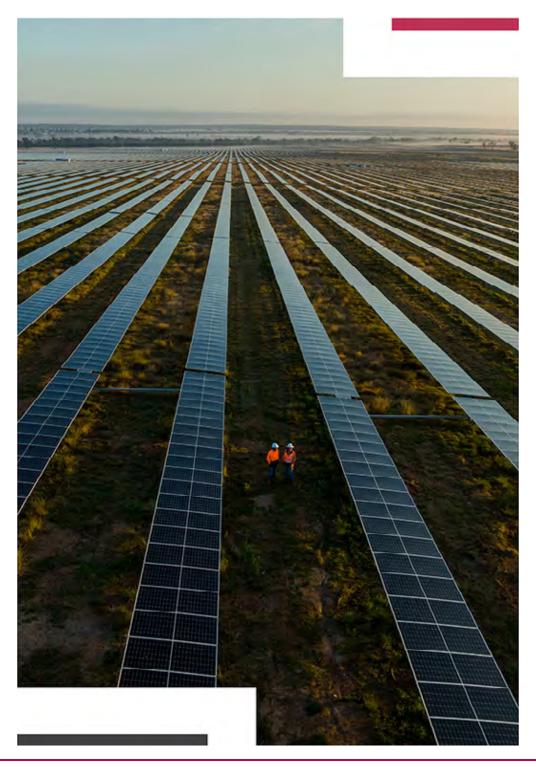
64,000 jobs from building the SuperGrid including direct and indirect jobs by 2040'

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





10 | Queensland Energy and Jobs Plan



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.

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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

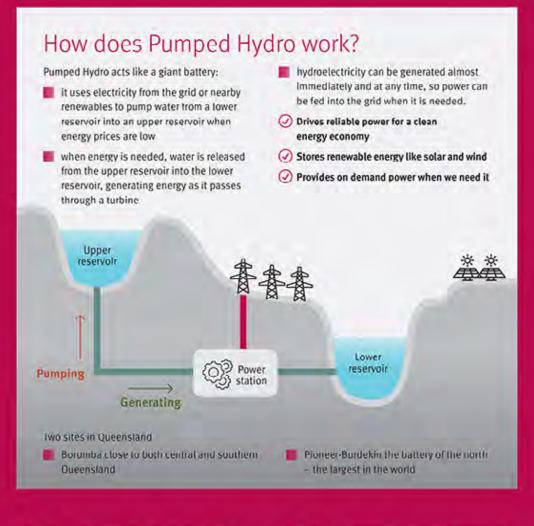
Deliver real and lasting benefits for regional communities through a new \$200 million *Regional Economic Futures Fund* to support economic and community development initiatives and a new *Regional Energy Transformation Partnerships Framework* with \$35 million for strategic planning and community engagement activities.

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Learn more about the Plan



During 2023 the Queensland Government will be consulting on key initiatives in this Plan.





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.



Dispatchable generation: Sources of electricity that can be switched on and off and ramp their power output up and down based on market needs.



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.

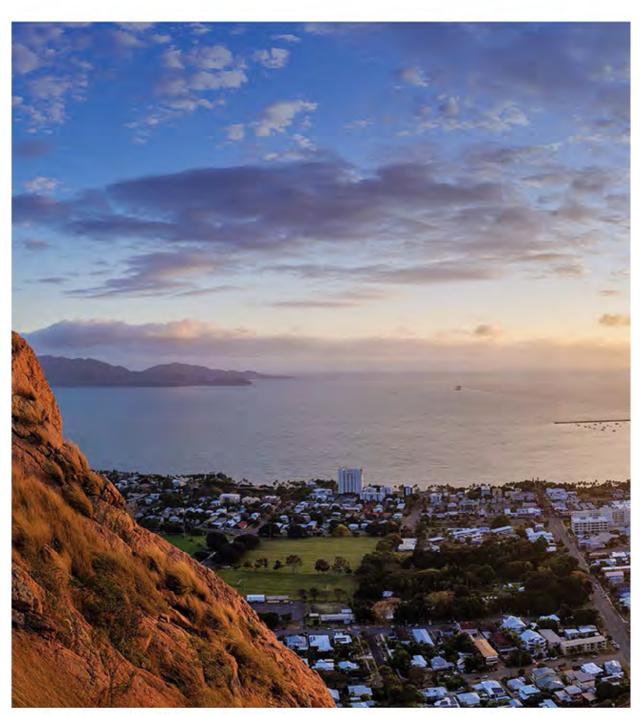
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QUEENSLAND ENERGY AND JOBS PLAN

Power for generations

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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.



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2 | Queensland Energy and Jobs Plan

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.



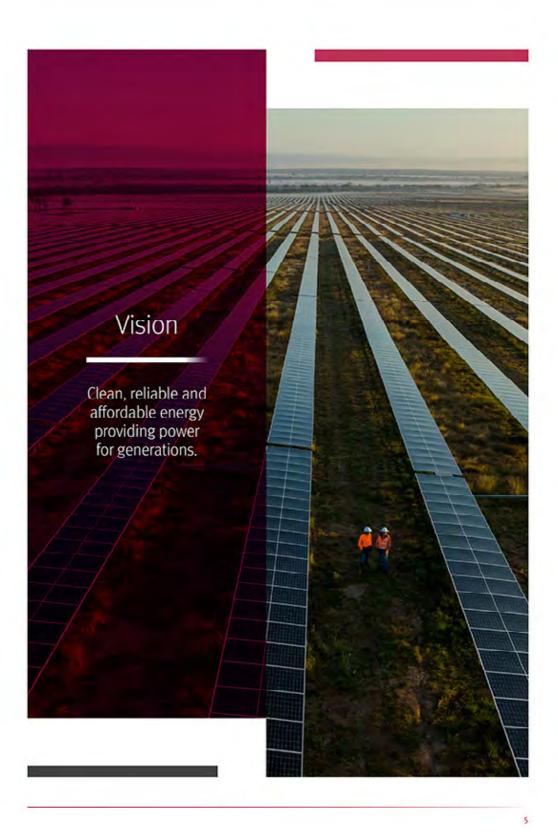
Steven Miles MP Queensland Deputy Premier and Minister for State Development, Infrastructure, Local Government and Planning



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



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

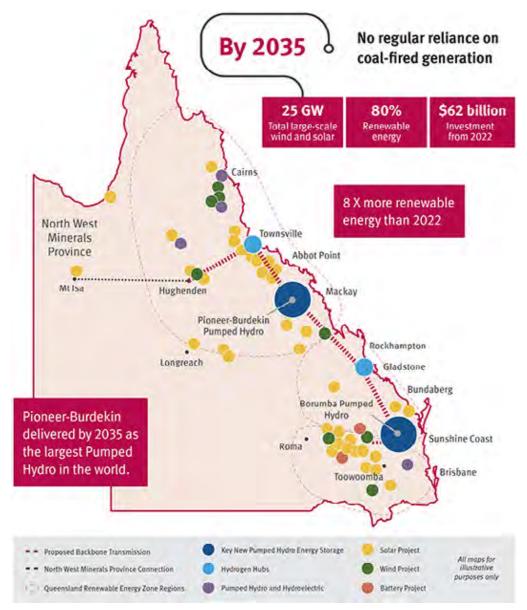
A smarter grid to support over 11 GW of rooftop solar and around 6 GW of batteries in homes and businesses



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.



More Jobs – building clean energy infrastructure and powering growth

Modelling estimates the Plan will deliver more jobs in the energy sector and across the Queenstand 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.

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.

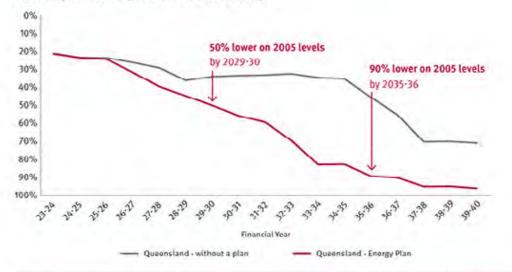
Larger economy generating green growth

Modelling estimates that the state economy will experience up to **S25.7 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.





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.

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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

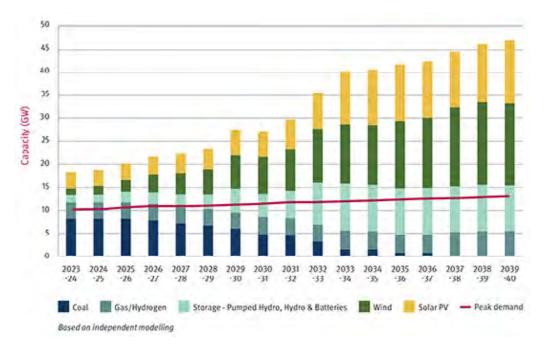


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A clear plan to transition to renewables

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.



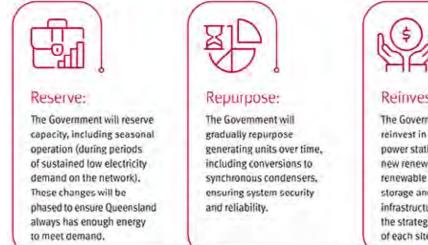


Investing in the future of our power stations

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.



Reinvest:

The Government will reinvest in these coal-fired power stations with new renewable energy. renewable hydrogen, storage and system strength infrastructure leveraging the strategic advantages of each site.



Benefits for Queensland



Keeping majority public ownership of Queensland's energy system

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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



Renewable energy projects can connect in the Queensland Renewable Energy Zones more easily and partner with Queensland's public energy businesses



Growing Queensland's renewable hydrogen industry by investing \$20 million to supercharge renewable hydrogen hubs and build awareness for the industry



A **\$2.5 billion** boost to the Queensland Renewable Energy and Hydrogen Jobs Fund to deliver on publicly owned renewables, storage and network investments



Apprentices will access two new training hubs in regional Queensland

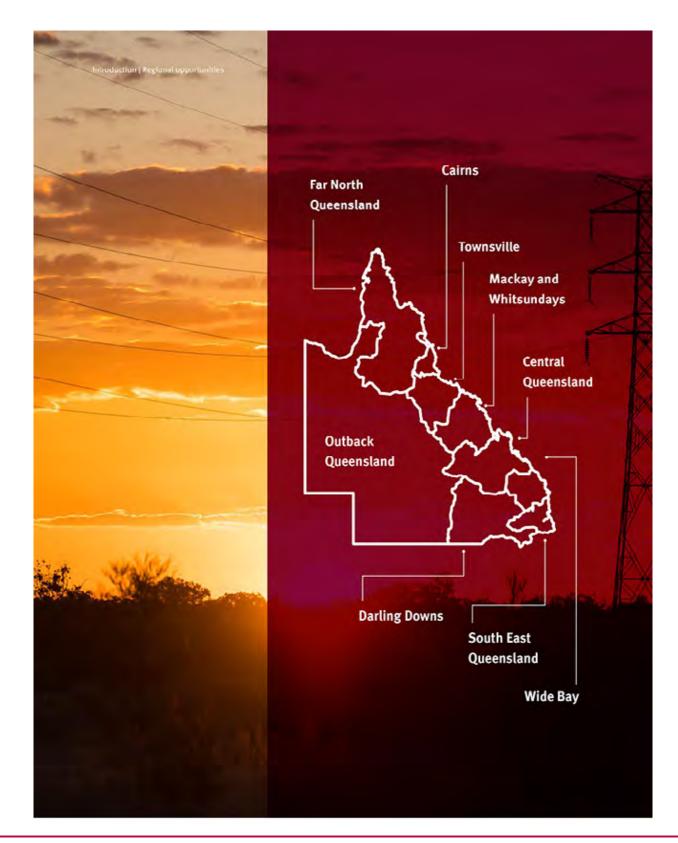


A new **\$200 million** Regional Economic Futures Fund



publicly owned coal-fired power stations will have a Job Security Guarantee and more choice

Workers at Queensland's



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.

FOCUS areas

This Plan sets out **actions** across **three focus areas** to **transform** the Queensland energy system.

Clean energy economy

QK

Build a clean and competitive energy system for the Queensland economy and industries as a platform for accelerating growth.

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

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.

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 coalfired 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





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.

Focus area 1 | Clean energy economy

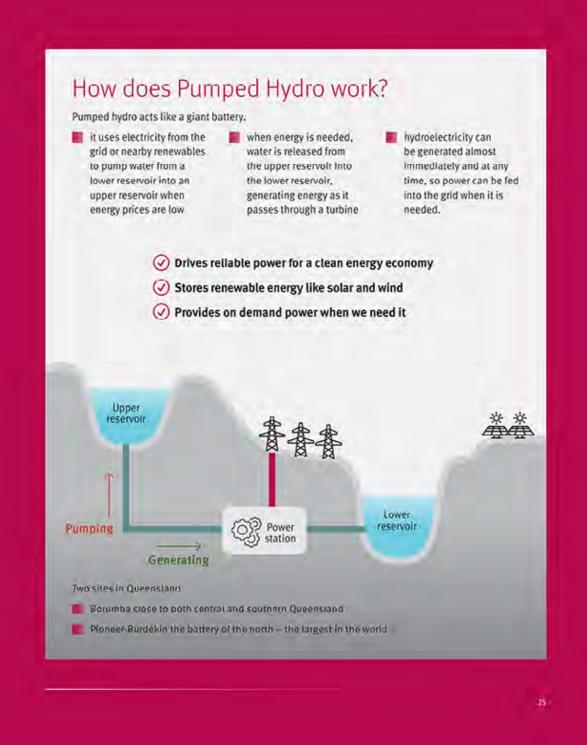


The Government has set aside **\$273.5 million – including \$203.5 million new funding** – to advance consideration of the Borumba and Pioneer-Burdekin PHES projects. This funding will support detailed engineering and environmental investigations, community engagement, and some early access works.

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	



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.

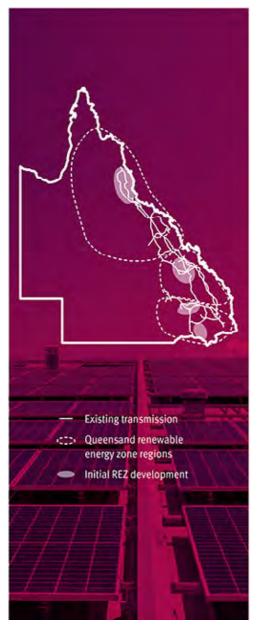
Battery storage also represents an opportunity to build manufacturing capacity in Queensland, and support more secure and local skilled jobs.

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	2022-26	
		Energy GOCs		
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).

Focus area 1 | Clean energy economy

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).

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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.



Impl	Implementation activities				
#	Description	Lead/s	Delivery		
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.

Imp	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	2022 2025	
D.		DSDILGP	2023-2025	
_	Roll out a Renewable Hydrogen Awareness Program to share information with the community and build awareness	EPW	2022-2025	
C.		DSDILGP		
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	2023	
		EPW		

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.

Impl	Implementation activities				
#	Description	Lead/s	Delivery		
-	Prepare legislation to establish the Queensland Energy System Advisory Board	EPW	2023		
a.		QT			
b.	Prepare first annual market snapshot	QESAB	2023-24		
	Prepare first Queensland SuperGrid Infrastructure Blueprint update	EPW	2025		
C.		QT			
		QESAB			





2. Empowered households and businesses

Deliver affordable energy for households and businesses, and support more rooftop solar and batteries.



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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

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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.

Imple	ementation 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.

Imp	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.

Im	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.

Focus area 2 | Empowered households and businesses



Impl	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	
	Electric vehicle charging infrastructure delivered in public places at congested areas of the network and explore innovative "smart" integration and management of electric	EQL	2023-26	
C.	vehicle charging	EPW		
d.	Deliver ZEV ready government buildings	EPW	2023-26	
			1	

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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.

Impl	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

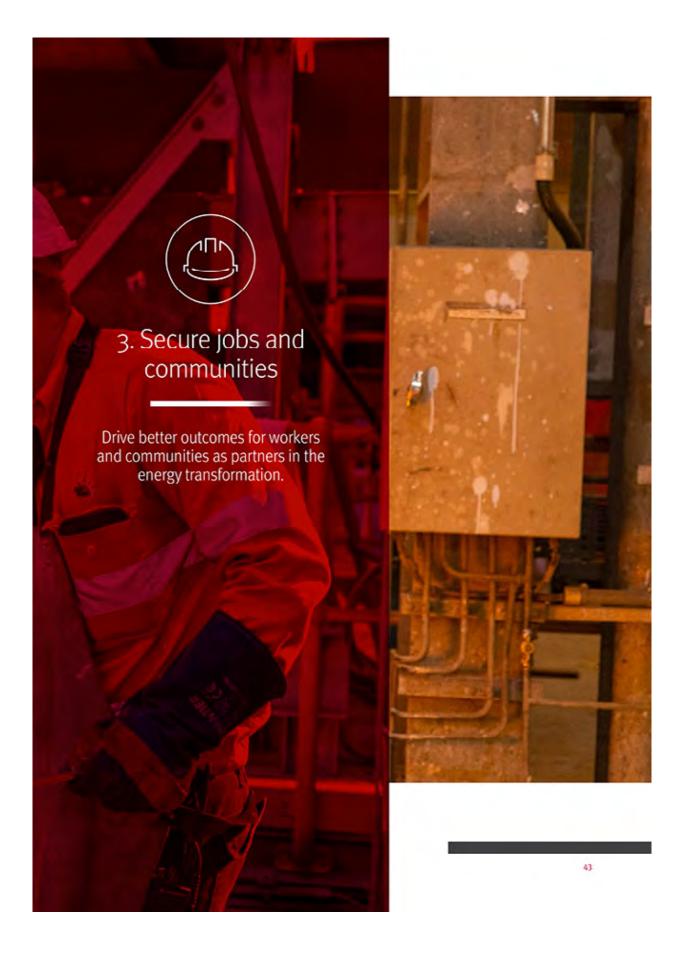
Regional Queensland covers most of the state's land mass but is home to only around one third of Queensland's population. This can present challenges to ensuring regional Queenslanders can access affordable energy.

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.

Imple	Implementation activities			
#	Description	Lead/s	Delivery	
_		EPW	Onneine	
a.	Continue current Unform Tariff Policy arrangements	QT	Ongoing	
	Annual revision of Community Convice Obligation Deed	EPW	Ongoing	
b.	Annual revision of Community Service Obligation Deed	QT		





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.

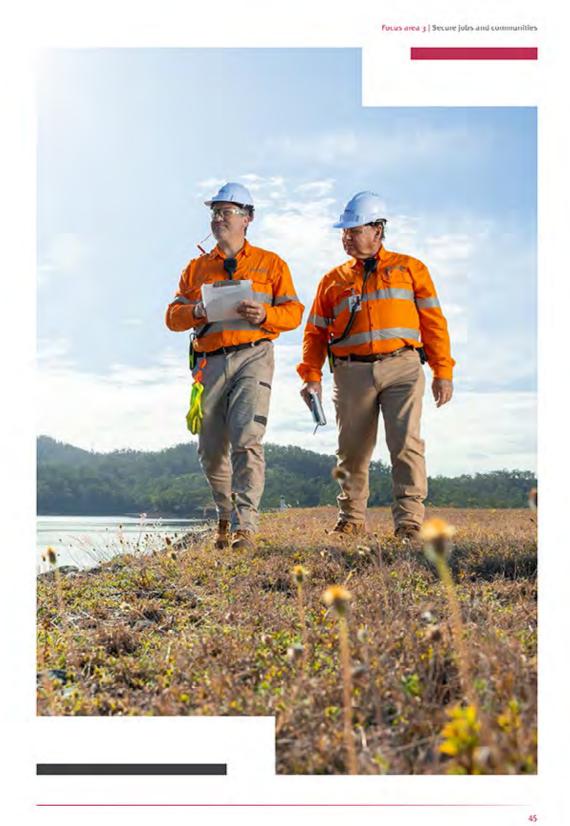
ACTION 3.1: Invest to modernise Queensland's publicly owned coal-fired power stations for the future

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.

Impl	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	
с.	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.

Imp	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	
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.



#	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.

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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.

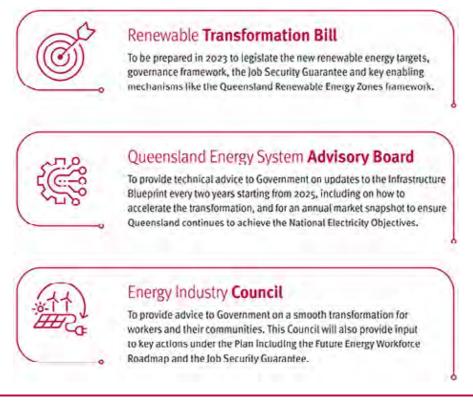
Imple	Implementation activities			
#	Description	Lead/s	Delivery	
a.	Develop and publish funding guidelines for the Regional Economic Futures Fund	DSDILGP	2023	
b.	Consult on the draft Regional Energy Transformation Partnerships Framework	EPW	2022-23	
C.	Deliver initial actions as part of the Regional 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:





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 Rockhampton Thursday Island 🔲 Gladstone
 - Townsville Biloela

Gympie

Brisbane Gold Coast

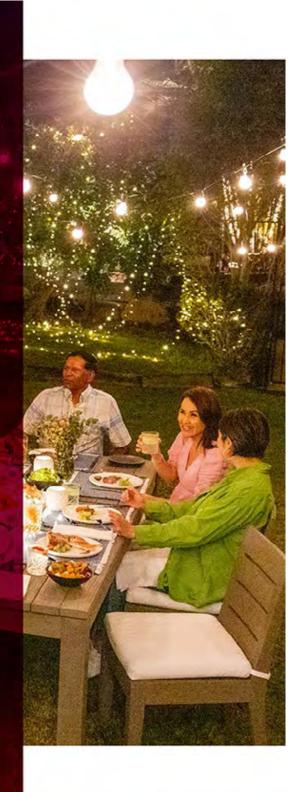
Toowoomba

- Mount Isa
- - Mackay
- Emerald
- Kingaroy

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



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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.



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Hydrogen: A clean, renewable fuel that can be used in transport, power supply and a range of industrial processes.

Dispatchable generation: Sources of

electricity that can be switched on and

off and ramp their power output up and

Peaking plants: Generators that run

when demand is high. For example,

Renewable energy: Energy that comes

from renewable sources, such as

down based on market needs.

gas-fired generators that can

respond quickly.

sun and wind.

Overview | 57

QUEENSLAND ENERGY AND JOBS PLAN

Power for generations

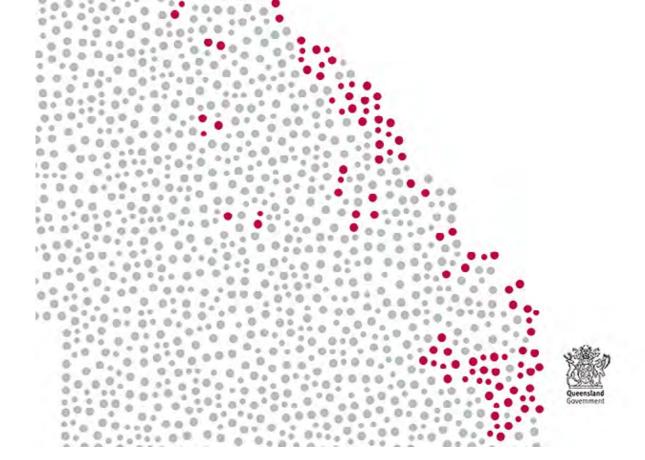
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Queensland SuperGrid Infrastructure Blueprint

Optimal infrastructure pathway for the Queensland Energy and Jobs Plan

September 2022



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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.

3

 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:

 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.

 Storage, firming and dispatchable capacity: Queensland will need at least 6,000 MW of long duration storage1 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 plant² 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
- a 750km line to connect central Queensland to a north Queensland 24-hour PHES and north Queensland load
- 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).



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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).

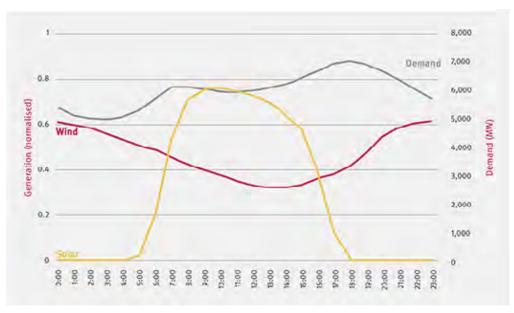


Figure 2: The normalised annual output profile of large-scale wind and solar generation in Queensland. Wind generation peaks overnight and solar generation peaks in the mid-morning, both outside times of peak Queensland electricity demand.

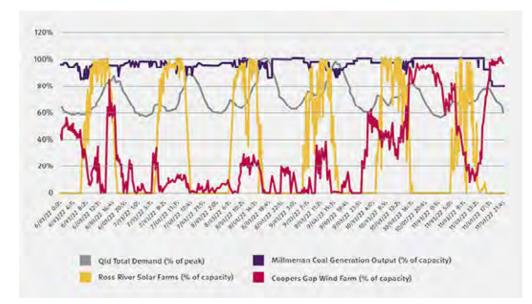


Figure 3: The historical output of different energy sources during a high demand week (the actual output from representative generators). This demonstrates the day-to-day volatility of renewable generation.



Renewable generation characteristics

The characteristics of renewable generation will influence the design and operation of Queensland's future clean energy system.

- 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 factor⁵ 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 down⁶. 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 generation⁸ to a renewables-based system⁹.

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 forecasts¹⁰ 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.

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.

¹⁰The Australian Energy Market Operator's Step Change demand assumptions in the 2022 Draft Integrated System Plan.

⁷ 'excess' is a colloquial term for energy that would otherwise be constrained off or spilled.



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

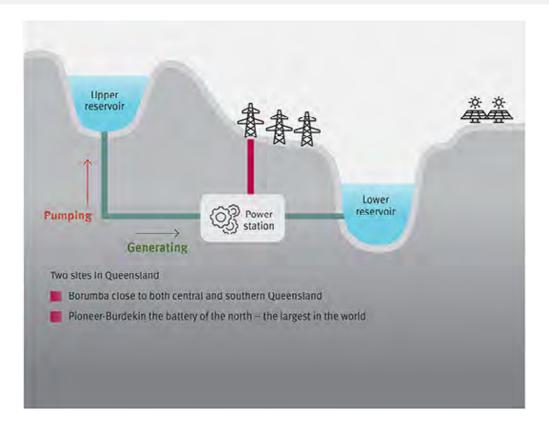


Figure 4: Diagrammatic representation of a PHES plant.



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.

- 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.
- 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 2035¹³. 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).

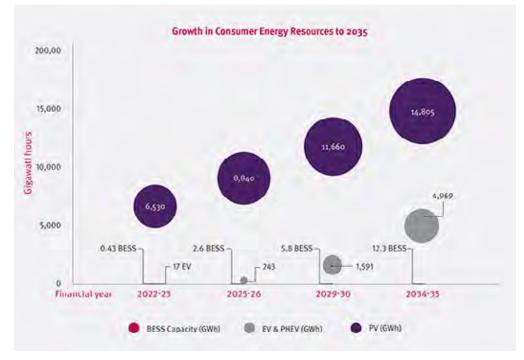


Figure 5: Forecast uptake of technology in the Distribution Network to 2035. Source data – AEMO ISP 2022, Step Change scenario.

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.

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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 time14. 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 hydrogen¹⁵ 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.

¹⁴Internalmodelling carried out by the Queensland Government, externally reviewed.

¹⁵Given 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.

¹⁶Independent 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.

- 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.
- 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.
- 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.

¹⁷This 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.
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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).

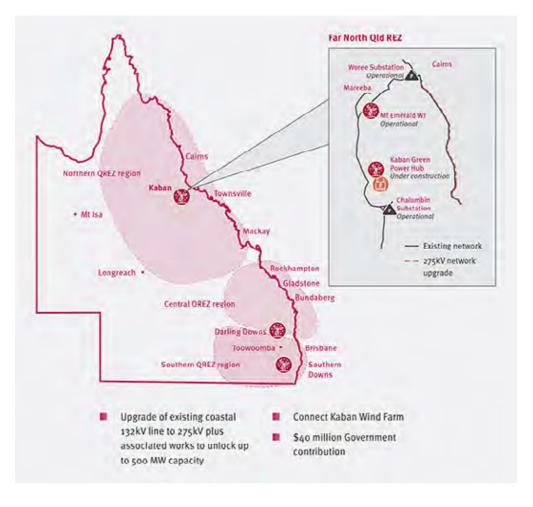


Figure 7: \$40 million investment in the Northern QREZ region, which has unlocked up to 500 MW of capacity and supported the connection of the Kaban project.

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 MW¹⁸ 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

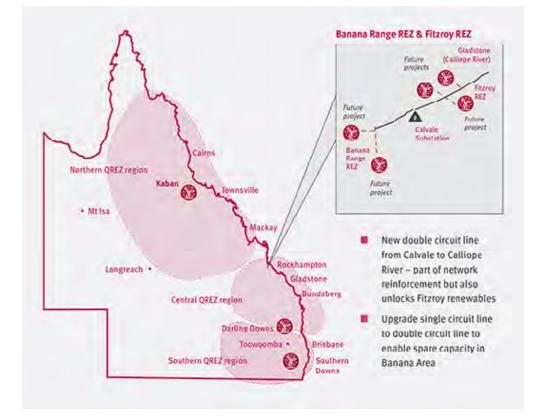


Figure 8: This initial investment in the Central QREZ region will unlock additional renewable energy capacity and supports existing industrial consumers in the region to transition to clean, reliable and affordable electricity.

- 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.

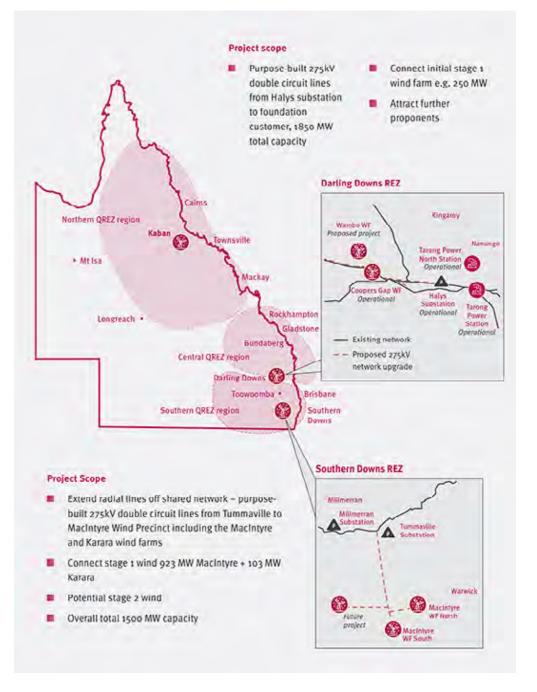


Figure 9: The Southern Downs and Darling Downs investments in the Southern QREZ region could unlock up 3350 MW of renewable energy capacity.



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.

Phase	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31
Detailed analytical report ¹		FEED/technical studies								
EIS ²	Enviro	Environmental/technical studies								
Early works		Site access								
Civil works				Cons	struct uppe caverns	r and lowe s, tunnels	r dam,			
Transmission		Des	Design and corridor acquisition			ld transmis	ssion			
Turbines						Instal	ll and comr	mission		
Upper reservoir						Fill reser		servoir		
Final commissioning and handover									Oper	ational

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

²⁵Actual 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.

Project	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35	FY 36
Stage 1 – Borumba Connections														
Stage 2 – Central Queensland Connection														
Stage 3A – Pioneer- Burdekin PHES and NQ Connection (Larcom to Nebo)														
Stage 3B – Pioneer- Burdekin PHES Connection (Nebo to Pioneer)														
Stage 3C – Pioneer- Burdekin PHES and NQ Connection (Pioneer to Townsville)														
<u></u>		Design a	nd acquisit	ion	Cor	nstruction		Test 8	k commissi	oning				

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 highquality 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.

^{40 |} Queensland SuperGrid Infrastructure Blueprint | September 2022

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

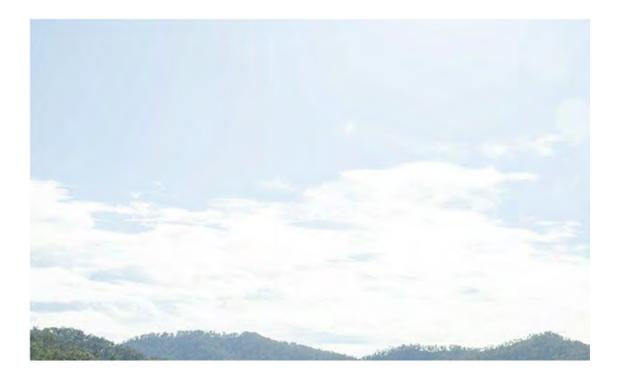
System strength is one determinant of how well the power system can return to normal operation following a disturbance or fault or how quickly the power system voltage waveform can be restored to the consistent sine wave. In practical terms, power systems with system strength can maintain more stable 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.

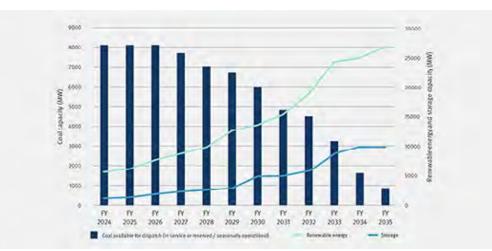


Figure 11: Gradual withdrawal of all coal-fired power stations in Queensland as more renewable energy and storage is built to support a system without coal generation by 2035.

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.

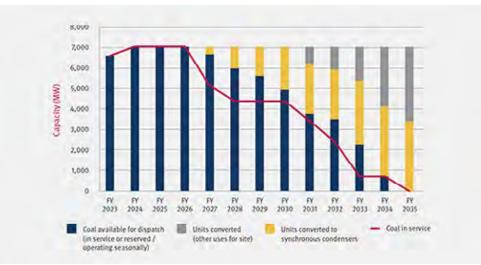


Figure 12: Publicly-owned coal portfolios will progressively transform to clean energy hubs. Coal repurposing is a secondary consideration to energy security, which is dependent on the timing of the PHES assets. MW capacities refer to nameplate capacity.

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.

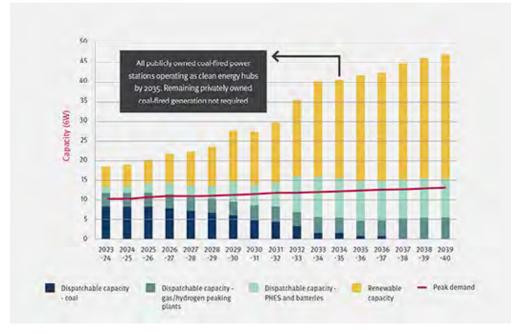


Figure 13: This figure outlines the modelled dispatchable capacity to 2040 of Queensland's future energy system, including from both coal and other sources. It also demonstrates that Queensland is expected to have sufficient dispatchable capacity to meet peak demand at all times.

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 Governmentowned energy corporations to develop long term strategic plans to reflect the Government's commitment to gradually convert all publiclyowned 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	\rightarrow	
Stanwell (4 units)	No C	No Change				Phase 1			Phase 2 Ph			ase 3			
Tarong & Tarong North (5 units)	No C	No Change				Phase 1 Phase 2			e 2	Pha			ase 3		
Callide B (2 units)	No C	hange			Phase 1	Phase 2	Phase	Phase 3							
Kogan Creek (1 unit)	No C	hange											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.

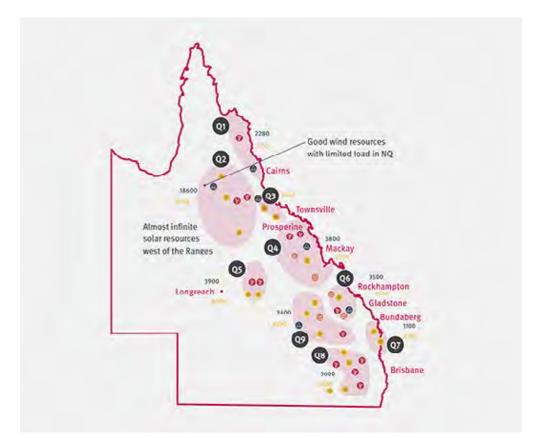


Figure 13: Renewable energy opportunities for hydrogen loads. Yellow numbers indicate potential solar resources, blue numbers indicate potential wind resources.

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.

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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.



52 | Queensland SuperGrid Infrastructure Blueprint | September 2022



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 wellsequenced to ensure system security and reliability are maintained throughout and post transformation.



56 | Queensland SuperGrid Infrastructure Blueprint | September 2022

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 highvoltage 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.



58 | Queensland SuperGrid Infrastructure Blueprint | September 2022



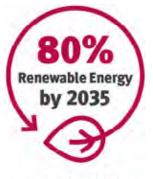
QUEENSLAND ENERGY AND JOBS PLAN

Power for generations

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QUEENSLAND ENERGY AND JOBS PLAN

2023 Update Powering ahead



November 2023



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 $01 \left| \begin{array}{c} {\sf Queensland Energy and Jobs Plan 2023 Update} \right. \right. \\$

Foreword

The launch of the Queensland Energy and Jobs Plan (the plan) was a landmark moment in the state's history as we committed to transform our energy sector and power more jobs across the state. Thanks to the skill and ambition of Queenslanders, we have taken significant steps to deliver on our commitment in the first year since the plan's launch.

With 27 per cent renewable energy supply now in Queensland, we are on schedule to reach our first renewable energy target of 50 per cent by 2030. Clean energy supply is set to grow even more, with more generation and storage to commence operations over the next 12 months and beyond.

This investment in renewable energy projects also translates to long-term job opportunities for our regions. Since the launch of the plan, more opportunities are in the pipeline as we build the Queensland SuperGrid. We are investing \$90 million to deliver two Queensland SuperGrid Training Centres – the first interim centre opened in Gladstone in May and the second in Townsville in August. Training our next generation of workers will ensure we build the capability and capacity locally to support the transition and become a world leader in renewable energy.

We have also started early works on CopperString 2032 to connect vast renewable wind and solar resources in North and North West Queensland, unlocking the critical minerals we need to support our renewable energy transformation.

Queensland's renewable hydrogen sector is also making great strides, positioning Queensland as a world-leading producer and exporter, attracting strong international interest. Among more than 50 renewable hydrogen projects across the state, the Central Queensland Hydrogen Project (CQ-H2) in Gladstone is on track to be Queensland's largest when it commences commercial production.

Since we released our plan for a clean energy future, there has been a significant volume of new energy generation committed or proposed, demonstrating that we're delivering investment and confidence in our energy transition. The results speak for themselves. Queensland is the only jurisdiction with adequate committed projects in the pipeline to meet its clean energy targets, meaning we are on track to meet our targets to power industry, support businesses and provide Queenslanders with clean, reliable and affordable energy for generations.

Mick de Brenni MP

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.

Introduction

The Queensland Energy and Jobs Plan (the plan) sets out our state's bold vision to achieve 70 per cent renewable energy by 2032 and 80 per cent by 2035. As the 'Sunshine State,' we have world-class solar and wind, the ideal landscape for large-scale pumped hydro projects, and the critical minerals under the ground to support the renewable energy transformation.

Since the plan's release, the Department of Energy and Public Works, alongside government owned corporations, and the broader energy industry, have worked together to achieve many key milestones, including:

 27 per cent renewable energy supply – over halfway to our goal of 50 per cent renewable energy by 2030

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.

- release of the draft Energy (Renewable Transformation and Jobs) Bill 2023 and the draft Queensland Renewable Energy Zone Roadmap.
- support for Queenslanders with the Cost of Living Rebate to give households relief on their electricity bills for 2023-24
- launch of the Household Energy Savings Program, including the Climate Smart Energy Savers rebate. The initiative has attracted unprecedented interest from householders keen to lower their electricity costs and reduce carbon emissions.

With extensive headway being made to deliver on key priorities in the plan, the state is in a solid position to develop a clean energy economy, empower households and businesses and secure jobs for our communities.

 $03 \left| \right.$ Queensland Energy and Jobs Plan 2023 Update



Year 1 progress report

Clean energy economy

	1.1		
	a)	Progress early design and planning for the SuperGrid backbone transmission	\odot
	b)	Investigate appropriate legislative models to support backbone transmission	\oslash
	1.2		—
	a)	Establish Queensland Hydro to deliver Queensland's world-class large-scale pumped hydro energy storage (PHES) assets	
	b)	Progress assessment and some early works for Borumba PHES	\odot
	c)	Progress planning, analytical studies and community consultation for the Pioneer- Burdekin PHES site	0
	1.3		
	a)	Deliver \$500 million from the boosted QREHJF for investment in batteries for publicly owned energy businesses	\bigcirc
	b)	Release the Queensland Battery Industry Strategy	<u> </u>
	c)	Release the Energy Storage Strategy	
1		Build more renewable energy and connect an ditional 22 GW by 2035	
	a)	Prepare legislation on the framework for Renewable Energy Zones (REZ) development	
	b)	Establish Powerlink as the designated planning body for transmission in REZ regions (subject to legislation)	
	c)	Undertake stakeholder consultation on the 2023 draft REZ Roadmap	\bigcirc
	d)	Deliver the Central Queensland Gladstone Grid reinforcement	
	1.5	Ensure reliability with low to no emissions gas	
	a)	A joint venture to build, own and operate a new 200 MW hydrogen-ready gas peaking power station at Kogan Creek	\bigcirc
	b)	Work collaboratively with industry and national bodies to help address gas supply shortfalls	\oslash
	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	Ø

	1.6		
_	a)	Review the Hydrogen Development – Guidance for Local Government	\bigcirc
	b)	Complete technical and economic studies to supercharge domestic renewable hydrogen hubs	\oslash
	c)	Roll out a Renewable Hydrogen Awareness Program to share information with the community and build awareness	\oslash
	d)	Prepare legislation to support effective regulation of hydrogen development and use	\oslash
	e)	Release an update of the Hydrogen Industry Development Strategy to cover 2024-2028	\oslash
•	1.7		
	a)	Collaborate with industry, Australian Government and customers to support development of sustainable liquid fuels	\oslash
	b)	Deliver a fuels strategy to accelerate the uptake of sustainable liquid fuels on the pathway towards net zero and beyond	\oslash
•	1.8	Switch to renewable energy with new targets	
	a)	Prepare legislation for the Queensland Government's renewable energy targets	\oslash
	b)	Source 100 per cent renewable energy for all large government sites by 2030	\oslash
•	1.9		
	a)	Register of interest for feasibility and technical studies	\oslash
	b)	Finalise feasibility and technical studies to identify options and pathways to expand bioenergy generation and support technology innovation in the bioenergy sector	Ø
•	1.1	D Establish a new technical board for expert ad	
	a)	Prepare legislation to establish Queensland Energy System Advisory Board	\oslash
	b)	Prepare first annual market snapshot	\oslash
	c)	Prepare first Queensland SuperGrid Infrastructure Blueprint update	\oslash



Year 1 progress report

Empowered households and businesses

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	\bigcirc
b)	Develop and evolve a smart connections framework to streamline households and businesses connecting technologies to the network	\oslash
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	\bigotimes
d)	Encourage the inclusion of electric vehicle charging infrastructure in buildings	\bigcirc
e)	Increase rollout of dynamic connection arrangements for customers	\oslash
f)	Increase network access and enable orchestration of Customer Energy Resources	\oslash
g)	Review regulatory framework for retail supply to remove barriers to delivering innovative products and services	\bigcirc
h)	Publish updated technical connection standards	\oslash
2.2	Deliver a new household program	\oslash
2.3	Support to reduce household bills	
a)	Applications from eligible non-government organisations open	\bigcirc
b)	Deliver energy efficiency advice, assessments, and install smart and efficient equipment to reduce customer bills	\bigcirc

2.4 Drive savings for small businesses

-)	Applications open for OPEST	\bigcirc
 a) 	Applications open for QBEST	ŏ
 b)	Successful applicants awarded and QBEST delivered	\odot
2.5		
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	Ø
b)	Establish a customer portal to provide information and advice to households and businesses on optimal electric vehicle charging timings and tariffs	\oslash
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	\oslash
 d)	Deliver ZEV ready government buildings	\oslash
 a)	Finalise the EUA framework through public consultation	\oslash
 b)	Prepare legislative amendments to the Local Government Act 2009 and the City of Brisbane Act 2010 to enable the operation of EUAs	Ø
 a)	Continue current Unform Tariff Policy arrangements	\oslash

05 Queensland Energy and Jobs Plan 2023 Update



Year 1 progress report Secure jobs and communities

1				d)	Build capacity to manufacture components for priority technologies (e.g., wind, batteries, electrolyser)	\oslash
	a)	CS Energy and Stanwell to invest in clean energy hubs	\oslash	e)	Publish guidelines and open the \$7.1 million grant program for energy efficiency grants to manufacturers	\oslash
				f)	Award successful applicants for grant program	\oslash
	a)	Implement the Queensland Energy Workers' Charter and the Job Security Guarantee Fund	\oslash		Clean energy for remote and First tions communities	
	b)	Prepare legislation to support implementation of the Job Security Guarantee	\bigcirc	a)	Implement national reforms on third party owned microgrids and standalone power systems adapted to the Queensland context as necessary	Ø
	c)	Establish dedicated future pathway managers to assist workers to develop their career pathway	\bigcirc	b)	Queensland Microgrid Pilot Fund guidelines released	\bigcirc
	d)	Leverage existing workforce programs and training programs to support delivery of the Job Security Guarantee	\bigotimes	c)	Energy Queensland to update their Isolated Networks Strategy 2030 and complete feasibility studies to decarbonise isolated power stations in each community.	\bigcirc
•				d)	Scope, consult and co-design on Remote and First Nations Clean Energy Strategy	\odot
	a)	Establish two new regional transmission and training hubs for critical skills development, including employment of apprentices	\bigcirc	e)	Remote and First Nations Clean Energy Strategy released	\oslash
	b)	Deliver the Future Energy Workforce Roadmap	\bigotimes		Partner with industries and communities maximise benefits from the energy insformation and drive regional economic portunities	
	c)	Appoint a Queensland Renewable Energy Jobs Advocate	\bigcirc	a)		\oslash
	d)	Establish the Energy Industry Council to provide advice to government	\bigcirc	b)	Consult on the draft Regional Energy Transformation Partnerships Framework	\bigcirc
•		Grow the renewable energy supply chain Queensland		c)	Deliver initial actions as part of the Regional Energy Transformation Partnerships Framework	\bigotimes
	a)	Release local content targets to develop renewable energy supply chains and outline relevant policy mechanisms to improve investment certainty	\bigcirc	d)	Outline additional actions for the Regional Energy Transformation Partnerships Framework identified through community consultation	\oslash
	b)	Deliver detailed studies for priority technologies (e.g., wind)	\oslash			
	c)	Build capacity in the manufacturing sector including end-of-life and recycling opportunities	\bigcirc			

Queensland Energy and Jobs Plan **timeline**

Since its launch, work has commenced on all 23 actions outlined in the plan. While these initiatives are at different stages of development, several key actions have been delivered over the past 12 months. This essential work paves the way for other initiatives to progress until 2026 and beyond.

September 2022

Signed the Queensland Energy Workers' Charter and committed to establishing the \$150 million (ob Security Guarantee Fund, to support affected energy workers in the transition at publicly owned coal-fired power stations and associated mines. The lob Security Guarantee will provide these workers with a secure future, choices and clear employment pathways.

October 2022

Released the Enabling Queenstand's hydrogen production and export opportunities report. The report was commissioned to ensure investors and trading partners can properly evaluate each of Queenstand's key export regions to consider future investment.

February 2023

First meeting of the interim Energy Industry Council. The interim council has continued to meet throughout the year, progressing: key initiatives related to the implementation of the Queensland Energy Workers' Charter and the Job Security Guarantee.

September 2022 Released the plan.

September 2022

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Established Queensland Hydro as a publicly owned entity to deliver world class, large scale Pumped Hydro Energy Storage (PHES) assets. Queensland Hydro investigates the technical, environmental, and social impacts and benefits of sites for long duration pumped hydro energy storage.

October 2022

Released the draft Regional Energy Transformation Partnerships Framework for consultation with communities, industry, local and state governments. The framework ensures Queenslanders have a say on the energy transformation.

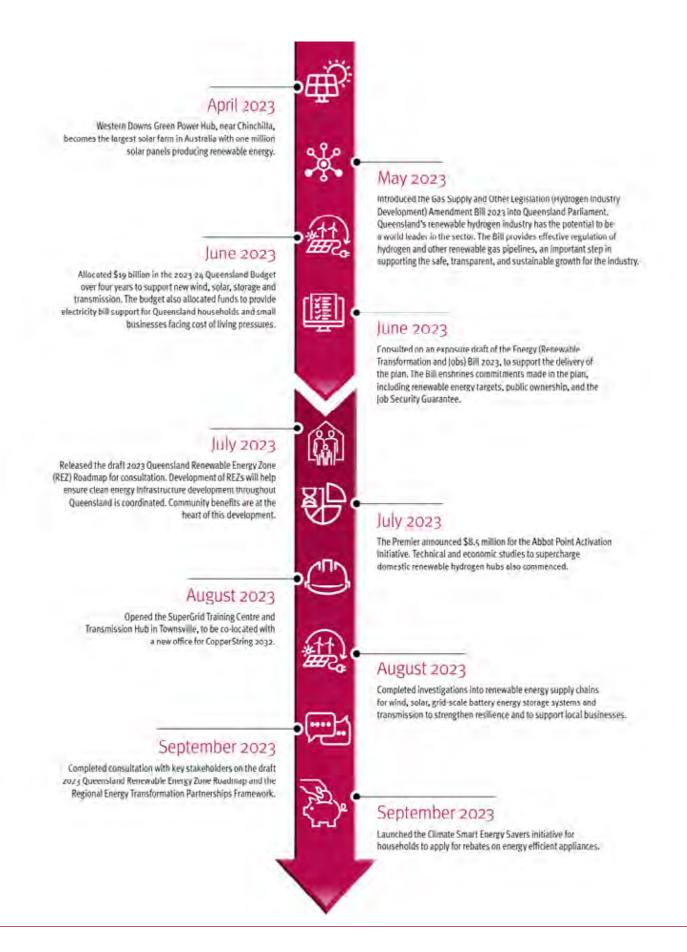
December 2022

Opened the \$10 million Queensland Microgrid Pilot Fund for applications. This fund supports Queenslanders living in regional and First Nations communities to access more resilient electricity supply during extreme weather events.

March 2023

Committed \$1.06 billion to progress the CopperString 2032 project – a transmission line connecting the North West Minerals Province to the grid near Townsville. This important project will transmit renewable energy from the state's north-west to the national electricity market.

07 Queensland Energy and Jobs Plan 2023 Update



Key highlights



27 per cent of Queensland's energy supply is from renewables.



Clean energy supply has increased by more than **20 per cent** in the last year which means more than a quarter of the state's energy is now powered by renewables.

Queensland Renewable Energy Landholder Toolkit launched.



Consulted on an exposure draft of the Energy (Renewable Transformation and Jobs) Bill 2023, to support the delivery of the plan.



Workers in government owned generators have a pathway supported by a 150 million Job Security Guarantee, new training centres announced at Townsville, Gladstone and at clean energy hubs.



The Department of Energy and Public Works partnered with the Queensland Farmers' Federation to provide landholders easy-to-understand Information to assist them when considering renewable energy development on their properties.



\$162 billion in wind, solar PV and batteries in the pipeline, to generate 80 gigawatts of renewable energy.



\$19 billion

committed in the 2023-24 Queensland Budget to support initiatives under the plan, including:

\$6 billion to build Borumba Pumped Hydro Project, subject to environmental approvals.



\$212.6 million

for CleanCo to develop renewable projects in Central Queensland and the Swanbank Battery as part of a new clean energy hub.



\$673 million for Stanwell to deliver the Wambo and Tarong West Wind Farms, as well as large-scale batteries.

\$312.1 million for CS Energy to invest in Central Queensland wind farms and large-scale batteries.



The Queensland Government is giving Queensland households relief on their electricity bills in 2023-24 through the \$550 Cost of Living Rebate.

New energy legislation to support SuperGrid

The Queensland Government has prepared the Energy (Renewable Transformation and Jobs) Bill 2023 to support Queensland's energy transformation.

The Bill is designed to help deliver the plan by:

- enshrining in legislation the commitments made in the plan, including the renewable energy targets, Job Security Guarantee, and public ownership of assets
- creating the frameworks needed to progress Queensland's SuperGrid, including the Priority Transmission Investment Framework to build the backbone transmission and Queensland's Renewable Energy Zone Framework

Halfway to renewable energy milestone

With 27 per cent of the state's energy supply now powered by renewables, Queensland is on track to reach its target of 50 per cent renewable energy by 2030.

Clean energy produced from renewables has increased by more than 20 per cent over the last financial year. More renewables continue to come online, with total capacity now more than 9,700 megawatts (MW), including 4,800 MW from rooftop solar. Growth in renewable energy is being driven by a range of factors including large-scale investment, a 13 per cent increase in the capacity of rooftop solar, and several solar and wind projects coming online since the plan was launched.

Some of these projects include:

- Dulacca Renewable Energy Project 180 MW
- Edenvale Solar Park 146 MW
- Kaban Green Power Hub 157 MW

establishing the governance and advice functions needed to ensure Queensland's transition to renewable energy continues to be based on expert advice and delivers for communities and workers affected by the transformation.

More than 90 submissions came from industry and community stakeholders to help inform the final Bill. The legislation is expected to be introduced into Queensland Parliament in late 2023, marking a pivotal milestone to cement Queensland's renewable future.

- Moura Solar Farm 82 MW
- Wandoan South Solar Project
 Stage 1 125 MW

More than one in three Queensland households generate electricity from rooftop solar.

Around seven per cent more Queensland households have rooftop solar compared to before the plan was launched. This brings the total to 775,000 rooftops fitted with solar panels (August 2023).

Queensland's Renewable Energy Zone story

Queensland's rich natural resources, combined with our abundant sunshine and wind, puts us in a prime position to bolster our reliance on renewable energy to power the state.

To maximise this potential, three regions were identified in 2020 as key areas of renewable energy development, called Queensland Renewable Energy Zones (QREZ). The Queensland Government committed \$145 million to support their initial investment.

This funding helped to establish in-flight renewable energy development by backing storage and transmission infrastructure to support more energy generation. In-flight Renewable Energy Zones are renewable energy development that Powerlink, Queensland's publicly owned transmission company, are progressing under the existing National Electricity Rules.

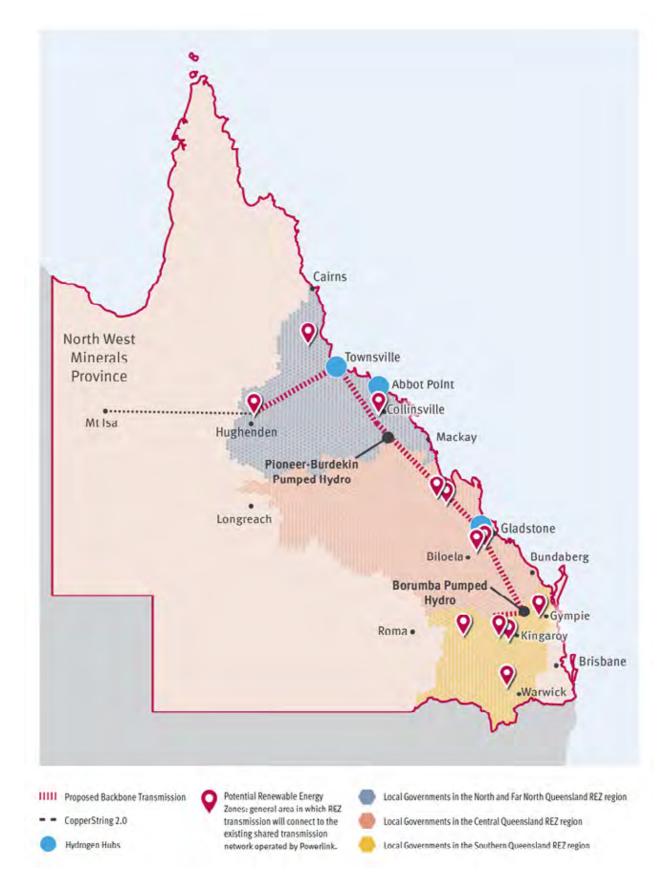
Work to progress and coordinate renewable energy development in Queensland has surged ahead.

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The release of the draft 2023 Queensland Renewable Energy Zone Roadmap identified an adapted framework and definition of a more targeted Renewable Energy Zone (REZ). Regions have also been refined to align with Local Government Areas and 12 potential future REZs have been identified within the Southern, Central and North and Far North Queensland regions.

The indicative locations of potential REZ development have been identified based on network capacity, project pipeline and land use analysis. These preliminary locations represent the REZ connection to the shared network, and as each REZ is declared for consultation and development, the specific locations will be further defined.

In July 2023 the draft roadmap was released for public consultation and submissions were received from community, industry and government stakeholders. The feedback will help guide the final roadmap.



The Queensland Government has outlined the optimal infrastructure pathway in the Queensland *SuperGrid Infrastructure Blueprint*, released in September 2022. Indicative locations and regions were refined in the draft Queensland Renewable Energy Zone Roadmap in July 2023.

Delivering savings for Queensland households

The Queensland Government is giving households relief on their electricity bills for 2023-24 through the Cost of Living Rebate.

Every household will receive a \$550 rebate. The rebate will be divided into quarterly instalments and automatically applied to household electricity bills.

Seniors, pensioners and concession cardholders may be eligible for a higher rebate of up to \$700. Combined with the existing Electricity Rebate, eligible vulnerable households could save up to \$1,072 over the 2023-24 financial year.

To further support Queenslanders, the Climate Smart Energy Savers rebate program was launched in September 2023. Queenslanders have shown overwhelming support for energy efficient appliances,

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with thousands of households benefiting from rebates under the program.

The program includes rebates from \$300-\$1000 and encourages households to upgrade to 4-star (or higher) energy efficient appliances including refrigerators, washing machines, dryers, air conditioners and solar and heat pump hot water systems.

Upgrading to a 4-star energy efficient appliance (for example from a 2-star appliance) is estimated to save up to \$134 on energy bills and cut carbon emissions by up to 0.35 tonnes each year. Switching to an energy-efficient hot water system can cut power bills by up to \$1118 and reduce carbon emissions by up to 2.96 tonnes annually.

Climate Smart Energy Savers is the first household energy savings program to be released under the plan and will provide rebates for up to 80,000 households.

More renewable energy projects supported by jobs fund

Queensland's ambitious renewable energy targets will not only help end the state's reliance on fossil fuels, it will also generate more ongoing jobs as work ramps up.

Already, more than half of the \$4.5 billion Queensland Renewable Energy and Hydrogen Jobs Fund has been allocated to support more publicly owned renewable energy projects and boost employment opportunities.

Around \$2.2 billion has been allocated to government owned corporations to develop key renewable energy projects as part of the plan. This includes \$192.5 million towards Stanwell's investment in the 252 MW Wambo Wind Farm near Dalby and \$776.1 million for Stanwell's 500 MW Tarong West Wind Farm outside of Kingaroy.

Renewable hydrogen projects are progressing with support from the fund, including \$15 million to progress Stanwell's proposed Central Queensland Hydrogen Project in Gladstone. This project has the potential to be the largest of its kind in Queensland.

\$28.9 million has been allocated to a partnership led by CS Energy to develop the Kogan Renewable Hydrogen Demonstration Plant and refueling facilities near Chinchilla.

This investment, coupled with private sector partnerships, ensures government owned corporations can continue to invest in renewable energy, storage, and hydrogen projects in the Renewable Energy Zone regions of Southern, Central and North and Far North Queensland.

Queensland on track to be a hydrogen powerhouse

Queensland's emerging hydrogen industry presents an exciting opportunity for our state to become a world-leading producer and exporter of renewable hydrogen. As we build our capacity and capability in this sector, careful strategic planning is essential to ensure the renewable hydrogen industry in Queensland can be delivered at scale.

The Enabling Queensland's hydrogen production and export opportunities report released in October 2022, examines the potential to produce and export renewable hydrogen across the state, taking advantage of Queensland's world-class port infrastructure and our proximity to Asian markets.

The state-wide study is being used as an important guide to ensure the industry grows sustainably, while balancing economic opportunities with environmental, social, and cultural values. Renewable hydrogen will play a significant role in decarbonising our heavy industries and the transport sector.

For the renewable hydrogen industry in Queensland to reach its full potential, a clear and transparent regulatory pathway for industry development is required.

The first phase of regulatory reform is being progressed through the Gas Supply and Other Legislation (Hydrogen Industry Development) Amendment Bill 2023 which was introduced into the Queensland Parliament by Minister de Brenni in May 2023. The Bill is an important step to support the construction, operation and safety of Queensland's hydrogen and other renewable gas pipelines.

The second phase of reform is also underway through a wideranging review of the broader regulatory framework applying to hydrogen industry development. This phase will identify and progress further options for reforms to streamline the safe and sustainable development of the hydrogen industry.

Queenslanders helping shape our energy future

Engaging with community and industry is integral to bring Queensland's renewable energy plan to life. At events held across the state, community leaders, business owners, industry representatives and locals heard about the plan and the benefits for regional areas now and into the future.

Since the first community event in Toowoomba in November 2022, the Department of Energy and Public Works, along with government owned corporations, have visited close to a dozen regional areas – from Gladstone and Emerald to Mackay and Townsville, as well as communities across the south-east and greater Brisbane.

Ranging from regional shows and community events to standalone Queensland Energy and Jobs Fairs, the events featured interactive displays, information booths and activities hosted by Queensland Government agencies and corporations.

Community members were interested in hearing about

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the employment and economic impacts and opportunities that renewable energy projects would bring to their region.

Community events provided a valuable opportunity to achieve meaningful engagement with Queenslanders and to demonstrate how the plan would drive job growth and create clean, reliable, and affordable energy for the state.

Engagement with the energy industry and all levels of government has been a focus since the plan was released, including exploring the issues and opportunities from the draft Queensland Renewable Energy Zone Roadmap and the draft Regional Energy Transformation Partnerships Framework.

Meaningful engagement and opportunities for direct feedback are essential to successfully deliver the plan and ensure communities are empowered throughout the renewable energy transformation.

Government owned corporations delivering for Queenslanders

Stanwell Corporation

- Sod officially turned to begin construction of Wambo Wind Farm, near Jandowae.
- Announced Future Energy Innovation and Training Hub (FEITH) pilot and testing facility for new energy technologies, and a training facility for energy workers to build on or develop new skills to work on renewable energy assets.
- Agreements with renewable energy developers including Neoen, Cubico Sustainable Investments, RES and RWE and renewable technology companies like ESI and Hysata.

CleanCo

- Master planning underway to identify opportunities to redevelop the Swanbank power station precinct into a clean energy hub.
- Progressed the development phase of the 250 megawatt (MW)/500 megawatt hours (MWh) Swanbank Battery to be built on the footprint of the Swanbank B coal-fired power station, demonstrating how existing infrastructure can be leveraged to support new technologies in the energy transformation.
- Commenced supplying renewable energy to Coles, Dalrymple Bay Coal Terminal and BHP Mitsubishi Alliance (BMA), and secured new retail agreements with customers including BMA and Cairns Regional Council.

Energy Queensland Limited

- Delivered 800,000 solar rooftop connections.
- Delivered \$1.4 billion capital works program to maintain a safe and reliable electricity network while enabling the renewable energy transition.
- Launched Energy Queensland's \$2 million engineering undergraduate scholarship program with the first 100 scholarships awarded to support our future engineers.

Powerlink Queensland

Opened the new SuperGrid Training Centre

and Transmission Hub in Townsville and interim Queensland SuperGrid Training Centre and Transmission Hub in Gladstone, providing a regional base for Powerlink teams and industry partners.

- Launched the new SuperGrid Landholder Payment Framework, which significantly boosts payments to landholders hosting new transmission infrastructure and in an Australian first, introduced payments for adjacent landholders.
- CopperString 2032, a \$5 billion investment in North Queensland which forms part of the Queensland SuperGrid, transitioned to Powerlink. This included sign off on a \$20 million early works package with UGL and CPB Contractors to start early works on the project.

CS Energy

- Completed construction of the 100 MW/200 MWh Chinchilla Battery and began site works for the 200 MW/400 MWh Greenbank Battery in South East Queensland.
- Site and ground works commenced on the Kogan Renewable Hydrogen Demonstration Plant. The project includes the co-location of a solar farm, battery, hydrogen electrolyser, hydrogen fuel cell, hydrogen storage and out loading facility.
- Progressing development of the Brigalow Peaking Power Plant, which will provide critical firming capacity to support more renewables entering Queensland's energy grid.

Queensland Hydro

- Borumba Pumped Hydro Project was greenlit with \$6 billion funding from the Queensland Government, the largest single investment in Queensland's energy infrastructure in decades.
- Company established as publicly owned entity specifically created to design, deliver, operate and maintain long duration pumped hydro energy storage assets.
- Undertook significant stakeholder and community engagement on Borumba and Pioneer-Burdekin Pumped Hydro projects.

The plan ahead

The extensive achievements over the last year have laid a solid foundation for future activity, involving several key deliverables across the plan's three focus areas.

This includes progressing the development of Borumba and Pioneer-Burdekin pumped hydro projects to ensure our renewable energy targets are realised.

In May 2023 the Sustainable liquid fuels options and opportunities paper was open for consultation to inform the Sustainable Fuels Strategy to be released in 2024. This strategy will outline how Queensland will increase the use of sustainable liquid fuels as we continue on a pathway to net zero.

There are several energy efficiency programs to be delivered over the next 12 months to benefit Queenslanders. Small to medium sized businesses will save on their energy bills under the \$35 million Queensland Business Energy Savings Transformation (QBEST).

The QBEST program will support business owners to purchase energy efficient equipment and smart technology to help drive down their energy costs.

Under the \$10 million Enable Grants Program, non-government organisations will be engaged to provide energy efficiency advice and measures to support vulnerable households lower their energy usage.

With ongoing engagement and strategic planning to achieve our clean energy future, Queensland is well-positioned to edge closer to the state's renewable energy targets and deliver on its commitment – providing clean, reliable and affordable energy for all Queenslanders.

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QUEENSLAND ENERGY AND JOBS PLAN

Power for generations

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EXHIBIT (c)(vi)

Queensland Treasury Corporation's 2023-24 Indicative Borrowing Program

FORWARD-LOOKING STATEMENTS

This exhibit contains forward-looking statements. Statements that are not historical facts, including statements about the Queensland Treasury Corporation's (the "<u>Corporation</u>" or "<u>QTC</u>") and the State of Queensland's (the "<u>State</u>" or "<u>Queensland</u>") 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 forwardlooking 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, the Russia-Ukraine conflict and the Israel-Hamas 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.

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13 JUNE 2023



MARKET ANNOUNCEMENT

QTC announces AUD15.5B 2023–24 term debt borrowing program

Following the Queensland 2023–24 State Budget released today, Queensland Treasury Corporation (QTC) estimates it will borrow AUD15.5 billion of term debt in the 2023– 24 financial year. This is a reduction of AUD3.0 billion from what was forecast at last year's borrowing program release due to general government revenue uplifts that also materially decreased the 2022-23 borrowing requirement by the State.

2023–24 indicative term debt borrowing program

Requirements	2023–24 AUD M ¹	2024–25 AUD M ¹	2025–26 AUD M ¹	2026–27 AUD M ¹
State ²	6,600	13,100	13,600	14,800
Local government and other entities ³	1,400	1,200	1,000	700
Total new money	8,000	14,300	14,600	15,500
Net term debt refinancing ⁴	7,500	8,400	9,800	11,400
Total term debt requirement	15,500	22,700	24,400	26,900

Data current as at 13 June 2023.

- 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.

2023–24 FUNDING STRATEGY

QTC's 2023–24 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 2036 or longer maturities.
- Other term debt, which may include green bonds, floating rate notes and non-AUD denominated bonds.
- Maintaining a minimum of approximately AUD5.0 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 2023–24 Indicative Borrowing Program and Queensland 2023–24 Budget Papers are hereby incorporated by reference into the offering documents for QTC's funding facilities, including the domestic A\$ Bond Information Memorandum dated 13 January 2023. 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 (d)

Securities of the Registrant Outstanding as of June 30, 2023

The following table shows at June 30, 2023 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	<u>3-12 months</u>	<u>1-5 years</u> (in A\$ millions)	Over 5 years	<u> </u>
Offshore Debt ⁽¹⁾	75	136	0	1,089	1,300
Domestic Debt ⁽²⁾⁽³⁾	9,527	3,746	45,641	66,846	125,760
Total	9,602	3,882	45,641	67,935	127,060

(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\$140 million outstanding under the Corporation's United States and European Commercial Paper Facilities as at June 30, 2023 (2022: US\$1,020 million) and US\$721 million outstanding under the Corporation's United States and European Euro Medium-Term Note Facilities as at June 30, 2023 (2022: US\$702 million).

(2) Maturities are included at face value.

(3) These totals include A\$4,900 million outstanding under the Corporation's Australian dollar Treasury note facility as at June 30, 2023 (2022: A\$4,810 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 ("<u>Suncorp</u>"). 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.

(d)-1

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	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
US Dollar	0.7754	0.7154	0.6714	0.7470	0.7259	0.6735
Japanese Yen	85.56	79.50	72.60	79.56	85.17	92.43
Swiss Franc	0.7526	0.7117	0.6561	0.6797	0.6765	0.6320
Pounds Sterling	0.5760	0.5527	0.5329	0.5546	0.5456	0.5596
Euro	0.6499	0.6269	0.6069	0.6260	0.6443	0.6436
NZ Dollar	1.0853	1.0668	1.0545	1.0742	1.0669	1.0927

Source: Refinitiv.

(d)-2

EXHIBIT (e)

Co-registrant's outstanding debt to the Commonwealth as of June 30, 2023, 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 "<u>1995 Financial Agreement</u>") 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

	2021-22	2022-23
	(A\$ mi	illions)
Advances – Commonwealth and State Housing	232	215
Advances – Other	31	20
Total	263	235

Guaranteed Debt On-lent by Queensland Treasury Corporation

Queensland Treasury Corporation's (the "<u>Corporation</u>" or "<u>QTC</u>") 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:

(e)-1

Guaranteed Debt On-lent by Queensland Treasury Corporation

Distribution of Debt	2019	2020	2021	2022	2023
Bodies within the Public Accounts			(A\$ millions)		
Queensland Treasury	33,173	41,923	48,869	43,507	39,904
Other	210	258	247	225	221
Government Owned Corporations	(5)	(50	(25	072	1 117
CS Energy Ltd CleanCo Queensland Limited	654	658	635	873 643	1,117 564
Energy Queensland Limited	18,912	19,799	19,999	17,920	18,599
Port Authorities & Facilities (various)	1,482	1,184	1,155	984	970
Powerlink	5,647	5,742	5,564	4,868	4,787
Queensland Hydro	5,047	5,742	5,504	-,000	54
Stanwell Corporation Limited	970	980	943	1,488	1,509
				-,	-,,
Local Governments Brisbane City Council	2,184	2,314	2,381	2,402	2 407
Cairns Regional Council	2,184	2,314	2,381	2,402	2,407 144
Fraser Coast Regional Council	123	85	67	48	34
Gladstone Regional Council	103	131	108	85	76
Gold Coast City Council	702	698	704	659	560
Ipswich City Council	345	378	411	359	356
Logan City Council	211	271	258	283	302
Mackay Regional Council	177	161	139	70	54
Moreton Bay Regional Council	443	434	400	315	265
Redland City Council	42	45	46	44	46
Rockhampton Regional Council	128	148	151	147	115
Sunshine Coast Regional Council	354	592	680	416	369
Toowoomba Regional Council	180	201	207	175	191
Townsville City Council	448	440	440	418	408
Other	722	728	692	600	540
Statutory Bodies					
Grammar schools	89	107	140	113	101
Seqwater	11,617	11,882	11,349	9,437	8,868
Unitywater	435	443	431	379	411
Universities	493	505	507	507	449
Water Boards	281	255	255	238	347
Other	336	676	646	688	633
Other Bodies					
DBCT Holdings Pty Ltd	113	104	103	101	100
Queensland Rail Limited	3,901	4,149	4,094	3,821	4,212
Queensland Urban Utilities	2,215	2,551	2,540	2,383	2,510
Other	299	321	271	215	184
Total Funds On-lent	87,129	98,334	104,611	94,582	91,407
Undistributed borrowings	14,884	14,855	18,145	24,765	27,127
Total Guaranteed Debt	102,013	113,189	122,756	119,347	118,534

The Corporation raises funds in both the domestic and international capital markets with the market value of borrowings under management as at June 30, 2023 at A\$118.534 billion, which includes A\$1.148 billion of debt issued under overseas funding programs based on the prevailing rates of exchange at June 30, 2023.

(e)-2

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, 2023

Coupon Rate	Maturity Date	Face Value	Market Value
(% per annum)	<u>*</u>	(AUD)	(AUD)
QTC Bonds			
4.25%	21 July 2023	7,584,372,000	7,727,589,125
3.00%	22 March 2024	731,700,000	729,574,185
5.75%	22 July 2024	7,739,000,000	8,036,379,842
4.75%	21 July 2025	8,462,600,000	8,693,890,359
3.25%	21 July 2026	8,477,743,000	8,344,805,809
2.75%	20 August 2027	8,773,700,000	8,364,253,492
3.25%	21 July 2028	8,520,000,000	8,251,330,721
2.50%	6 March 2029	1,728,849,000	1,586,480,367
3.25%	21 August 2029	7,627,700,000	7,273,106,829
2.75%	20 August 2030	413,723,272	435,981,098
3.50%	21 August 2030	8,931,900,000	8,566,228,617
1.25%	10 March 2031	1,500,000,000	1,197,838,802
1.75%	21 August 2031	7,357,000,000	6,053,621,321
1.50%	2 March 2032	3,065,000,000	2,423,669,287
1.50%	20 August 2032	6,242,000,000	4,863,435,374
4.50%	9 March 2033	3,500,000,000	3,526,108,606
6.50%	14 March 2033	659,966,000	771,582,066
2.00%	22 August 2033	4,164,120,000	3,308,894,509
1.75%	20 July 2034	6,078,000,000	4,577,998,559
4.50%	22 August 2035	1,950,000,000	1,932,988,780
2.25%	16 April 2040	1,482,265,000	1,005,672,335
2.25%	20 November 2041	2,190,855,000	1,436,596,483
4.20%	20 February 2047	1,024,000,000	906,251,999
2.25%	28 October 2050	411,000,000	236,901,891
	20 000000 2000	111,000,000	230,901,091
Treasury Notes	1 1 2022	1 (0,000,000	150.006.005
Various	July 2023	160,000,000	159,896,807
Various	August 2023	1,010,000,000	1,004,732,137
Various	September 2023	750,000,000	743,628,865
Various	October 2023	2,265,000,000	2,235,446,928
Various	November 2023	715,000,000	703,198,344
Floating Rate Notes			
4.37%	25 November 2024	2,300,000,000	2,315,140,418
4.14%	3 March 2026	3,000,000,000	3,006,829,624
4.24%	15 April 2027	3,500,000,000	3,534,349,448
4.16%	25 February 2028	3,000,000,000	3,010,848,391
Other loans			
Various	2023	39,095,000	38,850,560
Various	2023	47,925,000	45,745,315
Various	2021	228,140,500	210,809,302
Various	2025	106,013,211	102,097,114
Various	2020	23,250,000	23,074,013
Total	2027	125,759,916,983	117,385,827,722
10(4)		123,737,710,903	117,303,027,722

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Outstanding Offshore Indebtedness

Euro Medium-Term Notes as at June 30, 2023

	Coupon				
Year of Issue	Rate	Maturity Date	Currency	Face Value	Market Value
				(AUD)	(AUD)
2011	1.730%	September 2039	CHF	184,554,168	185,998,845
2014	2.650%	April 2039	JPY	156,500,840	196,117,145
2016	1.640%	November 2046	EUR	657,170,859	509,838,734
2020	0.69%	June 2050	EUR	90,135,654	47,472,067
Total				1,088,361,521	939,426,791

Commercial Paper as at June 30, 2023

Year of Issue	Yield	Maturity	Currency	Face Value	Market Value
				(AUD)	(AUD)
2023	4.94%	Sep-23	USD	75,449,527	74,539,418
2023	5.02%	Oct-23	USD	135,809,148	134,046,491
Total				211,258,675	208,585,909

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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 "<u>Corporation</u>" or "<u>QTC</u>") and the State of Queensland's (the "<u>State</u>" or "<u>Queensland</u>") 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 Russian invasion of Ukraine and the Israel-Hamas 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 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 "<u>Act</u>").

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.

In pursuance of its statutory objectives and functions, the Corporation provides a range of financial services to the State and its public sector entities, which include statutory bodies and authorities, government departments, government owned corporations and local governments ("Government Bodies" or "clients"). These services include:

- managing the State's funding program in the global capital markets to deliver sustainable and cost-effective borrowings for its clients;
- · centralizing the management of clients' borrowings, cash investments and financial risks; and
- offering a range of financial risk management and advisory services to clients on their financial exposures, to identify opportunities to minimize costs and risks, and maximize outcomes.

As at June 30, 2023, the Corporation had assets totaling A\$173.270 billion and liabilities totaling A\$172.598 billion (compared to total assets of A\$169.052 billion and total liabilities of A\$168.497 billion as at June 30, 2022). 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 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\$129.795 billion and liabilities totaling A\$129.123 billion as at June 30, 2023 (compared to assets of A\$128.680 billion and liabilities of A\$128.124 billion as at June 30, 2022). In relation to the State Investment Operations segment, assets totaled A\$43.475 billion and liabilities totaled A\$43.475 billion as at June 30, 2023 (compared to assets of A\$40.372 billion and liabilities of A\$40.372 billion as at June 30, 2022).

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. Michael Carey.

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.

Mr Leon Allen was appointed Chief Executive Officer of the Corporation in February 2023. The Executive Leadership Team includes four Managing Directors covering Funding and Markets, Advisory Services, Business Services, and Risk.

The business address of the Corporation and the Board is Level 31, 111 Eagle Street, Brisbane, Queensland.

Borrowing, Lending and Cash Management Activities of the Issuer

With respect to borrowings, the Corporation raises funds in domestic and international capital markets primarily for on-lending to Government Bodies.

QTC has an established platform of debt funding facilities to source funds on a global basis. At June 30, 2023, the total borrowings of the Corporation (at fair value) were A\$118.534 billion. This amount included debt issued under overseas funding programs equivalent to A\$1.148 billion based on the prevailing rates of exchange at June 30, 2023. 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\$156.4 million for the year ended June 30, 2023 compared to a loss of A\$36.2 million for the year ended June 30, 2022.

The repayment of principal and the payment of interest on all AUD debt securities issued by the Corporation under funding programs established within Australia (which, for purposes of the Act and certain other purposes, have been and are identified as "<u>Inscribed Stock</u>") are unconditionally guaranteed by the Treasurer on behalf of the Government of Queensland pursuant to section 32 of the Act.

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 statutory provision, the repayment of principal and the payment of interest on all debt securities issued by the Corporation under funding programs established outside of Australia have been unconditionally guaranteed by the Treasurer on behalf of the Government of Queensland. Furthermore, all amounts lawfully payable by the Corporation to its counterparties under relevant ISDA arrangements are unconditionally guaranteed by the Treasurer on behalf of the Government of Queensland under section 33 of the Act.

As part of QTC's lending and liability management arrangements, QTC has established client lending products from which Government Bodies access funds. As at June 30, 2023, the market value of the Corporation's onlendings to its clients totaled A\$91.407 billion of which A\$27.944 billion was to government owned corporations.

QTC provides its clients with investment solutions including an overnight facility, a managed short-term fund (the "<u>Cash Fund</u>") and fixed rate deposits. The Cash Fund is a short to medium term Australian dollar capital guaranteed product and provides a vehicle whereby clients' temporary surplus cash balances are invested in a portfolio of money market and term asset securities. QTC also offers some of its clients a foreign exchange service to hedge their foreign currency exposures.

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, 2023 totaled A\$43.475 billion, which matched the market value of the financial liabilities of A\$43.475 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.

Risk Management

The Corporation takes an enterprise-wide approach to risk management, which involves managing the organisation's risk on a consistent and comprehensive basis and requires the engagement of all staff. As part of this approach, the Corporation monitors and manages risks through the 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 operational and financial market risks including the risk that the corporation cannot access funding to meet debt servicing obligations and client borrowing requirements.

The Corporation is not subject to Australian prudential standards nor the Bank of International Settlements, Basel II and Basel III accords. However, the Corporation has in place comprehensive policies, procedures, and risk limits and tolerances to manage its funding, liquidity, credit and market risks, all of which are monitored by various risk and governance functions, including oversight and approval from the Board and its sub-committees.

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 ("<u>HQLA</u>"), which can be readily liquidated if required. Included in these HQLA assets are funds held in advance of requirement to fund both the redemption of maturing debt and clients' projected debt financing requirements.

The Corporation and its Board also manage and maintain adequate capital to support the Corporation's risk profile and risk appetite.

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 ("<u>Australia</u>" or the "<u>Commonwealth</u>"), 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 183,492 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 5.4 million persons, or 20.5% of Australia's population as at 31 March 2023. As at June 30, 2022, 72.7% 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 2.4 million persons. There are nine 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 fixed four year term.

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 Steven Miles, who became Premier on December 15, 2023 following the resignation of Annastacia Palaszczuk. Mr. Miles entered the State Parliament in 2015 and served as Deputy Premier between May 2020 and December 2023. The next state election is due to be held in October 2024.

The executive power of the State is formally exercised by the Governor of Queensland (the "<u>Governor</u>"), who is the representative of the Crown and is advised by the Executive Council. The Executive Council comprises 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.

In recent years, 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\$24.1 billion in 2022-23, 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 83% of Queensland's international merchandise exports in 2022-23.

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 continued to recover following the COVID-19 pandemic and after the reopening of international borders in late 2021. In 2022-23, there were 26.7 million international tourist visitor nights spent in Queensland, up from only 770,000 in 2020-21 but still below the 36.0 million in pre-COVID 2018-19.

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

Queensland's strong economic performance is enabling the Queensland Government to continue to address the challenges facing Queenslanders today, while also laying a solid foundation for future growth and prosperity. It is also from this strong position that the government is able to support the delivery of its overarching community objectives of good jobs, better services, and great lifestyle.

Despite subdued global economic conditions, the Queensland economy grew by 2.3% in 2022–23. In October 2023, employment in Queensland was 286,900 persons, or 11.1%, above its pre-COVID level of March 2020. This is the second strongest rate of jobs growth of any state or territory, and accounted for one quarter of national job gains, over that period.

This strong economic and labor market performance, and the impact of high coal prices, has enabled the Queensland Government to deliver nationleading cost-of-living support in the short term to Queensland households and businesses, while also funding investments in critical infrastructure and services that support longer-term growth.

As outlined in the 2023-24 Queensland Budget, the government's current overarching economic strategy framework identifies key opportunities to leverage Queensland's strengths and drive the creation of good and secure jobs in more industries. These include growing its traditional and emerging industries, expanding supply chains and seizing opportunities in the lead up to the Brisbane 2032 Olympic and Paralympic Games and beyond.

Key corresponding enablers to capitalize on these opportunities and drive future growth include: a larger, more skilled workforce; targeted infrastructure investment; a competitive investment environment; expanded trade networks; increased innovation and digitalization; and maintaining the state's strong Environmental, Social and Governance ("ESG") credentials.

By focusing on key opportunities and enablers to enhance Queensland's competitiveness and productivity, the government is helping to facilitate the growth of a more sustainable, diversified and increasingly decarbonized economy. These economic policy settings will, in turn, support the state's ongoing economic and energy transformation, and improve the liveability and sustainability of Queensland communities.

Reflecting some of the immediate challenges facing Queenslanders, the government is providing A\$8.224 billion in concessions in 2023–24 to support families and businesses facing cost-of-living pressures, an increase of more than 21% from 2022–23. Further, the 2023-24 Budget provides A\$1.617 billion in new and expanded cost-of-living measures. This includes A\$1.483 billion to deliver additional electricity bill support for households and small businesses facing cost-of-living pressures.

The Queensland Government is focused on supporting economic growth through lifting the responsiveness of the housing market. The most recent Budget allocates increased funding of A\$1.1 billion for the delivery and supply of social housing across Queensland through the Housing and Homelessness Action Plan (2021-2025), including to meet higher construction costs and to boost the QuickStarts Queensland program target by 500 homes, bringing it to 3,265 social housing commencements by June 30, 2025.

Since the release of the 2023-24 State Budget, the government has announced further significant support for Queenslanders facing cost-of-living pressures, including to help address housing affordability challenges by boosting the First Home Owner Grant. The government has also frozen the registration fee and traffic improvement fee components of Motor Vehicle Registration Costs for 2024-25.

More broadly over the longer-term, the state's ongoing transition to a low emissions future is underpinned by the Queensland Energy and Jobs Plan ("<u>QEJP</u>"), which outlines the state's pathway to transform the energy system over the next 10 to 15 years to deliver clean, reliable, and affordable power, creating a platform for strong economic growth and continued investment.

The QEJP charts an ambitious infrastructure investment pathway to 2035, including two large-scale pumped hydro power stations in regional Queensland, a total of 22 GW of new renewable energy, and major new transmission lines across the state which will form Queensland's SuperGrid. In total, the 2023–24 Budget included a landmark capital investment of around A\$19 billion across the forward estimates to support the QEJP.

The government is also directly investing in the growth and development of Queensland's workforce. Queensland's Clean Energy Workforce Roadmap, released in October 2023, builds on the Good people. Good Jobs: Queensland Workforce Strategy 2022–2032 and sets out a A\$30 million roadmap to create a skilled, job-ready workforce to deliver Queensland's clean energy transformation.

The Budget also backs the state's ongoing decarbonization agenda through funding of A\$520 million, over the period 2023–24 to 2029–30, to deliver the Low Emissions Investment Partnerships program, which will encourage the mining industry to fast-track capital investments that will both rapidly reduce its emissions profile and help maintain a competitive edge for the industry into the future.

The government is continuing to deliver the productivity-enhancing economic and social infrastructure needed to support a growing Queensland. This includes the Big Build capital program, which is supporting the state's economic and energy transformation and improving the liveability and sustainability of Queensland communities. This investment will support job creation and attract people, skills and private investment to the state's regions. The 2023-24 Budget Update includes a current capital program of A\$96.2 billion over the 4 years to 2026–27.

Investing in the growth and development of a healthy and skilled workforce to help drive productivity, boost real incomes and improve standards of living remains a key priority for the government. The Budget includes A\$25.791 billion in total health funding and A\$21.104 billion in total education and training funding in 2023–24, as well as significant levels of ongoing expenditure to safeguard and protect communities, improve liveability and enhance Queensland's lifestyle.

Overall, by addressing short-term challenges and laying a strong platform for future growth and a continued path towards a more decarbonized economy, the Queensland Government's overarching economic policy settings are directly supporting delivery of the overarching community objectives of good jobs, better services, and great lifestyle, including delivering on the government's economic strategy to create more jobs in more industries.

Economic Growth

According to the Australian Bureau of Statistics, Queensland's economic output rose by 2.3% in 2022-23, following growth of 5.5% in 2021-22 and 2.8% in 2020-21. Real gross state product (GASP) growth in 2022-23 was primarily driven by: continued solid growth in household consumption (which contributed 1.5 percentage points to GSP growth) and further growth in public final demand (which contributed 1.2 percentage points to GSP growth). Private investment detracted 0.1 percentage points from growth.

Net overseas exports detracted 2.5 percentage points from GSP growth in 2022-23, with a decline in exports (down 1.7%) and rapid growth in imports (up 12.6%).

The balancing item (which implicitly includes interstate trade and change in inventories) contributed 1.8 percentage points to growth in 2022-23.

Real Economic Growth—Queensland and Australia (original, CVM^(a))

	Queens	Queensland GSP		
Year	A\$ Billion	% Change	A\$ Billion	% Change
2017-18	419.4	4.0	2,151.8	2.9
2018-19	423.3	0.9	2,198.8	2.2
2019-20	418.5	-1.1	2,191.4	-0.3
2020-21	430.2	2.8	2,237.7	2.1
2021-22	454.0	5.5	2,333.2	4.3
2022-23	464.6	2.3	2,403.6	3.0

(a) Chain volume measures; reference year 2021-22.

Source: ABS Annual State Accounts.

Major Economic Indicators

The following table lists selected major economic indicators for Queensland:

Queensland Major Economic Indicators

	2018-19	2019-20	2020-21	2021-22	2022-23
Overseas merchandise exports (A\$ billion)	90.5	79.6	60.8	124.0	133.1
Retail turnover (A\$ billion)	64.8	68.7	76.6	81.0	86.5
Private gross fixed capital formation (A\$ billion)	66.5	64.3	67.3	80.7	87.9
Resources exports (A\$ billion)	73.3	62.0	44.8	103.1	108.3
Agricultural production (A\$ billion)	14.0	14.1	15.1	17.6	18.4
Employment ('000 persons) ^(a)	2,504	2,520	2,581	2,712	2,812
Unemployment rate (%) ^(a)	6.1	6.4	6.8	4.5	3.7
Increase in consumer prices (%) ^(a)	1.6	1.2	2.1	5.4	7.3
Average weekly total earnings (A\$) ^(a)	1,197	1,249	1,250	1,312	1,381

(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 2021-22 and 2022-23.

Components of Economic Growth (original, CVM^(a))

	Queensland				Australia			
	Annual Growth (%)				Annual Growth (%)		Contribution to GDP growth (% points)	
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
Household consumption	3.8	3.0	1.9	1.5	4.3	5.1	2.1	-0.1
Private investment	9.3	-0.8	1.6	-0.1	7.5	0.8	0.3	0.2
-Dwellings	4.4	-6.1	0.3	-0.3	2.6	-4.0	0.1	-0.2
-Business investment	9.3	5.2	0.9	0.5	8.3	6.7	0.9	0.7
(i) Non-dwelling construction	10.9	4.2	0.5	0.2	4.7	8.3	0.2	0.4
(ii) Machinery and equipment	10.0	6.0	0.4	0.2	10.8	5.4	0.4	0.2
-Other business	3.8	6.1	0.1	0.1	11.6	5.2	0.2	0.1
Private final demand ^(b)	5.2	2.0	3.5	1.4	5.1	3.9	3.4	2.6
Public final demand ^(b)	5.1	4.5	1.4	1.2	6.5	2.4	1.7	0.7
Overseas exports	2.2	-1.7	0.6	-0.5	-0.3	6.5	-0.1	1.6
Overseas imports	8.3	12.6	-1.3	-2.0	6.9	9.3	-1.3	-1.8
Balancing item	n.a.	n.a.	1.6	1.8	n.a.	n.a.	n.a.	n.a.
Statistical discrepancy	n.a.	n.a.	-0.1	0.5	n.a.	n.a.	0.0	0.2
GSP/GDP	5.5	2.3	5.5	2.3	4.3	3.0	4.3	3.0

(a) Chain volume measure; reference year 2021-22.

(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 3.0% in 2022-23, following on from strong growth of 3.8% in 2021-22. Strong labor 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 elevated inflation are expected to put pressure on household budgets, particularly as households continue to roll-off fixed rate mortgages, and constrain real consumption growth, in 2023-24. In 2024-25, the Federal government Stage 3 income tax cuts are expected to provide a boost to consumption growth.
- Dwelling investment fell 6.1% in 2022-23, as residential construction activity in 2022 was constrained significantly by material and labor supply shortages, poor weather and flooding, and several construction company insolvencies. However, there are clear signs that supply constraints are beginning to ease, particularly for materials. New and used construction in September quarter 2023 was 12.2 per cent above its trough in June quarter 2022. Conversely, renovation activity, which is traditionally more discretionary in nature, has trended lower as higher interest rates impact household budgets. Record low interest rates and substantial government stimulus drove strong increases in building approvals and lending indicators throughout 2020-21. However, given the supply constraints faced by the sector across 2021 and 2022, there remains a near-record value of residential building work in the pipeline (A\$12.8 billion as of June quarter 2023). Supported by the continued easing of supply constraints, dwelling investment is expected to rebound strongly in 2023-24, followed by further moderate growth in 2024-25.

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- Business investment in Queensland rose 5.2% in 2022-23, following strong growth of 9.3% the previous year. Growth in 2022-23 was driven by machinery & equipment investment (up 6.0%) and engineering construction (up 6.6%), while non-residential building construction (up 2.0%) grew more modestly. While construction cost growth has moderated, indicators suggest that business confidence, conditions and capacity utilization rates have eased over the past year. Reflecting the impacts of higher interest rates and the anticipated continuation of commodity price softening, business investment growth is expected to moderate in 2023-24 from the strong growth recorded over the previous two years.
- According to the ABS, the volume of Queensland's overseas exports fell 1.7% in 2022-23, as a decline in goods exports (down 5.4%) more than offset a strong recovery in services exports (up 72.6%). Within Queensland's goods exports, LNG exports fell 5.8% due to unscheduled plant maintenance, while coal exports remained subdued as a result of weather-related supply constraints. Agricultural exports grew strongly in 2022-23, driven by an increase in cotton and crops exports, as higher than average rainfall during late 2022 and early 2023 boosted production. Overseas exports are expected to grow in 2023–24, as supply constraints previously affecting goods exports unwind and services exports continue to recover towards pre-COVID 19 levels.
- Overseas exports rose strongly in 2022-23, up 12.6%, with a recovery in services imports (up 60.6%) adding to continued robust growth in goods imports (up 6.7%). Goods imports growth is expected to moderate, weighed down by slowing household consumption and the weaker A\$, while services imports are expected to continue to recover towards their pre COVID trend.

Overseas Merchandise Exports

Queensland is Australia's second largest exporting state, accounting for 22.2% of Australia's total merchandise exports in 2022-23.

The nominal value of Queensland's overseas merchandise exports rose 7.4% in 2022-23, driven by higher oil prices flowing through to Queensland's LNG exports, and strong growth in agricultural exports, particularly for crops and cotton.

The value of Queensland's coal exports rose A\$775 million, to A\$72.4 billion in 2022-23, driven by strong growth in thermal coal exports (up A\$6.3 billion), more than offsetting a decline in metallurgical coal exports (down A\$5.2 billion). The average price for Queensland's hard coking coal exports moderated in 2022-23, falling from A\$453 per tonne in 2021-22 to A\$401 per tonne. Despite the decline, this was the second highest financial year price on record (behind only 2021-22), well above the previous high of A\$321 per tonne back in 2008-09. In contrast, year-average prices for thermal (A\$296 per tonne) and semi-soft/PCI coal (A\$391 per tonne) continued to rise, reaching record highs. Coal volumes, particularly for metallurgical coal, were impacted by weather related supply constraints, which was offset by strong growth in thermal coal exports, driven by the ramp up in production at the new Carmichael mine and the recommencement of exports to China following the lifting of its ban on Australian coal imports.

The value of LNG exports rose A\$4.7 billion to A\$24.1 billion in 2022-23, with a 31.8% increase in export prices more than offsetting a 5.8% decline in volumes. Most of Queensland's LNG exports are sold under long-term contracts linked to global oil prices, with several months lag. Elevated oil prices in recent years have driven the value of LNG exports to record highs. Export volumes fell largely due to maintenance issues at one of the LNG plants on Curtis Island and tightness in the domestic market.

The value of metals exports fell A\$444 million to A\$11.1 billion in 2022-23, driven by falls in the value of lead (down A\$323 million) and copper (down A\$241 million) exports. Of the other key metals, the value of aluminium exports (up A\$45 million) rose modestly, while zinc exports (down A\$0.3 million) were largely unchanged. The decline in lead exports primarily reflected lower export volumes, while the fall in copper export values was due to lower prices.

The value of meat (primarily beef) exports rose A\$627 million, to A\$7.1 billion in 2022-23, reflecting both higher volumes (up 7.5%) and prices (up 2.1%). Record high export prices have encouraged farmers to increase beef production and exports, although volumes remain well below their levels in 2019-20.

Favorable growing conditions in Queensland resulted in the value of Queensland's crop exports (including cotton) increasing by A\$2.5 billion in 2022-23, to A\$6.4 billion. Exports of cotton lint (up A\$1.3 billion to A\$2.6 billion), wheat (up A\$486 million to A\$1.5 billion), grain sorghum (up A\$380 million to A\$1.0 billion) and chickpeas (up A\$100 million to A\$369 million) all contributed to the strong growth in the year.

Overseas Merchandise Exports, Queensland (A\$ million, current prices)

Export Categories ^(a)	2020-21	2021-22	2022-23 ^(p)
Rural			
Meat	5,461	6,424	7,051
Textile fibers ^(b)	385	1,307	2,663
Cereals and cereal preparations	636	1,654	2,542
Vegetables and fruit	887	921	960
Feeding stuff for animals	107	119	144
Sugars, sugar preparations and honey ^(c)	1,661	2,102	2,299
Other rural	1,418	1,564	1,755
Total ^(c)	10,556	14,092	17,414
Crude minerals			
Coal, coke and briquettes	24,720	71,645	72,420
Metalliferous ores ^{(d)(e)}	5,842	6,599	6,177
Petroleum and related products/materials	78	93	267
Gas, natural and manufactured	9,514	19,396	24,083
Other crude minerals	12	13	20
Total	40,166	97,745	102,966
Processed minerals and metals			
Non-ferrous metals	4,355	4,950	4,928
Other processed minerals and metals	311	409	451
Total	4,666	5,359	5,379
Other manufactures			
Machinery and non-transport equipment	1,369	1,481	1,775
Chemicals, fertilizers (excl. crude), plastics, etc.	1,045	1,290	1,309
Transport equipment	617	764	836
Leather, rubber, other materials, furniture, clothing, etc.	240	243	281
Miscellaneous manufactures and beverages	629	761	780
Total	3,900	4,540	4,981
Manufactures (sum of processed minerals and metals and other)	8,566	9,900	10,360
Total overseas exports of merchandise goods ^(c)	59,431	121,914	130,897

(p) Preliminary.

- (a) Based on the Standard International Trade Classification (SITC), Revision 4.
- (b) Includes Queensland Treasury's estimate of cotton lint exports, which have been confidentialized by the ABS.
- (c) Includes Queensland Treasury's estimate of raw sugar exports, which have been confidentialized by the ABS.
- (d) Includes Queensland Treasury's estimate of alumina exports, which have been confidentialized by the ABS.
- (e) Includes Queensland Treasury's estimate of copper ores and concentrates exports, which have been 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 2022-23 financial year, the A\$ exchange rate averaged US\$0.6735, a 7.2% depreciation on the previous year. So far in 2022-23, the A\$ has depreciated further against the US\$, averaging US\$0.6499 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 and 2023.

Although Queensland exports to a wide range of overseas markets, the major destinations for Queensland merchandise are countries in Asia, which account for around 83.5% of all exports (see table below). Japan remained as Queensland's largest goods export market in 2022-23, accounting for 19.5% of total merchandise exports in the year. China was Queensland's second largest market, with 17.0% of the State's overseas merchandise exports. China recommenced importing Australian coal in January 2023, which will likely result in China overtaking Japan in the coming years to again become Queensland's most valuable overseas goods exports destination. India (14.0%) and South Korea (13.5%) were also significant destinations for Queensland's exports in 2022-23.

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)

	2020-21	2021-22	2022-23(p)
North Asia Total	55.0	52.0	55.3
China	24.4	14.0	17.0
Japan	13.6	18.2	19.5
South Korea	13.0	15.0	13.5
Taiwan	3.4	4.5	4.8
Hong Kong	0.6	0.3	0.3
South Asia Total	25.7	29.5	28.2
India	13.2	17.0	14.0
Indonesia	2.2	2.5	2.3
Malaysia	2.7	2.6	3.7
Thailand	1.0	0.7	0.8
Singapore	0.9	1.1	1.7
North America	4.3	2.7	3.2
United States	3.2	2.2	2.4
Canada	1.1	0.5	0.8
European Union ^(a)	4.6	7.0	6.0
United Kingdom	1.3	0.7	0.6
New Zealand	1.8	1.1	1.1
Brazil	1.2	2.0	1.5
Other	6.1	4.9	4.0

(a) Excludes the United Kingdom.(p) Preliminary.

Source: ABS unpublished foreign trade data.

Tourism Exports

International tourism to Queensland has begun to recover from COVID-19 travel restrictions. In 2022-23, there were 26.7 million international tourist visitor nights in Queensland, well above the COVID-induced low of 0.8 million in 2020-21 but remaining below the 36.0 million in pre-COVID 2018-19. The United Kingdom was the largest source of tourist visitor nights in 2022-23 (4.0 million), followed by New Zealand (3.6 million) and India (2.1 million). International tourism from China, previously one of Queensland's largest source of visitor nights, remains well below it pre-COVID levels following its relatively late reopening of international travel, (0.4 million nights in 2022-23 down from 3.8 million in 2018-19).

Overseas tourist^(a) nights by source, Queensland (thousand nights)

	Pre-COVID (2018-2019)	2020-21	2021-22	2022-23
New Zealand	4,050	373	769	3,616
India	1,552	17	859	2,072
Thailand	331	6	47	1,664
Japan	2,124	6	51	916
Korea	1,933	3	110	573
Other Asia	9,416	106	848	5,020
United Kingdom	4,329	60	689	4,016
Germany	1,641	10	118	952
Other Europe	4,784	43	534	3,246
United States	1,885	55	218	1,307
Other Countries	3,363	3,363	3,363	3,363
Total	36,035	772	4,808	26,745

(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 2021-22 (latest available data), Queensland's interstate tourism gross value added ("<u>GVA</u>") was the largest of all states, at A\$2.4 billion, slightly ahead of New South Wales (A\$2.2 billion) which was more impacted by COVID-related lockdowns. In pre-COVID 2018-19, Queensland's interstate tourism GVA was the second largest (A\$3.3 billion), slightly behind New South Wales (A\$3.4 billion).

Interstate tourist nights to Queensland rose 51.6% in 2022-23 to 38.9 million, to be above the pre-COVID level of 34.8 million nights in 2018-19.

Overseas Merchandise Imports

The nominal value of Queensland's overseas merchandise imports rose 16.3% to A\$71.9 billion in 2022-23. The rise in the value of imports was the result of an increase in the value of mineral fuels, petroleum and lubricants imports (up A\$3.0 billion), other machinery and transport equipment (up A\$2.7 billion) and road motor vehicles (up A\$2.6 billion). In real terms, goods imports rose 6.7% in 2022-23.

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)

				Annual change, 2021-22 to
Import Categories ^(a)	2020-21	2021-22	2022-23 ^(p)	2022-23 (%)
Live animals, food, beverages & tobacco	2,308	2,501	3,022	20.8
Mineral fuels, petroleum and lubricants	6,664	13,657	16,700	22.3
Chemicals	2,736	4,569	4,954	8.4
Road motor vehicles	9,334	10,115	12,714	25.7
Other machinery and transport equipment	9,905	11,430	14,082	23.2
Other manufactured goods	10,334	11,343	12,560	10.7
Other	6,992	8,202	7,854	-4.2
Total overseas imports of goods	48,273	61,817	71,885	16.3

(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 March 31, 2023 (latest available data), Queensland's estimated resident population was 5.42 million, accounting for 20.5% of Australia's population. Over the year to 31 March 2023, Queensland's population grew by 2.3%, a little above national population growth of 2.2% over the same period.

Net interstate migration contributed 31,070 persons to Queensland's population change over the 12 months to 31 March 2023. Over the same period, the re-opening of international borders resulted in net overseas migration rising a substantial 70,203 persons while natural increase (births minus deaths) contributed 22,924 persons.

Following an increase of 5.1% in the previous year, in year average terms, Queensland's employment rose 3.7% in 2022-23. Employment growth during this period has been supported by solid growth in domestic activity in Queensland.

Queensland's labor force participation rate was 66.6% in 2022-23, down marginally from 66.7% in 2021-22, which was the highest year-average participation rate since 2011-12. The tight labor market conditions saw the unemployment rate fall 0.9 percentage point to 3.7% in 2022-23, the lowest year-average unemployment rate since 2007-08. The trend unemployment rate has edged higher in early 2023-24, to 4.2% in October 2023, but remains low by historical standards.

In 2022-23, Health Care & Social Assistance remained Queensland's largest employing industry, employing 457,000 persons (or 16.2% of total employment in the State), followed by Retail Trade (10.0%), Construction (9.5%) and Education & Training (8.9%). The private sector accounted for 82.6% of employment in Queensland in 2022-23.

The following tables show employment by industry for Queensland and the rest of Australia and average annual growth over the five years to 2022-23.

Employed Persons by Industry, Queensland^(a)

	<u>2017-18</u> ('000)	<u>2018-19</u> ('000)	<u>2019-20</u> ('000)	<u>2020-21</u> ('000)	2021-22	2022-23	2017-18 to 2022-23 Average annual % change
Agriculture, Forestry & Fishing	63.4	70.2	80.8	85.2	68.4	58.1	-1.7
Mining	61.6	69.2	66.2	78.0	79.4	70.8	2.8
Manufacturing	170.7	171.7	165.2	178.5	187.7	178.3	0.9
Electricity, Gas, Water & Waste Services	33.1	30.2	31.6	29.5	32.6	33.9	0.5
Construction	239.4	236.6	246.3	231.8	240.0	267.6	2.3
Wholesale Trade	64.4	73.4	72.0	80.1	69.1	68.3	1.2
Retail Trade	262.1	252.9	231.4	266.2	254.9	282.3	1.5
Accommodation & Food Services	181.9	192.4	191.5	182.4	206.1	196.9	1.6
Transport, Postal & Warehousing	140.8	136.7	129.1	134.6	140.8	149.0	1.1
Information Media & Telecommunications	28.4	33.4	28.6	27.3	29.1	23.8	-3.5
Financial & Insurance Services	62.1	65.7	59.7	75.7	69.7	78.4	4.8
Rental, Hiring & Real Estate Services	47.9	42.5	52.2	51.6	55.8	42.4	-2.4
Professional, Scientific & Technical Services	169.2	169.0	192.0	189.8	212.9	219.7	5.4
Administrative & Support Services	90.6	85.2	87.4	80.3	83.3	94.2	0.8
Public Administration & Safety	149.8	168.5	157.2	165.9	170.3	184.0	4.2
Education & Training	203.1	217.8	217.4	209.6	234.0	249.6	4.2
Health Care & Social Assistance	351.3	350.5	355.0	375.1	426.0	457.0	5.4
Arts & Recreation Services	45.2	43.6	45.5	43.5	40.7	46.9	0.7
Other Services	106.5	101.9	104.9	101.7	115.3	114.1	1.4
Total ^(b)	2,471.3	2,511.3	2,514.1	2,586.8	2,716.1	2,815.4	2.6

(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)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2017-18 to 2022-23
	('000)	('000)	('000)	('000)	('000)	('000)	Average annual % change
Agriculture, Forestry & Fishing	268.0	266.7	257.3	259.4	244.6	245.3	-1.8
Mining	163.5	181.3	177.5	185.7	206.3	218.2	5.9
Manufacturing	736.9	736.4	725.1	698.3	693.0	701.7	-1.0
Electricity, Gas, Water & Waste Services	116.0	124.6	125.0	124.1	124.1	130.2	2.3
Construction	932.8	931.1	935.9	930.7	922.0	1,036.8	2.1
Wholesale Trade	301.0	316.4	320.0	300.3	283.3	296.3	-0.3
Retail Trade	1,023.4	1,022.9	1,002.6	1,015.0	1,023.0	1,059.7	0.7
Accommodation & Food Services	707.0	705.9	658.5	650.6	662.0	745.7	1.1
Transport, Postal & Warehousing	500.1	521.4	512.4	516.0	529.2	563.8	2.4
Information Media & Telecommunications	191.5	179.9	174.2	162.0	164.6	170.1	-2.3
Financial & Insurance Services	366.6	375.6	401.8	399.8	462.6	462.4	4.8
Rental, Hiring & Real Estate Services	163.6	169.0	161.1	156.8	173.5	176.3	1.5
Professional, Scientific & Technical Services	854.2	926.3	943.9	979.3	1,010.8	1,062.1	4.5
Administrative & Support Services	324.7	342.6	349.5	335.6	343.8	339.8	0.9
Public Administration & Safety	589.5	670.1	674.6	703.9	738.4	693.9	3.3
Education & Training	821.3	823.2	866.0	900.1	893.1	910.4	2.1
Health Care & Social Assistance	1,322.0	1,333.9	1,407.8	1,423.7	1,537.0	1,651.9	4.6
Arts & Recreation Services	201.0	204.3	178.7	189.1	181.3	195.7	-0.5
Other Services	392.7	403.3	381.0	387.6	424.8	413.8	1.1
Total ^(b)	9,975.9	10,235.0	10,253.1	10,317.9	10,617.3	11,074.2	2.1

(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 ("<u>CPI</u>") rose 5.4% in 2021-22 and 7.3% in 2022-23, the fastest annual growth since 1989-90. The national CPI rose 4.4% in 2021-22 and 7.0% in 2022-23. However, consistent with national trends, inflation appears to have peaked, with annual growth in Brisbane's CPI slowing from 7.9% in September quarter 2022 to 5.2% a year later. While goods inflation has continued to ease, services inflation is proving more persistent, consistent with national trends.

Income

Queensland recorded 5.2% growth in average weekly earnings in 2022-23, compared with 3.9% growth nationally. Queensland's relative strength in this measure of wages reflects its very tight labor market conditions.

The most recent figures available for average weekly earnings and household income per capita are listed below:

Measures of Income

	Household Income per capita	Average Weekly Earnings
State	2022-23	2022-23
	A\$	A\$
Queensland	72,664	1,381
New South Wales	80,597	1,395
Victoria	72,379	1,354
South Australia	67,490	1,257
Western Australia	84,094	1,533
Tasmania	67,227	1,201
Australia	76,798	1,389

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 2023, State and local public sector employees in Queensland totaled 440,600 persons.

The Fair Work Legislation (Secure Jobs Better Pay) Act 2022 received Royal Assent in December 2022 and implements changes over a 12-month period designed to promote job security and gender equality, and adjusts rules around enterprise agreements and bargaining.

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.

The majority of Queensland public sector certified agreements nominally expired during 2022 and 2023 and new agreements were established consistent with the government's public sector wages offer:

• 3-year agreements with wage increases of 4% in years 1 and 2, and 3% in year 3;

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• a non-recurrent cost of living payment that addresses pressures on workers if inflation (Brisbane March quarter annual percentage change) exceeds the wage increases established in agreements, capped at 3% of base wages.

The cost-of-living payment was triggered to the 3% cap for eligible agreements on release of the March 2023 CPI.

The Government remains committed to employment security and critical frontline services. The 2023-24 Budget reported that 91 per cent of public servants are engaged in frontline and frontline support roles.

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, 2022-23^(a) (nominal)

			Queensland as a
	Queensland	Australia	share of
Sector	(A\$ millions)	(A\$ millions)	Australia (%)
Agriculture, forestry and fishing	12,938	61,044	21.2
Mining	86,457	344,351	25.1
Manufacturing	27,279	138,018	19.8
Construction	34,245	170,488	20.1
Services ^(b)	312,511	1,692,910	18.5
Total	473,430	2,406,811	19.7

(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.

In 2022-23, Queensland's mining industry recorded nominal GVA of A\$86.5 billion, accounting for 18.3% of Queensland's total GVA and 25.1% of Australia's mining output. The nominal value of Queensland's mining output has risen strongly over the past two years, up 223% from A\$26.8 billion in 2020-21, driven by rapid rise in global commodity prices, particularly for coal and oil. However, over the same period real mining output has fallen by 5.0%, as a variety of supply constraints have restricted output. The mining industry employed 70,800 persons in 2022-23, accounting for 2.5% 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 2022-23, Queensland exported a record A\$72.4 billion worth of coal, accounting for 55.3% of Queensland's total merchandise exports. The value of coal exports rose 1.1%, driven by a 1.2% increase in coal tonnages as the ramp up of the new Carmichael coal mine more than offset lower metallurgical coal exports.

The value and quantity of selected minerals produced in Queensland from 2017-18 to 2022-23 are shown in the following tables.

Queensland Key Resources Production – Estimated Value^(a) (A\$ millions)

Resource	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Black coal ^(b)	45,923	52,892	40,502	27,312	85,834	83,535
Liquefied Natural Gas ^(c)	10,737	15,728	15,555	9,514	19,396	24,083
Copper	1,996	2,047	1,833	2,026	2,406	2,099
Gold	1,027	925	1,049	1,026	1,067	1,053
Bauxite	454	555	674	1,004	769	688
Lead	1,275	1,571	1,649	1,339	1,247	1,366
Zinc	715	839	814	844	822	845

(a) Value of production does not include transport or handling costs or other by-products such as coke or briquettes in the case of coal. 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	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Black coal ('000t)	248,622	257,693	245,472	221,838	233,161	227,224
Copper ('000t)	227	238	218	192	181	171
Gold (kg)	19,084	16,286	13,938	12,845	13,139	12,058
Silver (t)	655	823	834	916	735	660
Bauxite ('000t)	32,030	37,708	41,087	35,812	38,110	36,229
Lead ('000t)	228	301	288	318	259	274
Zinc ('000t)	405	702	757	773	710	653
Coal seam gas (Mcm) ^(a)	35,404	37,600	39,904	40,317	40,448	38,583

(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 2.7% of Queensland's industry gross value added (nominal) and 21.2% of Australia's total agricultural output in 2022-23. The bulk of Queensland's agricultural production has traditionally been exported, providing a significant contribution to Queensland's foreign earnings.

In 2022-23, more than half of the nominal gross value of Queensland's agricultural production was derived from three products – beef, cotton and sugarcane, 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 4.5% in 2022-23 to A\$18.4 billion. This was driven by gains in the gross value of cotton (up A\$362 million, or 30.5%, to A\$1.6 billion), sugarcane (up A\$243 million, or 18.6%, to A\$1.6 billion), wheat (up A\$151 million, or 19.4%, to A\$927 million) and grain sorghum (up A\$113 million or 17.2% to A\$770 million).

In real terms, the GVA of the agriculture, forestry and fishing industry rose 8.9% in 2022-23, following on from strong growth of 20.8% in 2021-22 and 21.9% in 2020-21.

The following table presents figures on the nominal gross value and volume of agricultural commodities produced in Queensland over the five years to 2022-23.

Queensland's Major Agricultural Commodities – Nominal value and volume of production

	2018-19	2019-20	2020-21	2021-22	2022-23
Gross Value (A\$m)					
Cattle and calves	5,803	6,547	5,902	6,826	6,613
Poultry	3,132	2,881	3,198	3,096	3,218
Pigs	989	847	1,501	2,378	2,483
Sheep and lambs	279	75	540	1,190	1,552
Sugar cane	1,192	1,188	1,211	1,307	1,550
Wool	587	568	600	631	685
Grain, oilseeds and pulses	289	363	367	389	423
Fruit and vegetables and nuts	219	215	207	217	243
Dairying (total whole milk production)	58	67	138	146	110
Cotton	108	71	63	76	95
Other	1,323	1,232	1,400	1,345	1,413
Total agriculture	13,978	14,054	15,127	17,600	18,385
Volume of Production					
Beef ('000 tonnes)	1,105	1,106	921	926	988
Sugar cane ('000 tonnes) ^(a)	30,489	28,443	29,330	28,479	32,255
Wheat ('000 tonnes)	420	418	1,594	2,222	2,600
Cotton lint ('000 tonnes)	164	31	222	422	512
Grain sorghum ('000 tonnes)	926	313	1,072	1,717	1,813
Chickpeas ('000 tonnes)	118	162	251	501	292

(a) Seasonal data.

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 1.2% to A\$256 million in 2022-23. Demand for timber 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 1.5% to A\$509 million in 2022-23, with fisheries accounting for 58% of the gross value of production and aquaculture accounting for 42%.

Manufacturing

In 2022-23, the manufacturing industry accounted for 5.8% of Queensland's industry gross value added (nominal) and 6.3% of Queensland's employment. Queensland's share of Australia's total manufacturing output was 19.8% in 2022-23.

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 2021-22 (latest available data), food product manufacturing accounted for the largest component of manufacturing income in Queensland (28.4%), followed by primary metal & metal product manufacturing (12.6%) and fabricated metal product manufacturing (9.5%).

Construction

The Queensland construction industry directly contributed 7.2% to State GVA, whilst also providing 9.5% of employment in the State in 2022-23.

• Dwelling investment fell 6.1% in 2022-23, after two years of solid growth.

- o A combination of record low interest rates and substantial government stimulus drove strong increases in building approvals and lending indicators throughout 2020-21 and 2021-22. As a result, dwelling investment rose 11.9% in 2020–21 and a further 4.4% in 2021-22.
- o However, ongoing construction capacity constraints, lagged impacts of adverse weather, and several insolvencies among construction companies have constrained the construction industry's ability to meet elevated demand.
- o The combination of strong demand and constrained supply drove the value of Queensland's residential work in the pipeline to a record A\$13.8 billion in March quarter 2023. As a result, dwelling investment declined 6.1% in 2022-23.
- Non-dwelling construction which consists of non residential building (shops, offices, factories, etc.) and engineering construction (mines, ports, roads, etc.) rose 10.9% in 2021 22 and a further 4.2% in 2022-23.
 - o New engineering construction in Queensland rose 6.6% in 2022-23, adding to 1.9% growth in 2021-22.
 - o Non-residential building construction rose 2.0% in 2022-23, after 14.4% growth in 2021-22.

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 2022-23, the total tonnage throughput via Queensland port systems was estimated at 291.2 million tonnes (up 1.2% from 2021-22).

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") were privatized in 2010. 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 four international airports, 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 19.8 million passenger transiting in 2022-23, 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 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 "<u>NBN</u>") 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 "<u>SIP</u>") 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 November 30, 2023, a total of 2,467,740 homes/businesses have been declared as ready to connect in Queensland, while a total of 1,705,017 homes/businesses have had services activated.

Tourism

Tourism directly accounted for an estimated 2.3% of overall output (gross value added, at basic prices) in the State in 2021-22 (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 2022-23, 1.3 million international tourists (defined as those arriving for holiday or visiting friends and relatives) visited Queensland, up from 223,000 in 2021-22, but still below the pre-COVID level of 2.4 million in 2018-19. In total, international tourists spent 26.7 million nights in Queensland in 2022-23, up from 6.3 million in 2021-22, but still 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 intrastate (Queenslanders travelling within Queensland). There were 18.8 million domestic tourist overnight trips to Queensland in 2022-23, with 12.7 million intrastate trips and 6.0 million interstate trips. Domestic tourists spent 77.4 million nights in Queensland in 2022-23, up from 66.7 million in 2021-22 and above the the 71.7 million in pre-COVID 2018-19. In 2022-23, 38.5 million nights were from intrastate tourists, while 38.9 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 ("<u>GST</u>"), 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 2023-24, Queensland will receive around A\$19.275 billion in GST revenue as published in the 2023-24 Queensland 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 "<u>CFFR</u>"). 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 "<u>NHRA</u>") 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.

At the time of the 2023-24 Queensland Budget, Queensland expected to receive Australian Government funding of A\$6.503 billion under the NHRA in 2023-24.

On December 6, 2023 National Cabinet agreed to remove the 6.5 per cent annual cap on funding growth, and move to a five-year cumulative cap over the period of 2025-2030. This allows for flexibility in providing more funding in the short term to recoup the real losses incurred from inflation in 2022 and 2023. The exact impact of this on funding forecasts will not be well known until closer to the 2024-25 Budget, however in general it is expected that from 2025-26 onwards, that NHRA funding will be higher than currently forecast.

Quality Schools

At the time of the 2023-24 Queensland Budget, Queensland expected to receive Australian Government funding of A\$2.394 billion in 2023-24 (A\$10.111 billion over four years to 2026-27 excluding GST) for Queensland Government schools. Non-government schools funding (including GST) will be A\$4.114 billion in 2023-24 (A\$17.342 billion over four years to 2026-27).

2023 Commonwealth Grants Commission ("CGC") Report on GST Revenue Sharing Relativities

In March 2023, the CGC released its Report on GST Revenue Sharing Relativities – 2023 Update (the "2023 CGC Update Report") which considered changes in state circumstances to determine the distribution of GST. The 2023 Update recommended A\$836 (4.66%) increase in GST distributions and No worse off payments to Queensland. In assessing the circumstances of Queensland, there was a minor reduction in GST relativity however the GST share recommendation remained unchanged at 21.1%. This is above the population share of 20.48%.

Queensland's above per capita 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, health and servicing regional areas and lower revenue raising capacity for land tax and transfer duty. This 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 "<u>Appropriation Acts</u>") 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.

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 was forecast for 2022-23, A\$6.209 billion higher than the deficit of A\$1.029 billion forecast in the 2022-23 Budget. The improved outlook was 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 was 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 was expected to be A\$64.844 billion at the time of the 2022-23 Budget Update.

2023-24 State Budget and 2023-24 Budget Update

Leveraging Queensland's strong economic performance, the 2023-24 Queensland Budget, handed down on June 13, 2023, responded to key challenges facing Queenslanders, including addressing cost-of-living pressures, enhancing health services, improving housing affordability and keeping communities safe.

The 2023-24 Budget provided for substantial investment in healthcare and critical infrastructure across all regions to position Queensland on a clear path towards longer-term growth and prosperity. A record capital program of A\$88.729 billion over four years was announced to provide productivity enhancing infrastructure to improve the competitiveness of Queensland's traditional industries and support growth in new and emerging sectors.

Exceptionally high coal prices and the strength of the Queensland economy resulted in higher than previously expected state revenues in 2022-23. Due to the temporary nature of royalty windfalls, revenue was expected to decline sharply in 2023-24 and then begin to stabilise in 2024-25. With disciplined control of spending supporting progress towards fiscal recovery, the 2023-24 Budget allowed the government to effectively respond to the immediate challenges of cost-of-living pressures, strengthening the health system and investing more in social and affordable housing and youth services.

The 2023-24 Budget Update was released on December 13, 2023. A A\$138 million deficit is expected in 2023-24, A\$2.044 billion lower than the expected deficit of A\$2.182 billion in the 2023-24 Budget. The improved outlook is largely driven by upward revisions to coal and petroleum royalties, due to higher-than-expected global metallurgical coal and oil prices being received by Queensland's key commodity producers.

A small surplus of A\$122 million is projected for 2024-25, with surpluses still projected for 2025-26 and 2026-27 largely in line with the 2023-24 Budget.

The government is delivering productivity-enhancing economic and social infrastructure needed to support a growing Queensland. The capital program over the four years to 2026-27 is now expected to be A\$96.22 billion and includes delivering increased health system capacity, decarbonisation of the state's energy system, improving water security and preparing for the Brisbane 2032 Olympic and Paralympic Games.

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 "<u>Charter</u>"). 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 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 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 3% in 2022-23, a reduction from the 15% ratio reported in the 2021-22 Outcome. The continued revenue strength in 2022-23 has resulted in a consecutive year reduction in the GGS net debt to revenue ratio and reflects the Government's prudent management of short-term revenue uplifts to restore fiscal buffers and provide capacity to invest in transformative infrastructure.

By 2026–27, the ratio is forecast to reach 54%, a sustainable level which is less than the 2021–22 Budget estimate for 2023–24. 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 2022-23 Budget, from an operating deficit of \$1.029 billion to an operating surplus of \$13.93 billion. In 2022-23, revenues grew by 21.1 per cent and expenses by 8.6 per cent compared to 2021-22.

Adjusting revenue for the extraordinary uplift from royalty revenue driven by high commodity prices over the last 2 years, revenue growth was 9.7 per cent, over 1 per cent higher than expenses growth in 2022-23.

Across the 5 years to 2026–27, average revenue growth is expected to be 4.6 per cent, compared to expenses growth of 4.4 per cent.

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.

In 2022-23, GGS net cash flows from operating activities of \$19.885 billion were more than double the GGS net cash flows from investments in non-financial assets of \$9.718 billion, enabling lower borrowings in the short term to provide capacity for the state's future capital program.

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 2022-23 was \$17.561 billion, \$559 million, or 3.5 per cent higher than the estimated actual forecast in the 2023-24 Budget.

The Government announced in the 2023-24 Budget, the biggest infrastructure build ever undertaken by the State. As at the 2023-24 Budget update, a total capital program of \$96.2 billion is planned over the next 4 years to 2026-27. The expanded infrastructure program will focus on delivering increased health system capacity, decarbonization of the state's energy system, improving water security and preparing for the Brisbane 2032 Olympic and Paralympic Games.

In 2023-24, the ratio is expected to be 35 per cent increasing to 47 per cent by 2026-27.

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 \$708 less than the average of other jurisdictions in 2021–22. On average, Queenslanders paid \$1,073 less tax than New South Wales residents and \$919 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 it found the scheme to be fully funded. The next triennial review will report on the funding status of the scheme as at June 30, 2024.

As at June 30, 2023, WorkCover Queensland was fully funded.

Table 1 Key Financial Aggregates (UPF Basis)

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual
		A\$ m	illion	
General Government Sector:				
Revenue	57,778	62,791	74,185	89,810
Expenses	63,505	63,706	69,902	75,880
Net operating balance	(5,728)	(915)	4,284	13,930
Purchases of non-financial assets	6,306	6,682	7,878	9,899
Fiscal balance	(9,164)	(4,857)	(72)	8,092
Public Non-Financial Corporations Sector:				
Revenue	13,589	13,269	15,951	16,270
Expenses	12,661	12,071	14,897	15,222
Net operating balance	928	1,198	1,054	1,048
Purchases of non-financial assets	3,156	3,139	3,134	4,497
Fiscal balance	305	687	593	(904)
Non-Financial Public:				
Revenue	66,171	71,318	85,485	100,821
Expenses	72,056	71,770	80,356	86,341
Net operating balance	(5,886)	(452)	5,129	14,480
Purchases of non-financial assets	9,482	9,877	11,130	14,300
Fiscal balance	(9,965)	(4,973)	194	6,786

Note: Where applicable, balances have been restated for changes in accounting policies, presentational and timing differences and errors.

Operating Statement

2022-23 Outcome

On a Uniform Presentation Framework ("<u>UPF</u>") basis, the General Government Sector recorded an operating surplus of A\$13,930 million in 2022-23, compared to a restated operating surplus of A\$4,284 million in 2021-22. Queensland's economy continued to grow in 2022-23, despite rising interest rates, inflationary pressures and temporary domestic and international supply chain constraints. Strong economic performance and exceptionally high commodity prices have resulted in a substantial improvement in the State's fiscal position.

The fiscal balance increased from a restated deficit of A\$72 million in 2021-22 to a surplus of A\$8,092 million in 2022-23, mainly driven by the improved net operating surplus, offset to an extent by higher total net acquisitions of non-financial assets.

Revenue

Revenue from transactions increased by 21.06% (or A\$15,625 million) in 2022-23 after increasing by 18.15% (or A\$11,394 million) in 2021-22.

Commonwealth grants are the principal form of revenue for the State, accounting for around 43% of General Government revenue, with taxes and other revenues contributing around 23% and 22% respectively.

Commonwealth and other grants increased by A\$4,200 million in 2022-23, mainly due to higher GST revenue primarily driven by a larger national GST pool, advance payment of disaster recovery funding, upfront funding for the Social Housing Accelerator program and an uplift in funding for quality schools under the "Quality Schools" policy.

Increased taxation revenue in 2022-23 (A\$590 million) compared to 2021-22 was reflective of the strength of the domestic economic activity and the State's strong jobs growth and labor market performance.

GGS other revenue was A\$9,450 million higher in 2022–23 than in 2021-22, predominantly due to an increase in royalties and land rents, driven by a combination of extraordinary strength in global coal and oil prices and the introduction of new progressive coal royalty tiers.

Expenses

Based on actual results, General Government expenses increased by A\$5,978 million (or 8.55%) in 2022-23.

Employee and superannuation expenses were 10.2% higher in 2022-23, broadly consistent with the estimate in the 2023-24 Budget. This was due in part to numerous public sector agreements being certified within the financial year, combined with a 2.7 per cent increase in full time equivalent employees and higher defined benefit superannuation costs due to changes in actuarial assumptions and new superannuation arrangements coming into effect from July 1, 2023.

Other operating expenses were A\$1,785 million (or 9.79%) higher than 2021-22 mainly due to the cost of living rebate on Queensland household's power bills, increased demand for health, education and child and family services, and an increase in the operating costs associated with the delivery of the State's road and rail infrastructure program.

Depreciation and amortization costs increased by A\$512 million to A\$5,018 million for the GGS, mainly due to increases in the stock and value of infrastructure.

Interest costs increased by A\$180 million to A\$1,688 million due to a rise in interest rates, with borrowing actually lower.

Grant expenses of A\$14,072 million in the GGS were A\$245 million higher than 2021-22. Contributing to the increase in grants expenses were higher Australian Government grants on-passed to non-government schools, payments as part of the Energy Price Relief Plan agreed by National Cabinet in December 2022 and higher community service obligations to Energy Queensland Limited. Higher grant expenses were partly offset by the impact of waste levy payments made to councils in 2021-22 and the winding down of the Australian Government's HomeBuilder Grants program.

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)

	2019-20 Actual	2020-21 Actual	2021-22 Actual	2022-23 Actual	
		(A\$ million)			
Purchases of Non-Financial Assets:					
General Government Sector	6,306	6,682	7,878	9,899	
Public non-financial corporations sector	3,156	3,139	3,134	4,497	
Non-financial public sector ¹	9,482	9,877	11,130	14,300	
Borrowings:					
General Government Sector	44,253	54,076	56,764	53,726	
Public non-financial corporations sector	40,698	41,558	59,495	49,101	
Non-financial public sector	84,944	95,627	116,252	102,821	

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\$303,973 million as at June 30, 2023.

Borrowings in the General Government sector were A\$53,726 million at June 30, 2023, A\$3,038 million less than in 2021-22. The decrease in borrowings is due to some extent to the record operating surplus in 2022-23 partly flowing through to reduce borrowing with QTC.

Capital Purchases

On a UPF basis, the General Government's purchases of non-financial assets (i.e. capital expenditure) in 2022-23 was A\$9,899 million, A\$2,021 million more than in 2021-22.

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) – 2023-24 Budget Update

	2023-24 Update	2024-25 Projection A\$ mi	2025-26 Projection	2026-27 Projection
General Government Sector:		A5 III	mons	
Revenue	85,788	84,131	84,378	87,486
Expenses	85,926	84,009	84,287	86,865
Net operating balance	(138)	122	91	621
Purchases of non-financial assets	11,332	13,205	12,491	12,055
Fiscal balance	(6,709)	(8,853)	(6,965)	(5,461)
Public Non-Financial Corporations Sector:				
Revenue	15,396	16,265	16,889	18,054
Expenses	15,291	15,424	15,946	16,831
Net operating balance	105	841	943	1,223
Purchases of non-financial assets	6,587	8,186	8,745	9,966
Fiscal balance	(4,234)	(4,066)	(4,138)	(4,779)
Non-Financial Public Sector:				
Revenue	95,032	93,852	95,122	99,846
Expenses	96,126	94,363	95,244	99,130
Net operating balance	(1,094)	(511)	(122)	716
Purchases of non-financial assets	17,945	21,381	21,214	21,976
Fiscal balance	(12,028)	(14,383)	(12,238)	(11,322)

Table 4 below provides data on the latest forecasts and projections of the State's purchases of non-financial assets and borrowings.

Table 4Borrowings and Purchases of Non-financial assets
(UPF Basis)

	2023-24 Update	2024-25 Projection	2025-26 Projection	2026-27 Projection
		A\$ millions		
Purchases of non-financial assets:				
General Government Sector	11,332	13,205	12,491	12,055
Public non-financial corporations sector	6,587	8,186	8,745	9,966
Non-financial public sector	17,945	21,381	21,214	21,976
Borrowings ⁽¹⁾ :				
General Government Sector	63,373	76,841	86,388	96,758
Public non-financial corporations sector	46,528	45,551	49,031	52,390
Non-financial public sector	109,894	122,385	135,412	149,141

(1) Borrowings inclusive of leases, securities and derivatives.

EXHIBIT (g)

Consents

CONSENT

I hereby consent to the use of (i) the Chief Executive Officer's Report found on pages 6 to 7 of the Queensland Treasury Corporation's Consolidated Financial Statements for the year ended June 30, 2023 (the "<u>Consolidated Fiscal Year Financial Statements</u>") and (ii) the Certificate of the Queensland Treasury Corporation, dated August 17, 2023, found on page 58 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/ Leon Allen

Mr. Leon Allen Chief Executive Officer Queensland Treasury Corporation

Date: January 18, 2024

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, 2023 (the "<u>Consolidated Fiscal Year Financial Statements</u>") and (ii) the Certificate of the Queensland Treasury Corporation, dated August 17, 2023, found on page 58 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 18, 2024

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 59 to 62 of the Queensland Treasury Corporation's Consolidated Financial Statements for the year ended June 30, 2023 (the "<u>QTC Consolidated Fiscal Year Financial Statements</u>") and (ii) the Report found on pages 5-93 to 5-97 of the Government of Queensland's Consolidated Financial Statements for the year ended June 30, 2023 (the "<u>QLD Consolidated Fiscal Year Financial Statements</u>"), which QTC Consolidated Fiscal Year Financial Statements and 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 18, 2024