



QTC

# Appendices

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Glass House Mountains, Queensland

# Queensland Treasury Corporation

## About QTC

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



# Queensland State Government Guarantee

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

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

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

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

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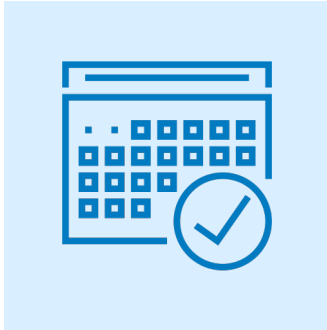
Section 33 of the *Queensland Treasury Corporation Act 1988* empowers the Treasurer to guarantee due payment of moneys and due performance of obligations in accordance with financial arrangements or other arrangements entered into by QTC. Such discretionary guarantees have been granted by the Treasurer and continue to operate in support of QTC's offshore debt facilities.

All payments by the State Government under these guarantees are appropriated under section 34 of the *Queensland Treasury Corporation Act 1988*, meaning they can be paid from the State's Consolidated Fund without any further legislative approval.

# Key funding principles

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

# Queensland's long-term assets



- Queensland's long-term assets comprise investments set aside to fund long-term obligations of the State. These assets were transferred to QTC by the Queensland Government and in return QTC issued fixed-rate notes that provide a fixed rate of return. These assets are split into two investment funds:
  - Long Term Assets Fund comprises assets to fund the State's defined benefit superannuation scheme and other long-term State initiatives. In 2008, the Queensland Government transferred assets to support the defined benefit superannuation scheme. Since June 2021, additional assets have been transferred to fund other long-term State initiatives. Total assets under management of the Long Term Assets Fund are approximately AUD36.8 billion as at 30 June 2024.
  - Queensland Future Fund comprises assets invested to reduce the debt of the State. In August 2020, the Queensland Future Fund and its first sub fund, the Debt Retirement Fund, were established under the Queensland Future Fund Act 2020. Total assets under management of the Queensland Future Fund are approximately AUD9.8 billion as at 30 June 2024.
- The Long Term Assets Fund and the Queensland Future Fund are overseen by the State Investment Advisory Board and managed by Queensland Investment Corporation (QIC). They include cash, fixed interest, international equities and other diversified alternative investments.
- Queensland is in a unique position with financial holdings greater than its superannuation obligations.

# Australia's federal and state system

## Federalism

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

## Powers

### Australian Government

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

### State Government

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

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

# Queensland's peers' credit ratings

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

# Funding instruments

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

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

Overview as at 30 June 2024		Size \$M	Maturities available	Currencies
<b>Short-term</b>	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
<b>Long-term</b>	AUD Bond	Unlimited	13 benchmark lines: 2024–2036	AUD
			A range of non-benchmark lines (e.g. green bonds, FRNs etc)	
	Euro MTN	USD10,000	Any maturity subject to market regulations	Multi-currency
	US MTN	USD10,000	9 months–30 years	Multi-currency



# AUD Benchmark Bond Distribution Group\*



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

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



Barrenjoey<sup>o</sup>

BofA SECURITIES



citi



Commonwealth Bank of Australia



J.P.Morgan



National Australia Bank

NOMURA



Capital Markets



Westpac

Institutional Bank

As at 30 June 2024.

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

# Medium-Term Note (MTN) Programs

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

## MTN Distribution Group\*

### Euro MTN

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

### US MTN

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

As at 30 June 2024.

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

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



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

## T-Note and CP Dealer Panels\*

### Domestic T-Note

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

### Euro CP

- Barclays
- BofA Securities
- Citi
- UBS Investment Bank

### US CP

- BofA Securities
- Citi
- UBS Investment Bank

As at 30 June 2024.

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

# Glossary

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



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

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

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

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