

An aerial photograph of Brisbane, Queensland, Australia. The image shows the Brisbane River winding through the city, with the dense urban skyline in the background. In the foreground, there are lush green trees and several large, vibrant purple flowering trees. The sky is a clear, bright blue with some light clouds. A dark blue semi-transparent overlay covers the left side of the image, containing the text 'QTC', 'Queensland', and 'Economy'.

QTC

Queensland

Economy

Brisbane River and City, Queensland



Sources: Australian Bureau of Statistics, Bloomberg.

¹ Fiscal year 2023

² Long-run trend

³ As at 31 December 2023

Ratings: Queensland and QTC are rated AA+/A-1+/Stable by S&P Global and Aa1/P-1/Stable by Moody's. Australia is rated AAA/Stable by S&P Global and Aaa/Stable by Moody's. As at 9 July 2024.

Queensland

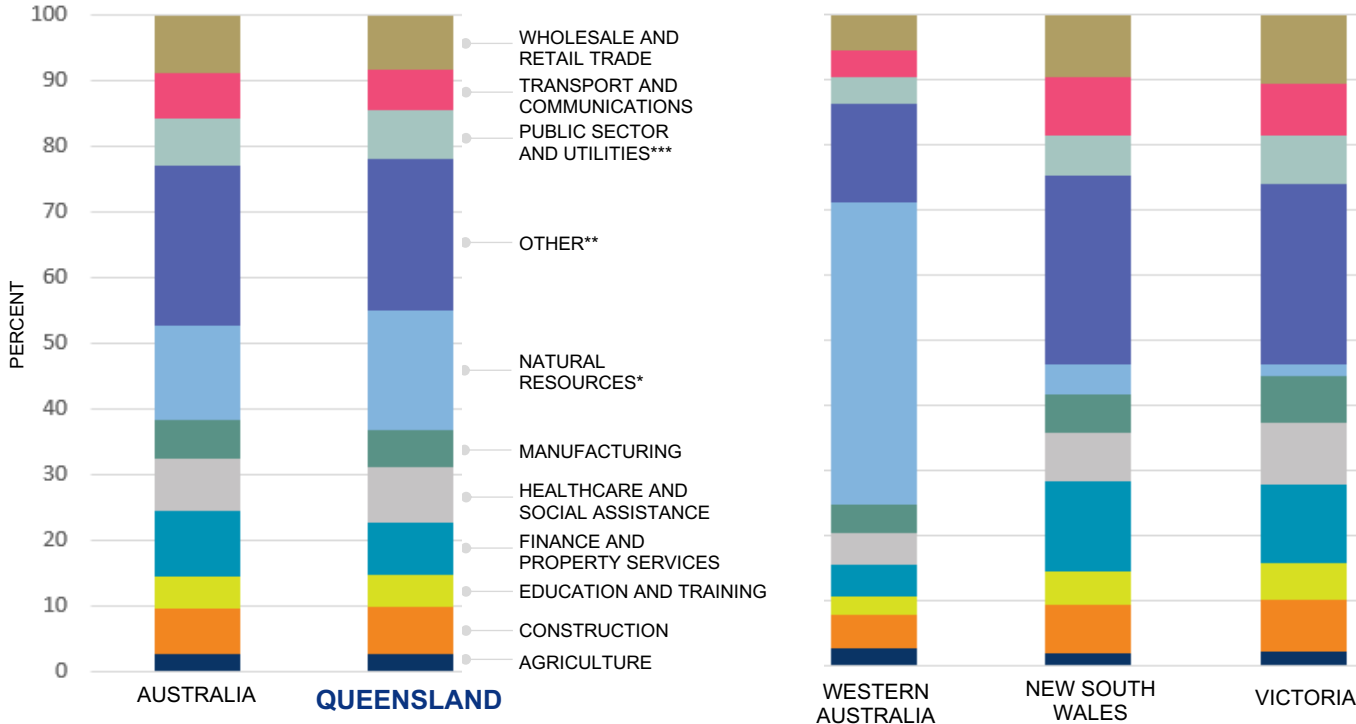
- AUD503 billion Gross State Product (GSP)¹
- 3.7% real GSP annual growth rate²
- 5.5 million people³
- Rated AA+/Aa1

Australia

- AUD2,562 billion Gross Domestic Product (GDP)¹
- 2.9% real GDP annual growth rate²
- 27.0 million people³
- Rated AAA by all major rating agencies

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

AUSTRALIAN STATES' ECONOMIC OUTPUT BY SECTOR¹



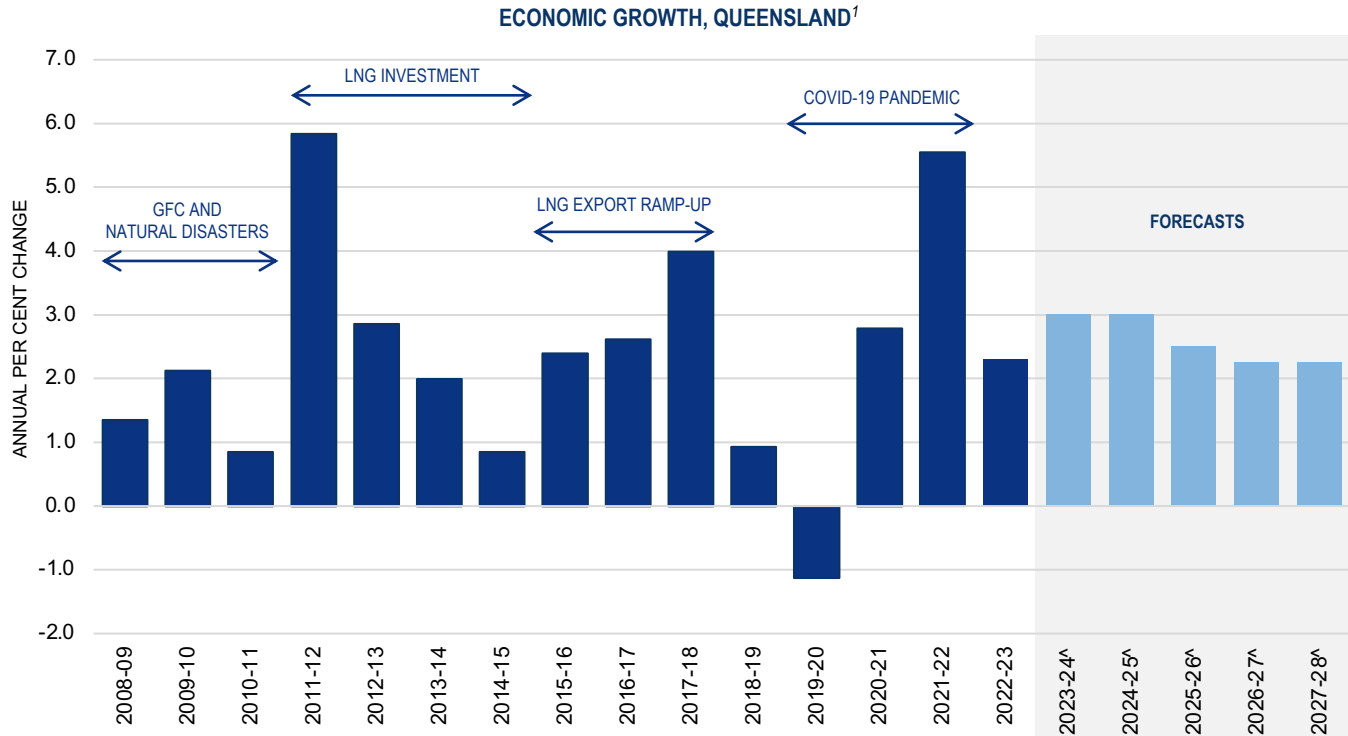
¹2022-23, gross value added, current prices. * Natural resources includes the extraction of naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas.

** Other includes: dwellings; professional, scientific and technical services; accommodation and food services; other services; administrative and support services; arts and recreation.

*** Public sector and utilities includes: public administration and safety; and electricity, gas, water, waste services.

Source: ABS.

Queensland's economic growth is expected to remain solid

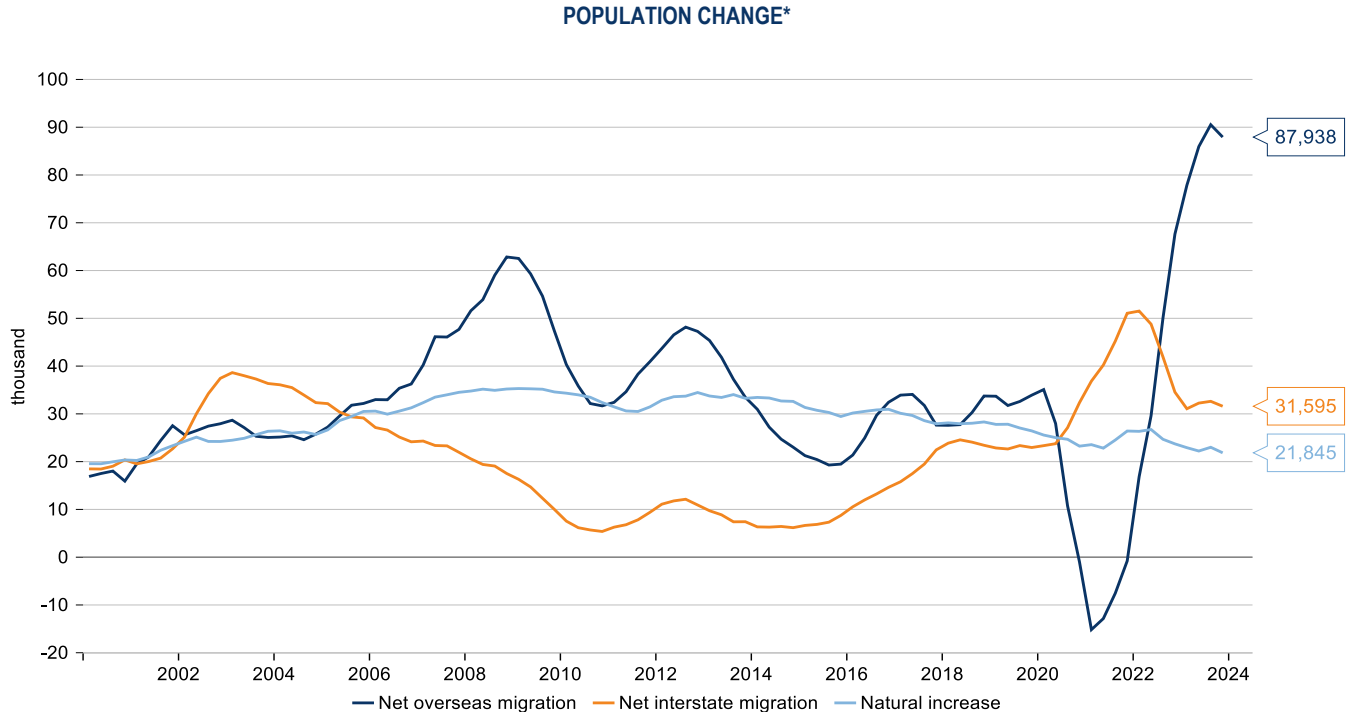


¹ Chain volume measure (CVM), 2021–22 reference year. [^] Shaded areas represent forecasts.

Sources: ABS National Accounts, Queensland Government 2024–25 Budget.

Population growth

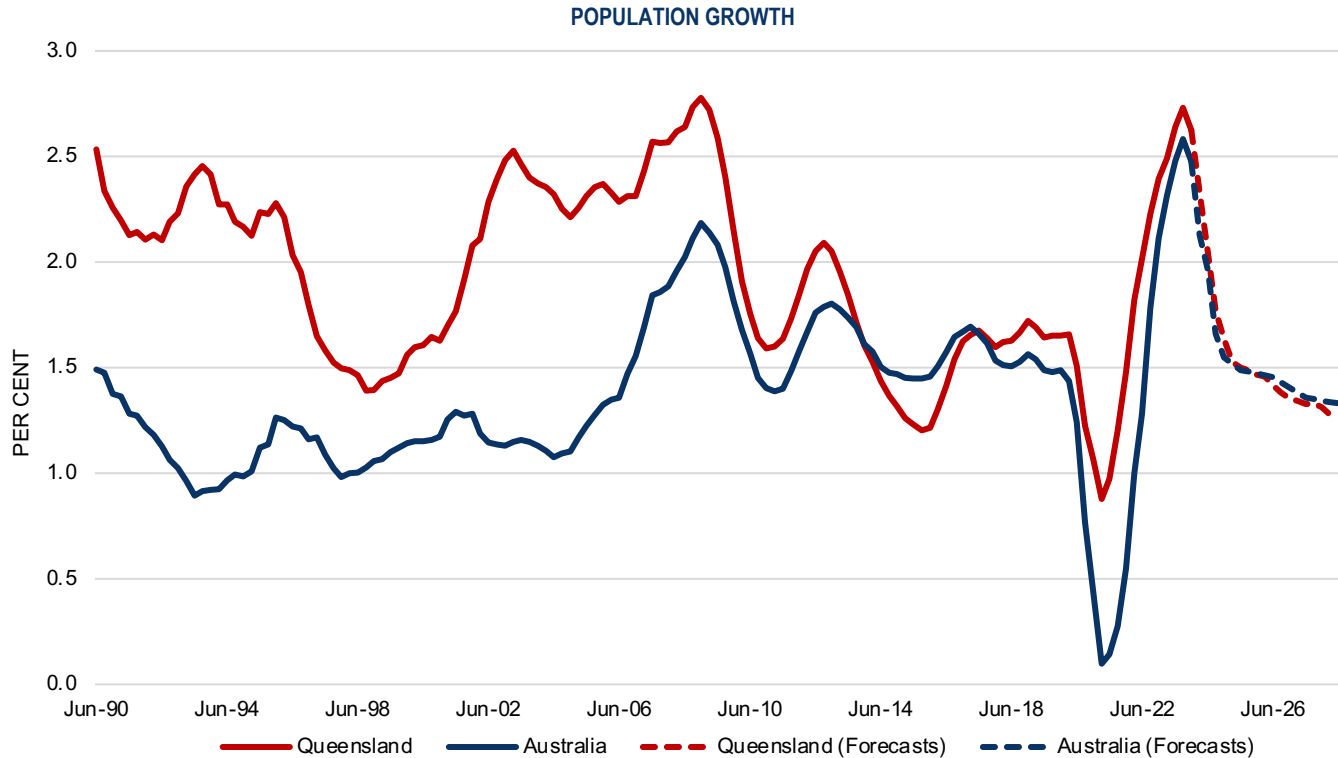
Strong population growth currently driven by net overseas migration



* Four-quarter rolling sum
Source: ABS National, state and territory population.

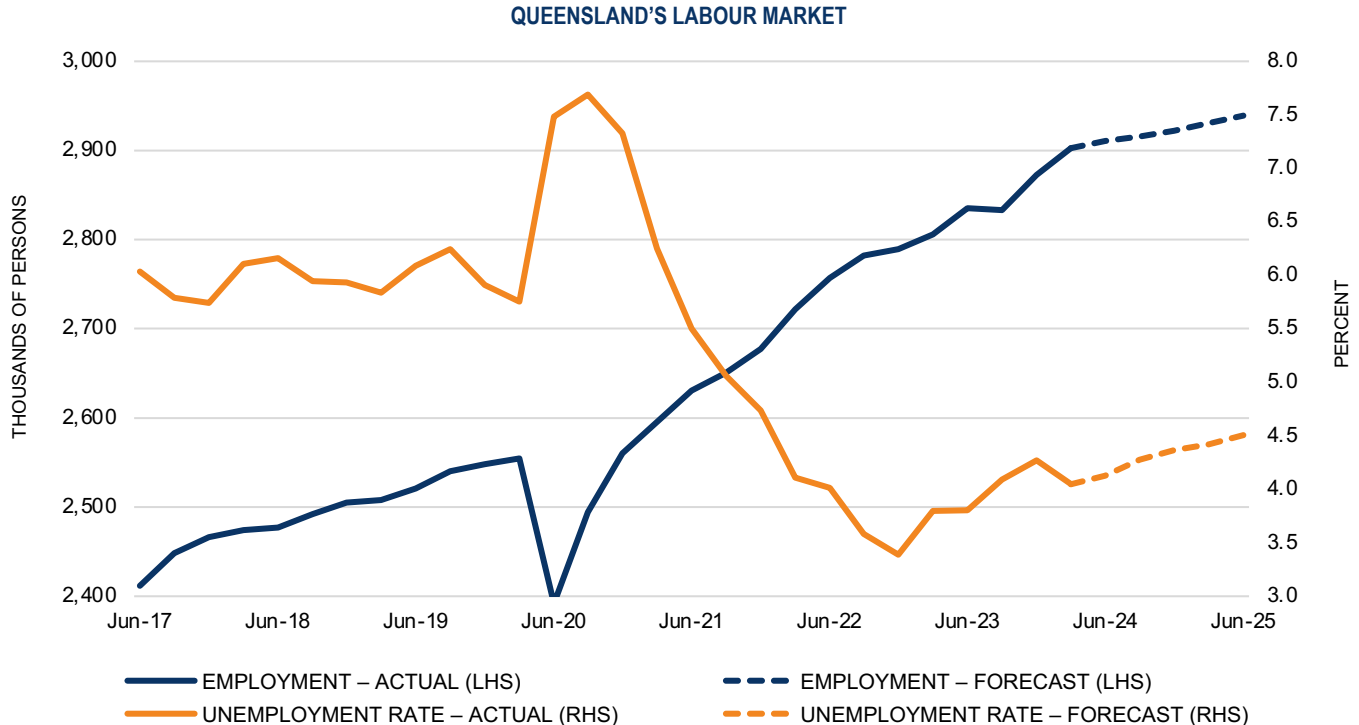
Population growth

Population growth is expected to ease from its current high level



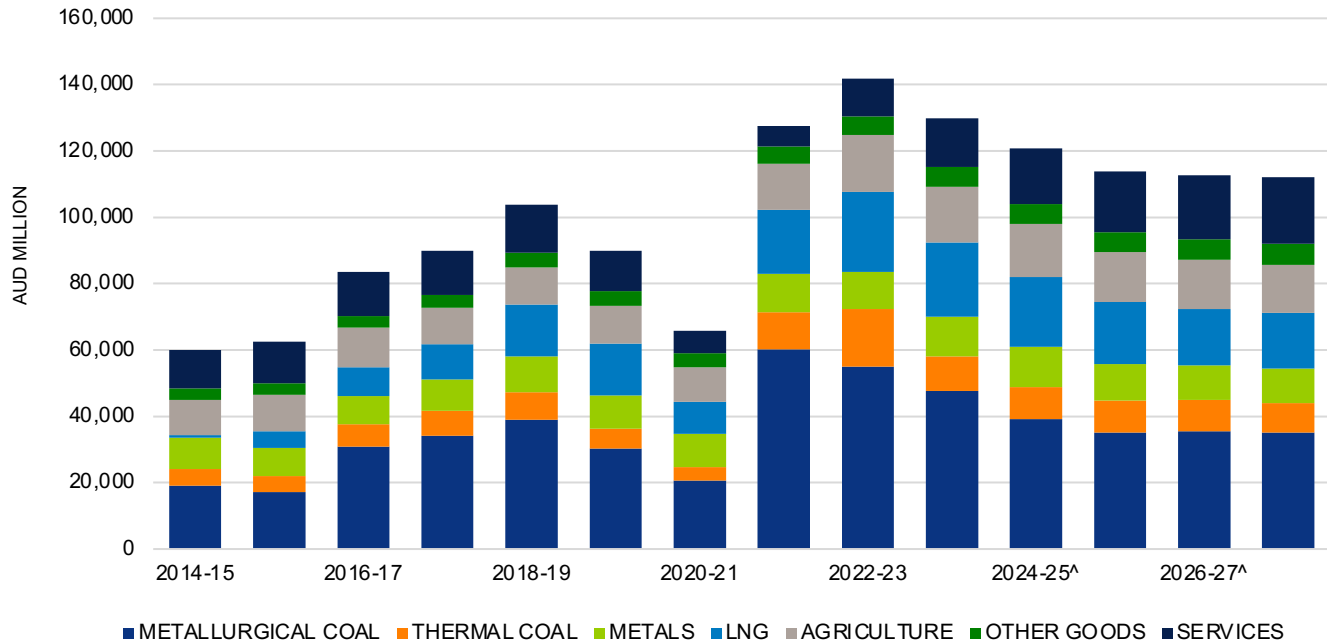
Sources: ABS National, state and territory population; Queensland Government 2024-25 Budget, Australian Government 2024-25 Budget.

Employment growth is back to pre-pandemic trend, unemployment rate to remain low



Higher commodity prices have seen a sharp increase in the value of Queensland's commodity exports

QUEENSLAND'S TOTAL OVERSEAS EXPORTS¹

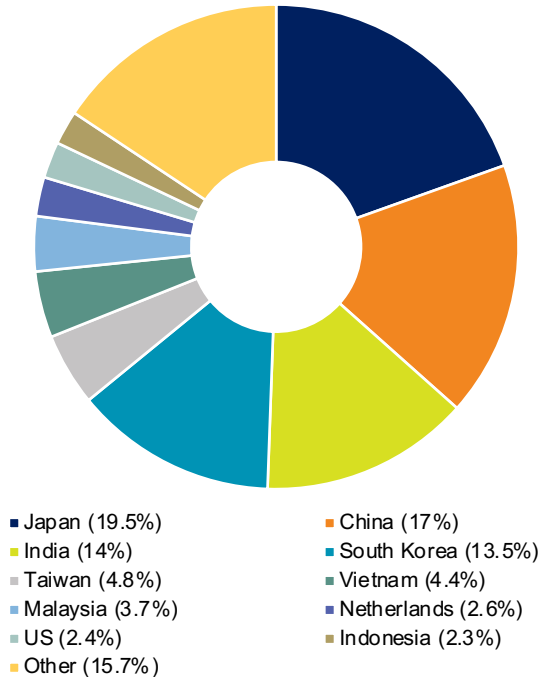


¹ Nominal terms. [^] 2023-24 and onwards represent forecasts.

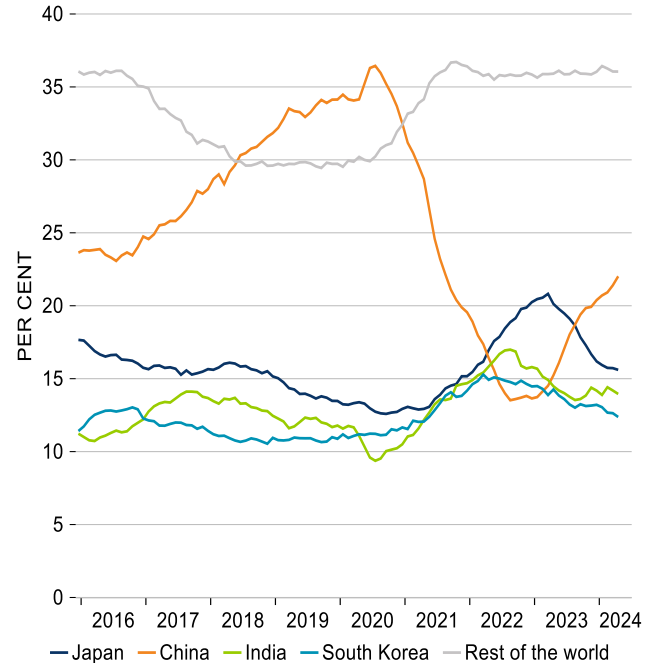
Data sources: ABS, Queensland Treasury.

Queensland benefits from a diversified mix of export destinations

SHARE OF QUEENSLAND GOODS EXPORTS IN 2022-23



SHARE OF QUEENSLAND GOODS EXPORTS BY DESTINATION*



* Four-quarter moving average
Source: Australian Bureau of Statistics



QTC

Queensland

Fiscal

Gold Coast, Queensland

Queensland Government Charter of Fiscal Responsibility

The government's medium-term fiscal strategy is guided by the Charter of Fiscal Responsibility (the Charter) with fiscal principles and objective measures to support the restoration of fiscal buffers.

- **Principle 1:** Stabilise the General Government Sector net debt to revenue ratio at sustainable levels in the medium term and target reductions in the net debt to revenue ratio in the long term.
- **Principle 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.
- **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.
- **Principle 4:** Maintain competitive taxation by ensuring that, on a per capita basis, Queensland has lower taxation than the average of other states.
- **Principle 5:** Target the full funding of long-term liabilities such as superannuation and workers' compensation in accordance with actuarial advice.

Queensland has its own taxation powers and receives federal fiscal support

The states' sources of revenue

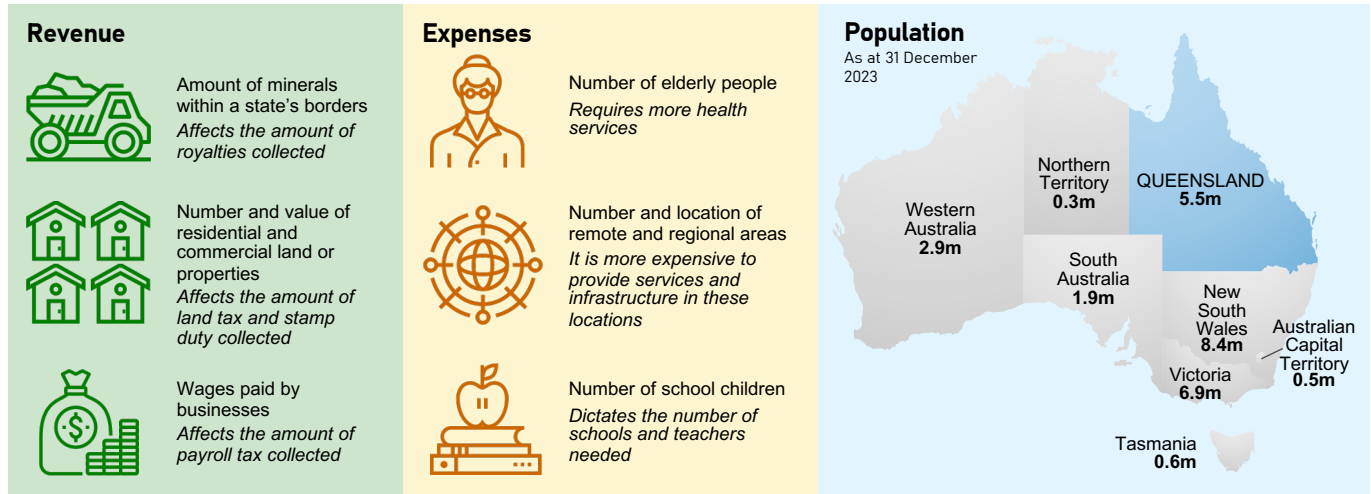
- Australian states and territories (states) impose taxes, duties and charges in areas distinct from those where the Australian Government has authority. Examples of state taxes include payroll taxes, royalties, stamp duties and land taxes.
- The Australian Government provides explicit and predictable financial support to all states in the form of:
 - **General purpose payments** – ‘untied’ grants which are funded by the Goods and Services Tax (GST) revenue and are used for both recurrent and capital purposes.
 - **Payments for specific purposes** – ‘tied’ grants to fund specific projects or programs in order to support service delivery and facilitate reforms.

The Australian Government’s Disaster Recovery Funding Arrangements, which provide partial (up to 75 per cent) reimbursement for eligible costs incurred as a result of natural disasters, are also classified as a payment for specific purposes.

Distribution of GST

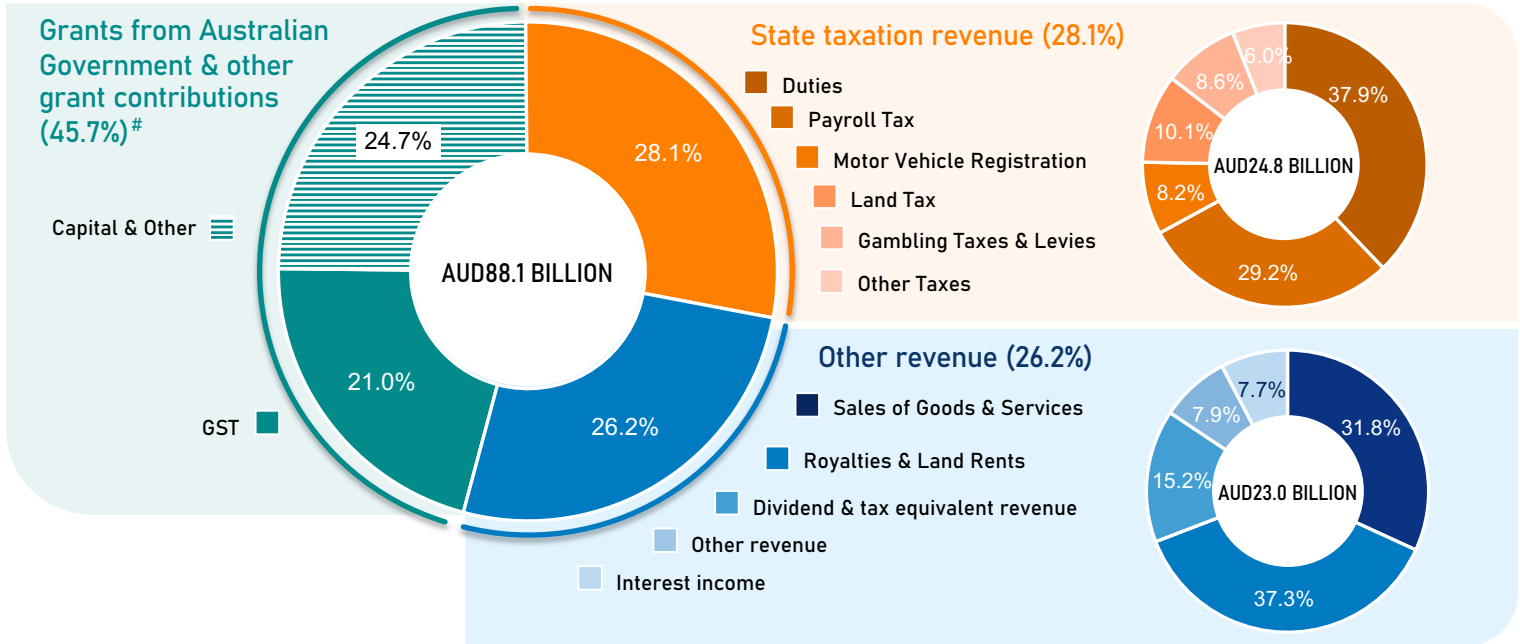
- States and territories (states) receive all revenue collected by the Australian Government via the Goods and Services Tax (GST).
- It is allocated using the principles of horizontal fiscal equalisation, which is designed to equalise the states' fiscal capacity to provide public services to a similar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

Examples of differences between states to raise revenue and their expenses



Queensland has a diversified revenue mix

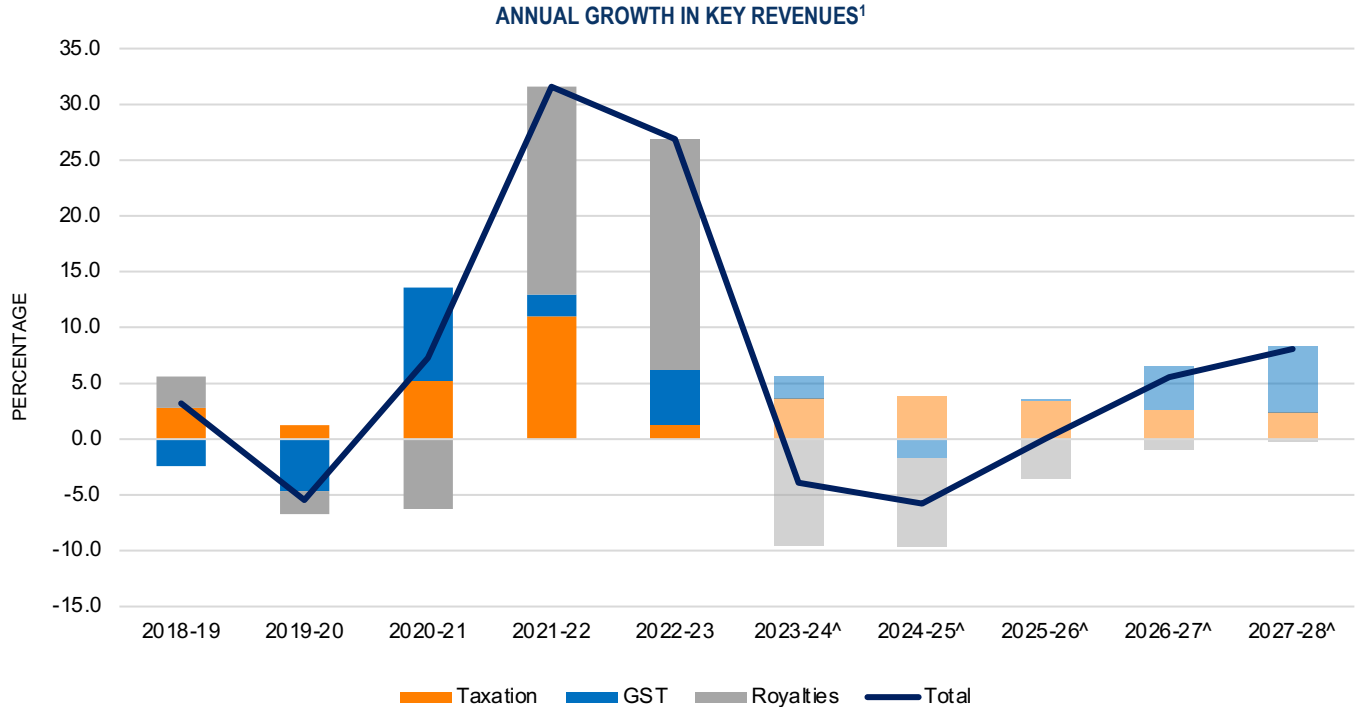
BUDGETED REVENUES 2024-25



[#] Grants from the Australian Government include those for capital projects as well as payments for general and specific purposes. General purpose payments include GST revenue grants. These are 'untied' and used for both recurrent and capital purposes. Specific purpose payments are 'tied' and used to fund specific projects or programs in order to support service delivery and facilitate reforms. A small amount of other grants and other contributions from other sources besides the Australian Government are included here for presentation purposes.

Source: Queensland Government 2024-25 Budget

Resources royalties are expected to ease from their current high level

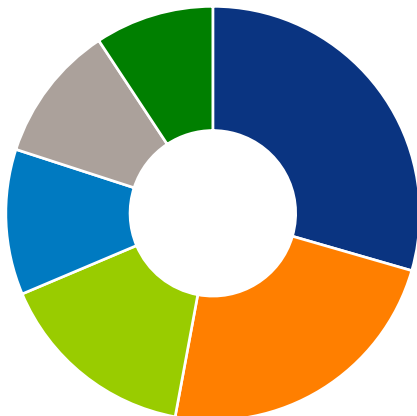


¹ Annual contribution to growth in key revenues. Total is the annual growth of the sum of the three categories. [^] Shaded areas represent forecasts

Sources: Queensland Government 2024-25 Budget

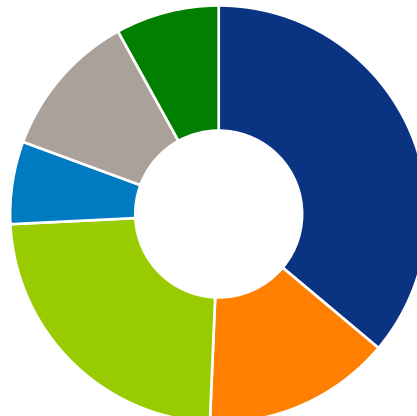
Health and education are the State's major operating expenses, while transport infrastructure is the biggest area of focus in terms of capital expenditure

GGs¹ BUDGETED OPERATING EXPENDITURE:
2024-25: AUD90.7 BILLION



- HEALTH (29.5%)
- EDUCATION (23.4%)
- ECONOMIC AND OTHER SERVICES* (15.7%)
- TRANSPORT (11.4%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (10.7%)
- PUBLIC ORDER AND SAFETY (9.3%)

NFPS² BUDGETED CAPITAL EXPENDITURE:
2024-25: AUD22.2 BILLION

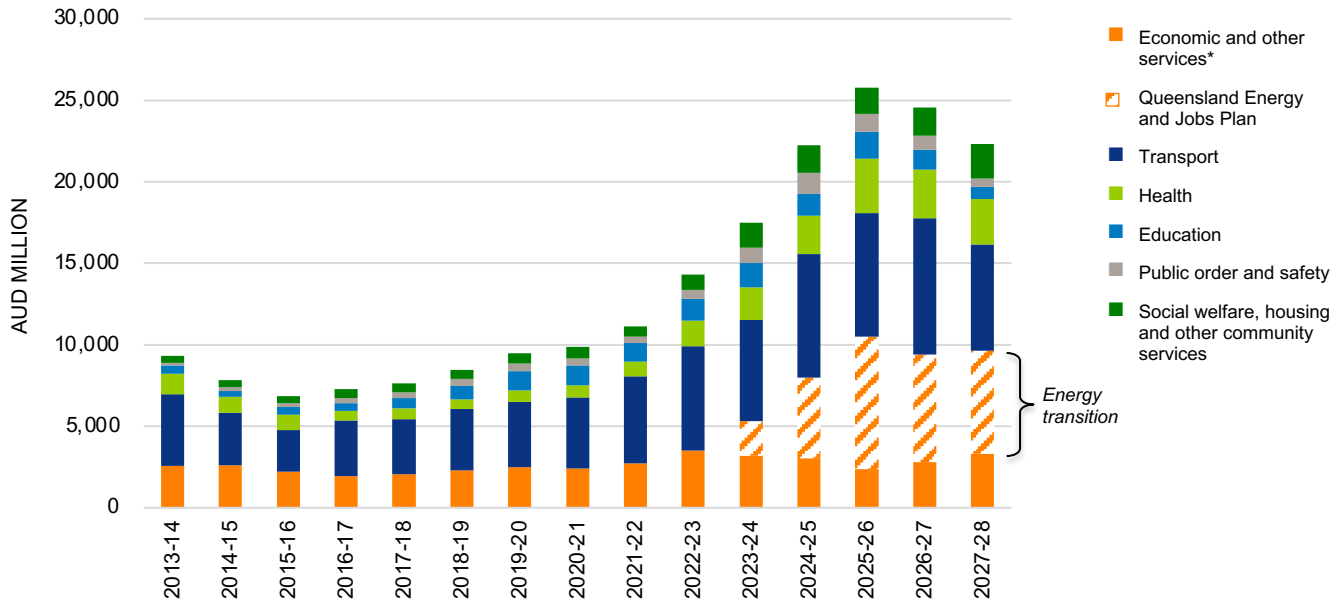


- TRANSPORT (34.0%)
- ECONOMIC AND OTHER SERVICES (13.7%)*
- QLD ENERGY and JOBS PLAN (22.2%)
- EDUCATION (6.0%)
- HEALTH (10.7%)
- SOCIAL WELFARE, HOUSING AND OTHER COMMUNITY SERVICES (7.6%)

¹ GGS – general government sector. ² NFPS - non-financial public sector. * Mainly includes expenditures on economic services and those not classified elsewhere. NFPS capital expenditure includes expenditure in the Energy sector; but excludes Queensland Energy and Jobs Plan capital expenditure shown separately.

Source: Queensland Government 2024-25 Budget.

Capital program will support population growth and energy transition



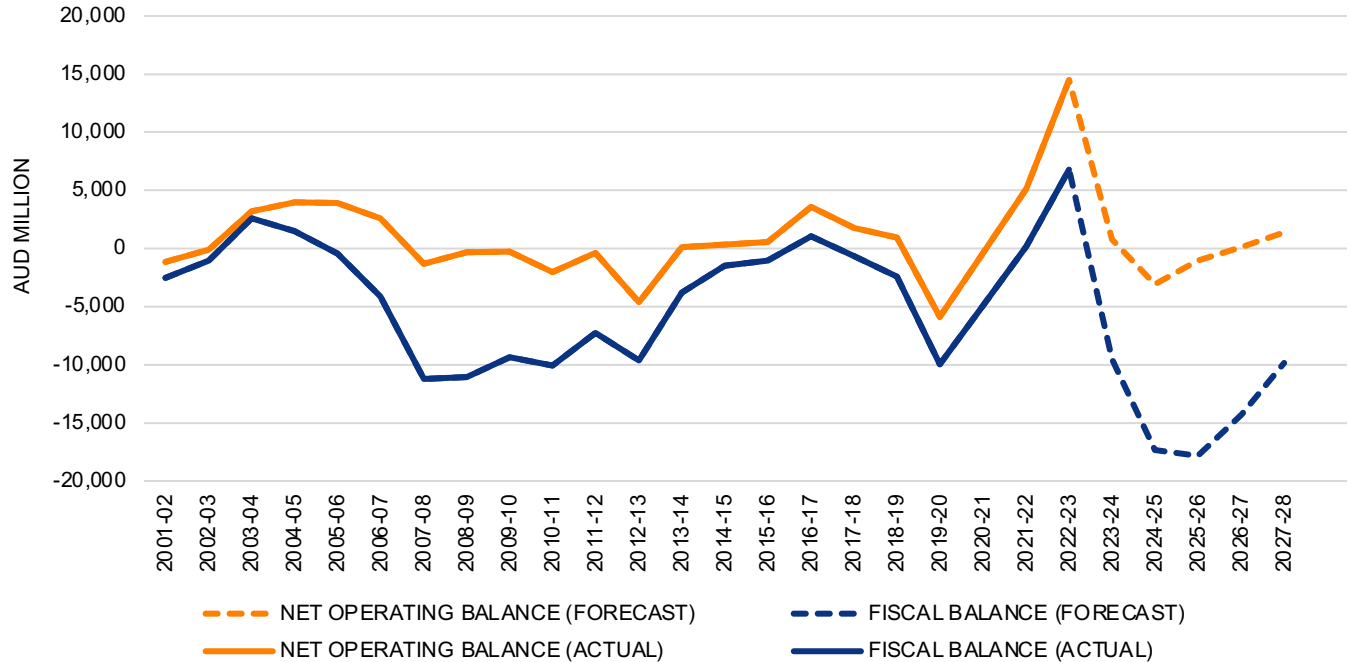
Economic and Other Services includes capital spending related to the Queensland Energy and Jobs Plan.

Note: This chart shows purchases of non-financial assets for the Non-financial Public Sector. It does not include capital grants or leases.

Source: Queensland Government 2024-25 Budget.

Operating balance normalising from commodities driven peak

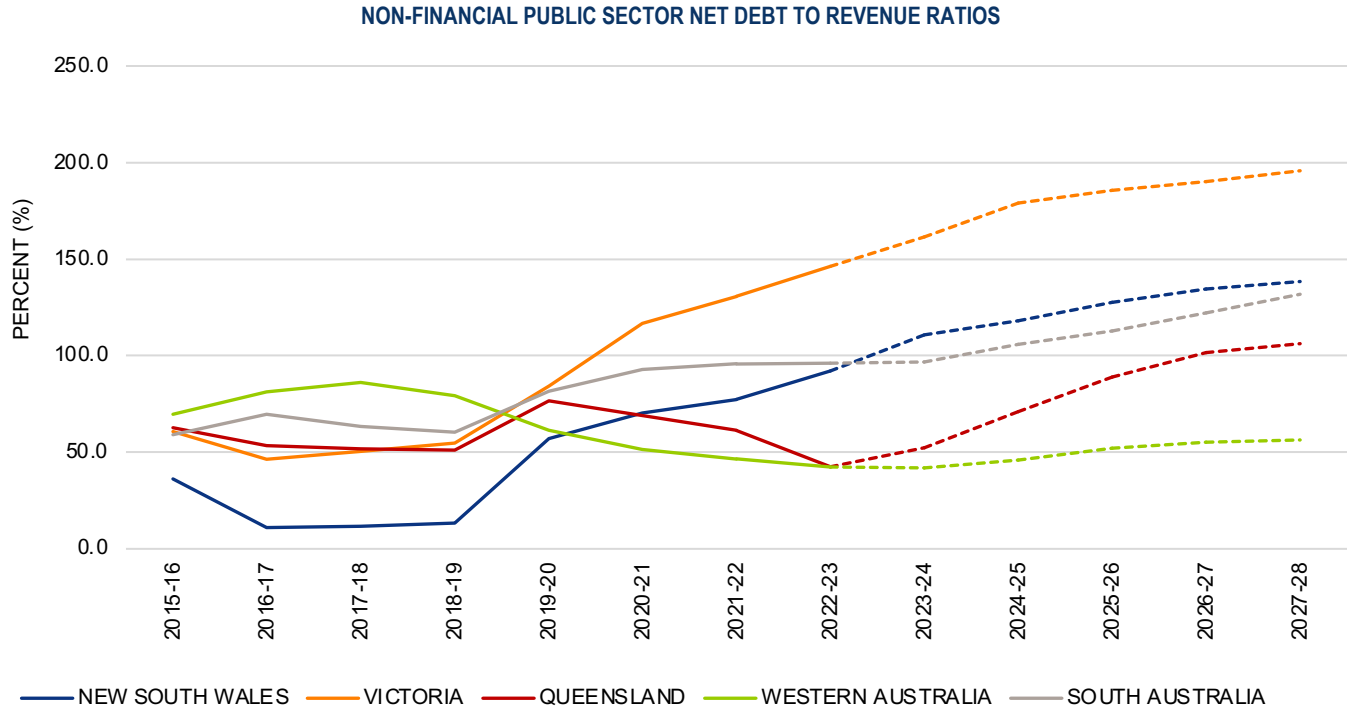
NON-FINANCIAL PUBLIC SECTOR NET OPERATING AND FISCAL BALANCES



Dotted lines represent forecasts.

Source: Queensland Government 2024-25 Budget.

Net debt levels to remain low relative to revenue



Dotted lines represent forecasts.

Source: 2024-25 Budget: QLD, WA, VIC, SA and NSW.

An aerial photograph of a coastline. In the foreground, there is a dense, green forest covering a hillside. Below the forest, a sandy beach curves around a small bay. The water in the bay is a clear, light blue, while the ocean beyond is a deeper blue. The sky is filled with white, fluffy clouds. A teal semi-transparent banner is overlaid on the left side of the image, containing text.

QTC

Queensland

Sustainability

Tea Tree Bay, Sunshine Coast

Queensland's approach to managing sustainability risks

The Queensland Government has embedded sustainability considerations into policy settings to promote sustainable economic growth and development for better communities now and into the future. Queensland is taking positive action by implementing policy measures to manage material sustainability risks with the potential to impact the economy, community, and state finances.

ESG priorities and key policies

Actions taken to:

Environment



Climate change

- QLD Climate Action Plan
- QLD Energy and Jobs Plan
- QLD Low Emissions Agriculture Roadmap
- QLD Critical Minerals Strategy

- transition to a low carbon future by lowering greenhouse gas emissions
- address the physical impacts arising from climate change by embedding adaptation and resilience

Natural Capital

- Biodiversity Conservation Strategy for QLD
- QLD's Protected Area Strategy 2020–2030
- Reef 2050 Long-Term Sustainability Plan
- QLD Resources Industry Development Plan
- Land Restoration Fund

- manage the balance of resources used between industry, the community and safeguarding the natural environment
- includes surface and underground water management, biosecurity, aquaculture, forestry management and environmental protection

Social



Jobs, services, lifestyle

- Human rights and equal opportunities
- Core health services and infrastructure
- QLD new-industry development strategy
- Initiatives to improve outcomes for First Nations people

- support an educated, healthy and skilled community through education, health services, social welfare, public order, diversity and opportunity, cyber security and safety

Governance

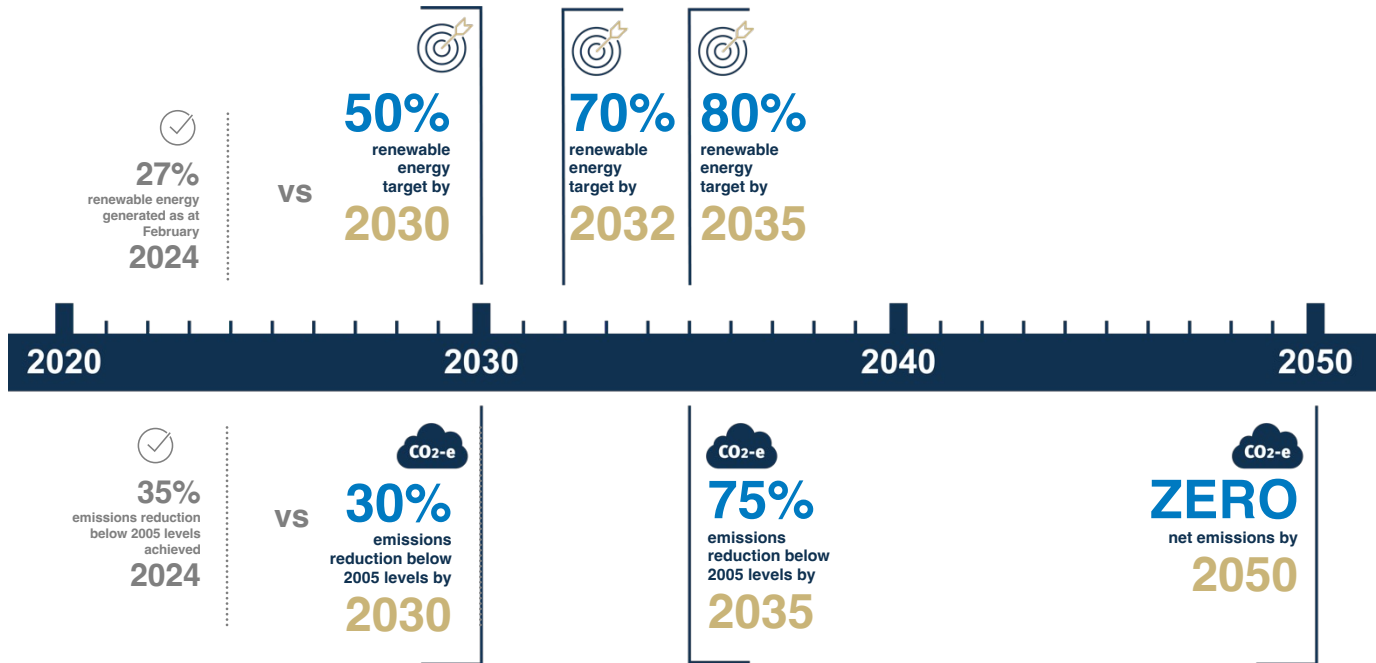


Economic and fiscal

- Economic policy
- Fiscal policy

- provide robust frameworks that support Ministers and accountable officers to provide oversight and discharge their obligations
- includes strong economic and fiscal management fundamental to achieving government's objectives and good governance

Queensland's emissions pathway



On 18 April 2024, the Queensland Parliament passed the *Clean Economy Jobs Act 2024* and the *Energy (Renewable Transformation and Jobs) Act 2024* to deliver direct action on climate change.

Sources: Queensland Sustainability Report 2023, Department of Energy and Climate, Queensland's renewable energy targets. For the purpose of measuring performance against the renewable targets, the Queensland Government currently reports a measure of renewable energy generation in Queensland as a proportion of electricity consumption within Queensland (excluding exports). I.e., an estimate of the proportion of electricity consumed in Queensland that is generated from renewable sources.

Queensland's action on climate change

Ambition

Queensland Climate Action Plan 2030

The Queensland [Climate Action Plan 2030](#) outlines the State's investments and actions to reach its emissions and renewables targets, create jobs and drive economic growth.

[The trajectory towards the 2030 targets](#) builds on the investments and actions already taken, with priorities identified in key sectors including electricity, transport, agriculture, buildings and land.



Performance

Queensland's 2035 Clean Economy Pathway: 75% by 2035

In April 2024, the Queensland Parliament passed the *Clean Economy Jobs Act 2024* and the *Energy Act 2024*, to secure the states spot at the centre of a global energy transformation. The Acts aim to drive clean economy investment and jobs with a new emissions reduction target of 75% below 2005 level by 2035. The [Queensland's 2035 Clean Economy Pathway: 75% by 2035](#) identifies how Queensland will achieve this reduction target.



Sectoral Implementation

Queensland Energy and Jobs Plan

The [Queensland Energy and Jobs Plan](#) released in September 2022 and updated in November 2023 outlines how Queensland plans to transform its energy system over time to include more wind, solar and storage to deliver clean, reliable and affordable energy to provide power for generations.



Transparency

Queensland Sustainability Report

The [Queensland Sustainability Report](#) sets out how the government has established its priorities for and approach to managing sustainability risks.

The report provides information on key policies being implemented and reports against performance measures.



Summary of key points

The State of Queensland has:

- a diverse and resilient economy
- transparent and well-established fiscal arrangements with the Australian Government
- state-owned assets that generate dividend payments
- a unique position with financial holdings greater than its defined benefit superannuation and other long-term obligations
- General Government debt levels relative to revenue that are less than other large states
- a commitment to positive ESG outcomes, and
- a rating of AA+/Stable/A-1+ by S&P Global and Aa1/Stable/P-1 by Moody's.