



QUEENSLAND  
TREASURY  
CORPORATION

# Queensland and QTC

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31 January 2025 edition



Fraser Coast, Queensland

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All data and charts in this book are as dated.

## FORECASTS AND PROJECTIONS:

- 2023–24 is an actual and is as at 30 June 2024
- Queensland Government fiscal forecasts refer to 2024-25
- Queensland Government fiscal projections refer to 2025–26 to 2027–28
- Queensland Government economic forecasts refer to 2024-25 and 2025-26
- Queensland Government economic projections refer to 2026–27 and 2027–28

## Queensland

- AUD511 billion Gross State Product (GSP)<sup>1</sup>
- 3.6% real GSP annual growth rate<sup>2</sup>
- 5.6 million people<sup>3</sup>
- Rated AA+/Aa1

## Australia

- AUD2,673 billion Gross Domestic Product (GDP)<sup>1</sup>
- 3.0% real GDP annual growth rate<sup>2</sup>
- 27.2 million people<sup>3</sup>
- Rated AAA by all major rating agencies



**Sources:** Australian Bureau of Statistics, Bloomberg.

<sup>1</sup> Fiscal year 2024

<sup>2</sup> Long-run trend

<sup>3</sup> As at 30 June 2024

# QTC is rated AA+/Aa1

## Credit ratings

QTC carries the same credit ratings as the State of Queensland – founded on its wealthy and diverse economic base, and supported by its established institutional framework, exceptional liquidity and debt management, and Federal fiscal support.

Queensland has financial holdings greater than its superannuation obligations.



### LOCAL CURRENCY

**S&P Global**  
Long-term **AA+**  
Short-term **A-1+**  
Outlook **Stable**

**Moody's**  
Long-term **Aa1**  
Short-term **P-1**  
Outlook **Stable**



### FOREIGN CURRENCY

**S&P Global**  
Long-term **AA+**  
Short-term **A-1+**  
Outlook **Stable**

**Moody's**  
Long-term **Aa1**  
Short-term **P-1**  
Outlook **Stable**



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 banner is overlaid on the left side of the image, containing the QTC logo and the text 'Queensland Fiscal & Economy'.

QTC

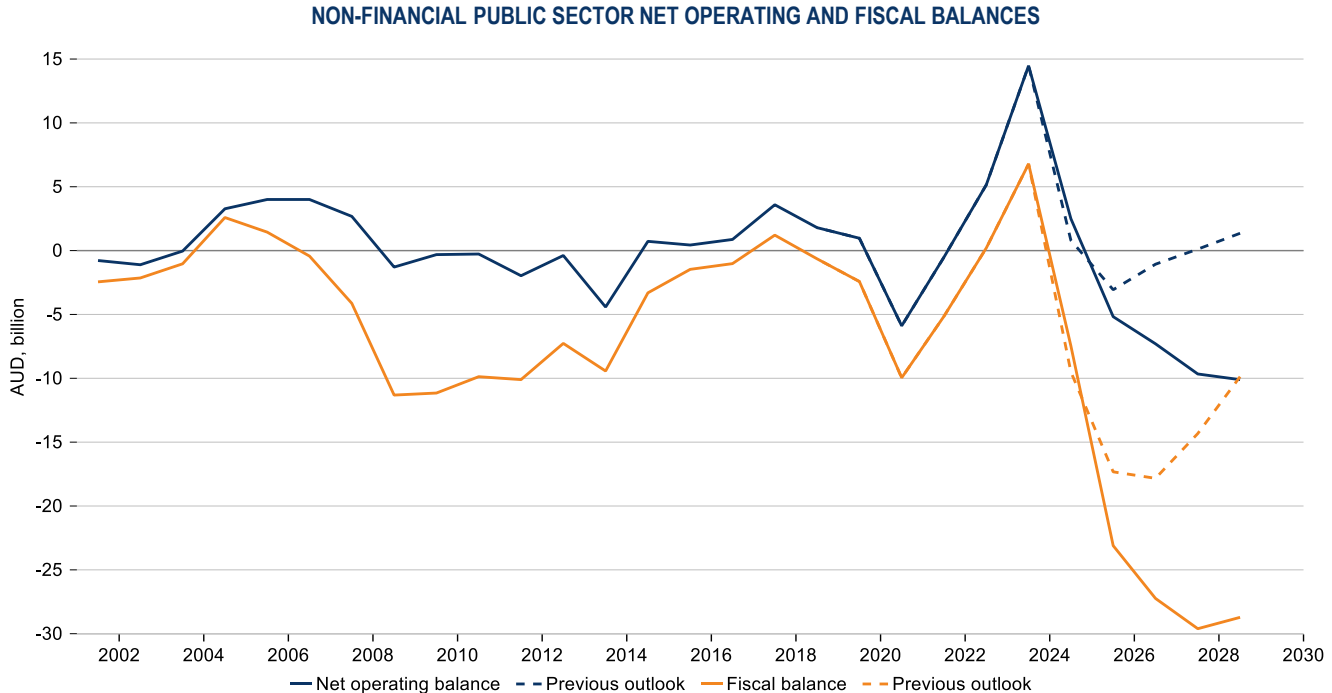
# Queensland

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Fiscal &  
Economy

Brisbane River and City, Queensland

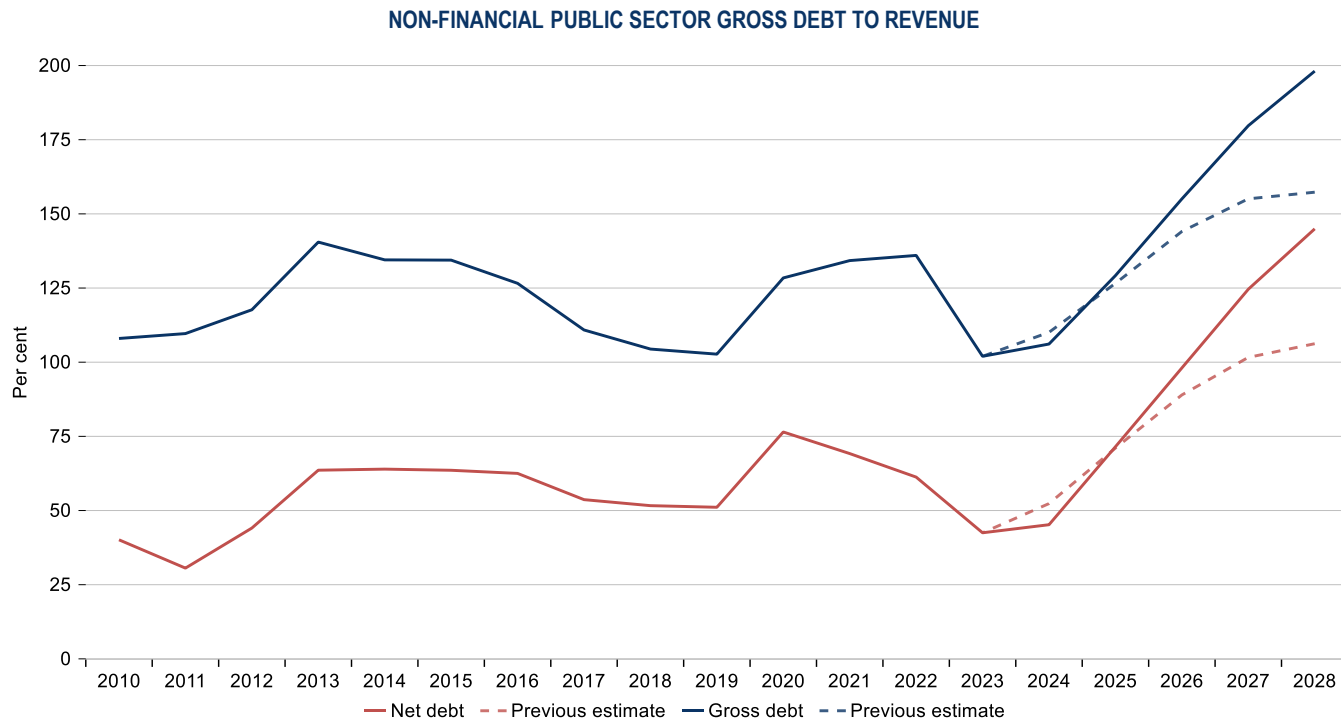
# The net operating and fiscal balance forecasts were revised lower in the 2024-25 MYFER



Dotted lines represent forecasts.

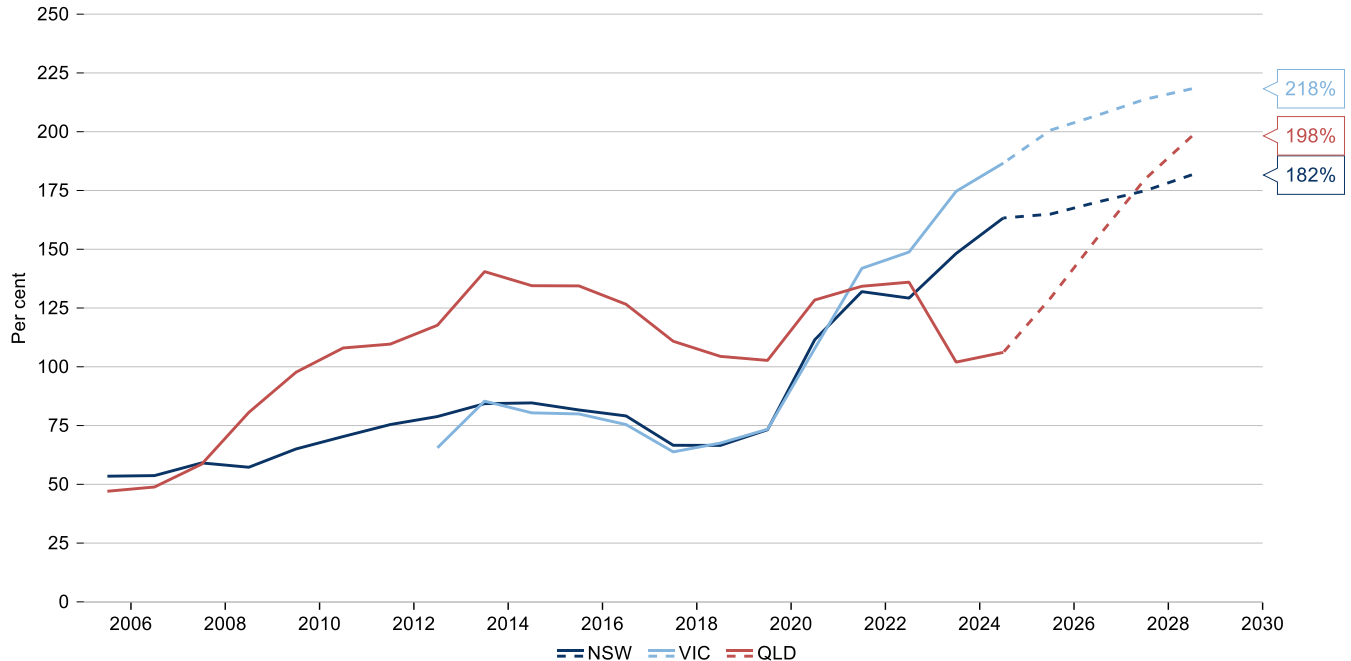
Source: Queensland Government 2024-25 MYFER.

# Both gross and net debt relative to revenue are set to rise



# Gross debt to revenue is expected to increase to be between the levels seen in NSW and Victoria

NON-FINANCIAL PUBLIC SECTOR GROSS DEBT TO REVENUE

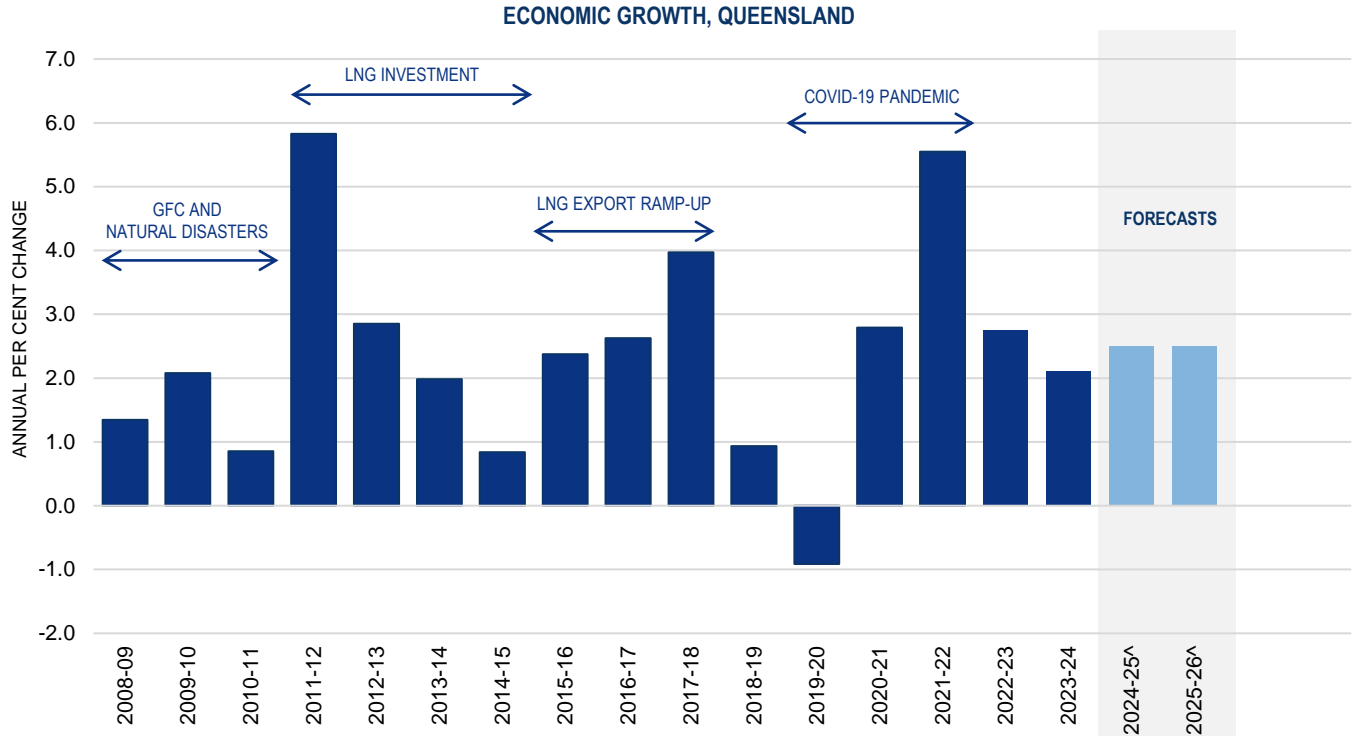


Dotted lines represent forecasts.

Source: State Government budget, mid-year updates, and outcome reports



# Queensland's economic growth expected to remain solid

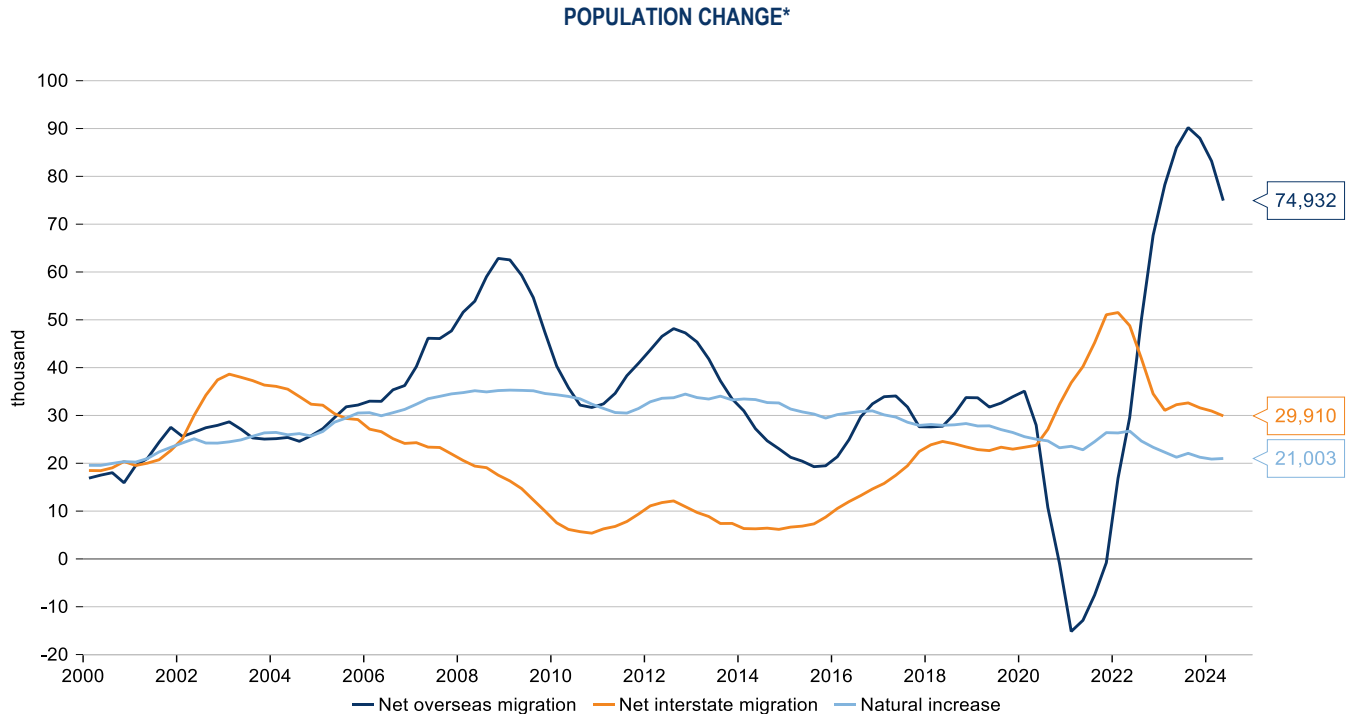


<sup>^</sup> Shaded areas represent forecasts.

Sources: ABS National Accounts: State Accounts, Queensland Government 2024–25 MYFER

# Population growth

Strong population growth has recently been driven by net overseas migration

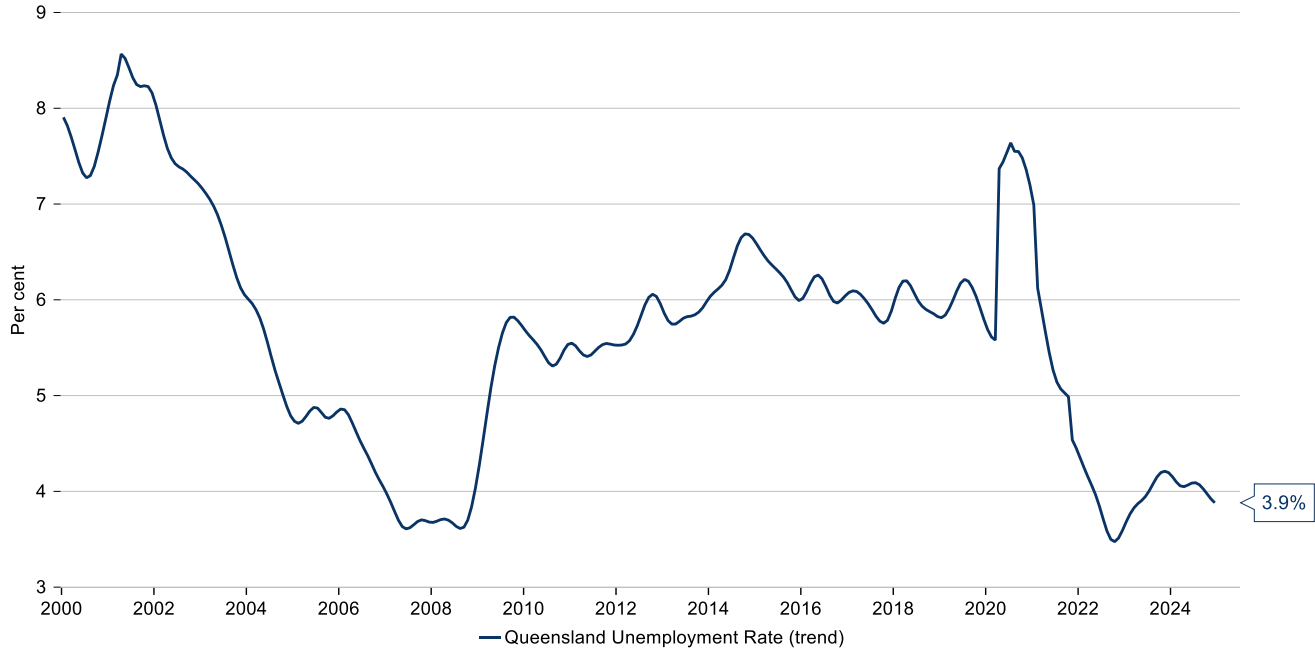


\* Four-quarter rolling sum

Source: ABS National, state and territory population.

# Labour market

Queensland's unemployment rate remains low, consistent with solid economic conditions



Source: ABS

An aerial photograph of Brisbane City, Queensland, taken during the golden hour of sunset. The city skyline is visible in the background, with numerous high-rise buildings illuminated by the warm light of the setting sun. In the foreground, the Story Bridge spans across the Brisbane River. A small boat is seen moving across the water, leaving a white wake. The sky is filled with soft, colorful clouds in shades of orange, pink, and purple.

QTC

Queensland  
Treasury  
Corporation

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Brisbane City, Queensland

# 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

# QTC's 2024–25 indicative term debt borrowing program

Following the Queensland Mid-Year Fiscal and Economic Review (MYFER) on 23 January 2025, QTC estimates it will borrow **AUD26.9 billion** of term debt in the 2024-25 financial year.

Since the release of QTC's indicative term debt borrowing program, QTC has raised approximately **AUD17.8 billion** via syndication, tender and reverse enquiry (as at 31 January 2025).

AUD Billion <sup>1</sup>	FY25 MYFER	FY26 MYFER	FY27 MYFER	FY28 MYFER
Total new money <sup>2</sup>	20.8	31.1	32.7	32.4
Net term debt refinancing <sup>3</sup>	6.1	10.8	11.4	11.8
<b>Total term debt requirement</b>	<b>26.9</b>	<b>41.9</b>	<b>44.1</b>	<b>44.2</b>
Change from 2024-25 State Budget	2.0	9.6	15.4	19.6

As at 23 January 2025.

FY refers to the 12-month fiscal year in Australia ending on 30 June of the year stated.

<sup>1</sup> Numbers are rounded to the nearest AUD100 million.

<sup>2</sup> Includes general government, government-owned corporations, local government and other entities (universities, grammar schools, retail water entities and water boards).

<sup>3</sup> 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.



# QTC's 2024–25 funding strategy and annual term debt issuance

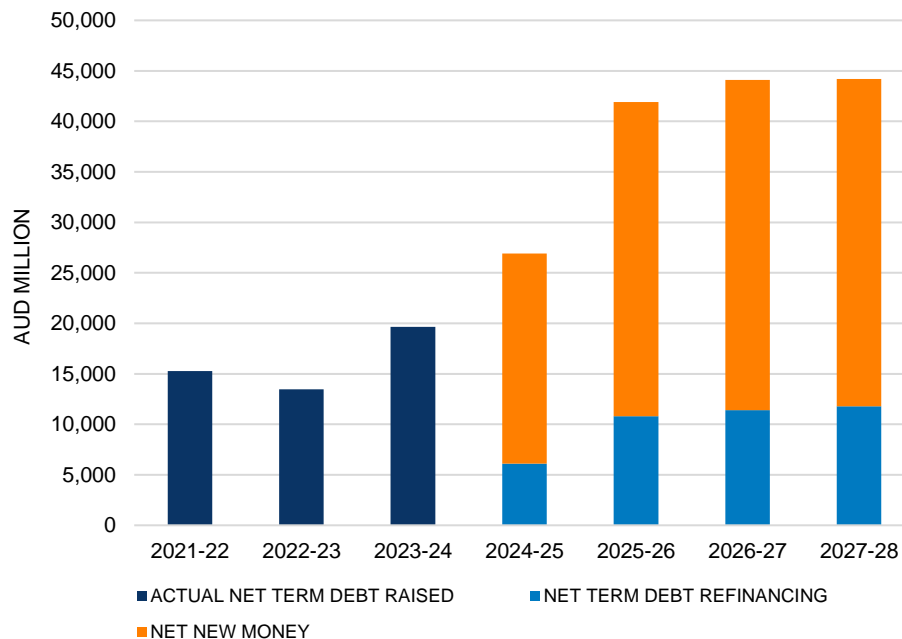
## Funding Strategy

For the remainder of FY25, QTC's funding strategy is likely to include the following, subject to market conditions and client funding requirements:

- AUD benchmark bonds as the principal source of funding, including a new 2038 maturity or longer.
- Other issuances, which may include:
  - Green bond issuance, including a new green bond maturity
  - Floating rate note 4-6 years
  - Non-AUD denominated bonds

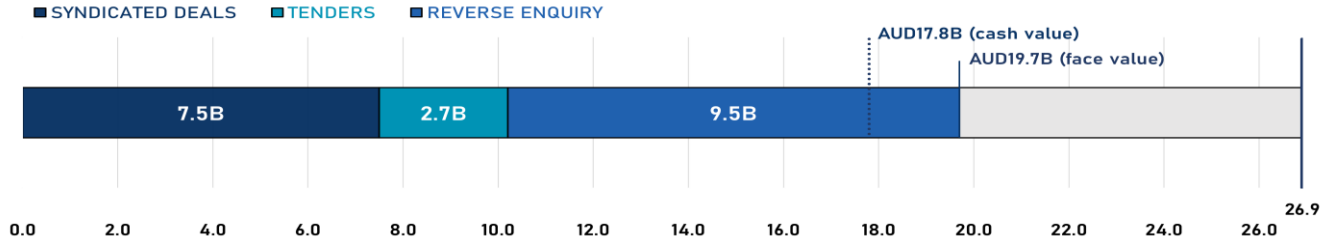
QTC will continue to apply a disciplined approach to issuance and focus on engaging with a diverse investor base.

QTC'S ANNUAL TERM DEBT ISSUANCE (ACTUAL AND FORECAST)\*



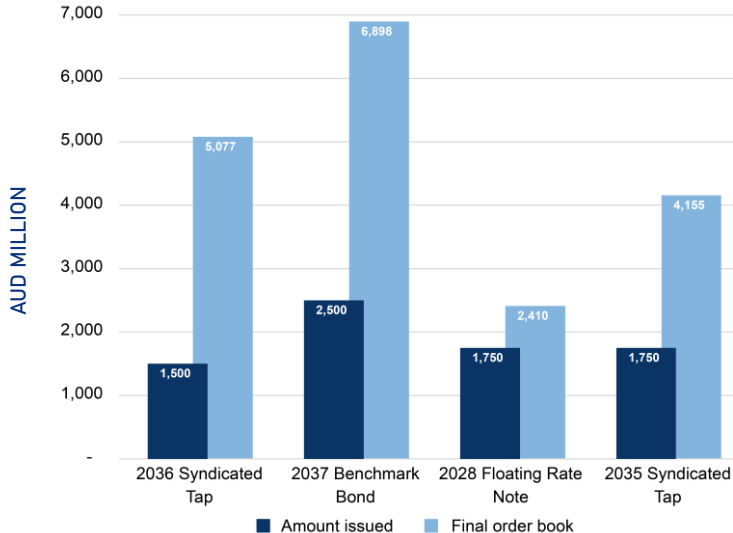
\*Does not include short-term debt of approximately AUD6.0 billion each year. Actual net term debt raised is calculated from Annual Borrowing Program release to the release of the next Annual Borrowing Program. FY 2024-25, 2025-26, 2026-27 and 2027-28 as at 23 January 2025.

# Funding completed year-to-date



As at 31 January 2025. Numbers rounded to nearest \$100 million.

## 2024–25 syndicated deals

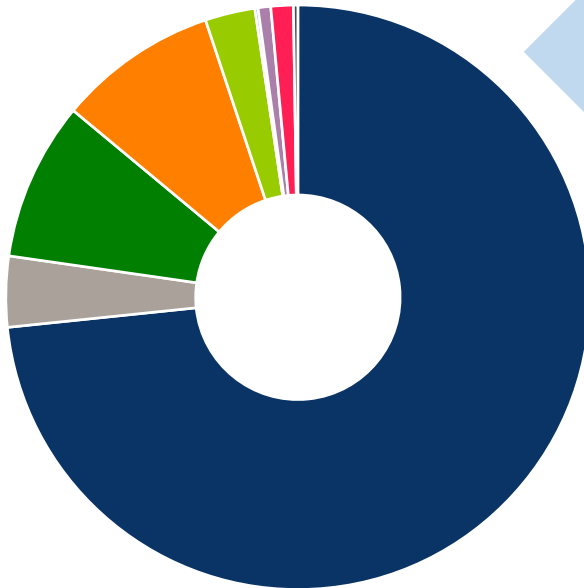


## 2024-25 funding highlights

- Two new term debt maturities:
  - **AUD2.5 billion** July 2037 benchmark bond
  - **AUD1.75 billion** September 2028 floating rate note
- **AUD2.7 billion** of issuance through five tenders – average bid to cover ratio of 4 times.
- Majority of issuance via our benchmark AUD bond program.
- Approximately 52% of term debt raised via public issuance through syndication and tenders.

# QTC uses a diverse range of funding instruments

FUNDING SOURCES BY INSTRUMENT (FACE VALUE)  
~AUD147.1 BILLION



AUD benchmark bonds are complemented by a range of diverse funding instruments with maturities from seven days to 25 years



~AUD177B

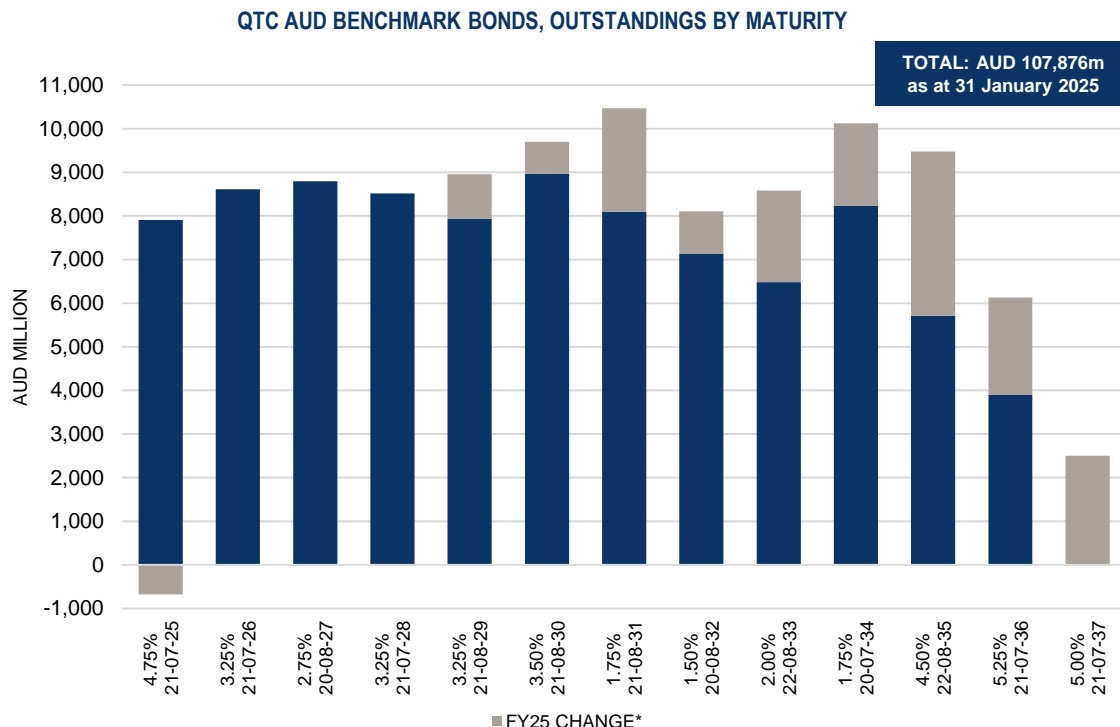
secondary market turnover<sup>^</sup>

<sup>^</sup>Turnover for period 1 October 2023 to 30 September 2024.

- AUD BENCHMARK BONDS (73.4%)
- AUD NON-BENCHMARK BONDS (3.9%)
- GREEN BONDS (8.8%)
- FLOATING RATE NOTES (8.8%)
- AUD TREASURY NOTES (2.8%)
- CAPITAL INDEXED BONDS (0.2%)
- EURO MEDIUM TERM NOTES (0.7%)
- US & EURO CP (1.2%)
- OTHER (0.2%)

# AUD benchmark bond lines are QTC's principal source of funding

- 13 established lines with various maturities across the curve.
- New bond lines issued under the domestic program may be offered in the US to 'qualified institutional buyers' pursuant to Rule 144A.
- In July 2024, QTC issued \$1.5 billion into its existing 2036 Benchmark Bond.
- In August 2024, QTC issued \$2.5 billion into a new 2037 Benchmark Bond.
- In November 2024, QTC issued \$1.75 billion into its existing 2035 Benchmark Bond.

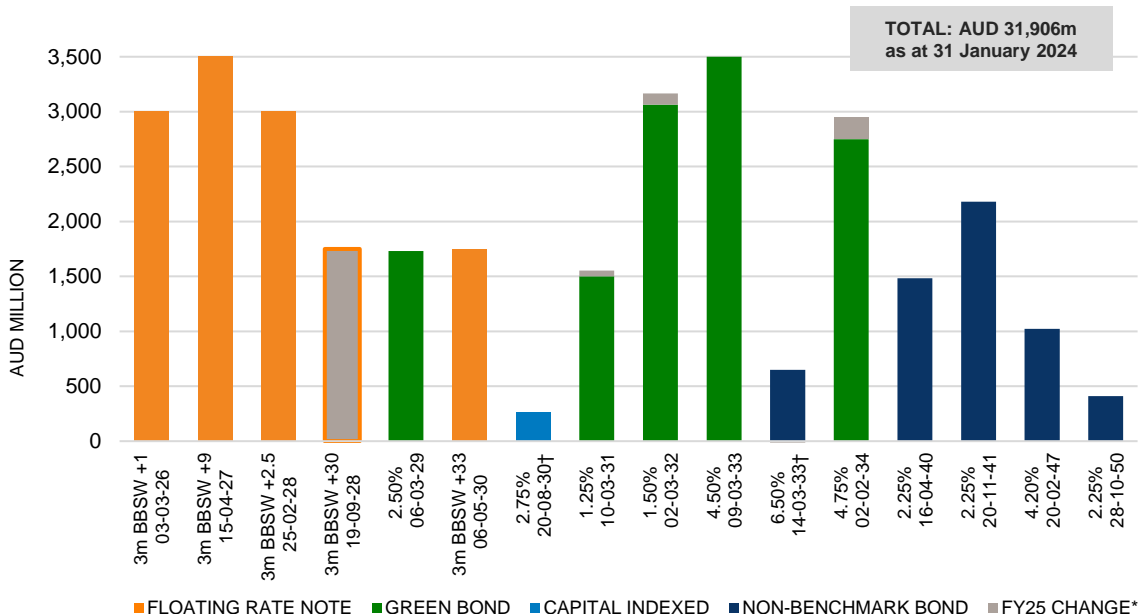


As at 31 January 2025. Face value has been rounded to the nearest million. \*FY25 change refers to changes in outstandings from the FY24-25 Borrowing Program release on 11 June 2024. QTC trades in its own securities in the open market. Such securities may be held, resold or cancelled at QTC's discretion. QTC may, as a lender of last resort, stock-lend its AUD bonds to its dealer panel members from time to time under a global master repurchase agreement. Any such stock-lent bonds are not included in the outstandings above.

# Non-benchmark bonds complement AUD benchmark bonds

- QTC monitors the market to issue other instruments, taking into account investor demand, client funding requirements and market conditions.
- QTC is the largest Green Bond issuer in Australia with a total outstandings of \$12.898 billion.
- In September 2024, QTC issued \$1.75 billion into a new September 2028 floating rate note.

QTC AUD NON-BENCHMARK BONDS, OUTSTANDINGS BY MATURITY



As at 31 January 2025. Face value has been rounded to the nearest million. †Not 144A Capable. \*FY25 change refers to changes in outstandings from the FY24-25 Borrowing Program release on 11 June 2024. The 2.75% 20 Aug 2030 outstandings do not include indexation of AUD174.1 million.

QTC trades in its own securities in the open market. Such securities may be held, resold or cancelled at QTC's discretion. QTC may, as a lender of last resort, stock-lend its AUD bonds to its dealer panel members from time to time under a global master repurchase agreement. Any such stock-lent bonds are not included in the outstandings above.

# A diverse investor base by geography and type

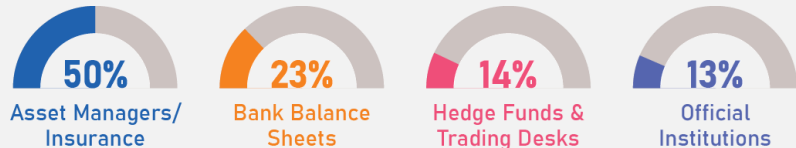
- QTC's established issuance program is built on more than 30 years' experience in global capital markets.
- QTC's domestic and global investors include central banks and other sovereign investors, multi-national finance, superannuation and investment corporations, and major domestic and international banks.
- Approximately 19% of Australian semi-issuance is held offshore.
- New bond lines may be offered in the US to 'qualified institutional buyers' pursuant to Rule 144A.

## AUSTRALIAN SEMI SECTOR OWNERSHIP

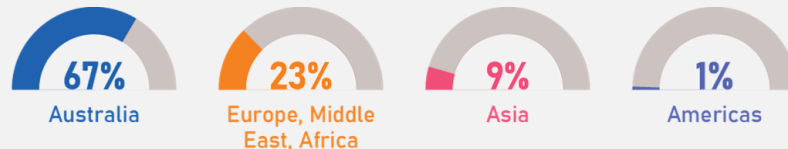
Authorised Deposit Taking Institutions (ADIs)	57%
Reserve Bank of Australia (RBA)	12%
Domestic Other	12%
Offshore	19%

Source: ABS Data, at as 30 September 2024. Figures are rounded.

## QTC FIXED RATE SYNDICATED TRANSACTIONS INVESTOR TYPE (FY25)



## INVESTOR LOCATION (FY25)



Source: Queensland Treasury Corporation. Figures are rounded.



# QTC Green Bonds

Supporting Queensland's pathway to climate resilience and an environmentally sustainable economy



Eligible project and asset pool of approximately AUD18.5 billion.



QTC green bonds on issue are certified by the Climate Bonds Standard Board on behalf of the Climate Bonds Initiative.



Committed to a high standard of transparency – annual reporting and independent third-party assurance.

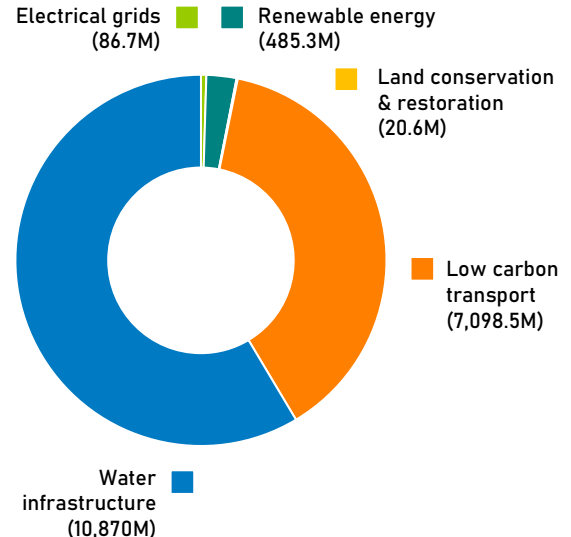


Climate Bonds Programmatic Certification from CBI provides a more streamlined certification process for greater flexibility in issuance.



QTC's 2024 Green Bond Annual Report and QTC's Green Bond Framework are available on the QTC website at [qtc.com.au](https://qtc.com.au)

ELIGIBLE PROJECT AND ASSET POOL  
AUD18.561 BILLION\*



\*QTC portfolio of nominated assets valued as at 31 March 2024 as appears in DNV 2024 Annual Programmatic Assurance Statement.

# Queensland's approach to managing sustainability risks

## ESG Priorities



### Environment

#### Climate change

- **Transition risk:** those risks that arise from managing the transition to a low-carbon economy.
- **Physical risk:** the physical impacts of climate change from specific events or longer-term (chronic) shifts in climate patterns.

#### Natural Capital

- **Biodiversity:** conserving nature to protect and conserve the State's biodiversity, threatened species and ecosystem services.

## Implementation

- Creating a future economy that is environmentally sustainable and supports the transition to a low carbon future.
- Climate adaptation activities aimed at reducing the impact of climate change on people, industries, and nature, while embedding greater resilience in our environment and infrastructure.
- In April 2024, Queensland reported a 35% emission reduction below 2005 levels.
- As at June 2024, 27% of the state's energy was generated by renewables.
- Manage the balance of resources used between industry, the community and safeguarding the natural environment.
- Expand our Natural Resource Management Program to preserve our natural environment.
- Includes water management, biosecurity, aquaculture, forestry management and environmental protection.



### Social

#### Social & Human Services

- Human rights and equal opportunities
- Services to improve the wellbeing of Queenslanders and promote an educated, healthy, and skilled workforce

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 performance

- Economic management
- Fiscal management

Strong economic and fiscal management is fundamental to achieving the Government's objectives and providing good governance.

## Transparency

### Queensland Sustainability Report

The [Queensland Sustainability Report](#) shares detailed information around sustainability risk management and datasets.





QTC

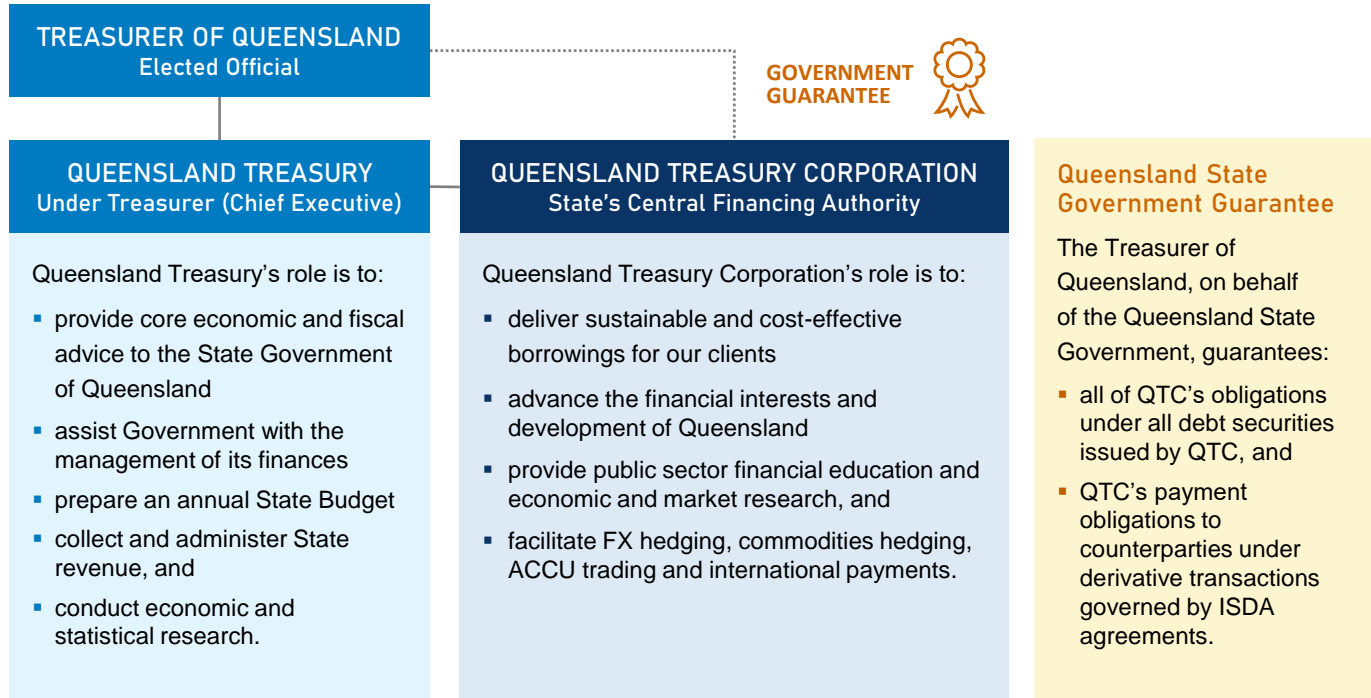
# Appendices

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Glass House Mountains, Queensland

# QTC is government-owned and its debt is government guaranteed

QTC is the central financing authority for the Queensland Government and provides financial resources and services for the State



# Queensland has its own taxation powers and receives federal fiscal support

## The states' sources of revenue

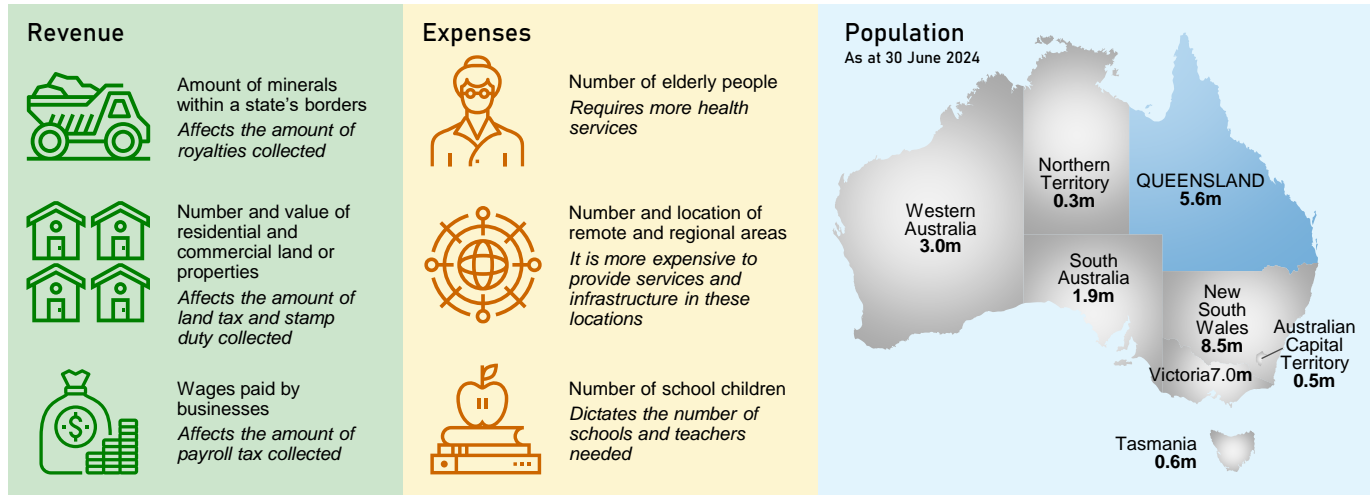
- Australian states and territories (states) impose taxes, duties and charges in areas distinct from those where the Australian Government has authority. Examples of state taxes include payroll taxes, royalties, stamp duties and land taxes.
- The Australian Government provides explicit and predictable 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





# 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



J.P.Morgan

 National Australia Bank

NOMURA



Capital Markets



Westpac  
Institutional Bank

As at 31 January 2025.

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



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'.

[www.qtc.qld.gov.au](http://www.qtc.qld.gov.au)

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