Report on a page

This report examines how the Queensland Government is managing its debt and investments, and reports on some recent transactions relating to these. It also discusses risks associated with the debt and investments and how government entities respond to these risks.

Net debt levels are expected to increase in future years

In 2022–23, net debt (financial liabilities minus financial assets) decreased, as it did last year. Favourable economic conditions, particularly higher revenue from the royalties that companies pay for mining coal, meant the government borrowed less than it budgeted for in 2022–23.

The government has budgeted $96 billion for capital expenditure over the next 4 years to deliver a variety of infrastructure in energy, transport, health, education, and water management. So, as revenue from royalties reduces and debt is used for significant government initiatives, net debt is expected to increase.

Investments have been volatile in recent years

The government invests mainly to help fund future financial obligations. In recent years, the economic impacts of COVID-19 and other events, such as the war in Ukraine, have caused additional volatility across investment portfolios. However, there has been a slight increase in the fair value of investments (the price at which they could be sold) in 2022–23 due to stronger investment returns (compared to 2021–22).

The value of the Debt Retirement Fund has increased

The government established the Queensland Future Fund – Debt Retirement Fund in 2020–21. It holds a diversified portfolio of investments. This includes a 22 per cent investment in the QIC Registry Trust, which is the holder of the investment in the Queensland Titles Registry (which trades under the name Titles Queensland).

In 2022–23, the fund received earnings from its investments. The value of the fund has increased from $7.718 billion as at 30 June 2022 to $8.336 billion as at 30 June 2023.

The Housing Investment Fund has been expanded

In October 2022, the government increased the investment in its Housing Investment Fund (the fund) to $2 billion. The investment returns will be used to support a revised target of 5,600 social and affordable homes commenced by 30 June 2027. The $2 billion investment is held in the Consolidated Fund (the government's central bank account) and managed by QIC Limited. The Department of Housing, Local Government, Planning and Public Works (the department) will receive $130 million in appropriation funding per year to deliver the Housing Investment Fund's planned targets.

The target to 'commence homes' means that not all of these homes will be available for occupation by 30 June 2027, with construction on some of the projects supported under the fund occurring beyond this date. The department is currently tracking the number of contracts signed for new homes as commencements, and the number of completed homes. It is also tracking potential developments and dwellings (both those the department will commence itself and those it will partner with external providers on). This is to understand progress towards its target over time, and when homes will be expected to be available.