

Report on a page

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

Borrowings for major projects are expected to increase

In 2023–24, net debt increased because the government borrowed more for capital projects. The increase in net debt was partly offset by increases in the value of the government's investments.

The former government budgeted \$107 billion for the state's 4 year capital program to 2027–28, to deliver a variety of infrastructure projects. In the government's *Mid-year fiscal and economic review*, this figure increased to \$130 billion as it incorporated identified cost escalations.

Temporary increases in royalties revenue has contributed to managing debt but it is expected that net debt will increase over the coming years to support the capital program.

Green bonds are supporting environmental projects

Queensland Treasury Corporation (QTC) borrows money on behalf of the state government by issuing financial instruments such as bonds. Among these are green bonds, the proceeds of which are used to fund assets and projects that contribute to the management of climate change in Queensland.

QTC has identified \$18.6 billion of these assets and projects. As of 30 June 2024, QTC had \$12.5 billion of green bonds on issue, a net increase of \$2 billion from the previous year. Using green bonds is one of the strategies and goals included in the *Queensland sustainability report 2024*, issued by Queensland Treasury. The *Queensland sustainability report 2024* provides information on the government's approach to managing sustainability risks.

The value of government investments has grown

The government invests mainly to fund future financial obligations, such as superannuation, and to meet other policy objectives. There has been an increase in the fair value of investments in 2023–24, which is the price at which they can be sold. While the government withdrew funds for projects such as renewable energy, there were still strong investment returns contributing to a growth in value.

The government is investing in quantum computing

In April 2024, the Queensland and Australian government's announced a joint investment of approximately \$940 million (\$470 million each) in American technology company PsiQuantum Corp and its Australian subsidiary. This is a significant investment for the government into a developing technology. This company is working to build the world's first utility-scale fault tolerant quantum computer that has potential in terms of advances in medicine, business, the economy, and national security.

Through this investment, the state government will support PsiQuantum to establish a quantum computer in Brisbane.

Quantum computers are still in the early stages of development and are not yet proven at a commercial level. This increases the risk around this investment.

