

# Report on a page

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This report examines how the Queensland Government is managing its finances, including the overall financial performance of the state. It reports on key changes to debt and investments and the management of some major initiatives.

## Financial position and performance of the state

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The *Report on State Finances* includes the revenue, expenses, assets, and liabilities for general government (departments and statutory bodies) and the total state sector (adding in financial and corporate entities). The report was completed in October 2025 and covers the year to 30 June 2025.

For the year to 30 June 2025, the net operating deficit increased by \$7.1 billion to \$8.5 billion. This was mainly due to an increase in employee expenses and a decrease in several sources of revenue. There was also an increase in net assets by \$20.7 billion, mainly due to an increase in the value of state-owned land and buildings.

## Interest costs have increased with higher borrowings

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To fund its infrastructure and investments, the Queensland Government's non-financial public sector increased its net debt by \$15 billion this year. Net debt is the borrowings of the sector less its investments. Interest costs associated with debt were \$4.3 billion for this area, representing 4 per cent of expenses. Interest costs are expected to rise to \$9.7 billion in 2028–29, when net debt is projected to reach \$147 billion. The government currently uses its investment, called the Queensland Future Fund, to offset debt – helping to manage interest costs and the state's credit rating. In future years, it plans to directly pay off \$4.8 billion of its debt using this investment.

## Long-term investments increased to \$49 billion

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The state holds long-term investments to fund obligations like superannuation and insurance payments. This year, investment performance helped offset the impact of higher borrowings. The Queensland Future Fund increased by \$2.2 billion due to strong performance in several investments. One of these investments is the Titles Queensland Group. The fair value of this has increased by 83 per cent over the last 5 years to \$10.7 billion.

The state also provided support and investment in Virgin Australia during the COVID-19 pandemic. This has now been finalised with a debt of \$125 million repaid and a debt of \$50 million forgiven, after certain requirements were met. The original equity investment of \$25 million is now valued at \$27.9 million after the company was relisted on the ASX.

## QIC is now managing more Queensland Government initiatives

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QIC Limited (QIC) is the investment manager for several Queensland Government initiatives. Recently it was also appointed as investment and development manager for Queensland Hydro, which was previously a company controlled by Queensland Treasury. The Queensland Government also announced that QIC will be involved in overseeing several projects under its *Energy Roadmap 2025*. This includes assessing delivery and funding options for additional pumped hydro projects, CopperString East (which is a major Queensland transmission line in north Queensland), and other clean energy and gas projects held in Queensland state-owned generators.

