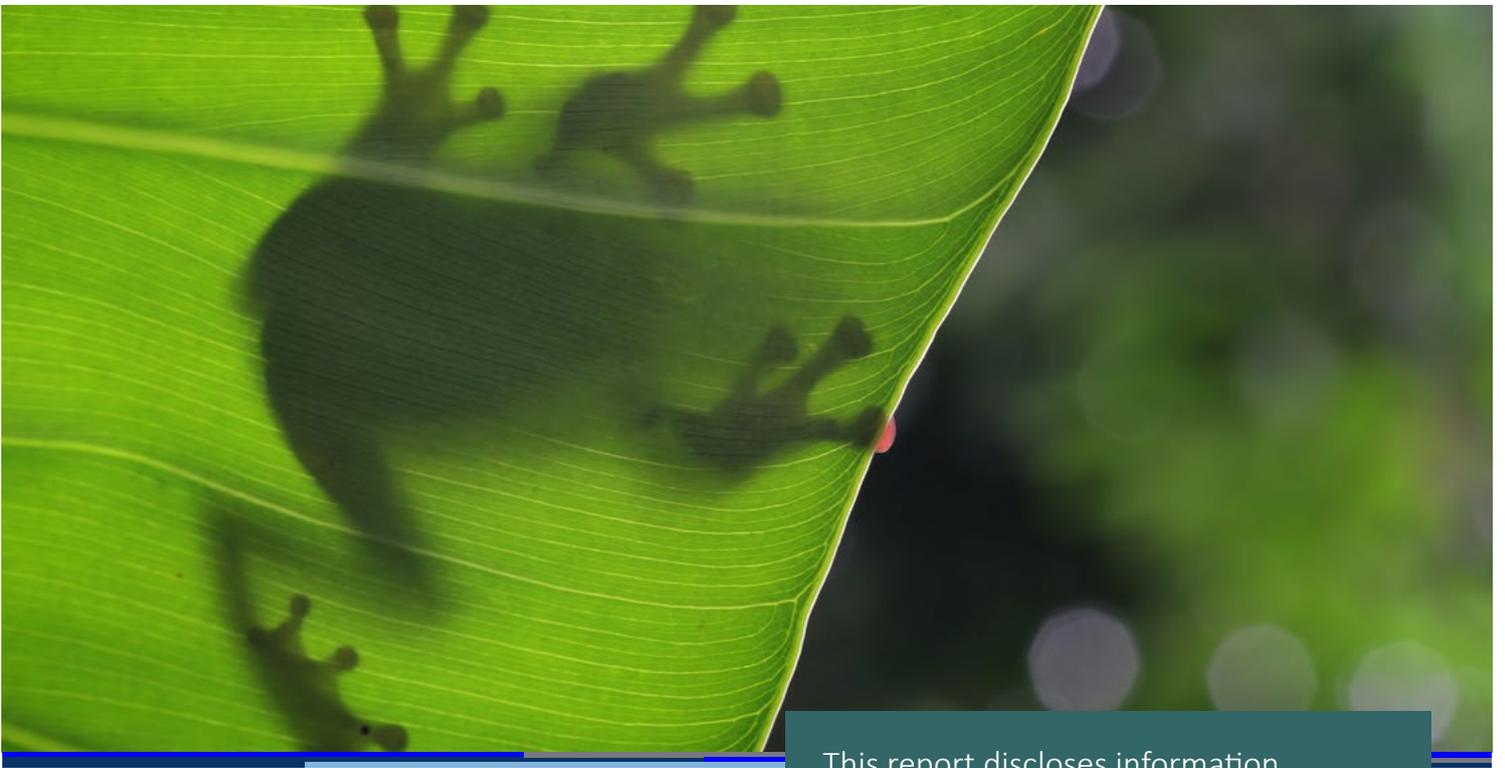


GREEN BOND ANNUAL REPORT MAY 2019



QUEENSLAND
TREASURY
CORPORATION





Overview of QTC green bonds

Following QTC's first green bond issuance in 2017 it re-entered the market in 2019 with a 10 year green bond. This was the second largest green bond issued in the Australian market and placed QTC as joint leader for the largest Australian dollar green bond issuer by volume.

QTC green bonds on issue as at May 2019:

- 22 March 2024*, 3.00% - AUD750 million
- 6 March 2029*, 2.50% - AUD1,250 million

Proceeds from QTC green bonds are used to fund qualifying green projects and assets for the State of Queensland that support Queensland's transition to a low carbon, climate resilient and environmentally sustainable economy.

In response to an evolving green bond market, QTC has expanded its Green Bond Framework to facilitate issuance of both:

- Climate Bonds Initiative (CBI) certified green bonds, and
- green bonds that accord with the International Capital Market Association (ICMA) Green Bond Principles.

QTC's Green Bond Framework is available to appropriately qualified investors on the institutional investors section of QTC's website. It has been developed in line with the Green Bond Principles and is consistent with the Climate Bonds Standard.

QTC is now a programmatic issuer of CBI certified green bonds and remains committed to participating in the development of the green bond market.

*144A capability. CBI Certified.

This report discloses information regarding the allocation of proceeds from Queensland Treasury Corporation's (QTC's) green bond issuances. All proceeds have been fully allocated to a selection of eligible projects which are focused on low carbon, climate resilient and environmentally sustainable outcomes in Queensland.

Reporting and assurance

In addition to the Green Bond Annual Report, QTC also discloses the following:

- annual verification statement from DNV GL – an independent assurance provider
- Green Bond Framework review statement from DNV GL, and
- confirmation of certification from CBI for CBI certified green bonds.

Copies of these documents are made available on the institutional investors section of QTC's website.

QTC continues to monitor developments in green bond reporting and the requirements of investors to inform its future approach.

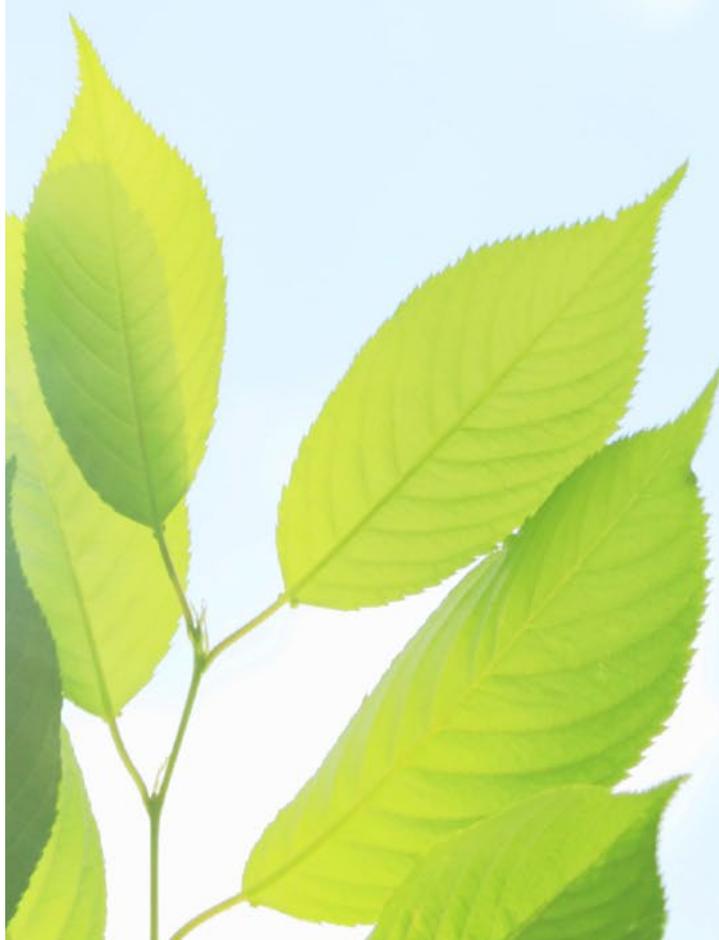
Allocation of proceeds

All proceeds from QTC's green bonds issued as at May 2019 have been fully allocated to a selection of eligible projects as detailed below.

Categories of eligible projects	Sub category	Project name	Allocation of green bond proceeds (AUD M)	Recorded usage/generation 1 Jan - 31 Dec 2018
Low carbon transport	Light rail – electrified trams and supporting infrastructure	Gold Coast Light Rail Stage 1	283.7	Passenger trips: 10,715,317 ² Passenger kms: 35,100,000
		Gold Coast Light Rail Stage 2	104.8	
	Electrified rail, supporting infrastructure and rolling stock	Citytrain network	927.0 ¹	
		<ul style="list-style-type: none"> ■ Redcliffe Peninsula Line (formerly known as the Moreton Bay Rail Link) 	207.3	Passenger trips: 54,012,818 ^{2,3}
		<ul style="list-style-type: none"> ■ Citytrain rolling stock 	175.0	Passenger kms: 1,100,000,000 ³
		<ul style="list-style-type: none"> ■ New generation rolling stock (electric) 	162.9	
		Tilt Trains rolling stock	10.0	Passenger trips: 216,490 Passenger kms: 79,500,000
	Cycleways – multiple	Cycleways	81.6	N/A ⁴
Renewable energy	Solar	Sunshine Coast Solar Farm	30.0 ¹	Energy generated: 31,000 MWhs
Total			AUD1,982.3	

Notes:

- Net proceeds from the QTC 22 March 2024 Green Bond issuance were AUD748,710,000 from AUD750,000,000 Face Value of bonds issued.
 - Net proceeds from the QTC 6 March 2029 Green Bond were AUD1,233,625,000 from AUD1,250,000,000 Face Value of bonds issued.
1. Allocation of net proceeds to this eligible project has decreased over time as QTC's onlending to this asset is via amortising principal and interest loans. Such net proceeds have been reallocated within the eligible project pool.
 2. Does not include the estimated 1.1 million and 0.6 million passenger trips provided for free on Gold Coast Light Rail (G:link) and Citytrain networks respectively for trips to 2018 Commonwealth Games events.
 3. Includes the Redcliffe Peninsula Line (formerly known as the Moreton Bay Rail Link), which facilitated around 2.2 million passenger trips and the equivalent of around 68 million passenger kilometres in calendar year 2018.
 4. Additional information can be found in the Queensland Government "Queensland State of Cycling Report 2017".





Gold Coast Light Rail

Low carbon transport

Gold Coast Light Rail: Stages 1 and 2

The Gold Coast Light Rail (branded G:link) has the intended benefits of easing traffic congestion and reducing emissions by taking cars off the road. The project improves accessibility between Brisbane and the Gold Coast, while providing a low carbon public transport alternative on the Gold Coast, where population growth and tourism are expected to increase.

Stage 1 has been operating since June 2014. It consists of a 13 kilometre, 16 station electric transport corridor connecting high density precincts using 14 electric trams.

Stage 2 included a 7.3 kilometre extension of the line and is a three station electric transport corridor that enables

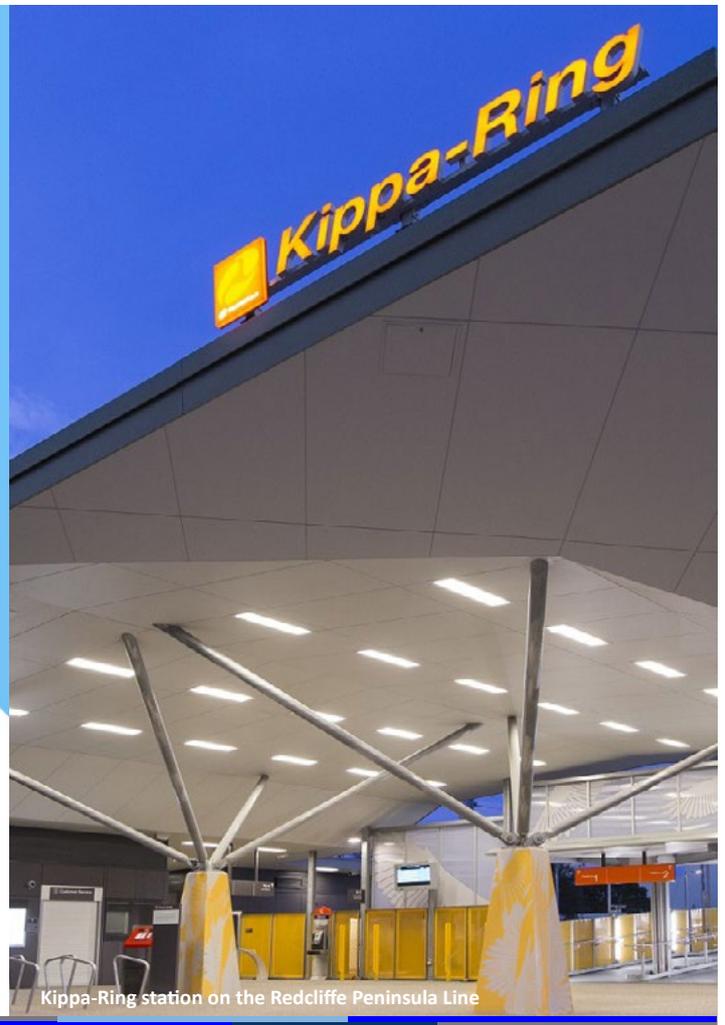
the transportation of approximately 3,000 passengers per hour. Using four additional electric trams, Stage 2 connects the light rail from the Gold Coast University Hospital to the electrified rail network at Helensvale, which in turn connects directly to the South East Queensland Citytrain network. As part of the project, 1,400 'Park and Ride' spaces were also provided.

Since revenue operating services began in July 2014, more than 37.8 million passenger trips have been taken on the Gold Coast Light Rail.

Further information on the Gold Coast Light Rail and future stages can be found on the City of Gold Coast website.



Citytrain network via UrbanRail.net



Kippa-Ring station on the Redcliffe Peninsula Line

Citytrain network

The Citytrain network is an integrated passenger rail service connecting South East Queensland's population centres and Brisbane's domestic and international airports by electrified rail. It provides low carbon transport options in the South East Queensland region, which contains nearly 75 per cent of the State's population.

The Citytrain network includes 152 stations, 880 kilometres of tracks, platforms, signalling and other infrastructure crucial to the operation of the network. This existing urban network includes the Redcliffe Peninsula Line (formerly known as the Moreton Bay Rail Link).

The average daily patronage is approximately 147,980 passengers and each weekday, more than 900 services are operated on the Citytrain network.

Further information on the Citytrain network can be found on the Queensland Rail website.

Redcliffe Peninsula Line (formerly known as the Moreton Bay Rail Link)

Part of the Citytrain network

The Redcliffe Peninsula Line (formerly known as the Moreton Bay Rail Link) is a 12.6 kilometre dual-track passenger line that connects the Moreton Bay region to Brisbane. The region is estimated to be home to over 430,000 people and is the third largest local government population in Queensland and Australia. It is identified as a key growth corridor north of Brisbane and is expected to grow to over 618,000 people by 2036.

This project provides integrated low carbon public transport in a region heavily geared towards transport by car. Revenue operating services began in October 2016. In calendar year 2018, the Redcliffe Peninsula Line facilitated around 2.2 million passenger trips and the equivalent of around 68 million passenger kilometres.

A quarter of Moreton Bay's residents live in the rail corridor. Prior to the establishment of the Redcliffe Peninsula Line, residents were previously not connected to the South East Queensland Citytrain network. Many commuting residents relied on buses or car transport to get to and from work in Brisbane city.

Further information can be found on the Department of Transport and Main Roads website.



Citytrain rolling stock

Part of the Citytrain network

The Citytrain fleet is made up of 207 three car trains and the average daily patronage is approximately 141,000 passengers. Each weekday, more than 900 services are operated on the Citytrain network.

All of the rolling stock on Queensland's Citytrain network is electric and air conditioned. The New Generation Rolling Stock project will renew more than 50 per cent of the Citytrain fleet with modern and efficient trains.

Further information can be found on the Queensland Rail website.

New Generation Rolling Stock

Part of the Citytrain network

This new generation rolling stock advances the South East Queensland electric train fleet to meet the growing demand for low carbon public transport services. The 75 new six car electric trains will constitute a significant proportion of the total train fleet once fully deployed. The electric trains also feature energy efficient LED cabin lighting and braking technology that recovers heat energy from braking that would otherwise be lost. The project includes a new purpose built maintenance centre which uses solar panels to supplement power usage and manages storm water with dedicated bio-basins.

The first trains entered service in 2017. As at February 2019, 45 trains had entered service. The trains operate across the entire South East Queensland passenger rail network and are expected to increase the efficiency and reliability of the low carbon transport network in the area of Queensland with the highest population density.

Further information can be found on the Department of Transport and Main Roads website.

Tilt trains rolling stock

Queensland Rail operates and owns two electric powered tilt trains for long distance travel between Brisbane, Bundaberg and Rockhampton. The trains consist of six cars each and cover approximately 350,000 kilometres annually. These recently refurbished tilt trains carry approximately 180,000 passengers per year, for journeys usually completed by car or air travel.

The tilt trains operate on the section of the historic North Coast Line between Brisbane and Rockhampton. This section was completed at the turn of the 20th century and electrified in 1989.

Further information can be found on the Queensland Rail website.



Cycleway



Sunshine Coast Solar Farm

Various cycleways

These cycleway projects are part of the Queensland Government's Principal Cycle Network Plan that creates marked bicycle lanes, dedicated crossing facilities, cycle paths, shared paths, continuous networks and end of trip facilities.

So far, over 445 kilometres of principal cycling network cycleways have been created around the State.¹

The intention of these projects is to create high quality bikeways and shared path infrastructure that encourages Queenslanders to cycle or walk to their destinations, instead of relying on cars.

Further information can be found on the Department of Transport and Main Roads website.

Renewable energy

Sunshine Coast Solar Farm

The Sunshine Coast Regional Council is Australia's first local government to offset its entire electricity consumption across all its facilities and operations from renewable energy generated at the 15 megawatt Sunshine Coast Solar Farm. The Council is striving to become Australia's most sustainable region and the Sunshine Coast Solar Farm is part of its plan to achieve that vision. Construction on the 49 hectare site was completed in May 2017.

The electricity generated from the solar farm over one year is estimated to be sufficient to power 5,000 homes. In the calendar year 2018, the solar farm generated 31 gigawatt hours of electricity.

Live solar energy generation data from the Sunshine Coast Solar Farm can be viewed online at www.solarfarm.sunshinecoast.qld.gov.au.

¹ The Queensland Government "Queensland State of Cycling Report 2017"



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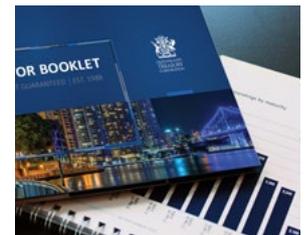
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