

## **Question on Notice**

**No. 447**

**Asked on 21 April 2021**

**MR S ANDREW** ASKED TREASURER AND MINISTER FOR INVESTMENT (HON C DICK)—

### **QUESTION:**

Will the Treasurer explain what, if any, the financial consequences are for Queensland receiving an environmental, social and governance (ESG) rating of AA last year and whether a high or low ESG rating affects the amount of interest Queensland pays each month on its debt?

### **ANSWER:**

Morgan Stanley Capital International (MSCI) issues ESG ratings for Australian jurisdictions. Queensland holds an AA rating which is in line with the Commonwealth and other States and Territories, excluding Northern Territory which is A rated.

Queensland's fundamentals are strong across all three ESG factors, with an abundance of renewable resources, strong social cohesion and robust governance frameworks which served us well in responding to the COVID-19 pandemic.

Both Moody's and S&P Global refer to ESG-related risks in determining state government credit ratings, which in turn influence borrowing costs.

Following the delivery of the most recent Queensland Budget, Moody's has reaffirmed Queensland's credit rating at Aa1 with a stable outlook and S&P Global has reaffirmed Queensland's credit rating at AA+ with a stable outlook.