



WESTERN AUSTRALIAN TREASURY CORPORATION

Investor Update

MARCH 2025

WESTERN AUSTRALIAN
TREASURY CORPORATION

Financial Solutions
for the Benefit of All
Western Australians

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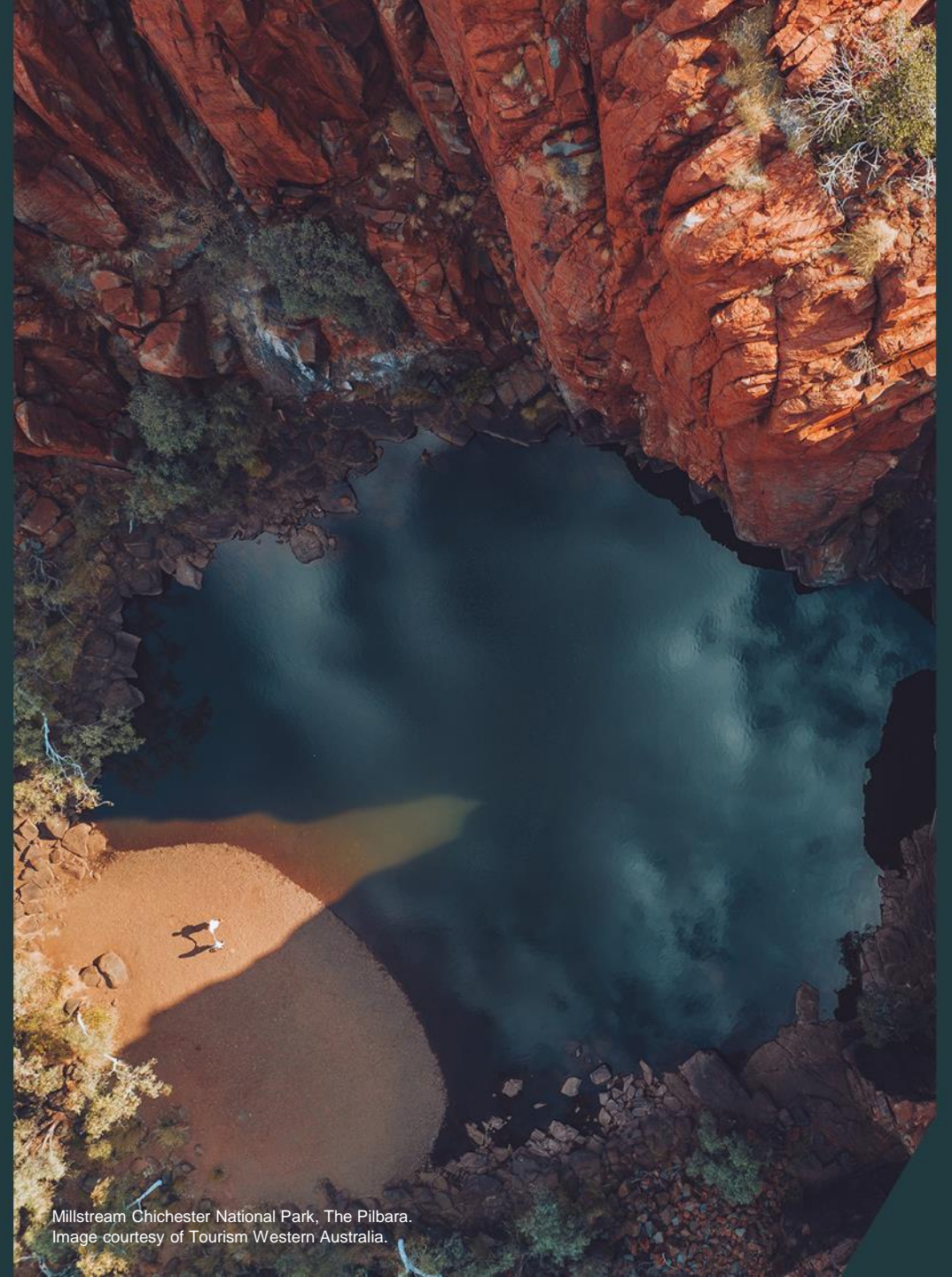


6 Appendix: Green Bond Project Pool



The Australian Context


An introduction to Australia, Western Australia and the role of Western Australian Treasury Corporation





AUSTRALIA AND WESTERN AUSTRALIA: KEY FACTS


Population, land size and economic information

Western Australia

Population (June 2024) 
 3.0 million people
 10.9% of the Australian population

Land Size 
 2.5 million km² (1 million mi²)
 7 times the size of Germany or Japan


Gross State Product (GSP, 2023–24)* 
 A\$455.7 billion (~€278 billion, comparable to Finland)
 17% of Australian GDP

GSP per Capita (2023–24)* 
 A\$155.6 thousand (~€95 thousand)
 Comparable to Norway | 20% more than Singapore





Perth ★


Australia

Population (June 2024) 
 27 million people
 More than double Sweden's population
 Just over half the population of South Korea

Land Size 
 7.7 million km² (3 million mi²)
 75% of the size of Europe | 80% the size of China

Gross Domestic Product (GDP, 2023–24)* 
 A\$2,673 billion (~€1,631 billion)
 Three times Swedish GDP | Close to South Korea

GDP per Capita (2023–24)* 
 A\$99.1 thousand (~€60 thousand)
 Comparable to Finland | 20% less than Singapore

Currency 
 Australian Dollar (AUD/A\$) ≈ €0.61
 The world's fifth most traded currency

*Financial years in Australia are from July to June.

AUSTRALIA: TIERS OF GOVERNMENT

The roles and responsibilities of the three tiers of Australian government

Federal (Commonwealth)



State Government



Local Government



Major Revenue Sources

- Income Tax
- Corporate Tax
- Excise and Custom Duties

- Payroll Taxes
- Mining Royalties
- Federal Government Grants (including GST distribution)

- Property Taxes (Rates)
- Grants from Federal and State Governments

Spending Responsibilities

- Defence
- Immigration
- Social Security
- Public Health Care Insurance
- Foreign Policy
- External Trade
- Grants to State Governments

- Hospitals
- Schools
- Housing
- Emergency Services (Police, Fire, Ambulance)
- Infrastructure

- Town Planning
- Sewerage
- Rubbish Collection
- Local Roads
- Recreation

AUSTRALIAN FEDERAL SYSTEM

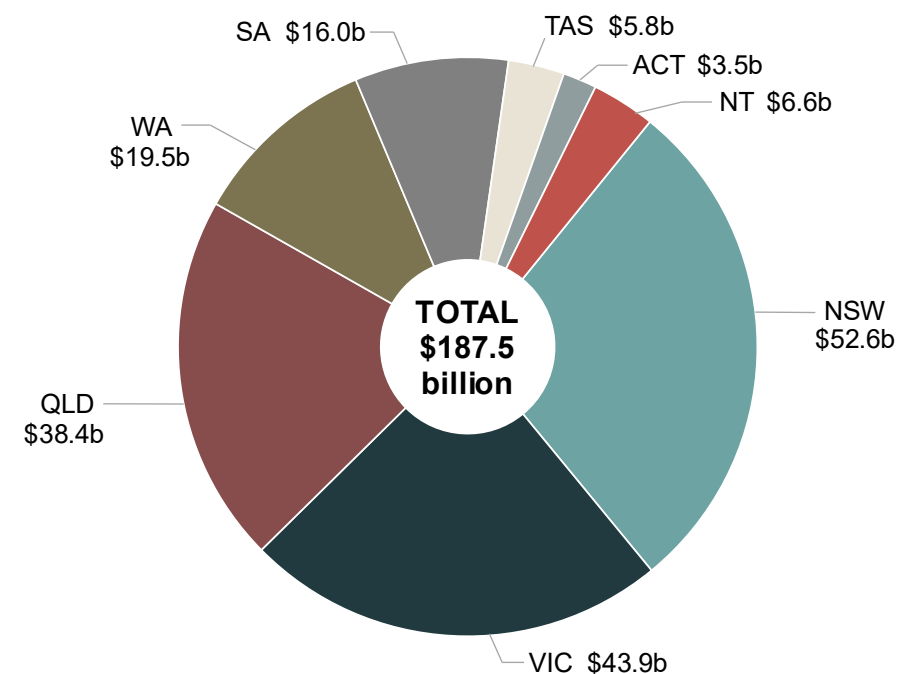
The Commonwealth and the States - strong fiscal support

Financial Governance

- Australia is a federation of six states and two territories.
- The Commonwealth Government retains major taxing powers, creating a vertical imbalance between revenue raising power and spending responsibilities.
- Vertical imbalance addressed by grants transferred from the Commonwealth to the States and Territories:
 - Based on population share adjusted to reflect State and Territory revenue raising capacity and spending needs.
 - Both tied and untied (Goods and Services Tax) grants for core services.
 - Capital grants for infrastructure.
- National response to key issues:
 - Reserve Bank of Australia purchase of Commonwealth and semi-government bonds during the COVID-19 pandemic.
 - Offer to guarantee State borrowings during the global financial crisis.

Commonwealth Government Payments to States and Territories*

2024–25 (A\$)



* State allocations for several programs have not yet been determined. These payments are not reflected in state totals. As a result, total payments for specific purposes may not equal the sum of the state figures.

Source: 2024–25 Commonwealth Mid-Year Economic and Fiscal Outlook

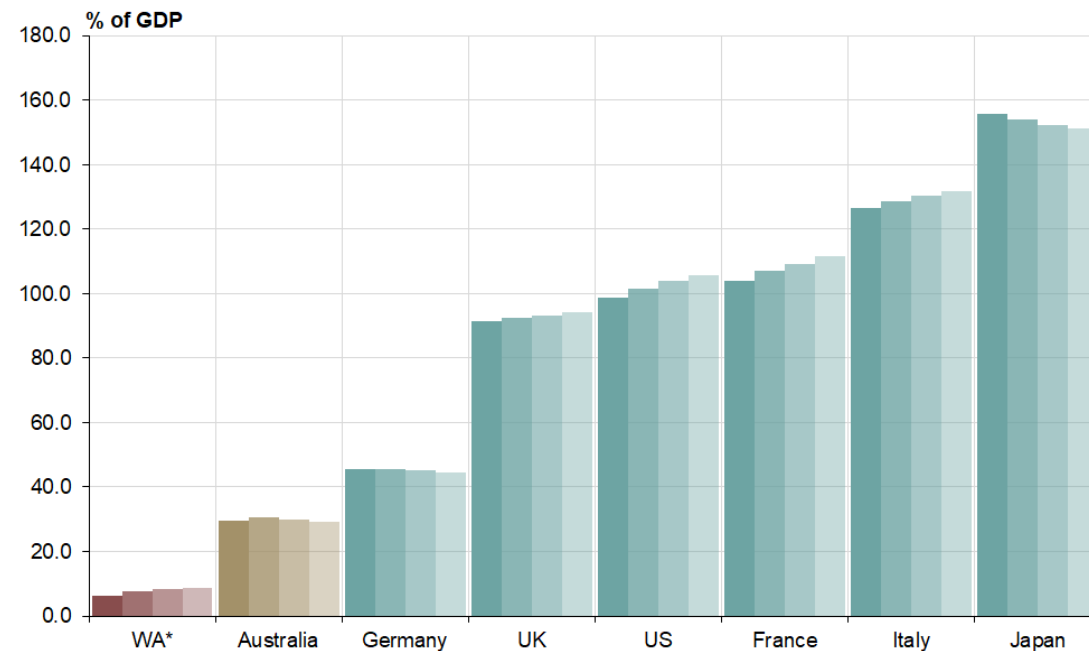
AUSTRALIAN FEDERAL SYSTEM

Strengths of our Australian Federation

Australia is a long-term beneficiary of the fiscal transfer system, stable government and natural resources wealth

- Economic outperformance compared to OECD¹ averages.
- Multicultural society, with almost a third of Australians born overseas.
- Universal health care, with free or subsidised access to primary and secondary care available nationally:
 - Life expectancy is 83.2 years, the third highest in the OECD.
- Wealthy households, with the ninth highest Gross Domestic Product per capita (purchasing power parity) in the OECD.
- Universal education (up to university), with over 90% of the population having a high school certificate (year 12 or trade qualification).
- National welfare system for unemployment, aged pension and disability support.
- Australia has the fifth largest superannuation/pension fund asset pool in the world, reaching A\$4.2 trillion (US\$2.7 trillion) in 2024.

General Government Net Debt in Selected Advanced Economies 2024–2027



Source: IMF / Treasury WA
*Western Australia - Total Public Sector Net Debt to Gross State Product



Australia’s low national debt compared to global standard supports ongoing investment in services and infrastructure.

1. OECD: Organisation for Economic Co-operation and Development

WHO IS WESTERN AUSTRALIAN TREASURY CORPORATION?

Western Australian Treasury Corporation supports financing expenditure approved through the Western Australian State Budget

- Western Australian Treasury Corporation (WATC) was established as the central borrowing authority for the State of Western Australia by the *Western Australian Treasury Corporation Act 1986* (the Act).
- Borrows on behalf of the general government sector, government-owned trading enterprises, local governments and universities.
- The Treasurer of Western Australia, authorised under the Act on behalf of the State of Western Australia, guarantees all financial liabilities incurred or assumed by WATC.

Credit rating of WATC and Western Australia

	S&P Global Ratings	Moody's Ratings
Short Term	A-1+	Prime-1
Long Term	AAA	Aaa
Outlook	Stable	Stable

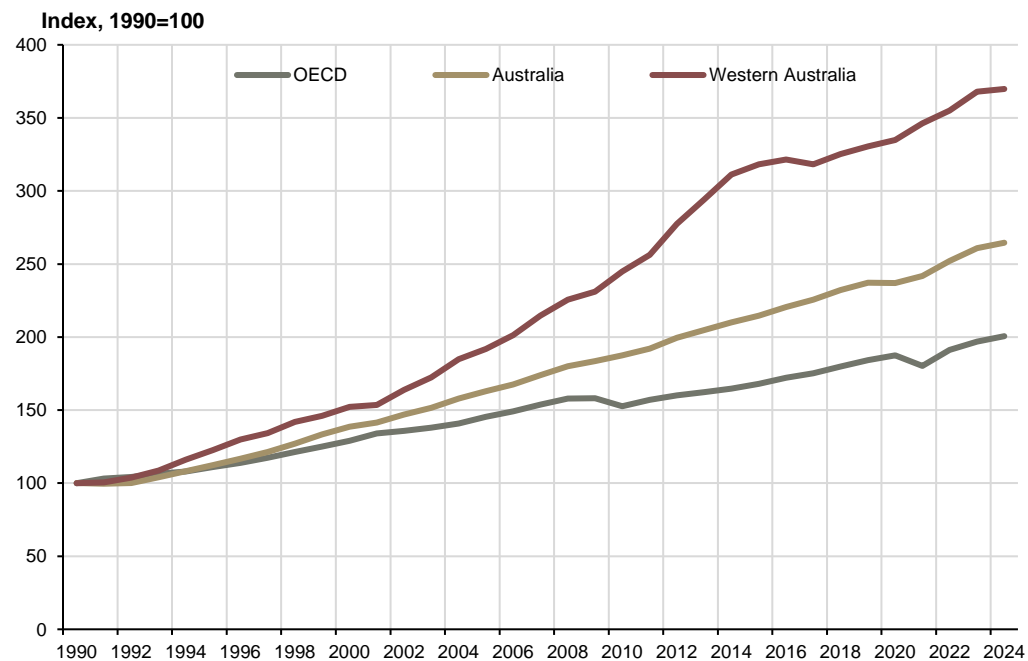
Western Australian Economy and Government Financial Management

Providing a strong financial base to support the State's people and economy, and achieve continuous improvement in ESG outcomes for Western Australia

ECONOMIC OUTPERFORMER

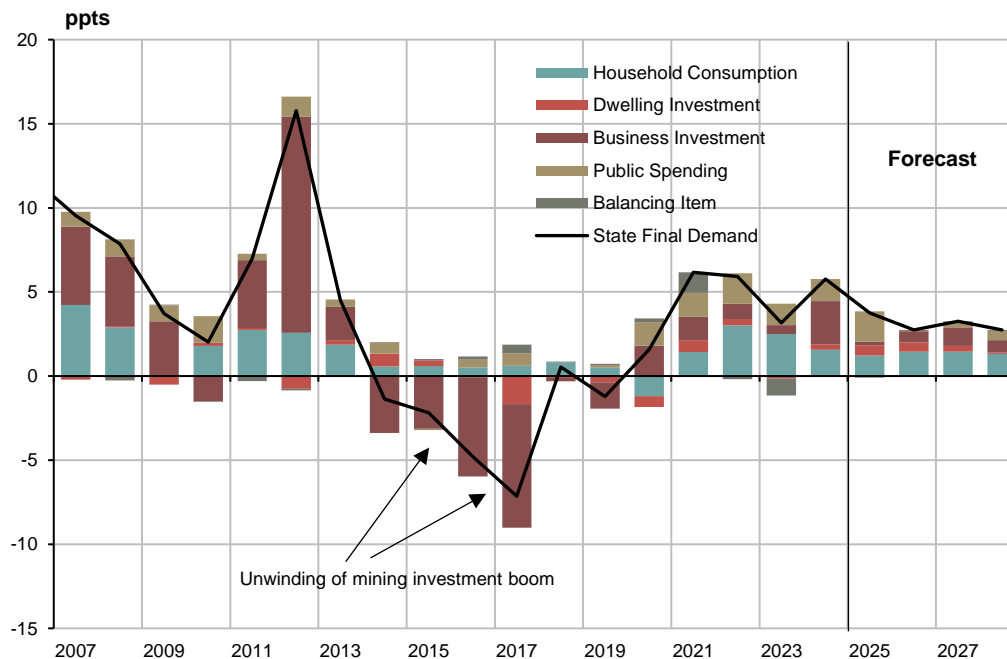
Western Australia has a long history of economic outperformance with a strong domestic economy

Real GDP/GSP



Source: Australian Bureau of Statistics (ABS), Bloomberg

Real State Final Demand – Contributions to Growth

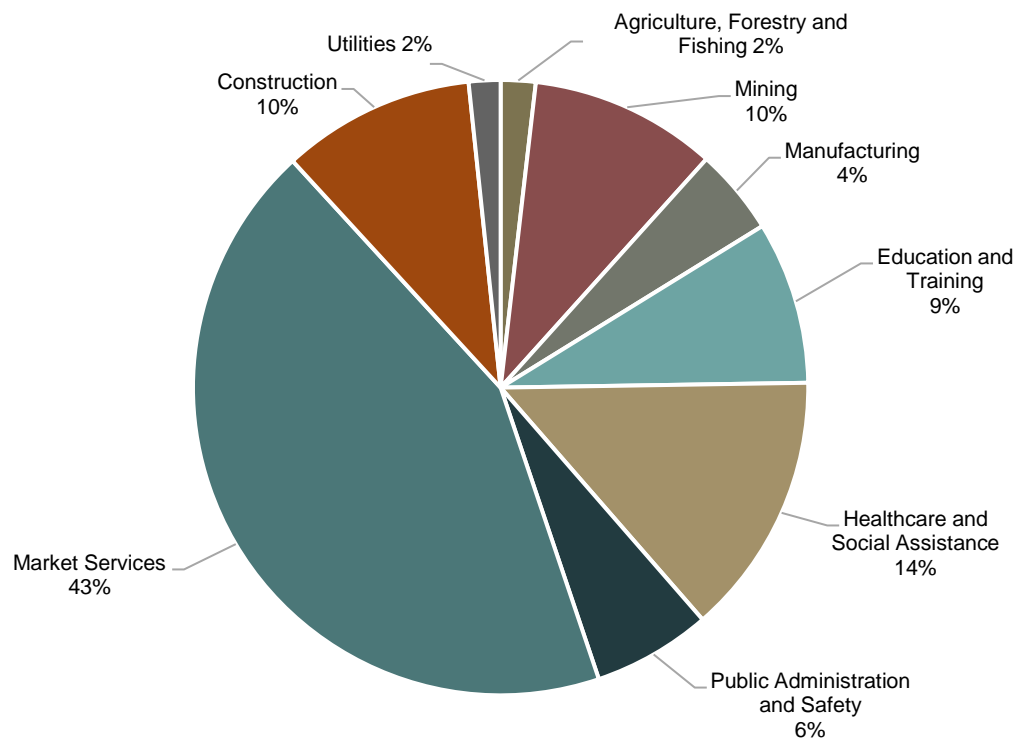


Source: ABS / Treasury WA

BEST PERFORMER OF THE AUSTRALIAN STATES

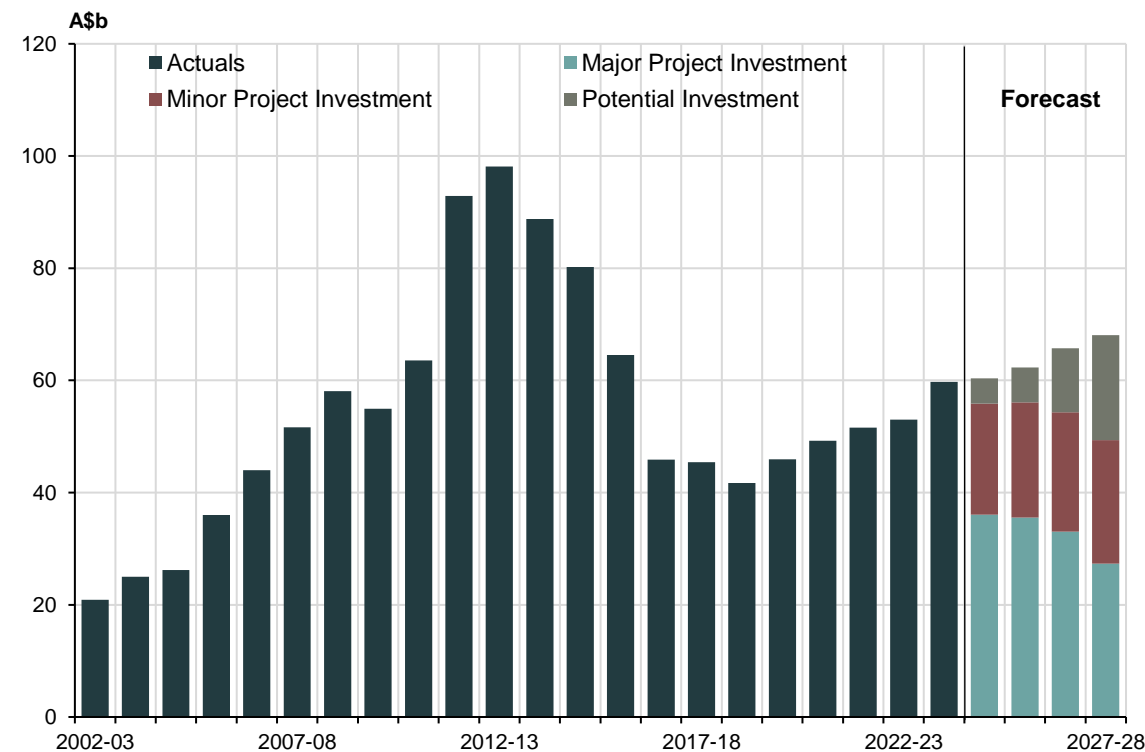
Western Australian economy has a diverse and highly skilled labour force with strong and growing business investment

Industry Employment Share November 2024



Source: ABS

Western Australian Business Investment

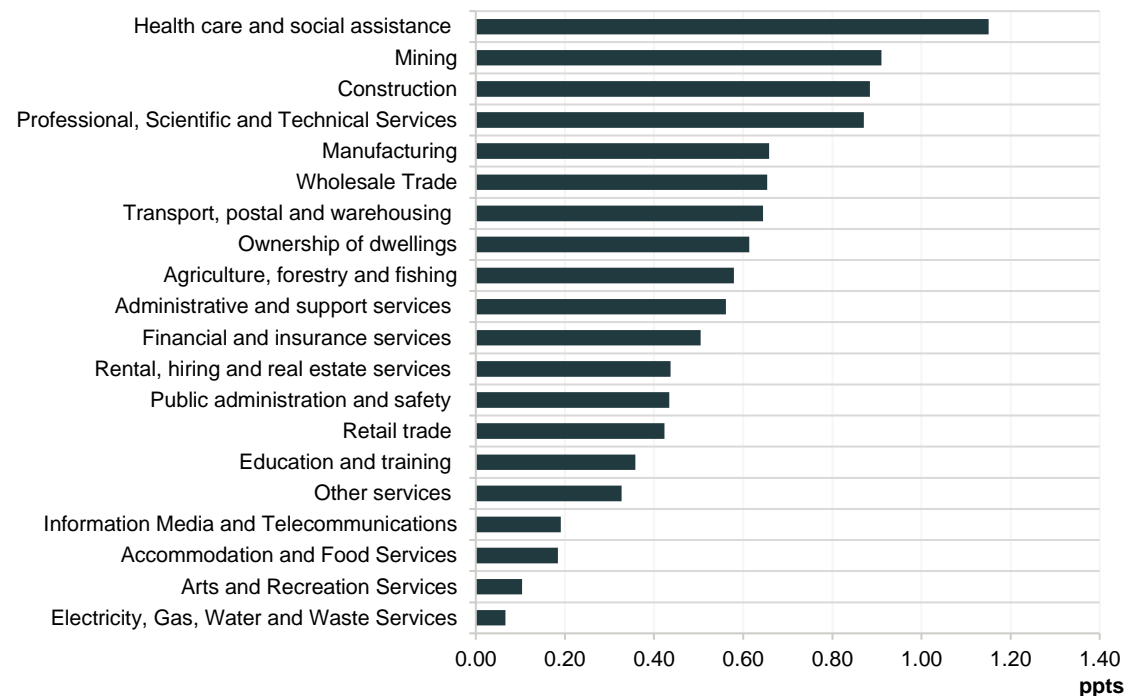


Source: Treasury WA

ECONOMIC OUTPERFORMER

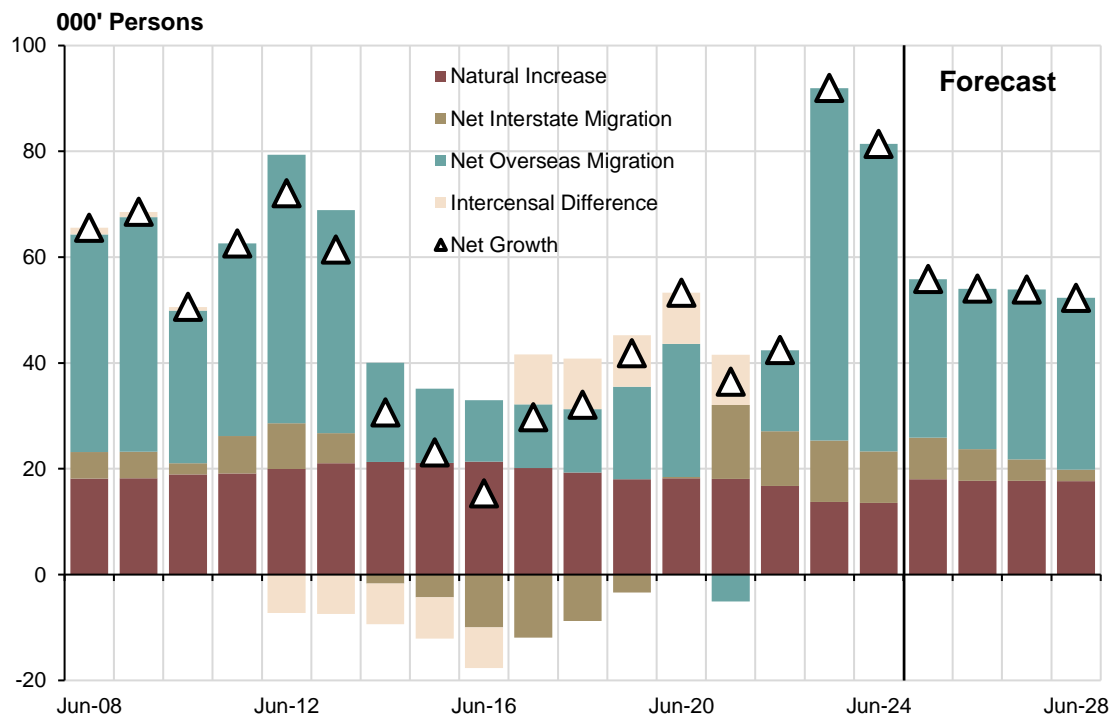
The Western Australian economy has a broad range of growth drivers and a fast-growing population

Industry Contribution to Growth Past Five Years



Source: ABS

Population Change



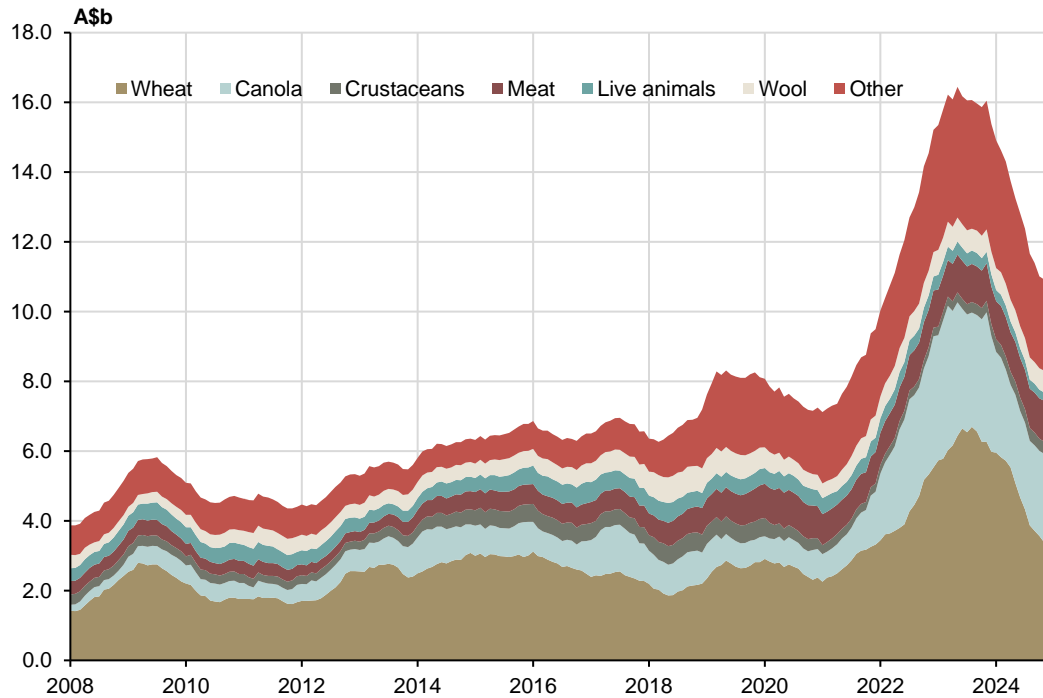
Source: Treasury WA

EXPORTS

Western Australia benefits from high demand for its commodity exports and proximity to the world's most dynamic economies

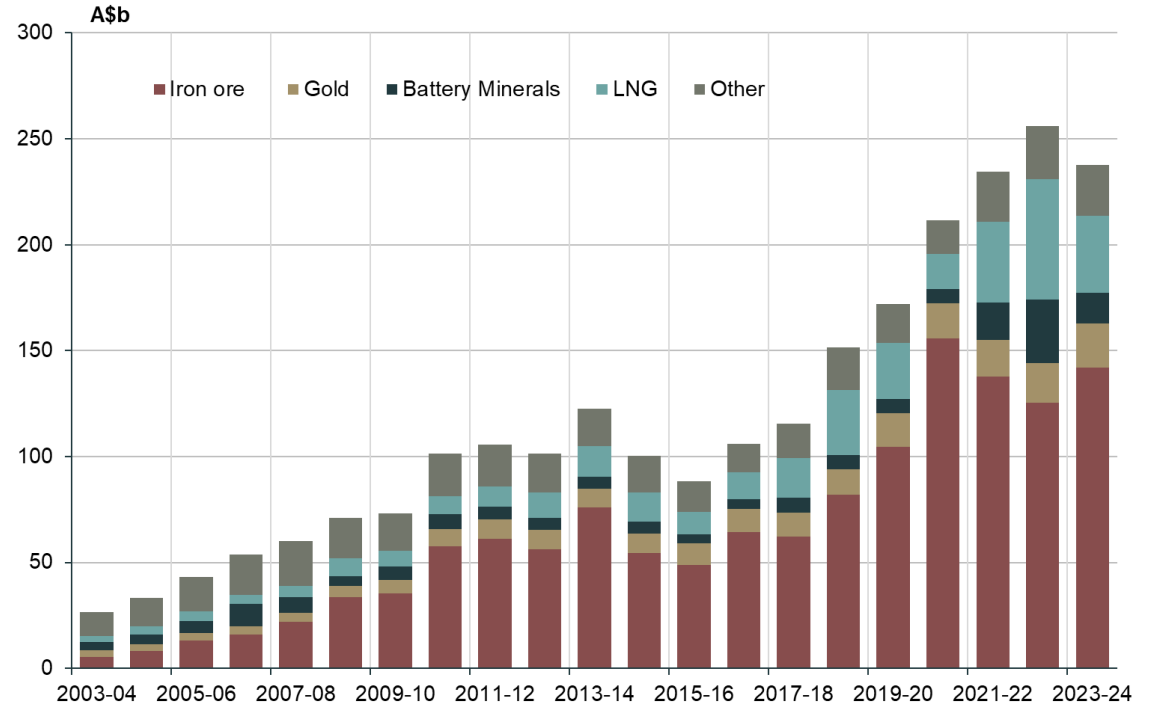
Western Australian Agricultural Exports

(rolling 12-month sum)



Source: ABS

Sales of Western Australian Minerals and Energy Commodities

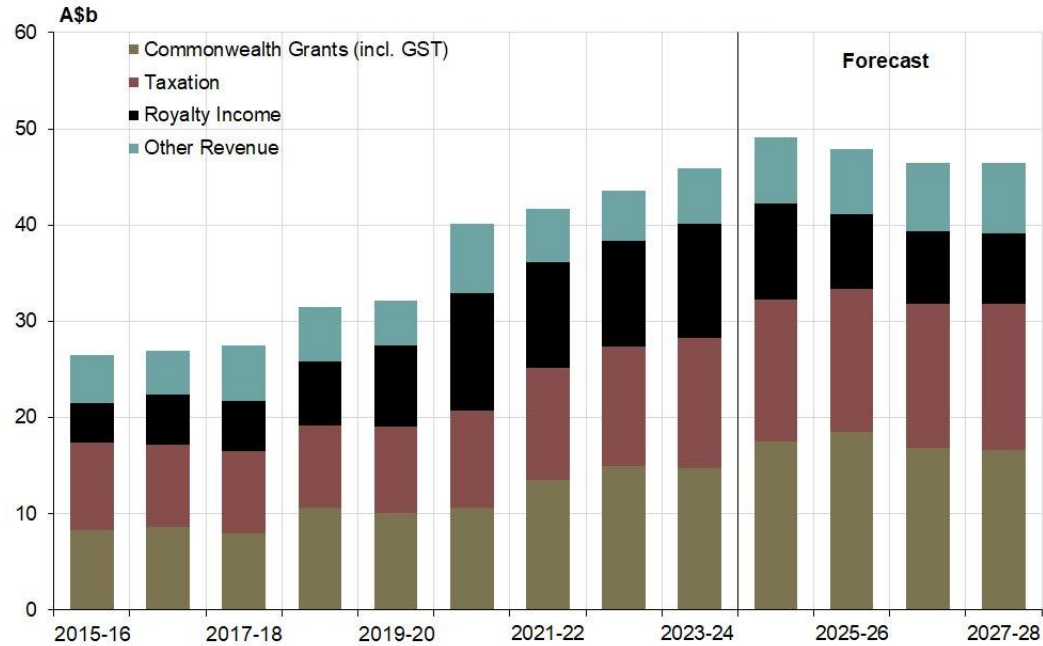


Source: ABS

STRONG GOVERNMENT FINANCES

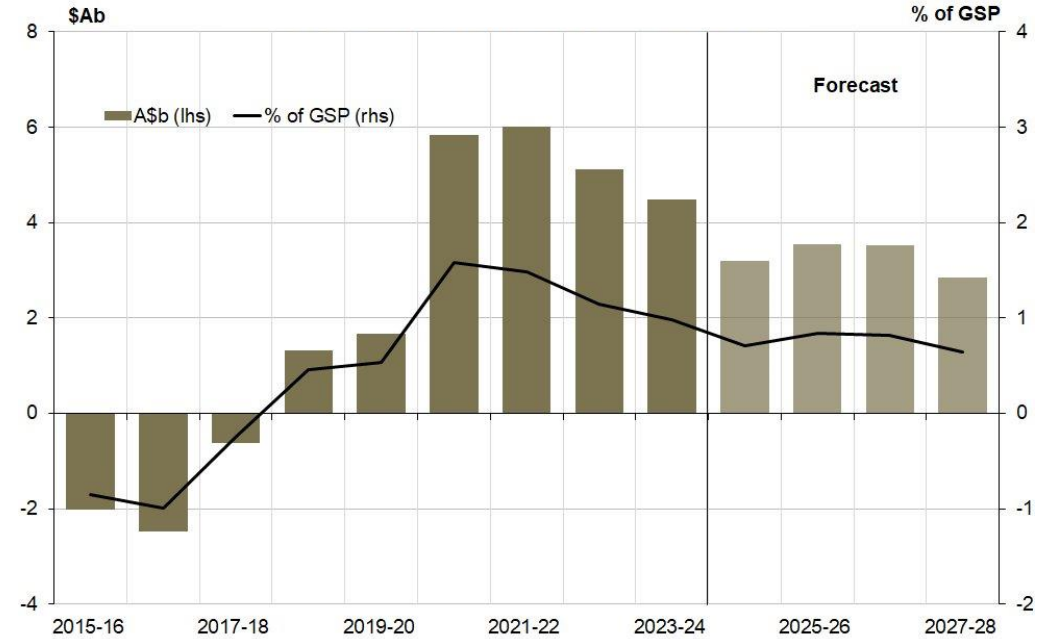
The Western Australian Government has a strong budget position

Total General Government Revenue



Source: Treasury WA

General Government Operating Balance



Source: Treasury WA

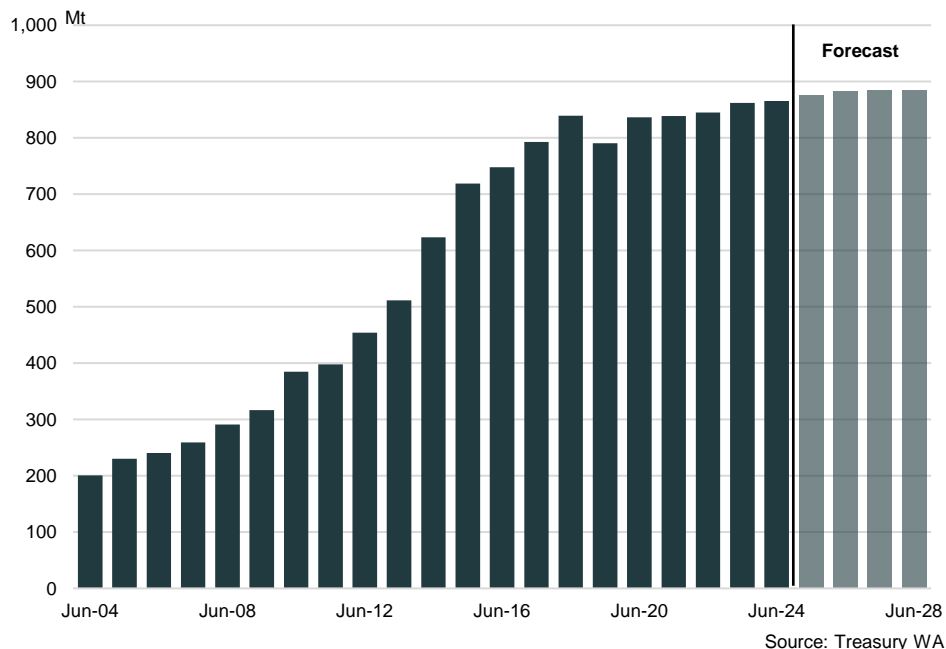
- The State’s robust economy provides a strong tax base.
- Western Australia’s abundant natural resources provide the State with solid royalty income.
- The general government recorded its sixth consecutive operating surplus in 2023–24.

IRON ORE VOLUMES AND PRICE ASSUMPTIONS

The Western Australian State Government’s revenue projections are underpinned by conservative forecasts for future iron ore royalties

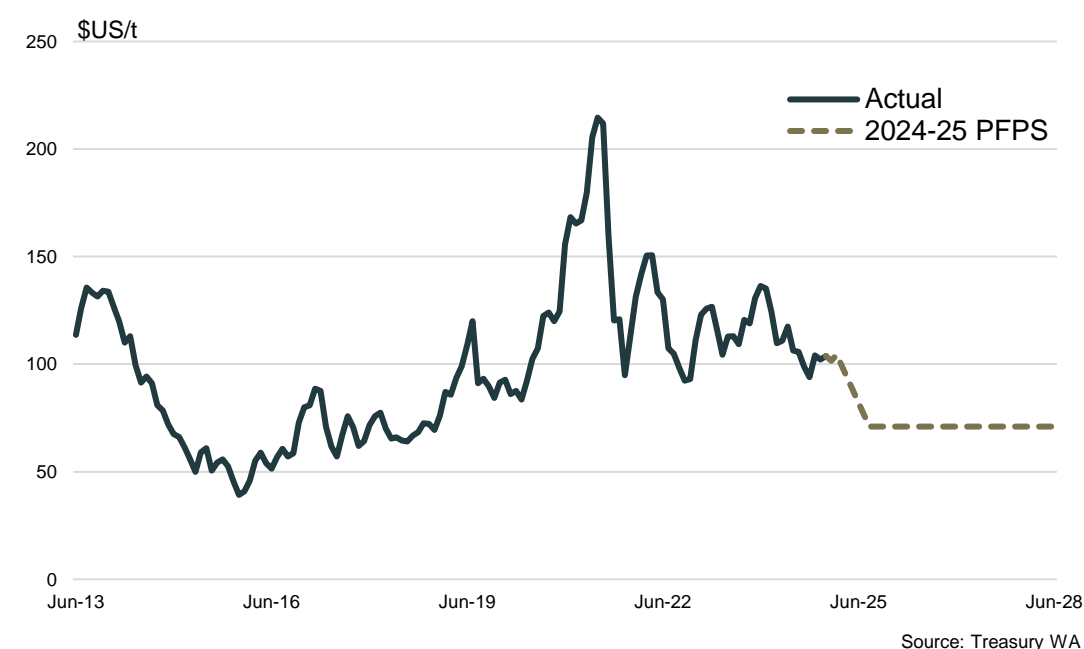
Iron Ore Volume Forecast

Western Australia, Annual



Iron Ore Price Assumption

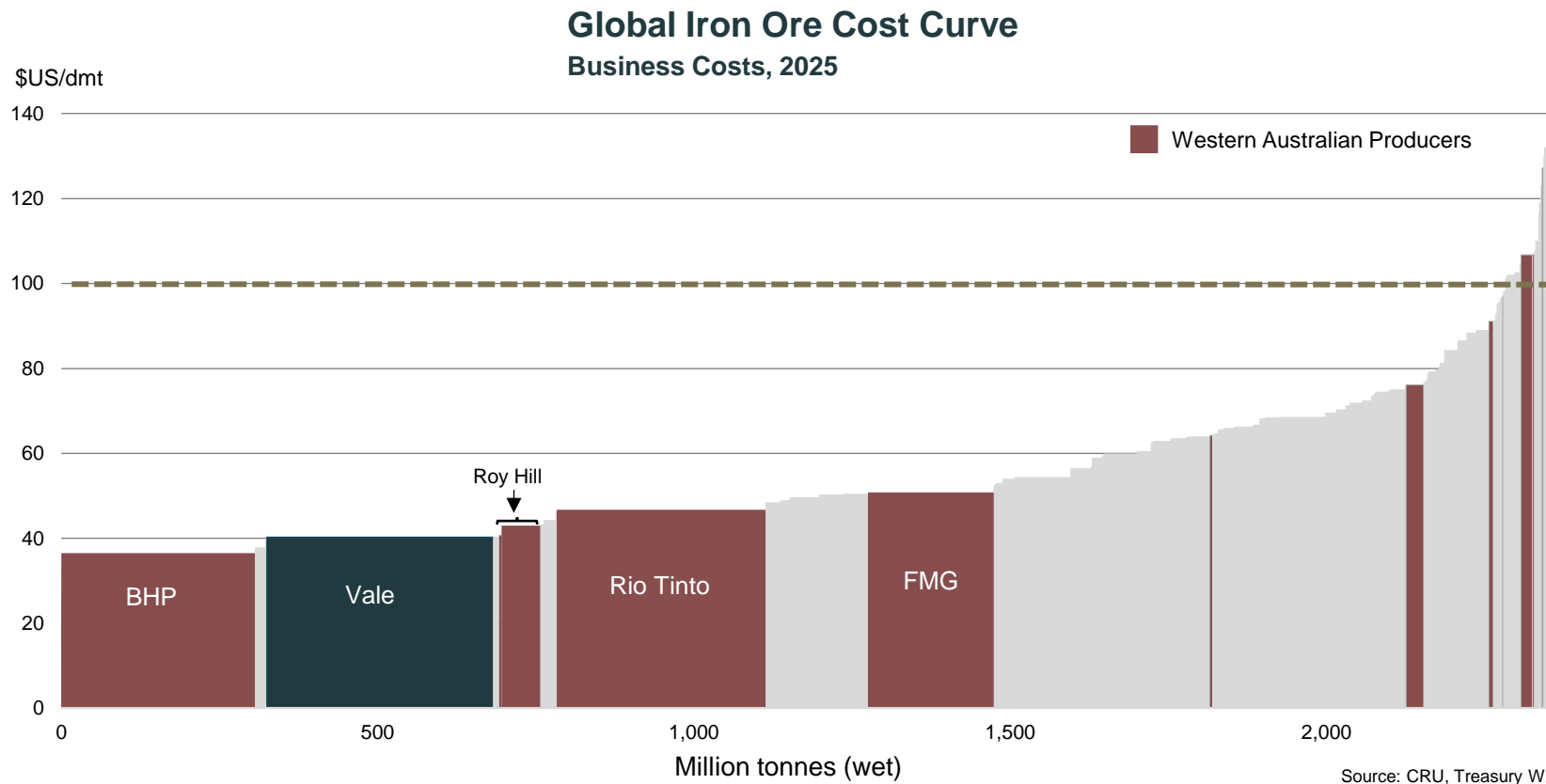
Monthly



- Over 80% of the Western Australian State Government’s royalty income comes from iron ore.
- The State’s iron ore royalty income assumes stable production (and sales) volumes because of the State’s competitive position, which under conservative budgeting assumes that prices will return to the long-run average of \$US71 per tonne over the next six months.

IRON ORE COST CURVE

Western Australia is a low-cost producer of iron ore which ensures stability of market share

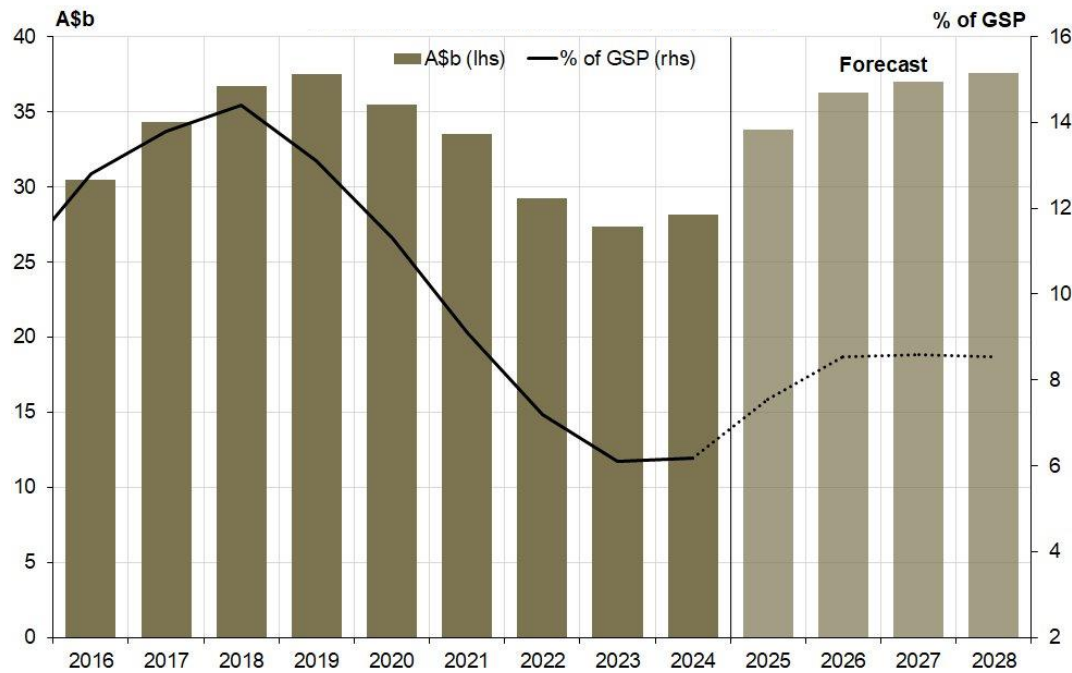


- Western Australia’s major iron ore producers are among the lowest-cost globally, benefiting from efficient mining, close access to export infrastructure, and relatively close proximity to China.
- Junior producers in Western Australia sit higher on the cost curve, yet most still operate below \$US100 per tonne.
- Any softening in demand is likely to be primarily reflected in a lower price than in lower Western Australian production volumes.

LOW DEBT

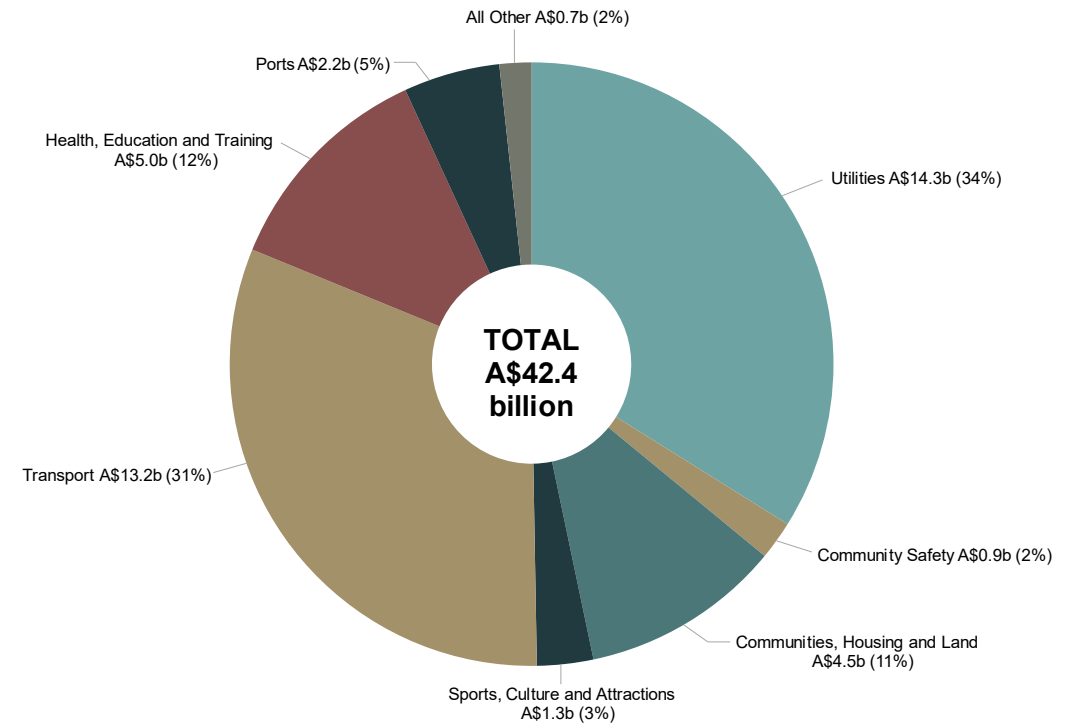
Western Australian Government borrowing is targeted at funding infrastructure for a growing population and the energy transition

Public Sector Net Debt at 30 June



Source: Treasury WA

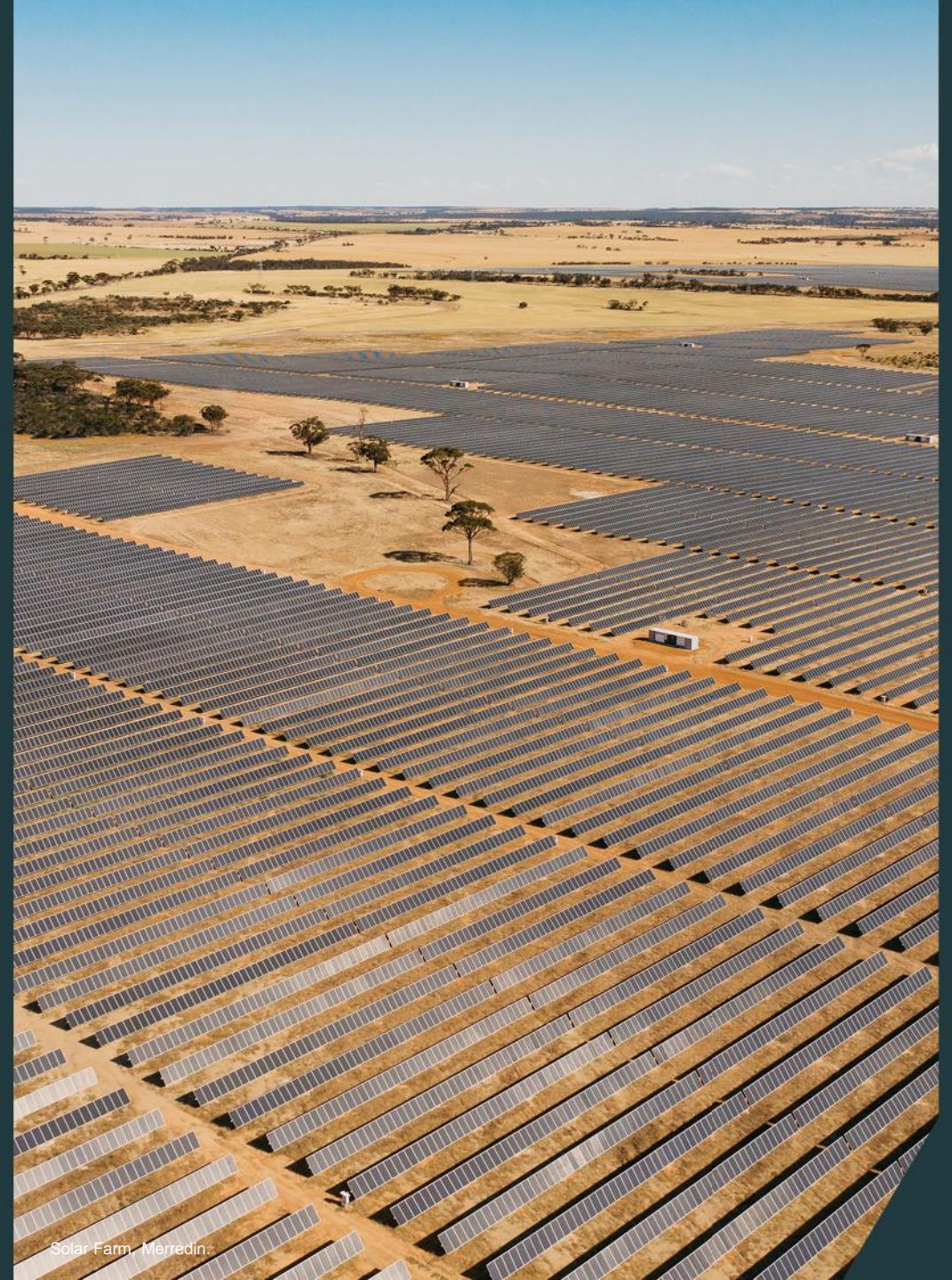
**Asset Investment Program
2024–25 to 2027–28**



Source: Treasury WA

Western Australia's ESG Commitment

Western Australia has committed to achieving the Paris Agreement objective of net-zero emissions by 2050 and is proactively contributing to Australia's pursuit of the objectives of the United Nations Sustainable Development Goals



ESG DISCLOSURES AND RATING

Western Australia's ESG commitments and outcomes are proactively communicated to investors and receive positive independent ratings

Recent ESG Disclosures

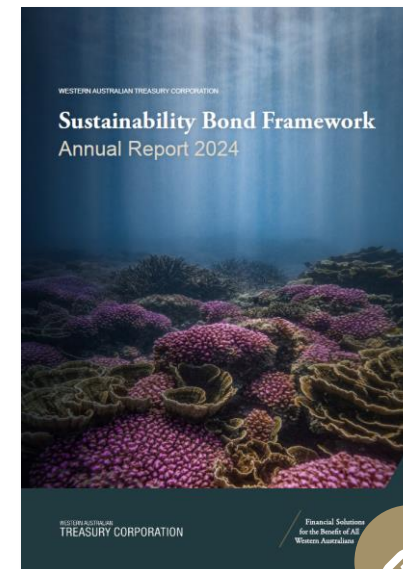
- Inform on key policy commitments and actions in progress supporting continuous improvement in ESG outcomes for Western Australia and approach for addressing recognised global challenges.
- Disclosures to aid investor due diligence for ESG integration within capital allocation decisions.

Recent ESG Ratings

- As of February 2025, the State of Western Australia received an MSCI ESG Rating of AA.



ESG Information Pack
Update - August 2024



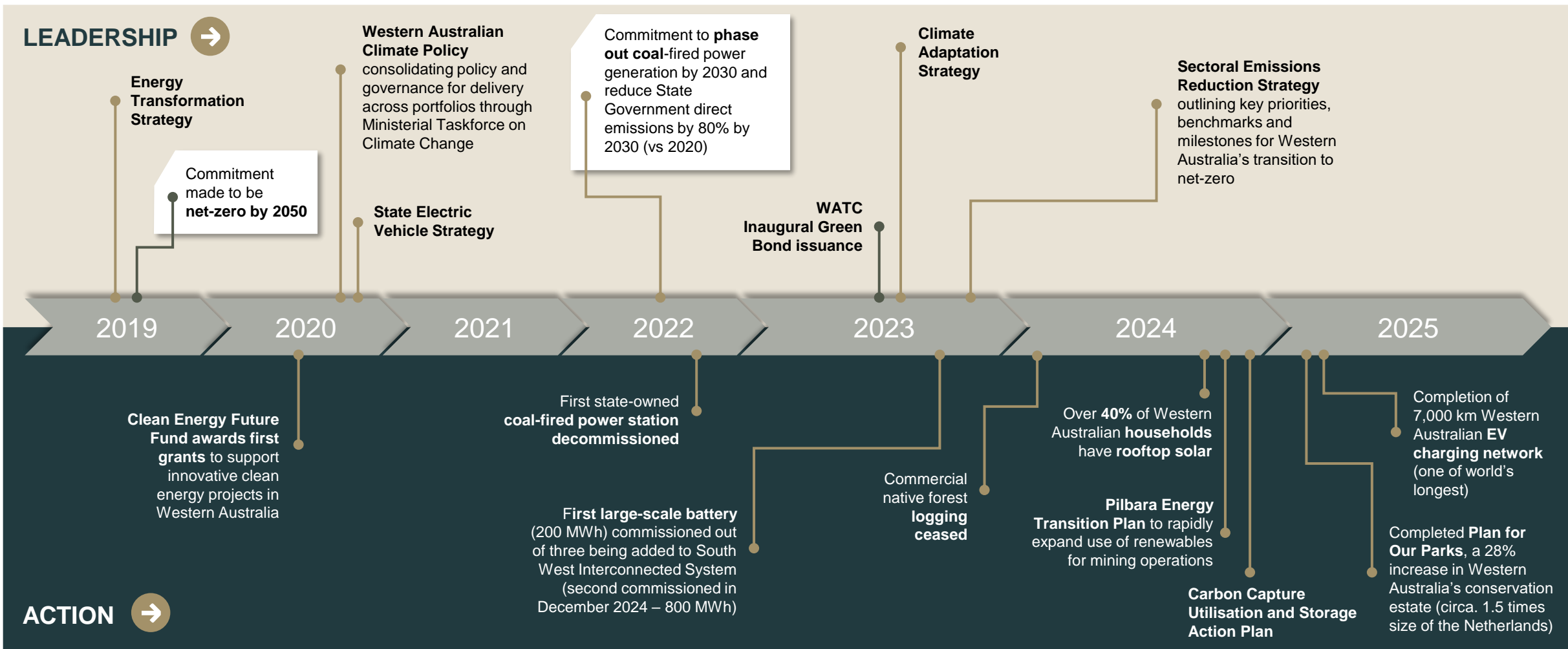
Sustainability Bond Framework
Annual Report 2024



Decarbonising Western Australian and our Trading Partners
September 2024

DECARBONISATION ACTION

The Western Australian Government is committed to supporting the decarbonisation of Western Australia through leadership and action



Primary Source: [Decarbonising Western Australia and our Trading Partners](#)

DECARBONISATION GOVERNANCE

Western Australia is implementing strategic governance structures and policies to drive decarbonisation of its economy, attract investment and provide certainty to key stakeholders

Western Australia Decarbonisation – Current and Upcoming Targets

State Government Direct Emissions (~9% WA total)



80% emissions reduction target between 2020–2030



Net-zero 2050

Accountabilities

- Ministerial Taskforce on Climate Action has responsibility for overseeing implementation and monitoring progress on the effective delivery of State policies on decarbonisation.
- An Energy Decarbonisation Expenditure Review Sub-Committee oversees whole-of-government energy decarbonisation policy and implementation of decisions required to meet the State's energy decarbonisation objectives.
- The target applies to government operations, including government trading enterprises that own and operate energy intensive infrastructure such as electricity generation and distribution, public transport and water utilities.
- Underpinning this is a commitment to an interim target to phase out all State-owned coal-fired power generation by 2030.

Western Australian Economy



Expectation to set a 2035 emissions reduction target during 2025–26



Net-zero 2050

Climate Change Bill Overview

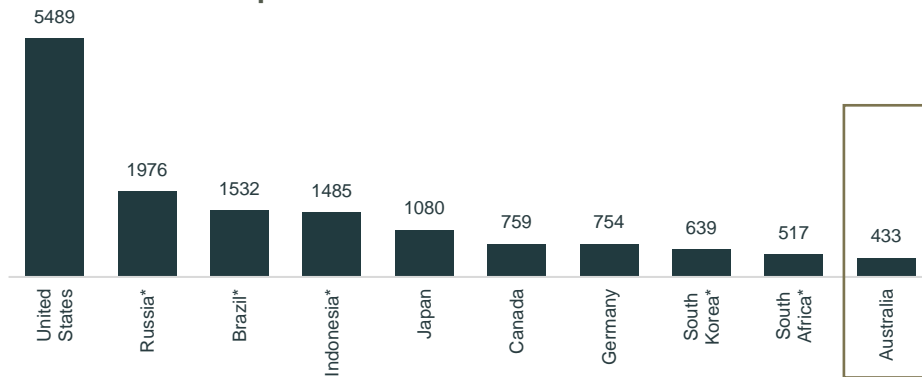
- The Government's *Climate Change Bill 2023* required:
 - Interim emission reduction targets to be set for the Western Australian economy as a whole and State Government direct emissions.
 - Setting of five-yearly emissions budgets as well as point targets.
 - Development of an emissions reduction strategy at five-yearly intervals to enable targets to be met.
- Climate change legislation is expected to be reintroduced to Parliament following government reformation post the March 2025 State election.

EMISSIONS PROFILE

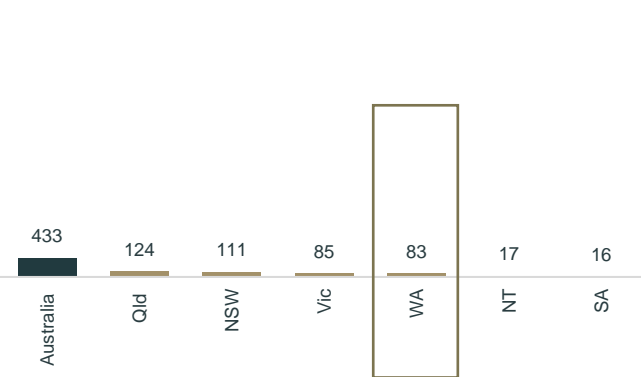
Western Australia’s current emissions profile compares favourably to other export orientated resource intensive economies and the State is actively working towards its net-zero commitment

Total Emissions (mt CO₂-e) – 2022

International Comparison^{1^}



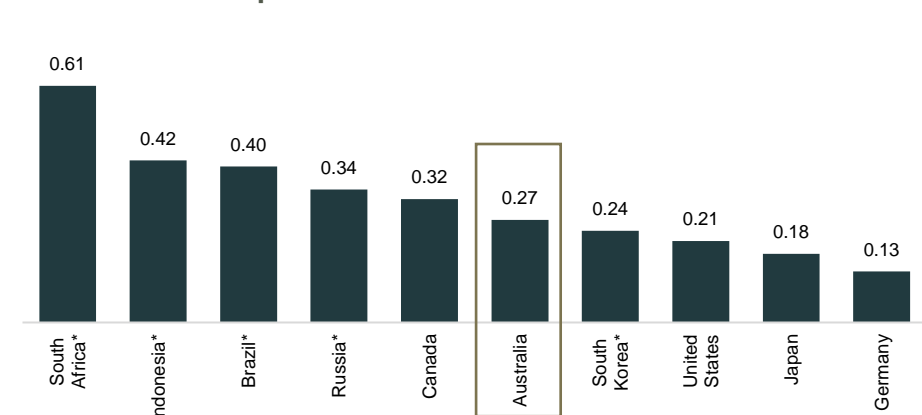
Australia and its States and Territories²



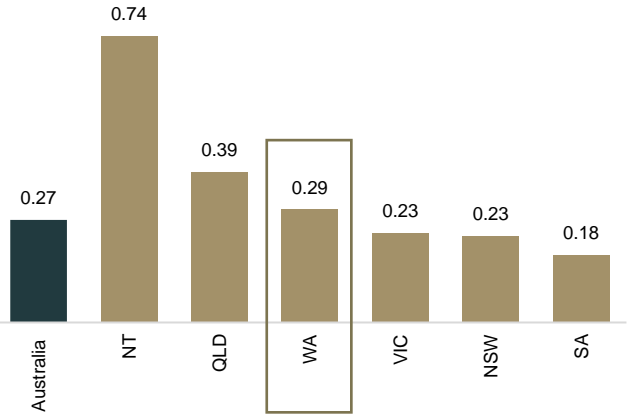
Emissions Intensity – 2022

(kg CO₂-e / US\$ GDP or GSP on a Purchasing Power Parity Adjusted Basis)

International Comparison³



Australia and its States and Territories^{3,4}



Western Australia is **responsible for 56% of Australia’s resources exports** but has an emissions intensity close to the Australian average.



The relevant measure to compare Western Australia’s emissions footprint to other jurisdictions, as per UN PRI guidelines, is on an emissions intensity basis.



Western Australia has a **land mass seven times the size of Germany** but a sparsely distributed population of only 3 million, limiting the relevance of using emissions per capita for comparisons against other jurisdictions.

Sources: [1] [OECD & Climate Watch World](#) [2] [Australian Government](#) [3] [International Monetary Fund](#) [4] [Australian Government & ABS](#) Notes: * 2021 – latest available from source. ^ comparison country selection guided by [RBA research \(2013\)](#) on comparable resource-exporting countries, OECD countries with significant trade in energy and key Western Australian trade partners.

RENEWABLE ENERGY EXPANSION

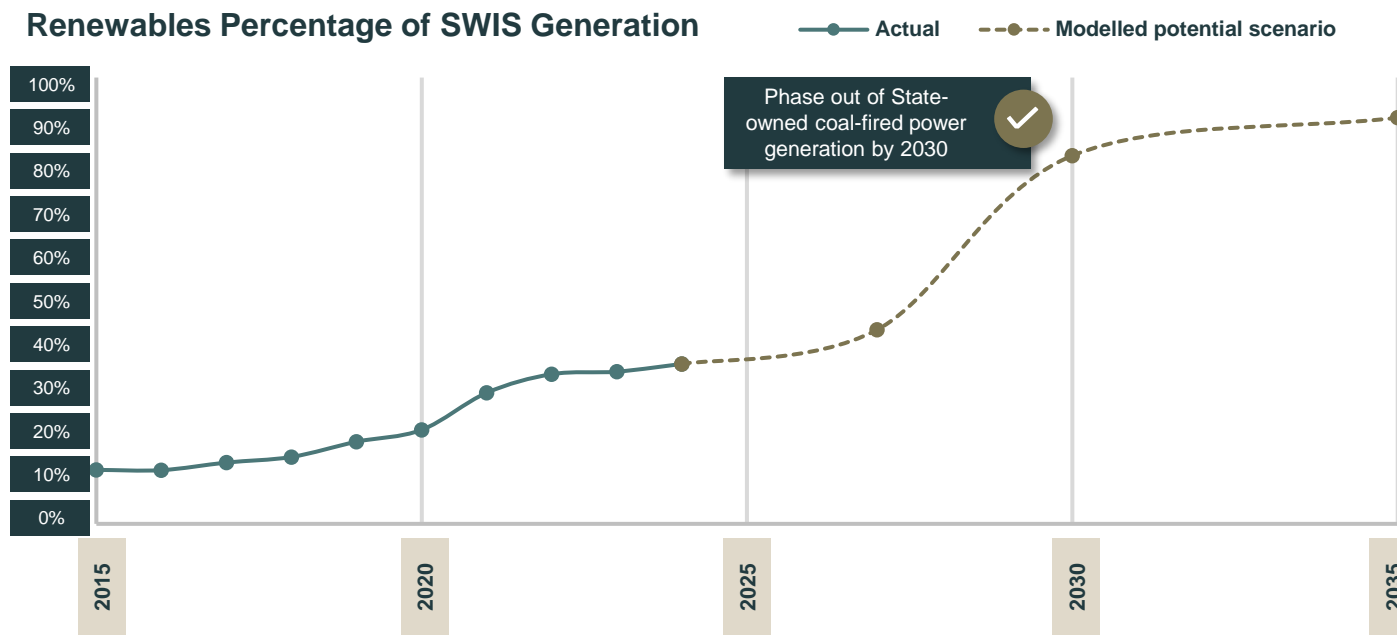
The Western Australian Government’s commitment to phase out State-owned coal-fired power generation by 2030 is helping to lead the transition to renewable electricity generation and electrification of industrial processes

South West Interconnected System (SWIS)



The SWIS covers Perth and surrounding populous regions around the cities of Bunbury, Albany, Geraldton and Kalgoorlie, providing electricity to more than 85% of Western Australia’s residential population.

Renewables Percentage of SWIS Generation



Source: Western Australian Government modelling appended to historical renewable generation data from AEMO

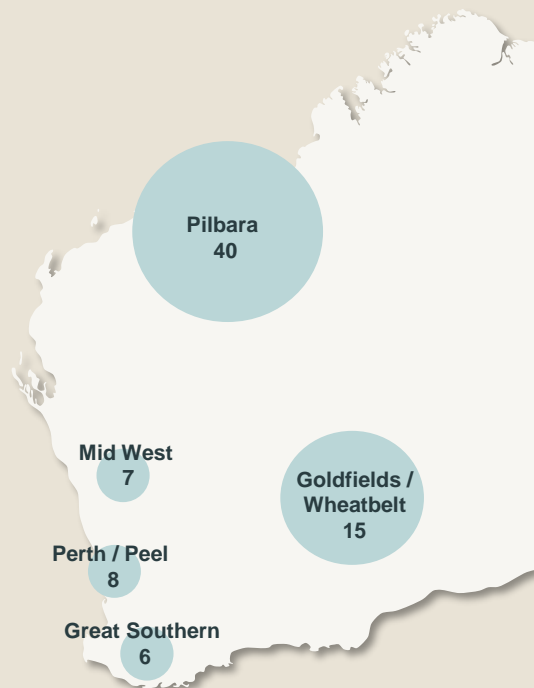
- Commitment to cease State-owned coal-fired power generation by 2030 will see significant growth in renewable generation by 2030. The State Government, currently responsible for approximately 50% of utility-scale SWIS generation, has already committed over \$5 billion towards this initiative.
- Expected significant increases in renewable generation capacity to support industrial electrification is expected to see renewable generation exceed 90% by 2035 (based on WA Government modelling), supported by a significant expansion of private investment.

INDUSTRY DECARBONISATION REQUIREMENTS

The Safeguard Mechanism legislation requires that Western Australia's largest emitters, concentrated in mining, reduce their baseline emissions by at least 4.9% p.a.

Industry emissions are regulated through the Safeguard Mechanism¹

Australia's highest greenhouse gas emitting facilities (>100,000 tCO₂-e per year) must reduce their net emissions baseline by a minimum of 4.9% per year.



~35%

Over one third (76) of Australia's largest emitters are located in WA[^]



49%

Close to half of WA's total emissions are from Safeguard Mechanism facilities



85%

The majority of WA's emissions from Safeguard Mechanism facilities are in the Mining sector

Western Australian heavy industry is incentivised to reduce emissions

Western Australia's mining industry faces common pressures from stakeholders on ESG and is motivated to transition to low carbon business models. The sector is well positioned to decarbonise its operations, with:

- Endowment of natural resources
- Balance sheet strength of its key entities
- Experience in delivering large scale transition across supply chains and investments.



Western Australia's top 10 emitters (82% of WA's Safeguard Mechanism emissions) each have net-zero by 2050 commitments, with many including detailed interim targets and extension to scope 3 commitments.²

Commitments are being supported by planned capital expenditure on decarbonisation initiatives, including **direct investment in renewable energy** to support mining operations.

Companies have extensive experience on successfully bringing **large-scale transition across their supply chains** and investments.

Sources: [1] Clean Energy Regulator. [2] Safeguard Mechanism entities websites. [^]Approximate grouped location of Safeguard Mechanism facilities, noting several are located offshore.

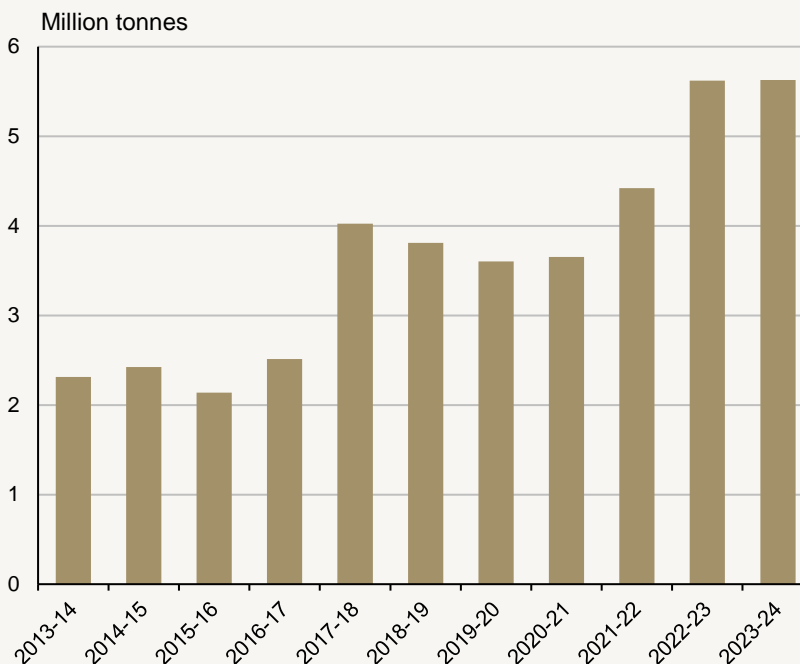
WESTERN AUSTRALIA HAS AIDED THE ESTABLISHMENT OF TRADING PARTNERS DECARBONISATION INDUSTRIES

Western Australia is a key enabler of the global energy transition through supply of critical minerals

Western Australia is the leading global supplier of critical minerals*

	WA Global Ranking	WA Global Market Share ¹
³ Li Lithium	#1	47.5%
⁴⁰ Zr Zirconium	#3	10.8%
Rare Earth Oxides	#4	7.9%
²⁷ Co Cobalt	#4	2.3%
²⁸ Ni Nickel	#6	4.2%
²⁵ Mn Manganese	#8	3.0%

Western Australian production of critical minerals continues to increase, despite recent price falls[#]



Source: Department of Energy, Mines, Industry Regulation and Safety



Critical mineral usage in renewable energy and clean technology

- Electric Vehicles
- Solar Photovoltaics
- Batteries
- Hydrogen
- Wind Turbines
- Electrolyzers



Driving decarbonisation in Western Australia

The Western Australian Government's Battery and Critical Minerals Strategy 2024–30 presents opportunities for decarbonisation, including:

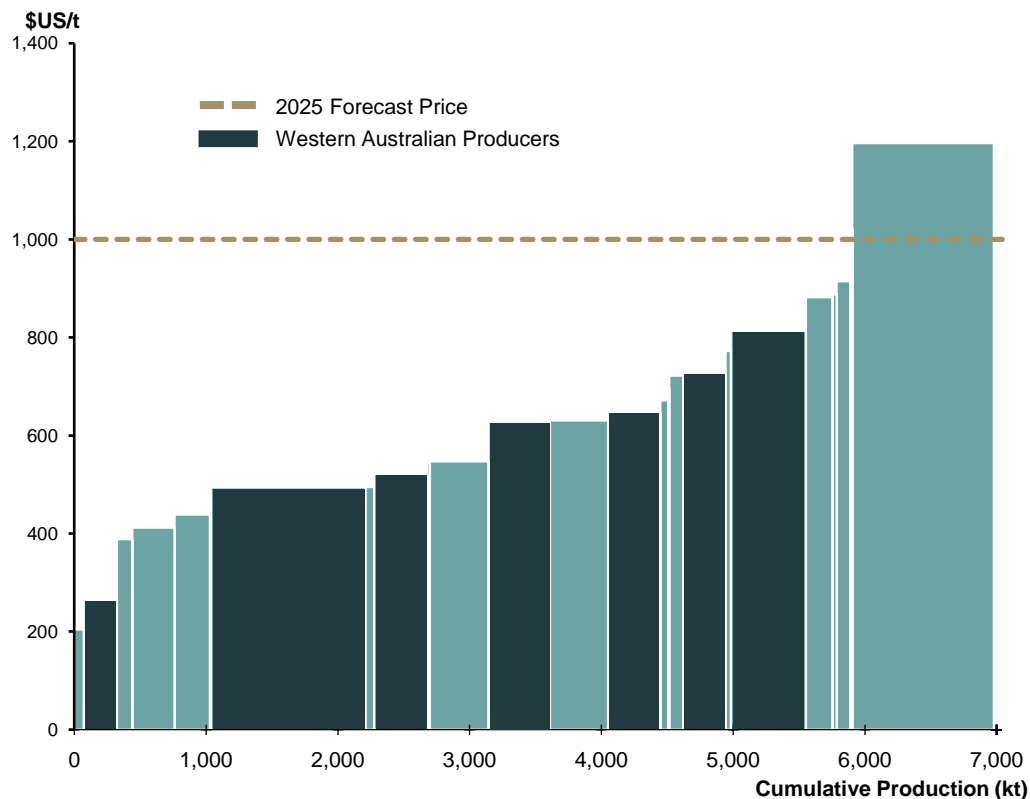
- Co-locating mining and minerals processing operations, reducing carbon emissions associated with transporting raw materials.
- Use of renewable energy in processing to potentially displace processing in other jurisdictions reliant on high-emitting electricity generation.

*Note: Western Australia is ranked #2 in the world for Alumina production (9.3% of global market share). It is not on Australia's critical mineral list but Aluminium is listed on the strategic materials list, recognising its importance in the global climate transition. | # Includes lithium ore, nickel, cobalt, copper, rare earths, manganese, zinc, platinum group metals, silica sands, tantalum, tin and chromite. | [1] Market share data from Department of Energy, Mines, Industry Regulation and Safety. Figures are for 2023.

WESTERN AUSTRALIAN MINERS ARE EFFICIENT, LOW-COST PRODUCERS OF LITHIUM CONCENTRATE

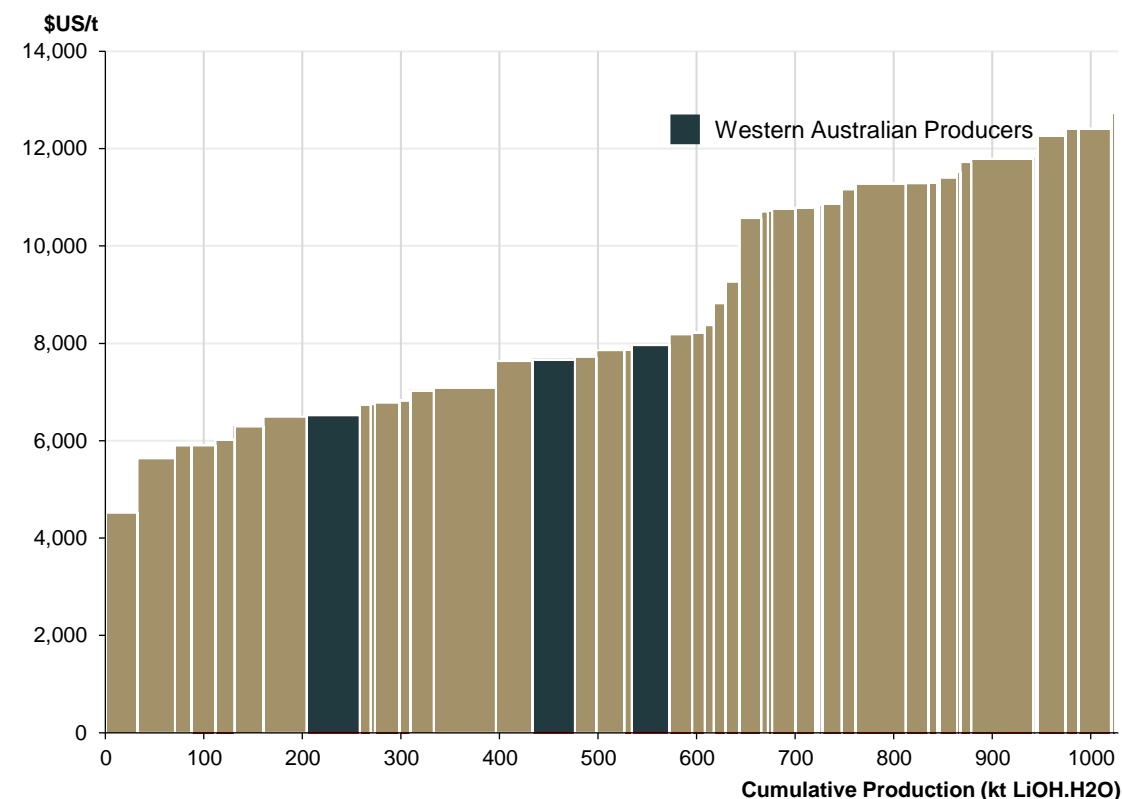
By 2030 Western Australian lithium hydroxide refineries are expected to sit in the lower to middle end of the cost curve, supporting industry development

Global Lithium Concentrate Cost Curve 2025



Sources: Wood Mackenzie and Treasury WA

Lithium Hydroxide Cost Curve 2030



Sources: Wood Mackenzie and Treasury WA

THE PATH TO GLOBAL DECARBONISATION RUNS THROUGH WESTERN AUSTRALIA

Western Australia has unique comparative advantages that it is mobilising to play a leading role in developing emerging green industries to accelerate the global energy transition

Abundant available land (2.5 million km²) and coastline (13,000 km)

Intense wind and solar conditions at prospective locations

Existing export facilities and government support for expansion

Extensive resource industry experience that ‘make projects happen’

Establishment of midstream critical mineral processing industries will further support trading partner decarbonisation

A world leader in renewable hydrogen innovation and project development

Development of Green Steel technology in Western Australia is a significant opportunity to decarbonise the Steel Value Chain

Pilot Project: Precursor Cathode Active Material (PCAM)



The Western Australian based Austvolt Facility aims to be Australia's first commercial scale PCAM plant producing battery cathodes, with capacity for more than 500,000 electric vehicles per year expected from 2027.

WA Renewable Hydrogen Projects Pipeline¹



20

Active renewable hydrogen production projects



>6,000
ktpa

Potential future renewable hydrogen production capacity



14

Projects have received government funding including eight through the Western Australian Government's Renewable Hydrogen Fund

As the world's largest iron ore producer, Western Australia is leading research on Green Steel Feasibility.

Opportunities to decarbonise the steel value chain in active progress:

- Greening iron ore supply – renewables for mine power and low carbon transport.
- Decarbonised iron-making – replace coal blast furnace processing with LNG or ultimately Hydrogen.

Case Study: Christmas Creek Green Metal Project

US\$50m
Capital Expenditure

1,500 tpa
Production Volume

2025
~First Production

The Christmas Creek Green Metal Project will use green hydrogen produced at Fortescue's gaseous and liquid hydrogen facility, together with an electric smelting furnace, to produce high-purity green iron metal through a 'green pit to product' supply chain. This will be suitable for use in the majority of steel plants across the globe.

Primary Source: Decarbonising Western Australia and our Trading Partners. [1] CSIRO, HvResource.

INVESTING IN INNOVATION

The Western Australian Government is supporting industry decarbonisation projects and innovation through seed funding initiatives and international partnerships

→ 7 Seed funding initiatives

- Renewable Hydrogen Fund
- Climate Action Fund
- Clean Energy Future Fund
- Carbon Innovation Grants Program
- Carbon Farming and Land Restoration Program
- New Investment Attraction Fund – New Energies Industries Funding Stream
- Low Carbon Grants Program

→ Supporting 72* decarbonisation projects

→ Investing over \$165m

→ Unlocking more than \$1b in private investment and local economic benefits

Notes: *As at 5 February 2025.

Traditional Owners equity participation in the renewables boom

- Multiple projects in Western Australia feature Traditional Owners equity participation.
- The January 2025 Clean Energy Future Fund funded projects included two Traditional Owner initiatives with groundbreaking business models that will generate economic benefits within their local communities:
 - **Banjima Native Title Aboriginal Corporation** – installing solar power and battery storage on Banjima country in Central Pilbara.
 - **Pilbara Solar** – installing solar power near Port Hedland on Jinparinya Aboriginal Community land.

Renewables-focused agreements with major trading partners

- The Western Australian Government is being proactive in establishing agreements with major trading partners that focus on hydrogen, ammonia, low emissions technology and other decarbonisation initiatives. Key partnership agreements recently implemented include those with:
 - **Japan Bank for International Cooperation**
 - **Japan Organisation for Metals and Energy Security**
 - **Republic of Korea's Ministry of Trade, Industry and Energy**

FEDERAL GOVERNMENT INVESTMENT

Western Australia benefits from Federal Government decarbonisation initiatives

Coordination between the Federal and Western Australian Government will further support industry innovation and decarbonisation infrastructure investment.

OCTOBER 2022

Rewiring the Nation

- Up to \$3 billion committed to modernising Western Australian electricity networks, including common user networks to unlock renewables in the Pilbara.

OCTOBER 2022

Australian Sustainable Finance Taxonomy

- Publication of the Taxonomy is expected mid-2025.
- Western Australian Treasury Corporation's Sustainable Bond Framework will seek to align with the Taxonomy once published.

APRIL 2023

Sovereign Green Bond Program

- Inaugural Green Bond in 2024, including projects in the pool that are joint funded with the Western Australian Government (e.g. Metronet).

NOVEMBER 2023

Capacity Investment Scheme

- A \$67 billion scheme to underwrite revenue on new renewable generation and storage projects.
- Current tender will seek to deliver 2,000 MWh of clean dispatchable capacity into the SWIS. Announcement of successful bids due in March 2025.

JUNE 2024

Future Made in Australia

- \$22.7 billion to be invested over 10 years through attracting investment in the net-zero global economy and associated supply chains.
- Opportunity for Western Australia to leverage for critical mineral and renewable energy projects, including renewable hydrogen.

JULY 2012

Australian Renewable Energy Agency (ARENA)

- Established to support development of the renewable energy industry across Australia.
- Has provided joint funding of over \$300 million to a [wide range of projects in Western Australia](#).

OCTOBER 2022

National Reconstruction Fund

- \$15 billion fund to diversify and transform Australia's industries and economy across multiple sectors including renewables and low emission technologies.

JANUARY 2023

Powering the Regions Fund

- \$1.9 billion fund to support the decarbonisation of existing industries, those essential to global energy transition, and creation of new clean energy industries.
- \$32.9 million invested into WA-based, CSBP, to reduce emissions from chemical manufacturing.

MAY 2023

Hydrogen Head Start

- \$4 billion program to provide revenue support for large-scale renewable hydrogen projects.
- Additional \$4 million will be provided to help Traditional Owner groups engage with hydrogen project developers.
- Two Western Australian projects have been shortlisted.

DECEMBER 2023

Market Supervision, Enforcement and Reporting

- Australian Securities and Investment Commission has critical role of supervising disclosure standards to avoid greenwashing.
- 1 January 2025 mandatory climate reporting in accordance with International Sustainability Standards Board commenced for first tier of Australian companies.

JUNE 2024

Australian Future Gas Strategy

- Reaffirms importance of the Western Australia gas industry to Australia and our trading partners.
- Decarbonising gas production is a high priority for Western Australia – but as the largest producer (60%) it presents near term challenges for the relative speed of Western Australian emissions reductions.

BROADER ENVIRONMENTAL ACTION

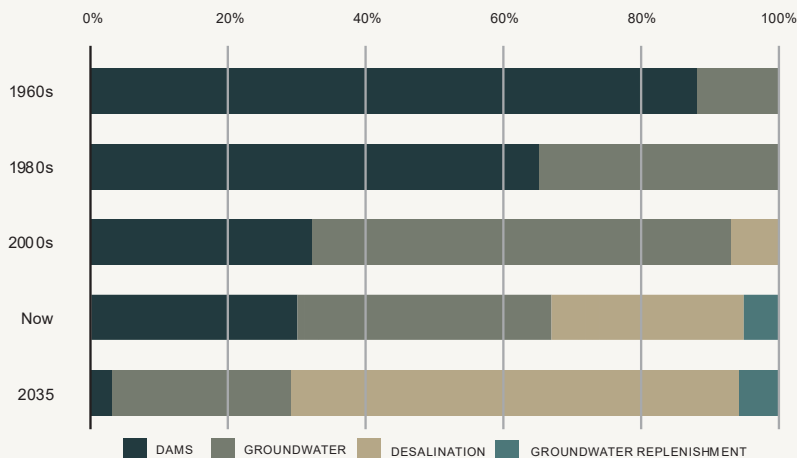
Western Australia is a leading jurisdiction in many areas of environmental management and climate change resilience

Water Management

Responding proactively to climate change over many years:

- Diversification in water supply sources.
- Significant reduction in usage through community education.
- Sophisticated usage of technology to support wastewater recycling and replenishment.
- Innovations in drought tolerant crops.

Greater Perth Water Sources



Source: Water Corporation

Fisheries

Leading sustainable and ethical management of fisheries – Western Australia was first in the world to attain international MSC Certification.

Waste and Pollution

- Waste to Energy facilities
- Roads to Reuse
- **Plan for Plastics** →



Recognised as Nation leader by WWF Australia

Biodiversity

- Improving biodiversity outcomes through significant expansion of the State’s conservation estate and protection of the State’s native forests and native species habitat.
- Completed Plan for Our Parks in 2025, expanding conservation estate to 30 million hectares (+28%).
- Many areas jointly managed with Traditional Owners.



Includes four key directions to support and accelerate climate change adaptation across the State to ensure the community and economy are resilient to risks posed by climate change.

JUST TRANSITION

Ensuring a Just Transition for Western Australians is a high priority for communities impacted most by the transition to a lower carbon economy

Key Western Australian Government Initiatives Supporting a Just Transition

Collie Just Transition Plan 

\$547.4 million

Collie Transition Package July 2024

>\$115 million

Funding 2017–24

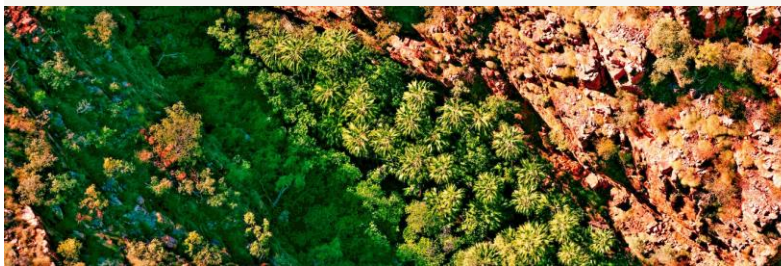


The Collie Just Transition Plan aims to develop a strong and sustainable future for the town of Collie ahead of the retirement of its coal-fired power stations by 2030.

Native Forestry Transition Plan 

\$80 million

Supporting the end of native forest harvesting from January 2024



The Native Forestry Transition Plan aims to support the transition of workers, businesses and regional communities impacted by the ending of native forest harvesting in the Southwest of Western Australian.

Pilbara Traditional Owner Participation Support Fund 

Up to \$100,000

Per Grant



The Pilbara Traditional Owner Participation Support Fund provides funding to support Traditional Owners in the Pilbara Energy Transition Plan and progress clean energy projects on Country.

COMMITTED TO IMPROVING SOCIAL EQUITY FOR ALL WESTERN AUSTRALIANS

Clear targets and initiatives to drive improvement in social equity outcomes



Improving outcomes for Aboriginal people

Increasing Aboriginal people engagement and cultural recognition through the **Aboriginal Empowerment Strategy** and **Closing the Gap Implementation Plan**

Native Title Settlements

Recognising Aboriginal people rights and interests in the land and waters.

Delivering **jobs, training and community development** providing social and economic benefits.

Supporting Aboriginal businesses with mandated targets for government **procurement**.

Significant infrastructure investments to improve living conditions in remote communities.



Aboriginal Procurement target of 4% exceeded in FY24. Target amongst the highest in Australia.



Aiding those requiring assistance

The Western Australian Government continues to improve the social cohesion of society with multiple programs

Mental Health

Immediate priorities to reform mental health services and address alcohol and other drug dependencies.

Inclusive Education

Extensive investment in education support centres.

Homelessness

Support facilities for vulnerable Western Australians experiencing, or at risk of, homelessness.

Reducing Domestic Violence

Targeted programs to provide support and reduce incidences.



2024 launch of a new family and domestic violence support centre in the CBD comprising accommodation and one-stop hub service model.

INVESTING IN A THRIVING COMMUNITY

Maintaining a safe and thriving community is the foundation for supporting a high standard of living for all Western Australians



Supporting diversity and equal opportunity

Showing leadership through a broad range of policies and initiatives to support diversity and equal opportunity

Diversified workforce targets within the Western Australian Public Sector workforce.

Improving digital inclusion to support the most vulnerable in today's increasingly digital world.

Providing young people with the opportunities they need to flourish in the future.

Ensuring people with disability participate meaningfully in all aspects of society.



Gender equality targets and reporting mandated in all government contracts from 2024.



Developing sustainable communities

Continuing to support a high standard of living for all Western Australians

Health

Providing world class facilities and programs aiming to prevent disease, illness, injury, disability and premature death.

Education and Training

Equipping students with the skills of the future and supporting affected workers and communities in the transition from emissions-intensive industries.

Housing

Improving housing choices and access to suitable and affordable homes – particularly for the most vulnerable.

Modern Slavery

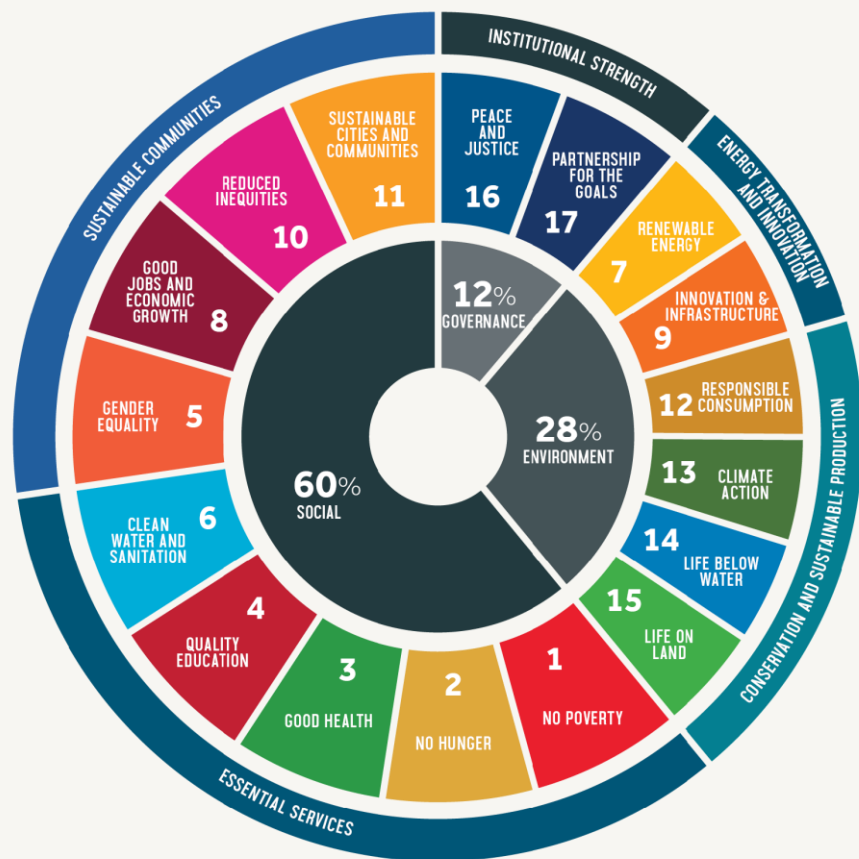
Contributing to the global fight against modern slavery and complying with the International Labour Organization Protocol.



Over 121,000 low-deposit and shared ownership home loans for lower income Western Australians since 1989

STATE BUDGET IS THE OUTCOME OF WESTERN AUSTRALIAN GOVERNMENT EXPENDITURE DECISIONS

Continually driving positive change across the breadth of Sustainable Development Goals through committed institutions underpinned by robust governance



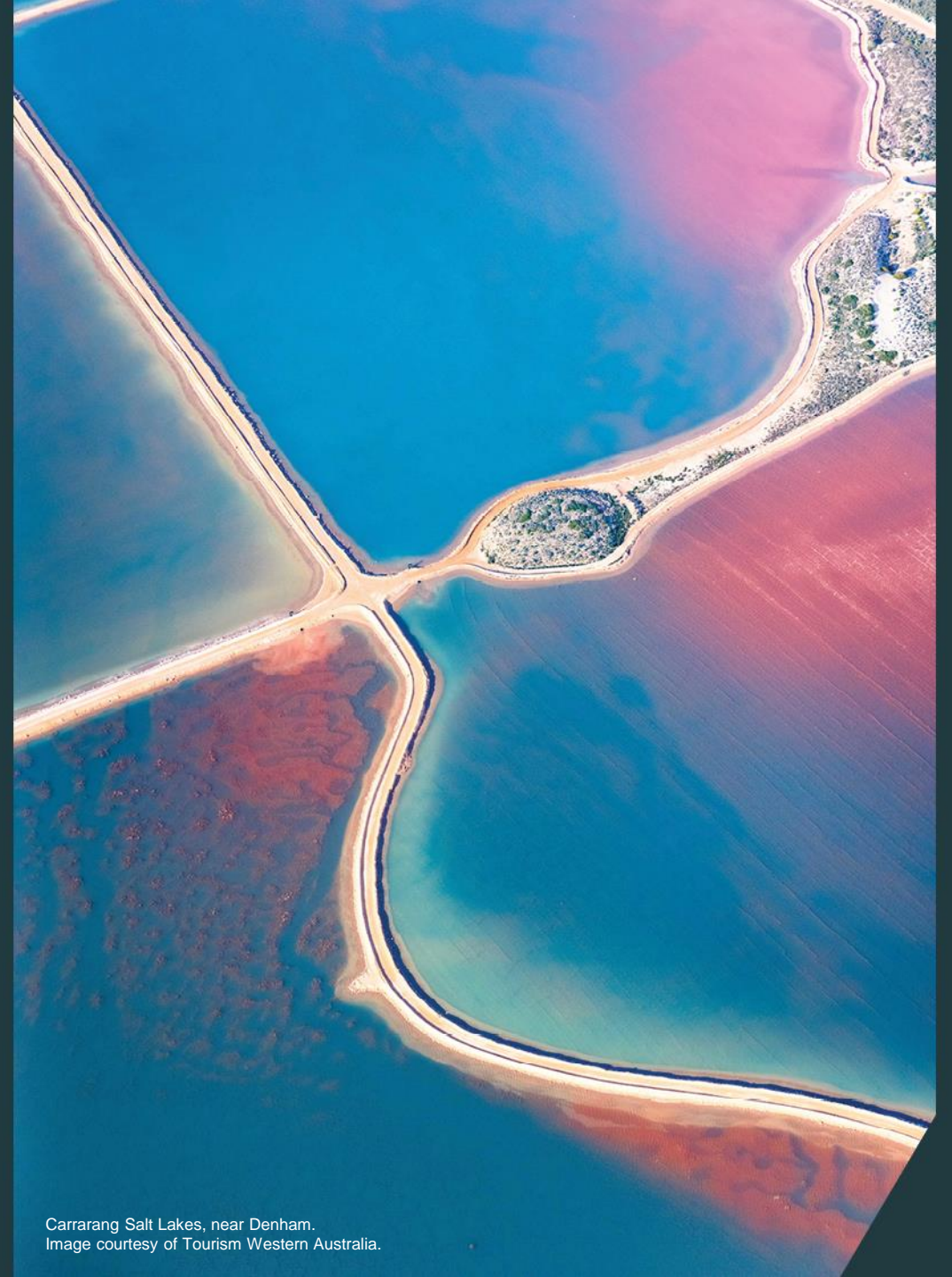
The Western Australian Government is a large and perpetual spender on environmental, social and governance initiatives.

- ✓ \$73.5 billion capital and recurrent expenditure planned through FY2024–25 State Budget has been indicatively aligned to progression of the United Nations Sustainable Development Goals – demonstrates the breadth of issues addressed.
- ✓ Exemplary track record provides assurance that sustainability commitments will be delivered.

“ The institutional framework within which all Australian states and territories operate supports Western Australia's management. We consider this framework to be one of the most predictable and supportive for sub-sovereign governments globally. It promotes high levels of financial disclosure and transparency. S&P GLOBAL | MARCH 2025

Borrowing Program Structure

The core fixed rate benchmark bond funding program incorporates issuance undertaken through Western Australian Treasury Corporation's sustainable bond program



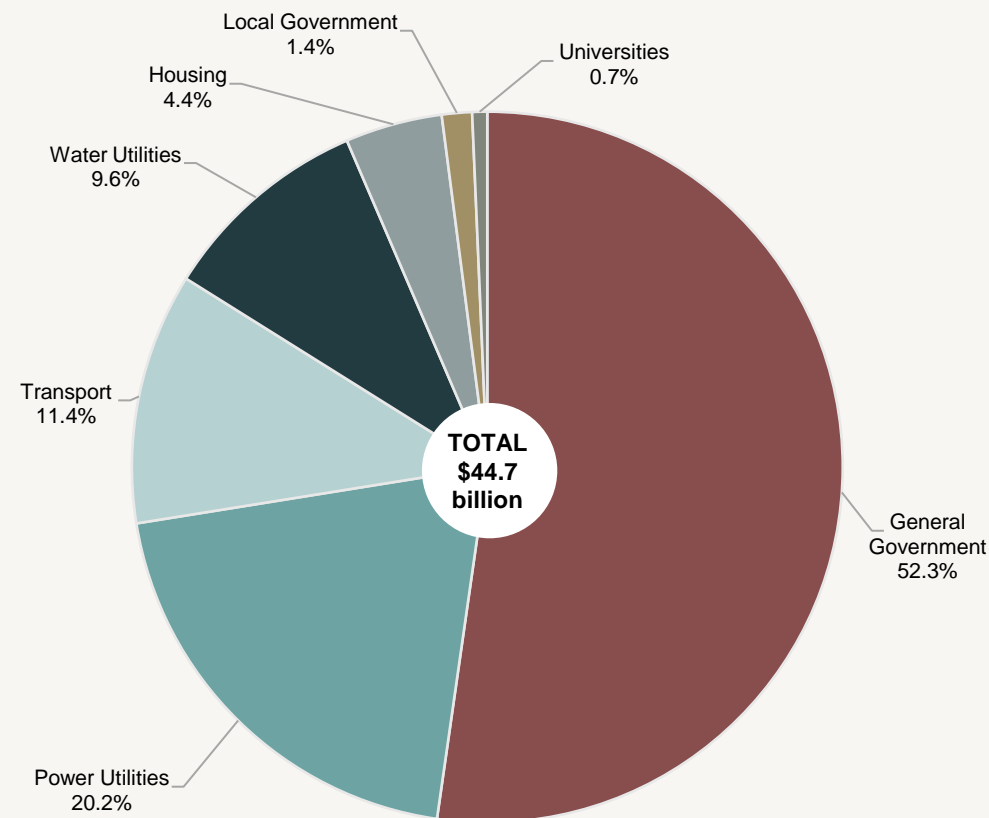
Carrarang Salt Lakes, near Denham.
Image courtesy of Tourism Western Australia.

WESTERN AUSTRALIAN TREASURY CORPORATION LENDING ACTIVITY FY2025

Borrow to fund a diverse range of government infrastructure

- Western Australian Treasury Corporation (WATC) lends to the general government for core infrastructure (e.g. roads, hospitals, schools, law and order, and social housing).
- Bespoke lender to State-owned businesses that provide critical infrastructure and services including electricity generation and distribution, public transport, water supply and housing ownership support.
- Lend for infrastructure to local government authorities and Western Australian universities.
- Lending book A\$44.7 billion as at 28 February 2025.

Lending by Agency Type



WESTERN AUSTRALIAN TREASURY CORPORATION AND FINANCIAL MARKETS

Western Australian Treasury Corporation programs as at 28 February 2025

Partner with Fixed Income Dealer Panel members who support market making, turnover and sharing of information.

	S&P Global Ratings	Moody's Ratings
Short Term	A-1+	Prime-1
Long Term	AAA	Aaa
Outlook	Stable	Stable

Domestic Benchmark Bonds

- 13 Dealer Panel members
- A\$37.6 billion across 11 Maturities between 2025 – 2041 (including A\$2.44 billion 2033 green bond)

Domestic Floating Rate Notes

- 13 Dealer Panel members
- 6 Maturities between 2026 – 2031
- **Total outstanding** A\$7.6 billion

Domestic Commercial Paper

- Undertaken on a tap basis
- Requirements communicated to over 60 institutions
- **Total outstanding** A\$2.3 billion

Euro Commercial Paper

- 8 Dealer Panel members
- A\$6.0 billion multicurrency
- Maturities 1 – 364 days
- **Outstanding** A\$0.4 billion

Euro Medium-Term Note

- 13 Dealer Panel members
- A\$2.0 billion multicurrency
- Maturities 1 month – 30 years
- Reverse inquiry facility
- **Outstanding** A\$0

WESTERN AUSTRALIAN TREASURY CORPORATION DEBT MATURITY PROFILE

Western Australian Treasury Corporation Balance Sheet Management and Borrowing Program

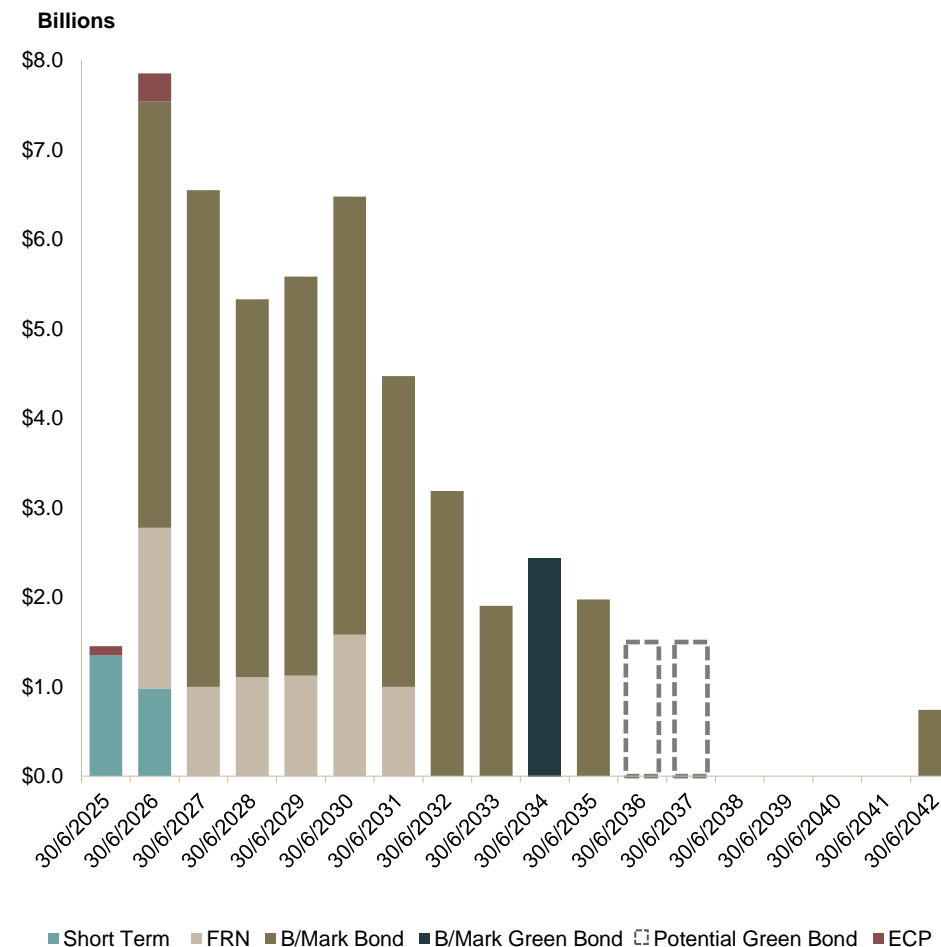
WATC Estimated Borrowing Programs Across Forward Estimates

	At Mid-Year Financial Projections Statement			
	2024/25*	2025/26	2026/27	2027/28
	\$b	\$b	\$b	\$b
Term Funding Requirement				
New Money Program (Est.)	0.7	1.0	2.5	2.4
Projected Maturities	0	6.6	6.5	5.3
<i>Less pre-funding</i>	0	0.0	0.0	0.0
Total Maturities + New Money	0.7	7.6	9.0	7.7
<i>Refinance from Short to Term Funding</i>	0.7	0.0	0.0	0.0
Total Term Funding	1.4	7.6	9.0	7.7

*2024/25 Program at 28 Feb 2025

- Target an optimal mix between floating and fixed rate exposure.
- Limit debt maturing within 12 months to less than 20% of total borrowing.
- Liquid assets covering 100% of debt maturing within 12 months.
- Undertake the issue of a new 2035 / 2036 green labelled bond to extend the maturity profile of our benchmark funding curve. Second green benchmark bond issued under Western Australian Treasury Corporation Sustainability Bond Framework.

WATC Debt Maturity Profile as at 28 February 2025



SUSTAINABILITY BOND FRAMEWORK – ESTABLISHED APRIL 2023, UPDATED FEBRUARY 2025

WATC's Sustainability Bond Framework outlines the governance and process which supports the issuance of Green, Social and Sustainability (GSS) bonds

The Framework is aligned to the four pillars of the ICMA Principles – supported by a Second Party Opinion from Sustainalytics.

1 Use of Proceeds

Key Features of WATC's Sustainability Bond Framework and approach to GSS bond issuance

- Eligible projects scope span every category of the ICMA Green and Social Bond Principles as verified in Second Party Opinion by Sustainalytics (current at February 2025).
- Forward looking focus with lookback period to include refinancing of completed projects is capped at one year.
- Whole of Western Australian Government involvement and oversight ensures robust governance over project selection, delivery and reporting.

2 Management of Proceeds

3 Project Evaluation and Selection

Focus on ESG additionality and transformation

- WATC's GSS bond issuance focuses on financing **new projects** seeking to achieve positive transformation in environmental outcomes and address challenging social issues.
- WATC's regular issuance program continues to finance programs that support ongoing improvement in ESG outcomes for Western Australia.

4 Reporting

AWARD WINNING INAUGURAL GREEN BOND

WATC's inaugural green bond in 2023 had a positive response from investors, underscoring expected future demand for WATC's GSS bond issuance



KANGANEWS
AWARDS
2023

Australian Market Deal Awards 2023

The July 2033 maturity green bond, issued in June 2023, was awarded the [KangaNews Sustainability Bond Deal of the Year](#).

Strong Market Demand

- The 2023 green bond issuance by WATC was over three times oversubscribed with more than \$6 billion in investor bids with \$1.9 billion issued. This reflects exceptional market confidence in WATC's Sustainability Bond Framework.

New Investor Participation

- The issuance attracted 25 new investors, including 14 with green mandates, further broadening WATC's investor base and highlighting strong interest from sustainability-focused stakeholders.

Investor Advocacy

- The success of the green bond showcased strong investor support for WATC's project pool structure, aligning with Western Australian Government priorities to fund transformative, large-scale investments that accelerate climate action and deliver social co-benefits.

Sustainable Bond Program

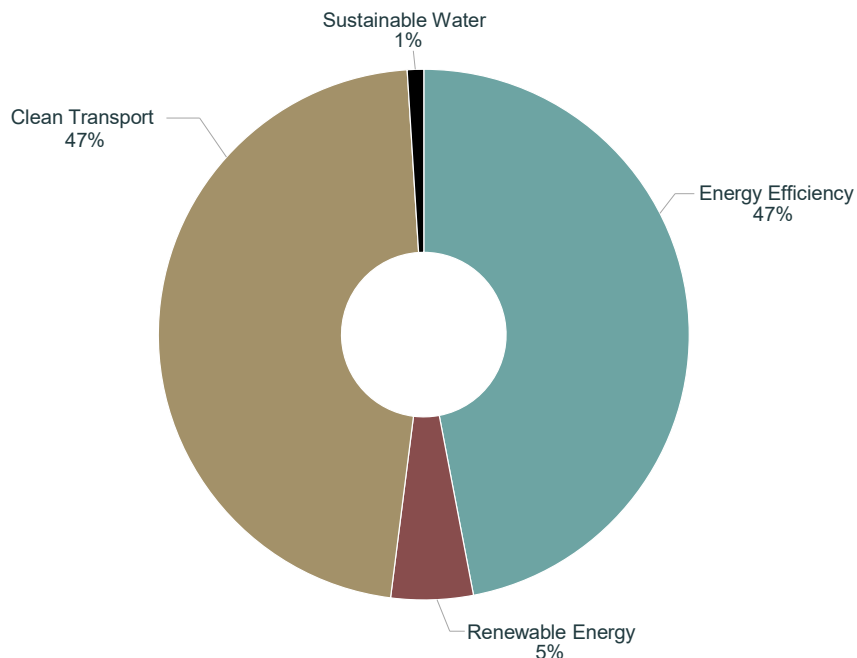
A continued focus on 'Additionality'
– projects driving high priority
meaningful environmental change –
with material social co-benefits



GREEN BOND PROJECT POOL IS DRIVING POSITIVE ENVIRONMENTAL CHANGE

Projects within the existing green bond are still largely under development requiring proceeds allocation from the inaugural and planned second green bond

Proceeds from the July 2033 maturity green bond have been allocated to ten projects* across four ICMA Green Bond Principles categories (\$2.4 billion as at 31 October 2024)

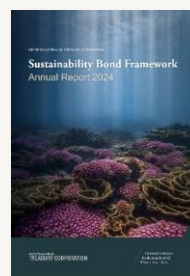


A minimum 50% allocation of green bond proceeds were committed to Renewable Energy and Energy Efficiency to reflect the Western Australian Government’s commitment to decarbonisation, and in particular the phasing out of coal from electricity generation.

*Refer to Appendix for project pool details

Unallocated eligible expenditure in the project pool is large and predominantly still forward looking (includes two new projects)

	Green Bond Themes	Unallocated Eligible Expenditure
1	Reducing emissions from electricity generation	\$3.5 billion
2	Transport infrastructure to support net-zero transition	\$5.7 billion
3	Enhancing climate change adaptation and resilience	\$2.8 billion
TOTAL		\$12.0 billion (67% is future expenditure)



The Sustainability Bond Framework Annual Report 2024 details project allocation, progress and impact.

EXPANDING THE GREEN BOND PROJECT POOL

Two major projects will be added to the project pool that build on the foundation of the existing pool and materially contribute to decarbonisation



Reducing emissions from electricity generation

Clean Energy Link

Connecting renewable energy to the grid



Yandin. Photo courtesy of Western Power.

Project Summary

- Expansion of the electricity network infrastructure to facilitate connection to future private and publicly funded renewable energy generation projects. Northern Corridor Stage 1 unlocks transmission capacity in the Wheatbelt and Mid West where there is already significant renewable energy infrastructure development.
- Includes new transmission lines and terminal builds as well as upgrades to existing lines and reinforcement work.
- Expected to reduce emissions by around 2.4 million tonnes of CO₂ per annum.

ICMA Category

Renewable energy

Primary Impact Indicator

Annual renewable energy enabled in MWh/GWh.

Social Co-benefit

Employment and economic growth in regional communities.



Transport infrastructure to support net-zero transition

Electric Bus Fleet

130 new electric buses



Transperth's electric CAT bus. Photo courtesy of Public Transport Authority of Western Australia.

Project Summary

- Establish an electric bus fleet, commencing with the replacement of retiring diesel-powered buses.
- Western Australian Government has commenced the acquisition of 130 locally manufactured electric buses (equivalent to approximately 9% of the total Transperth bus fleet), with a supporting investment from the Commonwealth Government to upgrade and convert bus depots to be able to service the new buses.
- Each electric bus will save upwards of 40 tonnes of CO₂ per annum compared to a diesel bus. This will increase as electricity supply is decarbonised.

ICMA Category

Clean transportation

Primary Impact Indicator

Annual GHG emissions reduced/avoided in tCO₂-e.

Social Co-benefit

- New fleet directly supporting 100 local jobs.
- Reduction in noise level and improvement in local air quality.

ONGOING EXPANSION OF THE SUSTAINABLE BOND PROGRAM

Looking ahead, significant funding will be required to deliver on policy objectives that will materially improve environmental and social outcomes

Upcoming projects

Aligned with existing environmental themes



Reducing emissions from electricity generation



Transport infrastructure to support net-zero transition



Enhancing climate change adaptation and resilience

Potential to add new themes to the project pool

Indicative projects under evaluation



Biodiversity



Addressing complex social issues



Social and Environmental outcomes



- Expand the conservation estate
- Protect and enhance State forests



- Housing First homelessness initiatives
- Expand mental health services and infrastructure
- Initiatives to reduce family and domestic violence



- On Country Aboriginal Ranger initiatives
- Energy security in remote communities

There is also significant opportunity to add new themes to the project pool that demonstrate additionality, environmental transformation and innovation in tackling complex societal issues.



Develop an additional 400 MW in large-scale battery storage by 2030



Develop a further 550 MW in renewable energy generation from wind farms before 2030



Expand Clean Energy Link and build Pilbara Green Link to connect mining and industry with large scale renewable energy



Increase electric bus fleet (over 90% of fleet to be converted)



Create a Traditional Owners Climate Resilience Fund and Remote Communities Fund



Explore and deliver new water sources for Perth and regional towns (inclusive of Alkimos Desalination Plant phase 2)

Project opportunities from existing themes will continue to expand to support the Western Australian Government's commitment to net-zero by 2050 and building a more climate resilient Western Australia.

Appendix

Green Bond Project Pool Detailed Descriptions





Reducing emissions from electricity generation

Wind Farms

Renewable energy generation expansion



Wind Farm. Photo courtesy of Synergy.

Project Summary

Develop two of Western Australia's largest renewable wind energy projects to date, with total capacity of up to 205 MW:

- **King Rocks** – Located in the Wheatbelt, featuring 17 turbines with 105 MW capacity.
- **Flat Rocks** – Situated in the Great Southern, planning for up to 100 MW capacity.

Status

- **King Rocks** – Under construction; estimated completion in 2027.
- **Flat Rocks** – Project development planning activities.

ICMA Category

Renewable energy

Primary Impact Indicators

- Annual GHG emissions reduced/avoided in tCO₂-e p.a.
- Annual renewable energy generation in MWh/GWh.

Social Co-benefit

Employment and economic growth in regional communities.



Reducing emissions from electricity generation

Large-scale Batteries

Increase penetration of renewable energy sources connected to the grid



Kwinana Battery Energy Storage System 2. Photo courtesy of Synergy.

Project Summary

Develop three big batteries with a total capacity of 3,000 MWh to increase penetration of renewable energy sources connected to the grid – in particular household rooftop solar.

Status

- **Kwinana Battery Energy System 1** – Commissioned mid-2023.
- **Kwinana Battery Energy System 2** – Commissioned end-2024.
- **Collie Battery Energy System** – Estimated commissioning by end of 2025.

ICMA Category

Energy efficiency

Primary Impact Indicators

- Capacity installed.
- Average daily withdrawal (replenishment) of predominantly renewable energy from (to) the grid.

Social Co-benefit

Just Transition from coal mining and coal-fired power generation in the town of Collie where the largest battery is being constructed.



Reducing emissions from electricity generation

Stand-alone Power Systems

Off-grid renewable based energy supply



Stand-alone Power System. Photo courtesy of Horizon Power.

Project Summary

- Deploy up to 4,000 off-grid renewables-based energy systems in regional areas to increase renewables penetration and power reliability.
- Each Stand-alone Power System (SPS) includes solar panels, a photovoltaic inverter, battery storage, and, where necessary, backup diesel generation.
- SPS to replace traditional poles and wires in climate-vulnerable regional and isolated areas.

Status

- Deployment in progress – over 300 SPS commissioned and approximately 800km of overhead power lines removed.
- Current system design being targeted to achieve up to 90% renewable generation.

ICMA Category

Renewable energy

Primary Impact Indicators

- Kilometres of overhead power lines removed.
- Annual renewable energy generation in MWh/GWh.
- Annual GHG emissions reduced/avoided in tCO₂-e p.a.

Social Co-benefit

Improve power reliability in remote areas, significantly reducing the frequency of power outages - with an 85% reduction for customers converted to SPS achieved in FY23 and FY24.



Reducing emissions from electricity generation

Solar Schools Program

Renewably powering WA's regional and remote schools



Aerial View of Broome Senior Highschool. Photo courtesy of Billy Quinncroft, Mechanical Project Services.

Project Summary

- Installed rooftop solar panel systems in 35 remote and regional schools, predominantly in the Kimberley (18 schools) and Pilbara regions (10 schools).
- The largest system in the program consists of 499 solar panels, saving approximately \$350,000 annually in electricity costs.

Status

Completed December 2024

ICMA Category

Renewable energy

Primary Impact Indicators

- Number of schools supported by renewable energy and generation capacity installed.
- Annual renewable energy generation in MWh/GWh.
- Annual GHG emissions reduced/avoided in tCO₂-e p.a.

Social Co-benefit

- Reduction in schools' annual electricity costs by around one quarter.
- STEM (Science, Technology, Engineering, and Mathematics) learning outcomes for students.



Reducing emissions from electricity generation

Advanced Metering Infrastructure

Enabling higher efficiency of rooftop solar



Advanced metering installation. Photo courtesy of Western Power.

Project Summary

- Install 1.2 million Advanced Metering Infrastructure (AMI) for all eligible households and businesses connected to the South West Interconnected System (SWIS) by 2027, enhancing the efficient use of rooftop solar generation and enabling the integration of emerging technologies.
- The AMI rollout will support more efficient utilisation of rooftop solar, which has surpassed 40% penetration across Western Australian households.

Status

746,821 advanced meters installed and operational (August 2024) – equivalent to 61% of network connections.

ICMA Category

Energy efficiency

Primary Impact Indicator

Number of AMI installed

Social Co-benefit

Provides more data to help customers manage their energy usage, monitor energy efficiency targets and reduce overall power costs.



Reducing emissions from electricity generation

LED Streetlights

Reducing community energy consumption



LED streetlights installed. Photo courtesy of Western Power.

Project Summary

- Replace all standard streetlights (288,000 streetlights) on local road networks in the South West Interconnected System with LED lights by 2035.
- Once the project is completed, it is estimated the LED replacement program will reduce greenhouse gas emissions by more than 33,000 tCO₂-e per year reducing streetlight energy consumption by approximately two-thirds.

Status

- 73,652 streetlights converted (August 2024) – equivalent to 25% of local roads streetlight fleet.
- FY24 estimated 9,192 tCO₂-e emissions avoided.

ICMA Category

Energy efficiency

Primary Impact Indicators

- Number of streetlights converted.
- Annual GHG emissions reduced/avoided in tCO₂-e p.a.

Social Co-benefit

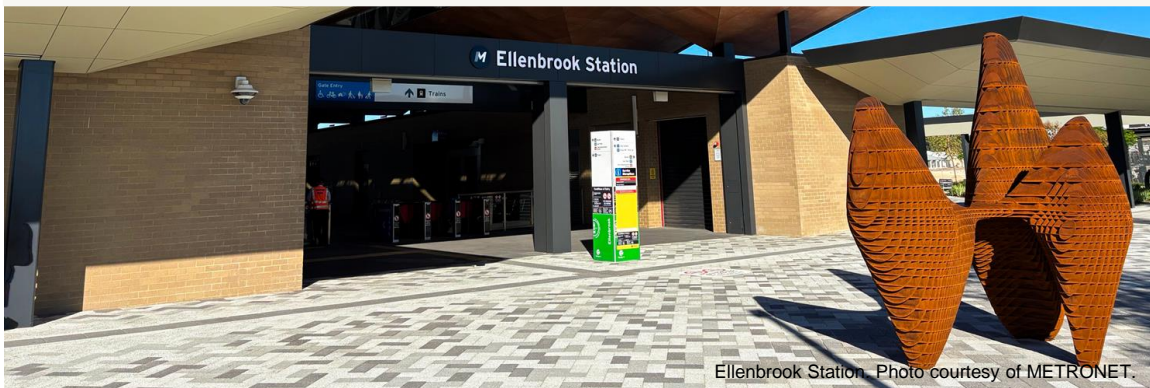
Reduces community energy costs.



Transport infrastructure to support net-zero transition

METRONET

Major expansion of electrified public transport system



Ellenbrook Station. Photo courtesy of METRONET.

Project Summary

- Major expansion of the metropolitan electrified public rail network of approximately 40% / 72 km including 23 new stations.
- Strong focus on sustainability in construction and procurement targets for Aboriginal business involvement and employment.
- Integrates public transport with urban planning to support sustainable growth in Perth over the next 50 to 100 years – facilitating higher-density housing close to stations with provisions for social and affordable housing.

Status

44 km of new rail line and 13 new stations commissioned (February 2025) – equivalent to 61% and 57% completed respectively.

ICMA Category

Clean Transportation

Primary Impact Indicators

- New kilometres of rail line and stations delivered.
- Passenger trips or Passenger-kilometres.

Social Co-benefit

- Two-zone (~10 km) capped fare, delivering more affordable public transport to passengers in outer suburban areas more than 70 km from central Perth.
- Ride to School Free Program (for students holding a valid SmartRider).



Transport infrastructure to support net-zero transition

Active Transport Infrastructure

Integrated network for active transport



People travelling along Boorloo Bridge. Photo courtesy of Department of Transport.

Project Summary

- Deliver a network of safe, high-quality paths for people of all ages and abilities to walk, wheel and ride, connecting key business activity and education centres.
- The program expands the Principal Shared Path network which is a key action of the *Western Australian Bicycle Network Plan 2014–2031* and being delivered as part of the state-wide major transport infrastructure.

Status

- Completion of Boorloo Bridge, a 1-km-long separated shared path alongside the Causeway traffic bridge (December 2024), as well as 34 km of new principal shared paths (September 2024).
- Works underway to fill network gaps and deliver further pathway expansions.

ICMA Category

Clean Transportation

Primary Impact Indicator

Total in kilometres of new dedicated pedestrian / bicycle lanes.

Social Co-benefit

Facilitates healthier lifestyles and safer offroad travel by minimising interruptions from other traffic to create more enjoyable walking and riding experiences.



Transport infrastructure to support net-zero transition

Electric Vehicle Initiatives

Longest Electric Vehicle (EV) network in Australia



Enhancing climate change adaptation and resilience

Renewable Desalination Plant

Water supply diversification



WA EV Network Charging Station, Kununurra. Photo courtesy of Horizon Power.

Project Summary

- One of the world's longest EV charging networks, covering more than 7,000 km, with 49 fast-charging locations across the State.
- Runs in conjunction with the *Zero Emission Vehicle Rebate Programme* (ending on 10 May 2025): \$3,500 rebates for new EV purchases with a value of \$70k or less.
- This entire network is supported with other complementary initiatives such as:
 - Installation of EV charging ports at selected major metropolitan train station carparks.
 - Supporting local governments to install charging infrastructure through grants.

Status Completed in February 2025.

ICMA Category Clean Transport

Primary Impact Indicators

- Estimated tailpipe GHG emissions avoided.
- Number of purchase rebates provided.

Social Co-benefit

- Cost relief for consumers.
- Facilitates EV take-up in regional communities.



Artist's Impression of the Alkimos Seawater Desalination Plant Stage 1 and 2. Photo courtesy of Water Corporation.

Project Summary

- 50 billion litre per year Alkimos Seawater Desalination Plant (Stage 1) to supply secure, sustainable drinking water, supporting Western Australia's growing population and reducing reliance on groundwater to help protect the natural environment.
- As part of the Western Australian Government's commitment to achieving net-zero emissions from its direct activities, this new desalination plant will reach net-zero scope 1 and 2 emissions for all phases of construction and operation.

Status

- Detailed design is in progress.
- Work is under way within the Alkimos Water Precinct.
- First water production planned for 2028.

ICMA Category Sustainable Water

Primary Impact Indicator Annual absolute (gross) amount of water output in GL.

Social Co-benefit

- Employment opportunities in construction phase.
- Water security.

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