

SUPPORTING CONTINUOUS IMPROVEMENT IN ESG OUTCOMES FOR WESTERN AUSTRALIA

UPDATE
MAY 2022

In November 2021, Premier Mark McGowan released the WA Government's inaugural Environmental, Social and Governance (ESG) investor information pack, [Supporting Continuous Improvement in ESG Outcomes for Western Australia](#), with an objective to:

- Outline key policy commitments and actions in progress to improve ESG outcomes in Western Australia;
- Reinforce a commitment to achieving the Paris Agreement objective of net zero emissions by 2050; and
- Demonstrate support to Australia's pursuit of the United Nations Sustainable Development Goals (SDG).

The material in the inaugural ESG investor information pack remains relevant, the purpose of this update is to inform investors on key ESG initiatives progressed by the WA Government since its release, including through the [2022-23 State Budget](#).

ENVIRONMENT

CARBON TRANSITION

The Climate Action Fund has been increased by \$500 million to \$1.25 billion and is a primary source of funding for [WA Climate Policy](#) related initiatives.



ACCELERATING THE TAKE UP OF ZERO EMISSIONS VEHICLES

The [WA Electric Vehicle Strategy](#) has been strengthened with a further \$60 million directed to rebates on the purchase of new electric vehicles and expanded charging infrastructure across the State.



SECTORAL EMISSIONS REDUCTION STRATEGIES (SERS)

The WA Government has initiated development of the SERS which will provide robust and credible emissions reduction pathways for Western Australia and recognise the importance of significant action this decade to reduce emissions.



RENEWABLE HYDROGEN HUBS – FAST-TRACKING POTENTIAL FOR PRODUCTION AND EXPORTS FROM WA

The [WA Renewable Hydrogen Strategy](#) has been significantly progressed through commitment of an additional \$117.5 million to build critical infrastructure and develop market initiatives for two hydrogen hubs, located in the Pilbara and Mid-West.



METRONET – SIGNIFICANTLY REDUCING TRANSPORT RELATED EMISSIONS

The [METRONET](#) project is progressing well to significantly expand the metropolitan electrified rail network, station infrastructure and railcars – with the [first line](#) linking the Perth airport to major metropolitan suburbs set to open this year. Improving environmental outcomes is a key focus of construction activity, through such measures as diverting waste from landfill; conserving water; installing solar powered site offices; and using recycled materials.



CLEAN ENERGY FUTURE FUND – ROUND TWO FUNDING OUTCOME

\$11 million in grants awarded to support seven innovative clean energy projects, expected to lead to \$197 million in total investment, delivering new sources of renewable energy and emissions reduction capability with strong potential for wider adoption.



CARBON FARMING – UNLOCKING LAND FOR LARGE SCALE PROJECTS TO GENERATE CARBON CREDITS

Building on the [Carbon for Conservation](#) initiative, an additional 3 million hectares of unallocated Crown land will be made available for the private sector to partner with the WA Government and Traditional Owners to create large scale carbon farming projects. High-level carbon farming concept proposals will be invited during 2022.



POTENTIAL TO REDUCE LNG INDUSTRY EMISSIONS

A joint WA Government and industry representative's taskforce has [commenced a study](#) on carbon capture, utilisation and storage to identify implementable opportunities to assist decarbonisation of the State's gas industry.

CONSERVATION AND REHABILITATION



PRESERVING OUR BIODIVERSITY – PROGRESS ON EXPANDING THE CONSERVATION RESERVE

The planned 5 million hectare or 20% expansion of the State's [conservation estate](#) by February 2024 is progressing, with 10 reserves covering approximately 500,000 hectares already well established. This has also increased opportunities for [joint management](#) of conservation reserves with Traditional Owner groups.



END OF SOUTH-WEST NATIVE FORESTS LOGGING FROM 2024 – INDUSTRY TRANSITION

An \$80 million [Just Transition Plan](#) will provide support to affected workers and businesses, drive further diversification of local economies and assist in identifying and securing sustainable job opportunities. The next [Forest Management Plan 2024-2033](#) will support the transition from commercial scale logging and focus on maintaining biodiversity and native forest health, including facilitating carbon capture and storage.

SOCIAL AND GOVERNANCE

WELL-BEING AND REDUCING INEQUALITIES



MENTAL HEALTH – BETTER CARE FOR OUR CHILDREN AND ADOLESCENTS

In response to an [independent review on child and adolescent mental health issues](#), the WA Government has committed to implement all 32 recommendations commencing with a \$47 million allocation to support at-risk children.



PROGRESSING POSITIVE OUTCOMES FOR ABORIGINAL PEOPLE

Aboriginal businesses were awarded 6.5% of government contracts in the 2021 financial year, more than double the 3% target, with approximately \$500 million in contracts awarded since the [Aboriginal Procurement Policy target](#) was introduced in July 2018. Support for Aboriginal communities has also been significantly enhanced through establishment of a \$350 million Remote Communities Fund to further [support improved housing, water, power and municipal services](#) in remote Aboriginal communities.



BUILDING AN INCLUSIVE AND SECURE DIGITAL SOCIETY

The [Digital Strategy Roadmap](#) was released in January 2022 to deliver on the vision and objectives of the [WA Government Digital Strategy 2021-25](#). Supported by the \$900 million [Digital Capability Fund](#), the Roadmap outlines a timeline of key initiatives progressing five strategic priorities including strengthening cyber security capability and removing barriers to digital inclusion recently informed by detailed [community consultation](#).

EFFICIENT AND COORDINATED INSTITUTIONS



WHOLE OF GOVERNMENT CLIMATE RISK FRAMEWORK

Progress continues on development of the WA Government's Climate Risk Framework, to establish State agencies' capacity to provide disclosures (based on TCFDs) on the implications of climate change on the State's finances, infrastructure, physical assets and service delivery. An interim climate risk management guide to build State agencies' capacity was delivered in February 2022.

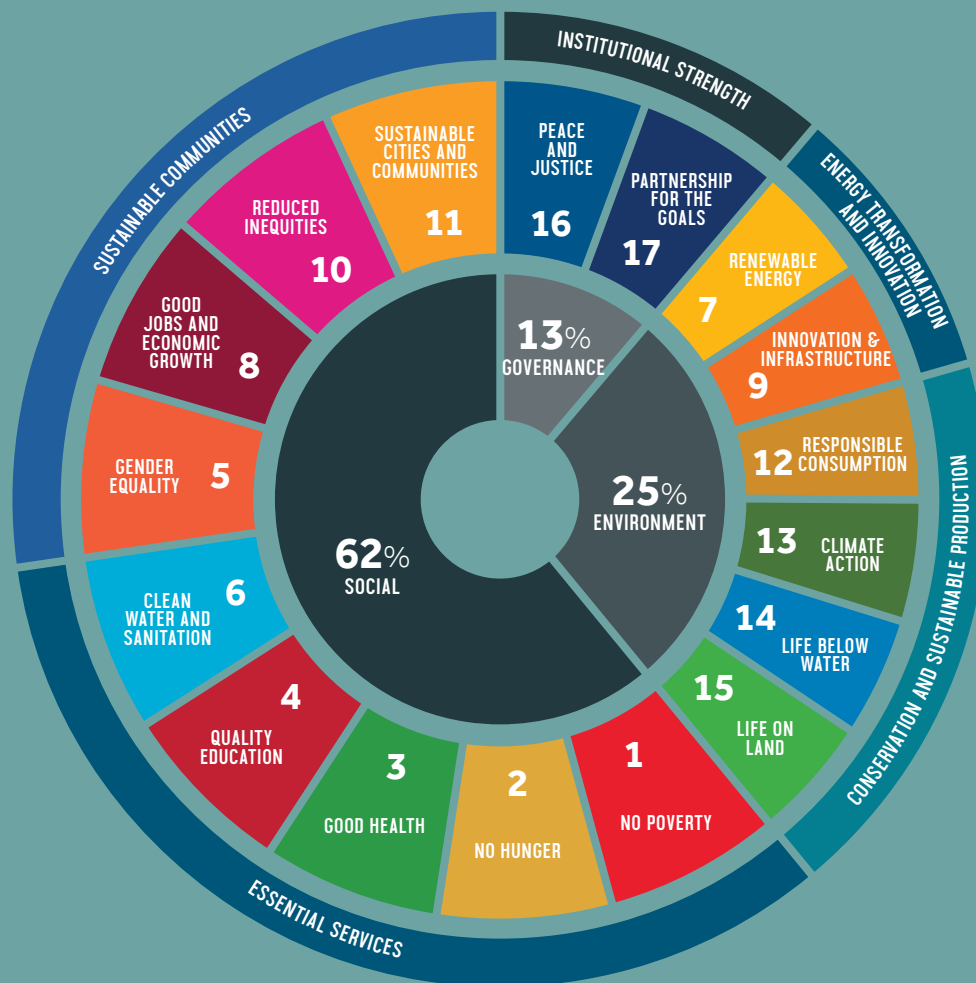


SUSTAINABILITY BOND FRAMEWORK

Western Australia Treasury Corporation (WATC) is currently pursuing development of a Sustainability Bond Framework to provide the WA Government with a vehicle to finance initiatives meeting internationally recognised green and social bond standards. This will complement the WA Government's concerted efforts towards progressing global objectives and the SDG. Subject to final approvals and funding requirements, WATC will be in a position to issue the State's first green or sustainability bond during 2023.

2022-23 WA STATE BUDGET: ONGOING COMMITMENT TO PROGRESSING THE SDG

Expenditure planned through the State Budget contributes to advancing a broad range of ESG ambitions that relate to objectives within each of the 17 SDG. This is illustrated below where expenditure within the 2022-23 State Budget has been indicatively aligned to the SDG being progressed.



CONTACT US

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