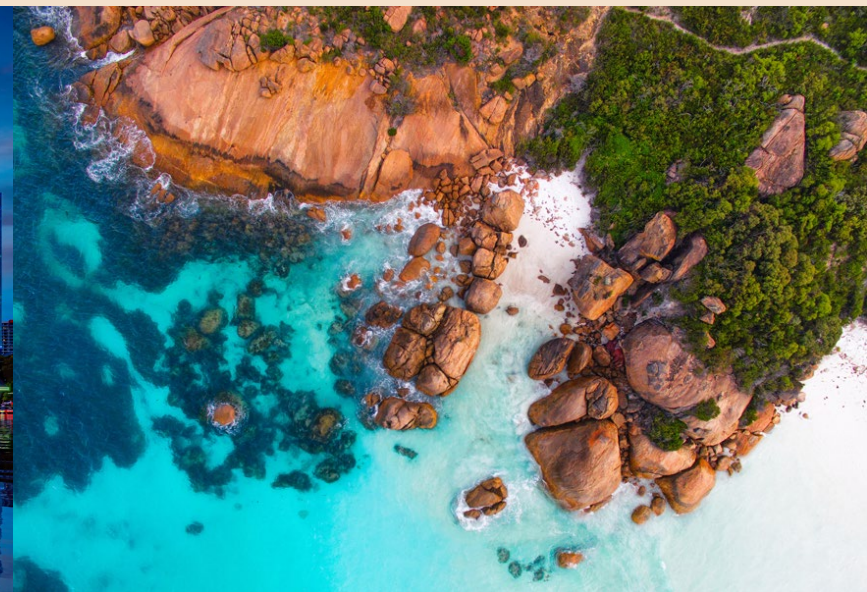
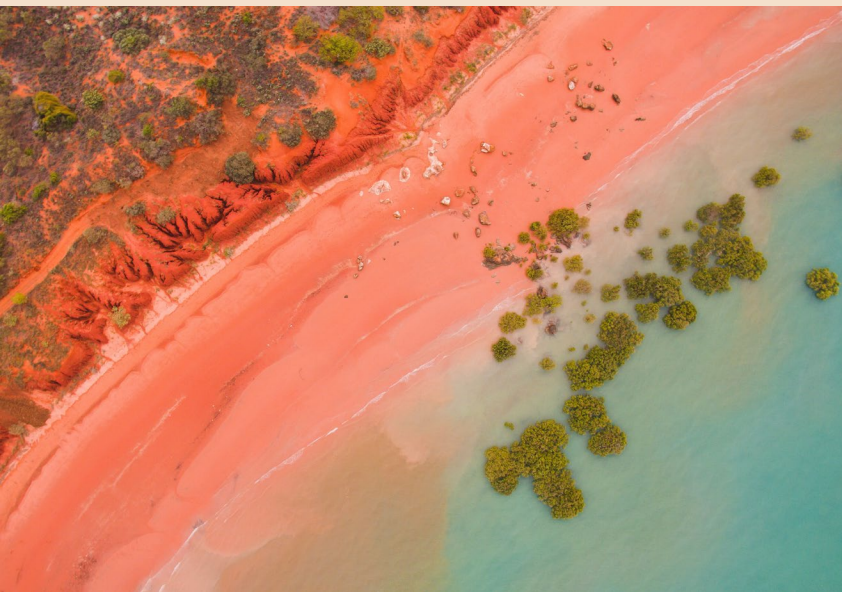




Government of Western Australia
Department of Treasury and Finance



Chief Finance Officers' Forum

Tuesday, 25 November 2025





Acknowledgement of Country

We respectfully acknowledge the Traditional Custodians, the Whadjuk people on whose Country we are meeting on today and pay our respects to their Elders past and present.

We also extend our respect and acknowledgment to all Traditional Custodians and Aboriginal communities throughout Western Australia and their continuing connection to Country, culture, and community.

We acknowledge and pay tribute to the strength and stewardship of Aboriginal people in sustaining the world's oldest living culture and value the contribution Aboriginal people make to Western Australia's communities and economy.

‘Your Future, Your Super’ reforms – ‘Stapling’

Ben Palmer
GESB Chief Executive Officer



About GESB

- 85+ years' experience
- WA statutory authority
- Competitive investment returns
- Low fees
- Comprehensive insurance for all WA public sector occupations
- Perth-based member services
- Ongoing agency engagement and support



GESB SUPER
RETIREMENT INCOME
ALLOCATED PENSION



GESB SUPER



Background

- GESB is a State-regulated Exempt Public Sector Superannuation Scheme
- Heads of Government Agreement:
 - State of WA commits to conform with national superannuation standards
 - GESB is deemed a complying fund for Superannuation Guarantee and income tax purposes
- In 2021, the Australian Government introduced 'Your Future, Your Super' (YFYS)
- The *State Superannuation Amendment Act 2024* responded to these reforms (passed November 2024)

Stapling

- Account 'stapling' is the most significant component of YFYS
- A 'stapled' account follows the employee when they change jobs
- Reduces multiple account creation, duplicate fees, insurance premiums
- GESB and WA public sector adoption of stapling required amendments to the *State Superannuation Act 2000*
- Two GESB/WA contexts of 'stapling':
 1. Members of GESB being stapled to GESB (*implemented 12 May 2025*)
 2. Public sector employers paying new employees' super to their stapled fund (*yet to be implemented – date TBD*)

Stapling reforms for GESB members

Changes to the *State Superannuation Act 2000* came into effect on 12 May 2025, benefitting the 250,000 current and former public sector workers who have super with GESB.

This initiative was termed 'GESB One Fund'.



GESB One Fund

- GESB can now accept non-government employer contributions for GESB members
- Members can keep their superannuation and insurance with GESB
- Previously, GESB members who left the public sector or had secondary work in the private sector had to open an account with another super fund
- Non-government employer contributors can only be paid to the GESB Super scheme
- Members of Gold State Super and West State Super open a GESB Super account to participate in stapling

One Fund by the numbers

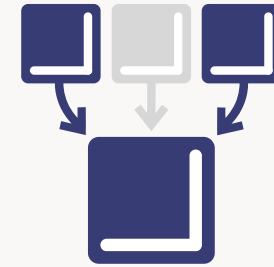
As at 31 October 2025:



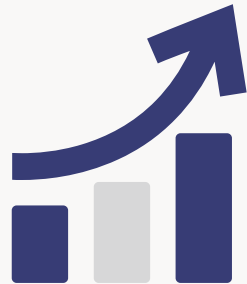
3,659 members reactivated contributions to GESB



\$10.8 million in non-government employer contributions received



\$52 million in rollovers from other funds



3,401 non-government employers



1,482 GESB Super accounts created for 'stapled' members

Stapling reforms for WA public sector employers

- Employer stapling obligations will be introduced at a future date (to be determined)
- Employer obligations post-reforms:
 1. if the employee nominates their super fund ('choice of fund'), super contributions must be paid to that fund
 2. if the employee does not nominate a fund, the employer must locate the employee's stapled fund (via ATO query)
 3. if there is no choice of fund or stapled fund, then the employer must pay super to the employer's default fund
- GESB remains the default fund for most WA State government employers

Agency engagement

GESB is focusing on:

- Supporting agencies
- Educating and informing public sector employees
- Streamlined onboarding processes and systems
- Enabling informed employee choice



Onboarding

GESB is engaging with relevant parties to develop a streamlined solution for WA public sector employers to meet their stapling obligations, when implemented.

GESB will:

- partner with agencies to assist them in implementing the proposed process, including providing onboarding software solutions (where necessary)
- provide ongoing support through the Relationship Management and Education team, including tailored communications materials
- engage with the Public Sector Commission and employers to optimise a solution for the entire public sector, including the role of the WA Jobs Board



Questions?



WATC's Green Bond Program

Richard McKenzie, Head of ESG & Investor Relations

CFO Forum – 25 November 2025

Introduction

Western Australian Treasury Corporation

Central Borrowing Authority



Established by the Western Australian Treasury Corporation Act (1984) to provide debt finance to government-controlled entities

Provides financial solutions



WATC's purpose is to provide financial solutions for the benefit of the Western Australian public sector. It lends to the general government sector, government-owned trading enterprises, local governments, and universities, supporting capital investment across the State.

As at 30 June 2025, WATC's lending book was ~ **\$45 billion**, reflecting its critical role in funding public infrastructure and services.

Financial solutions WATC provides include:

- Loan products and services
- Investment products
- Treasury management services
- Foreign Exchange services
- Advisory Services

Maintains access to markets



Key objective: maintain broadest possible access to domestic and international capital markets (i.e. investors or lenders)

Regular issuance

- Bonds and floating rate notes whereby WATC promises to repay investors we borrow from by a certain date and provide periodic interest (e.g. quarterly)
- Current outstanding amount: \$43.2 billion

ESG certified issuance

- Green, Social or Sustainability Bonds that fund eligible projects (that are creating environmental or social outcomes)
- 2 x Green Bonds totalling \$4.7 billion on issue

WATC's Sustainable Finance Journey



Department of
Energy and Economic
Diversification



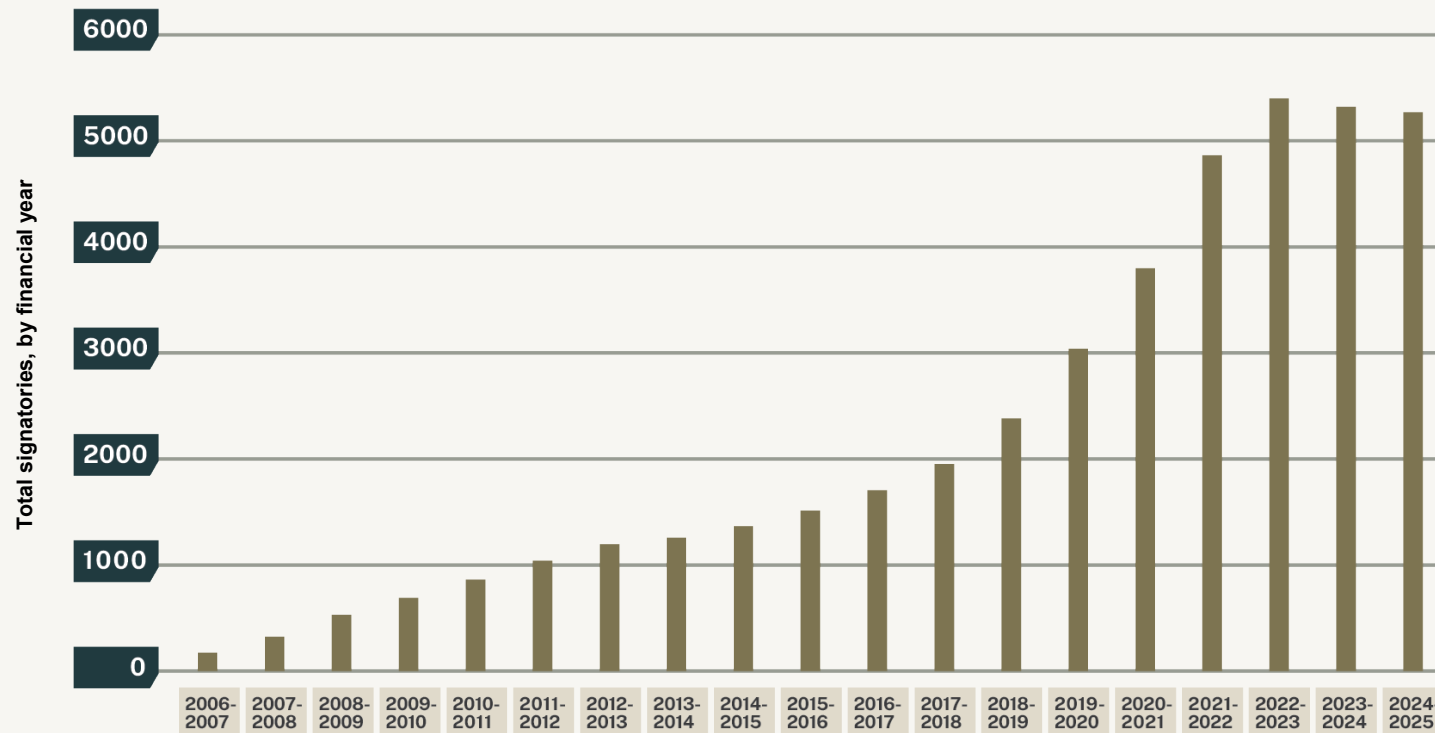
Western Australia's
**Innovators
of the Year 2025**

Government Innovators of the Year Award
Western Australian Treasury Corporation
Finalist

Why did WATC develop the Green Bond Program?

Financial Market Evolution - Significant growth in Responsible Investment approach over last 10 years

Global Investor Signatories to UN Principles of Responsible Investment (ESG = Environmental, Social and Governance)



Source: [Principles for Responsible Investment 2024 Annual Report](#)

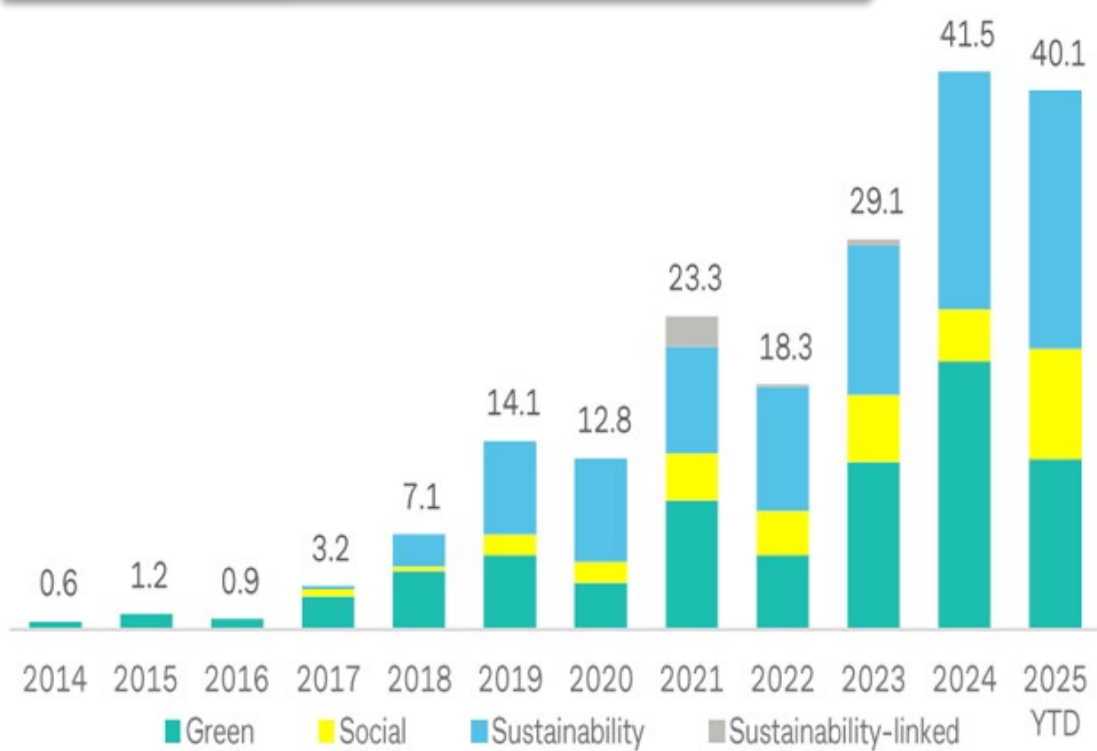
Principles of Responsible Investment

1. incorporate ESG issues into investment decision-making processes
2. Incorporate ESG issues into our asset ownership policies and practices
3. Seek appropriate disclosure on ESG issues by the entities in which we invest

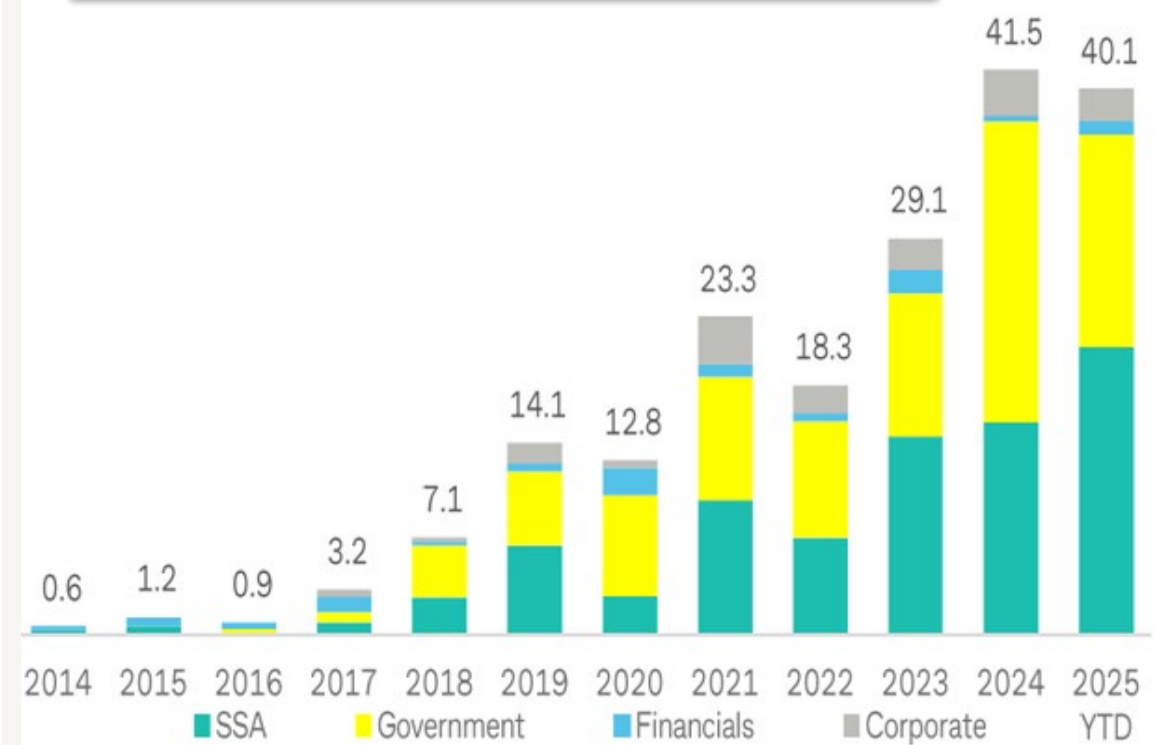
Sustainable Bond Market

Has been growing rapidly in Australia – now represents a major market segment

A\$ GSS Issuance by Label (A\$b)



A\$ GSS Issuance by Sector (A\$b)



**Graphs from CBA's ESG Debt Capital Markets team. YTD data as at 30 September 2025.*

ESG and Sustainable Bonds

Sustainable Bonds are a tactic to support a strong ESG reputation

GOAL

Access to Markets

Maintain access to domestic and international capital markets to raise funds in a timely and cost-effective manner

STRATEGY



Strong ESG Credentials

Promote WA Government's reputation for positive environmental and social outcomes to investors

Strong ESG credentials are essential to support WATC's entire issuance program

TACTICS



Sustainable Bonds

- Signal to investors that action is being taken to mitigate ESG risks by drawing attention to environmental projects underway.
- Attract new types of investors focused on ESG outcomes.



ESG Disclosures

- Showcase WA Government's ESG policies and actions.
- Increase understanding on misunderstood topics such as WA's decarbonisation strategy.

Establishing ESG Credibility: Cross-Government Initiative

Contributions to the ESG disclosures have come from agencies across Government



Government of **Western Australia**
Department of **Communities**



Department of **Biodiversity,
Conservation and Attractions**



Government of **Western Australia**
Department of **Education**



Government of **Western Australia**
Department of **Finance**



Government of **Western Australia**
Department of **Health**



Government of **Western Australia**
Department of **Jobs, Tourism, Science and Innovation**



Government of **Western Australia**
Department of **Justice**



Department of
**Local Government, Sport
and Cultural Industries**



Government of **Western Australia**
Department of **Mines, Industry Regulation and Safety**



Government of **Western Australia**
Department of **the Premier and Cabinet**



Department of
**Primary Industries and
Regional Development**



Government of **Western Australia**
Department of **Transport**



Government of **Western Australia**
Department of **Treasury**



Government of **Western Australia**
Department of **Water and Environmental Regulation**



Government of **Western Australia**
Energy Policy WA



Establishing ESG Credibility

Starting in 2021, WATC has led joint initiatives across WA Government agencies to showcase WA's ESG Credentials – paving the way to establish our Green Bonds

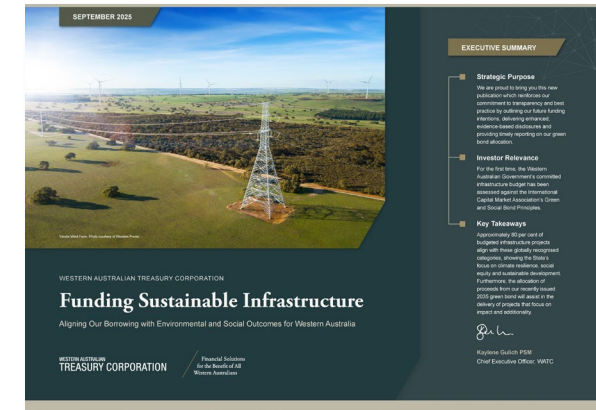
2021 - 23



2024



2025



Independent ESG Rating

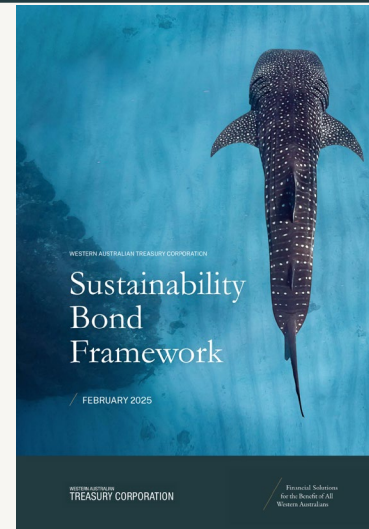
MSCI
ESG RATINGS



CCC B BB BBB A **AA** AAA

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

Sustainability Bond Framework



Green Bonds issued under the Sustainability Bond Framework:

- May 2023: 2033 maturity inaugural Issuance
- June 2025: 2035 maturity second Issuance

further issuances continuing thereafter

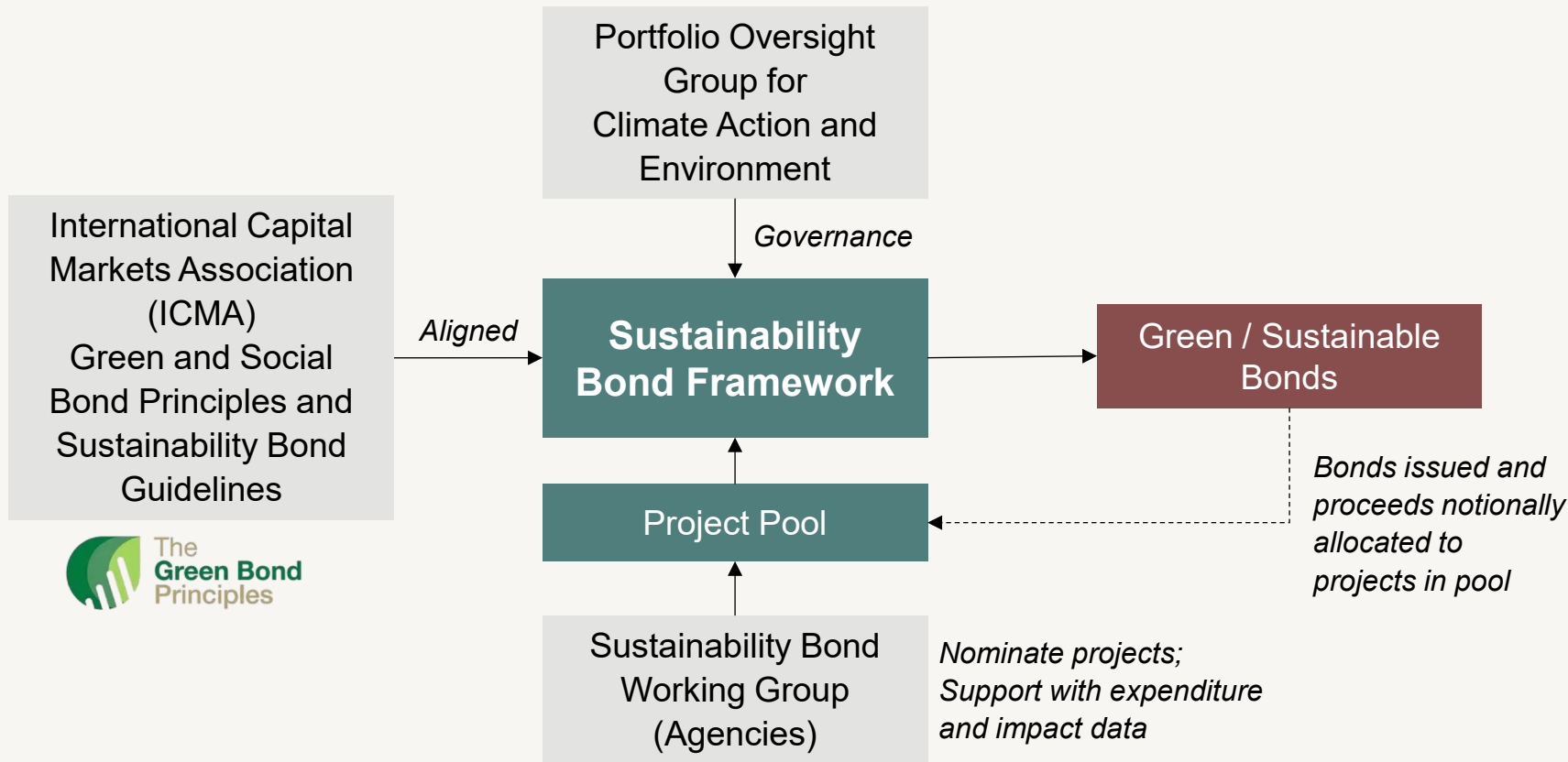
Structure of WATC's Green Bonds



Sustainability Bond Framework

The Portfolio Oversight Group for Climate Action and Environment provides cross-Government governance of the SBF

WATC Board Oversight



External assurance and Second Party Opinion provided by global research firm, Sustainalytics

 **SUSTAINALYTICS**

WATC is considering voluntary alignment with Australian Sustainable Finance Taxonomy






Investor Engagement Focus

WATC green bonds support accelerating climate action through assisting to fund transformational investments of large scale.

Projects were chosen within the following three themes which were represented key environmental policy commitments of the WA Government



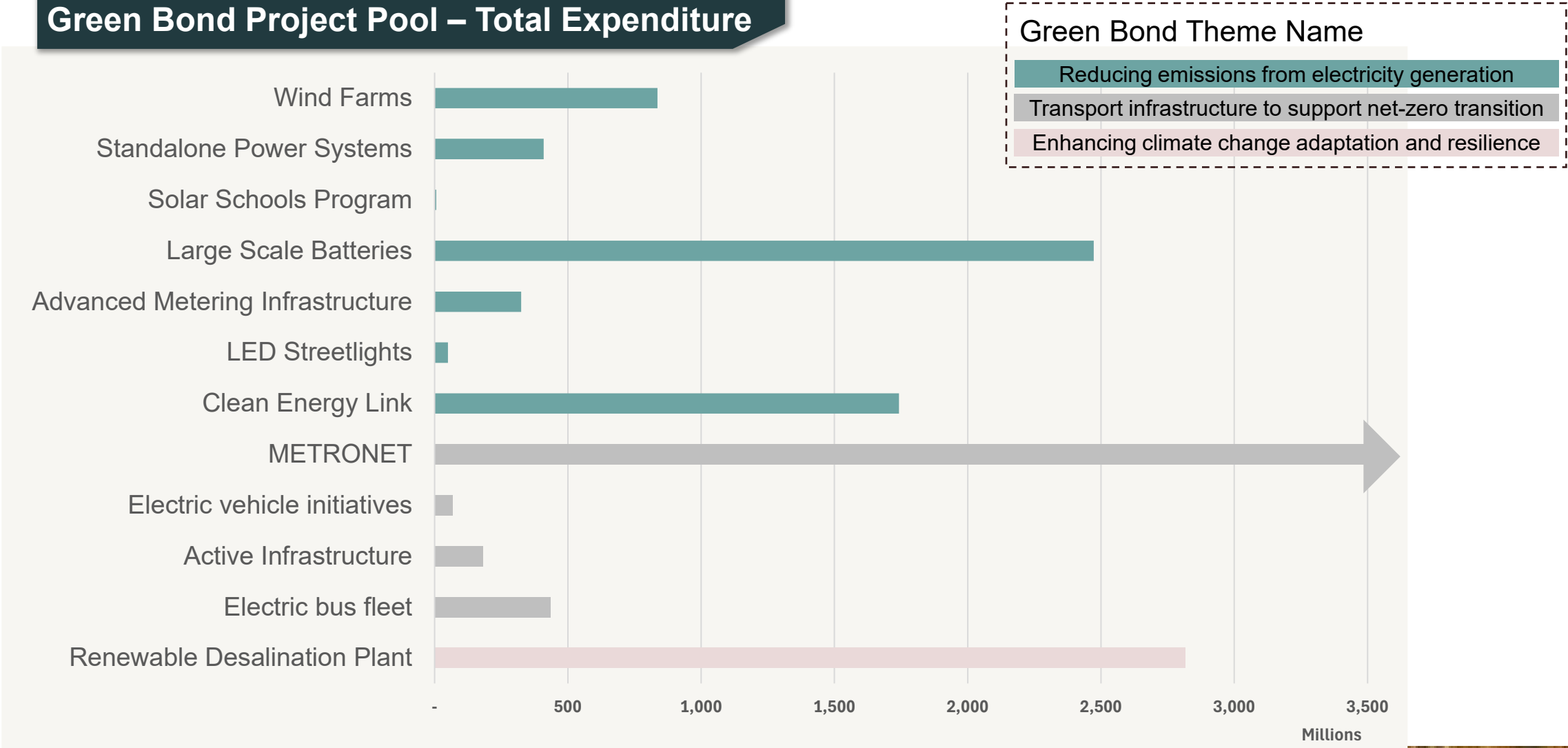
Investment in renewables will power the once in multiple generations expansion in electrified public transport and other energy intensive infrastructure

		Expected expenditures across included projects
 1	Reducing emissions from electricity generation	~ \$6 billion
 2	Transport infrastructure to support net-zero transition	~ \$7 billion
 3	Enhancing climate resilience through proactive water supply management	~ \$3 billion

Future Positive Environmental Change

Projects within the existing green bond pool are still largely under development

Green Bond Project Pool – Total Expenditure



Success indicators for the green bonds



Positive KPIs Across a Broad Range of Indicators

WATC's green bonds have been sought out by investors – reflecting their quality


	First Green Bond (May 2023)	Second Green Bond (June 2025)	
Amount of bids	A\$6.1 billion	A\$5.5 billion	High oversubscription of both green bonds highlights strong investor interest
Amount issued	A\$1.9 billion	A\$2 billion	
Pricing outcome	ACGB 10y + 0.53% Bid guide (0.53 – 0.58)	ACGB 10y + 0.61% Bid guide (0.61 – 0.64)	High demand pushed pricing in a favourable direction for WATC
New investors	25	7	
Green investors	22 (40%)	16 (24%)	Securing bids from green funds highlights the credibility of our green bond program
Other success indicators	<ul style="list-style-type: none">Secured bids from investors who previously excluded WATC over ESG concerns	<ul style="list-style-type: none">WATC's largest ever syndicated issueLargest international investor allocation for an Australian state (>50%)	Our green bond program has facilitated diversification of our investor base

Post Green bond -Extensive Media Coverage

Positive media and independent investor advocacy

FINANCIAL REVIEW

Bond investors impressed by WA’s ‘compelling green turnaround’



Cecile Lefort Markets reporter

Updated Jun 15, 2023 – 7.24pm, first published at 6.32pm

Save

Share

Investors piling into Western Australia’s first green bond auction said the state’s push towards decarbonisation was convincing and credible.




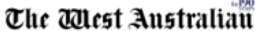


The WA government this week sold its first green bond, [raising \\$1.9 billion in 10-year debt](#) to fund major projects to help transition the state’s energy supply away from fossil fuels to wind farms and big batteries.

The offer attracted \$6.1 billion in bids from more than 60 separate investors, resulting in allocations being heavily scaled back. Three-quarters of the bonds were sold in Australia, mostly to fund manager buyers. Seventeen per cent of the issue was placed in Europe and 6 per cent in Asia. ANZ, Commonwealth Bank, UBS and Westpac jointly managed the offering.

Western Australia Treasury Corp, the state’s financing arm, enjoys a prized AAA rating by S&P and hopes that Moody’s will soon follow. In November, the ratings agency placed the state’s rating of Aa1 on a positive outlook, the precursor to a possible upgrade.

“Upgraded WA from the bottom to the middle of its list following an improvement in the social and environmental policies – it is reflective of the focus of the government to green up their economy and energy usage”
Pendal

“I had questions about WATC issuing green bonds, but their story is relatively positive with a forward –looking perspective”
“WA were perceived as one of the worst in terms of fossil-fuel mining, but showed credible plans – it is a compelling turnaround story”
First Sentier


	15/6/2023	Bond round-up: Western Australia, Germany, Hyundai Card ... and more.
 Clean Energy News and Analysis	15/6/2023	WA raises \$1.9bn from state's first ever green bond to fund 50GW transition.
	15/6/2023	Western Australia issues green bond to fund coal exit.
	14/6/2023	WA Government raises \$1.9 billion through 10-year green bond with funds to benefit decarbonisation, climate action.
	14/6/2023	Investors Jump at WA's green bond to raise \$1.9 billion.
	14/6/2023	Green bonds to fund car-charging network, clean energy.

THE AUSTRALIAN MINING REVIEW

NEWS • FEATURES • TECH TALK • PUBLICATIONS • SERVICES • EVENTS • SUBSCRIBE • CONTACT



Home • News • WA issues inaugural \$1.9b green bond



WA issues inaugural \$1.9b green bond

By Ashleigh Melnicko • June 14, 2023 • 246

News Events Press Releases Research Advertising

Western Australia raises USD 1.3bn in debut green bond issue

The Western Australian Treasury Corporation (WATC) announced it has raised AUD 1.9 billion (USD 1.29bn/EUR 1.19bn) in its first-ever green bond issue, saying the proceeds will go for projects that deliver positive environment, social and governance (ESG) outcomes.

The transaction, which is the result of two years of work, was more than three times oversubscribed, attracting bids for over AUD 6 billion from more than 60 investors, a press release said on Wednesday.

The funds raised will support the State's push to decarbonise the main electricity grid and will go for investments in batteries and wind farms, electric vehicle charging infrastructure and rebates and standalone power systems, among others.

"Global investors are increasingly aware and interested in ESG performance and this work will assist in keeping the State's cost of borrowing lower by expanding the pool of potential investors," the Western Australian government's statement said.

The bond matures in July 2033. Its credentials were supported by an independent second-party opinion from ESG research firm Sustainalytics.

(AUD 1 = USD 0.679/EUR 0.628)

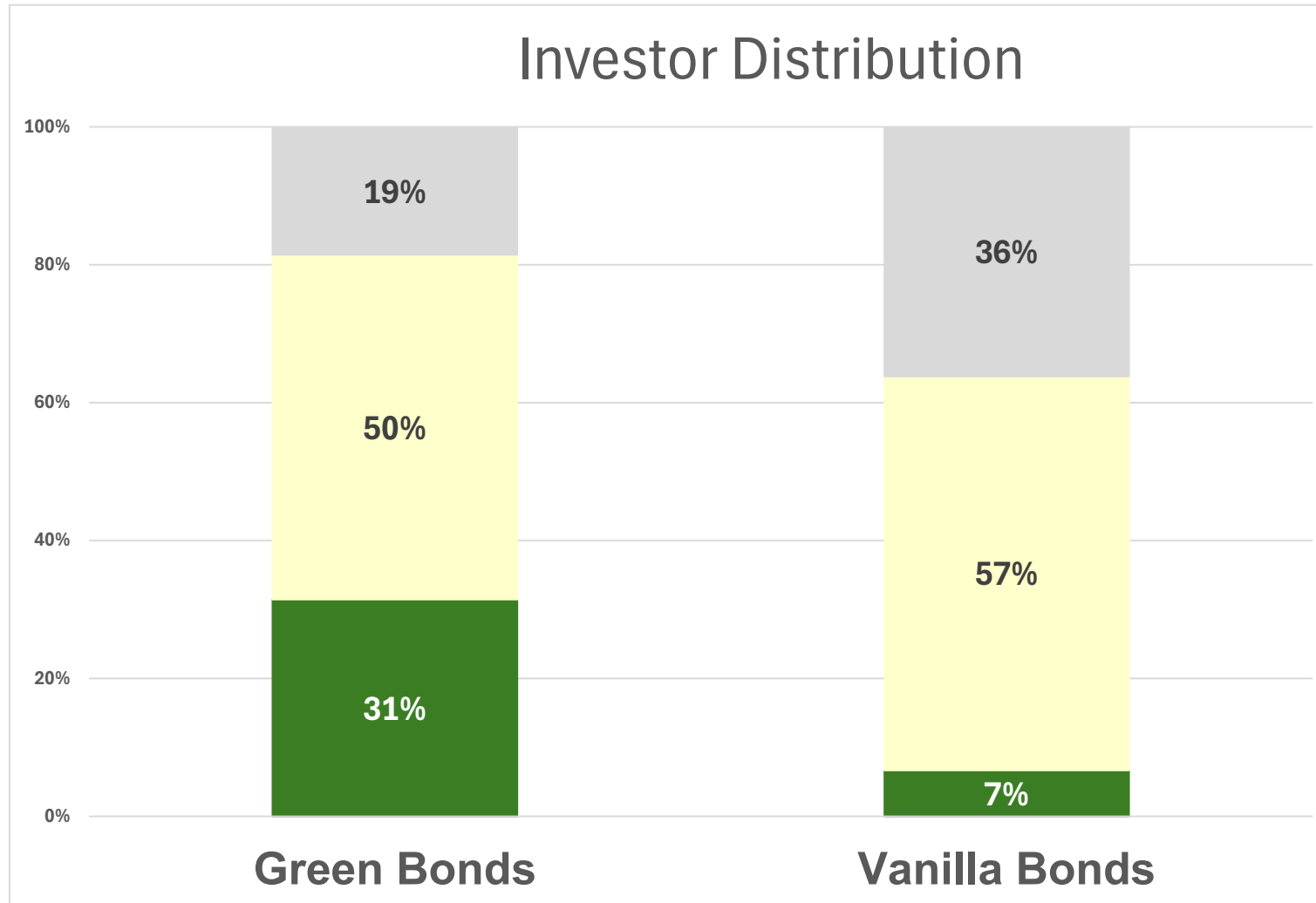


The Collgar wind farm in Western Australia. Source: Collgar Renewables Pty Ltd.

Western Australia raises USD 1.3bn in debut green bond issue (renewablesnow.com)

ESG profile of institutions buying WATC bonds

WATC green bonds have been successful in attracting green investors, while also appealing to mainstream investors as they are embedded within our benchmark program.



Camp 1 - Agnostic: Investors only consider factors such as the status of the economy, financial information, credit rating and relative value.

Camp 2 - ESG integration: When making investment decisions, these investors consider all the factors that camp 1 investors do, in addition to ESG risks and issuers ESG credentials.

Camp 3 – Green mandates / thematics: When making investment decisions, these investors consider all the factors that camp 1 and camp 2 investors do, in addition to potential for environmental and social impact.

Where to from
here for the
sustainable
finance
strategy



Looking Ahead

WATC's priority is to maintain broadest access to capital markets

1 Maintain broad ESG credibility

2 Grow and strengthen project pool

3 Evolve impact reporting

WATC Plan

Investor research to determine the most relevant ESG disclosures to support broad investor confidence in all WATC bond issuance. Provide feedback on evolving investor sentiment to government.

Strategic asset selection for expanded project pool. Consider a new biodiversity green bond theme for next green bond planned before end of current financial year.

Evolve impact reporting on project pool with a particular focus on emissions avoided/abated

Develop impact framework

Projects

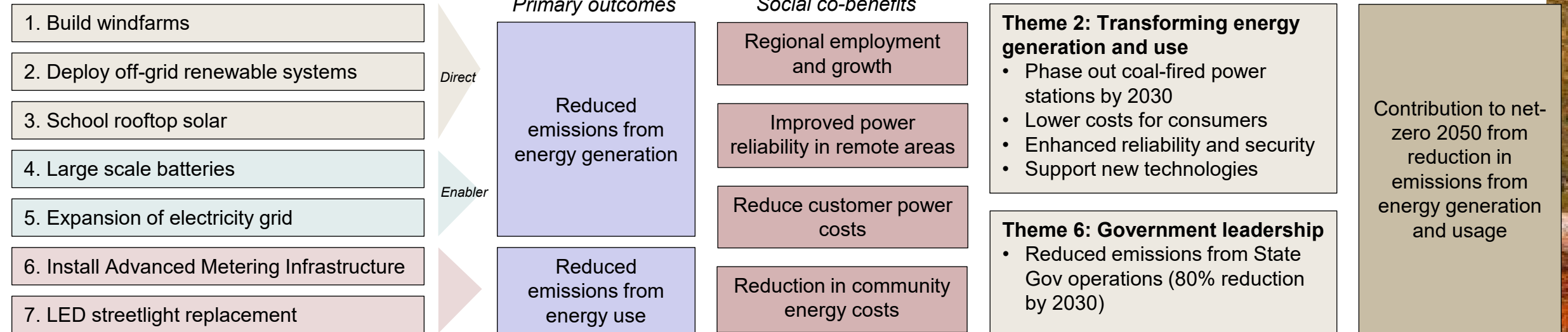
Outputs

Outcomes

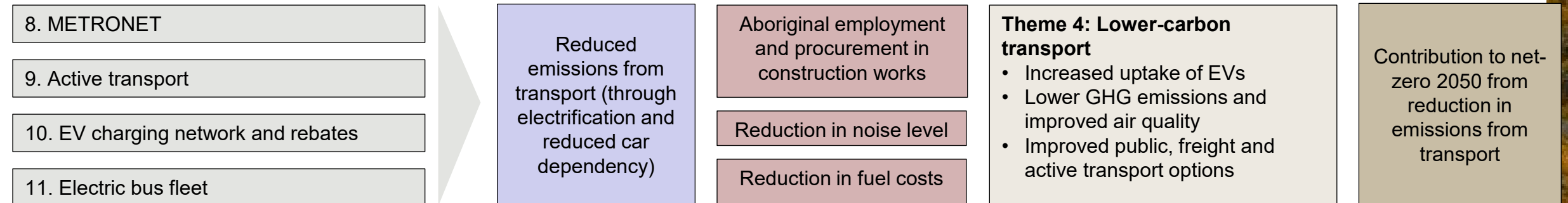
WA Climate Policy alignment

Impact

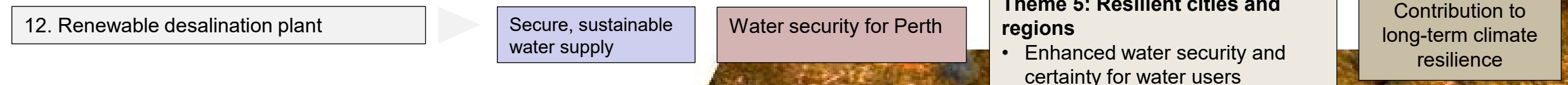
Theme 1: Reducing emissions from electricity generation



Theme 2: Transport infrastructure to support net-zero transition



Theme 3: Enhancing climate change adaptation and resilience



?

Time



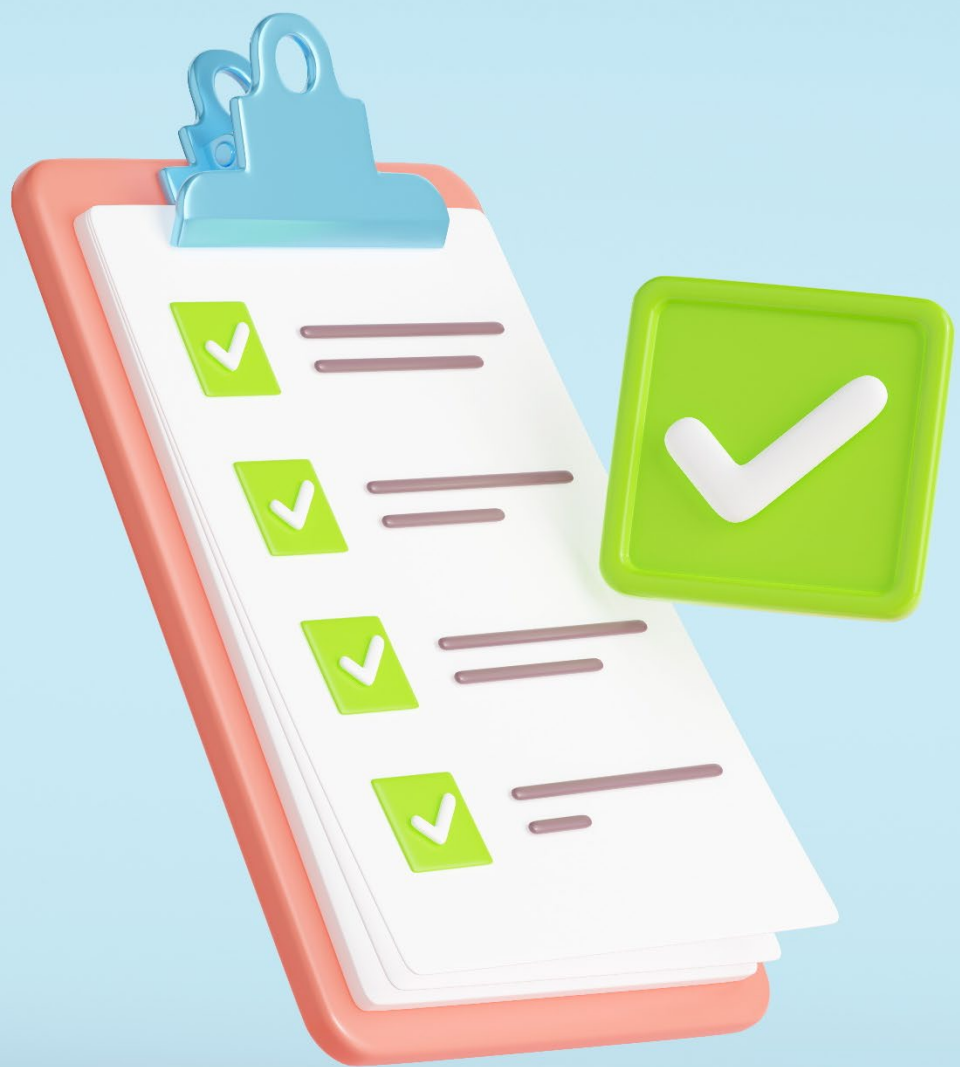


CFO Forum - Webinar

Grant Robinson

Assistant Auditor General – Financial Audit

25 November 2025



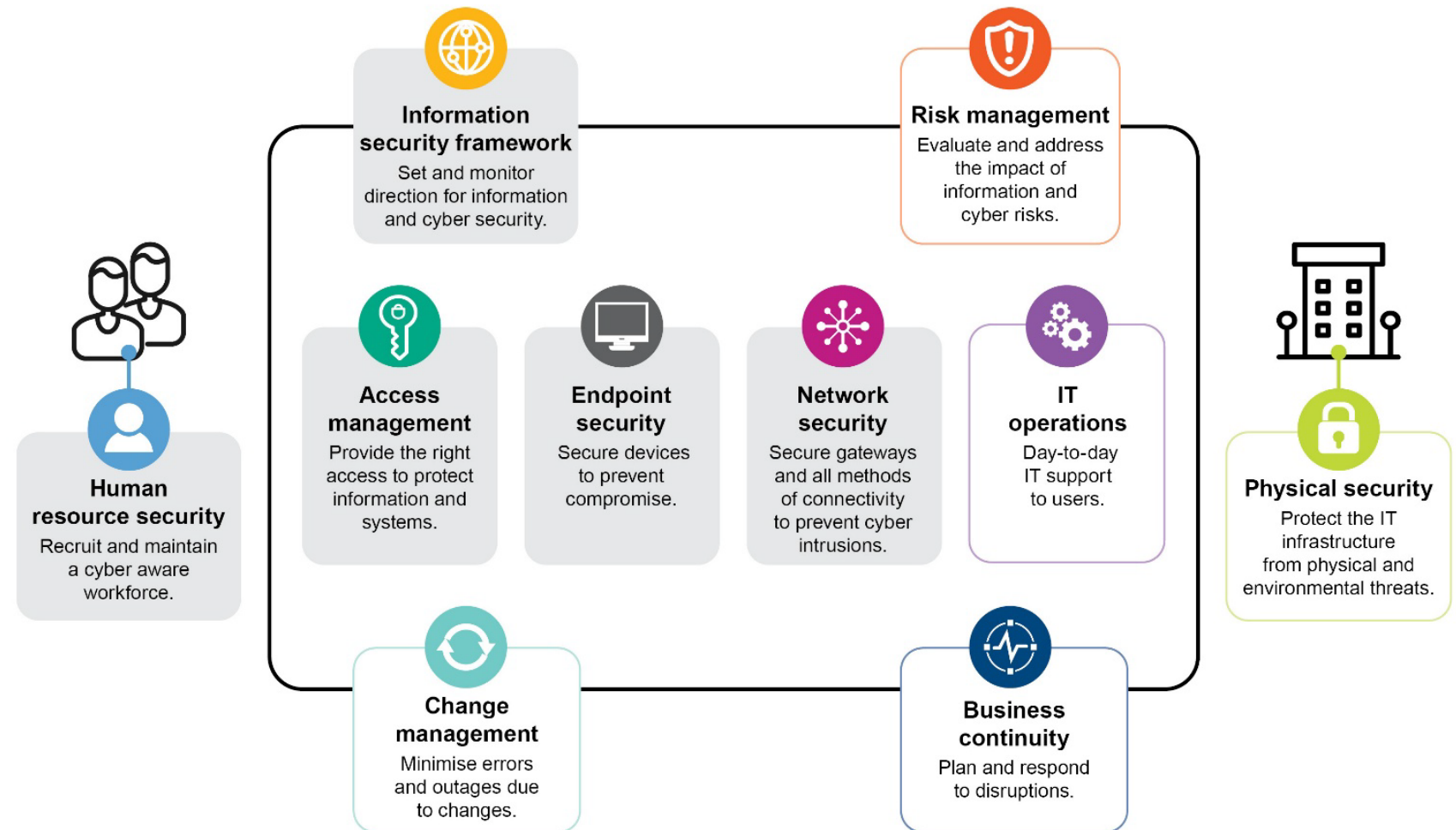
Agenda

- Information Systems Audit update
- Financial Audit Update



State Government 2024-25 – Information Systems Audit

General computer controls (GCC) audit categories

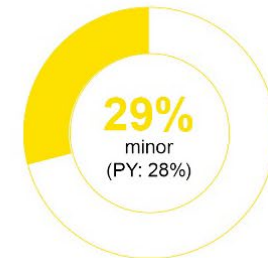
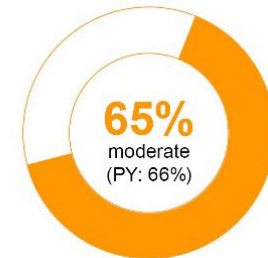
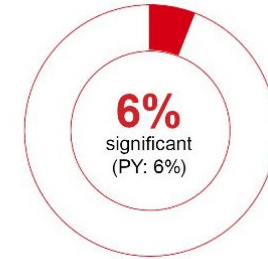
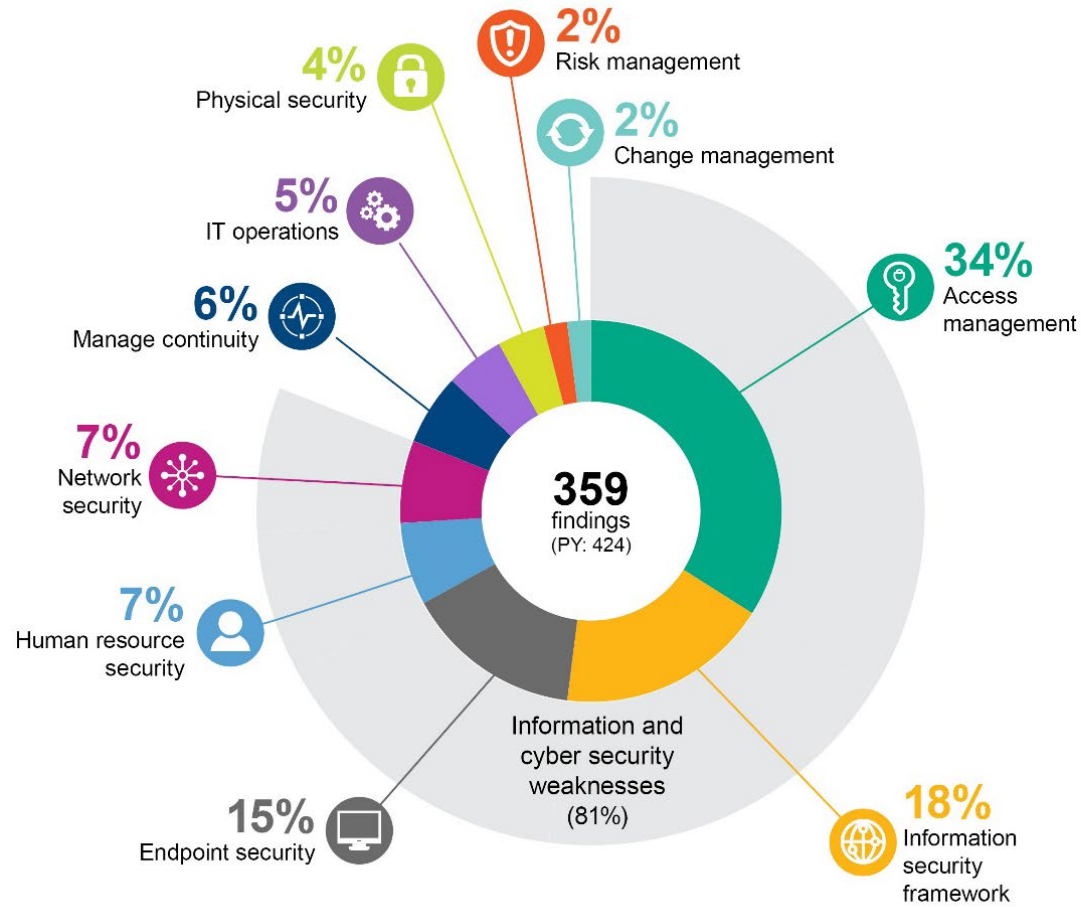


Note: shaded categories relate to information and cyber security

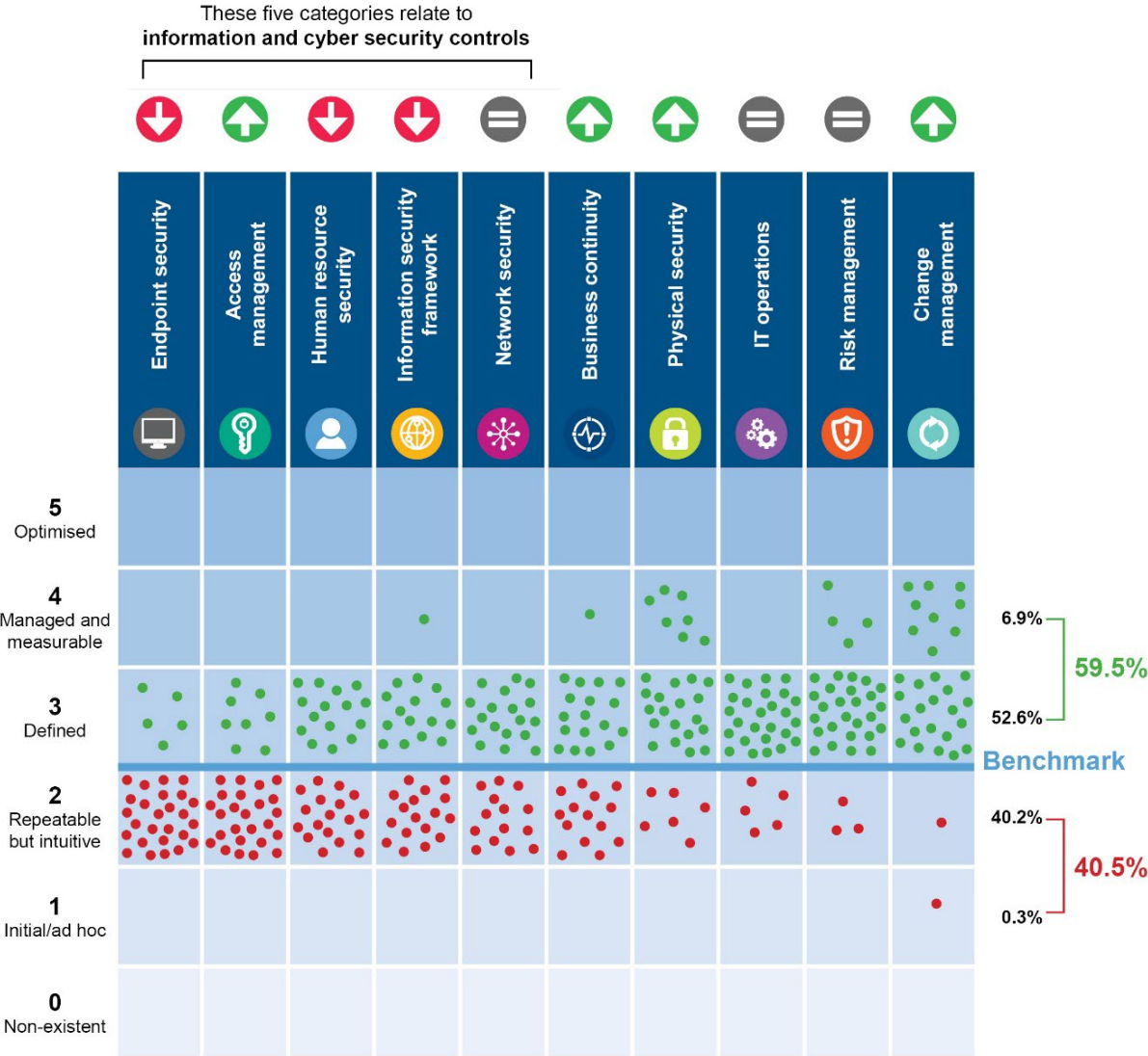
GCC Findings



359 findings at **53** entities (PY: 424 at 59 entities)
65% of these were unresolved from issues from prior years



Capability maturity assessments



CMM at **33** entities
(PY: 32 entities)

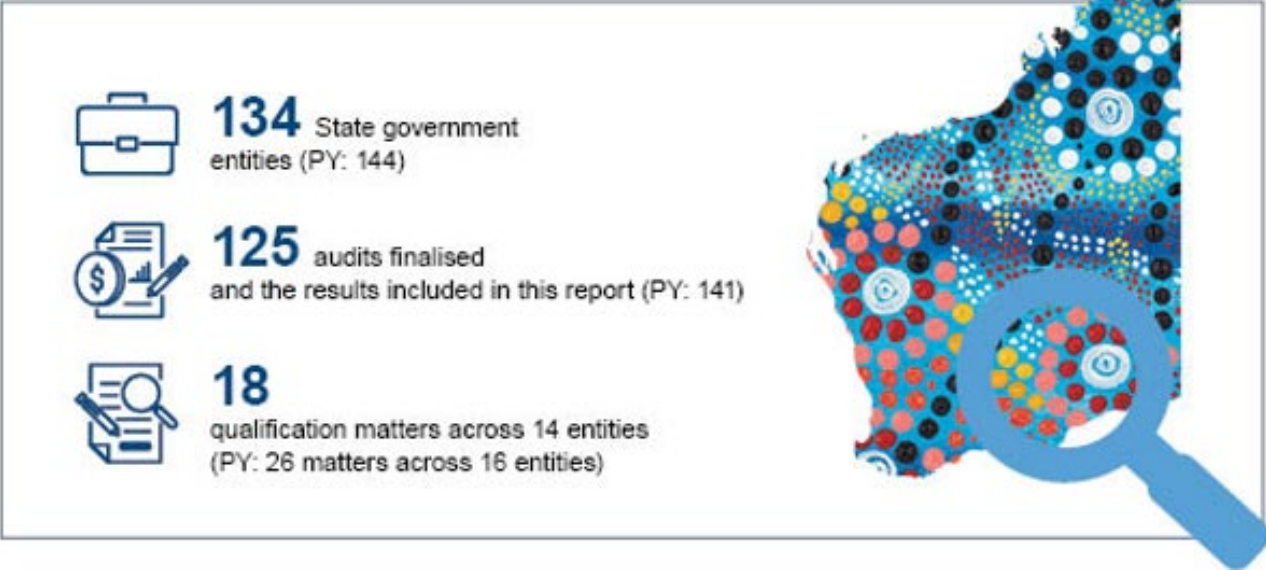
Control categories		Capability maturity assessments	
	Access management	24% of entities met the benchmark	5%
	Information security framework	48% of entities met the benchmark	2%
	Endpoint security	16% of entities met the benchmark	4%
	Human resource security	45% of entities met the benchmark	2%
	Network security	56% of entities met the benchmark	
	Business continuity	56% of entities met the benchmark	8%
	IT operations	84% of entities met the benchmark	
	Physical security	81% of entities met the benchmark	7%
	Risk management	91% of entities met the benchmark	Policies and procedures
	Change management	94% of entities met the benchmark	7%

Note: the control categories are ordered from most to fewest findings.

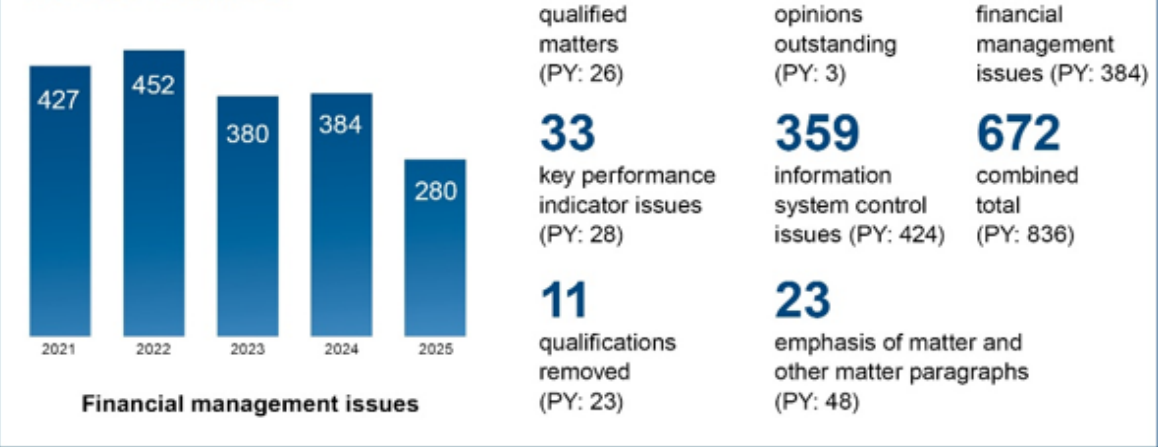


State Government 2024-25 – Financial Audit

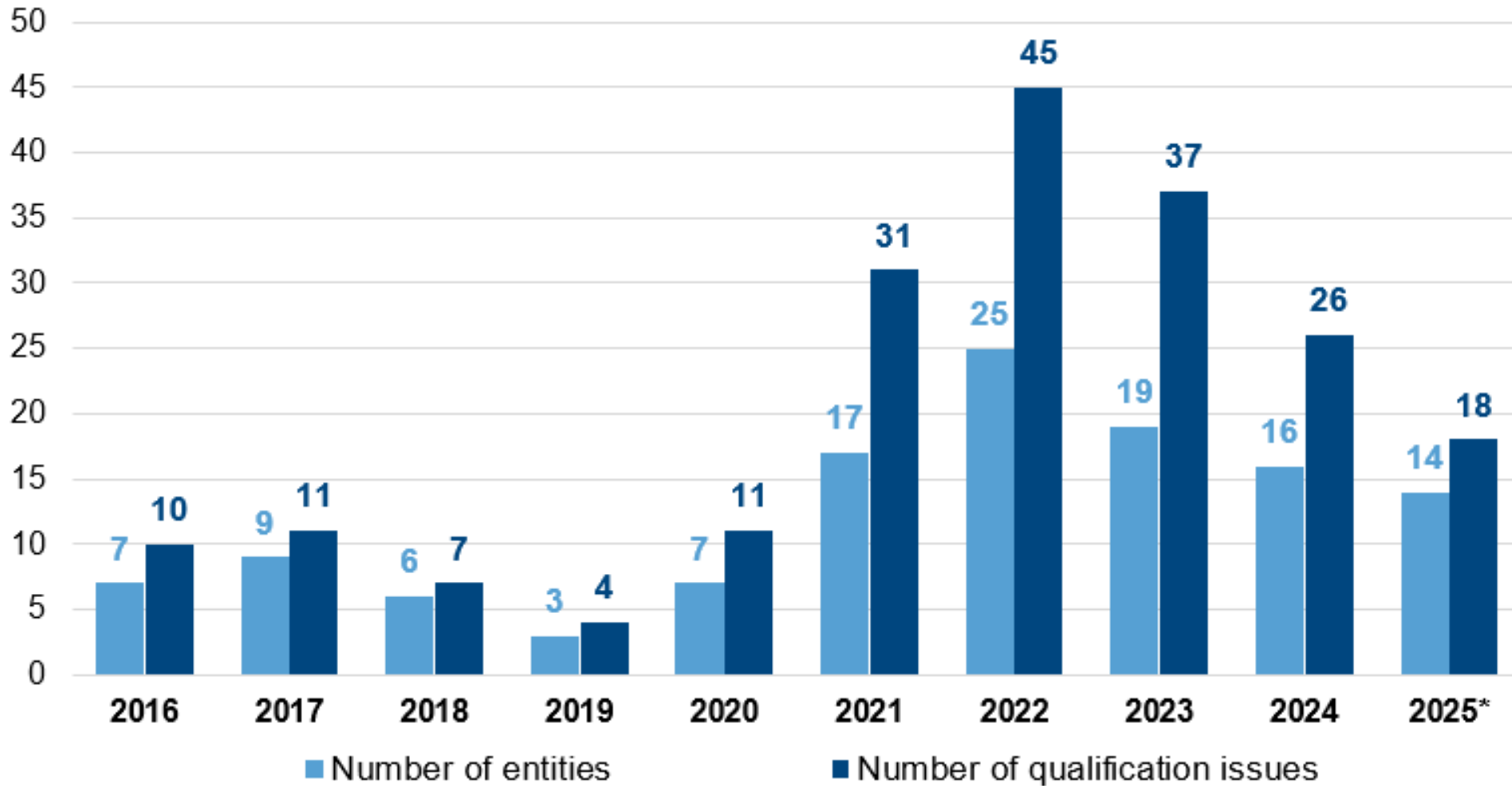
2025 state government reporting cycle at a glance



Audit results



Audit qualifications continue to reduce



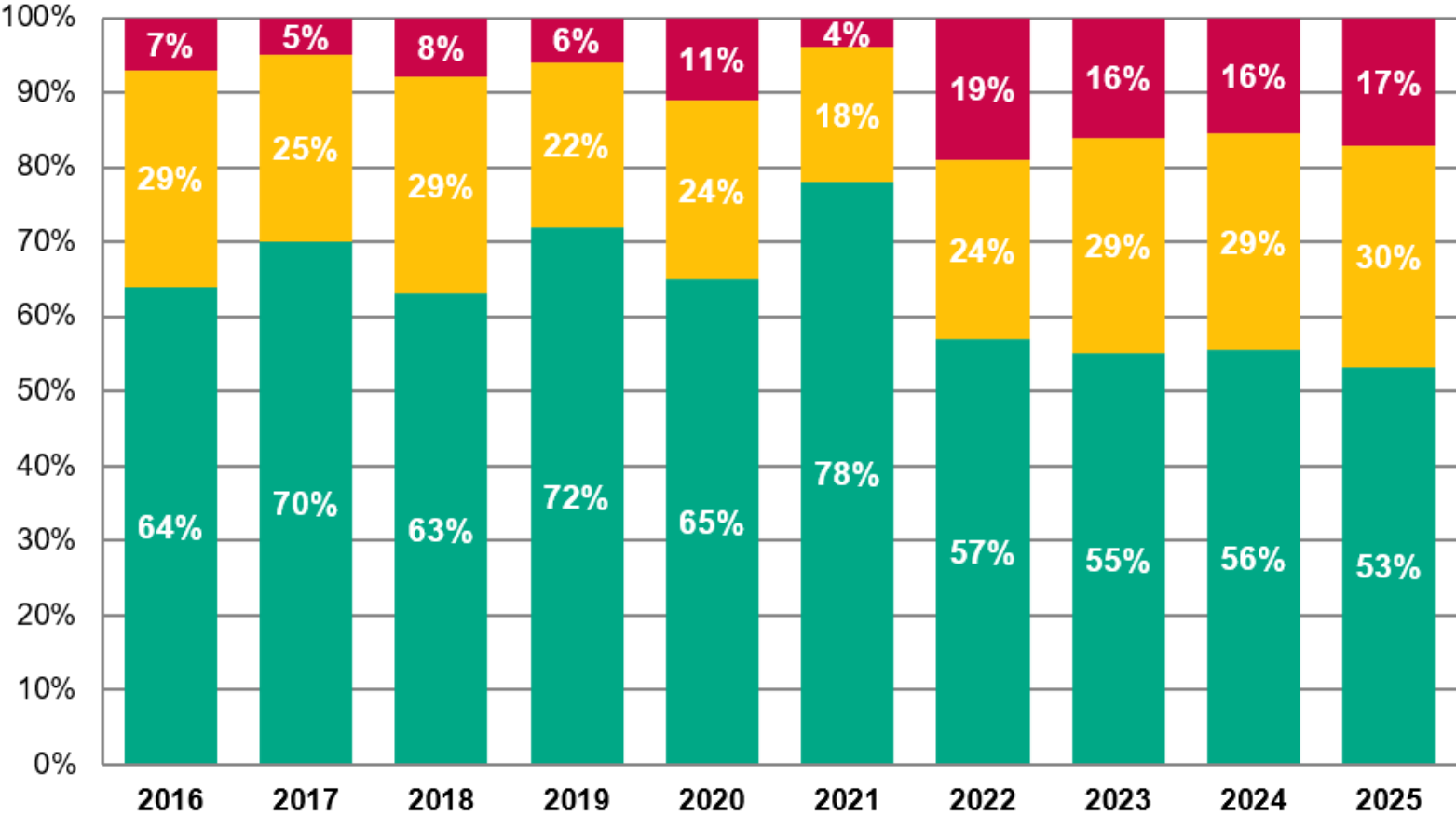
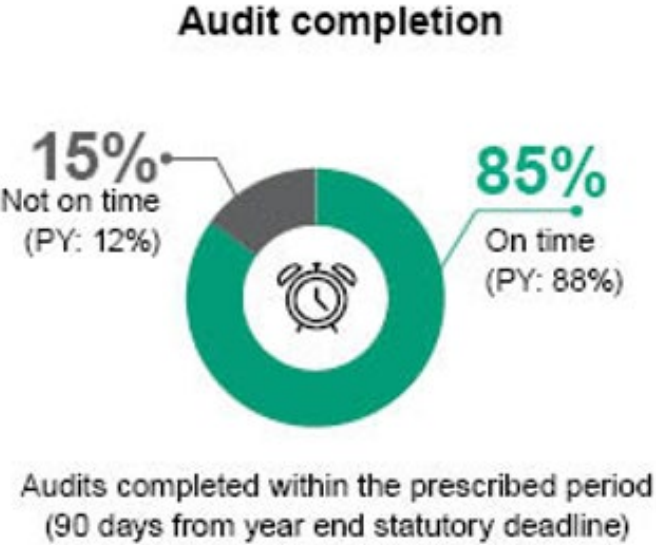
Entities with qualified opinions and number of qualification issues for last 10 years

* The number of qualifications in 2025 does not include the 9 entities which were not completed by 31 October 2025

Significant increases to adjusted and unadjusted audit errors

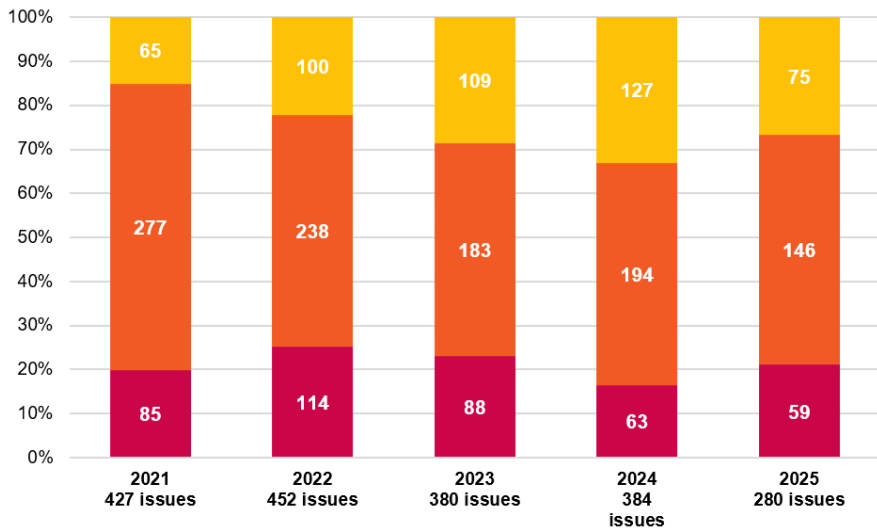
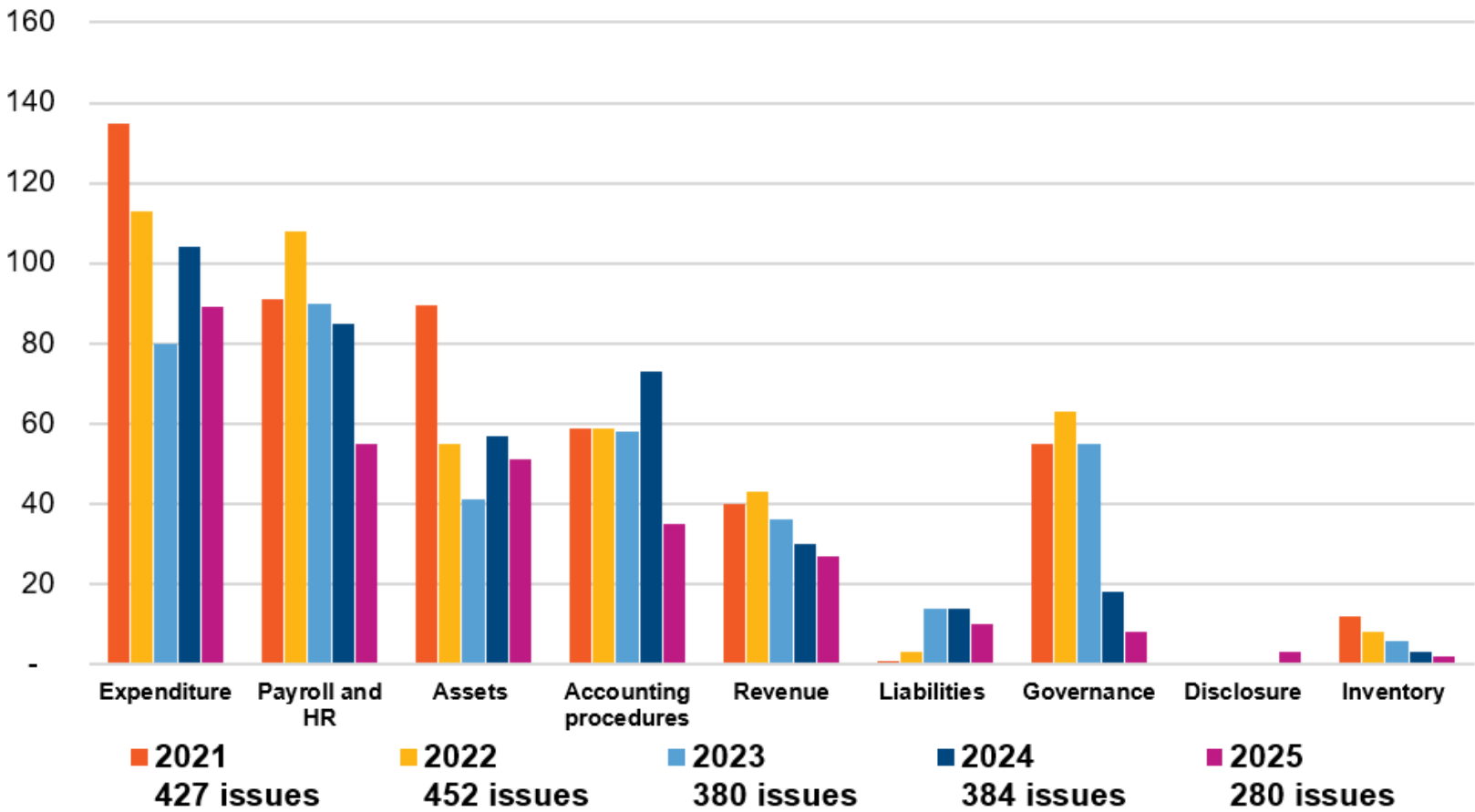
Year	Adjusted errors			Unadjusted errors			Total errors	
	No. of entities	No. of errors	Value	No. of entities	No. of errors	Value	No. of errors	Value
2025	60	145	\$5,611,476,942	42	85	\$549,890,066	230	\$6,161,367,008
2024	64	155	\$1,581,309,001	55	114	\$480,233,120	269	\$2,061,542,121
2023	53	133	\$2,654,900,378	38	79	\$199,685,578	212	\$2,854,585,956

Audit readiness and financial statement preparation timeliness



■ More than 38 days after year end ■ Between 20-38 days of year end ■ Within 20 days of year end
Percentage of entities audit ready within three time brackets for the last 10 years

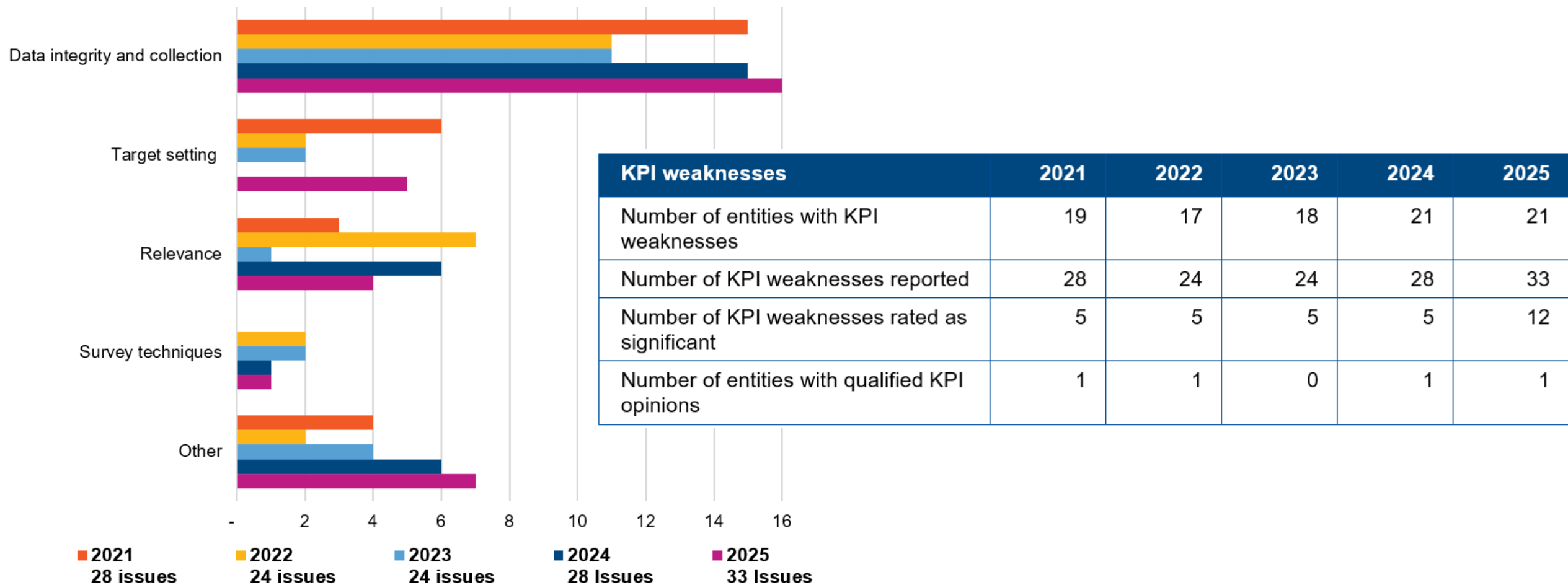
Management letter findings



Control weaknesses reported to management

Financial management control weaknesses for the last five years

Key performance indicators



KPI control weakness for the last five years

Challenge in 2025: Valuations

- Changes in methodology led to significant fluctuations in valuations
- Spike in errors in valuations
- Inclusion of professional and project management fees
- Transfers to Development WA
- Additional audit fees incurred
- Landgate to provide overarching summary

Challenge in 2025: Access to Information

- Unable to access timely information in relation to Native Title claims due to cabinet-in-confidence
- Resulted in delays and additional costs
- Impact on the ARSF audit
- It is incumbent on entities to ensure that they provide the necessary supporting documentation to substantiate the disclosures in their financial statements

Financial reporting, accountability and audit matters



Quality and timeliness
of financial reporting



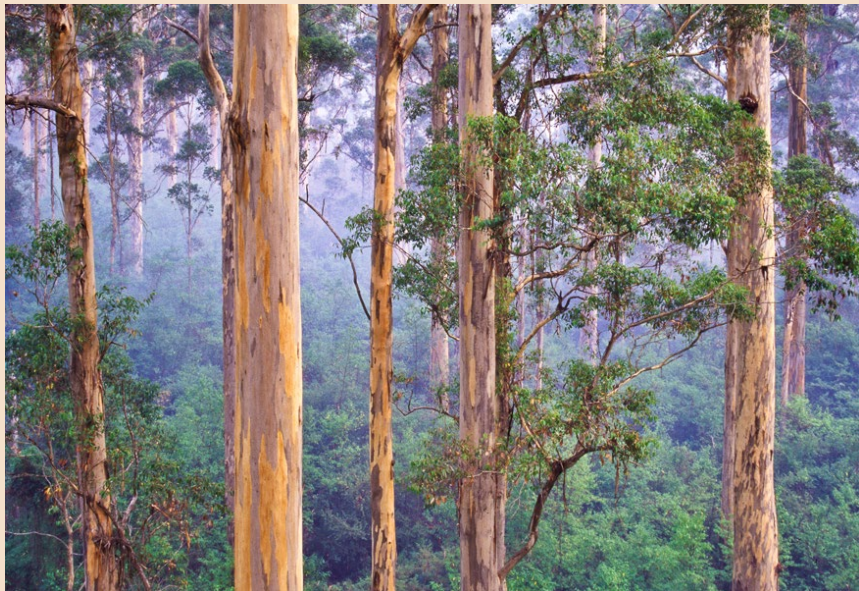
Expenditure and
KPI controls

An aerial photograph of a city skyline, likely Sydney, Australia, featuring the Sydney Opera House and the Sydney Harbour Bridge. The image is overlaid with a semi-transparent blue filter. The word "Questions?" is written in large, white, sans-serif font across the center of the image.

Questions?



Government of Western Australia
Department of Treasury and Finance



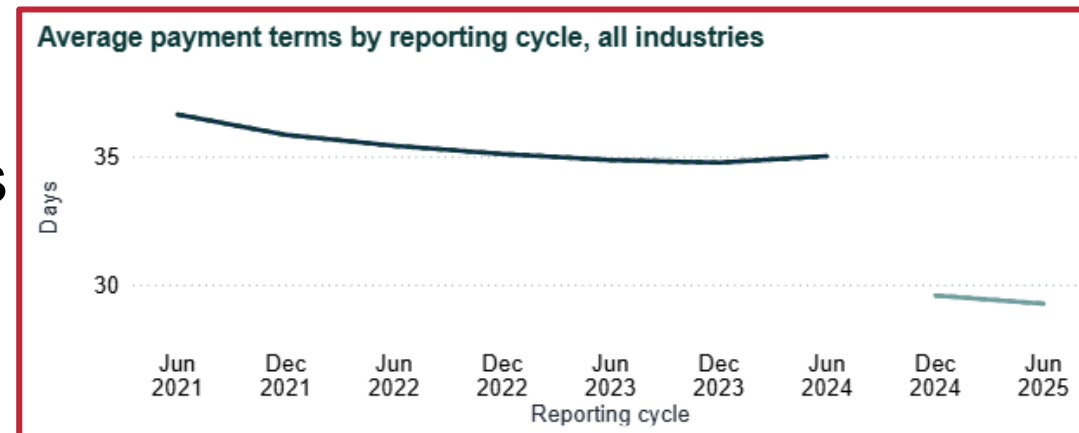
Financial Reporting Update

Mark Hort
Principal Financial Advisor
Financial Policy and Operations



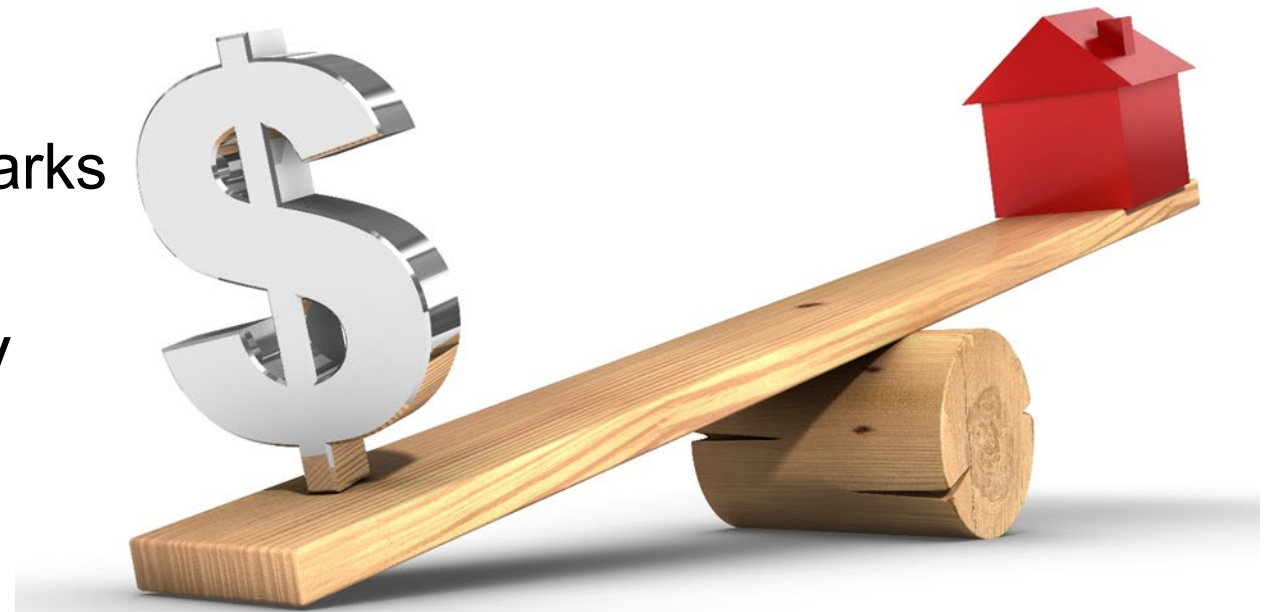
Payments

- Purchase Orders
 - Parliamentary Question during May
 - Existence verifies segregation duties [TI5R1.3]
 - Required prior to transaction without process exemption approved by accountable authority [TI5R1.6]
 - Facilitates manual and system matching
- Payment Times Reporting Scheme
 - Impacts some government enterprises
 - Consolidated accounting revenue > \$100 million
 - Public reporting



Valuations

- Professional and project management fees (PPF)
- Significant variances in 2024-25
- Better outcomes:
 - update valuers
 - review valuations against benchmarks
- COMING: Land Transfer Policy




Key Budget Dates for 2026

Submission	Who	Deadline
OBM Frameworks	• FMA Agencies	1 December 2025
	• Public Sector Reform Agencies	30 January 2026
Draft Estimates	• Agencies with June/July Year Ends	29 May 2026
	• Health Entities	24 July 2026
	• Agencies with December year ends	30 October 2026
2026-27 Resource Agreements	• FMA agencies • (as directed)	24 July 2026



Financial Framework

- Costing and Pricing Guidelines
- FAB #97 coming soon
 - Treasurer's instructions modified
 - Treasurer's Guidance updated
 - Model Annual Reports
- Financial Management Manual certifications received
 - Thank you 

Accounting Standard Implementation

December 2025

- AASB 2023-5 – Lack of Exchangeability

December 2026

- AASB 2024-2 – Classification and Measurement of Financial Instruments
- AASB 2024-3 – Annual Improvements Volume 11
- AASB 2025-1 – Contracts Referencing Nature-dependent Electricity

July 2027

- AASB 2022-9 – Insurance Contracts in the Public Sector

December 2028

- AASB 18 – Presentation and Disclosure in Financial Statements ^{NFP/Super}

Empowering CFO training courses

- Cohort 2 of the Empowering CFO training course ending soon.
- Going forward the training will be coordinated by Public Sector Commission.
- Next session anticipated for: Mid-2026 (date to be confirmed)
- Complete all outstanding course activities by 31 December 2025
- PSC will share updates on their webpage. To express interest in the course contact:
leadership@psc.wa.gov.au



Thank you



**Please scan to complete our
feedback survey.**