



WESTERN AUSTRALIAN TREASURY CORPORATION

# Second Quarter Newsletter

June 2025

WESTERN AUSTRALIAN  
TREASURY CORPORATION

Financial Solutions  
for the Benefit of All  
Western Australians



# Who We Are

Western Australian Treasury Corporation is the central financial services provider for the Western Australian Government. Established in 1986, we have expertise in a range of products and services and support clients and investors with:

- ✓ Funding and Debt Management
- ✓ Asset and Investment Management
- ✓ Financial Advisory Services
- ✓ Financial Risk Management
- ✓ Treasury Management Services and Systems

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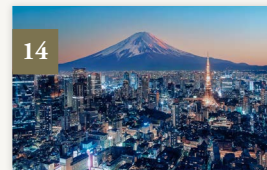
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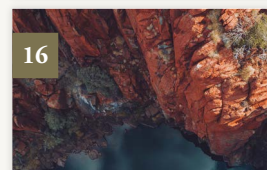
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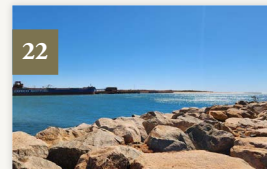
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JULY 2025

## From the CEO's Desk

While it has been a turbulent quarter, Western Australia has remained resilient and an outperformer nationally, maintaining steady growth, a strong labour market and healthy public finances, amid global uncertainty and financial markets volatility.

### Macro Economics from a Western Australian Context

Globally, the on-off tariff policies, concerns over the state of US public finances and its safe-haven status, and conflict in the Middle East drove an increase in financial market volatility.

In Australia, news of a renewed slowdown in GDP growth at the start of 2025 and an unexpectedly swift return of inflation to the target range, allowed the RBA to deliver the second interest rate cut in this easing cycle, with more rate cuts expected in the second half of the year.

The external environment has certainly become more challenging and unpredictable. However, the State's economy remains resilient and is still outperforming the nation with respect to growth, most labour market indicators, and healthy public finances.

The 2025–26 Budget estimates that the State general government recorded a seventh consecutive operating surplus in 2024–25 and ongoing surpluses are forecast in the outyears.

These surpluses are an important non-debt source of funding for the Government Asset Investment Program, with a focus on projects enabling future economic growth. Net debt, in turn, is expected to remain in check, below 10% of GSP by 30 June 2029.

Treasury WA does not expect the US tariff policies to have a significant impact on Western Australian export volumes, especially given that the State is a globally competitive cost-producer, while the direct exposure of Western Australia to the US is limited.

Continued next page →

## The State Budget and Our Funding Requirements

The release of the 2025–26 State Budget not only reiterated the ongoing growth and strength of our domestic economy but also saw a commitment of \$38 billion in infrastructure investment over the next four years with developments planned in utilities, health, education and housing.

While WATC's debt remains low by international standards, there has been a small uplift in our funding requirements across the forward estimates to support the commitments of the State Government. At WATC, we expect to see a funding program of \$10.8 billion in 2025–26 with approximately \$2 billion of that pre-funded with the release of our 2035 green bond last month. We have \$8.8 billion of remaining funding to do over the next year with the uplift relative to recent years supporting liquidity in our existing lines and raising the possibility of some curve extensions in the outer years. We are anticipating up to two benchmark syndications in the coming 12 months as well as continuing to support our floating rate note program.

## Investor Focussed Content Series

To coincide with the release of the State Budget, the WATC team coordinated a resources series to provide additional insights into the Western Australian Government's finances and present key information in an investor-focused context. The three-part series includes, in addition to the release of our 2025–26 Borrowing Program, an investor-focussed presentation and an audio interview with myself and the Deputy Premier

and Treasurer, the Hon Rita Saffioti, where we highlight key budget areas for the State Government as well as WATC's funding strategy.

In response to the budget, S&P Global Ratings issued a bulletin confirming Western Australia can absorb the expenditure uplift, as the fiscal strength of the State continues to set us apart from our domestic peers.

## Offshore Investor Relations

June was filled with investor-related activity, starting with the Australian Government Fixed Income Forum in Tokyo, which provides a comprehensive view of the Australian fixed income market. Presenting at the forum allowed me to reiterate the power of our State's economy, the strength of our domestic labour market and the ongoing high demand for our commodity exports while emphasising the vital role Western Australia will continue to play in transitioning to clean energy and enhancing security in the Asia-Pacific region.

Late June brought the UBS Reserve Management Seminar in Wolfsberg, Switzerland, an important gathering for sovereign investors. The program of activities focused on key topics currently shaping the global markets and included a range of panel discussions one of which featured our General Manager Funding and Markets, Danielle Lavars, who represented WATC in the Australian Semi-Government Issuers Panel, discussing the Australian dollar as a reserve currency. The trip

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*We have \$8.8 billion of remaining funding to do over the next year with the uplift relative to recent years supporting liquidity in our existing lines and raising the possibility of some curve extensions in the outer years. We are anticipating up to two benchmark syndications in the coming 12 months as well as continuing to support our floating rate note program.*

**Kaylene Gulich PSM**  
**WATC CEO**

also enabled the building of investor relations in the Middle East with meetings in Dubai and Abu Dhabi en route to Switzerland, providing important opportunities to raise awareness of Western Australia as an investment destination.

## Second Green Bond Released

Given WATC formally announced plans for a second green bond in late 2024, our team were ready to hit the road last quarter and engage with a diverse mix of domestic and international investors ahead of the release. Aside from promoting the planned issuance, two new projects were added to the green bond pool that have built on the existing foundation and will in time, materially contribute to decarbonisation in Western Australia.

Our second green bond which was priced on 13 May 2025 (A\$2 billion 4.75% coupon with a 24 October 2035 maturity) was well received by the market, with investor bids in excess of A\$5.5 billion and an offshore allocation of 53 per cent, making it the largest Australian Semi-government issue allocation to offshore investors. The market response not only signals the confidence international and domestic investors have in the progress the Western Australian Government has made to enhance ESG outcomes, but also demonstrates how the additionality of our framework enables investors to contribute capital to forward looking transformational environmental and social projects.

## Sustainable Finance Summit and Workshop

It continues to be an interesting time globally in the ESG space, so it was pleasing to see market

leaders at the KangaNews Sustainable Debt Summit reaffirm the necessity of incorporating sustainability considerations into investment decisions, despite the current politicisation of the sector.

Following on from the summit, Richard McKenzie, Head of ESG and Investor Relations and Alex Humphries, Principal Advisor, ESG and Investor Relations took part in a WATC-facilitated Sustainable Finance Workshop, which is now in its second consecutive year. Fostering collaboration with our peer agencies on emerging sustainable finance developments is crucial not only to gaining insights on sustainable market trends from an Australasian perspective but also addressing shared challenges and collectively embracing new opportunities in the sustainable finance sector.

## State Budget Event

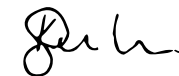
Hosted by Business News and attended by more than 1,000 people, this event provides insights into the Government's strategy to deliver key budget initiatives and harness opportunities across the State. Keynote speaker, the Hon Rita Saffioti, Deputy Premier and Treasurer of Western Australia outlined the Government's plans to build a more resilient economy and address key challenges facing the State.

As part of the event, WATC hosted representatives from the Department of Treasury, Public Transport Authority, Main Roads, Western Power, WA Police, and Water Corporation, providing additional opportunities to facilitate networking, gain valuable insights and continue to strengthen our client relationships.

## Port Hedland Community Forum

In May I travelled with Lisa Brady, Head of Corporate Treasury Services to attend the Port Hedland Industries Council Community Forum, a quarterly event that fosters open dialogue between industry, government, and the local community and enables a collaborative approach to problem-solving. I presented on Western Australia's decarbonisation journey, highlighting the Western Australian Government's efforts to transition the State and its trading partners towards a net-zero future. The visit also included a tour of the port hosted by The Seafarers Centre, offering a unique perspective on development in the region and providing an inspiring glimpse into the future of infrastructure and opportunity in the Pilbara – a region crucial to supply of our in demand export commodities to global trading partners.

Finally, I would also like to welcome several new team members who joined us at WATC this quarter. I look forward to working with them to support both our clients and investors and continue delivering meaningful outcomes for the State. ■



Kaylene Gulich PSM  
CHIEF EXECUTIVE OFFICER



## Twists and Turns

'[the rate cut] is the right decision at this point in time. Where this leads us in the future is a little more uncertain, I'd have to say, probably a lot more uncertain given everything that's going on (...) The key point about the situation we're in is it's not just uncertain, it's actually unpredictable.'

**Michele Bullock, RBA Governor, Sydney, 20 May 2025.**

### The Global Economy

The second quarter of 2025 was full of twists and turns, especially in global trade policies.

Shortly after the announcement of 'reciprocal' tariffs on 2 April, US President Donald Trump temporarily set a baseline of 10% for import tax rates for most countries to allow time for trade talks.

However, the trade war between the US and China continued for some time longer, with mutual tariff rates pushed to over 100%. The world's two largest economies eventually reached a tentative agreement in mid-May, which included lowering the additional tariff rates on China to 30%.

At the time of writing, it appears that the lower tariff rates will be in place until at least 1 August for most countries and 12 August for China.

The US administration has sent letters to selected trading partners outlining the higher tariff rates should trade negotiations fail. In most cases, they are similar to the original 'reciprocal' rates.

However, their future is quite uncertain, given that they are subject to proceedings before US courts.

The sectoral tariffs, which are set at 50% on steel, aluminium and their derivatives, and 25% on cars and car parts, will most likely not be contested. Instead, their scope might be broadened in the coming months to include pharmaceuticals and semiconductors.

Taking into account both the 'reciprocal' and sectoral tariffs, the US average effective tariff rate was estimated at around 15% in June, which would be the highest level since the late 1930s.

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US trade policies had some impact on economic data released during the quarter, but its scale was not as large as feared.

The impact of tariffs started even before they were announced on 2 April, as US households and businesses brought forward their purchases in anticipation of the expected price increases. This was particularly evident in the Q1 US national accounts, where GDP declined at an annualised quarterly rate of 0.5%, due to a 37.9% annualised surge in imports that offset solid domestic growth. There was also a strong increase in equipment investment and inventories, another sign that US companies were stocking up ahead of the tariffs.

Concerns about tariffs were also reflected in deteriorating business and consumer confidence in the US, as well as a shift in inflation expectations. Confidence improved after the tariffs were reduced temporarily but remains weak. The on-off nature of the US tariff policies only adds to the uncertainty, which continues to dampen confidence and, potentially, investment decisions by US companies.

For now, however, hard economic data has been less affected by tariffs. US retail sales declined in the first two months of Q2, but core sales bounced back in May. Industrial production fell in May, solely due to the volatile utilities. Labour market conditions improved a little in Q2, with non-farm payrolls rising by 449k compared to 333k in the previous quarter. The unemployment rate declined to 4.1% in June, though partly due to lower labour force participation.

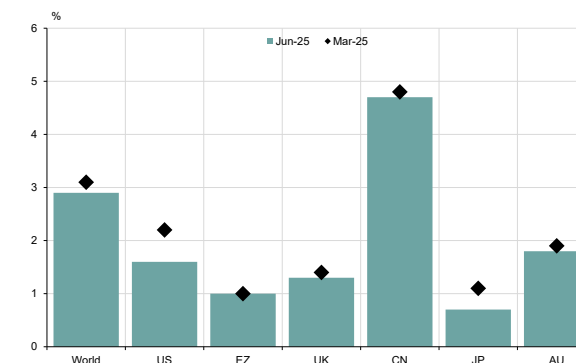
At the same time, US PCE price inflation remains somewhat above the 2% goal, both in core and headline terms. The tariffs have not sparked any significant inflationary impulse at this stage. However, deflation in goods prices has come to an end, which was partly offset by lower energy prices due to falling oil prices earlier in 2025.

Tariffs impacts were also reflected in the Chinese economic data to a limited extent, with exports to the US falling in April and May, after picking up in the first quarter. However, there was some evidence of trade diversion, with the drop in exports to the US offset by an increase in exports to other countries, particularly in Asia. The monthly economic indicators started to strengthen in May, particularly in industrial production and investment, while retail sales growth was supported by stimulus measures. PMIs for June also generally pointed to slightly faster expansion of the Chinese economy.

Elsewhere, Japanese GDP growth was flat in Q1, due to a negative contribution from net exports, while inflation is again on the rise. Euro area GDP growth accelerated to 0.6% in Q1, which is unseen since Q3 2022, but inflation is now consistent with the ECB's goal. UK GDP also rose by a solid 0.7% in Q1, but the first months of Q2 have seen signs of weakness, as the bill hike dented household spending capacity and led to a rebound in inflation.

Overall, while the trade policy uncertainty has declined from its peak in April 2025, it remains

## OECD 2025 Real GDP Growth Forecasts



## Global Trade Uncertainty Index (30-day Moving Average)



Data source for above charts: Bloomberg / Global Trade Uncertainty

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elevated, prompting international institutions to cut their growth forecasts for this year and the next. The most recent was OECD, which downgraded its global economic growth forecasts to 2.9% for both 2025 and 2026.

## The Australian Economy

The Australian economy has shown some renewed signs of weakness of late, but this was related to domestic rather than global factors.

Australian GDP rose by 0.2% in Q1, while the annual rate of growth remained at a modest 1.3%. GDP per capita resumed declining, after only one quarter break in an otherwise two-year long streak of going backwards. The subdued rise in GDP resulted from slower growth in household spending and business fixed investment, partly offset by rising inventories.

Retail trade and household spending indicator reports suggested further weakness in household consumption in April, though partly due to the ultralong weekend. Data for May was mixed, however, with retail sales seeing another sluggish increase and the household spending indicator registering a solid gain driven by discretionary spending. Business reports also sent mixed signals regarding economic activity in Q2, with the NAB business conditions index showing a clear slowing, while the S&P Global flash PMIs show relatively steady growth in the quarter. Business and consumer confidence remain weak but are somewhat stronger than last year.

The Australian labour market conditions remain solid, with a slight 2.5k decline in employment in

May, following another outsized 87.6k gain in April. The unemployment rate remains low at 4.1%, while the underemployment rate is at a two-year low of 5.9%. The participation rate, at 67.0%, also remains close to its record high from January.

The wage price index rose by 0.9% in Q1, the most in over a year, though this was largely due to wage hikes in early childhood and care services, as well as public sector agreements. The annual rate of wages growth remained moderate at 3.4% in Q1. The Fair Work Commission has announced a 3.5% increase of the minimum and award wages from July 2025, a little less than the 3.75% hike last year.

Broad disinflation continues in Australia, with annual rates of both headline and trimmed mean CPI inflation, at 2.4% and 2.9% respectively, now in the RBA target band of 2-3%. The monthly CPI indicator reports for April and May suggest that this will likely remain the case in Q2, before base effects see the annual rate of headline inflation increase later in the year. The May CPI indicator signalled a decline of annual trimmed mean inflation to 2.4%, which implies a risk of undershooting the RBA May projection. The RBA expects that trimmed mean inflation will remain around the mid-point of the target range until at least mid-2027.

The recent cuts from the RBA translated into re-acceleration in house price growth, following some weakness at the turn of 2024 and 2025. According to Cotality (formerly CoreLogic), the home value index rose by 1.4% in Q2, with solid gains in all capital cities.

The tariff tensions have had no impact on Australian trade figures.

## The Western Australian Economy

Western Australian state final demand rose by 0.2% in Q1, to be up by 3.6% through the year, the most of all the states.

In contrast to developments nationwide, the gain in Q1 was led by a 2.9% rise in private business investment and 1.5% increase in state and local government consumption spending as the State Government continued to support households via energy bill rebates. Household consumption was flat in Q1, partly reflecting lower out-of-pocket expenses on electricity.

Public sector fixed investment fell 10.1%, though this followed a sharp rise over the previous two quarters.

Western Australian labour market conditions are also solid, with employment rising by a strong 16.5k in May, the highest of all the states, while the unemployment rate was just 3.9%, the second lowest nationwide. The employment-to-population ratio and participation rate, at 66.7% and 69.5%, are also the highest of all states.

Perth CPI rose by 0.5% in Q1, to be up by just 2.8% through the year. The aggregate rise in prices was partly contained by the lower out-of-pocket expenses for energy bills. The CPI excluding volatile items rose by 0.4% QoQ and 3.0% YoY, the lowest in 3.5 years.

The Western Australian 2025-26 Budget confirmed the seventh general government operating surplus

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in a row of A\$2.5b for 2024-25, and ongoing surpluses of a similar size in the following four financial years. Net debt is forecast to rise from an estimated 7.5% of GSP in 2024-25 to a still low 9.1% of GSP in 2025-26 and 9.5% in 2026-27, and then stabilise.

The forecasts are based on assumptions of sustained gross state product growth, which is expected to accelerate from an estimated 0.5% in 2024-25 to 2.5% in 2025-26, before stabilising in the 2.0-3.0% range in the outyears, with a solid contribution from state final demand.

## Financial Markets

Following a dismal start to the quarter caused by the announcement on 2 April of 'reciprocal' tariffs on almost all the US' trading partners, global market sentiment improved after the White House introduced a 10% baseline tariff and postponed its reciprocal tariffs by three months to allow for negotiations.

The major global equity markets had a positive quarter despite some volatility, particularly early in the quarter when markets plunged after President Trump announced his tariff increases. Despite the early slump, the MSCI World Index, a gauge of equity markets in developed countries, rose by 11.0% over the quarter to close at a record high. The US benchmark, the S&P 500 also gained 10.6% in Q2 and reached a record high, while the Nikkei 225 gained 13.7%. European and mainland Chinese markets posted only modest gains.

The pause in the Fed easing cycle continued through the quarter, as US central bank officials

waited to assess the impact of higher tariffs on the US economy, but US Treasury yields managed to decline at the front end of the yield curve during the quarter. However, there were small increases for longer maturities, amid concerns over the US fiscal outlook exacerbated by the pending passage of budget bill (officially 'One Big Beautiful Bill'). US Congressional Budget Office estimates that the budget bill will add US\$3.3 trillion to US fiscal deficits over the next decade.

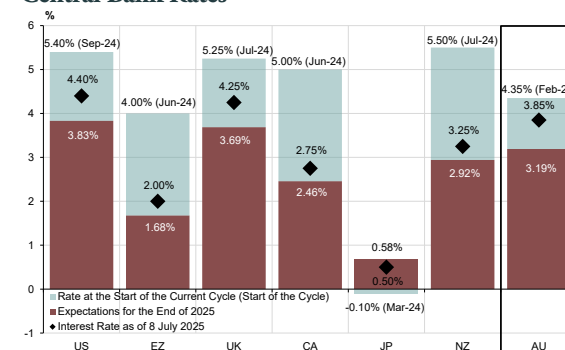
The US dollar index, which measures the greenback against a basket of major currencies, fell to a more than three-year low at the end of the quarter. The US dollar continues to be weighed down by uncertainty over US tariff policies as well as concerns over the Fed's independence and the deficit-widening budget bill.

Commodity prices were volatile during the quarter, with the Commodity Research Bureau (CRB) index slumping in early April amid the turmoil caused by the 2 April tariff announcement, before recovering. Overall, the CRB commodity index is up by 3.9% for the quarter.

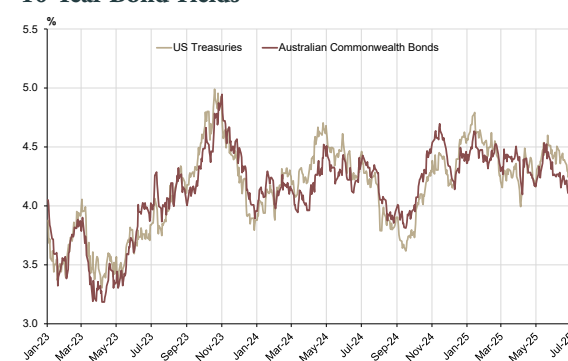
There was further volatility late in the quarter, as tensions between Iran and Israel erupted into a short war, driving oil and gas prices up from multiyear lows. Brent crude oil futures rose to six-month highs, before falling back on news of a ceasefire between the countries. Brent futures closed the quarter at US\$67.96 per barrel, after starting the quarter at US\$77.16.

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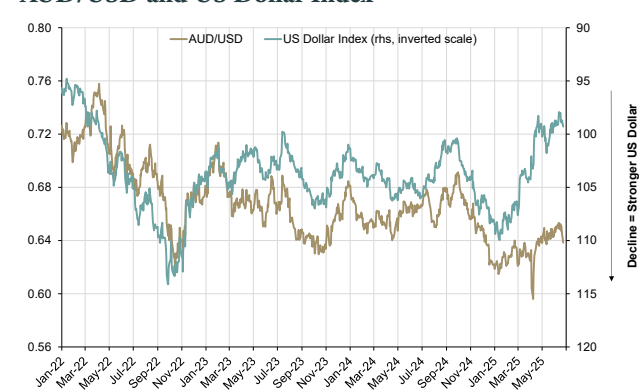
### Central Bank Rates



### 10-Year Bond Yields



### AUD/USD and US Dollar Index



Data source for above charts: Bloomberg

The rise in trade and geopolitical uncertainty saw the gold price reach fresh record highs, before easing a little to close at US\$3303.14 an ounce, 5.7% higher than at the start of the quarter. Iron ore prices also slipped during the quarter, with the benchmark Singapore futures contract falling 6.7% in the quarter, to close 30 June at US \$94.30 a tonne.

The Australian equity market made fresh record highs in June, before easing after the situation in the Middle East escalated, with the ASX 200 adding 8.9% for the quarter.

The 2 April tariff announcement sent the AUD/USD to the lowest levels since the heights of the COVID-19 pandemic. The Australian dollar recovered after this initial setback, to close the quarter at US\$0.6581, which was the highest level since November and 5.3% up for the quarter. This notwithstanding, the Aussie dollar was one of the weaker members of the G10 currency basket, falling against the euro and British pound, but picking up gains against the Japanese yen.

Having gained conviction that inflation will sustainably return to the midpoint of the 2-3% target band, and the emerging domestic risks to growth, the RBA cut its cash rate target by another 25bps to 3.85% in May. The RBA has also put full employment in focus, along with price stability, now highlighting both sides of its dual mandate.

The RBA kept the interest rates on hold on 8 July, which was a surprise to the markets expecting another 25bps cut. The RBA advised that it

preferred to wait for the full quarterly CPI figures for confirmation that trimmed mean inflation is heading towards the mid-point of the 2-3% target range.

The next 25bps cut is now expected in August, with a total of 65bps of cuts priced in for the second half of 2025.

The May cash rate cut and expectations for further policy easing saw Commonwealth bond yields decline in Q2, but the surprising decision on 8 July led to a partial reversal of this move. ■



**Craig McGuinness**

PRINCIPAL ADVISOR,  
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## Meet the authors

Find out more about the team who produce our economic commentary and analysis.

**Economic Services Team** →

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View the latest publications on our website including market updates, as well as commentary and analysis of a range of economic indicators.

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# State Budget 2025–26 Investor Highlights

In support of this year's budget handed down by the Hon Rita Saffioti, Deputy Premier and Treasurer of Western Australia on 19 June, WATC has coordinated a resources series to highlight key takeaways for investors.

As the State's central financial services provider, we contribute to and support the State Budget, and our Markets team announces WATC's estimated term funding requirements in conjunction with the release.

The three featured resources are designed to provide additional insights into the State's finances and to present key information in an investor-focused context.

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## State Budget Interview

DEPUTY PREMIER AND OUR CEO

This audio interview between WATC CEO Kaylene Gulich and Deputy Premier and Treasurer of Western Australia Rita Saffioti provides an opportunity for both leaders to discuss the benefits of the budget and the strength of the Western Australian economy in their own words.

[Listen To Interview →](#)

**Pictured above:** Hon Rita Saffioti, Deputy Premier and Treasurer of Western Australia (left) with WATC CEO Kaylene Gulich.

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*Our domestic economy has grown by almost 26 per cent over the past five years and thats compared to a figure of 16 per cent nationally.*

**Hon. Rita Saffioti**  
Deputy Premier and  
Treasurer

*Our debt still remains very low relative to international standards but there has been a small uplift in our funding requirements across the forward estimates.*

**Kaylene Gulich**  
WATC CEO



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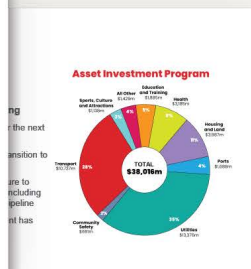
with is expected to continue, however, risks are more

y 3.25% this year, with future growth supported by households

commodity specific factors, but expected to average 2.5% over

goods exports, accounting for almost half of the nation's total

2024-25	2025-26	2026-27	2027-28	2027-28
3.25%	2.5%	2.5%	2.75%	2.75%
0.5%	2.5%	3%	2.5%	2%
1.9%	1.8%	1.7%	1.7%	1.6%
2.75%	2.75%	2.5%	2.5%	2.5%
3.75%	3.5%	3%	3%	3%
3.7%	3.75%	4%	4.25%	4.25%



## Treasurer's Presentation

### STATE BUDGET KEY HIGHLIGHTS

The investor-focussed presentation provides a succinct overview of the State's economy, operating surpluses, planned infrastructure investment and net debt, as well as a preview of WATC's required funding task.

#### Key highlights:

- Western Australia's economy continues to be the nation's economic powerhouse.
- Looking ahead, solid economic growth is expected to continue, but risks have heightened.
- Operating surpluses are forecast to be maintained across the forward estimates period.
- Infrastructure investment program includes utilities, health, education and housing.
- Western Australian net debt remains by far the most affordable in the nation.
- There is a larger funding task for WATC than in recent years.

[View Presentation](#) →

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*WATC's Benchmark Bond program (including ESG labelled and non-labelled) will be the primary source of term funding. [The] larger program offers opportunity for curve extension, as well as support for existing lines.*

**WATC Funding Program  
Treasurer's Presentation**

Image courtesy of Tourism Western Australia



## WATC 2025–26 Borrowing Program

### FORWARD ESTIMATE

Following the budget release, WATC announced its estimated term funding requirement for the 2025–26 financial year at \$8.8 billion. The WATC forecast borrowing program across the forward estimates period is detailed in the following table:

Term Funding Requirement	2025–26 \$b	2026–27 \$b	2027–28 \$b	2028–29 \$b
<b>New Money Program (Est.)</b>	<b>4.6</b>	<b>3.7</b>	<b>2.6</b>	<b>2.1</b>
Projected Maturities	6.2	6.6	5.3	5.6
Less Prefunding	-2.0			
<b>Total Term Funding (Est.)*</b>	<b>8.8</b>	<b>10.2</b>	<b>7.9</b>	<b>7.7</b>

*\*May not balance due to rounding.*



### POSITIVE POST-BUDGET RECEPTION

## S&P Global Ratings

Following the release of the State Budget, S&P confirmed in its 19 June bulletin that Western Australia can absorb an election-driven spending uptick as its fiscal strength continues to set it apart from domestic peers.

**View Bulletin**



## More on WATC's Funding Strategy

For information on our estimated term funding visit our website.

**Borrowing Program**



## More on the Budget

To view the State Budget in full refer to the Western Australian Government website.

**Our State Budget**



Image courtesy of Tourism Western Australia

# Australian Government Fixed Income Forum

TOKYO | JAPAN

AOFM



## When

12 June 2025

## WATC representatives

Kaylene Gulich, Chief Executive Officer

Danielle Lavars, General Manager Funding and Markets

## Significance

Hosted by the Australian Office of Financial Management, this half day event held in Tokyo is targeted to Japanese investors and provides a comprehensive view of the Australian fixed income market. It includes updates from the Australian Treasury, the Reserve Bank of Australia, major government issuers including WATC, securities sector representatives and institutional investors in AUD fixed income.

## About the event

Forum attendees heard from a range of speakers including WATC CEO Kaylene Gulich, who provided an update on the Western Australian context and spoke to the power of the State's economy, the strength of the domestic labour market and the ongoing high demand for commodity exports. Additionally, Kaylene highlighted the vital role that Western Australia will continue to play in transitioning to clean energy and enhancing security in the Asia-Pacific region while supporting the growth of our trading partners through a diversified economy, expanding manufacturing sector, critical minerals production and decarbonisation of the State's energy network.

## Adding value

Prior to the forum, the WATC team took the opportunity to meet with representatives from Westpac Institutional Bank, along with the government issuers from around Australia who attended the forum, to both gain insights into their recent domestic activity and discuss building the nation's overall presence in the Asia-Pacific region. ▀

## More for Institutional Investors

Find out more about our borrowing program and distribution networks via our website.

[Borrowing Program](#) →

[Funding Sources](#) →

[Dealer Panel](#) →



# UBS Reserve Management Seminar

WOLFSBERG | SWITZERLAND



## When

26–27 June 2025

## WATC representatives

Kaylene Gulich, Chief Executive Officer

Danielle Lavars, General Manager Funding and Markets

## Significance

Held in Wolfsberg Switzerland, the UBS Global Centre for Education and Dialogue, this seminar is the premier gathering for sovereign investors and provides an opportunity to gain exclusive insights from top policymakers, economists and central bank leaders.

## About the event

The program of activities focused on key topics currently shaping the global markets, including among others, foreign exchange reserve investment strategies, the outlook for fixed income government bond portfolios, gold accumulation in relation to central banks, artificial intelligence in portfolio management and navigating global tariffs. A range of panel discussions were also held, focussing on recent market trends. Our General Manager Funding and Markets, Danielle Lavars, represented WATC in the Australian Semi-Government Issuers Panel, which discussed the concept of the Australian dollar as a reserve currency. There was a particular focus on the growing relevance and liquidity of AUD fixed income assets, including the Australian Government and Semi-government issuers. This included the changing investor bases, drivers of demand and the issuance strategies for each State including foreign currency issuance.

## Adding value

En route to Switzerland, WATC took the opportunity to build investor relations in the Middle East and met with monetary authorities and institutional investors in Dubai and Abu Dhabi. The various meetings, held over two days, provided an important opportunity to raise awareness of Western Australia as an investment destination, by highlighting the strengths of the economy and expanding on WATC's **Borrowing Program** and **Sustainable Finance Program**. ■

## More for Institutional Investors

Find out more about our borrowing program and distribution networks via our website.

**Borrowing Program**



**Sustainable Finance Program**



# Successful Release of WATC's Second Green Bond

We have built on the success of our first green bond, with a well-received second release this May, the proceeds of which will materially contribute to decarbonisation and enhance environmental, social and governance (ESG) outcomes for Western Australia.

## First green bond success

In 2023 WATC launched its **Sustainability Bond Framework** and issued an inaugural green bond to high market demand. The release was a resounding success, being more than three times oversubscribed and securing participation from 25 new investors, including several requiring green bond certification. The proceeds from this bond have been allocated to eligible expenditure supporting the transition to a low carbon economy.

## Preparing for a second issuance

Building on this momentum, WATC announced plans for a second green bond in late 2024. Ahead of this issuance, two exciting new projects were added to the green bond pool that build on the foundation of the existing pool and will materially contribute to decarbonisation:



1

### Clean Energy Link

A vital infrastructure project providing the capacity to connect new renewable energy sources to the grid.



2

### Electric Bus Fleet

The rollout of 130 new electric buses to commence phasing out of the existing diesel bus fleet and decarbonise public transport.

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*Ahead of this issuance, two exciting new projects were added to the green bond pool that build on the foundation of the existing pool and will materially contribute to decarbonisation...*



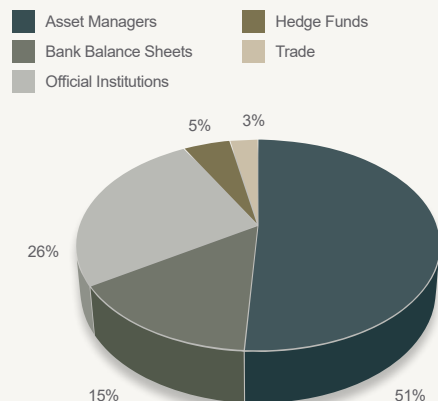
Image courtesy of Tourism Western Australia

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## Allocation Summary

### Percentage Allocation



**51%**

### High Quality Orderbook

Investor allocations included 51% to asset managers, 26% to official institutions and 15% to bank balance sheets.

**53%**

### Largest Offshore Allocation

With 53% allocated offshore this is the largest Australian Semi-government issue allocation to offshore investors.

**\$5.5b**

### Orders Exceed 5.5 Billion

The total investor orders at final price guidance were in excess of A\$5.5 billion.

Leading up to the issuance, the WATC team hit the road and the airwaves in March for a comprehensive investor roadshow. Engaging with a diverse mix of domestic and international investors, the team highlighted the State's economic strength and promoted ongoing ESG commitments.

## Positive market response

On Tuesday 13 May 2025, WATC priced its second green bond – a A\$2 billion 4.75% coupon with a 24 October 2035 maturity. This was well received by the market as indicated by:

- The issuance being oversubscribed, receiving in excess of A\$5.5 billion in investor bids.
- The interest rate being set at the left-hand side of the pricing guidance provided for the bid process – therefore obtaining the best possible pricing outcome reflecting the volume of demand.
- Participation from a number of new investors including those with green mandates.
- 53% of the issue was allocated to offshore investors, making it the largest Australian Semi-government issue allocation to offshore investors.

Informal feedback confirmed investors continue to respond the forward-looking and environmentally transformative nature of WATC's

**66**

*With 53% allocated offshore this is the largest Australian Semi-government issue allocation to offshore investors.*

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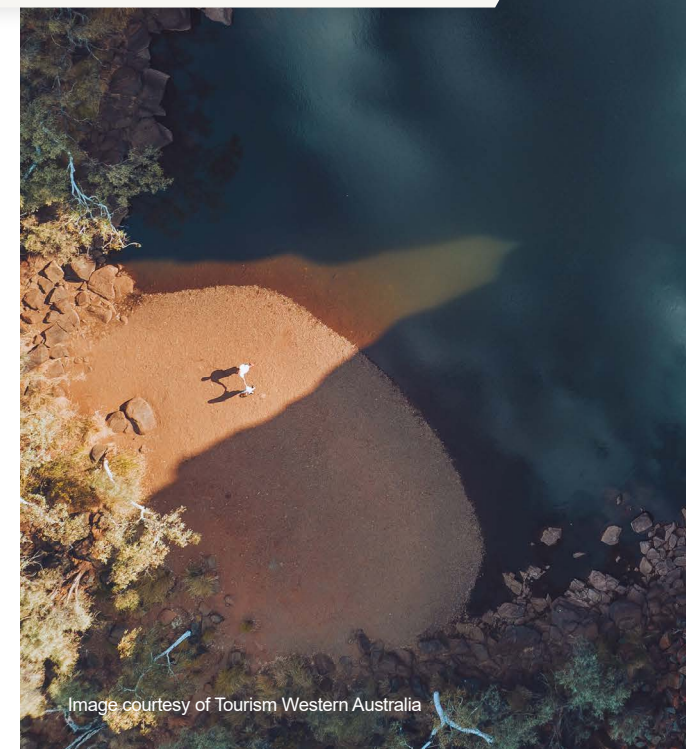


Image courtesy of Tourism Western Australia



green bond project pool – which provides additionality compared to historical government business as usual investments. The green bond issuance success also signals broader investor confidence in the progress the Western Australian Government has made to enhance ESG outcomes **across the State**.

## What's next?

We expect to continue expanding our green bond project pool within the existing themes that will support the Western Australian Government to achieve its commitment to phase out coal from the electricity system network and reduce its direct emissions by 80% below 2020 levels by 2030.

Consideration is being given to how to continue to share information on broader ESG themes – either through new themes under our **Sustainability Bond Framework** or our **ESG Publications and Disclosures series**. Areas in focus include:

- + Biodiversity – with conservation and State forest protection.
- + Addressing complex social issues – including homelessness, mental health support and domestic violence.
- + Combined delivery of social and environmental outcomes – such as Aboriginal Ranger initiatives and energy security in remote communities.

## Want to find out more?

View our **Sustainable Finance Program** on the WATC website or contact Richard McKenzie, Head of ESG and Investor Relations for more information.

Richard McKenzie  
Head of ESG and Investor Relations  
Call +61 8 9235 9127  
Email [rmckenzie@watc.wa.gov.au](mailto:rmckenzie@watc.wa.gov.au).



**Richard McKenzie**  
HEAD OF ESG AND  
INVESTOR RELATIONS

## Sustainable Finance

View more ESG-related information including a range of publications on our website.

**Sustainable Finance Program** →

**WA's ESG Commitment** →

## Investor Information

View the latest investor updates using the links below.

**Investor Pack** →

**Investor Webinar** →

Image courtesy of Tourism Western Australia

# KangaNews 2025 Sustainable Debt Summit

SYDNEY | AUSTRALIA

KangaNews



## When

3 April 2025

## WATC representatives

Richard McKenzie, Head of ESG and Investor Relations

Alex Humphries, Principal Advisor, ESG and Investor Relations

## Significance

The KangaNews Sustainable Debt Summit brings together finance, investment, and sustainability leaders to explore the evolving landscape of sustainable finance. This year's event took place in Sydney at a time when the sustainable finance sector is reaffirming its value and purpose.

## About the event

Richard McKenzie, WATC's Head of ESG and Investor Relations, participated in a panel discussion themed 'Financing adaptation and resilience', which was moderated by Charlotte Plaisant Millecamps from Westpac Institutional Bank and included key representatives from various institutions including, among others, the Council of Europe Development Bank, Sustainalytics, and the Investor Group on Climate Change. As part of the discussion Richard highlighted how WATC's green bond program has enabled the reduction of emissions from electricity generation and continues to support the Western Australian Government's policy commitment stating "Desalination is extremely energy-intensive infrastructure and it creates a conundrum between government's climate-adaptation and climate-mitigation responsibilities. This is why the enabling theme of our green bond program is to reduce emissions from electricity generation, which in turn aligns with the policy commitment for all energy required for Perth's desalination plants to be 100 per cent renewable by 2035."

## Looking forward

Market leaders reaffirmed that incorporating sustainability considerations into investment decisions is a necessity, not a choice and that the current politicisation of the sector does not change why markets decided to address sustainability issues in the first place. ■

## More on the Sustainable Debt

Read key quotes from the KangaNews Sustainable Debt Summit published in the Apr / May 2025 edition of KangaNews.

[KangaNews website](#)



## Getting in touch

Contact our ESG team directly to discuss sustainable finance.

[Email ESG Team](#)



# Sustainable Finance Workshop

SYDNEY | AUSTRALIA

COORDINATED BY

WESTERN AUSTRALIAN  
TREASURY CORPORATION



## When

4 April 2025

## WATC representatives

Richard McKenzie, Head of ESG and Investor Relations

Alex Humphries, Principal Advisor, ESG and Investor Relations

## Significance

This workshop seeks to foster collaboration among WATC's peer agencies on emerging sustainable finance developments, while addressing shared challenges and new opportunities. This year it brought together sustainable finance teams from key central financing authorities covering Western Australian Treasury Corporation, New South Wales Treasury Corporation, Queensland Treasury Corporation, Treasury Corporation of Victoria, South Australia Financing Authority, the Australian Office of Financial Management and the New Zealand Debt Management Office, together with representatives from a number of associated Treasury Departments.

## About the event

This WATC-facilitated workshop, now in its second consecutive year, has been timed to coincide with the **KangaNews 2025 Sustainable Debt Conference**. Coordinated this year through Alex Humphries, WATC's Principal Advisor, ESG and Investor Relations, the workshop was held at the New South Wales Treasury Corporation offices in Sydney. Key themes included market trends and outlooks, the Australian Sustainable Finance Taxonomy, the importance of external reviews, and the growing need for impact measurement and transparent reporting. To deepen the outreach, representatives from the Royal Bank of Canada and the Australian Sustainable Finance Institute were also invited to deliver presentations, sharing insights on sustainable market trends and the incoming Australian taxonomy.

## Looking forward

This highly productive session, marked by strong engagement and a shared commitment among the participants, will continue to encourage collaboration opportunities between sustainable finance teams over the coming year. ■

## Getting in touch

Contact our ESG team directly to discuss sustainable finance.

Email ESG Team



**Left:** WATC representatives Alex Humphries (front row third from left) and Richard McKenzie (back row second from left) pictured with attendees from the second annual Sustainable Finance Workshop in Sydney.



## CLIENT SERVICES

# 2025–26 State Budget Event

PERTH | AUSTRALIA



### When

20 June 2025

### WATC representatives

Danielle Lavars, General Manager Funding and Markets

Richard John, Principal Advisor, Advisory Services

Charlie Gilkes, Principal Client Relationship Manager, Corporate Treasury Services

### Significance

Hosted by Business News and attended by more than 1,000 people, this event provides insights into the Government's strategy to deliver key budget initiatives and harness opportunities across the State. Keynote speaker, the Hon Rita Saffioti, Deputy Premier and Treasurer of Western Australia outlined the Government's plans to build a more resilient economy and address key challenges facing the State.

### About the event

The format of the event comprised of two parts, a presentation by the Treasurer and a Q&A session, facilitated by Mark Beyer, Senior Editor at Business News. Key budget initiatives highlighted included:

- An additional \$963 million in cost-of-living relief for Western Australian families
- \$1.4 billion to boost housing supply and affordability
- \$2.7 billion to support future growth and create local jobs
- \$1.4 billion to expand and enhance health and mental health services
- \$1.8 billion for education and training.

### Adding Value

As part of the event, WATC hosted representatives from the Department of Treasury and Finance, Public Transport Authority, Main Roads, Western Power, WA Police, and Water Corporation, providing additional opportunities to facilitate networking, gain valuable insights and strengthen client relationships. ■

### More on Client Services

Find out more about the products and services we offer clients via our website.

How We Help



**Left:** The Hon Rita Saffioti, Deputy Premier and Treasurer of Western Australia presenting at the 2025–26 State Budget Event, hosted by Business News at the Perth Convention and Exhibition Centre.

# WATC CEO Shares Decarbonisation Insights at Port Hedland Forum



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*WATC CEO Kaylene Gulich presented on Western Australia's decarbonisation journey, highlighting the Western Australian Government's efforts to transition the State and its trading partners towards a net-zero future.*

## When

21 May 2025

## WATC representatives

Kaylene Gulich, Chief Executive Officer

Lisa Brady, Head of Corporate Treasury Services

## Significance

The Port Hedland Industries Council (PHIC) plays a vital role in uniting industry voices and supporting Port Hedland's growth. The Community Forum, which was established in 2019 and runs quarterly, fosters open dialogue between industry, government, and the community and enables knowledge sharing and collaborative problem-solving.

## About the event

Invited as a guest speaker, WATC CEO Kaylene Gulich presented on Western Australia's decarbonisation journey, highlighting the Western Australian Government's efforts to transition the State and its trading partners towards a net-zero future.

A key theme of the Community Forum was building regional resilience against economic downturns. Discussions also spotlighted the Pilbara Safe Spaces Program, led by the Pilbara Development Commission, which aims to create inclusive, supportive environments for vulnerable community members.

Continued next page →

Image courtesy of Lisa Brady.

Left: The view out to the port entrance / departure channel, Port Hedland.



Local initiatives were also featured, such as Care for Hedland's turtle monitoring program, which since 2004 has saved over 63,000 turtle eggs – an outstanding example of community-led environmental stewardship.

### Adding Value

The visit also included a tour of the port hosted by The Seafarers Centre, offering a unique perspective on regional development. A standout moment for the WATC team was viewing Lumsden Point from the water – providing an inspiring glimpse into the future of infrastructure and opportunity in the Pilbara. ■

### More on Client Services

Find out more about the products and services we offer clients via our website.

[How We Help](#)[Loan Products](#)[Loan Services](#)[Local Government Support](#)

Turtle images courtesy of Care for Hedland 2025.

Remaining images courtesy of Lisa Brady.

**Clockwise from top left:** Spoilbank Marina; an adult turtle at Pretty Pool; a close up of turtle hatchlings in the sand; Spoilbank Marina; getting up close to the operations.





# Working at WATC

We proudly foster a rewarding work culture that celebrates inclusivity, promotes wellbeing and champions better financial outcomes for Western Australia.

At WATC, we are passionate about supporting and enabling the Western Australian government sector, by using our specialist knowledge of financial markets and financial risk management. Working at WATC is a rewarding endeavour that provides interesting and challenging work in a collaborative workplace culture.

Our people come from a broad range of disciplines including finance, economics, law, accounting, information technology and human resources. We look to employ highly skilled people from diverse backgrounds, who embrace our core values.

For more information about the benefits of working at WATC, visit our [\*\*Careers\*\*](#) page. ■

## Flexible Work Arrangements

Our people are supported with the option of flexible working arrangements, including working from home, flexible starting and finishing times, compressed work schedules, part time work opportunities, and more.

## Continuous Learning

We encourage our people to undertake professional development, supporting them with training courses, professional memberships and structured learning.

## Health and Wellbeing Focus

We offer a range of wellbeing initiatives including an employee assistance program, free on-site gym and fitness classes, annual flu vaccinations, health checks, discounted health insurance, free fresh fruit and more.

## Generous Leave

We offer various above minimum leave provisions, including 12.5 days personal leave per year, 13 weeks long service leave, up to 12 weeks paid parental leave (on top of the government paid parental leave scheme) and very flexible approaches to the use of both long service leave and parental leave.

## Reward and Recognition

Our people are acknowledged for actions exemplifying our values and are nominated by management and peers through a reward and recognition program that reinforces the importance of our values in everything we do.

## Contemporary Offices

Our office environment is open-plan, with great natural light, sit-stand desks and personal lockers for everyone. Our building also has excellent end of trip facilities with showers, towels, clothes drying, ironing facilities and hair dryers.

# New Appointments



New Appointment

## Kenneth Weng Leong

ROLE  
Corporate Financial Advisor  
BUSINESS UNIT  
Advisory Services

66

I am an advisor in the Advisory Services team, providing financial and economic advice across sectors such as energy, health, and employment.

Previously, I was the Service Line Leader (Investment, Policy & Economics) and Executive Advisor (Government Advisory) at GHD, and Associate Director in Strategy & Transactions at EY, leading projects in transport and supply chain, resources, agribusiness, industrial decarbonisation, and renewable energy. My skill set includes business case development, infrastructure project evaluation, capital projects assessments, and the business of energy, hydrogen and mining. With over 25 years of experience, my background spans economic analysis, policy, academia and industry. I hold a PhD in Macroeconomics from the University of Western Australia, and have also published articles in the Australian Journal of Labour Economics, Applied Economics, and the Journal of Macroeconomics.

Outside of work, I enjoy hosting dinner gatherings. I graduated from the Culinary Institute of America and worked in a three Michelin star restaurant in California.



New Appointment

## Teresa Chao

ROLE  
Analyst  
BUSINESS UNIT  
ESG and Investor Relations

66

As an Analyst in the ESG and Investor Relations team I coordinate data and research for WATC's sustainable finance and ESG disclosures. Originally from Taiwan, before moving to Perth, I lived in New Zealand for over 10 years where I was a Relationship Associate in ANZ New Zealand's Corporate Banking team, managing key banking relationships with mid-to-large-sized corporates. My portfolio focused on clients in the retirement village sector, large law firms, and major hospital and healthcare providers, supporting them with tailored lending solutions, strategic advice, and day-to-day banking needs. Additionally, I founded a young and emerging professionals' group in New Zealand aimed at fostering peer connections and professional development across the retirement village sector.

I hold a CFA Institute Certificate in ESG Investing and recently completed a Sustainable Finance course through the University of Cambridge Institute for Sustainability Leadership.

Outside of work, I enjoy art journaling – using packaging, stickers, and washi tapes to document everyday moments. I'm also a big foodie and love exploring new flavours and cuisines. I'm an animal lover, with bears as my spiritual animal, and my latest obsessions are pangolins and ravens.

# New Appointments



*New Appointment*

## Sean Bennett

ROLE

Client Advisor

BUSINESS UNIT

Corporate Treasury Services

66

As a Client Advisor in the Corporate Treasury Services team with a strong background in tax consulting, accounting, and private wealth management, I assist clients with debt financing, foreign exchange, investments, and treasury management services.

Prior to joining WATC, I initially worked as an accountant, providing tax compliance and consulting services, and also gained experience as a financial advisor, assisting clients with investment structuring, investment portfolio management, estate planning, and asset protection strategies. Drawing on my diverse professional experience and combining my technical expertise with a practical, client-first approach, helps me to deliver tailored services that aligns with each client's goals.

I hold a Bachelor of Commerce, majoring in Accounting, from Curtin University, and a Graduate Diploma in Financial Planning, from Swinburne University of Technology.

In my spare time I enjoy spending time with family and friends, playing golf, and supporting the West Coast Eagles (it's been a tough few years).



*New Appointment*

## Komal Zehra Naqvi

ROLE

Marketing and Communications  
Advisor

BUSINESS UNIT

Marketing and Communications

66

As a Marketing and Communications Advisor at WATC, I specialise in strategic, operational, and outcomes-focused corporate communications.

Before WATC, I was part of the Communications team at Palladium, supporting the New Colombo Plan (NCP), a key initiative of Australia's 'whole-of-nation' approach to foreign affairs, which contributes towards Australia's objectives of strengthening its relationships and standing in the Indo-Pacific. I worked closely with the Department of Foreign Affairs on the NCP, focusing on communication strategies and outputs. Prior to that, I was Corporate Communications Manager at Amlak Finance in Dubai, where I was responsible for internal and external communications, including media engagement strategies, and supporting cultural transformation and business change communications. I was also responsible for Corporate Social Responsibility, achieving milestones that were recognised by the Dubai Chamber of Commerce.

I hold a diploma in Mass Communications (Dean's Award for Outstanding Academic Achievement), and a Bachelor of Media Studies from Murdoch University, Perth.



## Getting in Touch

For more information contact the relevant team member using the details below.

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**DISCLAIMER** Any opinions, judgements, conclusions, forecasts, predictions or estimations contained in this advice are made in reliance on information provided to Western Australian Treasury Corporation which Western Australian Treasury Corporation believes to be reliable. Western Australian Treasury Corporation, however, cannot guarantee the accuracy of that information. Thus, any recommendations are made in good faith but are provided only to assist you with any decisions which you make. These recommendations are not intended to be a substitute for professional advice on a particular matter. Before accepting or rejecting those recommendations you must discuss your particular needs and circumstances with Western Australian Treasury Corporation.

Image courtesy of Frances Andrijich.





## WESTERN AUSTRALIAN TREASURY CORPORATION

Western Australian Treasury Corporation (WATC) is the State's central financial services provider, working with its government sector clients to achieve sound financial outcomes.

WATC's principal activities involve:

- funding and debt management
- asset and investment management
- financial advisory services
- financial risk management
- treasury management services and systems.

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Image courtesy of Tourism Western Australia