

SUPPORTING CONTINUOUS
IMPROVEMENT IN
ESG OUTCOMES FOR
WESTERN AUSTRALIA

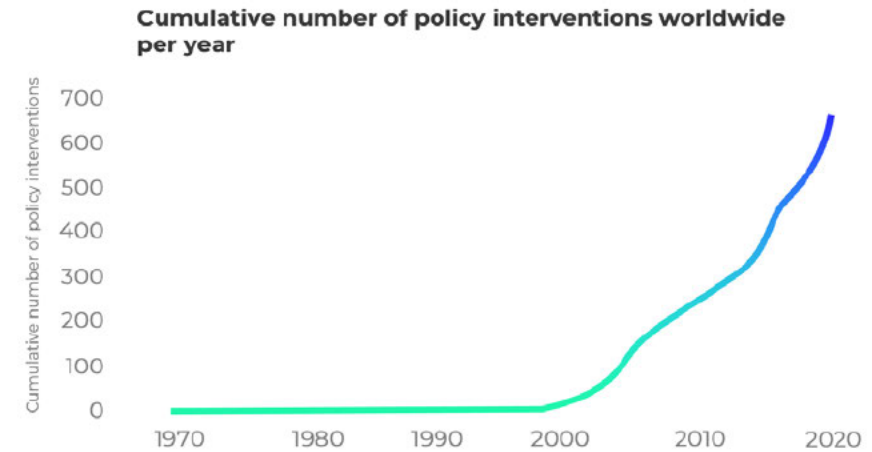


NOVEMBER 2021

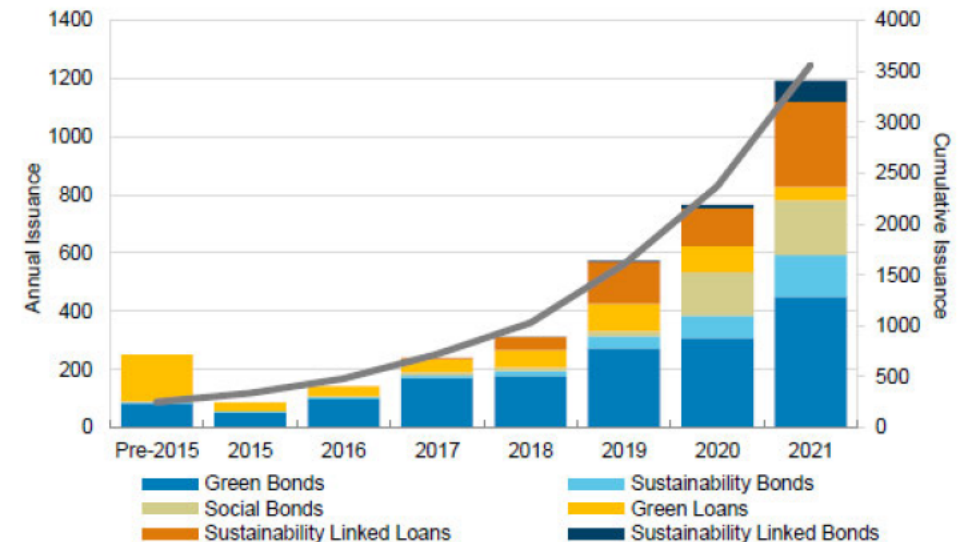
The drivers for change are accelerating

WA is responding and positioning itself amongst this change

- Cognisant of the rapidly evolving trend in global finance and consciousness
 - Recently extended to rating agency ESG assessment of sub-sovereigns
- Increasing trend of detailed ESG profiling by investors to support capital allocation decisions
- WA currently well positioned to respond from strong foundations such as:
 - Commitment to achieving the Paris Agreement objective of net zero emissions by 2050;
 - Inaugural Minister for Climate Action;
 - Government is transitioning energy and mining;
 - Climate Action Coordination Taskforce;
 - Phasing out logging of native forest; and
 - Mining industry involvement.



Source: PRI 2021, Regulation database update: the unstoppable rise of RI policy



Source: ANZ, Bloomberg, September 2021

WA Government ESG Information Pack

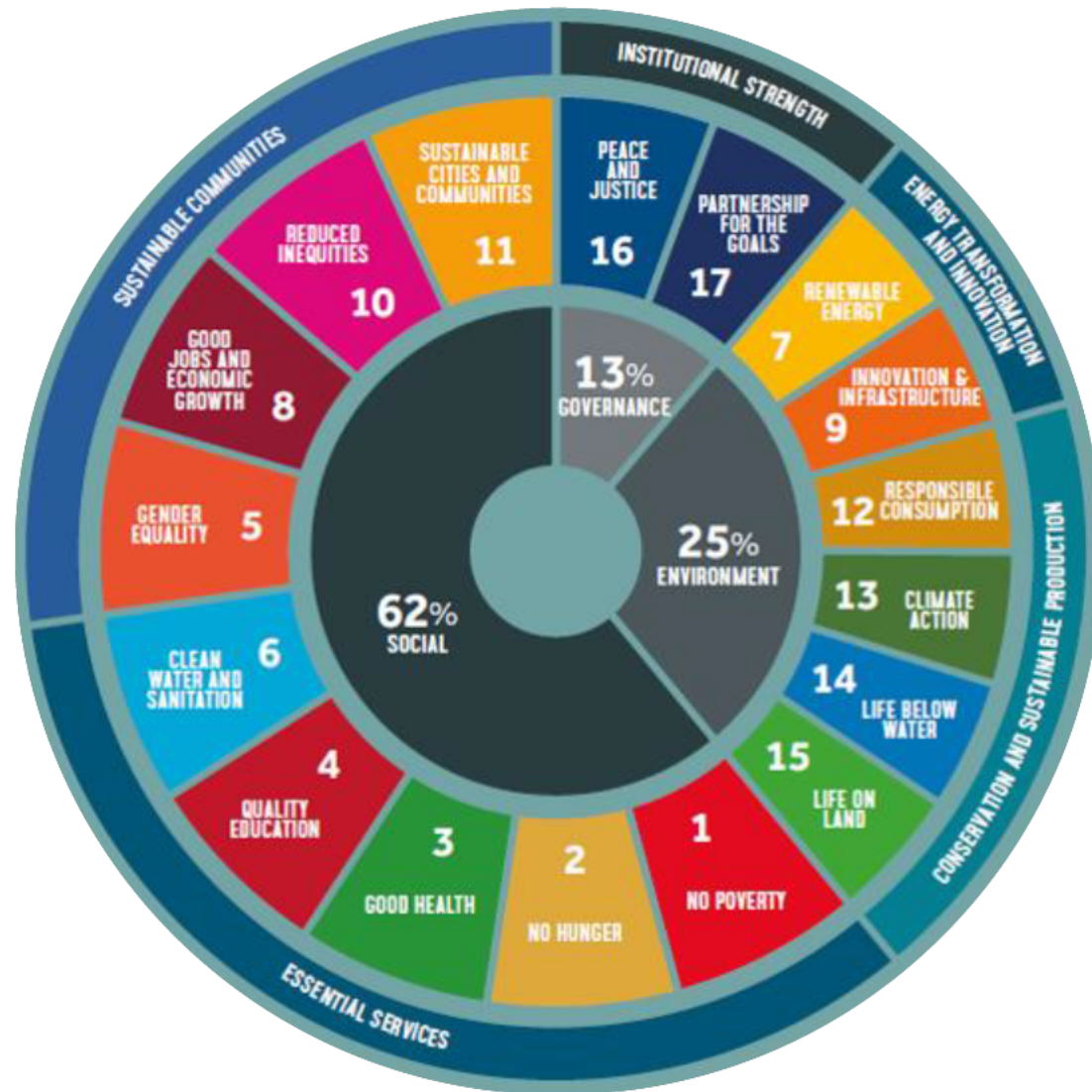
To inform existing and emerging investors financing the WA Government

- Assist investor ESG profiling in WA Government debt securities.
- Identifies actions that are addressing key environmental and social challenges facing Western Australia today and into the future.
- Relevant to a broader range of investors considering WA as an investment destination.
- Aligned to international frameworks:
 - United Nations Sustainable Development Goals
 - ESG scoring and assessment frameworks



WA Government ESG Information Pack

WA Government is continually driving positive change



- Large and perpetual spender on ESG initiatives and projects
 - \$58 billion total general government and GTE expenditure for FY2021-22
- Breadth of issues addressed by expenditure
 - Illustrated in the FY2021-22 State Budget with expenditure indicatively aligned to the SDGs

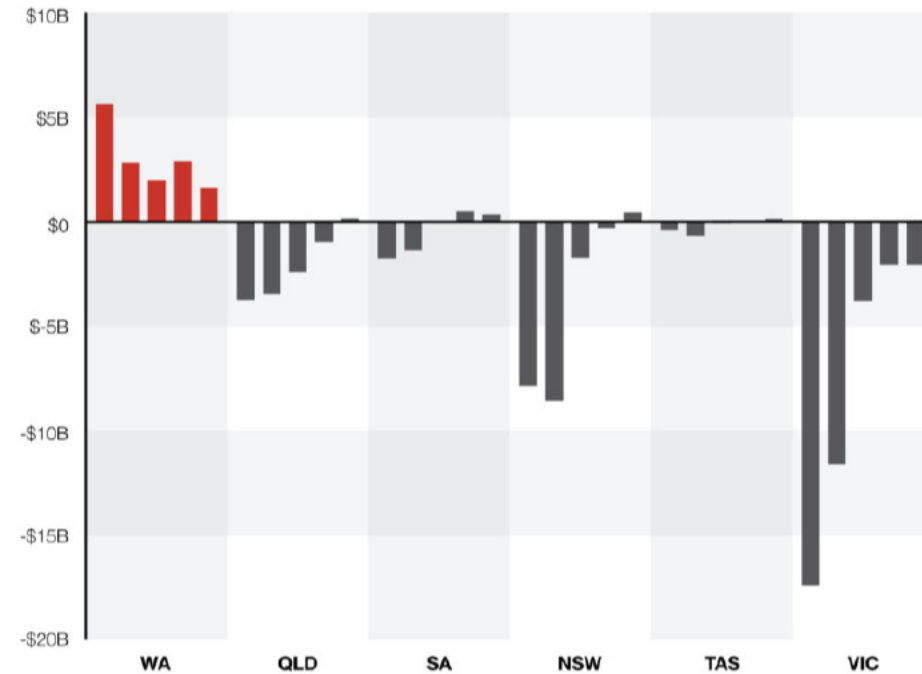
Using our strong governance and frameworks

Accountability frameworks and financial strength to ensure delivery on commitments

- Reliable and proven accountability frameworks
 - E.g. Recently reinforced by Ministerial taskforce on Climate Action reporting to inaugural Minister for Climate Action to oversee implementation of Climate Policy initiatives
- Financial capacity
 - Broad revenue base, operating and cash surpluses, stable debt
- Coordinated institutions and high public trust
 - Strong track record of partnerships with both industry and non-for-profit sector
 - Independent authority for environment assessment

General Government Operating Balance

2020-21 to 2024-25



WA Government committed to achieving net zero by 2050

Broad range of commitments – maximise comparative advantage and areas Government can best influence

Supporting new industries



Renewable Hydrogen



Battery and Critical Minerals



The WA today will not be the WA of the future

Large scale energy transformation

Reducing reliance on coal

- 70% renewables by 2040
- Coal reliance below 5%

3 Renewable Energy Hubs

inc. Western Green Energy Hub underpinned by collaboration and equity stake with Traditional Owners



Off-grid power

Deployment of stand-alone power systems in regional areas

Electric Vehicle network





Australia's Longest Charging Network – approx. 6,000 km



Thinking big: Responding to climate change

– but acknowledge interim targets are needed

THE 33,000 HECTARE
SOFTWOOD
PLANTATION
COULD SEQUESTER
UP TO 9.5 MILLION
TONNES OF CO₂

Material ongoing expenditure to tackled climate change and progress commitments highlighted in the 2021-22 State Budget			
\$750 million	\$1.4 billion	\$5.7 billion	33,000 hectares
<i>Climate Action Fund</i>	<i>Desalination plant powered by renewable</i>	<i>METRONET Electrified public transport</i>	<i>Softwood plantation estate</i>
13 CLIMATE ACTION 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES 	15 LIFE ON LAND 

BIG MINERS

Mobilizing to net zero commitments:

- Rio Tinto, BHP: by 2050
- FMG by 2030

INTERIM TARGETS

WA Government is working towards developing credible interim targets for emissions reduction

Showcasing areas of environmental outcomes

In some areas of environmental management WA is a world/nation leader



Water management

responded proactively to climate change over many years

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

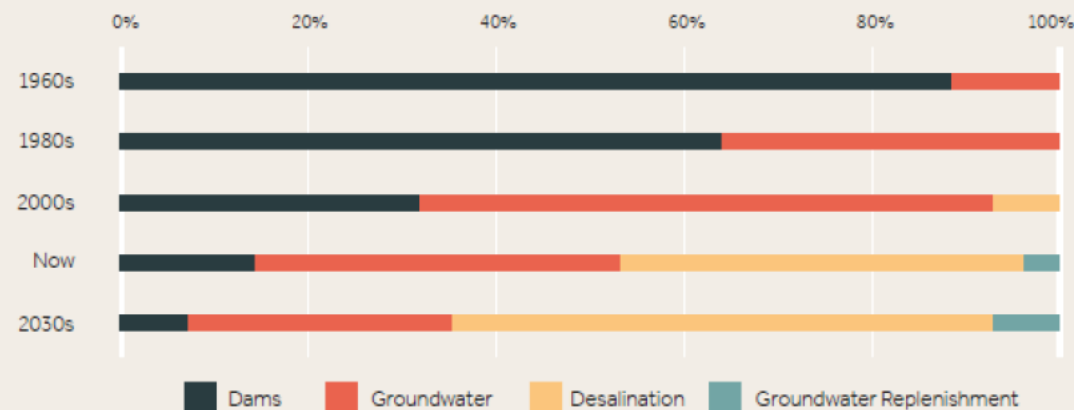
6 CLEAN WATER AND SANITATION



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



GREATER PERTH'S WATER SOURCES OVER TIME



Waste and Pollution

Innovation and strong targets to improve

2030 Key targets include:

20% Reduction in waste generation per capita

75% Increase in material recovery

- Waste-to Energy facilities
 - Roads to Reuse
 - Plan for Plastics
- recognised as Nation leader by WWF Australia

11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Protecting our natural assets

Western Australia is world renowned for conservation and rehabilitation

14 LIFE BELOW WATER



15 LIFE ON LAND



Internationally recognised for:

- *Environment impact assessment policy;*
- *Leading sustainable and ethical management of fisheries - Western Australia's Rock Lobster Fishery first in the world to attain international MSC Certification;*
- *Plan for Our Parks - 25 million hectares under conservation with planned expansion of 5 million hectares in the next 3 years*

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



A focus on mining rehabilitation and innovation to ensure more environmentally and socially sustainable mining:

- *Mine Closure Plans and Mining Rehabilitation Fund*
- *Assisting industry innovation through initiatives - 'Net Zero Emission Mining Challenge' and 'Green Steel Challenge'*
- *Industry already responding to policy signals and investor sentiment*

TERRESTRIAL AND MARINE PROTECTED AREAS
MANAGED BY THE WA GOVERNMENT

25 MILLION
HECTARES

AS AT 30 JUNE 2020



Creating a safe and vibrant community to support our citizens

Perth is rated the 6th most liveable city in the world



World class public health and education system

- Overhaul of hospital infrastructure - \$7 billion in last 10 years
 - \$3.2 billion Fiona Stanley and New Children's hospital
 - \$1.8 billion allocated for the new Women and Babies hospital



Proactive approach to create a modern and effective mental health system

- Mental Health Commission, highest funding and acute beds per capita
- Strong support for health research through the Future Health Research and Innovation Fund

3 GOOD HEALTH AND WELL-BEING



Sophisticated education system

- Planning for jobs of the future (STEM)
- Extensive vocational and educational training system providing relevant job ready training

4 QUALITY EDUCATION



Highest home ownership and good housing affordability compared to Australian average





Committed to improving social equity for all Western Australians

Clear targets and initiatives to drive outcomes for diversity groups

- Significant progress on gender equality
 - Domestic violence support and prevention
 - Extensive support for children with greater learning challenges
 - Improving access to suitable and affordable homes
 - State Budget - \$750 million Social Housing investment Fund;
 - Keystart – a unique bridge to support home ownership
 - Strong measures to tackle homelessness
-
- Improving outcomes for Aboriginal People through an engagement and cultural recognition focus:
 - Native Title Agreements (over \$1.7 billion);
 - *Closing the Gap* implementation plan;
 - Aboriginal Empowerment Strategy
-
- WA Public sector workforce diversification and inclusion:
 - 2025 Aspirational targets for diversity groups

1 NO POVERTY

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Diversity group	Target
Women in the Senior Executive Service	50.0%
Youth	5.8%
Aboriginal and Torres Strait Islander people	3.7%
Culturally and linguistically diverse people	15.5%
People with disability	5.0%

A commitment to progress

ESG Information Pack to be updated annually

- To be updated around the time of State budget to report on progress against commitments and new initiatives
- WA Government supports WATC pursuing development of a Sustainability Bond Framework as a tool to aide achieving continuous improvement in ESG outcomes
 - Will proceed with this over remainder of financial year
 - However a decision to progress to a Sustainable Finance bond issuance will depend on forward funding requirements



A starting point for ongoing ESG dialogue



- This is a starting point to enable structured dialogue on ESG issues and how the WA Government can best support evolving investor information requirements
- Feedback encouraged at esg@watec.wa.gov.au
 - WA Government will address all queries promptly



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