

SEPTEMBER 2025



Yandin Wind Farm. Photo courtesy of Western Power.

WESTERN AUSTRALIAN TREASURY CORPORATION

Funding Sustainable Infrastructure

Supporting Environmental and Social Outcomes for Western Australia Through Our Borrowing Program

WESTERN AUSTRALIAN
TREASURY CORPORATION

Financial Solutions
for the Benefit of All
Western Australians

EXECUTIVE SUMMARY

In addition to outlining our future funding intentions, this market update demonstrates the link between our entire borrowing program and financing sustainable State infrastructure, and provides timely reporting on our latest green bond allocation.

Borrowing Program Update

Our borrowing program, both labelled and non-labelled, supports the delivery of the Western Australian Government's infrastructure program. Our 2025–26 Funding Strategy includes planning for up to two new benchmark bonds, including one green labelled bond.

Infrastructure Program Alignment

The Western Australian Government's infrastructure program has been assessed against globally recognised green and social bond principles, with an alignment of close to 80 per cent, demonstrating the State's commitment to climate mitigation, environmental resilience and social equity.

Green Bond Allocation

Of the \$2 billion raised through our October 2035 maturity green bond issued in May 2025, 65 per cent has been allocated to projects for reducing emissions from electricity generation - reflecting the ongoing prioritisation of transformational decarbonisation initiatives.

Kaylene Gulich PSM
Chief Executive Officer, WATC

WESTERN AUSTRALIAN GOVERNMENT

Infrastructure Program Alignment

The Western Australian Government's 2025–26 State Budget included the Asset Investment Program (AIP) which contains infrastructure spending commitments, spanning the financial years from July 2025 through to June 2029. Through our assessment of the planned infrastructure spending, we can demonstrate a strong linkage between the AIP¹ and the International Capital Market Association's Green and Social Bond Principles.

Infrastructure Program Assessment

WATC has undertaken an internal assessment to determine the extent to which the parliamentary-approved forward infrastructure program aligns with the International Capital Market Association's Green and Social Bond Principles (GBP and SBP)². GBP-aligned projects contribute to a low-carbon economy through climate change mitigation and adaptation, while SBP-aligned projects aim to address specific social issues and deliver positive social outcomes.

Our analysis provides indicative, high-level context for investors. Results show approximately 80 per cent of the committed infrastructure program aligns with GBP and SBP categories, signifying the State Government's strategic focus on climate mitigation, environmental resilience, and social equity.

Notably, the largest share of investment over the next four years is concentrated in GBP and SBP-aligned categories such as Renewable Energy and Energy Efficiency, Access to Essential Services, and Clean Transportation. For a sample overview of the Western Australian Government's infrastructure projects aligned to the Green and Social Bond Principles visit our website.

GBP-Aligned
Infrastructure Projects



SBP-Aligned
Infrastructure Projects

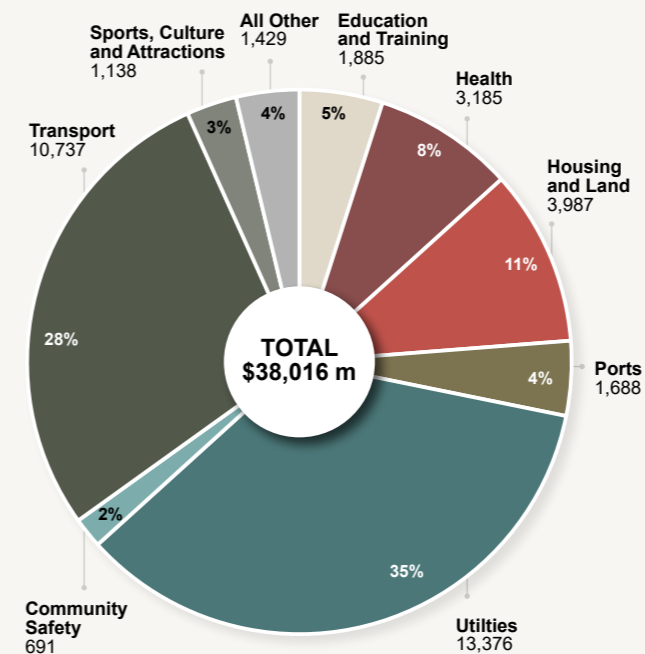


Unaligned Expenditure

Infrastructure projects that do not fall within these categories are considered 'Unaligned to GBP or SBP', as their primary purpose does not align with these principles. The majority of expenditure classified as 'Unaligned to SBP or GBP' was for investment in the State's road network. Whilst this part of the infrastructure program is not labelled green or social as its primary purpose, there are multiple examples of ESG outcomes for projects in this category. For instance Main Roads, who is responsible for the State's road network, has made significant progress in Aboriginal employment and procurement, as well as running a program to recycle concrete into new roads.

Asset Investment Program (\$ millions)

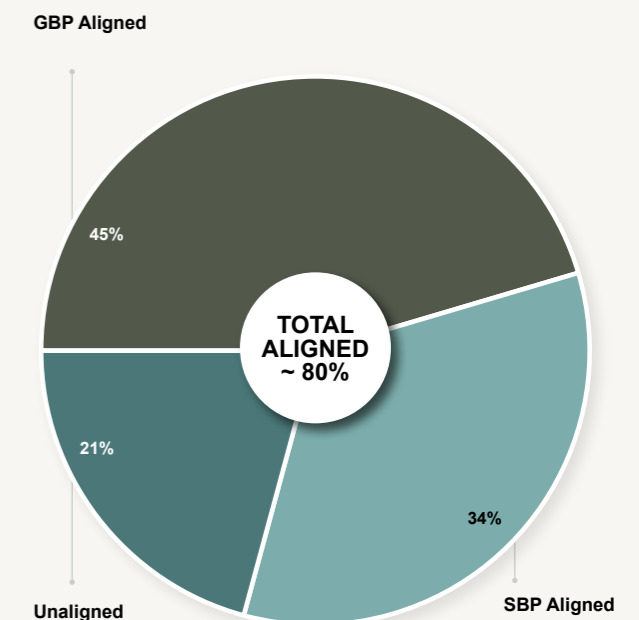
Financial Years 2026 to 2029



Source: Department of Treasury and Finance

Asset Investment Program Alignment

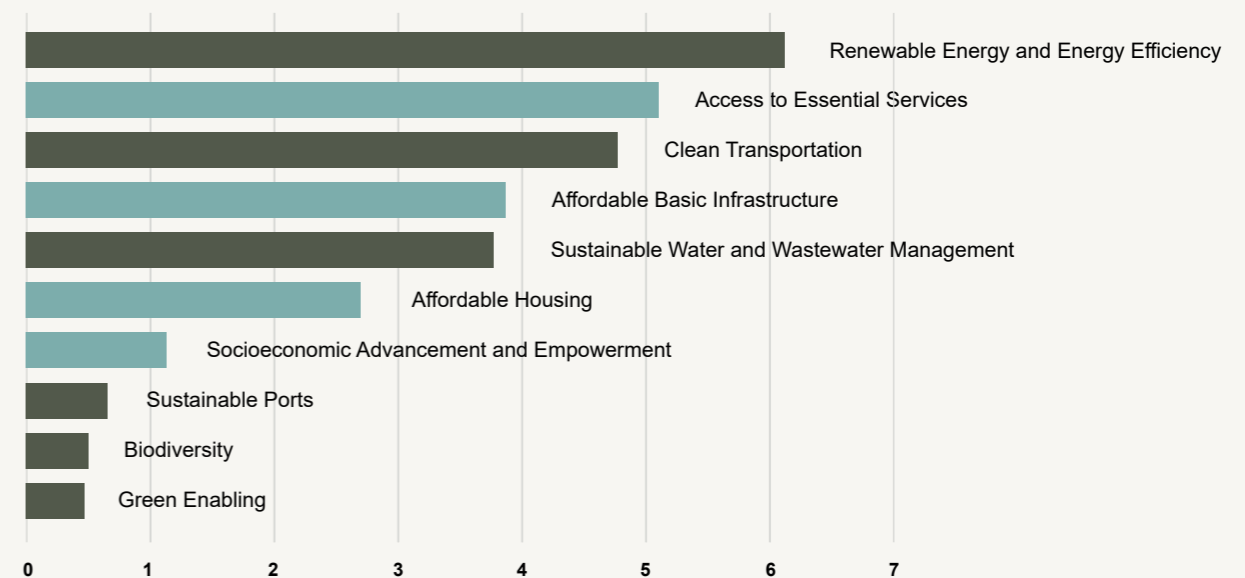
Financial Years 2026 to 2029



Source: Western Australian Treasury Corporation

Green and Social Bond Principle Categories (\$ billions)

Financial Years 2026 to 2029



Source: Western Australian Treasury Corporation

1

AIP project detail by agency is published on the [WA Gov website](#). Agencies with a total AIP for financial years 2026 to 2029 of under \$50 million were omitted. This excluded only 0.9 per cent of the total infrastructure budget from the scope of this analysis.

2

The assessment of alignment to ICMA GBP and SBP has been undertaken solely by WATC on a best endeavours basis. It is not intended to inform any labelled bond issuance nor been reviewed by any external party. It has been developed to provide high level contextual information to investors and should be regarded as indicative in nature.

Borrowing Program and Planned Issuance

Contributing to the required funding of the Western Australian Government’s infrastructure program is a core purpose of our borrowing program. This section provides guidance on the expected timings and maturities of future issuances and reinforces our commitment to transparency and market engagement. Our Funding Strategy includes planning for up to two new benchmark bonds over the 2025–26 financial year, including one green labelled bond.



Elizabeth Quay Bridge, Perth City.

Borrowing Program and Planned Issuance

Following the release of the **2025–26 State Budget**, we announced our *Estimated Term Funding Requirement* to support delivery of the State’s infrastructure spending commitments. Our Funding Strategy for 2025–26 financial year includes:

- Issuing at least one new floating rate note with a likely target tenor of 5 – 7 years;
- Establishing up to two new curve-extending benchmark bonds including one green;
- Building up existing benchmark bonds and floating rate note lines; and
- Opportunistically increasing the 2041 bond.

All issuances will be subject to borrower demands, market conditions and investor preferences.

Project Pool Expenditure

Issuances under our **Sustainability Bond Framework** assits funding a specific subset of the infrastructure program that significantly aids environmental outcomes. The current project pool of \$15.6 billion is funding infrastructure that delivers on environmental policy objectives within three key themes:

- Reducing emissions from electricity generation;
- Transport infrastructure to support net-zero transition; and
- Enhancing climate change adaptation and resilience.

Our project pool remains forward looking with \$6.2 billion of eligible expenditure allocated in the financial years from 2026 to 2029.

Sustainable Finance Taxonomy

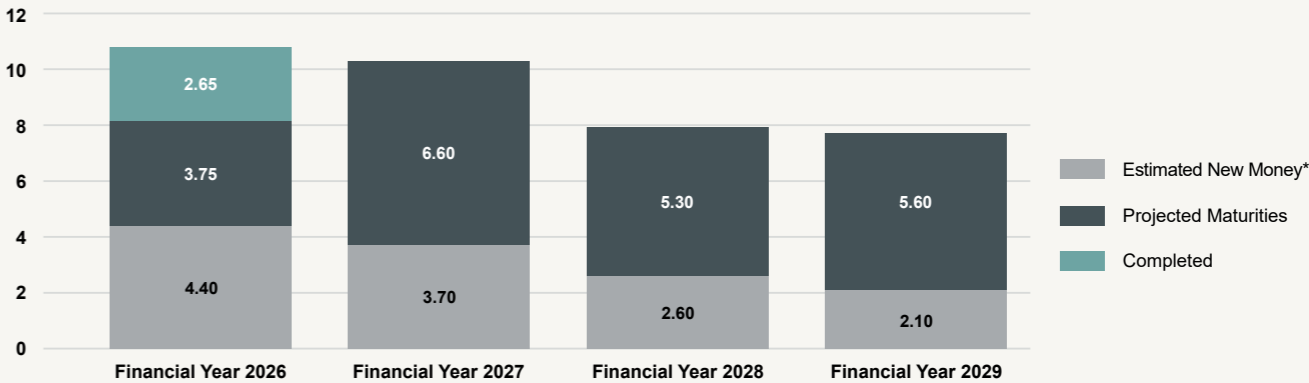
The *Australian Sustainable Finance Taxonomy*, launched in June 2025, is the new benchmark for climate-aligned investment in Australia. Our initial review of the green bond project pool shows approximately 97 per cent alignment³ to the taxonomy’s technical screening criteria.

3

Assessment done on expenditure within the current scope of Taxonomy (limited to Climate Mitigation).

Term Funding Requirement (\$ billions)

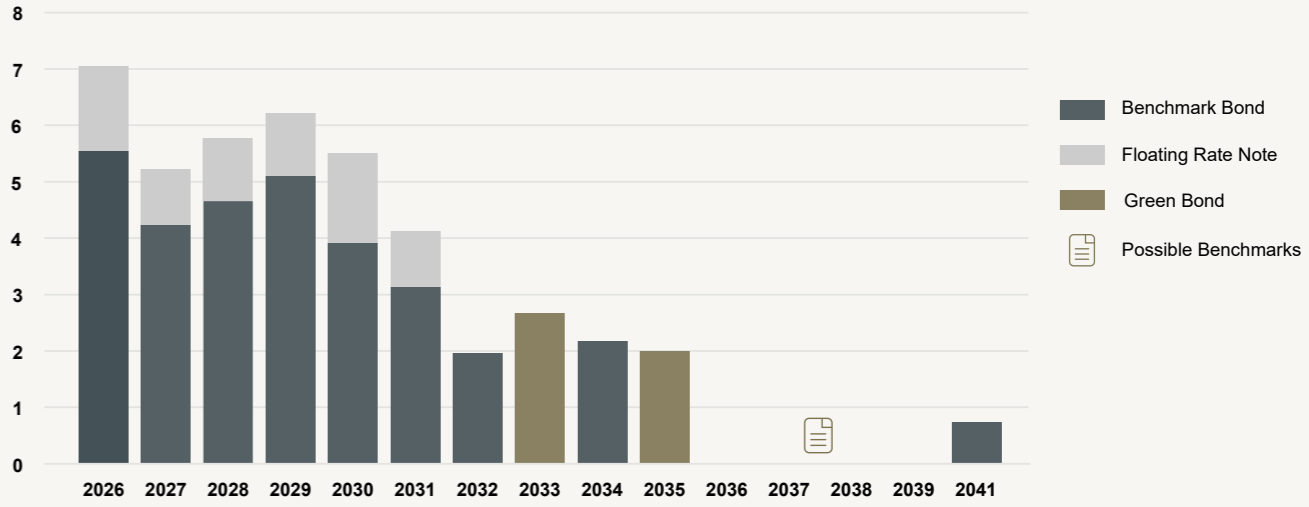
As at 31 August 2025



Source: Western Australian Treasury Corporation

WATC Maturity Profile (\$ billions)

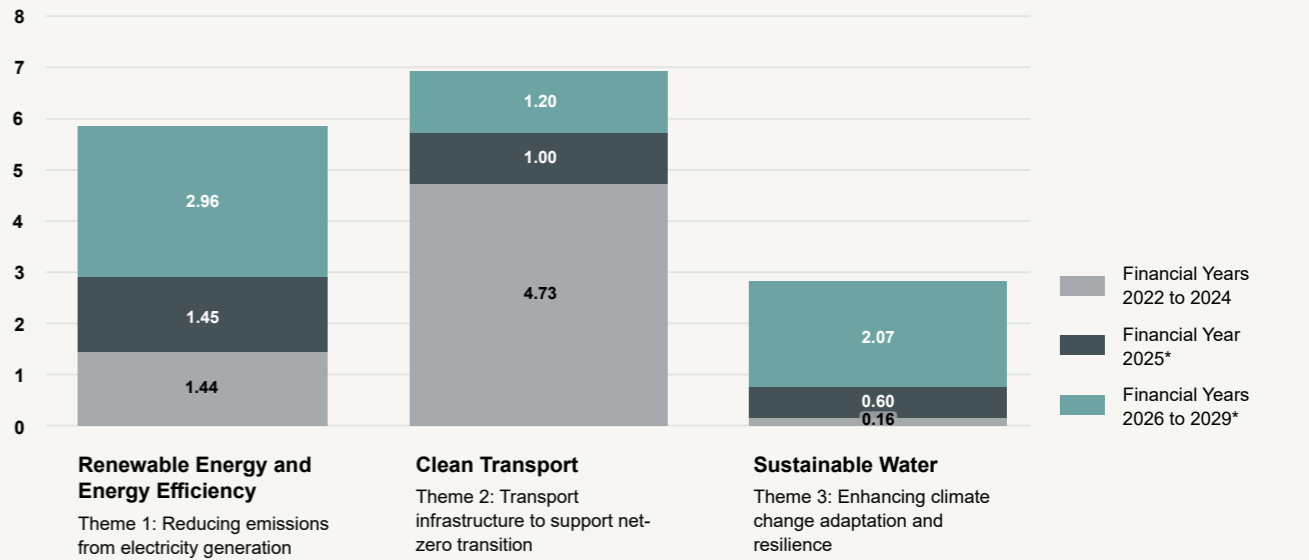
Term Debt Outstanding at 31 August 2025 and Potential New Lines for Financial Year 2026



Source: Western Australian Treasury Corporation

Project Pool Expenditure by Green Bond Principle Categories (\$ billions)

As at 31 August 2025



Source: Western Australian Treasury Corporation

* Estimated at at 31 August 2025

Green Bond Proceeds Allocation

Building on the success of our inaugural green bond, WATC issued a second green bond in May 2025. Proceeds from this issuance will fund high-impact initiatives within our green bond project pool, that focus on driving additionality and achieving transformational environmental outcomes beyond traditional government investment. To support our next green bond new projects will be added to the pool, further strengthening our commitment to sustainable infrastructure delivery.



Joffre Gorge, Karijini National Park.

Proceeds Allocation Strategy

In May 2025, WATC issued a \$2 billion green bond maturing in October 2035. The proceeds allocation strategy was guided by two key principles, both designed to maximise additionality and impact:

- **Targeting current and forward expenditure:** Proceeds were directed toward infrastructure spending occurring in the year of issuance (2024–25) and the current financial year (2025–26), ensuring a strong link between bond allocation and projects actively under delivery.
- **Prioritising emissions reduction:** Consistent with our July 2033 green bond, at least 50 per cent of proceeds were allocated to *Theme 1: Reducing emissions from electricity generation*. This reflects the Western Australian Government’s policy focus on decarbonisation and the critical role of clean energy in enabling broader environmental outcomes, particularly those linked to electrification. This target was significantly exceeded, with 65 per cent of proceeds allocated to this theme, as detailed in the adjacent table.

The allocation of proceeds from our 2035 green bond has been incorporated into this market update to assist investors in tracking WATC with up-to-date information. An additional market update is planned for later this financial year that will feature additions and updates to the green bond project pool.

Upcoming Annual Reporting

Our next *Sustainability Bond Framework Annual Report* will be published in the first half of 2026 and will include the launch of a new impact report. Significant work is underway to effectively and consistently identify and measure impact indicators for each project in the green bond project pool and indicate how this contributes to the Western Australian Government’s policy delivery.

[View 2024 SBF Annual Report](#) →

Allocation of October 2035 Green Bond Proceeds

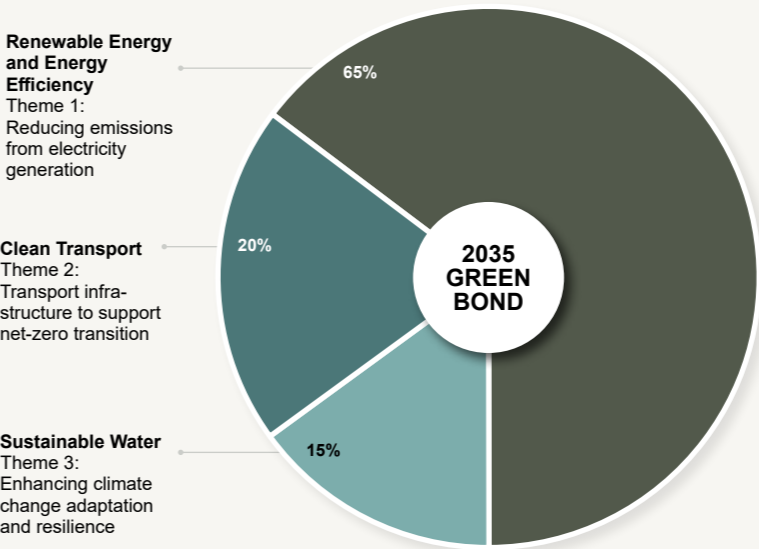
Issuance to 31 August 2025

Projects	2035 Green Bond Allocation (\$m)	Percentage of 2035 Green Bond
Theme 1: Reducing emissions from electricity generation	1,294	65%
Wind Farms	200	10%
Stand-alone Power Systems	80	4%
Solar Schools Program	1	<1%
Large Scale Batteries	600	30%
Advanced Metering Infrastructure	60	3%
LED Streetlights	3	<1%
Clean Energy Link	350	18%
Theme 2: Transport infrastructure to support net-zero transition	406	20%
METRONET	227	11%
Electric Vehicle Initiatives	29	1%
Active Infrastructure	0	0
Electric Bus Fleet	150	8%
Theme 3: Enhancing climate change adaptation and resilience	300	15%
Renewable Desalination Plant	300	15%
Total	2,000	100%

Source: Western Australian Treasury Corporation

Allocation of Green Bond by ICMA Category

Issuance to 31 August 2025



Source: Western Australian Treasury Corporation



Proceeds Allocation

View the full proceeds allocation for the 2033 and 2035 green bonds by project and GBP category on our website.

[Green Bond Proceeds Allocation](#) →



Sunset in Exmouth, Western Australia.

For ESG queries

Contact us to find out more about:

- ESG and Related Disclosures
- Infrastructure Program Alignment
- Green Bond Allocation

ESG and Investor Relations Team →

For Markets queries

Contact us to find out more about:

- Term Funding Requirement
- Maturity Profile
- Funding Strategy

Markets Team →

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