

WESTERN AUSTRALIAN TREASURY CORPORATION

# Third Quarter Newsletter

2024



# 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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**Kaylene  
Gulich**

Chief Executive  
Officer, WATC



SEPTEMBER 2024

## From the CEO's Desk

A busy third quarter at WATC saw the rollout of an exciting calendar of events, along with the release of a new flagship publication focused on global investors in Western Australian Government bonds and the State more broadly.

From a global standpoint, the economic environment remains uneven across the advanced economies. The US continues to see solid GDP growth, despite some signs that conditions may be easing, however, Chinese economic growth appears in danger of undershooting its Government's 5.0% target for 2024.

The tepid growth outlook and slowing inflation saw the global central bank easing cycle gather pace in Q3, with the US Federal Reserve the latest central bank to start reducing interest rates, with a bigger-than-usual 50bps cut in September. The decision to ease policy in the US came as inflation continues to

make progress toward the Fed's 2% target and the labour market showing signs of weakness.

Neither of these factors are true for Australia at this stage. Inflation has declined, but services price inflation remains too high and the labour market remains strong, although there are tentative signs of softening by some measures.

Despite the Reserve Bank of Australia signalling that monetary policy remains firmly on hold, traders continue to price in a high chance of a cash rate cut by the end of the year.

The Western Australian economy continues to outperform the other Australian states. Real state final demand rose 0.9% in Q2, driven by strong household consumption and business investment, to be up 4.0% from a year earlier. Strong employment growth sees the State boast the lowest unemployment rate of all the states at 3.9%. Perth CPI inflation picked up in Q2, mainly due to the unwinding of energy bill rebates, while Perth home

Continued next page →

price growth is the strongest in the nation, due to a combination of strong population growth and supply constraints.

The Western Australian Government's **2023–24 Annual Report on State Finances**, released in late September highlighted the State's strong financial position.

The general government operating surplus of \$4.5 billion for 2023–24, was up from the \$3.2 billion surplus estimated in the 2024–25 Budget. General government revenue was \$872 million (1.9%) higher than expected, mainly due to higher iron ore royalties, transfer duty underpinned by the strong housing market, and sales of goods and services, partly offset by delays in Commonwealth funding for transport infrastructure. Expenses were \$456 million (1.1%) lower than expected.

The State Government invested a record \$11.4 billion in infrastructure in 2023–24, adding to the State's productive capacity. This was \$2.2 billion (23.5%) above the previous record in 2022–23.

Total public sector net debt at 30 June 2024 was \$28.2 billion, or just 6.4% of estimated 2023–24 Gross State Product. Net debt was \$463 million lower than estimated in the 2024–25 Budget and \$1.2 billion lower than forecast in the 2023–24 Budget. Western Australia remains the only state or territory with a triple-A credit rating from both major international ratings agencies.

A jammed-packed calendar of events were on offer this quarter at WATC, to meet the needs of both our Western Australian government sector

clients and our network of global investors. The schedule kicked off in July, as the Bankwest Curtin Economics Centre launched the next report in their *Focus on Industry* series titled, '**Building the Dream: The future of Western Australia's construction industry**'. The report outlines the current skills shortages and future skills required to support our State's construction workforce. I was honoured to be included as part of the expert panel at the event that fielded questions around building capacity and sustainability in this crucial sector, which will only increase in significance given that demand for housing shows no signs of slowing and the global transition to reach net zero continues to dominate domestic and global policy agendas.

In late July and early August, Western Australian Under Treasurer and WATC Chairperson, Michael Barnes, and I embarked on an Investor Tour of the United States for the first time in nearly six years. Revisiting this part of the world delivers on our ongoing strategic commitment at WATC to strengthen and diversify our global investor base and increase our State's visibility as a unique and secure global investment destination.

This visit we engaged primarily with panel banks and fixed income investors to highlight recent developments in our economy, reiterate the strength of our State's fiscal outlook and expand on the increasingly diverse nature and competitive advantage of priority sectors within the Western Australian economy.

During the relatively short tour, we also took the opportunity to collaborate with the Invest and Trade WA Hub in Austin, Texas as part of our

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

ongoing efforts to support the Western Australian Government's *Diversify WA* agenda. As an economic blueprint for government, industry and community, Diversify WA focuses on creating secure, quality jobs, growing and diversifying our State's economy and attracting new investment.

This year's US Investor Tour proved very successful as not only did we pick up new institutional investment, but we also secured some very positive business connections that will be explored by Western Australian Government entities in the coming months with a view to develop synergistic, long term economic opportunities between Western Australia and the United States.

Our public sector clients joined WATC Senior Economics Analyst, Patrycja Beniak and our Client Services team in August, for an online economic presentation which provided an overview of global economies, as well as an in-depth review of our State's recent economic performance. Later in the same month our Client Services team hosted a Foreign Exchange Procurement presentation as part of our ongoing educational seminar series.

In September we were delighted to host Westpac's Chief Economist Luci Ellis, who shared valuable insights into the domestic and global economies and the economic outlook for our State. The presentation was tailored specifically to leaders in the Western Australian government sector who continue to navigate their respective organisations through challenging economic conditions. The events this quarter delivered on our ongoing strategic commitment to inform and educate our clients

across the Western Australian government sector on the broader economic environment and achieving sound financial management.

This quarter also saw the launch of a major new environmental, social and governance publication at WATC that focusses on global investors in Western Australian Government bonds and the State more broadly, titled **Decarbonising Western Australian and Our Trading Partners**.

The publication provides holistic, detailed disclosures that our investors require to perform their due diligence on the manner in which sovereign and semi-sovereign governments are seeking to transition their economies to net zero. Prepared by WATC in collaboration with the Commonwealth Bank of Australia and key contributing Western Australian government entities, the publication was launched via a series of webinars which were incredibly well received, with over 160 online attendees across 17 countries taking part over the series.

A huge thank you to our clients, investors and stakeholders who have contributed to our achievements this quarter.



Kaylene Gulich PSM  
CHIEF EXECUTIVE OFFICER

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*The publication [Decarbonising Western Australian and Our Trading Partners] provides holistic, detailed disclosures that our investors require to perform their due diligence on the manner in which sovereign and semi-sovereign governments are seeking to transition their economies to net zero.*

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

# Fed has started to ease, the RBA (not) to follow soon

‘The time has come for policy to adjust. The direction of travel is clear, and the timing and pace of rate cuts will depend on incoming data, the evolving outlook, and the balance of risks.’

Fed Chair Jerome Powell – Jackson Hole, 23 August 2024

## The Global Economy

Divergent global economic conditions continued into mid-2024, with further signs of global disinflation allowing for the start, or continuation of monetary policy easing in most advanced economies.

US real GDP rose by an annualised 3.0% in Q2, more than double the pace of the previous quarter. The rise was broad-based, with acceleration in personal consumption and an ongoing rise in business fixed investment. According to the current Atlanta Fed GDPNow estimate the US economy has grown at about the same pace in Q3.

However, US labour market conditions softened in mid-2024, with a much slower pace of job formation than earlier in the year. In addition, the preliminary estimate of the benchmark revision of US payrolls by the Bureau of Labor Statistics suggests there will be a substantial downgrade to total nonfarm payrolls when the final revision is released in February 2025.

Disinflation continues in the US, with the latest estimates of annual headline PCE and CPI inflation falling to 2.5%. In its most recent projection, the median expectation among FOMC participants is that inflation will not fall sustainably to the 2% inflation goal until 2026.

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Across the Atlantic, euro area real GDP growth remained soft in Q2, rising just 0.2% in quarter, though the monetary union's powerhouse, Germany, saw renewed contraction. Euro area inflation has approached the ECB's goal of below but close to 2%. However, it is not expected to sustainably fall below this mark before 2026. UK real GDP rose by 0.6% in Q2, roughly the same as the 0.7% registered in the previous quarter, while inflation, after hitting the 2% target in May and June, rose slightly in Q3.

Closer to home, Japanese quarterly real GDP growth bounced 0.7% in Q2, following a 0.6% fall in Q1 amid recoveries in consumption and business spending. Despite the rebound in Q2, GDP was still down through the year. Japanese CPI inflation declined to 2.2% in September, while its core measures are at the 2% goal or slightly below it.

The annual rate of Chinese GDP growth slowed to 4.7% in Q2, which is below the government target of 5% for 2024. Activity data has remained soft over the first two months of Q3 with slower growth in investment, industrial production and retail sales, while property investment remained in deep contraction. Despite a solid decline in steel production, iron ore imports remain above 100MT a month. Deflation in Chinese manufacturing deepened, which is a factor supporting global disinflation.

Concern over flagging growth saw the People's Bank of China announce a raft of measures, including interest rate cuts, cuts to the reserve

requirement ratio for banks and reductions in the minimum deposit for second homes, in a bid to shore-up the troubled real estate sector.

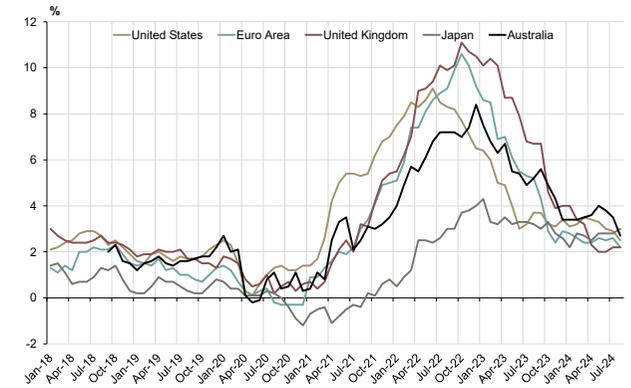
## The Australian Economy

Australian real GDP rose 0.2% in Q2 2024, to be up 1.0% through the year. Outside of the height of COVID-19, this was the slowest annual rate of growth since the early 1990s recession. If it had not been for government spending and net exports, real GDP would have contracted in Q2. Household consumption fell by 0.2% in the quarter, while private business investment dropped by 1.5% and dwelling investment saw marginal growth. GDP per capita fell by another 0.4% in Q2, to be down 1.5% YoY.

The monthly data for Q3 suggest further weakness. In August, NAB business conditions reached the lowest level since early 2022, while business confidence weakened further. Consumer sentiment remains subdued.

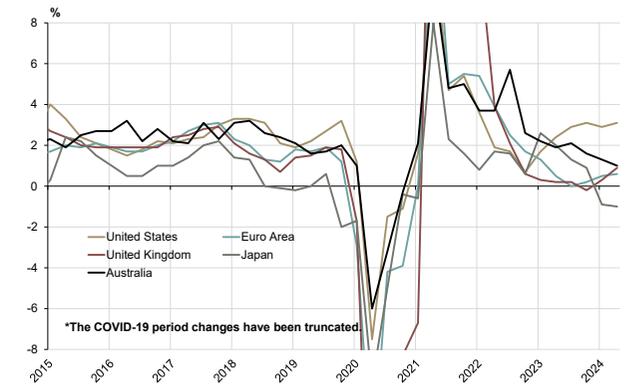
Australian labour market conditions remained strong in the first two months of Q3, with employment rising by a cumulative 96.4k in July and August, while the unemployment rate picked up slightly but remained low at 4.2%. The participation rate reached a record high of 67.1%, while the employment-to-population ratio of 64.3% is very close to its record high of 64.4%

### Annual Rates of CPI Inflation



Source: Bloomberg

### Annual Rates of GDP Growth\*



Source: Bloomberg

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from November 2023. Annual wages growth was steady at 4.1% in Q2.

Inflation continues to surprise to the upside. In Q2, the annual rate of CPI inflation accelerated 0.2ppts to 3.8%, while trimmed mean inflation remained elevated at 3.9%. Services price inflation, which the RBA is particularly concerned about, accelerated to 4.5% in Q2.

The monthly CPI indicator, which is calculated from only a sample of the quarterly basket, suggested that headline inflation eased to 2.7% in August, though this was largely driven by Commonwealth and State Government energy bill rebates lowering out of pocket expenses for households.

The CoreLogic national home value reports suggest that house price growth has slowed, with weaker growth evident in Sydney, while prices in Melbourne have declined. Prices in the smaller mainland capital cities have continued to rise at a solid pace, with the Perth home value index posting the strongest annual growth of 24.1% in the year to September.

## The Western Australian Economy

Western Australia again saw the strongest real state final demand growth in Q2, with 0.9% QoQ (along with South Australia) and 4.0% YoY.

The Q2 rise in state final demand was led by a 2.1% increase in private business investment,

followed by a 0.4% uptick in household consumption and a 4.7% rise in dwelling investment to a near three-year high.

Public sector fixed capital investment rose by 2.4%, but general government consumption fell 0.5% as a 2.0% decline in state and local government spending was only partly offset by a 1.6% rise in Commonwealth expenditure.

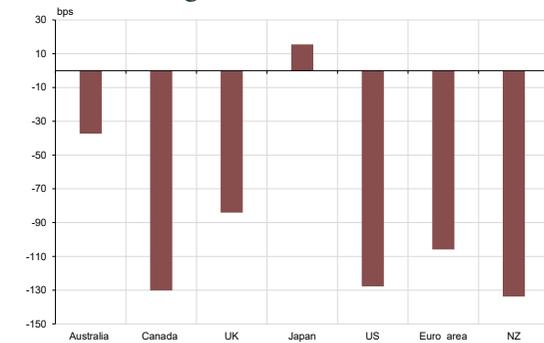
Western Australian labour market conditions remain strong, with employment up by a solid 3.1% over the year to August. The seasonally adjusted unemployment rate of 3.9% is the lowest of all the states, while the participation rate at 68.9% is by far the highest. The annual rate of wages growth was 4.2% in Q2, close to the national average.

The Perth CPI rose by 2.1% in Q2, to be up 4.6% through the year. The acceleration reflected a 44.1% quarterly jump in electricity costs, after State and Commonwealth energy bill relief suppressed electricity costs in Q1. There were also strong increases for new dwelling purchases, health, international holiday travel and rents.

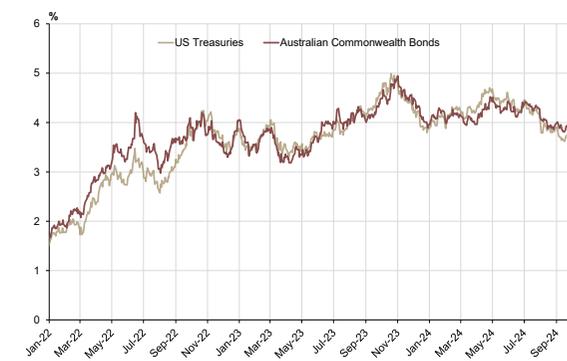
## Financial Markets

Financial markets were volatile in Q3. Equities drifted lower after hitting a record high early in the quarter, before a weak US labour market report was the catalyst for a sharp selloff and spike in risk aversion in early August that pushed the Volatility Index (VIX), or fear gauge, to its highest levels since 2020. The fall in equities was led by a slump in tech stocks following 18 months of enormous gains.

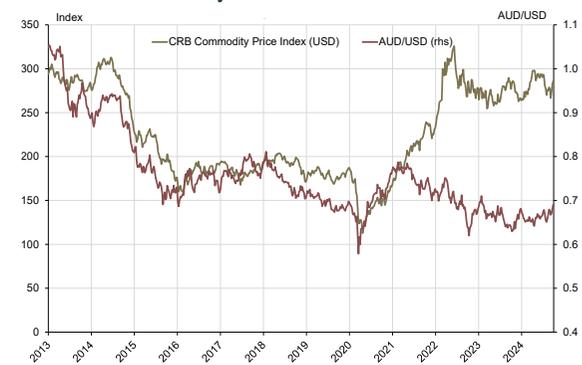
### Market Pricing for Central Bank Rates Next Six Months



### 10-Year Bond Yields



### CRB Commodity Price Index v AUD/USD



Data source for above charts: Bloomberg

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However, sentiment soon turned, as expectations began to build for a 50bps interest rate cut at the September FOMC meeting, thanks to which global stock prices, as measured by the MSCI World index, are 6.0% up for the quarter.

The FOMC did not disappoint, starting its easing cycle with a 50bps cut in the fed funds rate target range to 4.75–5.00%, helping to drive equities to fresh record highs late in the month.

The post-meeting FOMC statement signalled a change in outlook saying that, as disinflation continues, the risks around the Fed's inflation and employment goals are becoming more balanced and that it is more alert to the risks on both sides of its dual mandate.

Fed Chair Jerome Powell added at his press conference that policy remains restrictive and called the 50bps cut 'risk management' that will ensure that the labour market remains near full employment. The median expectation among FOMC participants is that a further 40bps of cuts will be required before the end of the year, while the market is currently pricing in about 70bps of cuts.

The easing cycle is also underway in the euro area, the United Kingdom, Canada and New Zealand. The Bank of Canada began cutting rates in June and has cut twice more in Q3, while the ECB delivered its second rate cut in September. The Bank of England began easing in late July and the Reserve Bank of New Zealand cut in August.

The Bank of Japan is an outlier among major central banks delivering its second interest rate hike in late July to lift its overnight policy rate from a range of 0-0.10% to 'around 0.25%' and announced a slowdown in government bond purchases. However, the next rate hike in Japan is not seen as likely before 2025.

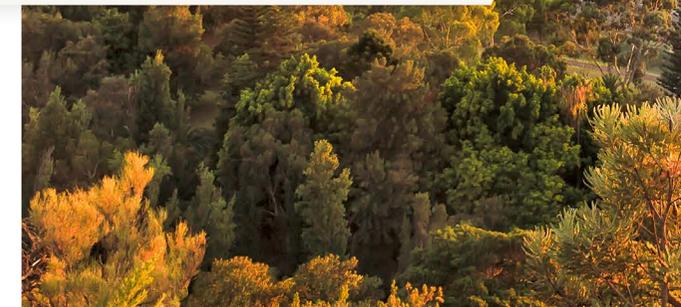
Rising expectations for Fed interest rate cuts have seen US Treasury yields fall over the quarter, with the 2-year yield down 111 basis points to close at 3.64%, while the 10-year yield has dropped 62 basis points to 3.78%. The faster declines for shorter maturities has seen the 2-year yield fall below the 10-year yield for the first time in over two years.

The Commodity Research Bureau's commodity price index declined by 0.2% in the quarter, with divergent trends for individual commodities. The declines were led by oil prices, as concerns over the outlook for fuel demand more than offset ongoing tensions in the Middle East. Brent crude oil futures fell 16.9% over the quarter. Concerns over the state of the Chinese economy, particularly its real estate sector and faltering steel demand has seen iron ore prices fall to the lowest levels in almost two years. However, the announcement of stimulus measures in China saw iron ore futures rebound towards the end of the quarter and register a 2.6% quarterly gain. The gold price kept climbing during the quarter, establishing its fresh record highs.

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*The post-meeting FOMC statement signalled a change in outlook saying that, as disinflation continues, the risks around the Fed's inflation and employment goals are becoming more balanced and that it is more alert to the risks on both sides of its dual mandate.*



In Australia, the RBA Board left the cash rate target unchanged at 4.35% at its August and September meetings. The RBA continues to signal that inflation remains too high and returning it sustainably to the 2–3% target range remains its top priority. Despite the uncertainties over the outlook, interest rate cuts are not yet on the RBA’s radar, suggesting that, outside of a sharp deterioration in the labour market, a cash rate cut is unlikely to occur before February 2025. However, the cash rate futures market continues to price in a nearly 70% chance of a cut by the end of 2024.

The Australian dollar appreciated against the weaker greenback in Q3, climbing to as high as US\$0.6913 in late September, its highest level since February 2023. However, the AUD has slipped against the other major currencies, particularly the Japanese yen, which recovered strongly after falling early in the quarter to its lowest level against the Aussie dollar since 1991.

Commonwealth bond yields declined along with global yields, as expectations for RBA rate cuts gathered pace in Q3. The 3-year yield fell from 4.08% to 3.52%, while the 10-year yield has slipped from 4.31% to 4.00%.

The ASX 200 has lifted along with global equities, climbing 6.5% to hit a fresh record high. Information technology, real estate, industrials and consumer discretionary shares have been the strongest performers, while energy, utilities and health were dragging on the Australian stock market in Q3. ■



**Craig McGuinness**  
PRINCIPAL ADVISOR,  
MARKETS AND ECONOMICS



**Patrycja Beniak**  
SENIOR ANALYST,  
ECONOMICS

## Meet the authors

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

[Economic Services Team →](#)

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# Decarbonising Western Australia and Our Trading Partners

On 10 September, WATC launched a major new environmental, social and governance (ESG) publication focused on global investors in Western Australian Government bonds and the State more broadly, titled **Decarbonising Western Australian and Our Trading Partners**.

The publication has been structured to provide holistic disclosures with the level of detail investors require to undertake their due diligence on the manner in which sovereign and semi-sovereign governments are seeking to transition their economies to net zero, covering the key topics of:

- **Emissions profile** of Western Australia and a governance framework to achieve net zero;
- **Decarbonisation drivers** for existing economic activity and how this activity is already materially contributing to Western Australia's trading partners' decarbonisation;
- **Emerging green industries** with the potential to harness Western Australia's unique comparative advantages and materially impact global decarbonisation; and
- **Government leadership** in collaboration with industry and engagement with capital markets, in

particular through WATC's **Sustainable Finance Program**, that is facilitating Western Australia's progress towards decarbonisation.

The publication also seeks to respond to the emergence of global investor 'alliances' such as:

- The United Nations-supported *Principles for Responsible Investment* global investor network;
- The *Network of Central Banks and Supervisors for Greening the Financial System*; and
- The *Glasgow Financial Alliance for Net Zero*

that are commencing to develop guidelines for how decarbonisation progress should be considered within government bond portfolio construction.

The publication was launched along with a webinar series hosted by WATC CEO, Kaylene Gulich, that catered for investors across Australasia, Europe and

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## Website Quick Links

View more ESG-related content on our website.

**Sustainable Finance Program**

**WA's ESG Commitment**

Image courtesy of Tourism Western Australia



## Webinar Series

Engagement figures:

162

Online attendees

59

Investor institutions

17

Countries represented

Want more information?

Email us →

Image courtesy of Tourism Western Australia

North America. The webinars were well received, with 162 total attendees including 44 from overseas. Of the total attendees, 88 were representatives from 59 separate investor institutions spanning 17 countries, the majority of whom invested in WATC's inaugural green bond issued in June 2023.

A key aspect of the webinars was to engage with investors as WATC commences planning for its second labelled bond issue being targeted for the latter part of the 2024–25 financial year.

## Publication development

The planning of the publication itself was nine months in the works, four of which were dedicated to an intense production phase. It was prepared by WATC in conjunction with valuable assistance from the Commonwealth Bank of Australia and key contributing Western Australian Government agencies, notably:

- Department of Jobs, Tourism, Science and Innovation, including Invest and Trade Western Australia
- Energy Policy WA
- Department of Water and Environmental Protection
- Department of Primary Industries and Regional Development
- Mineral Resource Institute of Western Australia
- Department of the Premier and Cabinet.

This publication complements this year's update to **Supporting Continuous Improvement in ESG Outcomes for Western Australia** which was released in August 2024.

WATC intends to update the content and data in this new publication annually for at least the next two years, including in relation to our planned green, social or sustainability bond issuances. ■

## For more information

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**Richard McKenzie**

HEAD OF ESG AND  
INVESTOR RELATIONS

## EVENTS THIS QUARTER

# Construction and Sustainability in Western Australia

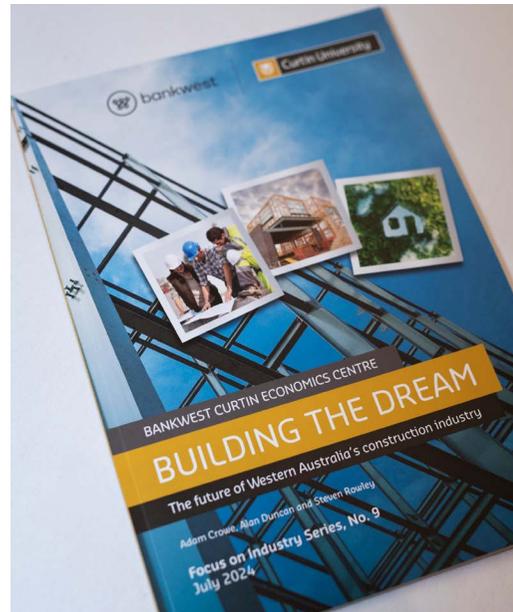
At a special lunch event in July, the Bankwest Curtin Economics Centre (BCEC) launched a new research report in their *Focus on Industry* series titled, *'Building the Dream: The future of Western Australia's construction industry'*.

This new report provides an in-depth look at our State's construction sector workforce, in regards to current skills shortages and future skills requirements. It also frames the development of Western Australia's construction industry in the context of the global transition to net zero.

The event to launch the report, which was held at the Perth Convention and Exhibition Centre, was well attended and featured a series of esteemed speakers including the report lead authors. The event also featured a Q&A session with an expert panel that included WATC's Chief Executive Officer, Kaylene Gulich.

If you are interested in finding out more, there is a wealth of information on the BCEC website including the full **'Building the Dream' report**, an online video of the **report launch** and related **media release**. ▀

Photos courtesy of Bankwest Curtin Economics Centre – (Clockwise from right) WATC CEO Kaylene Gulich at the event; the expert panel in action, event speakers and report authors at the event; the *Building the Dream* research report.



## EVENTS THIS QUARTER

# Online Economic Presentation for Clients

In August, our Client Services team held an online economic presentation, lead by our Senior Economics Analyst, Patrycja Beniak, who presented to government entities across the Western Australian government sector.

The online event held on the 22 August, was promoted in collaboration with the Department of Finance and was well attended, with 37 participants engaging on behalf of 13 separate Western Australian government entities. The presentation provided an overview of global economies including China and the US, as well as an indepth review of Western Australia's recent economic performance along with key conclusions.

Our economists regularly deliver presentations as part of our events program, to ensure our clients increase their awareness and understanding of financial and economic issues. If you would like to find out more about our client presentations or have ideas about future presentations, contact our ***Client Services*** team directly. ■



**Photos** – (Above) WATC's Senior Economics Analyst, Patrycja Beniak, presenting to clients; (Right) Patrycja Beniak preparing for the economics presentation with Senior Client Advisors Mladen Zaneta (left) and Peter Garrity (right) from our Client Services team who coordinated the event.



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## EVENTS THIS QUARTER

# Economic Presentation with Westpac's Luci Ellis

We were delighted to host Westpac's economic spokesperson Luci Ellis in September, where she shared her valuable insights with leaders across the Western Australian government sector.

As Westpac's Chief Economist and economic spokesperson, Luci Ellis is a thought leader in economic research and her presentation provided a fascinating insight into the domestic and global economies, the outlook for interest rates in Australia and much more.

The presentation was tailored to leaders in the Western Australian government sector who continue to navigate their respective organisations through elevated inflation, unpredictable financial markets and challenging economic conditions. Executives and senior delegates in attendance represented 14 separate Western Australian government entities.

A huge thank you to Luci for sharing her wealth of knowledge, experience and insights with our clients and our team. ■



# 14

Government entities represented

Executives and senior delegates from 14 separate Western Australian government entities were in attendance.

**Photos** – (Clockwise from left) Keynote speaker Luci Ellis, Westpac's Chief Economist and economic spokesperson; WATC CEO Kaylene Gulich introducing Luci Ellis; Luci Ellis presenting to event attendees at the WATC offices.

# Annual Report 2024 Released

Our latest Annual Report is now available, providing information on the services, operations and performance of our organisation.

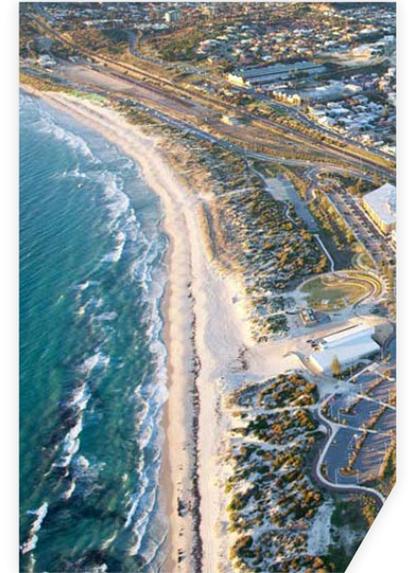
Despite another year of unpredictable and challenging global economic and financial conditions, it has been a successful year for our organisation, with our key performance indicator targets met and a range of achievements delivered to benefit the Western Australian public sector.

Our continued success is the direct result of the hard work and dedication of the WATC team and our Board, to which we are very grateful. We also recognise that our success is not achieved in isolation, but in collaboration with our clients, investors and many other stakeholders. Thank you to all who contributed to another successful year.

For more information, including strategic and operational highlights, audited financial statements and performance indicators for the financial year ended 30 June 2024, access the full publication in various formats on our website. ▀

## Key Achievements

At 30 June 2024



### Strong Credit Ratings

#### Western Australia's Credit Rating Upgraded to Aaa

Moody's Ratings upgraded Western Australia's credit rating to Aaa in July 2023, highlighting our State's financial strengths. Western Australia is the only Australian state or territory with a triple-A credit rating from both international rating agencies.

### Industry Recognition

#### Our Green Bond and Chief Executive Officer Receive Awards

Specialised information service KangaNews awarded our 2033 green bond *Australian Sustainability Bond Deal of the Year* and our CEO, Kaylene Gulich, one of their *Market People of the Year*.

### Exceptional Feedback

#### Our Clients Continue to Express High Levels of Satisfaction

Feedback from our government sector clients confirm they continue to be extremely satisfied with our overall capabilities, the quality of advice, the value we add to projects and the services we provide.

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# Key Achievements

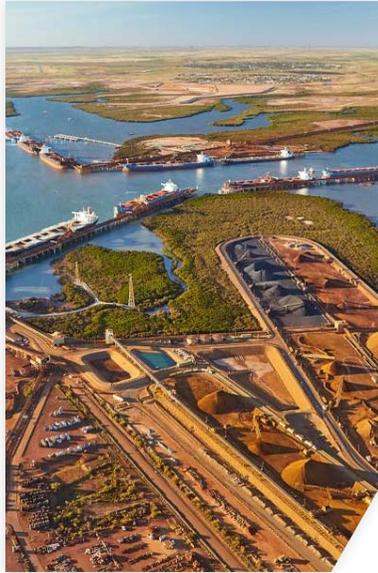
At 30 June 2024



## Transition to Renewables

### Supporting the Delivery of Large-Scale Battery Energy Storage Systems

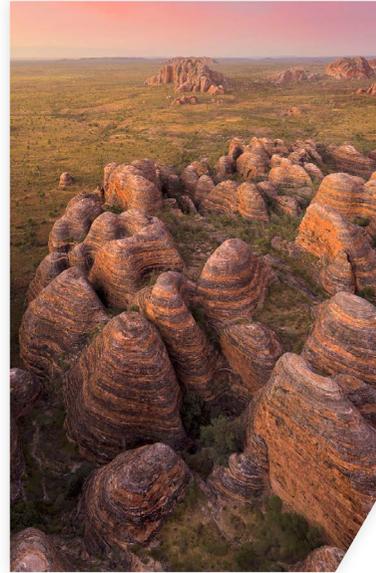
Our Corporate Treasury Services team worked closely with Synergy in the management of its foreign currency exposures to deliver groundbreaking projects that support the storage of renewable energy in Western Australia.



## Increased Service Demand

### Growing Advisory Engagements Confirm Our Valued Advice

The demand for our Advisory Services increased significantly, resulting in nearly double the number of engagements compared with the previous year, confirming the high level of quality and value for money that our team provides.



## ESG Commitments

### Sustainability Bond Framework Annual Report Released

This first report consolidates our journey to becoming a committed participant in the sustainable finance market and showcases the State's progress towards accelerating climate outcomes and achieving its environmental, social and governance (ESG) ambitions.

## Annual Report Quick Links

The **full publication** is available on our website or view a specific section using the links below.

[Overview](#)

[Agency Performance](#)

[Disclosures and Legal Compliance](#)

[Financial Statements](#)



## CLIENT SERVICES

# Client Reminder for Direct Debit Arrangements

Recently we notified our clients about updates to our direct debit arrangements, to improve operational efficiencies and streamline services. If your organisation has an existing direct debit arrangement at WATC, its time to check if an updated form has been submitted.

Direct debits are a convenient way for clients to meet agreed payment schedules and product terms. Recently our existing clients received a notification about updates to our direct debit arrangements with instructions for submitting an updated *Direct Debit Request Form* by 30 September 2024, in order to maintain service access.

If you have not submitted your updated form, please do so as soon as possible.

Should you have any queries about any existing direct debit arrangements, or would like to set up a direct debit on behalf of your organisation, please contact our **Client Services** team for more information. ▀



## Submitting your updated Direct Debit Request Form

WESTERN AUSTRALIAN TREASURY CORPORATION  
**Direct Debit Request ("DDR") Form**

**Client's Authority**  
Name of Client giving the DDR \_\_\_\_\_  
Name of Debit User \_\_\_\_\_ (the Client)  
APCA User ID Number \_\_\_\_\_  
Western Australian Treasury Corporation ("WATC") \_\_\_\_\_ 303562

The Client requests and authorises WATC to arrange for funds to be debited from the Client account at the Financial Institution identified below through the Bulk Electronic Clearing System (BECS) in respect of payments due to WATC or payable under the Agreement entered into with a Facility maintained with WATC as detailed below.

**Agreement and Facility Type**  
Tick the boxes that apply to the request:

Under a Lending Agreement  
 Guarantee Fee (payable under a Lending Agreement)  
 Foreign Exchange and Derivatives Master Agreement  
 Working Capital Facility ("WCF") Deposits  
 WCF Interest<sup>1</sup>  
 Investment Facility

I have read and understood and agreed to the terms of the above and I have obtained the necessary authority from the Client's Financial Institution.

**Details of the account to be debited**  
Name of Financial Institution \_\_\_\_\_  
Account Name \_\_\_\_\_  
BSB Number \_\_\_\_\_ Account Number \_\_\_\_\_

**Amount to be debited**  
As provided in the DDR Service Agreement.

**Authority to verify and release information**  
The Client authorises:  
• WATC to verify the details of the abovementioned account with the Client's Financial Institution; and  
• the Financial Institution to release information allowing WATC to verify the abovementioned account details.

<sup>1</sup> DDR arrangement is obligatory for interest payments under the WCF.

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### Completion Quick Check

- Under **Agreement and Facility Type**, make sure you tick the option/s relevant to your request.
- Only wet signatures are accepted at WATC so sign your form with a pen before submitting.

If you have a direct debit query, contact our team directly.

Contact our team →

# 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. We also provide up to 100% financial support and generous paid study leave for relevant tertiary studies.

## 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

## Lachlan James

ROLE  
Risk Analyst, Market Funding  
and Liquidity Risk

BUSINESS UNIT  
Risk Management

66

I am a Risk Analyst in the market funding and liquidity sector of WATC's Risk Management team. As the title suggests, I monitor market funding and liquidity risk exposures. Day-to-day this involves the verification of morning and end-of-day rates that are used to price and value WATC's assets and liabilities, in addition to working on various projects that help us better understand and report on current and emerging risk exposures.

Before WATC I was working at Macquarie Bank as a Broker Support Officer where I was responsible for vetting mortgage applications and acting as the first point of contact for mortgage broker enquiries. Prior to this I completed a Bachelor of Commerce majoring in Banking and Finance from Curtin University.

In my spare time I enjoy going to the beach and watching sports.



New Appointment

## Ben Townend

ROLE  
Principal Risk Advisor

BUSINESS UNIT  
Risk Management

66

I joined WATC in the role of Principal Advisor Non-Financial Risk and I am responsible for assisting the Chief Risk Officer to drive and develop the non-financial risk and compliance function, which includes strengthening frameworks and practices, and supporting a strong risk culture.

I have significant risk leadership experience and a proven track record of delivery of risk transformation programs. In a prior role, I was Head of Operational Risk at Bankwest providing oversight of the *Australian Prudential Regulation Authority (APRA) Remedial Action Plan*, which successfully strengthened governance, accountability, and risk frameworks. I am a Fellow of the Governance Institute of Australia, and I hold adjacent risk specialisations in enterprise risk management, privacy, safety, business continuity management, and sustainability and climate risk. I also hold a Master of Quantitative Finance from Curtin University and a Bachelor of Science in Mathematics and Statistics from Murdoch University.

In my spare time, I like to cross country mountain bike and open water swim. Most of all, I love to support my two young boys in their outdoor adventures and sporting pursuits.

# New Appointments



New Appointment

## Richard Wiles

ROLE  
Principal Advisor

BUSINESS UNIT  
Advisory Services

66

I work in the Advisory Services team, leading client engagements providing financial analysis, modelling and advice. As a seasoned finance professional, I have more than 25 years' experience in banking and finance which spans credit, risk and relationship management across the UK, Asia and Australia.

Prior to joining WATC, I led an environmental, social and governance (ESG) consulting and advisory firm focussed on sustainable finance and social inclusion. Working with, and mentoring businesses, from start-ups through to large corporates, I helped identify and implement practical solutions to deliver real outcomes. Prior to that, I headed up a division of the Institutional Bank for CommBank here in Perth, covering a diverse range of industries including government, health, education, defence, retail, agriculture, insurance and financial institutions. I am a Graduate Company Director, qualified in Design Thinking through Stanford University, and am proud to have structured the Environmental Finance IMPACT award-winning Sustainability Linked Loan incorporating social metrics in 2020.

Outside of work I am a devoted father of four. I have a massive passion for swimming (ocean or pool), dedicate time to supporting a charity for **disadvantaged youth** – if you have a spare mobile phone please **donate it** – and mentor business opportunities for indigenous communities in regional Western Australia.



## Have you joined our mailing list?

Sign up and receive your choice of the following publications direct to your inbox:

- **Daily Update** – A one-page summary of financial market developments and key macroeconomic data.
- **Weekly Update** – A roundup of the most important economic and financial market events of the week.
- **Monthly Update** – A summary of domestic market developments and Western Australian data over the month.
- **CPI Inflation** – The most recent data on Consumer Price Index (CPI) inflation across Australia.
- **Quarterly Newsletter** – News and updates from across our organisation over the last quarter.

Subscribe



## Getting in Touch

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

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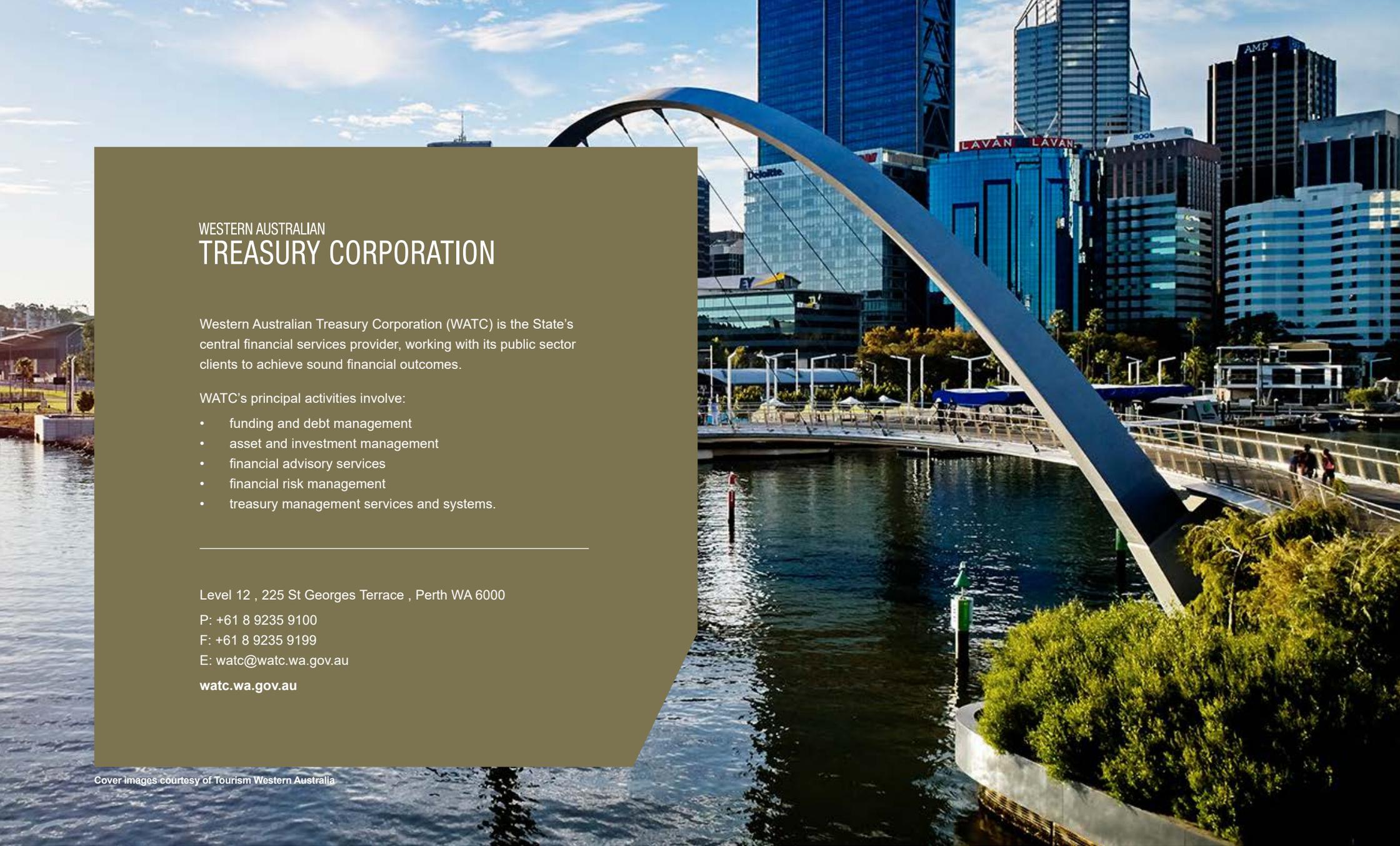
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Image courtesy of Tourism Western Australia



## WESTERN AUSTRALIAN TREASURY CORPORATION

Western Australian Treasury Corporation (WATC) is the State's central financial services provider, working with its public 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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