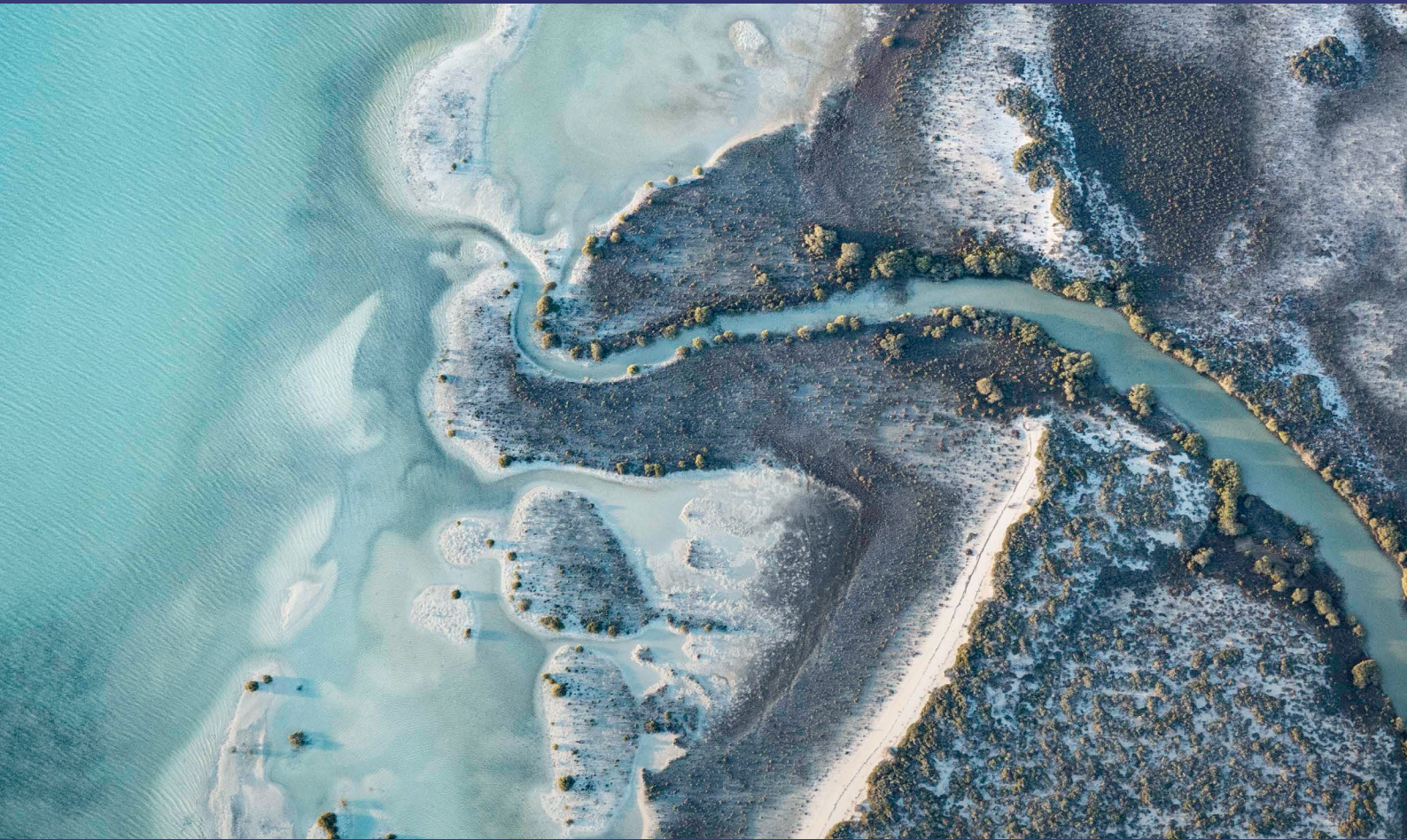




Annual Report

2024/25

To request this document in an alternative format such as Braille, call us on 13 43 72 or use our Live chat service at gesb.wa.gov.au.

Image location: Shark Bay, Western Australia.

Acknowledgement of Country

We acknowledge First Nations peoples as the first inhabitants of this country. We pay respect to the Traditional Owners and Elders, past and present, of all lands on which we come together.

Statement of compliance

In accordance with Section 63 of the *Financial Management Act 2006* (FMA), we hereby submit for your information and presentation to Parliament, the Annual Report for the Government Employees Superannuation Board, trading as GESB, for the financial year ended 30 June 2025.

The Annual Report has been prepared in accordance with the provisions of the following Acts:

- *Disability Services Act 1993*
- *Electoral Act 1907*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *State Records Act 2000*



Jo Gaines
Chair

3 September 2025

Responsible Minister

The Hon. Rita Saffioti, MLA, Deputy Premier; Treasurer; Minister for Transport; Sport and Recreation was GESB’s responsible Minister for the period 1 July 2024 to 30 June 2025.

Ministerial directives

No ministerial directives were received during 2024/25.



Anne Gisborne
Member Director

3 September 2025

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GESB profile

For more than 85 years, we have been the default fund for most of the WA public sector and have helped our members achieve a quality retirement by looking after their super, providing insurance they can rely on, and delivering an exceptional member experience.

Our purpose

To help members achieve a quality retirement.

Our vision

To be the fund of choice for current and former WA public sector employees.

Our mission

To help members achieve a quality retirement by responsibly managing their retirement savings, achieving long-term investment objectives and offering relevant support so they can make informed decisions.

Our values



Put members first

We are committed to providing excellent super and retirement products and services that meet our members' needs.



Sustainable performance

We are committed to consistently delivering well-regarded, value for money products and services with performance that meets objectives.



Achieve together

We partner with our members, the WA Government, employers and other stakeholders to successfully deliver on our purpose.



Act with integrity

We approach every aspect of our work ethically and operate transparently with full accountability. We demonstrate our sense of responsibility by taking ownership of issues to ensure a satisfactory outcome.

Strategic objectives and member outcomes

Objective 1: Strong financial outcomes for members

Promoting strong financial outcomes that provide value for money for our members

Providing value for money insurance

Objective 2: Positive member experience

Providing a positive member engagement experience

Giving primacy to our members' perspective and being their advocate for appropriate individual outcomes

Providing products and services that meet members' needs

Providing insurance members can rely on

Objective 3: Efficient and effective operations

Maintaining sufficient scale and sustainability

Ensuring we have a strong governance framework

Supporting employers in meeting their superannuation obligations

Objective 4: Positive culture and stakeholders

Creating a positive and supportive organisational culture underpinned by strong values

Being highly regarded by stakeholders

Year in review

Member statistics



50
Average
member age

31%
Male
members

69%
Female
members

Member services



144,859
Calls to our Member
Services Centre

23,297
Number of
Click to Chats

8,542
Webinar
and seminar
attendees

1,811,290
Member Online
interactions

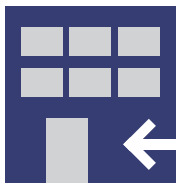
93%
Member
Satisfaction

99%
Employer
Satisfaction
(for 2023/24)

61%
Members with
insurance

\$71.1m
Insurance
benefits paid
(excluding Salary Continuance
Insurance payments)

Workplace visits



783
Worksite visits
conducted

12,403
Worksite visit
attendees

8 of 9
WA state regions
visited

Financial statistics



\$183,457
Average
member balance

\$381
Fees that a GESB
Super member with
a balance of \$50k
paid for the year

\$44.2b
Funds under
management

Report from the Chair and Chief Executive Officer

As we close another financial year, we reflect on our purpose to provide GESB's members – our current and former WA public sector colleagues – with a high-quality superannuation fund they can trust to deliver outcomes that are competitive with the top funds in the country.

We are pleased to report that over the past 12 months, we have again achieved competitive investment returns, low fees, insurance our members can rely on, exceptional member service, and provided the care and support necessary for our members to achieve a quality retirement.



Jo Gaines
Chair



Ben Palmer
Chief Executive Officer

Strong financial outcomes for members

As always, our investment strategy remains designed to achieve long-term objectives, and we continue to invest in Australia and overseas through a rigorous process that helps us grow our members' super over the long term.

Our aim is to maintain diversified investment portfolios that are sustainable and achieve returns that meet objectives.

Over the 2024/25 financial year, our Readymade investment plans achieved returns that were ahead of most other superannuation funds, with My GESB Super returning 10.40%, My West State Super returning 10.39%, and Retirement Income Conservative returning 7.85%.

Pleasingly, our My GESB Super plan was recognised as a top 10 performing balanced option by SuperRatings in 2023/24 and 2024/25. Additionally, GESB received a Rainmaker AAA rating for our Retirement Income allocated pension and GESB Super schemes.

The majority of our plans remain ahead of their investment return objectives, demonstrating the long-term effectiveness of our diversified, risk-managed investment strategy.

GESB One Fund

In May 2025, we entered a new era for GESB, with the launch of the One Fund initiative, marking one of the most significant changes in our 85-year history. This was made possible by amendments to the *State Superannuation Act 2000* to align GESB with the broader superannuation industry.

Our members can now stay with GESB throughout their working career and retirement, even if they leave the public sector or start a job in the private sector. This reduces the need for members to have unnecessary duplicate accounts with multiple funds and may reduce the fees they pay.

One Fund was a lengthy and complex initiative, and its success is testament to the dedication of our staff and their unwavering commitment to our members. We also acknowledge the support of the State Government, Department of Treasury, Parliamentary Counsel's Office, and our service partners MUFG and AIA Australia, all of whom have been integral to the successful implementation of this initiative.

We put our members first

We aim to make the superannuation experience as easy as possible for members, which is why we continuously improve and streamline processes to help our members navigate the superannuation system and make informed decisions about their future.

Reception support service

This year, we established a reception support service to provide face-to-face assistance for members in relation to deceased estates, compassionate grounds, financial hardship and insurance claims.

Members often need support during times of emotional and financial stress, and our reception support service means they can receive in-person help filling out forms, submitting information, and clarifying any outstanding documentation. For death benefit claims, our consultant can liaise with relevant administrators to make the process easier for members. This has been particularly helpful for members, their representatives and beneficiaries where there is complexity with dependants or family structures.

The reception support service has helped reduce some of the stresses members and their families experience during these difficult times, and the time taken for benefits to be paid.

Regional support for First Nations members

As part of our commitment to reconciliation and to supporting First Nations members, we continue to participate in Aboriginal Justice Open Days, hosted by the Department of Justice, in regional and remote areas throughout WA.

Our participation in these events helps our members in the regions locate lost super and understand their account, insurances, and entitlements, and assist with claims or other services where needed.

Accessibility

It is a priority for us to make sure our members, employers and the public can find and easily use our website and online tools and services, so we conduct regular reviews to ensure we meet high accessibility standards. In 2024, our Member Online portal and the webinar registration process were audited and, as a result of the improvements made, these now have accessibility scores of 90% or more.

To help everyone, including people with visual, auditory, motor or cognitive impairments, access and use our online content, we have accessibility features in place including keyboard navigation for all our website elements and content, captions on our recorded webinars, accessible PDF documents, and alternative text for our images to work with screen reading technology.

Continued recognition of ESG credentials

In 2024/25, GESB was again recognised as an ESG Leader by Rainmaker Information. This is the third successive year GESB has received this rating, earned by Australia's best super funds that perform ESG principles to a high level, while having a track record of strong investment performance.

Our strategic outlook

As we look to the future, we have identified enhancements to our service model and business operations to ensure GESB continues to achieve competitive outcomes for members.

Retirement Income Strategy

Our Retirement Income Strategy is continuously evolving to support and assist members who are retired or are approaching retirement.

We will continue to focus on product enhancements including implementing inflation indexation of allocated pension payments, investment plan flexibility and fortnightly pension payments, and investigating longevity options. We will also work with the State Government to develop a strategy for the provision of financial advice by GESB.

Employer and adviser servicing

We will review our WA public sector employer engagement and servicing model, including comprehensive mapping of employer service delivery across all employers and locations, to ensure our services meet their needs and optimises the member experience through the workplace.

A significant number of our members have external financial advisers they engage to provide advice on retirement and superannuation. We will develop an adviser engagement and servicing model to support advisers in providing appropriate advice to our members and optimise their retirement outcomes.

Cyber security

We will continue to enhance our systems and processes to manage cyber-related risks, particularly to ensure security of member information. The focus will be on maturing our control framework consistent with the State's Cyber Security Policy.

Thank you

We would like to thank the GESB Board and committee members, the Executive Leadership Team, GESB staff and our service providers for their continued dedication and commitment to our members through another successful year for the fund.

We would also like to thank our members for their ongoing trust in GESB. It is a great privilege to serve you, and we look forward to continuing to do so as we maintain our focus on helping you achieve a quality retirement.



Jo Gaines
Chair



Ben Palmer
Chief Executive Officer

Superannuation update

The Australian superannuation industry continues to operate in a climate of change with ongoing mergers, increasing competitive intensity, a focus on retirement outcomes for members, rapid technological change, increasing member expectations, and continuing reforms from the Australian Government.

Trends that potentially impact GESB’s strategy:



Fund sustainability and consolidation reducing the number of funds



Competition and fund positioning to acquire and retain members



Focus on retirement driven by the ageing demographics and Retirement Income Covenant



Rapidly changing member expectations regarding their experience with funds



Technology, data and digital enhancements to be better service members (including AI)



Rapid digital transformation increasing risk of cyber attacks



Macro environment and inflationary pressures impacting investment performance

Government reforms

GESB is not Australian Prudential Regulation Authority (APRA) regulated, however, the Western Australia State Government has committed to conform with the principles of the Australian Government’s retirement income policy to the best of its endeavours and align with the prudential standards applicable to APRA regulated funds, as far as is practicable. The expansion of the APRA prudential framework is also reflected in operational initiatives being implemented by GESB in 2025/26.

During the year, we continued to work with the Treasurer’s Office, Department of Treasury and the State Solicitor’s Office to implement State and Australian Government changes to superannuation.

GESB One Fund

The *State Superannuation Amendment Bill 2023* was passed by the WA State Parliament in 2024. The most important reform enacted in the Bill is to enable GESB to accept employer contributions from non-government employers for GESB members.

This reform was officially implemented on 12 May 2025, and means GESB members who leave the public sector or take up a second job in the non-government sector can now choose to direct their employer super contributions to their GESB account.

The changes will make it easier for members to manage their superannuation, reducing the need to have accounts with multiple super funds and help minimise any fees they pay.

Protecting Your Super (PYS)

GESB has aligned with the Australian Government's *Protecting Your Super* legislation to protect Australians' super savings from erosion by unnecessary fees and insurance premiums by cancelling insurance in accounts that have not received a relevant contribution for 16 months, and to transfer inactive low balance accounts to the Australian Taxation Office (ATO).

These changes were implemented on 25 September 2024, following amendments to the *State Superannuation Regulations 2001* and required notifications will be rolled out to members.

Delivering Better Financial Outcomes (DBFO)

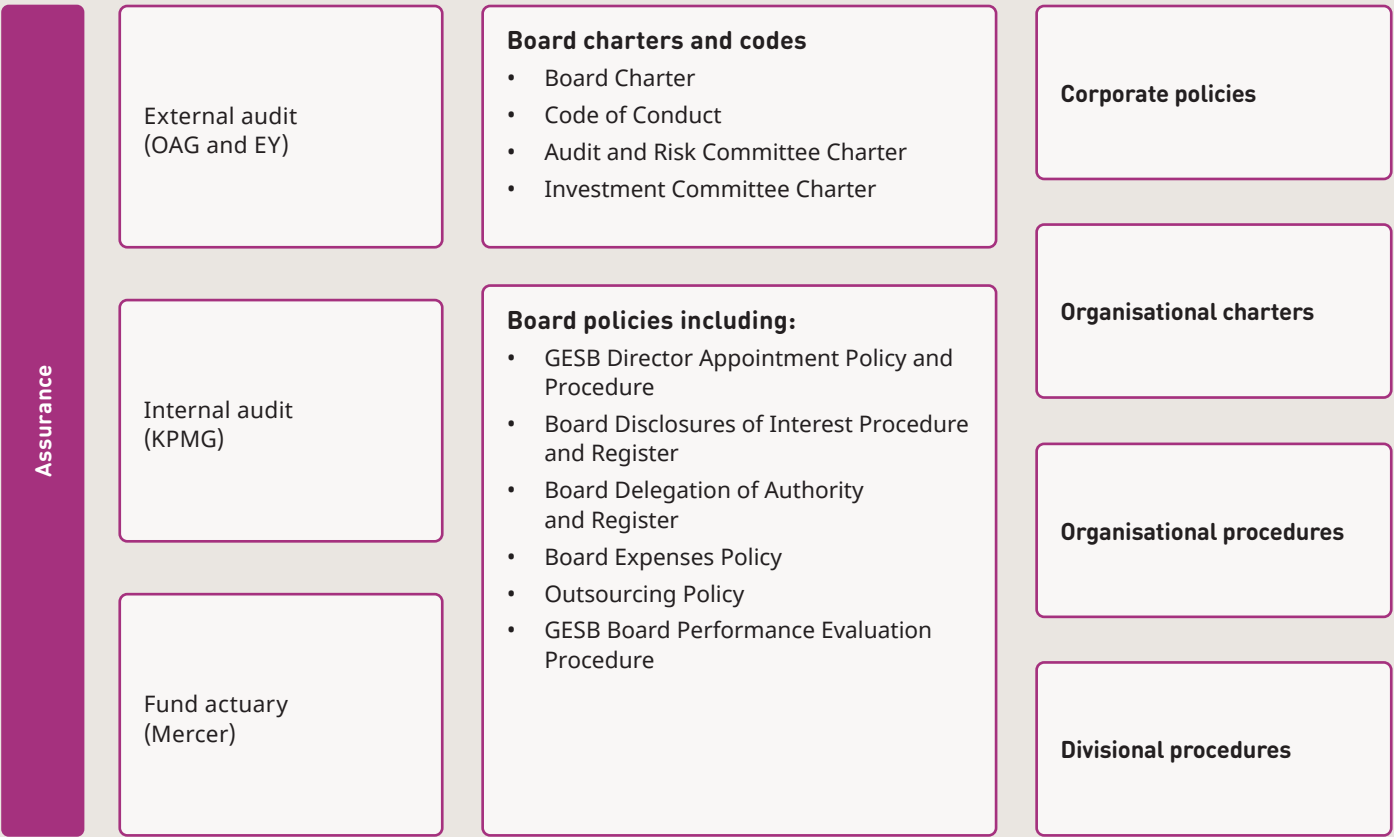
In anticipation of the Australian Government's DBFO reforms, which aim to ensure super fund members have access to quality and affordable financial advice, we will work with the State Government and stakeholders to develop a strategy regarding the provision of financial advice by GESB. The strategy will initially focus on the provision of scaled (limited) advice and expanding services we already provide, such as our Retirement Options Service.

Corporate overview

GESB governance structure



GESB internal governance policies and procedures



¹ The Public Sector Commissioner is the CEO's Employing Authority under Section 5 of the *Public Sector Management Act 1994*.

The Board

The Board

As a statutory authority, the GESB Board has powers and functions under the *State Superannuation Act 2000* (SSA) and is ultimately accountable to the Treasurer.

The Board is responsible for administering the schemes and managing the Government Employees Superannuation (GES) Fund and the overall governance and performance of GESB, in accordance with the SSA.

The Board sets the values and standards and ensures that GESB's obligations to its members and other stakeholders are understood and met.

In carrying out its responsibilities, the Board must act honestly, fairly, diligently and, as far as practicable, in the best interests of members.

The schemes administered by GESB are exempt public sector superannuation schemes that are regulated by the Treasurer. As the State is a signatory to the Heads of Government Agreement with the Commonwealth (see page 19), GESB is subject to the agreement and seeks to comply with Commonwealth prudential standards on superannuation on a best endeavours basis. This includes, aligning GESB's operations with industry best practices.

The role of the Minister

The Treasurer of Western Australia is the Minister responsible for administering the SSA and its corresponding regulations.

The Board is accountable to and assists the Treasurer in its administration of the SSA.

The Treasurer has a role in GESB matters that affect the financial rights and obligations of the State along with the general operation of GESB as explained under the SSA.

Board appointments and elections

The Board comprises a Chair, three Employer Directors and three Member Directors. Directors are appointed or elected under Schedule 1 of the SSA as follows:

- The Chair is appointed by the Governor of the State of Western Australia on the nomination of the Treasurer after consultation with representative unions;
- Three Directors are appointed by the Governor of the State of Western Australia as Employer Directors;
- Three Directors are elected as Member Directors via elections conducted by UnionsWA in accordance with the *State Superannuation Regulations 2001*, and
- The Chair and Employer Directors are appointed for a term not exceeding five years. Member Directors are elected for a term not exceeding three years.

All GESB Board Directors are eligible for re-appointment or re-election. There is a maximum period for which a person is eligible to serve as a Member or Employer Director. If a casual vacancy occurs in the office of a Member Director, the Treasurer may appoint a member to fill the vacancy after consultation with representative unions, until the new Member Director is elected. The Treasurer may also remove a Director in accordance with Section 6(2) of Schedule 1 to the SSA under certain circumstances.

Members of the Board



Jo Gaines
Chair

Ms Gaines was appointed as Chair of the Board for a five-year term expiring on 18 October 2026.

Ms Gaines is an experienced leader and strategic policy director having worked as Deputy Chief of Staff to the Premier of Western Australia.

For more than 10 years, Ms Gaines served as Branch Secretary for the Community and Public Sector Union/Civil Service Association (CPSU/CSA).

Ms Gaines has worked with government, private sector, and non-government organisations to drive reforms in a diverse range of fields including job creation, economic diversification, energy, training, child protection, health, contracting and procurement, and climate change. She was a leader in the development of the WA Recovery Plan in response to the COVID-19 pandemic.

Ms Gaines is currently serving as Executive Director of Gaines Advisory, an international strategic advisory and board search firm and is a Director of DevelopmentWA, a Non-executive Director of Australian Vanadium Limited (ASX:AVL) and the Deputy Chair of CinefestOZ.

Ms Gaines' qualifications include a Bachelor of Arts from the University of Western Australia and a Graduate Diploma in Occupational Health and Safety from the Curtin University. She is also a Graduate member of the Australian Institute of Company Directors.



Anne Gisborne
Member Director

Ms Gisborne was appointed to the Board as Member Director in February 2017, for a period of three years. She was re-appointed for a second three-year term, effective 8 February 2020 and has been re-appointed for a further three-year term expiring in February 2026.

For more than 15 years, Ms Gisborne was an executive member of the State School Teacher's Union (SSTUWA), which looks after WA teachers in the workplace and promotes public education to the wider community.

Ms Gisborne was President of SSTUWA from 2008 to 2013, and was appointed trustee of the organisation as part of this role. While at SSTUWA, her responsibilities included executive board compliance, financial management, appointments and management of staff, policy development, and strategic planning.

Between 2005 and 2013, Ms Gisborne was a member of UnionsWA Council and Executive. During this time she completed two one-year terms as President of UnionsWA. Compliance, financial management, appointments and management of staff, policy development and strategic planning were undertaken. During this time, she was also an executive member of the Australian Education Union.

Ms Gisborne commenced as an independent member of the Education Department of WA's Audit and Risk Committee in 2024.

Ms Gisborne is currently employed by the Edith Cowan University, and holds a Bachelor of Arts and Diploma of Education from the University of Western Australia.



Bruce Hawkins
Member Director

Mr Hawkins was first appointed as a Member Director to the Board for a three-year term on 1 July 2018. He was reappointed for a second three-year term, effective 4 July 2021. He has been appointed for a further three-year term expiring in July 2027.

His professional experience includes working in the public sector in several different roles. Previously, Mr Hawkins worked as a Principal Compliance Officer for the Department of Health. He is also President of the North Suburban Community Cricket Umpires Association, in a voluntary capacity.

Mr Hawkins is currently a CSA Representative on the Public Service Appeal Board and provides advice to businesses about public health.

Mr Hawkins was Treasurer for the Community and Public Sector Union/Civil Service Association (CPSU/CSA) for 13 years and is now a life member.

Mr Hawkins graduated from TAFE with a Diploma of Management (Business). He is also a Graduate of the Advanced Trustee Director course from the Australian Institute of Superannuation Trustees.



Janine Freeman
Member Director

Ms Freeman was appointed to the Board to fill a casual vacancy in April 2022. She was elected as a Member Director to the Board for a three-year term, commencing 5 May 2022. Ms Freeman has been elected for a further three-year term, commencing 5 May 2025.

As a social equity advocate and former WA Member of Parliament, Ms Freeman served her diverse community for 13 years as the Member for Mirrabooka. She has spent her career representing working people and their families, including the role of Assistant State Secretary of UnionsWA.

Ms Freeman has extensive board and committee experience, joining her first board in 1993. She has been Chair of the WA Legislative Assembly Education and Health Committee, Member of the WA WorkCover Board, and Deputy Chair of the industry superannuation fund, HESTA.

Currently, Ms Freeman is a Board Member of Anglicare WA and Water Corporation.

Ms Freeman holds a Bachelor of Economics from the University of Western Australia, a Certificate IV in Finance Services (Superannuation) from the Association of Superannuation Funds of Australia, and a Post Graduate Diploma in Occupational Health & Safety Management from Curtin University. She has also completed a Company Director's Course through the Australian Institute of Company Directors.



Janice Jones
Employer Director

Ms Jones was appointed to the Board for a five-year term to 22 March 2027. This is her first term serving on the Board.

In her current role as an Actuarial Educator at the Actuaries Institute, she designs and delivers post graduate education in professionalism, investments, superannuation, and retirement incomes.

As a Director and Actuary at PricewaterhouseCoopers from 2004 to 2022, Ms Jones advised trustee boards, companies, and government departments on super, employee benefits and investments.

She also has experience providing strategic advice to the WA Department of Treasury on public sector super policy, and actuarial and advisory services for the NSW public sector superannuation schemes. Other areas of expertise include strategic planning, risk management, investment strategy and tender management for corporate and statutory super funds.

Ms Jones is an independent member of the Investment Committee of the Chamber of Commerce and Industry WA.

Her qualifications include a Bachelor of Arts (Mathematics) from the University of Western Australia, a Graduate Diploma in Management from the Australian Graduate School of Management, Diploma in Financial Services (Financial Planning) and Fellowship of the Institute of Actuaries of Australia. She is also a Graduate member of the Australian Institute of Company Directors.



Virginia Christie
Employer Director

Ms Christie was appointed to the Board as Employer Director in October 2019, for a term of five years. She has since been re-appointed for a second term, expiring on 25 November 2025.

Ms Christie has extensive board experience. She currently holds the role as one of three Governing Body Members of Western Australia's regulator of utilities, the Economic Regulation Authority. She has previously served as a Non-executive Director of Keystart Loans Ltd, the Chamber of Commerce and Industry WA, a member of the Foundation Board of Management at St Mary's Anglican Girls' School and was a State Advisory Council member for CEDA WA.

Ms Christie has over 20 years of public policy experience, including almost 20 years at the Reserve Bank of Australia (RBA) and four years at the Commonwealth Treasury. She was previously on the RBA Superannuation Board of Trustees and Head of the RBA WA office for almost a decade.

Ms Christie's qualifications include an Australian Institute of Company Directors (AICD) Foundations of Directorship, a Bachelor of Economics (Honours) from the University of WA, and a Graduate Diploma in Applied Finance and Investment from the Securities Institute.



Warren Bird
Employer Director

Mr Bird was appointed to the Board as an Employer Director in November 2022, for a term of five years. This is his first term serving on the Board. Mr Bird is also the Chair of the GESB Investment Committee.

Mr Bird was previously an independent member of GESB's Investment Committee for 10 years, having been first appointed in June 2013. He has over 30 years of experience in finance and investment roles, including six years as Executive Director at Uniting Financial Services (until 2021). Prior to this, he worked at Colonial First State for a combined 16 years, first as Head of Fixed Interest and later Co-head of Global Fixed Interest and Credit.

Mr Bird has recently been appointed as Independent Chair of the Audit and Risk Committee for the Illawarra Shoalhaven Local Health District Board. He has previously been a Board member, Chair of the Investment Committee, and member of the Finance Committee at WorldShare, an overseas aid charity, and has undertaken consulting roles to several financial institutions.

His qualifications include a Bachelor of Economics (Honours) from the University of Sydney and a Certificate IV in Workplace Training and Assessment from the Australian School of Commerce and Management.

Meetings

The Board directors meet monthly other than in January and October.

Board director attendance during the period complied with the requirements of the *State Superannuation Act 2000* (SSA) and the GESB Board Charter. All meetings held met quorum requirements.

Board committees

The Board has a number of committees to assist in the discharge of its functions under the SSA. The Chief Executive Officer supports the operation of the following committees and attends to assist their deliberations.

Audit and Risk Committee

The Audit and Risk Committee assists GESB to fulfil its statutory, regulatory and fiduciary responsibilities by overseeing GESB's activities in relation to risk management, compliance, financial management and reporting, and the internal and external audit functions.

GESB's Audit and Risk Committee oversees the establishment and monitoring of the controls and risk management practices to ensure they are adequate and effective in promoting a risk-aware culture.

Investment Committee

The Investment Committee assists the Board in carrying out its responsibility to discharge its statutory, regulatory, and fiduciary responsibilities in relation to the prudent management and investment of the assets of the GES Fund.

The Investment Committee comprises GESB Board Directors and two external appointees.

The members of the Investment Committee have sufficient investment expertise to enable the committee to discharge its duties in line with obligations under its Charter.

The number of meetings attended by each Board/committee member for Board meetings, Audit and Risk Committee meetings and Investment Committee meetings during the 12-month reporting period is indicated in the table below.

Member	Board		Audit and Risk Committee		Investment Committee	
	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended
Jo Gaines (<i>Chair</i>)	10	10	N/A	N/A	4	4
Warren Bird (<i>Employer Director</i>) (<i>Chair Investment Committee</i>)	10	10	N/A	N/A	4	4
Virginia Christie (<i>Employer Director</i>)	10	9 ¹	5	5	4	4
Janine Freeman (<i>Member Director</i>)	10	10	N/A	N/A	4	4
Anne Gisborne (<i>Member Director</i>) (<i>Chair Audit & Risk Committee</i>)	10	10	5	5	4	4
Bruce Hawkins (<i>Member Director</i>)	10	8	5	5	4	4
Janice Jones (<i>Employer Director</i>)	10	10	5	4	4	4
Michael Strachan (<i>External expert</i>)	N/A	N/A	N/A	N/A	4	3
John Stroud (<i>External expert</i>)	N/A	N/A	N/A	N/A	4	4

¹ Attendances at 9 Board meetings as a Director and one attendance as an observer.



The GESB Board

Top row (from left to right): Janine Freeman, Bruce Hawkins, Anne Gisborne, Virginia Christie

Bottom row (from left to right): Janice Jones, Jo Gaines, Warren Bird

Corporate governance

Corporate governance framework

GESB's Governance Framework is based on legislation and the systems, policies, and processes that support transparent disclosure, effective communication, and accountability across the organisation.

GESB governance structure

GESB's framework reflects its operating environment as a statutory authority within the financial services market and the Integrity model for WA public authorities.

The Board:

- Established Audit and Risk and Investment Committees to help discharge the Board's legal and statutory obligations
- Granted delegations to the Chief Executive Officer and relevant business units for the day-to-day operation of the organisation
- Embedded internal and external accountability measures, including organisational key performance indicators, and internal and external audit practices

The Board and its committees have individual charters and are subject to a Code of Conduct that outlines the practices and processes that must be followed.

Directors' duties – Under Section 5(1) of the *Statutory Corporations (Liability of Directors) Act 1996 (WA)*, a Board Director of GESB has the same fiduciary relationship to GESB and the same duties to act with loyalty and in good faith as a Director of a company that is incorporated under the *Corporations Act 2001 (Cth)*.

Fit and proper standards – The Board understands the need to have the range of skills, knowledge and experience on the Board to effectively govern GESB so that, where relevant, it aligns with the Australian Prudential Regulation Authority (APRA) fitness and propriety of superannuation trustee standards.

Integrity and conduct – The Board acknowledges the need for, and the continued maintenance of, high standards of ethical conduct for Directors and staff. The Board Directors are required to comply with the GESB Board Charter, and Board Directors and staff are required to also comply with the GESB Code of Conduct and GESB's Integrity Framework.

Disclosure interests and conflicts of interest – Directors and external GESB Board committee members fulfil the disclosure of interests' obligation including related party interests, as required under AASB 124 and under the GESB Board Disclosure of Interests Procedure.

In accordance with GESB's Conflicts of Interest Policy, Board members must disclose conflicts of interest to the Chair of the Board, and staff must disclose conflicts to the CEO.

GESB governance activities

Governance activities are cyclical and integrated. They include strategy, planning and performance, risk management, governing instruments (statutory obligations, policies, controls) and compliance monitoring and reporting.

Recording and monitoring

Risk controls and compliance obligations are assigned, recorded, and monitored in GESB's governance, risk and compliance system to analyse data and present information to help the organisation make informed risk and business decisions.

Reporting and assurance

Business activities are managed, controlled and audited, then reported to the Board and the WA Treasurer. Reports are presented throughout the year to the Executive Leadership team, Audit and Risk Committee, Investment Committee, and the Board.

Communication and culture

GESB communicates in a way that is accessible, open and responsive to feedback. The annual report provides the Western Australian Parliament with information about the performance of GESB reporting under the *Public Sector Management Act 1994*. The Governance Framework and organisational values are promoted through an internal communications program, and values are incorporated in role descriptions and performance management processes.

Compensation and remuneration

Directors and committee members are entitled to the remuneration and allowances determined by the responsible Minister on the recommendation of the Public Sector Commissioner and endorsed by Cabinet. Superannuation Guarantee Contributions are paid at the rate of 11.5%.

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration including superannuation
GESB Chair	Jo Gaines	Annual	12 months	\$120,415
Employer Director	Virginia Christie	Annual	11.5 months	\$56,271
Employer Director	Janice Jones	Annual	12 months	\$60,208
Employer Director	Warren Bird	Annual	12 months	\$60,208
Member Director	Anne Gisborne	Annual	12 months	\$60,208
Member Director	Bruce Hawkins	Annual	12 months	\$60,208
Member Director	Janine Freeman	Annual	12 months	\$60,208
				Total \$477,726

Audit and Risk Committee

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration including superannuation
Chair	Anne Gisborne	Annual	12 months	\$5,659
Employer Director	Virginia Christie	Annual	11.5 months	No payment
Employer Director	Janice Jones	Annual	12 months	No payment
Member Director	Bruce Hawkins	Annual	12 months	No payment
				Total \$5,659

Investment Committee

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration including superannuation
Chair	Warren Bird	Annual	12 months	\$9,054
GESB Chair	Jo Gaines	Annual	12 months	\$9,054
Employer Director	Virginia Christie	Annual	11.5 months	\$8,810
Employer Director	Janice Jones	Annual	12 months	\$9,054
Member Director	Anne Gisborne	Annual	12 months	\$9,054
Member Director	Bruce Hawkins	Annual	12 months	\$9,054
Member Director	Janine Freeman	Annual	12 months	\$9,054
External expert	John Stroud	Annual	12 months	\$13,581
External expert	Michael Strachan	Annual	12 months	\$13,581
				Total \$90,294

In accordance with government policy, Directors who are public sector employees were not paid additional remuneration for sitting on the Board. Full-year remuneration is adjusted based on the portion of the year the Directors serve.

Risk management

Risk management is a fundamental component of GESB's strategic planning, operational execution, and financial oversight. Our risk management framework outlines a structured approach to identifying, assessing, and mitigating both financial and non-financial risks, ensuring alignment with GESB's strategic objectives.

GESB operates within a dynamic risk environment shaped by State Government policies, the Heads of Government Agreement (HoGA) between the Commonwealth and the State, relevant legislation at both levels of government, regulatory expectations, and broader developments in the superannuation industry.

Key Elements of GESB's Risk Management Approach include the below actions.

Quarterly Risk Reviews – Material operational and strategic risks are reviewed on a quarterly basis to ensure timely identification and response.

Operational Risk Review Program – This ongoing program targets areas of the organisation with the highest risk exposure, enabling proactive risk mitigation.

Integrity Framework – At the core of GESB's operations is a robust Integrity Framework, designed to reduce the incidence and impact of misconduct. It supports the management of integrity risks, promotes ethical behaviour, and enhances transparency. The framework is Board-approved and regularly reviewed.

Public Sector Integrity Strategy – In line with the Public Sector Commission's directive under the *Public Sector Management Act 1994*, GESB has implemented a framework that meets minimum integrity standards. The first strategy focused on establishing foundational tools and resources. A second strategy, launched in September 2024, introduced targeted actions across four key improvement areas to further embed integrity.

AML/CTF Compliance – GESB maintains an independently reviewed Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program (Parts A and B) in accordance with the *AML/CTF Act 2006*. Part A addresses the identification and management of money laundering and terrorism financing risks, while Part B outlines customer identification, transaction monitoring, and due diligence procedures.

Information Security Oversight – The Information Security Steering Committee meets quarterly to evaluate cyber threats and the effectiveness of GESB's information security and third-party IT risk controls. This ensures continued vigilance against identity theft and fraudulent access to member benefits.

Third Party Risk Management – GESB applies rigorous onboarding and procurement standards to assess and manage risks associated with suppliers and service providers. Ongoing monitoring includes regular assessments of integrity, modern slavery, AML/CTF, privacy, and cybersecurity risks.

This comprehensive risk management schedule enhances risk identification, strengthens internal controls, supports assurance activities, and promotes responsible decision-making. GESB's governance, risk, and compliance (GRC) system is configured to automate and streamline these processes, reinforcing a culture of risk awareness across the organisation.

Heads of Government Agreement

As with the other States and Territories, Western Australia is a signatory to the '*National Superannuation Standards*' Heads of Government Agreement (HoGA) with the Commonwealth. The HoGA applies the principle of national standards to State superannuation arrangements.

The HoGA impacts broadly on all the State's superannuation arrangements and public sector superannuation funds. Most of the specific terms within the HoGA are applicable to the State's Exempt Public Sector Superannuation Schemes¹ (EPSSSs), which include all the schemes administered by the GESB, the Parliamentary Pension Scheme and Judges' Pension Scheme.

Under the HoGA, the State Government is committed to conform to the principles of the Commonwealth's Retirement Incomes Policy to the best of its endeavours. Broadly, this means that governance and superannuation benefits provided under the GESB administered schemes are consistent with national standards. These standards include rules around preservation and protection of benefits, vesting of benefits, member disclosures and adequate prudential and supervisory arrangements. Additionally, the HoGA requires GESB to provide Commonwealth bodies with regular information on a similar basis as Commonwealth regulated funds.

In exchange for this undertaking, the Commonwealth has agreed to exempt the EPSSSs, or deem them compliant with, certain provisions within the *Income Tax Assessment Acts 1936 and 1997*, the *Superannuation Industry (Supervision) Act 1993* and parts of the *Superannuation Guarantee (Administration) Act 1992*, thereby providing concessional tax treatment of the GES Fund.

GESB and the schemes it administers continues to comply fully with the HoGA.

¹ The EPSSSs are superannuation schemes recognised in Commonwealth legislation as being regulated under State legislation.

Compliance

GESB's compliance program is structured in accordance with the *International Standard on Compliance Management Systems (ISO 37301:2021)*, ensuring alignment with Commonwealth regulatory requirements and industry best practices.

This program is designed to safeguard members, employees, and the organisation by clearly defining operational responsibilities that support compliance with:

- The State Superannuation Act and State Superannuation Regulations
- The Heads of Government Agreement (HoGA)
- Applicable legislation governing Western Australia State public sector agencies
- Unique tax provisions relevant to untaxed schemes within the GES Fund

The compliance program includes the core components below.

Legislative and Policy Alignment – Ensures that GESB and its employees meet statutory obligations and operate in accordance with internal policies and controls.

Stakeholder Collaboration – Engages with key stakeholders, including the Department of Treasury and the State Solicitor's Office, to assess the implications of Commonwealth superannuation reforms.

Ongoing Monitoring and Assurance – Continuous monitoring and reporting mechanisms provide assurance to the Board, Executive Leadership Team, members, and other stakeholders that GESB's compliance systems are robust, effective, and functioning as intended.

The compliance program plays a critical role in shaping GESB's risk profile and strengthening its overall governance, risk management, and compliance (GRC) framework. It supports the Risk Management Strategy for early detection, reporting, and resolution of governance issues, risks, and instances of non-compliance.

Investment risk

Risk management is an integral component of GESB's investment process. GESB manages investment risk by:

- A structured approach to diversification across the major asset classes via a strategic asset allocation framework
- Diversification of investment managers and investment style within each of the major asset classes
- A rigorous investment manager review process encompassing due diligence, selection and ongoing review
- Considering environmental, social and governance risk in all stages of the investment process

In some asset classes, GESB appoints both lower risk and higher risk managers. Regardless of a manager's investment style, GESB ensures that no single manager contributes a disproportionate amount of risk within an asset class or across the GESB portfolio as a whole.

GESB does not manage derivatives directly. Our investment managers are permitted to use derivatives within the restrictions of their mandates and the Treasurer's Prudential Guidelines for Investments.

Relationship with stakeholders

State Department of Treasury

GESB continues to work with Treasury to ensure government employees superannuation is effectively managed and complies with State and Australian Government standards, as far as practicable. In addition, Treasury and GESB work collaboratively on State and Australian Government superannuation reform initiatives (see page 9).

Employers

GESB partners with employers to provide seamless superannuation solutions for public sector employees. Our focus is to create a more informed, supported workforce, empowering employees to make confident decisions about their retirement savings. Our Key Account Management (KAM) team achieve this by offering a range of education and engagement initiatives designed to deliver support to public sector employees.

Our collaboration with employers sets members up for success with their super through:

- **Onboarding** – We implement induction initiatives for new employees who join the public sector to ensure that they have a smooth entry into the GESB superannuation system.
- **Member contributions** – Assistance provided to payroll staff to ensure GESB member contributions are submitted efficiently in line with employer superannuation compliance obligations.
- **Education initiatives** – Support provided through meaningful engagement about superannuation with employees.

We provide ongoing education so members can make informed decisions about their super. This includes:

- **Seminars and webinars** – GESB delivers a series of educational seminars and webinars to support employees across the state. This includes regional sessions in key centres, and remote access for employees in more isolated locations.
- **Tailored agency support** – Our dedicated agency landing pages, onsite seminars, and scheduled Q&A sessions provide agency specific solutions to ensure employees have access to the resources they need to help them make informed decisions.
- **Retirement planning** – One of GESB's key strengths is our ability to support members as they approach retirement through our retirement planning services. From pre-retirement seminars to one-on-one Q&A sessions, we focus on providing practical education that help members achieve their retirement goals. This service is widely appreciated by our members who praise the clarity and depth of the guidance provided.

We maintain a strong commitment to accessibility and inclusion, focusing on reaching regional and remote employees. This includes providing:

- **Online support** – Using digital platforms to deliver webinars and one-on-one education to geographically dispersed teams
- **In-person assistance** – On-site sessions in major regional centres ensures face-to-face support remains accessible across the State

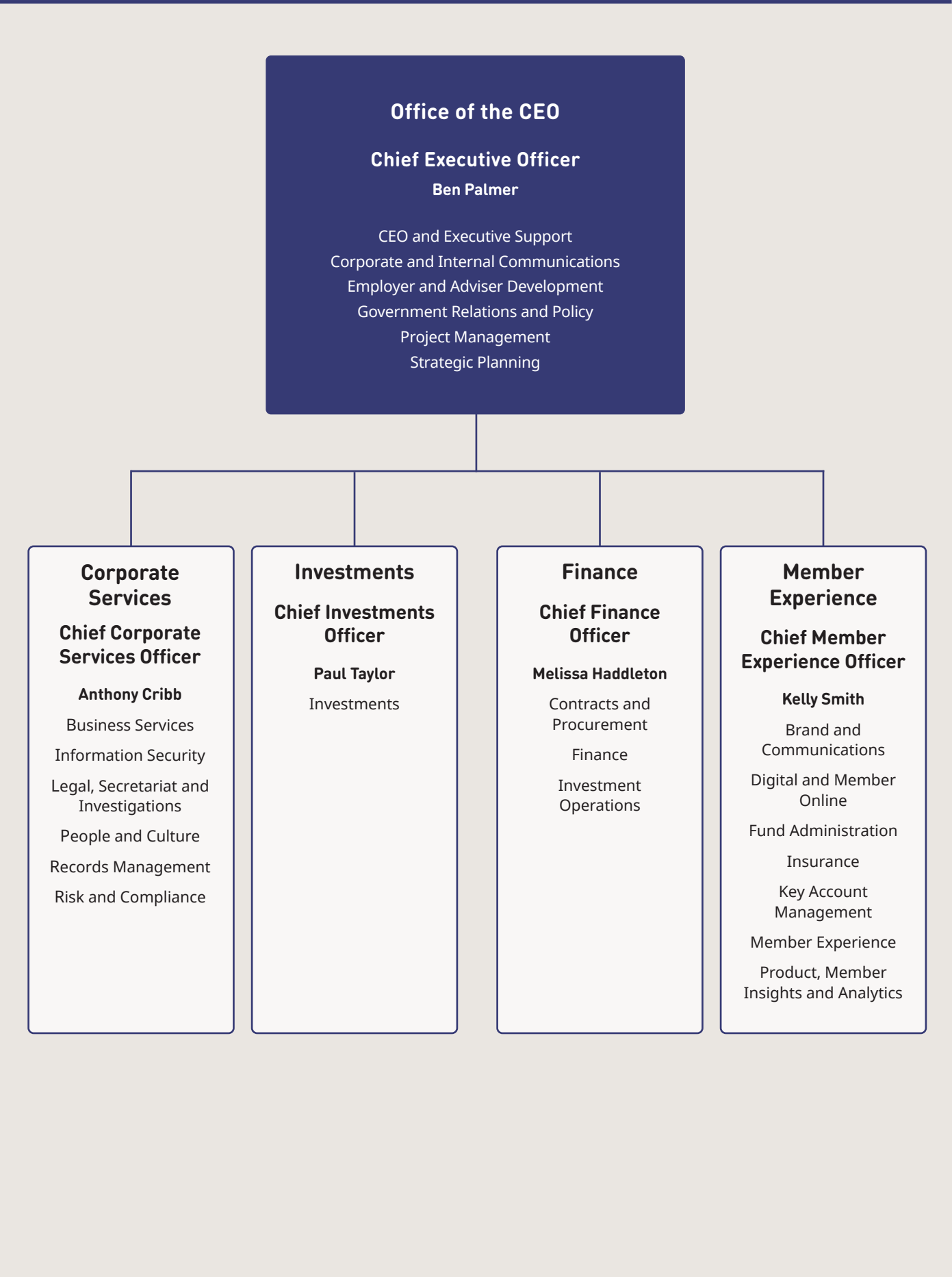
GESB prioritises engagement with our First Nations members through assistance programs and partnerships. Our KAM team recognise the importance of culturally appropriate engagement through:

- **Educational programs** – Presenting financial wellbeing education programs tailored to regional and remote community members.
- **Outreach support** – Partnering with external stakeholders to help individual GESB members engage with their superannuation.

The KAM team work on building ongoing relationships with professional associations across the various sectors and public sector unions to ensure we can support members, from when they start contributing through to moving towards and into retirement. In 2024/25, we:

- Presented educational seminars at professional associations and union conferences, retirement planning days and hosting a dedicated drop in area to answer member questions about superannuation
- Provided educational superannuation content to be included in newsletters
- Supported communications that align with members' financial wellbeing

Organisational structure



All compliance requirements

Freedom of information

GESB provided members with access to all of their personal and account information. An information statement that provides background on the operations of GESB, a description of the documents held and the way in which the public can access the information was made available on the website and via our Member Services Centre.

GESB's designated freedom of information officer during the period was:

Ms Vesna Odak, GESB, Level 30, DMJC, 28 Barrack Street, Perth

Diversity profile

Our Workforce Diversity and Inclusion Plan incorporates workforce planning and equal employment opportunity principles. It is aligned with our Disability Access and Inclusion Plan, Reconciliation Action Plan and Multicultural Access Plan.

In 2024/25, to support our diverse workforce we:

- Promoted accessibility and the availability of work-related adjustments in our job adverts
- Promoted R U OK? Day and gave staff information on how to start life changing conversations
- Gave staff the opportunity to attend 'Proud Hearts: A Crafternoon', a virtual event hosted by Pride Inclusion Programs celebrating Wear It Purple Day 2024
- Promoted Pridefest on staff intranet and with posters in the office
- Published an article on the GESB staff intranet for International Day of People with Disability where a staff member shared their personal story of living with a disability and their passion for digital accessibility
- Hosting a Harmony Week staff morning tea where staff brought in dishes of their culture and contributions were made to the existing GESB recipe book
- Development of wellbeing framework and wellbeing charter following a series of internal workshops, wellbeing sessions, collaboration and reflection

Diversity group	2023/24 %	2024/25 %
Women	61.1	63.1
Employees from culturally diverse backgrounds	22.0	20.2
Aboriginal and Torres Strait Islander employees	1.4	1.2
Employees with Disability	4.1	4.8
Youth (age 24 and under)	2.7	1.2
Mature workers (age 45 and older)	50.6	48.8
Women in Tier 2 roles ¹	66.7	50.0
Women in Tier 3 roles ²	22.2	33.3

¹ Management Tier 2 (managers reporting to CEO)

² Management Tier 3 (managers reporting to Tier 2 management)

WA Multicultural Policy Framework (WAMPF)

Our Multicultural Access Plan (MAP) displays our commitment to multicultural access and inclusion and fulfils our obligations under the WAMPF. The MAP was developed in alignment with our Workforce Diversity and Inclusion Plan.

In 2024/25, the following initiatives were implemented to support the priorities of the WAMPF and our culturally and linguistically diverse members:

- Our Workplace Behaviour Policy was revised to incorporate anti-discrimination provisions
- An access and inclusion statement was added to all new and reviewed policies and procedures
- Continuing to include Diverse WA training as part of our new starter induction process

In accordance with the Multicultural Policy Framework, we submitted a report on our progress to the Office of Multicultural Interests.

Continuing our journey to reconciliation

We continue to work towards our vision for reconciliation, which is for Aboriginal and Torres Strait Islander peoples to be respected, valued and experience equality.

Our efforts are guided by our Reconciliation Action Plan (RAP), which maps initiatives that focus on building relationships, respect and opportunities.

As part of this, we provide free access to First Nation Foundation's My Money Dream program to help members learn about budgeting and superannuation; and are changing internal processes to better support First Nations members by accepting alternative forms of ID for members who may not have traditional forms of ID.

We continued to participate in the Department of Justice Aboriginal Open Days to help people in regional and remote areas find lost super, submit forms, and access super; and continued to build our community partnerships.

We also place emphasis on celebrating First Nations cultures and histories within our organisation by participating in learning opportunities and events, including National Reconciliation Week and NAIDOC Week. For the second year, we proudly took part in the Reconciliation WA street banner program to demonstrate our commitment to reconciliation more broadly.

As we look to the future, we will start work on our third Innovate RAP, with a focus on investigating the viability of establishing an Aboriginal Advisory Committee to provide advice about future initiatives, and collaborating with WA Government departments to identify joint initiatives.

Disability access and inclusion plan outcomes

Our Disability Access and Inclusion Plan (DAIP) aligns to the requirements of the *Disability Services Act 1993*.

In 2024/25, we continued to make progress towards making our information, tools, and services more accessible and inclusive for everyone. Key member outcomes included our:

- Procurement of new Human Resources Information System (HRIS) prioritised accessibility
- Seminar venues continuing to be assessed for accessibility and an accessible venues statement was added to the GESB website

In accordance with the *Disability Services Act 1993*, we submitted a report on our achievements against the DAIP to the Department of Communities.

Compliance with Public Sector Standards and ethical codes

We complied with the Public Sector Standards in Human Resource Management and Public Sector Code of Ethics.

Staff are informed of these standards in our Code of Conduct, relevant human resource management policies and processes, during induction, lunch and learns, and information published on our intranet.

Our People and Culture team provided advice, support and guidance to managers and staff on the standards.

In 2024/25:

- Our Integrity Framework was reviewed and updated to align with Commissioner's Instruction 40: Ethical Foundations and communicated to staff via a lunch and learn on integrity risks
- There were no applications lodged for breaches of standards

FTE	2023/24	2024/25
Permanent public service officers	60.8	66.2
Fixed term public service officers	6.8	8.0
State Superannuation Act (SSA) employees	3.8	4.8
Total	71.4	79.0

Sponsorships

GESB's Sponsorship Policy provides for sponsorships that represent value for money for GESB members and are aligned with member outcomes and members' best interests.

In 2024/25, GESB incurred \$500 on sponsorship activities which compares to \$7,116 for the prior financial year. These activities included Reconciliation WA's 2025 Reconciliation Week Street Banner Program.

Occupational safety, health and injury management

Our Board and Executive Leadership Team continued to demonstrate their commitment to providing a safe, supportive and inclusive workplace.

In 2024/25, PwC conducted a review to assess the adequacy and effectiveness of GESB's workplace health and safety (WHS) framework, including understanding of policies, procedures and practices to identify and control hazards and promote a safe and healthy workplace. The audit did not identify any findings to bring to attention and the following positives were noted during PwC's review:

- Establishment of a formal Health and Safety Committee
- Existence of fit for purpose WHS policies
- Emphasis of WHS in staff onboarding
- The results of staff engagement surveys being used to provide insights into any issues or areas of focus which need consideration from a safety, wellbeing or workplace perspective

Safety and injury management performance reporting 2022/23 to 2024/25

Measures	2022/23	2023/24	2024/25	Targets	Comments about targets
Number of fatalities	0	0	0	0	Target met
Lost Time Injury and/or disease incident rate	0	0	0	0 or 10% reduction achieved	Target met
Lost Time Injury and severity rate	0	0	0	0 or 10% reduction achieved	Target met
Percentage of injured workers returned to work (i) within 13 weeks	N/A	N/A	N/A	N/A	Zero injured workers
Percentage of injured workers returned to work (ii) within 26 weeks	N/A	N/A	N/A	N/A	Zero injured workers
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	100%	100%	100%	80%	All new managers completed our online WHS course. Refresher training will be rolled out to managers in 2025/2026

Requirements of the Electoral Act 1907

In 2024/25, GESB incurred \$160,010 on expenditure in accordance with the *Electoral Act 1907* which compares to \$129,424 for the prior financial year. This expenditure was to undertake member and employer satisfaction surveys and research into members' investment behaviour.

	2023/24	2024/25
Advertising agencies	Nil	Nil
Market research organisations Research Solutions	\$129,424	\$160,010

Recordkeeping plan

Section 19 of the *State Records Act 2000* requires all agencies to have an approved Recordkeeping Plan (RKP) that must be complied with by the organisation and its officers. GESB has an approved and current RKP, with the next RKP review due in July 2026.

GESB promotes good recordkeeping practices across the agency through our training programs which supports compliance with the *State Records Act 2000*.

As part of GESB's induction program, all new employees are provided with an online recordkeeping awareness training course which covers staff record keeping roles and responsibilities. This course was updated during the year following an organisation-wide records management audit undertaken during 2024.

The updated course was rolled out to all staff via GESB's learning management system.

Scheduled Electronic Document and Records Management System (EDRMS) training in both face to face and virtual environments also form part of the induction program. An EDRMS training feedback survey is provided to employees to monitor training effectiveness and ensure continuous improvements.

All staff have access to a suite of resources including policies, guidelines, self help 'how to' user guides and training videos, which are available through the corporate intranet. Individual assistance is also available through the Information Management Team.

Unauthorised use of credit cards

Officers of GESB hold corporate credit cards where their functions warrant usage of this facility. GESB's Purchasing Card Policy specifies use of, eligibility, responsibilities and restrictions for these cards.

In 2024/25, one GESB card holder inadvertently utilised a corporate credit card for a personal purchase. The matter was not referred for disciplinary action as it had been reported and repaid by the officer, the nature of the expenditure was immaterial and it was characteristic of an honest mistake.

	2024/25
Number of instances a government purchasing card has been used for personal use	1
Aggregate amount of personal use expenditure for the reporting period	\$58
Aggregate amount of personal use expenditure settled within 5 working days	Nil
Aggregate amount of personal use expenditure settled outside 5 working days	\$58
Aggregate amount of personal use expenditure outstanding at balance date	Nil

Act of grace payments

In 2024/25, GESB did not make any Act of Grace payments under Section 80 of the *Financial Management Act 2006*.

Certification of the financial statements

The accompanying Financial Statements of the Government Employees Superannuation Board ('the Fund' or 'GESB'), have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records, to present fairly the financial transactions for the financial year ended 30 June 2025, and the financial position as at 30 June 2025.

At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



M HADDLETON
Chief Finance Officer
3 September 2025



J GAINES
Chair
3 September 2025



A GISBORNE
Director
3 September 2025

Statement of financial position as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Cash and cash equivalents	24	99,968	75,226
Receivables	9	324,717	325,341
Employer-sponsor receivables	10	2,185,099	2,956,561
Investments			
Cash and term deposits	8	5,097,210	4,402,966
Australian equities	8	7,488,487	6,892,592
International equities	8	13,837,573	13,106,843
Units in unit trusts	8	6,996,846	6,270,544
Other interest-bearing securities	8	9,061,891	8,826,860
Loaned securities	8	1,359,858	-
Derivative assets	8	348,582	274,743
Plant and equipment		179	5
Deferred tax assets	15	-	37
Total assets		46,800,410	43,131,718
Liabilities			
Derivative liabilities	8	(203,617)	(102,700)
Payables	11	(223,073)	(206,274)
Provision for employee benefits	12	(2,784)	(2,342)
Provision for post-employment benefits	13	(568)	(611)
Income tax payable	15	(64,842)	(25,373)
Deferred tax liabilities	15	(313,995)	(225,980)
Total liabilities excluding member benefits		(808,879)	(563,280)
Net assets available for member benefits		45,991,531	42,568,438
Member benefits			
Defined contribution member liabilities	3	(40,069,022)	(36,043,233)
Defined benefit member liabilities	4	(4,174,039)	(5,136,730)
Total member benefits		(44,243,061)	(41,179,963)
Net assets		1,748,470	1,388,475
Reserves			
Other reserves	14	(153,074)	(150,808)
Operational risk reserve	14	(99,298)	(89,902)
Defined benefits that are over funded	5	(1,496,098)	(1,147,765)
Total reserves		(1,748,470)	(1,388,475)

This statement should be read in conjunction with the accompanying notes.

Income statement for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Income			
Interest	16	589,904	509,176
Dividends	16	536,533	501,780
Distributions	16	244,390	127,162
Changes in assets/liabilities measured at fair value	16	2,989,594	2,652,150
Other investment income	16	8,323	5,627
Other income	17	6,713	7,846
Total income		4,375,457	3,803,741
Expenses			
Administration expenses	18	(51,686)	(48,052)
Investment expenses	16	(102,239)	(109,135)
Depreciation and amortisation	19	(52)	(2,397)
Total expenses		(153,977)	(159,584)
Net result from operating activities		4,221,480	3,644,157
Net benefits allocated to defined contribution member accounts		(4,081,281)	(3,413,824)
Net change in defined benefit member liabilities		1,083,824	368,930
Net result before income tax		1,224,023	599,263
Income tax expense	15	(92,619)	(69,870)
Net result after income tax		1,131,404	529,393

This statement should be read in conjunction with the accompanying notes.

Statement of changes in member benefits for the year ended 30 June 2025

	DC members ¹ \$'000	DB members ² \$'000	Total \$'000
Opening balance as at 1 July 2024	36,043,233	5,136,730	41,179,963
Contributions:			
Employer	2,022,668	471,894	2,494,562
Member	399,065	4,402	403,467
Transfers from other superannuation plans	446,283	-	446,283
Government co-contributions	713	-	713
Income tax on contributions	(304,071)	-	(304,071)
Net after tax contributions	2,564,658	476,296	3,040,954
Benefits to members/beneficiaries	(2,574,635)	(355,887)	(2,930,522)
Insurance premiums charged to member accounts	(115,879)	-	(115,879)
Death and disability insurance benefits credited to member accounts	71,140	-	71,140
Reserves allocated to/(from) members:			
General reserve	(776)	-	(776)
WSS government guaranteed payment reserve	-	724	724
Net benefits allocated to/(from) defined contribution member accounts, comprising:			
Net investment income	4,126,415	-	4,126,415
Administration fees	(45,134)	-	(45,134)
Net change in defined benefit member accrued benefits	-	(1,083,824)	(1,083,824)
Closing balance as at 30 June 2025	40,069,022	4,174,039	44,243,061

	DC members ¹ \$'000	DB members ² \$'000	Total \$'000
Opening balance as at 1 July 2023	32,715,536	5,411,983	38,127,519
Contributions:			
Employer	1,809,404	370,081	2,179,485
Member	283,520	4,930	288,450
Transfers from other superannuation plans	391,345	-	391,345
Government co-contributions	704	-	704
Income tax on contributions	(247,506)	-	(247,506)
Net after tax contributions	2,237,467	375,011	2,612,478
Benefits to members/beneficiaries	(2,293,822)	(283,262)	(2,577,084)
Insurance premiums charged to member accounts	(113,565)	-	(113,565)
Death and disability insurance benefits credited to member accounts	76,240	-	76,240
Reserves allocated to members:			
General reserve	7,553	-	7,553
WSS government guaranteed payment reserve	-	1,928	1,928
Net benefits allocated to/(from) defined contribution member accounts, comprising:			
Net investment income	3,454,906	-	3,454,906
Administration fees	(41,082)	-	(41,082)
Net change in defined benefit member accrued benefits	-	(368,930)	(368,930)
Closing balance as at 30 June 2024	36,043,233	5,136,730	41,179,963

This statement should be read in conjunction with the accompanying notes.

¹ DC members are Defined Contribution members

² DB members are Defined Benefit members

Statement of changes in reserves for the year ended 30 June 2025

	Defined benefits that are over funded \$'000	Other reserves \$'000	Operational risk reserve \$'000	Total reserves \$'000
Opening balance as at 1 July 2024	1,147,765	150,808	89,902	1,388,475
Transfers to defined contribution member accounts	-	52	-	52
Transfers between reserves	-	(4,910)	4,910	-
Movement in employer-sponsor receivables	(771,461)	-	-	(771,461)
Net result	1,119,794	7,124	4,486	1,131,404
Closing balance as at 30 June 2025	1,496,098	153,074	99,298	1,748,470

	Defined benefits that are over funded \$'000	Other reserves \$'000	Operational risk reserve \$'000	Total reserves \$'000
Opening balance as at 1 July 2023	889,689	152,817	85,514	1,128,020
Transfers from defined contribution member accounts	-	(9,481)	-	(9,481)
Movement in employer-sponsor receivables	(259,457)	-	-	(259,457)
Net result	517,533	7,472	4,388	529,393
Closing balance as at 30 June 2024	1,147,765	150,808	89,902	1,388,475

This statement should be read in conjunction with the accompanying notes.

Statement of cash flows for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Interest received		574,168	482,916
Dividends received		538,200	500,851
Distributions received		244,428	123,419
Insurance recoveries		71,277	76,738
Administration expenses paid		(51,311)	(47,727)
Investment expenses paid		(113,567)	(80,965)
Insurance premiums paid		(115,600)	(113,292)
Other investment income received		8,323	5,627
Other income received		7,357	6,266
Income tax refund		538	33,579
Net cash inflows from operating activities	24	1,163,813	987,412
Cash flows from investing activities			
Purchase of investments		(56,008,756)	(60,737,969)
Proceeds from sale of investments		54,729,085	59,688,647
Purchase of plant and equipment		(226)	-
Proceeds from sale/(purchase) of intangible assets		-	23
Net cash outflows used in investing activities		(1,279,897)	(1,049,299)
Cash flows from financing activities			
Employer contributions received		2,493,844	2,174,370
Member contributions received		403,645	288,545
Transfers from other superannuation plans received		446,283	391,345
Government co-contributions received		713	704
Benefits paid to members/beneficiaries		(2,933,609)	(2,570,336)
Income tax paid on contributions received		(270,050)	(206,607)
Net cash inflows from financing activities		140,826	78,021
Net increase in cash and cash equivalents		24,742	16,134
Cash and cash equivalents at beginning of financial year		75,226	59,092
Cash and cash equivalents at end of financial year	24	99,968	75,226

This statement should be read in conjunction with the accompanying notes.

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Notes to the financial statements for the year ended 30 June 2025

Note 1: Statement of significant accounting policies

(a) Basis of preparation

Government Employees Superannuation Board ('the Fund' or 'GESB') is a not-for-profit entity for the purpose of preparing financial statements.

The financial statements are a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'), the *Financial Management Act 2006* ('FMA'), *Treasurer's Instructions* ('TI') and the *State Superannuation Act 2000* ('SSA').

The FMA and the TI are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and other authoritative pronouncements of the AASB. Several of these accounting standards are modified by the TI to vary application, disclosure, format and wording. If any such modification has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in individual notes to these financial statements.

The financial statements have been prepared on the basis required by *AASB 1056 Superannuation Entities*, which provides specific measurement requirements for assets and liabilities. The estimates, associated assumptions, and results are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements have been prepared on the accrual basis of accounting. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated.

The financial statements were approved by the Board of GESB on 3 September 2025.

(b) New Accounting Standards and Interpretations

There were no new or amended standards and interpretations that became effective for the first time for the financial year beginning 1 July 2024 that were relevant or have a material impact to the Fund.

Accounting Standards and Interpretations issued, but not yet effective

The Fund cannot early adopt an Australian Accounting Standard unless specifically permitted by *TI1101 Application of Australian Accounting Standards and Other Pronouncements*. Therefore, the Fund will adopt any Standards which have been issued and are applicable from their operative date.

The impact of these Standards and Interpretations has been or is in the process of being assessed and to the extent applicable to the Fund are outlined in the table below. Standards issued, that are not expected to have a significant impact on the Fund have not been included.

Accounting Standard	Application date periods beginning on/after	Application date to GESB
<i>AASB 18 Presentation and Disclosure in Financial Statements Effective for annual reporting periods beginning on or after 1 January 2027.</i> AASB 18 has been issued to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 are: • The presentation of newly defined subtotals in the statement of profit or loss • The disclosure of management-defined performance measures (MPM) • Enhanced requirements for grouping information (i.e. aggregation and disaggregation) AASB 18 is accompanied with limited consequential amendments to the requirements in other accounting standards, including AASB 107 Statement of Cash Flows. AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. For the purposes of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity. AASB 18 also requires several disclosures in relation to MPMS, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by AASB 18 or another standard. AASB 18 will replace AASB 101 Presentation of Financial Statements. As at the date of this report, management is assessing the impact of AASB 18 on its financial statements.	1 January 2027	30 June 2028
<i>AASB 2024 -2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i> (effective for annual periods beginning on or after 1 January 2026). Recent amendments aim to clarify the recognition and derecognition of financial assets and liabilities, particularly in cases involving electronic payment systems. They also offer additional guidance on complex financial instruments and those linked to ESG-related features. Furthermore, the updates introduce expanded disclosure requirements for certain equity investments and instruments with variable terms. The Fund does not expect these amendments to have a material impact on its operations or financial statements.	1 January 2026	30 June 2027

(c) Financial instruments

(i) Classification

The Fund classifies all its financial assets and liabilities, with the exception of member liabilities and tax assets and liabilities, at fair value through profit or loss ('FVTPL') in accordance with AASB 1056.

(ii) Recognition

The Fund recognises a financial asset or financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date (i.e. the date that the Fund commits to purchase or sell the assets).

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

(iv) Initial measurement

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Income Statement.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the Income Statement, unless specified otherwise.

(v) Subsequent measurement

After initial measurement, the Fund measures financial assets and financial liabilities at FVTPL. Subsequent changes in the fair value of those instruments are recorded as 'changes in assets/liabilities measured at fair value' through the Income Statement. Interest and dividends earned on those instruments are recorded separately in interest income and dividend income in the Income Statement.

(d) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to/by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement of the asset or liability is unobservable.

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

(e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

(f) Receivables and payables

Receivables are carried at nominal amounts which approximate fair value. Receivables, excluding investments and employer sponsor receivable, normally have a term of 7 to 14 days.

Investment receivables are comprised of investment income receivables, withholding tax reclaims and unsettled sales proceeds on the investment portfolio at the reporting date.

Payables are carried at nominal amounts which approximate fair value. Payables, excluding investments, represent liabilities for goods and services provided to the Fund prior to the end of the financial year that are unpaid when the Fund becomes obliged to make future payments in respect of the purchase of these goods or services. Payables under \$1 million are normally settled within 20 days and payables over \$1 million are normally settled within 30 days.

Investment payables are comprised of unsettled buy orders on the investment portfolio at the reporting date.

(g) Benefits payable

Benefits payable are valued at fair value which comprise the entitlements of members who ceased employment prior to the year-end but had not been paid at that time. Benefits payable are settled within the industry standard of 30 days.

(h) Provisions

Provisions are liabilities of uncertain timing and amount. The Fund only recognises a provision where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provision – employee benefits

Annual leave and long service leave

All annual leave and long service leave provisions are in respect of employee services up to the end of the reporting period.

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Fund does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Unconditional long service leave provisions are classified as current liabilities as the Fund does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Fund has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Superannuation

The Fund's employees are eligible to receive superannuation under one of the schemes established under the *State Superannuation Act 2000*.

Eligible employees contribute to the Pension Scheme ('PS'), a defined benefit pension scheme closed to new members since 1987, or Gold State Super ('GSS'), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the PS or GSS became non-contributory members of West State Super ('WSS'). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme ('GESB Super'). From 30 March 2012, existing members of WSS or GESB Super and new employees have been able to choose their preferred superannuation fund provider. The Fund contributes to the schemes or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Fund's liability for superannuation charges in respect of employees who are not members of PS or GSS.

PS and the pre-transfer benefit for employees who transferred to GSS are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided at the end of the reporting period. The liabilities under these schemes have been calculated separately for each scheme annually by the Fund's actuary using the projected unit credit method.

The expected future payments are discounted to present value using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The current service superannuation charge is paid by the Fund to GSS, WSS and GESB Super. The liabilities for current service superannuation charges under GSS, WSS, and GESB Super are extinguished by the concurrent payment of employer contributions to these schemes.

WSS and GESB Super are defined contribution schemes. GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, from the Fund's perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119 Employee Benefits.

Provisions – other

Employment on-costs

Employment on-costs, including workers' compensation insurance, fringe benefits tax and payroll tax, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate has occurred.

(i) Accrued salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight after the reporting period. The Fund considers the carrying amount of accrued salaries to be equivalent to the fair value.

(j) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the income can be reliably measured, regardless of when the payment is received. Income is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The specific recognition criteria described below must also be met before income is recognised:

Changes in assets measured at fair value

Changes in assets measured at fair value are changes in the fair value of financial assets as at FVTPL and exclude interest and dividend income. Changes in the fair value are calculated as the difference between the fair value at sale (realised gains or losses), or at reporting date (unrealised gains or losses), and the fair value at the previous valuation point. All changes are recognised in the Income Statement.

Interest

Interest income on cash and cash equivalents and other financial assets carried at fair value is recorded according to the terms of the contract and is recognised in the Income Statement.

Dividends and distributions

Dividend and distribution income are recognised when the Fund's right to receive payment is established. Income is presented gross of any non-recoverable withholding taxes, which are disclosed separately as a tax expense in the Income Statement.

(k) Income tax

The *Commonwealth Income Tax Assessment Regulations 1997* confirm that schemes established by Section 29 of the *State Superannuation Act 2000* are to be constitutionally protected. The following schemes administered by the Fund are constitutionally protected and therefore exempt from income tax:

- Pension Scheme (including Provident Account)
- Gold State Super
- West State Super

Retirement products, which consist of Retirement Income Pension (Allocated Pension and Transition to Retirement Pension) and Retirement Income Term Allocated Pension, were introduced for members as taxed schemes within the Fund and are subject to income tax. The Retirement Income schemes are complying superannuation funds under the *Superannuation Industry (Supervision) Act 1993* and accordingly are concessional tax.

GESB Super and GESB Super - Retirement Access are complying superannuation funds under the *Superannuation Industry (Supervision) Act 1993* and accordingly are concessional tax. All further references in the financial statements to GESB Super include both schemes.

The Fund apportions investment income and expenses to the taxed and non-taxed schemes of the Fund on the basis of the proportion of funds under management. Other expenses are apportioned on the basis of actual or allocated cost.

Income tax in the Income Statement for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year using the concessional tax rate of 15% for the Fund income and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor the taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward unused tax losses, to the extent that it is probable that a taxable surplus will be available against which the deductible temporary differences, and the carry-forward unused tax losses can be utilised, except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor the taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable surplus will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(l) Superannuation expense

The superannuation expense of the defined benefit plans is made up of the following elements:

- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

Actuarial gains and losses of the defined benefit plans are recognised immediately as income or expenses in the Income Statement. The superannuation expense of the defined contribution plans is recognised as and when the contributions fall due.

(m) Goods and services tax ('GST')

Income, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the income or the expense item or as part of the cost of acquisition of the asset, as applicable; or
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing activities, which is recoverable from, or payable to the taxation authority is classified as operating cash flows.

(n) Investments in controlled entities

The Fund is the sole unit-holder of the Global Private Equity Fund ('GPEF') with registered address of Level 1, 575 Bourke Street, Melbourne VIC 3000. The investment is held at fair value.

GPEF via Equity Trustees Limited as Trustee provides exposure to companies that are not publicly traded on a stock exchange. These may be start-up companies, but are often more established firms. Common strategies in private equity include leveraged buyouts, venture capital and growth capital. Private equity strategies are typically illiquid, meaning the investment may not be exited as quickly as investments that trade on public stock exchanges. GPEF or Equity Trustees Limited do not control any subsidiaries. The Fund receives income in the form of distributions from the unconsolidated subsidiary, and there are no significant restrictions on the transfer of funds from this entity to the Fund. The Fund did not provide support to GPEF in the current year (2024 : Nil). The Fund has no contractual commitments or current intentions to provide any financial or other support to its unconsolidated subsidiary (2024 : Nil).

The Fund is an investment entity and, as such, does not consolidate the entity it controls. Instead, interests in subsidiaries are classified as FVTPL and measured at fair value.

(o) Superannuation contributions surcharge

The *Superannuation Laws Amendment (Abolition of Surcharge) Act 2005* abolishes both the superannuation contributions surcharge and the termination payments surcharge in respect of superannuation contributions and certain termination payments made or received on or after 1 July 2005. Assessments for surcharge in respect of contributions and payments for the year ended 30 June 2005 and prior years will continue to be issued and remain payable.

Superannuation contributions surcharge is levied on surchargeable contributions for a relevant year on the basis of the individual member's adjusted taxable income for that year. The liability for the superannuation contributions surcharge is recognised when the assessment is received, as the Fund considers this is when it can be reliably measured.

The superannuation surcharge liability recognised by the Fund has been charged to the relevant members' accounts.

(p) Foreign currency

The functional and presentation currency of the Fund is Australian dollars, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity managed in Australian dollars. Therefore, the Australian dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions in foreign currencies are initially recorded at the functional currency spot rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in a previous financial report, are recognised in the Income Statement in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(q) Member liabilities

Member liabilities are measured at the amount of accrued benefits.

Defined benefit member liabilities are measured as the amount of investments that would be needed as at the reporting date to yield future net cash inflows that would be sufficient to meet accrued benefits as at that date when they are expected to fall due.

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

Liability for accrued benefits

Accrued benefits are the benefits that the Fund is committed to provide in the future in respect of the membership at reporting date.

The liability represents the Fund's present obligation to pay benefits to members and other beneficiaries and has been calculated on the present value of expected future payments arising from membership of the Fund up to reporting date. For the defined benefit schemes the liability is measured as the amount of a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would meet accrued benefits when they are expected to fall due. For defined contribution schemes, the liability has been calculated as the difference between the carrying amount of the assets and the carrying amount of non-interest bearing liabilities at reporting date.

The liability for accrued benefits is measured annually at the reporting date by the Fund's actuary, Mercer (Australia) Pty Ltd, as part of a comprehensive actuarial review of the Fund.

Vested benefits

Vested benefits are the benefits that are not conditional upon continued membership of the Fund and include benefits which members are entitled to receive had they terminated membership at the reporting date.

Under the provisions of the *State Superannuation Act 2000*, member entitlements are vested as follows:

- i) **Pension Scheme** – no vesting rights until retirement at age 55 years or over or earlier death or disablement, although on redundancy members have an option to elect for either:
 - An actuarial deferred pension payable upon attainment of age 55 years; or
 - An immediate cash payment including a State Government subsidy equal to 2.5 times the member's primary unit contributions; or
 - A transfer of membership to Gold State Super and retention of their transferred service entitlements.
- ii) **Provident Scheme** – same vesting rights as the Pension Scheme except for redundancy:
 - Subsidised Provident members made redundant do not have the right to a deferred pension; and
 - Non-subsidised Provident members made redundant do not have the right to a deferred pension or State Government subsidy.
- iii) **Gold State Super, West State Super, Retirement Income Pension (Allocated Pension and Transition to Retirement Pension), Retirement Income Term Allocated Pension and GESB Super** – full vesting from inception.

(r) Reserves

The Fund maintains an Operational Risk, Accumulation General and WSS Government Guaranteed Payment Reserve in accordance with the Fund's Reserving Strategy and are held at a Fund level. The purpose of these reserves is set out in Note 14.

(s) Securities lending

Securities lending transactions are usually collateralised by securities or cash. The loaned securities are only derecognised from the Statement of Financial Position if the risks and rewards of ownership are transferred.

Where non-cash securities are received as collateral for the loan of securities and GESB does not have the risks and rewards of ownership of the collateral securities, the collateral securities are not recognised on the balance sheet. GESB is unable to use, sell or pledge the collateral securities for the duration of the transaction. Cash received as collateral is recorded as a financial liability.

For all collateral received, in the event of default realised collateral values may be lower than the value of the loaned securities as at the reporting date.

In the event of a counterparty default, GESB has the right to:

- acquire identical securities which had been lent to the defaulting counterparty;
- liquidate and apply the received collateral to the payment of:
 - i) the price paid to acquire the identical securities lent;
 - ii) any other obligations GESB may have incurred in relation to the lent securities; and
 - iii) all reasonable related expenses; and
- either pay the borrower any amounts remaining, or demand from the borrower any amounts due and owing.

(t) Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Fair value of investments

When the fair values of the investments recorded in the Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow model ('DCF model'). The inputs in these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required to establish fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility as set out in Note 25.

Changes in assumptions about these factors could affect the reported fair value of these investments.

Expenditure commitments

The Fund has entered into an outsourcing arrangement for the provision of administration services as set out in Note 28. This arrangement is a services agreement as all the significant risks and rewards of ownership of related assets are retained by the MUFG Retirement Solutions.

Assessment as investment entity

Entities that meet the definition of an investment entity within AASB 10 are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purposes of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Fund's objective is to provide services to members which include investing in equities, fixed income securities and private equity for the purposes of returns in the form of investment income and capital appreciation.

The Fund reports to its members via an annual report, and to its management, via internal management reports, on a fair value basis to the extent allowed by AASB 1056. The Fund has a clearly documented exit strategy for all of its investments.

Management has also concluded that the Fund meets the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties.

Management has therefore concluded that the Fund meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

Valuation of defined benefits member liabilities

The amount of member liabilities in relation to defined benefits has been determined using actuarial valuation techniques and assumptions. An actuarial valuation involves making various assumptions about the future. Actual developments in the future may differ from these assumptions. The assumptions include member turnover, future investment returns, pension indexation rates, mortality rates and future salary increases. Due to the complexities involved in the valuation and its long-term nature, defined benefit member liabilities are highly sensitive to changes in these assumptions. Assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, the Fund's actuary considers an investment portfolio that reflects the opportunities reasonably available to the Fund in the investment markets, and also reflects the Fund's actual investments and investment strategy in respect of defined benefit member liabilities.

The mortality assumption is based on publicly available mortality tables. Future salary increases are based on the Wage Price Index produced by the Australian Bureau of Statistics and in consultation with the employer-sponsors as set out in Note 4.

Note 2: Scheme information

The Fund's activities are governed by the *State Superannuation Act 2000* and under this Act, it manages the following superannuation schemes:

Pension Scheme – was the Government's original superannuation scheme and has been closed to new members since August 1986. It provides a salary-linked unit-based pension for retiring members. This scheme is an untaxed scheme.

Provident Account – is a lump sum scheme for persons who were not eligible to join the Pension Scheme. This scheme was also closed to new members in August 1986. For scheme reporting purposes the Provident Account is included with the Pension Scheme. This scheme is an untaxed scheme.

Gold State Super – is a defined benefit, lump sum superannuation scheme that has been closed to new members since December 1995. This scheme is an untaxed scheme.

West State Super – is a market-linked, accumulation superannuation scheme established to comply with the provisions of the *Commonwealth Superannuation Guarantee (Administration) Act 1992*. Within the scheme there are certain members entitled to a Minimum Benefit Guarantee amount. These members are classified as having a defined benefit interest. It has been closed to new members since April 2007. This scheme is an untaxed scheme.

GESB Super – is a market-linked, taxed, accumulation superannuation scheme which also includes GESB Super (Retirement Access). GESB Super has been open to new employees of the State Government since April 2007.

Retirement Income Pension – has been open to new members since April 2003 and can be categorised as:

- (i) **Retirement Income Allocated Pension** – is an allocated pension that enables retiring members to keep their funds with GESB in a concessional tax environment, while receiving flexible periodic payments. Members are able to make lump sum withdrawals and no maximum amount applies; and
- (ii) **Transition to Retirement Pension** – is a 'transition to retirement income stream' that enables those members who want to access their superannuation as an income stream whilst still working. Effective from 1 July 2017, members cannot make lump sum withdrawals and the amount of withdrawals is limited to 10% of the members' account balance per annum. To be eligible to open a Transition to Retirement Pension account, the members must have reached the Commonwealth preservation age.

Retirement Income Term Allocated Pension – is a market-linked income stream similar to an allocated pension but with restricted redemption options and qualifies as a complying pension for tax and social security purposes. It has been closed to new members since September 2007.

Note 3: Defined contribution member liabilities

Defined contribution member account balances are determined by unit prices that are based on the underlying investment movements.

Defined contribution members bear the investment risk relating to the underlying assets and unit prices used to measure defined contribution member liabilities. Unit prices are updated daily on a working day.

At 30 June 2025, all net assets attributable to defined contribution members have been allocated to those members (2024: nil unallocated).

Refer to Note 25 for the Fund's management of the investment market risks.

Defined contribution member liabilities are fully vested as at 30 June 2025 and 30 June 2024.

Liability for accrued benefits

The liability for accrued benefits is the Fund's present obligation to pay benefits to members and beneficiaries arising from membership of the Fund up to the reporting date. For the defined contribution schemes, the liability has been calculated as the difference between the carrying amounts of the assets and the carrying amounts of the non-interest-bearing liabilities as at reporting date.

Details of this liability are set out below:

	2025 \$'000	2024 \$'000
West State Super	22,053,521	20,480,550
GESB Super	10,365,125	8,741,053
Retirement Income	7,638,534	6,808,828
Term Allocated Pension	11,842	12,802
Total	40,069,022	36,043,233

Vested benefits

Vested benefits are benefits which are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their Fund membership as at the reporting date.

The following is the value of vested benefits:

	2025 \$'000	2024 \$'000
West State Super	22,053,521	20,480,550
GESB Super	10,365,125	8,741,053
Retirement Income	7,638,534	6,808,828
Term Allocated Pension	11,842	12,802
Total	40,069,022	36,043,233

Note 4: Defined benefit member liabilities

The Fund engages a qualified actuary on an annual basis to measure the defined benefit member liabilities. The actuarial valuation of member liabilities reflects the actuarial assessment of the benefits accrued up to the reporting date and payable to members on retirement, resignation, death and disability.

The key assumptions used to determine the values of accrued benefits for the Fund were:

	2025	2024
Future investment return (net of investment fees and taxes)	6.25% p.a.	6.0% p.a.
Future salary increase	3.5% p.a.	3.5% p.a.
Future Perth CPI increase*	Pension Scheme 3.0% p.a. for the first year, 2.5% p.a. thereafter Gold State Super 2.8% p.a. for the first year, 2.5% p.a. thereafter	Pension Scheme 3.0% p.a. for the first year, 2.5% p.a. thereafter Gold State Super 3.4% p.a. for the first year, 2.5% p.a. thereafter

* Different short-term assumptions have been applied to Gold State Super and Pension Scheme to reflect the timing of indexation of benefits and known Consumer Price Index ('CPI') experience to March 2025

The defined benefit member liabilities have changed in the current financial year as a result of additional benefit accrual, benefit payments, interest cost, and gains and losses relative to the actuarial assumptions adopted (e.g. salary and pension increases, type and timing of benefit payments).

The Fund has a number of steps in place to manage the risks associated with the defined benefit schemes. The Fund has appointed an external consulting actuary to advise on the risks, including establishing suitable funding objectives. These funding objectives and the defined benefit scheme's circumstances are taken into account by the actuary when recommending the required employer contribution levels.

The Fund's actuary also uses sensitivity analysis to monitor the potential impact of changes to key variables about which assumptions need to be made. The Fund's actuary has identified three assumptions (being the discount rate, the rate of salary adjustment and general price inflation) for which changes are reasonably possible that would have a significant impact on the amount of the defined benefit member liabilities:

- (i) The assumed discount rate has been determined by reference to investment returns expected on an investment portfolio that reflects the opportunities reasonably available to the Fund in the investment markets, and also reflects the Fund's actual investments and investment strategy in respect of defined benefit member liabilities;
- (ii) The assumed annual salary adjustment has been determined based on general economic forecasts and the experience of defined benefit members and allows for any promotional increases; and
- (iii) The assumed general price inflation has been determined based on general economic forecasts and implied underlying rates of inflation.

The other variables about which assumptions have been made in measuring defined benefit member liabilities and for which changes are not considered reasonably possible, or for which reasonably possible changes would not be expected to have a significant effect, include pension indexation rates, mortality rates and resignations.

The following are sensitivity calculations on a univariate basis and based on reasonably possible changes for the investment return, rate of salary and Consumer Price Index ('CPI') adjustment assumptions for the defined benefit schemes in aggregate:

Assumption		Assumed at reporting date	Reasonably possible change	Increase/(decrease) in member benefit liabilities \$'000
Investment return	2025:	6.25% p.a.	+1.0% / -1.0%	(366,455) / 413,964
	2024:	6.0% p.a.	+1.0% / -1.0%	(319,492) / 356,600
Salary increase	2025:	3.5% p.a.	+1.0% / -1.0%	56,762 / (53,297)
	2024:	3.5% p.a.	+1.0% / -1.0%	85,015 / (78,846)
Perth CPI increase	2025:	Pension Scheme 3.0% p.a. for the first year, 2.5% p.a. thereafter	+1.0% / -1.0%	318,532 / (288,929)
	2024:	Gold State Super 2.8% p.a. for the first year, 2.5% p.a. thereafter Pension Scheme 3.0% p.a. for the first year, 2.5% p.a. thereafter Gold State Super 3.4% p.a. for the first year, 2.5% p.a. thereafter	+1.0% / -1.0%	234,913 / (213,006)

Liability for accrued benefits

For the defined benefit schemes, the liability is measured as the present value amount based on a portfolio of investments that would be needed as at the reporting date to yield future net cash inflows that would meet accrued benefits when they are expected to fall due.

The gross accrued benefits amount stated below has been determined by adding the liability for accrued benefits related to funded liabilities and unfunded liabilities in respect of completed membership.

	Gross accrued benefits		Accrued benefits related to funded liabilities		Accrued benefits related to unfunded liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Pension Scheme	1,112,588	1,254,299	54,712	61,030	1,057,876	1,193,269
Gold State Super	3,061,451	3,882,431	1,934,227	2,119,139	1,127,224	1,763,292
Total	4,174,039	5,136,730	1,988,939	2,180,169	2,185,100	2,956,561

Vested benefits

Vested benefits are benefits which are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their Fund membership as at the reporting date.

The levels of vested benefits, as calculated by the Fund's actuary are as follows. The gross vested benefits amount stated below has been determined by adding the liability for vested benefits related to funded liabilities and unfunded liabilities.

	Gross vested benefits		Vested benefits related to funded liabilities		Vested benefits related to unfunded liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Pension Scheme	1,151,762	1,286,429	54,712	61,030	1,097,050	1,225,399
Gold State Super	5,173,943	5,451,940	2,210,197	2,312,782	2,963,746	3,139,158
Total	6,325,705	6,738,369	2,264,909	2,373,812	4,060,796	4,364,557

Note 5: Defined benefit schemes that are over funded

	Note	2025 \$'000	2024 \$'000
Pension Scheme	A		
Accrued benefits related to funded liabilities		54,712	61,030
Net assets available for member benefits		(93,886)	(93,160)
Over funded amount for Pension Scheme		(39,174)	(32,130)
Gold State Super	B		
Accrued benefits related to funded liabilities		1,934,227	2,119,139
Net assets available for member benefits		(3,391,151)	(3,234,774)
Over funded amount for Gold State Super		(1,456,924)	(1,115,635)
Total over funded amount		(1,496,098)	(1,147,765)

In the opinion of the Fund's actuary, the overall financial position of the Fund has improved since the previous actuarial investigation as at 30 June 2025 primarily due to investment returns for the defined benefit schemes of 11.5% for the year being higher than the previously assumed returns of 6% per annum.

The combined funding percentage in respect of the funded liabilities for Gold State Super ('GSS') and Pension Scheme ('PS') has increased from 152.6% at 30 June 2024 to 175.2% of funded liabilities at 30 June 2025.

Note A – Pension Scheme

Pensions are indexed half-yearly by the Perth CPI and all indexation costs are met by appropriations from the Consolidated Account. The surplus of assets for the funded component in the PS must be made available to help meet pension indexation costs.

The Fund's actuary noted that the PS rules suggest that surplus assets should be used to finance future indexation of the pensions. The Fund's actuary also noted that the Board may wish to explore this option.

However, the Fund's actuary is not recommending any immediate change to the employer contributions in respect of the PS. The reason is that the PS is primarily a pay-as-you-go scheme and the assets represent a small proportion of the total projected liabilities.

The expenses incurred by the Fund in administering the PS are appropriated from the Consolidated Account.

Note B – Gold State Super

For funded employers, the cost of the employer-financed benefit is met at the time the member leaves service. Where the member has a deferred benefit, this means that an amount equal to the State Government Share cost of the benefit is paid into the Fund. This deferred benefit is then increased at the rate of Perth CPI plus 1% per annum until age 55, after which it increases by Perth CPI plus 2% per annum. As these increases are expected to be lower than the expected investment return, this arrangement is a potential source of surplus to GSS.

In the Fund's actuary's opinion, the financial position of GSS has further strengthened, with Scheme assets exceeding the funded share of accrued liabilities by 75.3%. Under the current investment strategy and contribution rate settings this position is expected to further strengthen in the future, as the number of members continues to reduce and the existing surplus is spread across a smaller number of members.

The term of the liabilities continues to reduce, with approximately 36% of the active membership and 64% of the deferred membership expected to retire in the next six years. The weighted average term of the defined benefit liabilities (funded and unfunded) is six years (a slight decrease from last year, but no change to rounded figures). Over the remaining life of the Scheme, it is expected that the term of the liabilities will continue to shorten and the proportion of liabilities linked to Perth CPI (rather than salary inflation) will continue to increase. The very strong financial position enables the Board to consider a number of options for the future funding of the Scheme. The funds' actuary recommended the Board discuss these options with Treasury.

Note 6: Guaranteed benefits

The payment of benefits to members or their beneficiaries of the Pension Scheme ('PS'), Gold State Super, West State Super, GESB Super, Retirement Income Pension (Allocated Pension and Transition to Retirement Pension) and Retirement Income Term Allocated Pension is guaranteed by the State Government under Section 31 of the *State Superannuation Act 2000*.

Benefits paid to members and beneficiaries of the PS are guaranteed to the extent that Sections 30, 46, 62 and 83AA of the *Superannuation and Family Benefits Act 1938* (continued under Section 26 (Transitional and Consequential Provisions) of the *State Superannuation Act 2000*) provide for the State Government to pay the required employer share of benefits. The Consolidated Account is permanently appropriated for the purpose of meeting the State Government's obligations.

Note 7: Employer funding arrangement

The funding policy adopted by the government in respect of the Fund is directed at ensuring that benefits accruing to members and beneficiaries are fully funded at the time benefits become payable. As such, the Fund's actuary has considered long-term trends in such factors as scheme membership, salary growth and average market value of Fund assets when advising the government on employer and employee contribution rates. The employer funding arrangements under the *State Superannuation Act 2000* (Gold State Super ('GSS'), West State Super ('WSS') and GESB Super) and the *Superannuation and Family Benefits Act 1938* (Pension Scheme ('PS')) are summarised below.

(a) Pension Scheme

The level of pension payable is determined by the number of units purchased, the length of service and the final salary of the member. The employer liability is funded only on the emergence of a member's pension benefit entitlement and is recouped fortnightly following the payment of each pension.

(b) Gold State Super

Those employers listed in Division 2 of Schedule 1 of the *State Superannuation Regulations 2001* are required under Regulations 29 and 30 to make concurrent employer contributions direct to the Fund in respect of contributory members who are their employees.

The remaining employers, as listed under Division 1 of Schedule 1 of the *State Superannuation Regulations 2001*, are not required to make concurrent contributions. It is Government policy that these employer liabilities be met from the Consolidated Account at the time that the benefits become payable to members. In this case, contributions are unfunded but notional contributions are placed in departmental budgets so that the superannuation component is accurately reflected in an agency's financial statements. The agency forwards the notional GSS contribution to Government Employees Superannuation Board ('GESB') and these are credited directly to a Department of Treasury bank account.

During the reporting period, the employer contribution rate for contributory members was 15% (2024: 15%) of a member's salary, based on a 5.0% member contribution. The employer contribution rate is proportionately less or more where members elect for a contribution rate of 3%, 4%, 6% or 7% of salary. The Consolidated Account liability for the reporting period was assessed at 49.3% (2024: 73.6%), net of administration fee, of the contributory service benefit and is payable at the time payment is made to the member.

In respect of those members who transferred their membership from the PS, the employer liability in relation to service or period of employment constituted as service for the purposes of the *Superannuation and Family Benefits Act 1938*, is calculated at a rate of 12% of final average salary for each year of such service, based upon a 5% member's average contribution rate to the scheme (this rate is proportionately less where a member's average contribution rate is less than 5%). This employer liability becomes payable on payment (Division 1, Schedule 1 Employers) or the emergence (Division 2, Schedule 1 Employers) of the benefit to the member.

(c) West State Super

The employer contribution rate payable is determined under State Government legislation and is currently 11.5% (2024: 11%). The rate has increased to 12% on 1 July 2025.

(d) GESB Super

The employer contribution rate payable is determined under State Government legislation and is currently 11.5% (2024: 11%). The rate has increased to 12% on 1 July 2025.

Note 8: Investments and derivatives

(a) Fair value hierarchy

The table below set outs the level of fair value hierarchy as outlined in Note 1(d) within which the fair value measurements of the Fund's investments and derivatives are categorised:

30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment assets				
Cash and term deposits	5,097,210	-	-	5,097,210
Australian equities:				
Listed equity securities	7,487,211	-	1,276	7,488,487
International equities:				
Listed international equity securities	13,830,106	-	4,411	13,834,517
Listed international preferred securities	2,906	-	150	3,056
Units in unit trusts:				
Listed unit trusts	759,092	-	-	759,092
Unlisted unit trusts	-	3,392,547	2,183,943	5,576,490
Limited partnerships	-	57,739	603,525	661,264
Other interest-bearing securities:				
Asset-backed securities	-	377,496	6,500	383,996
Bank loans	-	210,767	4,171	214,938
Commercial paper	-	49,416	-	49,416
Fixed interest bonds	-	7,165,975	531	7,166,506
Indexed bonds	-	82,913	-	82,913
Mortgage-backed securities	-	1,164,122	-	1,164,122
Loaned securities	596,927	762,931	-	1,359,858
Derivative assets				
Futures	-	17,640	-	17,640
Options	4,628	3,918	-	8,546
Swaps	-	41,189	-	41,189
Forwards	-	281,207	-	281,207
Warrants	-	-	-	-
Derivative liabilities				
Futures	-	(7,302)	-	(7,302)
Options	(2,884)	(3,244)	-	(6,128)
Swaps	-	(38,858)	-	(38,858)
Forwards	-	(151,329)	-	(151,329)
Total investments and derivatives	27,775,196	13,407,127	2,804,507	43,986,830

30 June 2024

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investment assets				
Cash and term deposits	4,402,966	-	-	4,402,966
Australian equities:				
Listed equity securities	6,888,016	-	4,576	6,892,592
International equities:				
Listed international equity securities	13,097,937	14	371	13,098,322
Listed international preferred securities	8,521	-	-	8,521
Units in unit trusts:				
Listed unit trusts	586,132	-	-	586,132
Unlisted unit trusts	-	3,010,012	2,077,060	5,087,072
Limited partnerships	-	38,369	558,971	597,340
Other interest-bearing securities:				
Asset-backed securities	-	437,567	749	438,316
Bank loans	-	133,532	7,970	141,502
Commercial paper	-	46,053	-	46,053
Fixed interest bonds	-	6,971,308	792	6,972,100
Indexed bonds	-	90,123	-	90,123
Mortgage-backed securities	-	1,138,766	-	1,138,766
Derivative assets				
Futures	-	11,787	-	11,787
Options	3,958	2,469	-	6,427
Swaps	-	56,134	-	56,134
Forwards	-	200,307	-	200,307
Warrants	88	-	-	88
Derivative liabilities				
Futures	-	(10,302)	-	(10,302)
Options	(21)	(2,637)	-	(2,658)
Swaps	-	(50,145)	-	(50,145)
Forwards	-	(39,595)	-	(39,595)
Total investments and derivatives	24,987,597	12,033,762	2,650,489	39,671,848

Valuation technique

The pricing for the majority of the Fund's investments is generally sourced from independent pricing sources, the relevant investment managers or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets (e.g. recognised stock exchanges) and therefore classified within level 1, include active listed equities and exchange-traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The level 2 instruments include unlisted managed investment schemes, investment-grade corporate bonds and over-the-counter derivatives.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. Level 3 instruments include certain unlisted unit trusts, limited partnership and equities securities that are suspended, delisted or stale. As observable prices are not available for these securities, the Fund has used valuation techniques to derive fair value.

Level 2 investments could include those that are not traded in active markets and/or are subject to transfer restrictions (e.g. redemption restrictions). Valuations for these investments may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. Typically, prices of units in unlisted managed investment schemes that are either published on the investment manager's website and/or circulated among market participants as executable quotes are categorised as level 2.

There were no changes in valuation techniques during the year.

Valuation process for Level 3 valuations

Level 3 instruments include units in unit trusts and equities securities that are suspended, delisted or stale that are not based on market inputs or in an inactive/illiquid market and which are valued using models and internal data. Level 3 investments may be adjusted to reflect illiquidity and/or restrictions, however, the adjustments are not based on available market information. Level 3 instruments also include those that have a stale price, that is, where the pricing for a particular security has remained static for an extended period of time. Level 3 valuations are reviewed by the relevant investment managers. The investment manager considers the appropriateness of the valuation inputs, methods and techniques used in the valuations. The valuation inputs are generally sourced from independent third party pricing sources without adjustment, such as stock exchanges, pricing agencies and/or fund managers. Where the inputs are considered stale, unobservable, proprietary or from an inactive market, they are categorised as level 3.

There were no changes in valuation techniques during the year.

Quantitative information of significant unobservable inputs – Level 3:

Description		\$'000*	Valuation technique	Significant unobservable inputs	Range (weighted average)
Australian equities**	2025 : 2024 :	1,276 4,576	Adjusted last traded price	Last traded price	2025 : 0% - 100% (50%) 2024 : 0% - 100% (50%)
International equities**	2025 : 2024 :	4,561 371	Adjusted last traded price	Last traded price	2025 : 0% - 100% (50%) 2024 : 0% - 100% (50%)
Units in unit trusts	2025 : 2024 :	2,787,468 2,636,031	Net asset value	Net asset value	2025 : 0% - 10% (5%) 2024 : 0% - 10% (5%)
Other interest-bearing securities	2025 : 2024 :	11,202 9,511	Adjusted last traded price	Last traded price	2025 : 0% - 100% (50%) 2024 : 0% - 100% (50%)

* The fair value would increase/decrease if significant unobservable inputs increase/decrease.

** Listed equities are included due to the equities having been suspended from trading on their relative stock markets. The price used is the last available price, prior to suspension. Due to the time that has elapsed since suspension, these prices are considered stale.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 hierarchy – Level 3:

Description	Input	Sensitivity used*	Effect on fair value \$'000
Australian equities	Last traded price and the adjustment	100% 100%	2025 : 1,276 / (1,276) 2024 : 4,576 / (4,576)
International equities	Last traded price and the adjustment	100% 100%	2025 : 4,561 / (4,561) 2024 : 371 / (371)
Units in unit trusts Limited partnerships	Net asset value	5% 5%	2025 : 139,373 / (139,373) 2024 : 131,802 / (131,802)
Other interest-bearing securities	Last traded price and the adjustment	100% 100%	2025 : 11,202 / (11,202) 2024 : 9,511 / (9,511)

* The sensitivity analysis refers to a percentage amount added or deducted from the input and the effect this has on the fair value.

(b) Level 3 reconciliation

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

30 June 2025	Australian equities \$'000	International equities \$'000	Units in unit trusts \$'000	Interest-bearing securities \$'000	Other Total \$'000
Opening balance	4,576	371	2,636,031	9,511	2,650,489
Total realised/unrealised gains and losses	(1,354)	1,915	125,254	(8,210)	117,605
Purchases	629	2,134	74,054	-	76,817
Sales	(2,575)	(9)	(48,074)	(277)	(50,935)
Transfers into Level 3	-	150	203	10,178	10,531
Transfers out of Level 3	-	-	-	-	-
Closing balance	1,276	4,561	2,787,468	11,202	2,804,507

30 June 2024	Australian equities \$'000	International equities \$'000	Units in unit trusts \$'000	Interest-bearing securities \$'000	Other Total \$'000
Opening balance	635	593	2,526,921	9,041	2,537,190
Total realised/unrealised gains and losses	(3)	898	(94,028)	(228)	(93,361)
Purchases	-	-	254,504	1,129	255,633
Sales	-	(1,133)	(51,366)	(9,311)	(61,810)
Transfers into Level 3	3,944	13	-	8,880	12,837
Transfers out of Level 3	-	-	-	-	-
Closing balance	4,576	371	2,636,031	9,511	2,650,489

Gains or losses are presented in the change in assets measured at fair value through the Income Statement as follows:

30 June 2025	Australian equities \$'000	International equities \$'000	Units in unit trusts \$'000	Interest-bearing securities \$'000	Other Total \$'000
Total gains/(losses) recognised in the Income Statement for the period	(1,354)	1,915	125,254	(8,210)	117,605
Total gains/(losses) recognised in the Income Statement for the period for assets held at the end of the reporting period	(1,354)	1,915	125,254	(8,210)	117,605

30 June 2024	Australian equities \$'000	International equities \$'000	Units in unit trusts \$'000	Interest-bearing securities \$'000	Other Total \$'000
Total gains/(losses) recognised in the Income Statement for the period	(3)	898	(94,028)	(228)	(93,361)
Total gains/(losses) recognised in the Income Statement for the period for assets held at the end of the reporting period	(3)	898	(94,028)	(228)	(93,361)

(c) Transfer between hierarchy levels

The Fund recognises transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. The transfers between levels are shown in the table below:

30 June 2025	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between Level 1 and Level 3:			
Equity securities:			
International listed securities	(150)	-	150
Transfers between Level 2 and Level 3:			
Units in unit trusts:			
Unlisted limited partnerships unit trusts	-	(203)	203
Other interest-bearing securities:			
Asset-backed securities	-	(6,500)	6,500
Bank loans	-	(3,678)	3,678

30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Transfers between Level 2 and Level 3:			
Equity securities:			
Australian listed securities	-	(3,944)	3,944
International listed securities	-	(13)	13
Other interest-bearing securities:			
Asset-backed securities	-	(749)	749
Bank loans	-	(7,339)	7,339
Corporate bonds	-	(792)	792

(d) Securites lent and assets held as collateral

During its normal course of business, GESB lends securities in accordance with its contractual agreements with borrowers. The accounting policies pertaining to the treatment of these transactions are explained in Note 1(s).

Securities lent

The following table summarises the assets lent and reclassified as loaned securities as the counterparty has the right to sell or re-pledge the securities:

	2025 \$'000	2024 \$'000
Securities lent	1,359,858	-
Total securities lent	1,359,858	-

The securities lent have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition.

Securities lent under securities lending arrangement

	2025 \$'000	2024 \$'000
Australian equities	58,587	-
International equities	537,650	-
Units in unit trusts	690	-
Other interest-bearing securities	762,931	-
Total securities lent	1,359,858	-

Assets held as collateral

As part of the securities lending arrangement, collateral of \$1.448 billion has been pledged by the borrowers. GESB has not received any cash as collateral for securities lent, but rather all collateral is non-cash in nature. Non-cash collateral primarily relates to Australian and international equities, and Australian and international government bonds and treasury notes.

Per the terms of the securities lending agreement and for the total duration of time that securities are lent, borrowers are required to maintain a value of securities received as collateral greater than the fair value of the loaned securities.

Non-cash collateral received has not been recorded on GESB's Statement of Financial Position as the recognition requirements of AASB 9 have not been satisfied.

Note 9: Receivables

	2025 \$'000	2024 \$'000
Recoverable within 12 months		
Investment		
Interest receivable	131,410	115,674
Investment income receivable	54,243	55,948
Other investment receivable	118,540	133,537
Pension Scheme		
Recoup State's share of pensions	3,556	3,210
Gold State Super		
Employer contributions receivable	7,746	7,374
Contributions in arrears	1,055	1,317
West State Super		
Insurance benefits recoverable	-	76
Others		
Administration fees recoverable from Treasury	624	652
GST receivable	290	224
Prepayments	1,080	209
Other debtors	6,173	7,120
Total	324,717	325,341

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Information regarding credit risk exposure is set out in Note 25.

Note 10: Employer-sponsor receivables

Section 31 of the *State Superannuation Act 2000* provides a statutory guarantee for any shortfall of the defined benefit member liabilities that are administered by the Fund. The State Government is the employer sponsor for any unfunded member benefits and has a statutory obligation to pay the benefits when they fall due. The guarantee set out in Section 31 is unconditional and unlimited in its terms.

The amount due and receivable from the employer sponsor as at the reporting date is as below:

	2025 \$'000	2024 \$'000
Current		
Pension Scheme	134,736	140,948
Gold State Super	223,375	454,383
Sub total	358,111	595,331
Non-Current		
Pension Scheme	923,140	1,052,321
Gold State Super	903,848	1,308,909
Sub total	1,826,988	2,361,230
Total	2,185,099	2,956,561

Note 11: Payables

	2025 \$'000	2024 \$'000
Due within 12 months		
Investment		
Investments payable	136,128	105,410
Management fees payable	47,901	59,229
GESB Super		
Insurance premiums payable	7,773	7,243
Gold State Super		
Contributions in advance	833	916
West State Super		
Insurance benefits payable	61	-
Insurance premiums payable	7,877	8,128
Pension and Retirement Scheme		
Pension benefits due and payable	3,704	3,344
Retirement income benefits due and payable	815	1,775
Others		
Benefits due and payable	11,011	13,254
PAYG withholding tax	602	1,181
Superannuation surcharge liability	454	797
Other payables and accruals	5,914	4,997
Total	223,073	206,274

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in Note 25.

Note 12: Provision for employee benefits

The provision for employee benefits for long service leave and annual leave has been calculated in accordance with the provisions of the Accounting Standard *AASB 119 Employee Benefits*.

The value of leave benefits has been estimated as described in the table below.

	2025 \$'000	2024 \$'000
Current		
Long-service leave	937	825
Annual leave	888	799
Sub total	1,825	1,624
Non-Current		
Long-service leave	959	718
Sub total	959	718
Total employee benefits	2,784	2,342
Number of employees (head count)	84	76

The split between current and non-current liabilities has been determined in accordance with the Accounting Standard *AASB 101 Presentation of Financial Statements*. All unconditional leave entitlements as at reporting date plus any entitlement becoming unconditional within 12 months of that date have been classified as a current liability.

Note 13: Provision for post-employment benefits

The defined benefit obligation is being valued by a qualified actuary on an annual basis. The changes of present value in the defined benefit obligations are as follows:

	Pension Scheme		Gold State Super	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Present value at beginning of the year	611	662	-	-
(+) Interest cost	25	22	-	-
(+) Actuarial (gains)/losses	(2)	(7)	-	-
(-) Benefits paid	(66)	(66)	-	-
Present value at end of the year	568	611	-	-

The nature of benefits provided by the Fund are:

- (i) **Pension Scheme** - The employer-financed benefit is a pension benefit payable on retirement, death or invalidity, or a lump sum benefit on resignation; and
- (ii) **Gold State Super (transferred benefits)** - Some former Pension Scheme members have transferred to Gold State Super. In respect of their transferred benefit the members receive a lump sum benefit at retirement, death or invalidity which is related to their salary during their employment and indexed during any deferral period after leaving public sector employment.

Note 14: Reserves

	2025 \$'000	2024 \$'000
Accumulation General Reserve		
Opening balance	109,917	112,044
Contribution to/(drawdown from) reserve	776	(7,553)
Transfer between reserve	(4,910)	-
Investment performance	5,177	5,426
Closing balance	110,960	109,917
WSS¹ Government Guaranteed Payment Reserve		
Opening balance	40,891	40,773
Utilisation of reserve	(724)	(1,928)
Investment performance	1,947	2,046
Closing balance	42,114	40,891
Total Other Reserves	153,074	150,808
Operational Risk Reserve		
Opening balance	89,902	85,514
Transfer between reserve	4,910	-
Investment performance	4,486	4,388
Closing balance	99,298	89,902

¹ West State Super ('WSS').

Accumulation General Reserve

This reserve was established in the 2014 financial year to support the costs of strategic, system and operational development and ongoing Commonwealth superannuation reform that are relevant for the Accumulation and Retirement Product schemes.

The current Accumulation General Reserve represents approximately 0.27% (2024: 0.31%) of the net assets available for the accumulation schemes' member benefits (WSS, GESB Super and Retirement products).

WSS Government Guaranteed Payment Reserve

As of 31 January 2017, the Treasurer approved guidelines which merged the 'Minimum Benefit Guarantee Reserve' and 'Insurance Reserve', creating the 'WSS Government Guaranteed Payment Reserve'.

The Minimum Benefit Guarantee Reserve arose from the guarantee provided to WSS members in respect of their balance as at 30 June 2001 indexed by CPI plus 2%.

The Insurance Reserve had been established for eligible WSS members prior to 1 July 2008. The reserve covered the self-insured Permanent Partial Disability insurance claims and the run-off in respect of pre-existing conditions for WSS members that are continuing to be provided by GESB.

In the Fund's actuary's opinion, the WSS Government Guaranteed Payment Reserve is expected to be sufficient to meet all future payments in respect of the minimum benefit guarantee and the death and disability claims that are not covered by external insurance. However, the Fund's actuary recommended that the Fund continue to monitor the emerging self-insured claims experience, particularly in relation to 'top up' payments, and investigate the possibility of maintaining additional data to assist in the quantification of this risk.

Operational Risk Reserve

The Operational Risk Reserve provides the Fund with access to funds to protect members' interests and mitigate the impact of an adverse event. Transfers in and out of the reserve are made in accordance with GESB's Reserving Strategy for GES Fund Reserves.

The current level of this reserve represents the contributions made to this reserve from the accumulation schemes since 30 June 2009. It also includes all relevant investment returns.

The current Operational Risk Reserve represents approximately 0.25% (2024: 0.25%) of the net assets available for the accumulation schemes' member benefits (WSS, GESB Super and Retirement products).

Note 15: Income tax

(a) Major components of income tax expenses

	2025 \$'000	2024 \$'000
Income statement		
Current tax expense	1,304	(5,244)
Adjustment to the current tax for prior periods	3,263	(1,051)
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	88,052	76,165
Adjustment to the deferred tax for prior periods	-	-
Total income tax expense as reported in the Income Statement	92,619	69,870

(b) Reconciliation between income tax expenses and the net result before income tax

	2025 \$'000	2024 \$'000
Net result before income tax	1,224,023	599,263
Adjustments:		
Related to constitutionally protected schemes	590,633	779,454
Related to reserves	(12,387)	(4,309)
Total net result related to GESB Super and Retirement schemes	1,802,269	1,374,408
Income tax calculated at 15%	270,340	206,161
Tax effect of expenses that are not deductible in determining taxable income:		
Non-deductible expenses	1,357	1,174
Tax effect of income that is not assessable in determining taxable income:		
Income from managed portfolio	(92,647)	(50,909)
Tax credit and offsets	(42,585)	(42,164)
Exempt current pension income	(38,561)	(35,388)
Other items	(21)	(15)
Tax effect of other adjustments:		
Other deductions	(8,527)	(7,938)
Current tax for prior year	3,263	(1,051)
Deferred tax for prior year	-	-
Income tax expense	92,619	69,870

(c) Recognised tax assets and liabilities

	2025 \$'000		2024 \$'000	
	Current Tax	Deferred Tax	Current Tax	Deferred Tax
Opening balance	(25,373)	(225,943)	42,806	(149,778)
Charged to income	(4,567)	(88,052)	6,295	(76,165)
Charged to changes in member benefits	(304,071)		(247,506)	
Other payments / (refunds)	(538)		(33,579)	
Income tax paid on contributions received	269,707		206,611	
Closing balance	(64,842)	(313,995)	(25,373)	(225,943)
Deferred tax asset at 30 June related to the following:				
Realised capital losses		-		-
Net unrealised revenue losses		-		37
Closing balance		-		37
Deferred tax liability at 30 June related to the following:				
Unrealised capital gain		(302,994)		(221,260)
Accrued income		(2,123)		(2,148)
Net unrealised revenue gains		(8,878)		(2,572)
Closing balance		(313,995)		(225,980)
Net deferred tax liability at 30 June		(313,995)		(225,943)

The Fund offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities.

Note 16: Investment income and expenses

30 June 2025	Interest income/(expense) \$'000	Dividend income/(expense) \$'000	Distribution income \$'000	Other investment income \$'000	Changes in fair value \$'000	Total \$'000
Investment income						
Cash and term deposits	177,562	-	-	8,323	53,973	239,858
Australian equities	-	258,559	-	-	692,392	950,951
International equities	-	277,691	-	-	2,093,193	2,370,884
Units in unit trusts:						
Listed unit trusts	-	-	27,060	-	63,914	90,974
Unlisted unit trusts	-	-	213,028	-	216,989	430,017
Limited partnerships	-	-	4,302	-	43,656	47,958
Other interest-bearing securities:						
Asset-backed securities	27,178	-	-	-	11,161	38,339
Bank loans	14,888	-	-	-	2,649	17,537
Commercial paper	3,784	-	-	-	2,091	5,875
Fixed interest bonds	304,069	283	-	-	367,568	671,920
Indexed bonds	625	-	-	-	10,135	10,760
Mortgage-backed securities	61,798	-	-	-	22,609	84,407
Derivatives	-	-	-	-	(590,736)	(590,736)
Total investment income/(losses)*	589,904	536,533	244,390	8,323	2,989,594	4,368,744
Investment expenses						
External fund management base fees						63,461
External fund management performance fees						24,999
Custodial fees						6,930
Investment administration costs						6,849
Total investment expenses						102,239
Net investment income						4,266,505

30 June 2024	Interest income \$'000	Dividend income \$'000	Distribution income \$'000	Other investment income \$'000	Changes in fair value \$'000	Total \$'000
Investment income						
Cash and term deposits	169,527	-	-	5,627	45,839	220,993
Australian equities	-	245,568	-	-	491,935	737,503
International equities	-	257,145	-	-	1,771,304	2,028,449
Units in unit trusts:						
Listed unit trusts	-	(3)	22,254	-	69,584	91,835
Unlisted unit trusts	-	-	97,652	-	27,880	125,532
Limited partnerships	-	-	7,256	-	102,448	109,704
Other interest-bearing securities:						
Asset-backed securities	36,012	-	-	-	17,902	53,914
Bank loans	15,494	-	-	-	3,841	19,335
Commercial paper	(766)	-	-	-	7,345	6,579
Fixed interest bonds	237,291	(930)	-	-	1,205	237,566
Indexed bonds	515	-	-	-	568	1,083
Mortgage-backed securities	51,103	-	-	-	2,890	53,993
Derivatives	-	-	-	-	109,409	109,409
Total investment income/(losses)*	509,176	501,780	127,162	5,627	2,652,150	3,795,895
Investment expenses						
External fund management base fees						58,619
External fund management performance fees						36,498
Custodial fees						6,885
Investment administration costs						7,133
Total investment expenses						109,135
Net investment income						3,686,760

* Refer to Note 30(i) for explanation of variance between 2025 and 2024.

Note 17: Other income

	2025 \$'000	2024 \$'000
Administration expenses recovered	6,627	7,143
Other	86	712
Total other income	6,713	7,846

Note 18: Administration expenses

Details of administration expenses incurred by the Fund during the reporting period are set out below:

	Note	2025 Actual \$'000	2025 Budget \$'000	Variance actual to budget \$'000	%	2024 Actual \$'000	Variance actual to prior year actual \$'000	%
Outsourced administration costs		33,613	33,391	(222)	(1)	31,208	(2,405)	(8)
Employment expenses	(i)	13,182	13,758	576	4	11,798	(1,384)	(12)
Information technology costs	(ii)	1,891	2,701	810	30	2,094	203	10
Consultants	(iii)	163	100	(63)	(63)	142	(21)	(15)
Accommodation costs ¹		780	782	2	0	712	(68)	(10)
Professional fees:								
Actuarial fees		209	335	126	38	262	53	20
Audit fees - external		473	445	(28)	(6)	424	(49)	(12)
Audit fees - internal	(iv)	390	450	60	13	520	130	25
Legal and other fees	(v)	550	250	(300)	(120)	573	23	4
Postage, printing and record management		26	47	21	45	26	-	-
Product information and engagement		89	103	14	14	97	8	8
Other administration costs	(vi)	3,968	4,995	1,027	21	3,747	(221)	(6)
		55,334	57,357	2,023	4	51,603	(3,731)	(7)
Less:								
Investment administration costs		3,648	3,890	242	6	3,551	(97)	(3)
Total administration costs excluding depreciation and amortisation		51,686	53,467	1,781	3	48,052	(3,634)	(8)
Add:								
Depreciation and amortisation	(vii)	52	250	198	79	2,397	2,345	98
Total administration costs		51,738	53,717	1,979	4	50,449	(1,289)	(3)

¹ 2025 actuals include other accommodation costs (parking) of \$73k (2024: \$69k).

Notes on significant variances in administration expenses

In accordance with *Treasurer's Instruction 3 Financial Sustainability, Requirement 7 Explanatory Statement*, the following notes are provided where there is a 'major variance' between actual expenditure and budget or the prior year's actual.

'Major variance' is defined as a variance of greater than 10% and greater than a dollar aggregate of 1% of Total Administration Expenses and/or deemed significant in the context of the operations of the Fund. The dollar aggregate calculated from Total Administration Expenses is based on the budget or the prior period actual, as appropriate.

(i) Employment expenses

2024/25 Actual to Prior Year's Actual (increased expenditure \$1.38m).

The increased expenditure compared to prior year's actual is due to a planned increase in full-time equivalent (FTE) to support business activities across the organisation.

(ii) Information technology ('IT') costs

2024/25 Actual to Budget (decreased expenditure \$810k). 2024/25 Actual to Prior Year's Actual (decreased expenditure \$203k).

The decreased expenditure compared to 2024/25 budget and prior year's actual is due to underspend on IT specialist consultancy and IT general contractors.

(iii) Consultants

2024/25 Actual to Budget (increased expenditure \$63k). 2024/25 Actual to Prior Year's Actual (increased expenditure \$21k).

The increased expenditure compared to 2024/25 budget and prior year's actual is due to additional costs incurred for strategy consulting services and consulting support required for the insurance contract renewal.

(iv) Audit fees - internal

2024/25 Actual to Budget (decreased expenditure \$60k). 2024/25 Actual to Prior Year's Actual (decreased expenditure \$130k).

The decreased expenditure compared to 2024/25 budget is due to lower-than-expected audit fees. The decreased expenditure compared to prior year's actual is due to 2024/25 having spend more in line with expectations and the prior year having higher than expected spend.

(v) Legal and other fees

2024/25 Actual to Budget (increased expenditure \$300k).

The increased expenditure compared to 2024/25 budget is due to the need for additional legal support in relation to major contract negotiations.

(vi) Other administration costs

2024/25 Actual to Budget (decreased expenditure \$1.03m).

The decreased expenditure compared to 2024/25 budget is primarily due to contractor and staff expenses being lower than anticipated.

(vii) Depreciation and amortisation

Refer to Note 19.

Note 19: Depreciation and amortisation

	2025 \$'000	2024 \$'000
Depreciation		
Computer hardware	52	17
Total depreciation	52	17
Amortisation		
Computer software	-	2,380
Total amortisation	-	2,380
Total depreciation and amortisation	52	2,397

The straight-line method is used to calculate the depreciation and amortisation. Assets costing less than \$5,000 each are written off in the year of acquisition.

Note 20: Employee benefits expense

	2025 \$'000	2024 \$'000
Salaries	8,946	8,151
Superannuation - defined contribution plans	1,263	1,121
Superannuation - defined benefit plans	66	54
Long service leave ¹	593	324
Annual leave ¹	989	899
Other related expenses	1,325	1,249
Total employee benefits expense	13,182	11,798

¹ Includes an accrued payroll tax and superannuation contribution component.

Employment on-costs such as workers' compensation insurance is included within 'Other administration costs' in Note 18.

Note 21: Auditor's remuneration

The total fee paid or due and payable to the Auditor General for the financial years was as follows:

	2025 \$'000	2024 \$'000
Fees for auditing the financial statements, controls and key performance indicators	342	308

Note 22: Remuneration of senior officers

Position	Name	Period of employment	Remuneration	
			2025 \$	2024 \$
Chief Executive Officer	Benjamin Palmer ¹	04 Jul 2018 - Current	478,971	427,868
Chief Investment Officer	Paul Taylor ²	21 Jan 2019 - Current	388,098	396,914
Chief Finance Officer	Melissa Haddleton ³	01 Aug 2022 - Current	247,273	228,168
Chief Operating Officer	Karen Horne	03 Nov 2014 - 13 May 2024	-	282,674
Chief Corporate Services Officer	Anthony Cribb ³	16 Jan 2025 - Current	121,544	-
Chief Member Experience Officer	Kelly Smith ²	10 Mar 2025 - Current	110,539	-
Chief Strategy & Member Experience Officer	Natalie Skeggs ³	01 Feb 2022 - 05 Jan 2025	106,038	198,263
Total			1,452,463	1,533,887
Short-term employee benefits			1,267,345	1,344,463
Post-employment benefits			141,423	141,905
Other long-term benefits			43,695	47,519
Total remuneration of senior officers			1,452,463	1,533,887

¹ Benjamin Palmer was appointed as Chief Executive Officer of GESB under a contract of employment with the Public Sector Commissioner which applies in conjunction with, and subject to, the relevant provisions of the Public Sector Management Act 1994 and the Minimum Conditions of Employment Act 1993. This contract is for the period 4 July 2018 to 3 July 2021, which has since been renewed for a further period of 4 July 2021 to 3 July 2026. The remuneration of the Chief Executive Officer of GESB is set by the Salaries and Allowances Tribunal.

² These officers are appointed under Section 11(2) of the State Superannuation Act (2000).

³ Remuneration of these officers adheres to Public Sector Commission executive salary classifications.

"Senior Officer" represents a person, by whatever name called, who is concerned with or takes part in the management of the Fund, but excludes any person acting in such a position for a limited period.

Representation of remuneration adheres to the *Superannuation Industry Supervision Act 1993*.

The number of senior officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands are:

Remuneration band (\$)	2025	2024
\$100,001 - 110,000	1	-
\$110,001 - 120,000	1	-
\$120,001 - 130,000	1	-
\$190,001 - 200,000	-	1
\$220,001 - 230,000	-	1
\$240,001 - 250,000	1	-
\$280,001 - 290,000	-	1
\$380,001 - 390,000	1	-
\$390,001 - 400,000	-	1
\$420,001 - 430,000	-	1
\$470,001 - 480,000	1	-
Total	6	5

Note 23: Remuneration of members of the Board and Investment Committee

Government Employees Superannuation Board ('GESB') has determined the key management personnel include the Treasurer, Board members and senior officers of GESB. GESB is not obligated to compensate the Treasurer and therefore disclosures in relation to the Treasurer's compensation may be found in the Annual Report on State Finances.

Remuneration of members of the Board

Position	Name	Period of membership	Remuneration	
			2025 \$	2024 \$
Chair	Jo Gaines	19 Oct 2021 - Current	129,469	128,889
Employer Director	Virginia Christie ^{2,3}	01 Nov 2019 - 31 Oct 2025, 12 Nov 2025 - Current	65,081	68,951
Employer Director	Janice Jones ²	22 Mar 2022 - Current	69,262	68,951
Employer Director	Warren Bird	01 Nov 2022 - Current	69,262	68,951
Member Director	Anne Gisborne ¹	08 Feb 2017 - Current	74,920	74,584
Member Director	Bruce Hawkins ²	04 Jul 2018 - Current	69,262	68,951
Member Director	Janine Freeman	4 Apr 2022 - Current	69,262	68,951
Total			546,518	548,228
Short-term employee benefits			490,151	493,899
Post-employment benefits			56,367	54,329
Total remuneration of members of the Board			546,518	548,228

¹ The remuneration for this officer also incorporates a fee paid as Chair of the Audit and Risk Committee.

² These officers are also members of the Audit and Risk Committee but do not receive any further remuneration for their role.

³ There was a short break in service between terms for this officer.

All officers are also members of the Investment Committee and the remuneration included in the table above reflects this.

The number of Board members whose total fees, salaries and superannuation for the financial year fall within the following bands are:

Remuneration band (\$)	2025	2024
\$0 - 10,000	-	-
\$10,001 - 20,000	-	-
\$20,001 - 30,000	-	-
\$30,001 - 40,000	-	-
\$40,001 - 50,000	-	-
\$60,001 - 70,000	5	5
\$70,001 - 80,000	1	1
\$120,001 - 130,000	1	1
Total	7	7

Remuneration of members of the Investment Committee

Position	Name	Period of membership	Remuneration	
			2025 \$	2024 \$
Member	John Stroud	01 Oct 2018 - Current	13,581	13,520
Member	Simon Warner	05 Dec 2022 - 11 Aug 2023	-	1,872
Member	Michael Strachan	01 Nov 2023 - Current	13,581	8,684
Total			27,162	24,076
Short-term employee benefits			24,360	21,690
Post-employment benefits			2,802	2,386
Total remuneration of external members of the Investment Committee			27,162	24,076

The number of Investment Committee members whose total fees, salaries and superannuation for the financial year fall within the following bands are:

Remuneration band (\$)	2025	2024
\$0 - 10,000	-	2
\$10,001 - 20,000	2	1
Total	2	3

Note 24: Cash flow statement reconciliation

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2025 \$'000	2024 \$'000
Cash and cash equivalents	99,968	75,226

Reconciliation of net cash from operating activities to net result after income tax

	2025 \$'000	2024 \$'000
Net result after income tax	1,131,404	529,393
Adjustments for:		
Increase in assets measured at fair value	(2,989,594)	(2,652,150)
Increase in insurance	(44,739)	(37,325)
Increase in receivables	(13,250)	(32,014)
Depreciation and amortisation	52	2,397
(Decrease)/Increase in payables	(10,674)	28,768
Increase in income tax payable	93,157	103,449
Allocation to members' accounts	2,997,457	3,044,894
Net cash inflows from operating activities	1,163,813	987,412

Note 25: Financial risk management objectives and policies

The Fund's principal financial instruments comprise units in unit trusts, listed and unlisted equities, property assets and securities, fixed interest securities, cash and short-term deposits. The main purpose of these financial instruments is to generate a return on investment.

The Fund also enters into derivative transactions, principally in forward foreign exchange contracts, swaps, futures, options and warrants. The main purpose is to manage financial risks associated with the Fund's investment transactions, to hedge particular investment exposures or to generate returns. Investments in derivatives are not used to gear the Fund's investment portfolio, and are limited to the asset allocation limits for the underlying investment class.

The Fund also has various other financial instruments such as receivables and payables, which arise directly from its operations; these are mainly current in nature.

Risks arising from holding financial instruments are inherent in the Fund's activities, and are managed using a process of ongoing identification, measurement and monitoring. The main risks arising from the Fund's financial instruments are credit risk, market risk (other price risk, foreign currency risk, interest rate risk) and liquidity risk. The Fund establishes and reviews policies and investment parameters for managing these risks, which are summarised below.

(a) Risk management structure

GESB is responsible for the prudent management and investment of the assets of the Fund. To fulfil this statutory responsibility and meet its legal and fiduciary obligations, the Board has an integrated investment governance framework to govern its processes for formulating investment objectives, setting strategic asset allocations and developing appropriate investment strategies.

The Treasurer issues Prudential Guidelines for Investments to the Board incorporating the roles and responsibilities of both parties, investment objectives, asset allocation parameters, permitted investments and reporting obligations. These guidelines are subject to review annually.

An Investment Committee reports to and advises the Board about investment matters. The Committee draws on expertise outside the Board, and meets regularly to consider, recommend and/or approve as appropriate, and monitor the Fund's investment activities. The Committee is comprised of Board Directors and external appointees, who have been appointed for their specialist professional expertise and who discharge their duties as specified in the Committee's Charter.

The internal GESB Investments team provides strategic advice to the Board and Investment Committee in setting investment objectives, asset allocation, investment strategy and investment manager selection. Professional, specialist consultant(s) are appointed to conduct market and investment manager research and provide asset allocation, investment manager selection and other investment advice and recommendations to the Fund.

The assets of the portfolio are predominantly managed by specialist external investment managers, who are approved by the Treasurer prior to being appointed. Each manager is required to invest the assets it manages in accordance with the Treasurer's Prudential Guidelines for Investments and report regularly on compliance with their mandate. Some cash investments are managed internally by GESB, as authorised by the Treasurer.

The Board monitors investment manager performance as well as compliance with investment management agreements and the Treasurer's Prudential Guidelines for Investments. Derivative exposure and asset allocation are managed in accordance with Board approved policies.

(b) Use of derivative financial instruments

The Treasurer's Prudential Guidelines for Investments allow the Fund to transact derivative financial instruments.

Under the investment strategy of the Fund, derivatives are principally used to hedge foreign currency or other investment risks, as an effective alternative to physical assets or to gain access to, or allow flexibility in, financial markets. This enables the Fund to manage and structure its investment portfolio to achieve a desired level of total exposure to various asset classes. Derivatives are not used to leverage the investment portfolio.

The Fund only uses derivative financial instruments via its external investment manager mandates. The derivatives held by the Fund as at the reporting date are as follows:

2025	Gross derivative amounts \$'000	Derivative amounts set off \$'000	Net amounts presented in statement of financial position \$'000
Derivative assets:			
Futures	17,640	-	17,640
Options	8,546	-	8,546
Swaps	568,066	(526,877)	41,189
Forwards*	281,207	-	281,207
Warrants	-	-	-
Total derivative assets	875,459	(526,877)	348,582
Derivative liabilities:			
Futures	7,302	-	7,302
Options	6,128	-	6,128
Swaps	565,735	(526,877)	38,858
Forwards*	151,329	-	151,329
Total derivative liabilities	730,494	(526,877)	203,617
Net derivative asset	144,965	-	144,965

2024	Gross derivative amounts \$'000	Derivative amounts set off \$'000	Net amounts presented in statement of financial position \$'000
Derivative assets:			
Futures	11,787	-	11,787
Options	6,427	-	6,427
Swaps	892,855	(836,721)	56,134
Forwards*	200,307	-	200,307
Warrants	88	-	88
Total derivative assets	1,111,464	(836,721)	274,743
Derivative liabilities:			
Futures	10,302	-	10,302
Options	2,658	-	2,658
Swaps	886,866	(836,721)	50,145
Forwards*	39,595	-	39,595
Total derivative liabilities	939,421	(836,721)	102,700
Net derivative asset	172,043	-	172,043

* Included in the forwards are To-Be-Announced ('TBA') Agency Securities. At 30 June 2025, TBA Agency Investments are accounted as derivative instruments as it is likely that the Fund will not take or make physical delivery of the Agency Security upon settlement of the contracts. TBA Agency Investments are essentially forward contracts for the purchase ("long position") or sale ("short position") of an Agency pool of mortgages at a predetermined price, face amount, issuer, coupon and stated maturity on an agreed-upon future date. These mortgage pools are guaranteed by the issuing Agency and backed by the US Government. The fair value of TBA investments is based on similar methods used to value our mortgage-backed securities. At 30 June 2025, the notional value of long and short positions in TBA Agency Investments was \$1,778,085,000 (2024: \$1,201,365,000) and \$1,229,917,000 (2024: \$725,052,000).

All derivative financial assets and liabilities are classified as Level 2 in the fair value hierarchy, except for certain options and warrants which belong to Level 1 because they have an available price on an active market. The net derivative asset position for options and swaps at the reporting date is primarily a result of the increase in the value of the Australian dollar against major global currencies from the time the reported positions were initiated.

(c) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to meet a financial obligation and cause the Fund to incur a financial loss. It arises from the financial assets of the Fund, which comprise cash and cash equivalents, receivables, investments and derivative financial instruments. The carrying amounts of financial assets best represent the maximum credit risk exposure of the Fund at the reporting date.

The Fund is exposed to the risk of credit related losses that arises from default by the counterparty on a financial obligation to pay the Fund.

Credit risk arising from derivative financial instruments is, at any time, generally limited to those with positive fair values (i.e. derivative assets, where a counterparty has an obligation to pay the Fund).

The Fund manages credit risk by undertaking transactions with a large number of creditworthy counterparties in various countries. The Fund does not have any significant exposure to any individual counterparty or industry other than the State of Western Australia in respect of GESB's unfunded superannuation liability and term deposits held with the big four Australian banks.

The operational bank account is held with Commonwealth Bank. The Fund monitors its credit risk by monitoring the credit quality and financial positions of the bank through regular analysis of its financial reports.

For investments in listed Australian equities, credit risk arising on these investments is mitigated by restrictions in investment manager agreements to only allow managers to transact with reputable brokers on recognised exchanges.

Credit risk arising from other collective investments is mitigated by extensive due diligence prior to the appointment of investment managers.

Credit risk associated with employer-sponsor receivables and other receivables is considered low as there is usually a short settlement period as the receivable relates to timing differences in respect of the receipt of contributions from the employer-sponsors.

All investment and cash assets of the Fund, other than operational cash, bank loans and warehouse loans are held via a Custodian, Northern Trust. Bank loans are held in GESB's name, with underlying documentation being stored electronically by the Custodian. The Fund monitors the credit risk of the Custodian through regular analysis of its financial accounts and reports.

Credit quality per class of financial instrument

Credit ratings are a key indicator in assessing the credit quality of financial assets. The Fund uses the Standard and Poor's rating (or equivalent) categories. Exposure in each grade is monitored on a periodic basis, which assists in assessing the potential loss as a result of the risks and any corrective actions necessary.

The Fund's interest-bearing financial instruments portfolio is managed in a manner that is consistent with investment restrictions and credit rating limits contained within each fund manager's mandate and individual investment management agreements.

The table below shows the credit quality by class of asset for financial instruments:

2025	AAA to AA-\$'000	A+ to A-\$'000	BBB+ to BBB-\$'000	BB+ to D \$'000	Not Rated ¹ \$'000	Total \$'000
Cash and term deposits	4,270,119	540,892	243,033	11	43,155	5,097,210
Asset-backed securities	183,346	48,783	17,204	44,387	90,276	383,996
Bank loans	-	-	1,460	206,290	7,188	214,938
Commercial paper	-	43,780	5,636	-	-	49,416
Fixed interest bonds	3,611,164	1,641,161	1,734,386	158,771	21,025	7,166,506
Indexed bonds	67,446	15,467	-	-	-	82,913
Mortgage-backed securities	1,003,776	101,028	17,588	8,966	32,764	1,164,122
Loaned securities ²	752,263	2,466	6,853	1,348	-	762,931
Total	9,888,114	2,393,577	2,026,160	419,773	194,408	14,922,032

2024	AAA to AA-\$'000	A+ to A-\$'000	BBB+ to BBB-\$'000	BB+ to D \$'000	Not Rated ¹ \$'000	Total \$'000
Cash and term deposits	3,683,939	463,970	239,121	1,229	14,707	4,402,966
Asset-backed securities	205,656	44,079	18,335	72,530	97,716	438,316
Bank loans	-	-	1,490	132,260	7,752	141,502
Commercial paper	-	38,281	-	-	7,772	46,053
Fixed interest bonds	3,710,501	1,710,631	1,381,747	162,102	7,119	6,972,100
Indexed bonds	80,255	9,868	-	-	-	90,123
Mortgage-backed securities	1,023,302	68,317	23,092	5,268	18,787	1,138,766
Total	8,703,653	2,335,146	1,663,785	373,389	153,853	13,229,826

¹ The Fund's Custodian uses the Standard and Poor's ('S&P') rating category to determine credit quality for each financial asset. Not all financial assets are rated by S&P. Although some financial assets are unrated this does not imply that they have a credit quality that is lower than investment grade. The investment quality of the portfolio is managed through compliance with each manager's investment management agreement.

² Only Loaned Securities: Other interest-bearing securities as set out in Note 8(d) are exposed to credit risk.

The Fund restricts the exposure to credit losses on derivative instruments it holds by entering into master netting arrangements with major counterparties with whom a significant volume of transactions are undertaken. Such an arrangement provides for a single net settlement of all financial instruments covered by the agreement in the event of default on any one contract. Master-netting arrangements do not result in an offset of balance-sheet assets and liabilities unless certain conditions for offsetting under AASB 132 apply.

Although master-netting arrangements may significantly reduce credit risk, it should be noted that:

- Credit risk is eliminated only to the extent that amounts due to the same counterparty will be settled after the assets are realised; and
- The extent to which overall credit risk is reduced may change substantially within a short period because the exposure is affected by each transaction subject to the arrangement.

As at the reporting date, master-netting arrangements reduced the credit risk on contracts that have a fair value of \$322,396k (2024: \$256,441k).

(d) Market risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument (or its issuer) or factors affecting all instruments in the market. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while appropriately balancing the return for risk.

The Fund's investment managers may invest, where permitted under their mandate, in Australian and overseas equities, fixed interest securities, property and other financial securities and therefore are exposed to market risk on all of their investment assets. The Fund manages this risk by ensuring that all investment activities are undertaken in accordance with the Treasurer's Prudential Guidelines for Investments, approved investment strategies and mandated exposure limits.

Market risk may be further mitigated by the Fund entering into derivative transactions, including fixed interest rate swaps and foreign exchange contracts, via its investment managers.

The market risk disclosures are prepared on the basis of the Fund's direct investments and not on a look through basis for indirect investments held in the Fund.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

As a result of investments held that are denominated in foreign currencies, the Fund's Statement of Financial Position and Income Statement can be affected significantly by movements in foreign currencies when translated to Australian dollars. The Fund manages its exposure to foreign currency risk and mitigates effects of its foreign currency translation exposure by adhering to the Fund's Investment Governance Framework and Foreign Exchange ('FX') Hedging Policy which establishes the nature and extent of the Fund's exposure to foreign currency. Actual currency exposure is monitored against policy positions throughout the year.

The Fund uses instruments such as currency forward contracts and swaps to manage currency exposure via investment manager mandates. The terms of such contracts typically do not exceed one year, during which time the contract commitment is typically covered by cash, debt securities or equities denominated in the foreign currency or one highly correlated with the currency sold forward.

The Fund's exposure to currency risk was as follows:

	2025 \$'000	2024 \$'000
Financial assets held at fair value		
British Pound	1,227,369	1,081,590
Canadian Dollar	838,514	634,815
Euro	5,121,139	3,880,059
Hong Kong Dollar	444,989	315,682
Japanese Yen	1,746,355	1,876,622
Swiss Franc	436,422	422,746
US Dollar	22,328,973	21,580,307
Other Currencies	2,708,892	2,610,831
Total financial assets	34,852,653	32,402,652
Financial liabilities held at fair value		
British Pound	954,521	783,184
Canadian Dollar	693,732	597,609
Euro	4,399,014	3,272,900
Hong Kong Dollar	242,498	211,997
Japanese Yen	1,341,487	1,541,849
Swiss Franc	294,899	299,126
US Dollar	16,993,402	17,062,952
Other Currencies	1,694,687	1,532,719
Total financial liabilities	26,614,240	25,302,336
Net exposure	8,238,413	7,100,316

The following table details the Fund's sensitivity to a 10% (2024: 10%) reasonably possible increase or decrease in the value of major foreign currencies against the Australian dollar. A positive number indicates an increase in the net results after income tax and net assets where the respective foreign currency strengthens against the Australian dollar. For a weakening of the respective foreign currency against the Australian dollar there would be an equal and opposite impact on the net result after income tax and on the net assets available to pay benefits.

	Movement in exchange rate		Effect on net assets / net result	
	2025 %	2024 %	2025 \$'000	2024 \$'000
British Pound/AUD	+/-10	+/-10	26,305 / (26,305)	28,853 / (28,853)
Canadian Dollar/AUD	+/-10	+/-10	13,958 / (13,958)	3,597 / (3,597)
EUR/AUD	+/-10	+/-10	69,619 / (69,619)	58,706 / (58,706)
Hong Kong Dollar/AUD	+/-10	+/-10	19,522 / (19,522)	10,025 / (10,025)
Japanese Yen/AUD	+/-10	+/-10	39,033 / (39,033)	32,369 / (32,369)
Swiss Franc/AUD	+/-10	+/-10	13,644 / (13,644)	11,953 / (11,953)
USD/AUD	+/-10	+/-10	514,396 / (514,396)	436,783 / (436,783)
Other/AUD	+/-10	+/-10	97,778 / (97,778)	104,243 / (104,243)

The sensitivity is based on reasonably possible changes over the following financial year using management's internal analysis and market available information and reflects plausible movements in key market variables to which the Fund has exposure. The analysis for current financial year was performed on the same basis as prior financial year.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Interest rate risk is managed by a combination of duration and geographical parameters, in accordance with the Fund's investment strategy and mandated exposure limits. This risk is measured using sensitivity analysis.

Financial assets and financial liabilities of the Fund exposed to interest rate risk are cash and cash equivalents and other interest-bearing securities.

2025	Floating interest rate \$'000	Fixed rate 3 months or less \$'000	Fixed rate 3 to 12 months \$'000	Fixed rate 1 to 5 years \$'000	Fixed rate over 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets							
Cash and term deposits	4,022,072	54,780	-	-	-	1,082,903	5,159,755
Asset-backed securities	321,870	-	-	-	62,126	-	383,996
Bank loans	213,199	-	-	1,127	612	-	214,938
Commercial paper	-	-	-	-	-	49,416	49,416
Fixed interest bonds	1,306,065	105,370	203,264	1,808,593	3,705,318	37,896	7,166,506
Indexed bonds	-	-	-	20,414	62,499	-	82,913
Mortgage-backed securities	690,560	-	-	5,851	467,711	-	1,164,122
Loaned securities ¹	-	-	77	124,251	638,603	-	762,931
Total financial assets	6,553,766	160,150	203,341	1,960,236	4,936,869	1,170,215	14,984,577
Financial liabilities							
Cash and term deposits	62,545	-	-	-	-	-	62,545
Total financial liabilities	62,545	-	-	-	-	-	62,545

2024	Floating interest rate \$'000	Fixed rate 3 months or less \$'000	Fixed rate 3 to 12 months \$'000	Fixed rate 1 to 5 years \$'000	Fixed rate over 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets							
Cash and term deposits	3,391,493	75,017	-	-	-	990,486	4,456,996
Asset-backed securities	368,570	-	-	821	68,925	-	438,316
Bank loans	137,688	-	-	3,379	435	-	141,502
Commercial paper	-	-	-	-	-	46,053	46,053
Fixed interest bonds	1,278,640	140,836	405,411	1,857,812	3,084,154	205,247	6,972,100
Indexed bonds	-	-	28,993	14,525	46,605	-	90,123
Mortgage-backed securities	672,269	-	-	7,409	459,088	-	1,138,766
Total financial assets	5,848,660	215,853	434,404	1,883,946	3,659,207	1,241,786	13,283,856
Financial liabilities							
Cash and term deposits	54,030	-	-	-	-	-	54,030
Total financial liabilities	54,030	-	-	-	-	-	54,030

¹ Only Loaned Securities: Other interest-bearing securities as set out in Note 8(d) are exposed to interest rate risk.

The table below analyses the sensitivity of the Fund's Statement of Financial Position and Income Statement to the movement of interest rates to which the Fund had significant exposure at the reporting date. The analysis calculates the effect of reasonably possible interest rate movements on net assets and interest income, with all other variables held constant.

Currency	2025		2024	
	Reasonably possible change in basis points increase/(decrease)	Sensitivity of interest income and changes on net assets \$'000 increase/(decrease)	Reasonably possible change in basis points increase/(decrease)	Sensitivity of interest income and changes on net assets \$'000 increase/(decrease)
AUD	+ 100 / (100)	104,986 / (104,986)	+ 100 / (100)	93,846 / (93,846)
USD	+ 100 / (100)	27,772 / (27,772)	+ 100 / (100)	26,542 / (26,542)
EUR	+ 100 / (100)	13,251 / (13,251)	+ 100 / (100)	8,426 / (8,426)
GBP	+ 100 / (100)	2,395 / (2,395)	+ 100 / (100)	1,767 / (1,767)
Others	+ 100 / (100)	6,776 / (6,776)	+ 100 / (100)	6,527 / (6,527)

The sensitivity is based on reasonably possible changes over the following financial year using management's internal analysis and available market information and reflects plausible movements in key market variables to which the Fund has exposure. The analysis for current financial year is based on a higher level of sensitivity compare with the prior financial year based on the higher level and greater uncertainty of prevailing interest rates.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. These risks include geopolitical and inflation risks.

To mitigate other price risk, the Fund diversifies its investment portfolio in line with its investment strategy. Additionally, the Fund invests in a range of asset classes that tend to have differing degrees of price risk (volatility) and be imperfectly correlated to each other. The Fund monitors its exposure to various asset classes and markets on an ongoing basis throughout the year to ensure appropriate diversification, and compliance with the Treasurer's Prudential Guidelines for Investments and GESB's Liquidity Policy.

As all of the Fund's financial instruments are carried at fair value with changes recognised in the Income Statement, changes in market conditions affecting fair value will be recognised in the Income Statement.

The Fund's exposure at year end to other market price risk is detailed below:

	Reasonably possible market price change		Effect on net assets / net result	
	2025 %	2024 %	2025 \$'000	2024 \$'000
Cash and term deposits	+/-0.2	+/-0.2	10,194 / (10,194)	8,806 / (8,806)
Australian equities	+/-20	+/-20	1,497,697 / (1,497,697)	1,378,518 / (1,378,518)
International equities	+/-20	+/-20	2,767,515 / (2,767,515)	2,621,369 / (2,621,369)
Units in unit trusts:				
Listed unit trusts	+/-20	+/-20	151,818 / (151,818)	117,227 / (117,227)
Unlisted unit trusts	+/-15	+/-15	836,473 / (836,473)	763,061 / (763,061)
Limited partnerships	+/-15	+/-10	99,190 / (99,190)	59,734 / (59,734)
Other interest-bearing securities:				
Asset-backed securities	+/- 5	+/- 5	19,200 / (19,200)	21,916 / (21,916)
Bank loans	+/-10	+/-10	21,494 / (21,494)	14,150 / (14,150)
Commercial paper	+/- 5	+/- 5	2,471 / (2,471)	2,303 / (2,303)
Fixed interest bonds	+/- 5	+/- 5	358,325 / (358,325)	348,605 / (348,605)
Indexed bonds	+/- 5	+/- 5	4,146 / (4,146)	4,506 / (4,506)
Mortgage-backed securities	+/- 5	+/- 5	58,206 / (58,206)	56,938 / (56,938)
Loaned Securities	+/- 5	+/-5	67,993 / (67,993)	- / -
Derivatives	+/-10	+/-10	14,496 / (14,496)	17,204 / (17,204)

(e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in having sufficient liquid assets to meet obligations associated with financial liabilities. This risk is controlled through the Fund's investment in financial instruments, which is managed to ensure that an appropriate proportion of the Fund is readily convertible to cash. In addition, the Fund maintains prudent levels of cash and cash equivalents to meet normal operating requirements.

The Fund's significant financial liabilities are benefits payable to members, payables and current tax liabilities. The contractual maturity of vested superannuation benefits means that these can be considered payable on demand. On-demand payments comprise the entire defined contribution component and the vested portion of the defined benefit component (refer to Note 3 and Note 4).

The Fund manages its obligation to pay the defined contribution component on an expected maturity basis based on management's estimates of when such funds will be drawn down by members. The Fund considers it is highly unlikely that all defined contribution members will request payment in full of their superannuation fund account at the same time. Furthermore, in relation to the vested defined benefit component, the Fund has adequate resources readily convertible to cash to satisfactorily meet these obligations when called upon under normal conditions. In addition, the Crown guarantees payment of every benefit payable under a GESB scheme.

Other financial liabilities of the Fund comprise payables which are contractually due within 30 days and derivative liabilities comprising foreign exchange contracts payable within 12 months.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements for the Fund. Member benefits have been included in the 'Less than 3 months' column below as this is the amount that members could call upon as at year end, however GESB does not expect to be required to make payments for these amounts within 3 months.

30 June 2025	Carrying amount \$'000	Contractual cash flows \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	> 1 year \$'000
Derivative liabilities	203,617	203,617	151,756	13,116	38,745
Payables	223,073	223,073	223,073	-	-
Member benefits	44,243,061	44,243,061	44,243,061	-	-
Total	44,669,751	44,669,751	44,617,890	13,116	38,745

30 June 2024	Carrying amount \$'000	Contractual cash flows \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	> 1 year \$'000
Derivative liabilities	102,700	102,700	46,786	12,691	43,223
Payables	206,274	206,274	206,274	-	-
Member benefits	41,179,963	41,179,963	41,179,963	-	-
Total	41,488,937	41,488,937	41,433,023	12,691	43,223

(f) Concentrations of risk

Concentrations of risk arise when a number of financial instruments or contracts have the same features or have the same underlying exposure, for example, where they are entered into with the same counterparty, or when a number of counterparties are engaged in similar business activities, have activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentrations of risk, the Fund monitors its exposure to ensure concentrations of risk remain within acceptable levels, and imposes mandated limits on the use of derivative instruments by investment managers and on maximum exposures to specific issuers or market segments, as appropriate.

The following table classifies the Fund's listed equity portfolio by industry sector as at the reporting date:

	2025		2024	
	\$'000	%	\$'000	%
Consumer discretionary	1,855,069	8.12	1,691,012	8.15
Consumer staples	1,009,246	4.42	1,062,176	5.12
Energy	783,652	3.44	892,036	4.30
Financials	5,090,158	22.28	4,118,686	19.84
Health care	1,944,708	8.51	2,025,189	9.76
Industrials	2,355,062	10.31	1,905,091	9.17
Information technology	3,577,263	15.66	3,306,772	15.92
Materials	1,921,496	8.41	2,032,928	9.79
Real estate	1,820,708	7.97	1,597,684	7.70
Communication services	1,587,538	6.95	1,289,745	6.21
Utilities	897,543	3.93	837,831	4.04
Total	22,842,443	100.00	20,759,150	100.00

The following table analyses the Fund's net investment portfolio by geographic regions (excluding the effect of foreign currency exposure) as at the reporting date:

	2025		2024	
	\$'000	%	\$'000	%
Australia	22,230,018	50.35	20,020,503	50.21
Canada	796,724	1.80	620,172	1.56
France	780,825	1.76	592,633	1.48
Germany	492,442	1.12	489,603	1.23
Hong Kong	183,274	0.42	114,183	0.29
Japan	1,138,839	2.58	1,094,139	2.74
Netherlands	310,579	0.70	314,848	0.79
Singapore	240,715	0.55	98,986	0.25
Switzerland	327,929	0.74	307,252	0.77
United Kingdom	1,116,014	2.53	889,567	2.23
United States	12,622,716	28.59	11,582,417	29.05
Other	3,913,278	8.86	3,746,241	9.40
Total	44,153,353	100.00	39,870,544	100.00

Note 26: Scheme financial reporting

Net assets available for member benefits at the beginning of the year										
Investment income										
Investment income/(losses) (net of investment expenses)										
Superannuation income										
Employer contributions	141,550	330,344	1,022,613	1,000,055	-	-	-	12,802	240,710	- 39,611,877
Member contributions	59	4,343	249,172	149,893	-	-	-	-	-	-
Government co-contributions	-	-	459	254	-	-	-	-	-	-
Transfers from other superannuation plans	-	-	302,441	384,074	1,455,518	-	-	-	-	-
Income tax on contributions	-	-	-	(159,826)	(144,245)	-	-	-	-	-
Lag gain/(loss)	-	-	(618)	(166)	(801)	(4)	1,589	-	-	-
Other income										
Death and disability insurance received	-	-	36,150	34,990	-	-	-	-	-	-
Other income/(expense)	-	132	(127)	9	68	-	6,631	-	-	-
Total income	151,786	688,193	3,667,552	2,463,033	2,090,297	1,211	18,990	(1,695,750)	7,385,312	
Expenses										
Benefits to members/beneficiaries	(148,472)	(534,404)	(2,021,976)	(657,241)	(1,261,282)	(2,173)	(724)	1,695,750	(2,930,522)	
Insurance premiums charged	-	-	(59,031)	(56,848)	-	-	-	-	(115,879)	
Administration expenses	-	-	(13,574)	(22,791)	(8,734)	(35)	(6,604)	-	(51,738)	
Total expenses	(148,472)	(534,404)	(2,094,581)	(736,880)	(1,270,016)	(2,208)	(7,328)	1,695,750	(3,098,139)	
Change in net assets before income tax	3,314	153,789	1,572,971	1,726,153	820,281	(997)	11,662	-	4,287,173	
Income tax (expense)/benefit	-	-	-	(102,081)	9,425	37	-	-	(92,619)	
Change in net assets after income tax	3,314	153,789	1,572,971	1,624,072	829,706	(960)	11,662	-	4,194,554	
Reclassification of defined benefit assets	(2,588)	2,588	-	-	-	-	-	-	-	-
Net assets available for member benefits at the end of the year										
	93,886	3,391,151	22,053,521	10,365,125	7,638,534	11,842	252,372	-	43,806,431	

2024	Pension Scheme \$'000	Gold State Super \$'000	West State Super \$'000	GESB Super \$'000	Retirement Income Pension \$'000	Term Allocated Pension \$'000	Reserves \$'000	Scheme Elimination \$'000	Total \$'000
Net assets available for member benefits at the beginning of the year	90,362	2,995,292	19,046,748	7,411,111	6,243,682	13,995	238,331	-	36,039,521
Investment income									
Investment income/(losses) (net of investment expenses)	10,925	362,112	1,906,246	860,490	540,499	1,153	5,335	-	3,686,760
Superannuation income									
Employer contributions	148,294	221,787	965,919	843,485	-	-	-	-	2,179,485
Member contributions	69	4,861	179,990	103,530	-	-	-	-	288,450
Government co-contributions	-	-	462	242	-	-	-	-	704
Transfers from other superannuation plans	-	-	230,021	322,944	1,149,760	-	-	(1,311,380)	391,345
Income tax on contributions	-	-	-	(133,230)	(114,276)	-	-	-	(247,506)
Lag gain/(loss)	-	-	(544)	(110)	(551)	(2)	1,207	-	-
Other income/(expense)									
Death and disability insurance received	-	-	42,750	33,490	-	-	-	-	76,240
Other income/(expense)	-	149	(146)	599	110	-	7,134	-	7,846
Total income	159,288	588,909	3,324,698	2,031,440	1,575,542	1,151	13,676	(1,311,380)	6,383,324
Expenses									
Benefits to members/beneficiaries	(155,388)	(350,529)	(1,816,952)	(549,761)	(1,011,558)	(2,348)	(1,928)	1,311,380	(2,577,084)
Insurance premiums charged	-	-	(60,646)	(52,919)	-	-	-	-	(113,565)
Administration expenses	-	-	(13,302)	(20,009)	(7,734)	(37)	(9,367)	-	(50,449)
Total expenses	(155,388)	(350,529)	(1,890,900)	(622,689)	(1,019,292)	(2,385)	(11,295)	1,311,380	(2,741,098)
Change in net assets before income tax	3,900	238,380	1,433,798	1,408,751	556,250	(1,234)	2,381	-	3,642,226
Income tax (expense)/benefit	-	-	-	(78,809)	8,898	41	-	-	(69,870)
Change in net assets after income tax	3,900	238,380	1,433,802	1,329,942	565,146	(1,193)	2,379	-	3,572,356
Reclassification of defined benefit assets	(1,102)	1,102	-	-	-	-	-	-	-
Net assets available for member benefits at the end of the year	93,160	3,234,774	20,480,550	8,741,053	6,808,828	12,802	240,710	-	39,611,877

Apportionment of net assets

Section 16 of the *State Superannuation Act 2000* requires Government Employees Superannuation Board ('GESB') to maintain such accounts within the Fund that are considered necessary for the management of the Fund and its separate elements and provides guidelines for the apportionment of investment income and expenses between those elements of the Fund.

Contribution receipts and benefit payments have been directly allocated to the relevant Scheme.

Apportionment of investment income

Section 22 of the *State Superannuation Act 2000* provides that GESB is to allocate earnings derived from the investment of the Fund between the schemes in accordance with the Treasurer's Guidelines and otherwise as it considers appropriate.

Commencing 1 July 2001, as a result of the introduction of Member Investment Choice, the income attributable to the accumulation schemes has been allocated in accordance with income credited to the members' account. Income is allocated based on actual investment income received in accordance with the Treasurer's Guidelines for Reserves.

Reconciliation between scheme financial reporting and Statement of Financial Position

The table set out below is a reconciliation of net assets available for member benefits between scheme financial reporting and Statement of Financial Position:

	2025 \$'000	2024 \$'000
Defined benefit schemes		
Pension Scheme	93,886	93,160
Gold State Super	3,391,151	3,234,774
Total defined benefit schemes	3,485,037	3,327,934
Defined contribution schemes		
West State Super	22,053,521	20,480,550
GESB Super	10,365,125	8,741,053
Retirement Income - Allocated Pension and Transition to Retirement	7,638,534	6,808,828
Retirement Income - Term Allocated Pension	11,842	12,802
Total defined contribution schemes	40,069,022	36,043,233
Reserves	252,372	240,710
Total net assets available for member benefits as per Scheme Financial Reporting	43,806,431	39,611,877
Adjustments		
Employer-sponsor receivables:		
Pension Scheme	1,057,877	1,193,269
Gold State Super	1,127,223	1,763,292
Net assets available for member benefits as per Statement of Financial Position	45,991,531	42,568,438

Reconciliation between scheme financial reporting and Income Statement

The following table shows a reconciliation of change in net assets after income tax and net result after income tax between scheme financial reporting and Income Statement:

	2025 \$'000	2024 \$'000
Change in net assets after income tax as per Scheme Financial Reporting	4,194,554	3,572,356
Adjustments		
Superannuation contributions income	(3,345,025)	(2,859,984)
Income tax on contributions	304,071	247,507
Death and disability insurance received	(71,140)	(76,240)
Benefits to members/beneficiaries	2,930,522	2,577,084
Insurance premiums charged	115,879	113,565
Allocation to members' accounts	(2,997,457)	(3,044,895)
Net result after income tax as per Income Statement	1,131,404	529,393

Note 27: Insurance

GESB Super and West State Super (From 1 July 2008)

Both GESB Super and West State Super ('WSS') provide death and disability benefits to eligible members. These benefits are greater than the members' vested benefit and as such both schemes have a group policy in place with a third party to insure death and disability benefits in excess of vested benefits. Both schemes act as an agent for these arrangements.

West State Super (Prior to 1 July 2008)

The third party insurance policy for WSS does not cover Partial and Permanent Disability ('PPD') claims on an ongoing basis and the run-off in respect of pre-existing conditions prior to 1 July 2008. Consequently, eligible members of WSS (to 30 June 2008) have the right to make their claims with WSS. The PPD claims are currently funded by an insurance reserve and the funding was provided by the State Government.

In the event that the insurance reserve is exhausted, Sections 31 and 32 of the *State Superannuation Act 2000* provide a statutory guarantee of all benefits payable under WSS, which includes PPD claims on an ongoing basis and the run-off in respect of pre-existing conditions. As the State Government is providing the guarantee, WSS is not liable for any PPD claims. WSS only acts as an agent for these arrangements.

Gold State Super

Gold State Super ('GSS') provides its members with lump sum defined benefits on retirement, death or disablement with automatic death and disability insurance cover at no additional cost, in which Section 31 and 32 of the *State Superannuation Act 2000* provide a statutory guarantee of all benefits payable under GSS.

Pension Scheme

Members do not pay a separate insurance fee and there is no reference to separate 'insured' benefits under the *Superannuation and Family Benefits Act 1939*.

Retirement Income Pension (Allocated Pension and Transition to Retirement Pension)

Retirement Income Pension can be taken as either Allocated Pension or Transition to Retirement Pension. Both pensions do not provide insurance cover to members.

Retirement Income Term Allocated Pension

Retirement Income Term Allocation Pension does not provide insurance cover to members.

Note 28: Commitments and contingent liabilities

Lease commitments

The Fund is committed to operating leases on six motor vehicles. These leases are non-cancellable and have a term ranging between 36 and 72 months, with no renewable options included in the contract. There are no restrictions imposed by these leasing arrangements on other financing transactions. The Premises total in 2025 includes six car bays payable to a different lessor than the accommodation provider.

The Fund is committed to a memorandum of understanding (MoU) on its premises for a period of 10 years with the Department of Finance, ending in June 2026.

Following consultation with Treasury, it was decided the accommodation MoU does not fit the definition of a lease per AASB16, therefore these costs are still expensed. The vehicles are not considered material for GESB and as such are also not treated as prescribed by AASB16.

	2025 \$'000		2024 \$'000	
Commitments payable	Premises	Vehicles	Premises	Vehicles
Within 1 year	589	35	569	28
Later than 1 year and not later than 5 years	-	97	520	86
Later than 5 years	-	-	-	13
Total	589	132	1,089	127

Other expenditure commitments

Other expenditure commitments relate to contracted expenditure for outsourced superannuation administration services.

	2025 \$'000	2024 \$'000
Administration services		
Within 1 year	29,536	230
Later than 1 year and not later than 5 years	106,206	-
Total	135,742	230

The Fund entered into a five year contract for the Outsourced Administration arrangement with MUFG Retirement Solutions with effect from 1 December 2024, ending in financial year 2030. The Fund has a 5 year option to extend into the financial year 2035. The amount included above under 'Administration Services' is the estimated amount payable under the outsourcing contract.

Contingent liabilities

There are no contingent liabilities that have been incurred by the Fund in relation to 2025 and 2024.

Note 29: Related party transactions

The Fund had no significant related party transactions other than those disclosed in the table below, which mainly relates to recoupments made to the Fund by the State Government, and leases and shared services payments made by the Fund to Department of Finance:

	Pension Scheme \$'000	Gold State Super \$'000	West State Super \$'000	Parliamentary and Judges Pension \$'000	Corporate \$'000	Total \$'000
30 June 2025						
Employer contributions recoup	141,550	303,894	-	-	-	445,444
Administration expense recoup	1,234	4,600	-	530	263	6,627
Leases and shared services expenses	-	-	-	-	(1,060)	(1,060)
Total	142,784	308,494	-	530	(797)	451,011

	Pension Scheme \$'000	Gold State Super \$'000	West State Super \$'000	Parliamentary and Judges Pension \$'000	Corporate \$'000	Total \$'000
30 June 2024						
Employer contributions recoup	148,294	193,140	-	-	-	341,434
Administration expense recoup	1,354	5,023	-	552	205	7,134
Leases and shared services expenses	-	-	-	-	(1,207)	(1,207)
Total	149,648	198,163	-	552	(1,002)	347,361

Certain directors and key management personnel are members of the Fund. Their membership terms and conditions are the same as those available to other members of the Fund.

Information for employer-sponsor receivables from the State Government in relation to unfunded member benefits is set out in Note 10.

The Fund also receives superannuation contributions and related payments from employers in the WA Public Sector.

Note 30: Explanatory statement

In accordance with *Treasurer's Instruction 3 Financial Sustainability, Requirement 7 Explanatory Statement*, the following notes are provided where there is a 'major variance' between actual expenditure and budget or the prior year's actual. 'Major variance' is defined as a variance of greater than 10% and greater than a dollar aggregate of 1% of Total Income or Total Expenses and/or deemed significant in the context of the operations of the Fund. The dollar aggregate calculated from Total Income or Total Expenses is based on the budget or the prior period actual, as appropriate.

		2025 Actual \$'000	2025 Budget \$'000	Variance actual to budget \$'000	Variance actual to budget %	2024 Actual \$'000	Variance actual prior to actual \$'000	Variance actual prior to actual %
INCOME								
Investment income								
Investment income	(i)	4,368,744	2,160,597	2,208,147	102	3,795,895	572,849	15
Less: Investment expenses		(102,239)	(120,660)	18,421	(15)	(109,135)	6,896	(6)
Net investment income		4,266,505	2,039,937	2,226,568	109	3,686,760	579,745	16
Superannuation income								
Contribution income:								
Member (includes government co-contributions)	(ii)	404,180	237,718	166,462	70	289,154	115,026	40
Employer	(iii)	2,494,562	2,675,403	(180,841)	(7)	2,179,485	315,077	14
Rollover into retirement products	(iv)	1,135,926	924,915	211,011	23	874,210	261,716	30
Inward transfer from other funds	(v)	1,006,107	945,497	60,610	6	828,515	177,592	21
Group life insurance proceeds		71,140	52,071	19,069	37	76,240	(5,100)	(7)
Other income		6,713	7,867	(1,154)	(15)	7,846	(1,133)	(14)
Total superannuation income		5,118,628	4,843,471	275,157	6	4,255,450	863,178	20
Total Income		9,385,133	6,883,408	2,501,725	36	7,942,210	1,442,923	18
EXPENSES								
Benefits to members/beneficiaries	(vi)	4,626,272	4,059,329	(566,943)	(14)	3,888,463	(737,809)	(19)
Administration expenses	(vii)	51,686	56,359	4,673	8	48,052	(3,634)	(8)
Insurance premiums charged to member accounts		115,879	99,712	(16,167)	(16)	113,565	(2,314)	(2)
Depreciation and amortisation	(viii)	52	250	198	79	2,397	2,345	98
Total Expenses		4,793,889	4,215,650	(578,239)	(14)	4,052,477	(741,412)	(18)
NET RESULT BEFORE TAX FOR THE YEAR		4,591,244	2,667,758	1,923,486	72	3,889,733	701,511	18

Notes to the Explanatory Statement

(i) Investment income

2024/25 Actual to Budget (\$2.21 billion higher). 2024/25 Actual to Prior Year's Actual (\$573 million higher).

The full year investment performance of the Fund for 2024/25 was 10.96% compared to a budget of 5.5% (2024: 10.51%). The higher than expected investment performance in the 2024/25 financial year was largely due to strong share market returns.

Details of investment income are included in Note 16.

(ii) Member contributions

2024/25 Actual to Budget (\$166 million higher). 2024/25 Actual to Prior Year's Actual (\$115 million higher).

The increase is due to higher than anticipated member contributions into West State Super ('WSS') and GESB Super in the 2024/25 financial year.

(iii) Employer contributions

2024/25 Actual to Prior Year's Actual (\$315 million higher).

The increase compared to prior year is due to higher Superannuation Guarantee contributions into WSS and GESB Super in the 2024/25 financial year, driven by sector-wide pay increases.

(iv) Rollover into retirement products

2024/25 Actual to Budget (\$211 million higher). 2024/25 Actual to Prior Year's Actual (\$262 million higher).

The increase compared to budget and prior year's actual is due to a higher than anticipated number of members rolling into retirement products in the 2024/25 financial year.

(v) Inward transfer from other funds

2024/25 Actual to Prior Year's Actual (\$178 million higher).

The increase is driven by a higher number of members rolling into GESB Super during the 2024/25 financial year.

(vi) Benefits to members/beneficiaries

2024/25 Actual to Budget (\$567 million higher). 2024/25 Actual to Prior Year's Actual (\$738 million higher).

This is a result of a higher number of WSS and GESB Super members drawing down on their superannuation accounts in the 2024/25 financial year.

(vii) Administration expenses

Refer to Note 18.

(viii) Depreciation and amortisation

Refer to Note 19.

Note 31: Summary of actuarial report

The following information is provided in the Actuarial Report on the latest investigation of defined benefit schemes as to the state and sufficiency of the Fund.

The valuation was undertaken in accordance with Section 17 of the *State Superannuation Act 2000*.

Effective date of the latest actuarial investigation

The effective date of the latest valuation was 30 June 2025.

Name and qualification of actuary

The valuation was undertaken by the Fund's actuary, Mercer (Australia) Pty Ltd.

Fund Summary

The overall financial position of the Fund as at 30 June 2025 was as stated in the table below:

	2025 \$'000	2024 \$'000
Total net assets	43,806,431	39,611,877
<i>Less: Net assets for defined contribution schemes</i>		
West State Super	22,053,521	20,480,550
GESB Super	10,365,125	8,741,053
Retirement Income	7,638,534	6,808,828
Term Allocated Pension	11,842	12,802
<i>Less: Reserves</i>	252,372	240,710
Net assets for defined benefit schemes	3,485,037	3,327,934
<i>Less: Accrued actuarial funded liabilities for defined benefit schemes</i>		
Pension Scheme	54,712	61,030
Gold State Super	1,934,227	2,119,139
Net position	1,496,098	1,147,765

Financial condition of each scheme as at reporting date

The Fund's actuary reported that in respect of funded liabilities for the defined benefit schemes:

(i) Pension Scheme

The Actuary reported that the financial position of the Pension Scheme has improved over the year since the last actuarial investigation primarily due to the higher than assumed investment return for the year.

(ii) Gold State Super

The Actuary reported that the financial position of Gold State Super has improved over the year since the last actuarial investigation due primarily to a higher than assumed investment return of 11.5% during the reporting period, and increase in the assumed rate of future investment return, and remains in a strong position.

Note 32: Supplementary financial information

The write-offs approved by the Board during the current financial year were \$8,156 (2024: \$65,465).

There have been no losses through theft, default and other causes, and no forgiveness of debts or gifts of public property during the financial year.

Note 33: Significant events after balance date

Subsequent to the balance date, there have been no matters or circumstances which have arisen that have significantly affected or may significantly affect the financial position or operating results of the Fund.

Independent audit opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Government Employees Superannuation Board (GESB)

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Government Employees Superannuation Board (GESB) which comprise:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the GESB for the year ended 30 June 2025 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the GESB.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the GESB. The controls exercised by the GESB are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the GESB are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2025, and the controls were implemented as designed as at 30 June 2025.

The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the GESB for the year ended 30 June 2025 reported in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the GESB for the year ended 30 June 2025 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the GESB's performance and fairly represent indicated performance for the year ended 30 June 2025.

The Board's responsibilities for the key performance indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 3 Financial Sustainability – Requirement 5: Key Performance Indicators.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 3 - Requirement 5 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Board is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements and key performance indicators of the Government Employees Superannuation Board (GESB) for the year ended 30 June 2025 included in the annual report on the GESB's website. The GESB's management is responsible for the integrity of the GESB's website. This audit does not provide assurance on the integrity of the GESB's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 September 2025

Certification of key performance indicators

In the opinion of the Board, the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Government Employees Superannuation Board (GESB), and fairly represent the performance of GESB for the financial year ended 30 June 2025.



J Gaines
Chair

3 September 2025



A Gisborne
Director

3 September 2025

Key performance indicators

The key performance indicators in this report are produced in order to evaluate GESB's performance in achieving its outcome and delivering its services. Included are key effectiveness and efficiency performance indicators required by the *Financial Management Act 2006* and *Treasurer's Instruction 3 Financial Sustainability, Requirement 5 Key Performance Indicators*. The key effectiveness indicators provide information on the extent to which the agency level government desired outcome has been achieved through the production of the agreed service. The key efficiency indicators link the service GESB provides to the level of resource inputs required to produce them.

The performance highlights section of the Annual Report includes other relevant measures that provide an overview of performance during 2024/25.

GESB's outcome

GESB has statutory obligations under its enabling legislation to administer superannuation schemes and provide products and services to our members. In doing this, we are obligated to act in the best interests of our members. GESB's outcome, 'improved long term superannuation benefits of our members', contributes to the State Government goal of strong and sustainable finances.

Key effectiveness indicators

1. Members' satisfaction with GESB's services

Member satisfaction with services is an important measure for evaluating GESB's performance in achieving its purpose, which is to 'help members achieve a quality retirement'. The provision of quality member services enhances member engagement in their superannuation which, along with the provision of value for money products and services, supports the achievement of a quality retirement.

Members' satisfaction with the services provided by GESB was 93% (6-10 out of 10 ratings) for the 2024/25 financial year, against a target of 80%, with 86% of members rating the service as 8-10 out of 10. The main contributor to exceeding target was having service representatives who demonstrated trustworthiness, expertise and knowledge and were able to satisfy member queries at the first point of contact.

GESB uses an external market research company to conduct its member surveys.

A quarterly sample of at least 3,000 members, who have contacted GESB, ensures a minimum sample of n=300 respondents is achieved per quarter, assuming a response rate of 10%. In order to improve the accuracy of the results, they are weighted by scheme, age and gender against members who have contacted the Member Services Centre during the 2024/25 financial year to ensure they are representative. After weighting, the effective sample size for the year is 2,227 with a response rate of 16.8%. This generates a margin of error of $\pm 2.04\%$ on an annual sample of n=3,380 at the 95% confidence level.

	Actual % 2022/23	Actual % 2023/24	Target % 2024/25	Actual % 2024/25
Percentage who are fairly satisfied, satisfied or extremely satisfied	90	91	80	93

2. Investment performance against objectives

Changes to objectives since last year

There were no changes to investment return objectives in 2024/25.

Summary of performance against objectives

Primary objectives

For Cash plans, the primary objective is to achieve a return of at least the Bloomberg AusBond Bank Bill Index over rolling 12-month periods. Returns are measured after investment fees and before tax.

For defined benefit schemes (Gold State Super, Pension and Provident Account Schemes) the primary objective is to achieve a return of at least the Average Weekly Earnings (AWE) + 2.5% pa over rolling five-year periods.

For all other plans, the primary objective is to achieve a return of at least Consumer Price Index (CPI) targets over a specified rolling multi-year period. Returns are measured after investment fees and tax.

Over their respective time periods to 30 June 2025, most Readymade plans and defined benefit schemes delivered performance broadly in-line with primary objectives. Growth plans performed particularly well due to their higher Australian and international shares allocations. Conservative plans and some Balanced plans underperformed their primary objective, largely due to a sharp rise in bond yields in 2022, driven by rising inflation and successive interest rate increases.

Secondary objectives

The secondary objective of each plan (except Cash plans which do not have a secondary objective) is to achieve an after fees return of at least the benchmark return over a rolling three-year period. The benchmark return is the weighted average of a plan's Strategic Asset Allocation (SAA) and the benchmark return for each asset class. The SAA is approved by the Treasurer and asset class benchmarks are determined by the Board.

The underlying asset classes of each plan are invested in the same manner across plans. Similarly, any asset allocation deviations from SAA are implemented in a consistent manner across plans. Therefore, reasons for out-performance or under-performance of secondary objectives are expected to be consistent across plans.

All plans met or exceeded their secondary objectives for the three-year period to June 2025. Plans benefited from above-benchmark returns in international shares, medium risk alternatives, and infrastructure.

The tables below show actual investment performance compared to performance targets for each plan.

Performance of West State Super plans

Investment plan	Objective	Net plan return % p.a. ¹	Target % p.a. ¹	Relative performance % p.a.
Cash plan	The primary objective is to achieve a return after investment fees of at least the Bloomberg AusBond Bank Bill Index over 12-month periods	4.85	4.39	0.46
Conservative plan	The primary objective is to achieve a return after investment fees of at least CPI +2.0% p.a. over rolling five-year periods	4.58	6.37	(1.79)
	The secondary objective is to achieve a return after investment fees of at least the asset weighted benchmark return over rolling three-year periods	6.78	6.34	0.44
My West State Super plan	The primary objective is to achieve a return after investment fees of at least CPI +3.0% p.a. over rolling seven-year periods	6.54	6.29	0.25
	The secondary objective is to achieve a return after investment fees of at least the asset weighted benchmark return over rolling three-year periods	9.57	9.18	0.39
Sustainable Balanced plan	The primary objective is to achieve a return after investment fees of at least CPI +3.0% p.a. over rolling seven-year periods	N/A	6.29	N/A
	The secondary objective is to achieve a return after investment fees of at least the asset weighted benchmark return over rolling three-year periods	N/A	N/A	N/A
Growth plan	The primary objective is to achieve a return after investment fees of at least CPI +4.0% p.a. over rolling ten-year periods	7.73	6.80	0.93
	The secondary objective is to achieve a return after investment fees of at least the asset weighted benchmark return over rolling three-year periods	12.22	11.77	0.45

¹ All plan returns are reported net of investment fees and costs. This includes all of the investment costs and any additional underlying costs relating to the investment. Net returns are the returns that members receive and are based on final closing numbers. The Sustainable Balanced plan was funded on 3 October 2023 therefore multi year returns are not available and reported as N/A.

Performance of GESB Super plans

Investment plan	Objective	Net plan return % p.a. ²	Target % p.a. ²	Relative performance % p.a.
Cash plan	The primary objective is to achieve a return after investment fees and before tax of at least the Bloomberg AusBond Bank Bill Index over 12-month periods	4.85	4.39	0.46
Conservative plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +2.0% p.a. over rolling five-year periods	4.75	6.37	(1.62)
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	7.29	6.88	0.41
Balanced plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +2.5% p.a. over rolling six-year periods	5.32	6.07	(0.75)
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	9.11	8.77	0.34
My GESB Super plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +3.0% p.a. over rolling seven-year periods	6.77	6.29	0.48
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	10.94	10.55	0.39
Sustainable Balanced plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +3.0% p.a. over rolling seven-year periods	N/A	6.29	N/A
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	N/A	N/A	N/A
Growth plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +4.0% p.a. over rolling ten-year periods	7.45	6.80	0.65
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	12.52	12.16	0.36

² All plan returns are reported net of investment fees and costs and applicable taxes when compared against CPI plus objectives and net of investment fees and costs only when compared against secondary objectives and the Cash plan primary objective. This includes all of the investment costs and any additional underlying costs relating to the investment. Net returns are the returns that members receive and are based on final closing numbers. The Sustainable Balanced plan was funded on 2 October 2023 therefore multi year returns are not available and reported as N/A.

Performance of Retirement Products

Allocated Pension

Investment plan	Objective	Net plan return % p.a. ³	Target % p.a. ³	Relative performance % p.a.
Cash plan	The primary objective is to achieve a return after investment fees and before tax of at least the Bloomberg AusBond Bank Bill Index over 12-month periods	4.85	4.39	0.46
Conservative plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +2.0% p.a. over rolling five-year periods	4.66	6.37	(1.71)
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	6.64	6.22	0.42
Balanced plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +3.0% p.a. over rolling seven-year periods	6.60	6.29	0.31
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	9.24	8.94	0.30
Sustainable Balanced plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +3.0% p.a. over rolling seven-year periods	N/A	6.29	N/A
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	N/A	N/A	N/A
Growth plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +4.0% p.a. over rolling ten-year periods	7.95	6.80	1.15
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	11.73	11.33	0.40

³ All plan returns are reported net of investment fees and costs and inclusive of franking credits when compared against CPI plus objectives and net of investment fees and costs and excluding franking credits when compared against secondary objectives and the Cash plan primary objective. This includes all of the investment costs and any additional underlying costs relating to the investment. Retirement products do not pay tax on investment earnings and are eligible for the benefit of franking credits. Net returns are the returns that members receive and are based on final closing numbers. The Sustainable Balanced plan was funded on 2 October 2023 therefore multi year returns are not available and reported as N/A.

Transition to Retirement Pension

Investment plan	Objective	Net plan return % p.a. ⁴	Target % p.a. ⁴	Relative performance % p.a.
Cash plan	The primary objective is to achieve a return after investment fees and before tax of at least the Bloomberg AusBond Bank Bill Index over 12-month periods	4.85	4.39	0.46
Conservative plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +2.0% p.a. over rolling five-year periods	4.26	6.37	(2.11)
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	6.65	6.20	0.45
Balanced plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +3.0% p.a. over rolling seven-year periods	6.03	6.29	(0.26)
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	9.27	8.94	0.33
Growth plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +4.0% p.a. over rolling ten-year periods	N/A	6.80	N/A
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	11.73	11.36	0.37

⁴ All plan returns are reported net of investment fees and costs and applicable taxes when compared against CPI plus objectives and net of investment fees and costs only when compared against secondary objectives and the Cash plan primary objective. This includes all of the investment costs and any additional underlying costs relating to the investment. Net returns are the returns that members receive and are based on final closing numbers. Transition to Retirement commenced on 15 June 2017 therefore some multi-year returns are not available and reported as N/A.

Retirement Income Term Allocated Pension

Investment plan	Objective	Net plan return % p.a. ⁵	Target % p.a. ⁵	Relative performance % p.a.
Cash plan	The primary objective is to achieve a return after investment fees and before tax of at least the Bloomberg AusBond Bank Bill Index over 12-month periods	4.85	4.39	0.46
Conservative plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +2.0% p.a. over rolling five-year periods	4.66	6.37	(1.71)
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	6.64	6.22	0.42
Balanced plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +3.0% p.a. over rolling seven-year periods	6.61	6.29	0.32
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	9.24	8.94	0.30
Growth plan	The primary objective is to achieve a return after investment fees and tax of at least CPI +4.0% p.a. over rolling ten-year periods	7.96	6.80	1.16
	The secondary objective is to achieve a return after investment fees and before tax of at least the asset weighted benchmark return over rolling three-year periods	11.75	11.36	0.39

⁵ All plan returns are reported net of investment fees and costs and inclusive of franking credits when compared against CPI plus objectives and net of investment fees and costs and excluding franking credits when compared against secondary objectives and the Cash plan primary objective. This includes all of the investment costs and any additional underlying costs relating to the investment. Retirement products do not pay tax on investment earnings and are eligible for the benefit of franking credits. Net returns are the returns that members receive and are based on final closing numbers.

Gold State Super, Pension and Provident Account Schemes

Investment plan	Objective	Net plan return % p.a. ⁶	Target % p.a. ⁶	Relative performance % p.a.
Gold State, Pension and Provident Account	The primary objective is to achieve a return after fees of at least AWE +2.5% p.a. over rolling five-year periods	9.38	6.25	3.13
	The secondary objective is to achieve a return after fees of at least the asset weighted benchmark return over rolling three-year periods	10.98	10.56	0.42

⁶ All scheme returns are reported net of investment fees and costs. This includes all of the investment costs and any additional underlying costs relating to the investment. Net returns are the returns received by the schemes and are based on final closing numbers.

Key efficiency indicators

GESB provides access to superannuation and retirement products, insurance cover through superannuation and a wide range of information, education services and resources for members. Value is delivered to members by providing efficient and cost effective superannuation and retirement products and services with above market-average, risk controlled net returns and highly rated member services including member education and information services.

1. Average administration cost per member account

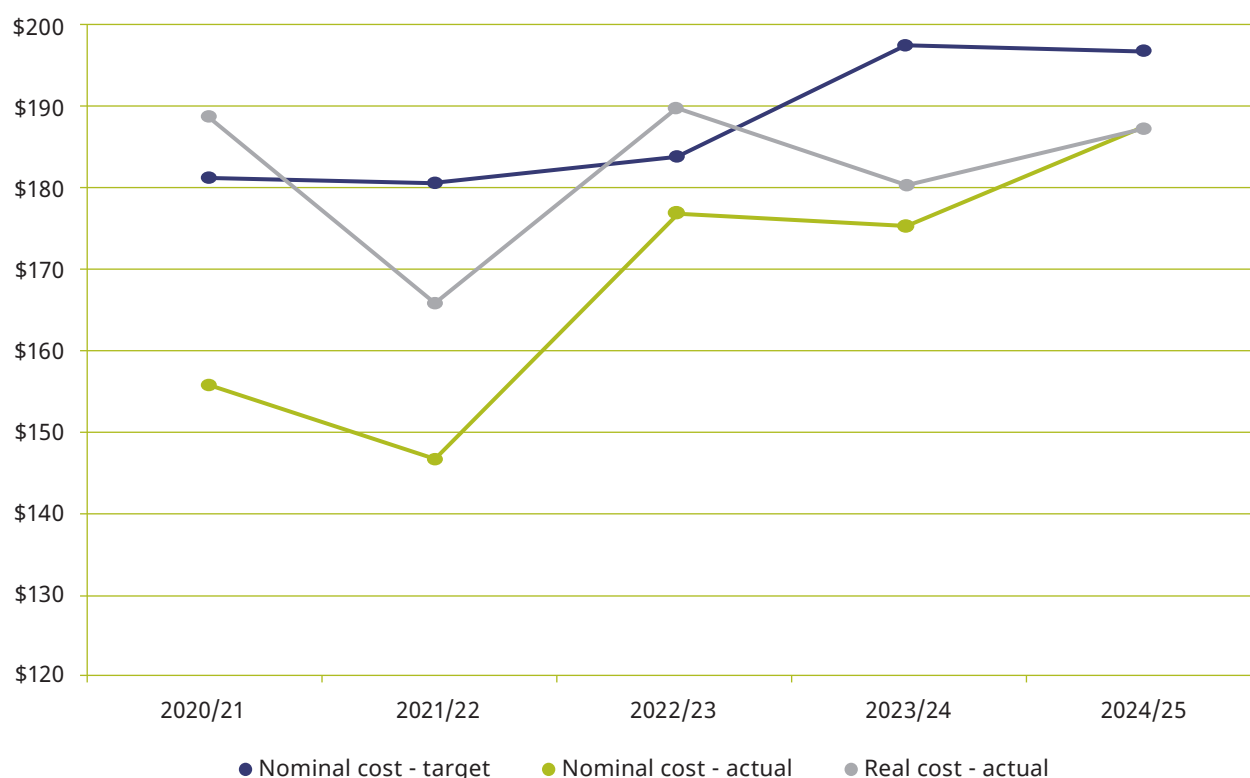
The average cost per member of administering the schemes has increased by 4.0% in real terms and 6.8% in nominal terms compared to the previous year and was 4.9% below target. Cost per member has increased slightly in 2024/25. Refer to Note 18 within the Financial Statements for more details on Administration Expenses.

Cost per member account is lower than budgeted for both Accumulation and Defined Benefit Schemes predominantly due to lower than budget administration expenses across the business. This was primarily driven by lower than planned spend on employments costs, consultants, travel and projects. Again, please refer to Note 18 of the Financial Statements for more detail.

	2020/21	2021/22	2022/23	2023/24	2024/25
Nominal cost – target	\$180.96	\$180.65	\$184.06	\$197.47	\$197.03
Nominal cost – actual	\$155.87	\$146.87	\$176.53	\$175.30	\$187.28
Real cost – actual	\$188.64 ⁷	\$165.51 ⁷	\$189.63 ⁷	\$180.03 ⁷	\$187.28

⁷ Previous year Real Cost – Actual dollar figures will vary each year due to indexation. Indexation is based on 30 June 2025 CPI.

Average cost per member account



2. Investment management expense ratio (investment management costs as a percentage of portfolio mean value invested)

The cost of managing GESB's investments is monitored closely. In addition to direct investment management costs incurred by GESB, external specialist investment managers are appointed to invest funds in specific asset classes. Both internal and external management costs have been included in determining this indicator to show the full investment management costs incurred by GESB. The indicator reflects investment management costs as a percentage of portfolio mean value invested for the year.

The investment management expense ratio (IMER) for 2024/25 was 0.31%, compared to the budget IMER of 0.30%. The main contributor to the difference was higher than budgeted performance fees paid to investment managers. This was driven by stronger than expected manager returns and equated to 0.06% against a budget of 0.04% for performance fees. The remaining investment costs in the IMER were lower at 0.25% against a budget of 0.26%.

Although the IMER was calculated using information received from investment managers in line with Regulatory Guide (RG97), transaction costs have been excluded. The IMER reflects the costs of managing the investments but excludes the costs of transacting on those investments. This approach allows GESB to report the costs of managing the Fund's investments more clearly. In member communications, such as member statements and Product Information Booklets, transaction costs and investment costs are included in the fees and costs for managing the investment for all investment plans, in line with RG97 requirements.

Investment management expense ratio	Actual % 2020/21	Actual % 2021/22	Actual % 2022/23	Actual % 2023/24	Budget % 2023/24	Actual % 2024/25
Investment management expense ratio – investment management costs as a percentage of portfolio mean value invested	0.34	0.29	0.32	0.35	0.30	0.31

Appendix 1

Government goals

GESB's contribution to the achievement of government goals is indirect as its priority is to act in the best interest of members, as far as practicable. GESB provides superannuation services to current and former public sector employees and their partners, while other government agencies provide services to all Western Australians.

Sustainable finances

GESB manages finances responsibly so as to support the efficient and effective delivery of services to members.

Appendix 2

Governing Legislation

During 2024/25, GESB operated under the following State governing legislation:

- *State Superannuation Act 2000*;
- *Superannuation and Family Benefits Act 1938*¹;
- *State Superannuation (Transitional and Consequential Provisions) Act 2000*;
- *State Superannuation Regulations 2001*; and
- *Government Employees Superannuation Board (Policy Instruments) Regulations 2009*.

State legislation impacting on activities

As a State public sector entity and employer, GESB was responsible for complying with a wide range of State legislation. This included:

- | | | |
|---|---|---|
| • <i>Corruption and Crime Commission Act 2003</i> | • <i>Minimum Conditions of Employment Act 1993</i> | • <i>Public Sector Management Act 1994</i> |
| • <i>Disability Services Act 1993</i> | • <i>Occupational Safety and Health Act 1984</i> | • <i>Salaries and Allowances Act 1975</i> |
| • <i>Electoral Act 1907</i> | • <i>Parliamentary Commissioner Act 1971</i> | • <i>Stamp Act 1921</i> |
| • <i>Equal Opportunity Act 1984</i> | • <i>Parliamentary Superannuation Act 1970</i> | • <i>State Records Act 2000</i> |
| • <i>Fair Trading Act 2010</i> | • <i>Pay-roll Tax Assessment Act 2002</i> | • <i>Statutory Corporations (Liability of Directors) Act 1996</i> |
| • <i>Family Court Act 1997</i> | • <i>Privacy and Responsible Information Sharing Act 2024</i> | |
| • <i>Financial Management Act 2006</i> | • <i>Procurement Act 2020</i> | |
| • <i>Freedom of Information Act 1992</i> | • <i>Public Interest Disclosure Act 2003</i> | |
| • <i>Industrial Relations Act 1979</i> | | |
| • <i>Judges' Salaries and Pensions Act 1950</i> | | |

Significant Commonwealth legislation that directly or indirectly impact GESB

- | | | |
|---|--|---|
| • <i>Age Discrimination Act 2004</i> | • <i>Financial Transaction Reports Act 1988</i> | • <i>Superannuation Guarantee (Administration) Act 1992</i> |
| • <i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006</i> | • <i>Income Tax Assessment Act 1936 and 1997</i> | • <i>Superannuation Industry (Supervision) Act 1993</i> |
| • <i>Competition and Consumer Act 2010</i> | • <i>Paid Parental Leave Amendment (Adding Superannuation for a More Secure Retirement) Act 2024</i> | • <i>Superannuation (Unclaimed Money and Lost Members) Act 1988</i> |
| • <i>Corporations Act 2001</i> | • <i>Privacy Act 1988</i> ² | |
| • <i>Disability Discrimination Act of 1992</i> | • <i>Sex Discrimination Act 1984</i> | |
| • <i>Family Law Act 1975</i> | | |
| • <i>Financial Sector (Collection of Data) Act 2001</i> | | |

¹ The provisions of the Superannuation and Family Benefits Act 1938 are deemed to continue under Section 26 of the State Superannuation (Transitional and Consequential Provisions) Act 2000.

² While not required to comply with this legislation, as a matter of best practice GESB has implemented a Privacy Policy and procedures that adopt the guiding principles of the Privacy Act 1988.

Appendix 3

The Budget estimate 2025/26 reflects the Statement of changes in net assets and the Statement of net assets set out in GESB's 2025/26 - 2029/30 Strategic Development Plan. Budget estimates conform with AASB 1056.

Budget estimate 2025/26

Statement of changes in net assets

For the financial year ending 30th June 2026		Budget 2026 \$'000
Net assets available to pay benefits at the beginning of the financial year		42,619,483
Revenue		
Investment revenue		
Realised income		705,509
Realised changes in net market value of investment assets		705,509
Unrealised changes in net market value of investment assets		940,679
Total investment revenue		2,351,697
Superannuation revenue		
Member contributions		403,994
Employer contributions		2,828,846
Rollover into retirement products		1,347,324
Inward transfers		1,202,555
Member insurance benefits received		52,322
Other income		7,514
Total superannuation revenue		5,842,555
Total revenue		8,194,251
Expenses		
Superannuation benefit payments		4,998,099
Administration expenses		62,716
Group life insurance premiums		101,984
Investment expenses		122,598
Changes in net market value of other assets		250
Total expenses		5,285,647
Changes in net assets before income tax		2,908,604
Income tax expense		(415,256)
Changes in net assets after income tax		2,493,348
Net assets available to pay benefits at the end of the financial year		45,112,831

Statement of net assets

For the financial year ending 30th June 2026		Budget 2026 \$'000
Assets		
Cash and cash equivalents		151,227
Investments		45,022,515
Plant and equipment		169
Intangible assets		560
Receivables		18,701
Prepayments		873
Deferred tax assets		5,951
Total assets		45,199,997
Liabilities		
Contributions paid in advance		2,061
Unpaid and accrued liabilities		244
Payables		28,332
Provision for employee entitlements		1,300
Provision for post employment liabilities		578
Current tax liabilities		54,651
Total liabilities		87,166
Net assets available to pay benefits		45,112,831

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