



Annual Report 2025/26

Helping members achieve a quality retirement

Acknowledgement of Country

GESB acknowledges the Traditional Owners of the land on which we stand. We pay our respects to Elders past and present.

Through the waters we wade, the air we breathe, the lands on which we live and travel, we honour the presence of these ancestors. It's because of their strength and resilience that we continue to stay strong and connected to their culture, and we stand proud, following in the footsteps of their ancestors.



Artwork by Acacia Collard

Acacia is a Badimia Yamatji – Ballardong Noongar woman who comes from two large and prominent families in Western Australia (WA). She specialises in contemporary Aboriginal artworks and designs including canvas painting, rock art and sand murals.

Artwork story as told by the artist

'The four orange/red/white circles represent GESB itself and the four core values – members first, sustainable performance, achieve together and act with integrity. The colours also symbolise the colours of the landscapes across WA – from the white beaches to the red desert.

The green pathway is connecting the values all together. The blue patterns on the inside are the initiatives coming in the future that GESB is working towards. Each green meeting place represents the communities in which GESB is involved with and impacts, they are spread all over WA.

As well as the GESB team amongst the communities there are a number of people who are involved. They are symbolised by the green circles on the outside of the design.

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.



Message from the Chair and Chief Executive Officer

This year has been marked by a continuation of strong partnerships, meaningful progress on key initiatives, and an unwavering focus on the people we serve – our members.

At the heart of everything we do is our member-first ethos. Over the past year, we have delivered strong outcomes with competitive investment returns, low fees, dependable insurance, and high-quality service, while remaining focused on what matters most - helping our members feel informed, supported and confident about their financial future.

We have also taken steps to enhance our products and services, introducing initiatives that strengthen our offering and better support members at every stage of their journey. From starting their first job to planning for retirement and beyond, we are continuously evolving to meet our members' changing needs and deliver greater long-term value.

Strong financial outcomes

Delivering competitive outcomes for members remains the focus of our investment strategy. By investing across a broad range of Australian and international assets, we aim to generate long-term value while managing risk through a diversified portfolio.

In 2025/26, our Diversified investment options delivered solid returns, with My GESB Super returning 9.90%, My West State Super returning 9.83% and Retirement Income Conservative returning 6.42% after fees and taxes.

These results demonstrate the strength of our long-term investment approach, with most Diversified investment options continuing to achieve their investment objectives.

Industry recognition and independent ratings

GESB's competitive investment performance and commitment to delivering better retirement outcomes continued to be recognised by leading industry research houses. My GESB Super was ranked among the top-performing funds by Chant West and SuperRatings, while GESB was recognised as an ESG Leader by Rainmaker Information for the fifth consecutive year.

These accolades reflect the strength of our investment approach, our commitment to responsible investing, and our focus on delivering value and service to members.

Positive member experience

Over the past year, we invested in the tools, technology and services that make it easier for members to engage with their superannuation and make informed decisions about their future.

Retirement income calculator

We know that planning for retirement can feel complex and uncertain, which is why we remain committed to helping our members approach this important life stage with greater confidence. Our new *Retirement income calculator* transforms superannuation balances into personalised income projections, giving members a clearer understanding of what retirement could look like for them.

By bringing retirement outcomes to life in a simple and meaningful way, the calculator empowers members to explore different scenarios, better understand their options, and make informed decisions that support their goals. Ultimately, it provides greater clarity, confidence and control, helping members feel more prepared for the retirement they want.

Flexible investments, payments and entitlements

In early June 2026, a package of regulatory amendments designed to provide more flexibility and fairness for our members was approved by the WA State Government.

The amendments enable investment flexibility for investment options, full commutation of Term Allocated Pensions, super contributions on paid parental leave for West State Super and GESB Super members, and fortnightly pension payments to better align with day-to-day budgeting.

These changes will help members grow and access their super in ways that suit their needs, while providing more choice and flexibility across different life stages, from working years through to retirement. Importantly, they also promote greater equity by supporting members during parental leave and helping to reduce long-term savings gaps.

Heightened cyber security for peace of mind

Protecting our members’ personal information and retirement savings remains a priority. During the year, we further strengthened our cybersecurity capabilities, including enhancements to Member Online through stronger authentication measures and passkey technology. These improvements reinforce our commitment to safeguarding member data and funds in an increasingly complex digital environment.

Our strategic outlook

As we look to the future, our focus remains clear - delivering strong long-term outcomes, positive and supported member experiences, and assisting our members to achieve a secure and rewarding retirement.

Delivering on our Retirement Income Strategy

During the year, we progressed key initiatives under our Retirement Income Strategy. This included enhancements to our Retirement Income Allocated Pension offering to provide greater flexibility and choice, strengthening retirement support and digital services by elevating online retirement services, and the continued provision of personalised guidance through our Retirement Options Service.

To support the ongoing evolution of our retirement offering, we also established a dedicated Retirement Product Manager role and deepened our understanding of member needs through retirement journey mapping and member insights.

This work is informing future enhancements, and as we continue to implement our Retirement Income Strategy, we will build on these foundations to ensure members are equipped to manage retirement risks, make confident decisions and achieve better outcomes throughout their retirement journey.

Member Support Strategy

Our Member Support Strategy enhances how members engage with us by using technology and data to deliver seamless, consistent, high-quality support across all channels. It enables proactive engagement throughout the member journey, with integrated systems allowing members to move easily between digital, phone and in-person interactions without losing context.

By leveraging insights to anticipate member needs, the strategy delivers personalised, timely support tailored to individual circumstances, life stages and preferences. This approach improves engagement, supports better financial outcomes, and enriches the overall member experience.

Adviser engagement and support

During the year, we commenced the rollout of a new adviser engagement and servicing model designed to strengthen relationships with external advisers and improve their understanding of GESB’s unique products, services and member needs.

As part of our commitment to making it easier for advisers to access the information, tools and processes required to support their clients, we will be developing a dedicated Adviser Portal. The portal will provide advisers with more streamlined access to resources and information, helping them deliver timely and appropriate advice to GESB members.

Development work is now underway, with the Adviser Portal expected to be delivered during FY2026/27.

Investing in efficiency

To continue delivering value for members, we are investing in the people, technology and capabilities that will strengthen our organisation for the future. These investments will help us improve efficiency, enhance service delivery and ensure we can respond to changing member expectations in a rapidly evolving environment.

By building a high-performing, member-focused culture and strengthening workforce capability, we aim to ensure our people are equipped to respond to member needs and expectations. At the same time, ongoing investment in digital technology and data will enable more streamlined operations, improved service delivery and greater organisational agility.

Thank you

We would like to acknowledge and thank our former Chief Executive Officer (CEO), Ben Palmer, who concluded his tenure with GESB after almost 14 years of service, including the past decade as CEO.¹ During this time, he demonstrated an unwavering commitment to our members and guided the organisation through a period of significant growth, transformation and achievement.

Among the many accomplishments realised during his leadership was the introduction of GESB One Fund - one of the most important milestones in GESB’s history. This, together with numerous other initiatives delivered over the years, has enhanced the experience, services and outcomes we provide to members and created a lasting impact across the organisation. We sincerely thank Ben for his dedication, vision and exceptional contribution to GESB and the members we serve.

We thank the GESB Board and Committee members, the Executive Leadership team, and GESB staff for their ongoing dedication and commitment. Our collective efforts strengthen our ability to deliver our purpose - helping our members achieve a quality retirement - and position us strongly for the future.

Importantly, we extend our appreciation to our members. Thank you for the trust you place in GESB. We are proud to support you throughout your journey and look forward to continuing to be your trusted partner as you plan for and achieve your retirement goals.



Jo Gaines
Chair



Paul Taylor
Acting CEO

¹ Joann Wilkie started as GESB CEO on 12 August 2026.

Statement of compliance

For the year ended 30 June 2026

Hon Rita Saffioti MLA

Deputy Premier; Treasurer; Minister for Transport and Major Infrastructure;
Sport and Recreation

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 2026.

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*

Ministerial directives

No ministerial directives were received during 2025/26.



Jo Gaines
Chair
2 September 2026



Anne Gisborne
Member Director
2 September 2026



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01

Who we are



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

Our values

Put members first



We are committed to providing excellent superannuation and retirement products and related 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 State Government, employers and other stakeholders to successfully deliver on our purpose

Act with integrity



We approach every aspect of our work ethically, operate transparently and with full accountability, and take ownership of issues to ensure a satisfactory outcome

Our value proposition

We’re a compelling choice for current and former WA public sector employees who value a secure and trustworthy fund that puts members first, is based in WA for easy access and will help them achieve a quality retirement. We deliver competitive long-term returns and low fees for our members.



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 responsibly manage members’ retirement savings, delivering strong long-term returns and offering relevant support so they can make informed decisions

Our strategic objectives

Strong financial outcomes for members



Positive member experience



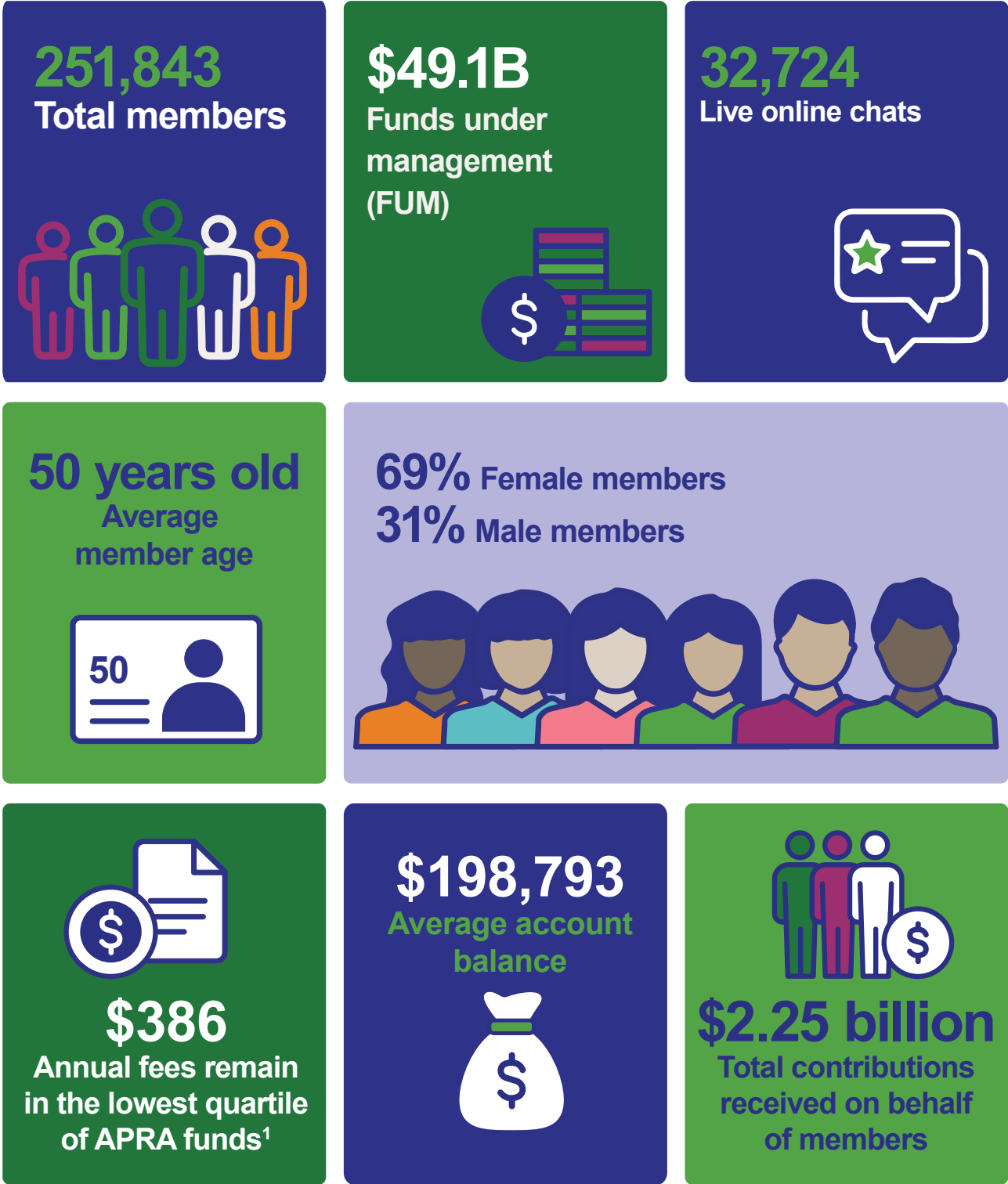
Efficient and effective operations



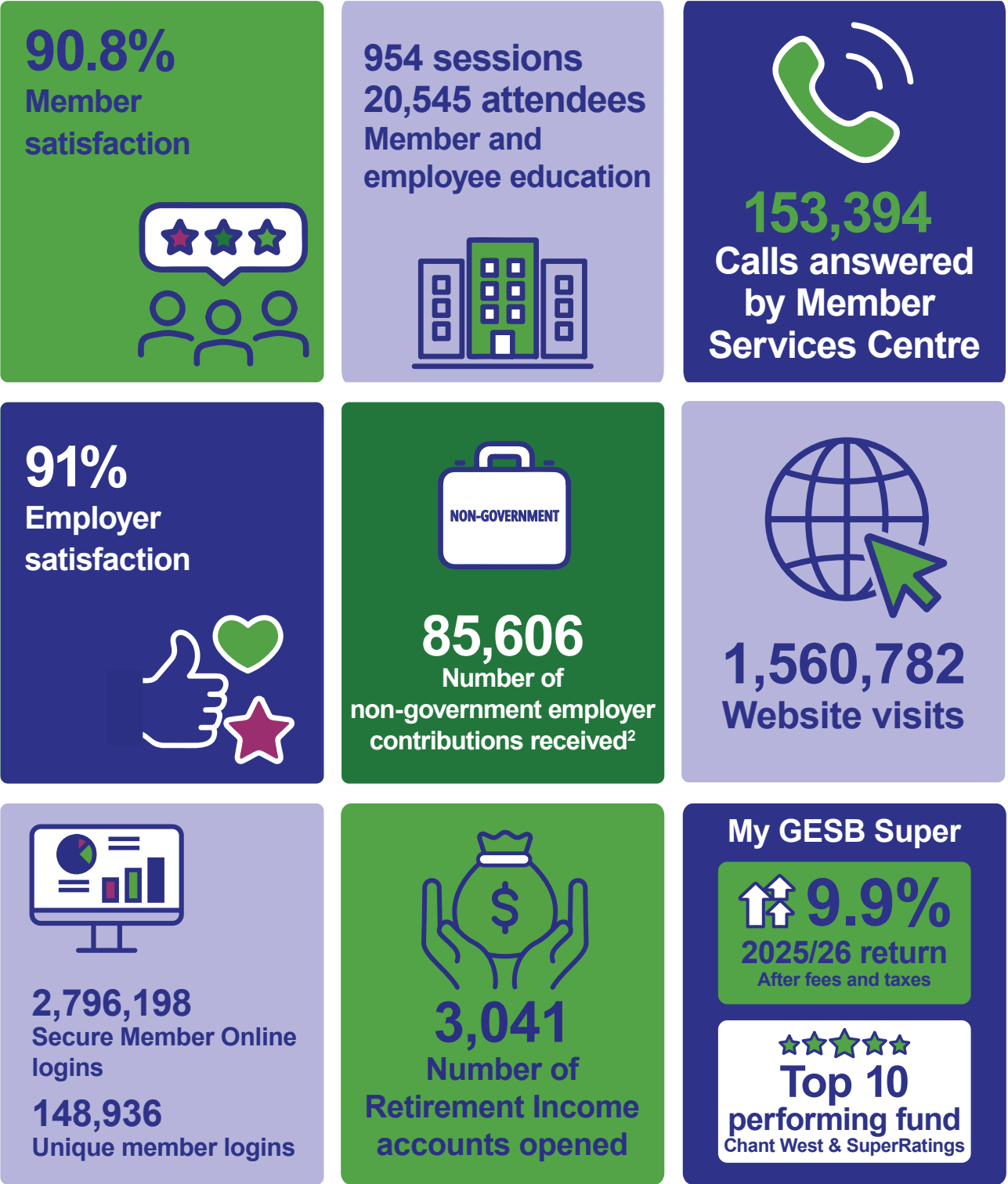
Positive culture and stakeholders



2025/26 snapshot



1 Fees that a GESB Super member with a balance of \$50k paid for the year. Based on APRA funds.



2 For more information about our GESB One Fund reforms, visit gesb.wa.gov.au/stay.



02

Our areas of focus

Delivering long-term value

We are dedicated to delivering strong, sustainable financial outcomes for members through disciplined investment management, cost control and adapting to legislative changes. Together, these efforts reinforce our commitment to improving members' long-term financial outcomes.

Competitive relative to industry peers

My GESB Super was recognised by Chant West and SuperRatings as a top 10 performing fund during the 2025/26 financial year:

- SuperRatings ranked My GESB Super among the top 10 performing Balanced options for both the one-year (achieving a return of 9.9%) and three-year periods (10.2% return) to 30 June 2026¹
- Chant West recognised the fund as a top 10 performer in its Growth category²

GESB is proud of this independent recognition reinforcing our commitment to delivering strong long-term investment outcomes for members.

Responsible investing recognition

GESB has received the Rainmaker ESG Leader Award in 2026 for the fifth consecutive year, benchmarking GESB against Australia's best super funds that perform environmental, social and governance (ESG) principles to a high level, while having a track record of strong investment performance.

The award recognises GESB's commitment to responsible investing on behalf of members, including how we:

- Consider investment risks and opportunities holistically by incorporating ESG factors into investment decisions
- Select and monitor our investment managers, review our asset classes and partner with our investment managers on company engagement and voting activities
- Are transparent in our disclosure of our investment process and reporting to members

For more information about our approach to responsible investing, visit gesb.wa.gov.au/responsible-investing.



During the 2025/26 financial year we continued to focus on the below key priorities:

Long-term performance and low fees

We remained focused on achieving consistently competitive long-term returns and maintaining fees in the lowest quartile of Australian Prudential Regulation Authority (APRA)-regulated peers.



1 Chant West growth funds are defined as those with a 61-80% allocation to growth assets, with the median growth fund achieving 9.5% over the last 12 months.
2 SuperRatings classifies balanced funds as those with a 60-76% exposure to growth assets. SuperRatings reported an industry median return of 9.3% for the year and 9.6% over three years.



Photo courtesy of Government of Western Australia Department of Health

More investment flexibility for members



During the year, GESB introduced enhancements to give members greater choice in how they invest their super. Members can now allocate their savings across any combination of Diversified and Asset Class investment options, enabling them to tailor their investment strategy to their individual goals, investment timeframe and risk tolerance. This enhancement reflects GESB's commitment to meeting evolving member needs by providing greater control, flexibility and personalisation while supporting members to build long-term retirement outcomes.

GESB One Fund reforms



Since the implementation of GESB One Fund regulations in May 2025, we have seen many of our members actively choose GESB as their fund of choice for their non-government contributions as well as consolidating their external super into GESB. As a result, since the passing of regulations¹:

10,863
Members have received contributions from non-government employers



85,606
Non-government contributions received by GESB



\$48.1M
Sum of non-government contributions



\$124.1M
Sum of rollins from members with non-government employment



The next phase of GESB One Fund is supporting agencies across the WA public sector with an onboarding solution as part of being ready for the introduction of the Australian Government's Superannuation stapling reforms. A stapled super fund is an existing super account which is linked, or 'stapled', to an employee so that it follows them as they change jobs if they do not make an active super fund nomination.²

1 Data is from 12 May 2025 to 30 June 2026.
2 For more information about our GESB One Fund reforms, visit gesb.wa.gov.au/stay.





Putting our members first

We are focused on delivering a better member experience at every stage of the superannuation journey through enhanced services, improved access and stronger protections. During the year, we introduced a range of initiatives to make it easier for members to engage with their super, access support and make informed decisions—from accumulation through to retirement.

Making retirement easier for members

During the year, we continued to strengthen the support, tools and products available to members approaching, and those already enjoying, retirement.

We introduced several enhancements to our Retirement Income Pension offerings to provide greater choice and flexibility for members managing their retirement savings, including:

- **More flexible investment options**
- **Automatic increases to pension payments for RI Allocated Pension members**
- **Full withdrawals for RI Term Allocated Pension members**

We also expanded our retirement support services and digital capabilities. This included further enhancements to retirement-related online services and the launch of a *Retirement income calculator* to help members better understand and plan for their retirement needs. Further details of our expanded digital services can be found on [page 20](#).

Our Retirement Options Service continued to provide personalised support to members considering or entering retirement. During the year, our specialist team facilitated 2,123 individual appointments, while maintaining member satisfaction levels above 95%.

Our engagement with members through retirement-focused education, seminars and support initiatives continued with 199 retirement-related education events attracting over 7,500 members.

To support the continued evolution of our retirement products and services, GESB established a dedicated Retirement Product Manager role. Initial work has focused on developing a deeper understanding of member needs by mapping retirement journeys and identifying opportunities to enhance products, services and retirement income solutions. This work will help ensure our future retirement offerings continue to meet the changing needs of members throughout every stage of retirement.

Helping members plan with confidence

Enhanced
Retirement-related
online services



Launched
New Retirement
income calculator



Expanded
Digital services



Retirement Options Service

2,123
Individual member
appointments
delivered



95%
Member
satisfaction
maintained



**Specialist
support**
For members
considering or
entering retirement



Retirement education and engagement

199
Retirement-focused education events

7,500+
Members attended seminars, workshops and
support initiatives



Strengthening digital capability

We continue to invest in our digital capabilities to make it easier, safer and more convenient for members to engage with GESB online. During the year, we strengthened the technology that underpins our digital services while introducing enhancements that improve access, self-service and online member support.

Building core digital capability

- Migrated our Digital Experience Platform (DXP) to a secure cloud-based environment, strengthening security, enabling greater functionality, and providing a more scalable foundation for future digital services and streamlined member experiences
- Enhanced our content and engagement channels, by expanding online education, guidance and self-service resources, including insurance claims information, calculator tools, Member Online help guides, short instructional videos and wellbeing services content. These improvements supported 1,560,782 website visits and 2,796,198 Member Online visits during the year
- Strengthened the security of Member Online logins and transactions through enhanced multi-factor authentication controls, providing greater protection for members
- Delivered accessibility improvements across our digital channels, including enhancements to Live Chat functionality, website navigation, and accessibility features to improve usability and support compliance
- Increased availability of member correspondence through the secure Member Online inbox, providing convenient online access to important communications

Enhancing member capability and experience

- Digitised member forms, including *Binding death nomination*, *Fund nomination* and *Notice of Intent forms*, helping members complete only relevant sections and improving the overall experience
- Enhanced online tools and calculators to help members better understand, grow and manage their super and retirement savings, including the new *Retirement income calculator* and *Investment choice tool*. Further details can be found on [page 4](#)

- Introduced online bank account verification for members opening a Retirement Income Allocated Pension account, removing the need to provide bank statements and helping ensure timely commencement of pension payments
- Implemented digital system enhancements to enact investment flexibility for GESB Super, West State Super and Retirement Income, including a simplified rebalancing form. Further details can be found on [page 17](#)
- Enhanced the Investment Choice tooling as part of the enhanced investment flexibility initiative, helping members better understand and compare the full range of diversified and asset class investment options available to them
- Implemented changes to support Protecting Your Super (PYS) regulations, enabling eligible members to elect to retain their insurance cover with GESB
- Enabled eligible members applying online for a Retirement Income Pension to elect indexed pension payments, helping maintain the value of their retirement income over time
- Improved the Member Online dashboard to provide greater visibility of upcoming Retirement Income Allocation Pension payment dates and drawdown order information
- Introduced a new *Fund details page* to make it easier for members to choose GESB, understand their options when changing jobs and stay with GESB when moving outside the WA public sector
- Provided a new online insurance claims channel, allowing members to lodge claims and track progress through an online dashboard. See [page 21](#) for more information



Photo courtesy of Government of Western Australia Department of Health

Member-focused insurance

GESB remains committed to helping members achieve a quality retirement by assisting them and their families maintain long-term financial security, should they become ill or injured before retirement or die before retirement. This includes offering flexible, easy-to-use and value for money insurance products that members can rely on.

GESB reviews insurance on an ongoing basis for affordability, sustainability and member value. On 1 July 2025, GESB introduced updated insurance arrangements, including revised premium rates as well as insurance product features, policy terms and claim benefits.

Some of the new enhancements include:



**Premium waivers
automatically applied for
eligible members accessing
their super on financial
hardship grounds**



**Parents on unpaid parental
leave can apply to have
their premiums waived**



**Salary Continuance
Insurance benefits¹
no longer reduced by social
security payments received
by members**

During the year, Protecting Your Super (PYS) reforms were implemented, ceasing insurance for applicable members who are not making regular contributions to their accumulation accounts and had not elected to retain their cover, thus minimising the erosion of retirement savings.

GESB also enhanced the information available to support members navigating the claims process, providing [simpler guidance](#) on claim requirements, expected timeframes and available support services, helping members better understand their options during what can often be a challenging period.

¹ Where the 'Date of Disability' was on or after 1 July 2025.

To improve insurance accessibility, GESB introduced new digital capabilities that enable members to initiate and lodge insurance claims online at a time and pace that suits them. Members can also review, adjust or opt out of insurance cover, helping ensure their level of cover remains appropriate to their circumstances and can evolve as their needs change. These enhancements complement continued access to personalised support from dedicated insurance specialists.

GESB continued to maintain a strong governance framework for insurance, with ongoing oversight of insurer performance, claims outcomes and service standards. This helps ensure the fund's insurance arrangements remain sustainable and continue to provide value for members. GESB prides itself in working with teams of dedicated insurance specialists across its insurance and administration service providers to ensure insurance claims are processed in a timely, efficient, compassionate and respectful manner, whilst delivering fair outcomes for members.

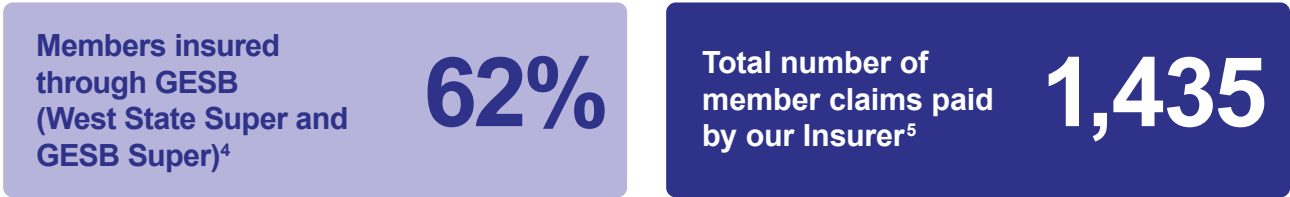
For the year, claim approval rates¹ were:



Benchmarking against APRA statistics², GESB's average claims decision time was lower than the combined industry average, helping members access support sooner when they need it most.

Claim type	Average claim time to decision ³	
	Industry	GESB
Salary Continuance Insurance (SCI)	1.4 months	0.9 months
Total and Permanent Disability (TPD)	3.5 months	3.4 months
Death	0.8 months	0.3 months

Key insurance metrics



1 Claims with decisions finalised in the 12 months ending 30 June 2026, excluding withdrawn claims.
2 APRA Life Insurance Claims and Disputes Statistics, December 2025 (Group Super).
3 For decisions made in 2nd half of 2025/26 financial year.
4 As at 30 June 2026.
5 Benefits paid into the member's superannuation accounts and directly to members as SCI benefits.
22 Government Employees Superannuation Board



Adviser engagement and servicing

GESB has begun rolling out our new adviser engagement and servicing model to better support external advisers to understand GESB's unique products and services when advising their GESB member clients. As part of our strategic commitment to better support financial advisers in having access to the information, tools and processes needed to provide appropriate advice and help our members achieve a quality retirement, a feasibility study was completed and a business case approved to add an Adviser Portal. The work has commenced to enable this to be delivered during 2026/27.



Photo courtesy of Government of Western Australia Department of Health

Improving access to critical member support

How GESB put its Members Experiencing Vulnerability Policy into practice

GESB's Vulnerability Policy guides how we support members and beneficiaries who may require a flexible approach or additional assistance because of their circumstances.

Our principles for supporting vulnerable members include:

Respect and dignity

Treating members fairly and with understanding

Flexible support

Responding to individual circumstances

Accessible services

Reducing barriers to access and communication

Tailored assistance

Providing additional support when needed

Supporting members through complex life events

During the year, GESB continued to improve the way members access benefits, progress insurance claims and complete important superannuation transactions. This included personalised assistance through the Reception Support Service, support for compassionate grounds and insurance claims, and process improvements designed to reduce barriers and improve accessibility.

Our Reception Support Service

GESB's walk-in reception-based support was made permanent in January 2026 following a successful pilot. It provides personalised, face-to-face assistance to members who need help completing forms, preparing supporting documentation and navigating complex transactions such as retirement income applications, benefit access, deceased estates, and hardship or compassionate grounds requests.

OUR AREAS OF FOCUS

Process improvements

With a focus on continuous improvement, initiatives this year included:

Alternative ID pathways

Alternative customer identification options for members unable to use the standard ID process



Digital verification

Digital identity verification extended to death benefit beneficiaries



Simplified documents

Clearer requirements and reduced documentation for claims



Pre-submission checks

Support to check forms and evidence before lodgement to make the process smoother for members



765

Members supported through our dedicated Reception Support Service

This is to support vulnerable members, providing practical assistance and tailored solutions to help those facing financial hardship, personal challenges or complex circumstances



485

Compassionate grounds applications processed



186

Financial hardship payments made



2,475

Insurance cases created and managed



Keeping our members safe

Protecting our members' information and superannuation remains a priority. We continue to strengthen our cyber security and operational resilience to safeguard member information and protect against financial crime.

Cyber security maturity

Throughout the year GESB continued to enhance systems and processes to manage cyber security related risks, particularly to ensure security of member information. The focus continued on maturing GESB's control framework that aligns with the WA Government Cyber Security Policy.



Collaborating with industry through Financial Crimes Protection Initiatives (FCPI)

To complement cyber security maturity, GESB actively participates in industry superannuation initiatives led by Association of Superannuation Funds of Australia (ASFA) including the Superannuation Cyber and Financial Crime Coordination (SC3) Framework. This aims to strengthen sector-wide resilience through coordinated incident response, intelligence sharing and collaboration across superannuation funds and service providers.



Enhanced account security features

Implementation of enhanced multi-factor authentication across Member Online and Employer Online, together with our uplifted Digital Experience Platform (DXP) further enhanced the security and resilience of member and employer-facing services.



The Privacy and Responsible Information Sharing (PRIS) Act

Throughout the year, GESB prepared for the new Western Australian *Privacy and Responsible Information Sharing Act* (PRIS Act) that came into effect on 1 July 2026. The PRIS Act provides a framework governing how personal information is collected, stored, used, disclosed, protected and managed throughout the information lifecycle. As a superannuation fund, GESB was already well positioned, with established privacy and information-sharing frameworks largely aligned to the new laws.



Preparing for the future

GESB continued to build its technology and innovation capabilities during the year, advancing the responsible use of artificial intelligence through staff training, strengthened governance and the introduction of productivity tools.

As part of its ongoing professional development, the Board also enhanced its understanding of emerging technologies, including with a focus on quantum computing, to support informed oversight of future technology, cybersecurity and innovation opportunities.

Investment risk

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

- Applying a structured approach to diversification across asset classes via a strategic asset allocation framework
- Diversifying investment managers and investment styles within each of the major asset classes
- Implementing a rigorous investment manager review process encompassing due diligence, selection and ongoing review
- Considering environmental, social and governance (ESG) 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.



Risk management

Our approach

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.
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 cyber security risks.
Operational risk management (CPS 230)	Progressing changes to align with APRA Prudential Standard CPS 230 which focuses on operational risk management. This includes strengthening how we manage operational risks, maintain critical services during disruptions, and oversee risks associated with service providers.
Annual Risk Workshop	The Board’s annual risk workshop provides a dedicated forum to review GESB’s strategic and operational risk profile, emerging industry trends, future risk scenarios, and the ongoing appropriateness of GESB’s risk appetite.
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 <i>Public Sector Management Act 1994</i> , GESB has implemented a framework that meets 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 security 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.

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) Framework is configured to automate and streamline these processes, reinforcing a culture of risk awareness across the organisation.

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:

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

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

The compliance program includes the core components below.

Legislative and policy alignment

Ensures that GESB and our service providers 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 Finance and the State Solicitor’s Office, to assess the implications of Commonwealth superannuation reforms.

Ongoing monitoring and assurance

Provides assurance to the Board, Executive Leadership Team, members, and other stakeholders that GESB’s compliance systems are robust, effective, and functioning as intended.

Stakeholder relationships

State Department of Treasury and Finance (DTF)

GESB continues to work with the DTF to ensure government employees' superannuation is effectively managed and complies with State and Australian Government standards, as far as practicable. In addition, DTF and GESB work collaboratively on State and Australian Government superannuation policy and reform initiatives.

Employers

GESB partners with WA public sector employers to help make managing their super obligations easier. Providing support including access to our online contributions platform, information on our schemes, policies and regulations, and personalised staff education programs.

We also work closely with employers with the aim of creating a more supported workforce, empowering employees to make confident decisions about their retirement savings.

Ways we collaborate with employers to set members up for success with their super:

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.



Employer contribution support

We provide assistance to payroll staff to ensure GESB member and all WA public sector employee contributions are submitted efficiently, in line with employer superannuation compliance obligations.



Education initiatives

We focus on meaningful engagement with employees about their super to support them at all stages of their working life.



We provide ongoing education so members can make informed decisions about their super through:

Seminar 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.



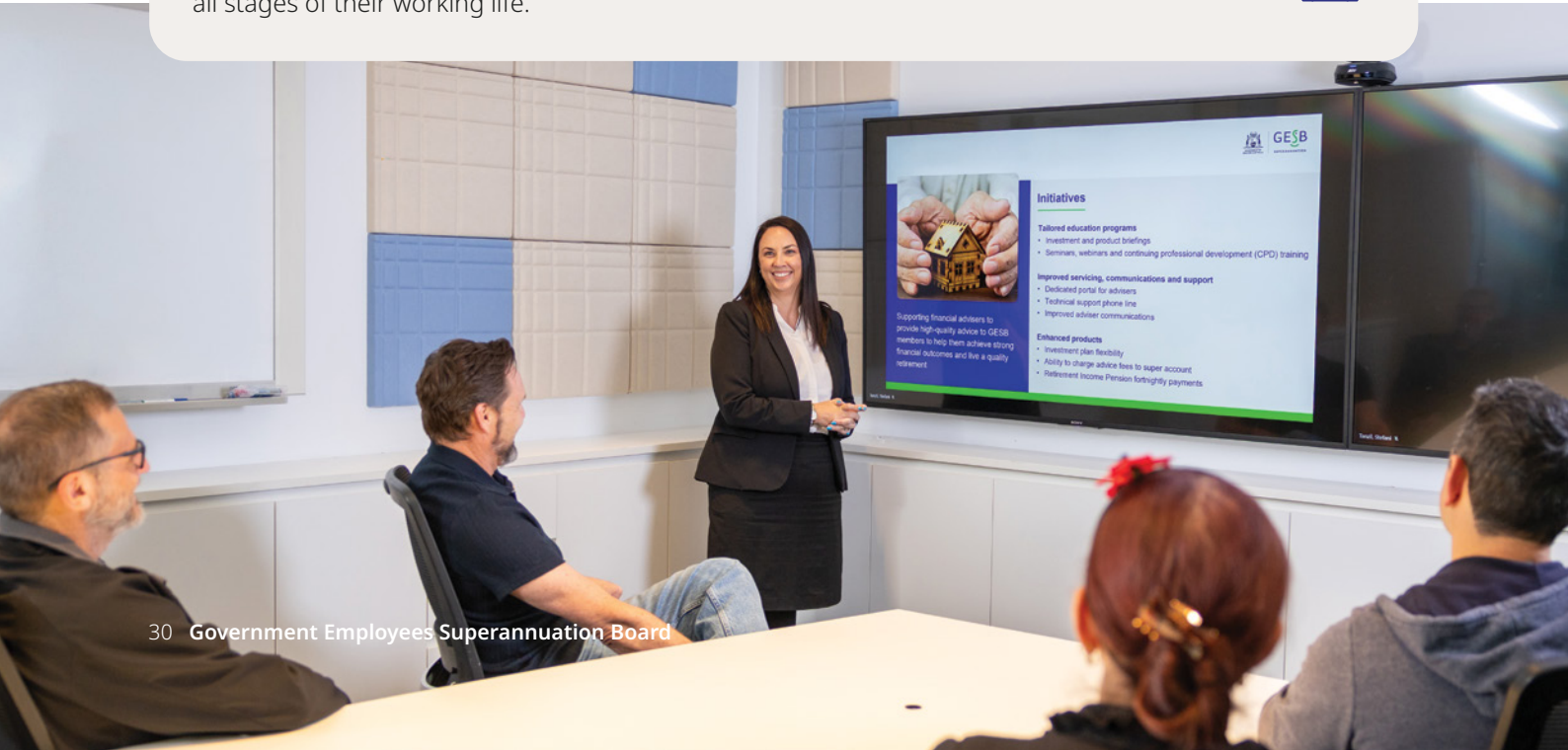
Tailored agency support

Our dedicated agency landing pages, onsite workplace seminars, and scheduled drop-in 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 education. From pre-retirement seminars to drop-in information sessions, we focus on providing practical education that helps members achieve their retirement goals. This service is widely appreciated by our members who praise the clarity and depth of the guidance provided.



GESB's regional support

We maintain a strong commitment to accessibility and inclusion, focusing on reaching regional and remote public sector employees.

This includes:

Online support

Using digital platforms to deliver webinars and one-on-one education to geographically dispersed members.

In-person assistance

Ensuring face-to-face support remains accessible across the State with onsite sessions in all metropolitan and targeted regional centres, including Albany, Bunbury/Busselton, Geraldton and Kalgoorlie; along with other townships across the South West, Great Southern, Goldfields and the Mid West regions to support GESB and prospective members.

Supporting First Nations members

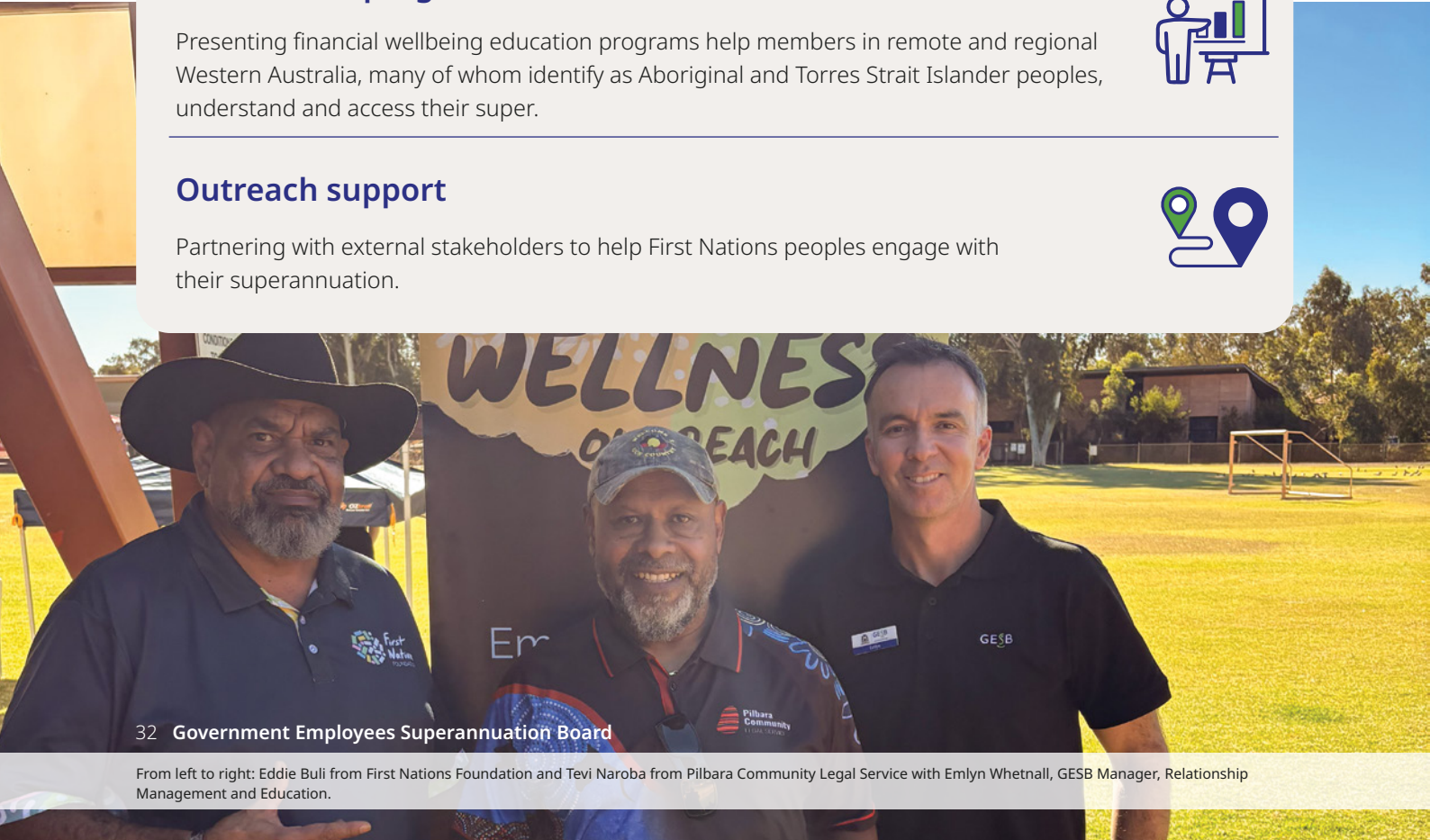
GESB prioritises engagement with First Nations members through assistance programs and partnerships. Our Relationship Management and Education (RME) team recognises the importance of culturally appropriate engagement through:

Educational programs

Presenting financial wellbeing education programs help members in remote and regional Western Australia, many of whom identify as Aboriginal and Torres Strait Islander peoples, understand and access their super.

Outreach support

Partnering with external stakeholders to help First Nations peoples engage with their superannuation.



32 Government Employees Superannuation Board

From left to right: Eddie Buli from First Nations Foundation and Tevi Naroba from Pilbara Community Legal Service with Emlyn Whetnall, GESB Manager, Relationship Management and Education.



OUR AREAS OF FOCUS

Other important stakeholders we work with

The Relationship Management and Education (RME) team build ongoing relationships with professional associations across the public sector and unions to ensure we can support members from the moment they join GESB and throughout their working and retirement life.

In 2025/26, we:

Unions and professional member associations

Presented educational seminars at professional associations and union conferences, retirement options information sessions and hosted a dedicated drop-in area to answer member questions about superannuation

Provided educational content to be included in newsletters

Supported communications that align with members' financial wellbeing

Engagement by the numbers

Seminar and webinars total events¹

563

Seminar and webinars total attendees¹

17,163

Seminar overall positive satisfaction¹

98%

Webinar overall positive satisfaction¹

91%

¹ All data is for period 1 January 2026 to 30 June 2026.

Continuing our journey to reconciliation

Our vision for reconciliation is to work towards greater equity in retirement outcomes, helping First Nations members achieve the same level of superannuation and retirement readiness as non-Indigenous Australians.

Initiatives we're delivering:



Flexible identity requirements

We accept a range of identification options, including a letter or statement by a referee, to help make access easier for members who may not have traditional identity documents. To support this, a dedicated alternative ID verification form was finalised in late 2025 and is now available for eligible members after they contact GESB.



Free financial literacy program

We provide access to First Nation Foundation's My Money Dream financial literacy program to help members learn about budgeting, banking, insurance and superannuation.



Employment opportunities

We offer work experience and employment opportunities through the WA Public Sector Commission's Aboriginal traineeship program.



Celebrating culture

We are dedicated to raising awareness of the histories and cultures of First Nations peoples by celebrating significant events such as National Reconciliation Week and NAIDOC Week.



Educational partnerships

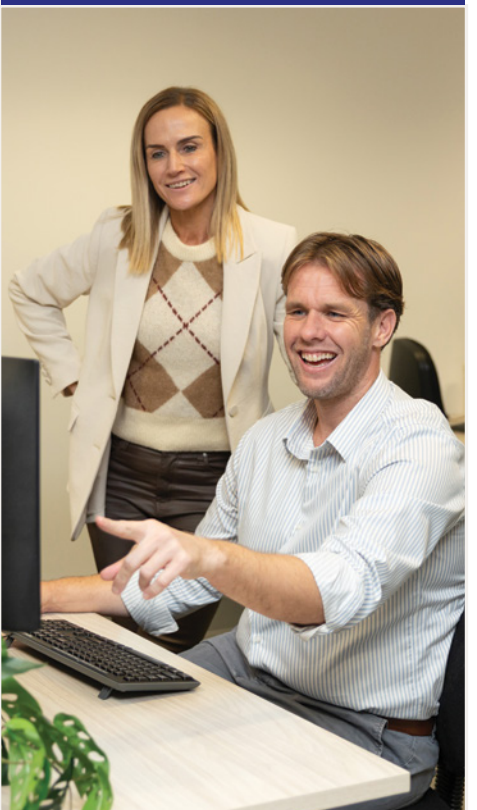
We've partnered with First Nation's Foundation, the Financial Counsellors' Association of WA and Wunan Foundation to support programs that can assist in educating First Nations members and communities of all ages.





03

Our people and culture



Workforce profile | diversity metrics

Diversity group	2025 %	2026 %
 Women	63.1	59.6 ↓
 Employees from culturally diverse backgrounds	20.2	21.2 ↑
 First Nations employees	1.2	1.0 ↓
 Employees with disability	4.8	4.0 ↓
 Youth (age 24 and under)	1.2	3.0 ↑
 Mature workers (age 45 and older)	48.8	46.5 ↓
 Women in Tier 2 roles ¹	50.0	75.0 ↑
 Women in Tier 3 roles ²	33.3	28.6 ↓

1 Management Tier 2 (managers reporting to CEO).
2 Management Tier 3 (managers reporting to Tier 2 management).



FTE	2025	2026
 Permanent public service officers	66.2	80.5 ↑
 Fixed term public service officers	8.0	9.0 ↑
 State Superannuation Act (SSA) employees	4.8	3.8 ↓
Total	79.0	93.3 ↑

“

We are dedicated to building a fair, inclusive and respectful environment that empowers our people, reflects the diversity of our members, and serves our community in a meaningful way.

- Amy Perrie
People and Culture Specialist

”



Diversity and inclusion

Diversity profile information

Our Workforce Diversity and Inclusion Plan incorporates workforce planning and equal employment opportunity principles.

It is aligned with our Disability Access and Inclusion Plan (DAIP), Reconciliation Action Plan (RAP) and Multicultural Access Plan (MAP).

In 2025/26, we continued to support our diverse workforce through a range of inclusive initiatives, including:

- Promoting accessibility and the availability of workplace adjustments in our job advertisements
- Developing an observance calendar to recognise and celebrate key cultural and wellbeing dates
- Raising awareness of R U OK? Day and providing staff with guidance on how to start meaningful, supportive conversations
- Supporting Mental Health Week by offering managers the opportunity to attend Elevating Wellbeing: Support for People Leaders, a workshop delivered by Altius PeopleSense
- Publishing an article on the GESB staff intranet for the International Day of People with Disability, featuring a staff member sharing their lived experience

Disability access and inclusion plan outcomes

Our DAIP aligns to the requirements of the *Disability Services Act 1993*.

In 2025/26, we continued to make progress in improving the accessibility and inclusivity of our information, tools, and services. Key outcomes include:

- Ongoing accessibility assessments of seminar venues
- The design of our office relocation guided by universal design principles
- Staff participation in a plain language webinar hosted by the Information Access Group, helping ensure our communications are clear, accessible, and easily understood

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



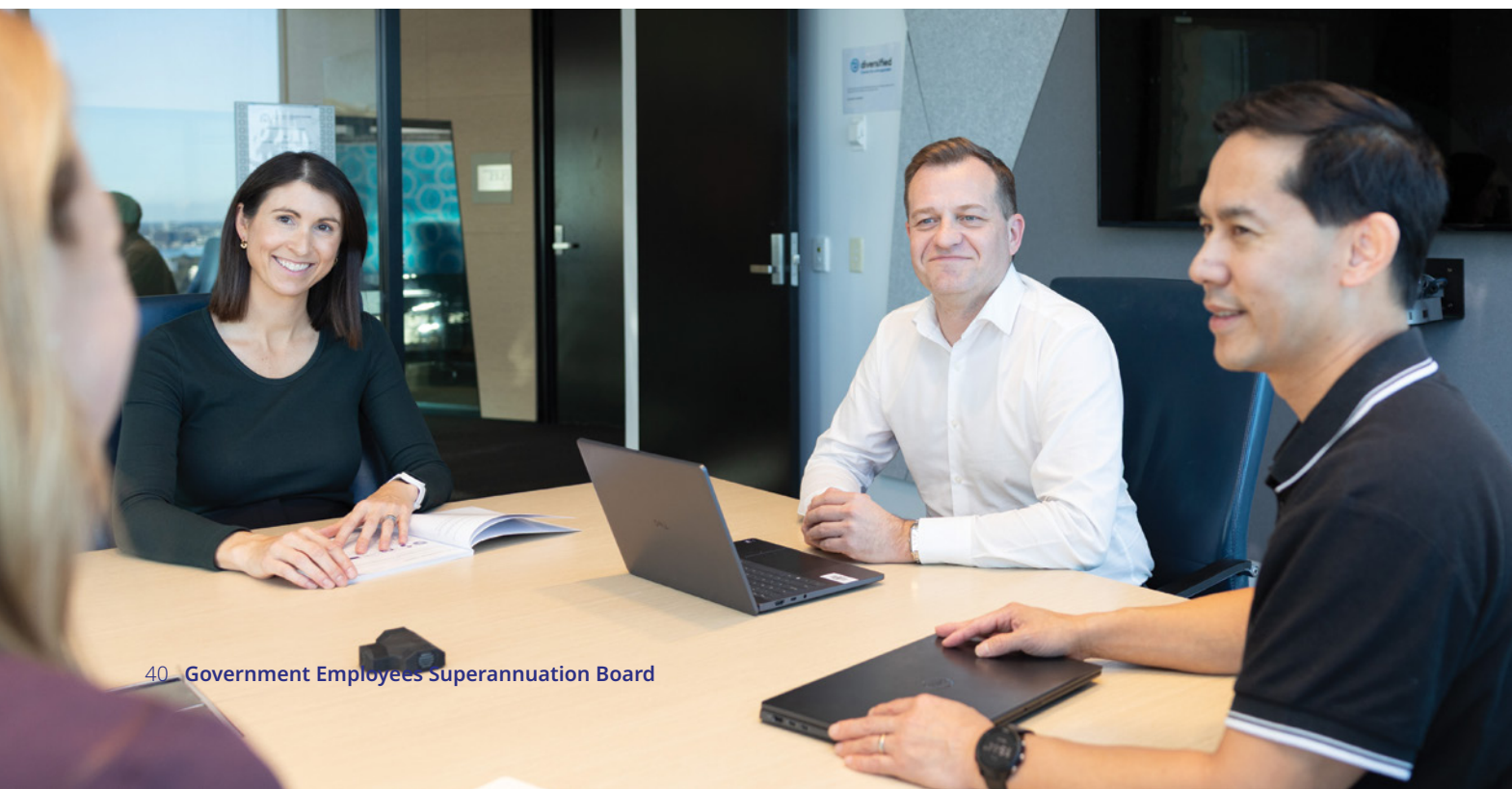
WA Multicultural Policy Framework (WAMPF)

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 2025/26, the following initiatives were delivered to support the priorities of the WAMPF and better meet the needs of our culturally and linguistically diverse members:

- Provided Anti-Racism Fundamentals training to staff
- Commenced a review of questions within the member seminar feedback survey to ensure they are inclusive and accessible

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



Employee engagement

As part of our commitment to building a positive and high-performing workplace, we made the move from once-a-year engagement surveys to regular pulse checks to provide more timely, accurate and actionable insights.

The short pulse checks focus on psychological safety, communication, trust, inclusion, workload, leadership and team dynamics. An interactive dashboard helped teams and leaders to access results quickly and focus on specific priorities rather than broad organisation-wide themes. As part of the change, teams were given access to short, practical learning modules designed to support teams through culture change and ongoing business improvement efforts.



Staff engagement was measured through indicators of psychological safety, inclusion, and trust within teams.



Occupational safety, health and injury management

We maintained our strong commitment to fostering a safe workplace, with an ongoing focus on psychological safety. Initiatives in the year included:

- Appointing and training two Mental Health First Aid Officers
- Launching our Wellbeing Leader Recognition Program
- Appointing and training our new Health and Safety Representative
- Training our managers in injury management

Safety and injury management performance reporting 2023/24 to 2025/26

Measures	2024	2025	2026	Targets	Comments
Number of fatalities	0	0	0	0	Target met
Incidence of work-related injury or illness	0	0	0	Reduce by 2% per year and 15% by 2033 compared with 2023	Target met
Incidence rate of serious claims with one or more weeks' lost time	0	0	0	Reduce by 2.5% per year and 20% by 2033 compared with 2023	Target met
Incidence rate of claims resulting in permanent impairment	0	0	0	Reduce by 2% per year and 15% by 2033 compared with 2023	Target met
Incidence rate of work-related respiratory disease	N/A	N/A	N/A	Reduce by 2.5% per year and 20% by 2033 compared with 2023	Zero injured workers
Managers and supervisors trained in work health and safety as relevant to the Person Conducting a Business or Undertaking's (PCBU)'s risk profile	100%	100%	0%	Greater than or equal to 80% of cohort trained within last two (2) years	Training is scheduled to roll out to managers and supervisors in July 2026
Managers and supervisors trained in injury management	No data	No data	64%	Greater than or equal to 80% of cohort trained within last five (5) years	
Percentage of workers returned to work on full duties and hours (i) within 13 weeks	N/A	N/A	N/A	No target	Zero injured workers

Measures	2024	2025	2026	Targets	Comments
Percentage of workers returned to work on full duties and hours (ii) within 26 weeks	N/A	N/A	N/A	Greater than or equal to 70% returned to work within 26 weeks	Zero injured workers
Agency has a WHS management system that has been independently assessed in last five years	Yes	Yes	Yes	Yes	PwC audit completed 2023/24
Consultative systems				No target – intended for agency trend information	
1. Number of health and safety representatives					
a. In total	1	1	1		
b. Who have attended HSR training	1	1	1		
c. Shown as a percentage of workers	1.28%	1.20%	1.01%		
d. Shown as a ratio to the number of workplaces occupied by the Agency	1 of 1	1 of 1	1 of 2		
2. Name(s) of health and safety committees and sub-committees	GESB Health and Safety Committee	GESB Health and Safety Committee	GESB Health and Safety Committee		



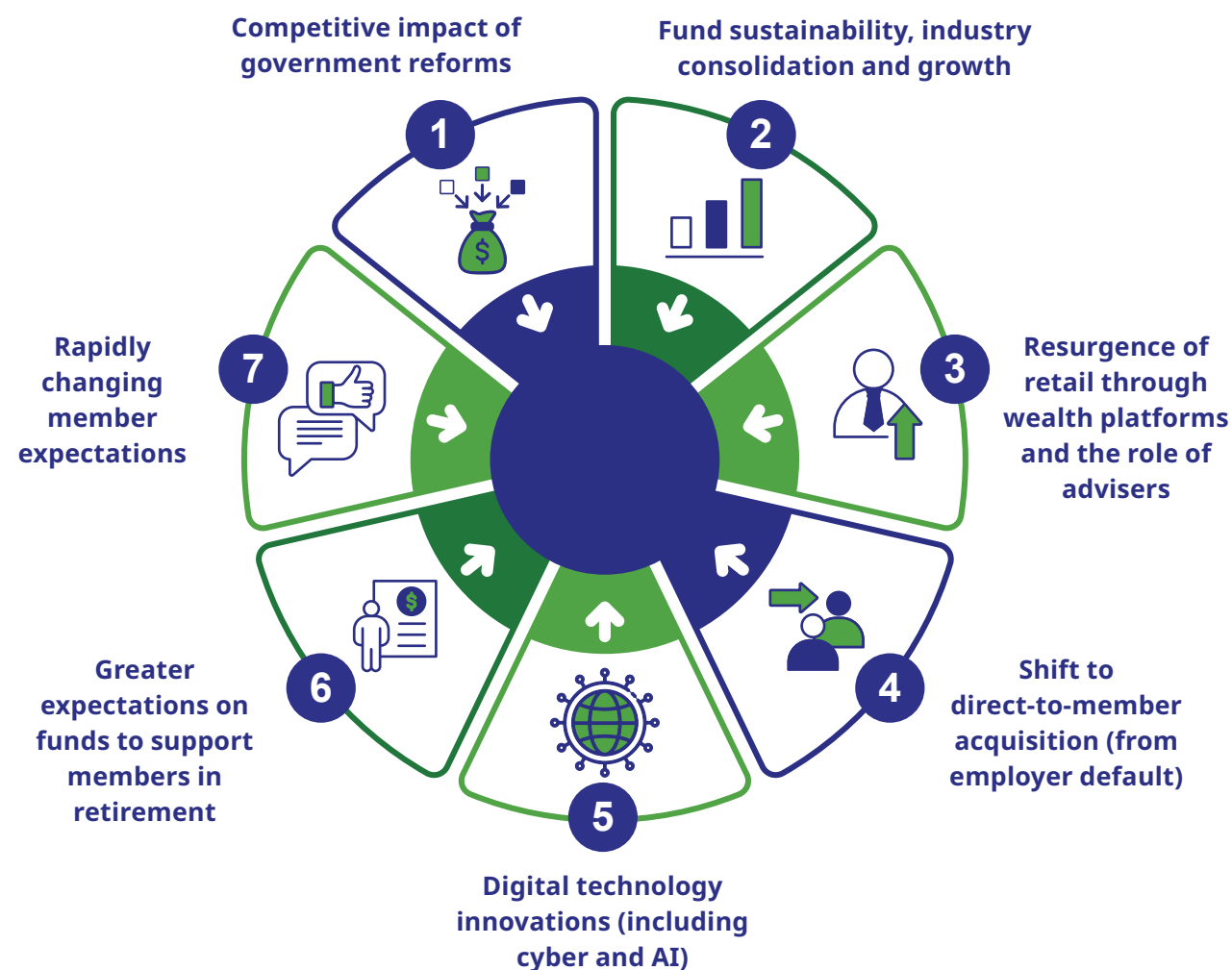
Operating environment

Superannuation environment

The Australian superannuation industry continues to operate in a climate of change. This includes 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.

Together, these factors are reshaping the superannuation landscape, reducing traditional member acquisition opportunities and increasing competition, while influencing how funds respond to meet members' evolving needs.

Trends that impact GESB's strategy:



Regulatory and governance environment

GESB is a statutory authority responsible for administering superannuation schemes established under the *State Superannuation Act 2000* (SSA), as well as other defined benefit schemes on behalf of the State. The Treasurer of Western Australia is the responsible Minister.

GESB operates within a statutory and regulatory framework primarily derived from:

- The SSA and *State Superannuation Regulations 2001* (SSR)
- Treasurer's Guidelines issued under the SSA
- The Heads of Government Agreement (HoGA) between the WA State Government and the Australian Government

The schemes administered by GESB are classified as Exempt Public Sector Superannuation Schemes (EPSSSs). These schemes are deemed compliant with Australian Government superannuation and taxation legislation. However, they are not subject to the *Superannuation Industry (Supervision) Act 1993* (SIS Act), and GESB is not regulated by the Australian Prudential Regulation Authority (APRA). GESB also administers the Parliamentary Pension Scheme and Judges Pension Scheme on behalf of the Parliamentary Superannuation Board and the Treasurer respectively. These schemes are not part of the GES Fund.

Government reforms

GESB is not APRA regulated. However, under the HoGA, the WA 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.

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

Main reforms include:

- The *Treasury Laws Amendment (Your Future Your Super) Act (2021)*
- Retirement Income Covenant introduced to the SSA (2022)
- Improving the retirement phase of superannuation (2026) – Best practice principles for superannuation retirement and the Retirement Reporting Framework
- Proposed *Treasury Laws Amendment (Delivering Better Financial Outcomes (DBFO) and Other Measures) Act (2024)*
- *Treasury Law Amendments (Payday Superannuation) Act (2025)* and *Superannuation Guarantee Charge Amendment Act (2025)*
- *Treasury Law Amendment (Building a Stronger and Fairer Superannuation System) Act (2026)*

Our Governance, Board, Committees and Executives

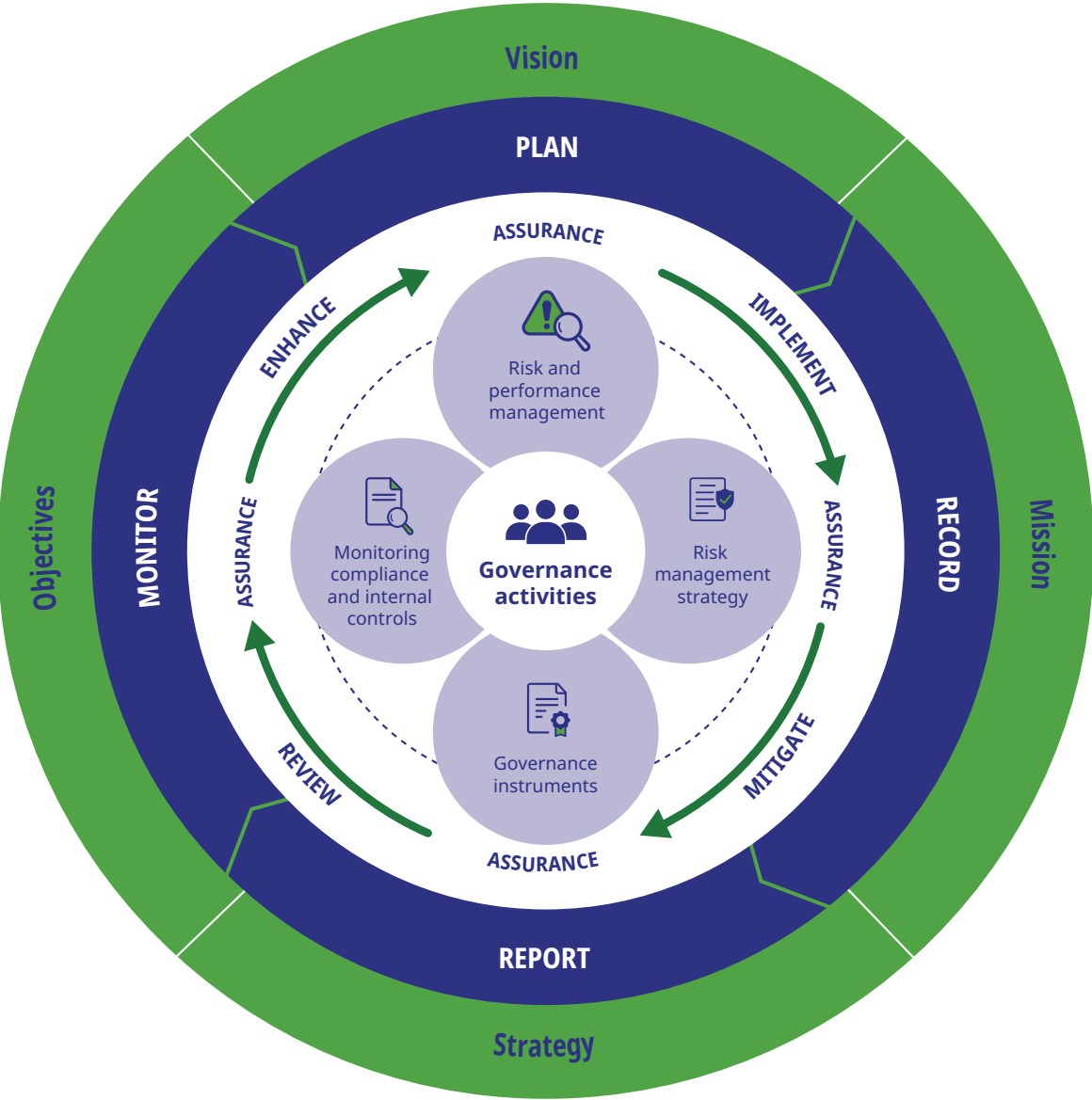
Governance and oversight

Strong governance is fundamental to GESB's ability to deliver on its responsibilities as a statutory authority.

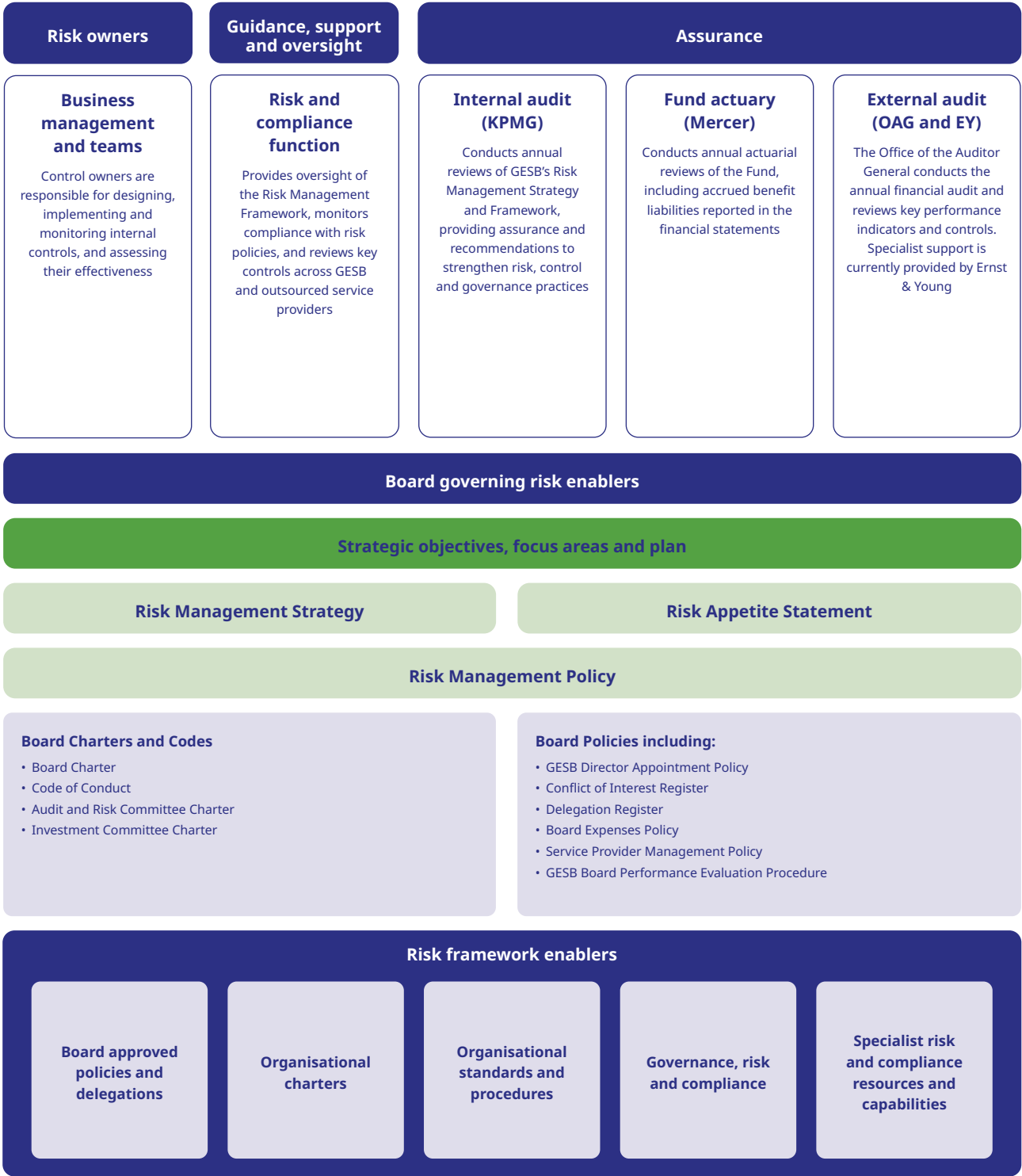
It ensures effective oversight, accountability and compliance with legislative and regulatory requirements, while supporting sound decision-making and risk management. GESB's governance framework is based on legislation and the systems, policies, and processes that support transparent disclosure, effective communication, culture and accountability across the organisation.

Our Governance Framework

GESB's Governance Framework, established by the Board, sets out the systems, policies and processes that support effective oversight, accountability and compliance with legislative and regulatory requirements.

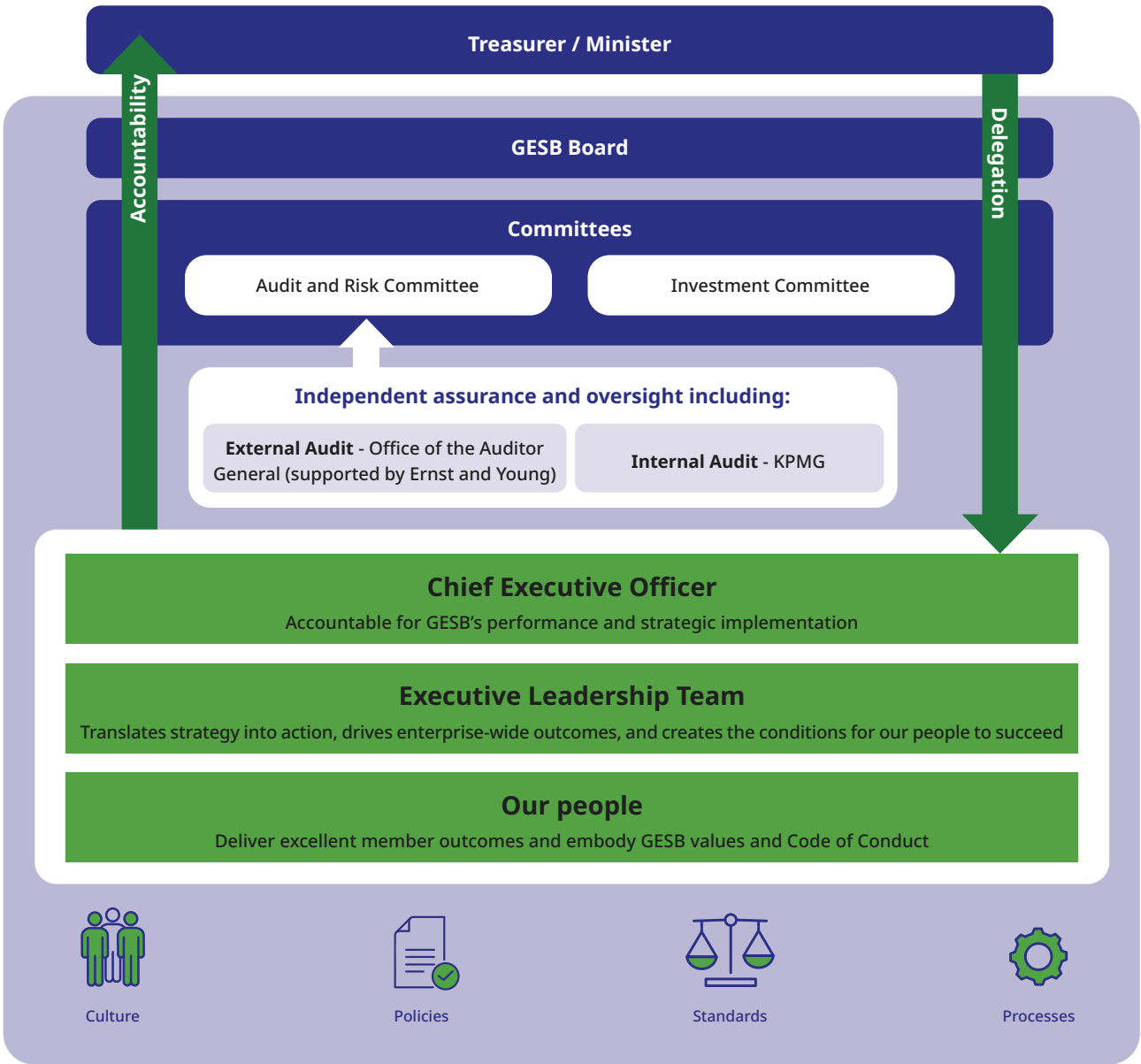


Supporting GESB’s Risk Management Framework: assurance, policies and other governing documents



Our governance structure

GESB's governance structure reflects its role as a statutory authority within the financial services market and the Integrity Framework for WA public authorities, supporting effective oversight and decision-making.



Heads of Government Agreement

As with the other States and Territories, Western Australia is a signatory to the National Superannuation Standards Head 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 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 Income 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 Government Employees Superannuation (GES) Fund.

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

Role of the Treasurer/Minister

The Treasurer of Western Australia is the Minister responsible for administering the State's superannuation legislation.

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

- *State Superannuation Act 2000 (SSA)*
- *State Superannuation (Transitional and Consequential Provisions) Act 2000*
- *State Superannuation Regulations 2001*
- *Government Employees Superannuation Board (Policy Instruments) Regulations 2009*

Role of the Board

As a statutory authority, the GESB Board has powers and functions under the SSA and is ultimately accountable to the Treasurer of Western Australia.

The Board is responsible for administering the schemes and managing the 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, GESB is subject to the agreement and seeks to comply with Commonwealth prudential standards on superannuation on a best endeavours basis and with the State Treasurer's Guidelines for Government Employees Superannuation Board Compliance with MySuper. This includes, aligning GESB's operations with industry best practices.



Our Board

The Board oversees governance arrangements and has:

- Established Audit and Risk and Investment Committees to support its legal and statutory obligations
- Delegated day-to-day operations to the Chief Executive Officer and relevant business units 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. Board Directors have 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)*.

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.

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 Integrity Framework.

Directors and external GESB Committee members fulfil the disclosure of interests' obligation including related party interests, as required under AASB 124 and under the GESB Conflict of Interests Procedure.

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

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

Board appointments and election

The Board comprises a Chair, three Employer Directors and three Member Directors. Directors are appointed or elected under Schedule 1 of the *State Superannuation Act 2000* (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 be re-appointed or re-elected as a Director. The maximum term of 10 years of service is imposed on a person appointed as a Chairperson or as an Employer Director. A Member Director may be re-elected for subsequent terms, for a total period of service not exceeding three terms. Further terms beyond the specified maximum term of service may be permitted, subject to the Treasurer's approval. The limitations apply to terms commencing on or after 17 April 2025.

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 clause 6(2) of Schedule 1 to the SSA under certain circumstances.

Meetings

The Board Directors meet at least eight times a year.

Board Director attendance during the period complied with the requirements of the SSA and the GESB Board Charter. All meetings held met quorum requirements.

Board Committees

The Board has two Committees to assist in the discharge of its functions under the SSA – the Audit and Risk Committee and the Investment Committee. 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 Government Employees Superannuation (GES) Fund. The Investment Committee comprises all GESB Board Directors and two external appointees who are specialists in investment. 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.

Members of the Board

Jo Gaines
Chair



Anne Gisborne
Member Director



Bruce Hawkins
Member Director



Warren Bird
Employer Director



Janice Jones
Employer Director



Janine Freeman
Member Director



Gillian Nathan
Employer Director



**Previous:
Virginia Christie**
Employer Director



For more information about our Board members, including details about their appointment and experience, visit gesb.wa.gov.au/ourboard.

Meeting attendance table

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
Director						
Jo Gaines (<i>Chair</i>)	9	9	N/A	N/A	4	4
Warren Bird (<i>Employer Director</i>) (<i>Chair Investment Committee</i>)	9	9	N/A	N/A	4	4
Janine Freeman (<i>Member Director</i>)	9	8	N/A	N/A	4	3
Anne Gisborne (<i>Member Director</i>) (<i>Chair Audit and Risk Committee</i>)	9	9	5	5	4	4
Bruce Hawkins (<i>Member Director</i>)	9	9	5	5	4	4
Janice Jones (<i>Employer Director</i>)	9	9	5	5	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	3

		Board		Audit and Risk Committee		Investment Committee	
		No. meetings held during the period of appointment	No. meetings attended	No. meetings held during the period of appointment	No. meetings attended	No. meetings held during the period of appointment	No. meetings attended
Former Director	Period of appointment in the financial year 1/7/25-30/6/26						
Virginia Christie	1/7/25-25/11/25	4	4	3	3	1	1
New Director	12/5/26-30/6/26	1	1	0	0	1	1
Gillian Nathan							



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.

For more information, visit gesb.wa.gov.au/foi.

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 were informed of these standards in our Code of Conduct, relevant human resource management policies and processes, as part of our onboarding processes, and through information published on our intranet.

Our People and Culture team provided advice, support and guidance to managers and staff on the standards. There were no applications lodged for breaches of standards in 2025/26.

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 2025/26, GESB incurred \$4,320 on sponsorship activities which compares to \$500 for the prior financial year. These activities included conference exhibitor sponsorship with the Western Australian School Business Professional Association and Reconciliation WA's 2026 Reconciliation Week Street Banner Program.

Reportable expenditure – requirements of the Electoral Act 1907

In 2025/26, GESB incurred \$85,514 on expenditure in accordance with the *Electoral Act 1907* which compares to \$160,010 for the prior financial year. This expenditure was to undertake member and employer satisfaction surveys, research into members' investment behaviour and insight into the wholesale wealth management market.

	2025	2026
Advertising agencies	Nil	Nil
Market research organisations	\$160,010	\$85,514

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 financial year 2026/27.

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. 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.

Privacy and responsible information sharing

The *Privacy and Responsible Information Sharing (PRIS) Act 2024* introduces a legislative framework governing the collection, use, disclosure and protection of personal information by WA public sector agencies, while supporting the responsible sharing of information between public entities.

During the year, GESB prepared for the commencement of the PRIS Act. As GESB's privacy framework was already broadly aligned to the principles of the *Commonwealth Privacy Act*, the impact of the new legislation was assessed as low. Readiness activities included reviewing privacy governance documentation, updating GESB's Privacy Policy, developing a Privacy Collection Notice, and reviewing privacy incident management arrangements to support compliance with the Act's notification requirements.



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 2025/26, two GESB card holders inadvertently utilised a corporate credit card for personal purchases. The matters were not referred for disciplinary action as they had been reported and repaid by the officers, the nature of the expenditure was immaterial, and it was characteristic of an honest mistake.

	2026
Number of instances a government purchasing card has been used for personal use	10
Aggregate amount of personal use expenditure for the reporting period	\$345
Aggregate amount of personal use expenditure settled within 5 working days	\$76
Aggregate amount of personal use expenditure settled outside 5 working days	\$269
Aggregate amount of personal use expenditure outstanding at balance date	Nil

Act of grace payments

In 2025/26, GESB did not make any Act of grace payments under Section 80 of the *Financial Management Act 2006*.



06

Financial statements



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 2026, and the financial position as at 30 June 2026.

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.



Melissa Haddleton
Chief Finance Officer
2 September 2026



Jo Gaines
Chair
2 September 2026



Anne Gisborne
Member Director
2 September 2026



Statement of financial position

As at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Assets			
Cash and cash equivalents	24	34,083	99,968
Receivables	9	480,436	324,717
Employer-sponsor receivables	10	1,879,008	2,185,099
Investments			
Cash and term deposits	8	5,449,483	5,097,210
Australian equities	8	8,055,079	7,488,487
International equities	8	16,207,369	13,837,573
Units in unit trusts	8	7,917,541	6,996,846
Other interest-bearing securities	8	9,071,498	9,061,891
Loaned security	8	2,032,367	1,359,858
Derivative assets	8	184,257	348,582
Plant and equipment		15	179
Deferred tax assets	15	14,899	-
Total assets		51,326,035	46,800,410
Liabilities			
Derivative liabilities	8	(402,219)	(203,617)
Payables	11	(472,059)	(223,073)
Provision for employee benefits	12	(3,079)	(2,784)
Provision for post-employment benefits	13	(543)	(568)
Income tax payable	15	(37,278)	(64,842)
Deferred tax liabilities	15	(376,488)	(313,995)
Total liabilities excluding member benefits		(1,291,666)	(808,879)
Net assets available for member benefits		50,034,369	45,991,531
Member benefits			
Defined contribution member liabilities	3	(44,252,977)	(40,069,022)
Defined benefit member liabilities	4	(4,015,226)	(4,174,039)
Total member benefits		(48,268,203)	(44,243,061)
Net assets		1,766,166	1,748,470
Reserves			
Other reserves	14	(158,327)	(153,074)
Operational risk reserve	14	(103,651)	(99,298)
Defined benefits that are over funded	5	(1,504,188)	(1,496,098)
Total reserves		(1,766,166)	(1,748,470)

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

Income statement

For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Interest	16	628,456	589,904
Dividends	16	522,187	536,533
Distributions	16	176,782	244,390
Changes in assets/liabilities measured at fair value	16	3,200,900	2,989,594
Other investment income	16	9,356	8,323
Other income	17	6,875	6,713
Total income		4,544,556	4,375,457
Expenses			
Administration expenses	18	(57,968)	(51,686)
Investment expenses	16	(118,017)	(102,239)
Depreciation expense	19	(1)	(52)
Total expense		(175,986)	(153,977)
Net result from operating activities			
Net benefits allocated to defined contribution member accounts		(4,196,992)	(4,081,281)
Net change in defined benefit member liabilities		263,240	1,083,824
Net result before income tax		434,818	1,224,023
Income tax expense	15	(109,550)	(92,619)
Net result after income tax		325,268	1,131,404

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

Statement of changes in member benefits

For the year ended 30 June 2026

	DC members ¹ \$'000	DB members ² \$'000	Total \$'000
Opening balance as at 1 July 2025	40,069,022	4,174,039	44,243,061
Contributions:			
Employer	2,246,991	474,595	2,721,586
Member	502,394	4,328	506,722
Transfers from other superannuation plans	552,617	-	552,617
Government co-contributions	790	-	790
Income tax on contributions	(355,679)	-	(355,679)
Net after tax contributions	2,947,113	478,923	3,426,036
Benefits to members/beneficiaries	(2,918,054)	(375,198)	(3,293,252)
Insurance premiums charged to member accounts	(115,663)	-	(115,663)
Death and disability insurance benefits credited to member accounts	72,790	-	72,790
Reserves allocated to members:			
General reserve	777	-	777
WSS government guaranteed payment reserve	-	702	702
Net benefits allocated to/(from) defined contribution member accounts, comprising:			
Net investment income	4,246,808	-	4,246,808
Administration fees	(49,816)	-	(49,816)
Net change in defined benefit member accrued benefits	-	(263,240)	(263,240)
Closing balance as at 30 June 2026	44,252,977	4,015,226	48,268,203

	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

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 2026

	Defined benefits that are over funded \$'000	Other reserves \$'000	Operational risk reserve \$'000	Total reserves \$'000
Opening balance as at 1 July 2025	1,496,098	153,074	99,298	1,748,470
Transfers to/(from) defined contribution member accounts	-	(1,479)	-	(1,479)
Movement in employer-sponsor receivables	(306,093)	-	-	(306,093)
Net result	314,183	6,732	4,353	325,268
Closing balance as at 30 June 2026	1,504,188	158,327	103,651	1,766,166

	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/(from) 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

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

Statement of cash flows

For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Interest received		624,012	574,168
Dividends received		520,554	538,200
Distributions received		177,623	244,428
Insurance recoveries		72,605	71,277
Administration expenses paid		(56,316)	(51,311)
Investment expenses paid		(109,226)	(113,567)
Insurance premiums paid		(116,131)	(115,600)
Other investment income received		9,356	8,323
Other income received		6,086	7,357
Income tax (paid)/refund		(57,438)	538
Net cash inflows from operating activities	24	1,071,125	1,163,813
Cash flows from investing activities			
Purchase of investments		(64,122,621)	(56,008,756)
Proceeds from sale of investments		62,893,927	54,729,085
Proceeds from/(purchase of) plant and equipment		163	(226)
Net cash outflows used in investing activities		(1,228,531)	(1,279,897)
Cash flows from financing activities			
Employer contributions received		2,711,363	2,493,844
Member contributions received		506,707	403,645
Transfers from other superannuation plans received		552,617	446,283
Government co-contributions received		790	713
Benefits paid to members/beneficiaries		(3,292,373)	(2,933,609)
Income tax paid on contributions received		(387,583)	(270,050)
Net cash inflows from financing activities		91,521	140,826
Net (decrease)/increase in cash and cash equivalents		(65,885)	24,742
Cash and cash equivalents at beginning of financial year		99,968	75,226
Cash and cash equivalents at end of financial year	24	34,083	99,968

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 2026

Note 1: Statement of material 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 2 September 2026.

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 2025 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 2028.</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 new standard requires superannuation entities applying AASB 1056 Superannuation to: • Present primary financial statements in accordance with that standard, rather than the presentation formats in AASB 18; • Identify the statement of changes in member benefits as a primary financial statement and classifying and presenting income and expenses in accordance with AASB 1056; • apply the AASB 18 requirements on labelling, aggregation, and management-defined performance measures; • reconcile cash flows from operating activities to the profit or loss total presented in the statement of profit or loss; and • retain the existing accounting policy choice for classifying cash flows from dividends received and interest paid and received, for example as cash flows from operating activities. AASB 18 will replace AASB 101 Presentation of Financial Statements. AASB is considering application requirements for Registrable Superannuation Entities. Management does not expect these amendments to have a material impact on its operations or financial statements.	1 January 2028	1 July 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	1 July 2026

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 concessionally taxed.

GESB Super and GESB Super - Retirement Access are complying superannuation funds under the *Superannuation Industry (Supervision) Act 1993* and accordingly are concessionally taxed. 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.

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 (2025 : Nil). The Fund has no contractual commitments or current intentions to provide any financial or other support to its unconsolidated subsidiary (2025 : 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.

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 includes investing in assets such as equities, fixed income securities and unlisted real estate and infrastructure 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:

- 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
- 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. Effective 11 June 2026, members can fully commute (withdraw) their entire account balance and close their account, aligning with updated Commonwealth regulations. Previously, full lump-sum cashouts were restricted to special circumstances.

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 2026, all net assets attributable to defined contribution members have been allocated to those members (2025: 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 2026 and 30 June 2025.

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:

	2026 \$’000	2025 \$’000
West State Super	23,437,591	22,053,521
GESB Super	12,324,470	10,365,125
Retirement Income	8,480,683	7,638,534
Term Allocated Pension	10,233	11,842
Total	44,252,977	40,069,022

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:

	2026 \$’000	2025 \$’000
West State Super	23,437,591	22,053,521
GESB Super	12,324,470	10,365,125
Retirement Income	8,480,683	7,638,534
Term Allocated Pension	10,233	11,842
Total	44,252,977	40,069,022

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:

	2026	2025
Future investment return (net of investment fees and taxes)	6.5% p.a.	6.25% p.a.
Future salary increase	3.5% p.a.	3.5% p.a.
Future Perth CPI increase*	Pension Scheme 6.0% for the first year, 3.25% for the second year, 2.5% p.a. thereafter Gold State Super 4.9% for the first year, 5.5% in the second year, 3.0% in the third year, 2.5% p.a. thereafter	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

* 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 2026

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	2026:	6.5% p.a.	+1.0% / -1.0%	(340,924) / 383,475
	2025:	6.25% p.a.	+1.0% / -1.0%	(366,455) / 413,964
Salary increase	2026:	3.5% p.a.	+1.0% / -1.0%	51,525 / (48,500)
	2025:	3.5% p.a.	+1.0% / -1.0%	56,762 / (53,297)
Perth CPI increase	2026:	Pension Scheme 6.0% for the first year, 3.25% for the second year, 2.5% p.a. thereafter Gold State Super 4.9% for the first year, 5.5% in the second year, 3.0% in the third year, 2.5% p.a. thereafter	+1.0% / -1.0%	320,101 / (290,766)
	2025:	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	+1.0% / -1.0%	318,532 / (288,929)

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	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Pension Scheme	1,078,665	1,112,588	50,904	54,712	1,027,761	1,057,876
Gold State Super	2,936,561	3,061,451	2,085,315	1,934,227	851,246	1,127,224
Total	4,015,226	4,174,039	2,136,219	1,988,939	1,879,007	2,185,100

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	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Pension Scheme	1,114,510	1,151,762	50,904	54,712	1,063,606	1,097,050
Gold State Super	4,946,024	5,173,943	2,370,221	2,210,197	2,575,803	2,963,746
Total	6,060,534	6,325,705	2,421,125	2,264,909	3,639,409	4,060,796

Note 5: Defined benefit schemes that are over funded

	Note	2026 \$'000	2025 \$'000
Pension Scheme	A		
Accrued benefits related to funded liabilities		50,904	54,712
Net assets available for member benefits		(86,747)	(93,886)
Over funded amount for Pension Scheme		(35,843)	(39,174)
Gold State Super	B		
Accrued benefits related to funded liabilities		2,085,315	1,934,227
Net assets available for member benefits		(3,553,660)	(3,391,151)
Over funded amount for Gold State Super		(1,468,345)	(1,456,924)
Total over funded amount		(1,504,188)	(1,496,098)

In the opinion of the Fund's actuary, the overall financial position of the Fund as at 30 June 2026 has improved since the previous actuarial investigation primarily due to investment returns for the defined benefit schemes of 11.6% for the year being higher than the previously assumed returns of 6.25% per annum.

The combined funding percentage in respect of the funded liabilities for Gold State Super ('GSS') and Pension Scheme ('PS') has decreased from 175.2% at 30 June 2025 to 170.4% of funded liabilities at 30 June 2026.

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 decreased slightly with Scheme assets exceeding the funded share of accrued liabilities by 70.4% (2025: 75.3%). This reduction is despite the reduction in Recoupment Percentages. Given the current method of implementing changes to the Recoupment Percentage, this position is expected to continue to improve, even if the Recoupment Percentage were reduced to zero. There is a significant risk of “over funding”: that is, the Scheme building up more assets than are needed to fully fund benefits. At present there is no clear mechanism by which surplus assets can be returned to Government, meaning that such assets would need to remain in the Scheme at least until the final benefit had been paid.

The weighted average term of the defined benefit liabilities (funded and unfunded) is approximately seven years (a slight decrease from last year). However, there is a risk that the duration could be much shorter, increasing the liquidity required by the Scheme and the level of recoupments required to be paid by the State Government. 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.

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 12% (2025: 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 42.0% (2025: 49.3%), 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 12% (2025: 11.5%).

d. GESB Super

The employer contribution rate payable is determined under State Government legislation and is currently 12% (2025: 11.5%).

Note 8: Investments and derivatives

a. Fair value hierarchy

The table below sets out 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 2026	Level 1 \$’000	Level 2 \$’000	Level 3 \$’000	Total \$’000
Investment assets				
Cash and term deposits	5,449,483	-	-	5,449,483
Australian equities:				
Listed equity securities	8,053,348	-	1,731	8,055,079
International equities:				
Listed international equity securities	16,195,415	-	6,501	16,201,916
Listed international preferred securities	5,453	-	-	5,453
Units in unit trusts:				
Listed unit trusts	715,904	3,810	-	719,714
Unlisted unit trusts	-	3,799,883	2,665,238	6,465,121
Limited partnerships	-	98,650	634,056	732,706
Other interest-bearing securities:				
Asset-backed securities	-	457,146	1,387	458,533
Bank loans	-	125,263	1,018	126,281
Commercial paper	-	94,631	-	94,631
Fixed interest bonds	-	7,106,969	9,607	7,116,576
Indexed bonds	-	58,109	-	58,109
Mortgage-backed securities	-	1,216,816	552	1,217,368
Loaned securities	678,995	1,352,674	698	2,032,367
Derivative assets				
Futures	-	20,492	-	20,492
Options	706	471	-	1,177
Swaps	-	51,349	-	51,349
Forwards	-	110,966	-	110,966
Warrants	273	-	-	273
Derivative liabilities				
Futures	-	(12,722)	-	(12,722)
Options	(4,988)	(2,216)	-	(7,204)
Swaps	-	(49,927)	-	(49,927)
Forwards	-	(332,366)	-	(332,366)
Total investments and derivatives				
	31,094,589	14,099,998	3,320,788	48,515,375

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
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

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.

Listed securities

Listed securities comprise publicly traded equity securities, exchange traded real estate investment trusts (REITs), stapled securities, listed trusts and exchange traded funds (ETFs). When fair values of publicly traded equity securities are based on quoted market prices, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Fund values these investments at bid price for long positions and ask price for short positions. As these valuations are based on unadjusted quoted prices in active markets, the inputs used are considered observable and therefore support Level 1 classification.

Where listed securities are valued using observable market inputs other than quoted prices in active markets, such as broker or dealer quotations for less actively traded securities, the investments may be classified within Level 2. Listed securities may be classified within Level 3 where significant valuation inputs are unobservable, including circumstances where market activity is limited, trading has been suspended, or quoted prices are no longer readily available.

Unlisted unit trusts

The Fund invests in these trusts, which primarily comprise unlisted property, infrastructure, real asset and diversified investment funds, which are not quoted in an active market, and which may be subject to restrictions on redemptions such as lock up periods and liquidity windows.

The Fund's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value.

In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other fund-specific factors. Consideration is also given to any secondary market transactions in the fund units.

Depending on the observability of the underlying inputs used by the investment manager in determining NAV, and the significance of any adjustments applied by the Fund, these investments are classified as either Level 2 or Level 3 within the fair value hierarchy. Investments are generally classified as Level 3 where fair value is derived from underlying unlisted assets that rely on significant unobservable inputs.

Limited Partnerships

The Fund invests in limited partnerships and other partnership interests, including infrastructure, property and structured finance facilities, which are not quoted in active markets. Fair values are generally based on valuations provided by the investment manager or underlying fund manager and may incorporate net asset value (NAV), evaluated prices or other market information, depending on the nature of the investment.

The Fund's investment manager considers the valuation techniques and inputs used in valuing these investments as part of its due diligence and ongoing monitoring processes. Where fair value is determined using evaluated prices or observable market inputs, the investments are classified within Level 2 of the fair value hierarchy.

Investments are classified within Level 3 where fair value is derived from underlying unlisted assets that rely on significant unobservable inputs, including certain infrastructure, property and other private market investments.

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.

Fixed income securities

The Fund invests in fixed income securities, including corporate bonds, government bonds, provincial bonds, indexed bonds, short terms bills and notes, commercial paper, bank loans and other debt securities. In the absence of a quoted price in an active market, these investments are valued using observable inputs such as recently executed transaction prices for the securities of issuer or comparable issuers, broker quotations and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms. To the extent that the significant inputs are observable, the Fund categorises these investments as Level 2 within the fair value hierarchy. Investments are classified within Level 3 where fair value is determined using significant unobservable inputs.

Derivative assets and liabilities

The Fund uses derivative financial instruments, including futures, options, swaps, forward foreign exchange contracts and warrants, for investment and risk management purposes.

The Fund uses widely recognised valuation models for determining fair values of over-the-counter interest rate swaps, currency swaps and forward foreign exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations.

The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates and interest rate curves.

For these financial instruments, significant inputs into models are market observable and are included within Level 2. Exchange-traded derivatives, such as certain futures, options and warrants, are generally classified within Level 1 where quoted market prices are available.

Asset-backed and mortgage-backed securities

The fair values of investments in asset-backed securities, for which there is currently no active market are calculated using a valuation model which is accepted in the industry. The model uses discounted cash flow analysis which incorporates both observable and non-observable data. Observable inputs include assumptions regarding current rates of interest and real estate prices. Unobservable inputs include assumptions regarding expected future default rates and market liquidity discounts. Significant adjustments may be required in order to reflect differences between the characteristics of the index and the instrument to be valued. Such instruments are included within Level 2 or Level 3, depending on the observability of the valuation inputs used.

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. 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**	2026 :	Adjusted last traded price	Last traded price	2026 :	0% - 100% (50%)
	2025 :			2025 :	0% - 100% (50%)
International equities**	2026 :	Adjusted last traded price	Last traded price	2026 :	0% - 100% (50%)
	2025 :			2025 :	0% - 100% (50%)
Units in unit trusts	2026 :	Net asset value	Net asset value	2026 :	0% - 10% (5%)
	2025 :			2025 :	0% - 10% (5%)
Other interest-bearing securities	2026 :	Adjusted last traded price	Last traded price	2026 :	0% - 100% (50%)
	2025 :			2025 :	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	\$'000
Australian equities	Last traded price and the adjustment	100%	2026 :	1,731 / (1,731)
		100%	2025 :	1,276 / (1,276)
International equities	Last traded price and the adjustment	100%	2026 :	6,501 / (6,501)
		100%	2025 :	4,561 / (4,561)
Units in unit trusts	Net asset value	5%	2026 :	164,965 / (164,965)
		5%	2025 :	139,373 / (139,373)
Other interest-bearing securities	Last traded price and the adjustment	100%	2026 :	12,564 / (12,564)
		100%	2025 :	11,202 / (11,202)

* 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.

	Australian equities \$'000	International equities \$'000	Units in unit trusts \$'000	Other Interest-bearing securities \$'000	Loaned securities \$'000	Total \$'000
30 June 2026						
Opening balance	1,276	4,561	2,787,468	11,202	-	2,804,507
Total realised/unrealised gains and losses	(894)	2,337	99,581	(843)	(2)	100,179
Purchases	2,225	75	490,366	14,456	700	507,822
Sales	(876)	(472)	(78,121)	(6,661)	-	(86,130)
Transfers into Level 3	-	-	-	1,580	-	1,580
Transfers out of Level 3	-	-	-	(7,170)	-	(7,170)
Closing balance	1,731	6,501	3,299,294	12,564	698	3,320,788

	Australian equities \$'000	International equities \$'000	Units in unit trusts \$'000	Other Interest-bearing securities \$'000	Loaned securities \$'000	Total \$'000
30 June 2025						
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

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

	Australian equities \$'000	International equities \$'000	Units in unit trusts \$'000	Other Interest-bearing securities \$'000	Loaned securities \$'000	Total \$'000
30 June 2026						
Total gains/(losses) recognised in the Income Statement for the period	(894)	2,337	99,581	(843)	(2)	100,179
Total gains/(losses) recognised in the Income Statement for the period for assets held at the end of the reporting period	(894)	2,337	99,581	(843)	(2)	100,179

	Australian equities \$'000	International equities \$'000	Units in unit trusts \$'000	Other Interest-bearing securities \$'000	Loaned securities \$'000	Total \$'000
30 June 2025						
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

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:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
30 June 2026			
Transfers between Level 2 and Level 3:			
Other interest-bearing securities:			
Asset-backed securities	-	(10)	10
Bank loans	-	(552)	552
Loans	-	6,450	(6,450)
Mortgage backed securities	-	(298)	298
Total transfers between Level 2 and Level 3	-	5,590	(5,590)

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
Total transfers between Level 2 and Level 3	(150)	(10,381)	10,531

d. Securities 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:

	2026 \$'000	2025 \$'000
Securities lent	2,032,367	1,359,858
Total securities lent	2,032,367	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

	2026 \$'000	2025 \$'000
Australian equities	132,176	58,587
International equities	547,355	537,650
Units in unit trusts	162	690
Other interest-bearing securities	1,352,674	762,931
Total securities lent	2,032,367	1,359,858

Assets held as collateral

As part of the securities lending arrangement, collateral of \$2.168 billion (2025: \$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

	2026 \$'000	2025 \$'000
Recoverable within 12 months		
Investment		
Interest receivable	135,854	131,410
Investment income receivable	55,036	54,243
Other investment receivable	253,905	118,540
Pension Scheme		
Recoup State's share of pensions	3,637	3,556
Gold State Super		
Employer contributions receivable	17,888	7,746
Contributions in arrears	930	1,055
West State Super		
Insurance benefits recoverable	124	-
Others		
Administration fees recoverable from Treasury	787	624
GST receivable	1,078	290
Prepayments	1,628	1,080
Other debtors	9,569	6,173
Total	480,436	324,717

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:

	2026 \$'000	2025 \$'000
Current		
Pension Scheme	129,811	134,736
Gold State Super	221,967	223,375
	351,778	358,111
Non-Current		
Pension Scheme	897,950	923,140
Gold State Super	629,280	903,848
	1,527,230	1,826,988
Total	1,879,008	2,185,099

Note 11: Payables

	2026 \$'000	2025 \$'000
Due within 12 months		
Investment		
Investments payable	370,445	136,128
Management fees payable	56,692	47,901
GESB Super		
Insurance premiums payable	8,027	7,773
Gold State Super		
Contributions in advance	694	833
West State Super		
Insurance benefits payable	-	61
Insurance premiums payable	7,155	7,877
Pension and Retirement Scheme		
Pension benefits due and payable	3,788	3,704
Retirement income benefits due and payable	4,006	815
Others		
Benefits due and payable	11,037	11,011
PAYG withholding tax	842	602
Superannuation surcharge liability	634	454
Other payables and accruals	8,739	5,914
Total	472,059	223,073

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.

	2026 \$'000	2025 \$'000
Current		
Long-service leave	1,173	937
Annual leave	1,098	888
Sub total	2,271	1,825
Non-current		
Long-service leave	808	959
Sub total	808	959
Total employee benefits	3,079	2,784
Number of employees (head count)	99	84

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	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Present value at beginning of the year	568	611	-	-
(+) Interest cost	21	25	-	-
(+) Actuarial (gains)/losses	25	(2)	-	-
(-) Benefits paid	(71)	(66)	-	-
Present value at end of the year	543	568	-	-

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

	2026 \$'000	2025 \$'000
Accumulation General Reserve		
Opening balance	110,960	109,917
Contribution to/(drawdown from) reserve	(777)	776
Transfer between reserve	-	(4,910)
Investment performance	4,899	5,177
Closing balance	115,082	110,960
WSS ¹ Government Guaranteed Payment Reserve		
Opening balance	42,114	40,891
Utilisation of reserve	(702)	(724)
Investment performance	1,833	1,947
Closing balance	43,245	42,114
Total Other Reserves	158,327	153,074
Operational Risk Reserve		
Opening balance	99,298	89,902
Transfer between reserve	-	4,910
Investment performance	4,353	4,486
Closing balance	103,651	99,298

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 0.26% (2025: 0.27%) 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 0.23% (2025: 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

	2026 \$'000	2025 \$'000
Income statement		
Current tax expense	65,641	1,304
Adjustment to the current tax for prior periods	(3,685)	3,263
Deferred tax		
Deferred tax expense relating to the origination and reversal of temporary differences	47,594	88,052
Total income tax expense as reported in the Income Statement	109,550	92,619

b. Reconciliation between income tax expenses and the net result before income tax

	2026 \$'000	2025 \$'000
Net result before income tax	434,819	1,224,023
Adjustments:		
Related to constitutionally protected schemes	1,407,154	590,633
Related to reserves	(10,309)	(12,387)
Total net result related to GESB Super and Retirement schemes	1,831,664	1,802,269
Income tax calculated at 15%	274,749	270,340
Tax effect of expenses that are not deductible in determining taxable income:		
Non-deductible expenses	1,551	1,357
Tax effect of income that is not assessable in determining taxable income:		
Income from managed portfolio	(32,838)	(92,647)
Tax credit and offsets	(47,504)	(42,585)
Exempt current pension income	(73,668)	(38,561)
Other items	(21)	(21)
Tax effect of other adjustments:		
Other deductions	(9,034)	(8,527)
Current tax for prior year	(3,685)	3,263
Income tax expense	109,550	92,619

c. Recognised tax assets and liabilities

	2026 \$'000		2025 \$'000	
	Current Tax	Deferred Tax	Current Tax	Deferred Tax
Opening balance	(64,842)	(313,995)	(25,373)	(225,943)
Charged to income	(61,956)	(47,594)	(4,567)	(88,052)
Charged to changes in member benefits	(355,679)		(304,071)	
Other payments / (refunds)	57,438		(538)	
Income tax paid on contributions received	387,761		269,707	
Closing balance	(37,278)	(361,589)	(64,842)	(313,995)
Deferred tax asset at 30 June related to the following:				
Net unrealised revenue losses		14,899		-
Closing balance		14,899		-
Deferred tax liability at 30 June related to the following:				
Unrealised capital gain		(374,112)		(302,994)
Accrued income		(2,376)		(2,123)
Net unrealised revenue gains		-		(8,878)
Closing balance		(376,488)		(313,995)
Net deferred tax liability at 30 June		(361,589)		(313,995)

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

	Interest income/ (expense) \$'000	Dividend income/ (expense) \$'000	Distribution income \$'000	Other investment income \$'000	Changes in fair value \$'000	Total \$'000
30 June 2026						
Investment income						
Cash and term deposits	184,990	-	-	9,356	50,249	244,595
Australian equities	-	251,377	-	-	282,187	533,564
International equities	-	271,601	-	-	2,112,854	2,384,455
Units in unit trusts:						
Listed unit trusts	-	(98)	26,961	-	(6,031)	20,832
Unlisted unit trusts	-	-	144,336	-	297,566	441,902
Limited partnerships	-	-	5,485	-	30,758	36,243
Other interest-bearing securities:						
Asset-backed securities	19,011	-	-	-	(13,069)	5,942
Bank loans	13,353	-	-	-	(21,935)	(8,582)
Commercial paper	(43)	-	-	-	3,559	3,516
Fixed interest bonds	350,614	(693)	-	-	(351,405)	(1,484)
Indexed bonds	677	-	-	-	(5,531)	(4,854)
Mortgage-backed securities	59,854	-	-	-	(59,387)	467
Derivatives	-	-	-	-	881,085	881,085
Total investment income/ (losses)*	628,456	522,187	176,782	9,356	3,200,900	4,537,681
Investment expenses						
External fund management base fees						66,388
External fund management performance fees						34,295
Custodial fees						8,857
Investment administration costs						8,477
Total investment expenses						118,017
Net investment income						4,419,664

30 June 2025	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	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

* Refer to Note 30(i) for explanation of variance between 2026 and 2025.

Note 17: Other income

	2026 \$'000	2025 \$'000
Administration expenses recovered	6,631	6,627
Other	244	86
Total other income	6,875	6,713

Note 18: Administration expenses

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

		2026 Actual \$'000	2026 Budget \$'000	Variance actual to budget		2025 Actual \$'000	Variance actual to prior year actual	
	Note	\$'000	\$'000	\$'000	%	\$'000	\$'000	%
Outsourced administration costs	(i)	37,081	35,668	(1,413)	(4)	33,613	(3,468)	(10)
Employment expenses	(ii)	14,807	15,498	691	4	13,182	(1,625)	(12)
Information technology costs	(iii)	3,250	2,660	(590)	(22)	1,891	(1,359)	(72)
Consultants	(iv)	333	1,704	1,371	80	163	(170)	(104)
Accommodation costs ¹		915	1,100	185	17	780	(135)	(17)
Professional fees:								
Actuarial fees		199	250	51	20	209	10	5
Audit fees - external		511	445	(66)	(15)	473	(38)	(8)
Audit fees - internal		361	400	39	10	390	29	7
Legal and other fees	(v)	217	259	42	16	550	333	61
Postage, printing and record management		28	27	(1)	(4)	26	(2)	(8)
Product information and engagement		101	136	35	26	89	(12)	(13)
Other administration costs ²		4,456	4,569	113	2	3,968	(488)	(12)
		62,259	62,716	457	1	55,334	(6,925)	(13)
Less:								
Investment administration costs	(vi)	4,291	4,590	299	7	3,648	(643)	(18)
Total administration costs excluding depreciation and amortisation		57,968	58,126	158	0	51,686	(6,282)	(12)
Add:								
Depreciation expense	(vii)	1	250	249	100	52	51	98
Total administration costs		57,969	58,376	407	1	51,738	(6,231)	(12)

1 2026 actuals include other accommodation costs (parking) of \$72k (2025: \$73k).

2 2026 actuals include sponsorships costs of \$4k and advertising costs of \$0 (2025: \$500 and \$0 respectively).

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 ‘significant variation’ between actual expenditure and estimate 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. Outsourced administration costs

2025/26 Actual to Estimate (increased expenditure \$1.4m). Actual to Prior Year’s Actual (increased expenditure \$3.5m).

The increased expenditure compared to the prior year’s actual is primarily due to an increase in the base level costs as a result of a contractual CPI increase which was higher than previous years. Also attributable are additional projects being undertaken by our outsourced administrator.

ii. Employment expenses

2025/26 Actual to Prior Year’s Actual (increased expenditure \$1.6m).

The increased expenditure compared to the prior year’s actual is due to a planned increase in full-time equivalent (FTE) to support business activities across the organisation as well as having a full Executive Leadership Team for majority of the 2025/2026 financial year compared to the prior year.

iii. Information technology costs

2025/26 Actual to Estimate (increased expenditure \$590k). Actual to Prior Year’s Actual (increased expenditure \$1.4m).

The increased expenditure compared to the prior year’s actuals is due to higher than planned spend on IT Specialist Consultancy services, as well as additional IT-related projects during the 2025/26 financial year.

iv. Consultants

2025/26 Actual to Estimate (decreased expenditure \$1.4m).

The decreased expenditure compared to the 2025/26 budget was primarily attributable to lower-than-anticipated spending on consulting services, particularly in relation to the ERP project and strategic advisory activities.

v. Legal and other fees

2025/26 Actual to Estimate (decreased expenditure \$42k). Actual to Prior Year’s Actual (decreased expenditure \$333k).

The decreased expenditure compared to both the 2025/26 budget and the prior year’s actual result was driven primarily by lower-than-anticipated compensation payments. In addition, expenditure in the prior year was higher due to legal costs incurred to support major contract negotiations.

vi. Investment administration costs

2025/26 Actual to Prior Year’s Actual (increased expenditure \$643k).

The increased expenditure compared to the prior year’s actual is due to a proportional rise in overall administration costs. As administration costs rise, investment allocated administration costs increase accordingly.

vii. Depreciation expense

Refer to Note 19.

Note 19: Depreciation expense

	2026 \$’000	2025 \$’000
Depreciation		
Computer hardware	1	52
Total depreciation expense	1	52

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

Note 20: Employee benefits expense

	2026 \$’000	2025 \$’000
Salaries	10,406	8,946
Superannuation - defined contribution plans	1,503	1,263
Superannuation - defined benefit plans	97	66
Long service leave ¹	395	593
Annual leave ¹	1,134	989
Other related expenses	1,271	1,325
Total employee benefits expense	14,806	13,182

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:

	2026 \$’000	2025 \$’000
Fees for auditing the financial statements, controls and key performance indicators	354	342

Note 22: Remuneration of senior officers

Position	Name	Period of employment	Remuneration	
			2026 \$'000	2025 \$'000
Chief Executive Officer	Benjamin Palmer ¹	04 Jul 2018 - 02 Apr 2026	382,362	478,971
Acting Chief Executive Officer	Paul Taylor ⁴	03 Apr 2026 - Current	110,794	-
Chief Investment Officer	Paul Taylor ²	21 Jan 2019 - 02 Apr 2026	324,358	-
Chief Finance Officer	Melissa Haddleton ³	01 Aug 2022 - Current	252,451	247,273
Chief Corporate Services Officer	Anthony Cribb ³	16 Jan 2025 - 06 Mar 2026	198,833	121,544
Chief Corporate Services Officer	Scott Davis ³	15 Jun 2026 - Current	8,063	-
Chief Member Experience Officer	Kelly Smith ²	10 Mar 2025 - Current	370,380	110,539
Chief Strategy & Member Experience Officer	Natalie Skeggs ³	01 Feb 2022 - 05 Jan 2025	-	106,038
Total			1,647,241	1,452,463
Short-term employee benefits			1,434,492	1,267,345
Post-employment benefits			163,587	141,423
Other long-term benefits			49,162	43,695
Total remuneration of senior officers			1,647,241	1,452,463

- 1

The Chief Executive Officer is appointed 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. Remuneration 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.
- 4

This officer acted in the vacant position of Chief Executive Officer for a limited period pursuant to section 51 of the Public Sector Management Act 1994.

“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:

	2026	2025
\$0 - 10,000	1	-
\$100,001 - 110,000	-	1
\$110,001 - 120,000	-	1
\$120,001 - 130,000	-	1
\$190,001 - 200,000	1	-
\$240,001 - 250,000	-	1
\$250,001 - 260,000	1	-
\$370,001 - 380,000	1	-
\$380,001 - 390,000	1	1
\$430,001 - 440,000	1	-
\$470,001 - 480,000	-	1
Total	6	6

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	
			2026 \$	2025 \$
Chair	Jo Gaines	19 Oct 2021 - Current	132,167	129,469
Employer Director	Virginia Christie ^{2,3}	01 Nov 2019 - 31 Oct 2025, 12 Nov 2025 - 25 Nov 2025	29,887	65,081
Employer Director	Janice Jones ²	22 Mar 2022 - Current	70,474	69,262
Employer Director	Warren Bird	01 Nov 2022 - Current	70,474	69,262
Employer Director	Gillian Nathan ²	12 May 2026 - Current	8,394	-
Member Director	Anne Gisborne ¹	08 Feb 2017 - Current	76,302	74,920
Member Director	Bruce Hawkins ²	04 Jul 2018 - Current	70,474	69,262
Member Director	Janine Freeman	04 Apr 2022 - Current	70,474	69,262
Total			528,646	546,518
Short-term employee benefits			472,006	490,151
Post-employment benefits			56,640	56,367
Total remuneration of members of the Board			528,646	546,518

- 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 (\$)	2026	2025
\$0 - 10,000	1	-
\$10,001 - 20,000	-	-
\$20,001 - 30,000	1	-
\$30,001 - 40,000	-	-
\$40,001 - 50,000	-	-
\$60,001 - 70,000	-	5
\$70,001 - 80,000	5	1
\$120,001 - 130,000	-	1
\$130,001 - 140,000	1	-
Total	8	7

Remuneration of members of the Investment Committee

Position	Name	Period of membership	Remuneration	
			2026 \$	2025 \$
Member	John Stroud	01 Oct 2018 - Current	13,769	13,581
Member	Michael Strachan	01 Nov 2023 - Current	13,769	13,581
Total			27,538	27,162
Short-term employee benefits			24,588	24,360
Post-employment benefits			2,950	2,802
Total remuneration of external members of the Investment Committee			27,538	27,162

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

Remuneration band (\$)	2026	2025
\$0 - 10,000	-	-
\$10,001 - 20,000	2	2
Total	2	2

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:

	2026 \$'000	2025 \$'000
Cash and cash equivalents	34,083	99,968

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

	2026 \$'000	2025 \$'000
Net result after income tax	325,268	1,131,404
Adjustments for:		
Increase in assets measured at fair value	(3,200,900)	(2,989,594)
Increase in insurance	(42,873)	(44,739)
Increase in receivables	(6,210)	(13,250)
Depreciation expense	1	52
Increase/(Decrease) in payables	9,975	(10,674)
Increase in income tax payable	52,112	93,157
Allocation to members' accounts	3,933,752	2,997,457
Net cash inflows from operating activities	1,071,125	1,163,813

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 Board 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:

	Gross derivative amounts \$'000	Derivative amounts set off \$'000	Net amounts presented in statement of financial position \$'000
2026			
Derivative assets:			
Futures	20,492	-	20,492
Options	1,177	-	1,177
Swaps	781,986	(730,637)	51,349
Forwards*	110,966	-	110,966
Warrants	273	-	273
Total derivative assets	914,894	(730,637)	184,257
Derivative liabilities:			
Futures	12,722	-	12,722
Options	7,204	-	7,204
Swaps	780,564	(730,637)	49,927
Forwards*	332,366	-	332,366
Total derivative liabilities	1,132,856	(730,637)	402,219
Net derivative liability	(217,962)	-	(217,962)

	Gross derivative amounts \$'000	Derivative amounts set off \$'000	Net amounts presented in statement of financial position \$'000
2025			
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

* Included in the forwards are To-Be-Announced ('TBA') Agency Securities. At 30 June 2026, 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 observable market quotations and other market-based inputs, with roll adjustments applied where relevant for future settlement dates, the notional value of long and short positions in TBA Agency Investments was \$1,608,108,000 (2025: \$1,778,085,000) and \$998,276,000 (2025: \$1,229,917,000).

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, counterparty credit risk is mitigated by restrictions in investment manager agreements that require managers to only 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:

2026	AAA to AA-\$'000	A+ to A-\$'000	BBB+ to BBB-\$'000	BB+ to D \$'000	Not Rated¹ \$'000	Total \$'000
Cash and term deposits	4,880,181	312,728	195,392	146	61,036	5,449,483
Asset-backed securities	322,784	21,718	51,282	49,384	13,365	458,533
Bank loans	-	-	1,921	123,675	685	126,281
Commercial paper	3,987	58,841	29,507	-	2,296	94,631
Fixed interest bonds	3,500,926	1,773,014	1,646,452	189,999	6,185	7,116,576
Indexed bonds	45,368	12,741	-	-	-	58,109
Mortgage-backed securities	998,379	148,362	21,349	23,861	25,417	1,217,368
Loaned securities²	1,338,493	1,267	12,914	-	-	1,352,674
Total	11,090,118	2,328,671	1,958,817	387,065	108,984	15,873,655

2025	AAA to AA-\$'000	A+ to A-\$'000	BBB+ to BBB-\$'000	BB+ to D \$'000	Not Rated¹ \$'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 securities²	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
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- 1The 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.
- 2Only 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 \$162,315k (2025: \$322,396k).

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:

	2026 \$’000	2025 \$’000
Financial assets held at fair value		
British Pound	1,401,889	1,227,369
Canadian Dollar	918,392	838,514
Euro	5,687,415	5,121,139
Hong Kong Dollar	484,027	444,989
Japanese Yen	1,620,781	1,746,355
Swiss Franc	478,153	436,422
US Dollar	24,923,226	22,328,973
Other Currencies	3,381,894	2,708,892
Total financial assets	38,895,777	34,852,653
Financial liabilities held at fair value		
British Pound	1,068,834	954,521
Canadian Dollar	732,988	693,732
Euro	4,838,782	4,399,014
Hong Kong Dollar	279,446	242,498
Japanese Yen	1,135,300	1,341,487
Swiss Franc	351,186	294,899
US Dollar	19,480,360	16,993,402
Other Currencies	2,330,444	1,694,687
Total financial liabilities	30,217,340	26,614,240
Net exposure	8,678,437	8,238,413

The following table details the Fund’s sensitivity to a 10% (2025: 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	
	2026 %	2025 %	2026 \$’000	2025 \$’000
British Pound/AUD	+/-10	+/-10	32,028 / (32,028)	26,305 / (26,305)
Canadian Dollar/AUD	+/-10	+/-10	17,829 / (17,829)	13,958 / (13,958)
EUR/AUD	+/-10	+/-10	81,608 / (81,608)	69,619 / (69,619)
Hong Kong Dollar/AUD	+/-10	+/-10	19,673 / (19,673)	19,522 / (19,522)
Japanese Yen/AUD	+/-10	+/-10	46,686 / (46,686)	39,033 / (39,033)
Swiss Franc/AUD	+/-10	+/-10	12,210 / (12,210)	13,644 / (13,644)
USD/AUD	+/-10	+/-10	523,411 / (523,411)	514,396 / (514,396)
Other/AUD	+/-10	+/-10	101,112 / (101,112)	97,778 / (97,778)

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.

The table below summarises the Fund's exposure to interest rate risks. It includes the Fund's assets and liabilities at fair value, categorised by maturity dates:

2026	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	4,364,052	-	-	-	-	1,137,688	5,501,740
Asset-backed securities	412,790	-	-	7,464	38,279	-	458,533
Bank loans	125,592	-	-	689	-	-	126,281
Commercial paper	-	-	-	-	-	94,631	94,631
Fixed interest bonds	1,495,688	49,975	282,167	2,037,178	3,129,228	122,340	7,116,576
Indexed bonds	-	-	-	22,221	35,888	-	58,109
Mortgage-backed securities	860,601	-	-	6	356,761	-	1,217,368
Loaned securities ¹	-	-	1,876	277,077	1,073,721	-	1,352,674
Total financial assets	7,258,723	49,975	284,043	2,344,635	4,633,877	1,354,659	15,925,912
Financial liabilities							
Cash and term deposits	52,257	-	-	-	-	-	52,257
Total financial liabilities	52,257	-	-	-	-	-	52,257

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

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	2026		2025	
	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)	114,585 / (114,585)	+ 100 / (100)	104,986 / (104,986)
USD	+ 100 / (100)	29,821 / (29,821)	+ 100 / (100)	27,772 / (27,772)
EUR	+ 100 / (100)	11,633 / (11,633)	+ 100 / (100)	13,251 / (13,251)
GBP	+ 100 / (100)	2,640 / (2,640)	+ 100 / (100)	2,395 / (2,395)
Others	+ 100 / (100)	7,129 / (7,129)	+ 100 / (100)	6,776 / (6,776)

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 compared 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 results	
	2026 %	2025 %	2026 \$'000	2025 \$'000
Cash and term deposits	+/-0.2	+/-0.2	10,899 / (10,899)	10,194 / (10,194)
Australian equities	+/-20	+/-20	1,611,016 / (1,611,016)	1,497,697 / (1,497,697)
International equities	+/-20	+/-20	3,241,474 / (3,241,474)	2,767,515 / (2,767,515)
Units in unit trusts:				
Listed unit trusts	+/-20	+/-20	143,943 / (143,943)	151,818 / (151,818)
Unlisted unit trusts	+/-15	+/-15	969,768 / (969,768)	836,473 / (836,473)
Limited partnerships	+/-15	+/-10	109,906 / (109,906)	99,190 / (99,190)
Other interest-bearing securities:				
Asset-backed securities	+/- 5	+/- 5	22,927 / (22,927)	19,200 / (19,200)
Bank loans	+/-10	+/-10	12,628 / (12,628)	21,494 / (21,494)
Commercial paper	+/- 5	+/- 5	4,732 / (4,732)	2,471 / (2,471)
Fixed interest bonds	+/- 5	+/- 5	355,829 / (355,829)	358,325 / (358,325)
Indexed bonds	+/- 5	+/- 5	2,905 / (2,905)	4,146 / (4,146)
Mortgage-backed securities	+/- 5	+/- 5	60,868 / (60,868)	58,206 / (58,206)
Loaned Securities	+/- 5	+/- 5	101,618 / (101,618)	67,993 / (67,993)
Derivatives	+/-10	+/-10	(21,796) / 21,796	14,496 / (14,496)

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.

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	> 1 year \$'000
30 June 2026					
Derivative liabilities	402,219	402,219	344,779	8,560	48,881
Payables	472,059	472,059	472,059	-	-
Member benefits	48,268,203	48,268,203	48,268,203	-	-
Total	49,142,481	49,142,481	49,085,041	8,560	48,881

	Carrying amount \$'000	Contractual cash flows \$'000	Less than 3 months \$'000	3 months to 1 year \$'000	> 1 year \$'000
30 June 2025					
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

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:

	2026		2025	
	\$'000	%	\$'000	%
Consumer discretionary	1,959,478	7.60	1,855,069	8.12
Consumer staples	947,306	3.67	1,009,246	4.42
Energy	895,700	3.47	783,652	3.44
Financials	5,204,629	20.18	5,090,158	22.28
Health care	1,934,400	7.50	1,944,708	8.51
Industrials	3,008,525	11.67	2,355,062	10.31
Information technology	4,739,095	18.38	3,577,263	15.66
Materials	2,642,993	10.25	1,921,496	8.41
Real estate	1,928,114	7.48	1,820,708	7.97
Communication services	1,579,495	6.13	1,587,538	6.95
Utilities	946,674	3.67	897,543	3.93
Total	25,786,409	100.00	22,842,443	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:

	2026		2025	
	\$'000	%	\$'000	%
Australia	23,927,979	49.25	22,230,018	50.35
Canada	1,046,291	2.15	796,724	1.80
France	890,242	1.83	780,825	1.76
Germany	623,566	1.28	492,442	1.12
Hong Kong	183,122	0.38	183,274	0.42
Japan	1,168,365	2.40	1,138,839	2.58
Netherlands	518,760	1.07	310,579	0.70
Singapore	203,964	0.42	240,715	0.55
Switzerland	389,041	0.80	327,929	0.74
United Kingdom	1,208,696	2.49	1,116,014	2.53
United States	14,629,602	30.11	12,622,716	28.59
Other	3,799,258	7.82	3,913,278	8.86
Total	48,588,886	100.00	44,153,353	100.00

Note 26: Scheme financial reporting

2026	Retirement		Term		Scheme		Total
	Pension	Income	Allocated	Reserves	Elimination	\$'000	\$'000
Net assets available for member benefits at the beginning of the year	93,886	7,638,534	11,842	252,372	-	-	43,806,431
Investment income							
Investment income/(losses) (net of investment expenses)	11,126	641,911	871	10,004	-	-	4,419,665
Superannuation income							
Employer contributions	134,543	-	-	-	-	-	2,721,586
Member contributions	34	-	-	-	-	-	506,722
Government co-contributions	-	-	-	-	-	-	790
Transfers from other superannuation plans	-	1,651,245	-	-	(1,975,038)	-	552,617
Income tax on contributions	-	(157,445)	-	-	-	-	(355,679)
Lag gain/(loss)	-	(1,127)	(4)	1,665	-	-	-
Other income							
Death and disability insurance received	-	-	-	-	-	-	72,790
Other income/(expense)	1	98	-	6,792	-	-	6,875
Total income	145,704	2,134,682	867	18,461	(1,975,038)	-	7,925,366
Expenses							
Benefits to members/beneficiaries	(140,832)	(1,291,676)	(2,475)	(702)	1,975,038	-	(3,293,252)
Insurance premiums charged	-	-	-	-	-	-	(115,663)
Administration expenses	-	(9,725)	(31)	(8,153)	-	-	(57,970)
Total expenses	(140,832)	(1,301,401)	(2,506)	(8,855)	1,975,038	-	(3,466,885)
Change in net assets before income tax	4,872	833,281	(1,639)	9,606	-	-	4,458,481
Income tax (expense)/benefit	-	8,868	30	-	-	-	(109,550)
Change in net assets after income tax	4,872	842,149	(1,609)	9,606	-	-	4,348,931
Reclassification of defined benefit assets	(12,011)	-	-	-	-	-	-
Net assets available for member benefits at the end of the year	86,747	8,480,683	10,233	261,978	-	-	48,155,362

2025	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	93,160	3,234,774	20,480,550	8,741,053	6,808,828	12,802	240,710	-	39,611,877
Investment income									
Investment income/(losses) (net of investment expenses)	10,177	353,374	2,057,462	1,053,750	779,757	1,215	10,770	-	4,266,505
Superannuation income									
Employer contributions	141,550	330,344	1,022,613	1,000,055	-	-	-	-	2,494,562
Member contributions	59	4,343	249,172	149,893	-	-	-	-	403,467
Government co-contributions	-	-	459	254	-	-	-	-	713
Transfers from other superannuation plans	-	-	302,441	384,074	1,455,518	-	-	(1,695,750)	446,283
Income tax on contributions	-	-	-	(159,826)	(144,245)	-	-	-	(304,071)
Lag gain/(loss)	-	-	(618)	(166)	(801)	(4)	1,589	-	-
Other income									
Death and disability insurance received	-	-	36,150	34,990	-	-	-	-	71,140
Other income/(expense)	-	132	(127)	9	68	-	6,631	-	6,713
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

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:

	2026 \$'000	2025 \$'000
Defined benefit schemes		
Pension Scheme	86,747	93,886
Gold State Super	3,553,660	3,391,151
Total defined benefit schemes	3,640,407	3,485,037
Defined contribution schemes		
West State Super	23,437,591	22,053,521
GESB Super	12,324,470	10,365,125
Retirement Income - Allocated Pension and Transition to Retirement	8,480,683	7,638,534
Retirement Income - Term Allocated Pension	10,233	11,842
Total defined contribution schemes	44,252,977	40,069,022
Reserves	261,978	252,372
Total net assets available for member benefits as per Scheme Financial Reporting	48,155,362	43,806,431
Adjustments		
Employer-sponsor receivables:		
Pension Scheme	1,027,760	1,057,877
Gold State Super	851,247	1,127,223
Net assets available for member benefits as per Statement of Financial Position	50,034,369	45,991,531

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:

	2026 \$'000	2025 \$'000
Change in net assets after income tax as per Scheme Financial Reporting	4,348,931	4,194,554
Adjustments		
Superannuation contributions income	(3,781,715)	(3,345,025)
Income tax on contributions	355,679	304,071
Death and disability insurance received	(72,790)	(71,140)
Benefits to members/beneficiaries	3,293,252	2,930,522
Insurance premiums charged	115,663	115,879
Allocation to members' accounts	(3,933,752)	(2,997,457)
Net result after income tax as per Income Statement	325,268	1,131,404

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 1938*.

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 eight 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 2026 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 Treasury and Finance originally ending June 2026, however this was extended to 30 November 2026.

The Fund has entered into a memorandum of understanding (MoU) on its future premises for a period of 10 years with the Department of Housing and Works that had not yet commenced as at 30 June 2026. Future lease payments relating to this non-cancellable lease contract amount to \$532,000 within one year, \$4.2m between one and five years and \$4.1m thereafter.

	2026 \$'000		2025 \$'000	
Commitments payable	Premises	Vehicles	Premises	Vehicles
Within 1 year	308	67	589	35
Later than 1 year and not later than 5 years	-	121	-	97
Total	308	188	589	132

Other expenditure commitments

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

	2026 \$'000	2025 \$'000
Administration services		
Within 1 year	30,104	29,536
Later than 1 year and not later than 5 years	75,921	106,206
Total	106,025	135,742

The Fund entered into a five year contract for the Outsourced Administration arrangement with MUFG 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 2026 and 2025.

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 Treasury and Finance:

	Pension Scheme \$'000	Gold State Super \$'000	West State Super \$'000	Parliamentary and Judges Pension \$'000	Corporate \$'000	Total \$'000
30 June 2026						
Employer contributions recoup	134,544	315,702	-	-	-	450,246
Administration expense recoup	1,058	4,839	-	481	253	6,631
Leases and shared services expenses	-	-	-	-	(1,207)	(1,207)
Total	135,602	320,541	-	481	(954)	455,670

	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

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.

	Note	2026 Actual \$'000	2026 Budget \$'000	Variance actual to budget		2025 Actual \$'000	Variance actual to prior year actual	
				\$'000	%		\$'000	%
Income								
Investment income								
Investment income	(i)	4,537,681	2,351,697	2,185,984	93	4,368,744	168,937	4
Less: Investment expenses		(118,017)	(122,598)	4,581	(4)	(102,239)	(15,778)	15
Net investment income		4,419,664	2,229,099	2,190,565	98	4,266,505	153,159	4
Superannuation income								
Contribution income:								
Member (includes government co-contributions)	(ii)	507,512	403,994	103,518	26	404,180	103,332	26
Employer	(iii)	2,721,586	2,828,846	(107,260)	(4)	2,494,562	227,024	9
Rollover into retirement products	(iv)	1,334,227	1,347,324	(13,097)	(1)	1,135,926	198,301	17
Inward transfer from other funds	(v)	1,193,428	1,202,555	(9,127)	(1)	1,006,107	187,321	19
Group life insurance proceeds		72,790	52,322	20,468	39	71,140	1,650	2
Other income		6,875	7,514	(639)	(8)	6,713	162	2
Total superannuation income		5,836,418	5,842,555	(6,137)	(0)	5,118,628	717,790	14
Total Income		10,256,082	8,071,654	2,184,428	27	9,385,133	870,949	9
Expenses								
Benefits to members/beneficiaries	(vi)	5,268,289	4,998,099	(270,190)	(5)	4,626,272	(642,017)	(14)
Administration expenses		57,968	62,716	4,748	8	51,686	(6,282)	(12)
Insurance premiums charged to member accounts		115,663	101,984	(13,679)	(13)	115,879	216	0
Depreciation expense		1	250	249	99	52	51	98
Total Expenses		5,441,921	5,163,049	(278,872)	(5)	4,793,889	(648,032)	(14)
Net result before tax for the year		4,814,161	2,908,605	1,905,556	66	4,591,244	222,917	5

Notes to the Explanatory Statement

i. Investment income

2025/26 Actual to Estimate (\$2.19 billion higher). Actual to Prior Year's Actual (\$169 million higher).

The full year investment performance of the Fund for 2025/26 was 10.27% compared to a budget of 5.5% (2025: 10.96%). The higher than expected investment performance in the 2025/26 financial year was largely due to strong share market returns.

Details of investment income are included in Note 16.

ii. Member contributions

2025/26 Actual to Estimate (\$104 million higher). Actual to Prior Year's Actual (\$103 million higher).

The increase is due to higher than anticipated member contributions into West State Super ('WSS') and GESB Super in the 2025/26 financial year.

iii. Employer contributions

2025/26 Actual to Estimate (\$107 million lower). Actual to Prior Year's Actual (\$227 million higher).

The decrease from the 2025/26 estimate reflects lower than anticipated contributions to GESB Super. Despite this reduction, contributions remain higher than the prior year due to sector-wide pay increases and growth in member numbers.

iv. Rollover into retirement products

2025/26 Actual to Prior Year's Actual (\$198 million higher).

The increase to prior year's actual is due to a higher number of members rolling into retirement products in the 2025/26 financial year.

v. Inward transfer from other funds

2025/26 Actual to Prior Year's Actual (\$188 million higher).

The increase is driven by higher number of members rolling into GESB Super during the 2025/26 financial year, this increase is as a result of the GESB One Fund initiative.

vi. Benefits to members/beneficiaries

2025/26 Actual to Prior Year's Actual (\$642 million higher).

This is a result of a higher number of members drawing down on their superannuation accounts in the 2025/26 financial year.

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 2026.

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 2026 was as stated in the table below:

	2026 \$'000	2025 \$'000
Total net assets	48,155,362	43,806,431
Less: Net assets for defined contribution schemes		
West State Super	23,437,591	22,053,521
GESB Super	12,324,470	10,365,125
Retirement Income	8,480,683	7,638,534
Term Allocated Pension	10,233	11,842
Less: Reserves	261,978	252,372
Net assets for defined benefit schemes	3,640,407	3,485,037
Less: Accrued actuarial funded liabilities for defined benefit schemes		
Pension Scheme	50,904	54,712
Gold State Super	2,085,315	1,934,227
Net position	1,504,188	1,496,098

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 slightly declined over the year since the last actuarial investigation primarily due to the decrease in the Perth CPI.

ii. Gold State Super

The Actuary reported that the financial position of GSS has decreased slightly over the year since the last actuarial investigation, the decrease softened by higher than assumed investment return during the reporting period, and an increase in the assumed rate of future investment return.

Note 32: Supplementary financial information

The write-offs approved by the Board during the current financial year were \$32,546 (2025: \$8,156).
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

OFFICIAL



Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

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 2026, income statement, statement of changes in member benefits, statement of changes in reserves 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 2026 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.

Independent audit opinion

OFFICIAL

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 2026, and the controls were implemented as designed as at 30 June 2026.

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.

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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 2026 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 2026 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 2026.

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.

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Independent audit opinion

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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 GESB'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 2026, 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

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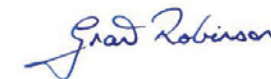
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the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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 GESB for the year ended 30 June 2026 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 GESB 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
3 September 2026

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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 2026.



Jo Gaines
Chair
2 September 2026



Anne Gisborne
Member Director
2 September 2026



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 2025/26.

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 purpose 'to help members achieve a quality retirement' and strategy is aligned with the WA Government's Outcomes Based Management framework and priorities.

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 91% (6-10 out of 10 ratings) for the 2025/26 financial year, against a target of 80%, with 83% 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 2025/26 financial year to ensure they are representative. After weighting, the effective sample size for the year is 2,172 with a response rate of 18.5%. This generates a margin of error of ±2.01% on an annual sample of n=3,558 at the 95% confidence level.

	Actual % 2023/24	Actual % 2024/25	Target % 2025/26	Actual % 2025/26
Percentage who are fairly satisfied, satisfied or extremely satisfied	91	93	80	91

2. Investment performance against objectives

Changes to objectives since last year

There were no changes to investment return objectives in 2025/26.

Summary of performance against objectives

Primary objectives

For Cash options, 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% p.a. over rolling five-year periods.

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

Over their respective time periods to 30 June 2026, most Diversified options and defined benefit schemes delivered performance broadly in-line with primary objectives. Growth options performed particularly well due to their higher Australian and international shares allocations. Conservative options and some Balanced options underperformed their primary objective, reflecting a higher inflation and interest rate environment and associated rise in bond yields.

Secondary objectives

The secondary objective of each option (except Cash options, which do not have a secondary objective) is to achieve an after-fees return at least equal to its benchmark over a rolling three-year period. The benchmark return is calculated as the weighted average of asset class benchmark returns, based on the plan’s Strategic Asset Allocation (SAA). The SAA is approved by the Treasurer and asset class benchmarks are determined by the Board.

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

All options met or exceeded their secondary objectives for the three-year period to June 2026. Options benefited from above-benchmark returns in international shares, medium risk alternatives, and infrastructure.

The tables on the following pages show actual investment performance compared to performance targets for each option.

Performance of West State Super options

Investment option	Objective	Net option return % p.a. ¹	Target % p.a. ¹	Relative performance % p.a.
Cash	• The primary objective is to achieve a return after investment fees of at least the Bloomberg AusBond Bank Bill Index over 12-month periods	4.38	3.86	0.52
Conservative	• The primary objective is to achieve a return after investment fees of at least CPI + 2.0% p.a. over rolling five-year periods	4.34	6.39	(2.05)
	• The secondary objective is to achieve a return after investment fees of at least the asset weighted benchmark return over rolling three-year periods	7.38	6.77	0.61
My West State Super	• The primary objective is to achieve a return after investment fees of at least CPI + 3.0% p.a. over rolling seven-year periods	6.83	6.63	0.20
	• The secondary objective is to achieve a return after investment fees of at least the asset weighted benchmark return over rolling three-year periods	10.15	9.68	0.47
Sustainable Balanced ²	• 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	6.63	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	• The primary objective is to achieve a return after investment fees of at least CPI + 4.0% p.a. over rolling ten-year periods	8.78	7.09	1.69
	• The secondary objective is to achieve a return after investment fees of at least the asset weighted benchmark return over rolling three-year periods	12.62	12.30	0.32

1 All option 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.

2 The Sustainable Balanced option was funded on 3 October 2023 therefore multi year returns are not available and reported as N/A.

Performance of GESB Super options

Investment option	Objective	Net option return % p.a. ¹	Target % p.a. ¹	Relative performance % p.a.
Cash	• 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	4.38	3.86	0.52
Conservative	• 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	4.37	6.39	(2.02)
	• 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	7.77	7.19	0.58
Balanced	• 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	6.84	6.80	0.04
	• 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	9.55	9.13	0.42
My GESB Super	• 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	7.16	6.63	0.53
	• 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	11.26	10.87	0.39
Sustainable Balanced ²	• 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	6.63	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	• 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	8.37	7.09	1.28
	• 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	12.65	12.37	0.28

1 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 option 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.

2 The Sustainable Balanced option was funded on 3 October 2023 therefore multi year returns are not available and reported as N/A.

Performance of Retirement Products

Allocated Pension

Investment option	Objective	Net option return % p.a. ¹	Target % p.a. ¹	Relative performance % p.a.
Cash	• 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	4.38	3.86	0.52
Conservative	• 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	4.35	6.39	(2.04)
	• 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	7.15	6.54	0.61
Balanced	• 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	6.75	6.63	0.12
	• 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	9.57	9.16	0.41
Sustainable Balanced ²	• 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	6.63	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	• 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	8.82	7.09	1.73
	• 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	11.81	11.46	0.35

1 All option 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 option 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.

2 The Sustainable Balanced option was funded on 3 October 2023 therefore multi year returns are not available and reported as N/A.

Transition to Retirement Pension

Investment option	Objective	Net option return % p.a. ¹	Target % p.a. ¹	Relative performance % p.a.
Cash	• 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	4.38	3.86	0.52
Conservative	• 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	4.02	6.39	(2.37)
	• 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	7.16	6.52	0.64
Balanced	• 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	6.19	6.63	(0.44)
	• 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	9.60	9.16	0.44
Growth	• 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	7.09	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	11.82	11.50	0.32

1 All option 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 option 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 option	Objective	Net option return % p.a. ¹	Target % p.a. ¹	Relative performance % p.a.
Cash	• 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	4.37	3.86	0.51
Conservative	• 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	4.36	6.39	(2.03)
	• 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	7.15	6.54	0.61
Balanced	• 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	6.63	0.14
	• 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	9.57	9.15	0.42
Growth	• 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	8.84	7.09	1.75
	• 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	11.82	11.50	0.32

1 All option 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 option 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 option	Objective	Net option return % p.a. ¹	Target % p.a. ¹	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	7.67	6.56	1.11
	• The secondary objective is to achieve a return after fees of at least the asset weighted benchmark return over rolling three-year periods	11.48	11.02	0.46

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

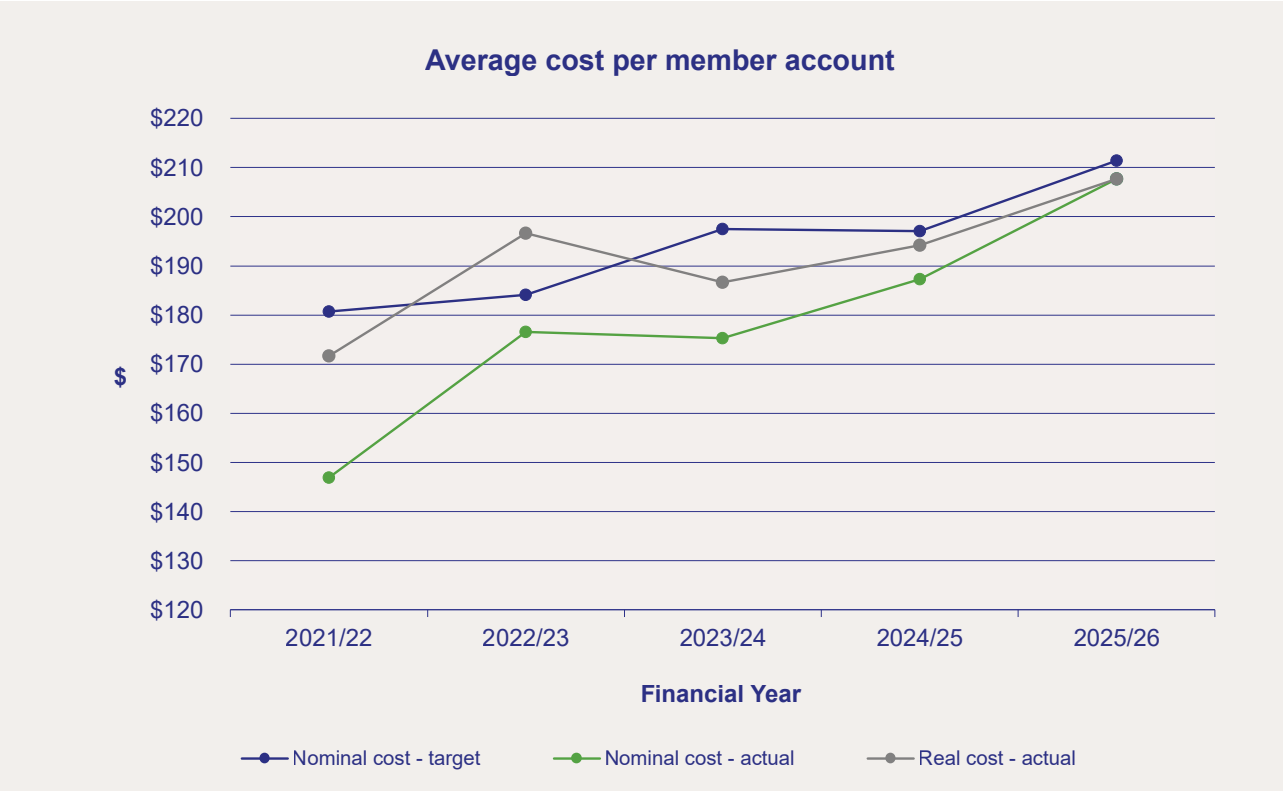
The average cost per member of administering the schemes has increased by 7.0% in real terms and 10.9% in nominal terms compared to the previous year and was 1.7% below target. Cost per member has increased slightly in 2025/26. Refer to Note 18 within the Financial Statements for more details on Administration 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.

	2021/22	2022/23	2023/24	2024/25	2025/26
Nominal cost - target	\$180.65	\$184.06	\$197.47	\$197.03	\$211.37
Nominal cost - actual	\$146.87	\$176.53	\$175.30	\$187.28	\$207.73
Real cost - actual	\$171.63 ²	\$196.65 ²	\$186.69 ²	\$194.21 ²	\$207.73

1 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.

2 Previous year Real Cost – Actual dollar figures will vary each year due to indexation. Indexation is based on 30 June 2026 CPI.



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 2025/26 was 0.32%, compared to the budget IMER of 0.28%. 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 0.08% against a budget of 0.04% for performance fees. The remaining investment costs in the IMER were in line with the budget of 0.24%.

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 options, in line with RG97 requirements.

Investment management expense ratio	Actual % 2021/22	Actual % 2022/23	Actual % 2023/24	Actual % 2024/25	Budget % 2025/26	Actual % 2025/26
Investment management expense ratio – investment management costs as a percentage of portfolio mean value invested	0.29	0.32	0.35	0.31	0.28	0.32



The background of the page is a soft-focus photograph of blue flowers, possibly cornflowers, with green stems and leaves. In the top right corner, there is a decorative graphic element consisting of a dark blue rectangular area. Inside this area, at the top, are stylized, colorful concentric circles and wavy lines in shades of green, yellow, and orange. Below this graphic, the text "07 Appendices" is written in a white, sans-serif font.

07 Appendices

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 2025/26, 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:

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

Significant Commonwealth legislation that directly or indirectly impact GESB

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

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 2026/27 reflects the Statement of changes in net assets and the Statement of net assets set out in GESB’s 2026/27 - 2029/30 Strategic Development Plan. Budget estimates conform with AASB 1056.

Budget estimate 2026/27

Statement of changes in net assets

For the financial year ending 30 June 2027	Budget 2027 \$'000
Net assets available to pay benefits at the beginning of the financial year	47,195,124
Revenue	
Investment revenue	
Realised income	776,941
Realised changes in net market value of investment assets	776,941
Unrealised changes in net market value of investment assets	1,035,921
Total investment revenue	2,589,803
Superannuation revenue	
Member contributions	495,461
Employer contributions	2,710,555
Rollover into retirement products	1,478,204
Inward transfers	1,415,660
Member insurance benefits received	51,819
Other income	8,574
Total superannuation revenue	6,160,272
Total revenue	8,750,076
Expenses	
Superannuation benefit payments	5,774,512
Administration expenses	82,167
Group life insurance premiums	94,171
Investment expenses	144,551
Changes in net market value of other assets	110
Total expenses	6,095,511
Changes in net assets before income tax	2,654,565
Income tax expense	(444,404)
Changes in net assets after income tax	2,210,160
Net assets available to pay benefits at the end of the financial year	49,405,284

Statement of net assets

For the financial year ending 30 June 2027	Budget 2027 \$'000
Assets	
Cash and cash equivalents	208,168
Investments	49,257,940
Plant and equipment	169
Intangible assets	560
Receivables	18,611
Prepayments	869
Deferred tax assets	5,922
Total assets	49,492,238
Liabilities	
Contributions paid in advance	2,056
Unpaid and accrued liabilities	243
Payables	28,263
Provision for employee entitlements	1,297
Provision for post employment liabilities	577
Current tax liabilities	54,518
Total liabilities	86,954
Net assets available to pay benefits	49,405,284





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