Keystart.

Annual report.

FY 2025–26

WESTERN AUSTRALIA

Keystart is an initiative of the WA Government.

keystart.com.au

Keystart.

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About this report

This report presents Keystart's performance for the financial year ending 30 June 2026, in accordance with the requirements of the *Keystart Act 2024* and the *Government Trading Enterprises Act 2023 (WA).*

To view this report online, visit our website:
keystart.com.au

To provide feedback on this report, email:
corpaffairs@keystart.com.au

Accessibility and alternative formats

Digital document compliance

The digital version of this annual report has been designed to conform with the World Wide Web Consortium's (W3C) *Web Content Accessibility Guidelines (WCAG) 2.2* at Level AA. It has been optimised for assistive technologies, including screen readers, and features tagged PDF structure, high colour contrast, and descriptive alternative text for all essential visual elements.

Alternative formats (print and offline reading)

We recognise that some users require non-digital formats or physical copies. You can request alternative formats of this annual report via phone, email, post, or in-person at Keystart's Subiaco office.

Phone: 1300 578 278
Email: corpaffairs@keystart.com.au
Post: PO Box 2016, Subiaco WA 6904
In-person: Level 3, 502 Hay Street, Subiaco WA 6008

Acknowledgement of Country

Keystart acknowledges the Traditional Custodians throughout Western Australia and their continuing connection to land, water and culture. We pay our respects to all members of Aboriginal communities and cultures throughout the state, and to Elders past, present and emerging. We continue to learn from the enduring connection Aboriginal people have to Country, and the way a home sustains community, identity and culture.

Cover image:
Keystart customers Kate and Matt with two of their children in their family home.

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Statement of compliance

For the year ended 30 June 2026

To the Hon. Rita Saffioti MLA; Deputy Premier; Treasurer; Minister for Transport and Major Infrastructure; Sport and Recreation,

In accordance with the provisions of the *Government Trading Enterprises Act 2023 (WA)*, I hereby submit for your information and presentation to Parliament, the 2025-26 Annual Report for Keystart.

Michael Barnes PSM
Chairperson

Part 1

Strategic report.

Virgie
Keystart shared equity customer

The strategic report outlines who we are, what we do and the progress we've made throughout the year. It brings together our strategic priorities, performance highlights, and the people, partnerships and initiatives that enable us to support more Western Australians into an affordable home.

About Keystart

1.

About Keystart

Keystart is making the dream of an affordable home a reality for more Western Australians.

We're an initiative of the WA Government, and since 1989 we've supported more than 126,000 Western Australians into a home of their own.

We provide low-deposit and shared equity home loans to Western Australians who may not be able to access finance through a commercial lender. We also offer finance for housing development to enable affordable housing supply across Western Australia.

Unlike other lenders, Keystart is a transitional lender, which means we actively encourage customers to refinance when they have built up sufficient equity and are ready to do so.

We're not a bank, and we're not profit-driven. We work hand-in-hand across Government, industry and the community to reduce barriers to home ownership and help ensure every Western Australian has a place to call home.

Our purpose

We're driven by our purpose:

> To make the dream of an affordable home a reality for more people.

Our mindsets

Our mindsets are our compass. Each one guides our choices and drives how we show up and perform. They are the spark that ignites us, fuels our motivation, and amplifies our impact.

We work as one.

We work as one Keystart to achieve our purpose.

We are customer led.

We put the needs of all customers at the centre of our decisions to enable the change and outcomes they need.

We build trust through actions.

We earn trust through integrity, transparency and accountability by doing what we say we'll do and by doing the right thing.

We welcome challenges.

We embrace what's possible to move forward, even when the path is not clear.

We ignite curiosity.

Our curiosity is our secret ingredient. It takes Keystart to new levels of achievement and success.

2. Year at a glance

A snapshot of our key results and milestones for the year.

2,633

People helped into a home.

Up from 1,554 in FY 24-25 – an additional **1,079 people year-on-year.**

Jasmine
Keystart shared equity customer

Loans under management:

$1.8 billion*

Up from $1.77 billion in FY 24-25 across all active Keystart home loans.

Customer net promoter score:

48

Total number of Keystart home loans written:

1,186

Up from:

723 in FY 24-25.

94

Up from 55 in FY 24-25

Shared equity home loans written.

Plus the launch of our newest shared equity product: the **Urban Connect Shared Equity Home Loan**.

AHOS

Total number of home loans written under the Aboriginal Home Ownership Scheme (AHOS):

26 FY 24-25

34 FY 25-26

+30.8%

238

Customers supported through financial coaching.

In collaboration with the Financial Wellbeing Collective.

*Inclusive of $142 million of equitably assigned loans.

Anu and Raaj
Keystart customers

3. Chair's report

Michael Barnes PSM
Chairperson

It's my privilege to share Keystart's first annual report as a Government Trading Enterprise. For more than three decades, Keystart has played a unique role in Western Australia's housing landscape.

By providing accessible home loans to Western Australians who face barriers to entering the traditional lending market, we've supported families and individuals to achieve the stability, security and opportunities that home ownership provides.

In an environment where housing supply and affordability remain challenging across the entire nation, the delivery of our purpose has never been more important.

> Throughout 2025-26, Keystart has remained committed to supporting Western Australians into an affordable home – through both our traditional home loan products, and our new commercial property finance function.

The 2025-26 financial year was Keystart's first as a Government Trading Enterprise. It also saw the launch of a number of new products and initiatives, and a more than 60 per cent increase in the number of approved home loans (relative to 2024-25). It's certainly been a big year.

Keystart has focused on ensuring our products and services remain accessible, relevant and responsive to the needs of our customers, while responding to changing economic and market conditions.

The Board has placed ongoing emphasis on strong governance, risk management and long-term sustainability. During the year, we oversaw initiatives designed to strengthen operational resilience, enhance customer experience and support the organisation's strategic objectives.

As part of our commitment to supporting communities right across the State, the Keystart Board held two meetings in regional WA over the year – in the Pilbara and the Great Southern – providing Directors the opportunity to see firsthand the challenges and opportunities for housing in the regions.

Keystart's achievements over the past 12 months are the result of strong partnerships with Government, industry stakeholders and the broader housing sector. Together, we are delivering on our commitment to supporting Western Australians into an affordable home.

I would like to extend my appreciation to our Minister, the Hon. Rita Saffioti MLA, for her leadership and strong support of the work Keystart does in our community. I also extend my sincere appreciation to my fellow Board members and the Executive Leadership Team for their dedication and commitment throughout the year. It is a privilege to work with such a dedicated, purpose-driven team.

As we look ahead, Keystart is well positioned to deliver real housing outcomes for Western Australians. We remain focused on our purpose, confident in our strategy and committed to making the dream of an affordable home a reality for more people.

4. CEO's report

Mark Tomasz
Chief Executive Officer

The past 12 months marked the beginning of a new era for Keystart. Keystart transitioned to a Government Trading Enterprise on 1 July 2025, with new functions and powers to enable housing supply through property finance. This change has provided an opportunity for Keystart to build on its proud legacy of more than 35 years of supporting Western Australians into a home of their own.

Leading into the 2025-26 financial year, we refreshed our purpose to reflect our changing role in the housing market and set a new strategic plan to achieve that purpose.

Our purpose is simple, but it's what drives our organisation forward: to make the dream of an affordable home a reality for more people. Sitting under our purpose are two main pillars – enabling housing supply and growing home ownership.

We're now one year into our four-year strategy, and I'm proud of the results Keystart has delivered.

> We've almost doubled the number of Western Australians supported into a home through our home loan products compared to the previous year.

With the launch of two new home loan products – Urban Connect Shared Equity and Skilled Start – we're reducing the barriers to home ownership while also encouraging housing supply.

We've moved at pace to establish our commercial property finance function, to help deliver more affordable homes across WA. We launched our first commercial finance product – the Build to Rent Kickstart Fund – with further initiatives to enable housing supply set to launch in 2026-27.

Throughout the year we maintained a disciplined approach to risk management and financial stewardship – managing our portfolio responsibly while ensuring that support is available to Western Australians seeking a pathway to home ownership.

We've continued to invest in improving processes and services to make it easier for customers to engage with us, while strengthening our people's capabilities and the systems that underpin the work we do.

This year, we continued to build on our strong, engaged and enabled workforce, evolving our culture to support Keystart's purpose. We moved from values to launching our mindsets, reflecting a practical and action-oriented way of working, with clear expectations for how we think, behave and make decisions every day. Our workforce continues to reflect our community, with a strong focus on diversity – and our organisation reaching gender parity in leadership roles.

All these achievements wouldn't be possible without the efforts of the entire Keystart team. Every day, our people work with customers who are taking the important first steps towards securing their future. It's the hard work and determination of our team that makes that dream of an affordable home a reality.

I thank our Board of Directors, led by Michael Barnes PSM, for their strategic guidance and oversight throughout the year. I also thank our Minister, the Hon. Rita Saffioti MLA, for her ongoing commitment to supporting Western Australians into a home.

I acknowledge our many industry and community partners, whose insights have helped Keystart to shape policies and products that meet the needs of our State.

Keystart has a clear strategy, a dedicated team and a strong foundation from which to continue to make a real difference in the lives of Western Australians. We're looking forward to the year ahead.

5. Our strategy

Our purpose statement:

To make the dream of an affordable home a reality for more people.

Our purpose pillars:

1. We enable housing supply.
We enable the delivery of more affordable homes.

2. We grow home ownership.
We expand access to home ownership by growing our products and increasing our scale.

3. We influence and engage.
We lead and influence housing policy through our partnerships, our insights and our expertise.

Our enabling workstreams:

Technology for transformation.
We are delivering modern technology solutions to enhance the customer experience, streamline operations and empower our people.

People with purpose.
We are fostering a culture of market leadership which enables our people to thrive. We embed a mindset of growth in how we think and what we do.

Keystart customer Kent with his family in their home.

6. Growing home ownership

FY 2025-26

1,186
Total home loans written

$620,000
Average loan size

76%
Percentage of loans for new supply

20%
Percentage of loans in regional WA

94
Shared equity home loans written

34
Aboriginal Home Ownership Scheme loans written

$1.8 billion*
Value of loans under management

Helping Western Australians into a home of their own has been central to Keystart's purpose for more than 35 years.

Keystart's home loans require a low 2 per cent deposit and no lenders' mortgage insurance, because we know that saving up for a deposit presents one of the largest barriers to home ownership. This means lower entry costs for home buyers and a more accessible pathway to home ownership for everyday Western Australians.

In 2025-26, Keystart approved 1,186 new home loans, supporting 2,633 Western Australians into a home of their own. This represents a significant increase in loan volumes on previous years – driven by Keystart's ongoing efforts to update its product settings and roll out new home loan options to support Western Australians.

More than three quarters of new loans written in 2025-26 were for new supply – block and build homes, or dwellings purchased new or off-the-plan – reflecting the important role Keystart plays in supporting new housing supply across the State.

Around 20 per cent of Keystart's new loans were in regional WA, with particularly strong loan book growth in the South West, Pilbara and Wheatbelt regions.

Keystart launched two new home loan products in 2025-26 – the Urban Connect Shared Equity Home Loan and the Skilled Start Home Loan – building on the launch of the Modular Home Loan in June 2025.

Shared equity continues to be a key enabler of home ownership for Western Australians. Under Keystart's shared equity home loans, the Housing Authority can take up to a 40 per cent co-ownership share in a property – increasing customers' purchasing power and reducing their ongoing mortgage repayments. In 2025-26, Keystart wrote 94 shared equity loans.

	2023-24	2024-25	2025-26
Number of approved home loans	421	723	1,186
Total loan book managed	$2.31 billion	$1.77 billion**	$1.8 billion*

Table 1: Approved home loans and value of loan book by financial year.

*Inclusive of $142 million of equitably assigned loans. **Inclusive of $184 million of equitably assigned loans.

Our product settings

We regularly review and update our product settings to meet the needs of Western Australian home buyers.

Our property price limits are set by the WA Government, informed by the Real Estate Institute of WA (REIWA) median house price for Perth and other industry data. Our income limits are based on the income required to service a loan within our property price limits.

Keystart's standard variable interest rate is based on movements of the Reserve Bank of Australia's target cash rate. At 30 June 2026, it was 7.85%.

We continue to closely monitor market conditions and adjust our product settings as needed to support more Western Australians into a home.

	Property price limit	Income limit - solo applicants	Income limit - joint applicants
Low Deposit Home Loan	$860,000	$155,000	$228,000
Shared equity home loans	$720,000	$128,000	$197,000
Urban Connect Shared Equity Home Loan	$800,000	$128,000	$197,000

Table 2: Product settings as at 30 June 2026.

Urban Connect Shared Equity

Urban Connect Shared Equity is a $210 million WA Government initiative to support more Western Australians into home ownership and encourage more apartment and townhouse supply.

Through Urban Connect Shared Equity, the WA Government will take an equity share of up to 35 per cent – or $250,000 – for home buyers purchasing new apartments or townhouses. That means lower upfront costs – with a low 2 per cent deposit and no lenders' mortgage insurance – and lower ongoing repayments.

Loans are available for individual, multiple or grouped dwellings – including apartments, townhouses, units and villas – which are newly-built, under construction or off-the-plan and located anywhere in WA.

This builds on Keystart's long history of providing shared equity home loans for Western Australians who need extra support to get into a home of their own.

Urban Connect Shared Equity was launched in October 2025. To 30 June 2026, 124 customers were approved or pre-approved for an Urban Connect Shared Equity Home Loan.

The WA Government is progressing a range of initiatives expected to support more housing supply suitable for Urban Connect Shared Equity, including a $375 million investment to build 500 homes for first home buyer shared equity customers, as well as Keystart's Pre-sale Guarantee and First Home Buyer Commercial Finance Facility.

"I wouldn't have been able to enter the home market at all without shared equity – I wouldn't have been able to afford to purchase an apartment at the full price. The Government came in, and they were able to purchase a percentage of my property, which for me meant lower repayments, and it made the repayments manageable."

Jasmine
Keystart shared equity customer

Skilled Start Home Loan

Keystart's Skilled Start Home Loan aims to support Western Australians at the start of their career with a reduced-rate home loan.

Skilled Start is available for current apprentices and anyone who has graduated from TAFE or university, or completed their formal apprenticeship, in the past five years. It is also open to people who have worked in eligible construction occupations over the past five years – including bricklayers, carpenters, roof tilers, electricians and other key trades.

A Skilled Start Home Loan comes with a low 2 per cent deposit, no lenders' mortgage insurance, and includes a 1 per cent discount on Keystart's standard variable interest rate. Skilled Start customers can also access free financial coaching to build financial capability and resilience.

The initiative is helping to put younger Western Australians on a solid financial footing at the start of their careers, setting them up for success in the long run.

Skilled Start was launched in December 2025. To 30 June 2026, 98 customers were approved or pre-approved for a Skilled Start Home Loan.

Modular home designs by one of the builders on Keystart's established builders list – Modular WA.

Modular Home Loan

Keystart's Modular Home Loan is an innovative financial product that provides more housing choice for home buyers while supporting the growth of WA's modular building industry.

Modular homes are constructed entirely off site in a specialised factory and delivered to a block of land, which can reduce construction timeframes when compared to traditional homes. Financing a modular home build typically requires larger upfront payments, and most commercial lenders will not finance a modular build.

Keystart's Modular Home Loan covers not just the land, but also construction, transport and connection to foundations – one of the only lenders in Australia to offer this option.

The initiative also supports the modular housing industry with up to four progress payments to modular builders throughout the off-site construction process.

The Modular Home Loan was launched just prior to the start of the 2025-26 financial year, on 16 June 2025. At 30 June 2026, 10 customers were approved or pre-approved for a Modular Home Loan.

Aboriginal Home Ownership Scheme

Keystart's Aboriginal Home Ownership Scheme (AHOS) was established in 1995 to support Aboriginal and Torres Strait Islander people to buy an affordable home. We recognise that everyone's needs are different, so we offer two loan types within the Aboriginal Home Loan – a full ownership loan and a shared ownership loan.

Keystart has a dedicated Aboriginal home ownership team to assist Aboriginal and Torres Strait Islander peoples with enquiries and support through the process.

Growing our AHOS footprint is an ongoing focus for Keystart. In 2025-26, Keystart wrote 34 new AHOS loans – a 30 per cent increase when compared to the previous financial year.

34

Formally approved Aboriginal Home Loans

Aboriginal Home Ownership Scheme

Customer story: Sammi

"I moved up to Newman in 2016. I did think about [getting] my own place... I really wanted that. I tried a couple of times with banks, but I wasn't in the right financial [position] at the time.

In 2023 the owners wanted to sell [my rental]. I loved my house and I didn't want to move. This is my safe space. I thought, you know what, I've got savings [now]. [My broker] went to the banks, who said that they didn't deal with Newman. It was just so daunting. But then he suggested Keystart.

Aboriginal Home Loan customer Sammi and her three children.

> I only had a week to get pre-approval for my offer to be accepted and everything to be put in place [in time]. Literally three days later I had that pre-approval from Keystart. The weight was lifted off my shoulders, and I was finally on that homeowner journey.

I was just so proud. This is going to be left for my kids.

I'm so thankful to Keystart for giving me a go and giving me the opportunity to do this. I was [ahead] on my repayments, I built up my equity, and now I've refinanced.

This is the best thing that has ever happened to me."

Frank and Rhonda
Keystart Aboriginal Home Loan customers

7.

Enabling housing supply

The passage of the *Keystart Act 2024* has provided Keystart with new functions to enable housing supply across WA by offering finance for housing developments.

This marked a significant change for Keystart, expanding our mandate from supporting home ownership through residential home loan products, to supporting the dream of an affordable home by enabling housing supply.

In 2025-26, Keystart established its commercial property finance function, with a suite of new products launched or under active development.

Keystart has collaborated closely with Government, industry and the not-for-profit sector to identify financing barriers to housing development and develop innovative solutions to overcome those barriers and bring more new homes to market, sooner.

Build to Rent Kickstart Fund

Keystart is delivering the WA Government's $75 million Build to Rent Kickstart Fund, to bring more affordable rentals onto the housing market.

> Build to rent projects are typically large-scale developments that provide secure, long-term rental housing options for tenants.

The Build to Rent Kickstart Fund accelerates private sector investment into build to rent developments in WA by helping proponents to overcome initial feasibility challenges.

The Fund offers no interest construction loans and low interest loans for up to 10 years to assist in the delivery of affordable build to rent developments.

Keystart launched an Expression of Interest process in late 2025, which received a very strong response from industry. At 30 June 2026, Keystart was undertaking credit negotiations with a range of preferred proponents, with formal loans expected to be written in 2026-27.

The Fund is expected to enable hundreds of additional rental homes.

Construction phase support → Operational phase support → Affordable rental housing

Housing Minister John Carey, Treasurer Rita Saffioti and Premier Roger Cook
Pre-sale Guarantee launch announcement

Pre-sale Guarantee

Keystart's Pre-sale Guarantee is a $250 million WA Government initiative to fast-track apartment development and boost housing supply. Funded as part of the 2026-27 State Budget, the Pre-sale Guarantee tackles one of the major barriers to apartment and townhouse development by helping projects meet pre-sale requirements from commercial lenders – unlocking finance, accelerating construction and bringing more homes to market sooner.

> Under the Pre-sale Guarantee, Keystart will offer a guarantee to purchase up to 50 per cent of unsold homes in an apartment development upon completion.

If proponents sell those apartments as construction progresses, the guarantee will lapse. If the guarantee is called, Keystart will purchase the homes at a minimum 10 per cent discount on market value.

To encourage housing affordability, developments supported through the scheme will be required to sell a proportion of homes within the project at prices below Keystart's headline property price limit.

The Pre-sale Guarantee has received strong backing from industry groups and is expected to help unlock up to 1,200 new apartments and townhouses across the State in coming years.

The Pre-sale Guarantee will open for applications in the first half of 2026-27.

First Home Buyer Commercial Finance Facility

The $250 million First Home Buyer Commercial Finance Facility is a new initiative delivered in partnership with the Commonwealth to unlock more affordable homes for the first home buyer market.

Funded as part of a $2 billion housing agreement between the WA and Commonwealth Governments, the First Home Buyer Commercial Finance Facility is an innovative finance mechanism that has the potential to unlock thousands of affordable homes for first home buyers.

Under the Facility, Keystart will offer concessional finance for medium and high-density housing developments that reserve a proportion of homes for first home buyers.

The Facility aims to help private sector developers overcome feasibility and cost challenges associated with delivering affordable medium and high-density homes.

Keystart is working with Government and industry to develop and finalise the parameters for the program, with the Facility expected to open for applications in 2026-27.

James
Keystart customer

8. Supporting our customers

FY 2025-26

48
Customer relationship net promoter score

238
Customers supported through financial coaching

99
Financial coaching net promoter score

645
Financial coaching sessions with customers

2,006
Customers transitioned from Keystart

Our customers are at the heart of everything we do at Keystart.

We are committed to supporting our customers throughout every stage of the home ownership journey – from the first conversation about home ownership, to purchasing their first home, managing their mortgage, and ultimately achieving their equity goals.

Unlike other lenders, Keystart is a transitional lender, which means we actively encourage customers to refinance when they have built up sufficient equity and are ready to do so.

In 2025-26, 2,006 customers reached their equity goals and transitioned from Keystart – enabling us to support more new customers and help more Western Australians into a home of their own.

If our customers experience financial challenges, our dedicated team works closely with them to provide personalised support and help them regain financial stability. Building financial literacy to support long-term financial success is a key focus for Keystart – delivered through our free financial coaching for customers, and new initiatives like our Aboriginal Home Ownership Scheme Money Learning sessions.

Keystart customer Elissa with her family at their home.

Setting our customers up for success

Keystart partners with the Financial Wellbeing Collective to provide free financial counselling and coaching services to our customers, delivered via one-on-one online sessions.

Financial coaching provides customers with the tools they need to make informed financial decisions and build their financial resilience – setting our customers up for long-term success.

1

Keystart home loan finalised and contract signed.

As soon as their Keystart loan is underway, customers can get started with their financial coaching sessions.

2

Up to six coaching sessions with a dedicated coach.

Coaching is offered as up to six one-on-one sessions designed to explore financial behaviours and mindsets.

3

Improved financial literacy and resilience.

Customers leave having strengthened their financial skills, with a plan in place to reach their financial goals.

Financial Wellbeing Collective

Throughout 2025-26, the Financial Wellbeing Collective held 645 sessions with 238 Keystart customers. Of those customers, 56% reported an improved sense of financial wellbeing following their sessions – with a net promoter score of 99 for the service.

Financial coaching customer story: Cheryl

Cheryl* is a Keystart customer in her 50s who achieved the dream of home ownership through a shared equity home loan.

As her husband's health declined, combined with rising living costs and interest rate increases, Cheryl found herself carrying the responsibility for keeping everything afloat.

Cheryl received an email about the Financial Coaching Program and decided to reach out, feeling it might be worth exploring.

Financial coaching created a safe, non-judgemental space where Cheryl was able to openly discuss her financial experiences for the first time. Over six coaching sessions, Cheryl demonstrated significant behavioural and emotional change.

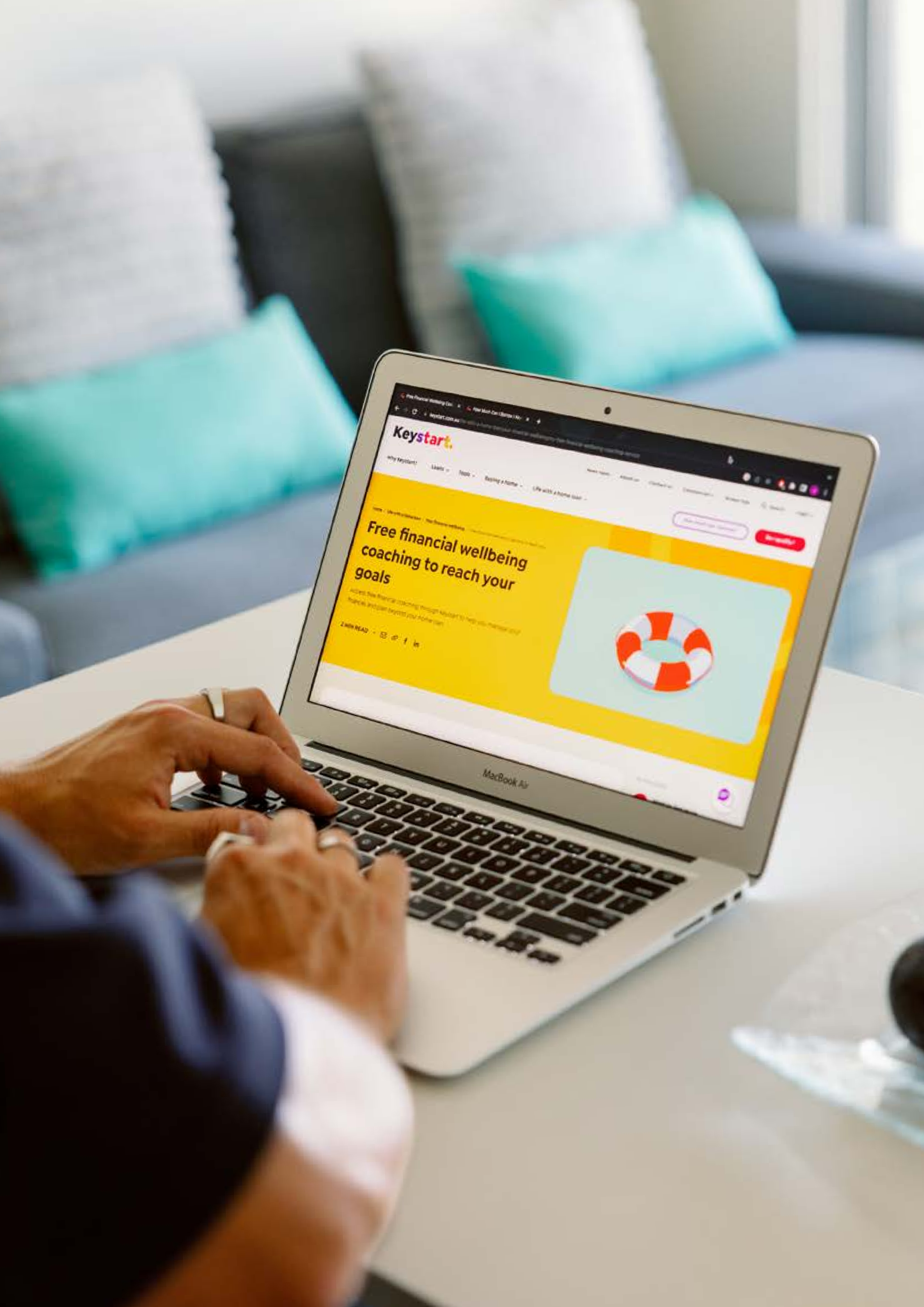
She established savings towards an emergency buffer and reduced impulsive online spending. She also introduced clearer financial boundaries with her adult children, resulting in greater shared financial responsibility within the household.

Equally important were the improvements in Cheryl's wellbeing. She reported sleeping better, experiencing less anxiety and feeling more in control of her finances. Rather than simply responding to financial pressures as they arose, Cheryl began making intentional decisions and planning for the future.

For the first time in many years, she started setting goals that reflected her own wellbeing.

> "For the first time, I feel like I'm thinking about my future, not just coping."
>
> **Cheryl**
> Financial coaching customer

*Name has been changed.


Keystart.
Free financial wellbeing coaching to reach your goals
MacBook Air

9. Engaging with the community

The Keystart team at the 2026 Wagin Woolorama.

We're proud to support and work with local communities across the State as part of our commitment to making the dream of an affordable home a reality for more Western Australians.

Throughout the year, the Keystart team travelled the length and breadth of WA, meeting with communities from the Kimberley to the Great Southern, and across Perth, to discuss how we can help more Western Australians access affordable home ownership.

By supporting local charities and providing support to those who need it most, Keystart is giving back to the communities in which we live and work.

South West Development Commission roundtable event.

Regional roundtables

Growing our regional footprint is a strategic focus area for Keystart.

To help better understand the unique challenges and opportunities for housing in regional WA, in 2025-26 we launched a series of regional roundtables to engage directly with local communities across the State.

Hosted in partnership with Regional Development Commissions and regional Ministers, we held roundtables in the South West, Great Southern, Mid West and Peel regions, bringing together local builders, brokers, not-for-profits, industry and community leaders to explore how Keystart can enable housing supply and grow home ownership in the regions.

The events provided an opportunity for regional stakeholders to gain insight into Keystart's home loans and commercial finance offerings, and to provide their feedback on how Keystart can continue to support regional housing.

Further regional roundtables are planned for 2026-27.

> "[It was] good to get more of a general understanding of Keystart's business and where they are focusing their needs, and it was a great opportunity to discuss things that we see with key leaders from within Keystart."
>
> **Mid West roundtable participant**

Foodbank Bunbury

In 2025-26, Keystart partnered with Anglicare and the Financial Wellbeing Collective to enable greater access to face-to-face financial support services for community members in Bunbury and the South West.

Keystart's investment has enabled an Emergency Relief and Food Access Service (ERFAS) Financial Support Worker to be based onsite at the Foodbank WA Bunbury site three days a week, providing holistic support to community members across the region.

Financial Support Workers deliver face-to-face support services for clients who present without a referral, linking clients with free services like financial counselling.

Financial counselling can be an important first step towards home ownership, supporting community members to build their financial resilience and begin the journey to financial success.

Throughout the financial year, the Financial Wellbeing Collective has assisted 1,045 clients at the Bunbury Foodbank site – ensuring people in need have access to financial counselling and other important support services.

RMHC WA Home for Dinner and Up All Night events.

Ronald McDonald House Charities

As part of Keystart's corporate social responsibility program, staff select a charity of choice each financial year aligned with our values. In 2025-26, our charity of choice was Ronald McDonald House Charities (RMHC) WA.

> RMHC WA provides a home away from home for regional families with seriously ill children receiving hospital treatment in Perth.

Throughout the year, our team undertook a range of activities to support RMHC WA. We took part in the Home for Dinner initiative, with two groups of staff helping to prepare home-cooked meals for families staying at Ronald McDonald House, and spending time connecting with the families who rely on RMHC WA. We also joined Up All Night – with staff members successfully completing a 21km half-marathon walk overnight to raise funds for RMHC WA.

Through fundraising activities, Keystart donated $19,288 to RMHC WA – making a tangible impact on the lives of children and families in need.

$19,288

Total funds raised by Keystart for RMHC WA in FY 25-26

10. Our people

At Keystart, our people are our greatest asset.

> Our people are the energy behind our purpose, the expertise that guides our customers, and the reason we can make a genuine difference in the lives of Western Australians every single day.

We are a team united by shared values and a deep belief that home ownership should be within reach for everyone.

Our strategic priority, People with Purpose, is designed to foster a culture of market leadership, creating the conditions for our people to truly thrive. We embed a mindset of growth in everything we do: in how we develop our capabilities, how we embrace change, and how we show up for each other and our customers.

Our workforce

The following metrics provide an overview of Keystart's workforce profile for 2025-26:

159
Total headcount at 30 June 2026

5.75 years
Average employee tenure

60%
Percentage female employees

40%
Percentage male employees

Women in leadership

50%
Executive Leadership Team

45%
Senior Leadership Team

53%
Management roles

Culture and engagement

Our culture is the foundation of our success.

In 2025-26, our commitment to building and sustaining a values-driven culture continued to deliver tangible results, with our employee engagement and enablement scores both reaching 85 per cent.

This year also marked an important milestone in how we define our culture, with the launch of our mindsets.

Developed through consultation with our people, the mindsets represent a refresh of our previous values. The mindsets set a clear, shared way of working as we move into our next phase of growth – providing a common language for how we continue to meet our purpose as an organisation.

Two members of our HR team, Kristina and Hanlie, graduated from the Australian Institute of Company Directors Course in December 2025.

Cultural Awareness training with Tony Walley, Director of Yadgena Consulting.

Learning and development

We are committed to supporting our people to grow in their careers and build the skills needed to deliver for our customers and the communities we serve.

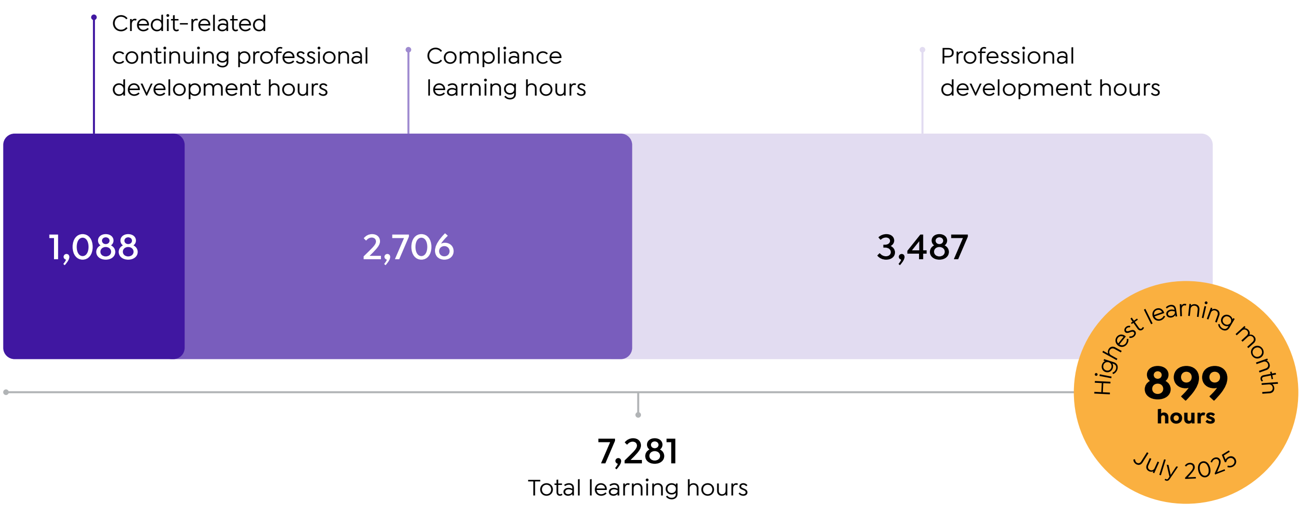
In 2025-26, we invested in a broad learning and development program that spanned leadership, culture, wellbeing and professional capability, giving our people opportunities to grow at every level of the organisation.

A standout initiative this year was the roll out of Turnkey: People Management Foundations, a program designed to align our frontline and emerging leaders with Keystart's strategy and equip them with the skills needed to lead with confidence.

Beyond leadership development, our learning calendar reflected the breadth of what it means to grow as an organisation and as individuals.

Highlights included:

- **Cultural Awareness** training, deepening our people's understanding of and respect for Aboriginal and Torres Strait Islander histories, cultures and perspectives,
- **Leader Led Respect at Work** sessions, reinforcing our commitment to a safe, respectful and inclusive workplace through conversations led by our own leaders, and
- **Lunch and Learn** sessions, providing opportunities for our people to explore new ideas and topics together.



Work health and safety

Keystart operates under the framework of the *Work Health and Safety Act 2020 (WA).* In 2025-26, our focus on safe behaviours and proactive risk management continued, with the following outcomes:

Number of fatalities	0
Lost time injuries and/or disease incidence rate	1
Percentage of injured workers returned to work	Within 12 weeks: 100%
	Within 26 weeks: N/A
Trained Mental Health First Aiders	17%

Table 3: WHS outcomes for FY 25-26.

All staff are required to complete mandatory online work health and safety (WHS) training during the year, with people leaders completing additional modules to support the safety of their teams.

Beyond mandatory training, we provide ergonomic assessments for all staff, First Aid training, and Mental Health First Aid training for those who wish to undertake it.

Employee wellbeing

We are committed to the wellbeing of our people, and in 2025-26 that commitment was recognised with the achievement of our Mental Health First Aid accreditation.

The program equips Mental Health First Aiders with the skills and confidence to recognise the signs of mental health challenges, provide initial support and connect colleagues with appropriate professional help when needed.

Achieving this recognition reflects our ongoing commitment to creating a safe, supportive and inclusive workplace for our people.

Mental Health Week is a highlight of our wellbeing calendar each year, and in 2025-26 we took it a step further with the launch of our own Blue Tree initiative.

We wove a rich cultural experience into the event by inviting our Aboriginal employees to share the art and meaning behind dot painting with their colleagues.

The result was a moment that brought our people together: honouring mental health awareness, celebrating First Nations culture, and deepening the connections across our team.

Keystart's Blue Tree – promoting mental health awareness and celebrating First Nations culture.

Reconciliation Action Plan

Keystart is proud of our ongoing commitment to building relationships, creating opportunities and fostering an organisation that genuinely respects and celebrates the cultures, histories and contributions of Aboriginal and Torres Strait Islander peoples.

In 2024, having completed our **Reflect** Reconciliation Action Plan (RAP), we launched our **Innovate** RAP, signalling our commitment to move beyond awareness and into action.

With 2025-26 having drawn to a close, so too has our two-year Innovate RAP, a period during which we have worked to embed reconciliation into the fabric of how we operate. Work will commence in 2026-27 on our next two-year RAP.

Driving this is our active RAP Committee, which meets monthly to ensure our commitments remain visible, progressing and embedded across the organisation. Their dedication is a testament to what is possible when people come together around a shared purpose.

We are proud of the ground we have covered, and we look forward to the next chapter of this journey.

2025-26 RAP Committee

(L-R) Reg Henry, Shaneka Shea, Nicole Fraser, Julie McKay-Warner, Matthew Thompson, Sive Butler, Hanlie du Plessis, Avril Doyle, Mitchell Rosario.
Absent: Lisa Kickett.

2025-26 DAIP Working Group
(L-R) Marcie Greenall, Hanlie du Plessis, Kayley Maciolek, Sive Butler, Jenna Woodall, Kristina Ryan.
Absent: Emma Quinn, Nicholas Licastro.

Disability Access and Inclusion Plan

In 2025-26 we developed our inaugural Disability Access and Inclusion Plan (DAIP), following wide-ranging consultation with our employees, subject matter experts and our customers.

Our DAIP reflects the real experiences and needs of the people it is designed to serve. It sets clear goals and actions to ensure that people with disability can fully participate in our services and engage with our organisation on an equal basis with others.

An annual progress report on the implementation of our DAIP has been submitted to the Disability Services Commission and will be published on Keystart's website.

Part 2

Directors' report.

The Directors' report outlines how Keystart is governed and led. It includes information about our Board, Executive Leadership Team, governance practices and the oversight that supports responsible decision-making and organisational performance.

Board of Directors

11.

Board of Directors

The Directors of Keystart during the reporting period – including their appointment terms and committee memberships, relevant qualifications, experience and appointment details – are set out below.

Directors are appointed in accordance with the *Government Trading Enterprises Act 2023 (WA).*

Michael Barnes PSM

Chairperson

Relevant qualifications

- Bachelor of Business with Honours in Economics,
- Graduate Member of the Australian Institute of Company Directors,
- Advanced Leadership Program, and
- Certificate of Management Excellence.

Special responsibilities

Chair of the Board, Chair of Governance and Nominations Committee, Member of Risk Committee.

Biography

Michael was Western Australia's Under Treasurer for 11 years until April 2025. As Under Treasurer, Michael was the State Government's principal economic and financial adviser, with statutory responsibility for managing the State's finances, including formulation of the annual State Budget.

In addition to his role as Chair of the Keystart Board, Michael is also Chair of the Western Power Board, an Independent Director on the Board of Crown Perth, and has been engaged by the State Government as WA's Chief GST 'Fairness Fighter'.

Michael has a Bachelor of Business with Honours in Economics from Curtin University, and a Certificate of Management Excellence from Harvard Business School. He was awarded the Public Service Medal in 2020 for his outstanding public service to State Government finances and was the Institute of Public Administration's Leader of the Year in State or Federal Government in 2022.

Sue Ellery

Deputy Chairperson

Relevant qualifications

- Graduate Member of the Australian Institute of Company Directors, and
- Bachelor of Arts.

Special responsibilities

Deputy Chair of the Board, Member of Audit Committee, Member of Risk Committee.

Biography

Sue served as a senior Minister in the Western Australian State Government across diverse portfolios encompassing both service delivery and regulatory functions. Her portfolios included Child Protection, Education and Training, and Finance and Commerce. She has experience in strategic planning, regulatory and legislative frameworks, project implementation and delivery, crisis management, budget development, government relations, communications, and stakeholder engagement.

Sue has an Arts Degree from the University of Western Australia and graduated from the Australian Institute of Company Directors in 2024.

Rob McKenzie

Non-Executive Director

Relevant qualifications

- Bachelor of Jurisprudence,
- Bachelor of Laws,
- Fellow of the Australian Institute of Company Directors,
- Foundation Member of the International Insolvency Institute, and
- Fellow of the Australian Restructuring Insolvency and Turnaround Association.

Special responsibilities

Chair of Risk Committee, Member of Governance and Nominations Committee.

Biography

Rob is an experienced corporate lawyer, Partner of McKenzie Moncrieff and counsel at Blackwall Legal.

He was previously a Partner and Board Member of Jackson McDonald, and a Partner of major national firm Clayton Utz, where he served as national head of reconstruction and insolvency. He is Chair of the Perron Institute for Neurological and Translational Science, Chair of Neuroscientific Biopharmaceuticals Ltd, an ASX listed company, and Chair of Black Swan Biotech. He is also a former member of the Federal Government Takeovers Panel.

Rob has acted for a range of major accounting firms, banks, and listed, public and private companies, as well as government agencies, across a number of industries. He was a Director of the West Coast Eagles and Black Swan State Theatre Company, and a Commissioner of the WA Football Commission.

Julie Keene

Non-Executive Director

Relevant qualifications

- Graduate Member of the Australian Institute of Company Directors,
- Fellow Member of Chartered Accountants Australia and New Zealand,
- Bachelor of Business, and
- Master of Accounting.

Special responsibilities

Chair of Audit Committee, Member of Risk Committee.

Biography

Julie is a chartered accountant and has held senior executive roles at Chief Financial Officer and Chief Executive Officer level, with organisations including Bankwest, Murdoch University, HBF and MyIntegra. She is a Commissioner with the Insurance Commission of WA and holds current Board roles with St John of God Healthcare, Curtin Heritage Living, SensesWA and the Noongar Advisory Company.

Julie holds a Bachelor of Business from Curtin University, a Master of Accounting from the University of Western Australia and is a graduate of the Australian Institute of Company Directors.

Kerryn Edwards
Non-Executive Director

Relevant qualifications

- Graduate Member of the Australian Institute of Company Directors, and
- Bachelor of Arts, Industrial Relations and Politics.

Special responsibilities

Member of Risk Committee, Member of Governance and Nominations Committee.

Biography

Kerryn has more than 30 years' experience in the community housing sector across Australia and the UK, spanning a wide variety of development projects and housing tenures. She has established and managed housing operations in both the Kimberley and Pilbara and has also worked extensively with Aboriginal Corporations, developing culturally informed housing strategies and models.

Her executive background includes leading large multidisciplinary teams delivering housing management and support services, with a focus on improving outcomes for marginalised people. As a consultant, she now works with clients across the Australian Community Housing Provider sector to strengthen organisational capability and enhance service delivery.

Kerryn holds a Bachelor of Arts from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors.

Paige Walker
Non-Executive Director

Relevant qualifications

- Bachelor of Commerce, Marketing and Management,
- Master of Property and Construction, and
- Graduate Member of the Australian Institute of Company Directors.

Special responsibilities

Member of Risk Committee, Member of Audit Committee.

Biography

Paige is the Chief Executive Officer of Fiveight, overseeing the company's national property development, asset management and hospitality portfolio. She joined Fiveight in 2023 as its inaugural CEO. Paige previously spent 16 years with Mirvac, most recently as General Manager – Residential Development WA. She has held senior industry roles, including serving as WA President and Vice-President of the Property Council of Australia. She is also a Non-Executive Director of Bethanie Housing and "My Home" Australasia.

Paige holds a Bachelor of Commerce from Curtin University, a Master of Property and Construction from RMIT University, and is a graduate of the Australian Institute of Company Directors.

	Term start date	Term end date	Keystart start date
Mr. Michael Barnes PSM (Chair)	1 July 2025	30 June 2028	1 July 2025
Hon. Sue Ellery (Deputy Chair)	1 July 2025	30 June 2028	1 July 2025
Mr. Robert McKenzie	1 July 2025	30 September 2026	29 July 2016
Ms. Julie Keene	1 July 2025	30 June 2027	10 November 2022
Ms. Kerryn Edwards	1 July 2025	30 June 2028	1 July 2025
Ms. Paige Walker	1 January 2026	30 June 2027	1 January 2026

Table 4: Director tenures.

12. Executive Leadership Team

Mark Tomasz
Chief Executive Officer

Mark has more than 20 years' experience in financial services, joining Keystart in 2024. Mark has held a number of senior executive positions at HSBC in Asia, Europe and Latin America. He is a qualified CPA Australia accountant and Board member of the charity Nakuru Hope.

John Patmore
Chief Information Officer

John has over 20 years' ICT experience gained across various industries including financial services and education. He has been with Keystart since 2010. Originally from the UK, John held a number of roles for companies in London, working with a variety of clients across Europe and North America.

Nicole Brown
Chief Financial Officer

Nicole joined Keystart in 2022 and has 20 years' experience in Australia and overseas. Prior to joining Keystart, Nicole held finance, risk and commercial roles at Bankwest and Commonwealth Bank after starting her career in a Big Four professional services firm.

Claire Properjohn
Chief People and Corporate Services Officer

Claire joined Keystart in 2021 and commenced in the role of Chief People and Corporate Services Officer in December 2024. Claire has 25 years' experience in HR, operations, organisational development, and transformational change across diverse industries, including private health, utilities, tech startups, insurance, legal and professional services.

Liam Loan-Lack
Chief Customer Officer

Prior to joining Keystart, Liam worked in-house for, and consulted to, blue-chip FMCG, e-commerce and financial services businesses in the UK, Australia and the US. His recent remit at the FTSE 250 organisation CMC Markets demonstrated both his passion and ability for delivering world-class customer experiences within the finance category.

Belinda Goosen
Chief Risk and Corporate Affairs Officer

Belinda brings expertise in enterprise risk management, compliance and governance across highly regulated sectors. Prior to joining Keystart in 2026, she held the role of Chief Risk Officer at a WA-based health insurance organisation, overseeing risk strategy, prudential compliance and enterprise-wide assurance within a complex financial services environment. Belinda has previously held senior roles within a global advisory firm, advising financial services organisations on risk transformation and governance optimisation.

13.

Governance

Corporate governance statement

The Board of Keystart is responsible for the overall governance of the organisation. It provides stewardship, sets strategic direction, oversees performance and risk, and supports accountability to the Government (as shareholder) and Keystart's various stakeholders. In performing its role, the Board works within the framework of Keystart's enabling legislation, the *Keystart Act 2024*, the *Government Trading Enterprises Act 2023 (WA)*, and other applicable legal and policy obligations.

Governance framework

As a Government Trading Enterprise, Keystart maintains a governance framework designed to support accountability, transparency and effective decision making. This framework is underpinned by the *Government Trading Enterprises Act 2023 (WA)*, the *Keystart Act 2024*, and other applicable obligations.

Governance arrangements have been strengthened during the reporting period to align with Government Trading Enterprise requirements, including refinement of committee structures and terms, reporting processes and oversight mechanisms.

Level 1

Oversight and leadership

Board

Level 2

Board committees

- Risk Committee
- Audit Committee
- Governance and Nominations Committee

Level 3

Executive leadership

Executive Committee

Level 4

Management committees

- Credit Risk Management Committee
- Assets and Liabilities Committee
- Technology Steering Group
- Product Committee

Absent: Kerryn Edwards.

Governance standards and better practice

Keystart is committed to maintaining a high standard of corporate governance appropriate to its context as a Government Trading Enterprise.

Governance practices are aligned with applicable legislative and regulatory requirements and informed by recognised better practice guidance, including the ASX Corporate Governance Principles and Recommendations, where appropriate.

This approach supports effective oversight while recognising the specific accountability and ownership framework within which Keystart operates.

Relationship with Government

Keystart operates within a framework of Ministerial oversight and accountability.

The Board and management maintain regular engagement with the Treasurer and the Department of Treasury and Finance on matters including strategy, financial performance, budget submissions and key initiatives. Director appointments and remuneration are subject to Government approval.

This relationship is an important part of Keystart's governance framework and reflects our role as a Government Trading Enterprise.

Board role and responsibilities

The Board is responsible for the overall governance and strategic direction of Keystart. Its role includes setting strategy, monitoring performance, overseeing risk, approving key policies and ensuring Keystart operates within its legislative mandate.

The Board has reserved certain matters for its own decision and has delegated responsibility for day-to-day management to the Chief Executive Officer, supported by the Executive Leadership Team.
The separation between Board and management responsibilities is reflected in Keystart's Board Charter and Delegations of Authority Framework.

Board composition and independence

The Board is comprised of Non-Executive Directors appointed in accordance with Keystart's legislative framework. Directors offer a diverse range of skills and experience relevant to Keystart's role as a Government Trading Enterprise and its operating environment.

The Board considers Director independence having regard to each Director's interests, relationships and circumstances. Directors are expected to exercise independent judgement and act in the best interests of Keystart, consistent with their statutory duties.

Board capability, succession and diversity

The Board maintains a structured approach to assessing its collective capability and future composition requirements.

During the reporting period, the Board undertook a formal skills assessment to consider the capabilities required to support Keystart's current operations and expanded legislative role.

The outcomes of the assessment are used to inform Board succession planning and targeted Director development. The Board also considers diversity as part of its broader approach to composition, recognising the value of different perspectives and backgrounds in supporting effective decision making.

Board committees

The Board has established committees to support focused consideration of matters requiring more detailed oversight. Each committee operates under a Board approved Charter and remains accountable to the Board for the performance of its functions.

During the reporting period, the committees supported the Board by providing detailed review and recommendations across matters relevant to Keystart's governance and accountability obligations.

Audit Committee

The Audit Committee assists the Board in overseeing the integrity of Keystart's financial reporting, the effectiveness of internal controls, the internal audit function, and external audit arrangements. The external audit of Keystart's financial statements is undertaken by the Office of the Auditor General for Western Australia.

The Committee considers internal and external audit findings, monitors management's response to agreed actions, and supports the Board's oversight of assurance and compliance matters relevant to Keystart's operations.

Risk Committee

The Risk Committee assists the Board in overseeing Keystart's Risk Management Framework, material enterprise risks, risk appetite and risk culture. All Directors are members of the Committee, supporting whole of Board visibility of Keystart's risk profile and ensuring risk considerations remain central to Board oversight.

The Committee receives reporting against the Board approved Risk Appetite Statement and Key Risk Indicators, and monitors whether risk exposures are managed within approved tolerance levels. This includes oversight of management actions in response to changes in risk exposures or where reporting indicates that risks are approaching, or operating outside, the Board approved risk appetite.

Governance and Nominations Committee

The Governance and Nominations Committee assists the Board in maintaining effective governance arrangements and supporting the ongoing effectiveness of the Board and its committees.

During the reporting period, the Committee supported Keystart's governance uplift following its transition to a Government Trading Enterprise. This included strengthening Board capability and succession planning, refining governance policies, and supporting the Board's oversight of Chief Executive Officer and organisational remuneration matters in accordance with the Committee's Charter.

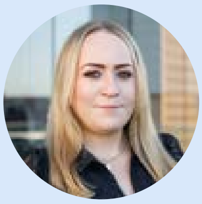
Board and committee meetings

The Board met regularly during the reporting period in accordance with its approved meeting schedule, with committee meetings aligned to support efficient oversight and decision making.

Details of Board and committee meeting attendance are set out in Table 5 on the following page.

Company Secretary

The Company Secretary supports the effective operation of the Board and its committees, including governance processes, Board and committee administration, and compliance with statutory and regulatory obligations. The Company Secretary also provides advice to the Chair and Directors on governance matters.



Avril Doyle
Company Secretary

During the reporting period, the Company Secretary was Avril Doyle, appointed on 1 July 2025. The Company Secretary is an Executive Officer of Keystart. Avril is a Chartered Company Secretary and a member of the Governance Institute of Australia.

Directors' interests, benefits and conflicts of interest

Directors are required to disclose material personal interests and any actual, potential or perceived conflicts of interest in accordance with legislative requirements and Keystart's governance policies.

Keystart maintains processes for declaring and managing interests, including standing declarations and meeting-specific conflict checks. Related party matters are assessed through Keystart's financial reporting and governance processes, with disclosures made in the financial statements where required.

No Director received, or became entitled to receive, any benefit other than remuneration and benefits disclosed in this report, or benefits arising from permitted indemnity and insurance arrangements.

	Board meetings		Audit Committee meetings		Risk Committee meetings		Governance and Nominations Committee meetings	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Michael Barnes	7	7	2	2	5	5	3	3
Sue Ellery	7	6	4	4	5	4	N/A	N/A
Rob McKenzie	7	7	N/A	N/A	5	5	3	3
Julie Keene	7	6	4	4	5	4	N/A	N/A
Kerryn Edwards	7	7	N/A	N/A	5	5	3	3
Paige Walker	4	3	2	2	2	2	N/A	N/A

Table 5: Board and committee meeting attendance.

Indemnities and insurance

Keystart maintains Directors' and Officers' insurance arrangements for Directors and Officers, consistent with legislative requirements and policy settings.

These arrangements support Directors and Officers in the proper discharge of their duties, subject to the terms, conditions and exclusions of the relevant insurance policies. Keystart's approach to indemnity and access arrangements is considered within the broader governance framework and having regard to applicable legal requirements. Any arrangements of this nature are subject to appropriate approval processes and legal limitations.

Board access to information and advice

Directors have unfettered access to the Company Secretary, management and relevant organisational information to support the effective discharge of their duties. Directors are provided with Board and committee papers and governance resources through secure Board systems.

Directors may also seek independent professional advice, where appropriate, in accordance with Board approved processes.

Delegations framework

Keystart maintains a formal Delegations of Authority Framework that defines the roles and responsibilities of the Board, Board committees and management.

This framework supports effective decision making while ensuring appropriate oversight of key matters. Delegations are reviewed periodically to ensure they remain aligned with Keystart's operating environment and governance requirements.

Risk management

Keystart maintains a Risk Management Framework to identify, assess and manage material risks across the organisation. The Board, through the Risk Committee, provides oversight of the Framework, including risk exposures and management responses.

The Board has an approved Risk Appetite Statement which provides guidance on acceptable risk positions across key risk categories and is monitored through Key Risk Indicators. Keystart's risk management approach is informed by *ISO 31000:2018 Risk Management* and supports a consistent and proactive risk culture across the organisation. Further information related to Keystart's financial risk management is shown at Note 3 to the financial statements.

Compliance framework

Keystart operates within a broad legal and regulatory environment reflecting its role as an Australian Credit Licensee and Government Trading Enterprise. Keystart complies with all relevant legislation and regulation related to its role as a lender, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* and the *National Consumer Credit Protection Act 2009*.

Keystart maintains a Compliance Management Framework to support identification, monitoring and management of its obligations. The Framework assists the Board and management to understand compliance risk and respond to changes in Keystart's operating environment.

Compliance matters are reported through management and Board governance channels, with escalation where required.

Internal and external audit

Internal audit forms part of Keystart's overall assurance framework and provides independent assurance over the effectiveness of governance, risk management, and internal control processes.

The external audit of Keystart's financial statements is undertaken in accordance with applicable statutory requirements. The Audit Committee supports the Board by overseeing audit related matters and monitoring management's response to audit findings and recommendations.

In accordance with section 145 of the *Government Trading Enterprises Act 2023 (WA),* Keystart's financial report is required to be audited by the Auditor General for Western Australia. Keystart did not provide indemnity and did not hold an insurance policy for the Auditor General for the year ended 30 June 2026. For further details on auditor remuneration, please refer to the note to the financial statements titled 'Auditor's Remuneration'.

Ethical standards and conduct

Keystart promotes a culture of integrity through its Code of Ethics and Conduct Policy, as well as other supporting policies. Directors and employees are expected to act lawfully, ethically and in accordance with Keystart's mindsets.

Keystart's Code of Ethics and Conduct Policy reflects its commitment to being a customer-focused organisation and supports the expectations of Government and the community. It provides guidance to ensure the highest standards of ethical conduct, corporate behaviour and accountability are maintained.

All Keystart employees receive Code of Conduct, workplace behaviour and conflict of interest training as part of a comprehensive induction program, and on an annual basis thereafter.

These standards are supported by processes for managing conflicts of interest, confidentiality, gifts and benefits, and other conduct matters relevant to Keystart's public accountability obligations.

Fit and proper oversight

Keystart maintains processes to support compliance with the fit and proper requirements applicable to its Directors and relevant senior managers, including obligations associated with Keystart's Australian Credit Licence.

The Governance and Nominations Committee supports the Board's oversight of these requirements, including the annual review and assessment of Directors and relevant senior managers. This helps ensure the ongoing suitability of individuals holding key governance and management responsibilities.

Board professional development

The Board maintains a Board Professional Development Policy to support Director induction and ongoing capability development.

During the reporting period, Directors participated in professional development activities and briefings to support their understanding of Keystart's governance obligations, risk profile, strategic priorities and operating environment. This included matters relevant to Keystart's transition to a Government Trading Enterprise and its expanded role in the Western Australian housing market.

Regional engagement activities also provided Directors with further insight into housing challenges and stakeholder perspectives across Western Australia.

Board and committee performance

The Board is committed to ongoing evaluation of its performance and effectiveness.

Performance is considered on a regular basis, with a structured evaluation process undertaken annually to assess the effectiveness of the Board and its committees. This includes consideration of governance practices, decision-making processes and the quality of information provided to the Board.

Outcomes of these evaluations are used to inform continuous improvement across governance practices and structures.

14.

Principal activities and operating environment

Keystart operates as a Government Trading Enterprise under the *Government Trading Enterprises Act 2023 (WA)* and the *Keystart Act 2024*.

Keystart's principal activity is to support the Western Australian Government's housing priorities by providing finance solutions that improve access to affordable home ownership and enable housing supply.

The *Keystart Act 2024* expanded Keystart's mandate, enabling it to provide financing across a broader range of housing initiatives. Following its transition to a Government Trading Enterprise on 1 July 2025, Keystart continued to deliver its established lending activities while progressing work to support its broader legislative role.

Significant changes in the state of affairs

The most significant change during the reporting period was Keystart's transition to a Government Trading Enterprise, effective 1 July 2025.

The transition established a new legislative and accountability framework for Keystart and supported an expanded role under the *Keystart Act 2024*. During the year, Keystart progressed changes to align its governance arrangements, reporting processes and legacy entity structures with the requirements of a Government Trading Enterprise.

These changes represent a material shift in Keystart's operating model and provide the foundation for its future strategic direction.

Review of operations

During the reporting period, Keystart continued to deliver its core lending activities while responding to housing market conditions and changes in policy settings. Keystart supported customers through its suite of affordable home loan products and progressed refinements to product settings aligned with its expanded role. Housing market conditions continued to influence demand and operational activity.

The results of Keystart's operations are reflected in the financial statements and accompanying notes, together with the operational commentary included in this report.

Financial results

Keystart's financial performance reflects the continued delivery of lending activities within a disciplined financial and risk management framework.

Performance outcomes were influenced by market conditions, product mix and funding arrangements. Further detail is provided in the financial statements.

Dividends

As a WA Government Trading Enterprise, Keystart is required to pay a dividend to the Government of Western Australia. Dividends are payable on net profit after tax at an approved payout rate of 75 per cent.

A dividend has not been recorded in the financial year 2025-26 due to the timing of the dividend declaration.

The Keystart Board expects to recommend a dividend amount in accordance with the approved rate within the timeline agreed with the Treasurer.

Events subsequent to 30 June 2026

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, Keystart's operations, financial performance or state of affairs in future reporting periods.

Likely developments and expected results

Keystart expects to continue to focus on supporting affordable home ownership in Western Australia, while maintaining financial sustainability. Keystart will continue to refine its products, working closely with Government and housing sector stakeholders to respond to market conditions.

Key performance indicators

Under the *Keystart Act 2024*, Keystart was not required to adopt an Annual Performance Statement until the first budget year after its operational start date as a Government Trading Enterprise.

As such, Keystart has adopted its first Annual Performance Statement, including key performance indicators, for the financial year 2026-27. The targets and measures for those key performance indicators will be included in Keystart's 2026-27 Annual Report.

Information management, records and transparency

Keystart maintains information management and recordkeeping practices that support transparency and compliance with legislative requirements, including the *Freedom of Information Act 1992 (WA)* and *State Records Act 2000 (WA)*.

During the reporting period, Keystart reviewed its Recordkeeping Framework, including its Records Management Policy and supporting guidelines, Retention and Disposal Schedule, and digitisation processes. Updated documents were published and communicated with employees and contractors.

Keystart's inaugural Recordkeeping Plan was approved by the State Records Commission in May 2026. Physical records are securely stored onsite or offsite and managed in accordance with the approved Plan, as well as retention and disposal requirements.

Keystart provides recordkeeping and freedom of information training to employees and contractors to support their understanding of their responsibilities and compliance with the approved Recordkeeping Plan.

Keystart's Recordkeeping Framework is reviewed and updated regularly to reflect enhancements, legislative changes and new compliance requirements.

Western Australian Electoral Act 1907

In accordance with the requirements of Section 175ZE of the *Electoral Act 1907 (WA)*, the following information is presented in respect to expenditures (excluding GST) incurred by, or on behalf of, Keystart during the period 1 July 2025 to 30 June 2026:

Advertising agencies:

$186,355.56
(Juicebox, VML)

Market research organisations:

$59,950.00
(CoreData)

Polling organisations:

$0.00

Direct mail organisations:

$0.00

Media advertising organisations:

$1,560,954.43
(The Brand Agency, Bang Digital, Google, Meta)

Total expenditure:

$1,807,259.99

Principles used to determine the nature and amount of remuneration

Keystart's Remuneration Policy supports a market-aligned remuneration framework to attract, retain, and inspire a high-performing workforce capable of delivering on Keystart's purpose and strategic goals.

The Policy:

- outlines the details and principles for the annual remuneration review, which provides a competitive framework to attract and motivate Keystart's people,
- ensures Keystart pays relevant market rates for all roles, where market rates are determined based on relevant salary benchmark data, and that our practices are ethical and fully compliant with employment standards, and
- ensures financial sustainability, robust governance and proactive risk mitigation.

Non-Executive Directors

In accordance with s118(2) of the *Government Trading Enterprises Act 2023 (WA)*, the remuneration of Non-Executive Directors is determined by the Treasurer having regard to the relevant determinations of the Salaries and Allowance Tribunal.

Non-Executive Directors are paid a fixed annual remuneration amount, inclusive of salary and superannuation. They do not receive bonuses or performance-based pay, and no additional benefits are provided.

Directors serving on Board committees receive an additional committee allowance, payable at the rates determined by the Salaries and Allowances Tribunal.

A Director who holds a full-time office or position that is remunerated by Parliament is not entitled to receive remuneration for their Board service.

Executive Officers

The Chief Executive Officer's total fixed remuneration is determined by the Board within a salary band established by the Salaries and Allowances Tribunal. For other Executives, remuneration is set by the Chief Executive Officer in consultation with the Board.

Executive remuneration at Keystart is based on a total fixed remuneration model that recognises role accountability, capability and expertise, without the use of 'at-risk' remuneration components. Remuneration is reviewed annually to ensure it remains competitive and aligned with market conditions, with any adjustments based on performance and market movements. Executive contracts do not provide for guaranteed remuneration increases. Details of the five highest remunerated officers (being Executive Officers of Keystart) are shown in Table 7.

	Salary and fees	Superannuation	Total remuneration
Total remuneration band ($'000)	**Number of Non-Executive Directors**		
$0-$50	2	6	1
$51-$100	3	-	4
$101-$150	1	-	1

Table 6: Remuneration – Non-Executive Directors.

	Salary and fees	Superannuation and other^	Total remuneration
Total remuneration band ($'000)	**Number of Executive Officers**		
$0-$50	-	5	-
$250-$350	2	-	-
$350-$450	2	-	4
$450-$550	-	-	-
$550-$650	1	-	1

Table 7: Remuneration – Executive Officers.

^Includes superannuation, parking, phone allowance.

Directors' report – confirmation

This directors' report is authorised for issue in accordance with a resolution of the Directors on 28 August 2026.

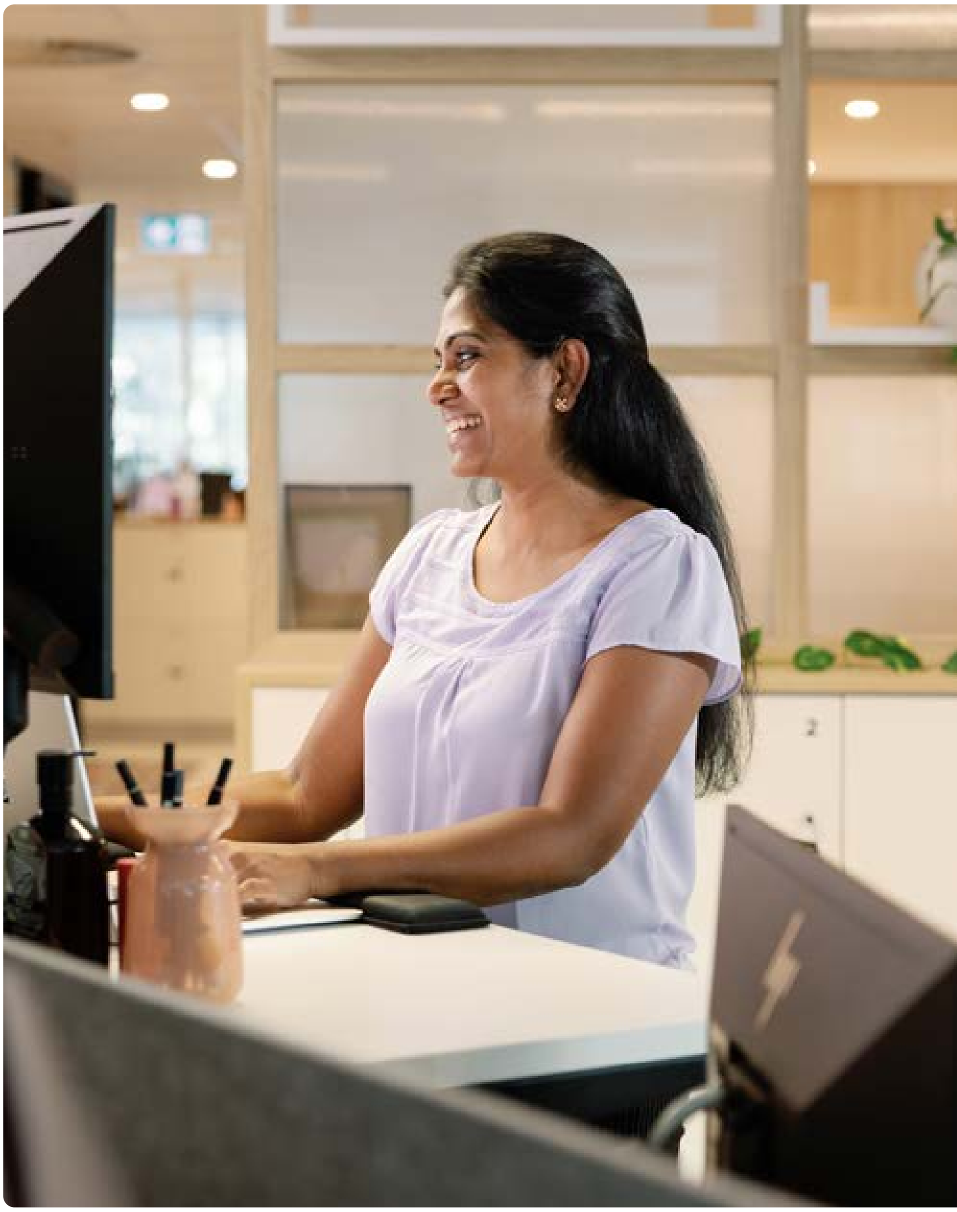
M Barnes
Board Chair

J Keene
Audit Committee Chair

Signed on:
28 August 2026

Part 3

Financial report.



The financial report sets out Keystart's financial results for the year ended 30 June 2026. It has been prepared in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023.*

Directors' declaration

15.

Director’s declaration

For the Year ended 30 June 2026

In the opinion of the Directors of Keystart:

a) The financial statements and notes are prepared in accordance with the *Government Trading Enterprises Act 2023* and the *Government Trading Enterprises Regulations 2023* and:

   i. give a true and fair view of the financial position of Keystart as at 30 June 2026 and of its performance for the year ended on that date; and

   ii. comply with Australian Accounting Standards.

b) There are reasonable grounds to believe that Keystart will be able to pay its debts as and when they become due and payable.

The Directors have been given the declaration by the Chief Executive Officer and Chief Financial Officer, for the reporting year ended 30 June 2026, as required by Regulation 9 of the *Government Trading Enterprises Regulations 2023*.

This Directors’ declaration is signed in accordance with a resolution of the Directors.

Director
M Barnes

28 August 2026

Director
J Keene

28 August 2026

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16.

Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

Keystart

To the Parliament of Western Australia

Opinion

I have audited the financial report of Keystart which comprises:

- the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- notes comprising a summary of material accounting policies
- the directors' declaration.

In my opinion, the financial report of Keystart is prepared in accordance with the *Government Trading Enterprises Act 2023* and the Government Trading Enterprises Regulations 2023, and:

- gives a true and fair view of the financial position as at 30 June 2026 and of its performance for the year then ended
- is in accordance with Australian Accounting Standards.

Basis for opinion

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

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

Other information

The directors are responsible for the other information. The other information is the information in Keystart's annual report for the year ended 30 June 2026, but not the financial report and my auditor's report.

My opinion on the financial report does 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 report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 have nothing to report in this regard.

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Responsibilities of the directors for the financial report

The directors of Keystart are responsible for:

- keeping proper records
- preparation of the financial report in accordance with the *Government Trading Enterprises Act 2023* and the Government Trading Enterprises Regulations 2023 that gives a true and fair view in accordance with Australian Accounting Standards
- such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for:

- assessing Keystart'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 Keystart.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is 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 report. 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 report 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.

My independence and quality management relating to the report on the financial report

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.

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Matters relating to the electronic publication of the audited financial report

This auditor’s report relates to the financial report of Keystart for the year ended 30 June 2026 included in the annual report on Keystart’s website. Keystart’s management is responsible for the integrity of Keystart’s website. This audit does not provide assurance on the integrity of Keystart’s website. The auditor’s report refers only to the financial report 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 report are concerned with the inherent risks arising from publication on the website, they are advised to contact Keystart 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
31 August 2026

17.

Financial Statements

Statement of Comprehensive Income

For the Year ended 30 June 2026

	Note	2026 $'000
Interest income	4	124,911
Finance costs	4	(73,349)
Net interest income	**4**	**51,562**
Other revenue	5	671
Total income		**52,233**
Credit loss expense on financial assets	10	(329)
Employee expenses	6	(25,513)
Administration and other expenses	6	(15,123)
Depreciation and amortisation	6	(2,228)
Total expenses		**(43,193)**
Profit before income tax		**9,040**
Income tax benefit / (expense)	7	(3,630)
Profit for the period		**5,410**
Other comprehensive income net of tax		
Other comprehensive income		-
Total comprehensive income after income tax		**5,410**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2026

	Note	2026 $'000
Assets		
Cash and cash equivalents	8	195,905
Loans and receivables	9	1,656,879
Plant and equipment	11	1,263
Right-of-use assets	12a	2,204
Intangible assets	13	382
Deferred tax assets	7	3,639
Total assets		**1,860,272**
Liabilities		
Payables	14	17,226
Income tax payable	7	3,230
Lease liabilities	12b	3,404
General provisions	15	3,363
Interest bearing liabilities	16	1,520,000
Total liabilities		**1,547,223**
Net assets		**313,049**
Equity		
Contributed equity	17	307,639
Retained earnings		5,410
Total equity		**313,049**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year ended 30 June 2026

	Note	Contributed equity $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2025		**-**	**-**	**-**
Contribution by Owner – net assets transferred under RoAA on 1 July 2025	23	307,639	-	307,639
Total comprehensive income after income tax		-	5,410	5,410
Transactions with owners recorded directly in equity				
Dividends paid	17	-	-	-
Contributions of equity	17	-	-	-
Balance at 30 June 2026		307,639	**5,410**	**313,049**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the Year ended 30 June 2026

	Note	2026 $'000
Cash flows from operating activities		
Loan repayments received and discharges, incl. interest		652,529
New loans advanced		(598,772)
Payments for administration costs		(14,208)
Payments to employees and suppliers		(23,242)
Interest received on surplus cash holdings		8,973
Interest paid		(71,871)
Final profit distributions relating to legacy Keystart entities		(13,455)
Net cash used in operating activities	**8**	**(60,046)**
Cash flows from investing activities		
Payments for plant and equipment		(78)
Net cash used in investing activities		**(78)**
Cash flows from financing activities		
Repayments of interest bearing liabilities		(365,000)
Payments on lease liabilities		(1,013)
Net cash used in financing activities		**(366,013)**
Net increase in cash and cash equivalents		**(426,137)**
Cash and cash equivalents at the beginning of the financial year		**-**
Contribution by Owner - Cash and cash equivalents transferred under RoAA on 1 July 2025	**23**	**622,042**
Cash and cash equivalents at the end of the financial year	**8**	**195,905**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

18.

Notes to the Financial Statements

For the Year ended 30 June 2026

1) Corporate Information

Keystart is a Western Australian (WA) Government Trading Enterprise (GTE), operating under the *Government Trading Enterprises Act 2023 ('GTE Act')* and the *Keystart Act 2024*. Keystart's registered address and principal place of business is 502 Hay Street, Subiaco WA 6008.

Principal activity

Keystart supports the Western Australian Government's housing priorities by providing finance solutions that improve access to affordable home ownership and enable housing supply. Keystart offers low-deposit and shared equity home loans to Western Australians who may not be able to access finance through a commercial lender, helping to grow home ownership across the State.

Reporting framework

Keystart began in 1989 as an initiative of the WA Government and, until 30 June 2025, operated through a trust and group of companies. The sole shareholder was the Western Australian Housing Authority. On 1 July 2025, the operations of Keystart Loans Limited (and associated entities) and the Country Housing Authority (CHA) (collectively 'KLL and associated entities') were transferred to the new Keystart GTE.

Keystart operates under oversight from its portfolio Minister and the Treasurer, and is required under the GTE Act to prepare and submit an annual report to Parliament.

Statement of Compliance

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB).

For the purposes of preparing the financial statements, Keystart is a not-for-profit entity.

The financial statements comprise the financial results of Keystart for the year ended 30 June 2026. A description of the operations and principal activities has been included in the Directors' Report which does not form part of these financial statements. These annual financial statements were authorised for issue by the Board of Directors on 28 August 2026.

2) Basis of Preparation

The financial report has been prepared on an accruals basis of accounting using the historical cost convention, modified by the revaluation of certain financial assets and liabilities at fair value.

Throughout this financial report Australian dollars are used as the functional and presentation currency. All values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

These financial statements are general purpose financial reports prepared in accordance with:

- The GTE Act
- *The Government Trading Enterprises Regulations 2023*
- Australian Accounting Standards (AASs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB).

Presentation of comparatives

The restructure of administrative arrangement (RoAA) of KLL and associated entities has been accounted for from the date of restructure of administrative arrangement i.e,1 July 2025. As a result, the assets, liabilities, income, and expenses of the transferred entities are included in the financial statements from that date, without restating pre-RoAA information for the preceding period. For more information on the restructure of administrative arrangement, refer to Note 23.

Management has made the decision to apply a prospective approach in presenting comparative financial information. In the application of this approach, a separate note has been prepared detailing pre-RoAA information for KLL and associated entities for FY2025, rather than presenting comparative information on the primary financial statements.

Management has determined that this approach provides users of the financial statements with relevant and reliable information, providing transparency and insight into historical performance.

Judgements and estimates

The significant judgements, estimates and assumptions made in the preparation of these financial statements are disclosed in the individual notes where amounts affected by those judgements and/or estimates are disclosed.

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are the expected credit loss calculations used in determining the impairment of loans and receivables. Keystart determines whether loans are impaired on an ongoing basis. This requires an estimation of the value of future cash flows. The policy for calculation of loan impairment is disclosed in Note 10.

Going concern

The financial statements are prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Directors believe that it is reasonably foreseeable that Keystart will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

2) Basis of Preparation (continued)

New accounting standards and interpretations that have been adopted in the current financial year

In preparing these financial statements, Keystart has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates.

Keystart adopted *AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements – January 2026, AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments, AASB 2024-3 Amendments to Australian Accounting Standards – Annual Improvements Volume 11.*

The adoption of these standards had no significant impact on Keystart.

There are no other new AAS and Interpretations that have been recently issued or amended that are effective for the annual reporting period ending 30 June 2026 which will have any impact on Keystart.

New accounting standards and interpretations issued but not yet effective

AASB 18 *Presentation and Disclosure in Financial Statements* will replace AASB 101 *Presentation of Financial Statements*, introducing enhanced requirements for the presentation of financial statements.

For not-for-profit entities preparing Tier 1 general purpose financial statements, AASB 18 applies to annual reporting periods beginning on or after 1 January 2028, with earlier application permitted.

Keystart has not early adopted any standard, interpretation or amendment issued but not yet effective.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on the purchase of goods and services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of GST. The net amount of GST payable to, or recoverable from, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

3) Financial Risk Management

Keystart's activities expose it to risks from the use of financial instruments, primarily:

a) market risk (including interest rate risk);

b) credit risk;

c) liquidity risk; and

d) capital risk

Keystart's Board is responsible for the Risk Management Framework (RMF) and oversight of its operation. The Board utilises the following committees to develop and monitor Keystart's risk management policies:

1. Risk Committee – assist Board with oversight of RMF design and implementation. The following management committees report to the Risk Committee:
   1.1. Asset and Liability Committee (ALCO) - management committee with oversight of the asset & liability strategy including funding, liquidity, capital management and investments.
   1.2. Credit Management Committee – management committee with oversight of Keystart's credit risk.
2. Audit Committee – assist Board with oversight of financial reporting, and internal and external audit functions.

a) Market risk

The predominant market risk that Keystart is exposed to is interest rate risk. Keystart does not transact in foreign currencies, commodities or equity products as part of its normal operations.

Interest rate risk

Keystart is exposed to interest rate risk as a result of mismatches between the repricing dates of financial assets and liabilities. Borrowings issued at short term rates expose Keystart to interest rate risk if changes to rates are not passed on to customers, or if there is a time lag between changes in borrowing costs and customer interest rates.

The key strategies considered by ALCO under its delegation to manage interest rate risk relate to;

- managing the growth and composition of assets and liability giving rise to interest rate risk;
- managing the maturity and repricing profile of assets and liabilities within Keystart's risk appetite.

3) Financial Risk Management (continued)

Interest rate sensitivity analysis

As at 30 June 2026, the impact of a 50-basis point (bp) parallel shift in interest rates (up and down) using a static balance sheet with constant volumes and margins was as follows:

				Estimated impact of a 50-basis point change in interest rates	
	Average balance $'000	Interest $'000	Effective interest rate	Increase $'000	Decrease $'000
2026 interest revenue					
Cash	148,998	6,245	4.19%	743	(747)
Term deposits	67,026	2,728	4.07%	335	(335)
Loans and receivables	1,632,801	118,145	7.24%	8,234	(8,094)
	1,848,825	**127,118**	**6.88%**	**9,312**	**(9,176)**
Interest expense					
Lease liabilities	3,814	104	2.73%	-	-
Interest bearing liabilities	1,520,000	73,343	4.83%	7,673	(7,527)
	1,523,814	**73,447**	**4.82%**	**7,673**	**(7,527)**
Net interest income		**53,671**		**1,639**	**(1,649)**
Net effective interest rate			**2.06%**		

Notes on interest rates

Cash and bank balances are held with major Australian banks at prevailing market interest rates.

Term deposits have maturities of no longer than 3 months in duration and are held with major Australian banks.

Loans and advances to customers have variable interest rates which are set based on the movements of the Reserve Bank of Australia's (RBA's) official cash rate.

Lease liabilities are valued at the inception of the lease in accordance with AASB 16, using interest rates fixed for the duration of the lease. Where leases are revalued, current market interest rates are used as prescribed by Western Australian Treasury Corporation (WATC) for Western Australian government entities.

Interest bearing liabilities consist of borrowings from WATC. Interest rates for these instruments are variable in nature and are set by WATC with reference to prevailing market interest rates.

3) Financial Risk Management (continued)

b) Credit risk

Credit risk arises from Keystart's core function of lending. Credit risk is the potential loss arising from customer failure to meet contractual obligations as and when they fall due. Credit risk also arises from exposure to bank counterparties in respect of liquidity investments.

Credit risk is managed on a portfolio basis through having prudential lending policies to mitigate customer risk. This includes a consistent and comprehensive credit assessment process. Keystart products allow the initial loan to value ratio (LVR) to be up to 98% and lenders mortgage insurance is not required.

Counterparty credit risk is managed by limiting transactions to those banks and financial institutions that have a minimum rating of "P-1" (Moody's). Authorised investments must have Moody's long-term rating of at least "Aa3".

Loans are assessed at the end of each reporting period for any indicators of impairment.

Collateral

Collateral is in the form of registered mortgages over residential properties in Western Australia. Predominantly the mortgages are first registered mortgages.

Keystart's credit principles specify that loans may only be made where the customer has the capacity and ability to repay. Obtaining collateral is used to mitigate credit risk.

In the event of a loan default, any loan security enforced is held as mortgagee in possession. Any property thus held does not meet the recognition criteria of Australian Accounting Standards and is not recognised in the Statement of Financial Position.

Concentration of geographic risk

Keystart lends both in the metropolitan and regional areas of Western Australia. 68% of the loans are in the metropolitan area with the balance mostly in the larger regional centres. Loan defaults are actively managed and stress tests on the loan book are conducted at least annually. There is no individual suburb or town which represents more than 10% of the loan portfolio.

c) Liquidity risk

Liquidity risk is the risk that Keystart may be unable to meet its financial obligations when they fall due. Liquidity risk arises when Keystart's assets and liabilities have different maturity profiles.

Keystart maintains a portfolio of high-quality liquid assets at all times. Liquid assets consist of cash and term deposits with maximum maturity of 3 months.

Management monitors rolling forecasts of the liquidity reserve on the basis of expected cash flow.

Refer to Note 16 for details on borrowing facilities that Keystart has access to.

Maturities of financial liabilities

Maturity of financial liabilities based on contractual undiscounted cash flows at the reporting date are disclosed in:

a) Lease liabilities – Note 12

b) Payables – Note 14

c) Interest bearing liabilities – Note 16

Keystart considers that the contracted maturities accurately represent the expected maturities.

3) Financial Risk Management (continued)

d) Capital risk management

Keystart is not subject to regulation by the Australian Prudential Regulatory Authority (APRA), however where practicable Keystart follows APRA best practice guidelines and recommendations in its capital risk management strategy.

The Board is responsible for monitoring and approving Keystart's capital management framework, within which management operates. This is set out in Keystart's Internal Capital Adequacy Assessment Process.

4) Net Interest Income

The following table shows the interest income or expense for each of the major categories of interest-bearing assets and liabilities.

	2026 $'000
Interest income	
Loans	118,145
Cash	6,245
Term deposits	2,728
	127,118
Less: Origination fees	(2,207)
Interest income	**124,911**
Finance costs	
Interest bearing liabilities	73,343
Borrowing expenses and stamp duty	6
Total finance costs	**73,349**
Net interest income	**51,562**

Interest income and expense is calculated by applying the effective interest rate to the gross carrying amount of financial instruments, except for credit-impaired financial instruments. When a financial asset is credit-impaired, interest ceases to be recognised on the regular accrual basis. Interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related loan loss provision.

Further information about impairment of financial instruments is provided in Note 10.

Loan establishment fee income and upfront commissions paid to brokers will initially be deferred as part of the loan balance. These will then be brought to account as part of interest income when the service is provided throughout the expected life of the loan. The average life of loans in the portfolio is subject to assumptions about future events and reviewed periodically to ensure the amortisation methodology is appropriate. Ongoing broker trail commissions are deducted from interest income.

5) Other Revenue

	Note	2026 $'000
Fees and charges		24
Revenue from contracts with customers		647
		671

Fee income

An establishment fee is received when a loan is settled. This fee is deferred and recognised in the profit and loss as part of the effective interest rate calculation. All other fees and commissions are recognised in the accounting period in which the services are rendered.

Disaggregation of revenue from contracts with customers

	Note	2026 $'000
Services		
Management fee		647
Timing of revenue recognition		
Services transferred over time		647
Revenue from contracts with customers[1]		**647**

[1]No revenue has been recognised in the period ended 30 June 2026 from performance obligations satisfied (or partially satisfied) in previous periods.

	Note	2026 $'000
Contract balances		
Receivables, which are included in 'loans and receivables'	9	47
Contract assets		-
Contract liabilities		-

Revenue from contracts with customers (Management fee for equitable assignment of loans)

Revenue is measured based on the consideration specified in a contract with a customer. Keystart recognises revenue when it transfers control over a service to a customer. Information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies for each type of service below.

5) Other Revenue (continued)

A management fee is received for managing the assigned standard residential home loans on behalf of Bendigo and Adelaide Bank. The equitable assignment of $1.33 billion of standard residential home loans to Bendigo and Adelaide Bank occurred in the year ended 30 June 2017. Keystart continues to service the customer with no change to service levels or terms and conditions of their loan arrangements. The initial servicing period expired in October 2023 and has been extended. Loan servicing is a series of distinct services that are substantially the same and have the same pattern of transfer to Bendigo and Adelaide Bank, resulting in one performance obligation. Revenue is recognised over time, in the accounting period in which the services are rendered, as a fixed percentage of the outstanding loan balance of the loan portfolio.

Two call option deeds were executed during the equitable assignment process whereby Keystart may, at its discretion, buy back either all of the portfolio transferred or specified loans capped at 20 loans per year. Keystart has not exercised the specified call option to buy back any loans in this financial year.

6) Expenses

	Note	2026 $'000
Employee expenses		
Salaries and related expenses		23,210
Superannuation – defined contribution plans		2,303
		25,513

Employee expenses include wages, ancillary costs, movement in expense provisions for short- and long-term employee benefits and superannuation contributions.

	Note	2026 $'000
Administration and other expenses		
General administrative costs		3,230
Consultant fees		2,584
Computer system maintenance		3,511
Advertising		2,358
Staff related administration costs		1,389
Directors' fees		772
Audit fees		671
Compensation payments to customers		608
		15,123

	Note	2026 $'000
Depreciation and amortisation expense (including loss on sale)		
Plant & equipment	11	522
Right-of-use assets	12a	763
Intangible assets	13	943
		2,228

7) Income Tax

Keystart operates within the *National Tax Equivalent Regime* (NTER). All Keystart operations are subject to the NTER, effective from 2 July 2025. Tax is calculated by reference to the amount of tax equivalent payable or recoverable, to or from the Commonwealth Department of Treasury as calculated under the rules of the NTER. These rules (with limited exceptions) follow the Income Tax legislation and utilise tax rates effective at the end of the reporting period. As a consequence, Keystart is required to comply with AASB 112 *Income Taxes*.

The income tax expense or benefit represents the tax payable or receivable on the current year's taxable income based on the prevailing income tax rate adjusted for changes in deferred tax assets and liabilities.

a) Components of income tax expense

	2026 $'000
Current income tax expense / (benefit)	
Current year movements	3,230
	3,230
Deferred tax expense / (benefit)	
Origination and reversal of temporary differences	400
	3,630

b) Numerical reconciliation between income tax expense and profit before tax

	2026 $'000
Profit before income tax	9,040
Income tax using the statutory rate of 30%	2,713
Permanent differences	
Entertainment	48
Adjustments due to pre-tax revenues and expenditure	869
	3,630

7) Income Tax (continued)

c) Reconciliation of deferred tax balances

Deferred tax is accounted for using the balance sheet liability method for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items. Deferred tax assets and liabilities are recognised for temporary differences at the tax rates that are expected to apply when the assets and liabilities are realised or settled, based on tax rates that have been enacted or substantially enacted by reporting date.

Deferred tax assets are recognised to the extent it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting profit.

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

Deferred tax assets and liabilities are offset as Keystart settles its current tax assets and liabilities on a net basis.

7) Income Tax (continued)

Movements in deferred tax for the year ended 30 June 2026

	Opening balance $'000	Initial recognition on transition to NTER as a result of the RoAA – credited to equity $'000	(Charged) / credited to profit and loss $'000	(Charged) / credited to equity $'000	Closing balance $'000
Deferred tax assets					
Property, plant & equipment	-	101	201	-	302
Division 43 assets	-	211	(5)	-	206
Provision for doubtful debts	-	1,432	22	-	1,454
Accrued expenses	-	-	98	-	98
Provisions	-	1,698	(665)	-	1,033
Lease Liabilities	-	1,297	(276)	-	1,021
Unearned establishment fees	-	162	(90)	-	72
Section 40-880 deductions	-	-	114	-	114
	-	**4,901**	**(601)**	**-**	**4,300**
Deferred tax liabilities					
Prepayments	-	-	-	-	-
Right-of-use assets	-	(862)	201	-	(661)
	-	**(862)**	**201**	**-**	**(661)**
Net deferred tax assets / (liabilities)	**-**	**4,039**	**(400)**	**-**	**3,639**

8) Cash and Cash Equivalents

	2026 $'000
Cash and cash equivalents	**195,905**

Cash comprises cash on hand. Cash equivalents are highly liquid short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value.

Cash earns interest at floating rates based on daily bank deposit rates. Term deposits earn interest at fixed rates based on bank deposit rates at the inception of the term deposit. Term deposits are for varying periods of up to three months.

Reconciliation of profit after tax to the net cash flows from operations

	2026 $'000
Profit after income tax	5,410
Depreciation and amortisation	2,228
Increase in loans	(53,944)
Decrease in payables	(11,033)
Decrease in other liabilities	(2,298)
Net decrease in tax assets	(409)
Net cash used in operating activities	**(60,046)**

Risk exposure

All term deposits are held directly with Australian banks and their subsidiaries.

The fair value of term deposits is not materially different to the carrying amount due to the short-term nature of these instruments.

Information about Keystart's exposure to interest risk, credit risk and liquidity risk is provided in Note 3.

9) Loans and Receivables

	Note	2026 $'000
Loans and advances		
Principal and interest at amortised cost		1,656,052
Deferred origination fees		4,366
Expected credit loss		(5,291)
		1,655,127
Other		
Prepayments		1,560
Sundry debtors – other		192
		1,752
		1,656,879
Loans and receivables expected recovery		
a) No more than twelve months after the reporting period		507,361
b) More than twelve months after the reporting period		1,149,518
		1,656,879
Maturity analysis based on contractual life of loans		
Not longer than 3 months		2
Longer than 3 months and not longer than 12 months		62
Longer than 1 year and not longer than 5 years		1,506
Longer than 5 years		1,654,482
		1,656,052

The expected recovery of loans and receivables is calculated with reference to average discharge history. Maturity analysis is based on contractual life of loans.

Keystart is a transitional lender, aiming to help customers get started on their home ownership journey with low upfront costs, including a low deposit requirement and no lender's mortgage insurance. Once customers have generated equity in their home, Keystart encourages customers to refinance to another lender. This business model results in a shorter period of expected recovery than the contractual life of the loan.

9) Loans and Receivables (continued)

a) Fair value

Loans and receivables are measured at amortised cost. Keystart considers that the fair values of loans and receivables is a reasonable approximate of the carrying amounts due to their variable interest rate.

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 by Keystart. 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

b) Risk exposure

Information about the Keystart’s exposure to interest risk, credit risk and liquidity risk is provided in Note 3.

10) Impairment of Loans and Receivables

The carrying value of loans and receivables is a reasonable approximation of their fair value due to their variable interest rate.

Expected credit loss

	2026 $'000
Balance at 1 July 2025	-
Contribution by Owner – ECL transferred under RoAA on 1 July 2025 (refer to Note 23)	5,265
Credit loss expense / (reversal)	329
Bad debts written off	(369)
Bad debts recovered	66
	5,291

Detail of allowance for impairment

	2026 $'000
Collective impairment - Stage 1	1,134
Collective impairment - Stage 2	2,881
Individual impairment - Stage 3	1,276
	5,291

Details on movement in ECL provision

	Collective		Specific	
	Stage 1 $'000	**Stage 2 $'000**	**Stage 3 $'000**	**Total $'000**
Balance at 1 July 2025	-	-	-	-
Contribution by Owner - ECL Provision transferred under RoAA on 1 July 2025 (refer to Note 23)	843	2,711	1,711	5,265
Changes due to financial assets that have:				
Transferred into / (out of) collectively assessed	(1,724)	2,180	(456)	-
Transferred into / (out of) individually assessed	(292)	532	(240)	-
New and increased / (decreased) provisions (net of releases)	2,307	(2,542)	630	395
Bad debts written off	-	-	(369)	(369)
Balance as at 30 June 2026	**1,134**	**2,881**	**1,276**	**5,291**

10) Impairment of Loans and Receivables (continued)

Detail of movement in ECL provision

	2026 $'000
Collective assessed - stage 1 & 2	461
Specific assessed - stage 3	(132)
Net bad debts written off / (recovered)	(303)
Net movement in ECL provision	**26**

For the year ended 30 June 2026, Keystart recognised $329,000 in expected credit loss expense on financial assets predominantly driven by interest rate increases.

Past due but not individually impaired

As at 30 June 2026 there were loans receivable that were past due but not individually impaired. The ageing analysis of these loan receivables is as follows:

	2026 $'000
Past due up to 30 days	71,851
Past due 31 - 60 days	36,663
Past due 61 - 90 days	28,753
	137,267

10) Impairment of Loans and Receivables (continued)

Financial Hardship Loans

A Financial Hardship Scheme is offered to clients who require assistance because of changes in their financial situation. In most cases, assistance is granted for short terms, being under twelve months and the loans are regularly monitored and reviewed. The table shows the position as at the end of the financial period.

	No.	2026 $'000
Loans relating to customers in financial hardship	241	78,290
Provision for impairment		(1,075)
		77,215

Impairment of loans

Keystart recognises loss allowances for expected credit losses (ECL) on loans that are measured at amortised cost. Loans are assessed at each reporting date to determine whether credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the loan. Keystart uses a three-stage approach which reflects the deterioration in credit quality of a loan since its origination:

- Stage 1: no significant increase in credit risk (SICR) since initial recognition. Collective provision is made for losses from credit default events expected to occur within the next 12 months.
- Stage 2: SICR since initial recognition, but no objective evidence of impairment. There is a SICR when the customer:
    - is in arrears for 30 days or more; or
    - has failed to meet at least 85% of their minimum contractual payments in the last three consecutive months; or
    - is approved for Keystart's Financial Hardship Scheme.

  Collective provision is made for losses from credit default events expected to occur over the life of the loan.
- Stage 3: objective evidence of impairment, assessed on an individual basis with reference to the specific circumstances of that loan. Objective evidence of impairment is generally taken to be 90 days past due, or other indication of financial difficulty. Individual provisions are made for default events expected to occur over the lifetime of the loan.

Keystart estimates collective ECL using three main parameters – a probability of default, a loss given default and an exposure at default. These parameters are derived from statistical models combined with historical, current and forward-looking information, including macroeconomic assessment and overlays. The key judgements are the assumptions about the forward-looking and macro-economic information.

A loan is considered to be in default when a customer is unlikely to make their payments in full without taking into account any collateral held by Keystart. Keystart determines that default has occurred when a financial asset is more than 90 days past due and from other information developed internally or from external sources.

10) Impairment of Loans and Receivables (continued)

An instrument is considered to no longer be in default when it no longer meets any of the default criteria for a consecutive period of three months. An asset will move back to Stage 1 when its credit risk at the reporting date is no longer considered to have increased significantly from initial recognition.

Loans that are collectively assessed are grouped on the basis of similar risk characteristics, taking into account loan type, industry, geographic location, collateral type, past due status and other relevant factors. The collectively assessed loan loss provision reflects the expected amount of principal and interest calculated under the terms of the original agreement that will not be recovered.

The methodology and assumptions used are reviewed regularly to assess differences between loss estimates and actual loss experience.

Keystart has developed the following economic scenarios which are incorporated into the collective ECL model:

- Base scenario: This scenario reflects Keystart's view of the most likely future economic conditions and market consensus as well as other assumptions used in business planning and forecasting.
- Upside scenario: This scenario is included to account for the potential impact of remote, more favourable macro-economic conditions in Western Australia. Relative to the base scenario, the upside scenario features stronger labour market conditions and a stronger housing market.
- Downside scenario: This scenario anticipates the potential impact of possible adverse macro-economic conditions. Relative to the base scenario, this scenario features weaker wage growth, and slower housing growth.
- Severe downside scenario: This scenario contemplates the potential impact of severe adverse macroeconomic conditions. Relative to the downside scenario, this scenario features even weaker wage and housing market growth.

The scenarios use a combination of publicly available data, internal forecasts and third-party information to form the initial baseline. Each scenario is probability weighted, and the weightings are updated annually, or more frequently if required.

The most significant indicators used for the ECL model are the Western Australian unemployment rate, the Western Australian Job Advert rate and property price outlooks.

Stage 3 specific provisions are calculated using the discounted expected future cash flow method, representing the shortfall between the loan amount and the security value.

Write-off of loans

Keystart writes off loans, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators include:

i. ceasing enforcement activity and

ii. where recovery method is taking possession of collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

Keystart may write-off loans that are still subject to enforcement activity. Keystart still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

10) Impairment of Loans and Receivables (continued)

Expected credit losses – sensitivity analysis

ECL are a best estimate within a range of possible estimates. As discussed in Note 2, Keystart has developed economic scenarios which are incorporated into the collective ECL model. The weightings used in this financial year are as shown in the table below. The table also shows the impact on the collective ECL of weighting each of the economic scenarios at 100% using a static balance sheet as at 30 June 2026:

Economic scenario	Weight 2026	Increase / (decrease) in ECL at 100% weighting $'000
Base	40%	(670)
Good	30%	(1,358)
Poor	29%	(42)
Worst	1%	1,143

11) Plant and Equipment

	2026 $'000
Computer hardware	
Cost	2,892
Accumulated depreciation	(2,494)
	398
Furniture and fittings	
Cost	2,689
Accumulated depreciation	(1,824)
	865
	1,263

Reconciliation of carrying amount

	Computer hardware $'000	Furniture and fittings $'000	Total $'000
Balance at 1 July 2025	**-**	**-**	**-**
Contribution by Owner – Plant and Equipment transferred under RoAA on 1 July 2025 (refer to Note 23)	558	1,148	1,706
Additions	65	14	79
Disposals	(2)	-	(2)
Depreciation	(223)	(297)	(520)
Balance at 30 June 2026	**398**	**865**	**1,263**

Plant and equipment are stated at cost less accumulated depreciation and, where applicable, impairment losses. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Items of plant and equipment costing $5,000 or more and with a useful life of more than two years are recognised as assets.

Depreciation is based on the cost of an asset less its residual value. Plant and equipment are depreciated over their useful lives on a straight-line basis.

11) Plant and Equipment (continued)

Estimated useful lives are:

	2026
Computer hardware	3-5 years
Office equipment	4 years
Furniture and fittings	6-10 years

Plant and equipment are assessed at the end of each reporting period for any indicators of impairment. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. There were no indications of impairment to plant and equipment as at 30 June 2026.

12) Leases

a) Right-of-use assets

Reconciliation of carrying amount

	2026 $'000
Balance at 1 July 2025	**-**
Contribution by Owner – Right-of-use assets transferred under RoAA on 1 July 2025 (refer to Note 23)	2,875
New and revalued leases	92
ROU depreciation	(763)
Balance at 30 June 2026	**2,204**

b) Lease liabilities

	2026 $'000
Lease liabilities	3,404
	3,404

Keystart assesses if a contract is, or contains, a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

On inception of a lease contract, as lessee, Keystart recognises a right-of-use asset and lease liability.

The right of use asset is initially measured at cost and is equal to the initial measurement of lease liability. After initial recognition right of use assets are measured at cost, less any accumulated depreciation, impairment losses, and adjusted for any changes to the lease.

Lease details

Keystart's right-of-use assets predominantly relate to a long-term property lease for Hay Street, Subiaco. It is a non-cancellable lease with a ten-year term, due to expire in September 2029, and rent payable monthly in advance. The lease includes an option for renewal for a six-year term. A bank guarantee of $516,677 is held by the lessor as security.

12) Leases (continued)

Office equipment leases consist of photocopiers and letter folding machines. The information technology (IT) leases consist of off-site computer rack storage facilities with terms varying from 3 – 5 years.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Interest expense on lease liabilities is disclosed in note 4.

There were no short term or low value lease expenses during the year.

At the commencement date of the lease, lease liabilities are measured at the present value of lease payments to be made over the lease term. In calculating the present value of the lease payments, an incremental borrowing rate at the lease commencement date is used, as the implicit interest rate is not readily determinable. In determining the incremental borrowing rate, Keystart uses discount rates provided by WATC for use by Western Australian government entities for determining the present value of lease payment obligations for which the implicit interest rate is unknown, in accordance with the requirements of AASB 16.

Where the lease is short term (twelve months or less) or of low value, lease payments are recognised as an expense on a straight-line basis over the term of the lease.

Maturities of lease liabilities

The following table discloses the maturity of lease liabilities, based on contractual undiscounted cash flows at the reporting date. Keystart considers that the contracted maturities accurately represent the expected maturities.

Maturity of lease liabilities as at 30 June 2026

	Less than 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Total $'000
Lease liabilities	**1,049**	**1,017**	**1,338**	**-**	**3,404**

13) Intangible Assets

	2026 $'000
Computer software	
Cost	8,105
Accumulated amortisation	(7,723)
	382

Reconciliation of carrying amount

	2026 $'000
Balance at 1 July 2025	**-**
Contribution by Owner – intangible assets transferred under RoAA on 1 July 2025 (refer to Note 23)	1,325
Additions	-
Disposals	-
Amortisation expense	(943)
Balance at 30 June 2026	**382**

Intangible assets consist of both internally developed and purchased computer software, all of which has a finite useful life. The software is carried at cost less any accumulated amortisation and any impairment losses. The software is amortised on a straight-line basis over its useful life which is estimated as follows:

	2026
Acquired software	3-7 years
Internally developed software	3-5 years

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired and it is reviewed at least annually. There were no indications of impairment to intangible assets as at 30 June 2026.

14) Payables

	2026 $'000
Interest payable on borrowings	11,701
Operating payables	5,525
	17,226

Payables are recognised when Keystart becomes obliged to make future payments as a result of a purchase of assets or services at the amount payable. The carrying amount is equivalent to fair value, as all payables are expected to settle within 12 months, and the majority to be settled within 30 days.

15) Provisions

	2026 $'000
Employee benefits provision	2,876
Make good provision	449
Customer remediation provision	38
	3,363

Employee benefits provision

Employee benefits include wages, ancillary costs and superannuation contributions not yet paid.

Long-term employee benefits

Keystart's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Keystart's obligations. The calculation is performed using the projected unit credit method.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Provisions

A provision is recognised if, as a result of a past event, Keystart has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Keystart expects the accrued leave entitlements to be paid out as follows:

	2026 $'000
Current	
Annual leave	1,433
Long-service leave	940
	2,373
Non-current	
Long-service leave	503
	503

15) Provisions (continued)

Make good provision

	2026 $'000
Balance at 1 July 2025	**-**
Contribution by Owner – make good provision transferred under RoAA on 1 July 2025 (refer to Note 23)	449
Make good provided for financial year	-
Balance at 30 June 2026	**449**

Customer remediation provision

The provision for customer remediation relates to amounts payable to current and former customers after identifying administrative errors that resulted in incorrect fees and charges being applied to some home loan accounts. It is expected to be paid out to customers within 12 months.

	2026 $'000
Balance at 1 July 2025	**-**
Contribution by Owner – remediation provision transferred under RoAA on 1 July 2025 (refer to Note 23)	2,637
Remediation provided for in financial year	5
Remediation paid in financial year	(2,604)
Balance at 30 June 2026	**38**

16) Interest Bearing Liabilities

	2026 $'000
Unsecured borrowings	1,520,000
Maturity analysis	
Not longer than 6 months	220,000
Longer than 6 months and not longer than 12 months	75,000
	295,000
Longer than 1 year and not longer than 5 years	1,225,000
Longer than 5 years	-
	1,225,000
Total	**1,520,000**

a) Fair value

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 by Keystart. 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Keystart uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

16) Interest Bearing Liabilities (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, Keystart determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, Keystart has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The carrying amounts and fair values of borrowings at balance date are:

	2026	
	Carrying amount $'000	**Fair value $'000**
Unsecured borrowings	**1,520,000**	**1,528,466**

b) Fair value and fair value hierarchy

The following table discloses Keystart's financial instrument liabilities not measured at fair value in the statement of financial position, using the fair value hierarchy:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Unsecured borrowings as at 30 June 2026	**-**	**1,528,466**	**-**	**1,528,466**

Valuation technique using observable inputs – Level 2

Financial liabilities that have been valued using inputs other than quoted prices as described in Level 1, but which are observable for the liability, either directly or indirectly. The valuation techniques include the use of the floating rate note formula or discounted cash flow formula, which takes into consideration known future cash flows (the next coupon date) and an annuity based on the difference between the coupon margin executed against the current trading margin. The fair values, as at 30 June 2026, are approximately 0.6% higher than the carrying amount.

16) Interest Bearing Liabilities (continued)

c) Changes in liabilities arising from financing activities

The following table discloses Keystart's financial instrument liabilities not measured at fair value in the statement of financial position, using the fair value hierarchy:

	2026 $'000
Fair value as at 1 July 2025	**-**
Contribution by Owner – interest bearing liabilities transferred under RoAA on 1 July 2025[1]	1,906,808
Drawdowns / (repayments)	(365,000)
Fair value changes	(13,342)
Fair value as at 30 June 2026	**1,528,466**

[1] Refer to Note 23 for the carrying amount

d) Risk exposure

Maturities of financial liabilities

The following table discloses the maturity of Keystart's borrowings, based on contractual undiscounted cash flows at the reporting date. Keystart considers that the contracted maturities accurately represent the expected maturities.

Maturity of financial liabilities as at 30 June 2026

As at 30 June 2026	Less than 1 year $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000	Total $'000
Borrowings	**297,216**	**200,506**	**1,030,744**	**-**	**1,528,466**

Further information about Keystart's exposure to interest rate risk and liquidity risk is provided in Note 3.

Borrowings – Accounting Policy

Unsecured borrowings are classified as liabilities and are initially recognised at fair value, net of transaction costs incurred. They are subsequently measured at amortised cost. Interest on the borrowings is recognised in the profit and loss as interest expense.

Unsecured borrowings have been drawn down under a Master Lending Agreement with WATC. The fair value of the unsecured borrowings at 30 June 2026 is $1,528 million. There is no fixed term on this facility. The loans drawn under the facility are repayable at dates designated at drawdown and are classified as short-term or long-term based on each loan's maturity as at the reporting date.

At 30 June 2026, Keystart had an approved borrowing limit of $2,274 million, of which $1,520 million has been utilised.

17) Contributed Equity and Dividends

a) Equity

Contributed equity comprises contributions by the owner, the State Government of Western Australia.

On 1 July 2025, an initial contribution was received in the form of a transfer of the assets and liabilities from KLL and associated entities. Contributions of assets and liabilities, under a restructure of administrative arrangements, are recognised at their carrying values through equity as capital contribution by owner. Further information regarding the administrative restructure is provided in Note 23.

	2026 $'000
Contributed equity	307,639
Retained earnings	5,410
	313,049

b) Dividends

Keystart is required to pay dividends to the State Government of Western Australia. Dividends are payable on net profit after tax at the Government approved payout rate of 75%.

A dividend has not been recorded in FY2026 due to the timing of the dividend declaration. The Board will recommend a dividend amount in accordance with a timeline agreed with the Treasurer.

18) Contingent Assets and Liabilities

Management is not aware of any material contingent assets or liabilities that exist at the reporting date.

19) Commitments

	2026 $'000
Loan advance commitments	
Approved loans not yet fully disbursed as at statement of financial position date	**293,410**

The above commitments are expected, based on historical experience, to be drawn within the next 12 months. These amounts do not form part of loans and no ECL is calculated for these commitments.

20) Related Parties

Keystart is a wholly owned public sector entity, controlled by the State Government of Western Australia. Related parties of Keystart include:

- State Government Cabinet Ministers, their close family members, and their controlled or jointly controlled entities;
- all directors and senior officers of Keystart, their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including their related bodies, that are included in the whole of government consolidated financial statements;
- associates and joint ventures of an entity that are included in the Whole of Government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Material Transactions with Ministers, senior officers and their related parties

- Michael Barnes is a Non-Executive Director and Chairperson of Keystart. Michael is also on the Board of WATC and was the Under Treasurer for Western Australia until April 2025. Significant transactions with WATC are detailed below.
- Julie Keene is a Non-Executive Director of Keystart. Julie is also a Commissioner with the Insurance Commission of WA (ICWA). Significant transactions with ICWA are detailed below.

Significant transactions with Government - Related Entities

Keystart transacts with several Western Australian State Government authorities, agencies and GTEs. Total annual transactions that are deemed significant include the following:

- Transactions with the Housing Authority, a statutory authority controlled by the State of Western Australia and forming part of the Department of Housing and Works:
    - Payments on behalf of the Housing Authority for Shared Ownership properties during the year. These payments are reimbursed to Keystart by the Authority. There is no cost to Keystart.
    - The Housing Authority acts as settlement agent for Keystart. Fees are paid at arm's length and provided at commercial rates.
    - Final profit distributions relating to legacy Keystart entities of $13.5 million.
- Transactions with WATC:
    - Keystart's interest bearing liabilities are held with WATC under from a Master Lending Agreement (refer to Note 16 for more information).
    - As at 30 June 2026, Keystart had an approved borrowing limit of $2,274 million, of which $1,520 million has been utilised.
    - Keystart made repayments to the debt facility of $365 million during the year.
    - Keystart incurred interest charges of $73.3 million during the year, of which $11.7 million was accrued as at 30 June 2026.
    - WATC facilitates the management of term deposits on Keystart's behalf. Refer to Note 8 for further information.

20) Related Parties (continued)

- Remuneration for services provided by the Auditor General for Western Australia. Refer to Note 21 for further information.
- Equity contribution received of $302.5 million from State Government of Western Australia. Refer to Note 17a for further information.
- As a GTE, Keystart will pay dividends to the State Government of Western Australia. No dividends were declared or paid for FY2026. Refer to Note 17b for further information.
- Insurance payments to ICWA of $99,000.

Compensation of key management personnel

Keystart has determined that key management personnel include the Board of Directors and senior management of Keystart.

Amounts provided to key management personnel during the year were:

	2026 $
Short term employee benefits[1]	2,710,347
Post employment benefits	214,790
Other long-term benefits	57,833
	2,982,970

[1] Includes Legacy KLL and CHA Board amounts of $12,000.

Legacy KLL and CHA Board

The following continued as Directors in an administrative capacity to facilitate the winding up of legacy entities. The CHA board ceased upon repeal of the Country Housing Act 1998 on 19 March 2026. The KLL Board dissolved after the Company deregistration on 10 June 2026.

	Board
G Yates	CHA/KLL
R McKenzie	KLL
J Keene	KLL
D Lynch	CHA
C Prodonovich	CHA
S Cameron	CHA

21) Auditor's Remuneration

	2026 $
Remuneration paid or payable to the Office of Auditor General for:	
Audit of the financial report	338,720
	338,720

22) Subsequent Events

No other matters have arisen since 30 June 2026 that significantly affect, or may significantly affect Keystart's operations, the results of those operations, or the state of its affairs in future financial years.

23) Administrative Restructure

Keystart was established under the *Keystart Act 2024*, consolidating the operations of KLL and associated entities into a single statutory corporation with its own enabling legislation. As part of this consolidation, all assets and liabilities (including contracts with external and internal stakeholders) have been appropriately transferred to Keystart effective 1 July 2025.

Effective 1 July 2025, a Statutory Transfer Order was issued by the Minister for Housing to transfer all assets, liabilities, functions, and operations of KLL and associated entities into Keystart.

The transfer was treated as an RoAA under AASB 1004 involving the transfer of assets and liabilities from KHST, CHA and Keystart Scheme Management (KSM). The transfer was undertaken for nil consideration, and the net value of transferred assets and liabilities was recognised directly in equity as a capital contribution from owners.

Assets and liabilities were taken up by Keystart at book value, with the transferred assets and liabilities recognised from the date of the RoAA.

23) Administrative Restructure (continued)

The following table summarises the assets and liabilities transferred as a consequence of the RoAA:

Class of asset / liability	Amount $'000	Counterparty
Assets transferred under RoAA		
Cash and cash equivalents	612,290	KHST
Cash and cash equivalents	9,668	CHA
Cash and cash equivalents	84	KSM
Loans and receivables	1,585,510	KHST
Loans and receivables	13,386	CHA
Plant and equipment	1,706	KHST
Right-of-use assets	2,875	KHST
Intangible assets	1,325	KHST
	2,226,844	
Liabilities transferred under RoAA		
Payables	(28,142)	KHST
Payables	(117)	CHA
Lease liabilities	(4,324)	KHST
General provisions	(5,661)	KHST
Interest bearing liabilities	(1,885,000)	KHST
	(1,923,244)	
Total net assets transferred under the RoAA effective 1 July 2025	**303,600**	
Initial recognition of deferred tax assets and liabilities as a result of the RoAA and entering National Tax Equivalent Regime on 2 July 2025	**4,039**	
Total Contribution by Owner recognised in Contributed Equity in Statement of Changes in Equity	**307,639**	

The cash and cash equivalents transferred of $622,042,000 are included in the Statement of Cash Flows as cash and cash equivalents transferred under the RoAA at 1 July 2025.

24) Summarised Financial Information for Keystart GTE

This table below provides summarised financial information for Keystart GTE, including comparative figures for the previous financial year, aggregated from the financial reports of the transferor entities (KLL, KHST, CHA and KSM) to facilitate comparability. The financial information is prepared as if the RoAA had occurred at the beginning of the comparative period, ensuring that the assets, liabilities, income, and expenses of the transferor entities are presented on a consistent basis. The financial information reflects the Statement of Comprehensive Income and Statement of Financial Position.

Material accounting policies applied in the preparation of this information include the treatment of intercompany transactions, which are eliminated. These policies ensure that the financial statements reflect the combined entity's performance and financial position as if the RoAA had occurred at the start of the comparative period. The comparative figures are unaudited and have been presented for information purposes only.

Statement of Comprehensive Income

	2026 $'000	Unaudited 2025 $'000
Interest income	124,911	158,474
Finance costs	(73,349)	(110,403)
Net interest income	**51,562**	**48,071**
Other revenue	671	845
Total income	**52,233**	**48,916**
Credit loss (expense) / reversal on financial assets	(329)	2,312
Employee expenses	(25,513)	(22,367)
Administration expenses	(15,123)	(12,264)
Depreciation and amortisation	(2,228)	(2,071)
Total expenses	**(43,193)**	**(34,390)**
Profit before income tax	**9,040**	**14,526**
Income tax benefit / (expense)[1]	3,630	-
Profit for the period	**5,410**	**14,526**
Other comprehensive income net of tax		
Other comprehensive income	-	-
Profit for the year distributed to the Income Beneficiary[2]	-	(13,455)
Total comprehensive income after income tax	**5,410**	**1,071**

[1] The comparative disclosures exclude tax implications

[2] Distribution relates to Keystart Housing Scheme Trust under the previous structure

24) Summarised Financial Information for Keystart GTE (continued)

Statement of Financial Position

	2026 $'000	Unaudited 2025 $'000
Assets		
Cash and cash equivalents	195,905	622,042
Loans and receivables	1,656,879	1,598,878
Plant and equipment	1,263	1,706
Right-of-use assets	2,204	2,875
Intangible assets	382	1,325
Deferred tax assets	3,639	-
Total assets	**1,860,272**	**2,226,826**
Liabilities		
Payables	17,226	28,241
Income tax payable	3,230	-
Lease liabilities	3,404	4,324
General provisions	3,363	5,661
Interest bearing liabilities	1,520,000	1,885,000
Total liabilities	**1,547,223**	**1,923,226**
Net assets	**313,049**	**303,600**
Equity		
Contributed equity	307,639	302,529
Retained earnings	5,410	1,071
	313,049	**303,600**

[1] The comparative disclosures exclude tax implications

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