



### **SAFA'S FUNDING REQUIREMENT FOR 2015-16**

The 2015-16 South Australian State Budget was presented by the Treasurer, the Hon. Tom Koutsantonis MP on June 18, 2015.

#### **Indicative Funding Program 2015-16**

| <b>Funding Requirements</b>      | <b>Amount<br/>\$ Billion</b> |
|----------------------------------|------------------------------|
| New Client Loans                 | 0.4                          |
| Select Line maturities           | 2.0                          |
| PN rollovers                     | 2.1                          |
| ECP rollovers                    | 0.0                          |
| Pre-Funding/Liquidity            | -0.3                         |
| <b>Gross Funding Requirement</b> | <b>4.2</b>                   |

SAFA's funding strategy over 2015-16 will continue to focus on Fixed and Floating Select Lines, Promissory Notes and Euro Commercial Paper. Currently, SAFA has no intention of issuing inflation-linked bonds in 2015-16 or accessing offshore term funding via an EMTN programme.

During 2015-16, SAFA anticipates that it will refinance the May 2016 FRN maturity via issuing into the existing 2023 and 2025 Select Lines and potentially creating new Select Lines in 2022 and 2024 subject to client needs and investor demand. It has not yet been determined whether the new Select Lines will be of Fixed or FRN format. SAFA may also issue a short dated FRN should conditions prove favourable. SAFA anticipates that the maximum amount in any Select line will remain capped at \$2.5 billion.

SAFA will undertake discussions with its Dealer Panel and Investors on the timing and size of this issuance that is likely to generate the strongest investor demand.

The table below highlights SAFA's projected outstandings by instrument type

| <b>Instrument</b>                       | <b>18 June 2015</b>   | <b>June 2016 Projection</b> | <b>June 2017 Projection</b> |
|---|-----------------------|-----------------------------|-----------------------------|
| Select Lines – Fixed and FRN (Domestic) | \$14.2 billion        | \$14.4 billion              | \$16.1 billion              |
| FRN – Short Dated (Domestic)            | Nil                   | \$0.1 billion               | \$0.1 billion               |
| P-notes (Domestic)                      | \$1.9 billion         | \$1.9 billion               | \$1.9 billion               |
| ECP (Offshore)                          | \$0.0 billion         | \$0.2 billion               | \$0.2 billion               |
| <b>Total</b>                            | <b>\$16.1 billion</b> | <b>\$16.6 billion</b>       | <b>\$18.3 billion</b>       |

SAFA's current PN and ECP outstandings is below the level projected to June 2015. The increase in total outstandings in the projected numbers is due to a run up in liquid assets in 2015-16 consistent with previous projections, and pre-funding for the September 2017 maturity in the 2016-17 year.

*For enquiries please contact:*

*Andrew Kennedy, Director Financial Markets and Client Services on (08) 82269840.*

June 18, 2015