



SAFA'S REVISED FUNDING REQUIREMENT FOR 2015-16

The 2015-16 South Australian Mid-Year Budget Review (MYBR) was delivered on 7 December 2015. The MYBR contains adjustments to projected revenues and expenditure over the forward estimates, the most notable item being a further dividend paid by the Motor Accident Commission.

As a result of the MYBR, SAFA wishes to advise of the following change to the funding requirement for 2015-16.

Revised Indicative Funding Program 2015-16

	Budget	MYBR
	\$ billion	\$ billion
Select Line Maturity	2.0	2.0
P-Note Maturities	2.1	2.1
ECP Maturities	0.0	0.0
Client Funding	0.4	-0.1
Pre-funding/Liquidity	-0.3	-0.3
Funding Requirements	4.2	3.7

SAFA's total funding requirement for 2015-16 has been revised lower to \$3.7 billion.

SAFA's funding strategy over 2015-16 remains unchanged, with continued focus on domestic Select Lines and Commercial Paper, although term funding will be less than forecast for 2015-16. In addition, SAFA will continue to tap offshore markets for Euro Commercial Paper funding when funding conditions are favourable.

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

Instrument	June 2015 Actual	June 2016 Projection (original)	June 2016 Projection (revised)
Select Lines (Domestic)	\$14.2 billion	\$14.4 billion	\$13.9 billion
FRN (Domestic)	Nil	\$0.1 billion	\$0.0 billion
P-notes (Domestic)	\$1.9 billion	\$1.9 billion	\$2.2 billion
ECP (Offshore)	\$0.0 billion	\$0.2 billion	\$0.0 billion
EMTN (Offshore)	Nil	Nil	Nil
Total	\$16.1 billion	\$16.6 billion	\$16.1 billion

To date, SAFA has raised \$750 million of its **revised \$1.5 billion term funding for 2015-16**. SAFA will raise a further \$750 million of term funding across a variety of maturities, including accessing markets on **9 December for \$250 million of the November 2023 Select Line** via a Yieldbroker Floored Clearing Price tender.

The timing of further issuance will be communicated via SAFA's Monthly Intentions announcements.

SAFA anticipates that the maximum amount in any new Select Line will be capped at \$2.0 billion.

SAFA has revised its intention to issue a short dated OIS based FRN for 2015-16, but remains committed to exploring options to issue into this market in the foreseeable future.

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