South Australian Government Financing Authority

Government of South Australia

State Administration Centre
Kaurna Country
Victoria Square / Tardanyangga,
Adelaide SA 5000
GPO Box 1045, Adelaide SA 5001

+61 8 8522 0866
mail.safa@sa.gov.au
safa.sa.gov.au
ABN 75 277 967 856

4 June 2026

Market Release

SA Budget 2026-27

SAFA's updated indicative funding program

South Australia's Mid-Year Budget Review (MYBR) 2025-26, presented by the Treasurer on 19 December 2025, forecast Non-Financial Public (NFP) sector net debt to be $48.7 billion by 30 June 2029, while the General Government (GG) sector continued to forecast operating surpluses over the forward estimates.

South Australia's Budget 2026-27, released by the Treasurer on 4 June 2026, forecast NFP sector net debt to be $49.3 billion by 30 June 2029 (an increase of $0.6 billion on the forecast in the MYBR 2025-26) with the net debt to revenue projection to 30 June 2029 revised lower from 136.7% (MYBR 2025-26) to 132.0% due to higher revenue projections. NFP sector net debt to revenue to 30 June 2030 is forecast at 139.7%. All commitments from the 2026 election have been included in the budget.

The growth in net debt through time continues to reflect the Government's investment in supporting the economic future of South Australia as well as providing important social services and infrastructure, including undertaking two key generational infrastructure projects.

After recording a net operating surplus in the past three years, the General Government sector continues to forecast operating surpluses in 2025-26 and over the forward estimates consistent with the Government's commitment to implement priorities in a fiscally sustainable manner.

SAFA's updated indicative funding program to 30 June 2030 for long term issuance is as follows:

Indicative funding program				
Projections $ billions	2026-27	2027-28	2028-29	2029-30
MYBR 2025-26	9.0	9.0	9.0	na
Budget 2026-27	9.0	9.0	9.5	9.5
Change	0	0	0.5	na

SAFA completed its $8.5 billion indicative funding program for 2025-26 in April 2026 inclusive of pre-funding of $1.8 billion undertaken in late 2024-25. Funding undertaken in May 2026 of $1.7 billion represents pre-funding for 2026-27. Further pre-funding of up to circa $0.3 billion (circa $2 billion in total) is under consideration to 30 June 2026. SAFA holds $3.0 billion of short term debt consistent with its $3.0 billion indicative intention for 2025-26. Short term issuance targets have been maintained at $3.0 billion.

The Budget papers contain further updates on the State's general government and non-financial public sector corporations' activities. Key fiscal numbers and metrics from the 2026-27 Budget are outlined in the table below:

South Australian Budget fiscal metrics						
Projections	2024-25 Actual	2025-26 Est. Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Operating Statement						
Net operating balance – GG sector ($ million)	270	189	223	285	348	327
Net lending – GG sector ($ million)	-1,779	-2,105	-3,347	-3,952	-2,908	-2,713
Operating Revenue and Expenses						
Revenue nominal growth – GG sector (%)	8.8	7.5	3.6	1.5	3.0	3.5
Expenses nominal growth – GG sector (%)	9.5	7.8	3.5	1.4	2.9	3.6
Balance Sheet						
Net debt – GG sector ($million)	21,652	24,226	28,842	33,417	37,274	40,853
Net debt to revenue – GG sector (%)	71.2	74.2	85.2	97.2	105.2	111.5
Net debt – NFP sector ($million)	30,868	34,687	40,265	44,865	49,295	53,654
Net debt to revenue – NFP sector (%)	96.7	101.3	113.2	122.5	132.0	139.7
Unfunded superannuation ($million)	6,601	5,448	4,959	4,423	3,839	3,198

Key economic indicators for Australia and South Australia are outlined in the table below:

National and State economic growth						
Projections %	2024-25 Actual	2025-26 Est. Result	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Australia						
GDP (Federal Budget 2026-27)	1.3	2¼	1¾	2¼	2½	2½
South Australia						
Gross State Product (GSP)	1.0	2¼	1¾	2	2¼	2
State Final Demand (SFD)	3.0	3¼	1¾	2	2¼	2
Employment	1.4	3¼	1	1	1	1
Adelaide Consumer Price Index (CPI)	2.4	3¾	3½	2½	2½	2½

SAFA's 2026-27 Updated Indicative Funding Program

SAFA's indicative long term funding estimates in cash value terms based on the MYBR 2025-26 released 19 December 2025 were as follows:

Indicative funding - cash value (MYBR)				
Projections $ billions	2025-26 MYBR	2026-27 Estimate	2027-28 Estimate	2028-29 Estimate
SA NFP sector net debt growth	3.8	5.2	4.5	4.3
Liquidity & other	4.7	3.8	4.5	4.7
Long term funding	**8.5**	**9.0**	**9.0**	**9.0**

The change in the cumulative SA NFP sector net debt growth from the MYBR 2025-26 to the Budget 2026-27 is an increase of $0.6 billion to June 2029 with the year-to-year changes distributed over the forward estimates as follows:

Cumulative change in net debt growth					
Projections $ billions	2025-26 Actual	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
MYBR 2025-26					
SA NFP Sector net debt	34.7	39.9	44.4	48.7	na
SA NFP Sector net debt growth	3.8	5.2	4.5	4.3	na
Budget 2026-27					
SA NFP Sector net debt	34.7	40.3	44.9	49.3	53.7
SA NFP Sector net debt growth	3.8	5.6	4.6	4.4	4.4
SA NFP Sector net debt growth change	0	0.4	0.1	0.1	na

SAFA's updated indicative funding estimates in cash value terms based on the SA Budget 2026-27 are as follows:

Indicative funding - cash value (SA Budget)						
Projections $ billions	2025-26 MYBR	2025-26 Actual	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
SA NFP sector net debt growth	3.8	3.8	5.6	4.6	4.4	4.4
Liquidity & other	4.7	4.7	3.4	4.4	5.1	5.1
Long term funding	**8.5**	**8.5**	**9.0**	**9.0**	**9.5**	**9.5**
Short term funding	3.0	3.0	3.0	3.0	3.0	3.0
Total funding task	**11.5**	**11.5**	**12.0**	**12.0**	**12.5**	**12.5**

Net lending growth outside of the NFP sector remains moderate and is accounted for in liquidity provisions.

To continue to meet its updated 2026-27 funding program, including funding required over the forward estimates, SAFA intends to target:

- Short term wholesale debt less than 10% of total debt.
- Long term wholesale debt tenors between 5 to 15 years, with term debt less than 12 months to maturity, aggregating to less than 10% of projected term debt outstanding. Any periodic excess to this target is intended to be covered by liquidity.
- A Debt Service Coverage Ratio of 100% whereby liquidity covers the next 12 months of debt and net interest obligations with conservative liquid asset exposures.
- Fixed rate maturities of $4 billion or more in May every year from 2028 to 12 years and beyond, over time. Fixed term maturities from 2031 onwards now have higher soft targets to support liquidity in these bonds (2031 $4.25 billion, 2032 $4.5 billion and 2033 onwards $5 billion). Soft targets are periodically reviewed to balance projected refinancing risk with maintaining sufficient outstandings to support secondary market liquidity.
- Circa 5 to 7 year floating rate notes (FRNs) based on 90-day BBSW, maturing every November to $1 billion plus from financial year 2033 onwards over time. Target outstandings on new maturity FRN issues will depend on market conditions (including regulatory considerations), refinancing risk and funding requirements through time. Soft targets of $2 billion will be used for interim representations, noting target outstandings could vary. In time, FRNs may make up a greater percentage of SAFA's term debt program.

SAFA prefers regular public issuance via syndication and tenders.

SAFA may consider buybacks of its short dated term maturities to help manage refinancing risk and secondary market activity.

SAFA intends to undertake all future term issuance in sustainability format.

Foreign currency issuance may be considered longer term if the economics can be balanced with maintaining a suitable presence in fixed rate A$ format. Foreign currency issuance is not an immediate intention of SAFA, however, SAFA is updating documentation and systems in preparation for foreign currency issuance at some stage in the future.

SAFA will continue to provide weekly updates around its outstandings and funding intentions.

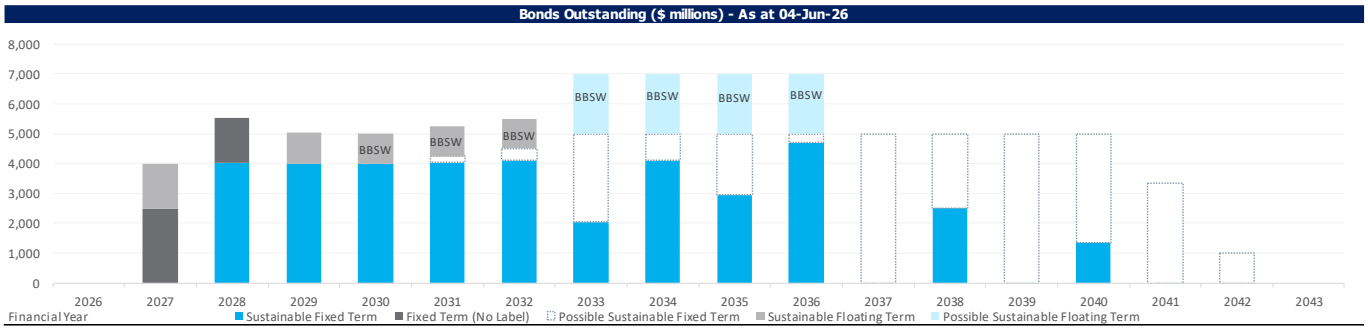
SAFA's current and projected outstanding debt in face value terms (assuming no future pre-funding) is as follows:

Total debt (end of period)					
Projections $ billions	Actuals 4 June	2026-27 Budget	2027-28 Estimate	2028-29 Estimate	2029-30 Estimate
Long term debt	47.4	50.7	54.2	58.6	63.1
Short term debt	3.0	3.0	3.0	3.0	3.0
Total debt	50.4	53.7	57.2	61.6	66.1

SAFA's revised long term debt outstanding projection to June 2029 is $1.3 billion higher than forecast in the MYBR 2025-26 funding update released 19 December 2025. Projections may vary due to changes to SA NFP sector borrowing projections, changed issuance intentions, and the difference between the assumption of issuing bonds at close to par versus in practice some bonds being issued at a capital discount (or premium) given low (or high) coupons and the variation in rates through time.

SAFA term debt, presently, has a weighted average term to maturity of 5.7 years.

SAFA's current long term debt maturity profile with updated possible long term issuance to June 2030 is as follows:



Enquiries:

Peter Gerard King

Head of Financial Markets & Client Services

South Australian Government Financing Authority

peter.king2@sa.gov.au

(+61) 8 9429 0919 (desktop)

(+61) 419 708 072 (mobile)