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Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com/au

Independent Limited Assurance Report to Management of the South Australian Government Financing Authority, Treasurer of the State of South Australia and the Under Treasurer of the South Australian Department of Treasury and Finance

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by South Australian Government Financing Authority (SAFA) to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined below for the period from 1 July 2018 to 30 June 2023. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed SAFA's bonds first issued from 1 July 2018 and their associated asset pool(s) (eligible expenditure):

- Use of proceeds and management of proceeds raised from the debt instruments first issued from 1 July 2018
- Information relating to the assets identified as being eligible expenditure.

Refer to Appendix A.

Criteria applied by SAFA

In preparing the Subject Matter, SAFA applied the following Criteria:

- ▶ ICMA's Social Bond Principles (SBP)
- ▶ ICMA's Green Bond Principles (GBP)
- ▶ ICMA's Sustainability Bond Guidelines (SBG)
- ▶ SAFA's Sustainability Bond Framework

Key responsibilities

SAFA's responsibility

SAFA's management is responsible for selecting the Criteria, and for presenting the bonds and associated eligible expenditure in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard 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*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE3000') and the terms of reference for this engagement as agreed with SAFA on 30 November 2023. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- ▶ Reviewing the policies and procedures in the Framework to assess alignment to the requirements of the ICMA's SBP, GBP and SBG
- ▶ Confirming eligibility of assets for inclusion as eligible expenditure under the Sustainability Bond Framework
- ▶ Agreeing the total value of eligible assets against the value of net proceeds raised through the issuance of bonds and notes first issued from 1 July 2018 as Sustainability Bonds
- ▶ Obtaining a Letter of Representation from SAFA's Management

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

Inherent limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than (1) the Treasurer of the State of South Australia as the responsible Minister for the administration of the *Government Financing Authority Act, 1982*, (2) the Under Treasurer of the South Australian Department of Treasury and Finance in his capacity as the Authority as defined in Section 6 of the *Government Financing Authority Act, 1982* and (3) the management of SAFA, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.



Ernst & Young
Adelaide, Australia
19 January 2024

Appendix A

List of SAFA bonds covered by limited assurance:

Debt Type (Bonds and Notes)	ISIN	Coupon	Maturity Date	Face Value \$A	Capital Value \$A
Floating Rate Note	AU3FN0065520	AONIA +0.17%	10-June-2025	995,000,000	995,292,750
Floating Rate Note	AU3SG0002736	AONIA +0.31%	15-June-2027	1,480,000,000	1,481,616,590
Fixed Rate Bond	AU3SG0001837	3.00%	24-May-2028	4,040,000,000	4,118,738,800
Floating Rate Note	AU3SG0002843	AONIA +0.36%	22-June-2029	1,042,000,000	1,042,000,000
Fixed Rate Bond	AU3SG0001902	2.75%	24-May-2030	3,865,000,000	3,891,779,950
Fixed Rate Bond	AU3SG0002058	1.75%	24-May-2032	3,750,000,000	3,514,631,400
Fixed Rate Bond	AU3SG0002447	1.75%	24-May-2034	2,500,000,000	2,274,292,500
Fixed Rate Bond	AU3SG0002520	2.00%	23-May-2036	2,000,000,000	1,720,360,000
Fixed Rate Bond	AU3SG0002751	4.75%	24-May-2038	2,000,000,000	1,852,100,000
Fixed Rate Bond	AU3SG0002298	2.25%	24-May-2040	1,132,100,000	1,098,589,465
				22,804,100,000	21,989,401,455