

Information Memorandum

Dated 1 March 2018



Government of
South Australia

A\$3,000,000,000 Commercial Paper Programme

Commercial paper will be issued in the form of electronic promissory notes in the Austraclear System

Issuer

South Australian Government Financing Authority

(a statutory authority constituted by the Government Financing Authority Act 1982 of South Australia)
(ABN 75 277 967 856)

Guaranteed by the Treasurer of the State of South Australia

Contents

Important Notice	1
Summary of the Programme	4
The South Australian Government Financing Authority	7
Selling and distribution restrictions	9
Directory	10

Important Notice

Introduction

This Information Memorandum replaces the Information Memorandum prepared as at 28 February 2010.

This Information Memorandum relates solely to the Australian Dollar Commercial Paper Programme (“**Programme**”) established by the South Australian Government Financing Authority (ABN 75 277 967 856) (“**Issuer**”) under which commercial paper in the form of dematerialised electronic promissory notes (“**Notes**”) in the Austraclear System (as defined below) may be issued by the Issuer from time to time.

A reference in this Information Memorandum to Notes issued, or to be issued, by the Issuer includes a reference to rights in respect of those Notes, and whether such rights arise in accordance with the regulations (“**Austraclear Regulations**”) established by Austraclear Ltd (ABN 94 002 060 773) (“**Austraclear**”) to govern the use of the of the clearance and settlement system operated by Austraclear (“**Austraclear System**”) or otherwise.

Notes issued by the Issuer will be:

- (a) debt obligations created by contract as evidenced by the Austraclear Regulations; and
- (b) issued in accordance with, and be subject to, the Austraclear Regulations.

Investors intending to purchase Notes issued by the Issuer must be participants of the Austraclear System, or have appointed a participant of the Austraclear System to act on their behalf in connection with the purchase, holding of and dealing with such Notes.

Guarantee

The Notes will be issued with the benefit of a guarantee (“**Guarantee**”) from the Treasurer of the State of South Australia (“**Guarantor**”) pursuant to Section 15(1) of the Government Financing Authority Act 1982 (SA).

Issuer’s responsibility

This Information Memorandum has been prepared by, and issued with the authority of, the Issuer.

The Issuer accepts responsibility for the information contained in this Information Memorandum.

The Issuer is not liable for any loss or damage of any kind whatsoever arising as a result of any information contained in this Information Memorandum, notwithstanding any negligence, default or lack of care by it or that such loss or damage was foreseeable, except to the extent that liability under the Competition and Consumer Act 2010 (Cwlth), the Fair Trading Act 1987 (SA) or other applicable law cannot be excluded.

No independent verification

No person has independently verified the information contained in this Information Memorandum and no person (other than the Issuer) makes any representation or warranty, express or implied, as to, and assume no responsibility or liability for, the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement, opinion or forecast contained in this Information Memorandum. No person (other than the Issuer) has any responsibility for, any part of this Information Memorandum or any statements made in the Information Memorandum.

Furthermore no person has undertaken and no person will undertake to review the financial condition or affairs of the Issuer or the Guarantor or any of their affiliates at any time or to advise any holder of a

Note of any information coming to their attention with respect to the Issuer and make no representations as to the ability of the Issuer to comply with its obligations under the Notes.

No authorisation

No person is, or has been, authorised to give any information or to make any representation not contained in or consistent with this Information Memorandum in connection with the Issuer, the Programme, the Guarantor or the issue or sale of the Notes, and, if given or made, such information or representation not contained in or consistent with this Information Memorandum must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor or any other person.

Place of issuance

This Information Memorandum is available for distribution only in, and may not be distributed outside of, the Commonwealth of Australia.

Terms and conditions of issue

The definitive terms and conditions applicable to Notes are contained in a Note Deed Poll issued by the Issuer in favour of holders of Notes and in the Austraclear Regulations (as defined below).

Selling restrictions and no disclosure

This Information Memorandum has not been, nor will be, lodged with the Australian Securities and Investments Commission (“**ASIC**”). No action has been taken which would permit an offering of the Notes in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia (“**Corporations Act**”).

This Information Memorandum has been prepared by the Issuer solely for the information of financial and investment institutions in the Commonwealth of Australia whose ordinary business includes the buying and selling of securities such as the Notes and is not to be distributed or made available to ‘retail clients’ for the purposes of the Corporations Act.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Notes. Neither the information contained in this Information Memorandum nor any other information supplied in connection with the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by any of the Issuer, the Guarantor or any other person that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Notes should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes.

Whilst the Issuer believes the statements made in this Information Memorandum are accurate, neither the Issuer, the Guarantor, nor any other person (including external advisers to any of the foregoing) makes any representation or warranty, express or implied, as to, nor the authenticity, origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement or opinion contained in this Information Memorandum.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer or the Guarantor;
- determine for themselves the relevance of the information contained in this Information Memorandum and any other information supplied in connection with the Programme or the

issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and

- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the legal or taxation treatment of investors or purchasers in connection with an investment in any Notes or rights in respect of them and each investor is advised to consult its own professional adviser.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Guarantor or any other person to any person to subscribe for, purchase or otherwise deal in any Notes.

Distribution arrangements

The Issuer may pay a dealer, manager or underwriter (each a “**Dealer**”) a fee for undertaking its role or reimburse it for certain expenses in respect of the Notes and may agree to reimburse the Dealers for certain expenses incurred in connection with this Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes

In accordance with the provisions of the Corporations Act, the Issuer and the Dealers, and their respective subsidiaries, related entities, directors, officers and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

Currency of information

The information contained in this Information Memorandum has been prepared as at 1 March 2018 (“**Preparation Date**”), based upon information available, and the facts and circumstances known, to the Issuer as at the Preparation Date.

Neither the delivery of the Information Memorandum, nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct, that any other information supplied in connection with the Programme or the issue of Notes is correct or that there has not been any change (adverse or otherwise) in the financial affairs or condition of the Issuer, the Guarantor or any other person or entity at any time subsequent to the Preparation Date. In particular, neither the Issuer, the Guarantor nor any other person accepts any responsibility to holders of Notes or prospective holders to update this Information Memorandum after the Preparation Date with regard to information or circumstances that come to its attention after the Preparation Date.

Summary of the Programme

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes.

Issuer	South Australian Government Financing Authority (a statutory authority constituted by the Government Financing Authority Act 1982 (SA)) (ABN 75 277 967 856).
Guarantor	The Treasurer of the State of South Australia pursuant to Section 15(1) of the Government Financing Authority Act 1982 (SA).
Programme Term:	The term of the Programme continues until terminated by the Issuer.
Programme Limit	A\$3,000,000,000
Issue of Commercial Paper	Commercial paper (" Notes ") will be issued via a panel of Dealers and/or other selected financial institutions under the terms of a Subscription Agreement between the Issuer and the relevant Dealers and a Note Deed Poll given by the Issuer in favour of holders of Notes.
Dealers	Dealers may, from time to time, subscribe for a specific issue of Notes under the Programme.
Form of Notes	<p>Notes will be issued only in the form of a Dematerialised Security through the Austraclear System.</p> <p>Notes will be debt obligations created by contract issued in accordance with, and be subject to, the Austraclear Regulations.</p> <p>Notes will be "Dematerialised Securities" for the purposes of the Austraclear Regulations. In particular, the Austraclear Regulations provide that, in summary, Notes are electronically recorded single party debt obligations, which are not constituted or represented by an instrument, under which the rights between the Issuer (as maker or issuer) and any participant of the Austraclear System who deals in them will be equivalent to the rights which would arise under a promissory note or a non-bank certificate of deposit.</p> <p>Investors intending to purchase Notes issued by the Issuer must:</p> <ul style="list-style-type: none">• be participants of the Austraclear System or have appointed a participant of the Austraclear System to act on their behalf in connection with the purchase, holding of and dealing with, Notes issued by the Issuer; and• make its own enquiries regarding the operation of the Austraclear System and the risks associated with owning and dealing in Notes through the Austraclear System. <p>The Issuer will not be liable for any loss, liability or expense that any purchaser of a Note may incur as a result of a failure or ineffectiveness of the Austraclear System or the Austraclear Regulations or of any failure by any person (other than the Issuer) to comply with the Austraclear Regulations.</p>
Tenor	The Austraclear Regulations provide that the minimum maturity for Notes is four calendar days. There is no maximum maturity under the Austraclear

Regulations.

The Issuer expects to issue Notes for a minimum maturity of 7 days and a maximum maturity of up to 365 days.

Denominations	Notes will be denominated in Australian dollars only with face values of A\$100,000 or \$500,000 unless otherwise agreed by the Issuer and permitted by the Austraclear Regulations from time to time.									
Issuance	Notes will be issued in series. Each series may comprise one or more Tranches. All Notes of a series will be subject to identical terms, except that the issue dates, issue prices, (if applicable) interest commencement dates and, in respect of the first interest payment (if any), interest payment amounts may be different in respect of different Tranches of the series. Notes of each series are intended to be fungible with other Notes of that series.									
Issue Price	Notes will be issued at a discount calculated on a 365 day basis.									
Repayment	At maturity, Notes will be settled in Austraclear in accordance with the Austraclear Regulations.									
Status and ranking	The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer. The Notes will rank <i>pari passu</i> and will be payable rateably without preference or priority with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except as such obligations as are mandatorily preferred by law.									
Transfer procedure	Notes may only be transferred if at all times, the transfer complies with all applicable laws and directives. Transfers must also be made in accordance with the rules and regulations of the Austraclear System.									
Ratings	<p>The Issuer has, as at 1 March 2018, the following ratings:</p> <table><thead><tr><th></th><th>Long-Term</th><th>Short-Term</th></tr></thead><tbody><tr><td>Standard & Poor's (A\$ Debt)</td><td>AA</td><td>A-1+</td></tr><tr><td>Moody's Investors Service (A\$ Debt)</td><td>Aa1</td><td>P-1</td></tr></tbody></table> <p>A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.</p> <p><i>Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive the relevant document and anyone who receives the relevant document must not distribute it to any person who is not entitled to receive it.</i></p>		Long-Term	Short-Term	Standard & Poor's (A\$ Debt)	AA	A-1+	Moody's Investors Service (A\$ Debt)	Aa1	P-1
	Long-Term	Short-Term								
Standard & Poor's (A\$ Debt)	AA	A-1+								
Moody's Investors Service (A\$ Debt)	Aa1	P-1								
Governing law	Notes will be, and the Austraclear Regulations are, governed by the laws of New South Wales, Australia.									

Stamp duty	<p>Any stamp duty incurred at the time of issue of Notes will be for the account of the Issuer. Any stamp duty incurred on a transfer of Notes will be for the account of the relevant investors.</p> <p>As at the date of this Information Memorandum, no Australian stamp duty is payable on the issue, transfer or redemption of Notes. However, investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Notes, or interests in Notes, in any jurisdiction.</p>
Withholdings tax and deductions	<p>All payments in respect of Notes will be made free and clear of withholding taxes imposed by Australia, unless a deduction for Australian interest withholding tax (“IWT”) is required by law. In the event that any such deduction is required, the Issuer is under no obligation to make any additional payments (and shall not make any additional payments) in respect of any amounts so withheld.</p> <p>The Issuer and other financial institutions through which payments on Notes may be made may also be required to withhold U.S. tax pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“FATCA”) or similar laws implementing an inter-governmental approach on FATCA.</p> <p>FATCA is particularly complex and its application to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments (if any) on the Notes, the Issuer would not, pursuant to the Austraclear Regulations, be required to pay additional amounts as a result of such deduction or withholding. Investors should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.</p>
Taxes:	<p>No information or advice is given in respect of the taxation implications or treatment of investors in connection with investment in Notes to be issued by the Issuer and each investor is advised to consult its own professional adviser.</p> <p>The Austraclear Regulations provide that Austraclear may report to the Australian Taxation Office such information as is required for Austraclear to comply with its obligations as an “investment body” under the <i>Income Tax Assessment Act 1936</i> of Australia, as amended.</p>
Authority to borrow	<p>The issue of Notes by the Issuer is effected pursuant to the approval of the Treasurer of South Australia under Section 11 (2) of the <i>Government Financing Authority Act 1982 (SA)</i>.</p>
Further Information	<p>For further information please contact:</p> <p>South Australian Government Financing Authority 200 Victoria Square Adelaide SA 5000 Telephone: (08) 8226 9444 Facsimile: (08) 8115 1364 Mail: dldtfsafaclientservices@sa.gov.au www.safa.sa.gov.au</p>

The South Australian Government Financing Authority

Introduction

The South Australian Government Financing Authority (“**SAFA**”) was established on 13 January 1983 by the *Government Financing Authority Act of South Australia 1982* (SA) (“**GFA Act**”) as the central fund raiser for almost all governmental agencies and instrumentalities (“**semi-government authorities**”) in the State of South Australia (“**South Australia**”) and for the South Australian Government itself.

Under the GFA Act:

- SAFA was established as a corporate body constituted by the Under Treasurer of South Australia;
- the South Australian Government Financing Advisory Board was established, and whose functions include providing advice to the Treasurer of South Australia (“**Treasurer**”) and SAFA on the exercise of SAFA’s functions and powers; and
- all liabilities incurred or assumed by SAFA in pursuance of the GFA Act (including under the Notes) are guaranteed by the Treasurer.

SAFA’s functions include:

- developing and implementing borrowing and investment programmes for the benefit of semi-government authorities; and
- to act as captive insurer of the South Australian Government, including activities of insurers, re-insurers and co-insurers of risks of the Government of South Australia.

For the purposes of undertaking its functions SAFA can borrow money within or outside Australia, including through the issue of securities.

SAFA’s activities form an integral part of the South Australian public sector financial management. With respect to its fund raising activities, funds raised by SAFA in the domestic and international capital markets are generally on-lent to the South Australian Government and semi-governmental authorities.

SAFA is, in the exercise and performance of its powers and functions, subject to the control and direction of the Treasurer of South Australia and its accounts are audited by the South Australian Auditor-General.

Pursuant to Section 15(1) of the GFA Act, all liabilities SAFA incurred or assumed by SAFA in pursuance of the GFA Act (including the payment of principal and other amounts in respect of the Notes) are guaranteed by the Treasurer. The liability of the Treasurer under this guarantee will, by virtue of Section 15 (2) of the GFA Act, be satisfied out of the General Revenue of the State of South Australia and which is appropriated to the necessary extent.

SAFA’s annual report (including accounts) is tabled in the South Australian Parliament around the same time as the annual Financial Statements are presented by the Treasurer to the South Australian Parliament.

Under the terms of the GFA Act, moneys provided to SAFA by the Treasurer are to be regarded as provided upon such terms and conditions as the Treasurer may from time to time determine.

Financial Statements

The latest financial statements of SAFA are available from SAFA upon request or from SAFA's website www.safa.sa.gov.au. These financial statements are audited by the Auditor-General of the State of South Australia in accordance with Australian Auditing Standards and application of Treasurer's Instructions issued under the *Public Finance & Audit Act 1983* (SA).

Information regarding the finances of the State of South Australia is available at www.treasury.sa.gov.au/df/budget.jsp

Selling and distribution restrictions

None of the Issuer nor any of its affiliates represents that this Information Memorandum or any other offering material may be lawfully distributed, or that Notes to be issued by the Issuer may be lawfully offered, purchased, sold or otherwise dealt with, in compliance with any applicable registration or other requirements in any such jurisdiction, or under an exemption available in any such jurisdiction, or assume any responsibility for facilitating any such action. In particular, no action has been taken by the Issuer or any of its affiliates which would permit the distribution of this Information Memorandum or any other offering material, or a public offering of Notes to be issued by the Issuer, in any jurisdiction where action for that purpose is required.

Notes will not be offered to persons outside Australia.

In particular:

- 1 no prospectus or other disclosure document (as defined in the Corporations Act) in relation to Notes to be issued by the Issuer has been, or will be, lodged with ASIC. No person:
 - i. may make or invite, an offer of Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); or
 - ii. distribute or publish in Australia this Information Memorandum or any other offering material or advertisement relating to Notes to be issued by the Issuer,
unless:
 - (i) the aggregate consideration payable by each offeree is at least A\$500,000 or the offer otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;
 - (ii) the offer does not constitute an offer to a “retail client” for the purpose of Chapter 7 of the Corporations Act;
 - (iii) such action complies with applicable laws, regulations and directives in Australia; and
 - (iv) such action does not require any document to be lodged with ASIC or the Australian Securities Exchange operated by ASX Limited (“**ASX**”).
- 2 Notes to be issued by the Issuer have not been, and will not be, registered under the United States Securities Act of 1933 as amended (“**Securities Act**”), and may not be offered, sold or delivered, at any time, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act).

Persons into whose hands this Information Memorandum comes are required by the Issuer to comply with all applicable laws in each jurisdiction in which they have in their possession or distribute this Information Memorandum or any other offering material, or offer, purchase, sell or otherwise deal in Notes to be issued by the Issuer, and to obtain any consent, approval or permission required by them for the offer, purchase, sell or other dealing by them in such Notes under the law and regulations in force in any jurisdiction to which they are subject or in which they make such offers, purchases, sales or other dealings, in all cases at their own expense, and none of the Issuer nor any of its affiliates shall have responsibility for any such action. In accordance with the above, Notes issued by the Issuer and purchased by any person which that person wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any prospectus or corresponding document relating to such Notes in such jurisdiction.

Directory

Issuer

South Australian Government Financing Authority
(ABN 75 277 967 856)

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Australia

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