



INVESTOR BRIEFING

February 2024

SAFA South Australian
Government
Financing Authority



Government of
South Australia



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Summary



South Australia

- **≈ 1 million square km land area** with a **population of 1.8 million**
- **Diversified Economy**
(agriculture, tourism, education, manufacturing, health, housing and renewable energy)
- **70% renewable energy generation**
(target 100% by 2030) and target net zero emissions by 2050
- **Credit ratings** – S+P AA+/A1+ and Moody's Aa1/P1
- SA public sector – **A\$112 billion total assets** (2023-24 MYBR)
- **A\$28 billion revenue** (2023-24 MYBR)
(net operating surpluses forecast over the next 4 years)

SAFA

- SAFA is the central financing authority for the Government of South Australia
- A\$35 billion of total debt with a weighted average term of 5.9 years
- A\$31 billion of long term debt
- SAFA's Sustainability Bond Framework was launched on 30 November 2023
- Bonds and Notes first issued since 1 July 2018 (A\$22 billion) labelled as Sustainability Bonds under SAFA's Sustainability Bond Framework (aligned with ICMA principles)
- Borrowing program of (mostly) fixed rate long term debt issuance of circa A\$6 billion per annum (e.g. circa A\$1 billion issuance every 2 months) for the next 4 years, targeting a uniform profile
- Regular updates of SA's credentials and funding intentions are published on SAFA's website www.safa.sa.gov.au
- Key focus over next year (and beyond), is the robustness of reporting under the Sustainability Bond Framework (e.g. validation and further identification of Eligible Expenditures and impact reporting)



Key Economic and Fiscal Indicators

South Australia Snapshot



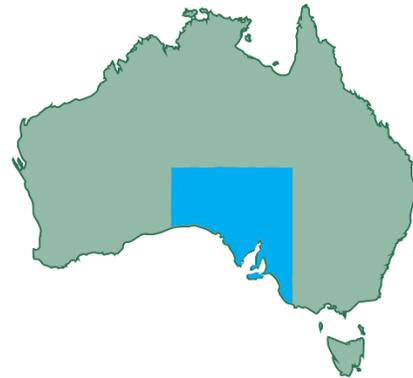
POPULATION
1.8 million



POPULATION GROWTH
1.7%
(National 2.1%)



LAND MASS
983,482 km²



SHARE OF
NATIONAL GDP
5.8%



POPULATION DENSITY
1.77 persons km²

Key Economic Indicators – Australia and South Australia

Australia	2023-24 Budget Forecast	2023-24 Mid-Year Review
Gross Domestic Product	1.50%	1.75%
CPI	3.25%	3.75%
Employment Growth	1.00%	1.50%
Unemployment	4.25%	4.25%
Net Overseas Migration	315,000	375,000

South Australia	2023-24 Budget Forecast	2023-24 Mid-Year Review
Gross State Product	1.00%	1.25%
State Final Demand	1.25%	1.75%
Adelaide CPI	3.75%	4.75%
Employment Growth	1.00%	2.50%

Key Fiscal Indicators – Australia and South Australia

Australia	2023-24 Budget Forecast	2023-24 Mid-Year Review
Underlying Cash Balance	-\$13.9b	-\$1.1b
Gross Debt	\$923b	\$909b
Net Debt	\$574.9b	\$491.0b
Net Interest Payments	\$13.4b	\$12.7b
Net Operating Balance	-\$3.7b	\$11.3b
Net Capital Investment	\$10.4b	\$8.9b
Fiscal Balance	-\$14.1b	\$2.4b

South Australia	2023-24 Budget Forecast	2023-24 Mid-Year Review
Net Debt – GG	\$20.3b	\$19.5b
Net Debt – NFPS	\$29.1b	\$28.4b
Interest Expenses	\$1.3b	\$1.2b
Net Operating Balance	\$0.25b	\$0.15b
Total Capital Expenditure – GG	\$3.8b	\$3.4b



FY2023-24 Budget

JOBS & ECONOMY

\$186 million

package to strengthen our economy



EDUCATION

\$156 million

package for school facility upgrades



HEALTH

\$2.3 billion

additional investment over five years



DIGITAL INVESTMENT FUND

\$200 million

over five years in cyber security and digital initiatives



NEW SKILLS

\$64 million

package invested into new skills initiatives



HOUSING

\$475 million housing package
(3,600 homes over the next five years)



FLOOD ASSISTANCE

\$194 million

package for flood response and recovery



COST OF LIVING RELIEF

\$471 million

supporting NGOs, public transport,
and carer payments



ENERGY BILL RELIEF

\$254 million

over two years for low-income households



CHILD PROTECTION SERVICES

\$217 million

additional investment for early intervention
and non-family-based care



Infrastructure

\$21 billion over four years

\$9.9 billion

Roads and Public Transport



\$2.9 billion

Health



\$2.5 billion

Water



\$802 million

Housing



\$588 million

Regional South Australia



\$547 million

Education





FY2023-24 Mid-Year Budget

Builds on strong budget fundamentals

Non-Financial Public Sector net debt

is expected to be **\$627 million lower** primarily as a result of an improved budget outcome in 2022-23 and a lower than estimated 2023-24 investing program.



State taxation revenue estimates revised up,

mainly reflecting revisions to conveyance duty and payroll tax.



GST revised down

in 2023-24 and 2024-25 before **increasing over the forward estimates**, reflecting revisions to the national GST pool in the Commonwealth's 2023-24 MYEFO and expected changes to South Australia's share of GST revenue.



Key Initiatives



NATIONAL SKILLS AGREEMENT

\$689 million

Additional funding in partnership with the Commonwealth Government.



NEW ADELAIDE UNIVERSITY

\$464.5 million

to support the creation of the new Adelaide University.



NEW ROAD SAFETY PROGRAM

\$168 million

for a new road safety program, funded in partnership with the Commonwealth Government.



MAIN SOUTH ROAD PROJECT

\$125 million

to complete the full duplication of Main South Road project.

Credit Rating



S&P Global

Outlook

- The stable outlook on the long-term rating reflects our view that South Australia's financial management will help it deliver operating surpluses and moderate after-capital account deficits.

Downside scenario

- We could lower our ratings on South Australia if its operating margins revert to deficits, or after-capital account deficits increase to more than 10% of total revenue on a sustained basis.

South Australia's Credit Ratings:

AA+/Stable/A-1+ (revised from Negative to Stable 17 August 2023)

MOODY'S

INVESTORS SERVICE

Credit Strengths

- Strong institutional framework and Commonwealth fiscal support mechanisms
- Resilient state revenues, albeit challenged by softer macroeconomic outlook

Credit challenges

- Persistent inflation and expenditure pressures will squeeze operating margins
- Growing debt burden to fund infrastructure spending, mitigated by strong liquidity

South Australia's Credit Ratings:

Aa1/Stable/P-1 (affirmed 8 August 2023)



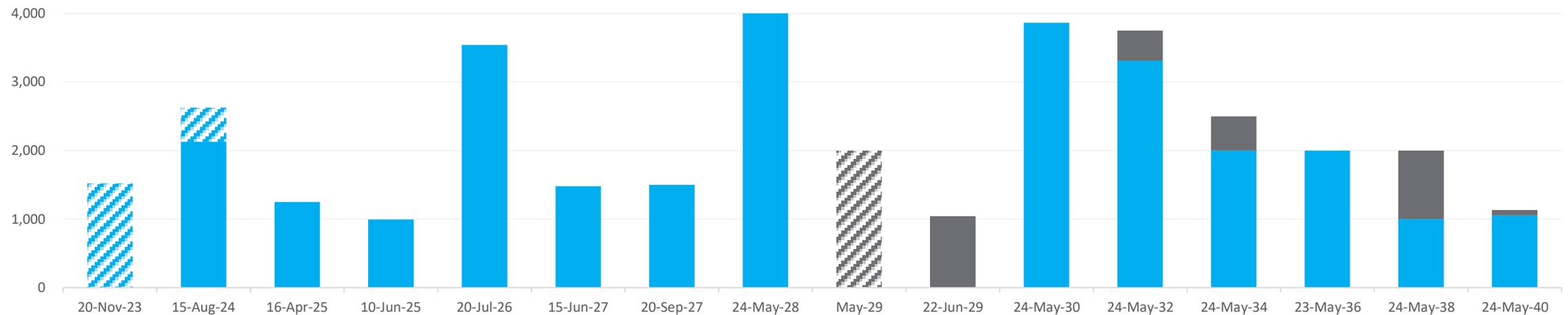
SAFA FY2023-24 Funding Update

MYBR Update

Funding Requirements (\$b)	Original 2023-24	MYBR 2023-24	Estimate 2024-25	Estimate 2025-26	Estimate 2026-27
SA Public Sector	3.0	2.8	3.5	2.9	3.3
Pre-funding of SA Public Sector*	-0.5	-1.0*			
Funding future term maturities	2.7	2.7	3.2	3.5	4.9
Total Term Funding	5.2	4.5	6.7	6.4	8.2
Change from 2023-24 Budget		-0.7	1.0	0.0	0.3
Actual Term Maturities		-1.5	-4.4	0.0	-5.5
Forecast Term Outstandings -Face Value		33.2	35.9	42.6	45.6
Commercial Paper, Euro-Commercial Paper and 1-year AONIA FRN	3.0	3.0	3.2	3.5	3.7
Total Funding Task	8.2	7.5	9.9	9.9	11.9

*Due to revision to previous budget forecast outcome.

Bonds Outstanding (\$'m) - as at 2 February 2024



FY2023-24 Issuance ('\$m)

Issuance Date	Maturity	FV	Cash Value
July 2023	24-May-34	500	373
July 2023	24-May-40	4	2
July 2023	24-May-32	440	351
August 2023	22-Jun-29	1,042	1,042
August 2023	24-May-40	30	20
August 2023	24-May-40	15	10
September 2023	24-May-40	10	7
September 2023	24-May-40	20	13
October 2023	24-May-38	1,000	887

FY2023-24 Maturities & Buybacks ('\$m)

Maturities / Buyback	Maturity	FV	Cash Value
Buyback	15-Aug-24	-500	-490
Maturity	20-Nov-23	-1,520	-1,520

Program Details

FY2023-24 Term Issuance - Cash Value (\$'m)	
FY2023-24 Budget	5,683
FY2022-23 Pre-Funding	524
FY2023-24 Less Pre-Funding	5,159
FY2023-24 MYBR	4,531
FY2023-24 Cash Raised To Date	2,705
FY2023-24 Remaining	1,826

* Buybacks contribute to refinancing and do not impact funding requirements.

Projected Long Term Issuance - Cash Value (\$'m)	
2023-24*	5,159
2023-24**	4,531
2024-25**	6,663
2025-26**	6,405
2026-27**	8,233

* Original FY2023-24 revised down due to additional prefunding in FY2022-23.

** FY2023-24 MYBR Revision.

Completed

- Have **issued \$3.061 billion** of a revised \$4.531 billion funding requirement (original \$5.158 billion).
- **Delivered Sustainability Bond Framework** on 30 November 2023, including Second Party Opinion provided by Sustainalytics. An Independent Limited Assurance Report by EY was delivered on 19 January 2024.
- Selected existing bonds and notes labelled as **"Sustainability Bonds"** in Bloomberg on 2 February 2024.

Strategic Ongoing

- Tap existing even-year Select Lines to circa **\$4-4.5 billion**.
- Issue **AONIA-Linked FRNs** in the odd calendar years.
- **Will not** tap any existing maturities out to 2027.
- Actively **manage refinancing risk** through asset purchases and public buyback of shorter dated lines where appropriate.
- Target **\$3 billion** of short-term funding on issue by end of financial year.

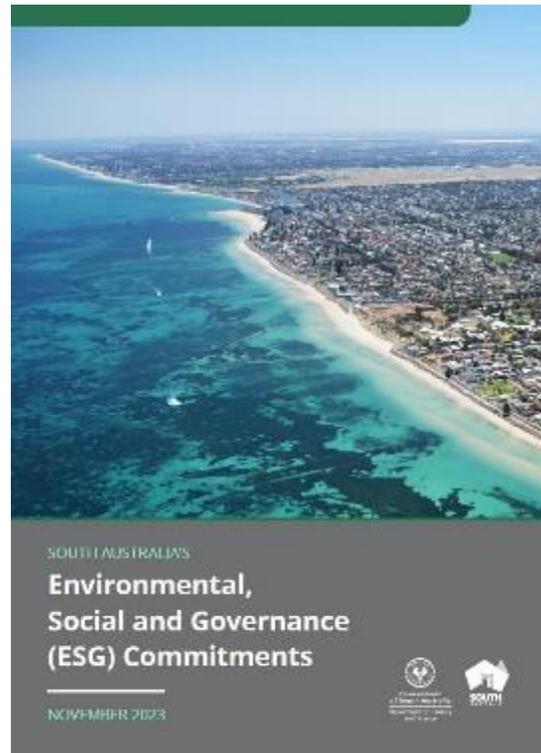
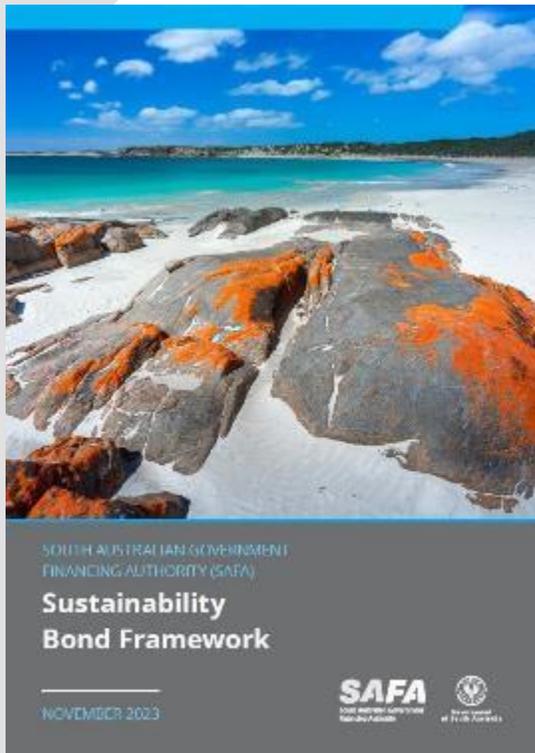
Strategic Considerations

- Target **\$3-3.5 billion** in odd calendar years via a combination of fixed and floating debt.
- May pre-fund in markets to **manage future refinancing risk**.
- Targeting **10% short-term debt outstanding** consistent with the growth in the overall debt profile.
- Will provide markets with weekly funding updates and **clear and transparent communication**.



South Australia's Sustainability Vision

On **30 November 2023**, SAFA launched its **Sustainability Bond Framework**, along with **South Australia's ESG Commitments**



This **Framework** has been established:

- with a programmatic approach.
- with the intention of all bonds and notes issued over time to be Sustainability Bonds.

SA's ESG Commitments provide context over the government's ESG activities.

Why Sustainability Bonds?

South Australia has always delivered accessible & high quality social services



Providing public education to more than
196,000 students



Operating over 70 public hospitals

South Australia was the **first Australian state to legislate a First Nations Voice to Parliament**

Many government services are targeted to vulnerable cohorts, including but not limited to:

- **low-socioeconomic groups**
- **Aboriginal people**
- **people with disability**
- **older South Australians**

Sustainability underpins South Australia's vision for the future



70% of energy generated in the state comes from **renewable sources**

& there is **NO coal fired power** generation

42% reduction in emissions since 2005

& the **first Australian state to declare a climate emergency**

South Australia is already a leader in sustainability and decarbonisation



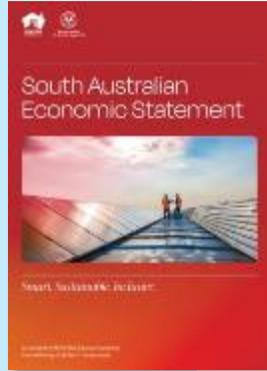


TARGETING

100%

net renewable energy
by 2030

& **Net Zero
emissions by 2050**,
with 50% reduction in
net GHG emissions
by 2030



Smart. Sustainable. Inclusive.

An economy that is fit for the future, improving
the wellbeing of all South Australians.

Recognising the intersection of social,
environmental and economic policy, and the link
between prosperous communities and
successful economies.

**Focusing on building South
Australia’s human capital**

The government is investing in
education at every level from
the roll out of **universal 3-
year-old preschool** to building
five new technical colleges
and **establishing a new
Adelaide University**

Committed to
publishing a whole
of government
**climate-related
disclosures report**
by the end of 2024



Providing
transparency in
the activities of
government
through SA’s *ESG
Commitments*



**The
government
is committed
to increasing
ESG-related
transparency**

**Designing projects to
leverage co-benefits**

The new Women’s and
Children’s Hospital will **provide
critical care services** and will
be 100% electrified,
**avoiding an estimated
2,100 tonnes of GHG
emissions each year**



Renewable Energy

South Australia is aiming for net 100% renewable energy generation by 2030.

CURRENT KEY POLICY INITIATIVES & ACTIONS:

- **A\$593 million** towards **green hydrogen** projects, including **one of the world's largest electrolyzers**.
- Developing a large-scale export terminal to leverage the state's renewable hydrogen opportunities.
- Adding to **South Australia's Virtual Power Plant**, with a focus on public housing to maximise **social co-benefits**.
- Establishing **Australia's first statewide electric vehicle charging network**.



**renewable energy
generation**

*Transformed from 1% in just
over 20 years*

44%
wind

*This is the highest
share of any Australian
state or territory.*

24%
solar PV



**One of the highest
per capita levels of
rooftop solar
installed in the
world.**

100%

of the state's
operational demand
met from renewable
sources on **180 days**
in 2021



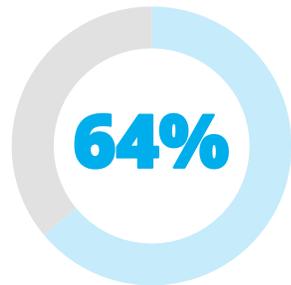
Biodiversity

Healthy ecosystems and greater biodiversity are a foundation of a strong economy and critical to our social and cultural identity and wellbeing.

CURRENT KEY POLICY INITIATIVES & ACTIONS:

- A new **Biodiversity Act** seeks to boost biodiversity conservation in our state and **recognises the knowledge of Aboriginal South Australians** in the management of land and respect for its ecosystems.
- The **State Landscape Strategy** brings together priorities and commitments relating to the protection and improvement of our natural systems.
- The **establishment of BioData SA** will overhaul the data held by the state and guide decision making on protection and restoration programs.

20% of SA
is covered by
**PARKS &
RESERVES**



of parks & reserves are
**co-managed by
Aboriginal groups**

Have **stored seeds**
from
85%
of the **state's
threatened
plant species**





Education

Ensuring South Australia's public education system unlocks every child's potential now and into the future, regardless of ability to pay.

CURRENT KEY POLICY INITIATIVES & ACTIONS:

- Delivering **universal preschool for all three-year-olds** by 2032, including **additional supports for vulnerable children**.
- Building five new technical colleges, **enabling more students to complete high school whilst receiving a vocational education**.
- **Increasing inclusivity and equitable access**, including autism inclusion teachers in every primary school and additional mental health and learning support specialists.

70% of all SA children attend a **public preschool** in the year before formal education

63% of all SA school students are enrolled in **public schools**

More than
196,000
students are enrolled in public schools and preschools

900
Public schools, preschools and children centres
including
31 Aboriginal and Anangu schools and children centres





Health

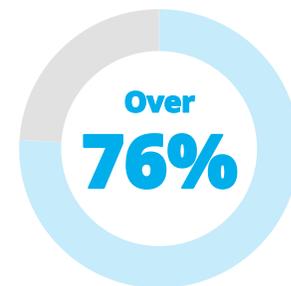
Committed to delivering a health system that protects and improves the health of all South Australians.

CURRENT KEY POLICY INITIATIVES & ACTIONS:

- Better health care investments, including **additional weekend staffing, new State Health Control Centre, expanding virtual care services, tackling long-stay patients, and establishing emergency department avoidance hubs.**
- Building **five new SA Ambulance stations**, completely **rebuilding four existing stations, upgrading 10 stations** and building a **new headquarters.**
- Construction of a **new, larger Women's and Children's Hospital and new Mount Barker Hospital.**

SA Health
owns and operates
over 70
public hospitals

The SA Ambulance
Service owns and
operates
125
ambulance
station locations



of adults report their
health status as
"good or better"





Affordable Housing

Helping people achieve and sustain secure housing.

CURRENT KEY POLICY INITIATIVES & ACTIONS:

- Providing a range of public and affordable housing services, emergency accommodation and homeless services.
- Released the **A Better Housing Future** package in response to the current housing crisis.
- **The Housing Security for Older Women Taskforce** was launched in January 2023.



32,993

public housing
properties



52,439

South Australians
residing in public
housing properties

In 2021-22

10,738

households were
assisted under the
**Private Rental
Assistance Scheme**



Aboriginal Affairs

Improving the lives of Aboriginal and Torres Strait Islander peoples and communities through legislation, policy and service delivery.

CURRENT KEY POLICY INITIATIVES & ACTIONS:

- The Government of South Australia is a signatory to the **National Agreement on Closing the Gap**, a historic agreement between Australian governments and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations.
- In March 2023, South Australia became the **first state to legislate a First Nations Voice to Parliament** to provide a direct and independent line of communication for First Nations people to South Australia's parliament and government.



The SA Government's estimated expenditure on services delivered to Aboriginal and Torres Strait Islander peoples and communities in Financial Year 2021-22 was A\$1.3 billion.

A\$331.4 million was spent on **targeted Aboriginal and Torres Strait Islander programs and services.**

Examples of targeted programmes include:

- The Aboriginal Family Birthing Program
- Tauondi Aboriginal College
- Tika Tirka student accommodation





SAFA's Sustainability Bond Framework

Aligned to the ICMA Principles*



Four Pillars	Key characteristics
 <p>Use of Proceeds</p>	<ul style="list-style-type: none"> • Finance or refinance a broad range of eligible green and social expenditures that meet the eligibility criteria and align with UN SDG 1 to 15. • Eligible Expenditures includes assets, capital (CAPEX) and operating expenditures (OPEX). • Clear targeted populations for eligible social expenditures. • Eligibility window: 2 years look back for OPEX, no look back limitation for assets, 2 years look forward for CAPEX and OPEX. • Exclusions include exploration and production of fossil fuels, alcohol, defence, gambling and tobacco.
 <p>Process for Evaluation & Selection</p>	<ul style="list-style-type: none"> • Sustainability Bond Framework informed by the South Australian Government's ESG Commitments. • Initial Register of expenditures prepared by SAFA with contribution from government agencies and advice from the ESG Consultation Group, approved by SAFA's Chief Executive Officer. • ESG Consultation Group will meet quarterly to monitor the Register with consideration to the environmental and social risks and mitigants.
 <p>Management of Proceeds</p>	<ul style="list-style-type: none"> • Register of Eligible Expenditures operating on a portfolio approach. • It is intended that, at all times, the portfolio of Eligible Expenditures will be greater than the total volume of Sustainability Bonds issued. • Pending full allocation, any unallocated proceeds will be invested in cash or short-term instruments in line with the Framework.
 <p>Reporting</p>	<ul style="list-style-type: none"> • First allocation and impact report intended within 12 months. • Annual publication thereafter. • Examples of output, outcome and/or impact indicators per project category provided in the Framework.
<p>External Reviews</p>  	<ul style="list-style-type: none"> • Second-Party Opinion from Sustainalytics confirming alignment of the Framework with the ICMA Principles. • EY Independent Limited Assurance report on the labelling of existing bonds and their associated asset pools (eligible expenditures). • Annual Allocation report to be independently verified through an assurance process (the first one is due Q1 2025).

*International Capital Market Association (ICMA) Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines



Use of Proceeds *(example, not exhaustive)*

UN SDG	ICMA GBP/SBP categories	Eligibility Criteria from the Framework	Examples of potential Eligible Expenditures	Exclusions (not exhaustive)
 3 GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> Access to essential services 	<i>Activities that deliver public health care services, including enhancing access to healthcare.</i>	<ul style="list-style-type: none"> Capex, subsequent assets, and ongoing opex associated with the new Women's and Children's Hospital. 	<ul style="list-style-type: none"> Funding to private hospitals.
			<ul style="list-style-type: none"> Opex associated with the South Australian Tobacco Control Strategy 2023-2027. 	<ul style="list-style-type: none"> Funding to support the tobacco industry.
 4 QUALITY EDUCATION	<ul style="list-style-type: none"> Access to essential services Socioeconomic advancement and empowerment 	<i>Programmes that deliver education or improve educational infrastructure and outcomes.</i>	<ul style="list-style-type: none"> Education assets e.g. public school sites, buildings and equipment. Education opex associated with the provision of public schools. 	<ul style="list-style-type: none"> Funding to non-government schools.
			<ul style="list-style-type: none"> Opex associated with fee free TAFE and vocational education. 	<ul style="list-style-type: none"> Funding for VET courses in defence, national security and/or weapons specific skills.
 6 CLEAN WATER AND WASTEWATER	<ul style="list-style-type: none"> Sustainable water and wastewater management 	<i>The development, construction, acquisition, installation, operation and upgrade of sustainable water management projects, and actions to promote the efficient use of natural water resources.</i>	<ul style="list-style-type: none"> Ongoing capex and opex associated with the maintenance and improvement of public water infrastructure, such as water treatments plants, pipelines and mains. Capex and ongoing opex associated with a new desalination plant at Billy Lights on the Eyre Peninsula, powered by renewables or the majority decarbonised grid. 	<ul style="list-style-type: none"> Funding for water quality systems and equipment that are solely used in hard-to-abate and fossil fuel industries. Cost associated with the treatment of wastewater from any fossil fuel operations.
 7 AFFORDABLE AND CLEAN ENERGY	<ul style="list-style-type: none"> Renewable energy 	<i>The development, manufacturing, construction, expansion, operation, distribution and maintenance of low-carbon and renewable energy.</i>	<ul style="list-style-type: none"> Opex, capex and subsequent assets associated with the Port Bonython Hydrogen Hub and the Hydrogen Jobs Plan. 	<ul style="list-style-type: none"> Hydrogen production, storage systems and facilitates not powered by renewables.



Process for Project Evaluation, Selection & Management of Proceeds

Project Evaluation & Selection

Proposed initial Register of Eligible Expenditures

SAFA, in collaboration with agencies and through the State Budget process, will form a proposed initial Register of Eligible Expenditures as defined by this Framework.



ESG Consultation Group Review

The ESG Consultation Group provides advice to SAFA on the initial pool of government activities included in the Register of Eligible Expenditures.



Approval

The Register will be approved by SAFA's Chief Executive Officer.



Management of Proceeds

Ongoing monitoring of the Register

SAFA, in collaboration with agencies, will assess the continuing suitability and replenishment of the Register as new activities are approved through the State Budget process and as financial instruments are repaid and issued.



ESG Consultation Group Review

The ESG Consultation Group will consider and review the proposed adjustments to the Register.



Approval of Adjustments

Any required adjustments to the Register will be approved by SAFA's Chief Executive Officer.





Exclusions, how they are funded and the eligibility window

Exclusions (*example, not exhaustive*) & how they are funded

Exclusions

- Exploration & production of Fossil Fuels
- Alcohol
- Defence (including defence education and training programs)
- Gambling
- Passenger, commercial & public transport other than zero direct emissions

- Funding of Private Hospitals and Private Schools
- Construction of roads (except for vulnerable communities hindered from accessing basic goods & services)
- Pest control using pesticides
- Tobacco

Funding of Exclusions

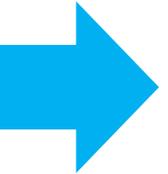
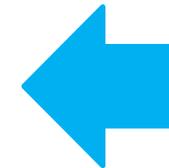
- The Government of South Australia will continue to fund its expenditures which are not included in the framework.
- These will be funded by the revenues it receives.

Revenue sources include:

- Commonwealth Government Grant Funding,
- Stamp Duty
- Property Taxes
- Payroll Taxes
- Interest income
- Sales of goods and services

Eligibility Window

- Two financial years prior to issuance (look back period)
- Current financial year
- Two financial years following issuance (look forward period)
- The look back period is limited to operating expenditures.
- There is no look back period for capital expenditures





Reporting



Allocation report to be independently verified.

SAFA intends to publish a Bond Allocation & Impact Report within 12 months of the inaugural issuance and annually thereafter.

UN SDG	ICMA GBP/SBP categories	Eligibility Criteria from the Framework	Examples of Eligible Expenditures	Examples of Output, Outcomes and/or Impact Reporting Metrics
	<ul style="list-style-type: none"> Access to essential services 	<i>Activities that deliver public health care services, including enhancing access to healthcare.</i>	Construction of a New Women's and Children's Hospital	<ul style="list-style-type: none"> Additional ICU and overnight bed capacity.
	<ul style="list-style-type: none"> Access to essential services Socioeconomic advancement and empowerment 	<i>Programmes that deliver education or improve educational infrastructure and outcomes.</i>	Construction of five new technical colleges across South Australia	<ul style="list-style-type: none"> Year 12 SACE completion rate. % of government funded VET graduates who improved their employment circumstances.
			Implementation of universal three-year-old preschool	<ul style="list-style-type: none"> % of South Australian children who are developmentally on track when starting primary school.
	<ul style="list-style-type: none"> Sustainable Water and Wastewater management 	<i>The development, construction, acquisition, installation, operation and upgrade of sustainable water management projects, and actions to promote the efficient use of natural water resources.</i>	Construction of new desalination plant at Billy Lights on the Eyre Peninsula	<ul style="list-style-type: none"> Gigalitres of additional water supplied
	<ul style="list-style-type: none"> Renewable energy 	<i>The development, manufacturing, construction, expansion, operation, distribution and maintenance of low-carbon and renewable energy.</i>	The Port Bonython Hydrogen Hub	<ul style="list-style-type: none"> Renewables share (%) of electricity generation.
	<ul style="list-style-type: none"> Climate Change Adaptation Pollution prevention and control 	<i>Adaptation projects that demonstrably contribute to reducing vulnerability to climate change and the reduction of carbon emissions.</i>	South Australia's state-wide net zero pathways strategy (<i>under development</i>)	<ul style="list-style-type: none"> Net GHG emissions (MtCO₂-e) reduction from 2005 levels.

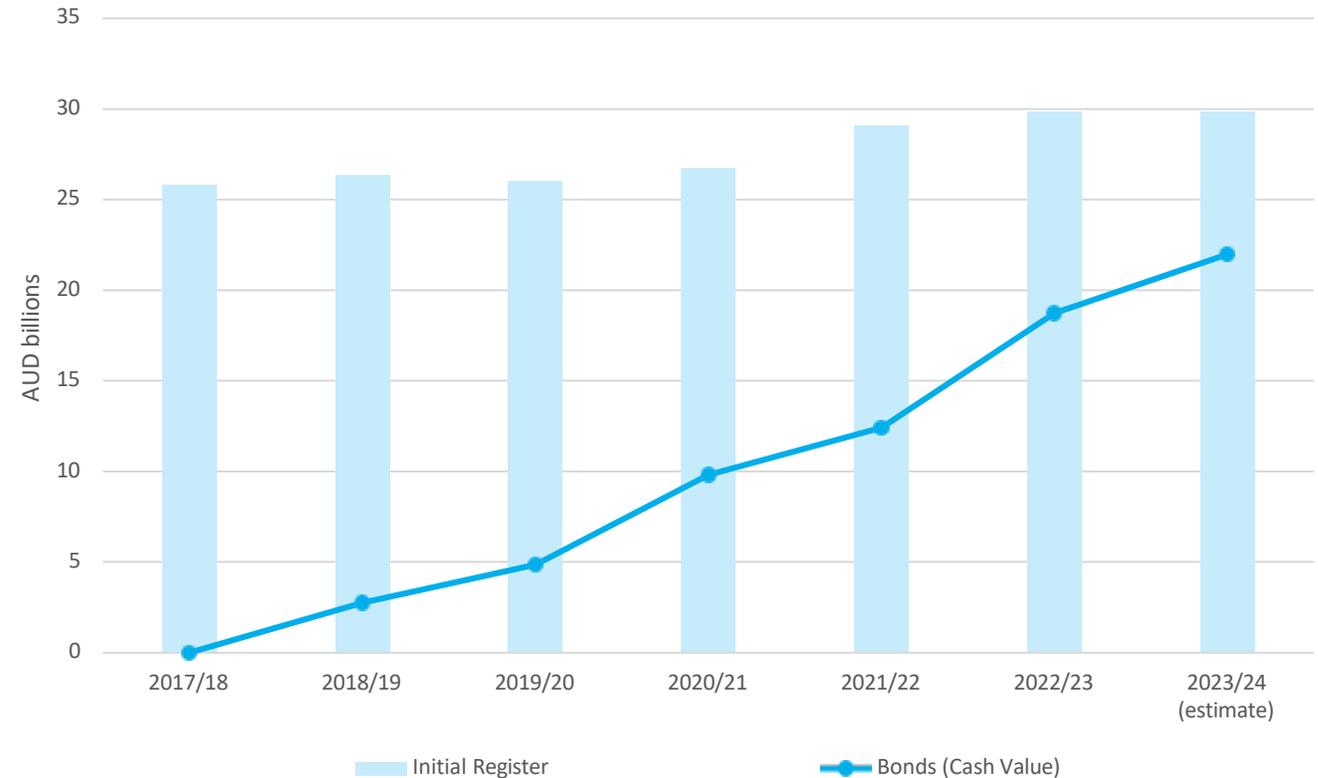
Labelling of Existing Bonds and Notes



SAFA's objective is to ensure that all taps of bonds going forward are fungible

- Effective 2 February 2024, SAFA's bonds and notes, first issued since 1 July 2018, have been labelled as Sustainability Bonds, reflecting the focus and composition of the government's green and social expenditure.
- A Register of Eligible Expenditures which meet the Framework's Eligibility Criteria has been gathered looking back to 1 July 2018 – with the process for eligible expenditure and selection aligned with the Framework.
- The value of the Register significantly exceeds the face value of bonds issued from 1 July 2018 onwards and comprise the government's health, water, public housing and education agencies.
- As at 1 July 2018, the Register of Eligible Expenditures (physical assets) amount was >A\$25bn.
- As at 30 June 2023, the Register of Eligible Expenditures (physical assets) amount was >A\$29bn.
- In January 2024, an Independent Limited Assurance was received on the alignment of these physical assets.

Register of Eligible Expenditures and Cumulative Bonds and Notes*



*First Issued from 1 July 2018 to 30 November 2023 (cash value) labelled Sustainability Bonds Q1 2024

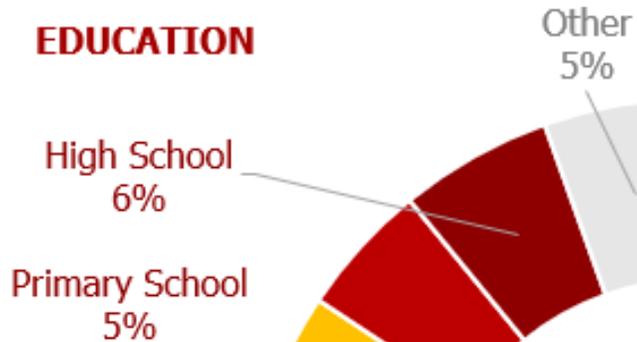
Register of Eligible Expenditures

 <p>Education</p>	 <p>Health</p>	 <p>SA Water</p>	 <p>SA Housing Authority</p>
<p>Circa A\$3.2 billion (12%) assets as at 30 June 2023, comprising largely public primary and secondary schools</p>	<p>Circa A\$5.0 billion (18%) assets as at 30 June 2023, comprising largely public hospitals and medical equipment</p>	<p>Circa A\$9.0 billion (30%) assets as at 30 June 2023, comprising largely mains, pipelines, sewers, wastewater plants and desalination plants</p>	<p>Circa A\$12.5 billion (40%) assets as at 30 June 2023, comprising largely public and Aboriginal housing units</p>
<p>Examples of eligible expenditures over the period 2018-2023:</p> <ul style="list-style-type: none"> • Opening of 5 new schools, including 3 in regional areas • Substantial investment made in existing schools to accommodate transition of year 7s to secondary school 	<p>Examples of eligible expenditures over the period 2018-2023:</p> <ul style="list-style-type: none"> • 14 new Ambulances in operation • Development of the Repat Health Precinct, providing a range of health and wellbeing services • Modbury Hospital and Women’s and Children’s Hospital upgrades and additional Services • New Murray Bridge Emergency Department for regional patients 	<p>Examples of eligible expenditures over the period 2018-2023:</p> <ul style="list-style-type: none"> • Kangaroo Island and Yalata desalination plants • Provided water, wastewater and recycled water infrastructure to new land development projects • Installation of more than 360,000 solar panels and on-site battery storage • Maintenance and refresh of network assets 	<p>Examples of eligible expenditures over the period 2018-2023:</p> <ul style="list-style-type: none"> • Expanded availability of domestic violence crisis accommodation • Launched Tika Tirka, an accommodation service for Aboriginal and Torres Strait Islander students from remote and outer regional communities studying in Adelaide • Supported installation of the Virtual Power Plant assets on social housing units

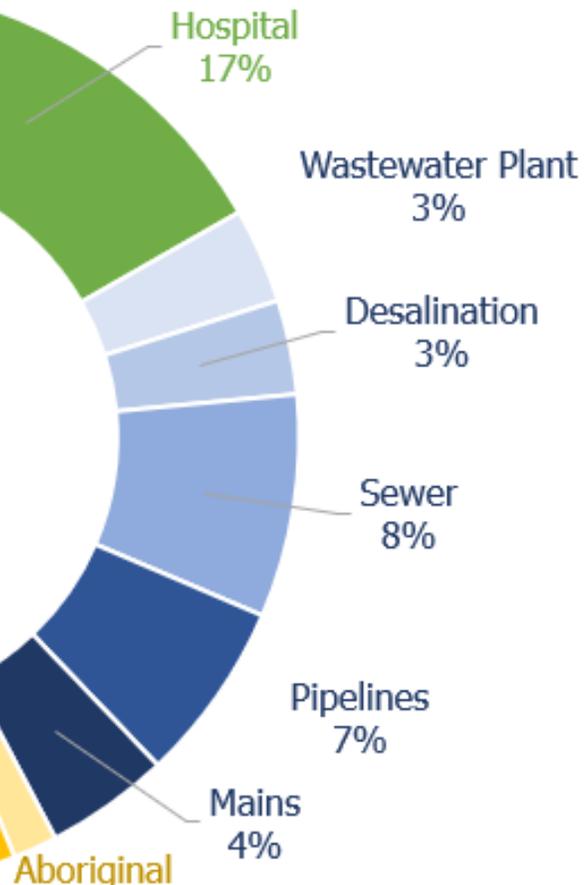
Register of Eligible Expenditures as at 30 June 2023



EDUCATION



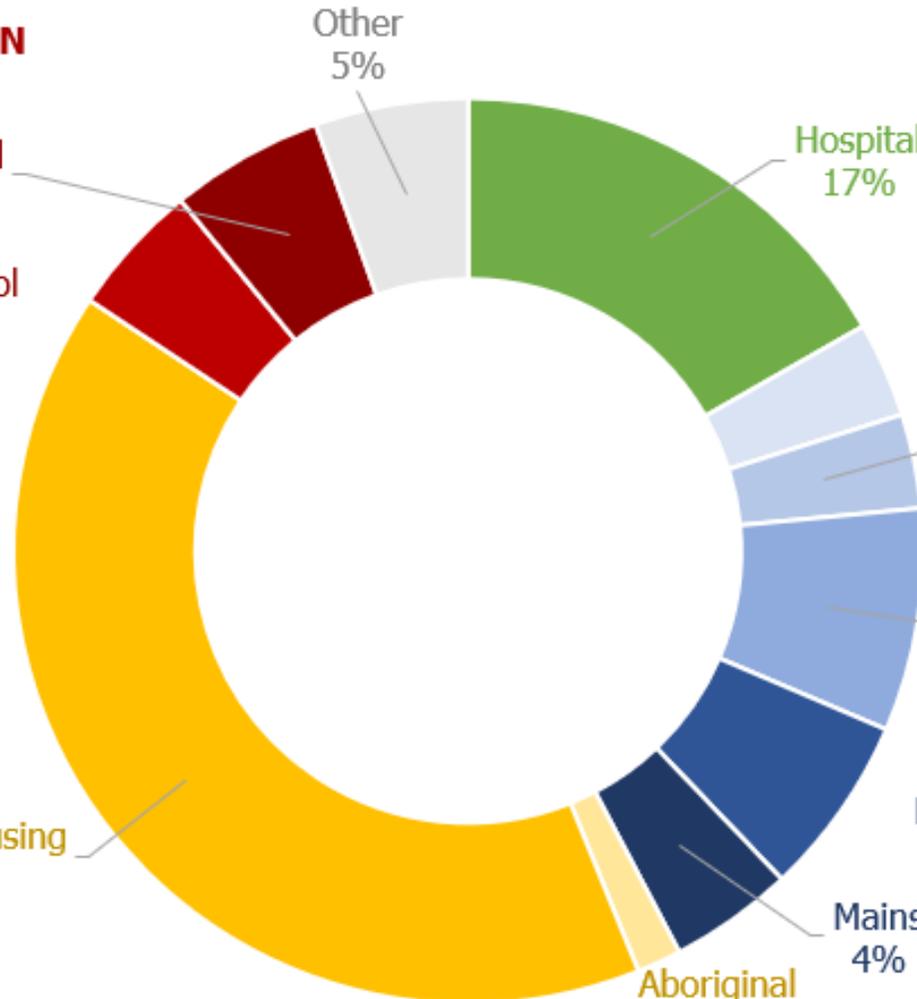
HEALTH



SA WATER



HOUSING



Timeline (calendar year)

Q4 2023 ● FRAMEWORK LAUNCH

**Q1 2024 ● LABELLING OF
EXISTING BONDS
& INAUGURAL ISSUANCE**

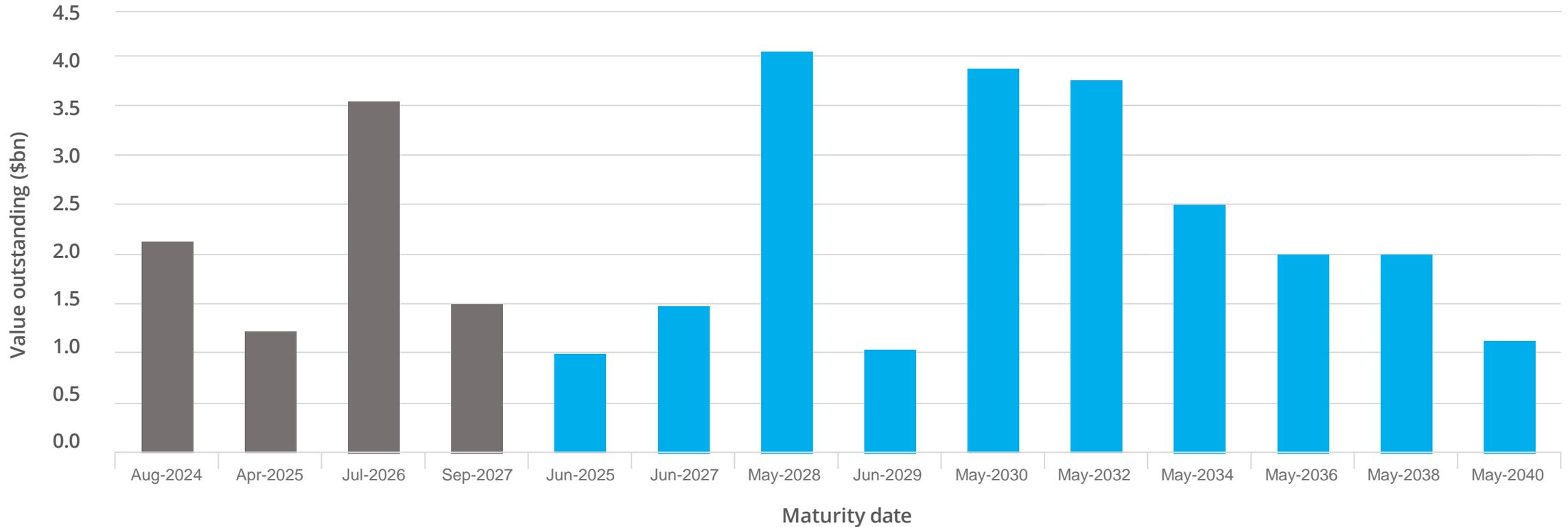
**Q1 2025 ● INAUGURAL
ALLOCATION &
IMPACT REPORT**



***ONGOING ISSUANCE
UNDER THE FRAMEWORK***



Outstanding bonds and notes issued as at 2 February 2024 (face value)



- Bonds and notes first issued since 1 July 2018 are labelled as Sustainability Bonds
- Bonds and notes first issued before 30 June 2018 that are not labelled



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SAFA

***South Australian Government
Financing Authority***



**Government
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