

Media Release

Climate Bonds Initiative Releases New Zealand Green Bonds and Infrastructure Report 2019

LONDON: Auckland 30/08/2019 08:00 NZST: Climate Bonds Initiative launches the [New Zealand Green Bonds and Infrastructure Report – 2019](#) in Auckland today, reporting on the state of the New Zealand green finance market and assessing progress on major green infrastructure projects identified in the inaugural 2018 report.

Despite New Zealand's small size and population, it has emerged as a global leader on climate action with its aggressive policies and ambitious climate targets. The existing green bond market is small but has momentum, adopting global best practice in the shift towards environmental and economic sustainability. The green loans market is also another area of promising growth in New Zealand.

Green Finance Leaders

[The report](#) states New Zealand's cumulative green and sustainability debt issuance is at NZD3.8bn as of 30 June 2019.

Argosy Property entered the green bond market in March 2019 with a NZD100m green bond and existing Certified Climate Bond issuers Auckland Council and Contact Energy have returned to the market in the last 12 months. Westpac New Zealand, the NZ arm of the Australian bank Westpac, entered the green bond market in late June with a EUR500m (NZD844m) green bond under its EMTN programme.¹

Contact Energy's Green Borrowing Programme was the largest portfolio of debt funding geothermal assets Certified under the Climate Bonds Standard at the time of execution (NZD1.8bn) and includes private placements, retail and wholesale bonds and bank debt. Since then, the energy company has raised a further green loan and green bond under it and had NZD1.4bn outstanding under the Programme as of 30 June.

Housing New Zealand issued a NZD500m sustainability bond with use of proceeds allocated to social and affordable housing.

The Green Infrastructure Pipeline

The report emphasises the potential for capital projects to support the growing population and aging infrastructure while supporting emissions reduction goals and building resilience. It builds on the [2018 report](#) and identifies a pipeline over 80 projects across renewable energy, clean transport, sustainable water, waste management and low carbon buildings. The infrastructure investment opportunities explored in the GIIO report are based on the above five sectors.

Sean Kidney, CEO, Climate Bonds Initiative:

"New Zealand has shown remarkable leadership on climate action, helping set global policy benchmarks around net zero by 2050. The report reflects the early green finance adopters that have emerged from local government, banking and the corporate sector. They are leading on brown to green transition, demonstrating to their peers and the wider business sector the role of green investment in meeting climate targets and building climate resilience."

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¹ CBI methodology note: Unsecured debt is aggregated to the parent company in global country figures, unless the parent is a government-level entity. In this case, the issuance counts towards overall Westpac issuance. Secured debt takes into account the location of the security.

Notes for Journalists:

About the Climate Bonds Initiative: The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in low-carbon economy. More information on [our website](#) here.

About the New Zealand Green Bonds and Infrastructure Report – 2019: Published by the Climate Bonds Initiative, for the production of the [New Zealand Green Bonds and Infrastructure Report – 2019](#) the main sponsors were ANZ, Commonwealth Bank of Australia, BNZ and Westpac. Supporting sponsor was KPMG.

Authors: Bridget Boule and Sharna Nolan with support from the Climate Bonds Team.

Methodology

In developing this report, Climate Bonds Initiative used as main sources of information: the Australia and New Zealand Infrastructure Pipeline (ANZIP), the National Infrastructure Unit, New Zealand Infrastructure Commission, New Zealand Wind Energy Association and the New Zealand Green Buildings Council.

Climate Bonds thanks the following partners for their content support: New Zealand Green Building Council (NZGBC), Investor Group on Climate Change and Responsible Investment Association Australasia.

The project pipeline considers five key sectors: renewable energy, low-carbon transport, sustainable water management, sustainable waste management and green buildings.

The Climate Bonds [Taxonomy](#) was used to identify eligible green projects under these five sectors. To help define the scope and volume of projects, the following filters were also applied:

- For renewable energy - energy generation capacity >50MW
- For low-carbon transport: >NZD100m
- For sustainable water management: >NZD50m
- For sustainable waste management: >NZD50m
- For low-carbon or green buildings – 6-star rated Green Star certified under the NZGBC Green Star certification scheme

To narrow the scope and volume of projects the following filters were also applied:

There are various ways for an investor to gain exposure to a specific project, asset or portfolio. The possible investment pathways will vary depending on the asset ownership structure, the stage in the asset's financing lifecycle, and the investor's mandate. This can vary between projects with public and private funding.

- Accordingly, further metrics were used to classify the green infrastructure investment opportunities by status;
- Completed projects: high profile, recently completed;
- Projects under construction: major projects that are under construction; and
- Planned projects: major projects that have not yet begun construction but have been announced and/or have undergone business case planning and/or have been allocated budget.

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