

12 June 2018

Auckland Council to open Green Bond offer

Auckland Council will open its Green Bond offer next week – becoming the first council in New Zealand to do so.

The proceeds of the offer are intended to be allocated in accordance with Auckland Council’s Green Bond Framework. Specifically, the initial proceeds of the offer are intended to be used to both refinance existing debt used to buy electric trains and equipment as well as to help finance the purchase of more.

Green Bonds are used to fund assets and projects which have positive environmental impacts, reaching investors who wish to fund this type of infrastructure.

Auckland Mayor Phil Goff says, “We are the first council in New Zealand to issue green bonds. This sends a signal that Auckland is committed to becoming greener and tackling our environmental challenges.

“Billions of dollars need to be invested in Auckland’s infrastructure over the coming decade. The purchase of new, low-emission electric trains, public transport infrastructure and projects to make our harbours and waterways cleaner are vital as we seek to make Auckland a sustainable and world-class city.

“As a council we are committed to a low carbon future that prepares us for the increasing threats and challenges our climate will bring,” says Mayor Goff.

Finance and Performance Committee chair, Councillor Ross Clow says,

“By adopting sustainable policies and enhancing our environment we also have the opportunity to create an attractive investment opportunity for investors who are allocating larger segments of their portfolios to green investment activities.

“It makes sense to leverage the strong investor demand for green bonds to assist us with funding projects with environmental benefits.

“So we need to make smart financial decisions and demonstrate our environmental and climate change priorities through our fund-raising.”

Auckland Transport fully supports the Green Bond offer. CEO Shane Ellison says it closely aligns with the organisation’s focus on sustainability and a low carbon future for Auckland.

“AT recently announced the trial of two fully electric buses and we have rolled out LED street lighting which, as well as being more environmentally friendly, will save ratepayers up to \$20 million over the next ten years. We have also upgraded our fleet to include 20 electric vehicles (at the same time reducing its fleet numbers overall).”

The Green Bonds are expected to be assigned a long-term credit rating of AA from Standard & Poor’s and Aa2 from Moody’s and are expected to be quoted on the NZX Debt Market.

The offer is expected to open on 18 June.

More information:

- The full details of the offer are contained in the Product Disclosure Statement (“PDS”) (attached) and in the Register Entry for the offer

available at www.companiesoffice.govt.nz/disclose. Investors must receive a copy of the PDS before they acquire any Green Bonds.

- Auckland Council has obtained certification for the Green Bonds from the Climate Bonds Initiative. The certification means that the Green Bonds meet the criteria set out in the Climate Bonds Standard.
- The offer will be up to NZ\$150 million with the right to accept up to NZ\$50 million in oversubscriptions at Auckland Council's discretion.
- The Green Bonds will be 5 year unsubordinated, fixed rate bonds and will be offered to the public in New Zealand and institutional investors in New Zealand and certain offshore jurisdictions.
- Auckland Council has appointed ANZ as Arranger, Lead Manager and Green Bond Coordinator, and BNZ and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) as Co-managers in relation to the Green Bond offer.
- There is no public pool for the offer, with 100% of the Green Bonds reserved for clients of the Arranger and Lead Manager, Co-managers, institutional investors and other approved participants.
- Ratepayers and other investors can register their interest with the Arranger and Lead Manager, the Co-managers, a NZX Primary Market Participant or their usual financial advisor.

Arranger, Lead Manager and Green Bond Coordinator:

ANZ Bank New Zealand Limited
0800 269 476

Co-managers:

Bank of New Zealand
0800 284 017

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch)
0800 942 822

Ends

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