

# New Zealand Government debt market outlook

*If you would like to view a recording of this presentation, please click [here](#)*

JANUARY 2024

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

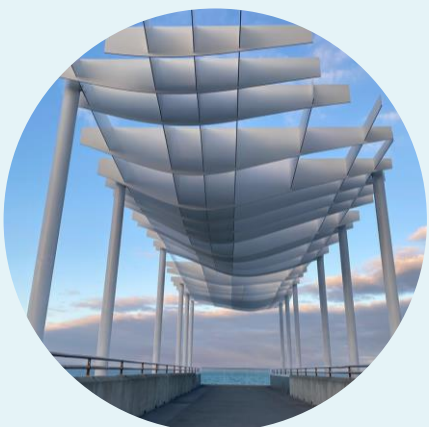
# Overview



## In this presentation:



Borrowing Programme and Fiscal Outlook



New Zealand Government Securities Portfolio

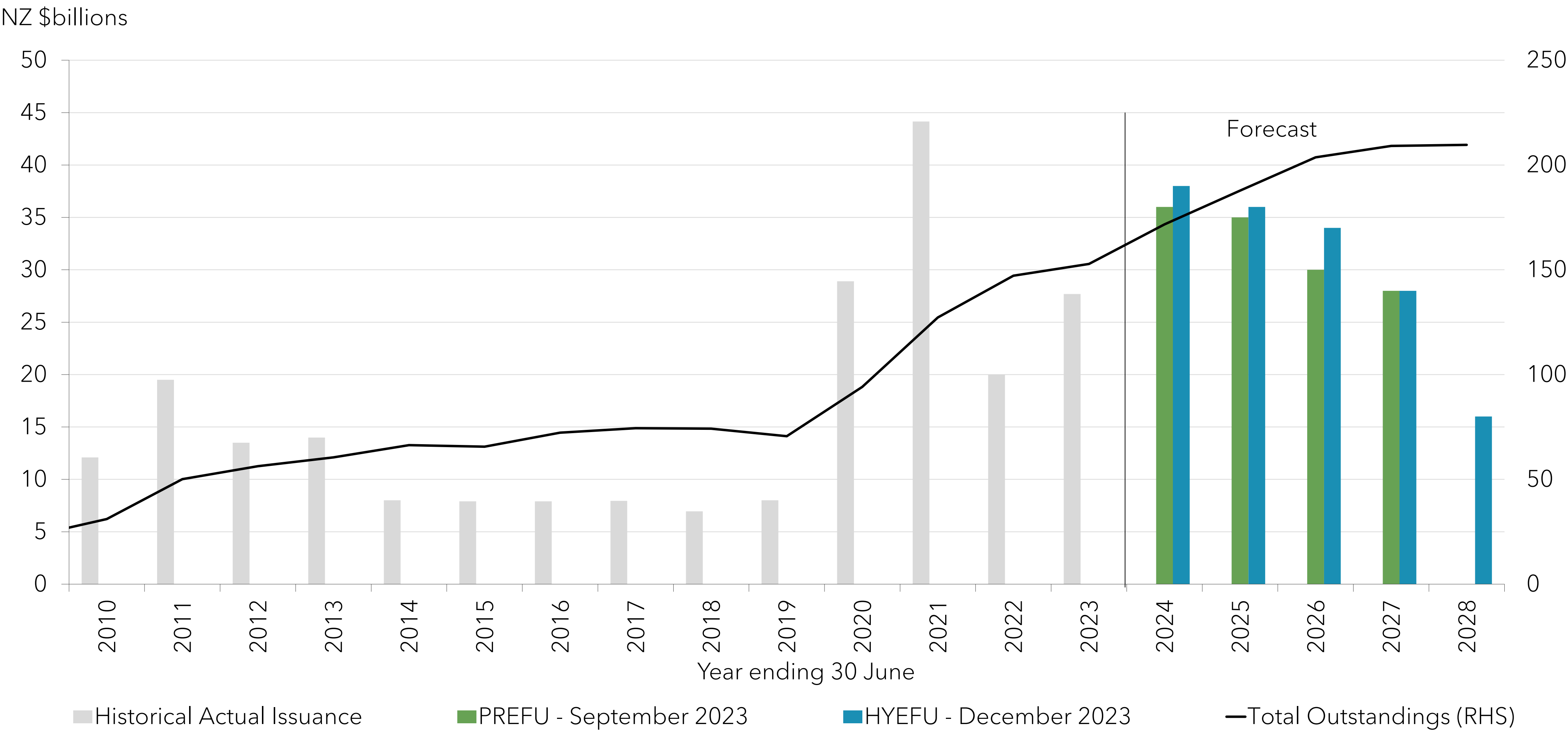


Green Bond Allocation Report

# Borrowing programme and fiscal outlook



# 2023/24 annual NZGB programme increased to NZ\$38 billion



Source: NZDM, The Treasury

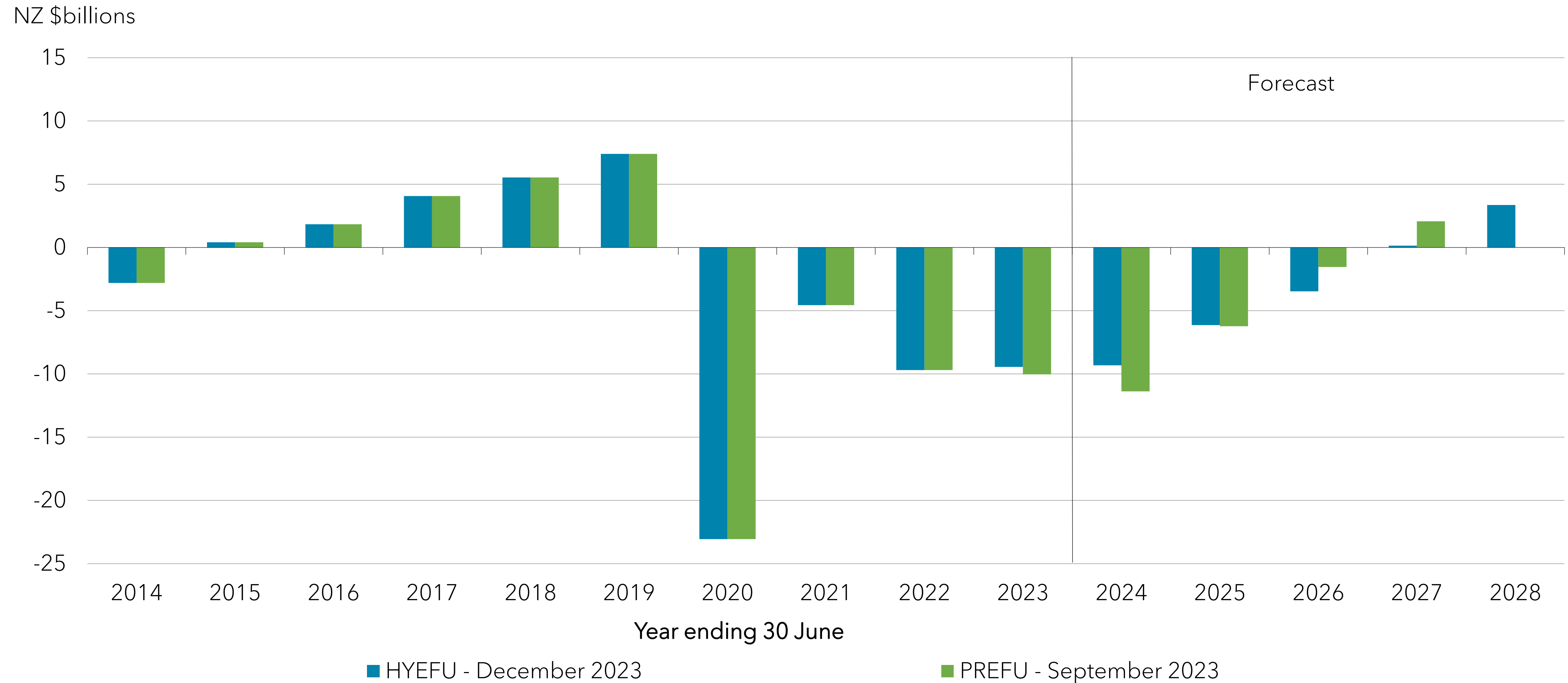
# Forecasts

Year ending 30 June (face value)	2024	2025	2026	2027	2028	Total
Gross NZGB issuance (NZ\$ billion)	38.0	36.0	34.0	28.0	16.0	152.0
NZGB maturities and repurchases (NZ\$ billion)	18.8	19.9	18.1	22.6	15.5	94.8
Net NZGB issuance (NZ\$ billion)	19.2	16.2	15.9	5.4	0.5	57.2

NZGBs outstanding (NZ\$ billion)	171.6	187.8	203.7	209.1	209.6	n/a
NZGBs outstanding (% GDP)	41%	43%	44%	43%	41%	n/a
Forecast short-term borrowings (NZ\$ billion)	9	9	9	9	9	n/a

Change in NZGB issuance (relative to PREFU)	2	1	4	0	n/a	7
Change in short-term borrowings (relative to PREFU)	0	0	0	0	n/a	n/a

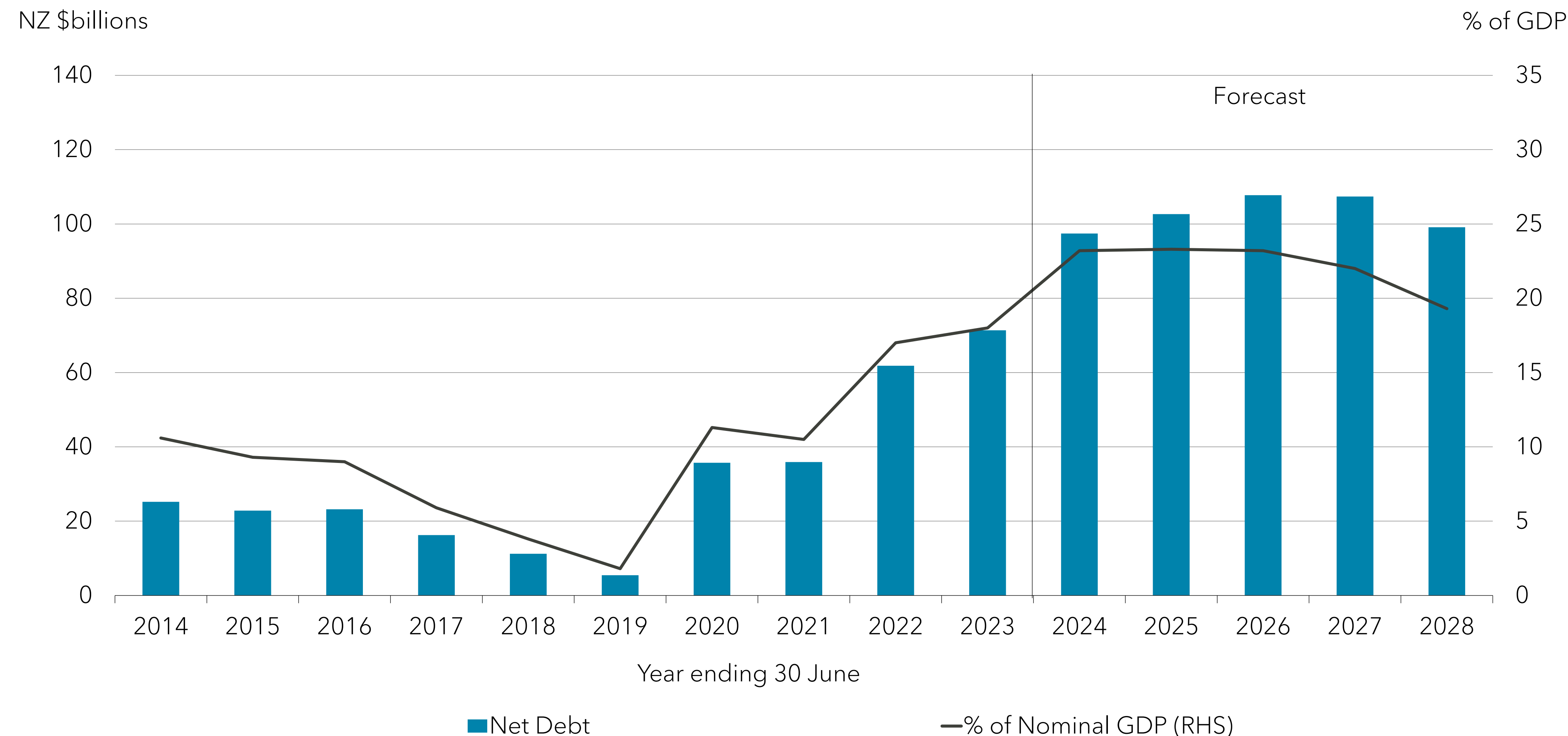
# Operating balance\* returns to surplus in 2026/27



Source: The Treasury

\*Operating balance before gains and losses

# Net debt peaks in the near term before falling

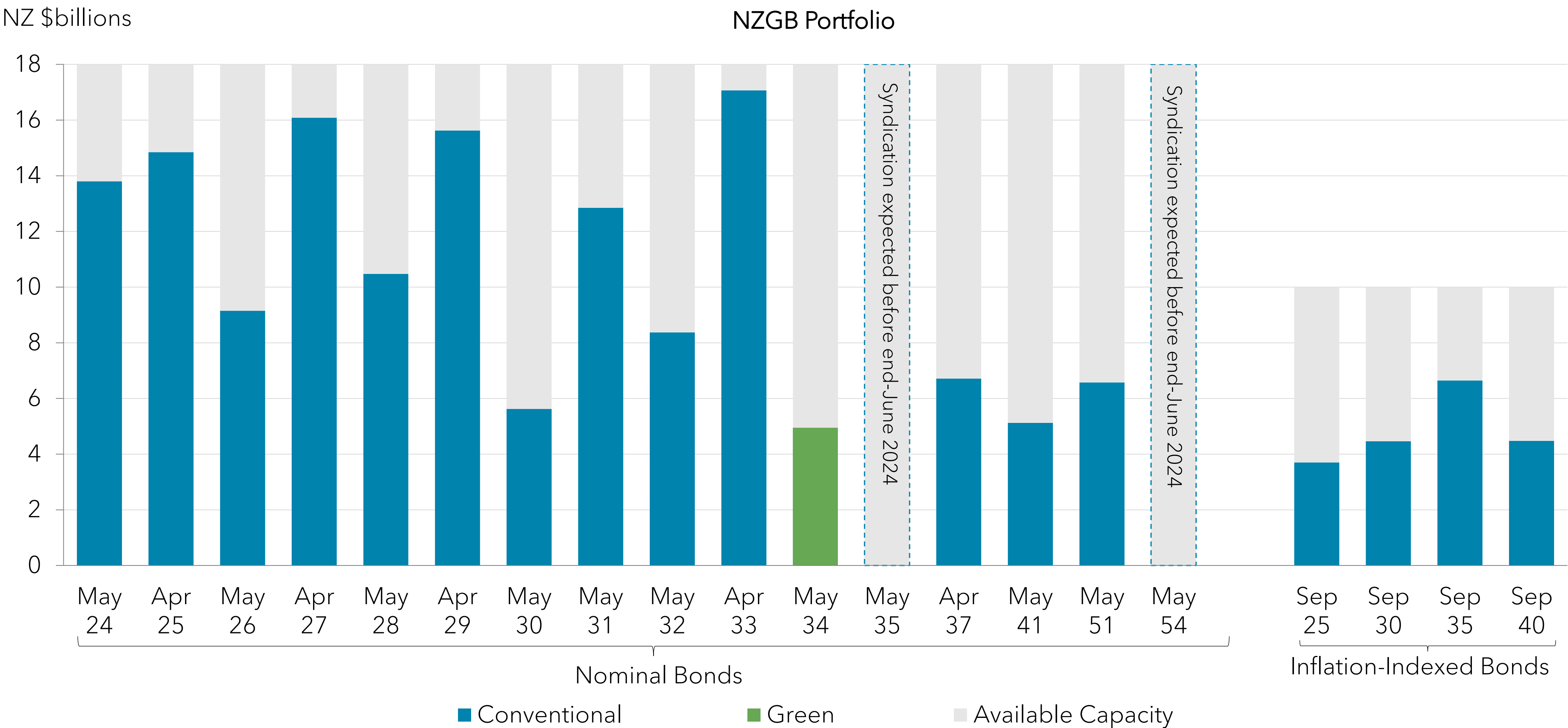


Source: The Treasury, Half Year Economic and Fiscal Update 2023

# New Zealand Government securities portfolio

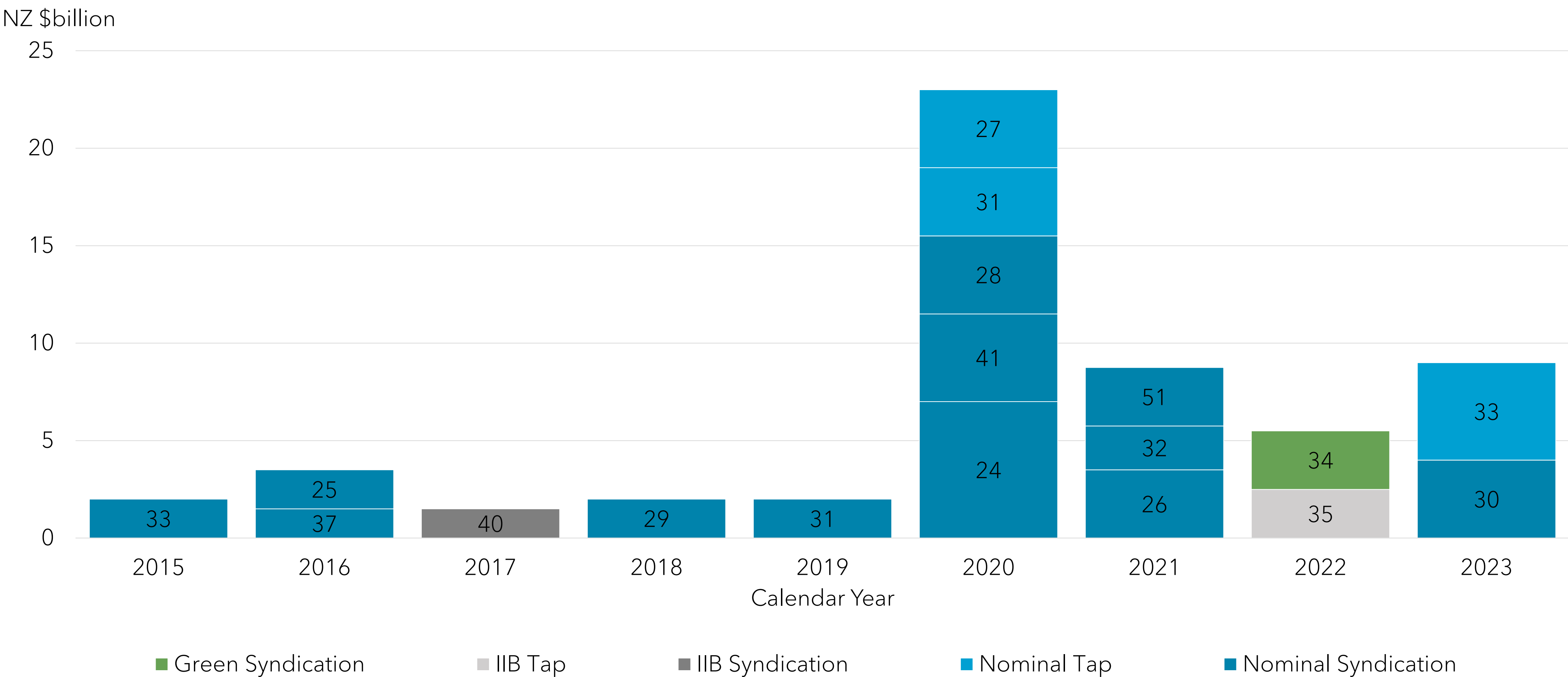


# Two new nominal bond lines and one tap syndication



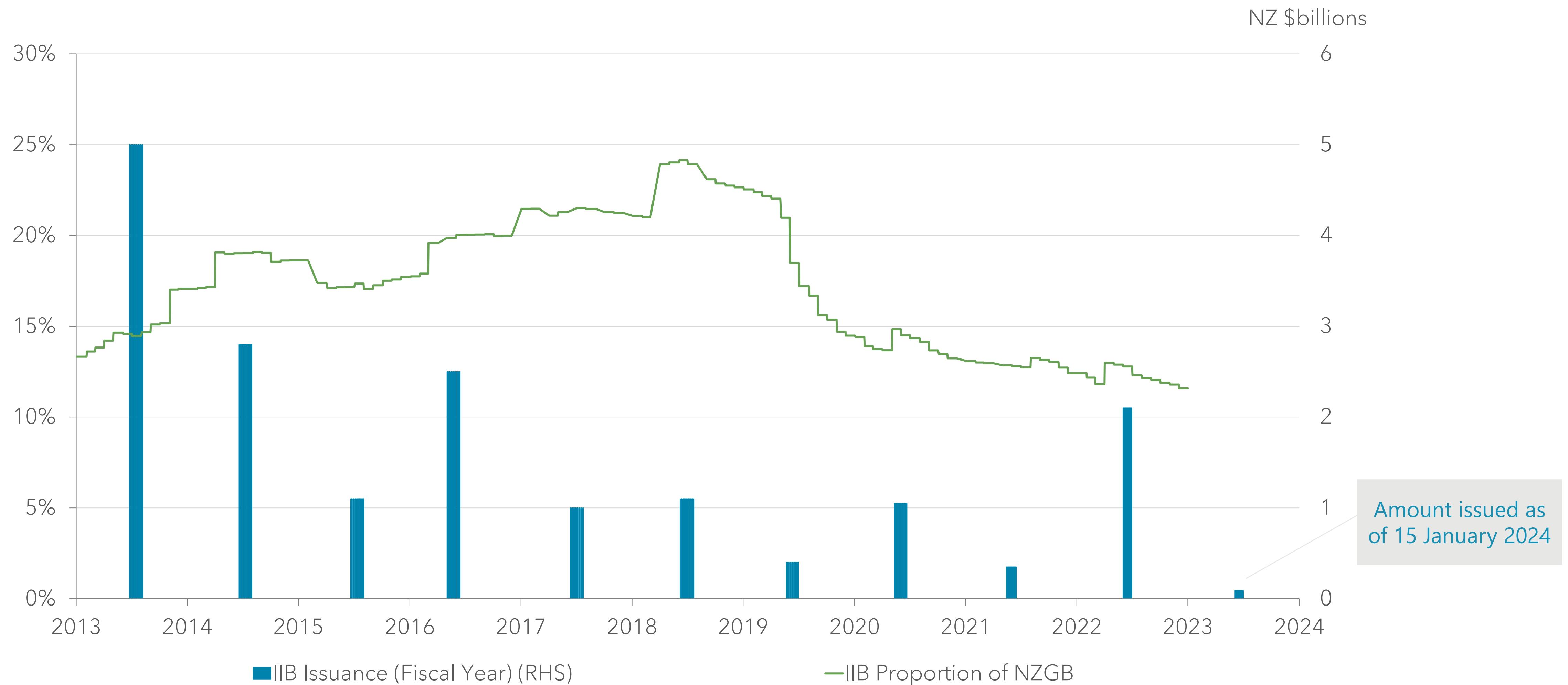
Source: NZDM, as of 15 January 2024

# Recent history of syndications

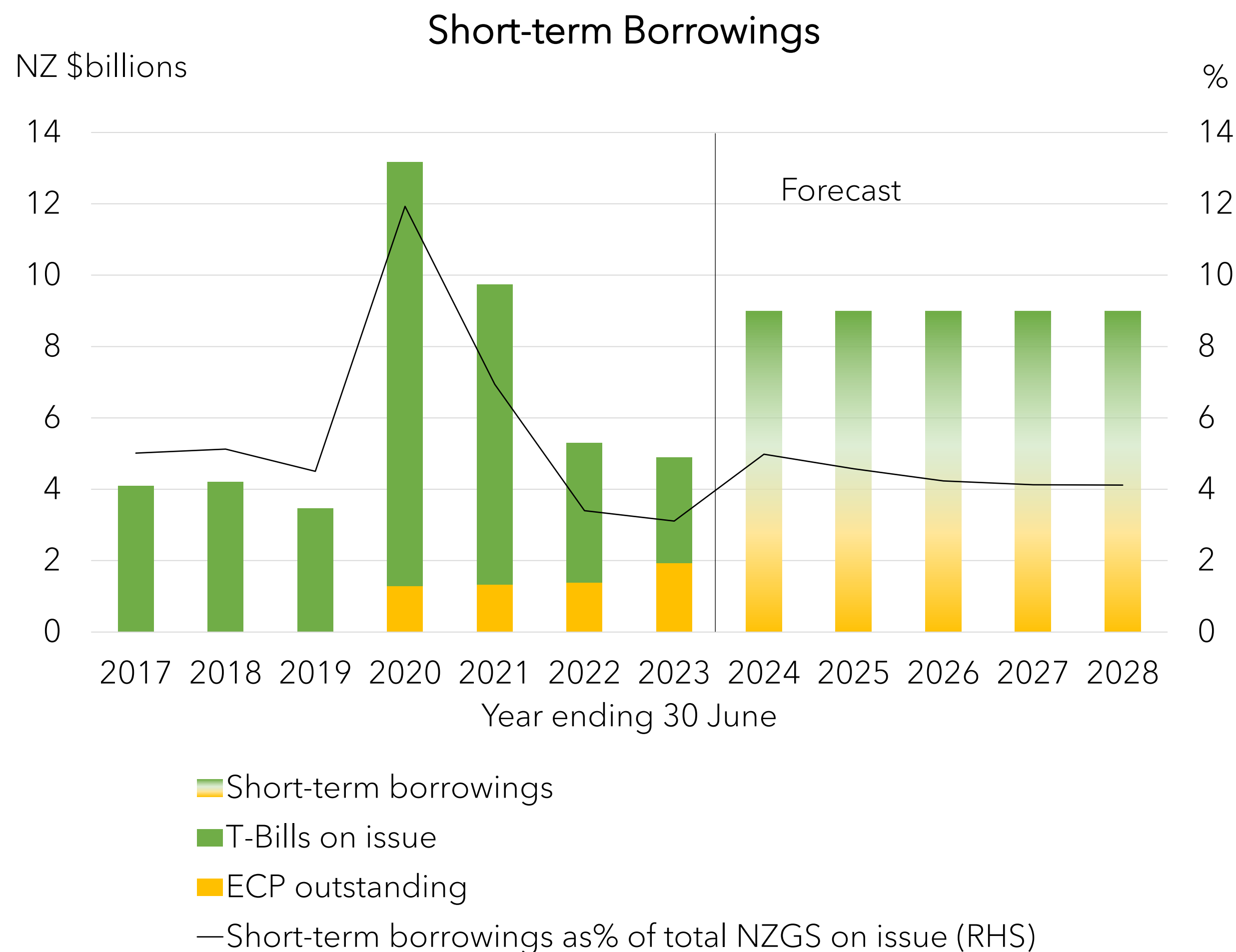


Source: NZDM

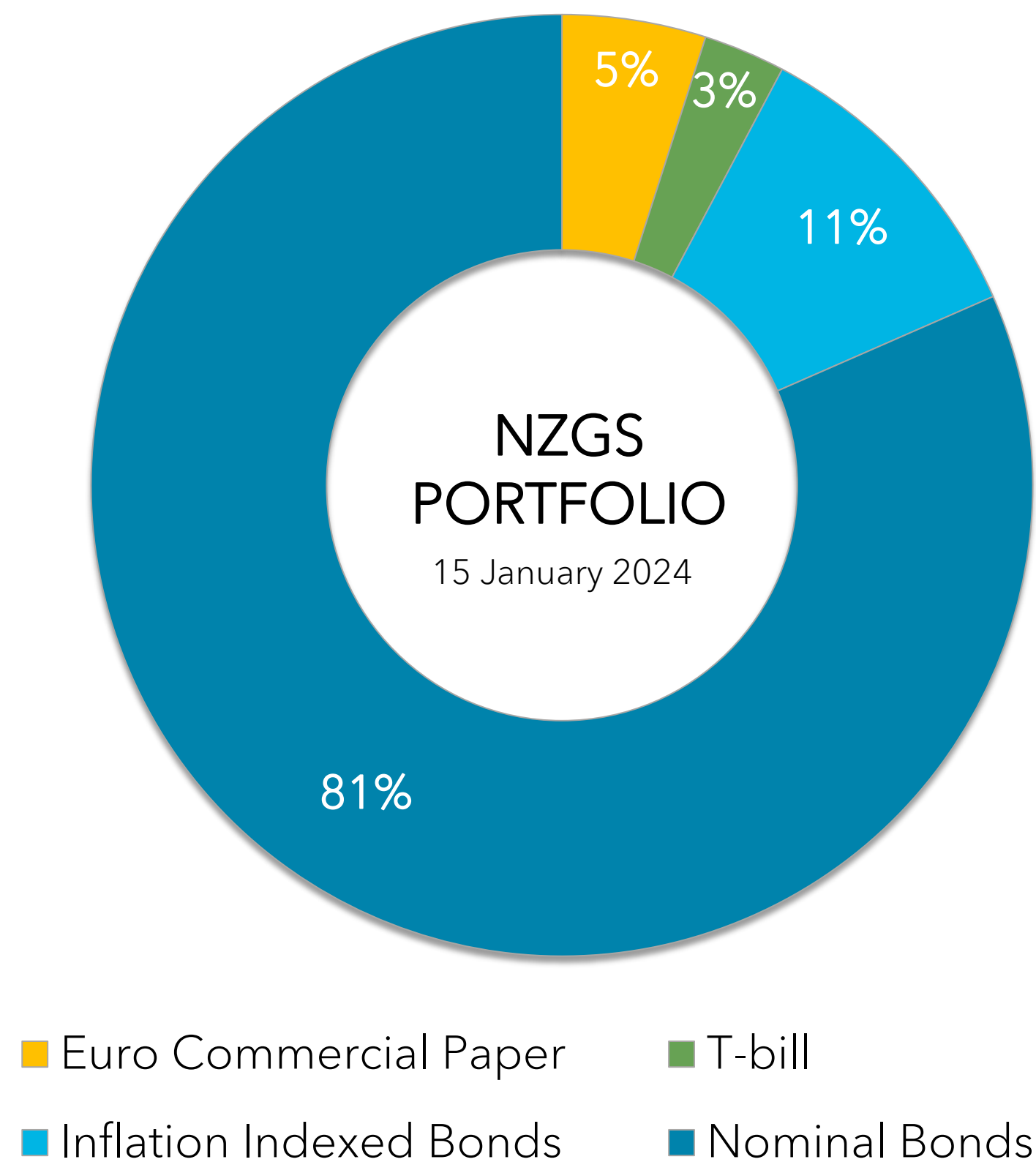
# IIB issuance is expected to be less than NZ\$1 billion in 2023/24



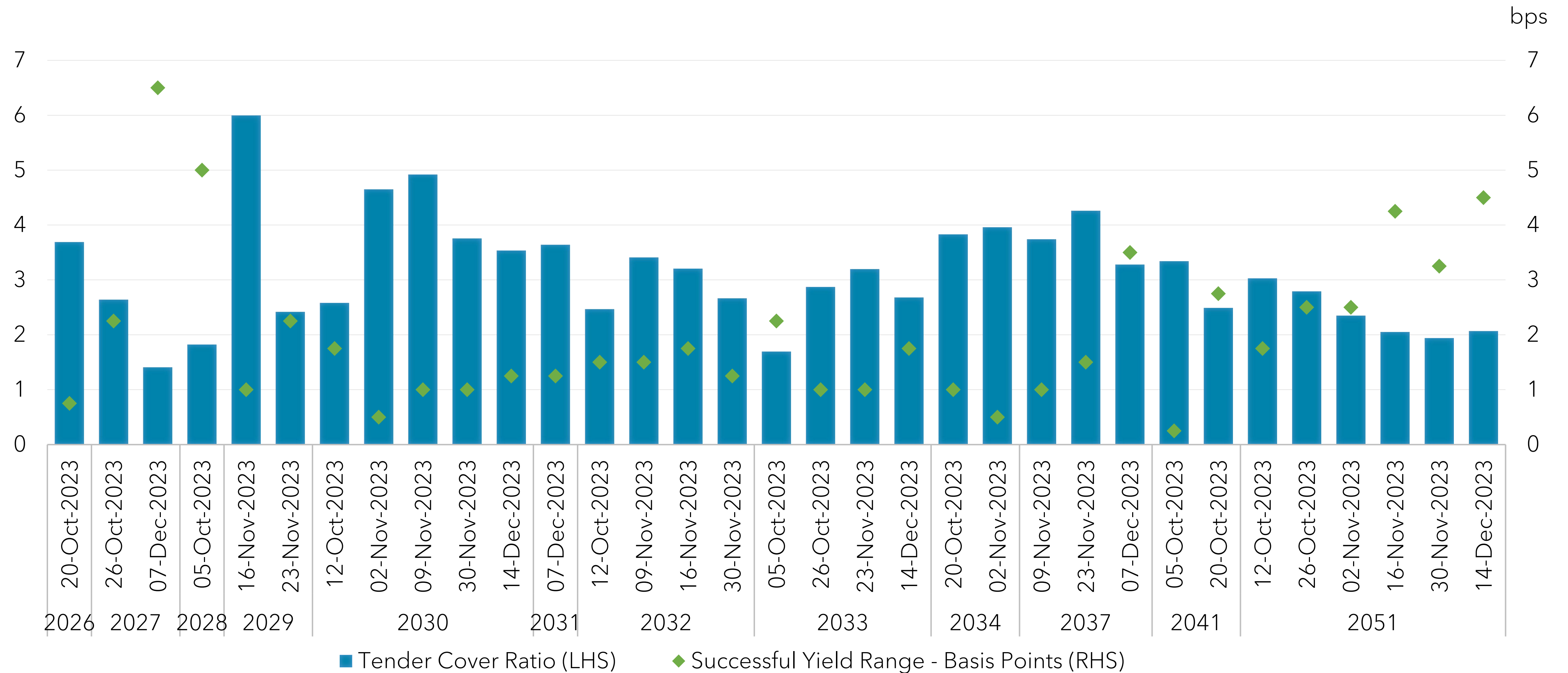
# Proportion of short-term borrowings consistent with history



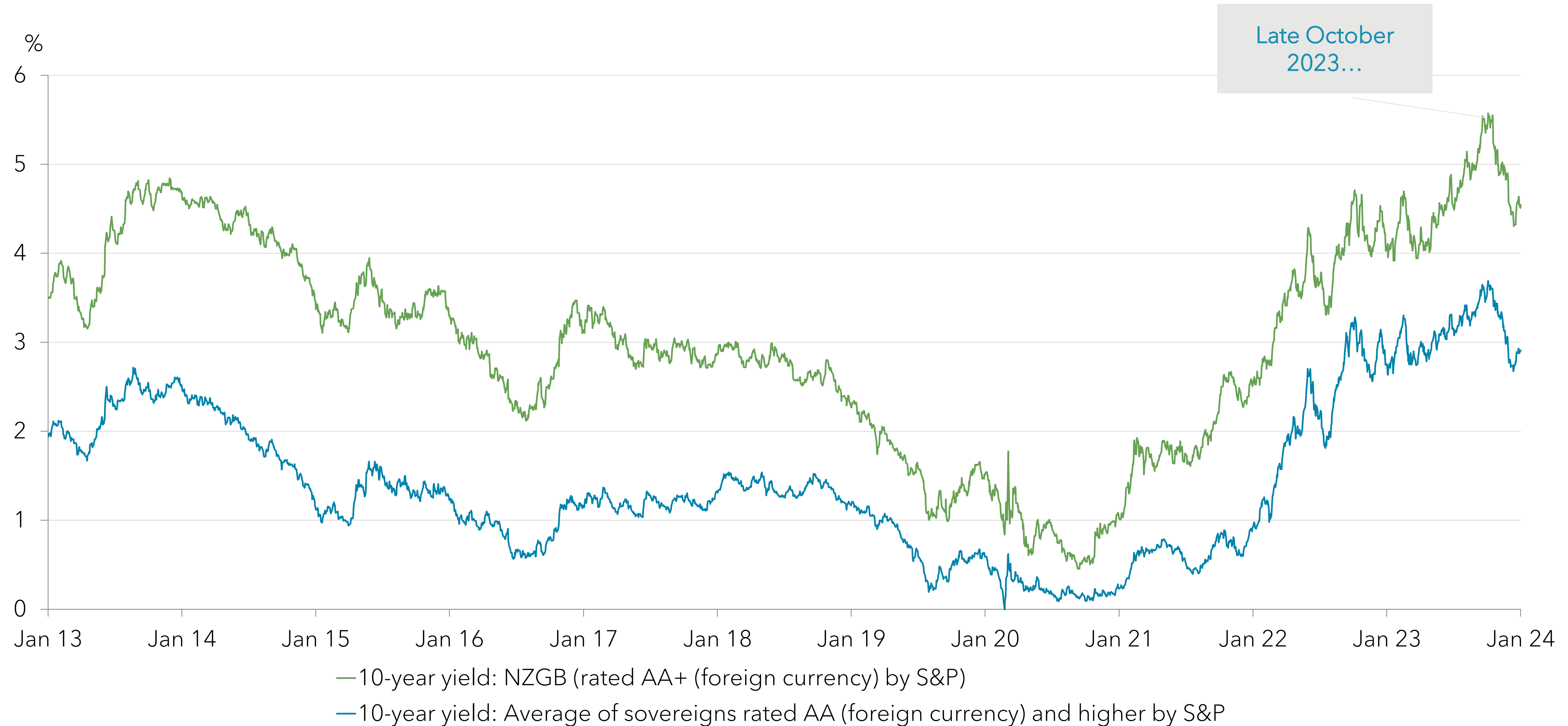
Source: NZDM, as of 15 January 2024



# Good coverage ratio for nominal bond tender



# NZGB yields maintain positive spread to peers

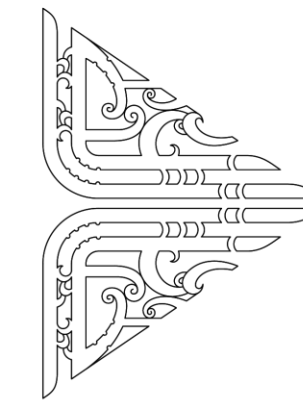


# Green Bond update

## New Zealand Sovereign Green Bond Allocation Report 2023

Allocation as of 30 June 2023

# Green Bond overview



**New Zealand  
Sovereign  
Green Bond**

## 2022/23 Green Bond Allocation

**Net proceeds:** \$4,161 million



■ Allocated – \$3,244m

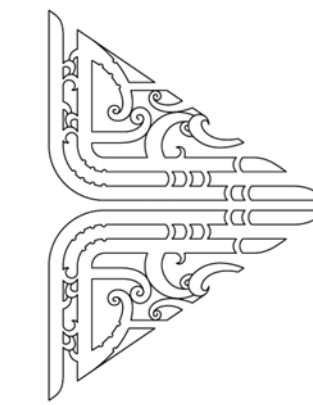


■ Unallocated – \$917m

Unallocated proceeds will be allocated in 2023/24.

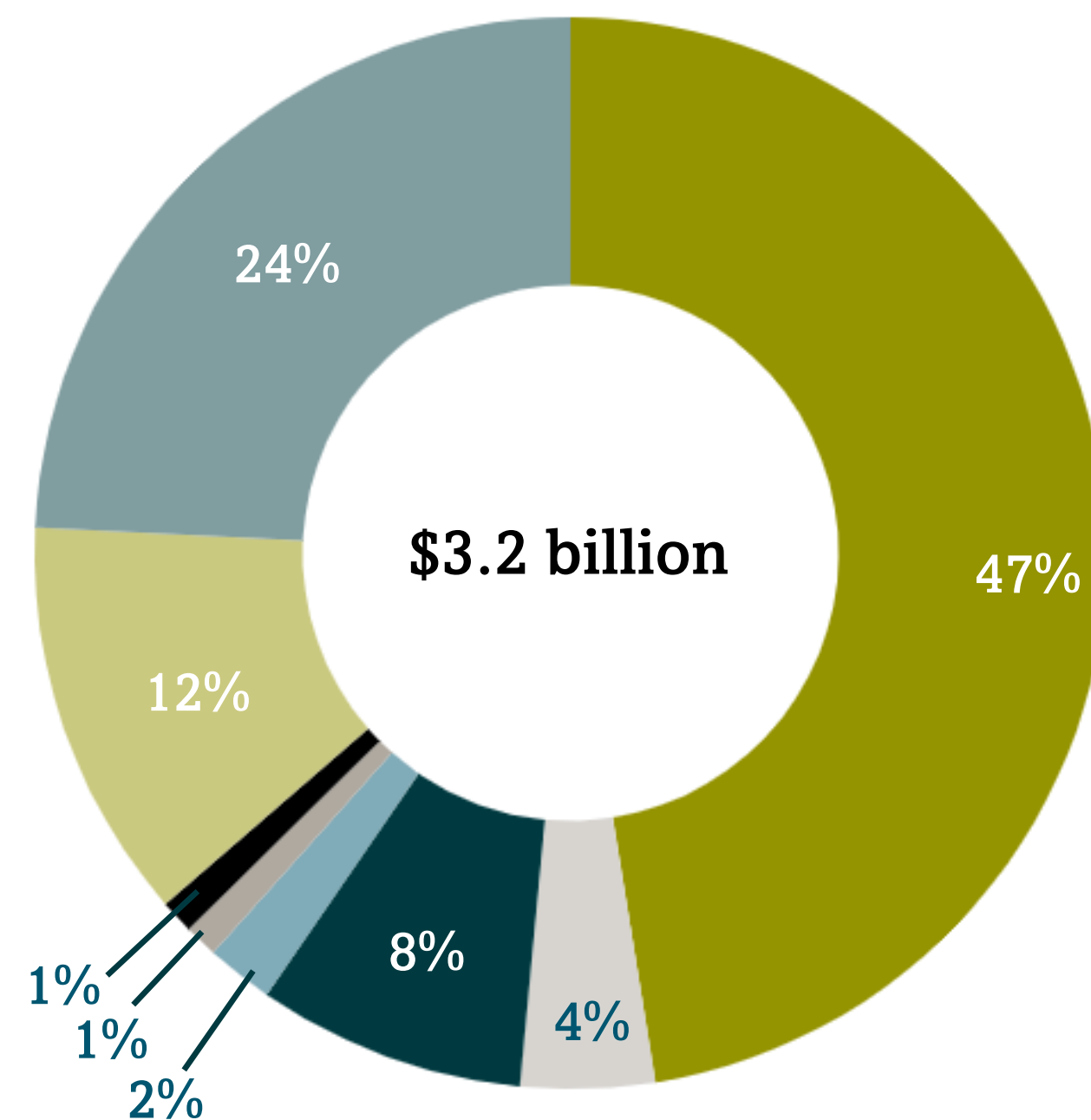
- New Zealand Sovereign Green Bond Framework developed in 2022
- First issuance November 2022 \$3 billion
- First NZ Sovereign Green Bond Allocation Report published December 2023 – available on the NZDM website

# Green Bond allocation



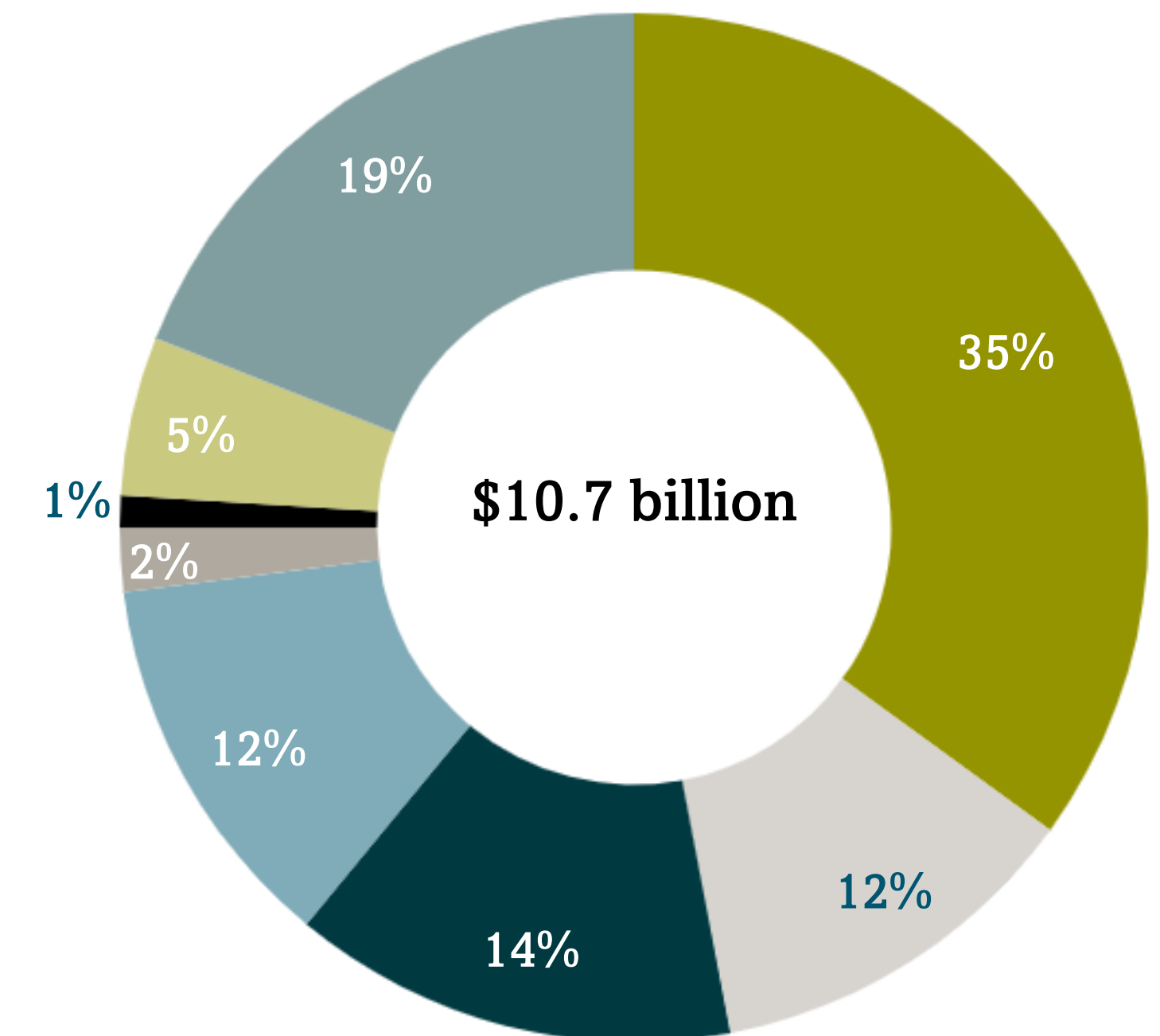
New Zealand  
Sovereign  
Green Bond

Allocation by category FY 2022/2023



- Clean Transport
- Climate Change Adaptation
- Energy Efficiency and Renewable Energy
- Green Buildings
- Living and Natural Resources and Land Use
- Pollution Prevention and Control
- Sustainable Water and Wastewater Management
- Terrestrial and Aquatic Biodiversity

Eligible expenditure pool to FY 2025/2026



# Impact reporting

The next Green Bond Annual Report (end of 2024) - will also include impact reporting.



## Impact framework

---

International best practice – using The International Capital Market Association’s Handbook – Harmonised Framework for Impact Reporting



## Impacts

---

- Environmental improvements
- Emissions reductions
- Biodiversity gains
- Social co-benefits



## Metrics and indicators

---

- Measured outputs and outcomes
- Project analysis
- Case studies
- Aggregation across projects and categories

# Contact details



**Kim Martin – Director, New Zealand Debt Management**



**Mela Greenslade – Head of Green Bonds, New Zealand Debt Management**

[investor.relations@treasury.govt.nz](mailto:investor.relations@treasury.govt.nz)

# Disclaimer



This presentation has been prepared by the Treasury on behalf of the New Zealand Government and is for general information purposes only. By listening to the presentation, or reading the presentation materials, you acknowledge and agree to the contents of this disclaimer.

To the maximum extent permitted by law, neither the Treasury nor the New Zealand Government makes any representation, recommendation or warranty, express or implied, as to the accuracy, completeness or currency of any of the information in this presentation and accept no responsibility or liability therefore. Data are indicative and approximate only, and all information is subject to change. This presentation is intended as a snapshot view of New Zealand only, and the Treasury and the New Zealand Government have no obligation, and do not undertake or accept any responsibility or obligation, to update, expand or correct anything in this presentation or inform you of any matter arising or coming to their notice, after the date of this presentation, which may affect any matter referred to in this presentation.

This presentation contains forward-looking statements including information regarding the Treasury's future bond issuances and the New Zealand Government's forecast fiscal and economic performance based on current information, estimates and forecasts. Those statements are subject to risks, uncertainties, and assumptions which are hard to predict or anticipate, and therefore actual outcomes and performance may differ materially from the statements. Any opinions expressed in this presentation reflect the judgement of the Treasury as the date hereof, and do not bind the Treasury nor the New Zealand Government.

This presentation is not a product disclosure statement, disclosure document or other offer document under New Zealand law or any other law. This presentation is not, and does not constitute financial advice. All reasonable care has been taken in relation to the preparation and collation of this presentation. Except for statutory liability which may not be excluded, no person, including the Treasury or any person mentioned in this presentation accepts responsibility for any loss or damage howsoever occurring resulting from the use or reliance on this presentation by any person. Past performance is not indicative of future performance and no guarantee or future rights are implied or given.

Nothing in this presentation is an offer to sell, or solicitation of an offer to purchase, any securities. This presentation must not be relied upon by any person for making any investment decision and will not form part of any investment contract. The information provided in this presentation is not investment advice and does not take into account the investment objectives, financial situation or needs (including financial and taxation issues) of any particular investor. Any person considering investing in New Zealand Government securities must refer to any relevant offer documents and disclosures provided expressly in connection with those securities and should take their own independent financial and legal advice on their proposed investment. New Zealand Government securities have not been and will not be registered under the United States Securities Act of 1933 (**U.S Securities Act**) or the securities laws of any state or other jurisdiction of the United States. New Zealand Government securities may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any person in the United States except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.

This presentation may not be copied, distributed, disclosed or used without the Treasury's express written consent.



TE TAI ŌHANGA  
**THE TREASURY**

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

Thank you.



TE TAI ŌHANGA  
**THE TREASURY**



**NEW ZEALAND  
DEBT MANAGEMENT**