

Reference: 20190658



8 October 2019



Thank you for your Official Information Act request, received on 10 September 2019. You requested the following:

1. *Aide Memoire T2019/1255: Publication of Infrastructure Pipeline – 10 May 2019*
2. *Aide Memoire T2019/1191: Westland Dairy Co-operative – 9 May 2019*
3. *Treasury Report T2019/1903: Fossil fuel investments by ACC – 27 June 2019*
4. *Treasury Report T2019/1594: NZ Green Investment Finance: Annual Report Exemption – 24 June 2019*
5. *Treasury Report T2019/1751: Mail Services Work Programme – 25 June 2019*
6. *Treasury Report T2019/1701: Avoiding Unappropriated Expenditure – 12 June 2019*

Information being released

Please find enclosed the following documents:

Item	Date	Document Description
1.	10 May 2019	Aide Memoire T2019/1255: Publication of Infrastructure Pipeline
2.	27 June 2019	Treasury Report T2019/1903: Fossil fuel investments by ACC

I have decided to release the documents listed above, subject to information being withheld under the following sections of the Official Information Act:

- personal contact details of officials, under section 9(2)(a) – to protect the privacy of natural persons, including that of deceased natural persons,
- direct dial phone numbers of officials, under section 9(2)(k) – to prevent the disclosure of information for improper gain or improper advantage.

Direct dial phone numbers of officials have been redacted under section 9(2)(k) in order to reduce the possibility of staff being exposed to phishing and other scams. This is because information released under the OIA may end up in the public domain, for example, on websites including Treasury's website.

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<https://treasury.govt.nz>

Information publicly available

The following information is also covered by your request and will shortly be publicly available on the Treasury website:

Item	Date	Document Description	Website Address
1.	12 June 2019	Treasury Report T2019/1701: Avoiding Unappropriated Expenditure	https://treasury.govt.nz/publications/other-official-information/responses-official-information-act-requests
2.	24 June 2019	Treasury Report T2019/1594: NZ Green Investment Finance: Annual Report Exemption	https://treasury.govt.nz/publications/other-official-information/responses-official-information-act-requests
3.	9 May 2019	Aide Memoire T2019/1191: Westland Dairy Co-operative	https://treasury.govt.nz/publications/other-official-information/responses-official-information-act-requests

Accordingly, I have refused your request for the documents listed in the above table under section 18(d) of the Official Information Act:

- the information requested is or will soon be publicly available.

Some relevant information has been removed from documents listed in the above table and should continue to be withheld under the Official Information Act, on the grounds described in the documents.

Information to be withheld

I have decided to withhold the document listed in the table below in full under section 9(2)(f)(iv) of the Official Information Act – to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials.

Item	Date	Document Description	Proposed Action
1.	25 June 2019	Treasury Report T2019/1751: Mail Services Work Programme	Withhold in full

In making my decision, I have considered the public interest considerations in section 9(1) of the Official Information Act.

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

David Hammond
Team Leader Ministerial Advisory

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Reference: T2019/1167

SH-17-6

Date: 18 April 2019

To: Minister of Finance (Hon Grant Robertson)
Minister for Infrastructure (Hon Shane Jones)

Aide Memoire: Publication of Infrastructure Pipeline

Purpose

Further to our advice regarding the publication of the first iteration of the New Zealand Infrastructure Pipeline (the Pipeline) (T2019/862), the Aide Memoire updates you on last minute changes requested by the contributing agencies: Ministry of Health, Ministry of Education, New Zealand Defence Force (NZDF), New Zealand Transport Agency (NZTA) and the Department of Corrections.

Key Messages

- The Treasury is planning to publish the Pipeline by the 26 April 2019.
- Three of the five contributing agencies have submitted last minute revisions to their data.
- One the last minute revisions was submitted by the Ministry of Health, correcting dates for the Dunedin Public Hospital rebuild.
- The NZTA has reduced the number of projects that it wishes to include in the Pipeline at this time from 41 to 8. The NZTA is currently reviewing its own pipeline, based on available funding and is hoping to provide a further update in May.
- The latest revisions mean that the total number of projects on the Pipeline has reduced from 154 with an estimated value of \$4.5bn to 142 with an estimated value of \$4.7bn.

Updates

Ministry of Health

The timeframes for the Dunedin Public Hospital have been updated to reflect new information from the Ministry of Health. The commencement date has been moved forward to 2020 to reflect the fact that site clearance and early works will commence next year.

NZTA

The first internal iteration of the Pipeline included 41 projects, with a total value of around \$1.4 billion. NZTA has now advised that it is only comfortable including 8 projects in the Pipeline, valued at \$131 million, at this time. The 33 projects removed from the Pipeline include the two largest NZTA projects; SH1 Papakura to Bombay and

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the Manawatu Tararua Highway. These projects were each valued at between \$250-500 million.

The NZTA is currently reviewing its own pipeline, based on available funding. It will provide us with a further update in due course (possibly in May), which we will incorporate at that time. The table appended to the Aide Memoire highlights the main changes.

Department of Corrections

Subsequent to our earlier advice, the Department of Corrections has now supplied details of 16 projects for inclusion in the Pipeline. Previously it had not identified any projects for inclusion.

Next Steps

- Note the intention to publish the Pipeline with the data revisions outlined in this report on 26 April 2019.
- You may wish to circulate this Aide Memoire to the Ministers of Health, Corrections and Transport given the changes relevant to their portfolios.
- A draft media release has been prepared for the Minister of Infrastructure (attached).

Guy Finny, Advisor, Infrastructure Transactions Unit, s9(2)(k)

Karen Mitchell, Interim Head of the Infrastructure Transactions Unit, s9(2)(a)

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Appendix: NZTA Changes

Funded Projects	Region	Project Value (\$m)
SH16: Brigham Creek to Waimauku	Auckland	70
SH26 Kirikiri Stream Bridge Replacement	Waikato	20
SH5: Wairakei to Mihi to SH38 - Stage 2	Waikato	11
SH10 Waipapa Corridor Improvements	Northland	9
Hamilton to Cambridge Cycle Connection	Waikato	8
SH3: Awakino to Mt Messenger Corridor - Stage 3	Taranaki	7
Katiki Coast Enhanced Resilience Stage 2	Otago	4
Waimak Bluffs Rock protection	Canterbury	2
Removed Projects	Region	Project Value Range (\$m)
SH1 Papakura to Bombay	Auckland	250 – 500
Te Ahu a Turanga Manawatu Tararua Highway	Manawatu - Wanganui	250 - 500
SH2: Waihi to Omokoroa (Trig Road to Omokoroa)	Bay of Plenty	50 – 100
W2HV Link Programme: N2P section	Wellington	50 – 100
W2HV Link Programme: P2M section	Wellington	25 – 50
SH1: Dome Valley Safety Improvements	Auckland	25 – 50
SH88 Cycling and Pedestrian Facilities including Port Chalmers Safety Improvements	Otago	25 - 50
SH3 Awakino Tunnel Bypass	Waikato	25 – 50
Old Mangere Bridge replacement - Manukau Harbour	Auckland	25 – 50
SH2: Waihi to Omokoroa (Waihi to Trig Road)	Bay of Plenty	5 – 25
SH5 Wairakei to Mihi to SH38 - Stage 2	Waikato	5 - 25
SH18 Squadron Drive Imps - Enabling Works	Auckland	5 - 25
SH30 Eastern Corridor Connect Rotorua (Phase 2)	Bay of Plenty	5 - 25
SH60 Takaka Hill	Nelson	5 - 25
SH7 Ahaura River Bridge Replacement	Canterbury	5 - 25
Loop Rd Nth to Smeatons Hill SI	Northland	5 - 25
SH8 Beaumont Bridge replacement	Otago	5 - 25
SH30 Kopaki Bridge Replacement	Waikato	5 - 25
SH6A Corridor Improvements	Otago	5 - 25
HPMV T2 West Coast connections (Contract 2)	West Coast	< 5
Visiting Driver Signature Project Otago	Otago	< 5
Woodend Corridor Safety Improvements	Canterbury	< 5

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Removed Projects	Region	Project Value Range (\$m)
HPMV T2 GIS HNO Napier Port to Gis	Gisborne	< 5
SH30A Urban Revitalisation Connect Rotorua	Bay of Plenty	Not Disclosed
Waikare Gorge	Hawkes bay	Not Disclosed
SH11 Kawakawa to SH10	Northland	Not Disclosed
SH12 Rawene to Waipoua	Northland	Not Disclosed
SH35 and connecting routes - resilience	Gisborne	Not Disclosed
SH35 and connecting routes - passing opportunities	Gisborne	Not Disclosed
SH35 Makoomuka Realignment	Gisborne	Not Disclosed
SH43 Forgotten Highway	Taranaki	Not Disclosed
Passing and overtaking opportunities	Northland	Not Disclosed
Accessing Central New Zealand SH3 Napier	Manawatu - Wanganui	Not Disclosed

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IN-CONFIDENCE**Appendix: Draft Media Release**

Date TBC

Draft Media Release

Prototype Infrastructure Pipeline Published

The Government has published a prototype Infrastructure Pipeline, to show what infrastructure projects it expects to be delivered by five central government agencies over the next five years, Infrastructure Minister Shane Jones announced today.

“The Government is the construction industry’s biggest client, but one of the biggest challenges the industry has identified is the lack of certainty and transparency over what infrastructure projects the Government is committed to or has under consideration.

“When it is fully developed, the Infrastructure Pipeline tool will help give the infrastructure market greater confidence about the timing, sequencing and scale of future credible and committed infrastructure projects greater certainty about future infrastructure projects, so it can gear-up capacity and capability to deliver.”

The prototype includes data from five capital-intensive central government agencies: The Ministries of Education and Health, the New Zealand Transport Agency, the New Zealand Defence Force and the Department of Corrections

“This prototype is the first step, and will give us a solid base to build on. Publishing it will allow us to gather industry and agency feedback on this functionality and approach, before proceeding to future iterations of the tool, involving all central government agencies as well as local government, and eventually private sector projects.”

The tool includes the ability to filter and sort this data by a range of variables, including by sector, region, project stage and value range. Additional information is available for each project, including links to find more online information from the responsible agency. The information will also be available open data formats for download.

Creating a more certain, visible and better coordinated pipeline of infrastructure projects is one of the priority work areas identified for Government as set out in the draft Construction Industry Accord, launched recently.

It is also one of the key functions of the New Zealand Infrastructure Commission, Te Waihangā, which is being established to improve how New Zealand coordinates and plan our infrastructure.

“By shining a light on the credible, committed projects expected over a five-year horizon, the pipeline will help with aligning those projects with New Zealand’s longer-term infrastructure plans, and inform the Commission’s thinking as it develops a 30-year strategy to deliver the infrastructure New Zealand needs, where and when we need it.”

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The Infrastructure Pipeline has been developed by the Treasury's Infrastructure Transactions Unit (ITU) in the lead-up to the establishment of the Infrastructure Commission.

Data will be updated at least quarterly. The next update is planned after 30 May 2019, to incorporate any changes resulting from Budget 2019.

Note to Editors The Infrastructure Pipeline Tool is available on the Treasury's website at(insert URL)

For more information contact.....

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TE TAI ŌHANGA
THE TREASURY**Treasury Report: Fossil fuel investments by ACC**

Date:	27 June 2019	Report No:	T2019/1903
		File Number:	CM-1-3-1-9-2-4 (Responsible Investment)

Action Sought

	Action Sought	Deadline
Hon Grant Robertson Minister of Finance	Sign and send the attached letter to ACC Futures Coalition	9 July 2019

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Jennifer Xie	Analyst, Financial Institutions	s9(2)(k)	N/A (mob) ✓
Joseph Sant	Manager, Financial Institutions	s9(2)(a)	

Actions for the Minister's Office Staff (if required)

Return the signed report to Treasury.
Sign and send the attached letter to ACC Future Coalition

Note any feedback on the quality of the report

Enclosure: Yes (attached)

IN-CONFIDENCE**Treasury Report: Treasury Report: Fossil fuel investments by ACC**

Purpose of Report

1. You have received a letter from ACC Futures Coalition (the Coalition) expressing concern regarding the Accident Compensation Corporation's (ACC's) investment in fossil fuels.
2. This follows a response to an Official Information Act (OIA) request in which ACC provided the Coalition with information regarding its investments in fossil fuels. The response has been reported in the media and *Stuff* has approached you for comment.
3. This report provides you with information on ACC's fossil fuel investments and provides a letter of response to the Coalition.

ACC's Fossil Fuel Investments

4. In its OIA response, ACC has advised the Coalition that it invests around 2.5% (c. \$1 billion) of its total investment portfolio in fossil fuel companies and that no documents exist that consider adding fossil fuels to its Investment Exclusions list.
5. ACC uses New Zealand law (on the basis that it is the best proxy for the ethical views of the majority of New Zealanders) as a guide for its ethical investment policies, and would therefore be unlikely to impose a blanket ethical exclusion on any carbon-emitting activities.
6. ACC views climate change not as an ethical issue, but an investment issue. ACC agrees that climate change and de-carbonisation will have significant impacts on many sectors of the economy, however it considers that market pricing is already building in an expectation of significant disruption. ACC therefore believes the issue to be whether market prices are over or under estimating how different companies will adapt to climate-related change and that the assessment of this is best undertaken at the company-specific level.
7. ACC advised that its ethical investment policy is kept under active consideration and at this point, it has no plans to change its approach to fossil fuel investments.

Crown Financial Institutions and Responsible Investment

8. The statutory framework that sets out the mandates for the Crown Financial Institutions (CFIs) is laid out across a number of individual entity-specific Acts. As a result, there is no single set of guidelines under which the CFIs must operate.
9. While the legal arrangements differ, all CFIs have a framework for considering issues relating to responsible investment. Common to these frameworks is a requirement that the CFI, in making its investments, avoid prejudice to New Zealand's reputation as a responsible member of the world community. All the CFIs have produced responsible investment policies, which are included in their statement of investment policies, standards and procedures; and all are signatories to the United Nations Principles for Responsible Investment.

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10. In each case, the CFI funds are required to balance their duties to make ethical investments with their fiduciary duties to maximise long-term risk adjusted returns. The legislation does not provide specific guidance as to what the relevant terms in these mandates mean, with interpretation left up to the respective Boards. The statutory mandates are then reflected, along with any ministerial directives, in the investment constraints, guidelines and policies which are established by the Boards.
11. The CFIs have entered into a collaborative arrangement whereby they can share analysis, reduce costs and, where appropriate, collectively engage with companies which are found to be operating contrary to their responsible investment policies. However, each CFI is individually responsible for its own decisions on responsible investment issues.
12. When looking across the Crown portfolio, there are inconsistencies. We note the New Zealand Super Fund is committed to integrating its Ethical, Social and Governance framework into investment decision making by divesting from both fossil fuel reserves and carbon emissions companies, aiming to maintain an investment portfolio more resilient to climate-related risks, and deliver investment outcomes with social acceptability in the long term.
13. We are providing the draft Statutory Review of the Guardians of New Zealand Superannuation to you with an accompanying aide memoire today. The draft review states that the Guardian's responsible investment framework aligns with best practice standards. This could be referenced to indicate your interests in a discussion with the ACC Board later this year.
14. Due to the 'arms-length' relationship between Ministers and ACC, the responsibility for managing ACC's investments rests with the ACC Board. However, as you have the role of overseeing ACC's investment function, your directives could influence ACC's responsible investment policies to avoid prejudice to New Zealand's reputation as a responsible member of the world community.

Recommended Action

We recommend that you:

- a **agree** to sign and send the attached letter to the ACC Futures Coalition

Agree/disagree.

Joseph Sant
Manager

Hon Grant Robertson
Minister of Finance