The Treasury

Budget 2026 Information Release

September 2026

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Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

[1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government

[2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government

[4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial

[7] 6(e)(ii) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the regulation of banking or credit

[12] 7(a)(i) - to avoid prejudice to the security or defence of the self-governing State of the Cook Islands

[13] 7(a)(ii) - to avoid prejudice to the security or defence of the self-governing State of Niue

[14] 7(a)(iii) - to avoid prejudice to the security or defence of Tokelau

[15] 7(a)(iv) - to avoid prejudice to the security or defence of the Ross Dependency

[23] 9(2)(a) - to protect the privacy of natural persons, including deceased people

[25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information

[26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied

[27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

[31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility

[33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials

[34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions

[35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;

[36] 9(2)(h) - to maintain legal professional privilege

[37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice

[38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice

[39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

[40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

[41] 18(d) - information requested is or will soon be publicly available

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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Climate implications of policy assessment: Disclosure sheet

This disclosure sheet provides the responsible department's best estimate of the greenhouse gas emissions impacts for Aotearoa New Zealand that would arise from the implementation of the policy proposal or option described below. It has been prepared to help inform Cabinet decisions about this policy. It is broken down by periods that align with Aotearoa New Zealand's emissions budgets.

Section 1: General information

General information	
Name/title of policy proposal or policy option:	Budget 2026 Package
Agency responsible for the Cabinet paper:	The Treasury
Date finalised:	*30/04/26*
Short description of the policy proposal:	*Assessment of a subset of Budget 2026 initiatives with climate impacts encompassing new spending, cost pressures and savings initiatives.*

This Climate Implications of Policy Assessment (CIPA) provides the assessment of climate impacts for a subset of 12 Budget 2026 initiatives encompassing new and capital spending initiatives identified as having an emissions impact based on information provided by portfolio agencies. This assessment has been developed with a mix of quantitative and qualitative data provided by agencies.

Section 2: Greenhouse gas emission impacts, in addition to what is assumed in 2025 projections

This table shows the emissions impacts of the Gas Transition Loan Guarantee Scheme (17318) initiative broken down by source (electricity and industry). These estimates include both direct and indirect impacts. Given the high uncertainty in estimating indirect impacts, the programme could deliver a larger net emissions reduction than currently indicated. It also shows the emissions impacts of the Police Property Upgrade Programme (17101) initiative (industry). These initiatives are not already assumed in the MfE 2025 emissions projections and therefore are expected to deliver additional emissions reductions beyond what has already been accounted for in projections.

Sector & source	Changes in greenhouse gas emissions in tonnes of carbon dioxide equivalent (Mt CO_2-e)						
	2020–25	2026–30	2031–35	2036–40	2041–45	2046–50	Cumulative impact
Electricity		-0.03	-0.02	0.01			-0.04
Transport							
Industry		-0.22	-0.35	-0.12			-0.69
Waste							
Agriculture							
Land use, land-use change and forestry							
Total		**-0.25**	**-0.37**	**-0.11**			**-0.73**

Please note that no quantified emissions changes are available for other sectors including, agriculture and land use, land use change and forestry.

Section 3: Greenhouse gas emission impacts, already assumed in 2025 projections

This table shows the emissions impact of the Rail Network Investment Programme initiative (16407). The associated emissions reduction are already assumed in MfE's 2025 emissions projections. While this does not deliver additional reductions beyond what had already been indicated in current emissions projections, this funding decision will provide greater certainty that the associated emissions reductions will be achieved.

Sector & source	Changes in greenhouse gas emissions in tonnes of carbon dioxide equivalent (Mt CO_2-e)						
	2020–25	2026–30	2031–35	2036–40	2041–45	2046–50	Cumulative impact
Electricity							
Transport		-0.77	-0.99	-0.87	-0.62	-0.42	-3.67
Industry							
Waste							
Agriculture							

Sector & source	Changes in greenhouse gas emissions in tonnes of carbon dioxide equivalent (Mt CO_2-e)						
	2020–25	2026–30	2031–35	2036–40	2041–45	2046–50	Cumulative impact
Land use, land-use change and forestry							
Total		**-0.77**	**-0.99**	**-0.87**	**-0.62**	**-0.42**	**-3.67**

Please note that no quantified emissions changes are available for other sectors including, agriculture and land use, land use change and forestry.

Section 4: Additional information

Additional information

Summary emissions impact

Based on information provided in agencies' Budget initiative templates, CCIEB unit officials identified 12 initiatives as having some form of emissions impact. The quantified emissions impact of the Rail Network Investment Programme initiative (16407) has triggered the CIPA requirement.

Three initiatives have some quantified emissions impacts expected to provide a total of 1.02 Mt CO_2-e of emissions reductions in the second emissions budget period (EB2) from 2026–2030. This represents 0.34% of the EB2 limit of 305Mt CO_2. When factoring in non-quantified initiatives, **the overall net impact of the package is expected to be neutral, with potential for a small decrease in emissions and is unlikely to be material for meeting EB2**. However, there is uncertainty given information limitations for initiatives, timing of the emitting activity in the period to 2030 and the impact of the Emissions Trading Scheme[1].

Quantified emissions impact

The Rail Network Investment Program (RNIP) (17139) initiative is aimed at ensuring current rail operations continue at existing levels. The 2025 emissions projections assume a 'status quo' baseline for rail emissions, i.e. that KiwiRail will continue operating at current levels with sufficient funding to do so. Not funding this initiative could disrupt service levels and shift more

[1] The New Zealand Emissions Trading Scheme (NZ ETS) is the Government's key tool to reduce emissions. Over the long term, net emissions from ETS-covered sectors are limited by the number of NZUs available (the ETS cap). For sectors covered by the NZ ETS, policy proposals are expected to have little or no impact on net emissions in the long run. However, the existence of the NZU stockpile means that policies could lead to either higher or lower emissions, affecting our ability to meet EB2 and EB3 in the near term, depending on the impact, even if the long-term impact is likely neutral.

Additional information

freight to road transport, which could increase transport emissions. This funding has been forecast to result in emissions avoided and reduced of approximately 0.77 Mt CO_2-e over 2026-30 (0.25% of EB2), 0.99 Mt CO_2-e over 2031-35 (the third emissions budget, or EB3) (0.32% of EB3) and 3.67 Mt CO_2-e cumulatively by 2050.

Funding this initiative provides more certainty for emissions reductions already assumed in 2025 emissions projections to be realised. In other words, it does not represent additional emissions reductions beyond current emissions modelling. New funding has been agreed for the 2027/28, 2028/29 and 2029/30 financial years, with no commitment for outyears. Whether the emissions reductions assumed for EB2 will be fully realised for outyears depends on future funding decisions.

The Gas Transition Loan Guarantee Scheme (17318) initiative establishes a loan guarantee scheme to support investments by firms to transition from gas to other energy sources. It aims to accelerate fuel switching, ease gas supply pressures, improve affordability, and prioritise gas for critical industries and those unable to switch. Switching from gas to other fuel sources is likely to reduce emissions through reduced gas consumption. This initiative is estimated to reduce emissions by approximately 0.25 Mt CO_2-e over the EB2 period (0.08% of EB2) in addition to 2025 projections, with the actual impact dependant on the scheme's uptake.

The Police Property Upgrade Programme (17101) initiative provides funding for new construction and refurbishment of police properties and is estimated to result in a short-term increase in emission of approximately 0.005 Mt CO_2-e over the EB2 period (0.002% of EB2).

Non-quantified emissions impact

A further 9 initiatives in the Budget package have a potential emissions impact that have not been quantified by agencies. Most relate to the transport and construction sectors.

These initiatives are expected to increase short-term construction related emissions, with most enabling longer-term reductions through changes in transport use and improved building efficiency. For example, investment in Metropolitan Rail Network Overdue Renewals (17161) improvements in Wellington and Auckland is expected to result in a minor emissions increase over EB2 from rail construction. Indirectly it is likely to reduce emissions in the longer term by increasing passenger rail mode share. However, the overall emissions impact is small and more localised.

The Government Policy Statement on Land Transport 2027 initiative (17157) funds investment in the land transport system. There will likely be emissions impacts arising from this initiative however it is currently uncertain and unable to be quantified as it depends on which transport projects are funded. As at 30 April 2026, the overall funding level remains subject to final decisions, increasing the uncertainty around the scale of impacts.

A small number of initiatives fall outside transport and construction, including fuel resilience measures, which are expected to deliver emission reductions over the EB2 period.

Summary adaptation impact

There are 18 initiatives in the Budget 2026 package with potential climate adaptation and resilience impacts. **Qualitative assessment found in aggregate, these initiatives would deliver a net increase in our ability to withstand and respond to adverse climate events**, particularly in the relation to resilience of our public assets and defence force capability. The RM Reform

Additional information
Implementation Tranche 1 Investments (17112) and the Wilding Confiders initiative (17131) both relate directly to delivery of the Government's National Adaptation Framework and National Adaptation Plan and support the delivery of the Government's climate strategy and resource management reforms. The National Predator Control – Scaling of Programme initiative (17159) returns $7.5 million and could result in a minor reduction in ecosystem resilience outcomes.

Section 5: Quality assurance

Quality assurance	

The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do apply to this proposal. The reductions in EB2 and EB3 are above the quantitative threshold and therefore require a CIPA statement. For the Budget initiatives with modelled emissions impact, funding is estimated to reduce emissions by -1.02 Mt CO_2-e in EB2 and -1.36 Mt CO_2-e in EB3. The reductions in EB2 and EB3 are above the quantitative threshold and therefore require a CIPA statement. Of the three proposals with modelled emissions, one was already included in New Zealand's emissions forecasting, and the other two are additional. However, all require funding to realise the modelled emissions reductions.