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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Date: 30 April 2026

To: Minister of Finance
(Hon Nicola Willis)

Deadline: ASAP

TE TAI ŌHANGA
THE TREASURY

Aide Memoire: Transport Budget 2026 Final Update

On 30 April, you sought further advice on the debt curve impacts of funding [33] Cambridge to Piarere (C2P) – to inform the final Budget 2026 Transport package. Specifically, you wanted to know whether funding [33] would shift the year in which the net core Crown debt curve would begin to bend down.

Net core Crown debt is still expected to track down after 2027/28

We are still in the process of compiling an updated net core Crown debt track to reflect the fiscal impact of the updated economic forecasts, Budget 2026 packages and other developments (such as the increase in the contributions to NZS Fund). However as signalled in our update on the fiscal outlook (T2026/920) our initial analysis suggest that the trend in net core Crown debt is unlikely to shift significantly from the preliminary fiscal forecasts (even with higher costs for C2P – see below), which had net core Crown debt peaking at just under [37] of GDP in 2027/28. We will have a better sense on the net core Crown debt early next week.

As the outstanding decisions on the Transport package will be phased over several fiscal years, we expect that the impact on the net core Crown debt track will be marginal (refer Table 1). Overall progressing with [33] would add approximately [37] to net core Crown debt as a percentage of GDP by 2029/30.

This can be illustrated by modelling the impact using the indicative baseline we have previously communicated (T2026/848). This shows we expect that net core Crown debt will still bend down at the end of the forecast period if you fund [33] **Cambridge to Piarere**, compliant with your short-term intention. We expect that net core Crown debt will peak lower than forecast at HYEFU. However, as we have previously advised, we have concerns about the value for money of the RoNS and do not recommend funding the additional RoNS to better balance the fiscal challenges and risks.

We note that this modelling is indicative and uses an approximated version of the Budget 2026 Fiscal Strategy Model as the baseline. This baseline reflects the preliminary fiscal forecasts, with partial updates for the economic forecasts completed on 1 April, tax and welfare forecasts based on the 1 April economic forecasts, updated

NZSF forecasts, higher NZSF contributions reflecting lower expected NZSF returns, and your decision to increase the Budget 2029 allowance to $5 billion. As these inputs are only part of what influence our fiscal forecasts, the numbers are likely to change in our final fiscal forecasts (due 8 May 2026), so the baseline should be treated as indicative only.

Table 1 – *Indicative net core Crown debt under different Transport package options*

Net core Crown debt (%of GDP)	2025/26	2026/27	2027/28	2028/29	2029/30
Indicative baseline	43.0%	46.0%	46.1%	45.5%	44.5%

[37]

NZTA has increased costs [37]

In preparing this aide memoire for you on 30 April, we sought to confirm the expenditure phasing [33] with NZTA as this impacts on the net debt forecast track. NZTA's response included a change in funding requirements [37]

We note that NZTA provided advice to the Minister of Transport's office confirming the additional funding requirements [37]

[34]

Ben Quilter, Senior Analyst, Infrastructure Security and Government, N/A
Amanda Wilson, Unit Manager, Infrastructure Security and Government, [35]