# The Treasury

## Budget 2026 Information Release

## September 2026

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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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TE TAI ŌHANGA
THE TREASURY

Reference: T2026/205 SH-11-5-1-2-2-1-M133750

Date: 12 February 2026

To: Minister of Finance (Hon Nicola Willis)

Deadline: 18 February 2026
(if any)

# Aide Memoire: Update on Gas Transition Loan Guarantee

This aide memoire summarises bank and industry feedback on a gas transition loan guarantee scheme to inform a discussion at the 18 February Weekly Agency Meeting.

We consulted the following stakeholders:
[26]

**There is broad consensus that demand-side intervention is needed**
Stakeholders consistently told us that Government support on the demand-side is needed. Some also said current Government signals are mixed and that the focus on supply-side measures creates uncertainty about whether businesses should move away from gas, and if so, when they should consider moving. They consider that the status quo is not addressing the pressures many firms are already facing such as significant cost increases, impacting their business viability.

**Stakeholders are generally supportive of a loan guarantee scheme**
Most banks and industry representatives noted that a loan guarantee scheme could provide a helpful signal to the market and support decision-making for firms considering transition investments, particularly if the scheme is time-limited. They also mostly view it as a low-regrets option that can be implemented easily.

**Views differ on the likely impact of the scheme**
Many stakeholders considered that a loan guarantee would have only a marginal (or, in one case, a negligible) impact, given limited interest rate savings and the view that access to finance is not a significant constraint.[1] Others were more positive, suggesting that a well-designed and clearly signalled scheme could meaningfully accelerate uptake and encourage investment in fuel efficiency and switching projects.

[1] Key transition barriers include policy and information uncertainty, weak project economics and competing capital priorities, mid-lifecycle infrastructure, geographical and operational considerations, and limited supply-side readiness.

**Some suggested exploring grants or concessional lending for greater impact**
We agree that direct funding like grants or concessional lending would likely have a greater impact on supporting the gas transition. However, these options would also entail higher fiscal costs and weaker commercial incentives. As per our previous advice, we therefore prefer a loan guarantee scheme (T2025/2972 refers).

**Some feedback may influence our forthcoming advice on the scheme design**, including:

- **Excluding large businesses:** We previously recommended excluding very large businesses, reflecting an assumption that they are better placed to manage the transition without government support. However, many stakeholders suggested that including larger users could deliver greater impact, noting that larger users may still require support, and have greater technical capability to transition more quickly and free up more gas.
- **Targeting industrial businesses**: We suggested earlier focusing on industrial users only because they consume more gas and face greater transition challenges. Most stakeholders recommended also including commercial users, as they may be able to switch more easily and can also benefit from switching in terms of their long-term energy security and viability.
- **Adding technical support from EECA**: Stakeholders emphasised the value of EECA's technical expertise in helping businesses – particularly small and medium sized businesses – manage the complexity of transition projects and suggested this be included as an add-on to the guarantee scheme.

Following discussion of the issues covered in this note at the Weekly Agency Meeting next week, we will finalise our substantive advice, which will be provided to you on 26 February. The advice will set out the proposed design parameters and scope. If you were to proceed with a loan guarantee scheme, work would need to progress at pace to meet Budget timelines, as outlined below.

Indicative timeline

- 26 February – Treasury Report on loan guarantee scheme
- 26 March – Draft Cabinet paper provided for Ministerial consultation
- 16 April – Cabinet Paper lodged
- 28 April – Cabinet consideration of the scheme
- 29 April – Budget package considered by Cabinet
- May – Final terms negotiated and draft indemnity prepared
- 21 May – Treasury Report seeking agreement to final scheme terms

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