The Treasury

Budget 2026 Information Release

September 2026

This document has been proactively released and is available on:

- The Budget website from September 2026 to May 2027 only at: **https://budget.govt.nz/information-release/2026**, and on
- The Treasury website from later in 2026 at: **https://www.treasury.govt.nz/publications/budgets/budget-2026-information-release**

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).

Copyright and Licensing

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.

TE TAI ŌHANGA
THE TREASURY

Treasury Report: 2026 International Visitor Levy allocations

Date:	16 April 2026	**Report No:**	T2026/721
		File Number:	DH-32-0-20-M136797

Action sought

	Action sought	Deadline
Hon Nicola Willis **Minister of Finance**	Indicate your preferred investment option for DOC's discretionary IVL allocation.	20 April 2026

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Lachy Stark	Senior Analyst, Climate Energy and Resources	[39]	[35]	✓
Nicky Lynch	Manager, Climate Energy and Resources			

Minister's Office actions (if required)

Return the signed report to Treasury.

Refer a copy of this report to the Ministers of Conservation, Tourism and Hospitality, and Biosecurity.

Note any feedback on the quality of the report	

Enclosure: Yes – 2026 Department of Conservation IVL Investment Plan (attached)

Executive summary

This report seeks your decision on the Department of Conservation's (DOC's) 2026 International Visitor Levy (IVL) Investment Plan, following your request for further advice on funding the Wilding Conifers initiative from DOC's discretionary IVL allocation.

The key issue is the scale of IVL funding for the Wilding Conifers initiative and the trade-offs this creates for other conservation and visitor priorities, given DOC's fixed discretionary allocation and existing pre-commitments.

The DOC draft Investment Plan includes three options. This report focusses on the two options with higher funding for Wilding Conifers:

- **Option 2 (DOC preferred):** Provides a partial IVL contribution of $40 million over four years (or $30 million over the three-year bid period). This option preserves greater funding for other biodiversity and visitor projects but would require a further $49.19 million from the Budget 2026 operating allowance to deliver the initiative at the scale previously recommended by the Treasury.

- **Option 3 (Treasury preferred):** Fully funds our previously recommended amount for the Wilding Conifer initiative at $79.19 million over three years from the IVL. This option would allow the Wilding Conifers initiative to proceed and reduce pressure on the operating allowance. However, it significantly constrains funding for other conservation initiatives in the near term.

On balance, Treasury recommends Option 3, given the strong evidence that early, large-scale intervention on wilding conifers avoids substantial future environmental and fiscal costs. This option accelerates implementation of the National Pest Management Plan, including increased third-party contributions.

DOC recommends Option 2 and considers that it better aligns with IVL objectives and maximises overall conservation and visitor outcomes. However, for the Wilding Conifers initiative to proceed at the recommended scale it would require $49.19 million from the Budget 2026 operating allowance.

Once IVL Ministers have agreed to an option for DOC's IVL Investment Plan, the Minister of Conservation and Minister of Tourism and Hospitality will write to you seeking formal agreement to their finalised Investment Plans.

IVL Ministers will receive further advice from officials post-Budget 2026, with options to further refine and clarify the IVL investment process.

Treasury Report: 2026 International Visitor Levy allocations

Purpose of Report

1. This report seeks your feedback and decisions on the Department of Conservation's (DOC's) International Visitor Levy (IVL) 2026 Investment Plan.

Background

2. The Ministers of Conservation and Tourism provided their draft plans to your office on 26 March, prior to your meeting with them on 31 March.

3. We had previously advised that we were comfortable with the Tourism IVL Investment Plan [TR 2026/605 refers]. In the meeting you noted that you had no concerns with the Tourism IVL Investment Plan (Annex Two).

4. The discussion focussed on the possibility of fully funding the Wilding Conifers budget initiative from DOC's discretionary IVL allocation, and the impact this would have on the Minister of Conservation's other IVL investment priorities.

5. You commissioned us to provide further advice on the trade-offs of funding the Wilding Conifers initiative and other Conservation portfolio priorities, from DOC's discretionary IVL allocation.

International Visitor Levy investments

[33]

Allocating multiple years' allocations

8. Previously, Joint IVL Ministers (Ministers of Finance, Conservation, and Tourism and Hospitality) have taken decisions on one year of discretionary funding at a time (e.g. allocating only the $90.00 million 2025/26 allocation in March 2025). However, Ministers are free to pre-commit multiple years' allocations (as would be required to fully fund the Wilding Conifers initiative).

9. At the time of confirming the FY 2025/26 IVL Investment Plans, you communicated your expectations that future IVL Investment Plans should:

   a. focus on fewer, more substantive investments

   b. provide the Treasury with information equivalent to a budget bid, and

   c. represent new investment, rather than being used to backfill agency baseline funding.

Overview of the Wilding Conifers budget bid

10. We consider that fully funding wilding conifer control is within scope of the IVL's legal hypothecation. However, we acknowledge that funding at a significantly higher level than status quo may make it more difficult to clearly link the marginal expenditure to public expectations around how the levy is spent. Wilding conifer control has previously received IVL funding of $7.05 million in 2023/24, $3.50 million in 2024/25, and $3.00 million in 2025/26, and currently receives MPI baseline funding of $10.00 million per annum.

11. The Minister of Conservation and Minister of Biosecurity requested a late invitation to Budget 2026, which you accepted on the basis that reprioritisation and IVL funding options were to be provided. The Ministry for Primary Industries (MPI) and DOC jointly developed this budget bid.

12. The bid sought $104.00 million over three years to secure gains in wilding conifer control and to extend control of what MPI consider the two most urgent and high-risk management units not currently under active management by the National Wilding Conifer Control Programme (Branch Leatham and Wanaka), while a new national pest management plan (NPMP) is developed and implemented.

13. The Treasury's recommendation is to progress a scaled version of this option by providing $79.19 million over three years. The scaled option seeks to preserve the same outcomes at lower cost and accelerate the implementation of the NPMP by 6 months. [33]

Reprioritisation options

14. DOC and MPI have both confirmed that they have not been able to identify further reprioritisation options to contribute to this initiative. Further detail on this is provided in the agency comments at the end of this report.

Funding options presented in the draft Conservation IVL Investment Plan

15. Following your meeting with other IVL Ministers, DOC has prepared some additional options for the Conservation IVL Investment Plan (attached at Annex One). These options would fund the Wilding Conifers initiative at various levels:

    a **Option 1:** $15.00 million over three years (previously presented option)

    b **Option 2:** $40.00 million over four years

    c **Option 3:** $79.19 million over three years (fully funded).

16. We have focused our analysis on Options 2 and 3, given prior feedback that you see the Wilding Conifers initiative as a priority.

Option 2 – partial wilding conifers funding

17. Option 2 funds approximately half of the total cost of our recommended Wilding Conifers bid but does not align with the cost profile in the bid itself. As such, this option is more akin to $30 million in Wilding Conifer funding over the current three-year bid period or will require the delivery of the NPMP to be slowed down.

18. This option leaves an average of $42 million per annum available for IVL Ministers to allocate to other conservation priorities over three years (noting that $19 million of this is already pre-committed in FY 2026/27), as demonstrated in the table below.

($ millions)	FY 2026/27	FY2027/28	FY2028/29	3-year Total
Total allocation available	55.00	55.00	55.00	165.00
Wilding conifers	10.00	10.00	10.00	30.00
Other proposed initiatives	44.90	43.40	39.40	127.70
Remaining allocation	0.10	1.60	5.60	7.30

Option 3 – full wilding conifers funding

19. Option 3 fully funds the Treasury's recommended wilding conifers bid of $79.19 million over three years. This option leaves an average of $26.9 million per annum available for IVL Ministers to allocate to other conservation priorities over these three years (again, noting that $19 million of this is already pre-committed in FY 2026/27).

20. The specific amounts remaining for allocation under this option over the three-year Wilding Conifers bid profile are shown in the table below.

($ millions)	FY 2026/27	FY2027/28	FY2028/29	3-year Total
Total allocation available	55.00	55.00	55.00	165.00
Wilding conifers	31.40	33.30	14.50	79.20
Other proposed initiatives	23.60	21.7	35.4	80.70
Remaining allocation	0	0	5.10	5.10

Analysis of investment options

21. DOC's full investment plan options are attached at **Annex One**. The first half of the plan shows the 2026/27 allocation amounts only, and the second half shows the total project allocations across multiple years. This report uses the total allocation figures.

22. DOC uses its internal BioInvest tool to prioritise biodiversity projects for investment, which maps the costs and outcomes of all potential biodiversity work. We agree that this is a useful downstream tool for prioritising investments based on their quantified costs and benefits.

23. As a prioritisation tool its outputs are dependent on its inputs, so it's critical that there is a robust and consistent evidence base behind it. We will be working with DOC to better understand the inputs into BioInvest in our next round of advice on improving the overall IVL investment process.

24. The table below provides a summary and high-level analysis of Options 2 and 3.

	Option 2 – Wilding conifers partially funded	Option 3 – Wilding conifers fully funded
General description	This option contributes $40 million over four years towards wilding conifer control. It would provide $30 million across the three-year period relevant to the scaled Wilding Conifers initiative (79.19 million). Alternatively, the $40.00 million could be rephased across three years, noting this would have consequential impacts on the other projects presented in DOC's plan. This is the portion of the initiative that DOC considers has particularly high conservation value and is most aligned with its view of public expectations around the use of the levy. This option represents an approximately 50/50 split of visitor and biodiversity projects.	This option fully funds the scaled Wilding Conifers budget bid ($79.19 million), which is front loaded over the next three years. Due to the scale of that initiative, this option significantly reduces funding in the first two to three years for other biodiversity projects. Several visitor experience projects are also proposed to be funded under this option. This is a mixture of pre-commitments ($9.50 million in 2026/27) and delivering on the Government priorities in Milford Sound and Ministerial portfolio priorities.
Major projects delivered	Wilding Conifers initiative partially funded – would require an additional $49.19 million from the Budget 2026 operating allowance to proceed at recommended scale. Predator Control Mast Response initiative partially funded [33] Other high priority biodiversity projects delivered: • [41] • Predator Free Auckland ($10.00 million)	Wilding conifers fully funded. Predator Control Mast response initiative partially funded at $7.15 million ($11.85 million lower than DOC's original option). Other significant projects delivered: • [41] • Predator Free Auckland ($10.00 million)
Value for money	DOC has indicated that without urgent additional management during the mast event, significant increases in predator numbers can cause severe and rapid declines in native bird, bat, and invertebrate populations, particularly in already vulnerable ecosystems. Significant negative consequences can occur within a single season,	Independent economic modelling and cost benefit analysis indicates that large-scale Wilding Conifer intervention now will avoid $3.8 billion in future losses and deliver a benefit-cost ratio of greater than 30:1. The Crown owns approximately 80% of land affected by wilding conifers and therefore has a critical role in control

	while recovery may take decades. In some locations, mast driven predation has resulted in permanent local extinctions. Addressing the current mast event in a timely manner and at the appropriate scale will avoid significant cost increases to recover current biodiversity outcomes.	activity. Private landowners benefit from Crown intervention at some level and the NPMP explicitly recognises this and will provide mechanisms to ensure other beneficiaries contribute to control activities.
Alignment with levy purpose	Within legal hypothecation and likely to be well within public expectations of the use of levy funds.	Within legal hypothecation but could be perceived as a more marginal use of levy funds.
Main trade-offs/risks	Wilding conifers funded at $30 million over three years implies either: • funding the remainder via budget allowances, and therefore trade-offs elsewhere, or • further scaling funding for this initiative which will reduce overall impact and lead to higher overall costs and push NPMP and third-party contributions out by a year.	The main trade off is the significant reduction in funding available for the Predator Control Mast Response initiative. DOC indicates implications of this would be higher future costs to achieve the same biodiversity outcomes and/or irreversible species loss in some areas.
Balance of projects	32 projects funded. Represents an approximately 50/50 split between biodiversity and visitor funding.	29 projects funded but fewer projects in first two years due to the front-loaded Wilding Conifer spending. Represents an approximately 60/40 split between biodiversity and visitor projects, but visitor experience projects still mostly funded.

25. Both Options 2 and 3 would deliver meaningful biodiversity and visitor benefits at a national level and are within scope of the levy hypothecation.

26. Should you wish to prioritise fully funding both the Wilding Conifers and Predator Control Mast Response initiatives, you could:

- further reduce allocations toward other projects to achieve this, or
- ask DOC to reconsider options to fund the Mast Response from within baselines.

27. Due to existing 2026/27 pre-commitments, further reducing other project allocations would also require front-loading IVL spending (i.e. bringing forward future years' allocations) which would reduce the options available to Ministers in future. For example, Ministers would lose the option to reprioritise agreed but unspent funding if circumstances changed.

28. In relation to the option of funding more of the Mast Response from within baselines, DOC has informed us that this would require it to trade off other pest control, species recovery, and ecosystem protection activities, all of which it sees as high value conservation work. This would involve DOC using its BioInvest tool to interrogate the opportunity cost across currently planned work to identify the scenario that contains the least amount of risk to existing populations. There would be an increased likelihood of local extinctions in some locations, whichever choice is made.

29. Our preference remains to fund the Treasury recommended level for the Wilding Conifers initiative from DOC's discretionary IVL allocation, because:

- this initiative has strong evidence that it will provide good value for money and lower both fiscal costs to the Crown and potential economic losses
- funding the initiative from IVL revenue would reduce pressures on the Budget 2026 operating allowance
- while the Beech Mast response is also likely to represent high value, we are not convinced that there are no options to resource this from DOC's baseline given its high priority.

Agency comments

DOC agency comment

30. DOC recommends Option 2: contributing $40 million over four years to wilding conifers from the IVL. In delivering half of the funding sought for wilding conifers, this option balances the Government's clear priority for wilding control work, while delivering higher overall biodiversity and visitor outcomes consistent with IVL objectives.

31. DOC acknowledges this option would not achieve all MPI's control objectives without additional funding being provided additional to the IVL. In DOC's view Option 3 does not align with funding priority conservation outcomes or fit clearly within the IVL objectives. The benefit of the full scale of investment in wilding conifers should be supported by other funding sources and not come at the expense of work that will achieve more for protecting species.

32. DOC would not recommend reprioritisation of baseline funding to enable both its beech mast response and Option 3 of IVL funding. Such reprioritisation would come at the expense of other critical conservation work and with losses to nationally significant populations of species such as rock wren, kiwi, and whio.

MPI agency comment

Establishing an NPMP

33. Speeding up the establishment of an NPMP for Wilding Confers (six months faster than the timeframe set out in MPI's original budget bid) will be challenging but could feasibly be achieved. MPI officials have already informally commenced this process. A core feature of an NPMP will be to catalyse third party investment [33]

34. We do not think Option 2 will necessarily slow down the development of an NPMP. However, it is highly unlikely sufficient third-party contributions will be sourced to bridge the gap between the fully funded Option 3 and a lesser option.

Option 2 - partial wilding confers funding

35. Additional funding of $10 million per annum for three to four years would double current baseline funding and provide a material uplift to the programme. While this would enable increased activity, it would remain suboptimal in terms of achieving control objectives across the 42 highest risk management units nationally, including addressing the estimated $30 million cost of deferred maintenance. Progress towards sustained control would be slowed, resulting in a longer overall pathway and higher costs before responsibility for ongoing management could be transitioned to landowners or managers.

36. This option would also constrain the programme's ability to commence work in in the Branch Leatham or Wānaka management units or would require reprioritisation away from other important locations.

Option 3 – full wilding conifer funding

37. This option is consistent with the preferred option in the budget bid. However, MPI recognises that if it is to be fully funded from IVL this will have a material impact on DOC's ability to achieve other important biodiversity protection outcomes.

MPI reprioritisation

38. MPI is unable to identify biosecurity baseline funding that could be reprioritised to contribute to the initiative. Funding for biosecurity responses (which are unpredictable and expensive) and long-term management programmes (such as kauri protection, exotic caulerpa or freshwater gold clams) are already under significant pressure.

Implementation and next steps

39. Once IVL Ministers have agreed to an option for DOC's IVL Investment Plan, the Minister of Conservation and Minister of Tourism and Hospitality will write to you seeking formal agreement to their finalised Investment Plans.

40. [33]

41.

[33]

Recommended actions

We recommend that you:

a **note** that Option 2 (partially funding the Wilding Conifers initiative from the IVL) would require a further $49.19 million from the Budget 2026 operating allowance

b **indicate** your preferred investment option for DOC's final IVL Investment Plan

Option 2 (DOC preferred) / Option 3 (Treasury preferred)

If option 2 is preferred:

c **agree** to allocate ($49.19 million) from the Budget 2026 operating allowance to the Wilding Conifers initiative

Agree / disagree

d **refer** this report to the Minister of Conservation, Minister for Tourism and Hospitality and Minister for Biosecurity

Refer / not referred

Nicky Lynch
Manager, Climate Energy and Resources

Hon Nicola Willis
Minister of Finance

_____/_____/_______

Annex One – 26/27 IVL Investment Plan Assessment of Proposed Initiatives