



**BUDGET
2025**

Summary of Initiatives

**Hon Nicola Willis
Minister of Finance**

22 May 2025

Embargo: Contents not for communication in any form
before 2:00 pm on Thursday 22 May 2025



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Permanent URL: treasury.govt.nz/publications/summary-initiatives/summary-initiatives-budget-2025
Budget 2025 website URL: budget.govt.nz/budget/2025/summary-initiatives

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Summary of Initiatives

He Whakarāpopototanga o ngā Kaupapa

In Budget 2025, the Government is investing an average of \$1.3 billion per year in net new operating spending, consisting of \$6.7 billion of new operating spending initiatives and \$5.3 billion of operating savings initiatives. The Government is also investing \$4.0 billion in net new capital spending. There are 228 new spending initiatives and 116 savings initiatives in Budget 2025.

Table 1 provides a breakdown of Budget 2025, including offsets from revenue and savings, as well as reprioritisation of unspent funding, such as from tagged contingencies. For total expenditure by Vote, see the *Estimates of Appropriations for 2025/26*.

Table 1 – Budget 2025 Expenditure Breakdown¹

| | Operating average (\$m) | | Net Operating Average (\$m) | Net Operating Total (\$m) | Net Capital Total (\$m) |
|--|-------------------------|---------------------|-----------------------------|---------------------------|-------------------------|
| | New Spending | Savings and Revenue | | | |
| Health | 1,783 | (31) | 1,752 | 7,006 | 800 |
| Investment Boost | 1,660 | - | 1,660 | 6,641 | - |
| Defence and Foreign Affairs | 510 | (33) | 477 | 1,907 | 1,128 |
| <i>Defence: Budget 2026 pre-commitment²</i> | <i>102</i> | <i>-</i> | <i>102</i> | <i>120</i> | <i>1,627</i> |
| Education | 538 | (157) | 381 | 1,524 | 672 |
| Law and Order | 370 | (107) | 263 | 1,053 | 48 |
| Disability Support Services | 255 | - | 255 | 1,019 | - |
| Business, Science and Innovation | 203 | (73) | 130 | 520 | 180 |
| Social Investment | 69 | - | 69 | 275 | - |
| Transport | 91 | (27) | 64 | 256 | 440 |
| Other Spending, Revenue, and Savings | 1,199 | (4,911) | (3,712) | (14,333) | 683 |
| Budget 2025 Package | 6,678 | (5,340) | 1,338 | 5,868 | 3,950 |
| <i>Note: Crown Response to Abuse in Care Package³</i> | <i>181</i> | <i>-</i> | <i>181</i> | <i>724</i> | <i>50</i> |

¹ Table 1 includes funding for initiatives that have been withheld due to commercial and/or negotiation sensitivity reasons. The totals of individual initiatives will not reconcile to the table above.

² Some Defence projects have been pre-committed against the Budget 2026 allowance. These figures are not included in the "Budget 2025 package" line.

³ Initiatives associated with the Crown Response to Abuse in Care are spread across multiple Votes and agencies, and funding is included in their respective Vote totals. This figure represents the sum of those initiatives.

Economic Growth Measures

Economic growth is essential to New Zealand's future. It is key to delivering the kind of country that Kiwis want: with better living standards, better job opportunities and more financially secure families. Economic growth improves the fiscal outlook as it is the most effective way to raise government revenue and gives us better choices for the future to deliver the vital infrastructure and public services that New Zealanders want and deserve. Budget 2025 therefore provides several key initiatives to boost economic growth. These initiatives will give businesses the confidence they need to invest and expand, to become more productive, and thereby drive the growth of New Zealand's economy.

The Government will be introducing various Bills on Budget Night to support economic growth, including the following:

- The **Taxation (Budget Measures) Bill (No 2)** will give effect to Investment Boost and the KiwiSaver changes announced at Budget 2025.
- The **Invest New Zealand Bill** will establish Invest New Zealand; a new one-stop-shop to attract overseas investment and increase the capital available for growth across critical sectors.
- The **Public Finance Amendment Bill** will improve fiscal transparency and responsibility.
- The **Patents Amendment Bill** will provide greater certainty to businesses on what patents will be granted and will support our leading businesses to innovate and grow.
- The **Building and Construction (Small Stand-alone Dwellings) Bill** will promote housing growth.

The Government is progressing several other Bills in 2025 that will support economic growth. The **Gene Technology Bill** will end the effective ban on gene technology outside the lab, creating new economic opportunities. The Bill is on track to be enacted this year. The **Natural Environment Bill and Planning Bill** to replace the Resource Management Act will also be introduced, as well as legislation to reform the **Science, Innovation and Technology system**.

Later this year, the Government will deliver an update on its Going for Growth programme, including what it has accomplished since this was launched in February 2025, and what actions it intends to prioritise next.

Grants and Funds

Approximately \$5 billion per annum is spent by the government on grants and funds and \$175 million is allocated for their administration on average per annum. As part of Budget 2025, the Government reviewed this spending to increase the value for money of what it spends and identify savings where they make sense.

Ministers reviewed the grants and funds in scope in line with the following principles: to consolidate and simplify the number of grants and funds; and to reduce or close grants and funds that are duplicative, lower value for money, or achieve their purpose with less funding. Some funds were closed, some were consolidated, and others reduced.

Table 2 – Budget 2025 Grants and Funds

| Category | Net Operating Average Per Annum (Savings) | Remaining Average Per Annum[^] |
|-----------------|--|--|
| Closed | 43.515 | 15.505 |
| Scaled | 46.288 | 311.692 |
| Total | 89.803 | 327.197 |

[^] The Grant or Fund may be closed but still have funding appropriated due to funding being already allocated or committed in future years. Once that funding is paid out, there will be no funding remaining.

Connection Between the Summary of Initiatives and Estimates of Appropriations

The *Estimates of Appropriations* provide information to Parliament on the expenses and capital expenditure the Government plans to incur for the upcoming financial year. The Estimates cover all existing baseline expenditure for the upcoming financial year and new Budget spending decisions. The Estimates are organised into nine volumes that can be referred to for supporting information on the Vote. Related appropriations are grouped within Votes (e.g., Vote Health includes all health-related appropriations administered by the Ministry of Health).

The *Summary of Initiatives* provides information on the new spending and savings initiatives for Budget 2025 that the Government has agreed to for each Vote.

| Estimates | Vote |
|---|--|
| Volume 1 – Economic Development and Infrastructure Sector | Building and Construction Business, Science and Innovation Transport |
| Volume 2 – Education and Workforce Sector | Education Education Review Office Labour Market Tertiary Education |
| Volume 3 – External Sector | Customs Defence Defence Force Foreign Affairs |
| Volume 4 – Finance and Government Administration Sector | Audit Communications Security and Intelligence Finance Internal Affairs Office of the Clerk Ombudsmen Parliamentary Service Prime Minister and Cabinet Public Service Regulation Revenue Security Intelligence Social Investment Statistics |
| Volume 5 – Health Sector | Health |
| Volume 6 – Justice Sector | Attorney-General Corrections Courts Justice Parliamentary Counsel Police Serious Fraud |
| Volume 7 – Māori Affairs Sector | Māori Development Tari Whakatau ⁴ |

⁴ Formerly known as Vote Te Arawhiti prior to the 2025/26 financial year.

| Estimates | Vote |
|---|--|
| Volume 8 – Natural Resources Sector | Agriculture, Biosecurity, Fisheries and Food Safety Conservation Environment Forestry Lands Parliamentary Commissioner for the Environment |
| Volume 9 – Social Services and Community Sector | Arts, Culture and Heritage Housing and Urban Development Disabled People Disability Support Services Oranga Tamariki Pacific Peoples Social Development Sport and Recreation Women |

Overview of the Summary of Initiatives

The Summary of Initiatives is organised into different sections:

- Budget 2025 Initiatives by Vote
- Other Initiatives
- Initiatives Related to Time-limited Funding.

The majority of this document is focused on “Budget 2025 Initiatives by Vote”, which are the new spending, savings, and revenue initiatives funded (or returning funding) in Budget 2025 from the operating allowance and capital allowance.

- **New Spending:** Funding to meet the Government’s policy commitments to implement new services and programmes, support the delivery of frontline services, and extend existing services that currently have time limited funding or expand services to a broader group of people.
- **Savings:** The return of existing funding, including where policy decisions have resulted in lower costs to the Crown. In addition, savings may include ending or scaling back low value programmes, programmes that do not align with the Government’s objectives and non-essential back-office functions, including contractor and consultant spend, and closure or reduction of tagged contingencies.
- **Revenue:** Increases in Government revenue (including from fees and levies) by changes to policies or programmes, rather than decreases in Government expenditure as represented by Savings.

Initiatives are organised by Vote (such as Vote Health). For each Vote, there is a summary table, which breaks down the Budget 2025 decisions into the three groups outlined above. The summary table also provides an aggregate total with either a net increase or net decrease (indicated within brackets). Pre-commitments against the Budget 2025 operating allowance and capital allowance are included in the summary tables.

Some Vote summary tables include funding amounts that are not disclosed in more detail due to commercial sensitivity (as such, when all individual initiatives are totalled, they may not equal the aggregate summary table).

Example of a Vote summary table and summary of an initiative

[Vote Title]

| | Budget 2025 Operating Average (\$m) ⁵ | Operating Total (\$m) | Capital Total (\$m) |
|----------------------------------|--|-----------------------------|---------------------------|
| Budget Breakdown for Vote | | | |
| New Spending | 5.000 | 20.000 | - |
| Savings and Revenue | (4.000) | (16.000) | (20.000) |
| Total | 1.000 | 4.000 | (20.000) |

Where initiatives are funded across two or more Votes, the Vote summary table will only reflect the respective Vote funding portion. Some Vote summaries have funding for initiatives that have been withheld due to commercial and/or negotiation sensitivity. The aggregated total of individual initiatives may not reconcile to the Vote summary table due to these factors.

[Initiative Type – e.g., New Spending]

[Initiative Title]

[Initiative Description]

| Vote | Annual operating funding (\$m) | | | | | Operating funding over 5 years (\$m) | Capital funding over 10 years (\$m) |
|---|--------------------------------|---------|---------|---------|---------|---|--|
| | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
| Vote Name 1 [lead Vote] | - | 10.000 | 10.000 | 10.000 | 10.000 | 40.000 | 5.000 |
| Vote Name 2 [for cross-Vote initiatives only] | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 50.000 | 5.000 |
| Vote Name 3 [for cross-Vote initiatives only] | - | (5.000) | (5.000) | (5.000) | (5.000) | (20.000) | - |
| Vote Name 4 | - | 10.000 | 5.000 | - | - | - | - |
| Tagged contingency | | 5.000 | 5.000 | 5.000 | 5.000 | 20.000 | - |
| Tagged contingency | | | | | | - | - |

Generally, initiatives are funded via a single Vote. However, in cases where initiatives are funded across two or more Votes, the funding will only be shown under the lead Vote's Summary of Initiatives.

Some funding is held in a 'tagged contingency' (i.e., funding is not appropriated until certain conditions are met). Funding amounts for some tagged contingencies are withheld due to commercial sensitivity.

In some cases, activities and programmes are time-limited (e.g., in response to an event or pending the outcome of a review) and therefore, ongoing funding is not provided. More information on time-limited initiatives is provided on page 81.

Brackets indicate negative numbers, reflecting a reduction in expenditure or an increase in revenue.

⁵ Operating annual average typically refers to the four-year average of all funding ("total operating") across the current forecast period (2024/25 to 2028/29). In a small number of cases, where initiatives include significant funding or savings beyond 2028/29, the operating average figure may reflect a different number.

Agriculture, Biosecurity, Fisheries and Food Safety

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | - | - | - |
| Savings | (12.507) | (50.027) | - |
| Total | (12.507) | (50.027) | - |

Savings

Agriculture Emissions Pricing – Closure of Tagged Contingency

This savings initiative closes this tagged contingency, which was refocused at Budget 2024 to enable the rollout of the Farm Emissions Methodology. The tagged contingency is no longer required to implement this programme. The Government will continue to progress and roll-out this framework through existing agency baseline funding.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | (2.000) | (8.000) | - | - | - | (10.000) | - |

Primary Sector Growth Fund – Establishing the Fund

This savings initiative scales and closes the Sustainable Food and Fibre Futures Fund allocating the remaining \$70.0 million average operating per annum to establish the Primary Sector Growth Fund. The Primary Sector Growth Fund will focus on pursuing high-value co-funded economic growth opportunities with the primary sector.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---|---------|----------|---------|---------|---------|-----------------|---------------|
| Agriculture, Biosecurity, Fisheries and Food Safety | - | (25.000) | (5.009) | (5.009) | (5.009) | (40.027) | - |

Arts, Culture and Heritage

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 3.413 | 13.651 | - |
| Savings | (8.273) | (33.090) | - |
| Total | (4.860) | (19.439) | - |

New Spending

Increasing NZ On Air Support for Local Journalism

This initiative provides funding to increase support for local journalism, distributed through NZ On Air, with a particular focus on reporting on local democracy and justice matters of interest to communities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Arts, Culture and Heritage | - | 1.600 | 1.600 | 1.600 | 1.600 | 6.400 | - |

New Zealand Screen Production Rebate (Domestic)

This initiative provides funding to meet demand from eligible New Zealand productions for the New Zealand Screen Production Rebate until 30 June 2027. Forecast expenditure is uncertain for the rebate and time-limited funding provides an opportunity for costs to be considered at future Budgets.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Arts, Culture and Heritage | - | - | 7.251 | - | - | 7.251 | - |

Savings

Heritage New Zealand Pouhere Taonga – Baseline Savings and Efficiencies

This savings initiative reduces Crown operating funding for Heritage New Zealand Pouhere Taonga (HNZPT) by approximately 12 per cent from 2026/27 onwards. Approximately \$15.2 million per annum of Crown operating funding for HNZPT remains from 2026/27 onwards.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Arts, Culture and Heritage | - | - | (2.000) | (2.000) | (2.000) | (6.000) | - |

Ministry for Culture and Heritage Operational Efficiencies

This savings initiative returns funding from the Ministry for Culture and Heritage. The savings will come from operational efficiencies and reduced support for lower-priority programmes operated by the Ministry.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Arts, Culture and Heritage | - | (2.000) | (2.000) | (2.000) | (2.000) | (8.000) | - |

Radio New Zealand – Baseline Savings and Efficiencies

This savings initiative reduces funding available for Radio New Zealand by approximately 7 per cent. Approximately \$62.0 million per annum of operating funding for Radio New Zealand remains.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Arts, Culture and Heritage | - | (4.600) | (4.600) | (4.600) | (4.600) | (18.400) | - |

Savings from National Fale Malae

This savings initiative closes a contingency established for a potential Crown contribution to a National Fale Malae in Wellington. This saving reflects limited progress being made on the project since funding was allocated at Budget 2020 with only \$2.7 million being spent to date compared to the \$10.000 million provided. The remaining contribution of \$6.6 million has been reprioritised in 2024/25 and 2025/26 to other priorities and costs, across the Arts, Culture and Heritage portfolio, including the National Music Centre. This is covered in the related initiative 'Managing Priorities and Pressures in the Arts, Culture and Heritage Portfolio' below.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Arts, Culture and Heritage | (0.690) | - | - | - | - | (0.690) | - |

Initiatives Funded Outside Budget Allowances

Managing Priorities and Pressures in the Arts, Culture and Heritage Portfolio

This initiative provides \$6.6 million of operating funding in 2024/25 and 2025/26 to support the National Music Centre project in Wellington; develop legacy options in remembrance of the 2019 Christchurch mosque attacks; excavate and care for partial remains of a waka found on Rēkohu Wharekauri | Chatham Island; develop strategic revenue and efficiency initiatives across the Arts, Culture and Heritage system; and other portfolio priorities. This is funded from reprioritisation of funding in the initiative 'Savings from National Fale Malae' above.

Building and Construction

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | - | - | - |
| Revenue | (45.601) | (182.402) | - |
| Savings [^] | (1.615) | (6.460) | - |
| Total | (47.216) | (188.862) | - |

[^] The savings initiative is a cross-vote initiative (Energy Policy Capability) which can be found in Vote Business, Science and Innovation on page 12.

Revenue

Revised Interest Revenue Forecasts from the Residential Tenancy Trust Account

This revenue initiative relates to an increase in interest revenue forecasts driven by higher investment yields and bond volumes from the Residential Tenancy Trust Account.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------------|----------|----------|----------|----------|----------|-----------------|---------------|
| Building and Construction | (35.016) | (40.476) | (38.993) | (36.192) | (31.725) | (182.402) | - |

Business, Science and Innovation

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 203.340 | 813.359 | 192.000 |
| Savings | (73.315) | (293.260) | (12.000) |
| Total | 130.025 | 520.099 | 180.000 |

New Spending

Disestablishment of Callaghan Innovation

This initiative provides reprioritised funding to cover the costs of disestablishing Callaghan Innovation and establishing the systems at the Ministry of Business, Innovation and Employment necessary to continue providing the activities being transferred from Callaghan Innovation. The funding will cover costs associated with redundancy payments, chemical disposal, lease exits, shut-down of sites and IT decommissioning. The reprioritisation is being provided from the 'Reprioritising to Enable the Science, Innovation and Technology Reforms' initiative described on page 14.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | 13.588 | 24.550 | - | - | - | 38.138 | - |

Energy Policy Capability

This initiative provides funding for additional policy capability to advise on actions from the independent review of electricity market performance as well as a short-term project on how best to leverage government procurement to achieve energy system objectives. This is funded by underspends that result from the closure of the Construction Sector Accord programme and lower-than-expected costs to support the decommissioning of the Tui oil field.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | (1.000) | 1.180 | 2.360 | 1.960 | 1.960 | 6.460 | - |
| Building and Construction | (6.460) | - | - | - | - | (6.460) | - |

Establishing the Prime Minister's Science, Innovation and Technology Advisory Council

This initiative provides reprioritised funding to establish an expert group to advise the Government on ways to leverage science, innovation and technology for economic growth; to provide secretariat support; and carry out a reporting and monitoring function for the Prime Minister's Science, Innovation and Technology Advisory Council. The reprioritised funding is being provided from the 'Reprioritising to Enable the Science, Innovation and Technology Reforms' initiative described on page 14.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | 0.320 | 1.370 | 1.370 | 1.370 | 1.370 | 5.800 | - |

Establishing Three Future-Focused Public Research Organisations

This initiative provides reprioritised funding to establish three new Public Research Organisations focused on science, innovation and technology through the consolidation of seven Crown Research Institutes. The three new Public Research Organisations are Bioeconomy, Earth Sciences and Health and Forensic Science Services. The reprioritised funding is being provided from the 'Reprioritising to Enable the Science, Innovation and Technology Reforms' initiative described on page 14.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | - | 10.000 | 10.000 | - | - | 20.000 | - |

Gene Technology Regulator Establishment

This initiative provides reprioritised funding to establish a dedicated Gene Technology Regulator (the Regulator). The Regulator, hosted by the Environmental Protection Authority, will oversee a regime designed to enable New Zealand to safely benefit from gene technologies by identifying and managing any risks they pose to the environment and human health and safety. Funding also provides for compliance, monitoring and enforcement of the new regime. The reprioritised funding is being provided from the 'Reprioritising to Enable the Science, Innovation and Technology Reforms' initiative described on page 14.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | - | 6.700 | 5.880 | 5.440 | 4.850 | 22.870 | - |

Gracefield Innovation Quarter – Operational and Management Costs

This initiative provides reprioritised funding to enable Callaghan Innovation or another Crown entity to continue operation and management of Gracefield Innovation Quarter (GIQ) until the Government decides about its future involvement in GIQ. The reprioritised funding is being provided from the 'Reprioritising to Enable the Science, Innovation and Technology Reforms' initiative described on page 14.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | - | 20.000 | - | - | - | 20.000 | - |

Gas Security of Supply Tagged Contingencies

This initiative provides funding held in contingency for potential Crown investment in a cornerstone stake in new gas field developments to address sovereign risk.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 2.000 | 2.000 | 2.000 | 2.000 | 8.000 | 192.000 |

Invest New Zealand Establishment – Improving Inward Investment Attraction

This initiative provides reprioritised funding for the establishment and operations of Invest New Zealand. Invest New Zealand will be an investment promotion agency that will work with multi-national corporations and foreign investors to attract people, businesses, and capital. The entity will have a particular interest in investing in science, innovation and technology to drive economic growth. The reprioritised funding is being provided from the 'Reprioritising to Enable the Science, Innovation and Technology Reforms' initiative described on page 14.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | - | 21.150 | 21.150 | 21.150 | 21.150 | 84.600 | - |

Insolvency and Trustee Service – Deferral of New Revenue Option

This initiative provides funding to cover the deferral of new levy-funding provisions. Cabinet agreed to replace Crown funding with third party revenue from 1 July 2025 for recovering costs of administering liquidations of companies. The change in revenue will now be from 1 July 2026 to account for the fact that the levy-making provisions are included in the Corporate Governance Amendment Bill, which is unlikely to be introduced to the House until later this year.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | - | 1.560 | - | - | - | 1.560 | - |

New Zealand Screen Production Rebate – International – Increasing Baseline Funding

This initiative provides funding for the New Zealand Screen Production Rebate – International to increase baseline funding in line with current forecast costs of the rebate.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | 63.786 | 34.690 | 159.444 | 159.444 | 159.444 | 576.808 | - |

Science, Innovation and Technology Policy Advice Capability

This initiative provides reprioritised funding for policy advice capability in the Science, Innovation and Technology portfolio, which was previously supported by time-limited funding. This will enable the delivery of the science system reforms and business as usual deliverables. The reprioritised funding is being provided from the 'Reprioritising to Enable the Science, Innovation and Technology Reforms' initiative described on page 14.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | - | 6.000 | 6.000 | 4.350 | 4.350 | 20.700 | - |

Tourism Pre-Commitments for International Visitor Conservation and Tourism Levy Funding

This initiative provides an increase in the Tourism Strategic Infrastructure and System Capability appropriation to fund pre-committed projects from the International Visitor Conservation and Tourism Levy. This funding is in addition to the amount allocated for projects funded by the International Visitor Conservation and Tourism Levy in the initiative 'International Visitor Conservation and Tourism Levy Revenue – Tourism Funding Uplift' described on page 15.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | - | 6.833 | 1.090 | 0.500 | - | 8.423 | - |

Savings

Energy Efficiency and Conservation Authority – Reduction of Crown Funding

This savings initiative reduces Crown funding for the Energy Efficiency and Conservation Authority (EECA), with a portion being reprioritised towards energy policy resource at the Ministry of Business, Innovation and Employment. The funding decrease to EECA is partially offset by increasing levy funding which now makes up 43.7 per cent of EECA funding.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|----------|----------|----------|----------|-----------------|---------------|
| Business, Science and Innovation | - | (14.060) | (14.060) | (14.060) | (14.060) | (56.240) | - |

International Growth Fund – Reducing Baseline Funding

This savings initiative reduces the quantum in this fund by \$6 million across 2024/25 and 2025/26. From 2027/28 onwards, \$30.0 million operating per annum will remain in the fund.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | (4.000) | (2.000) | - | - | - | (6.000) | - |

New Zealand Claims Resolution Service – Scaling of Service

This savings initiative returns funding initially by right sizing funding for the New Zealand Claims Resolution Service (the Service), with remaining funding sufficient to meet demand. The Service provides homeowners with independent advice and support to resolve residential insurance issues resulting from natural disasters. Savings from 2026/27 onwards will be provided by a long-term solution for the Service, to be identified by policy work on its future role and funding mechanism.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Business, Science and Innovation | - | (2.082) | (3.764) | (6.533) | (6.533) | (18.912) | - |

Closure of the New Zealand Growth Capital Partners Tagged Contingency

This savings initiative confirms the expiration, closure and return of the New Zealand Growth Capital Partners (NZGCP) tagged contingency established at Budget 2024. The \$12.0 million tagged capital contingency was established to set aside funding in the event that the NZGCP was unable to manage cashflow challenges in 2024 and was ultimately not required.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | (12.000) |

Reprioritising to Enable the Science, Innovation and Technology Reforms

This savings initiative reprioritises existing funding from the Science, Innovation and Technology portfolio and Economic Growth portfolio to support the implementation of initiatives to reform the science, innovation and technology system. Funding is reprioritised from the Health Research, Marsden, Partnered Research, and Strategic Science Investment funds, the Innovation Trailblazer and New to R&D grants, disestablished Callaghan Innovation functions, and the transfer of investment attraction functions from New Zealand Trade and Enterprise.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------------|----------|----------|----------|----------|----------|-----------------|---------------|
| Business, Science and Innovation | (13.908) | (89.770) | (44.400) | (32.310) | (31.720) | (212.108) | - |

Initiatives Funded Outside Budget Allowances

Return of Wellington Consolidation Programme Operating Funding

This initiative returns operating funding that was approved as part of the Budget 2024 package to implement the Wellington Consolidation project. The returned operating funding will be used to partially offset the negative tagged contingency established in Budget 2024 for the Wellington Consolidation Project as the intended savings will not be realised.

International Visitor Conservation and Tourism Levy Revenue – Tourism Funding Uplift

This initiative allocates \$35.0 million per annum of funding for tourism-related infrastructure and systems, including capability, in accordance with an agreed International Visitor Conservation and Tourism Visitor Levy Investment Plan. This is being managed outside Budget allowances as the International Visitor Levy provides the source of funding.

Conservation

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 8.000 | 32.000 | - |
| Savings | (7.004) | (28.016) | (13.136) |
| Total | 0.996 | 3.984 | (13.136) |

New Spending

International Visitor Conservation and Tourism Levy – Aligning Appropriations to Collected Levy Revenue

This initiative allocates additional funding over four years to the Department of Conservation for committed levy-funded projects to boost biodiversity and the tourist economy. This funding is in addition to the amount allocated for projects funded by the International Visitor Conservation and Tourism Levy in the initiative 'International Visitor Conservation and Tourism Levy – Conservation Funding Uplift' described on page 17.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Conservation | - | 8.000 | 8.000 | 8.000 | 8.000 | 32.000 | - |

Savings

Conservation Drinking Water Infrastructure Programme – Ensuring Compliance Tagged Contingency – Efficiency Savings

This savings initiative returns operating and capital funding from the Conservation Drinking Water Infrastructure Programme tagged contingency. This saving is as a result of lower-than-expected costs, due to efficiencies and a reduction to the scope of water infrastructure improvement obligations.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | (0.461) | (0.214) | (0.821) | (0.533) | (0.493) | (2.522) | (4.136) |

Crown Land Acquisition – Closure of Fund

This savings initiative returns all capital funding from the closure of this fund, in line with the consolidation of grants and funds across Government. The fund has been consistently underutilised and is one of several similar funds related to land purchase activities by the Crown.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Conservation | - | - | - | - | - | - | (9.000) |

Mātauranga Kura Taiao Fund – Closure of Fund

This savings initiative returns all operating funding from the Mātauranga Kura Taiao Fund in line with the consolidation of grants and funds across government. Indigenous biodiversity will continue to be protected through the Department of Conservation's Ngā Whenua Rāhui Fund.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Conservation | - | (0.547) | (0.663) | (0.663) | (0.663) | (2.536) | - |

Nature Heritage Fund – Closure of Fund

This savings initiative returns uncommitted operating funding and closes the Nature Heritage Fund, in line with the consolidation of grants and funds across government. This fund is one of several funds which enable the Crown's ability to purchase and acquire land for public conservation and closure would not prevent the Government from making future decisions to purchase and acquire land.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Conservation | - | (1.303) | (1.303) | (1.303) | (1.303) | (5.212) | - |

Reduction in Policy Services

This savings initiative reduces funding available for policy advice functions at the Department of Conservation by approximately four per cent by 2027/28.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Conservation | - | (0.293) | (0.293) | (0.600) | (0.600) | (1.786) | - |

Predator Free 2050 Limited Disestablishment – Consolidation of Predator Free 2050 Collective Delivery Model

This savings initiative returns operating funding following Cabinet's decision to disestablish the Crown company Predator Free 2050 Limited. It also consolidates these functions, alongside other Predator Free 2050 capabilities, within the Department of Conservation.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Conservation | - | (1.800) | (3.600) | (3.600) | (3.600) | (12.600) | - |

Tohu Whenua Heritage Visitor Programme – Ending Co-funding Contribution

This savings initiative returns operating funding, ending the Department of Conservation's co-funding contribution for the Tohu Whenua Heritage Visitor Programme. Future decisions on the scope and scale of this programme will be determined by remaining contributors.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Conservation | - | (0.130) | (0.130) | (0.130) | (0.130) | (0.520) | - |

Treaty of Waitangi Grants – Ending Discretionary Payments Associated with Settlements

This savings initiative returns operating funding for the discretionary grant payments associated with Treaty of Waitangi settlements. Existing contractual commitments will be fulfilled and, as these are discretionary grants, the savings do not impinge on the Crown's ability to meet its relevant Treaty settlement obligations.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Conservation | - | (0.710) | (0.710) | (0.710) | (0.710) | (2.840) | - |

Initiatives Funded Outside Budget Allowances

International Visitor Conservation and Tourism Levy – Conservation Funding Uplift

This initiative allocates \$20.0 million per annum in additional funding to the Department of Conservation through the International Visitor Conservation and Tourism Levy, resulting from the recent rate increase to \$100. In combination with the existing \$35.0 million in funding, this provides the Department of Conservation with a total annual investment envelope of \$55.0 million per annum to support New Zealand's status as a world-class destination by ensuring that our wildlife, forests and marine areas continue to be a drawcard for international visitors. This is being managed outside Budget allowances, as the International Visitor Levy provides the source of funding.

Milford Opportunities Project – Transfer of International Visitor Conservation and Tourism Levy Funding

This initiative transfers \$4.0 million in International Visitor Conservation and Tourism Levy funding from Vote Business, Science and Innovation to Vote Conservation, to deliver improvements along the Milford Road corridor.

Corrections

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 119.467 | 477.867 | 8.600 |
| Savings | (12.300) | (49.200) | - |
| Total[^] | 107.167 | 428.667 | 8.600 |

[^] The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Corrections Critical Price Pressures

This initiative provides funding to maintain safe and effective Corrections services by addressing critical pressures, including infrastructure, digital and other supplier cost increases.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Corrections | - | 16.660 | 17.860 | 17.860 | 17.860 | 70.240 | - |

Corrections Critical Frontline Remuneration Pressures

This initiative provides funding for critical remuneration pressures for frontline staff, to maintain safe and effective Corrections services. Funding has been appropriated for collective bargaining that has concluded. A tagged contingency is established for funding that is subject to the settlement of collective bargaining. The contingency figures have been withheld due to commercial sensitivity and to avoid prejudice during negotiations.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Corrections | - | 2.200 | 2.200 | 2.200 | 2.200 | 8.800 | - |
| Tagged Contingency | - | - | - | - | - | - | - |

Corrections Prisoner Population and Other Volume Pressures

This initiative provides operating and capital funding for the additional costs associated with a prison population growth up to 10,860 prisoners by 30 June 2026. This includes funding to hire additional 580 full time equivalent (FTE) frontline staff at Corrections, of which 368 FTE are Corrections Officers, and other costs directly related to the increased volume.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Corrections | - | 93.682 | 102.248 | 98.752 | 98.752 | 393.434 | 8.600 |

Savings

Corrections' Financial Sustainability and Reprioritisation – Efficiency Measures

This savings initiative reprioritises baseline funding for Corrections as a result of a continued fiscal sustainability focus and adaptation of Corrections work efforts.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------|---------|----------|----------|----------|----------|-----------------|---------------|
| Corrections | - | (10.800) | (12.800) | (12.800) | (12.800) | (49.200) | - |

Pre-commitments

Responding to Increasing Prisoner Numbers – Redevelopment of Christchurch Men's Prison – Phase 1

This initiative provides funding held in contingency for the first phase of the Christchurch Men's Prison redevelopment that is required to help meet the increasing demand on the prison network, with a focus on investment in high-security capacity. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Courts

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 35.069 | 140.276 | - |
| Revenue | (30.800) | (123.200) | - |
| Savings | (8.026) | (32.102) | - |
| Total | (3.757) | (15.026) | - |

New Spending

Court Timeliness – Court and Coroner Costs

This initiative provides funding for demand-driven services that support the Courts, to ensure that the Judiciary have sufficient information to proceed with cases while court users receive appropriate support and representation. Additional funding for services for the Courts is also provided through the initiative 'Court Timeliness – Delivering Timely Access to Justice Services' in Vote Justice on page 53.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Courts | 20.633 | 1.668 | - | - | - | 22.301 | - |

Court Timeliness – Investing in Judicial Capacity

This initiative provides funding for additional High Court Judges and Community Magistrates, to improve and maintain the timeliness of cases across the Courts.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Courts | - | 4.784 | 4.475 | 4.488 | 4.505 | 18.252 | - |

Revenue

Crown Revenue from the Collection of Court Fines

This savings initiative returns additional revenue to the Crown, which is increasing as a result of a greater emphasis on collection of debt, including the use of new tools and processes.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|----------|----------|----------|----------|----------|-----------------|---------------|
| Courts | (23.200) | (25.000) | (25.000) | (25.000) | (25.000) | (123.200) | - |

Savings

Return of Tagged Contingency Funding for the Te Ao Mārama Programme

This savings initiative will return tagged contingency funding for the expansion of the Te Ao Mārama programme. Implementation of the programme for the eight existing Te Ao Mārama sites will continue. Decisions on funding an expansion of the Te Ao Mārama programme beyond the eight existing sites will be made as part of future budget processes.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | (4.768) | (7.065) | (6.705) | (6.782) | (6.782) | (32.102) | - |

Crown Response to the Royal Commission of Inquiry into Abuse in Care (Public Service)

| Budget Breakdown | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------|-------------------------|-----------------------|---------------------|
| New Spending | 181.000 | 724.001 | 50.042 |
| Savings and Revenue | - | - | - |
| Total | 181.000 | 724.001 | 50.042 |

[^] The total reflects the total package, rather than the uplift for any particular vote, and includes funding for initiatives across multiple votes. The funding amounts of all Crown Response initiatives are reflected in the summary tables in their respective sections.

New Spending

Addressing the Wrongs of the Past – Redress System Changes and Provision of Redress for Abuse in Care

This initiative provides funding to enable the Government's delivery of redress for abuse in state care following the Royal Commission of Inquiry into Abuse in Care. This includes a package of \$503.2 million across multiple agencies, to:

- increase the average of payments to survivors from \$20,000 to \$30,000, and provide 'top-up' payments to previously settled claimants
- increase government capacity to process historic abuse claims to over 2,000 per year from 2026/27
- continue funding to provide survivors with access to supports and services, and
- make system improvements to ensure that survivors receive consistent and seamless service along with system governance and monitoring, and an independent review of changes in 2027.

Some funding will continue the provision of the records website and the Survivor Experiences Service for one year and be held in contingency from 2026/27 onwards to allow for a review of these services as part of broader redress system work.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--|---------|---------|---------|---------|---------|-----------------|---------------|
| Public Service | - | 5.745 | 8.252 | 3.272 | 1.164 | 18.433 | - |
| Corrections (Tagged Contingency) | - | 1.822 | 1.754 | 0.898 | 0.919 | 5.393 | - |
| Education | 1.297 | 1.639 | 14.935 | 15.323 | 15.696 | 48.890 | - |
| Health | 13.070 | 1.310 | 2.444 | 2.431 | 2.439 | 21.694 | - |
| Internal Affairs | - | 6.794 | - | - | - | 6.794 | - |
| Internal Affairs (Tagged Contingency) | - | - | 6.794 | 6.794 | 6.794 | 20.382 | - |
| Māori Development (Tagged Contingency) | - | 1.822 | 1.754 | 0.898 | 0.919 | 5.393 | - |
| Oranga Tamariki | - | 1.216 | 5.938 | 6.079 | 6.269 | 19.502 | - |
| Public Service (Tagged Contingency) | - | - | 0.779 | 0.779 | 0.779 | 2.337 | - |
| Social Development | 38.089 | 13.409 | 105.004 | 113.380 | 114.750 | 384.632 | - |

Crown Response Office – Time-limited Operating Funding

This initiative provides funding for the Crown Response Office to drive the implementation of the work programme arising from the Royal Commission of Inquiry into Abuse in Care. Funding will allow for functions that include monitoring and oversight, survivor engagement, legal services, advisory and on-going departmental needs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Public Service | - | 10.191 | 13.809 | - | - | 24.000 | - |

Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care

This initiative provides funding held in contingency to support the delivery of the Crown's response to the recommendations made by the Royal Commission of Inquiry into Abuse in Care, to address the wrongs of the past, make the care system safe and empower whānau and communities to prevent people from going into care.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Public Service (Tagged Contingency) | - | 7.094 | 7.094 | 7.094 | 7.093 | 28.375 | - |

Making the Care System Safe – Building a Diverse, Capable and Safe Care Workforce

This initiative provides funding to respond to care system safety recommendations made by the Royal Commission of Inquiry into Abuse in Care. Funding provides for staffing to give effect to the funding held in contingency to build a diverse, capable and safe workforce. The Ministries of Education, Health, Social Development (Disability Support Services), Health New Zealand and Oranga Tamariki will jointly design and implement a phased rollout of core training and ongoing development, and joint review and implementation of workforce screening and safety.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Public Service (Tagged Contingency) | - | 6.380 | 21.500 | 21.500 | 21.500 | 70.880 | - |
| Disability Support Services | - | 0.155 | - | - | - | 0.155 | - |
| Education | - | 0.155 | - | - | - | 0.155 | - |
| Health | - | 0.155 | - | - | - | 0.155 | - |
| Oranga Tamariki | - | 0.155 | - | - | - | 0.155 | - |

Other Initiatives Relating to the Crown’s Response to the Royal Commission of Inquiry into Abuse in Care

This section covers initiatives which cut across multiple Votes as part of the Crown’s Response. Further initiatives related to the Crown’s Response are led by Ministers responsible for Disability Support Services, Health, Internal Affairs, Oranga Tamariki and Social Investment. Further information can be found in the respective Vote sections. These initiatives are:

- **Vote Disability Support Services** – Recognising and Responding to Abuse of Disabled People in Care on page 29 (\$8.8 million operating over four years)
- **Vote Health** – Bolstering Safeguards and Oversight of Compulsory Mental Health and Addiction Care on page 45 (\$9.4 million operating over four years)
- **Vote Health** – Improving Mental Health Inpatient Unit Environments on page 45 (\$0.7 million operating over four years and \$50 million total capital)
- **Vote Internal Affairs** – Recordkeeping to Improve Quality, Quantity, Capacity, Access and Whānau Connections on page 51 (\$6.8 million operating over four years)
- **Vote Oranga Tamariki** – Recognising and Responding to Abuse of Children and Young People in Care on page 59 (\$16 million operating over four years), and
- **Vote Social Investment** – Empowering Families, Whānau, and Communities to Prevent Entry into Care on page 72 (\$25 million operating over four years).

Customs

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 5.250 | 21.000 | 5.470 |
| Savings | (17.725) | (70.900) | - |
| Total | (12.475) | (49.900) | 5.470 |

New Spending

Combatting Transnational and Serious Organised Crime at the Border

This initiative provides operating and capital funding to increase the New Zealand Customs Service's capacity to respond to increased transnational and serious organised crime. The initiative supports proactive investigations and prosecutions for drug importers, and bolsters services combatting threats within New Zealand's international supply chains. A further \$8.2 million in third-party fees and levy revenue has also been allocated to support this initiative.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Customs | - | 2.000 | 3.000 | 8.000 | 8.000 | 21.000 | 5.470 |

Savings

Removal of Crown Subsidies for Goods and Cargo Fees

This savings initiative returns funding freed through the removal of Crown subsidies on some fees charged as goods enter or leave New Zealand. Increased third-party revenue resulting from changes to goods management fees to recover costs from users will substitute existing Crown funding. There will be no change to current service levels.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|----------|----------|----------|-----------------|---------------|
| Customs | - | (3.400) | (13.500) | (27.000) | (27.000) | (70.900) | - |

Defence

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 1.898 | 7.590 | - |
| Savings | (0.070) | (0.280) | - |
| Total | 1.828 | 7.310 | - |

New Spending

Defence Capability Plan – Defence Capability Development and Acquisition Uplift

This initiative provides funding for regular review and implementation of the Defence Capability Plan, advice on options for renewing the maritime fleet, enhancing New Zealand's defence alliance with Australia and advising on emerging defence technology and regulatory issues.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence | - | 1.557 | 2.011 | 2.011 | 2.011 | 7.590 | - |

Savings

Ministry of Defence – Contributions to Third Parties

This savings initiative returns funding by discontinuing contributions made by the Ministry of Defence towards academic research and engagement with international partners on security issues, with no impacts on frontline services.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence | - | (0.070) | (0.070) | (0.070) | (0.070) | (0.280) | - |

Defence Force

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|-----------------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 377.975 | 1,511.899 | 1,043.874 |
| Savings | (33.372) | (133.487) | - |
| Total Budget 2025 | 344.603 | 1,378.412 | 1,043.874 |
| <i>Budget 2026 pre-commitment</i> | <i>101.778</i> | <i>120.000</i> | <i>1,627.000</i> |
| Combined Total | 446.381 | 1,498.412 | 2670.874 |

New Spending

Critical Estate Sustainment

This initiative provides funding to sustain the New Zealand Defence Force Estate through addressing some deferred maintenance activities to maintain safe and compliant infrastructure for operations, training and accommodation.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 26.000 | 26.000 | 26.000 | 26.000 | 104.000 | - |

Defence Capability Plan – Counter Unmanned Aircraft Systems Protective Capability

This initiative provides funding held in contingency to purchase a credible Counter Unmanned Aircraft Systems protective capability that can detect, track, identify and – when necessary and legally permitted – defeat any unauthorised systems that pose a safety hazard or security threat. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Enhancing New Zealand Defence Force Cyber Capabilities – Tranche 1

This initiative provides funding held in contingency to deliver an initial uplift to the defensive cyber capabilities of the New Zealand Defence Force. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Enterprise Resource Planning Capability for a Modern, Integrated Defence Force – Tranche 1

This initiative provides funding held in contingency to enable the completion of preparation and foundation tasks for the replacement of the resource management and planning capability of the New Zealand Defence Force. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Future Air Mobility Capability – Strategic (757 Replacement)

This initiative provides funding held in contingency for the replacement of the two Boeing 757 aircraft currently operated by the Royal New Zealand Air Force. The new aircraft will have enhanced range and reliability, allowing increased availability for strategic air mobility missions. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Future Naval Base Programme –Tranche 1a, Design and Enabling Works

This initiative provides funding for planning, design and decommissioning work at Devonport Naval Base across eight priority projects. This initiative forms the first stage of the Future Naval Base Programme which will regenerate infrastructure at Devonport.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 0.700 | 1.300 | 1.663 | 1.712 | 5.375 | 25.185 |

Defence Capability Plan – Garrison and Training Vehicles Project – Tranche 1, Phase 2

This initiative provides funding held in contingency to purchase vehicles to replace Unimog trucks used by the New Zealand Army Reserve and training units. The investment will allow the New Zealand Army to continue to support emergency responses within New Zealand and generate forces that can be deployed overseas. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Homes for Families (Part 3)

This initiative provides funding to lease homes, and funding to commence design work to build and modernise fit for purpose homes. Additional funding has also been set aside in a tagged contingency for the delivery and lease-back of planned housing in Waiouru. The tagged contingency figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 2.266 | 4.889 | 4.654 | 4.649 | 16.458 | 3.899 |
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Increasing Engagement with Security Partners

This initiative provides funding for additional staff and offshore diplomatic facilities to support the New Zealand Defence Force's international engagement with security partners.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 2.000 | 2.000 | 2.000 | 2.000 | 8.000 | - |

Defence Capability Plan – Information Management Programme – Tranche 1

This initiative provides funding held in contingency to transform the New Zealand Defence Force's data, analytics and information management capability through investment in technology, people, and processes. It forms part of the Information Management Programme, which will ensure access to accurate, timely information for better decision-making and continued data interoperability with security partners. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Maritime Helicopter Replacement –Tranche 1

This initiative provides funding held in contingency to fund the replacement of the New Zealand Defence Force's current fleet of eight Seasprite helicopters with a fleet of new maritime helicopters. The new helicopters will provide a modern naval aviation capability to conduct combat operations, search and rescue operations and contribute to humanitarian aid and disaster relief. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Medium Range Anti-Armour Weapon System (Javelin, Refresh Phase 2)

This initiative provides funding held in contingency to maintain the New Zealand Army's anti-armour capability through the purchase of Command Launch Units for the Javelin Medium Range Anti-Armour Weapon System. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Small-scale Defence Projects

This initiative provides funding to implement ten small-scale capability projects. These projects cover countering explosive hazards, engineering plant, logistics systems, secure networking and data links, soldier protective equipment, space operations, aircraft maintenance and special forces equipment.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 1.500 | 9.200 | 10.000 | 10.000 | 30.700 | - |

Defence Capability Plan – Operationalising the New Zealand Defence Force Workforce Strategy – Phase 1

This initiative provides funding for critical change initiatives to the New Zealand Defence Force workforce system, model and technology tools to ensure an adaptable, scalable and resilient workforce is available.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 8.841 | 8.198 | 4.875 | 4.005 | 25.919 | - |

Defence Capability Plan – Upgrade Army Communications Tranche 3 Phase 1

This initiative provides funding held in contingency to purchase replacement radios for the New Zealand Army and additional equipment for deployable headquarters. This will continue the transformation of the New Zealand Army into a networked force and enable deployment on operations in support of the Government's defence and foreign policy objectives. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Defence Capability Plan – Upgrading the Regional Supply Facility and Logistics Model at Burnham Military Camp

This initiative provides funding held in contingency to deliver the Burnham Regional Supply Facility: a centralised warehouse to house deployable supply, a regional equipment pool, and goods-distribution function. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Maintaining Air Capability

This initiative provides continued funding to increase flying hours across the Air fleet, recruit and train additional personnel, address critical repair and overhaul gaps, and restore engagement and training with our partner nations.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 60.000 | 60.000 | 60.000 | 60.000 | 240.000 | - |

Maintaining Information Capability

This initiative provides funding to address gaps in New Zealand Defence Force's digital information and capability and to maintain it at levels required to operate effectively, including with international partners in a rapidly changing global technology environment.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 15.000 | 15.000 | 15.000 | 15.000 | 60.000 | - |

Maintaining Land Capability

This initiative provides funding for combat capability through additional field exercises, participation in multinational planning activities and exercises, recruiting and training additional personnel, and addressing critical repair and overhaul gaps.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 51.000 | 51.000 | 51.000 | 51.000 | 204.000 | - |

Maintaining Maritime Capability

This initiative provides funding for additional patrols across the Naval fleet, regeneration of an Offshore Patrol Vessel, recruitment and training of additional personnel, and addressing critical repair and overhaul gaps.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 39.000 | 39.000 | 39.000 | 39.000 | 156.000 | - |

New Zealand Defence Force Overseas Deployments to Advance New Zealand's Interests

This initiative provides increased funding for anticipated future New Zealand Defence Force overseas deployments. The use of the funding will be subject to Cabinet approval of specific deployments.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 20.000 | 20.000 | 20.000 | 20.000 | 80.000 | - |

Partner Interoperability and Commitments

This initiative provides funding to maintain essential engagement with the armed forces of international partner nations, and to protect and enhance New Zealand's reputation and our ability to work with partners.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 2.700 | 2.700 | 2.700 | 2.700 | 10.800 | - |

People and Organisation Support

This initiative provides funding for military organisational support functions (cadets, Defence sports, educational resources, coursing), to provide support for the security services at Defence Force sites, and to improve governance and oversight of military deployments.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 8.000 | 8.000 | 8.000 | 8.000 | 32.000 | - |

Remuneration – Civilian Personnel

This initiative provides funding for remuneration uplifts to enable the New Zealand Defence Force to meet future pay costs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 8.320 | 8.320 | 8.320 | 8.320 | 33.280 | - |

Remuneration – Military Allowances

This initiative provides partial implementation of a new allowance framework to recognise the unique nature of the activities and engagements that the Defence workforce undertakes.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 38.880 | 38.880 | 38.880 | 38.880 | 155.520 | - |

Veterans' Affairs

This initiative provides temporary transitional funding for additional personnel to enable Veterans' Affairs to process and manage applications for support from veterans in a timely manner. This funding is time-limited, as the increase in the volume and complexity of claims needing to be processed is expected to be temporary.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Defence Force | - | 1.373 | - | - | - | 1.373 | - |

Savings

Bushmaster Communications

This savings initiative returns funding provided as part of the Budget 2023 Bushmaster Communications project. This funding is no longer required due to a re-phasing of the project.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | (6.040) | (4.050) | (3.397) | - | - | (13.487) | - |

Civilian Workforce Savings

This savings initiative reduces workforce costs through removing civilian roles that are not essential to the delivery of military outputs, and converting some contracted functions where it is cost effective to do so.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|----------|----------|----------|----------|-----------------|---------------|
| Defence Force | - | (30.000) | (30.000) | (30.000) | (30.000) | (120.000) | - |

Disability Support Services

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 254.864 | 1,019.455 | - |
| Savings | - | - | - |
| Total^ | 254.864 | 1,019.455 | - |

^ The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Crown Response to the Royal Commission of Inquiry into Abuse in Care – Making the Care System Safe – Recognising and Responding to Abuse of Disabled People in Care

This initiative provides funding to the Ministry of Social Development (Disability Support Services) to strengthen processes that recognise and respond to instances of abuse in care, by introducing additional audits on the quality of services delivered by Disability Support Service contracted care providers, and by improving the systems that support the management of critical incidents and complaints.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Disability Support Services | - | 3.300 | 2.200 | 1.650 | 1.650 | 8.800 | - |

Disability Support Services – Supporting Disabled People

This initiative provides funding to meet the continued delivery of support to disabled people and their families. The funding will help meet demand and inflationary pressures on Disability Support Services.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Disability Support Services | - | 190.000 | 190.000 | 190.000 | 190.000 | 760.000 | - |

High and Complex Framework Funding Pressures

This initiative provides funding to deliver services under the High and Complex Framework, including supports for people with an intellectual disability who live in secure or supervised care. Funding will provide for critical workforce training initiatives and essential infrastructure, which includes repairs and maintenance upgrades to essential security features.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Disability Support Services | - | 5.000 | 5.000 | - | - | 10.000 | - |

Pre-commitments

Disability Support Services – Adjustment to Residential Care Funding

This initiative increases funding to providers of residential care in community group homes, and to support service continuity for disabled people with specialist support needs living in aged residential care settings.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Disability Support Services | - | 60.000 | 60.000 | 60.000 | 60.000 | 240.000 | - |

Education

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 433.056 | 1,732.223 | 734.129 |
| Savings | (153.379) | (613.517) | |
| Total[^] | 279.677 | 1,118.706 | 734.129 |

[^] The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Aspiring Principal Programme Establishment and Expansion of the Leadership Advisory Service

This initiative provides funding for a programme of development and support for aspiring principals, to broaden their leadership capability and enhance their prospects of being appointed to principal roles. The initiative also provides funding to double the Leadership Advisory Service from 17 to 34 full-time equivalent staff, to provide more effective and comprehensive support to approximately 2,500 principals. This initiative supports the delivery of a high-quality and effective principal leadership system.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 5.153 | 8.063 | 8.401 | 8.595 | 30.212 | 0.285 |

Attendance in Schools Package

This initiative provides funding for better attendance support for schools and a more effective data-driven response. The package provides further frontline resourcing to school and Attendance Service providers, the effective use of high-quality data to drive evidence-based decision-making and the delivery of the stepped attendance response, and a new Attendance Service. The initiative is focused on delivering an increase in attendance rates and reducing chronic absence and non-enrolment rates.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 34.952 | 34.896 | 35.000 | 35.000 | 139.848 | 0.152 |

Early Childhood Education – Cost Adjustment

This initiative provides funding for a 0.5 per cent cost adjustment to the universal and targeted subsidies provided to the Early Childhood Education (ECE) sector. This cost adjustment will support ECE services to manage the increasing costs of provision, while helping maintain quality and affordable early learning for children, parents and whānau.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 7.068 | 14.440 | 14.669 | 14.904 | 51.081 | - |

Early Childhood Education Funding Review

This initiative provides funding for the establishment and ongoing costs of a Ministerial Advisory Group to conduct an Early Childhood Education funding review and time-limited departmental full-time equivalent funding to allow for the Ministry of Education to support the review work.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | 0.898 | 1.837 | 1.095 | 0.013 | 0.013 | 3.856 | 0.154 |

Early Maths and Pāngarau Checks

This initiative provides funding to design, develop, test, and deploy a nationally consistent numeracy and pāngarau screening assessment for students during the first two years of school. This will check progress, allow for an assessment of whether a student is on a steady and expected learning trajectory and identify whether further support is required. Students who master foundational skills in maths and pāngarau are better prepared to grapple with the more complex ideas presented in the later school years.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 2.172 | 0.913 | 0.171 | 0.021 | 3.277 | 0.854 |

Early Oral Language – Strengthening Early Learning

This initiative provides funding for delivery of the ENRICH (Enhancing Rich Interactions) programme to up to 525 Early Childhood Education (ECE) services, the development and implementation of oral language development resources for ECE teachers in all settings, an evaluation of Kōwhiri Whakapae, and the development and piloting of a tool to assess children’s oral language development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 2.592 | 3.732 | 2.872 | 3.157 | 12.353 | - |

Homework and Tutoring Services for Years 9 and 10 to Meet National Certificate of Educational Achievement Co-requisites

This initiative provides funding for new homework and tutoring services for learners in Years 9 and 10 at schools with 50 per cent or more Pacific learners. This initiative will benefit approximately 50 schools across New Zealand. The 2024 National Certificate of Educational Achievement (NCEA) co-requisite literacy and numeracy achievement data showed that Pacific learners had the lowest achievement rates for reading, writing and numeracy. All Year 9 and 10 students in those schools can attend the homework and tutoring services. This initiative is funded through the reprioritisation initiative ‘Pacific Education Programmes – Reprioritised Funding’ described on page 38.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 1.745 | 1.628 | 1.628 | 1.628 | 6.629 | 0.032 |

Kōhanga Reo Data Administration

This initiative provides funding for Te Kōhanga Reo National Trust to invest in Information and Communication Technology costs a centralised data administration team and human resource staff improvements.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 0.970 | 0.990 | 1.050 | 1.105 | 4.115 | - |

Learning Support – Behaviour and Communications Service

This initiative provides funding for additional frontline staff to meet the needs of learners who will need targeted or individual specialist support from the Behaviour and Communications Service over the next four years. The funding is for an additional 6.2 full-time equivalent (FTE) educational psychologists and 78.5 FTE speech language therapists as well as additional teacher aide time. It also funds an additional 5.6 FTE service managers to manage the new specialists. This initiative contributes to the Government’s priority for stronger learning support by providing increased capacity to address demand, so that students with additional learning needs can receive the support they need.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 3.823 | 8.870 | 12.465 | 16.332 | 41.490 | 1.406 |

Learning Support – Early Intervention Service Strengthened and Extended to Year 1 Learners

This initiative provides funding to extend the Early Intervention Service (EIS) into Year 1 of school with 119 new specialist staff in 2026 to create a smoother and more effective transition to school for young learners with additional learning support needs. This provides \$210.0 million over four years to meet increased demand for additional specialist support in EIS, including services extending into Year 1 of school. It also provides \$6.6 million over four years to grow and develop the specialist workforce, and for a price increase for EIS service providers that have not had an increase since 2019. Funding for this initiative increases beyond 2028/29.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 20.031 | 46.494 | 61.360 | 88.755 | 216.640 | 9.428 |

Learning Support – Expanding Te Kahu Tōi, the Intensive Wraparound Service

This initiative provides funding for 45 additional student places for Te Kahu Tōi Intensive Wraparound Service, with 30 new places in 2026 and another 15 from 2027. It also funds two additional full-time equivalent (FTE) staff psychologists and three contracted FTE facilitators in 2026, rising to three FTE psychologist and five FTE facilitators from 2027. Te Kahu Tōi supports students in years 0-10 who have highly complex and challenging behaviour, social, and learning needs at school, at home, and in the community. It supports improvements in students’ self-control, social skills, attitudes and beliefs, relationships with others, and access to safe environments and achievement.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 0.715 | 1.905 | 2.336 | 2.336 | 7.292 | 0.048 |

Learning Support – Intern Psychologist Salaries

This initiative provides funding for wage pressures for the 25 educational psychologist interns employed by the Ministry of Education each year. A 2023 Employment Relations Authority determination has deemed interns to be fixed-term employees, which has increased the cost of wages. In recent years, more than 85 per cent of the interns have been offered ongoing employment within the Ministry of Education once they are qualified. This initiative supports the development of the psychologist workforce, which has been consistently difficult to recruit, which will lift delivery of learning support services.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | 0.830 | 0.830 | 0.830 | 0.830 | 0.830 | 4.150 | - |

Learning Support – Ongoing Resourcing Scheme

This initiative provides funding for the increasing number of learners who are eligible for the Ongoing Resourcing Scheme (ORS). ORS entitlement is based on meeting specified criteria, and demand for ORS has been increasing due to population growth, migration levels, better identification of need, and the changing prevalence of different needs. The initiative strengthens learning support with funding for students with the highest ongoing levels of need for specialist support. Funding for the ORS service was previously delivered at a fixed level and funding increases were sought through the Budget process. This initiative changes the funding mechanism from fixed to demand-driven, which enables volume funding adjustments based on changes in the forecasts for roll growth and demand for the ORS service.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | 14.243 | 19.953 | 25.338 | 29.708 | 33.232 | 122.474 | - |

Learning Support – Teacher Aide Support for the Early Intervention Service Extension into Year 1 of Schools and Kura

This initiative provides funding for teacher aide time for children supported by the Early Intervention Service (EIS) extending to Year 1 of schools and kura. Around 3,970 children who are projected to use the EIS in year 1 will benefit from teacher aide time as part of the support they receive. This initiative will strengthen learning support in the early years and is aligned with evidence of best practice, enabling classroom teachers to be released to work directly with the learners, together with the support of specialists and Learning Support Coordinators.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 4.464 | 6.150 | 11.500 | 17.854 | 39.968 | - |

Learning Support Coordinators for Schools with Year 1 to 8 Students

This initiative provides funding to roll out Learning Support Coordinators (LSCs) to all schools. Every school with Year 1 to 8 students will have access to a co-ordinator, either through existing arrangements or a new allocation based on a roll-based formula. The initiative funds around 650 new LSC full time teacher equivalents that will be phased in over three years, as well as for professional learning and development, and evaluation costs. Most of the funding is in contingency and subject to the approval of a finalised implementation plan for the new LSC roles.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 1.250 | 1.250 | - | - | 2.500 | - |
| Tagged Contingency | - | 14.561 | 39.510 | 63.184 | 72.698 | 189.953 | - |

Māori Education Package

This initiative provides funding for five components:

- training and support for teachers to develop te reo Māori language proficiency
- a Virtual Learning Network to address teacher supply challenges for wharekura and secondary schools in science, technology, engineering, and mathematics
- subjects, in kaupapa Māori education and Māori medium education, curriculum resources in literacy and science, technology, engineering, and mathematics for wharekura
- a curriculum advisory service for kaupapa Māori and Māori medium education
- initial development of a te ao Māori learning area

This initiative is funded through the 'Māori Education Package – Reprioritised Funding' reprioritisation initiative described on page 37.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 9.034 | 9.034 | 9.034 | 9.034 | 36.136 | - |

Maths and Pāngarau Tutoring for Year 7 and 8 Students

This initiative provides funding for a tutoring-based intervention using school staff and a digital tutoring solution to accelerate learning in maths and pāngarau for Year 7 and 8 students who are not at curriculum level. The intervention will focus on the skills described in the Mathematics and Statistics or Pāngarau curriculum progress outcomes and it will support approximately 34,000 students.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 5.685 | 11.370 | 11.370 | 11.370 | 39.795 | - |

Maths and Pāngarau – Targeted Staffing for Years 0 to 6

This initiative provides funding for 143 full-time teacher equivalents for targeted maths and pāngarau support for Years 0 to 6. Students will be identified as needing support through assessment and monitoring. This initiative will resolve a critical gap in the education system by providing targeted student-focused maths and pāngarau support for those who are not achieving at curriculum level.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 8.682 | 15.794 | 15.794 | 15.794 | 56.064 | - |

New Zealand Qualifications Authority – National Certificates of Educational Achievement and Scholarship Delivery

This initiative provides funding to the New Zealand Qualifications Authority (NZQA) to deliver assessment for the National Certificate of Educational Achievement and New Zealand Scholarship. This funding is time-limited, with decisions on future funding subject to a report-back on NZQA's financial sustainability.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 10.000 | - | - | - | 10.000 | - |

New Zealand Qualifications Authority – Specialist Workforce

This initiative provides funding for the remuneration of the approximately 10,000 specialist staff contracted by the New Zealand Qualifications Authority to administer the National Certificate of Educational Achievement including the co-requisite assessments and New Zealand Scholarship. The initiative also funds the ongoing management and administration of the specialist workforce, which is necessary to recruit, onboard and pay this workforce.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 7.000 | 7.000 | 7.000 | 7.000 | 28.000 | - |

New Zealand Qualifications Authority – Strategic Technology Enhancement Project – Establishment Phase

This initiative provides funding for one year for the New Zealand Qualifications Authority (NZQA) to create a detailed business case for the Strategic Technology Enhancement project and begin addressing the risks posed by NZQA's legacy system.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 5.300 | - | - | - | 5.300 | - |

Independent Schools Subsidy Increase

This initiative provides funding for increases to the government subsidy to independent (private) schools to address price and volume pressures. The initiative adjusts funding in line with operational grant increases provided to state schools since 2023. Funding for the independent school subsidy was previously delivered at a fixed level, and funding increases were sought through the Budget process. This initiative changes the funding mechanism so that it is adjusted in line with forecast changes in roll growth.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 2.320 | 4.655 | 4.518 | 4.168 | 15.661 | - |

Professional Learning and Development for Literacy, Maths and Assessment

This initiative provides funding for curriculum professional learning and development priorities, to support embedding and sustaining quality practice in schools and kura.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 1.224 | 1.224 | 1.224 | 1.225 | 4.897 | - |

School Property – Expanding the Learning Support Network and Delivering Property Modifications – Contingency

This initiative provides funding held in contingency to make the school property portfolio more accessible. To meet increasing demand for specialist education, this initiative will fund the construction of approximately 25 new learning support classrooms. Most of these new classrooms will be satellite classrooms at local schools. To make local schools more accessible, this initiative also funds up to 365 property modifications at existing schools in 2025/26.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 2.625 | 5.250 | 5.250 | 5.250 | 18.375 | 90.000 |

School Property – Expanding the Māori Medium and Kaupapa Māori Network – Contingency

This initiative provides funding held in contingency to deliver additional capacity across the Māori medium education and kaupapa Māori education network. This funding will add approximately 50 new teaching spaces across the network to meet the increasing demand for learning in te reo Māori. This investment supports the Government's commitment to improving outcomes for Māori students through the Māori Education Action Plan and working with leaders and representative groups of kaupapa Māori education.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 0.563 | 2.438 | 3.750 | 3.750 | 10.501 | 50.000 |

School Property – Maintaining and Upgrading the Portfolio

This initiative provides funding from 2028/29 to support the maintenance and upgrades of the school property portfolio. The school property portfolio has recently undergone revaluation, which has contributed to an increase in the value of the portfolio. This builds on significant investment in Budget 2024 and represents a part of the overall depreciation funding available each year.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | - | - | - | 100.000 | 100.000 | - |

School Property – New Schools, Expansions and Land Purchases – Contingency

This initiative provides funding held in contingency to accommodate a growing school-age population by purchasing new sites and delivering new schools and school expansions across New Zealand. This supports the continued expansion of the school property portfolio required to meet existing pressures and forecast demand, caused by population growth and demographic changes across the school network.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 2.250 | 7.847 | 11.194 | 11.194 | 32.485 | 169.250 |

School Property – New School Property Entity – Contingency

This initiative provides funding in a tagged operating contingency to prepare for a new school property entity. The funding is for a business case, operating model and transition design, and an establishment team.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 7.500 | - | - | - | 7.500 | - |

School Property – Roll Growth Classrooms – Contingency

This initiative provides funding held in contingency to deliver additional classrooms at existing schools experiencing capacity pressures. This funds approximately 6,800 student places, allowing the Ministry of Education to respond to immediate and projected roll-growth pressures at the most overcrowded and highest priority schools. A portion of this funding will also be used to support growth at state-integrated schools. This initiative will deliver additional capacity across the school property portfolio to cater for the growing school-age population and shifting demographics.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 4.225 | 12.675 | 18.401 | 19.901 | 55.202 | 294.540 |

School Property – Seismic Programme – Contingency

This initiative provides funding held in contingency to deliver seismic remediation works to school buildings in the Greater Wellington region, as well as triaging and assessment of other at-risk buildings.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 1.585 | 4.252 | 6.414 | 5.406 | 17.657 | 108.118 |

Schools' Operational Grant – Funding Uplift

This initiative provides funding for a 1.5 per cent cost adjustment to the operational grant for schools, including charter schools, and base funding for Te Aho o Te Kura Pounamu. This funding will support schools to meet rising running costs, including staffing (teachers employed above their staffing entitlement and non-teaching staff), curriculum delivery, and other general day-to-day operations, such as heat, light, and water, or repair and maintenance costs. The cost adjustment will take effect from January 2026.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 17.540 | 34.949 | 34.792 | 34.394 | 121.675 | - |

Science and Pūtaiao Kits for Years 0 to 8

This initiative provides funding for science and pūtaiao kits, which will be made available to all schools and kura with learners from Years 0 to 8. The funding will also ensure that teachers are appropriately trained in the use of the kits and that the impact of the service is evaluated. The kits will contain the physical equipment, materials, and instructions required to deliver practical, hands-on science and pūtaiao activities that will help students experience all strands of the science and pūtaiao curricula.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 15.974 | 15.272 | 4.324 | 4.324 | 39.894 | - |

Secondary Curriculum Advisors

This initiative provides funding for 12 additional secondary school curriculum advisors with subject specialisation to support the delivery of the curriculum within secondary schools. The advisors work directly with schools to support consistent delivery of the national curriculum, support collaboration, use insights and data to analyse the impact of interventions, and ensure the latest curriculum and assessment changes are applied at school-level. Secondary curriculum advisors will balance a regional and national focus to distribute subject expertise across the country.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 1.497 | 2.229 | 2.258 | 2.279 | 8.263 | - |

Standardised Assessment and Aromatawai Tool for Years 3-10 in Reading, Writing, Maths, Pānui, Tuhituhi and Pāngarau

This initiative provides funding for a new dual-language standardised tool for twice-yearly assessment and aromatawai which aligns with the New Zealand Curriculum and Te Marautanga o Aotearoa. It will utilise Software as a Service technology to provide useful reporting and analysis of results that enable appropriate interventions at the student and education system level. This will support approximately 540,000 students (Years 3 to 10) with progress and achievement.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 24.775 | 24.913 | 13.254 | 12.866 | 75.808 | 9.788 |

Structured Literacy Approach – Expanded Staffing

This initiative further expands staffing to support the delivery of structured literacy approaches for Years 0 to 6. In 2025, the school staffing level was increased from 271 to 317 full-time teacher equivalents (FTE) for one year in response to significant demand from schools. This funding makes those roles ongoing and adds a further 32 FTE, bringing the total ongoing resource to 349 FTE, to address the demand for structured literacy supports from schools. This investment means more learners will benefit from targeted support to accelerate their literacy progress.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 4.239 | 8.478 | 8.478 | 8.478 | 29.673 | - |

Teacher Aide Professional Learning and Development

This initiative provides funding for professional learning and development (PLD) for teacher aides which increases confidence and capability to support the social and emotional wellbeing, and the behavioural needs of learners. PLD funded by this initiative will specifically focus on teacher aides developing an understanding of the unmet needs that can drive behavioural responses (including needs related to neurodiversity and/or developmental delay) and provide practical strategies for teacher aides to recognise and respond to needs in the educational context.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 1.000 | 1.000 | 1.000 | - | 3.000 | - |

Teacher Fees and Levies – Teaching Council Funding

This initiative provides funding to cover the costs of teachers' Teaching Council fees and levies through to 2028. It provides financial relief to approximately 115,000 teachers, supports a wider commitment to the teaching profession, and encourages the retention of experienced teachers. The funding is time-limited to account for the Teaching Council's three-year fee-setting cycle.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 18.100 | 17.600 | 17.600 | - | 53.300 | - |

Teacher Supply – Attraction and Growth

This initiative provides funding for an additional 530 teachers to train in an onsite teacher-training model, and it provides cost adjustments for the 1,331 places that were funded in Budget 2024. This initiative also provides funding for marketing campaigns to attract New Zealanders to work as teachers, and to attract international teachers and learning support professionals to work in New Zealand.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 8.989 | 8.871 | 7.682 | 7.894 | 33.436 | 0.032 |

WAI 3310 Waitangi Tribunal Education Services and Outcomes Kaupapa Inquiry – Claimant Costs

This initiative provides funding to cover claimant costs for the Education Services and Outcomes Kaupapa Inquiry – WAI 3310, which was initiated by the Waitangi Tribunal in November 2024.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | 0.870 | 0.870 | 0.870 | 0.870 | 3.480 | - |

Savings

Charter Schools | Kura Hourua – Reprioritised Funding

This savings initiative reprioritises funding from the Charter School Agency in the current financial year, due to changes in the delivery profile against initial Budget 2024 assumptions. This funding is being reprioritised to other education priorities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (4.011) | - | - | - | - | (4.011) | - |

Charter Schools Professional Learning and Development Funding – Reprioritising Underspent Funding

This savings initiative reprioritises underspent funding for professional learning and development (PLD) which was provisionally allocated to state schools that converted to being charter schools in 2024/25. Funding was not required as no state schools converted in this period. This funding is being reprioritised towards higher-value investments in PLD.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (0.078) | - | - | - | - | (0.078) | - |

Early Learning Professional Learning and Development – Reprioritising Underspent Funding

This savings initiative reprioritises underspent funding that was allocated for targeted professional learning and resource development to support the expanded early learning curriculum legal framework for Te Whāriki a Te Kōhanga Reo and Te Whāriki. The funding is being reprioritised to higher-value investments in professional learning and development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (0.100) | (0.100) | - | - | - | (0.200) | - |

Education Gazette – Efficiency Savings

This savings initiative reprioritises funding by moving the Education Gazette to an online-only format and reducing the number of issues from 16 to 12 each year from 2025. The Gazette is the Ministry of Education’s magazine for informing and engaging education professionals.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (0.190) | (0.430) | (0.480) | (0.480) | (0.480) | (2.060) | - |

Greater Christchurch Education Renewal Programme – Reprioritised Funding

This savings initiative reprioritises funding by stopping the Greater Christchurch Education Renewal Programme, which supported Christchurch schools with earthquake recovery. The funding was used to strengthen leadership, enhance wellbeing and foster collaboration with mana whenua, but is no longer required for earthquake recovery.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | (0.580) | (1.250) | (1.250) | (1.250) | (4.330) | - |

Kāhui Ako – Reprioritised Funding

This savings initiative reprioritises funding by stopping funding for Kāhui Ako, which are groups of education institutions (mainly schools) that were formed to collaborate and share best practice. There are 220 Kāhui Ako covering 3,500 schools, early childhood centres and tertiary providers. Kāhui Ako funding is being reprioritised into higher-value investment in learning support.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|----------|----------|-----------|-----------|-----------------|---------------|
| Education | - | (30.757) | (85.490) | (129.608) | (129.608) | (375.463) | - |

Kaupapa Māori and Māori Medium Education – Reprioritising Underspent Funding

This savings initiative reprioritises funding provided for kaupapa Māori and Māori medium education settings in the 2023 Teacher and Principal collective bargaining settlements. The funding was originally provided as a contingency which was overestimated. Equivalent funding for kaupapa Māori and Māori medium education settings has been confirmed and implemented meaning the remaining funding can be reprioritised.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (7.056) | (7.040) | (7.377) | (7.332) | (7.332) | (36.137) | - |

Learning Support – Positive Behaviour for Learning School-Wide – Participation Grants Reprioritised

This savings initiative reprioritises funding from the participation grant paid to schools that adopted the Positive Behaviour for Learning (PB4L) School-Wide programme. Funding will be reinvested into new initiatives in the learning support system to target effective interventions for students with additional needs. Other PB4L funding is not affected by this reprioritisation.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | (3.027) | (3.027) | (3.027) | (3.027) | (12.108) | - |

Māori Education Package – Reprioritised Funding

This savings initiative reprioritises funding by disestablishing the Wharekura Expert Teachers programme, disestablishing Resource Teachers: Māori roles from the staffing order and redirecting unallocated funding from the Māori Language Funding to Support Provision and Growth initiative. This funding is being reprioritised to fund the 'Māori Education Package' initiative described on page 32.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|----------|----------|-----------------|---------------|
| Education | - | (4.936) | (9.040) | (11.080) | (11.080) | (36.136) | - |

Network Hub Service – Reprioritised Funding

This savings initiative reprioritises funding by stopping the Network Hub service, which provides central coordination, support and guidance for the 35 Networks of Expertise (NEX). Options for the coordination of NEX (including bringing some functions in-house within the Ministry of Education) will be considered alongside re-procurement of the NEX service during 2025. This funding will be reprioritised towards other professional learning and development priorities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | (0.400) | (0.800) | (0.800) | (0.800) | (2.800) | - |

Pacific Education Programmes – Reprioritised Funding

This savings initiative reprioritises funding by stopping three programmes for Pacific learners: Tu'u Mālohi, Pacific Reading Together and Developing Mathematical Inquiry Communities. This funding is being reprioritised to fund the 'Homework and Tutoring Services for Years 9-10 to Meet National Certificate of Educational Achievement Co-requisites' initiative described on page 31.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (0.042) | (1.681) | (1.681) | (1.681) | (1.681) | (6.766) | - |

Professional Learning and Development Redesign – Reprioritised Funding

This savings initiative reprioritises funding from the Redesign of Professional Learning and Development programme which contributed to the design and development of the Government's structured literacy approaches. This funding is not required as a number of structured literacy supports have been deployed earlier than originally planned. This funding is being reprioritised towards higher value investments in professional learning and development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (1.649) | - | - | - | - | (1.649) | - |

Reading Together – Reprioritised Funding

This savings initiative reprioritises funding by stopping two programmes: Reading Together Te Pānui Ngātahi and Early Reading Together. This funding is being reprioritised towards higher value investments in line with the Government's education priorities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (2.651) | (2.651) | (2.651) | (2.651) | (2.651) | (13.255) | - |

Regional Response Fund – Reprioritised Funding

This savings initiative reprioritises funding from the Regional Response Fund which was established to support learners who were disengaged or at risk of disengaging from education post COVID-19. This funding is being reprioritised to fund the 'Attendance in Schools Package' initiative described on page 30.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|----------|----------|----------|----------|-----------------|---------------|
| Education | (5.000) | (10.000) | (10.000) | (10.000) | (10.000) | (45.000) | - |

Resource Teachers: Literacy – Reprioritised Funding

This savings initiative reprioritises funding from the Resource Teachers: Literacy service, which mainly works with English medium schools (Years 0 to 8), coaching teachers and directly supporting students. This initiative reprioritises funding required for higher value investments in curriculum resources, professional learning and development for teachers with a focus on reading and writing, and in-school expertise and learning support.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|----------|----------|----------|-----------------|---------------|
| Education | - | (0.941) | (10.299) | (13.965) | (13.965) | (39.170) | - |

Resource Teachers Learning and Behaviour – Services to Students in Years 11 to 13 – Reprioritised Funding

This savings initiative reprioritises funding from the Resource Teachers: Learning and Behaviour (RTLb) service for students in Years 11 to 13, which is currently provided to schools as flexible funding. The funding is not directly related to the implementation of the RTLb service, and it is not distributed based on need for the support, with minimal assurances on what it is used for. There has been no evaluation of effectiveness. The funding will be reinvested in learning support to deliver targeted multi-tiered, in-school learning supports for students with additional needs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | (1.976) | (3.952) | (3.952) | (3.952) | (13.832) | - |

Schools' Operational Grant – Classroom Set-up Grant Removed and Vandalism Funding Reduced

This savings initiative reprioritises funding by two components of the schools' operational grant, removing the New Classroom Set-Up grant and reducing Vandalism Funding by 20 per cent. Funding will still be provided to schools for furniture and equipment. This funding is being reprioritised to higher value investments in line with the Government's education priorities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | (1.053) | (2.108) | (2.108) | (2.108) | (7.377) | - |

Schools' Operational Grant – Part Time Students – Reprioritised Funding

This savings initiative reprioritises funding by progressively phasing out the additional schools' operational grant funding given to state schools where more than 20 per cent of the students are registered as part time. Only one school receives this funding. This initiative reprioritises funding that is required for higher value investments for the Government's priorities of a clearer curriculum, a better approach to literacy and numeracy, smarter assessment and training, and stronger learning support.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | (0.164) | (0.492) | (0.819) | (0.982) | (2.457) | - |

Study Support Centres – Reprioritised Funding

This savings initiative reprioritises funding by stopping Study Support Centres (SSCs) run by schools, iwi and community groups. Funding was unfairly distributed as schools that do not receive study support centre funding have set up similar services for their students. The funding is being reprioritised towards higher-value investments, in line with the Government's education priorities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | (1.610) | (1.610) | (1.610) | (1.610) | (6.440) | - |

Teachers' Tertiary Study in Literacy and Maths Programme – Reprioritised Funding

This savings initiative reprioritises funding by stopping the Teachers' Tertiary Study in Literacy and Maths programme (also known as the Tertiary Fees Funding Support scheme). It is an entitlement subsidy (up to 50 per cent) to support teachers to study a mathematics or literacy paper at graduate or post-graduate level. The funding is being reprioritised to higher-value investments in professional learning and development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | (0.070) | (0.100) | - | - | - | (0.170) | - |

Teaching and Learning Research Initiative – Reprioritised Funding

This savings initiative reprioritises funding by stopping the Teaching and Learning Research Initiative, which is managed and coordinated by the New Zealand Council for Educational Research | Rangahau Mātauranga o Aotearoa. The funding is being reprioritised towards higher-value investments in professional learning and development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | - | - | (1.556) | (1.556) | (3.112) | - |

Teaching Council Professional Learning and Development – Reduced Funding

This savings initiative reprioritises a portion of funding that is paid annually to the Teaching Council for its legislated optional functions. The funding is being reprioritised towards higher-value investments, in line with the Government's education priorities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Education | - | - | (0.322) | (0.322) | (0.322) | (0.966) | - |

Environment

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 6.311 | 25.244 | - |
| Savings | (66.069) | (264.274) | - |
| Total | (59.758) | (239.030) | - |

New Spending

Resource Management Act Reform Implementation – Phase 3

This initiative provides new funding to implement the first two years of the National Direction programme and Phase 3 of the Resource Management Act Reform. This initiative also reprioritises surplus funding within Vote Environment to support accelerated delivery of policy and scientific input, standardised zoning, legislative drafting, upholding Treaty and settlement commitments, legal support and a programme business case.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------|---------|---------|---------|----------|---------|-----------------|---------------|
| Environment | (5.000) | 38.897 | 12.760 | (13.273) | (9.540) | 23.844 | - |

Savings

Climate Change Portfolio – Baseline Savings

This savings initiative reduces funding allocated for scaling up the Voluntary Carbon Market (VCM) by approximately 35 per cent. \$0.5 million per annum in funding for VCM remains for work focused on incentivising additional forms of carbon removals.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Environment | - | - | (0.260) | (0.260) | (0.260) | (0.780) | - |

Climate Resilience for Māori – Downscaling of Fund

This savings initiative reduces funding allocated for the Māori Climate Platform by approximately 33 per cent, to improve value for money and contribute to broader savings across grants and funds. An average of \$2.6 million operating per annum remains in this fund.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Environment | - | (5.000) | - | - | - | (5.000) | - |

Environment Funds – Reprioritising, Savings and Streamlining

This savings initiative returns funding by reducing environmental funds. This reflects simplification of the Ministry for the Environment's fund landscape and broader use of the Waste Disposal Levy revenue to continue funding some areas through a single environmental investment fund containing approximately \$70.0 million average per annum.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------|----------|---------|---------|---------|---------|-----------------|---------------|
| Environment | (14.934) | (1.471) | (1.471) | (6.666) | (1.431) | (25.973) | - |

Waste Disposal Levy – Further Reallocation of Funding

This savings initiative changes the allocation of Waste Disposal Levy revenue. Revenue from the levy will fund a broader range of activities across government that reduce environmental harm or increase environmental benefits, which are currently funded by general Crown revenue. Accordingly, the total amount in the Waste Minimisation Fund will reduce by 49 per cent, improving the value of that spending. An average of \$30.0 million per annum remains in the Waste Minimisation Fund for new initiatives.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------|---------|----------|----------|----------|----------|-----------------|---------------|
| Environment | - | (49.252) | (52.323) | (58.473) | (72.473) | (232.521) | - |

Pre-commitments

Waitaki District Council – Exemption from Emissions Trading Scheme Surrender Requirements

This initiative funds an exemption for the Waitaki District Council from New Zealand Emissions Trading Scheme surrender obligations that arose from the remediation of waste from two historic illegal dumping sites. The exemption will result in a reduction in Crown revenue.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | <i>Operating Total</i> | <i>Capital Total</i> |
|-------------|---------|---------|---------|---------|---------|------------------------|----------------------|
| Environment | 1.400 | - | - | - | - | 1.400 | - |

Finance

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 2.500 | 10.000 | 65.764 |
| Savings | (0.050) | (0.200) | - |
| Total | 2.450 | 9.800 | 65.764 |

New Spending

Additional Capital for the Elevate NZ Venture Fund

This initiative provides \$100.0 million of additional capital funding for the Elevate NZ Venture Fund, to enable further investments in venture capital funds targeted at promising, high-growth New Zealand technology startup firms. This additional capital will stimulate the venture capital ecosystem to become self-sustaining over time. Funding is made up of \$61.0 million from redirecting government contributions that would have been made to the New Zealand Superannuation Fund and \$39.0 million from the Budget 2025 Capital Allowance.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Finance | - | - | - | - | - | - | 39.000 |

Capital and Operating Funding to Scale Up the Greenfield Model

This initiative provides capital funding to scale-up the Greenfield Model, delivered by the National Infrastructure Funding and Financing Agency (NIFFCo). The Greenfield Model works to reduce the cost of borrowing for developers during the initial, most risky stages of housing development. This initiative provides additional funding to help ensure new homes continue to be enabled in areas of highest need while broader reform is worked through.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Finance | - | - | - | 10.000 | - | 10.000 | 25.000 |

Maintaining Infrastructure on Protected Land Agreement Farms

This initiative provides funding for necessary infrastructure investment to address ongoing regulatory compliance and health and safety risks associated with Protected Land Agreement farms. In accordance with the Crown's contractual obligations, Crown funding is used to reimburse Landcorp for maintaining properties to the level and standard of other Landcorp farms, in anticipation of those properties being required for Treaty settlements.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Finance | - | - | - | - | - | - | 1.764 |

Savings

Return of Grants Funding

This savings initiative returns funding allocated to subscriptions to, and memberships of, organisations that have been assessed as not directly adding value to the Treasury's core outputs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Finance | (0.040) | (0.040) | (0.040) | (0.040) | (0.040) | (0.200) | - |

Pre-commitments

Cook Strait Ferries

This initiative provides capital funding held in contingency for the Cook Strait ferry replacement programme, involving procurement of two rail-enabled ferries and associated infrastructure at the Wellington and Picton ports. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Finance | - | - | - | - | - | - | - |

Next Steps for New Zealand Green Investment Finance Limited

This initiative reflects the fiscal impacts of the announced wind down of New Zealand Green Investment Finance Limited. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Finance | - | - | - | - | - | - | - |

Foreign Affairs

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 130.333 | 521.330 | 83.759 |
| Savings | - | - | - |
| Total | 130.333 | 521.330 | 83.759 |

New Spending

Doubling Exports and Asia Uplift – Leveraging Trade Agreements, Addressing Barriers, and Lifting Engagement in Asia

This initiative provides funding to support the Government's objectives to lift engagement in Asia, increase trade returns and double the value of exports. Funding will be used to increase engagement with India, Singapore and other priority South East Asian partners. It will also be used to address non-tariff barriers to trade, and to ensure that existing free trade agreements are leveraged, expanded and implemented.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Foreign Affairs | - | 20.937 | 20.937 | 20.938 | 20.938 | 83.750 | - |

International Development Cooperation

This initiative addresses a fiscal cliff in the International Development Cooperation (IDC) programme. In 2021, the then Government committed \$800.0 million over four years in IDC funding to deliver on New Zealand's climate finance target under the Paris Agreement. The funding was time-limited and left a \$200.0 million per annum fiscal cliff from January 2026. Budget 2025 reduces the impact of this cliff by providing ongoing, baselined funding of \$100.0 million per annum to fill half of the shortfall (plus an additional \$5.0 million per annum to address the \$10.0 million per annum shortfall in departmental funding). The new funding will be used for IDC projects with a priority focus on the Pacific. It will not be exclusively focused on meeting climate finance objectives.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Foreign Affairs | - | 52.500 | 105.000 | 105.000 | 105.000 | 367.500 | - |

Health

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 1,782.816 | 7,131.263 | 1,084.383 |
| Savings | (31.289) | (125.155) | (284.831) |
| Total[^] | 1,751.527 | 7,006.108 | 799.552 |

[^] The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Aged Care – Continuing Support for Timely Transfers from Acute Hospital Care to Community Settings

This initiative provides time-limited funding through to 2028/29 to continue supporting the timely transfer of older people from acute hospital care into community settings, such as Aged Residential Care facilities. This funding will help relieve pressure on the hospital system and reduce the clinical and social risks from prolonged hospital stays.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | - | 6.000 | 6.000 | 6.000 | 6.000 | 24.000 | - |

Crown Response to the Royal Commission of Inquiry into Abuse in Care – Making the Care System Safe – Bolstering Safeguards and Oversight of Compulsory Mental Health and Addiction Care

This initiative provides funding to the Ministry of Health to bolster safeguards and oversight of compulsory mental health and addiction care, by increasing the capacity, expertise, and availability of independent statutory roles, including District Inspectors and Review Tribunals, and by improving models of care.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | - | 1.584 | 1.808 | 2.984 | 2.984 | 9.360 | - |

Crown Response to the Royal Commission of Inquiry into Abuse in Care – Making the Care System Safe – Improving Mental Health Inpatient Unit Environments

This initiative provides funding, including funding held in a capital contingency, to Health New Zealand to assess and improve mental health inpatient units to ensure care settings are safe and responsive to people's needs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | - | 0.367 | 0.367 | - | - | 0.734 | - |
| Tagged Contingency | | | | | | | 50.000 |

Facilities Infrastructure Remediation Programme – Critical Auckland Infrastructure – Tranche 3

This initiative provides funding held in contingency to address the risk to critical Auckland-based health services from ageing and degraded infrastructure that lacks resilience and the ability to meet current and future demands. Asset failure would significantly impact patients at Auckland City Hospital and the Greenlane Clinical Centre. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Funding for the Health and Disability Commissioner to Continue to Address the Backlog of Complaints

This initiative provides one-off funding in 2025/26 to the Health and Disability Commissioner to support the organisation to address the backlog of outstanding complaints.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | - | 1.000 | - | - | - | 1.000 | - |

Interim Inpatient Bed Capacity for New Zealand Hospitals

This initiative provides funding held in contingency for three temporary modular inpatient units, each of up to 32 beds. These units are an interim solution at hospital sites ahead of their extensive redevelopment in the longer-term. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

National Remediation Programme and Small Scale Infrastructure Projects

This initiative provides funding held in contingency to enable the accelerated delivery of a range of small-scale infrastructure projects aimed at either:

- addressing asset failure and asset remediation across enabling infrastructure, that will relieve pressure on the Health New Zealand operating budget in 2025/26 and 2026/27 (National Remediation Programme), or
- refurbishment or modification of health facilities and assets to improve clinical services delivery to support achievement of health targets (Small Scale Infrastructure Projects).

The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Nelson Hospital Redevelopment Programme – Project Two

This initiative provides funding held in contingency for the next stage (Project Two) of the redevelopment of Nelson Hospital. The funding will address the significant capacity deficit resulting from a growing population, the poor seismic resilience of key buildings, and outdated care delivery. Project Two comprises construction of a new inpatient building and essential infrastructure. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Palmerston North Remediation Programme

This initiative provides funding held in contingency to address core infrastructure risks across the Palmerston North Hospital site. Issues present on the hospital site include risk of failing electrical systems, aging and failing mechanical systems, and a need for significant fire protection upgrades to the hospital and key acute services. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Prescribing Length Increase From 3 Months to 12 Months

This initiative provides funding to support an increase in the maximum prescribing duration limit in the Medicines Regulations 1984 from 3 months to 12 months to allow patients to continue accessing their medicines without needing to interact as frequently with their prescriber. Outyear funding is held in contingency pending updated uptake information.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | - | 10.000 | - | - | - | 10.000 | - |
| Tagged Contingency | - | - | 27.000 | 27.000 | 27.000 | 81.000 | - |

Transition to a Multi-Agency Response to 111 Mental Distress Calls

This initiative provides funding to support a five-year transition from a Police-led response to a multi-agency response for people calling 111 in mental distress. This includes funding to boost mental health and addiction telehealth capacity and expand Co-response Teams. This initiative will help ensure that more people with mental health concerns and those in distress due to a broad range of social issues who are presenting via 111 receive the support they need.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | - | 2.743 | 6.049 | 8.142 | 10.681 | 27.615 | - |

Wellington Regional Hospital Emergency Department Refurbishment

This initiative provides additional funding held in contingency for a new emergency department at Wellington Hospital. The funding will address the current capacity deficit, to meet industry standards on seismic resilience and to provide improved emergency patient care within the ground floor of the main hospital building. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

New Zealand's Financial Contribution to the World Health Organization

This initiative provides funding to meet New Zealand's 2024 and 2025 annual Assessed Contribution (membership fee) to the World Health Organization.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | 0.487 | 0.870 | 0.870 | 0.870 | 0.870 | 3.967 | - |

Savings

Baseline Reprioritisation from the Ministry of Health

This savings initiative reprioritises funding from the Ministry of Health's baseline to offset the funding provided for several healthcare services included in the Budget 2025 package. The cost reductions required to provide the funding for these initiatives will be achieved through a number of targeted programmes, which include reducing both personnel and non-personnel-related costs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|----------|----------|----------|---------|-----------------|---------------|
| Health | (0.487) | (13.734) | (12.447) | (12.938) | (9.421) | (49.027) | - |

Implementation of Increased Access to Cancer Treatments and Other Medicines – Return of Underspends

This savings initiative returns implementation funding that was spent more slowly than Health New Zealand had anticipated and some of which was not needed in 2024/25. Baseline funding for the additional capacity to deliver more cancer treatments by Health New Zealand will increase from 2025/26.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|----------|---------|---------|---------|---------|-----------------|---------------|
| Health | (16.194) | - | - | - | - | (16.194) | - |

Termination of COVID-19 Advance Purchase Agreement – Return of Funding

This savings initiative returns funding through the termination of a COVID-19 advance purchase agreement.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | - | - | - | - | - | - | (284.831) |

Well Child Tamariki Ora – Strengthening Services Tagged Operating Contingency – Return of Funding

This savings initiative returns funding in the Well Child Tamariki Ora (WCTO) – Strengthening Services tagged operating contingency. The contingency was established in Budget 2022 but was not drawn down. The Government remains committed to the WCTO programme and to supporting Whānau Āwhina Plunket.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|----------|----------|----------|----------|----------|-----------------|---------------|
| Tagged Contingency | (17.622) | (10.578) | (10.578) | (10.578) | (10.578) | (59.934) | - |

Pre-commitments

Health New Zealand Funding to Meet Demographic Demand and Inflation

This initiative, announced at Budget 2024, provides funding for core demographic, volume and price pressures for frontline health services delivered by Health New Zealand to maintain current health policy settings.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|-----------|-----------|-----------|-----------|-----------------|---------------|
| Health | - | 1,370.000 | 1,370.000 | 1,370.000 | 1,370.000 | 5,480.000 | - |

Increasing Access to Cancer Treatments and Other Medicines

This initiative, announced in June 2024, provides funding for Pharmac's Combined Pharmaceutical Budget to increase access to cancer treatments and other medicines. This initiative will enable New Zealanders to access an estimated 54 additional medicines including 26 cancer treatments. This initiative also provides funding to Health New Zealand to increase capacity to deliver cancer treatments and related services.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | 108.000 | 146.000 | 175.000 | 175.000 | 175.000 | 779.000 | - |
| Tagged Contingency | - | 52.000 | 60.000 | 60.000 | 60.000 | 232.000 | - |
| Health (<i>funded outside Budget allowances</i>) | 40.000 | 3.000 | 3.000 | 3.000 | 3.000 | 52.000 | - |

Primary Care – Delivering Quality and Timely Access

This initiative provides funding for the implementation of the Primary Care Tactical Action Plan. Alongside other activities, the funding will support a stronger focus on outcomes, earlier interventions and performance improvements within general practice. Increased funding will retain doctors and nurses in primary care by increasing training capacity and clinical placements in primary care, incentivising recruitment and increasing the uptake of advanced training. It will also introduce a new 24/7 digital primary care service, as well as strengthening access to urgent and after-hours care.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Health | 17.912 | 101.616 | 109.974 | 105.550 | 105.626 | 440.678 | 21.121 |
| Tertiary Education | - | 0.434 | 1.297 | 2.151 | 3.191 | 7.073 | - |
| Social Development | - | - | - | - | 0.073 | 0.073 | - |
| Revenue (IRD-Crown) | - | - | - | (0.167) | (0.170) | (0.337) | - |

Initiatives Funded Outside Budget Allowances

Forensic Mental Health Services – Meeting Growing Demand

This initiative provides \$51 million total operating funding to expand the capacity of forensic mental health services within the Midland region to address immediate capacity issues related to the Waikeria Prison expansion by reprioritising existing baseline funding. It also includes funding to establish one intensive and assertive community wrap-around service team in the region experiencing the next greatest increase in prison population and service demand. This is being managed outside Budget allowances, as it will be funded through reprioritisation of funds.

Pharmac Data and Digital Investment

This initiative provides \$7.0 million total operating funding for Pharmac to improve its data and digital infrastructure to enable more effective engagement with suppliers, stakeholders and patients. This is being managed outside Budget allowances as it will be funded by reprioritising funds from the initiative *Termination of COVID-19 Advance Purchase Agreement*.

Housing and Urban Development

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 100.113 | 400.451 | 482.816 |
| Savings | (100.113) | (400.452) | (507.816) |
| Total | (0.000) | (0.001) | (25.000) |

New Spending

Early-Stage Operating Supplement – Additional Funding

This initiative provides funding for the Early-Stage Operating Supplement for Community Housing Providers to meet existing commitments for social housing delivery. This initiative will be fully funded through reprioritisation of existing funds within Vote Housing and Urban Development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Housing and Urban Development | - | - | - | - | - | - | 42.000 |

Housing Support Services, Transitional Housing, and Social Housing

This initiative provides funding to maintain key housing services, including housing support services, transitional housing, and social housing provided by Community Housing Providers. This initiative will be fully funded through reprioritisation of existing funds within Vote Housing and Urban Development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Housing and Urban Development | 3.906 | 11.629 | 19.562 | 60.628 | 86.768 | 182.493 | - |

New Social Housing and Affordable Rental Investments

This initiative provides funding to support:

- delivery of additional social homes and affordable rental properties, including for whānau Māori, and
- establishment of a Flexible Fund for different typologies and tenure types (social homes and affordable rentals).

Investment through the Flexible Fund represents a system shift, consolidating funding for different tenures to enable greater clarity over what the government is purchasing, and improving ability to direct funding to the highest priority areas.

This initiative will be fully funded through reprioritisation of existing funds within Vote Housing and Urban Development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Housing and Urban Development | - | 48.500 | 57.376 | 37.875 | 33.000 | 176.751 | 191.256 |
| Tagged Contingency | - | - | - | 15.842 | 25.365 | 41.207 | 249.560 |

Savings

Housing Portfolio Savings to Enable New Investment

This savings initiative reprioritises a total of \$382.8 million of capital funding and \$400.5 million of operating funding from descoping programmes across the Housing Portfolio. This funding will be used to maintain key housing services and enable new housing investment, including delivery of additional affordable homes for whānau Māori and establishment of a Flexible Fund for different typologies and tenure types. Savings have been identified for reprioritisation across a range of areas, including:

- reprioritising operating funding from the Housing Infrastructure Fund: \$9.1 million total operating savings
- social and Transitional Housing Services: \$45.0 million total operating savings
- full cost recovery model for the First Home Loan programme by ending the Government contribution to the mortgage insurance levy: \$71.6 million total operating savings
- ending Contracted Emergency Housing by December 2025: \$86.8 million total operating savings, and
- uncommitted funding from the Māori Housing Programme: \$188.0 million operating and \$382.8 million total capital savings.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------------------|----------|----------|----------|-----------|-----------|-----------------|---------------|
| Housing and Urban Development | (21.686) | (76.742) | (47.523) | (107.791) | (146.710) | (400.452) | (382.816) |

Kāinga Ora Large-Scale Projects

This savings initiative returns \$125.0 million total capital funding from Kāinga Ora's Large-Scale Projects, reducing total funding for the projects from \$1.1 billion to \$925.6 million. Of these savings, \$100.0 million will be reprioritised to other initiatives within Vote Housing and Urban Development, with the residual \$25.0 million being reprioritised towards scaling up the Infrastructure and Finance Act Greenfields Model within Vote Finance, as described on page 42.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Housing and Urban Development | - | - | - | - | - | - | (125.000) |

Internal Affairs

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 56.489 | 225.957 | 4.279 |
| Savings | (6.576) | (26.304) | - |
| Total[^] | 49.913 | 199.653 | 4.279 |

[^] The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Crown Response to the Royal Commission of Inquiry into Abuse in Care – Recordkeeping to Improve Quality, Quantity, Capacity, Access and Whānau Connections

This initiative provides funding to respond to the Royal Commission of Inquiry into Abuse in Care. Funding is provided to develop, implement, and monitor new and consistent recordkeeping practices and standards, including new records retention and disposal rules, and to provide targeted support for improved recordkeeping in the state care sector. Funding also provides targeted support to improve record-keeping guidance in the education and disability care sectors. This is a joint initiative between the Ministries of Education and Social Development (Disability Support Services) and the Department of Internal Affairs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Disability Support Services | - | 0.500 | - | - | - | 0.500 | - |
| Education | - | 0.335 | 0.321 | 0.289 | 0.293 | 1.238 | 0.042 |
| Internal Affairs | - | 1.242 | 1.255 | 1.267 | 1.280 | 5.044 | - |

Expanding the Eligibility for the Rates Rebate Scheme to Include SuperGold Cardholders

This initiative provides funding to expand the Rates Rebate Scheme to lift the income threshold to \$45,000 for SuperGold Cardholders to access rates rebates and associated administrative costs. Up to 66,000 additional households will be eligible for the rebate as a result of this change. Outyear funding is held in contingency pending updated uptake information.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Internal Affairs | 0.500 | 32.875 | - | - | - | 33.375 | - |
| Tagged Contingency | - | - | 35.875 | 40.875 | 43.875 | 120.625 | - |

Maintaining Ministerial Services

This initiative provides funding to ensure baseline funding is sufficient to maintain existing levels of support services to Ministers and the Executive.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Internal Affairs | - | 4.136 | 4.666 | 5.225 | 5.786 | 19.813 | 4.279 |

Ministerial Services – International Engagement

This initiative provides funding to support the Executive's programme of international engagement to deliver on Government priorities and promote New Zealand's national interests through hosting official visits and undertaking overseas travel.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Internal Affairs | - | 2.023 | 2.023 | 2.023 | 2.023 | 8.092 | - |

Regional Deals Programme Implementation and Support

This initiative provides funding to continue delivering the Regional Deals Programme through a Secretariat function within the Department of Internal Affairs. Regional Deals are intended to support long-term collaboration between central and local government, to drive economic growth, deliver critical infrastructure and improve the supply of affordable, quality housing.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Internal Affairs | - | 2.958 | 2.958 | 2.958 | 2.958 | 11.832 | - |

Savings

Cyclone Gabrielle Trust Crown Administration Funding

This savings initiative returns remaining administration funding related to the Cyclone Gabrielle Trust, which is no longer required as the Trust has been closed.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Internal Affairs | (0.378) | (0.889) | - | - | - | (1.267) | - |

Disarmament Education Grants

This savings initiative returns funding through the closure of the Disarmament Education Grants programme.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Internal Affairs | - | (0.100) | (0.200) | (0.200) | (0.200) | (0.700) | - |

National Library and Archives New Zealand – Baseline Savings

This savings initiative returns funding through increased operational efficiencies, workforce management, property rationalisation, ongoing discretionary expenditure reductions, and a review of services at Archives New Zealand and the National Library of New Zealand. These savings reduce the baseline for National Archive and Library Services by approximately one per cent.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Internal Affairs | - | (2.000) | (2.000) | (2.000) | (2.000) | (8.000) | - |

Return of Funding for the Aotearoa Reorua (Bilingual Towns and Cities) Programme

This saving initiative returns funding through the closure of the Aotearoa Reorua (Bilingual Towns and Cities) programme. Existing contracts for this discretionary fund are not affected, and the initiative returns all unallocated funding from 2025/26 onwards.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Internal Affairs | - | (0.400) | (0.400) | (0.400) | (0.400) | (1.600) | - |

Water Services Authority – Taumata Arowai Operating Contingency

This savings initiative returns funding that is no longer required from the 'Taumata Arowai, New Crown Agent Regulator for Water Services' tagged operating contingency, as some Crown funding is intended to be replaced with third-party revenue.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | (3.546) | (3.500) | (3.743) | (3.948) | (14.737) | - |

Justice

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 52.701 | 210.804 | - |
| Revenue | (25.875) | (103.500) | - |
| Savings | - | - | - |
| Total | 26.826 | 107.304 | - |

New Spending

Court Timeliness – Delivering Timely Access to Justice Services

This initiative provides additional funding for the Ministry of Justice to manage inflationary, demand and other pressures in delivering its functions, to enable a continued focus on improving timeliness in the Courts and across the justice system.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Justice | - | 4.040 | 2.059 | 2.059 | 2.059 | 10.217 | - |
| Courts | - | 23.445 | 25.426 | 25.426 | 25.426 | 99.723 | - |

Court Timeliness – Legal Aid

This initiative provides funding for legal aid services in response to increased demand, to ensure that the Judiciary have sufficient information to proceed with cases, while court users receive appropriate support and representation.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Justice | 23.197 | 25.000 | 20.974 | 15.717 | 10.122 | 95.010 | - |

Effective, Timely and Resilient Election Services

This initiative provides funding for the Electoral Commission to maintain electoral system performance by improving and modernising election processes, enrolment and communications.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Justice | - | 11.534 | 32.927 | 16.409 | 0.992 | 61.862 | - |

Integrity Improvements to Electoral Services

This initiative provides funding for integrity improvements, including additional capability to uplift electoral system performance, in response to the Office of the Auditor General's independent review of counting errors in the General Election 2023.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 10.977 | 5.390 | 1.123 | 1.225 | 18.715 | - |

Revenue

Revenue from Legal Aid Debt

This savings initiative returns additional revenue to the Crown, which is increasing as a result of a greater emphasis on collection of debt including the use of new tools and processes.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|----------|----------|----------|----------|----------|-----------------|---------------|
| Justice | (20.700) | (20.700) | (20.700) | (20.700) | (20.700) | (103.500) | - |

Pre-commitments

Four-year Parliamentary Term Referendum

This initiative provides additional funding for the operational costs for the four-year term of Parliament referendum.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------|---------|---------|---------|---------|---------|-----------------|---------------|
| Justice | - | 8.382 | 16.618 | - | - | 25.000 | - |

Labour Market

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 5.473 | 21.891 | - |
| Savings | - | - | - |
| Total | 5.473 | 21.891 | - |

New Spending

Refugee Quota Programmes

This initiative provides funding from 1 July 2026 to support the delivery of New Zealand's international humanitarian commitments. This funding will enable New Zealand to continue to meet its existing annual refugee quota and family reunification targets, maintain a world-leading resettlement programme, continue to support good settlement outcomes, and maintain New Zealand's international reputation.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Labour Market | - | - | 7.297 | 7.297 | 7.297 | 21.891 | - |

Initiatives Funded Outside Budget Allowances

Closure of the Supporting WorkSafe Service Realignment Tagged Contingency

This initiative confirms the expiry and closure of the WorkSafe Service Realignment tagged contingency. In 2023, Cabinet agreed to the establishment of a \$7.0 million tagged contingency funded by the Health and Safety at Work Levy, to help meet potential costs associated with a proposed restructure of WorkSafe New Zealand. While WorkSafe progressed with its proposed restructure, this funding was not ultimately required. As the contingency was funded by the Health and Safety at Work Levy, the closure of the contingency has no impact on Budget allowances.

Lands

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 5.726 | 22.903 | - |
| Savings | - | - | - |
| Total | 5.726 | 22.903 | - |

New Spending

Maritime Digital Transformation – Enabling Digital Navigation

This initiative provides funding to implement new digital maritime navigation and safety specifications. From 2029, the new specifications will enable more precise navigation and reduce fuel costs for each ship visit, ensuring New Zealand meets requirements under the International Convention for the Safety of Life at Sea, which will support economic growth.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Lands | - | 5.177 | 7.127 | 6.059 | 4.540 | 22.903 | - |
| Transport | - | 0.503 | 1.531 | 2.003 | 1.672 | 5.709 | - |

Māori Development

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 4.663 | 18.653 | - |
| Savings | (26.628) | (106.512) | - |
| Total[^] | (21.965) | (87.859) | - |

[^] The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Māori Wardens and the Māori Women's Welfare League | Ngā Wātene Māori me Te Rōpū Wāhine Māori Toko I Te Ora

This initiative provides increased funding to resource Māori Wardens and the Māori Women's Welfare League. This includes funding for transportation and training for volunteers, and greater administrative support. This will enable effective service delivery and the expansion of services to align with emerging community needs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Māori Development | - | 3.315 | 3.315 | 3.315 | 3.315 | 13.260 | - |

Savings

Māori Development Fund Changes | Te Whakaterenga Whanaketanga Ōhanga Māori – Te Wete i te Pitomata o ngā Rawa me ngā Hinonga nō te Māori

This initiative rescopes the Māori Development Fund (the Fund) to accelerate Māori economic growth. The Fund, containing \$40.2 million per annum of funding from 2025/26, will support the Government's Going for Growth with Māori | Tōnuī Māori plan, focusing on infrastructure investment, unlocking the growth potential of Māori assets and accelerating exports. The \$5.0 million per annum reduction in funding is achieved by reducing investment in areas less aligned with Tōnuī Māori and the scope of the refocused Fund.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Māori Development | - | (5.000) | (5.000) | (5.000) | (5.000) | (20.000) | - |

Māori Housing – Reducing the Scale of New Housing Supply Programmes | Ngā Kāinga Māori – Te Whakaheke i te Rahi o ngā Kaupapa Whakarato Whare Hou

This savings initiative is consistent with the Government's decision to consolidate all housing delivery under the new Flexible Fund described on page 49. Te Puni Kōkiri will retain \$17.5 million per annum of new supply housing funding and other Māori new supply housing supports will be delivered by the Ministry of Housing and Urban Development.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Māori Development | - | (8.128) | (8.128) | (8.128) | (8.128) | (32.512) | - |

Māori Housing – Whai Kāinga Whai Oranga Funding | Ngā Kāinga Māori – Te Pūtea Whai Kāinga Whai Oranga

This savings initiative returns funding allocated to the Whai Kāinga Whai Oranga Māori Housing Programme. Funding is no longer needed, as the programme is in its final year of delivery and the core iwi prototype projects are nearing completion. Future projects will be progressed through the new Flexible Fund described on page 49.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------|---------|----------|----------|----------|----------|-----------------|---------------|
| Māori Development | - | (13.500) | (13.500) | (13.500) | (13.500) | (54.000) | - |

Office of the Clerk

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 0.582 | 2.328 | - |
| Savings | - | - | - |
| Total | 0.582 | 2.328 | - |

New Spending

Maintenance of Office of the Clerk Functions

This initiative provides funding to maintain the functions of the Office of the Clerk, ensuring the retention of a specialised workforce to deliver the core services to the House of Representatives, select committees, Members of Parliament and the public.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Office of the Clerk | - | 0.582 | 0.582 | 0.582 | 0.582 | 2.328 | - |

Oranga Tamariki

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 48.431 | 193.725 | 33.896 |
| Savings | - | - | - |
| Total[^] | 48.431 | 193.725 | 33.896 |

[^] The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Crown Response to the Royal Commission of Inquiry into Abuse in Care – Making the Care System Safe – Recognising and Responding to Abuse of Children and Young People in Care

This initiative provides funding to Oranga Tamariki to provide training and development, monitoring and assurance, improved escalation, processes and response times, and approvals and accountability processes to reduce abuse and harm to children and young people in community and remand homes and those cared for by individual caregivers.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Oranga Tamariki | - | 7.600 | 3.300 | 3.550 | 1.550 | 16.000 | - |

Infrastructure Remediation for Residences

This initiative provides funding held in contingency to repair residences to meet all legislative requirements, such as building warrant of fitness standards and water service regulations.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 2.282 | 1.549 | 1.379 | 1.299 | 6.509 | 15.592 |

Military Style Academies

This initiative provides funding for the operation of Military Style Academies and transitional support for young serious offenders.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Oranga Tamariki | - | 3.478 | 9.218 | 9.218 | 9.218 | 31.132 | 2.000 |

Professionalisation of the Residential Workforce

This initiative provides funding held in contingency to strengthen professional leadership, uplift the capability of the core workforce, and raise the proportion of the workforce that has comprehensive skills, knowledge and experience.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 6.853 | 9.872 | 12.263 | 12.263 | 41.251 | - |

Safety Improvements in Youth Justice Residences

This initiative provides funding to address critical safety risks in five secure Youth Justice residences and to implement legislative changes to enable universal searches on entry to residences, in response to recommendations by the Royal Commission of Inquiry into Abuse in Care.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Oranga Tamariki | - | 3.604 | 6.146 | 5.890 | 5.966 | 21.606 | 11.186 |

Young Serious Offenders – Implementation of New Legislative Regime

This initiative provides funding to implement the new legislative regime for young serious offenders, as proposed by the Oranga Tamariki (Responding to Serious Youth Offending) Amendment Bill. The Bill will allow Youth Court judges to make a ‘Young Serious Offender’ declaration, unlocking a range of new sentencing options.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Oranga Tamariki | - | - | 4.584 | 5.585 | 5.585 | 15.754 | - |

Pre-commitments

Changes to Oranga Tamariki Social Service Contracting

This initiative provides funding to extend contracts with social service providers, in response to the Government’s expectation that Oranga Tamariki defer its annual review of contracted services for 2025/26 – and associated service adjustments – to design and implement a refined commissioning approach in partnership with the Social Investment Agency.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Oranga Tamariki | - | 23.655 | - | - | - | 23.655 | - |

Pacific Peoples

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 0.250 | 1.000 | - |
| Savings | (9.210) | (36.840) | - |
| Total | (8.960) | (35.840) | - |

New Spending

Pasifika Wardens

This initiative provides funding for Pasifika Wardens. This will support effective service to Pacific communities through capacity and capability building, including transportation and training for volunteers and greater administrative support.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Pacific Peoples | - | 0.250 | 0.250 | 0.250 | 0.250 | 1.000 | - |

Savings

Dawn Raids – Returning Funding at Completion of the Ministry for Pacific Peoples' Contribution to Reconciliation

This savings initiative returns funding allocated to the Dawn Raids reconciliation programme run by the Ministry for Pacific Peoples from 2027/28 onwards. Two years' time-limited funding remains to allow for the completion of the Ministry's Dawn Raids programmes, which support the Crown's reconciliation programme.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Pacific Peoples | - | - | - | (0.420) | (0.420) | (0.840) | - |

Pacific Economic Development – Closing the Tauola Business Fund

This savings initiative closes the contestable Tauola Business Fund in line with the consolidation of grants and funds across government. \$6.3 million per annum remain to continue supporting Pacific economic and business development through the Pacific Business Trust and Pacific Business Village.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Pacific Peoples | - | (3.500) | (3.500) | (3.500) | (3.500) | (14.000) | - |

Tupu Aotearoa – Realisation of Efficiencies

This savings initiative returns funding allocated to the Tupu Aotearoa programme by realising efficiencies and consolidating government investment into employment support providers. There is \$5.25 million per annum remaining in the fund to continue the Tupu Aotearoa programme which supports Pacific peoples into employment and training, alongside the Ministry of Social Development's employment programmes.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Pacific Peoples | - | (5.500) | (5.500) | (5.500) | (5.500) | (22.000) | - |

Parliamentary Service

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 0.949 | 3.796 | 22.136 |
| Savings | - | - | - |
| Total | 0.949 | 3.796 | 22.136 |

New Spending

Critical Capital Maintenance – Fire Sprinkler Pipework Replacement, Heating Infrastructure Upgrade and Ground Floor Window Hardening

This initiative provides funding for critical building maintenance works on existing Parliament buildings, including fire sprinkler pipework replacement, heating infrastructure upgrade, and ground floor window hardening. In addition to the below amount, the balance of the funding requirement for this initiative is being met from available tagged contingencies.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Parliamentary Service | - | - | - | - | - | - | 22.136 |

Parliamentary Service Personnel Costs

This initiative provides funding to maintain the capability and capacity of the Parliamentary Service workforce, and to enable the recruitment and retention of specialist skills and experience.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Parliamentary Service | - | 0.949 | 0.949 | 0.949 | 0.949 | 3.796 | - |

Police

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 135.000 | 540.000 | - |
| Revenue | (4.563) | (18.250) | - |
| Savings | (24.999) | (99.994) | - |
| Total | 105.439 | 421.756 | - |

New Spending

New Zealand Police – Safer Frontline Service Delivery

This initiative provides funding to New Zealand Police to maintain frontline and operational delivery. The funding assists Police to continue delivering essential services by funding wage and price increases and costs to maintain its infrastructure and equipment.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Police | - | 120.000 | 120.000 | 120.000 | 120.000 | 480.000 | - |

Police Enterprise Resource Management Programme – System Upgrade – Phase 1

This initiative provides funding held in contingency towards Phase One of the Enterprise Resource Management Programme, which replaces New Zealand Police's Human Resources, Payroll and Workforce Management systems. This funding will enable the upgrade of Police's core systems to resilient, modern, cloud-based alternatives, ensuring Police can continue to deliver reliable services to the public and avoid the potential of system failure. The figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Police Prosecution Uplift Programme – Continuing Improvements in Court Timeliness

This initiative provides funding to continue delivering improved prosecution services in Auckland City, and to scale this proven delivery model for national delivery. It continues the Prosecutions Uplift Programme, which commenced in July 2023 with time-limited funding ending in 2024/25, and which has shown significant improvements in preparation and timely progression of cases through court.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Police | - | 15.000 | 15.000 | 15.000 | 15.000 | 60.000 | - |

Revenue

Firearms Regulatory Fees – Increased Cost Recovery

This initiative increases firearms regulatory fees under Sections 80 to 86 of the Arms Act 1983 to be more in line with fees in comparable jurisdictions for firearms, and fees for other regulatory activities in New Zealand. This will align the costs of the services to their primary users. There will be no change to the overall service levels or funding for the system.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Police | - | - | (5.550) | (6.470) | (6.230) | (18.250) | - |

Savings

Operating Efficiencies – New Zealand Police

This savings initiative returns funding through reductions to New Zealand Police leadership and non-sworn employee positions and increased operating efficiencies.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|----------|----------|----------|----------|-----------------|---------------|
| Police | - | (15.090) | (17.920) | (17.920) | (17.920) | (68.850) | - |

Return of Grant Funding – New Zealand Police

This savings initiative returns funding through the withdrawal of grant funding previously provided for national and community-based crime prevention initiatives that have been identified as lower-value, with no direct impact on frontline services.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------|---------|---------|---------|---------|---------|-----------------|---------------|
| Police | - | (7.786) | (7.786) | (7.786) | (7.786) | (31.144) | - |

Prime Minister and Cabinet

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 1.305 | 5.219 | - |
| Savings | (0.500) | (2.000) | - |
| Total | 0.805 | 3.219 | - |

New Spending

Central Agency and National Security, Risk and Resilience Functions – Continuing Funding

This initiative provides time-limited funding and additional funding held in contingency for 2025/26 for continued delivery and strengthening of the Department of the Prime Minister and Cabinet’s central agency and national security, and risk and resilience functions. The new funding requirement is partly offset through the transfer of a 2024/25 underspend.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Prime Minister and Cabinet | (2.000) | 6.219 | - | - | - | 4.219 | - |
| Tagged Contingency | - | 1.000 | - | - | - | 1.000 | - |

Savings

Unallocated Research Funding Relating to Violent Extremism

This savings initiative returns funding not yet allocated to research activities. Existing commissioned research will continue to be delivered.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Prime Minister and Cabinet | - | (0.500) | (0.500) | (0.500) | (0.500) | (2.000) | - |

Revenue

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 1,829.814 | 7,319.257 | - |
| Revenue | (584.000) | (2,336.000) | |
| Savings | (684.834) | (2,739.337) | 3.300 |
| Total | 560.980 | 2,243.920 | 3.300 |

New Spending

Employee Share Schemes – Tax Deferral Regime

This initiative will change the employee share scheme tax rules. These changes will defer the taxing point for schemes that involve the issue of shares in an unlisted company to a point at which the employee can access cash from the shares to meet their tax liability.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Revenue (IRD–Crown) | - | 0.900 | 3.000 | 3.000 | 3.000 | 9.900 | - |

Investment Boost – Partial Expensing Regime

This initiative will implement a partial expensing regime called 'Investment Boost', which will provide businesses an immediate tax deduction for new assets equal to 20 per cent of the purchase price of the asset. This will incentivise business investment in assets, increasing capital intensity, productivity, and economic growth.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|-----------|-----------|-----------|-----------|-----------------|---------------|
| Revenue (IRD–Crown) | 208.000 | 1,830.000 | 1,611.000 | 1,714.000 | 1,278.000 | 6,641.000 | - |

KiwiSaver Package – Extending Eligibility to 16- and 17-year-olds

This initiative will extend eligibility for the KiwiSaver Government contribution and employer matching to 16- and 17-year-olds.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Revenue (IRD–Crown) | - | 4.100 | 8.000 | 8.300 | 8.900 | 29.300 | - |

Thin Capitalisation – Infrastructure Projects

This initiative provides funding held in contingency for any changes to the thin capitalisation rules.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 5.000 | 20.000 | 20.000 | 20.000 | 65.000 | - |

Working for Families – Abatement Changes

This initiative will increase the Working for Families abatement threshold from \$42,700 to \$44,900 and increase the Working for Families abatement rate from 27 per cent to 27.5 per cent. Around 142,000 families (85 per cent of whom have incomes below \$100,000) will receive an average increase of \$14 a fortnight.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Revenue (IRD–Crown) | - | 15.000 | 63.000 | 64.000 | 63.000 | 205.000 | - |

Revenue

Compliance Activities – Continuation of Funding

This initiative provides funding to maintain investment in Inland Revenue's tax compliance and debt management activities. This permanently continues the time-limited funding that Inland Revenue received at Budget 2022 to manage the impacts of COVID-19. This funding will ensure that current tax revenue and cash receipts, as well as the impact on debt impairment resulting from these compliance activities, are maintained.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|-----------|-----------|-----------|-----------|-----------------|---------------|
| Revenue | - | 26.500 | 26.500 | 26.500 | 26.500 | 106.000 | - |
| Revenue (IRD–Crown) | - | (204.000) | (204.000) | (204.000) | (204.000) | (816.000) | - |

Compliance Activities – Increased Investment

This initiative provides funding to increase investment in Inland Revenue's tax compliance and debt management activities, expanding on the Budget 2024 compliance investment. This investment has an expected return of 4 to 1 in 2025/26 and 8 to 1 in 2026/27 and beyond, being a mix of increased tax revenue and decreased debt impairment. A small portion of this funding will be used to develop internal capability for Inland Revenue to assess, based on international best practice, the direct and indirect effects of compliance activity going forward.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|-----------|-----------|-----------|-----------|-----------------|---------------|
| Revenue | - | 35.000 | 35.000 | 35.000 | 35.000 | 140.000 | - |
| Revenue (IRD–Crown) | - | (140.000) | (280.000) | (280.000) | (280.000) | (980.000) | - |

Savings

KiwiSaver Package – Changes to Contributions

This initiative will implement a package of changes to the KiwiSaver scheme in order to boost private retirement savings while ensuring the financial sustainability of the scheme:

- increasing the default employee and employer contribution rate from 3 per cent to 3.5 per cent from 1 April 2026, and then to 4 per cent from 1 April 2028
- allowing KiwiSaver members to apply to Inland Revenue for a temporary reduction of their contribution rate to 3 per cent
- removing the Government contribution for all KiwiSaver members with taxable income over \$180,000 per annum, and
- halving the rate of the Government contribution to 25 cents per dollar contributed to a maximum of \$260.72.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------------------------|---------|-----------|-----------|-----------|-----------|-----------------|---------------|
| Revenue (IRD–Crown): saving | - | (580.000) | (605.000) | (633.000) | (649.000) | (2,467.000) | - |
| Revenue (IRD–Crown): revenue | - | (21.000) | (104.000) | (158.000) | (257.000) | (540.000) | - |

Student Loans – Indefinite Freeze of the Repayment Threshold

This savings initiative reflects Cabinet's decision to indefinitely suspend the annual inflation adjustment of the student loan repayment threshold. This will mean the student loan repayment threshold will remain at the current income level of \$24,128 per annum. This initiative has a one-off gain of \$76.0 million in 2024/25, which is managed outside Budget allowances due to it being offset by revenue reductions over time.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|----------|----------|----------|----------|-----------------|---------------|
| Revenue (IRD–Crown) | (6.000) | (12.000) | (13.000) | (16.000) | (18.000) | (65.000) | - |

Working for Families – Best Start Tax Credit Changes

This savings initiative will align eligibility for the Best Start Tax Credit in Year 1 with existing tests in Years 2 and 3.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|----------|----------|----------|----------|-----------------|---------------|
| Revenue (IRD–Crown) | - | (14.000) | (58.000) | (68.000) | (71.000) | (211.000) | - |

Initiatives Funded Outside Budget Allowances

Discharging the Digital Services Tax Bill

This initiative removes forecast revenue of \$119.8 million per annum associated with the Digital Services Tax Bill, which has been discharged from the Government's legislative agenda.

Social Development

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 112.295 | 486.729 | 1.481 |
| Savings | (498.643) | (1,994.573) | 28.579 |
| Total | (386.349) | (1,507.844) | 30.060 |

^ The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Accommodation Supplement – Adjusting Area Boundaries

This initiative provides funding to adjust Accommodation Supplement area boundaries to account for urban development and residential expansion, increasing support to more accurately reflect housing costs.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Social Development | - | 0.151 | 2.208 | 7.182 | 7.875 | 17.416 | 1.481 |

KickStart Breakfasts and KidsCan

This initiative provides time-limited funding to continue the Government's contribution to two programmes: KickStart Breakfast, which provides breakfasts in schools, and KidsCan's distribution of jackets to children. These programmes demonstrate the Government's commitment to delivering on the Child and Youth Strategy priorities, especially addressing material hardship.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Social Development | - | 1.642 | 0.376 | - | - | 2.018 | - |

Food Secure Communities – Funding to Respond to Demand for Food Support

This initiative provides time-limited funding to continue the Food Secure Communities programme by maintaining national and regional bulk food distribution infrastructure. It also continues support for community providers to source and distribute food via food hubs and foodbanks, and increases community resilience through food security initiatives. This programme contributes to reducing material hardship for children, one of the priorities of the Child and Youth Strategy.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Social Development | - | 15.000 | - | - | - | 15.000 | - |

Ministry of Social Development – Services for the Future Programme

This initiative funds the remainder of the Ministry of Social Development's business transformation programme. The programme will change the way the Ministry of Social Development operates, modernise its technology and business processes to support new and more efficient ways of working, and reduce costs and risk. The Programme is expected to deliver savings of around \$1.9 billion over the next ten years, from a combination of administrative savings and getting more people off benefits and into work, starting from 2027/28. The contingency figures have been withheld due to commercial sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Social Development | - | 67.590 | - | - | - | 67.590 | - |
| Tagged Contingency | - | - | - | - | - | - | - |

Savings

Automated Decision-Making (ADM) – Updating ADM Use in Ministry of Social Development Processes

This savings initiative will improve fairness and integrity of administration of welfare support by implementing ADM in several processes and removing ADM from the processing of some hardship assistance. These changes will support people's timely access to public services, through changes to operational practice, systems and legislation.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|----------|----------|----------|-----------------|---------------|
| Social Development | 0.021 | (0.028) | (22.846) | (56.577) | (90.069) | (225.882) | 8.339 |

Emergency Housing – Recognising Savings

This savings initiative recognises savings from forecast changes in Emergency Housing costs (which largely result from the decisions taken at Budget 2024) against the Budget 2025 operating allowance. The 2024 changes were included in the forecast at the Budget Economic and Fiscal Update 2024, but these savings have since been revised upwards.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------------|---------------|
| Social Development | (230.041) | (226.089) | (195.499) | (187.752) | (187.171) | (1,026.552) | - |

Employment Services – Investing in Frontline Staff and Employment Programmes

This initiative provides funding to allow the Ministry of Social Development to deliver additional employment support to jobseekers, resulting in savings to the Crown. This will result in more exits off benefits and into work, producing savings to the Crown through lower forecast spending on Jobseeker Support and other benefits.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-------------------------------|---------|----------|-----------|----------|-----------|-----------------|---------------|
| Social Development – savings | - | (35.964) | (126.465) | (174.88) | (153.246) | (490.555) | - |
| Social Development – spending | - | 148.271 | 177.629 | 17.400 | - | 343.300 | 2.510 |

Growing Up in New Zealand Study – Recognising Savings

This initiative recognises savings following a contract that has been negotiated for the Growing Up in New Zealand study. Reductions and efficiencies have been identified, and the Government will no longer be the sole funder of the study.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Social Development | (6.820) | - | - | - | - | (6.820) | - |

Housing Subsidies – Increasing the Accommodation Supplement Entry Threshold for Some Homeowners

This savings initiative increases the minimum amount that homeowners (not including New Zealand Superannuation, Veteran's Pension or Supported Living Payment recipients) must pay towards their weekly housing costs (from 30 per cent to 40 per cent of the relevant income) before being able to receive Accommodation Supplement.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|----------|----------|-----------------|---------------|
| Social Development | - | 0.406 | (2.677) | (17.669) | (16.653) | (36.593) | - |

Income Charging – Additional Integrity Checks of Ministry of Social Development Payments – Phase 1

This savings initiative will increase the number of checks of Ministry of Social Development client income against information from Inland Revenue. Ministry of Social Development currently manually checks a proportion of records received from Inland Revenue. This initiative will realise savings by funding additional staff to increase the number of records that are reviewed, to help ensure the right people are receiving the right payment at the right time.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|----------|----------|----------|---------|-----------------|---------------|
| Social Development | - | (10.458) | (10.550) | (10.550) | - | (31.558) | - |

Income Charging – Using Inland Revenue Data to Improve the Accuracy of Ministry of Social Development Payments – Phase 2

This savings initiative will change the way that salary and wage information is captured and charged for income-tested financial assistance administered by the Ministry of Social Development. This will help ensure the right people are receiving the right payment at the right time, and will result in net savings to the Crown.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|-----------|-----------------|---------------|
| Social Development | - | 3.735 | 4.085 | 4.168 | (376.524) | (364.536) | 16.013 |
| Revenue | 0.100 | 0.800 | 0.600 | 0.600 | 1.900 | 4.000 | 3.300 |

Jobseeker Support – Tightening Eligibility for 18-to-19-year-olds

This savings initiative adds a parental assistance test to determine eligibility for Jobseeker Support and Emergency Benefit for single 18- and 19-year-olds. From July 2027, this test will assess whether the young person can reasonably be expected to rely on their parents or guardians for support. If it is determined that their parents or guardians can support them, single 18- and 19-year-olds will not be eligible for Jobseeker Support or Emergency Benefit.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|----------|----------|-----------------|---------------|
| Social Development | - | 0.582 | 3.983 | (84.072) | (84.197) | (163.704) | 1.717 |

Tagged Contingency Saving – Funding for the Children and Young People’s Commission and Strengthening the Oversight of the Oranga Tamariki System

This savings initiative closes a tagged contingency established at Budget 2023 for costs relating to the Children and Young People’s Commission. This funding is no longer required, as final decisions have been taken on the ongoing funding for the Commission. The scope of the tagged contingency was also extended in 2024 to include changes intended to strengthen the oversight of the Oranga Tamariki system.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | (3.215) | (1.739) | (1.739) | (1.739) | (1.739) | (10.171) | - |

Pre-commitments

Social Development – 26-week Reapplications for Jobseeker Support

This savings initiative recognises reduced costs from changing the duration of Jobseeker Support grants from 52 weeks to 26 weeks, which was announced in August 2024. This means that Jobseeker Support benefits will expire earlier, and clients receiving Jobseeker Support will need to reapply to continue receiving benefit payments.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|----------|---------|---------|---------|-----------------|---------------|
| Social Development | - | (11.302) | (8.729) | (8.927) | (8.927) | (37.885) | - |

Social Investment

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 68.750 | 275.000 | - |
| Savings and Revenue | - | - | - |
| Total[^] | 68.750 | 275.000 | - |

[^] The totals include funding towards the Crown Response to the Royal Commission of Inquiry into Abuse in Care.

New Spending

Child and Youth Strategy – Supporting Parenting Practices in the First 2,000 Days

This initiative provides funding for social investment initiatives that develop positive parenting practices in the first 2,000 days of children's lives and help reduce child harm. This initiative aligns with the priorities in the Government's Child and Youth Strategy, launched in November 2024.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 5.000 | 5.000 | 5.000 | 5.000 | 20.000 | - |

Crown Response to the Royal Commission of Inquiry into Abuse in Care – Making the Care System Safe – Empowering Families, Whānau, and Communities to Prevent Entry into Care

This initiative provides funding held in contingency for the Social Investment Fund to invest in initiatives that have a direct impact on preventing children and/or vulnerable adults from going into care.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 4.000 | 7.000 | 7.000 | 7.000 | 25.000 | - |

Social Investment Fund – Building Foundations to Drive Social Investment

This initiative provides funding to establish and operate the Social Investment Fund (the Fund), with some funding held in contingency to make investments in line with Social Investment Ministers' priorities once the Fund is fully established. The Fund will use data and evidence to guide investment in effective, outcomes-focused social services. The Fund will invest in new programmes and in changes that strengthen existing arrangements. This initiative also provides departmental funding for the oversight and delivery of the Fund.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Social Investment | - | 26.000 | 26.000 | 26.000 | 26.000 | 104.000 | - |
| Tagged Contingency | - | 31.500 | 31.500 | 31.500 | 31.500 | 126.000 | - |

Sport and Recreation

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | - | - | - |
| Savings | (3.810) | (15.240) | - |
| Total | (3.810) | (15.240) | - |

Savings

Tū Manawa Fund – Reduction in Crown Funding

This savings initiative reduces the Crown contribution towards the Tū Manawa fund by approximately 25 per cent. Tū Manawa provides funding for the delivery of play, active recreation and sport activities for children and young people. Approximately \$11.4 million per annum of Crown operating funding remains in this fund. Sport New Zealand intends to maintain these programmes at existing service levels through reprioritisation until the end of 2027/28.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|----------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Sport and Recreation | - | (3.810) | (3.810) | (3.810) | (3.810) | (15.240) | - |

Statistics

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 15.700 | 62.800 | 17.552 |
| Savings | (1.551) | (6.204) | - |
| Total | 14.149 | 56.596 | 17.552 |

New Spending

Measuring a Modern Economy – New International Standards

This initiative provides funding held in contingency to deliver eight updated macroeconomic measures by the end of 2030, to meet new international standards and better measure changes in the economy. Funding will also deliver new monthly indicators by 2027 to provide timely updates on economic activity.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | 8.801 | 10.964 | 12.236 | 14.267 | 46.268 | 17.552 |

Monthly Consumers Price Index and More Regular Reporting of Inflation

This initiative will deliver a more frequent, reliable measure of inflation by moving from quarterly to monthly Consumers Price Index (CPI) reporting. Data will be collected on a monthly rather than quarterly basis, with regular monthly CPI reporting delivered from the beginning of 2027.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Statistics | - | 6.576 | 5.246 | 2.610 | 2.100 | 16.532 | - |

Savings

Return of Funding for Internal Learning and Capability

This savings initiative returns approximately 50 per cent of current funding for corporate learning and capability. This does not reduce funding for the training of frontline delivery staff.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Statistics | - | (1.505) | (1.536) | (1.566) | (1.597) | (6.204) | - |

Tari Whakatau

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | - | - | - |
| Savings | - | - | - |
| Total | - | - | - |

New Spending

Treaty of Waitangi Settlement Related Issues – Tagged Contingency

This initiative provides funding held in contingency for additional Treaty settlement redress and costs relating to settlement and post-settlement issues. The figures have been withheld due to negotiation sensitivities.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tagged Contingency | - | - | - | - | - | - | - |

Tertiary Education

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 105.089 | 420.357 | - |
| Savings | (3.750) | (15.000) | (62.000) |
| Total | 101.339 | 405.357 | (62.000) |

New Spending

Final-year Fees Free – Increased Cost

This initiative provides funding for increasing costs to the final-year Fees Free scheme. This increase in cost arises from more learners being eligible than initially forecast. A separate cost of \$76.0 million over the forecast period is being managed outside Budget allowances, which recognises the need to reimburse learners for the value of the goods and services tax they initially paid on their fees.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Revenue (IRD-Crown) | - | (1.326) | 22.051 | 38.283 | 44.244 | 103.252 | - |

Industry Standard-setting Functions

This initiative ensures continuity of funding for industry standard-setting functions under the new model for industry standards-setting from 1 January 2026. Ongoing funding is being considered as part of the broader transition of the vocational education and training sector.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tertiary Education | - | 10.000 | - | - | - | 10.000 | - |

Managing Tertiary Education and Training System Pressures – Increased Tuition Fees

This initiative provides funding to enable Tertiary Education Organisations to increase tuition and training fees charged to learners by up to 6 per cent in 2026, to support providers to address ongoing costs and maintain the quality of tertiary education delivery. This incurs Crown expenditure through the final-year Fees Free policy in Vote Revenue and the Student Loan Scheme. Flow-on impacts on Student Loans in Vote Revenue and Vote Social Development are managed outside Budget allowances.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|---------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Revenue (IRD-Crown) | - | 0.238 | 3.927 | 6.737 | 8.903 | 19.805 | - |

Managing Tertiary Education and Training System Pressures – Targeted Cost Adjustments to Tertiary Education Tuition and Training Subsidies

This initiative provides funding for a 3 per cent increase to tertiary education and training subsidies for foundation levels and for priority delivery at degree level and above.⁶ A further \$17.0 million is provided for ongoing increases to subsidies for priority delivery at Levels 3 to 7 (non-degree). Delivery at degree level and above will receive an additional subsidy increase as part of the 'Managing Tertiary Education and Training System Pressures – Targeted Cost Adjustments to Higher Education Subsidies' initiative described on page 77.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tertiary Education | - | 30.362 | 60.723 | 60.723 | 60.723 | 212.531 | - |

⁶ Targeted areas are Science and Clinical Psychology, Medical Imaging, Medical Laboratory Science, Medical Radiation Therapy, Medical Undergraduate, Optometry, Veterinary Science, Maths, Nursing Degree, Agriculture and Horticulture, Priority Engineering, Initial Teacher Education, Foundation Education and targeted areas aligned at trades, agriculture, engineering, and health sciences at Levels 3 to 7.

Managing Tertiary Education and Training System Pressures – Targeted Cost Adjustments to Higher Education Tuition Subsidies

This initiative provides funding for a 1.75 per cent increase to tertiary education subsidies at degree level and above (Level 7+) for targeted areas of provision.⁷ This will provide additional funding from 2026 onwards, and support higher education providers to sustain quality of provision and further invest in targeted areas. This increase builds on the subsidy increase for all levels of study provided by the 'Managing Tertiary Education and Training System Pressures – Targeted Cost adjustments to Tertiary Education Tuition and Training Subsidies' initiative described on page 76.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tertiary Education | - | 9.193 | 18.386 | 18.386 | 18.386 | 64.351 | - |

Tertiary Education and Training Enrolments – Increased Volume Funding

This initiative funds forecast tertiary education and training volume in 2025 and 2026 and approximately 175 additional Youth Guarantee places per year, which is a 3 per cent ongoing increase. This will ensure the system can respond to expected demand, in line with Government's focus on providing learners with skills for employability and productivity and reducing the number of young people who are under- or unemployed.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tertiary Education | - | 60.533 | 45.159 | 2.855 | 2.855 | 111.402 | - |

Savings

Prime Minister's Scholarships – Returning Funding

This savings initiative removes all funding from the Prime Minister's Scholarships for Asia and Latin America and returns the funds to the centre to fund other Government priorities. The scholarships will no longer be available from 1 July 2025. Current scholarship holders and applicants for the April 2025 scholarship round are not impacted.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tertiary Education | - | (3.750) | (3.750) | (3.750) | (3.750) | (15.000) | - |

Tertiary Education Commission Balance Sheet Funding – Reprioritisation

This savings initiative returns funding from the Tertiary Education Commission's Balance Sheet facility. This funding is reprioritised to help fund an expected increase in forecast demand for tertiary education from 2025 onwards.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tertiary Education | - | - | - | - | - | - | (62.000) |

Pre-commitments

Workforce Development Councils – Extending Funding

This initiative supports the continued performance of Workforce Development Councils' statutory functions between 30 June and 31 December 2025. Further funding from 1 January 2026 is provided through the 'Industry Standard-Setting Functions' initiative on page 77.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|-----------------|---------------|
| Tertiary Education | - | 15.000 | - | - | - | 15.000 | - |

⁷ Targeted areas are: Science and Clinical Psychology, Medical Imaging, Medical Laboratory Science, Medical Radiation Therapy, Medical Undergraduate, Optometry, Veterinary Science, Maths, Agriculture and Horticulture, Priority Engineering, and Initial Teacher Education.

Transport

| Budget Breakdown for Vote | Operating Average (\$m) | Operating Total (\$m) | Capital Total (\$m) |
|---------------------------|-------------------------|-----------------------|---------------------|
| New Spending | 91.427 | 365.709 | 469.920 |
| Savings | (27.438) | (109.752) | (30.000) |
| Total | 63.989 | 255.957 | 439.920 |

New Spending

Joint Venture Airports – Ongoing Sustainability

This initiative provides funding for the Crown to meet its obligations to the five Joint Venture Airports located at Whangārei, Whakatāne, Taupō, Whanganui and Westport. The Crown is required to cover 50 per cent of essential capital expenditure and 50 per cent of operating losses for the Joint Venture Airports.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | - | - | - | - | - | - | 6.300 |

Metropolitan Rail Networks Overdue Renewals

This initiative provides two years of additional funding for metropolitan rail renewals in Auckland and Wellington.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | - | - | - | - | - | - | 143.620 |

North Island Weather Events Local Road Recovery

This initiative provides additional funding to complete recovery works on local roads that were damaged during the 2023 North Island weather events (Cyclone Gabrielle and Auckland Anniversary Floods). The programme was previously funded through to the 2025/26 financial year only.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | - | - | 106.000 | 82.000 | 31.000 | 219.000 | - |

Rail Network Investment Programme

This initiative provides further funding to support the maintenance, operation and renewal of the national rail network through the Rail Network Investment Programme (RNIP). This ensures that the 2024-27 RNIP is fully funded.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | - | - | 141.000 | - | - | 141.000 | 320.000 |

Savings

Clean Vehicle Discount Rebates – Return of Residual Funding

This savings initiative returns residual funding that is no longer required as a result of the Government's decision to end the Clean Vehicle Discount Scheme.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | (4.116) | - | - | - | - | (4.116) | - |

Driver Licence Stop Orders – Return of Administration Funding

This savings initiative returns administration funding that is no longer required by the New Zealand Transport Agency to change the driver licence register in the case of a stop order.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | (0.070) | (0.070) | (0.070) | (0.070) | (0.070) | (0.350) | - |

Driver Licensing Improvement Programme – Return of Funding

This savings initiative returns one-off underspends from the Driver Licensing Improvement Programme. This saving is as a result of lower-than-expected costs to deliver Driver Licensing Improvement Programme activities in 2024/25.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | (1.800) | - | - | - | - | (1.800) | - |

Public Transport Bus Decarbonisation – Return of Funding

This savings initiative returns uncommitted funding distributed by the New Zealand Transport Agency to Public Transport Authorities for initiatives that support decarbonisation of the public transport bus fleet. This saving comes from the wind-down of programmes where outcomes can be achieved using alternative funding sources, such as the National Land Transport Fund. There is no change to current service levels from the return of this funding. All remaining funding – equivalent to an average of \$3.505 million per annum over the forecast period – is fully committed.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|----------|----------|----------|----------|-----------------|---------------|
| Transport | (3.200) | (12.195) | (13.901) | (13.695) | (13.695) | (56.686) | - |

Rolling Stock and Mechanical Facilities – Return of Funding

This savings initiative returns uncommitted funding from the Rolling Stock and Mechanical Facilities programme while still maintaining the intent of the wider programme. This funding was to support the purchase of additional rolling stock, but KiwiRail advised it was ultimately not required. There is no change to current service levels from the return of this funding.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | - | - | - | - | - | - | (30.000) |

Transport Choices – Reprioritisation of Savings

This savings initiative reprioritises underspends from the Transport Choices programme to manage costs with Joint Venture Airports.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|---------|---------|-----------------|---------------|
| Transport | (6.300) | - | - | - | - | (6.300) | - |

Transport Resilience Fund – Return of Funding

This savings initiative returns uncommitted funding from the Transport Resilience Fund that is distributed by the New Zealand Transport Agency to councils for small-scale resilience works on the local roading network. This saving comes from the wind-down of programmes where outcomes can be achieved using alternative funding sources, such as the National Land Transport Fund. All remaining funding – equivalent to an average of \$12 million per annum over the forecast period – is fully committed.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|-----------|---------|---------|---------|----------|----------|-----------------|---------------|
| Transport | (2.500) | - | - | (19.000) | (19.000) | (40.500) | - |

Other Initiatives

Budget 2024 – Between-Budget Contingency Overdraft

This initiative provides additional funding for the Between-Budget Contingency established at Budget 2024, as the contingency was exhausted.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------|---------|---------|---------|---------|---------|-----------------|---------------|
| N/A | - | 3.387 | - | - | - | 3.387 | - |

Budget 2025 – Between-Budget Contingency Establishment

This initiative provides funding to establish the Between-Budget Contingency (BBC) at Budget 2025. The BBC is a general operating contingency that provides for urgent operating proposals that arise between Budgets and cannot be delayed until the following Budget.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------|---------|---------|---------|---------|---------|-----------------|---------------|
| N/A | - | 60.000 | 60.000 | 60.000 | 60.000 | 240.000 | - |

Pay Equity – Changes to Fiscal Management

This initiative reflects the expected fiscal impacts of the 2025 changes to pay equity settings. Amendments to the Equal Pay Act 1972 have reduced the expected cost to the Crown of future pay equity settlements. In addition, a change to the Crown's approach to the funding of future settlements in the Funded Sector (where the Crown funds but does not employ workers) has also reduced the expected cost to the Crown. Together, these changes have returned funding from tagged contingencies previously set aside to fund pay equity settlements.⁸ Some funding remains in the Public Sector Pay Equity Contingency to meet the Crown's obligations under the amended Act. This contingency is not individually disclosed due to negotiation sensitivity. Any funding that the Crown may choose to provide to support future settlements in the Funded Sector will be considered through the annual Budget cycle.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------|---------|-------------|-------------|-------------|-------------|-----------------|---------------|
| N/A | - | (2,959.393) | (2,671.943) | (2,670.180) | (2,670.180) | (10,971.696) | (1,833.791) |

Savings Associated with Reserve Bank of New Zealand Funding Agreement

This savings initiative returns funding in line with the 2025-30 Reserve Bank of New Zealand (RBNZ) funding agreement. The RBNZ operates independently, with its expenditure limits set through a five-year funding agreement under the Reserve Bank of New Zealand Act 2021. The operating savings reflect the difference between the new funding agreement and what was included in the Half Year Economic and Fiscal Update.

| Vote | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | Operating Total | Capital Total |
|------|---------|----------|----------|----------|----------|-----------------|---------------|
| N/A | - | (36.000) | (36.000) | (36.000) | (36.000) | (144.000) | - |

⁸ Savings from 2024/25 have been allocated to the Capital Allowance to reflect that it has come from one-off underspends in 2024/25 rather than from ongoing operating savings.

Time-limited Funding in Budget 2025

The below table outlines initiatives that received time-limited funding in Budget 2025 and that are subject to review before further funding is considered.

| Vote | Title | Page | Funded to: | Total Operating (\$m) | Total Capital (\$m) | Reason for Time-limited Funding |
|----------------------------|--|------|------------|-----------------------|---------------------|--|
| Arts Culture and Heritage | New Zealand Screen Production Rebate (Domestic) | 9 | 2026/27 | 7.251 | - | Forecast expenditure is uncertain for the rebate and time-limited funding provides an opportunity for costs to be considered at future Budgets |
| Education | New Zealand Qualifications Authority – National Certificates of Educational Achievement and Scholarship Delivery | 33 | 2025/26 | 10.000 | - | Decisions on future funding are subject to a report-back on NZQA's financial sustainability |
| Education | New Zealand Qualifications Authority – Strategic Technology Enhancement Project – Establishment Phase | 33 | 2025/26 | 5.300 | - | Funds the establishment phase of this investment, with any future funding decisions subject to a detailed business case |
| Environment | Resource Management Act Reform Implementation – Phase 3 | 40 | 2026/27 | 23.844 | - | Pending passage of replacement resource management legislation and a programme business case setting out the implementation pathway |
| Prime Minister and Cabinet | Central Agency and National Security, Risk and Resilience Functions – Continuing Funding | 65 | 2025/26 | 5.219 | - | Ensuring delivery of central agency and national security, risk and resilience functions pending review of appropriate level of ongoing baseline |
| Social Development | Food Secure Communities – Funding to Respond to Demand for Food Support | 69 | 2025/26 | 15.000 | - | Time limited to respond to heightened demand for food support, which is expected to reduce as economic conditions improve |
| Social Development | KickStart Breakfasts and KidsCan | 69 | 2026/27 | 2.018 | - | Time limited in light of wider work on achieving the Government's Child and Youth Strategy objectives |
| Tertiary Education | Industry Standard-setting Functions | 76 | 2025/26 | 10.000 | - | Ongoing funding is being considered as part of the broader transition of the vocational education and training sector |
| Transport | Rail Network Investment Programme | 78 | 2026/27 | 141.000 | 320.000 | Pending decisions on the next phase of the Rail Network Investment Programme |
| Transport | Metropolitan Rail Networks Overdue Renewals | 78 | 2026/27 | - | 143.620 | Pending review of the Metropolitan Rail Operating Model |
| Total | | | | 219.632 | 463.620 | |

For all other initiatives that have received time-limited funding in Budget 2025, this is because they relate to programmes that are time limited in nature.

Glossary for Budget 2025 Documents

Allowances

The amount of new funding available at each Budget is set aside in envelopes called allowances. This is the amount of money available for Budget decisions to be counted against for initiatives that increase expenditure or reduce revenue.

Operating allowance

An operating allowance is the amount of new funding available for the day-to-day operating costs of the Government.

Capital allowance

A capital allowance is the amount of new funding available to spend on assets that will increase the value of the Crown's balance sheet – for example, investment into infrastructure like schools and hospitals.

Outside allowances

Initiatives funded outside allowances may be funded through the reprioritisation of existing baseline funding, other levies, and other revenue sources. These initiatives have a direct impact on the operating balance before gains and losses, excluding the Accident Compensation Corporation, and/or net core Crown debt.

Annual review

Scrutiny by the House and its committees of the performance for the previous financial year, and for the current operations, of Government departments, Offices of Parliament, Crown entities, state-owned enterprises, and public organisations.

Appropriations

Appropriations are legal authorities granted by Parliament to the Crown or an Office of Parliament to use public resources. Most appropriations are set out in Appropriation Acts (see Appropriation Bill below).

Appropriation Bill

A Government Bill that seeks authority from Parliament to spend public money and incur liabilities. Details of the Government's spending plans are set out in papers that are presented in association with each Appropriation Bill, which becomes an Appropriation Act when the Bill is passed (See *Estimates of Appropriations*).

Assets

A resource controlled by an entity. A resource is an item with service potential or the ability to generate economic benefits.

Baselines

The forecast revenues, expenses, assets and liabilities for a Vote for the current year and forecast for the next four financial years.

Bill

A proposed law that the House may consider.

Budget

The process for preparing and documenting the Government's economic policies and spending plans each year, resulting in the introduction of an Appropriation Bill and the delivery of the Budget statement.

Budget at a Glance

The *Budget at a Glance* is an overview of the Budget information and contains the main points for the media and public.

Budget Economic and Fiscal Update

The *Budget Economic and Fiscal Update* includes the Treasury's economic forecasts and the forecast financial statements of the Government, incorporating the financial implications of Government decisions and other information relevant to the fiscal and economic outlook. The *Budget Economic and Fiscal Update* also discusses key risks to the economic and fiscal forecasts.

Budget Day

The day identified by the Minister of Finance when the Government will present its Budget and deliver the Budget statement.

Budget Policy Statement

A paper presented by the Minister of Finance in the months before the Budget, foreshadowing the Budget and its policy goals. The Finance and Expenditure Committee examines the Budget Policy Statement and reports to the House.

Budget Speech

The Budget Speech is the statement the Minister of Finance delivers at the start of Parliament's Budget debate. The statement generally focuses on the overall fiscal and economic position, the Government's policy priorities and how those priorities will be funded.

Capital expenditure

The expenditure incurred to acquire or develop assets (including tangible, intangible, or financial assets, and any ownership interest in entities).

Consumers Price Index

Stats NZ's official index to measure the rate of change in prices of goods and services purchased by households. Core or underlying inflation measures exclude or give little weight to extreme or irregular price movements.

Cost pressures

Additional funding needed because of higher demand under current policy settings – for example, higher population growth or changes in demographics, higher cost of delivering or continuing to deliver services due to external market factors (e.g., inflation) or collective bargaining agreements and wage progression pressures, or to fulfil an already existing regulatory or legislative requirement.

Core Crown

A reporting segment consisting of the Crown, departments, Offices of Parliament, the New Zealand Superannuation Fund and the Reserve Bank.

Core Crown expenses

The day-to-day spending (e.g., welfare benefit payments, public servants' salaries, finance costs and maintaining national defence assets) that does not include capital expenditure on the construction or purchase of physical assets by the core Crown. This is an accrual measure of expenses and includes non-cash items, such as depreciation on physical assets.

Core Crown revenue

Consists primarily of tax revenue collected by the Government but also includes investment income, sales of goods and services, and other revenue of the core Crown.

Economic outlook

A description of what is judged likely to happen in the future of the economy. The outlook includes forecast economic indicators such as gross domestic product (GDP) (including the major components of GDP), consumer prices, unemployment and employment, and the current account position of the balance of payments.

Estimates of Appropriations

A detailed statement of how the Government proposes its departments and other agencies will spend public money and incur liabilities in a financial year. This spending must be approved through an Appropriation Bill.

Financial year

A year as it is set for public finance, being the period from 1 July of one calendar year to 30 June of the next.

Financial assets

Any asset that is cash, an equity instrument of another entity (shares), a contractual right to receive cash or shares (taxes receivable and Accident Compensation Corporation levies), or a right to exchange a financial asset or liability on favourable terms (derivatives in gain).

Financial liabilities

Any liability that is a contractual obligation to pay cash (government stock, accounts payable), or that is a right to exchange a financial asset or liability on unfavourable terms (derivatives in loss).

Fiscal intentions (short-term)

Indications of the Government's intentions for operating expenses and operating revenues, and the impact of its intentions on the operating balance, debt and net worth over at least the next three years. These intentions are required under the Public Finance Act 1989.

Fiscal objectives (long-term)

The Government's long-term goals for operating expenses, operating revenue, the operating balance, debt and net worth, as required by the Public Finance Act 1989. The objectives must be consistent with the defined principles of responsible fiscal management as outlined in the Act and must cover a period of at least ten years.

Fiscal outlook

The Treasury view of the Government's financial performance and financial position over the current financial year and next four years (the forecast period). The outlook includes forecasts of the Government's key fiscal indicators, such as core Crown revenue, core Crown expenses, the operating balance, the operating balance before gains and losses, and net core Crown debt.

Fiscal Sustainability Programme

The Government's multi-year programme of work aimed at driving greater value and results from public expenditure by using improved information to prioritise resources to high value activity, securing a sustainable fiscal outlook by bringing revenue and expenses back into balance, and prioritising fiscal discipline in decision-making.

Gross domestic product (GDP)

A measure of the value-added of all goods and services produced in New Zealand. Changes in GDP measure growth or contraction in economic activity or output. GDP can be measured on either an expenditure or production basis and in either real or nominal terms.

Initiatives

Proposals with financial impact that are presented to Ministers during the Budget process. Initiatives that are accepted and approved by Ministers are reported in the Summary of Initiatives, which is included with the Budget documentation released.

Imprest Supply Act

An Act that seeks to give the Government temporary authority to incur expenses and capital expenditure in advance of detailed spending proposals being approved through an Appropriation Bill.

Key fiscal indicators

Indicators used to measure progress towards the Government's fiscal strategy, depending on its long-term fiscal objectives and short-term fiscal intentions.

Labour productivity

Output per unit of labour input (where labour inputs might be measured as hours worked or number of people employed).

Macroeconomic

Relating to the performance, structure, behaviour, and decision-making of an economy as a whole.

Multi-year funding

Multi-year funding approaches to allocating funding mean that some of the allowance impact of Budget decisions is pre-committed against future Budgets' operating allowances. This reduces these future Budgets' available operating allowances, to reflect that some funding decisions have already been made.

Net core Crown debt

Net core Crown debt provides information about the sustainability of the Government's finances and is used by some international rating agencies when determining the credit-worthiness of a country. It represents gross sovereign-issued debt less core Crown financial assets (excluding advances and financial assets held by the NZ Superannuation Fund). Advance and financial assets held by the NZ Superannuation Fund are excluded, as these assets are less liquid and/or they are made for public policy reasons rather than for the purposes associated with government financing.

Net debt

Net debt provides information about the sustainability of the Government's finances. Net debt represents core Crown and Crown entity borrowings (excluding Kiwi Group Capital Limited) less core Crown financial assets (including advances). It includes the financial assets and borrowings of the NZ Superannuation Fund.

Net worth attributable to the Crown

Represents the Crown's share of total assets less liabilities of the Government. It excludes minority interests' share of those assets and liabilities.

Operating balance

Represents OBEGALx (refer below) plus gains and less losses. The operating balance includes gains and losses not reported directly as a movement against net worth. The impact of gains and losses on the operating balance can be subject to short-term market volatility and revaluations of long-term liabilities.

Operating balance before gains and losses (OBEGAL)

Represents total Crown revenue less total Crown expenses, excluding minority interest share. OBEGAL can provide a more useful measure of underlying stewardship than the operating balance, as short-term market fluctuations are not included in the calculation.

Operating balance before gains and losses (OBEGALx)

Represents OBEGAL (refer above) excluding the revenue and expenses of the Accident Compensation Corporation.

Operating expenditure

The day-to-day spending (e.g., welfare benefit payments, public servants' salaries, finance costs and maintaining national defence assets) that does not include capital expenditure on the construction or purchase of physical assets. This includes non-cash items, such as depreciation on physical assets.

Projections

Projections relate to the period beyond the five-year forecast period and are based on long-run economic and fiscal assumptions. For example, the projections assume no economic cycle and constant long-run interest, inflation and unemployment rates.

Public Finance Act 1989

The Public Finance Act 1989 is the statute that provides the core legislative framework within which the Government can borrow money or spend public money. It contains reporting requirements to ensure the Crown is transparent and accountable for its actions impacting on public finance.

Reprioritisation

In the Budget process, this is the reassignment of existing funding from one area to another.

Savings

A reduction in cost or expenditure from baselines and tagged contingencies.

Select committee

A committee whose membership is confined to a limited number of members. Most of the committees are subject select committees, each of which deals with a particular subject area.

Supplementary Estimates

A statement of further amounts to be spent by Government departments, Offices of Parliament, Crown entities, state-owned enterprises, and public organisations in the current financial year, in addition to the details of spending contained in the *Estimates of Appropriations*. This spending must be approved by an Appropriation Bill.

Tagged contingency

Tagged contingency relates to funding that is ring-fenced for a particular purpose and held in the centre (i.e., not appropriated into baselines). The Treasury may use tagged contingencies as a policy tool where an initiative is commercially sensitive and final costs are subject to negotiation, or if the initiative is likely to be funded but needs further work before funding can be appropriated.

Tax revenue

The accrual, rather than the cash measure of taxation. It is a measure of tax over a given period in time, regardless of whether it has actually been paid.

Total Crown

Includes the core Crown (defined above) plus Crown entities, state-owned enterprises and other entities controlled by the Government Reporting Entity (as defined in the *Budget Economic and Fiscal Update*).

Votes

When Parliament considers legislation relating to appropriations, the appropriations are grouped within 'Votes'. Generally, a 'Vote' will group similar or related appropriations together (e.g., Vote Health includes all health-related appropriations that are the responsibility of the Minister of Health).

Vote (Estimates)

Part of an Appropriation Bill containing details of the authority to spend public money or incur expenses in a particular area (e.g., Vote Health).

Year-ended

Graphs and tables within this document use different expressions of the timeframe. While some tables may refer to the end of the tax year (31 March), others will refer to the end of the Government's financial year (30 June). Unless otherwise stated, references to 2024/25 or 2025 will mean the year ended 30 June.