

The Treasury

Budget 2026 Information Release

September 2026

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Information Withheld

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

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

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

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

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [7] 6(e)(ii) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the regulation of banking or credit
- [12] 7(a)(i) - to avoid prejudice to the security or defence of the self-governing State of the Cook Islands
- [13] 7(a)(ii) - to avoid prejudice to the security or defence of the self-governing State of Niue
- [14] 7(a)(iii) - to avoid prejudice to the security or defence of Tokelau
- [15] 7(a)(iv) - to avoid prejudice to the security or defence of the Ross Dependency
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [41] 18(d) - information requested is or will soon be publicly available

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

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Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Budget 2026 Package: Vote Corrections

On 7 May 2026, Cabinet:

Appropriation Administrator: Department of Corrections

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2026 Budget package, as listed in the summary tables below and detailed in the attached initiative documents:

Summary of initiatives:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17271	Corrections Critical Frontline Remuneration Pressures	-	5.700	5.701	5.701	5.701
17563	Corrections Critical Fuel Price Pressure	-	2.610	-	-	-
17273	Corrections Prisoner Population Volume Pressures	-	102.432	124.896	124.901	124.901
Total Operating		-	110.742	130.597	130.602	130.602

Capital Initiative (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17273	Corrections Prisoner Population Volume Pressures	-	9.770	-	-	-
Total Capital		-	9.770	-	-	-

Summary of contingency initiative:**Operating Contingency**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17579	Corrections Critical Frontline Remuneration Pressures - Operating Tagged Contingency	[38]				
Total Operating						

Diana Hawker
Acting Secretary of the Cabinet

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Corrections Critical Frontline Remuneration Pressures

Description: This initiative provides funding towards critical remuneration pressures for frontline staff, to maintain safe and effective Corrections services in line with collective bargaining that has concluded.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	5.700	5.701	5.701	5.701
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	5.700	5.701	5.701	5.701

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	-	0.970	0.970	0.970	0.970
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expenses:</i>					
Information and Administrative Services to the Judiciary and New Zealand Parole Board (funded by revenue Crown)	-	0.280	0.280	0.280	0.280
Prison-based Custodial Services (funded by revenue Crown)	-	3.460	3.461	3.461	3.461
Sentences and Orders Served in the Community (funded by revenue Crown)	-	0.990	0.990	0.990	0.990
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	4.730	4.731	4.731	4.731
Total Operating	-	5.700	5.701	5.701	5.701

Additional Recommendation

- noted** that this initiative relates to Initiative 17579 in Vote Corrections, which provides further funding for critical remuneration pressures in a tagged operating contingency;

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Corrections Critical Frontline Remuneration Pressures - Operating Tagged Contingency

Description: This initiative provides funding in a tagged contingency for critical remuneration pressures for frontline staff, to maintain safe and effective Corrections services subject to the settlement of collective bargaining.

Tagged Contingency

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Contingency	[38]				
Capital Contingency					
Total					

Additional Recommendations

- 3 **noted** that this initiative relates to Initiative 17271 in Vote Corrections, which provides funding for collective bargaining that has been concluded;
- 4 **authorised** the Minister of Finance and the Minister of Corrections jointly to draw down from the tagged contingency established above, subject to the conclusion of the respective bargaining rounds;
- 5 **agreed** that the expiry date for the above tagged contingency be 31 March 2027.

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Corrections Critical Fuel Price Pressure

Description: This initiative provides funding to address critical fuel price pressures, including Corrections' direct petrol and diesel cost increases. It also includes funding for fuel increases across Corrections' key frontline services suppliers. Funding is time-limited to the 2026/27 year only.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	2.610	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.610	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Public Safety is Improved (MCA)					
<i>Departmental Output Expenses:</i>					
Prison-based Custodial Services (funded by revenue Crown)	-	2.610	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	2.610	-	-	-
Total Operating	-	2.610	-	-	-

Vote: Corrections

Appropriation Administrator: Department of Corrections

Title: Corrections Prisoner Population Volume Pressures

Description: This initiative provides funding for the additional costs associated with a prison population of up to 12,118 prisoners by 30 June 2027. It includes funding to hire an additional 710 full-time equivalent (FTE) frontline staff at Corrections, of which 471 FTE are Corrections Officers, and other costs directly related to the increased volume.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	102.432	124.896	124.901	124.901
Net Core Crown Debt Impact Only	-	9.770	-	-	-
No Impact	-	-	-	-	-
Total	-	112.202	124.896	124.901	124.901

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Departmental Output Expenses:					
Re-offending is Reduced (funded by revenue Crown)	-	16.902	20.608	20.609	20.609
Capital Injections:					
Department of Corrections - Capital Injection	-	9.770	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Ministerial Services (MCA)					
<i>Departmental Output Expenses:</i>					
Ministerial Services (funded by revenue Crown)	-	0.346	0.421	0.421	0.421
Policy Advice (funded by revenue Crown)	-	0.422	0.515	0.515	0.515
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Ministerial Services (MCA)	-	0.768	0.936	0.936	0.936

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Public Safety is Improved (MCA)					
<i>Departmental Output Expenses:</i>					
Information and Administrative Services to the Judiciary and New Zealand Parole Board (funded by revenue Crown)	-	5.934	7.235	7.236	7.236
Prison-based Custodial Services (funded by revenue Crown)	-	73.743	89.916	89.919	89.919
Sentences and Orders Served in the Community (funded by revenue Crown)	-	5.085	6.201	6.201	6.201
Total Multi-Category Expenses and Capital Expenditure: Public Safety is Improved (MCA)	-	84.762	103.352	103.356	103.356
Total Operating	-	102.432	124.896	124.901	124.901
Total Capital	-	9.770	-	-	-