

# The Treasury

## Budget 2026 Information Release

### September 2026

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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).

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

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

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

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

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# 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 Cities, Environment, Regions and Transport

On 7 May 2026, Cabinet:

#### Appropriation Administrator: Ministry of Cities, Environment, Regions and Transport

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2026 Budget package, as listed in the summary table 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 |
| 17599                  | Baseline Savings - Local Government                                             | -                         | (0.404)       | (0.404)       | (0.404)       | (0.404)            |
| 17629                  | Going for Housing Growth - Pillar 2: Regulatory Oversight of Development Levies | -                         | 5.727         | 7.681         | 7.894         | 8.436              |
| 17631                  | Baseline Savings - Environment                                                  | -                         | (3.700)       | (3.403)       | (3.403)       | (3.502)            |
| 17632                  | Resource Management Reform - Planning System Implementation                     | -                         | 85.099        | 94.839        | 50.159        | 31.050^            |
| 17626                  | Stewardship of Underground Assets in Infrastructure Corridors                   | -                         | 0.500         | 1.000         | 1.000         | -                  |
| 17634                  | Baseline Savings - Housing                                                      | -                         | (1.967)       | (1.967)       | (1.966)       | (1.600)            |
| <b>Total Operating</b> |                                                                                 | -                         | <b>85.255</b> | <b>97.746</b> | <b>53.280</b> | <b>33.980</b>      |

^ has irregular outyears

Diana Hawker  
Acting Secretary of the Cabinet

**Vote:** Cities, Environment, Regions and Transport

**Appropriation Administrator:** Ministry of Cities, Environment, Regions and Transport

**Title:** Baseline Savings - Local Government

**Description:** This savings initiative contributes to the baseline reduction target for the Ministry of Cities, Environment, Regions and Transport and will be achieved via efficiencies.

## Appropriation Changes

|                                 | \$m - increase/(decrease) |                |                |                |                    |
|---------------------------------|---------------------------|----------------|----------------|----------------|--------------------|
|                                 | 2025/26                   | 2026/27        | 2027/28        | 2028/29        | 2029/30 & Outyears |
| Operating Balance Impact*       | -                         | (0.404)        | (0.404)        | (0.404)        | (0.404)            |
| Net Core Crown Debt Impact Only | -                         | -              | -              | -              | -                  |
| No Impact                       | -                         | -              | -              | -              | -                  |
| <b>Total</b>                    | <b>-</b>                  | <b>(0.404)</b> | <b>(0.404)</b> | <b>(0.404)</b> | <b>(0.404)</b>     |

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

|                                                                                                       | \$m - increase/(decrease) |                |                |                |                    |
|-------------------------------------------------------------------------------------------------------|---------------------------|----------------|----------------|----------------|--------------------|
|                                                                                                       | 2025/26                   | 2026/27        | 2027/28        | 2028/29        | 2029/30 & Outyears |
| <b>Departmental Output Expenses:</b>                                                                  |                           |                |                |                |                    |
| Local Government Services<br>(funded by revenue Crown)                                                | -                         | (0.053)        | (0.053)        | (0.053)        | (0.053)            |
| Statutory Body Support - Local Government<br>Commission<br>(funded by revenue Crown)                  | -                         | (0.028)        | (0.028)        | (0.028)        | (0.028)            |
| <b>Multi-Category Expenses and Capital Expenditure:</b>                                               |                           |                |                |                |                    |
| Policy Advice and Related Services (MCA)                                                              |                           |                |                |                |                    |
| <i>Departmental Output Expenses:</i>                                                                  |                           |                |                |                |                    |
| Local Government - Policy and Related<br>Services<br>(funded by revenue Crown)                        | -                         | (0.323)        | (0.323)        | (0.323)        | (0.323)            |
| Total Multi-Category Expenses and Capital<br>Expenditure: Policy Advice and Related<br>Services (MCA) | -                         | (0.323)        | (0.323)        | (0.323)        | (0.323)            |
| <b>Total Operating</b>                                                                                | <b>-</b>                  | <b>(0.404)</b> | <b>(0.404)</b> | <b>(0.404)</b> | <b>(0.404)</b>     |

**Vote:** Cities, Environment, Regions and Transport

**Appropriation Administrator:** Ministry of Cities, Environment, Regions and Transport

**Title:** Going for Housing Growth - Pillar 2: Regulatory Oversight of Development Levies

**Description:** This initiative provides funding to establish a function within the Commerce Commission to provide regulatory oversight of development levies charged by territorial authorities and water organisations.

## New Appropriation Approval

| Name                                       | Appropriation Minister       | Period | Type                             | Category Name | Scope                                                                  |
|--------------------------------------------|------------------------------|--------|----------------------------------|---------------|------------------------------------------------------------------------|
| Regulatory Oversight of Development Levies | Minister of Local Government | Annual | Non-Departmental Output Expenses | N/A           | This appropriation is limited to the regulation of development levies. |

## Appropriation Changes

|                                 | \$m - increase/(decrease) |              |              |              |                    |
|---------------------------------|---------------------------|--------------|--------------|--------------|--------------------|
|                                 | 2025/26                   | 2026/27      | 2027/28      | 2028/29      | 2029/30 & Outyears |
| Operating Balance Impact*       | -                         | 5.727        | 7.681        | 7.894        | 8.436              |
| Net Core Crown Debt Impact Only | -                         | -            | -            | -            | -                  |
| No Impact                       | -                         | -            | -            | -            | -                  |
| <b>Total</b>                    | <b>-</b>                  | <b>5.727</b> | <b>7.681</b> | <b>7.894</b> | <b>8.436</b>       |

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

|                                            | \$m - increase/(decrease) |              |              |              |                    |
|--------------------------------------------|---------------------------|--------------|--------------|--------------|--------------------|
|                                            | 2025/26                   | 2026/27      | 2027/28      | 2028/29      | 2029/30 & Outyears |
| <b>Non-Departmental Output Expenses:</b>   |                           |              |              |              |                    |
| Regulatory Oversight of Development Levies | -                         | 5.727        | 7.681        | 7.894        | 8.436              |
| <b>Total Operating</b>                     | <b>-</b>                  | <b>5.727</b> | <b>7.681</b> | <b>7.894</b> | <b>8.436</b>       |

## Additional Recommendations

- noted** that in April 2026, the Cabinet Economic Policy Committee (ECO) agreed to the Commerce Commission being the regulator for development levies [ECO-26-MIN-0056];
- noted** that ECO also agreed that the ongoing costs of the regulation of development levies by the Commerce Commission will be cost-recovered, and that suitably enabling provisions for cost recovery will be included in primary legislation;

**Vote:** Cities, Environment, Regions and Transport

**Appropriation Administrator:** Ministry of Cities, Environment, Regions and Transport

**Title:** Baseline Savings - Environment

**Description:** This savings initiative contributes to the baseline reduction target for the Ministry of Cities, Environment, Regions and Transport and will be achieved via reduced expenditure on contractors and consultants, and operational efficiencies.

## Appropriation Changes

|                                 | \$m - increase/(decrease) |                |                |                |                    |
|---------------------------------|---------------------------|----------------|----------------|----------------|--------------------|
|                                 | 2025/26                   | 2026/27        | 2027/28        | 2028/29        | 2029/30 & Outyears |
| Operating Balance Impact*       | -                         | (3.700)        | (3.403)        | (3.403)        | (3.502)            |
| Net Core Crown Debt Impact Only | -                         | -              | -              | -              | -                  |
| No Impact                       | -                         | -              | -              | -              | -                  |
| <b>Total</b>                    | -                         | <b>(3.700)</b> | <b>(3.403)</b> | <b>(3.403)</b> | <b>(3.502)</b>     |

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

|                                                                                                 | \$m - increase/(decrease) |                |                |                |                    |
|-------------------------------------------------------------------------------------------------|---------------------------|----------------|----------------|----------------|--------------------|
|                                                                                                 | 2025/26                   | 2026/27        | 2027/28        | 2028/29        | 2029/30 & Outyears |
| <b>Departmental Output Expenses:</b>                                                            |                           |                |                |                |                    |
| Climate Change Chief Executives Board<br>(funded by revenue Crown)                              | -                         | (0.500)        | (0.500)        | (0.500)        | (0.500)            |
| <b>Multi-Category Expenses and Capital Expenditure:</b>                                         |                           |                |                |                |                    |
| Policy Advice and Related Services (MCA)                                                        |                           |                |                |                |                    |
| <i>Departmental Output Expenses:</i>                                                            |                           |                |                |                |                    |
| Climate Change - Policy and Related Services<br>(funded by revenue Crown)                       | -                         | (0.863)        | (0.788)        | (0.788)        | (0.813)            |
| Environment - Policy and Related Services<br>(funded by revenue Crown)                          | -                         | (2.337)        | (2.115)        | (2.115)        | (2.189)            |
| Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services (MCA) | -                         | (3.200)        | (2.903)        | (2.903)        | (3.002)            |
| <b>Total Operating</b>                                                                          | -                         | <b>(3.700)</b> | <b>(3.403)</b> | <b>(3.403)</b> | <b>(3.502)</b>     |

## Additional Recommendation

4 **noted** that this initiative relates to Initiative 17213 in Vote Environment;

**Vote:** Cities, Environment, Regions and Transport

**Appropriation Administrator:** Ministry of Cities, Environment, Regions and Transport

**Title:** Resource Management Reform - Planning System Implementation

**Description:** This initiative provides funding to implement the new planning system under the Resource Management Act reforms. The new planning system will support housing, clean energy, infrastructure, and growth while maintaining environmental protections.

Funding supports the development and implementation of national planning instruments, improved data and analytics (including the development of a National Flood Map), and guidance to assist councils, iwi Māori, businesses and communities transition to the new system. The initiative includes an initial tranche of funding to deliver a centralised digital planning platform.

## Appropriation Changes

|                                 | \$m - increase/(decrease) |               |               |               |               |                    |
|---------------------------------|---------------------------|---------------|---------------|---------------|---------------|--------------------|
|                                 | 2025/26                   | 2026/27       | 2027/28       | 2028/29       | 2029/30       | 2030/31 & Outyears |
| Operating Balance Impact*       | -                         | 85.099        | 94.839        | 50.159        | 31.050        | 26.180             |
| Net Core Crown Debt Impact Only | -                         | -             | -             | -             | -             | -                  |
| No Impact                       | -                         | -             | -             | -             | -             | -                  |
| <b>Total</b>                    | -                         | <b>85.099</b> | <b>94.839</b> | <b>50.159</b> | <b>31.050</b> | <b>26.180</b>      |

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

|                                                                                                 | \$m - increase/(decrease) |               |               |               |               |                    |
|-------------------------------------------------------------------------------------------------|---------------------------|---------------|---------------|---------------|---------------|--------------------|
|                                                                                                 | 2025/26                   | 2026/27       | 2027/28       | 2028/29       | 2029/30       | 2030/31 & Outyears |
| <b>Multi-Category Expenses and Capital Expenditure:</b>                                         |                           |               |               |               |               |                    |
| Policy Advice and Related Services (MCA)                                                        |                           |               |               |               |               |                    |
| <i>Departmental Output Expenses:</i> [38]                                                       |                           |               |               |               |               |                    |
| Climate Change - Policy and Related Services<br>(funded by revenue Crown)                       |                           |               |               |               |               |                    |
| Environment - Policy and Related Services<br>(funded by revenue Crown)                          |                           |               |               |               |               |                    |
| Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services (MCA) | -                         | 85.099        | 94.839        | 50.159        | 31.050        | 26.180             |
| <b>Total Operating</b>                                                                          | -                         | <b>85.099</b> | <b>94.839</b> | <b>50.159</b> | <b>31.050</b> | <b>26.180</b>      |

### Additional Recommendations

- 5        **noted** that this initiative relates to Initiative 17633 in Vote Justice and Initiative 17635 in Vote Courts;
- 6        **noted** that in December 2025, the Cabinet Business Committee approved a Programme Business Case that sets out the options for a digitally enabled planning system, subject to Budget 2026 decisions [CBC-25-MIN-0062];
- 7        **noted** that, consistent with the preferred option in the Programme Business Case, Cabinet's intention is for the Crown to deliver a centrally coordinated digital platform to underpin New Zealand's planning system;
- 8        [33]
- 9
- 10       [38]
- 11       [33]

**Vote:** Cities, Environment, Regions and Transport

**Appropriation Administrator:** Ministry of Cities, Environment, Regions and Transport

**Title:** Stewardship of Underground Assets in Infrastructure Corridors

**Description:** This initiative provides funding to strengthen stewardship of underground assets in infrastructure corridors. The Ministry will review the regulatory, policy, and funding settings governing underground assets and work with the sector to fund initiatives that support utility providers' adherence to regulatory standards. The initiative responds directly to a report from the New Zealand Utilities Advisory Group.

## Appropriation Changes

|                                 | \$m - increase/(decrease) |              |              |              |                    |
|---------------------------------|---------------------------|--------------|--------------|--------------|--------------------|
|                                 | 2025/26                   | 2026/27      | 2027/28      | 2028/29      | 2029/30 & Outyears |
| Operating Balance Impact*       | -                         | 0.500        | 1.000        | 1.000        | -                  |
| Net Core Crown Debt Impact Only | -                         | -            | -            | -            | -                  |
| No Impact                       | -                         | -            | -            | -            | -                  |
| <b>Total</b>                    | -                         | <b>0.500</b> | <b>1.000</b> | <b>1.000</b> | -                  |

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

|                                                                                                 | \$m - increase/(decrease) |              |              |              |                    |
|-------------------------------------------------------------------------------------------------|---------------------------|--------------|--------------|--------------|--------------------|
|                                                                                                 | 2025/26                   | 2026/27      | 2027/28      | 2028/29      | 2029/30 & Outyears |
| <b>Multi-Category Expenses and Capital Expenditure:</b>                                         |                           |              |              |              |                    |
| Policy Advice and Related Services (MCA)                                                        |                           |              |              |              |                    |
| <i>Departmental Output Expenses:</i>                                                            |                           |              |              |              |                    |
| Transport - Policy and Related Services (funded by revenue Crown)                               | -                         | 0.500        | 1.000        | 1.000        | -                  |
| Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services (MCA) | -                         | 0.500        | 1.000        | 1.000        | -                  |
| <b>Total Operating</b>                                                                          | -                         | <b>0.500</b> | <b>1.000</b> | <b>1.000</b> | -                  |

## Additional Recommendation

12 **noted** that this initiative relates to Initiative 17559 in Vote Transport;

**Vote:** Cities, Environment, Regions and Transport

**Appropriation Administrator:** Ministry of Cities, Environment, Regions and Transport

**Title:** Baseline Savings - Housing

**Description:** This savings initiative contributes to the baseline reduction target for the Ministry of Cities, Environment, Regions and Transport and will be achieved via reduced leasing costs. This initiative also amends Budget technical initiative 17452 in Vote Housing and Urban Development.

## Appropriation Changes

|                                 | \$m - increase/(decrease) |                |                |                |                    |
|---------------------------------|---------------------------|----------------|----------------|----------------|--------------------|
|                                 | 2025/26                   | 2026/27        | 2027/28        | 2028/29        | 2029/30 & Outyears |
| Operating Balance Impact*       | -                         | (1.967)        | (1.967)        | (1.966)        | (1.600)            |
| Net Core Crown Debt Impact Only | -                         | -              | -              | -              | -                  |
| No Impact                       | -                         | -              | -              | -              | -                  |
| <b>Total</b>                    | -                         | <b>(1.967)</b> | <b>(1.967)</b> | <b>(1.966)</b> | <b>(1.600)</b>     |

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

|                                                                                                                          | \$m - increase/(decrease) |                |                |                |                    |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------|----------------|----------------|--------------------|
|                                                                                                                          | 2025/26                   | 2026/27        | 2027/28        | 2028/29        | 2029/30 & Outyears |
| <b>Multi-Category Expenses and Capital Expenditure:</b>                                                                  |                           |                |                |                |                    |
| Administration and Delivery of Housing Programmes and Funds (MCA)                                                        |                           |                |                |                |                    |
| <i>Departmental Output Expenses:</i>                                                                                     |                           |                |                |                |                    |
| Management of Housing Provision and Services<br>(funded by revenue Crown)                                                | -                         | (0.147)        | (0.147)        | (0.146)        | -                  |
| Management of Housing Provision and Services<br>(funded by revenue Crown)                                                | -                         | (0.400)        | (0.400)        | (0.400)        | (0.400)            |
| Total Multi-Category Expenses and Capital Expenditure: Administration and Delivery of Housing Programmes and Funds (MCA) | -                         | (0.547)        | (0.547)        | (0.546)        | (0.400)            |
| Policy Advice and Related Services (MCA)                                                                                 |                           |                |                |                |                    |
| <i>Departmental Output Expenses:</i>                                                                                     |                           |                |                |                |                    |
| Housing and Urban Development - Policy and Related Services<br>(funded by revenue Crown)                                 | -                         | (0.220)        | (0.220)        | (0.220)        | -                  |
| Housing and Urban Development - Policy and Related Services<br>(funded by revenue Crown)                                 | -                         | (1.200)        | (1.200)        | (1.200)        | (1.200)            |
| Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services (MCA)                          | -                         | (1.420)        | (1.420)        | (1.420)        | (1.200)            |
| <b>Total Operating</b>                                                                                                   | -                         | <b>(1.967)</b> | <b>(1.967)</b> | <b>(1.966)</b> | <b>(1.600)</b>     |

**Additional Recommendations**

- 13     **noted** that the departmental Multi-Category Appropriation ‘*Managing the Housing and Urban Development Portfolio*’ includes savings of \$6.400 million over the forecast period;
- 14     **noted** that Initiative 17452 in the Budget 2026 technical package in Vote Housing and Urban Development is incorrect, with the appropriation changes meant to be reflected in Vote Cities, Environment, Regions and Transport, and that the appropriation table above amends this error;
- 15     **agreed** that Initiative 17452 in the Budget 2026 technical package in Vote Housing and Urban Development is superseded by these decisions.