

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 Public Service (Technical Initiatives)

On 7 May 2026, Cabinet:

Appropriation Administrator: Public Service Commission

- 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 technical 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
17387	Correction to the “Addressing the Wrongs of the Past - Redress for Abuse in Care - Tagged Operating Contingency”	-	0.298	0.318	0.298	0.298
17386	Lake Alice Underspend: Transfer to Tagged Contingency	-	-	-	-	-
17502	Drawdown of Funding for Development and Establishment Work on Abuse in Care Claims in Mental Health Facilities	0.500	-	-	-	-
17442	Public Service Commission: Rephasing of Baseline Funding	(1.114)	0.894	0.055	0.055	0.110*
Total Operating		(0.614)	1.192	0.373	0.353	0.408

* funding for 2029/30 only - no outyears funding

Diana Hawker
Acting Secretary of the Cabinet

Vote: Public Service

Appropriation Administrator: Public Service Commission

Title: Correction to the '*Addressing the Wrongs of the Past - Redress for Abuse in Care - Tagged Operating Contingency*'

Description: This initiative corrects an error in the funding allocation to the '*Addressing the Wrongs of the Past - Redress for Abuse in Care - Tagged Operating Contingency*' at Budget 2025, wherein some of that funding should instead have been appropriated by reducing the tagged operating contingency and increasing the '*Responding to the Abuse in Care Inquiry*' appropriation by a corresponding amount.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	0.298	0.318	0.298	0.298
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.298	0.318	0.298	0.298

* 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:					
Responding to the Abuse in Care Inquiry (funded by revenue Crown)	-	0.298	0.318	0.298	0.298
Total Operating	-	0.298	0.318	0.298	0.298

Additional Recommendations

- 2 **agreed** that the above amounts be charged against the '*Addressing the Wrongs of the Past - Redress for Abuse in Care - Tagged Operating Contingency*' established at Budget 2025 [CAB-25-MIN-0126.72, Initiative 17045];
- 3 **noted** that, following the adjustment detailed in paragraph 2 above, the remaining balances and indicative phasing of the tagged operating contingency will be as follows:

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Addressing the Wrongs of the Past - Redress for Abuse in Care - Tagged Operating Contingency	-	-	0.461	0.481	0.481

- 4 **noted** that the '*Addressing the Wrongs of the Past - Redress for Abuse in Care - Tagged Operating Contingency*' will expire on 31 March 2027;

Vote: Public Service

Appropriation Administrator: Public Service Commission

Title: Lake Alice Underspend: Transfer to Tagged Contingency

Description: This initiative provides for unspent funding relating to the Lake Alice redress claims process, which closed in December 2025, to be transferred to the tagged operating contingency '*Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care*' established at Budget 2025.

Additional Recommendations

- 5 **noted** that in June 2025, Cabinet agreed to increase the 2024/25 provision for the fiscal envelope associated with the Crown's obligated payments for Lake Alice redress payments by \$7 million to avoid the risk of unappropriated expenditure, and to reduce the '*Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care*' tagged operating contingency established at Budget 2025 by a commensurate amount to avoid any need to manage the impact of those increased expenses against the operating allowance [CAB-25-MIN-0190];
- 6 **noted** that Cabinet also agreed that the '*Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care*' tagged operating contingency could subsequently be increased by the amount of any unused provision following the completion of the Public Service Commission's (the Commission's) 2024/25 audited financial statements [CAB-25-MIN-0190];
- 7 **noted** that the final amount of unused provision following completion of the Public Service Commission's 2024/25 audited financial statements was \$2.460 million and that, once the final expense was confirmed, the unused provision was reversed within the Commission's accounts creating a negative expense of \$2.460 million, which will increase the Commission's return of surplus to the Crown at the end of 2025/26;
- 8 **agreed** that the tagged operating contingency '*Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care*' be increased by \$2.460 million for the 2026/27 financial year, with no impact on the operating balance and net core Crown debt across the forecast period;
- 9 **noted** that the resultant balances and phasing of the tagged contingency following the adjustment in paragraph 8 above are incorporated into Initiative 17502 in Vote Public Service;
- 10 **authorised** the Minister of Finance and the Lead Coordination Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions jointly to transfer any 2025/26 underspend in the Multi-Category Appropriation '*Lake Alice Unit Torture Redress Payments*', following completion of the Public Service Commission's 2025/26 audited financial statements, to the tagged operating contingency '*Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care*', with no impact on the operating balance and net core Crown debt across the forecast period;

Vote: Public Service

Appropriation Administrator: Public Service Commission

Title: Drawdown of Funding for Development and Establishment Work on Abuse in Care Claims in Mental Health Facilities

Description: This initiative draws down initial funding to support the development and establishment work required to extend the core State redress system to include claims for abuse in mental health facilities for the period 1 July 1993 to 30 June 2022.

Appropriation Changes

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

* 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:					
Responding to the Abuse in Care Inquiry (funded by revenue Crown)	0.500	-	-	-	-
Total Operating	0.500	-	-	-	-

Additional Recommendations

- 11 **agreed** that the above expenses be charged against the tagged operating contingency 'Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care' established at Budget 2025;
- 12 **agreed** that the 2025/26 balance for the above contingency be rephased to 2026/27;
- 13 **noted** that, following the adjustments detailed in paragraphs 8 and 11 above and the rephasing agreed in paragraph 12 above, the remaining balances and indicative phasing of the tagged operating contingency will be as follows:

	\$m				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care - Tagged Operating Contingency	-	10.484	5.344	5.343	7.093

- 14 **noted** that the tagged operating contingency '*Implementing the Government's Response to the Royal Commission of Inquiry into Abuse in Care*' will expire on 30 June 2027;
- 15 **authorised** the Minister of Finance and the Lead Coordination Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions jointly to transfer any 2025/26 underspend in the departmental output expense appropriation '*Responding to the Abuse in Care Inquiry*' into 2026/27, following completion of the Public Service Commission's 2025/26 audited financial statements, with no impact on the operating balance and net core Crown debt across the forecast period.

Vote: Public Service

Appropriation Administrator: Public Service Commission

Title: Public Service Commission: Rephasing of Baseline Funding

Description: This initiative transfers funding from 2025/26 into outyears to help the Public Service Commission manage future cost pressures, including: an expected surge in chief executive recruitment expenditure in 2026/27 following the election moratorium and the post-election period (during which no chief executive appointments are made); additional expenditure in 2026/27 associated with bargaining pressures, including a potential requirement for the Commissioner to lead priority health bargaining as provided for under the Healthy Futures Act 2022; remuneration pressures for the Commission's employees; and phasing of depreciation expenses over outyears.

Appropriation Changes

	Sm - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30
Operating Balance Impact*	(1.114)	0.894	0.055	0.055	0.110
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1.114)	0.894	0.055	0.055	0.110

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

	Sm - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30
Departmental Output Expenses:					
Leadership of the Public Management System (funded by revenue Crown)	(1.114)	0.894	0.055	0.055	0.110
Total Operating	(1.114)	0.894	0.055	0.055	0.110