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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TE TAI ŌHANGA
THE TREASURY

Treasury Report: Budget 2026 Production Advice - Week Commencing 11 May

Date:	15 May 2026	**Report No:**	T2026/1013
		File Number:	BM-2-8-2026-2-M139001

Action sought

	Action sought	Deadline
Hon Nicola Willis **Minister of Finance**	**Provide feedback** on the draft Summary of Initiatives, Budget-at-a-Glance and initiative-level factsheets.	18 May 2026

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Sam Putt	Analyst, Budget	[39]	N/A (mob)	✓
Emily Fulford	Unit Manager, Budget		N/A (mob)	

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report	

Enclosure: Yes (attached)

Treasury Report: Budget 2026 Production Advice - Week Commencing 11 May

Purpose of Report

1. This report provides you with draft Budget 2026 production documents, namely the:

   a Summary of Initiatives

   b Budget-at-a-Glance

   c Budget and Economic Fiscal Update; and

   d Initiative-level factsheets that you commissioned at the Weekly Agency Meeting on Thursday 7 May.

2. The table below provides a brief status summary of Budget 2026 Products. The Treasury will be undertaking full quality assurance and proofreading of these documents, including all numbers, next week.

Product	**Status**	**Latest date sign out is required to meet printing deadlines**
Child Poverty Report	You approved this document on Friday 15 May.	-
Fiscal Strategy Report	You received the near-final draft of this document on Thursday 14 May [TR2026/954].	Thursday 21 May
Summary of Initiatives	A draft is attached to this report. You will receive the final version for approval next week.	Saturday 23 May – Sunday 24 May
Budget-at-a-Glance	A draft is attached to this report. You will receive the final version for approval next week.	10am, Monday 25 May
Budget Economic Fiscal Update	A draft is attached to this report. You also received advice on the upcoming Treasury publication on fiscal costs of Nationally Determined Contributions to be published alongside the BEFU (T2026/1010 refers).	On Wednesday 20 May: • Signed out by Treasury Secretary; and • Your signature needs to be confirmed for the Statement of Responsibility
Back-pocket Q&As	Your office received a first draft today. You will receive the final version on Friday 22 May.	N/A

3. We have also attached to this report the set of “initiative factsheets” you commissioned. If you have additional information you would like provided in these, we can provide you updated documents on Friday 22 May.

Summary of Initiatives

4. The draft Summary of Initiatives (SOI) is attached for your feedback. We recommend you review the full document, however, we have worked with your office to highlight key initiatives where we suggest you focus your review of the descriptions.

5. There are a small number of more substantive judgements to be made in how some initiatives (or groups of initiatives) are presented in the SOI. We are seeking your direction on how to approach these initiatives.

Approach to fuel initiatives

6. You previously conveyed an indicative approach on how to publish fuel-pressure related funding, subject to further discussions with your office [T2026/912 refers]. The draft SOI reflects your indicative decisions as set out in the table below:

Initiative	Your indicative decision
Commercial fuel deals ($150m total operating)	Publish in full
Central operating contingency ($450m total operating)	Publish in full
Public transport fuel subsidy contingency [38]	Withhold funding only
Education conflict-related contingency [38] total operating)	Withhold funding only
Health conflict-related contingency [37] total operating)	Withhold funding only

7. We seek your confirmation on how you wish to present these initiatives.

[38]

8. At the Weekly Agency Meeting on Thursday 7 May, you asked for [38]

9. [38] we have included a summary initiative of "Defence Investments" under Defence Force pre-commitments, which includes a general description of the range of Defence Force investments at Budget 2025, [38] alongside the figure of $120 million total operating and $1.648 billion total capital investment. This is on page 21 of the SOI.

[37] and [38]

[37] and [38]

[38]

Vote Health – Removal of capital charge

16. As the capital charge is an internal charge, the removal of it does not represent a saving (it has no impact on OBEGALx or net core Crown debt, and the initiative has no Budget allowance implications). As such, we recommend that the *Removal of Capital Charge for Health NZ* initiative in Vote Health is not included in the SOI. The removal of the capital charge is clearly explained in the Vote Heath Estimates of Appropriations document.

17. If you do want to include this in the SOI, you could choose to include it as an initiative under the “Initiatives Funded Outside Budget Allowances” section in Vote Health.

Vote Education – Te Pae Tawhiti

18. The Budget 2026 package presented to Cabinet included an initiative: [33]

Therefore, Cabinet authorised you, the Minister of Education and the Leader of the House to jointly agree to remove it from the package if [33]

19. We understand it is still being determined whether this initiative will be included [33] and as such:

   a the Minister of Education would like it removed as a line item from the Summary of Initiatives (while still keeping the savings amount in the package), and

   b [33] then the Minister of Education will ask the Ministry of Education to propose an alternative savings initiative that makes up the difference, which Ministers can agree to through the next baseline update.

20. We seek your agreement to remove this initiative from page 31 of the SOI.

Specific Fiscal Risks

21. On 24 April, you received a list of expected new and expired risks to be published in the BEFU 2026 [T2026/848 refers]. Since this advice, we have identified a further three new risks and three expired risks. These have been reflected in the BEFU you have been provided alongside this report. Annex 1 attaches a table outlining the further new and expired risks.

Workforce implications of Budget 2026

22. We understand that the Public Service Commission (PSC) expect to provide the Minister for the Public Service and Digitising Government advice on expected FTE changes resulting from the Budget 2026 package, which has been standard practice in recent Budgets.

23. We have previously provided you advice on the workforce implications of Budget 2026. The overall impacts have changed only slightly over the course of the package development process (with new savings added offsetting new spending added).

24. The below table reflects that previous advice, and the latest numbers based on the final Budget 2026 package. There is some uncertainty around the final workforce implications for Vote Foreign Affairs initiatives due to late changes to that package, but the impacts will not be significant.

Timing	***Public Service***	***Wider Public Service***	***Total FTE Impact***
Treasury's draft package as at 13 Feb	↑ 1,363	↑ 217	↑ 1,580
Package as at 20 March	↑ 1,493	↑ 233	↑ 1,726
Final Package	↑ **1,360**	↑ **296**	↑ **1,656**

25. The Budget is only one part of the picture, and does not reflect changes in FTE resulting from agencies managing cost pressures within their baselines, which are likely to significantly offset any increases in FTE generated by the Budget process.

Recommended actions

We recommend that you:

a **provide feedback** on the draft Summary of Initiatives, Budget-at-a-Glance and initiative-level factsheets

b **discuss** the BEFU document with Treasury officials at Fiscal Matters on Monday 18 May

Summary of Initiatives

c **indicate** in the table below your decisions on how to publish fuel-related initiatives:

Initiative	Your indicative decision	Decision
Commercial fuel deals ($150m total operating)	Publish in full	Publish in full Withhold funding only Withhold in full
Central operating contingency ($450m total operating)	Publish in full	Publish in full Withhold funding only Withhold in full
Public transport fuel subsidy contingency [37]	Withhold funding only	Publish in full Withhold funding only Withhold in full
Education conflict-related contingency [37]	Withhold funding only	Publish in full Withhold funding only Withhold in full
Health conflict-related contingency [37]	Withhold funding only	Publish in full Withhold funding only Withhold in full

d **agree** to include a summary initiative of "Defence Investments" under Vote Defence Force pre-commitments, which includes a general description of the range of Defence Force investments at Budget 2025 [38]

Agree / Disagree

e **indicate** how you would like to manage the sensitive spending and savings initiatives in

[37] and [38]

f **agree** to exclude the *Removal of Capital Charge for Health NZ* as an initiative in the SOI

Agree / Disagree

g **agree** to remove the Vote Education [33] from the Summary of Initiatives

Agree / Disagree

h **agree** to a [38]

Agree / Disagree

Emily Fulford
Unit Manager, Budget

Nicola Willis
Minister of Finance

_____/_____/_______

Annex 1: List of specific fiscal risks that have changed since T20256/848

Inclusion	Portfolio	Title	Narrative
New risks	Energy	Liquefied Natural Gas Import Facility and Related Infrastructure	In February 2026, the Government announced plans to contract for a liquefied natural gas (LNG) import facility to address dry-year electricity shortages and declining domestic gas production, with a facility operational by 2027/28. The intent is for the cost of the facility to be recovered through a levy. The detailed design is still in development and there is a risk that the Crown could incur additional costs to procure LNG facility services. This risk replaces the *Energy Package* risk included in the *Half Year Update*.
	Housing	Going for Housing Growth – Incentives for communities and Councils to support Growth	The Government is progressing work to establish a new system of council incentives to support housing growth. Budget 2026 provided $400m total operating funding, subject to final policy design. Depending on the final design of the scheme, there is a risk that the costs may exceed the funding allocated. This risk replaces a risk with the same title included in the 'Commitment or announced intent that may have fiscal implications' category in the *Half Year Update*.
	Cross-portfolio	City and Regional Deals	The Government has announced establishing City and Regional Deals between central and local government to identify funding and resource opportunities to support councils to make improvements in their region, such as roads, infrastructure, and the supply of quality housing. There are a number of Regional Deals in various stages and Crown funding could be required to deliver on the commitments as outlined in each city and regional deal.
Expired risks	Housing	Going for Housing Growth – Incentives for Communities and Councils to Support Growth	Funding was provided in Budget 2026 for this Coalition commitment. A new risk with the same title has been raised given decisions are still to be made on the final policy design – see *Going for Housing Growth – Incentives for Communities and Councils to Support Growth* in the new risks section above.
	Transport	Rail Network Investment Programme	The risk is expired as time-limited funding has been provided until 2029/30 through Budget 2026.
	Cross-Portfolio	Energy Package	This risk is expired as the Energy Package as announced in 2025 has changed. The part of this risk associated with liquefied natural gas infrastructure is included as a new risk – see *Liquefied Natural Gas Import Facility and Related Infrastructure* in the new risks section above.