The Treasury

Budget 2026 Information Release

September 2026

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- The Treasury website from later in 2026 at: **https://www.treasury.govt.nz/publications/budgets/budget-2026-information-release**

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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Vote Public Service – Tagged Continency omitted in error

Vote	Public Service
Issue / advice sought	In our final quality assurance processes, we have identified that a Cabinet decision to establish a tagged contingency for transition costs associated with the establishment of the Ministry of Cities, Environment, Regions, and Transport (MCERT) in December 2025 was omitted from our ongoing tracking of Government financial decisions. This omission means that the Budget 2025 Between Budget Contingency (BBC) is overdrawn by [33] rather than [33] If managed against the Budget 2026 allowances in the usual way, this would mean your final Budget package is [33] per annum higher than previously advised, **but it would remain at $2.1 billion.** ***Reason for the error*** While we were aware of the decision at the time, the sensitivity of the original decision to establish MCERT meant that the financial implications were and continue to be held tightly within Government. Our normal quality assurance procedures were not effective at recognising the omission partly due to that sensitivity, and partly because the tracking and monitoring of tagged contingencies remains a manual process. We apologise for the error, and we are confident that there are no additional omissions arising from sensitivity requirements on Cabinet papers.
Treasury advice	***Managing the immediate impact*** As this does not change the overall size of your Budget package in $ billions, we recommend you continue standard practice and manage the higher BBC overdraft against the Budget 2026 allowance. However, as this was a technical error discovered after the finalisation of the Budget package, and we are now in Budget moratorium, there are two alternatives: • Do not manage this additional BBC overdraft against the Budget 2026 allowance (effectively flowing through additional costs to OBEGALx): the treatment of the BBC overdraft as a pre-commitment against the operating allowance is a convention, rather than a Cabinet decision. • Manage the costs against the Budget 2026 BBC, which has now replaced the Budget 2025 BBC. This would require an updated decision in a subsequent Cabinet paper concerning the establishment of MCERT. ***Avoiding future similar issues*** We are currently in the process of completing an update to our CFISnet system that will significantly reduce the manual processes currently involved in tracking Cabinet financial decisions. We are confident that will minimise the possibility of an error such as this occurring in the future. In the meantime, we will institute new processes to include an explicit review of all sensitive Cabinet papers during our regular quality assurance processes (which normally take place at baseline updates).
Treasury recommendation	**Indicate** if you want to: • **Option A** – manage this additional BBC overdraft against the Budget 2026 allowance (standard practice and recommended) – Budget package increases from [33] *Yes / No* • **Option B** – do not manage this additional BBC overdraft against the Budget 2026 allowance – Budget package remains at $2.140 billion, and either flow through costs to OBEGALx or manage against a future allowance *No / Flow costs through to OBEGALx / Manage against the Budget 2026 BBC*