

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 Customs

On 7 May 2026, Cabinet:

Appropriation Administrator: New Zealand Customs Service

- 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
17254	Baseline Savings - New Zealand Customs Service	-	(1.700)	(1.700)	(1.700)	(1.700)
17132	Border Security - Expanding Overseas Disruption of Criminal Networks	-	0.908	1.266	1.698	1.732
17255	Border Security - Responding to Increased Smuggling and Protecting the Flow of Trade	-	4.182	7.425	1.828	1.848
Total Operating		-	3.390	6.991	1.826	1.880

Capital Initiative (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17255	Border Security - Responding to Increased Smuggling and Protecting the Flow of Trade	-	6.161	7.847	5.534	-
Total Capital		-	6.161	7.847	5.534	-

Diana Hawker
Acting Secretary of the Cabinet

Vote: Customs

Appropriation Administrator: New Zealand Customs Service

Title: Baseline Savings - New Zealand Customs Service

Description: This savings initiative delivers on the baseline reduction target for Vote Customs and will be achieved by reducing discretionary operating expenditure in areas that do not impact the delivery of core services.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	(1.700)	(1.700)	(1.700)	(1.700)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(1.700)	(1.700)	(1.700)	(1.700)

* 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:					
Border Clearance and Risk Management (MCA)					
<i>Departmental Output Expenses:</i>					
Goods Clearance and Enforcement (funded by revenue Crown)	-	(0.680)	(0.680)	(0.680)	(0.680)
Revenue Collection and Other Services (funded by revenue Crown)	-	(0.340)	(0.340)	(0.340)	(0.340)
Travellers Clearance and Enforcement (funded by revenue Crown)	-	(0.680)	(0.680)	(0.680)	(0.680)
Total Multi-Category Expenses and Capital Expenditure: Border Clearance and Risk Management (MCA)	-	(1.700)	(1.700)	(1.700)	(1.700)
Total Operating	-	(1.700)	(1.700)	(1.700)	(1.700)

Vote: Customs

Appropriation Administrator: New Zealand Customs Service

Title: Border Security - Expanding Overseas Disruption of Criminal Networks

Description: This initiative establishes four new Customs overseas liaison roles in Fiji, Colombia, the Middle East and Netherlands to work with international border and law enforcement agencies to disrupt Transnational, Serious, and Organised Crime groups. This will reduce the flow of illicit drugs and other goods reaching New Zealand and support economic growth through strengthening relationships that benefit the flow of trade.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	0.908	1.266	1.698	1.732
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	1.415	1.895	1.935
Total	-	0.908	2.681	3.593	3.667

* 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:					
Border Clearance and Risk Management (MCA)					
<i>Departmental Output Expenses:</i>					
Goods Clearance and Enforcement (funded by revenue Crown)	-	0.562	0.783	1.050	1.071
Goods Clearance and Enforcement (funded by revenue Other)	-	-	0.991	1.327	1.355
Revenue Collection and Other Services (funded by revenue Crown)	-	0.106	0.148	0.199	0.203
Travellers Clearance and Enforcement (funded by revenue Crown)	-	0.240	0.335	0.449	0.458
Travellers Clearance and Enforcement (funded by revenue Other)	-	-	0.424	0.568	0.580
Total Multi-Category Expenses and Capital Expenditure: Border Clearance and Risk Management (MCA)	-	0.908	2.681	3.593	3.667
Total Operating	-	0.908	2.681	3.593	3.667

Vote: Customs

Appropriation Administrator: New Zealand Customs Service

Title: Border Security - Responding to Increased Smuggling and Protecting the Flow of Trade

Description: This initiative provides funding for Customs' border management and protection services in response to sustained escalation in activity by Transnational, Serious, and Organised Crime groups, particularly the volume of illicit drugs being sent, intercepted, and seized. Funding supports enhanced security at ports and Customs facilities, upgrades and expansion of cargo imaging equipment, increased drug storage and disposal capacity, and additional staff training. This investment enables Customs to manage increased smuggling risks, while maintaining rapid import and export clearance processes.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	4.182	7.425	1.828	1.848
Net Core Crown Debt Impact Only	-	6.161	7.847	5.534	-
No Impact	-	2.846	6.708	13.210	13.118
Total	-	13.189	21.980	20.572	14.966

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

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Capital Injections:					
New Zealand Customs Service - Capital Injection	-	6.161	7.847	5.534	-
Multi-Category Expenses and Capital Expenditure:					
Border Clearance and Risk Management (MCA)					
<i>Departmental Output Expenses:</i>					
Goods Clearance and Enforcement (funded by revenue Crown)	-	1.819	3.230	0.795	0.804
Goods Clearance and Enforcement (funded by revenue Other)	-	1.424	3.357	6.610	6.564
Revenue Collection and Other Services (funded by revenue Crown)	-	0.546	0.970	0.239	0.241
Travellers Clearance and Enforcement (funded by revenue Crown)	-	1.817	3.225	0.794	0.803
Travellers Clearance and Enforcement (funded by revenue Other)	-	1.422	3.351	6.600	6.554
Total Multi-Category Expenses and Capital Expenditure: Border Clearance and Risk Management (MCA)	-	7.028	14.133	15.038	14.966
Total Operating	-	7.028	14.133	15.038	14.966
Total Capital	-	6.161	7.847	5.534	-

Additional Recommendations

- 2 **agreed** to reprioritise \$10.000 million of existing capital funding within Vote Customs to support the purchase of additional cargo imaging (x-ray) equipment through this initiative;
- 3 **agreed** to the following fiscally neutral capital injection and capital withdrawal offset to ensure that the Vote Customs' capital injection presents correctly in the Estimates of Appropriation 2026/27.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Capital Injections:					
New Zealand Customs Service - Capital Injection	-	(37.015)	-	-	-
Capital Withdrawals:					
New Zealand Customs Service - Capital Injection	-	37.015	-	-	-
Total Capital	-	-	-	-	-