

The Treasury

Budget 2026 Information Release

September 2026

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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

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Budget 2026 Package: Vote Housing and Urban Development

On 7 May 2026, Cabinet:

Appropriation Administrator: Ministry of Housing and Urban Development

- 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
17567	Alignment of Appropriation and Income Related Rent Subsidy Treatment for Kāinga Ora Expenditure	-	-	65.637	112.730	182.960
17268	Housing Flexible Fund - Further Investment for Social Housing and Other Housing Solutions	-	-	-	17.150	52.088^
17304	Kāinga Ora Expenditure Reductions	(67.000)	(97.000)	(84.000)	(60.000)	(60.000)
17277	Income-Related Rent - Increasing the Minimum Tenant Contribution to Social Housing Costs	-	(1.153)	(90.229)	(147.500)	(151.828)
Total Operating		(67.000)	(98.153)	(108.592)	(77.620)	23.220

^ has irregular outyears

Capital Initiative (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17548	Tāmaki Regeneration Company Delivery Commitments	-	(23.000)	-	-	-
Total Capital		-	(23.000)	-	-	-

Summary of contingency initiative:**Operating Contingency**

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17288	Going for Housing Growth - Pillar Three: Council Incentives for Urban Development - Tagged Contingency	-	100.000	100.000	100.000	100.000
Total Operating		-	100.000	100.000	100.000	100.000

Diana Hawker
Acting Secretary of the Cabinet

Vote: Housing and Urban Development

Appropriation Administrator: Ministry of Housing and Urban Development

Title: Alignment of Appropriation and Income Related Rent Subsidy Treatment for Kāinga Ora Expenditure

Description: This initiative updates the forecasted Income Related Rent Subsidy expenditure using current market rent forecasts. This is to align the appropriation with Kāinga Ora's updated forecast Crown revenue.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	-	65.637	112.730	182.960
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	65.637	112.730	182.960

* 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:					
Social Housing (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Purchase of Social Housing Provision	-	-	65.637	112.730	182.960
Total Multi-Category Expenses and Capital Expenditure: Social Housing (MCA)	-	-	65.637	112.730	182.960
Total Operating	-	-	65.637	112.730	182.960

Additional Recommendations

- noted** that this initiative reflects a change in forecasts only and does not represent a new policy decision;
- agreed** that expenses incurred above are to be managed outside of Budget allowances and will directly impact the operating balance and net core Crown debt;

Vote: Housing and Urban Development

Appropriation Administrator: Ministry of Housing and Urban Development

Title: Going for Housing Growth - Pillar Three: Council Incentives for Urban Development - Tagged Contingency

Description: This initiative establishes a tagged contingency to provide funding to support the implementation of Going for Housing Growth by improving council and community incentives to support housing growth.

Tagged Contingency

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Contingency	-	100.000	100.000	100.000	100.000
Capital Contingency	-	-	-	-	-
Total	-	100.000	100.000	100.000	100.000

Additional Recommendations

- 4 **authorised** the Minister of Finance, Minister of Housing and Associate Minister of Finance (Hon David Seymour) jointly to draw down from the operating tagged contingency, subject to their satisfaction that the detailed policy work is completed;
- 5 **authorised** the Minister of Finance, Minister of Housing and Associate Minister of Finance (Hon David Seymour) jointly to establish new appropriations, and other actions as necessary, to implement the above decision;
- 6 **agreed** that the expiry date for the above operating tagged contingency be 31 March 2027;

Vote: Housing and Urban Development

Appropriation Administrator: Ministry of Housing and Urban Development

Title: Housing Flexible Fund - Further Investment for Social Housing and Other Housing Solutions

Description: This initiative provides funding for 1,800 - 2,250 social homes and other housing solutions over a two-to-three-year delivery period starting from 2028/29.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30
Operating Balance Impact*	-	-	-	17.150	52.088
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	17.150	52.088
	2030/31	2031/32	2032/33	2033/34	2034/35 & Outyears
Operating Balance Impact*	88.849	108.280	108.967	108.912	108.852
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	88.849	108.280	108.967	108.912	108.852

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

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30
Multi-Category Expenses and Capital Expenditure:					
Social Housing (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Purchase of Social Housing Provision	-	-	-	17.150	52.088
Total Multi-Category Expenses and Capital Expenditure: Social Housing (MCA)	-	-	-	17.150	52.088
Total Operating	-	-	-	17.150	52.088
	2030/31	2031/32	2032/33	2033/34	2034/35 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Social Housing (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Purchase of Social Housing Provision	88.849	108.280	108.967	108.912	108.852
Total Multi-Category Expenses and Capital Expenditure: Social Housing (MCA)	88.849	108.280	108.967	108.912	108.852
Total Operating	88.849	108.280	108.967	108.912	108.852

Vote: Housing and Urban Development

Appropriation Administrator: Ministry of Housing and Urban Development

Title: Kāinga Ora Expenditure Reductions

Description: This savings initiative relates to reductions in operating expenditure by Kāinga Ora, primarily repairs and maintenance and depreciation due to reduced construction costs for renewal activities as a result of the turnaround plan.

Forecasting Adjustments

	Sm - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	(67.000)	(97.000)	(84.000)	(60.000)	(60.000)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(67.000)	(97.000)	(84.000)	(60.000)	(60.000)

Additional Recommendations

- 7 **noted** that the amounts shown in the Forecasting Adjustments table above reflect adjustments to forecast expenditure in Kāinga Ora from the Half Year Economic and Fiscal Update 2025;
- 8 **agreed** that the forecast expenditure reductions above be charged against the Budget 2026 operating allowance;

Vote: Housing and Urban Development

Appropriation Administrator: Ministry of Housing and Urban Development

Title: Tāmaki Regeneration Company Delivery Commitments

Description: This savings initiative returns the Tāmaki Regeneration Company's equity funding for their housing delivery programme.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	(23.000)	-	-	-
No Impact	-	-	-	-	-
Total	-	(23.000)	-	-	-

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

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Capital Expenditure:					
Tāmaki Regeneration Company Limited - Equity Injection	-	(23.000)	-	-	-
Total Capital	-	(23.000)	-	-	-

Additional Recommendation

- 9 **noted** that the appropriation changes above are based on forecast equity injections to the Tāmaki Regeneration Company, aligning with the housing delivery programme from 2026/27;

Vote: Housing and Urban Development

Appropriation Administrator: Ministry of Housing and Urban Development

Title: Income-Related Rent - Increasing the Minimum Tenant Contribution to Social Housing Costs

Description: This savings initiative lifts the Income-Related Rent (IRR) contribution for tenants in social housing and the household contribution rate for Transitional Housing tenants. For most households this will result in an IRR increase from 25 to 30 percent of income from 1 April 2027. Savings generated from this initiative are being reinvested to increase maximum rates of the Accommodation Supplement.

Appropriation Changes

	Sm - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	(1.153)	(90.229)	(147.500)	(151.828)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(1.153)	(90.229)	(147.500)	(151.828)

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

	Sm - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Social Housing (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Purchase of Social Housing Provision	-	(0.912)	(84.292)	(139.842)	(143.962)
Total Multi-Category Expenses and Capital Expenditure: Social Housing (MCA)	-	(0.912)	(84.292)	(139.842)	(143.962)
Transitional Housing (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Provision of Transitional Housing Places	-	(0.241)	(5.937)	(7.658)	(7.866)
Total Multi-Category Expenses and Capital Expenditure: Transitional Housing (MCA)	-	(0.241)	(5.937)	(7.658)	(7.866)
Total Operating	-	(1.153)	(90.229)	(147.500)	(151.828)

Additional Recommendations

- 10 **agreed** to increase the minimum Income Related Rent (IRR) contribution rate for social housing tenants and household contribution rate for transitional housing tenants from 25 percent to 30 percent of household income, effective from 1 April 2027, as part of the Review of Social Housing;
- 11 **noted** that the savings generated from this initiative have been reinvested to increase all maximum rates of the Accommodation Supplement, lifting incomes of private renters and improving equity and incentives;
- 12 **agreed** that Social Housing IRR increases will be implemented through annual rent reviews, with changes rolling through over a 12 month period from 1 April 2027, as the least resource intensive and most operationally efficient implementation approach;
- 13 **agreed** that Transitional Housing household contribution IRR increases will be implemented through changes to the subsidy rate paid to providers from 1 April 2027, via contract renewals at their renewal dates;
- 14 **agreed** to amend the Public and Community Housing Management (Prescribed Elements of Calculation Mechanism) Regulations 2018, to give effect to the increase in the minimum IRR contribution rate;
- 15 **authorised** the Minister of Finance and the Minister of Housing jointly to approve final implementation costings within the agreed funding envelope, and to make any fiscally neutral adjustments required to give effect to the increase in the minimum IRR contribution rate;
- 16 **authorised** the Minister of Housing and the Minister for Social Development and Employment to make any further policy decisions, consistent with the decisions above, that are required for implementation of the agreed policy changes;
- 17 **authorised** the Minister of Housing and the Minister for Social Development and Employment to issue drafting instructions to the Parliamentary Council Office to implement the decisions above;
- 18 **noted** that this initiative relates to Initiative 17622 in Vote Social Development.