

The Treasury

Budget 2026 Information Release

September 2026

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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 Labour Market

On 7 May 2026, Cabinet:

Appropriation Administrator: Ministry of Business, Innovation and Employment

- 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 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
17522	Increasing Immigration Compliance and Investigations and Labour Inspectorate Capacity	-	4.735	4.432	4.432	4.432
17196	Baseline Savings - Ministry of Business, Innovation and Employment (Vote Labour Market)	-	(0.751)	(0.751)	(0.751)	(0.751)
17298	Repayable Immigration Funding Package	50.000	19.000	7.000	-	-
Total Operating		50.000	22.984	10.681	3.681	3.681

Capital Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17298	Repayable Immigration Funding Package	-	84.000	-	-	-
Total Capital		-	84.000	-	-	-

Diana Hawker
Acting Secretary of the Cabinet

Vote: Labour Market

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Increasing Immigration Compliance and Investigations and Labour Inspectorate Capacity

Description: This initiative provides Crown funding for Immigration and Labour Inspectorate compliance and investigations capacity, to address immediate needs to better respond to non-compliance, hold people to account, and maintain public confidence in the integrity of the immigration system. Funding will establish three additional teams in the Ministry of Business, Innovation and Employment's Immigration Compliance and Investigation and Labour Inspectorate teams to reduce growing case backlogs, increase enforcement action, and reduce victim harm. This funding will address the immediate need ahead of the next Immigration Fee & Levy Review in 2027 when the balance between Crown and levy funding for compliance functions can be reviewed.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	4.735	4.432	4.432	4.432
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	4.735	4.432	4.432	4.432

* 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:					
Immigration Services (MCA)					
<i>Departmental Output Expenses:</i>					
Integrity and Security of the New Zealand Immigration System (funded by revenue Crown)	-	4.735	4.432	4.432	4.432
Total Multi-Category Expenses and Capital Expenditure: Immigration Services (MCA)	-	4.735	4.432	4.432	4.432
Total Operating	-	4.735	4.432	4.432	4.432

Additional Recommendation

- noted** that this initiative relates to Initiative 17598 in Vote Business, Science and Innovation for the capital injection component of this initiative;

Vote: Labour Market

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Baseline Savings - Ministry of Business, Innovation and Employment
(Vote Labour Market)

Description: This savings initiative contributes to the baseline reduction target for the Ministry of Business, Innovation and Employment and will be achieved via enterprise prioritisation and efficiencies, process and system improvements, and the ongoing alignment of organisational capacity with key operational demands.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	(0.751)	(0.751)	(0.751)	(0.751)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.751)	(0.751)	(0.751)	(0.751)

* 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:					
ACC - Regulatory Services (funded by revenue Crown)	-	-	-	-	-
Social Development and Employment - Employment Sector Analysis and Facilitation (funded by revenue Crown)	-	(0.086)	(0.086)	(0.086)	(0.086)
Workplace Relations and Safety - Employment Relations Services (funded by revenue Crown)	-	(0.270)	(0.270)	(0.270)	(0.270)
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Services to Ministers (MCA)					
<i>Departmental Output Expenses:</i>					
Policy Advice and Related Services to Ministers - Accident Compensation (funded by revenue Crown)	-	(0.068)	(0.068)	(0.068)	(0.068)
Policy Advice and Related Services to Ministers - Immigration (funded by revenue Crown)	-	(0.052)	(0.052)	(0.052)	(0.052)

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Policy Advice and Related Services to Ministers - Social Development and Employment (funded by revenue Crown)	-	(0.100)	(0.100)	(0.100)	(0.100)
Policy Advice and Related Services to Ministers - Workplace Relations and Safety (funded by revenue Crown)	-	(0.175)	(0.175)	(0.175)	(0.175)
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services to Ministers (MCA)	-	(0.395)	(0.395)	(0.395)	(0.395)
Total Operating	-	(0.751)	(0.751)	(0.751)	(0.751)

Vote: Labour Market

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Repayable Immigration Funding Package

Description: This initiative provides a repayable funding package, including a tagged contingency and levy-funded increase in operating expenditure, to enable ongoing delivery of core immigration services in the context of lower-than-expected third-party revenue, driven by visa volume volatility, policy decisions to waive fees, and structural forecasting issues in the 2024 Fee and Levy Review. This will also ensure that costs are met to deliver planned system improvements via the Our Future Services programme. The contingency will only be drawn down if needed, and the Ministry of Business, Innovation and Employment will progress a fee and levy review to set new rates. The updated rates will factor in the need to repay the Crown and balance the levy account deficit by generating a revenue surplus.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	50.000	19.000	7.000	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	(18.800)	(19.000)	(7.000)	-	-
Total	31.200	-	-	-	-

* 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:					
Immigration Services (MCA)					
<i>Departmental Output Expenses:</i>					
Assessment and Processing Services (funded by revenue Crown)	31.200	-	-	-	-
Assessment and Processing Services (funded by revenue Crown)	18.800	19.000	7.000	-	-
Assessment and Processing Services (funded by revenue Other)	(18.800)	(19.000)	(7.000)	-	-
Total Multi-Category Expenses and Capital Expenditure: Immigration Services (MCA)	31.200	-	-	-	-
Total Operating	31.200	-	-	-	-

Tagged Contingency

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Capital Contingency	-	84.000	-	-	-
Total	-	84.000	-	-	-

Additional Recommendations

- 3 **noted** that the appropriation changes above include a change of fee-funded activity to levy-funded to better align funding structure between fees and levies, and that this change is not managed against budget allowances;
- 4 **authorised** the Minister of Finance and the Minister of Immigration (joint Ministers) jointly to draw down the tagged capital contingency '*Repayable immigration funding package*' once the following conditions have been met:
 - 4.1 financial and outcome based monitoring and reporting on the immigration system from the Ministry of Business, Innovation and Employment;
 - 4.2 satisfaction with the progress of a planned immigration fee and levy review;
- 5 **agreed** that any future drawdowns of the above tagged contingency to the Ministry of Business, Innovation and Employment - Capital Injection will be applied to the Immigration Visa memorandum account;
- 6 **agreed** that any unused portion of the above tagged contingency is to be returned to the centre if not required for ongoing delivery of core immigration services;
- 7 **agreed** that the expiry date for the above tagged contingency be 31 March 2027.