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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Cabinet

Minute of Decision

Budget 2026 Package: Vote Revenue

On 7 May 2026, Cabinet:

Appropriation Administrator: Inland Revenue Department

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)

		$m - increase/(decrease)				
Initiative ID	**Initiative Name**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30 & Outyears**
17146	Baseline Savings - Inland Revenue	-	(15.800)	(15.800)	(15.800)	(15.800)
17147	Compliance Activities - Increased Investment	-	15.000	15.000	15.000	15.000
17443	Research and Development Tax Amendments - Departmental Impact	-	0.600	0.650	0.850	0.600^
Total Operating		**-**	**(0.200)**	**(0.150)**	**0.050**	**(0.200)**

^ has irregular outyears

Capital Initiative (Impact on Debt)

		$m - increase/(decrease)				
Initiative ID	**Initiative Name**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30 & Outyears**
17443	Research and Development Tax Amendments - Departmental Impact	-	1.400	-	-	-
Total Capital		**-**	**1.400**	**-**	**-**	**-**

Diana Hawker
Acting Secretary of the Cabinet

Initiative No: 17146

Vote: Revenue

Appropriation Administrator: Inland Revenue Department

Title: Baseline Savings - Inland Revenue

Description: This savings initiative delivers the baseline reduction target for Inland Revenue and will be achieved through reductions in expenditure from back-office efficiencies and frontline productivity improvements.

Appropriation Changes

	$m - increase/(decrease)				
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30 & Outyears**
Operating Balance Impact*	-	(15.800)	(15.800)	(15.800)	(15.800)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**(15.800)**	**(15.800)**	**(15.800)**	**(15.800)**

* 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:					
Services for Customers (MCA)					
Departmental Output Expenses:					
Services to Manage Debt and Unfiled Returns (funded by revenue Crown)	-	(2.500)	(2.500)	(2.500)	(2.500)
Services to Ministers and to Assist and Inform Customers to Get it Right From the Start (funded by revenue Crown)	-	(6.500)	(6.500)	(6.500)	(6.500)
Services to Process Obligations and Entitlements (funded by revenue Crown)	-	(3.700)	(3.700)	(3.700)	(3.700)
Services to Protect the Integrity of the Tax System and Functions the Commissioner Administers (funded by revenue Crown)	-	(3.100)	(3.100)	(3.100)	(3.100)
Total Multi-Category Expenses and Capital Expenditure: Services for Customers (MCA)	-	(15.800)	(15.800)	(15.800)	(15.800)
Total Operating	**-**	**(15.800)**	**(15.800)**	**(15.800)**	**(15.800)**

Initiative No: 17147

Vote: Revenue

Appropriation Administrator: Inland Revenue Department

Title: Compliance Activities - Increased Investment

Description: This initiative provides funding to increase investment in Inland Revenue's debt compliance activities. A $15 million per annum investment delivers an expected return of 6:1 in additional cash ($90 million per annum) and 3:1 in reduced debt impairment ($45 million per annum).

Appropriation Changes

	$m - increase/(decrease)				
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30 & Outyears**
Operating Balance Impact*	-	15.000	15.000	15.000	15.000
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**15.000**	**15.000**	**15.000**	**15.000**

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

	$m - increase/(decrease)				
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30 & Outyears**
Multi-Category Expenses and Capital Expenditure:					
Services for Customers (MCA)					
Departmental Output Expenses:					
Services to Manage Debt and Unfiled Returns (funded by revenue Crown)	-	15.000	15.000	15.000	15.000
Total Multi-Category Expenses and Capital Expenditure: Services for Customers (MCA)	-	15.000	15.000	15.000	15.000
Total Operating	**-**	**15.000**	**15.000**	**15.000**	**15.000**

Additional Recommendation

2 **noted** that this initiative relates to Initiative 17529 in Vote Revenue (IRD-Crown);

Initiative No: 17443

Vote: Revenue

Appropriation Administrator: Inland Revenue Department

Title: Research and Development Tax Amendments - Departmental Impact

Description: This initiative provides funding to introduce in-year payments for the Research and Development Tax Incentive (RDTI). In-year payments will increase uptake of the RDTI scheme by providing quarterly cash payments in advance of the expected RDTI tax credit, delivering cash flow benefits to businesses.

	$m - increase/(decrease)				
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30 & Outyears**
Operating Balance Impact*	-	15.000	15.000	15.000	15.000
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	**-**	**15.000**	**15.000**	**15.000**	**15.000**

Appropriation Changes

	$m - increase/(decrease)					
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31 & Outyears**
Operating Balance Impact*	-	0.600	0.650	0.850	0.600	0.300
Net Core Crown Debt Impact Only	-	1.400	-	-	-	-
No Impact	-	-	-	-	-	-
Total	**-**	**2.000**	**0.650**	**0.850**	**0.600**	**0.300**

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

	$m - increase/(decrease)					
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31 & Outyears**
Capital Injections:						
Inland Revenue Department - Capital Injection	-	1.400	-	-	-	-
Multi-Category Expenses and Capital Expenditure:						
Services for Customers (MCA)						
Departmental Output Expenses:						
Services to Manage Debt and Unfiled Returns (funded by revenue Crown)	-	-	0.150	0.150	0.100	-
Services to Ministers and to Assist and Inform Customers to Get it Right From the Start (funded by revenue Crown)	-	0.500	0.200	0.200	0.200	0.200
Services to Process Obligations and Entitlements (funded by revenue Crown)	-	0.100	0.100	0.100	0.100	0.100

	$m - increase/(decrease)					
	2025/26	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31 & Outyears**
Services to Protect the Integrity of the Tax System and Functions the Commissioner Administers (funded by revenue Crown)	-	-	0.200	0.400	0.200	-
Total Multi-Category Expenses and Capital Expenditure: Services for Customers (MCA)	-	0.600	0.650	0.850	0.600	0.300
Total Operating	**-**	**0.600**	**0.650**	**0.850**	**0.600**	**0.300**
Total Capital	**-**	**1.400**	**-**	**-**	**-**	**-**

Additional Recommendations

3 **agreed** to introduce In-Year Payments to the Research and Development Tax Incentive, applying to the 2027/28 and later income years;

4 **noted** that this initiative relates to Initiative 17604 in Vote Revenue (IRD-Crown);

5 **noted** that the costs of this initiative are offset by savings realised from reducing the cap on internal non-administrative software expenditure from $25 million to $3 million (Initiative 17533, Vote Revenue (IRD-Crown)).