

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).

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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 Internal Affairs (Technical Initiatives)

On 7 May 2026, Cabinet:

Appropriation Administrator: Department of Internal Affairs

- 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 technical 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
17455	Anti-Money Laundering and Countering Financing of Terrorism: Funding to Establish a Single Supervisor	-	-	-	-	-
17453	Civil Registration Systems Replacement - Transfer of Funding to 2026/27	(0.362)	0.362	-	-	-
17486	Crown-owned Assets at Lake Taupō - Depreciation and Maintenance Costs	-	-	-	-	-
17456	Deep-Ocean Assessment and Reporting of Tsunami (DART) Buoys Maintenance: Timing and Funding Alignment	(4.500)	4.500	-	-	-
17489	Emergency Management and Recovery - Costs Associated with Coronial and Other Inquiries	-	-	-	-	-
17427	Language Assistance Services - Technical Correction of Funding Source	-	-	-	-	-
17487	Local Water Done Well	-	-	-	-	-
17483	Machinery of Government Changes - Internal Affairs	-	-	-	-	-
17484	Machinery of Government Changes - Local Government	-	-	-	-	-
17418	Premier House Remedial Work	-	-	-	-	-

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17454	Royal Commission of Inquiry into Abuse in Care - Transfer of Funding to 2026/27	(2.000)	2.000	-	-	-
17485	Simplifying Local Government	-	-	-	-	-
Total Operating		(6.862)	6.862	-	-	-

Diana Hawker
Acting Secretary of the Cabinet

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Anti-Money Laundering and Countering Financing of Terrorism: Funding to Establish a Single Supervisor

Description: This initiative seeks an in-principle expense transfer from 2025/26 to 2026/27 to fund transition costs associated with establishing the Department of Internal Affairs (the Department) as New Zealand's single supervisor for the Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) regulatory system. Cabinet has previously noted that if transition costs could not be met from within the Department's baseline, they should be funded by fiscally neutral front-loading of spending from existing departmental output expense appropriations [CAB-24-MIN-0403.01].

Additional Recommendations

- 2 **noted** that potential delays associated with establishing the Department of Internal Affairs as New Zealand's single supervisor for the Anti-Money Laundering and Countering Financing of Terrorism regulatory system requires an in-principle expense transfer of up to the following amounts:

	Sm - increase/(decrease)				
Vote Internal Affairs Minister of Internal Affairs	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Regulatory Services (MCA)					
<i>Departmental Output Expenses:</i>					
Charities Regulation (funded by revenue Crown)	(0.800)	0.800	-	-	-
Regulatory Services (funded by revenue Crown)	(4.200)	4.200	-	-	-
Total Operating	(5.000)	5.000	-	-	-

- 3 **authorised** the Minister of Finance and the Minister of Internal Affairs jointly to agree the final amount to be transferred, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Civil Registration Systems Replacement - Transfer of Funding to 2026/27

Description: This initiative seeks an expense transfer of \$0.362 million and an in-principle expense transfer up to a maximum of \$1.500 million from 2025/26 to 2026/27 to progress a business case for investment in modernising the civil registration system. Work will not be completed in 2025/26 as the Department of Internal Affairs needs to develop a business case that incorporates the lessons learnt from the previous workstream and ensures a robust case for investment.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	(0.362)	0.362	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.362)	0.362	-	-	-

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

	\$m - increase/(decrease)				
Vote Internal Affairs	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Minister of Internal Affairs					
Multi-Category Expenses and Capital Expenditure:					
Civic Information Services (MCA)					
<i>Departmental Output Expenses:</i>					
Managing and Accessing Identity Information (funded by revenue Crown)	(0.362)	0.362	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Civic Information Services (MCA)	(0.362)	0.362	-	-	-
Total Operating	(0.362)	0.362	-	-	-

Additional Recommendation

- authorised** the Minister of Finance and the Minister of Internal Affairs jointly to agree a further transfer of up to \$1.500 million from 2025/26 to 2026/27, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Crown-owned Assets at Lake Taupō - Depreciation and Maintenance Costs

Description: This initiative seeks an in-principle expense transfer from 2025/26 to 2026/27 of funding for maintenance required to address health and safety issues at Lake Taupō, due to potential delays arising from events outside the Department of Internal Affairs' control, including weather-related constraints and third-party contractor availability.

Additional Recommendations

- 5 **noted** that potential delays to maintenance required to address health and safety issues at Lake Taupō requires an in-principle expense transfer in the '*Crown-owned Assets at Lake Taupō - Depreciation and Maintenance*' category of the '*Local Government Administration MCA*' of up to \$0.750 million from 2025/26 to 2026/27;
- 6 **noted** that the establishment of the Ministry of Cities, Environment, Regions and Transport means that the local government functions of the Department of Internal Affairs (including funding associated with this initiative) is expected to be transferred to the new Ministry;
- 7 **authorised** the Minister of Finance and the Minister of Internal Affairs, or the appropriate Appropriation Minister for the relevant appropriation in Vote Cities, Environment, Regions and Transport, jointly to agree the final amount to be transferred, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;
- 8 **agreed** that the in-principle expense transfer above can be into a relevant appropriation in Vote Cities, Environment, Regions and Transport;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Deep-Ocean Assessment and Reporting of Tsunami (DART) Buoys
Maintenance: Timing and Funding Alignment

Description: This initiative seeks an expense transfer of \$4.500 million and an in-principle expense transfer of up to a maximum of \$1.200 million from 2025/26 to 2026/27 to align funding with the forecast maintenance programme.

The Deep-Ocean Assessment and Reporting of Tsunami (DART) buoys network enhances New Zealand's ability to monitor, detect and warn of tsunami. Maintenance timing is influenced by shipping constraints, specialist technical resource availability, and actual asset condition. Buoys are degrading faster than expected, which will increase the volume and frequency of maintenance required in outyears to keep the network within specification and avoid unplanned failures.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	(4.500)	4.500	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(4.500)	4.500	-	-	-

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

	\$m - increase/(decrease)				
Vote Internal Affairs Minister for Emergency Management and Recovery	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Multi-Category Expenses and Capital Expenditure: Emergency Management Leadership and Support (MCA)					
<i>Departmental Output Expenses:</i> Advice and Support for Emergency Risk Reduction, Readiness, Response and Recovery (funded by revenue Crown)	(4.500)	4.500	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Emergency Management Leadership and Support (MCA)	(4.500)	4.500	-	-	-
Total Operating	(4.500)	4.500	-	-	-

Additional Recommendation

- 9 **authorised** the Minister of Finance and the Minister for Emergency Management and Recovery jointly to agree a further transfer of up to \$1.200 million from 2025/26 to 2026/27, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Emergency Management and Recovery - Costs Associated with Coronial and Other Inquiries

Description: This initiative seeks an in-principle expense transfer of up to a maximum of \$0.300 million from 2025/26 to 2026/27 to meet the costs associated with responding to inquiries. The timing and scale of legal costs associated with the Whakaari White Island inquiry, the North Island Severe Weather Events (NISWE) coronial inquiry, and the Waitangi Tribunal - Climate Change Priority inquiry remain uncertain, with several activities extending into 2026/27. Costs must be met as proceedings progress.

Additional Recommendation

- 10 **authorised** the Minister of Finance and the Minister for Emergency Management and Recovery jointly to agree a transfer from 2025/26 to 2026/27 of up to \$0.300 million in the *‘Advice and Support for Emergency Risk Reduction, Readiness, Response and Recovery’* category of the *‘Emergency Management Leadership and Support MCA’*, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Language Assistance Services - Technical Correction of Funding Source

Description: This initiative corrects a technical error to ensure the appropriation reflects the correct funding source. In February 2025, accountability for the Language Assistance Services (LAS) programme and its appropriation transferred from the Ministry of Business, Innovation and Employment to the Ministry for Ethnic Communities. LAS is funded through the ringfencing of unused and expired Pre-purchased English Language Tuition (PELT) fees paid by migrants who did not meet visa English language requirements. At the time, the appropriation was incorrectly transferred as funded by revenue Other instead of revenue Crown.

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	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

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

	\$m - increase/(decrease)				
Vote Internal Affairs	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Minister for Ethnic Communities					
Multi-Category Expenses and Capital Expenditure:					
Supporting Ethnic Communities (MCA)					
<i>Departmental Output Expenses:</i>					
Advisory and Information Services to assist Ethnic Communities (funded by revenue Crown)	0.145	0.145	0.145	0.145	0.145
Advisory and Information Services to assist Ethnic Communities (funded by revenue Other)	(0.145)	(0.145)	(0.145)	(0.145)	(0.145)
Total Multi-Category Expenses and Capital Expenditure: Supporting Ethnic Communities (MCA)	-	-	-	-	-
Total Operating	-	-	-	-	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Local Water Done Well

Description: This initiative seeks an in-principle expense transfer to carry forward funding for the Local Water Done Well programme from 2025/26 to 2026/27 to ensure that it is appropriately resourced to maintain continuity of policy support and operational delivery of the Water Services Delivery Plans.

Additional Recommendations

- 11 **noted** that to maintain continuity of policy support and operational delivery of the Water Services Delivery Plans under the Local Water Done Well programme, an in-principle expense transfer of up to \$6.000 million from 2025/26 to 2026/27 in the '*Local Government Policy and Related Services*' appropriation is required;
- 12 **noted** that the establishment of the Ministry of Cities, Environment, Regions and Transport means that the local government functions of the Department of Internal Affairs (including funding associated with this initiative) is expected to be transferred to the new Ministry;
- 13 **authorised** the Minister of Finance and the Minister of Internal Affairs, or the appropriate Appropriation Minister for the relevant appropriation in Vote Cities, Environment, Regions and Transport, jointly to agree the final amount to be transferred, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;
- 14 **agreed** that the in-principle expense transfer above can be into a relevant appropriation in Vote Cities, Environment, Regions and Transport;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Machinery of Government Changes - Internal Affairs

Description: This initiative seeks an in-principle expense transfer from 2025/26 to 2026/27 to meet change management costs in 2026/27. In December 2025, Cabinet agreed to Machinery of Government changes that impact Vote Internal Affairs. These changes will result in change management costs for the Department of Internal Affairs, some of which will fall in 2026/27.

Additional Recommendations

- 15 **noted** that Machinery of Government change management costs will be incurred in 2026/27 and therefore an in-principle expense transfer is required of up to the following amounts:

	Sm - increase/(decrease)				
Vote Internal Affairs Minister of Internal Affairs	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy and Related Services (MCA)					
<i>Departmental Output Expenses:</i>					
Crown Entity Monitoring (funded by revenue Crown)	(0.200)	0.200	-	-	-
Machinery of Government Changes (funded by revenue Crown)	(1.500)	1.500	-	-	-
Policy and Related Services - Internal Affairs (funded by revenue Crown)	(2.200)	2.200	-	-	-
Policy and Related Services - Ministerial Services (funded by revenue Crown)	(0.400)	0.400	-	-	-
Total Operating	(4.300)	4.300	-	-	-

- 16 **authorised** the Minister of Finance and the Minister of Internal Affairs jointly to agree the final amount to be transferred, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;

Vote: Internal Affairs

Appropriation Department of Internal Affairs
Administrator:

Title: Machinery of Government Changes - Local Government

Description: This initiative reprioritises funding to meet change management costs, with no impact on the operating balance and/or net core Crown debt across the forecast period. In December 2025, Cabinet agreed to Machinery of Government changes that impact Vote Internal Affairs [ECO-25-MIN-0218]. These changes will result in change management costs for the Department of Internal Affairs.

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	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

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

	\$m - increase/(decrease)				
Vote Internal Affairs Minister of Internal Affairs	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Departmental Output Expenses:					
Local Government Policy and Related Services (funded by revenue Crown)	(0.200)	-	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Policy and Related Services (MCA)					
<i>Departmental Output Expenses:</i>					
Machinery of Government Changes (funded by revenue Crown)	0.200	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy and Related Services (MCA)	0.200	-	-	-	-
Total Operating	-	-	-	-	-

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Premier House Remedial Work

Description: This initiative seeks an in-principle expense transfer of up to a maximum of \$0.200 million from 2025/26 to 2026/27 to complete the repairs associated with the Premier House Remedial Work project. The Department of Internal Affairs manages Crown-owned Ministerial residences. Remediation work to address deferred maintenance is progressing, however the extent of repairs required is more significant than anticipated. Completion of work has been impacted by factors such as engineering, design, and consent requirements, with longer than usual processing timeframes. Contributing to delays are access constraints limiting when contractors can enter the properties, and availability of specialist contractors.

Additional Recommendation

- 17 **authorised** the Minister of Finance and the Minister Responsible for Ministerial Services jointly to agree a transfer from 2025/26 to 2026/27 of up to \$0.200 million in the '*Official Residences - Maintenance Costs*' category of the '*Services Supporting the Executive MCA*', following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Royal Commission of Inquiry into Abuse in Care - Transfer of Funding to 2026/27

Description: This initiative seeks an expense transfer of \$2.000 million and an in-principle expense transfer from 2025/26 to 2026/27 to fund current and anticipated future litigation costs and the archival of over one million files.

Appropriation Changes

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

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

	\$m - increase/(decrease)				
Vote Internal Affairs Minister of Internal Affairs	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Support for Statutory and Other Bodies (MCA)					
<i>Departmental Output Expenses:</i>					
Commissions of Inquiry and Similar Bodies (funded by revenue Crown)	(2.000)	2.000	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Support for Statutory and Other Bodies (MCA)	(2.000)	2.000	-	-	-
Total Operating	(2.000)	2.000	-	-	-

Additional Recommendation

- 18 **authorised** the Minister of Finance and the Minister of Internal Affairs jointly to agree a further transfer of up to \$1.266 million from 2025/26 to 2026/27, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;

Vote: Internal Affairs

Appropriation Administrator: Department of Internal Affairs

Title: Simplifying Local Government

Description: This initiative seeks an in-principle transfer of any Crown-funded underspend associated with the Simplifying Local Government programme in the '*Local Government Policy and Related Services*' appropriation, from 2025/26 to 2026/27. This is required because of changes in the strategic direction of the Simplifying Local Government programme. The report-back has been deferred and consequently the work programme will extend into 2026/27.

Additional Recommendations

- 19 **noted** that the establishment of the Ministry of Cities, Environment, Regions and Transport means that the local government functions of the Department of Internal Affairs (including funding associated with this initiative) is expected to be transferred to the new Ministry;
- 20 **authorised** the Minister of Finance and the Minister of Internal Affairs, or the appropriate Appropriation Minister for the relevant appropriation in Vote Cities, Environment, Regions and Transport, jointly to agree the final amount to be transferred, following completion of the 2025/26 audited financial statements of the Department of Internal Affairs, with no impact on the operating balance and/or net core Crown debt across the forecast period;
- 21 **agreed** that the in-principle expense transfer above can be into a relevant appropriation in Vote Cities, Environment, Regions and Transport.