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**

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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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TE TAI ŌHANGA
THE TREASURY

Budget 2026

Guidance for Agencies

October 2025

New Zealand Government

Table of Contents

Purpose

This guidance provides an overview of the Budget 2026 process and contains a step-by-step guide on how to complete and submit Budget initiatives that have fiscal implications.

The Treasury will also run information sessions during the development of submissions. If you have queries or need further guidance, please contact your Vote Analyst.

Budget 2026 Timeline

Please see below timeframes for the Budget 2026 process. Rows in bold are deadlines for agencies. **All Budget 2026 submissions are due in CFISnet by 1pm Friday 19 December.**

Date	Budget 2026
Early November	Budget 2026 Invitation Letters issued to Ministers and Agencies Budget 2026 Templates and Guidance issued on CFISnet
Mid November	**CFISnet opens for initiative submissions**
1pm Friday 19 December	**Agency submissions due in CFISnet**
December 2025 - Mid-Late January 2026	Treasury Assessment of Budget 2026 Submissions
February – April 2026	Budget 2026 package development (including Budget Ministers meetings)
April 2026	Financial Recommendations for Budget 2026 Package Cabinet agrees Budget 2026 Package
April – May 2026	Budget 2026 Production
May 2026	Budget Day

CFISnet changes for Budget 2026

The Crown Financial Information System (CFISnet) is used to track Budget and financial information for Government departments.

In previous Budgets, only limited information has been entered directly into CFISnet, with the rest captured in word templates.

For Budget 2026**, all information for a Budget initiative must be inputted into CFISnet**. This means that all of the fields in the physical template will have a corresponding field for CFISnet entry.

These changes will be available from mid-November. Alongside this, we will be hosting a series of workshops and drop-in sessions to support agencies to adapt to the new system. Staff at the Treasury will also be available to support you throughout the submission process. If you have any questions, contact the CFISnet help desk or your Vote Analyst.

Tentative dates	Engagement sessions
Week of 3 November – 7 November	**Virtual drop-in session:** • Budget 2026 Overview • Savings • Spending (including Capital Investments)
Week of 10 November – 14 November	**Virtual drop-in session:** • Budget 2026 CFISnet updates overview • Budget 2026 Template requirements and Guidance **Workshop session onsite:** • New Users to Walkthrough dummy initiative using their own devices. • Targeted support for agencies (upon request)
Week of 17 November – December	**Weekly drop-in sessions until Budget Initiatives are due** **Submission drop-in support**

As a result of these changes, we will be introducing a new ‘two-tiered’ system of CFISnet access.

- New ‘Budget Contributors’ will have access to create and edit initiatives.
- Those with ‘Department access’ will have access to all initiatives and the ability to submit finalised initiatives.

To ensure Budget security is upheld, there will be the ability for the Budget contributor to restrict visibility of sensitive and/or commercial initiatives to only those with full department access. This will restrict access to only finance teams, and those who ‘need to know’.

The registration form for new CFISnet users can be found here: [CFISnet Registration Form | The Treasury New Zealand]

Budget 2026 Overview

Budget 2026 Tracks and Requirements

The below table outlines the different Budget 2026 tracks, requirements for initiatives submitted under each Budget 2026 track, and how to complete the template on CFISnet. For additional guidance on submitting initiatives on CFISnet, please refer to *Budget 2026: System guidance - entering initiatives in CFISnet.*

Agencies will need to complete templates for individual initiatives. Questions in CFISnet will differ depending on the question type (i.e new spending or savings). If you are using the physical template, the type of initiative corresponding to each question is indicated in the subheading underneath each question. Please note:

- Agencies may only submit new spending or cost pressure funding initiatives that have been specifically invited. **Spending proposals that were not invited by the Minister of Finance must not be submitted and will not be considered**.
- **An invitation does not indicate the initiative will be funded** – Budget 2026 will involve significant trade-offs within and between agencies.
- Please ensure all submitted initiatives comply with the titles and descriptions guidance attached to Annex A and are clearly and simply written with no unexplained acronyms or jargon.
- This year initiatives will be submitted directly into CFISnet, rather than uploaded as word documents. As in previous years, there is still one template per initiative.

Budget 2026 Overview

Government Priorities

As agreed by Cabinet on Monday 29 September 2025 [CAB-25-MIN-0340 refers], Budget 2026 will continue to progress the overarching goals set through the Budget Policy Statement 2024 which are:

- Build a stronger, more productive economy that lifts real incomes and increases opportunities for New Zealanders;
- Deliver more efficient, effective and responsive public services to all who need and use them – in particular, to restore law and order and improve health outcomes and educational achievement; and
- Get the Government's books back in order and restore discipline to public spending.

To achieve this, Budget 2026 will make progress in the following ways:

- most agencies and Ministers will need to manage cost pressures and other commitments within existing baselines;
- there will be limited funding for new initiatives and cost pressures, with a focus on meeting outstanding coalition commitments; and
- sufficient savings will need to be identified to fund the above priorities within or above the net $2.4 billion operating allowance.

Letters outlining the Budget 2026 strategy and limited invitations have been issued to Ministers[1] (with Chief Executives CC'd).

Given constrained allowances, additional funding for invited cost pressures or new initiatives is the exception (rather than the rule). Savings initiatives invited as part of the baseline savings process and tagged contingencies, will be returned to the Crown (rather than agencies for reprioritisation) and agencies will have to present reprioritisation options to offset the majority of their new spending and cost pressures.

Agencies will need to manage within their remaining baselines for cost pressures or capital cost escalations that have not been invited.

Economic

Cabinet has agreed that Budget 2026 will continue to progress the Government's overarching goal of building a more productive economy that lifts real incomes and increases opportunities for New Zealanders.

In February 2025, the Government outlined its economic agenda, *Going for Growth*. This sets out actions across five key pillars:

1. Developing talent
2. Competitive business settings
3. Promoting global trade and investment
4. Innovation, technology and science
5. Infrastructure for growth

Across these pillars, the Government is seeking to address New Zealand's long standing productivity challenges by lifting capital investment, enhancing competition and innovation, and enabling overseas investment.

The Government is also focused on promoting stable macroeconomic, regulatory, and tax settings to create a supportive environment for economic growth by providing businesses, investors and households with the certainty they need to invest and plan for the long-term.

[1] Where the guidance refers to “Minister”, it refers to the lead Minister responsible for associated agencies and public organisations.

Operating Initiatives at Budget 2026

Only new spending initiatives that meet the following conditions have been invited for consideration as part of the Budget:

- Outstanding coalition commitments;
- Significant time-limited funding ceasing in 2025/26 that still aligns with Government priorities; and
- Only limited cost pressure funding outside of priority frontline services where:
  - It is genuinely critical and urgent for a service or programme aligned with Government priorities;
  - It cannot be managed with non-spending or regulatory levers; and
  - The size of the cost pressure is so large relative to an agency's baseline such that reprioritisation would not be possible.

Reprioritisation requirements

Outside of envelopes (see below), all submitted operating initiatives must submit an equivalent reprioritisation initiative as a separate savings initiative **unless otherwise specified in the invitation conditions**.

That separate savings initiative should include an option that fully offset the costs of the agency's preferred expenditure option, but agencies can include recommended options that only partially fund the new spending initiative.

Envelope agencies

Agencies with envelopes must submit individual spending initiatives and savings initiatives equal to no more than the set envelope amount.

Agencies with envelopes are specified in Budget invitation letters. If your invitation letter does not include a funding envelope, then you are not an envelope agency.

Capital initiatives in Budget 2026

Through the Budget 2026 strategy, Cabinet agreed to invite a broad range of capital investments that meet one of the following criteria:

- investment-ready priority initiatives (or projects that could be accelerated to investment readiness) aligned with economic growth objectives or other government priorities;
- investments signalled in a Cabinet or responsible Minister approved long-term plan, where available.

Capital investments invited into Budget 2026 should attach the Cabinet approved Detailed Business Case or Single Stage Business Case when initiatives are submitted, unless otherwise agreed or indicated when the initiative is invited.

Where an invited investment does not yet have a Cabinet approved business base, a draft Detailed Business Case must be attached to the initiative submission, and agencies **must be able to demonstrate that there is a credible plan to have a Cabinet approved business case before or when the Budget package is agreed in April.** Your initiative description should specify when you intend for the business case to be considered by Cabinet.

The Investment Panel will assess a select number of high-priority initiatives only (based on Treasury advice), to focus its efforts and enable it to provide more detailed assessment and advice which will complement Treasury assessments.

As part of the invitation criteria, agencies are expected to identify reprioritisation or asset recycling opportunities or explain why none are available. Investments that do not justify reprioritisation opportunities will not be considered for funding.

The strategic assessment tool for capital investments can be found here.

Asset Management guidance can be found here.

If you are submitting a Public Private Partnership (PPP) Initiatives, please contact your Vote analyst prior to submission, as the accounting treatment and the fiscal impacts of PPP initiatives are treated different from other Capital investments.

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[2] Operating per annum is the annual average across the forecast period. Calculation: total across forecast period divided by four

Savings Initiatives in Budget 2026

Delivering on the Government's policy commitments in the current fiscal and economic environment continues to pose challenges and requires strong fiscal discipline. Therefore, as part of the Budget 2026 Strategy, Cabinet has agreed to:

- Setting a baseline reduction target for most agencies, and
- Some agencies providing further targeted policy savings for Budget Ministers to consider at Budget 2026.

Guidelines for all savings options

The below principles apply to all savings submissions that have been invited:

- Savings should be sought from operating expenses, rather than capital expenditure, except where explicitly stated otherwise;
    - Any operating related to capital projects put forward for savings may be counted towards an agency's baseline reduction target as set out below. However capital initiatives will be considered on their own merit and should not generally be proposed for savings solely or mainly to achieve operating savings targets.
- Savings are targeted, credible and achievable. Savings that endure beyond the forecast period should be prioritised;
- Savings do not have direct or indirect negative implications for services provided by another agency that have not been discussed with that agency before the initiative is submitted (i.e., avoid reducing expenditure in one area that results in increased cost pressures in another);
- There is no definition of frontline (or of back-office) as this will depend on the functions and activities funded through the Vote. Agencies will need to engage with their Ministers to agree how savings options deliver on this intent. However, where savings could impact existing critical service delivery, this should be clearly stated and the impact quantified;
- Savings should seek to avoid creating long-term service delivery or programme integrity issues;
- Operating expenditure related to the servicing and maintenance of existing capital assets should be protected as much as possible. This is to give effect to Cabinet's priority to make better use of existing assets to maintain ongoing levels of service and adhere to asset management responsibilities under Cabinet circular CO (23) 9; and
- Savings options should account for and clearly show any closure costs such as redundancy payments.

Targeted Policy Savings

Some agencies have been invited to put forward targeted policy savings or revenue options. Agencies that have been invited to submit targeted policy savings should follow the general savings guidelines above.

Baseline Reduction - 2 per cent target to be implemented through Budget 2026.

Budget Ministers have agreed to implement a baseline reduction of 2 per cent of agencies' eligible bases at Budget 2026 for specified agencies.

Baseline reduction targets are based on the average eligible baseline expenditure across the forecast period (2026/27 to 2029/30), as presented at Budget 2025, with certain expenditure areas excluded. This forms the agency's **eligible base.** The methodology for what has been included and excluded from the eligible base is detailed further below.

The eligible base has been used to generate specific savings targets for agencies, which the Minister of Finance has considered and approved. This means minor movements in agency baselines that occur after these targets have been set will not change agency savings targets. However, where there are significant changes in an agency's baseline, this should be communicated to the Treasury for an impact assessment on savings targets.

For Budget 2026, relevant agencies must identify and submit options that equate to 2 per cent of their eligible base.

Options to achieve this target should:

- be presented as an individual savings initiative upon submission,
- include details on what the scaled or closed activities and programmes will be, and
- what appropriation changes are required to implement the savings.

Phasing of baseline savings packages

Generally, agencies should aim to propose a package of savings in line with the target from the 2026/27 financial year onwards with a broadly flat profile.

If this is not possible (for example due to an invest-to-save initiative), agencies can submit a set of options with a different profile over the forecast period that achieves the savings target on average over the four-year forecast period (2026/27 to 2029/30). However, Treasury will apply additional scrutiny to packages of initiatives that are excessively front-loaded and do not deliver enduring savings into outyears.

Scope of baseline reduction savings options

Agencies have flexibility to determine the most appropriate savings options (including areas of expenditure that were not included in the calculation of the eligible base). It is Budget Ministers' expectation that savings should support the Government's goal of a leaner, more efficient public service by modernising operating models, digitising services, and focusing resources where they deliver the greatest values.

Specifically, Budget Ministers strongly expect that savings targets should be, in the first instance, met from reductions in agencies' operating costs, for example through:

- **Structural changes through consolidating Crown entities or back-office functions.** Ministers are expected to support monitoring departments to work with their statutory Crown entities, Crown entity companies, Schedule 4A Companies and SOEs to develop savings proposals for the appropriations that fund these entities. Savings proposals do not need to be put forward from every organisation that a department monitors; the balance of savings proposals across Ministers' appropriations is up to their discretion.

- **Departmental efficiencies (such as through realising benefits from digitisation or automation, reducing contractor and consultant spending).** Budget Ministers expect their colleagues to challenge agencies on the operating model required to deliver services and the mix of staff necessary to execute corporate functions. Ministers are expected to scrutinise spending that requires a significant and expensive external workforce to progress.

- **Low value programmes.** Ministers and agencies should consider the effectiveness of current services and programmes, and where they are misaligned with the original intent and/or not achieving outcomes especially relative to the investment required. For those programmes that have limited or diminishing effectiveness, Ministers and agencies should be identifying options for stopping or reducing activity, and if they are required by current legislation, Ministers should consider whether legislative change could realise savings.

- **Spending that is not aligned with the Coalition Government's priorities.** Where there are programmes that were a priority for the previous Government, Ministers should work with their agencies to determine their alignment with Government's priorities. Programmes that are not aligned should be part of your Minister's savings options, and if they are required by current legislation, consider whether legislative amendment could realise savings.

- **Invest-to-save initiatives.** Where these are realistic, can be recognised at Budget 2026, and result in overall savings over the forecast period and that are ongoing. Please engage with your vote teams early on these initiatives before submissions are made to ensure that any issues and credibility tests can be worked through.

- While savings from third-party providers may be submitted, it is the Minister of Finance's expectation that any impacts on frontline services are first carefully considered.

Budget Ministers also expect that Chief Executives will provide opportunities for staff to suggest savings as options are developed, and once savings options have been agreed, that agencies will undertake the necessary consultation processes and work through any employment law implications ahead of submission.

Tagged contingencies cannot be put forward as savings for the baseline reduction, but may be considered for the targeted policy savings if they meet the required thresholds, or for further reprioritisation/savings options above the baseline reduction.

Methodology for Eligible Base

The following methodology has been used to calculate agencies' eligible bases, from which baseline reduction targets are derived:

a. All departmental and non-departmental operating expenditure is in scope.

b. The following non-discretionary or unsuitable expenditure areas are excluded from scope across all agencies:

   - Benefits or Related Expenses
   - Finance Costs
   - Permanent Legislative Authorities
   - Capital
   - Departmental third-party revenue/levy-funded, departmental revenue from other departments/State Owned Enterprises/Crown Entities, and other cost-recovered expenses (where these are known)
   - Most "Other Expenses" appropriations (except for where these have been identified as discretionary)
   - By exception, other case-by-case amounts of spending deemed unsuitable for including in an eligible base

c. Departmental depreciation has not been excluded up-front, and agencies will need to work with the Treasury to exclude the appropriate amount. Your Vote team will be in touch regarding this.

Treasury Vote Teams will communicate with each agency the methodology that was used to calculate their required baseline reduction following the release of this guidance. Although exclusions were made when calculating agencies' baseline reduction target, **agencies can submit savings from any operating-related appropriation as long as they meet the overarching principle and rules.**

Initiatives with Regulatory Implications

Cabinet's impact analysis requirements apply to Budget 2026 initiatives that involve changes to primary and secondary legislation (**CO(24) 7** paras 11-15). Therefore, agencies are required to complete the regulatory questions in the delivery and risks section of the initiative template.

The impact analysis process for regulatory budget initiatives is as follows.

If a Regulatory Impact Statement (RIS) has not been previously provided and Budget night legislation is required then:

- Agencies need to enter placeholder entry for the initiative in **RIA Online** and fill in the summary form only. Please use the words "BUDGET SENSITIVE" in the title of your entry. Note that information should be kept as high level as possible in RIA Online as a number of Ministry for Regulation staff have access to the platform. The Ministry for Regulation's RIA Team will then make contact via email to confirm the process off the platform, to ensure a higher degree of information security.

- A RIS (at least in draft form) is to be provided to the portfolio Minister, Minister of Finance and Minister for Regulation to inform Budget Ministers decisions. (This is to provide Ministers with some oversight of impact analysis ahead of the lodgement of the Budget Cabinet paper. We anticipate Cabinet approval of the legislative change for the initiative will be sought through recommendations in the Budget Cabinet paper.)

- The agency needs to submit the final RIS to the Cabinet Legislation Committee. (This is to provide agencies with time to prepare RISs, while balancing the information security requirements, and often late decisions, of the Budget process.)

- Agencies should then ensure that they publish their RISs on their own website on as soon as possible after legislation is introduced to the House. The Ministry for Regulation will then publish budget RISs in the subsequent days (to prevent the risk of publishing before agencies). To confirm Ministry of Regulation publication, the agency should request publication of the RIS via their RIA Team contact person, with at least 3 days notice.

The Treasury will provide more detailed information on the procedure for regulatory initiatives at the start of the budget process.

Note that if a RIS has already been provided for the initiative and Cabinet decisions made, then the impact analysis requirements have already been met, and further impact analysis is not required.

Please contact the **RIA.Team@regulation.govt.nz** if you require more information on the impact analysis process and entering budget regulatory initiatives in **RIA Online**.

Detailed Information Requirements

Each different initiative type (i.e new spending or savings) has different information requirements and as such is asked different questions in the CFISnet template. These questions are tailored to the initiative type. If you are using the physical template, the type of initiative corresponding to each question is indicated in the subheading underneath each question.

Prompts for each question are provided as help text in the CFISnet template. Agencies should give particular attention to this section of the guidance and follow the prompts provided in the template. Free-text fields have a 2,000 character limit (including spaces).

Please get in touch with your Vote team if you have any questions about the template, guidance, or the invitation letter.

For cross-vote initiatives, the lead agency is expected to submit the relevant Budget 2026 template. The lead agency of an initiative is outlined in the Budget 2026 Invitation Letter. If this is not the case, please discuss with relevant agencies where the lead agency role is best suited.

Initiative Template

This section provides general guidance on how to complete the Budget 2026 initiative template for different initiatives. It outlines how to complete the different sections for different initiative types, such as savings and spending.

In Budget 2026, the Treasury will be looking closely at the relative value for money of initiatives, and assessing them using the following framework:

- **Alignment** – demonstration of the initiative's strategic fit with the Government's priorities and with Budget 2026 priorities (see below).
- Weighing of **benefits** and **costs** – problem definition, and demonstration of how the initiative delivers the best net societal gains for New Zealanders (including consideration of non-fiscal benefits and costs).
- **Delivery and risks** – assurance of effective and efficient delivery of service on time and budget through demonstration of robust governance, monitoring, evaluation and reporting arrangements.
- **Equity** – expected distribution of benefits and costs, and their impacts over time on different groups (in New Zealand), including positive, negative, direct and indirect.

Transparency about judgments and assumptions made are required to assess each of these components individually and collectively. The following sections provide an overview of the value for money requirements captured in each initiative-level template.

Sections 1 and 2: Summary and Initiative Option Profile Overview

The purpose of this section is to capture a high-level overview of the initiative being submitted so that the key information is presented upfront. Agencies should follow the prompts that have been provided in the template. Every question in this section must be completed for every initiative.

Titles and descriptions must be consistent with the style guide included in Annex A of this guidance. It is important for these to be clear, concise, and informative to the extent possible to convey the purpose and key points of the initiative.

Section 3: Option Data

As part of the upgrade to CFISnet, you now have the option to add multiple options for each initiative. The purpose of this section is therefore, to differentiate between the different options provided. This replaces the old templates which asked for scaling and alternative options.

The purpose of this section is to gather the core information for each option provided for a specific initiative. Agencies may wish to present scaling or alternative implementation options for initiatives and provides an opportunity to highlight the different costs and risks of each option.

Please ensure your titles and descriptions enable the options to be easily distinguished from one another and clearly highlight the differences between each option.

Section 4: Alignment

The purpose of this section is to demonstrate the savings or spending initiative's strategic fit with the Government's priorities (as set out in the Speech from the Throne), legislative requirements, or the Budget 2026 Focus Areas.

For cost pressures, this section highlights the type of cost pressure that the agency is facing, the cause and the reasons why the cost pressure is unmanageable and should be funded through this Budget.

For new spending, if you consider that the initiative directly contributes to the government's focus on economic growth please indicate this in the impacts table.

Savings and reprioritisation initiatives will be asked to outline what will cease if the savings are taken, and how this aligns with Government priorities.

For capital initiatives, it is expected that you use the business cases inform the submission.

Section 5: Expected Impacts

Benefits and Costs by Initiative type

New Spending and Cost Pressures

The purpose of this section is to demonstrate how the initiative delivers the best net societal gains. Demonstrating this requires identifying the most efficient use of funding to achieve the maximum outcome of the initiative to help determine whether the expected costs are justified by the expected benefits.

For new spending and cost pressure initiatives, agencies must provide a strong case on how their initiative demonstrates strong net societal gains, including the current state, why it is the best option to solve the problem, and why funding is needed through Budget 2026. We appreciate that for cost pressures, this information will necessarily be at a higher level than for the funding of new initiatives.

When considering the benefits and costs, you should demonstrate why the expected benefits are likely to exceed the cost to the crown. It is important to think widely and long term to help identify, quantify and where possible monetise key impacts over time (i.e, to whom and what would constitute success). Fiscal costs are broken down in some detail below, but it is also important to reflect unintended and/or indirect, non-fiscal costs (i.e., environmental).

Treasury's Living Standards Framework can be used to help consider some of the broader impacts of a policy and should be reflected in your submission. In addition CBAx (discussed below) can help weigh costs and benefits, especially if they can be profiled through time in monetary terms.

Agencies must also ensure they consider whether options could generate fiscal risks, including revenue impacts. Agencies should consider the revenue implications of proposals even where they are not the collection agency.

Agencies invited to submit new spending initiatives should also consider what new appropriations are needed – remembering these should be kept to a minimum and only created when absolutely necessary.

Please contact your Vote Analyst if you have further questions.

Savings

The primary purpose of this section is, for savings and reprioritisation initiatives, to highlight any risks or unintended consequences (e.g. legal or contractual risks, service delivery risks, revenue risks). This section should also demonstrate how the preferred savings option best mitigates those risks whilst realising the invited level of savings and reprioritisation.

For savings or reprioritisation from programmes delivered across multiple agencies, agencies should identify all the risks or unintended consequences they are aware of, even if they have incomplete information.

Agencies must also ensure they consider whether savings or reprioritisation could generate fiscal risks. Risks could include fiscal implications arising from the stopping of planned work or may also arise through loss of revenue. Agencies should consider the revenue implications of savings proposals even where they are not the collection agency.

Agencies can include any other benefits they consider significant or relevant.

When identifying expense categories for the recommended savings, please clearly split out departmental and non-departmental expenses.

Please follow the prompts in the template.

CBA / CBAx

CBAx is one tool to raise the rigour of policy development. It aims to increase the transparency of intervention logic, assumptions, evidence, to enable a better understanding of expected benefit impacts and related cost impacts and their distributional impacts over time.

Costs and benefits can be fiscal or non-fiscal, monetary or non-monetary, direct or indirect, intended or unintended, long-term or short-term. You should think broadly to identify, quantify and (where possible) monetise these impacts. We recommend you use frameworks such as Treasury's Living Standards framework and Te Ao Māori tools such as He Ara Waiora to better identify these impacts.

This year CBAx expectations are focused on those Budget initiatives that relate to key Government priorities where there are a range of options, so that Ministers can make more informed choices by better considering the trade-offs through weighing the benefits against costs.

Treasury Vote teams will be contacting you shortly to discuss what would be the best candidates for agencies to include a CBAx and how the Treasury can help. Treasury CBAx support will focus on these initiatives. These could be new initiatives, cost pressures, or a savings related proposal. This CBAx expectation does not apply to capital initiatives that are undertaking business cases, which include a detailed CBA. These expectations do not impact on agency choices to voluntarily submit a CBAx to support a wide range of initiatives beyond what is asked of you.

The Treasury's CBAx tool can be found here.

If you need assistance using the CBAx tool, please contact your Vote Analyst or email the Treasury CBAx team: CBAx@treasury.govt.nz

Section 6: Personnel, expenses and revenue

General assumptions when quantifying costs and benefits

Assumptions should be clearly stated and based on reasonable evidence or forecasts.

Inflationary adjustments should only be applied to year 1 (2026/27), and then flatlined (rather than compounded annually), unless a different approach has been discussed and agreed with your Vote Analyst before submission. For example, a 2% inflation cost pressure for a $50m quantum of baseline funding would be input as follows:

	2025/26	2026/27	2027/28	2028/29	2029/30
Correct	-	1.000	1.000	1.000	1.000
Incorrect	-	1.000	1.020	1.040	1.061

As a general rule, the Treasury recommends agencies are guided by following inflation assumption from Table 1.1 of BEFU 2025:

General inflation (general CPI forecast for 2026/27)	2.0% per annum

However, if a different inflation assumption is more appropriate for your cost pressure, you can use this in discussion with your Vote Analyst. Note that inflationary pressures are not a proxy for wage increases.

Some examples of key evidence and forecasts are below:

- Table 1.1 of BEFU 2025
- Labour cost index (June 2025 quarter): Labour market statistics: June 2025 quarter | Stats NZ
- Business price indices (June 2025 quarter, includes Capital Goods Price Index, Producers Price Index): Business price indexes: June 2025 quarter | Stats NZ
- Market rent evidence: Market rent » Tenancy Services
- RBNZ Economic Indicators: Economic indicators - Reserve Bank of New Zealand - Te Pūtea Matua (rbnz.govt.nz)
- RBNZ August 2025 Monetary Policy Statement: Monetary Policy Statement August 2025 - Reserve Bank of New Zealand - Te Pūtea Matua (rbnz.govt.nz)
- Public Sector Workforce Data (Wages): Workforce Data – Wage trends – Te Kawa Mataaho Public Service Commission
- Public Service Workforce Data (Occupation): Workforce Data – Occupation – Te Kawa Mataaho Public Service Commission

Managing personnel expenditure in Budget 2026

Personnel expenditure is a high portion of many departments' baselines and is a significant source of recent growth in expenses. Personnel expenses include all aspects of workforce costs, including workforce size, remuneration, and associated costs (e.g. superannuation, KiwiSaver, ACC levy etc.). The Minister of Finance has communicated her expectation to Cabinet that most agencies will be expected to manage their cost pressures, including forecast pressures from growth in personnel expenditure, within baselines. For Ministers invited to submit cost pressure initiatives for remuneration through Budget 2026, new funding to meet invited pressures will be considered but the overall approach should be consistent with the expectation set out below.

To ensure consistency, **the Minister of Finance has set an expectation that departments' personnel expenses growth should not exceed forecast CPI, which is 2% for 2026/27 and thereafter**. This limitation is intended to mitigate the impact on services that would be caused by reprioritisation to fund excessive personnel cost growth. New funding received by agencies for FTE (e.g. new teachers, health workforces, or police) does not count towards the calculation of personnel expenses growth. Personnel cost growth includes new growth, including filling vacancies, and growth which has already been committed, such as progression.

The Government Workforce Policy Statement sets an expectation that employment outcomes must be fiscally sustainable and respond to the current fiscal content and any current Budget advice. Accordingly, compliance with the Minister of Finance’s expectation set out in the above will also be assessed by the Public Service Commission when it approves or is consulted on any bargaining or workforce strategy.

Please note, the increased KiwiSaver employer contribution rates announced at Budget 2025 *do not* count towards personnel cost growth in 2025/26, but *do* count towards personal cost growth in 2027/28 and beyond.

Departments who consider that complying with this expectation would materially compromise outcomes or risk breaching legal obligations should contact their Vote Analyst and the Public Service Commission (the latter if it is relevant to bargaining or remuneration).

Completing FTE headcount and expense categories

Agencies should provide a detailed breakdown of the projected workforce impacts of Budget 2026 initiatives (including savings initiatives). When calculating projected workforce impacts, use the following definitions:

Question	Guidance
Role type	Identify whether this is a permanent employee, contractor/consultant or a fixed term employee.
Headcount impact	The type of change/method in behind how the change in headcount is being delivered. For an example select whether you are funding to extend existing employees or closing vacancies.
Number of FTE	Annual headcount of **employees and/or contractors/consultants** by financial year, based on proportion of full-time hours per year.
Occupation type	Identify the type of occupation impacted, please see section below: *FTE occupational breakdown* for guidance.
Average remuneration including Super ($000)	Annual expenditure on **employees or contractors/consultants** by financial year. For calculating contractor and consultant expenditure, please use [PSC's definition of contractors and consultants].
Average overhead per FTE (e.g. additional IT, finance and HR costs ($000)	Annual expenditure on overhead costs by financial year, for both **employees or contractors/consultants**. Overheads should not include funding for other FTEs such as corporate staff, and should be limited to direct expenses such as office rent and equipment.

FTE Headcount and Expenditure breakdown

FTE headcount and expenditure should be entered on an annual basis (i.e., total FTE impacted by this initiative in a year), not on a cumulative basis.

The number of FTEs should include new and retained FTEs for new spending and cost pressure initiatives and FTE reductions through vacancy management and redundancy where possible through the additional funding being provided or being returned to the centre. Please provide the breakdown between new and retained FTEs, and FTE reductions through vacancy management and redundancy if relevant in the template using the Headcount Impact drop-down field.

Please use the description field to identify which agency's workforce will be affected by the personnel change. Refer to Annex B for examples on how to complete the FTE table.

FTE occupational breakdown

Agencies need to ensure changes in FTEs proposed through Budget 2026:

- Support a reorientation of effort towards service delivery;
- Are affordable, consistent with any reductions in baselines; and
- Are clearly articulated, with both the timing (approximately when will FTE come online, or finish) and nature of the work (policy, social worker, ITS, etc) stated.

Initiatives should account for a government preference to reduce operating spending on contractors and consultants. Agencies should follow the PSC definition of contractor and consultant spend.

Agencies will need to consider the workforce impact of each initiative. This includes, but is not limited to:

- The occupations of any new staff required, or roles which might be affected by stopping particular work;
- The effect of changing workforce size on corporate and support functions, such as managers, HR, and finance;
- The effect of delivering services more efficiently, or in different ways, on the number of staff required to maintain service delivery;
- When the initiative will need to be resourced across the period, including peaks and troughs in resource demand;
- How stated increased and/or decrease to workforce for each initiative will be operationalised, whether through retention of staff, closure of vacancies or redundancies; and
- Operational costs of additional staff, recruitment and training costs for new spending / cost pressure initiatives and redundancy costs for savings initiatives.

Agencies should report against the PSC workforce occupation groups in the relevant section of the template using the Occupation Type drop down field. These occupation groups are **consistent with the PSC Workforce Data collection**. There is also an additional Description field to provide further context.

Technical guidance on workforce data is available here, which includes an Excel workbook that shows how detailed occupations fit in the PSC Workforce Occupation Groups. Your HR team has experience using this excel workbook as part of the PSC Workforce Data collection. Agency's occupational data as at 30 June 2025 is also available here.

Please contact pscdata@publicservice.govt.nz for further advice.

Section 7: Delivery and risks

Each initiative template provides details on answering the delivery elements of the initiative. Agencies should follow the prompts in the relevant initiative template.

Cost Pressures and New Spending

In this section, agencies need to show that their initiative can be practically delivered. This means that all staffing, suppliers, inputs, and dependencies have been considered so that the initiative can be delivered without delay if successfully funded. Agencies are expected to demonstrate that they understand the sourcing strategy for their initiative (including any current constraints on the supply side) and which procurement route or hiring strategy delivers the best value for money.

Agencies should also identify any possible risks such as cost escalation or impacts on ither services, and how these are being mitigated. Please also describe any difficulties associated with delivery, and what this could mean in terms of trade-offs between timing, delivery, and costs.

Agencies should also consider whether there are alternative funding and finance arrangements that could enable the initiative to be delivered. You may wish to refer to the following:

- Government Procurement Rules | New Zealand Government Procurement

Savings

The purpose of this section is to demonstrate how the savings could be achieved, including any practical steps required (e.g., Cabinet decision, legislative change). Agencies should also set out:

- Any transition costs associated with the initiative;
- FTE changes significantly affect particular occupation groups;
- Transition costs associated with savings option; and
- Specific contractual agreements and parties impacted by this initiative.

Agencies should highlight any risks associated with the materialisation of any proposed savings that could risk or delay the materialisation of these savings.

Section 8: Equity

In this section, agencies should consider the distribution of benefits and costs of their initiatives (both savings and spending), and their impact over time.

Distributional Impacts

Agencies should consider how any initiative (for savings or spending) may have different or disproportionate impacts on different groups of people in New Zealand and explain why. This may include impacts on groups defined by ethnicity, gender, or ability. It may also include impacts on groups of people defined according to income or wealth levels, different geographical areas (including rural vs. urban), or different generations, among other categories. Agencies should distinguish between direct and indirect impacts, and whether these are intended impacts (e.g., from a more targeted policy) or an unintended consequence. You are welcome to express impacts by drawing on Te Ao Māori and tools such as He Ara Waiora where this is useful.

Where possible the degree and likelihood of impact and any accompanying data should be captured, and ways that any negative impacts could be mitigated.

Please indicate via the tick-boxes in the section the specific groups that would be impacted, either negatively or positively. This should be used to indicate both direct and indirect implications with the direct or indirect nature of the impact being further detailed in the Distributional Impacts column.

Equity Implications

Please make sure to think broadly about the impacted groups, which might fall outside these categories (e.g., proposals might impact works in a particular industry). Equity relates to the fairness of government actions, and the impacts of those actions, on different people. Views of equity are politically contested, and require value judgments, so assessments of equity are ultimately for the Government to make. Policy analysts can support these assessments of equity by gathering and presenting information about who is affected by policy options, and in what ways

Advice on how to consider the equity impacts of policies can be found here https://www.treasury.govt.nz/publications/ap/ap22-03 and here https://www.dpmc.govt.nz/publications/co-24-5-needs-based-service-provision#purpose.

Equity concerns might arise if the proposal impacts on rights, or opportunities, or the ability to participate in society on equal terms. Equity concerns might also arise if proposals have impacts on groups and individuals who are worse off"

Treaty of Waitangi Implications

Agencies are asked to identify whether initiatives carry Treaty of Waitangi implications. This question is relevant for all types of initiatives (savings, new spending, cost pressures).

Please identify the nature of implications by referencing Treaty of Waitangi Claims, Kaupapa Inquiries, Settlement Legislation, Agreements or Accords relevant to this initiative. You may wish to note more general contributions to upholding Te Tiriti and supporting Crown-Māori relations. If a programme, policy or initiative has been designed in partnership, it may be important to note the nature of any recent engagement.

Human Rights Implications

Agencies should consider whether the initiative has impacts – positive or negative - for consistency with domestic human rights legislation and New Zealand's internal human rights obligations. This question is relevant for all types of initiatives (savings, new spending and cost pressures). The Ministry of Justice will assist the Treasury in assessing the Human Rights implications of the relevant initiatives.

For further advice on human rights impacts during the drafting of your initiative, please contact the Ministry of Justice at DL-HumanRights- Budget@justice.govt.nz

You may wish to refer to the following documents and websites:

- Welcome to Bringing Gender In | Ministry for Women
- Te Arawhiti - Treaty of Waitangi guidance
- Human rights | New Zealand Ministry of Justice
- Economic, social and cultural rights | United Nations Office of the High Commissioner for Human Rights
- Occupational segregation | Ministry for Women
- Kapasa – The Pacific Policy Analysis Tool – to help incorporate the needs, values, aspirations, and experiences of Pacific peoples
- Pacific Wellbeing Strategy
- He Ara Waiora – to help lift living standards for all through a Māori perspective on wellbeing.
- CBAx Tool User Guidance: Guide for departments and agencies using Treasury's CBAx tool for cost benefit analysis - December 2023

For further advice on Gender impacts, please contact: info@women.govt.nz

Climate Impacts

The Treasury provides aggregate analysis of the climate impacts of the package as a whole to help inform overall Budget decisions. The climate impacts section of the initiative template is intended to capture:

1. Emissions impacts – any quantifiable emissions impacts, and a qualitative description of any unquantifiable emissions expected to result from an initiative.

2. Climate resilience and adaptation impacts – any impacts the initiative could have on New Zealand's climate resilience or ability to adapt to the impacts of climate change.

Climate impacts can be both positive or negative, direct or indirect, and should be considered for all initiatives, not only those that are directly linked to climate objectives. For impacts that are indirect, these only need to be included where the impact could be material and, in the case of emissions impacts, where they could have a significant impact on an ERP action and/or ability to meet emissions budgets.

Emissions Impacts

Agencies should describe and, where possible, provide quantified estimates of, the expected emissions impacts of an initiative, including the relative impacts for different scaled options. Where possible, submissions should also identify whether an initiative's expected emissions impact is likely to have implications for meeting our emissions budgets and targets.

If emissions are quantifiable, agencies should refer to the Ministry for the Environment's Climate Implications of Policy Assessment (CIPA) requirements to determine whether a CIPA is required.

Climate Resilience and Adaptation Impacts

Agencies should also identify any expected impacts on New Zealand's climate resilience or ability to adapt to the physical effects of climate change. This includes identifying if the objective of an initiative is to improve adaptation outcomes, and how an investment aligns with the resilience requirements laid out in CO (23) 9.

Where an initiative is seeking funding for investments, agencies should describe the initiative's or investment's anticipated vulnerability and exposure (both now and in the future) to any relevant climate hazards, and where there is significant risk, any measures that can be taken to reduce impacts.

Section 9: Performance, Monitoring and Evaluation

This section asks agencies to set out the governance, monitoring, evaluation, and reporting arrangements to ensure successful delivery and then demonstration of that success. You may wish to refer to the following documents:

- July 2025 - Guidance to departments - Monitoring and reporting on major spending, savings and revenue decisions
- Implementation Unit guidance on planning and implementing complex programmes
- Policy Project guidance on making sense of evaluations
- Social Investment Agency guidance on getting ready to do evaluations

Responses to this section should also consider how these performance measures will be reflected in the Information Supporting the Estimates if funded. Not every initiative will need to be reflected in changes to existing performance information or new performance information (under "how performance will be assessed").

Agencies will need to determine if the initiative is significant in terms of public and parliamentary interest, Government priority, size and/or importance to achieving particular objectives.

If an initiative is significant enough to be reflected in the Information Supporting the Estimates, this could mean changes to existing performance information (e.g., an increase in the expected amount of a service delivered) and/or a new set of performance information. A usual way to approach this question is to think about how the agency will report on the initiative in future Annual Reports (refer to the latest Annual Reports guidance for departments on the Treasury website).

Annex A: Titles and Descriptions

Agencies should follow this style guide to ensure consistent formatting and presentation across all initiatives in the Budget 2026 package, including savings initiatives. Vote Analysts will request agencies amend any titles or descriptions that do not align with the style guide.

The purpose and use of titles and descriptions change throughout the Budget process. There are three distinct stages where agencies and Ministers will have opportunities to update titles and descriptions to both reflect these different purposes and incorporate any changes required.

Initiative titles and descriptions must be of sufficient quality to be presented to Ministers without edits or amendments. Note that, at all stages, Treasury uses the versions provided in CFISnet to produce materials provided to Budget Ministers. The titles and descriptions entered in CFISnet must therefore exactly match those provided in the initiative template.

Titles and Descriptions Process

Stage 1: Initiative Submission

- Initiatives Module titles and descriptions provide Treasury with information about the initiative for assessment purposes and provide the Minister of Finance and Budget Ministers with information to make decisions about the inclusion of the initiative in the Budget 2026 final package.

Stage 2: Financial Recommendations

- Recommendations Module titles and descriptions outline the substance of the policy to which Cabinet is agreeing.
- Agencies will have opportunities through the financial recommendations process to update these titles and descriptions from the Initiatives Module, including incorporating any changes to an initiative's scope made by Budget Ministers.

Stage 3: Publication

- Summary of Initiatives Module titles and descriptions provide a clear, jargon-free and easily understandable outline of the initiative which has been agreed to by Cabinet for the purpose of publication. These must be accessible to the general public for inclusion in documents published on Budget Day.
- Agencies will have opportunities through the publication process to update titles and descriptions from the Recommendations Module. Any commercially-sensitive or information otherwise not suitable for publication must be removed at this stage.

General style guide

- There are strict character limits for titles and descriptions. Any characters beyond these limits will not be captured in CFISnet. Please confirm following your CFISnet submission that the content exactly matches the initiative template.
  - **120 characters for titles**
  - **800 characters for descriptions**.
- **Use plain language** suitable for a general audience, avoiding uncommon vocabulary and jargon. Ministers and the public should be able to easily understand what is being purchased with the funding.

- Macrons should be used where applicable for te reo Māori words. Letters with macrons can be entered in CFISnet without issue.

- **Uncommon acronyms should be written out in full.** Commonly used acronyms understood by the general public (e.g., GST) are acceptable, but public sector specific abbreviations (e.g., MBIE, DHB, TEC) are not.

- Avoid using font differences, spacing and bullet-point lists for formatting as these may not be preserved when Treasury extracts information from CFISnet.

Titles

- **Titles should have meaningful first words/beginnings**. Initiatives are listed alphabetically, and it is important that the first word in the title distinguishes it from other initiatives. Titles should not start with generic words such as "*increasing*", "*additional*", and "*establishing*".

- **Titles must make clear reference to the policy or programme**, and the output or outcome intended. Where used, titles should include a long dash (–), not a hyphen, colon or semicolon. For example:

  - Healthy Home Standards – Ensuring Compliance
  - Learning Support – Maintaining Ministry Support Staff
  - Health Infrastructure – Accelerating Work Programme
  - Ministry for Environment Accommodation Cost Pressure

- **A common stem should be used to indicative related initiatives** (be that a set of new initiatives or initiatives that relate to an existing strategy or work programme). For example:

  - Future of Rail – Core Asset Management
  - Future of Rail – Rail Network Investment Programme
  - Resource Management Reform – Implementation Support

Descriptions

- **Descriptions must begin with the stem statement** "This initiative…".

- **Descriptions should outline the outputs being purchased and the expected outcomes**. For example, *"This initiative provides funding to establish a local wagon assembly plant at Hillside, Dunedin to increase employment and youth opportunities and rebuild industry capability."*

- **Descriptions should provide contextual information, where relevant**. For example, *"This funding contributes to an existing programme that currently receives $x million per annum".*

Specific Guidance for Savings Initiatives

- Savings initiatives must follow the same guidelines as above, with suggested approaches below.

- **Titles must make clear reference to the policy or programme**, and the output or outcome intended. For example:

  - Tourism Support Fund – Discontinuing Programme
  - Books for Local Libraries – Scaling of Programme
  - Managed Employment Services – Return of Underspends
  - Estate Regeneration – Return of Tagged Contingency
- **Descriptions must begin with the stem statement** “This initiative…”.
- **Descriptions should outline the outputs/programmes being reduced or stopped.** For example, *“This initiative reduces/scales funding to establish a local wage assembly plant at Hillside, Dunedin.”*
- **Descriptions should provide contextual information where relevant.**

Annex B: How to complete the FTE Table.

Consider a new spending initiative where there are:

- 5 new permanent Policy Analyst FTE hired in 2026/27 at $100,000 per FTE;
- 4 Clerical and Administrative Workers FTE retained from 2026/27 on a permanent basis at $50,000 per FTE; and
- an additional 2 Manager FTE hired in 2027/28 at $100,000 per FTE on a temporary basis from 2027/28 to 2028/29

The total number of FTEs is entered into the CFISnet table as:

	Role Type	Headcount impact	Occupation Type	Description	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears	Total
Number of FTE	Permanent	New Employee	Policy Analyst	Policy Analysts	-	5	5	5	5	20
Average Remuneration including super ($ million)				Policy Analysts	-	0.1	0.1	0.1	0.1	0.4
Average Overhead per FTE e.g. additional IT, finance and HR costs ($ million)				Policy Analysts	-	-	-	-	-	-
Number of FTE	Permanent	Existing employee (funding extended)	Clerical and Administrative Workers	Admin Staff	-	4	4	4	4	16
Average Remuneration including super ($ million)				Admin Staff	-	0.05	0.05	0.05	0.05	0.2
Average Overhead per FTE e.g. additional IT, finance and HR costs ($ million)				Admin Staff	-	-	-	-	-	-
Number of FTE	Fixed Term	New Employee	Managers	Managers	-	-	2	2	0	4
Average Remuneration including super ($ million)				Managers	-	-	0.1	0.1	0	0.2
Average Overhead per FTE e.g. additional IT, finance and HR costs ($ million)				Managers	-	-	-	-	-	-

The Personnel Summary table will populate as follows:

	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears	Total
Number of FTE	-	9.0	11.0	11.0	9.0	40.0
Average Remuneration including super ($ million)	-	2.2	2.4	2.4	2.2	9.2
Average Overhead per FTE e.g. additional IT, finance and HR costs ($ million)	-	-	-	-	-	-

The average remuneration calculation for the summary table is: sum of the table above (number of FTE x Average remuneration)

Consider a savings initiative where there are:

- 5 Policy Analyst FTE vacancies closed from 2026/27 at $100,000 per FTE; and
- 10 Manager FTEs entered into redundancy from 2027/28 at $200,000 per FTE.

The total number of FTEs is entered into the CFISnet table as:

	Role Type	Headcount impact	Occupation Type	Description	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears	Total
Number of FTE	Permanent	Vacancies closed	Policy Analyst	Policy Analysts	-	(5)	(5)	(5)	(5)	(20)
Average Remuneration including super ($ million)				Policy Analysts	-	0.1	0.1	0.1	0.1	0.4
Average Overhead per FTE e.g. additional IT, finance and HR costs ($ million)				Policy Analysts	-	-	-	-	-	-
Number of FTE	Fixed Term	Redundancies/terminations	Managers	Managers	-	-	(10)	(10)	(10)	(30)
Average Remuneration including super ($ million)				Managers	-	-	0.2	0.2	0.2	0.6
Average Overhead per FTE e.g. additional IT, finance and HR costs ($ million)				Managers	-	-	-	-	-	-

The Personnel Summary table will populate as follows:

	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears	Total
Number of FTE	-	(5)	(15)	(15)	(15)	(50)
Average Remuneration including super ($ million)	-	(0.5)	(2.5)	(2.5)	(2.5)	(8.0)

Average Overhead per FTE e.g. additional IT, finance and HR costs ($ million)	-	-	-	-	-	-

Annex C: Information Security

Agencies providing advice to the Government in the interests of the New Zealand economy have the responsibility to ensure that information passing through their hands is actively managed in line with the sensitivity of the content, and complies with both the Protective Security Requirements (PSR) and the New Zealand Information Security Manual (NZISM). Improper exposure of Budget information impacts on the Government of the day, the political process, and agencies.

It is the responsibility of agencies to ensure that they have designed sufficient processes to manage the handling of BUDGET-SENSITIVE information.

Correctly classifying Budget information

Most Budget information should be IN-CONFIDENCE or BUDGET-SENSITIVE. It is important to avoid overclassifying information as classifications can become devalued or ignored if everything is overclassified.

For instance, some information relating to Budget may be more appropriately classified as IN-CONFIDENCE rather than BUDGET-SENSITIVE, such as information on individual initiatives that do not make reference to the overall Budget package, strategy and priorities, and is not otherwise sensitive.

A high-level overview of the difference between the IN-CONFIDENCE and BUDGET-SENSITIVE classifications is provided in the table below.

IN-CONFIDENCE	**BUDGET-SENSITIVE**
IN-CONFIDENCE classification should be used when the compromise of information is likely to: • prejudice the maintenance of law and order; • impede the effective conduct of government; and • adversely affect the privacy of New Zealand citizens.	The SENSITIVE security classification should be used when the compromise of information is likely to damage New Zealand's interests or endanger the safety of its citizens. For instance, where compromise could: • endanger the safety of any person; • seriously damage the economy of New Zealand by prematurely disclosing decisions to change or continue government economic or financial policies; and • impede government negotiations (including commercial and industrial negotiations).

More information can be found in the following resources:

- Security classifications for policy and privacy information | Protective Security Requirements.
- PSR-Classification_QuickGuides.pdf (protectivesecurity.govt.nz).