

The Treasury

Budget 2026 Information Release

September 2026

This document has been proactively released and is available on:

- The Budget website from September 2026 to May 2027 only at: <https://budget.govt.nz/information-release/2026>, and on
- The Treasury website from later in 2026 at: <https://www.treasury.govt.nz/publications/budgets/budget-2026-information-release>

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [7] 6(e)(ii) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the regulation of banking or credit
- [12] 7(a)(i) - to avoid prejudice to the security or defence of the self-governing State of the Cook Islands
- [13] 7(a)(ii) - to avoid prejudice to the security or defence of the self-governing State of Niue
- [14] 7(a)(iii) - to avoid prejudice to the security or defence of Tokelau
- [15] 7(a)(iv) - to avoid prejudice to the security or defence of the Ross Dependency
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [41] 18(d) - information requested is or will soon be publicly available

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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29 May 2026

Limited distribution

Public service chief executives

Next steps for implementing FTE reductions

Kia ora,

I am writing to share more detailed information on the next steps for implementing the Government's goal of aligning the number of public servants in line with one percent of the population. This is part of the wider public service transformation programme which was announced on 19th May.

Public service transformation: efficient and productive public service

The Government has set clear expectations for realising the efficiency and productivity benefits of public service transformation [CAB-26-MIN-0138]. These expectations were communicated in a letter to your Minister/s on the 19th of May.

All departments are expected to contribute to an overall public service in-principle target of fewer than 55,000 FTEs by July 2029 ^[33]

We acknowledge the request from chief executives for clear guidance on communications ahead of scrutiny week. We are working this through with a view to providing guidance.

Implementing Phase One

As set out in the letter to your Minister, the public service needs to take immediate action ^[33] Given forecast growth across the public service, agencies will need to put forward proposals to reduce the size of their workforce ^[33]

[33]

We acknowledge your feedback about the importance of check-ins with central agencies and your request for earlier decisions where appropriate. We are currently considering support for faster decision-making.

[33]

Identifying authorised people from your agency

Given the sensitivity of this work, you need to identify a nominated person/s from your agency. Your agency's nominee/s need to have delegated authority from you to maintain a list of named officials from your agency that are involved in delivering Phase One.

You should provide your nominee/s contact details to the email address below. Your nominee/s should then provide a list of authorised people within your agency and inform us of any changes. This list will be used by central agencies to ensure we are communicating with authorised people from your agency.

I strongly recommend this list includes officials working on Performance Plans so your agency can manage the interaction between Phase One and Performance Plans.

[39]

Supporting materials

I have attached supporting materials to help your agency ^[33]

. This material also provides guidance on the interaction with baseline reductions (for relevant agencies) and implications for the finalisation of Performance Plans.

I am sending these materials to you directly so you can distribute them to authorised people within your agency.

Your nominee/s or other authorised officials from your agency will need to download
[33] from Treasury Data and Analytics (Tadaa). The
attached guidance explains how to register to access Tadaa.

Support from central agencies

Central agency chief executives wrote to you earlier to set out the support available from central agencies for the broader public service transformation programme. As set out in that letter, your Assistant Commissioner is your first point of contact for transformation and change. They will involve the Treasury's managers responsible for Votes and DPMC's advisors as appropriate.

Central agencies intend to release further information, including details about the support available [33] We will also be in touch with your nominee/s [33] to check on progress and provide support.

Duty to act independently

Chief executives have a duty to act independently in employment matters. You must act consistently with the Employment Relations Act 2000 and with employment agreement processes, including any commitments to unions. You may wish to seek legal advice to ensure your actions are consistent with these obligations.

Next steps

There are three immediate next steps for your agency:

- You should identify your agency's nominee/s [33] You or your office should send their contact details to [39]
- Your nominee/s should subsequently provide a list of authorised officials from your agency and inform us of any changes.
- Your nominee/s or authorised officials should register to access Tadaa and download [33]

Thank you for your leadership as we work to deliver this significant programme of change.

Ngā mihi,



Mark Sowden

Deputy Secretary, System and Sector Performance