

The Treasury

Budget 2026 Information Release

September 2026

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- 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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Hon Nicola Willis

Minister of Finance
Minister for Economic Growth
Minister for Social Investment



Dear Paul

Thank you for your 19 December letter outlining justice sector Ministers' Budget 2026 initiatives, and for the detailed information on these initiatives provided to the Treasury.

As you are aware, Budget 2026 is taking place in a tight fiscal environment. It is crucial that we continue to maintain fiscal discipline while also supporting delivery of core public services, funding a limited number of priority policy commitments, and developing a sustainable pipeline of infrastructure investments. In this context, I agree there is a need for investment to address critical cost pressures and priority policy commitments in the law and order sector at Budget 2026.

Your submission letter indicated that the justice sector will be absorbing significant cost pressures even if the initiatives that were submitted in the \$282 million envelope scenario are supported in full. Given these additional cost pressures and associated reprioritisation options have not been submitted through the Budget process, I lack visibility of potential risks to frontline service delivery, particularly for Police and Corrections, which your submission letter indicated will be absorbing the largest amounts.

Therefore, I invite you to resubmit a package of initiatives within with a higher net annual average operating envelope of \$300 million. This is not an opportunity to re-present your \$282 million scenario or submit further new spending initiatives. Rather, you are invited to submit a revised package that meets the following expectations:

- All critical cost pressures should be considered, including any unsubmitted cost pressures that present frontline service delivery risks if unfunded. Even if you intend to manage cost pressures within baselines, these should be submitted as reprioritisation initiatives through Budget to allow trade-offs to be fully understood.
- Any savings offsets originally submitted should carefully consider impacts and alignment with government priorities. I do not deem ^[33] to be feasible and alternative offsets should be considered.
- ^[33] and ^[37]
- Consideration should be given to investment in the Rotorua and Waitākere courthouses and the Police property portfolio. Scaled options that improve affordability and reduce delivery risks by focusing on the most critical components of these investments should be considered.

- New spending initiatives should be robustly costed, non-deferrable, represent value-for-money, and be directly associated with coalition or other Government commitments.

An overview of the revised package should be submitted by return letter no later than Monday 2 March so I can consider it ahead of our 12 March Budget meeting. Your agencies should submit details of the initiatives by the same date through the Treasury's CFISnet system and keep in close contact with the Treasury as the package is developed.

Yours sincerely

Hon Nicola Willis
Minister of Finance

cc: Hon Mark Mitchell, Minister for Corrections, Minister for Police
Hon Nicole McKee, Minister for Courts, Associate Minister of Justice
Hon Karen Chhour, Minister for Children, Minister for Prevention of Family and Sexual Violence
Andrew Kibblewhite, Secretary and Chief Executive, Ministry of Justice
Una Jagose KC, Solicitor-General, Crown Law
Emma Powell, Chief Executive, Executive Board for the Elimination of Family Violence and Sexual Violence
Andrew Bridgman, Chief Executive, Oranga Tamariki
Amanda Malu, incoming Chief Executive, Oranga Tamariki
Jeremy Lightfoot, Secretary and Chief Executive, Department of Corrections
Richard Chambers, Commissioner, New Zealand Police
Karen Chang, Director and Chief Executive, Serious Fraud Office

BUDGET-SENSITIVE

From: Thulacksha Thayarooban [TSY] <Thulacksha.Thayarooban@treasury.govt.nz>
Sent: Tuesday, 17 February 2026 10:21 am
To: Michael Loneragan [TSY] <Michael.Loneragan@treasury.govt.nz>; Emily McCarthy [TSY] <Emily.McCarthy@treasury.govt.nz>; Nicole Bares [TSY] <Nicole.Bares@treasury.govt.nz>; Fiona Stokes [TSY] <Fiona.Stokes@treasury.govt.nz>
Cc: Stephen Bond [TSY] <Stephen.Bond@treasury.govt.nz>; Aroha Leighton [TSY] <Aroha.Leighton@treasury.govt.nz>; Emily Fulford [TSY] <Emily.Fulford@treasury.govt.nz>; Shelley Robertson [TSY] <Shelley.Robertson@treasury.govt.nz>
Subject: Letter for Law and Order Ministers - due to Moffice 2pm Wednesday

Kia ora team,

MoF is interested in increasing the law-and-order envelope to \$300m per annum, and has agreed to write to Law and Order Ministers seeking an updated prioritised package in line with this. Submission of this package would be due by Monday 2 March. As discussed, this letter will need to be provided to the Minister's office by **2pm tomorrow (Wednesday)**. If you could provide me with a draft ahead of this that would be very helpful – by 11am tomorrow if that would work.

Here are the key messages this letter should include:

- The Minister expects this increased package to prioritise critical cost pressures that were not included in their original submission as well as the Christchurch Mens Prison Phase 2 initiative
- This is not an opportunity for further new initiatives.
- The Minister is interested in considering the Courthouses initiative and scaled funding towards police property investments and would like to discuss this at the multilateral. [Note – this does not necessarily have to be within the envelope package they provide back].
- The Minister is not comfortable with the Proceeds of Crime Fund reprioritisation option and would like other reprioritisation options prepared that can be discussed at the multilateral.
- Justice agencies should keep in close contact with the Treasury as this revised package is developed.

Other insights for you are that she wants coalition commitments (e.g. Firearms) to be added back into the package. As this was already submitted by Law and Order Ministers in their initial package, we do not think this needs to be included in the letter, but something for you to bear in mind as you form up your multilateral advice.

Happy to chat if you have any questions on the above!

Ngā mihi,
Thulacksha

Thulacksha Thayarooban (she/her) | Te Tai Ōhanga **The Treasury**

Analyst | Budget Team

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tau waea phone: [39]

|

īmēra

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