

The Treasury

Budget 2026 Information Release

September 2026

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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



Hon Penny Simmonds and Hon Dr Shane Reti
Minister for Vocational Education and Minister for Universities
Parliament Building

Dear Penny and Shane

Thank you for your letter of 22 October 2025 outlining your priorities for Vote Tertiary Education through Budget 2026 and requesting to include ongoing funding to support Vocational Education and Training (VET) provision for consideration through Budget 2026.

As outlined in the invitation letter I sent to you on 4 November 2025, Budget 2026 is taking place in a tight fiscal environment and global uncertainty. Therefore, it is crucial that we continue to maintain fiscal discipline to achieve a better future for New Zealand. As you are aware, Cabinet set tight operating allowances for Budget 2026. Managing within these tight allowances is challenging and so a very high bar is being applied for new spending.

In your letter you have requested ongoing funding for strategically important VET provision be invited for consideration through Budget 2026. While I acknowledge the challenges you have outlined in your letter, including aligning policy development timing with Budget funding decisions, I have chosen not to invite this initiative for consideration through Budget 2026.

I instead request you report back to Cabinet with funding options alongside policy choices on the reestablishment of the remaining polytechnics and ongoing support for strategically important VET provision next year, once costs are more certain. My officials will work with yours to assess options for ongoing funding alongside policy development, including consideration through future Budget processes, if additional funding is agreed. I trust this will provide a sufficient level of certainty and allow you to work through policy details ahead of seeking decisions on funding.

I also note your proposal to consider key cost pressures in the tertiary education system together through Budget 2026. As outlined in your invitation letter, volume funding, tuition subsidies, and fee increases have been invited for consideration through Budget 2026, subject to outlined conditions being met. I have asked my officials to work with yours to ensure any submissions clearly present trade-offs between cost pressures, and options for scaling.

I look forward to receiving an update in late November on the findings from your review and potential medium to long-term options for improving how volume is funded.

Thank you for your ongoing work and support in progressing Budget 2026.

Yours sincerely

Hon Nicola Willis
Minister of Finance