

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).

Copyright and Licensing

Cabinet material and advice to Ministers from the Treasury and other public service departments are © **Crown copyright** but are licensed for re-use under **Creative Commons Attribution 4.0 International (CC BY 4.0)** [<https://creativecommons.org/licenses/by/4.0/>].

For material created by other parties, copyright is held by them and they must be consulted on the licensing terms that they apply to their material.

Accessibility

The Treasury can provide an alternate HTML version of this material if requested. Please cite this document's title or PDF file name when you email a request to information@treasury.govt.nz.



Joint Report: Welfare reform commissioning and next steps

Date:	4 August 2025	Report No:	TSY: T2025/1969 MSD: REP/25/7/572
		File Number:	SH-3-6-12

Action sought

	Action sought	Deadline
Minister of Finance (Hon Nicola Willis)	Advise if changes are needed to the commissioning for welfare reform Note the next steps for the work programme	None
Minister for Social Development and Employment (Hon Louise Upston)	Advise if changes are needed to the commissioning for welfare reform Note the next steps for the work programme	None

Contact for telephone discussion (if required)

Name	Position		Telephone	1st Contact
Alex Harrington	Principal Advisor, Welfare and Oranga Tamariki, The Treasury	[39]	N/A (mob)	✓
Shelley Robertson	Manager, Welfare and Oranga Tamariki, The Treasury		[35]	
Fiona Carter-Giddings	General Manager, Welfare System and Income Support Policy, Ministry of Social Development	N/A		✓

Minister's Office actions (if required)

Return the signed report to the Treasury/the Ministry of Social Development.

Note any feedback on the quality of the report

Enclosure: No

Joint Report: Welfare reform commissioning and next steps

Purpose of Report

1. Following the meeting between the Minister of Finance and the Minister for Social Development and Employment on welfare reform on 23 July, this report sets out the commissioning that we heard at the meeting, and the next steps for this work.

Commissioning for welfare reform

2. At the meeting on 23 July, Ministers discussed the potential for a work programme on welfare reform.
3. The Minister of Finance set out her objectives for such a work programme. The key objective is to maximise incentives to get people into work, and to do so within current fiscal constraints. Given the nature of welfare reform, this will inevitably mean that there are trade-offs with the Government's objectives around child poverty and material hardship. The Minister of Finance indicated that growing the economy and getting people into work is the best way to address material hardship and child poverty.
4. The Minister for Social Development and Employment provided information about the objectives for welfare reform she has been focused on. These include reducing the number of people on Jobseeker Support; making work pay, by rebalancing financial incentives to enter or increase work; and reducing the number of children in benefit-dependent households.
5. The Minister for Social Development and Employment talked about her work programme and the priority work being progressed following conversations with the Prime Minister ^[33]

The case was made for taking something off the table if further options are added.

6. The Minister of Finance asked officials for options that fit into the following broad categories:
 - i. Options for policy changes and savings at Budget 2026
 - ii. Invest-to-save options for Budget 2026 (where savings might not materialise until near the end of the forecast period), and
 - iii. Options that would take significant policy work and would not be ready for announcement in Budget 2026, but for which the work should continue.
7. In developing and presenting options, Ministers indicated that officials should not feel constrained by policy or operational capacity issues. The Minister of Finance indicated that additional resources for policy or service delivery could be considered to deliver on the Government's agenda including to achieve savings.

8. [34]
9. The Minister of Finance asked officials from the Ministry of Social Development (MSD) to provide some more information on the beneficiary population:
- i. The proportion of beneficiaries who have been on benefit for different periods of time, e.g. less than one year, two years, three years, etc., and whether this has changed over time.
 - ii. Understanding why Jobseeker recipient numbers have diverged from trends in the unemployment rate since 2018.
 - iii. Any analytical work on long-term benefit receipt, and work on the characteristics of beneficiaries, particularly Jobseekers, to better understand the predictive factors for being at risk of long-term benefit receipt.
10. The Minister of Finance acknowledged that MSD may have already prepared and provided material to the Minister for Social Development and Employment on the topics outlined above. If so, this material could be forwarded to her office.
11. The Minister of Finance asked for more information on the review of social housing system, including deliverables for the short term (Budget 2026) and medium term.
12. Please advise us if any changes are needed to the commissioning that we have set out above.

Next steps

13. We are working with your offices to set up a further meeting between Ministers to discuss the welfare reform work programme. Given the Minister of Finance's upcoming overseas travel, a meeting has tentatively been scheduled for Tuesday 19 August.
14. To support that meeting, the Minister for Social Development and Employment has asked MSD officials to prepare material to support the discussion, including potential welfare reform options. This material will be provided to your offices ahead of the meeting [34]

, this may require

drawing other Ministers into conversations.

15. In the interim, MSD is developing a briefing and identifying any existing analysis to respond to the Minister of Finance's request for more information on the beneficiary population as set out at paragraph 9 above. This material will be provided to Ministers' offices ahead of the next meeting.

Recommended Actions

We recommend that you:

- a. **advise** if any changes are needed to the commissioning for the welfare reform work programme that we have set out above, and

Yes/No.

Minister of Finance

Yes/No.

Minister for Social Development and Employment

- b. **note** the next steps for this work programme, which include a further meeting between Ministers on 19 August, and preparation of material to support that meeting.

Shelley Robertson
**Manager, Welfare and Oranga
Tamariki
The Treasury**

Fiona Carter-Giddings
**General Manager, Welfare System and
Income Support Policy
Ministry of Social Development**

Hon Nicola Willis
Minister of Finance

Hon Louise Upston
**Minister for Social Development and
Employment**