The Treasury

Budget 2026 Information Release

September 2026

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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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TE TAI ŌHANGA
THE TREASURY

Treasury Report: Budget 2026 Invitations - Hon Willis Portfolios

Date:	11 September 2025	**Report No:**	T2025/2206
		File Number:	BM-2-1-2027-M125406

Action sought

	Action sought	Deadline
Hon Chris Bishop **Associate Minister of Finance**	**indicate** in Annex A on which initiatives you want to invite into Budget 2026 for Hon Willis' portfolios.	15 September 2025

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Tan Lakhawala	Analyst, Budget	[39]	N/A (mob)	✓
Emily Fulford	Team Leader, Budget		N/A (mob)	

Minister's Office actions (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report	

Enclosure: Yes (attached)

Treasury Report: Budget 2026 Invitations - Hon Willis Portfolios

Purpose

1. This report seeks your direction on inviting initiatives for Hon Willis' portfolios (Economic Growth and Social Investment) into the Budget 2026 process as part of your delegation to approve initiatives in her portfolios.

Budget 2026 strategy

2. The Minister of Finance has agreed to take a broadly similar approach to the Budget 2026 strategy and design as to Budget 2025. To achieve the Government's fiscal strategy the focus will be on continuing to identify new savings, constrain new spending further, and sequence and alternatively finance investment decisions.

3. As part of this the Minister of Finance has agreed to the following elements of the Budget 2026 strategy:

   a a top-down invitation process;

   b new spending invites being limited to outstanding coalition commitments, time-limited funding, and centrepiece policies; and

   c most agencies to manage cost pressures within baselines with limited invites for critical cost pressures where they cannot be deferred without service delivery failure, funding is required to meet legal obligations, and/or there are limited options for managing pressures with non-spending levers.

4. We are providing advice to the Minister of Finance on which initiatives to invite in the Budget 2026 process. As part of your Associate Minister of Finance delegation, we are seeking your approval on which initiatives to invite for Hon Willis' portfolios.

5. Consistent with the wider invitation process, we have applied the criteria outlined above in our recommendations for invitations in Vote Business, Science and Innovation (Economic Growth) and Social Investment in Annex A.

6. The Minister of Finance is also making decisions on the approach to savings for Budget 2026, including on baseline reductions. Your confirmation may be needed for initiatives relating to her portfolios, for example whether any agencies she is responsible for should be considered exempt from a baseline reduction. If so, we will seek your decisions in the coming weeks.

Next steps

7. Beyond the initiatives mentioned in Annex A, there are other initiatives within Vote Finance which require your direction. Given these initiatives are seeking capital funding and are part of the Quarterly Investment Reporting process – we will include these as part of the invitation advice on capital investment initiatives for Budget 2026. You will receive this advice on 18 September.

8. Following your decisions on Budget 2026 invitations for the Hon Willis' portfolios, Budget Ministers are meeting on 6 October to discuss the overall approach to invitations. Post this, we will provide you with letters to send to Hon Willis for her portfolios.

Recommended actions

We recommend that you:

a **indicate** in Annex A on which initiatives to invite into Budget 2026 for Hon Willis' portfolios; and

b **note** that beyond the initiatives mentioned in Annex A, we will provide further advice on other initiatives in Vote Finance as part of the invitation advice on capital investment initiatives for Budget 2026.

Emily Fulford
Team Leader - Budget

Hon Chris Bishop
Associate Minister of Finance

_____/_____/_______

Annex A: Potential initiatives to be invited into Budget 2026 for Hon Willis' portfolios

Vote	Category/Track	Title	Description	Estimated operating average per annum ($m)	Total Capital	Rationale for Invitation/ Exclusion	Treasury Advice	Indicate if you would like further advice	Agree to the Treasury's recommendations
Business, Science, and Innovation	Cost Pressures - Core Services	New Zealand Screen Production Rebate - International	The New Zealand Screen Production Rebate – International is a demand-driven and uncapped rebate for international film and television productions in New Zealand. Funding was provided to meet forecast expenditure at Budget 2025. Without changes to the policy settings of the rebate, it is anticipated that additional baseline funding will be needed at each Budget (including Budget 2026) to meet updated expenditure forecasts.	116.667 (if fully funded)	-	Meets the definition of a critical cost pressure and/or can be invited for wider options	**We recommend that you invite this with conditions set-out below.** This is a non-discretionary cost pressure that the agency has limited control over. Current baseline funding is set at $210 million per annum from 2025/26 onwards, based on current forecast expenditure. We do not yet have updated forecast expenditure for the rebate. However, we consider an increase in demand is likely based on previous rebate expenditure. The Treasury's consistent recommendation has been to abolish or reduce the cost of the scheme (e.g. by introducing a cap). When submitting the bid, we suggest that MBIE is requested to outline the broad options that would be required to manage the cost without additional funding, but do not think that based on recent decisions, that a full review of potential options to reform the rebate should be submitted.	Yes / No	Agree / Disagree

[33]