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: Capital Invitations for Budget 2026 - Hon Willis Portfolios

Date:	22 September 2025	**Report No:**	T2025/2396
		File Number:	BM-2-1-2026-5-M128108

Action sought

	Action sought	Deadline
Hon Chris Bishop **Associate Minister of Finance**	**Indicate** if you wish to invite the Risk Financing initiative into Budget 2026.	26 September 2025

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Quintin Jane	Analyst, Budget	[39] N/A (mob)	✓
Stephen Bond	Manager, Budget	N/A (mob)	

Minister’s Office actions (if required)

Return the signed report to Treasury.

Indicate if you wish to invite Risk Financing into Budget 2026.

Note any feedback on the quality of the report	

Enclosure: No

Background

1. The purpose of this report is to seek your agreement on the capital investments in Hon Willis's portfolios that should be invited for consideration as part of Budget 2026. You previously agreed to operating initiatives [T2025/2206 refers]. The Minister of Finance has received advice on other portfolios at the same time.

2. There is only one potential initiative to consider for invitation in Vote Finance. Please note that this report reflects the Treasury's Budget and fiscal advice, not its policy advice on this initiative. It has been prepared independently of the Treasury policy team to treat potential invites for the Treasury fairly and consistently with other agencies. Our recommendations may differ from any first opinion advice from Treasury on the initiative itself.

3. You and the Minister of Finance will receive advice on the Infrastructure Priorities Plan and its integration into Budget 2025 next week, which will reflect decisions on invitations and recommend projects it focusses on [T2025/2378 refers].

Risk Financing

4. The Treasury is seeking funding of up to $5.95 million to enable the Risk Financing project to proceed to Detailed Business Case stage. This comprises $4.95 million for the Natural Hazards Commission to progress the Commercial and Management cases, and $1 million for Treasury to provide policy and strategic oversight. The completed Detailed Business Case (DBC) would then inform a final funding decision for the project in Budget 27.

5. Inviting this initiative into Budget 26 would be inconsistent with the general expectation that agencies should fund DBCs within baselines. That said, we acknowledge the potential merit of the Risk Financing project, as signalled in the Indicative Business Case and Independent Quality Assurance processes already undertaken. We also understand that the Minister of Finance has expressed interest in the project progressing.

6. In the absence of new funding for the DBC, the project risks losing momentum.

7. There are different considerations on the two components of the requested funding:

   a We consider there is scope for the Treasury to reprioritise to meet all or part of its part of these costs ($1 million) through reprioritisation and/or application of underspends.

   b As the Natural Hazards Commission is not permitted under legislation to utilise its own resources to meet its $4.95 million share, it will require direct funding from the Crown to proceed. While it may be possible to utilise savings from Treasury's nondepartmental appropriations (for example, underspends from resolution of exit costs for historical iRex contracts and/or the Canterbury On-solds programme), it is difficult to predict the extent of any underspends at this point in the financial year.

8. Our advice at this stage is to not invite this initiative into Budget 2025, consistent with the general approach on the funding of DBCs, and noting that – as an operating cost – it does not fit with the broader criteria applied to operating invitations (core government priority or non-discretionary critical cost pressure).

9. However, if you did choose to invite this into Budget 2026, we recommend that you only invite the Natural Hazards Commission component, with Treasury expected to meet its portion of the costs from its baseline. This is option 2 in the recommendations below.

Recommended actions

We recommend that you:

a **Indicate** if you wish to invite the *Risk Financing* initiative into Budget 2026:

Option 1: Invite the initiative for costs to both the Treasury and Natural Hazards Commission

Agree / Disagree

Option 2: Invite only Natural Hazards Commission costs

Agree / Disagree

Option 3: Do not invite **(Treasury recommended)**

Agree / Disagree

Stephen Bond
Manager, Budget

Hon Chris Bishop
Associate Minister of Finance

_____/_____/_______