

The Treasury

Budget 2026 Information Release

September 2026

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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
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- [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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POLICY

Joint Report: Welfare reform and Working for Families: commissioning and next steps

Date:	9 October 2025	Report No:	T2025/2558 IR2025/407 REP/25/10/774
Security level:		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 and Working for Families Note the next steps for the work programme	16 October 2025
Minister for Social Development and Employment/Minister for Child Poverty Reduction (Hon Louise Upston)	Advise if changes are needed to the commissioning for welfare reform and Working for Families Note the next steps for the work programme	16 October 2025
Minister of Revenue (Hon Simon Watts)	Advise if changes are needed to the commissioning for welfare reform and Working for Families Note the next steps for the work programme	16 October 2025

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Alex Harrington	Principal Advisor, Welfare and Oranga Tamariki, Treasury	[39] [35]	✓
Samantha Aldridge	Principal Policy Advisor, Inland Revenue		✓
Alana Roughan	Principal Analyst, Welfare System and Income Support, Ministry of Social Development		✓
Deborah Tucker	Principal Analyst, Child Wellbeing and Poverty Reduction, Ministry of Social Development		

Actions for the Minister's Office Staff (if required)

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

Note any feedback on the quality of the report

Enclosure: No

Joint Report: Welfare reform and Working for Families: commissioning and next steps

Purpose of Report

1. Following the meeting between the Minister of Finance, Minister for Social Development and Employment, Minister for Child Poverty Reduction and Minister of Revenue on 29 September, this report sets out the commissioning that we have heard from Ministers, and the next steps for this work.

Commissioning for welfare reform and Working for Families

2. At the meeting on 29 September, Ministers discussed their objectives for welfare reform for Budget 2026 and beyond, and the role that Working for Families could play in this. Ministers also worked through a list of potential Working for Families changes that could be considered for inclusion in a welfare reform package for Budget 2026 and beyond and indicated areas on which they would like to receive further advice.
3. Following the meeting, officials have had further communications from Ministers' offices about Ministers' preferences for some of the potential Working for Families changes, and these preferences are incorporated below.

Objectives for welfare reform

4. Ministers confirmed that their ^[34] for welfare (welfare, Working for Families and social housing) is ^[33] The Minister of Finance explained that this is an average over the forecast period; there is not a requirement for ^[33] of savings in 2026/27.
5. Ministers' key objective is ensuring that any changes they make incentivise people into work, and shift people from welfare into work. While the fiscal target is important, this should not come at the expense of work incentives.
6. The Minister for Social Development and Employment noted she was keen to ensure the welfare system was sustainable and affordable in the long term.

Potential Working for Families changes

7. Ministers worked through the list of potential Working for Families changes, as outlined below.

[33]

f. Information sharing with Customs and simplifying the definition of family scheme income

Ministers are interested in progressing these options.

g. Shorter period of assessment for Working for Families,^[33]

Officials will provide Ministers with further advice on these items in November, including costings and distributional impacts.

8. ^[33]

9. Please advise us if any changes are needed to the commissioning set out above.

Next steps

10. Officials are developing costings and distributional analysis of the Working for Families options outlined above. We will report back to Ministers by mid-November with the results of this work. At that point we will seek Ministers' views on which options should be submitted as initiatives in the Budget 2026 process in December.

11. Officials are also preparing advice for Ministers on moving to a shorter period of assessment for Working for Families,^[33]

Officials

will report to Ministers on these matters in November.

Recommended Actions

We recommend that you:

- a. **advise** if any changes are needed to the commissioning for welfare reform and Working for Families set out in this report, and

Yes/No.

Minister of Finance

Yes/No.

Minister for Social Development and Employment/
Minister for Child Poverty Reduction

Yes/No.

Minister of Revenue

- b. **note** the next steps for this work programme, which include reporting back to Ministers in November with costings and distributional analysis of Working for Families options set out in this report.

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