The Treasury

Budget 2026 Information Release

September 2026

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- The Treasury website from later in 2026 at: **https://www.treasury.govt.nz/publications/budgets/budget-2026-information-release**

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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: Further decisions for invitations - Hon Willis' portfolios

Date:	16 October 2025	**Report No:**	T2025/2648
		File Number:	BM-2-1-2026-M129997

Action sought

	Action sought	Deadline
Hon Chris Bishop **Associate Minister of Finance**	**Indicate** your decision on the specific initiative within Vote Finance in **Annex A.** **Agree** to exclude the Social Investment Agency from the baseline reduction programme.	21 October 2025

Contact for telephone discussion (if required)

Name	Position		Telephone	1st Contact
Tan Lakhawala	Analyst, Budget	[39]	N/A (mob)	✓
Tom Brooke	Acting Principal Advisor, 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 (Annex A)

Treasury Report: Budget 2026: Further decisions for invitations - Hon Willis' portfolios

Purpose of Report

1. This report seeks your decisions on outstanding matters to finalise Budget 2026 invitations for Hon Willis' portfolios, as part of your Associate Minister of Finance delegation. We seek:

   a your direction on inviting an initiative within Vote Finance for Budget 2026 (**Annex A**); and

   b your agreement to exclude the Social Investment Agency (SIA) from the baseline reduction being progressed from Budget 2026 onwards.

Background

2. You have previously made decisions for invitations for most initiatives in Hon Willis' portfolios. However, your decision is needed on whether an initiative within Vote Finance **(Annex A)** should be invited into the Budget 2026 process.

3. On Monday 6 October, Budget Ministers have agreed to progress a baseline reduction at a target rate of 12%, phased at increments of 2%, 5%, and 5%.

4. Agencies and Ministers will be required to identify and submit savings initiatives totalling 2% of their eligible baselines through the Budget 2026 process, detailing which activities will be reduced or ended and the associated appropriation changes. In addition, they will also need to begin to plan for a further 10% reduction through their next Performance Plans. Invitation letters to agencies will lay out further details.

Application of baseline reduction for Social Investment Agency

5. Baseline reductions are typically applied to an 'eligible base'. This aims to strip out significant genuinely non-discretionary Government spending (eg, finance costs), provide a consistent basis for allocating agency targets (eg, by removing Benefits or Related Expenses), and exclude agencies where Government wishes to target further funding or those not suitable for a baseline reduction (eg, envelopes, Parliamentary agencies).

6. Based on this logic, the Ministry of Business, Innovation and Employment and the Treasury are included in the baseline reduction. However, the Minister of Finance has indicated a preference for SIA to be excluded as they received a recent funding uplift related to Government priorities. SIA's eligible spending base is $40.7 million per annum. This would generate $0.8 million per annum of savings at Budget 2026 from a 2% reduction and $4.1 million per annum from the further 10% reduction to be progressed.

7. As part of your Associate Minister of Finance delegation, we seek your decision on whether to exclude SIA from the baseline reduction.

Next steps

8. The below table outlines the next steps for Budget 2026 invitation letters and annexes to submissions.

Date	Action
Week commencing 20 October	Budget 2026 invitation letters and annexes updated following your feedback.
Thursday 23 October	Final invitation letters and annexes provided to you for approval.
Tuesday 28 October	Budget 2026 invitation letters sent to appropriation Ministers and agencies.
Wednesday 17 December	Budget 2026 initiative submissions due from agencies and portfolio Ministers

Recommended actions

We recommend that you:

a **indicate** your decision on the specific initiative within Vote Finance in **Annex A.**

b **note** that the baseline reduction that Budget Ministers have agreed to will be applied to the Ministry of Business, Innovation and Employment and the Treasury.

c **agree** to exclude the Social Investment Agency from the baseline reduction programme

Agree / Disagree

Tom Brooke
Acting Principal Advisor, Budget

Hon Chris Bishop
Associate Minister of Finance

_____/_____/_______

Annex A: Initiative for invitations within Vote Finance

[33], [38]