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**

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).

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TE TAI ŌHANGA
THE TREASURY

Treasury Report: Budget 2026 Production Advice - Week Commencing 18 May

Date:	19 May 2026	**Report No:**	T2026/1053
		File Number:	BM-2-8-2026-2-M139129

Action sought

	Action sought	Deadline
Hon Nicola Willis **Minister of Finance**	**Sign** the Budget and Economic Fiscal Update Statement of Responsibility **Provide feedback** on the draft Budget-at-a-Glance and Summary of Initiatives documents. **Agree** to key decisions in the Summary of Initiatives.	20 May 2026

Contact for telephone discussion (if required)

Name	Position	Telephone		1st Contact
Sam Putt	Analyst, Budget	[39]	N/A (mob)	✓
Emily Fulford	Unit Manager, 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 Production Advice - Week Commencing 18 May

Purpose of Report

1. This report provides you with updated draft Budget 2026 documents, namely the:

   a Budget and Economic Fiscal Update,

   b Budget-at-a-Glance, and

   c Summary of Initiatives, including updated text on baseline reductions.

2. Also attached is the Statement of Responsibility for the Budget and Economic Fiscal Update. The Statement of Responsibility must be signed by you on the same day as the corresponding signature by the Secretary to the Treasury. To meet printing deadlines, the Statement of Responsibility should be dated Wednesday 20 May.

Status update on production documents

3. The table below provides a brief status summary of Budget 2026 Products. The Treasury will be undertaking full quality assurance and proofreading of these documents, including all numbers, this week.

Product	**Status**	**Latest date sign out is required to meet printing deadlines**
Child Poverty Report	You approved this document on Friday 15 May.	-
Budget Economic Fiscal Update	The final draft is attached to this report. The Statement of Responsibility is also attached to this report for your sign out.	On Wednesday 20 May: • Signed out by Treasury Secretary; and • Your signature needs to be confirmed for the Statement of Responsibility
Fiscal Strategy Report	You received the near-final draft of this document on Thursday 14 May [TR2026/954].	COP Thursday 21 May (you have delegated final sign out to your Office).
Summary of Initiatives	An updated draft is attached to this report, incorporating feedback from your Office. On Friday 22 May, you will receive the final version for approval.	12pm Sunday 24 May
Budget-at-a-Glance	An updated draft is attached to this report, incorporating your feedback from over the weekend. On Friday 22 May, you will receive the final version for approval.	10am, Monday 25 May

Product	Status	Latest date sign out is required to meet printing deadlines
Back-pocket Q&As	Your office received on 15 May. You will receive the final version on Friday 22 May.	N/A

Summary of Initiatives

4. The draft Summary of Initiatives (SOI) is attached for your feedback. We recommend you review the full document. However, we have worked with your office to highlight key initiatives where we suggest you focus your review of the descriptions.

5. There are a small number of outstanding judgements to be made on how some initiatives (or groups of initiatives) are presented in the SOI. We are seeking your direction on these judgements as summarised below.

Section on baseline reduction

6. In Budget 2024, the Summary of Initiatives included a baseline savings section that set out the detail on which agencies were included and their savings target (both as a percentage and the absolute number). We are seeking your decision on whether you would like to include a similar section in Summary of Initiatives document this year.

7. We have adjusted the specific proposed content in this year's Summary of Initiatives to reflect that all agencies received the same level of savings targets and that very few (i.e. did not meet their targets. Page 2 of the attached Summary of Initiatives includes a draft of this section.

8. Regardless of your decision on the above, we have included an initiative recognising the fiscal impact of the baseline reduction at page 72.

Vote Education summary table – Inclusion of sensitive initiative figures

9. The Ministry of Education has raised concerns about including the funding of some sensitive spending and savings initiatives in the Vote Education summary table.

10. At Fiscal Matters on Monday 18 May, you agreed to remove [38]

11. To a lesser extent, the Ministry are also concerned about the inclusion of the sensitive spending initiatives in the Vote summary table. While they have similar concerns about funding amounts being reverse engineered, their primary issue is that the figures would be inconsistent with the Minister of Education planned Budget communications, where she intends to refer to the gross new spending in Education, excluding the funding associated with sensitive initiatives. [38]

12. We strongly recommend against the sensitive spending initiatives being withheld from the summary table. This is not the approach that has been taken in other Votes, and as several initiatives will be withheld funding, we consider their funding totals are sufficiently obscured to prevent reverse-engineering. Core Budget documents should provide the correct figures for other communications to align with.

13. The relevant initiatives are set out below.

Sensitive Initiatives	Type and amount	Spending total if sensitive initiatives included	Spending total if sensitive initiatives excluded
• Education Payroll Upgrade – Tagged Contingency • NZQA Strategic Technology Enhancement Project – Tagged Contingency • Fuel Response – Tagged Contingency; and • [37]	[37]		

Vote Defence Force – [38] **(Budget 2026 pre-commitment)**

14. At the Weekly Agency Meeting on Thursday 7 May, you asked for [38] initiative in Vote Defence Force to be presented in the Summary of Initiatives. [34] and [38]

15. [34] and [38] , we have included a summary initiative of “Defence Investments” under Defence Force pre-commitments, which includes a general description of the range of Defence Force investments at Budget 2025, [38] alongside the figure of $120 million total operating and $1.648 billion total capital investment. This is on page 25 of the SOI.

Vote Health – Removal of capital charge

16. As the capital charge is an internal charge, the removal of it does not represent a saving (it has no impact on OBEGALx or net core Crown debt, and the initiative has no Budget allowance implications). As such, we recommend that the *Removal of Capital Charge for Health NZ* initiative in Vote Health is not included in the SOI. The removal of the capital charge is clearly explained in the Vote Heath Estimates of Appropriations document.

17. If you do want to include this in the SOI, you could choose to include it as an initiative under the “Initiatives Funded Outside Budget Allowances” section in Vote Health.

Nationally Determined Contributions accounting treatment

18. As part of preparing the forecast financial statements for BEFU, we have assessed whether our accounting treatment for New Zealand's Nationally Determined Contributions (NDCs) under the Paris Agreement has changed since HYEFU. We have monitored Cabinet minutes and policy announcements relevant to the NDCs and we have prepared our updated assessment of the accounting treatment, taking into account these recent developments.

19. The Treasury's assessment is that a liability does not need to be recognised for New Zealand's NDCs in the forecast financial statements as the relevant recognition criteria from the applicable accounting standards have not been met. Our judgement reflects that there is no legal obligation to achieve the NDCs, nor is there a constructive obligation to meet the targets. The Treasury's judgement that there is no constructive obligation applying Generally Accepted Accounting Practice (GAAP), remains that the Government has not communicated a sufficiently specified plan to purchase offshore mitigation to achieve the NDCs to create a valid expectation in those affected (the public at large) that it will do so. This treatment is consistent with recognition criteria of non-exchange expenses and liabilities.

20. Additionally, costs associated with potential offshore mitigation purchases towards the NDCs are not included in the fiscal forecasts as Treasury's assessment remains that these purchases do not meet the GAAP criteria for inclusion (in particular, being reasonably probable and quantifiable).

Recommended actions

We recommend that you:

a **sign** the Budget and Economic Fiscal Update Statement of Responsibility (dated Wednesday, 20 May);

b **provide feedback** on the draft Budget-at-a-Glance and Summary of Initiatives documents;

c **agree** to include a Baseline Savings section in the Budget 2026 – Summary of Initiatives document;

Agree / Disagree

d **indicate** how you would like to manage the sensitive spending initiatives in the Vote Education summary table;

Include / Exclude

e **agree** to include a summary initiative of "Defence Investments" under Vote Defence Force pre-commitments, which includes a general description of the range of Defence Force investments at Budget 2025 including [38] ; and

Agree / Disagree

g **agree** to exclude the *Removal of Capital Charge for Health NZ* as an initiative in the SOI.

Agree / Disagree

Emily Fulford
Unit Manager, Budget

Nicola Willis
Minister of Finance

_____/_____/_______