The Treasury

Budget 2026 Information Release

September 2026

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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

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TE TAI ŌHANGA
THE TREASURY

Treasury Report: Budget 2026 Package Advice – Week Commencing 16 February

Date:	20 February 2026	**Report No:**	T2026/285
		File Number:	BM-2-4-2026-M134098

Action Sought

	Action Sought	Deadline
Hon Nicola Willis **Minister of Finance**	**Agree** to send follow-up letters about baseline reduction issues to Ministers **Indicate** your decisions on individual initiatives in Annex 1	23 February 2026

Contact for Telephone Discussion

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

Minister's Office Actions

Return the signed report to Treasury.

Note any feedback on the quality of the report	

Enclosure: Yes (attached)

Treasury Report: Budget 2026 Package Advice – Week Commencing 16 February

Purpose of the report

1. This report updates you on several elements of the emerging Budget package, following your feedback on the initial draft package [T2026/109 refers]. We seek your decisions on package changes through initiative-level advice in annexes.

2. The annexes attached to this report are:

    a. Annex 1: Initiative-level advice on several initiatives.

    b. Annex 2: Updated Budget package summary, cut thematically.

3. You have also received the following other pieces of related advice this week:

Table 1: Treasury Advice Week Commencing 16 February

Date	Title	Description
Friday 20 February	T2026/198 Potential Budget 2026 welfare packages	This report provides you with cross-cutting advice on the welfare reform package.

Approach to developing the Budget Ministers 2 package

4. In line with your approach to Budget Ministers 1, we have attached to this report the full Budget package cut thematically (e.g. there is an A3 annex for law & order initiatives, an A3 annex for health initiatives, and so on). Those thematic areas are the same as in the Budget Ministers 1 slides.

5. These annexes reflect initial steers you provided this week at Fiscal Matters and are aligned to the “low” package set out in the Budget Ministers slides.

6. In your Budget Ministers 1 slides, you have indicated to Budget Ministers that you will take a draft package to the Budget Ministers 2 meeting. If you have any feedback or questions on specific initiatives in these annexes, we can provide you with follow up advice at the end of next week to enable the Budget Ministers 2 package to reflect your preferred decisions on significant initiatives.

Baseline Reduction Target Update

7. In our initial package advice (T2026/109 refers), we signalled we would provide an update on baseline reduction initiatives. As we set out in that report, in most cases our judgement is that agencies have submitted savings options consistent with your expectations.

8. The following table outlines agencies where we consider submitted baseline reduction initiatives may have risks or do not align with the expectations that you set, and our recommendations for next steps. If you agree to send follow-up letters, we will work with your office to produce draft letters for your review.

9. One of the thematic A3 annexes we have provided this week contains just baseline reduction initiatives submitted by agencies.

Table 2: Further information on baseline reduction initiatives

Agency	Issue	Recommended action
Department of Conservation ($9.4m)	Submissions emphasise the risk of higher whole-of-life costs inherent in their implementation.	We recommend you send a letter to the Minister of Conservation to consider if more appropriate savings can be submitted.
Ministry for Culture and Heritage ($9.1m)	Source of savings is yet to be confirmed. We consider there is a risk of savings being progressed by entities that would impact statutory functions, given they are independently determined by boards.	We recommend you write to relevant Ministers and ask them to set expectations of entities that their savings should be from back-office functions and not impact statutory functions.
Department of Internal Affairs ($6.8m)	[33] We note that the Department of Internal Affairs is currently working to shift GCDO and Local Government functions to different agencies and is working through potential implications.	[33]
Ministry of Transport ($4.2m)	Limited emphasis has been placed on savings from departmental costs in the first instance and fall short in outyears.	The upcoming merger for the Ministry of Cities, Environment, Regions and Transport will ensure a focus on FTE-based savings in future. We therefore recommend you accept these savings.

Key upcoming Budget dates and Treasury advice

10. The following table outlines key upcoming Budget dates and upcoming advice.

Table 3: Upcoming Budget dates and advice

<table>
<tr><th>Week commencing</th><th>Key dates</th><th>Upcoming advice or papers in the week</th></tr>
<tr><td>23 February</td><td>Tuesday 24 February:
Budget Ministers 1</td><td>• Briefing for the Welfare Reform bilateral meeting
• Weekly package development advice
• First draft of Budget Ministers 2 slides</td></tr>
<tr><td>2 March</td><td>Wednesday 4 March:
Welfare Reform bilateral meeting

Friday 6 March: Final Budget Ministers 2 material sent to Ministers</td><td>• Briefings for the following week's bilateral meetings
• Weekly package development advice
• Final draft of Budget Ministers 2 slides</td></tr>
<tr><td>9 March</td><td>Tuesday 10 March:
• Budget Ministers 2
• Health bilateral meeting

Wednesday 11 March:
Welfare Reform and Vote Social Development bilateral

Thursday 12 March:
• Foreign Affairs bilateral meeting
• Education bilateral meeting
• Law and Order multilateral meeting
• Defence and Intelligence bilateral meeting</td><td>• Preliminary fiscal forecasts (we will provide you with high level information to include in the final Budget Ministers 2 slide pack)
• Briefings for the following week's bilateral meetings
• Weekly package development advice</td></tr>
</table>

Recommended Actions

We recommend that you:

a **agree** to send follow-up letters about baseline reduction issues outlined in table 2 to:

i. the Minister of Conservation

Yes / No

ii. the Minister of Arts, Culture and Heritage and the Minister of Sports and Recreation

Yes / No

iii. the Minister of Internal Affairs [33]

Yes / No

b **indicate** your decisions on initiatives in Annex 1.

Stephen Bond
Manager, Budget Management

Hon Nicola Willis
Minister of Finance

_____/_____/______

Annex 1: Initiative-level advice on several initiatives.

Multiple Votes – Fiscal treatment of baseline reduction outyears

Vote	Multiple Votes
Initiative Title	Baseline reduction – outyears savings from further reductions
Contact details	Darius Paschke – Senior Analyst, Budget Tom Brooke – Acting Principal Advisor, Budget [39]
Issue/ advice sought	Budget Ministers have agreed to progress a baseline reduction to target an overall savings rate of 12%, phased at an incremental rate of 2%, 5%, and 5% per year from 2026/27 [T2025/2541 refers]. Budget 2026 invited submissions for the 2% reduction. You are planning to signal the additional 10% reductions in the upcoming Public Sector Transformation Cabinet paper. This annex follows our aide memoire on the Cabinet paper [T2026/230 refers] to clarify how you could manage these reductions against the Budget 2026 allowance, and why we recommend not doing so. We are providing this advice now to outline the trade-offs of using these savings at Budget 2026. However, you do not need to take a decision on how to manage these savings at this point in the Budget process. One option is to defer this decision until the shape of the Budget package is clearer, which could inform whether future savings are necessary to balance the Budget 2026 package.
Treasury advice	If you wish to recognise the full value (12%) of outyear savings from baseline reductions at Budget 2026, Cabinet will need to endorse a clear programme of work and make a firm commitment to achieving these savings beyond 2026/27 (reflected in the Public Service Transformation Cabinet Paper). You would also need to communicate specific rates of reductions to agencies via letters to respective portfolio Ministers or include them in the Budget 2026 Cabinet paper. The Treasury would reflect the baseline reduction centrally in the fiscal forecast, similar to how tagged contingencies are captured. Agencies would then need to work through their specific reduction initiatives to be reflected through an agreed process (such as Performance Plans, baseline updates, or future Budget processes). The table below illustrates the estimated value in savings of an additional 10% baseline reduction if you recognise all savings at Budget 2026, compared to if you recognise savings at respective budgets. The per-Budget recognition figures are higher because more fiscal years are captured in future Budgets. These figures are additional to the existing 2% savings and may change (e.g., if exclusions are changed). ***Impact of 10% baseline reduction committed against allowances through different approaches*** **($m p.a.)** / **Budget 2026** / **Budget 2027** / **Budget 2028** All recognised at B26: 380 / - / - Recognised at each Budget: - / 265 / 360 We recommend that you manage future reductions against future Budget allowances, rather than the Budget 2026 operating allowance. This is for two key reasons. • First, at this stage the specific decisions that agencies will make to achieve future increments of the baseline reduction are not known. We generally advise making spending and savings decisions together. This ensures that, if future savings decisions are deferred, phased differently, or not realised that Ministers have the most choices on how to manage any fiscal impact. If future savings are committed to the Budget 2026 allowance, any such fiscal impacts could create a future fiscal pressure to manage. We would consider reflecting this as a Specific Fiscal Risk. • Second, future spending pressures are expected to continue in areas such as health, defence, and law and order. Managing baseline reductions across successive Budgets would help manage those pressures in future Budgets.
Treasury recommendation	**Indicate** which part of the baseline reduction you wish to manage against the Budget 2026 allowance: • Only 2% baseline reduction being progressed through specific initiatives in Budget 2026 (status quo and Treasury recommended): *Yes / No* • Full 12% baseline reduction (including outyears): *Yes / No* • Defer decision for now: *Yes / No*

Impact of 10% baseline reduction committed against allowances through different approaches

($m p.a.)	Budget 2026	Budget 2027	Budget 2028
All recognised at B26	380	-	-
Recognised at each Budget	-	265	360

[33]

Hon Nicola Willis

Minister of Finance
Minister for Economic Growth
Minister for Social Investment

Hon Chris Bishop
Minister of Housing
Parliament Buildings
WELLINGTON

Dear Chris

Request for an update on [33]

Thank you for your Budget 2026 submission. I am looking forward to working with you on the Budget process in the coming months.

As you know, Budget 2026 is being prepared at a time when New Zealand is in a challenging fiscal position. Living within the Budget 2026 allowances will require us to make some difficult choices and trade-offs. With this context in mind, I ask that you submit a finalised [33] so that it can be considered for Budget 2026.

Officials from the Ministry of Housing and Urban Development should submit the finalised initiative into the Treasury's CFISnet system by 2 March so that it can inform Budget Minister discussions.

Yours sincerely

Hon Nicola Willis
Minister of Finance

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand | [39] | n.willis@ministers.govt.nz

Vote Tertiary Education – Approach to cost pressures

Vote	Tertiary Education
Initiative ID	17236 & 17237
Initiative Title	Tertiary Education Price Pressures – Tuition and Training Subsidy and Fees Increase (17236) Tertiary Education Volume Pressures – Funding Additional Demand (17237) [39]
Contact details	Joshua Mackay – Analyst Lydia Verschaffelt – Acting Unit Manager
Issue /advice sought	At Fiscal Matters on 16 February, you indicated that you were considering funding tertiary price pressures, but not volume pressures. This annex sets out our advice on how cost pressure funding could be scaled, and the relative trade-offs between price and volume funding.

Treasury advice

Component	Total Cost $m	Risk of not funding
PRICE: 1.5-2% increase to fee subsidies	68.1	Increases the gap between provider costs and fees/subsidies received, with potential for decreases in service quality.
PRICE: 6% annual maximum fee movement (AMFM)	34.5	Fee increases capped at forecast CPI, reducing the ability of providers to offset lower subsidies by increasing learner costs.
VOLUME: Funding forecast demand at 99%	507.7	Fee subsidies will not be funded for ~17,000 learners, with providers likely to turn away learners.
VOLUME: Increase to Youth Guarantee places	39.6	Youth Guarantee provides funded places for foundational education. Demand will not be met without funding.
VOLUME: Tertiary Education Commission (TEC) Balance sheet	40.0	Limits TEC's ability to manage funding obligations and respond to higher enrolment volumes.

Treasury advice and options to scale funding:

Our advice is that funding volume should be a higher priority than price. We understand that the tertiary education ministers also hold this view. Current baseline funding only covers 95% of expected volume. While there are risks of decreased service quality if price pressures are not funded, we consider that the risk of learners being turned away without volume funding is much more likely to eventuate.

Option A: Treasury's recommended approach if you wish to scale funding is to fund the 6% AMFM increase, and time-limiting volume funding until the end of 2027 pending a broader review [33] This would minimise any risk of learners being turned away by providers.

Option B: If you wish to scale costs further, you could fund only tertiary volume pressures until the end of 2027 (and not fund price pressures or either the youth guarantee or TEC balance sheet pressures). This may lead to learners for foundational education being turned away, and TEC would likely limit enrolments to a lesser extent to manage their reduced balance sheet.

Option C: If you wish to prioritise funding price pressures and further scale funding, you could fund only the 6% AMFM increase. This would increase the chance of up to 17,000 learners being turned away by providers.

Treasury recommendation

Indicate if you want to amend these initiatives to:

- **Option A**: Time-limit volume funding until the end of 2027 and only fund a 6% AMFM increase (*Treasury recommended*): Yes/No
- **Option B**: Provide only core volume funding until the end of 2027 with no price adjustment: Yes/No
- **Option C**: Provide funding only for a 6% AMFM increase, with no volume adjustment: Yes/No.

ID	**Option**	**Operating ($m)**					
		25/26	**26/27**	**27/28**	**28/29**	**29/30**	**Total**
17236 & 17237	Current status (all initiatives)	72.3	135.6	188.0	156.2	138.0	**690.0**
	Option A	72.3	125.9	106.5	23.6	23.4	**351.7**
	Option B	32.3	111.7	92.5	0	0	**236.5**
	Option C	0	4.2	9.0	10.7	10.5	**34.5**

Vote Environment – RM Reform Implementation Tranche 1 Investments

Vote	Environment
Initiative ID	17112
Initiative Title	RM Reform Implementation Tranche 1 Investments
Contact details	Caleb Hewson – Analyst Nicky Lynch – Manager [39]
Issue /advice sought	You requested further advice on options to scale the FTE for this initiative, noting your expectation of prioritising digital enablement with private sector procurement.
Treasury advice	**Clarifications on initial package recommendations:** The recommended scaled option in the draft package includes $50m p.a. in time-limited funding with 20% scaling of salaries and overheads for FTE (192 FTE). This FTE is focussed on delivering policy and legislative change, managing delivery of the reform programme, and providing for the agency's ongoing stewardship of the new digital planning system. The initiative does not seek funding for agency FTEs to deliver the digital and data investments. This will be procured from the private sector after confirmation of the DBC and is anticipated to include procurement of the spatial data infrastructure, e-planning portal, and other related digital services. **Further scaling options** If you wish to undertake further FTE scaling, an option would be to scale FTE numbers down to the agency's 'minimum viable' package 1 (by around 20%), reducing the current package by ~$33 million over the forecast period. The main risk would be time and quality trade-offs to develop and implement the legislative substance of the reform (such as national direction instruments), which underpin benefit realisation. However, assessing the precise deliverability impact is challenging at this early stage of the programme and may better be considered when the DBC is finalised. You could limit funding for agency FTE and resource until the end of 2027, with the remainder held in tagged contingency alongside the funding for digital investment. This option would allow the agency to begin immediate recruitment for programme delivery, but reserve final resourcing decisions until after the DBC is finalised and the impact of the Ministry of Cities, Environment, Regions and Transport (MCERT) merger is clearer. The main risks with this option are increased difficulty in recruiting and retaining resource to deliver legislative substance of the reform, which would increase the likelihood of delays or reduced benefits and create organisational uncertainty, balanced against giving you more control over funding once MCERT has been operationalised.
Treasury recommendation	**Indicate** if you want to amend this initiative to: • **Option A**: Scale FTE by a further 20% in line with the agency's minimum-viable package: Yes/No • **Option B**: Seek further advice on options to hold funding for FTE/policy resource in tagged contingency alongside the digital investments: Yes/No. •

Option	ID	Operating ($m)						Total Capital ($m)
		25/26	26/27	27/28	28/29	29/30	Total	
Current status in package	17112	-	80.7	125.2	88	54.1	348	13.4
Option A	17112	-	72.9	113.2	79.6	49	314.6	13.4

Fiscal Management – 10-year operating rule for Budget 2026

Item Title

Fiscal Management – 10-year operating rule for Budget 2026

Contact details

Yao Yu	Budget Support Specialist
Bonar Robertson	Principal Advisor

[39]

Issue /advice sought

The 10-year operating rule was implemented as part of the Fiscal Management Approach (FMA) to manage specific cases where operating initiatives have a significantly different funding profile beyond the five-year forecast period. The rule is designed to ensure that Budget decisions do not inadvertently overcommit funding in the medium-term when initiatives have a rising profile, and consistently applies to savings options that increase significantly over time to ensure that the medium-term benefits of those options are appropriately recognised.

The rule has been applied for more than 10 Budgets, but the number of initiatives to which it applies for Budget 2026 is more than usual (there were only 3 for Budget 2025). This annex provides you visibility of these initiatives.

As the Minister of Finance, you recommend the fiscal management treatment of decisions to Cabinet. This annex informs you of the initiatives in Budget 2026 that currently trigger the 10-year operating rule.

We seek your agreement to continue the 10-year operating rule for Budget 2026.

Treasury advice

The materiality test to trigger the 10-year rule is where the initiative has a total $100 million difference in funding required in the final year of the forecast period, and the funding required in each of the following five years.

In the below example, the cumulative increase beyond the final year of the forecast period is $105 million. This is more than $100 million, so the 10-year rule is triggered.

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**	**Year 9**	**Year 10**	**TOTALS**	**Charge against allowance** (per annum)
	25/26	**26/27**	**27/28**	**28/29**	**29/30**	**30/31**	**31/32**	**32/33**	**33/34**	**34/35**		
Initiative Profile	-	5	10	10	10	20	25	30	35	45	**190**	**190 / 9 = 21.1**
Increase beyond Year 5						10	15	20	25	35	**105**	

The rule effectively means that we account for more of the cost of (or savings from) initiatives where the spending (or savings) ratchet up quickly in the years after the forecast period.

We think there remains a strong case for retaining the rule, as it ensures that where there are significantly different medium-term impacts from a policy decision, those are factored into decisions and the overall size of the Budget package.

However, the rule can generate confusion (especially when initiatives are being discussed with portfolio Ministers), particularly in the application of envelopes.

The next page sets out the initiatives that trigger the 10-year operating rule in this Budget. Based on the current Budget package, not applying the 10-year operating rule would result in reduced net savings of $110 million per annum charged against the Budget 2026 operating allowance.

We recommend you continue to apply the 10-year operating rule.

Treasury recommendation

Note the list of Budget 2026 initiatives below that trigger the 10-year operating rule.

Agree to continue the 10-year operating rule for Budget 2026: Agree (Treasury recommended) / Disagree

Initiatives with material outyear changes

Below are Budget 2026 initiatives ***currently in the package*** *that trigger the 10-year operating rule. Their current treatment in the package reflects the 10-year rule continuing to apply, as that is the status quo.*

Initiative	***ID***	***Operating ($m)***						
		25/26	***26/27***	***27/28***	***28/29***	***29/30***	***5 year avg.***	***10 year avg.***
[38]								
[33]								
[38]								
[33]								
[33], [37]								
[33]								
Total							**(139.1)**	**(249.0)**

Below are Budget 2026 initiatives ***not in the current package*** *that trigger the 10-year operating rule:*

Initiative	***ID***	***Operating ($m)***						
		25/26	***26/27***	***27/28***	***28/29***	***29/30***	***5 year avg.***	***10 year avg.***
Law and Order - Critical infrastructure for growth: new Waitakere and Rotorua Courts	17352	[38]						
Going for Housing Growth – Pillar 3: Council Incentives for Urban Development	17288	-	-	-	188.0	205.4	**98.3**	**172.9**

Vote Housing and Urban Development – Going for Housing Growth Pillar 3 Council Incentives for Urban Development

Vote	Housing and Urban Development
Initiative ID	17288
Initiative Title	Going for Housing Growth – Pillar 3: Council Incentives for Urban Development
Contact details	Ben Hay-Smith – Analyst Shereen Capper – Unit Manager [39]
Issue/advice sought	In our initial Budget package advice, we signalled that if you wanted to include this initiative in this package we would provide advice on options for this initiative to manage its cost. The National-ACT coalition agreement states the Government will "introduce financial incentives for councils to enable more housing, including considering sharing a portion of GST collected on new residential builds with councils."
Treasury advice	**We recommend you do not support this initiative.** No evidence has been provided to indicate the proposal would effectively incentivise councils to support housing growth, or that incentives are necessary in addition to changes through resource management reform and the new development levies system. Despite the significant cost, incentives would be small for many councils and, in our view, unlikely to meaningfully change consenting behaviours. For example, based on 2025 consents, Hutt City Council would receive $2.1 million in the agency-preferred option (compared to annual spend of $504 million). **Option A: Agency options (uncapped or capped at appropriation level)**: As submitted, the initiative seeks an uncapped fund based on 1% of residential construction value (about 6-7% of GST on new builds). This option is costed at $393.5 million over the forecast period but escalates over time: its total cost over ten years is $1.6 billion. Because of this, it triggers the 10-year operating rule (on which you have received a separate annex this week). An uncapped fund introduces financial risk if total value exceeds appropriation levels. To mitigate this, it is likely the appropriation limit would need to be set well above forecast residential consents, or a forecast appropriation would need to be used. An option to 'cap' the fund at the appropriation limit (based on the forecast costs as at Budget 2026) was also submitted by the agency. If the fund's cap were to be hit, incentive payments would be pro-rated to fit within the appropriated amount. This cap would mitigate financial risk and provide certainty around the initiative's cost, but if consents are higher than forecast the pro-rated payments would represent an even smaller portion of GST for councils. **Option B: Cost-scaling options (lower % of residential construction, flat-lined funding):** There are other options to scale the initiative within its current design. Two illustrative options are: • a fund based on 0.5% of residential construction value would reduce costs by half ($196.7 million in the forecast period). • a fund based on 1% of residential construction value and then 'flat line' the cost after 2029/30 rather than increasing it in line with forecast consenting rates (therefore removing the significant increase in costs in outyears). This would mean - absent a policy change - that the incentive payment rate after 2029/30 would fall over time if consents grow, but could create a future fiscal risk. **Option C: Requesting further options for a capped council incentives fund:** By design, a fund based on residential construction value (or a portion of GST) entails a large fiscal cost for the Crown and spreads the impact across all councils, making incentives for most councils marginal. If you wish to progress with these payments for councils, we recommend you request alternative options to drive more meaningful incentives at lower fiscal cost. For example, basing incentives on *relative* increases in consents from the previous year, or through a contestable fund for fewer councils, could drive more cost-effective behavioural change (though with other trade-offs, such as inequitable impacts across regions).

Treasury recommendation

Indicate your preference for the initiative to include in the next iteration of the package:

- **Status quo**: Leave initiative out of the package: Yes / No (Treasury recommended)
- **Option A**: Add this initiative to the package at 1% of residential construction value (agency submitted option): Yes / No
- **Option B**: Add a scaled initiative to the package:
  - (i) 1% of residential construction value, flat-lined from 29/30 levels: Yes / No
  - (ii) 0.5% of residential construction value: Yes / No
- **Option C**: Seek further advice from the agency on viable alternative options: Yes/No.
- If you choose the option with % of residential construction value [Option A or B (ii)]: indicate if you wish to also cap at appropriation level: Yes / No

The table below includes p.a. average allowance impact as one option triggers the 10-year operating rule.

Option	***Operating ($m)***						***Allowance impact ($m p.a.)***
	25/26	***26/27***	***27/28***	***28/29***	***29/30***	***Total***	
Current status in package	-	-	-	-	-	-	-
Option A: 1% of residential construction value	-	-	-	188	205	393	172.9 *(triggers 10-year operating rule)*
Option B (i): Flat-line 1% of residential construction value forecast from 29/30	-	-	-	188	205	393	98.3
Option B (ii): 0.5% of residential construction value	-	-	-	94	103	197	49.3

Referral to other Ministers

Refer this to the Minister of Housing: Yes / No