The Treasury

Budget 2026 Information Release

September 2026

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[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 Multilateral on Law and Order

Date:	11 March 2026	**Report No:**	T2026/470
		File Number:	BM-2-4-2026-4-M134756

Action sought

	Action sought	Deadline
Hon Nicola Willis **Minister of Finance**	Discuss the proposed Budget 2026 Law and Order package with sector Ministers at the Law and Order Budget multilateral meeting.	12 March 2026

Contact for telephone discussion (if required)

Name	Position		Telephone	1st Contact
Fiona Stokes	Principal Advisor	Infrastructure, Security and Government	[35]	✓
Shelley Robertson	Manager	Infrastructure, Security and Government		

Minister's Office actions (if required)

Return signed report to the Treasury.

Note any feedback on the quality of the report	

Enclosure: Yes, Annex 3

Treasury Report: Budget 2026 Multilateral on Law and Order

Purpose

1. You are meeting with the Ministers of Justice (Hon Goldmsith), Police and Corrections (Hon Mitchell), Courts (Hon McKee) and, Children (Hon Chhour) at 4.30pm on Thursday 12 March to discuss a proposed Budget 2026 Law and Order package.

   a. **Annex 1** provides you with a proposed agenda for the meeting and supporting Treasury advice and talking points. **This version will not be provided to portfolio Ministers ahead of the meeting.** We recommend you use this meeting to focus your discussion on the reprioritisation proposals and associated frontline service delivery risks and have prepared an agenda that reflects this.

   b. **Annex 2** is agenda that has – with your office's approval – also been sent to the office of the portfolio Ministers and their agencies. **It is provided for your visibility only. You do not need to review it – there is no additional material in Annex 2 that is not already in Annex 1.**

   c. **Annex 3** provides the Treasury's assessment of each initiative. **This will not be provided to portfolio Ministers ahead of the meeting.**

2. Decisions taken at this meeting will be reflected in the next draft Budget Ministers material we are providing you on 25 March 2026.

Recommended Action

We recommend that you:

a **support** the following initiatives in full:

   i. Corrections prisoner volume cost pressures ($119.283 million operating, $9.700 million capital, ID 17273)

   ii. [33] and [37] ID 17274)

   iii. Corrections remuneration [38] , ID 17271)

   iv. [38] ID 17099)

   v. Replacement of the end-of-life Police fingerprinting system [38] , ID 17100)

b **support** scaled and time-limited funding for Justice legal aid and court and coroner cost pressures (scaled from [33] to $10.609 million, ID 17095)

c **support** two years of cost pressure funding for Police to mitigate frontline service risks ($25.322 million, ID 17434) d if you agree to (c), **indicate** to the Minister of Police that you require assurance that work to achieve financial sustainability over the mid- to long-term is progressed, including through:

   i. a progress report to you and the Minister of Police by August 2026, and a further update in early 2027 with a roadmap for further decisions

   ii. close engagement with the justice sector on the work programme and through governance processes, and with the Treasury

e indicate your intention to **defer** consideration of Crown Law and Serious Fraud Office cost pressure initiatives to a future Budget:

   i. Serious Fraud - Maintaining Core Services [33] ID 17269)

   ii. Crown Law Core Services ($1.500 million, ID 17093)

f **discuss** frontline service risks and proposed mitigations associated with reprioritisation proposals

g **do not support** the new spending initiative: Community Initiatives ($2.076 million, ID 17102)

h indicate your intention to **defer** consideration of the following new spending initiatives to a future Budget:

   i. [33] , ID 17263)

   ii. [33] , ID 17270)

i **support** a scaled version of the firearms reform initiative (ID 17061, [38] including through deferral of funding decisions for the ICT investment component

Shelley Roberston
Manager, Infrastructure, Security and Government

Hon Nicola Willis
Minister of Finance

/03/2026

Annex 1 – Agenda and Supporting Advice

Agenda Item 1: Confirm your support of the most critical initiatives submitted

Description of key issue	Law and Order Ministers were invited to submit Budget initiatives within a $200 million annual operating envelope. The original submission indicated Ministers intended to absorb significant cost pressures outside the Budget process, with potential frontline impacts. [38] You subsequently invited Law and Order Ministers to submit a new package within a $300 million envelope by 6 March 2026. To date we have received a draft submission letter and package, we understand Ministers are seeking annual average operating funding of $334.923 million. Through this agenda item, the Treasury recommends that you express support for operating funding of [38] and [38] capital to maintain core services and meet frontline demand.
Treasury recommended talking points	**Inform** Ministers you support operating funding of [38] and [33] capital to support the maintenance of core services and to meet frontline demand. This includes funding for: • Corrections prisoner volume cost pressures ($119.283 million operating, $9.770 million capital); Police and Corrections [38] operating respectively); [33] and [37] and replacement of the Police fingerprinting system [38] operating and [38] capital). • Legal aid and court and coroner costs. However, to incentivise work on the fiscal sustainability of these services you are supporting time limited funding of one year to continue the work that is underway to review legal aid settings and the manage of court and coroner costs (scaled from [33] to $10.609 million annual average operating). **Inform** Ministers you support the savings initiative achieved by doubling the offender levy ($2.641 million), and the small saving offset included in the legal aid initiative ($1.146 million).
Treasury advice	We consider the following initiatives support the maintenance of core services across the justice sector as the prison population and demand for legal services grow and [38] ***Corrections prisoner volume cost pressures (ID 17272***): We consider funding of $119.283 million operating and $9.770 million capital for prisoner volume cost pressures is necessary to maintain

the safety and security of prisoners and staff; to support reduced reoffending and better social outcomes; and, to manage legal risks.

Remuneration (ID 17271): We recommend funding [38]
per annum for Corrections to conduct wage bargaining. There is a risk the cost could be higher as the frontline workforce is managing a larger and more volatile prisoner cohort. [38]

Corrections considers that the quantum remains unclear until negotiations have concluded.

[33] and [37]

[38]

Fingerprinting system (ID 17100): The current system used for fingerprinting will reach end of life in 2028, and a Detailed Business Case with options for replacement has been endorsed by Cabinet. In the absence of a replacement system, Police would likely be required to revert to ink-based fingerprinting, which would reduce its ability to locate missing persons and deliver criminal investigations, prosecutions, and services provided to partner agencies.

Legal aid and court and coroner costs (ID 17095): We have scaled the requested funding of [33] per annum to $42.434 million only for 2026/27. This time limited funding will cover expected cost pressures and avoid exacerbating costs elsewhere in the system, for example increasing people on remand.

We consider that ongoing funding should be deferred to Budget 2027 so that policy work reviewing legal aid settings and management of court and coroner costs can be completed, with a view to improving efficiency and financial sustainability of these services.

[33]

We also do not support funding for tribunal member fee increases associated with recent Cabinet Fees Framework revisions as we assess that the

	Ministry can manage this small impact ($1.100 million per annum) within baselines. The Treasury recommends accepting the savings of $1.147 million per annum to offset in the legal aid initiative, resulting from a proposal to improve efficiencies in the production of specialist reports ***Offender levy savings initiative (ID 17297):*** We recommend accepting this saving offset of $2.641 million achieved by doubling the offender levy and thereby reducing the Crown's contribution to victim services.

__Agenda Item 2: Discuss reprioritisation proposals and frontline service delivery risks__

Description of key issue	Law and Order Ministers are proposing to reprioritise an annual average of [37] to cover unavoidable cost pressures that cannot be funded within the $300 million package. It is anticipated that almost half of the reprioritisation [37] will have frontline service impacts. The quantum and degree of frontline risk is greatest for Police ($151.877 million total, [37] followed by Corrections ($43 million, [37] The Minister of Police considers the quantum of reprioritisation required by Police is unfeasible and that it will have significant frontline service implications. As such, the Minister has sought two years of cost pressure funding.
Treasury recommended talking points	**Ask** the Ministers how they will deliver on the reprioritisation proposals contained in their submission, including how they will make targeted changes to service delivery to manage any risks and prevent cost shifting within or beyond the sector. **Ask** the Minister of Police how the two years of cost pressure funding sought would be used to avoid frontline service impacts, and what steps are planned to ensure further cost pressure funding or reprioritisation is not required at or ahead of Budget 2028. **Ask** the Minister of Corrections whether he considers his reprioritisation proposals to be deliverable, and how frontline services impacts will be managed to mitigate the risk of future system costs resulting from increased reoffending. **Ask** the Minister of Justice whether further Justice reprioritisation is feasible to contribute to cost pressures in Police and Corrections, and whether frontline service delivery impacts or cost-transfer would be expected. **Ask** the Ministers: • What Law and Order system settings could be adjusted now to ease immediate cost pressures and therefore reduce the quantum of reprioritisation required. • How Ministers are working together to improve the sector's fiscal sustainability over the medium- to long term, including with regards to asset management and capital investment. • What frontline service impacts are expected if the Crown Law and [33] are deferred this Budget and these agencies are required to continue to manage within baselines.
Treasury Advice	***Law and Order Ministers are proposing significant reprioritisation to cover cost pressures***

The reprioritisation proposed by each agency to meet cost pressures for which new funding has not been sought within the envelope is summarised below.

Agency	**Base actions ($m)**	**Frontline actions ($m)**
Police $151.8m [33]	• 1.8% non-personal efficiency, absorb contracted rate increases (14.8) • Budget for 6% Flexible Employment Options (28.5) • Employee turnover factor (10.0) • Reduced investment plan (11.0) • Hold at 100 employee vacancies (10.9)	• [33] • • •
Corrections $43.0m [33]	• Workforce vacancy strategy, contract management and site-based procurement efficiencies (13.0) • Prison industries rationalised, asset maintenance deferral, delay in software rollout and feasibility funding (7.0)	• [33] •
Justice $35.7m ($9.8m frontline)	• Proactively managing vacancies to FTE hard cap across Ministry–back-office (5.8) • Back-office FTE reductions (7.6) • Increasing departmental revenue (3.0) • Tech-driven efficiency (5.8) • Self-insure properties (2.2) • Cut operating costs (1.5)	• Proactively managing vacancies to FTE hard cap across Ministry–Frontline (9.8) • Reduced frontline support from base actions

Crown Law $1.9m [33]	• Workforce vacancy strategy • Tech driven efficiency [33]	• [33] •
SFO $2.6m ($2.0m frontline)	• [33] •	• Reduction in number of complex investigations • Increase investigation timelines

The proposed reprioritisation is significant for Police, followed by Corrections, and presents frontline service delivery risks if accepted in full

The Minister of Police has submitted an initiative (17434) seeking two years of cost pressure funding outside the envelope ($25.322 million per annum on average), and approval to transfer one-off underspends from 2025/26 to 2026/27 of up to $30 million, which has reduced the funding sought. We recommend you support the transfer of underspends and two years of cost pressure funding to enable Police to develop an operating model that responds to the recent Police Performance Improvement Report commissioned by the Public Service Commission and a capability plan that delivers more effective and financially sustainable policing services.

To provide Ministers with assurance that this work is being progressed we suggest any funding is accompanied with requirements on Police to:

1. Report to you and the Minister of Police on progress in August 2026, and a further update in early 2027 with a roadmap for further decisions.
2. Engage closely with other agencies in the justice sector and with the Treasury on the work programme, and through its governance processes, ensure a full range of perspectives is considered.

Corrections is proposing to deliver $43 million in reprioritisation measures. The approach Corrections has taken to surface real cost pressures is reasonable. If you do not want to fund the additional cost pressures identified by Corrections, we recommend accepting the reprioritisation measures. You may wish to discuss with the Minister for Corrections on his appetite for making these reprioritisation decisions.

We support the Minister of Justice's proposal to meet the Ministry of Justice's $35.700 million in volume and cost pressures across the following five categories: FTE management, increasing departmental revenue, reducing costs through technology-driven efficiencies, self-insurance of properties, and general operating cost reductions.

	If Justice were required to undertake further reprioritisation measures, we understand this would impact on court operations and court timeliness and could lead to a shift in cost in the justice system and a potential increase in the size of the remand population. We consider the reprioritisation required by Crown Law and the Serious Fraud Office (SFO) are manageable but come with some frontline risk. [33]

Agenda Item 3: Test the priority of funding new spending initiatives

Description of key issue	Law and Order Ministers are seeking [33] and [38] for new spending initiatives. We consider these initiatives could be scaled, deferred or declined.

Treasury recommended talking points	**Inform** Ministers that:
	• You have prioritised further cost pressure funding over new spending initiatives.
	• You acknowledge the case for new funding for the [33] Firearms Reform initiatives but consider they could be scaled or deferred given the relative priority of funding critical cost pressures to mitigate frontline service delivery risks.
	    o **Indicate** your intention to defer funding for the ICT component of the firearms initiative to allow more time for business casing to progress and avoid overcomplicating the firearms change management process, and cap funding for the organisational form change and regulatory regime change at $5.000 million per annum.
	    o **Indicate** your intention to defer [33] of funding for the [33] with further policy work on [33] to be progressed within baselines and additional funding sought at a future Budget if required.
	• You consider the [33] to be deferrable and note it is not linked to an existing Government commitment.
	• You do not support funding for the community patrols initiative seeking funding for $2.076 million, as savings were taken from community patrols at Budget 2025 as no frontline service impacts were expected.

Treasury Advice	**New funding is likely needed for the firearms and [33] initiatives, but scaling and/or deferral is possible** ***Firearms Reform (ID 17061):*** An annual average of [38] is sought to: (1) implement changes to the firearms regulatory regime; (2) change the organisational form of the Firearms Safety Authority (FSA); and (3) establish a new ICT platform for firearms licensing. The ICT investment does not have an approved business case and is not delivery ready. We recommend deferring the ICT component of this initiative and providing scaled funding of $5.000 million per annum for regime and organisational form change components.

[33]

The Treasury recommends deprioritising small new spend initiatives

[33] ***(ID 17270):*** We recommend deferring [33]

. We consider that this initiative is not implementation ready and is a lesser priority.

Police Community Patrols (ID 17102): We do not support funding $2.076 million annual average for Police community patrols. This initiative would partially reverse a Budget 2025 savings initiative that was accepted on the basis that no service delivery impacts were expected.

Police and Justice property initiatives were invited but not prioritised within the envelope

Justice sector Ministers did not prioritise the operating funding associated with Waitākere and Rotorua courthouses and seven Police property projects in the Law and Order envelope. There is a clear investment need in both cases. The courthouse project is the higher cost initiative and is more delivery ready. The Police property initiative by comparison is smaller and can be scaled further to focus on fewer properties. However, we agree with the sector's view that CMP is the highest priority capital investment and consider cost pressure funding is of higher priority that the operating funding associated with these investments at Budget 2026.

Annex 2 – Annotated Agenda that has been referred to the portfolio Ministers

Agenda

The proposed agenda for this meeting is set out below. Further details on each agenda item are set out in the tables below.

1. **Agenda Item 1:** Confirm your support of the most critical initiatives submitted
2. **Agenda Item 2:** Discuss reprioritisation proposals and frontline service delivery risks
3. **Agenda Item 3:** Test the priority of funding new spending initiatives

Agenda Item 1 – Confirm your support of the most critical initiatives submitted

Description of key issue	Law and Order Ministers were invited to submit Budget initiatives within a $200 million annual operating envelope. The original submission indicated Ministers intended to absorb significant cost pressures outside the Budget process, with potential frontline impacts. [33] and [37] You subsequently invited Law and Order Ministers to submit a new package within a $300 million envelope by 6 March 2026. To date we have received a draft submission letter and package, we understand Ministers are seeking annual average operating funding of $334.923 million. Through this agenda item, the Treasury recommends that you express support for operating funding of [38] capital to maintain core services and meet frontline demand.

Agenda Item 2 – Discuss reprioritisation proposals and frontline service delivery risks

Description of key issue	Law and Order Ministers are proposing to reprioritise an annual average of [33] to cover unavoidable cost pressures that cannot be funded within the $300 million package. It is anticipated that almost half of the reprioritisation [33] will have frontline service impacts. The quantum and degree of frontline risk is greatest for Police ($151.877 million total, [33] followed by Corrections ($43 million, [33] The Minister of Police considers the quantum of reprioritisation required by Police is unfeasible and that it will have significant frontline service implications. As such, the Minister has sought two years of cost pressure funding.

Agenda Item 3 – Test the priority of funding new spending initiatives

Description of key issue	Law and Order Ministers are seeking [33] and [38] for new spending initiatives. We consider these initiatives could be scaled, deferred or declined.

Annex 3 – Treasury recommendations on Law and Order submissions

Budget 2026 - Package as at 9 March 2026 (Law & Order Envelope)

Note

1. Some initiatives have significant out year components. This alters the way operating averages are calculated and may result in misalignment between Total Opex and Opex P.A. in the Treasury Package.
2. This annex aligns to the 'low' package set out in the Budget Ministers slides
3. Treasury's VAD framework quantifies the value (weighted through benefits and costs), alignment to Government Budget 2025 priorities, and delivery feasability of an initiative, rated from 1 (low) to 4 (high).

							Dept. Submissions $(m)			Current Package $(m)			Value for Money Values		
Vote	**ID**	**Budget Track**	**Title**	**Description**	**Current Status**	**Treasury Recommendation and Commentary**	**Total Opex**	**Opex P.A.**	**Total Capex**	**Total Opex**	**Opex P.A.**	**Total Capex**	**V**	**A**	**D**
Attorney-General	17093	Service Or Policy Cost Escalation	Crown Law Core Services	This initiative provides funding to address the increase in volume and complexity in criminal appeals from Crown prosecutions to ensure a sustainable criminal appeal service. It will also fund the increased IT licensing costs resulting from the digital transformation programme to enable us to modernise outdated systems, improve data quality and security, and reduce the operational and security risks associated with unsupported legacy systems. This ensures Crown Law is resourced adequately to deliver its core Law Officer functions and to support the Government's focus on restoring Law and Order.	Excluded	We recommend deferring this initiative, which seeks $800,000 per year for four FTE to support Crown Law's criminal appeals function, to address a growing workload that is currently being managed through temporary measures. A further $700,000 per year is sought to enable a transition to a cloud-based Legal Practice Management System (LPMS) and Financial Management Information System (FMIS) that would replace an unsupported legacy system. We accept Crown Law's cost pressures as genuine and note that its small baseline provides limited options for reprioritisation. However, we consider there are more acute cost pressures facing law-and-order envelope agencies that would create greater service delivery risk if not funded this Budget, so we recommend deferring this initiative to Budget 2027.	6.0	1.5	-	-	-	-	4	3	4
Corrections	17271	Service Or Policy Cost Escalation	Corrections Critical Frontline Remuneration Pressures	This initiative provides funding for critical remuneration pressures for Corrections frontline staff. The initiative is limited to a one-year approach as includes cost estimates for those agreements that expire on 30 June 2026. This includes the Custodial collective, the single largest agreement by staff numbers and value for the Corrections frontline workforce. This initiative is essential to maintain safe and effective Corrections services. Funding will be appropriated for collective bargaining that has concluded and a tagged contingency is requested for funding that is subject to the settlement of collective bargaining. The contingency figures will be withheld due to commercial sensitivity and to avoid prejudice during negotiations.	Included	We recommend supporting this initiative. Corrections relies on its frontline workforce, and remuneration is critical for recruitment and retention as the prison population grows and safe staff ratios are required. [38] Funding is also sought for progression costs after significant increases in custodial officer FTE created a larger junior workforce and progression shortfalls. Costs were not funded in recent Budgets given Cabinet agreed to fund one year of cost pressures at a time to manage impacts on allowances.	[38]						3	3	2
	17273	Service Or Policy Cost Escalation	Corrections Prisoner Population Volume Pressures	This initiative provides operating and minor capital funding for the additional costs associated with a prison population growth up to 12,118 prisoners by 30 June 2027. This includes funding to hire additional 710 full time equivalent (FTE) frontline staff at Corrections, of which 471 FTE are Corrections Officers, and other costs directly related to the increased volume. This initiative has been limited to a single year uplift to manage within the Justice Sector Budget 2026 envelope.	Included	We recommend supporting this initiative to fund the operating and minor capital costs associated with projected prison population growth. Prisons are now at 90% capacity, with prisoner numbers projected to rise from 10,925 in November 2025 to 12,118 by June 2027. Corrections has reprioritised to manage up to 11,000 prisoners, including self-funding capacity projects and re-opening end of life prison assets. This bid is based on population projections and non-discretionary costs. Scaling would require cuts to prison health services, and rehabilitation and reintegration services, and frontline service reductions.	477.1	119.3	9.8	477.1	119.3	9.8	3	4	3
	17274	[33] and [37]											0	0	0

Corrections	17432	Cost pressure	Corrections reprioritisation for unfunded cost pressures	This initiative provides funding for Corrections' critical price, other, and non-frontline remuneration cost pressures to maintain safe and effective Corrections services. It is fully offset by funding reprioritised from Corrections' enabling services, asset stewardship, rehabilitation and reintegration, and frontline services.	Included	We recommend supporting this initative, If you do not wish to fund the addtional $43 million of immediate and unfunded cost pressures related to price, other and non-frontline remuneration. These measures are proposed in four areas, enabling services, asset stewardship, rehabilitation and reintegration and frontline services. Corrections has already delivered significant reprioritisation over the last two budgets (Budget 2024: $109 million per annum and Budget 2025: $12 million per annum) across these four areas. We understand that Corrections' consider reductions to frontline services as the least preferred option, and the proposed measures aim to minimise friontline risk. However, there is uncertainty on the feasibility, achievability and timing of specific reprioritisation decisions. Once Budget 2026 decisions are made, Corrections will deliver its reprioritisation plan across the four areas identified to test the viability of these measures.									
Courts	17297	Revenue	Justice - Changes to the Offender Levy and Scheduling Fees Requirements	This initiative offsets Crown funding for services through changes to the offender levy scheme, and payment requirements for hearing and scheduling fees in Courts. It increases the amount of the levy paid by offenders from $50 to $100, and clarifies that certain court fees are payable at the time a hearing is scheduled.	Included	We recommend supporting this initiative, which provides annual average savings of $2.641 million by reducing the Crown's contribution to victim services. Funding for these services would not be reduced; the saving would be achieved by doubling the offender levy, which contributes to victim services. The offender levy has not been increased since 2010, and MoJ considers that increasing it from $50 to $100 will not compromise people's ability to pay, given payment by arrangement is possible and the levy is collected before other fines. Cabinet policy decisions and changes to secondary legislation are required to deliver this saving and public consultation may also be needed, but it is feasible to complete this work before 1 July 2026.	(10.6)	(2.6)	-	(14.2)	(3.5)	-	4	4	3
Justice	17061	New Service Or Policy	Firearms Reform – Implementing the new Arms Act and establishing Firearms Safety New Zealand	This initiative delivers a reformed firearms system that will improve public safety and trust, and provide efficient, effective and responsive services. Cabinet agreed to rewrite and modernise the Arms Act and establish a new independent agency – Firearms Safety New Zealand. New funding will result in improved compliance, better safeguards, timely and accurate digital services and reduced compliance costs for firearms users and businesses. New funding will purchase resources to implement Arms Act changes, establish the new agency, deliver new firearms services, increase judicial and court registry capacity and system monitoring and evaluation. It will also purchase a new digital registration, case management and licencing ICT system (the Dedicated Arms System).	Excluded	Initiative seeks net funding of [38] over the forecast period to (1) implement changes to the firearms regulatory regime; (2) change the organisational form of the Firearms Safety Authority (FSA); and (3) establish a new ICT platform for firearms licensing. We recommend deferring component (3) as it is still in early planning and not delivery ready, with a business case expected to be submitted to Cabinet later this month.Components (1) and (2) are coalition commitments and support implementation of policy approvals already granted, but appear over-costed. We recommend providing a capped amount of $20m over the forecast period, thereby imposing top-down restraint to improve the robustness of costings, encourage agencies to manage non-marginal costs with existing resources, and ensure critical cost pressures are prioritised above discretionary spending across the Law and Order envelope.	[38]		-	-	-	-	2	2	1
	17095	Service Or Policy Cost Escalation	Justice - Demand Driven Cost Pressures	This initiative provides cost pressure funding for core, demand driven services across the Justice system, including legal aid, court directed services and fees for tribunal members. This funding ensures participants receive appropriate support and representation through the courts and tribunals, and that the judiciary have sufficient quality specialist information available to them to progress cases.	Included	We recommend supporting this initiative, providing one year of time-limited funding to maintain legal aid and court and coroner services. The $42.434 million net investment in 2026/27 includes funding for volume- and price-driven cost increases that is needed to maintain current services and avoid exacerbating costs elsewhere in the system (eg, prison remand), and credible savings of $1.146 million in legal aid. It excludes funding for tribunal fees on the basis that options exist to manage these within baselines. [33] Providing one year of funding supports affordability within a $300 million envelope and provides time for MoJ to progress further planned work to improve the fiscal sustainability of these services. [33]	[33]					-	4	4	3
	17376	Service or Policy savings	Unfunded cost pressures and reprioritisation	This initiative details how the Ministry of Justice will reprioritise funding to meet forecast cost pressures in 2026/27 within existing baselines. This will support the Government's priority to deliver efficient and financially stable public services.	Included	We recommend supporting this initiative, which proposes to meet $36 million in Ministry of Justice volume- and price-driven cost pressures through reprioritisation initiatives that have been calibrated to minimise core service impacts. The proposed reprioritisation will take place across five categories: FTE management, increasing departmental revenue, reducing costs through technology-driven efficiencies, self-insurance of properties, and general operating cost reductions. The Minister of Justice considers the reprioritisation proposals to be low-risk options designed to avoid impacts on court throughput and frontline delivery.	-	-	-	-	-	-			

	17263	New Service Or Policy	[33]												
Police	[38]														
	17100	New Capital Investment	Biometric Identification Capability - Replacement of New Zealand Police's Automated Biometric Information System (ABIS)	This initiative provides funding to replace Police's Automated Biometric Identification System (ABIS) which is end-of-life. Biometric identification is fundamental to Police delivering its legislated functions, with fingerprints being the primary biometric to quickly identify an individual and to link an identity to other biometrics, specific locations, incidents, and criminal history. ABIS also enables the provision of services and expertise to domestic and international partners.	Included	We recommend supporting this initiative. Key components of the current system used for biometric and fingerprint information will reach end of life in July 2028. Without investment Police may need to revert to manual processing of ink based fingerprints which could hinder its ability to investigate and prosecute crime and impact on achievement of government target 4 relating to victims of violent crime. The initiative seeks funding for hardware, software and systems, and the costings are robust as they have been informed by a request for information. The Detailed Business Case has been endorsed by Cabinet, requests for proposals are planned following Budget 2026 outcomes, and any delivery risks are manageable.	[38]							3	3
	17101	New Capital Investment	Police Property Upgrade Programme Phase 1a	This initiative funds 7 projects at the 5 most critical properties within the Police portfolio that require replacement/remediation. Properties have been prioritised based on their current condition, the criticality of the site and the impact to operations due to frontline officers having to work out of temporary locations, and operational impact if sites were forced to close. Investment is phased, beginning with the most critical properties, to build delivery capacity, and test standardised, repeatable delivery models for future phases. Scaling can occur on a per site basis – pick and mix based on affordability. Post IIMG on 16 Dec the DBC will be for: -Greymouth Police Station and Custody -Whanganui Police Station [33]	Excluded	We recommend deferring this initiative. Police seeks funding to redevelop five Police properties, indicated as critical priorities within the wider Police Property Programme Business Case and in Police's draft Long Term Investment Plan. The Police property portfolio is degrading, ageing and no longer fit for purpose. However, it was not prioritised by Justice sector Ministers within the envelope, and we have undertaken only a light touch assessment. The initiative is likely to pose a range of delivery risks because delivery milestones are compressed as a result of late scope changes and submission deadlines. A Detailed Business Case is due in April. If Ministers consider it a priority, this initiative could be scaled to redevelop only Greymouth station and to mitigate delivery risks.									
	17102	New Service Or Policy	Coalition Agreement - Community Initiatives (NSNZ, CP, Pasifika)	This initiative provides funding to Pasifika Wardens, Neighbourhood Support New Zealand (NSNZ), and Community Patrols New Zealand (CPNZ) to enable these organisations to keep our communities safe and support New Zealand Police to deliver on their statutory functions.	Excluded	We do not support this initiative. Funding provided to Neighbourhood Watch and Community Patrols was proposed as a saving by Police at Budget 2025 as this has no direct impact on frontline services, and agreed. We understand Police's assessment has not changed since Budget 2025. Police funded grants to Neighbourhood Watch and Community Patrols from baselines for a year, and funding is now sought to reverse the savings taken at Budget 2025. Funding is also sought for additional Pasifika wardens; however, limited information is provided to justify the need for further expansion at this time.	8.3	2.1	-	-	-	-	2	3	3

	17434	Cost pressure	Police cost pressures and corresponding reprioritisation	This initiative provides critical cost pressure funding to New Zealand Police related to maintain existing enabling the frontline and operational delivery of Police. Police's baseline continues to be under pressure from wage and price increases, the cost to maintain aging infrastructure, and prior investment in Police not matching the full cost of constabulary growth. Alongside changes in demand, this has placed significant pressure on Police's ability to support the frontline, and deliver Government priorities and support community safety within the funding available. It addresses pressures previously raised via Police's Performance Plan relating to Police performance and fiscal sustainability.	Included	We recommend you support this initiative. In the absence of funding, Police would be required to reduce non-sworn staff by up to 800 FTE and require constabulary staff to backfill office-based roles, close the 105 line and cease family violence and crime prevention initiatives, which would all impact directly on frontline services. Police seeks two years of cost pressure funding to enable it to continue current services, and to develop a future capability plan and further work to ensure its long-term financial sustainability. This approach would create a fiscal cliff to be addressed at Budget 2028, however we consider this creates appropriate incentives on Police to conduct the necessary work while managing the tight constraints of Budget 2026. We recommend you set expectations that Police provides progress reporting to you and the Minister of Police on this work, and that it closely engages with other sector agencies and the Treasury as it develops.	101.3	25.3
Serious Fraud	17269	Service Or Policy Cost Escalation	Serious Fraud - Maintaining Core Services	This initiative provides critical funding to address the Serious Fraud Office's volume-related cost pressures, enabling recruitment and retention of specialists in financial crime investigation and increasing data storage capacity. These capabilities are essential to ensure the agency is fit for purpose in an increasingly complex operating environment shaped by technological advancements, longer and more complex investigations and prosecutions, and growing case volumes, as fraud is now the most prevalent and fastest growing crime type in NZ. Without this funding, the SFO risks delay in case progression, reduced capacity to respond to emerging threats, and weakened effectiveness of New Zealand's prevention efforts to combat fraud and corruption.	Excluded	We recommend deferring this initiative. SFO sought funding for seven new FTE to deal with volume pressures from higher numbers, and additional complexity of cases. We accept that SFO's volume pressures are genuine, but consider there is more discretion regarding funding SFO pressures than other justice agencies within the law-and-order envelope. We recommend deferring this initiative to Budget 2027. If you wanted to allocate funding this Budget, an alternative approach would be to fund a smaller number of [33] annum. This mitigates the risk of frontline service degradation (although some residual risk of this remains), and costs shifting to Police and other justice sector agencies.	[33]	
	17270	New Service Or Policy	[33]					