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: Decisions for Hon Willis' Portfolios

Date:	17 March 2026	**Report No:**	T2026/778
		File Number:	BM-2-4-2026-M136971

Action Sought

	Action Sought	Deadline
Hon Chris Bishop **Associate Minister of Finance**	**Indicate** your decisions on initiatives in Hon Willis' portfolios for the purposes of Budget 2026 **Refer** this report to the Minister of Finance	20 March 2026

Contact for telephone discussion (if required)

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

Minister's Office Actions (if required)

Return the signed report to Treasury.

Refer this report to the Minister of Finance.

Note any feedback on the quality of the report	

Enclosure: Yes (attached)

Treasury Report: Budget 2026: Decisions for Hon Willis' Portfolios

Purpose of Report

1. This report seeks your confirmation to include into the Budget Package the Budget 2026 initiatives within the portfolios for which Hon Willis is responsible: Economic Growth, Finance and Social Investment. Your delegation to approve initiatives in Hon Willis' portfolios was provided for in a letter dated 25 January 2024 from the Minister of Finance, which outlined your responsibilities as Associate Minister of Finance. Hon Willis has taken decisions on Economic Growth, Finance and Social Investment initiatives in the Budget 2026 package (the Package) to date.

Specific Initiatives for your Attention

2. There are a limited number of initiatives for your decision in Budget 2026. Further advice has been provided in **Annex One**. Outside of this, there are further decisions that need to be made relating to specific initiatives below:

Economic Growth portfolio

3. *Initiative 17577 – Startup Support Package - Emerging Managers Programme* seeks $10m total capital toward a four-year pilot programme to invest in emerging and first-time fund managers who invest in startup companies. We are aware that you have made decisions on this separately via the cover note last week.

4. We seek your final confirmation of this decision, as well as on the funding source (either through reprioritisation from baselines or New Zealand Growth Capital Partners (NZGCP) cash reserves, or through Budget 2026 capital funding).

Social Investment portfolio

5. *Initiative 17141 – Vote Social Investment Cost Savings* is the singular initiative within Vote Social Investment. If you confirm the inclusion of this savings initiative within the Budget 2026 package, **Annex Two** includes the confirmation letter to be sent to the Minister for Social Investment. Please sign to confirm you are comfortable with this being sent on your behalf.

Finance portfolio

6. You will receive advice on *Initiative 17318 – Gas Transition Loan Guarantee Scheme* at a later date. Note that the Minister of Finance is taking a paper to Cabinet for consideration on Monday 20 April in relation to this.

Recommended Actions

We recommend that you:

a **Indicate** your decisions on specific initiatives in Annex One;

b **Confirm** the inclusion of *Initiative 17577 – Startup Support Package – Emerging Managers Programme* in the Budget 2026 package, noting that you have previously agreed to this last week;

Yes / No

c **Confirm** your preferred funding source for *Initiative 17577 – Startup Support Package – Emerging Managers Programme* from either:

a. Reprioritisation from SIT baselines or NZGCP cash reserves [MOF preferred]

Yes / No

b. Budget 2026 Capital Allowance [previously indicated];

Yes / No

d **Confirm** your comfort with the Social Investment confirmation letter in Annex Two being sent to the Minister for Social Investment;

Yes / No

e **Note** that you will receive advice on *Initiative 17318 – Gas Transition Loan Guarantee Scheme* at a later date, and

f **Refer** this report to the Minister of Finance.

Refer / Do not refer

Tom Brooke
Acting Principal Advisor

Hon Chris Bishop
Associate Minister of Finance

_____/_____/_______

Annex One: Initiatives for your Decision

Vote Finance – Detailed Business Case: Risk Financing for Public Infrastructure

<table>
<tr><td>Vote</td><td>Finance</td></tr>
<tr><td>Initiative ID</td><td>17118</td></tr>
<tr><td>Initiative Title</td><td>Detailed Business Case: Risk Financing for Public Infrastructure</td></tr>
<tr><td>Contact details</td><td>
<table>
<tr><td>Ben Quilter</td><td>Senior Analyst</td><td>[39]</td></tr>
<tr><td>Amanda Wilson</td><td>Unit Manager</td><td></td></tr>
</table>
</td></tr>
<tr><td>Issue / advice sought</td><td>You invited the Minister of Finance to an initiative to fund the resourcing of a Detailed Business Case (DBC) for a shared service function for central and local government entities to procure insurance. Your invitation specified that funding would only be provided for the Natural Hazards Commission’s (NHC) portion of this work, while Treasury would need to self-fund its portion of resourcing. You need to approve this initiative and the funding in the Budget 2026 package as it is an initiative within the Finance portfolio.</td></tr>
<tr><td>Treasury advice</td><td>$5.25m total funding was sought for a project team to be established at the NHC to deliver a DBC. This included 16 FTE and $2m of consultants in addition. We have recommended scaling this initiative to $2m total funding, $1m of which is for specialist advisors.

This scaling is reflective of removing implementation costs (which are subject to the approved DBC) and reducing FTE requirements noting that the Indicative Business Case (which has been approved by Cabinet) was thorough, so the DBC should focus on refining costings and options and drawing on existing analysis, supported by targeted technical input where required. While there is no formal benchmark, costs of around $1-2m are more typical for technical business cases.</td></tr>
<tr><td>Treasury recommendation</td><td>We recommend you:
• Confirm if you want to include the scaled initiative included in the Budget 2026 package
Yes / No
<table>
<tr><th rowspan="2">Option</th><th rowspan="2">ID</th><th colspan="6">Operating ($m)</th><th rowspan="2">Total Capital ($m)</th></tr>
<tr><th>25/26</th><th>26/27</th><th>27/28</th><th>28/29</th><th>29/30</th><th>Total</th></tr>
<tr><td>Scaled funding (current status in the package)</td><td>17118</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>2.0</td></tr>
<tr><td>Full funding</td><td>17118</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>5.25</td></tr>
</table>
</td></tr>
</table>

Vote Business, Science and Innovation – Aspire Seed Fund Operating Budget

Vote	Business, Science and Innovation (Economic Growth)
Initiative ID	17540
Initiative Title	Aspire Seed Fund Operating Budget
Contact details	Brock Stobbs – Analyst [39] John Marney – Manager

Issue / advice sought

You previously agreed to invite an initiative proposing changes to the operating funding model for the Aspire NZ Seed Fund (Aspire) [T2026/510 refers]. You need to approve this initiative and the funding in the Budget 2026 package as it is an initiative within the Economic Growth portfolio.

Treasury advice

Following a review of Aspire in 2025, MBIE determined that current settings are preventing the Aspire fund from addressing some capital gaps that have emerged in the pre-Series A market. New Zealand Growth Capital Partners (NZGCP) is required to use realisations from its investment to fund Aspire's operating costs and future investments. This model has incentivised NZGCP to take a more conservative approach to Aspire investments resulting in fewer investments into new startups, given their uncertain returns.

To remove the conflicting incentives and allow NZGCP to focus on Aspire's policy objectives of developing the pre-Series A market, the Minister for Economic Growth agreed to:

- provide baseline funding to NZGCP for its operating costs ($6.0m p.a.)
- make this fiscally neutral by funding it via NZGCP paying a dividend to the Crown from its cash reserves. This would be achieved through the Letter of Expectation for NZGCP.

For this to be fiscally neutral over the forecast period, NZGCP would need to provide an annual dividend of at least $6 million to cover its operating costs. NZGCP currently has approximately $49 million in reserves. While there is the option to pay a larger dividend upfront (e.g., $24 million to cover the forecast period), this would significantly reduce the level of reserves available to NZGCP to support annual investments (Aspire has an annual investment cap of $12 million). This could create future cost pressures if returns are not realised fast enough to replenish NZGCP's reserves. We consider requiring at least $6 million per annum to provide enough flexibility and certainty to enable NZGCP to achieve its policy objectives.

The dividend payment would be initiated through the Minister for Economic Growth's Letter of Expectation for 2026/27 to NZGCP. This would need to be done annually to ensure the initiative remains fiscally neutral across the forecast period and beyond, i.e., the Minister for Economic Growth will need to set the expectation for NZGCP to pay further dividends at future points as well (i.e., 2030/31 onwards).

Treasury recommendation

We recommend you:

- **Confirm** if you want this initiative included in the Budget 2026 package

Yes / No

- **Note** that this initiative is only fiscally neutral in the forecast period
- **Note** that the Minister for Economic Growth will direct NZGCP to provide the Crown with a dividend payment of at least $6 million per annum to make this initiative fiscally neutral.

The fiscal treatment for initiative 17540 is as follows.

Option	ID	Operating ($m)						Total Capital ($m)
		25/26	26/27	27/28	28/29	29/30	Total	
Aspire Seed Fund Operating Budget	Spend	-	6.0	6.0	6.0	6.0	24.0	-
	Revenue	-	(6.0)	(6.0)	(6.0)	(6.0)	(24.0)	-

Vote Business, Science and Innovation – Managing the Fiscal Liability from the Wellington Consolidation Project

<table>
<tr><td>Vote</td><td>Vote Business, Science and Innovation – Public Service</td></tr>
<tr><td>Initiative ID</td><td>17182</td></tr>
<tr><td>Initiative Title</td><td>Managing the Fiscal Liability from the Wellington Consolidation Project</td></tr>
<tr><td>Contact details</td><td><table><tr><td>Lorna Hallett</td><td>Analyst</td><td>[39]</td></tr><tr><td>John Marney</td><td>Manager</td><td></td></tr></table></td></tr>
<tr><td>Issue / advice sought</td><td>The Minister of Finance has agreed for MBIE to deliver savings of $3.0 million across 2026/27 to 2028/29, [33] These savings would address the residual fiscal impact from unmet savings from the Wellington Consolidation Programme booked in Budget 2024. She has also decided that these savings are to be managed outside allowances. Given her role as MBIE's departmental Minister, your confirmation is needed to progress these decisions.</td></tr>
<tr><td>Treasury advice</td><td>Budget 2024 included savings submitted by MBIE as part of its Wellington Consolidation Programme. When these savings failed to materialise, the Minister of Finance directed MBIE to reprioritise to manage the residual fiscal impact from lost savings. MBIE provided two options to manage this in Budget 2026:

• [33] The $3.0 million across 2026/27 to 2028/29 would be meet from underspends.
• [33] Underspends would still be used to manage the $3.0 million across 2026/27 to 2028/29.

[33]

Relationship to broader savings targets. MoF has considered these savings in the context of the savings targets she intends to set for MBIE in this Budget. MBIE's compounding savings targets over the next four years (assuming additional baseline reductions) will be:
<table><tr><th></th><th>2026/27 (2% reduction)</th><th>2027/28 (5% reduction)</th><th>2028/29 (5% reduction)</th><th>[33]</th></tr><tr><td>Extra savings</td><td>$13.7m p.a.</td><td>$34.1m p.a.</td><td>$34.1m p.a.</td><td></td></tr><tr><td>Cumulative</td><td>$13.7m p.a.</td><td>$48.0m p.a.</td><td>$82.3m p.a.</td><td></td></tr></table>
Fiscal treatment. The Minister of Finance has also agreed to manage the property savings outside of allowances in line with our recommendation that any savings that MBIE or GPO-processes identify are used to improve the fiscal forecast to offset the decisions taken at Budget 2024 rather than added to the operating allowance.</td></tr>
<tr><td>Treasury recommendation</td><td>We recommend you:
• Confirm if you want this initiative is included in the Budget 2026 package
Yes / No
• Confirm the fiscal treatment to manage this initiative outside of allowances
Yes / No
<table><tr><th rowspan="2">Option</th><th rowspan="2">ID</th><th colspan="6">Operating ($m)</th></tr><tr><th>25/26</th><th>26/27</th><th>27/28</th><th>28/29</th><th>29/30</th><th>Total</th></tr><tr><td>Current status in package</td><td>223</td><td>-</td><td>(1.0)</td><td>(1.0)</td><td>(1.0)</td><td>[33]</td><td></td></tr><tr><td>Alternative option</td><td>224</td><td>-</td><td>(1.0)</td><td>(1.0)</td><td>(1.0)</td><td>-</td><td>(3.0)</td></tr></table></td></tr>
</table>

[33]

Votes Business, Science and Innovation; Finance; Social Investment – Baseline Reduction

<table>
<tr><td>Vote</td><td>Business, Science and Innovation (Economic Growth portfolio); Finance; Social Investment</td></tr>
<tr><td>Initiative ID and Title</td><td>17071: MBIE Eligible Baseline Savings
17117: Financial Sustainability – Baseline Savings
17141: Vote Social Investment Cost Savings</td></tr>
<tr><td>Contact details</td><td><table><tr><td>Katelin Livingstone</td><td>Analyst</td><td>[39]</td></tr><tr><td>Tom Brooke</td><td>Acting Principal Advisor</td><td></td></tr></table></td></tr>
<tr><td>Issue / advice sought</td><td>As part of the Budget 2026 baseline reduction programme, agencies were asked to deliver a 2% reduction to their eligible base for the 2026/27 financial year and outyears. Your confirmation is required for baseline reduction initiatives submitted for the Economic Growth, Finance, and Social Investment portfolios.</td></tr>
<tr><td>Treasury advice</td><td>We have assessed the proposed savings for these portfolios and consider them to be genuine, achievable, and do not consider them to pose significant treaty, legal or economic risk. The savings across these three initiatives are primarily achieved through making or realising back-office efficiencies, a reduction in departmental funding, and productivity gains.

We recommend supporting these savings initiatives for Budget 2026.</td></tr>
<tr><td>Treasury recommendation</td><td>Confirm the inclusion of these savings initiatives across Vote Business, Science and Innovation; Vote Finance; and Vote Social Investment for inclusion in the Budget 2026 package

Yes / No

<table><tr><th rowspan="2">ID</th><th colspan="6">Operating ($m)</th><th rowspan="2">Total Capital ($m)</th></tr><tr><th>25/26</th><th>26/27</th><th>27/28</th><th>28/29</th><th>29/30</th><th>Total</th></tr><tr><td>17071 (MBIE)</td><td>-</td><td>(10.65)</td><td>(10.90)</td><td>(10.90)</td><td>(10.92)</td><td>(43.38)</td><td>-</td></tr><tr><td>17117 (TSY)</td><td>-</td><td>(2.30)</td><td>(2.30)</td><td>(2.30)</td><td>(2.30)</td><td>(9.20)</td><td>-</td></tr><tr><td>17141 (SIA)</td><td>-</td><td>(0.80)</td><td>(0.80)</td><td>(0.80)</td><td>(0.80)</td><td>(3.20)</td><td>-</td></tr><tr><td>Overall</td><td></td><td></td><td></td><td></td><td></td><td>(55.78)</td><td></td></tr></table></td></tr>
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