

# 2026 BUDGET SUMMARY



## HEALTH SERVICES

A funding increase of \$5.5 billion over four years for frontline hospital and specialist services, primary care, and community and public health.



## POSTNATAL CARE

\$34 million to fund three-day postnatal stays for new mothers and babies.



## CLINICAL EQUIPMENT

\$930 million for new clinical equipment, technology upgrades and facility improvements across the health system.



## DEFENCE SPENDING

\$2.3 billion in defence capital spending to strengthen New Zealand's defence capabilities.



## SOCIAL HOUSING CHANGES

From 1 April 2027, the minimum income-related rent for social housing tenants rises from 25 per cent to 30 per cent of assessable income. Maximum Accommodation Supplement rates increase by \$10 to \$30 per week depending on location and family size.



## LITERACY & NUMERACY

\$131 million for literacy and numeracy initiatives in primary and intermediate schools, plus \$240 million for new school curriculums and secondary qualifications.



## BANK LEVY

A new prudential levy on banks, insurers and financial market infrastructure providers to recover the cost of Reserve Bank regulation and supervision, expected to raise \$209 million over four years from mid-2027.



## PUBLIC SECTOR SAVINGS

Approximately 8,700 public sector roles to be reduced over three years, with agency baseline cuts totalling roughly 12 per cent, delivering \$2.4 billion in savings



## HOSPITAL INFRASTRUCTURE

\$680 million in health capital spending, including a new 158-bed ward at Whangārei Hospital, facility upgrades at Tauranga, Hawke's Bay and Palmerston North hospitals, and land purchases for the planned Drury hospital.



## WAIKATO EXPRESSWAY

\$1.77 billion for the extension of the Waikato Expressway from Cambridge to Piarere.



## KIWIRAIL

\$1.075 billion for KiwiRail's national rail network from 2027 to 2030.



## HOUSING INCENTIVES

New \$400 million incentives for Growth Fund over four years, rewarding councils that consent more homes by funding supporting infrastructure such as roads, pipes and services.



## TRADE TRAINING

\$69 million to double the number of secondary students attending Trades Academies to 20,000 by 2030, with \$284 million for additional student places. Fees-free university scrapped, with savings redirected to vocational and trades education.



## HEALTHY SCHOOL LUNCHESES

\$212 million to continue the Healthy School Lunches programme in 2027.



## TAX SIMPLIFICATION

Targeted changes to simplify fringe benefit tax rules for private motor vehicle use, update tax settings for charities and not-for-profits, and support talent retention and foreign investment.



## FUEL CONTINGENCY

\$450 million set aside as a contingency reserve for fuel-related disruptions, alongside additional frontline agency funding and a loan guarantee scheme for affected businesses.