

SECURING NEW ZEALAND'S FUTURE



**BUDGET
2026**

Hon Simeon Brown Minister of Health

28 May 2026

Infrastructure boost for hospitals

Major hospital upgrades at Whangārei, Tauranga, Hawke's Bay, and Palmerston North, alongside investment in other facilities across New Zealand, will strengthen health infrastructure and help deliver better performance on key health targets for patients, Health Minister Simeon Brown says.

"We are focused on building the future of hospital infrastructure so Kiwis can access timely, quality care when they need it," Mr Brown says.

"Budget 2026 delivers more than \$680 million of capital spending for the health system, including investment to strengthen hospital infrastructure, expand capacity, and ensure patients and staff have access to modern, resilient facilities."

The Budget 2026 infrastructure package provides funding for:

- A new 158 bed ward tower at Whangārei Hospital
- The design and some enabling works for the redevelopments at Tauranga, Hawke's Bay, and Palmerston North regional hospitals
- Acquisition of land for a new hospital south of Auckland
- Infrastructure upgrades at Auckland's Mason Clinic

Budget 2026 also funds earlier commitments, including the new Dunedin Hospital inpatient building and establishment costs for the new medical school at the University of Waikato.

"In addition to this package, Health New Zealand will invest a further \$930 million over the coming year in new clinical equipment, technology upgrades, and hospital facility improvements nationwide.

“This includes new mobile diagnostic units, radiology upgrades, and refurbishments to better support frontline clinical teams. A key part of this is planning and design work to expand the network of linear accelerator machines in Christchurch, South Auckland, and Nelson, helping to increase radiation treatment capacity, meet growing demand, and improve access to care for cancer patients.

“Together, these investments will future proof critical health services, support delivery of health targets, and help reduce waiting times for patients.”

The next phase of redevelopment at Whangārei Hospital will deliver a new 158 bed ward tower, alongside the already approved acute services building.

“These new facilities are scheduled for completion in late 2031 and will make a significant difference for Northland’s growing and ageing population.”

Funding for design and some enabling works for the redevelopments at Tauranga, Hawke’s Bay, and Palmerston North hospitals will help address critical infrastructure pressures while supporting future expansion.

“This investment will fund design work, site planning, and early enabling works through the Regional Hospital Redevelopment Programme.

“Additionally, Health New Zealand will fund a new, temporary intensive care unit at Palmerston North Hospital and the fit-out of an inpatient unit at Tauranga Hospital to help relieve immediate pressures while the longer-term redevelopment work progresses.”

Funding has also been allocated to acquire land for a new hospital south of Auckland to support the rapidly growing populations of South Auckland and north Waikato.

“Work is already underway, with Health New Zealand identifying a suitable site in the Drury area as part of early planning for the new hospital.”

Upgrades at Auckland’s Mason Clinic will improve resilience and ensure the facilities at New Zealand’s largest forensic psychiatric service remain fit for purpose.

“These upgrades will support safer, more reliable facilities for patients and staff and help ensure the clinic can continue meeting the needs of the community into the future.”

Mr Brown says these investments support the next stage of the 10-year Health Infrastructure Plan announced in April 2025.

“Major redevelopments are being carefully phased and supported by smaller investments to ease short term pressures and maintain services during construction.”

“We are focused on fixing the basics and building the future. These investments are about strengthening essential health infrastructure now, while laying the groundwork to meet future demand,” Mr Brown says.

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