

The Treasury

Budget 2026 Information Release

September 2026

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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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Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Budget 2026 Package: Vote Health

On 7 May 2026, Cabinet:

Appropriation Administrator: Ministry of Health

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2026 Budget package, as listed in the summary tables below and detailed in the attached initiative documents:

Summary of initiatives:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17583	Dame Karen Poutasi Response - Supporting Health New Zealand to Participate in the Child Protection Protocol	-	2.027	2.510	2.555	2.599
17299	Digital Services - Cyber Security - Core Security Services	-	34.200	39.800	39.800	39.800
17572	Fuel Response - Changes to the In-Between Travel and National Travel Assistance Schemes	0.640	23.540	-	-	-
17611	Health Digital Investment Plan - Capital to Operating Funding Transfer	-	100.000	100.000	100.000	-
17349	Implementing the Pae Ora (Healthy Futures) (3 Day Postnatal Stay) Amendment Bill	-	1.600	1.600	13.300	17.900
17064	National Bowel Screening Programme Age Extension	-	6.444	13.142	6.766	6.766
17094	Paediatric Palliative Care - Supporting Access to Specialist Services	-	2.410	4.842	4.091	4.168
17593	Pharmac - Maintaining and Increasing Access to Medicines	-	13.500	13.500	13.500	13.500
17557	Primary Care Tactical Action Plan - Return of 2025/26 Underspend	(19.167)	-	-	-	-
17558	Removal of the Capital Charge Regime from Health New Zealand	-	-	-	-	-

		\$m - increase/(decrease)				
Initiative ID	Initiative Name	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17289	Road Ambulance Services - Funding Uplift	-	5.463	11.283	8.850	9.400
17280	Southern Health System Digital Transformation Programme - Return of Depreciation Funding	(14.828)	(3.707)	-	-	-
Total Operating		(33.355)	185.477	186.677	188.862	94.133

Capital Initiatives (Impact on Debt)

		\$m - increase/(decrease)				
Initiative ID	Initiative Name	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17611	Health Digital Investment Plan - Capital to Operating Funding Transfer	(300.000)	-	-	-	-
17064	National Bowel Screening Programme Age Extension	-	12.464	-	-	-
17346	National Programme for Linear Accelerator Machines	-	-	-	-	-
Total Capital		(300.000)	12.464	-	-	-

Summary of contingency initiatives:**Operating Contingency**

		\$m - increase/(decrease)				
Initiative ID	Initiative Name	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17573	Health Sector Cost Pressures from the Conflict in the Middle East	- [37]		-	-	-
Total Operating		-		-	-	-

Capital Contingencies

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
17133	Auckland Southern Site Acquisition for a Future Hospital – Tagged Contingency	-	[37]			
17120	Forensic Mental Health Services - Meeting Growing Demand – Tagged Contingency	-				
17285	Mason Clinic Redevelopment Tranche 1C - Infrastructure Upgrades	-				
17293	Project Pihi Kaha, Whangārei Hospital Redevelopment - First Ward Tower – Tagged Contingency	-				
17345	Regional Hospital Redevelopment Programme Tranche 2	-				
Total Capital		-				

[37]

Diana Hawker
Acting Secretary of the Cabinet

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Auckland Southern Site Acquisition for a Future Hospital - Tagged Contingency

Description: This initiative establishes a tagged capital contingency to provide funding for a land purchase in southern Auckland to support the development of a hospital in the future.

Tagged Contingency

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Capital Contingency					[37]
Total		-			

Additional Recommendations

- 2 **noted** that in March 2026, the Cabinet Expenditure and Regulatory Review Committee (EXP) approved the following as feasible options for acquiring land in southern Auckland to support the development of a hospital in the future [EXP-26-MIN-0013]:
 - 2.1 option 2b: bank land for a very large hospital; or
 - 2.2 option 2c: bank land and partner for a health precinct;
- 3 **noted** that EXP authorised the Minister of Finance, Minister of Health, and Minister for Infrastructure (Joint Ministers) to approve the Approval to Deliver, and any variations for scope, programme, or budget (from existing funding sources) [EXP-26-MIN-0013];
- 4 **authorised** Joint Ministers to jointly draw down the tagged capital contingency, subject to their approval of the Approval to Deliver;
- 5 **agreed** that the above tagged contingency will expire on 30 June 2027;
- 6 **noted** that decisions on funding the new hospital beyond the land acquisition will be made as part of future Budget processes;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Dame Karen Poutasi Response - Supporting Health New Zealand to Participate in the Child Protection Protocol

Description: This initiative provides funding for Health New Zealand to progress the implementation of recommendations made in the Dame Karen Poutasi review to improve the system of safety nets for preventing harm in the children's system. Funding will enable Health New Zealand to participate in the Child Protection Protocol with a limited number of medical specialists. Specialists will provide advice on identified cases and work with the New Zealand Police and Oranga Tamariki when investigating the most serious cases of abuse.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	2.027	2.510	2.555	2.599
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.027	2.510	2.555	2.599

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Primary, Community, Public and Population Health Services	-	2.027	2.510	2.555	2.599
Total Operating	-	2.027	2.510	2.555	2.599

Additional Recommendations

- 7 **directed** the Ministry of Health to work with the Social Investment Agency, the Ministry of Social Development, the Ministry of Education, and Oranga Tamariki, as appropriate, to develop an evidence-based, programme-level theory of change, and monitoring and evaluation plan;
- 8 **noted** that this initiative relates to Initiative 17202 in Vote Social Development, Initiative 17584 in Vote Education, and Initiatives 17585 and 17586 in Vote Oranga Tamariki;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Digital Services - Cyber Security - Core Security Services

Description: This initiative provides funding to address Health New Zealand's cyber security risk profile. Funding will maintain current protections, provide resources and specialist skills to address threats and vulnerabilities identified through the National Security Operations Centre, and implement critical safeguard improvements highlighted during recent security incidents and audits.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	34.200	39.800	39.800	39.800
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	34.200	39.800	39.800	39.800

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Hospital and Specialist Services	-	34.200	39.800	39.800	39.800
Total Operating	-	34.200	39.800	39.800	39.800

Vote: Health

Appropriation Ministry of Health
Administrator:

Title: Forensic Mental Health Services - Meeting Growing Demand - Tagged Contingency

Description: This initiative provides funding in a tagged capital contingency to support addressing critical demand pressures on forensic mental health services. The operating funding required for this initiative will be reprioritised from within the existing mental health and addiction ringfence.

Tagged Contingency

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Capital Contingency	-	[37]			
Total	-				

Additional Recommendations

- 9 **authorised** the Minister of Finance, Minister of Health, and Minister for Mental Health (Joint Ministers) to draw down the above tagged contingency, subject to their approval of:
 - 9.1 the specific deliverables to be funded under this initiative;
 - 9.2 detailed information on the operating implications of this initiative, with confirmation that these will be managed within existing baselines;
- 10 **agreed** that the expiry date for the above tagged contingency be 30 June 2027;
- 11 **noted** that additional operating funding will be allocated to forensic mental health services from within the mental health and addiction ringfence expectation as part of Health New Zealand's baselines from 2026/27 onwards;
- 12 **noted** that further policy work will be undertaken in 2026/27 to provide the Minister of Health and the Minister for Mental Health with options for the future operating model for forensic mental health services and associated funding requirements;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Fuel Response - Changes to the In-Between Travel and National Travel Assistance Schemes

Description: This initiative funds the increased costs for Health New Zealand resulting from a 30 percent increase in mileage rates to the In-Between Travel and National Travel Assistance Schemes. These rates are temporary adjustments in place for a period of 12 months or until the price of 91 octane petrol drops below \$3 for four consecutive weeks.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	0.640	23.540	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.640	23.540	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Primary, Community, Public and Population Health Services	0.640	23.540	-	-	-
Total Operating	0.640	23.540	-	-	-

Additional Recommendation

- 13 **agreed** that when the price of 91 octane petrol drops below \$3 for four consecutive weeks, any unspent funding should be returned to the centre;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Health Digital Investment Plan - Capital to Operating Funding Transfer

Description: This initiative provides operating funding for projects under the Health Digital Investment Plan, through an equity withdrawal from Health New Zealand's cash reserves. The funding will support priority projects, focusing on modernising radiology, clinical desktop, and processes related to people, supply chain and finance.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	100.000	100.000	100.000	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	100.000	100.000	100.000	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Crown Revenue and Receipts:					
Capital Receipts:					
Equity Repayments by Health Crown Entities	300.000	-	-	-	-
Total Capital	(300.000)	-	-	-	-

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Hospital and Specialist Services	-	100.000	100.000	100.000	-
Total Operating	-	100.000	100.000	100.000	-

Additional Recommendations

- 14 **noted** that in October 2025, the Cabinet Economic Policy Committee approved in-principle Health New Zealand's Digital Investment Plan, establishing a 10-year roadmap for digital stabilisation and modernisation, with the commitment of funds subject to relevant business case approval and internal and external Budget decisions [ECO-25-MIN-0175];
- 15 **agreed** that \$300 million from Health New Zealand's cash assets be repurposed as operating funding (\$100 million per annum over three years);

- 16 **authorised** the Minister of Finance and the Minister of Health (Joint Ministers) to jointly approve business cases seeking funding from the above initiative under the Health Digital Investment Plan, with an expectation that:
 - 16.1 business cases must meet criteria set by Joint Ministers, including providing assurance that projects, in aggregate, will be self-funded from year three onwards;
 - 16.2 information, including expenditure, benefits realisations, and risks be provided for each project, and included in Health New Zealand's quarterly performance reporting;
- 17 **directed** Health New Zealand to report back to Joint Ministers by the end of March in each financial year on the progress of this investment, including detailed information on how the allocated funding is being spent and the outcomes achieved to date;
- 18 **noted** that this initiative is funded from within Health New Zealand baselines and does not impact allowances;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Health Sector Cost Pressures from the Conflict in the Middle East

Description: This initiative establishes a tagged operating contingency to provide funding for health sector cost pressures arising from the Middle East conflict.

Tagged Contingency

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Contingency	[37], [38]				
Total					

Additional Recommendations

- 19 **authorised** the Minister of Finance and the Minister of Health (Joint Ministers) to jointly draw down the tagged contingency, subject to:
 - 19.1 their approval that the specific health sector cost pressures are directly linked to the Middle East crisis;
 - 19.2 evidence indicating that the cost pressures are time limited;
 - 19.3 their evaluation that actions align with the Public Sector Fuel Response Plan;
- 20 **agreed** that the expiry date for the above tagged contingency be 30 June 2027;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Implementing the Pae Ora (Healthy Futures) (3 Day Postnatal Stay) Amendment Bill

Description: This initiative provides funding to implement the Pae Ora (Healthy Futures) (3 Day Postnatal Stay) Amendment Bill, which will create a legal entitlement for all women to access a minimum 3-day (72-hour) postnatal stay in an inpatient care facility following delivery at, or admission to, such a facility. The first two years of implementation will prioritise first-time mothers and then expand to all mothers from 2028/29.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	1.600	1.600	13.300	17.900
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.600	1.600	13.300	17.900

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Hospital and Specialist Services	-	1.600	1.600	13.300	17.900
Total Operating	-	1.600	1.600	13.300	17.900

Additional Recommendations

- 21 **noted** that in September 2025, the Cabinet Social Outcomes Committee (SOU) agreed to adopt the Pae Ora (Healthy Futures) (3 Day Postnatal Stay) Amendment Bill (the Bill) and progress it through Parliament as part of the Government's Legislation Programme [SOU-25-MIN-0125];
- 22 **noted** that in March 2026, SOU agreed that the Bill commence immediately on Royal Assent, with transitional provisions providing that all eligible women will have access to the entitlement three years after commencement [SOU-26-MIN-0021];
- 23 **noted** that SOU also agreed to establish a duty on Health New Zealand to publish a plan to increase postnatal inpatient capacity at least annually for three years, after the first year of commencement, with each plan to be agreed with the Minister of Health [SOU-26-MIN-0021];
- 24 **directed** Health New Zealand to report back to Cabinet after the first 18 months of commencement on the uptake of the policy, progress with delivery planning, and the fiscal implications so far;

Vote: Health

Appropriation Ministry of Health
Administrator:

Title: Mason Clinic Redevelopment Tranche 1C - Infrastructure Upgrades

Description: This initiative establishes a tagged capital contingency to provide funding to address infrastructure issues at the Mason Clinic in Auckland. The initiative funds an energy centre to increase resilience and provide capacity for future growth, increases carparking capacity, and fits out the second floor shell area of E Tu Wairua Hinengaro. This will stabilise the existing campus and enable future stages of development that will expand inpatient capacity at the clinic to meet demand.

Tagged Contingency

	Sm - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30*
Capital Contingency	-	[37]			
Total	-				

[37]

Additional Recommendations

- 25 **noted** that in March 2026, the Cabinet Expenditure and Regulatory Review Committee (EXP) approved the Detailed Business Case for the Mason Clinic Redevelopment Programme Tranche 1C [EXP-26-MIN-0004];
- 26 **noted** that EXP authorised the Minister of Finance, Minister of Health, and Minister for Infrastructure (Joint Ministers) to approve the Approval to Deliver, and any variations for scope, programme, or budget (from existing funding sources) [EXP-26-MIN-0004];
- 27 **authorised** Joint Ministers to jointly draw down the above tagged capital contingency, subject to their approval of the Approval to Deliver;
- 28 **agreed** that the expiry date for the above tagged contingency be 30 June 2028;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: National Bowel Screening Programme Age Extension

Description: This initiative provides funding to lower the eligibility age for the National Bowel Screening Programme from 58 to 56 years. The rollout is scheduled to begin on 1 September 2026, with invitations sent to the newly eligible population over a two-year period. This initiative funds the costs of additional screening, workforce training and development, and related programme support.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	6.444	13.142	6.766	6.766
Net Core Crown Debt Impact Only	-	12.464	-	-	-
No Impact	-	-	-	-	-
Total	-	18.908	13.142	6.766	6.766

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Primary, Community, Public and Population Health Services	-	6.444	13.142	6.766	6.766
Non-Departmental Capital Expenditure:					
Health Capital Envelope (MYA)	-	12.464	-	-	-
Total Operating	-	6.444	13.142	6.766	6.766
Total Capital	-	12.464	-	-	-

Additional Recommendations

29 **agreed** to adjust the Multi-Year Appropriation '*Health Capital Envelope*' by \$12.464 million;

30 **noted** that the capital amounts in the appropriation table are fully rolled into 2026/27, the final year of the current Health Capital Envelope Multi-Year Appropriation '*Health Capital Envelope*', although the capital will be spent over a longer timeframe, as indicated in the table below and reflected in the forecasts:

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30
Indicative annual capital spending profile	-	3.221	1.625	-	1.932
	2030/31	2031/32	2032/33	2033/34	2034/35
	-	2.129	3.557	-	-

- 31 **noted** that the national rollout of FIT for Symptomatic will be funded from Health New Zealand baselines;
- 32 **noted** that additional investment to sustain colonoscopy activity delivered through the 2025/26 diagnostic boost will be funded from Health New Zealand baselines;

Vote: Health

Appropriation Ministry of Health
Administrator:

Title: National Programme for Linear Accelerator Machines

Description: This initiative reprioritises baseline funding for the planning and design work required to inform a detailed business case to extend the network of Linear Accelerator machines at Manukau, Burwood, and Nelson hospitals to meet current and increasing demands for radiation therapy treatment.

Additional Recommendation

33 **noted** that the expected capital cost of the above initiative is \$5.000 million in 2026/27;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Paediatric Palliative Care - Supporting Access to Specialist Services

Description: This initiative provides funding for a nationally coordinated and managed specialist paediatric palliative care (PPC) service for children and their whānau by establishing two multidisciplinary specialist PPC teams located within Health New Zealand's Northern and Te Waipounamu regions. The two teams will support equitable geographic access to specialist PPC services across the country. The initiative also provides funding to train one registrar per annum in specialist PPC to support workforce sustainability.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	2.410	4.842	4.091	4.168
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.410	4.842	4.091	4.168

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Hospital and Specialist Services	-	2.410	4.842	4.091	4.168
Total Operating	-	2.410	4.842	4.091	4.168

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Pharmac - Maintaining and Increasing Access to Medicines

Description: This initiative provides increased funding for Pharmac's medicines to support access to medicines, including managing cost pressures from the Middle East conflict.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	13.500	13.500	13.500	13.500
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	13.500	13.500	13.500	13.500

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
National Pharmaceuticals Purchasing	-	13.500	13.500	13.500	13.500
Total Operating	-	13.500	13.500	13.500	13.500

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Primary Care Tactical Action Plan - Return of 2025/26 Underspends

Description: This initiative returns the underspends for the Primary Care Tactical Action Plan in 2025/26.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	(19.167)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(19.167)	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Primary, Community, Public and Population Health Services	(19.167)	-	-	-	-
Total Operating	(19.167)	-	-	-	-

Vote: Health

Appropriation Ministry of Health
Administrator:

Title: Project Pihi Kaha, Whangārei Hospital Redevelopment - First Ward Tower - Tagged Contingency

Description: This initiative establishes a tagged capital contingency to provide funding to deliver a 158-bed ward tower adjoining the already-approved acute services building at Whangārei Hospital in late 2031. This is the second stage of Project Pihi Kaha, the Whangārei Hospital Redevelopment. Funding was provided in 2022 for the acute services building, which is now progressing through design towards construction. Funding for this initiative will allow the construction of both buildings concurrently.

Tagged Contingency

	\$m - increase/(decrease)						
	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32*
Capital Contingency	-	[37]					
Total [37]	-						

Additional Recommendations

- 34 **noted** that in March 2026, the Cabinet Social Outcomes Committee (SOU) approved the Detailed Business Case for the Whangārei Hospital First Ward Tower [SOU-26-MIN-0013];
- 35 **noted** that SOU authorised the Minister of Finance, Minister of Health, and Minister for Infrastructure (Joint Ministers) to approve the Approval to Deliver, and any variations for scope, programme, or budget (from existing funding sources) [SOU-26-MIN-0013];
- 36 **authorised** Joint Ministers to jointly draw down the above tagged capital contingency, subject to their approval of the Approval to Deliver;
- 37 **agreed** that the expiry date for the above tagged contingency be 30 June 2028;

Vote: Health

Appropriation Ministry of Health
Administrator:

Title: Regional Hospital Redevelopment Programme Tranche 2

Description: This initiative establishes a tagged capital contingency to provide funding for the first stage of Tranche 2 of the Regional Hospital Redevelopment Programme for Tauranga, Palmerston North and Hawke's Bay hospitals. It covers design and some enabling works that can be completed in 2026/27 and 2027/28. The initiative provides the platform for the next stage of these redevelopments, subject to future funding decisions.

Tagged Contingency

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Capital Contingency					
Total					

Additional Recommendations

- 38 **noted** that in March 2026, the Cabinet Expenditure and Regulatory Review Committee (EXP) agreed in-principle that Health New Zealand will progress planning and enabling works across the three hospital redevelopments at Hawke's Bay, Palmerston North and Tauranga Hospitals [EXP-26-MIN-0009];
- 39 **noted** that EXP authorised the Minister of Finance, Minister of Health, and Minister for Infrastructure (Joint Ministers) to take decisions on the use of the funding in this initiative [EXP-26-MIN-0009];
- 40 **authorised** Joint Ministers to draw down the above tagged contingency, subject to their approval of the specific deliverables to be funded from the initiative;
- 41 **agreed** that the expiry date for the above tagged contingency be 30 June 2028;

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Removal of the Capital Charge Regime from Health New Zealand

Description: This initiative removes the capital charge regime from Health New Zealand from 1 July 2026. It removes the forecast Crown revenue for capital charge expected to be received from Health New Zealand, with an offsetting adjustment to Health New Zealand's baselines for the capital charge amount it expects to pay.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Hospital and Specialist Services	-	(660.159)	(660.159)	(660.159)	(660.159)
Total Operating	-	(660.159)	(660.159)	(660.159)	(660.159)

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Crown Revenue and Receipts:					
Non-Tax Revenue					
Payment of Capital Charge by DHBs	-	(660.159)	(660.159)	(660.159)	(660.159)
Total Operating	-	660.159	660.159	660.159	660.159

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Road Ambulance Services - Funding Uplift

Description: This initiative increases the Government's contribution to road ambulance services. It supports the establishment of two ambulance hubs in Auckland and the deployment of an electronic Patient Clinical Record system to improve integrated care and decision making. The funding also provides additional safety and training support for ambulance staff.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	-	5.463	11.283	8.850	9.400
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	5.463	11.283	8.850	9.400

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Primary, Community, Public and Population Health Services	-	5.463	11.283	8.850	9.400
Total Operating	-	5.463	11.283	8.850	9.400

Additional Recommendation

42 **noted** that Health New Zealand is also contributing funding to meet road ambulance volume and price pressures from its Budget 2026 cost pressure uplift.

Vote: Health

Appropriation Administrator: Ministry of Health

Title: Southern Health System Digital Transformation Programme - Return of Depreciation Funding

Description: This initiative returns depreciation funding due to the delay to the data and digital builds associated with the New Dunedin Hospital. The outpatients building is expected to open in the second quarter of the 2026/27 financial year. As a result, the depreciation funding set aside for 2025/26 and partial funding for 2026/27 is no longer required and can be reprioritised to fund other priorities in Health.

Appropriation Changes

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Balance Impact*	(14.828)	(3.707)	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(14.828)	(3.707)	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Non-Departmental Output Expenses:					
Delivering Hospital and Specialist Services	(14.828)	(3.707)	-	-	-
Total Operating	(14.828)	(3.707)	-	-	-