Written Parliamentary Questions on Health New Zealand's Budget

Health New Zealand's 2025/26 budget has been built to deliver access to timely, quality healthcare for all New Zealanders.

Our Government is strengthening frontline clinical services. Doctors, nurses and health professionals will have the resources they need to reduce wait times and deliver better care. Targeted efficiencies in back-office procurement functions and outsourced personnel ensure every dollar is working harder for patients to deliver our Government's health targets, while maintaining a stronger frontline workforce.

*Health New Zealand's 2025/26 budget**

Health New Zealand's 2025/26 Statement of Performance Expectations (SPE) sets out the organisations budget for the current financial year, which is summarised below.

Forecast Statement of Comprehensive Revenue and Expenses	Group 2025/26 Budget $m
Total revenue	30,581
Expenditure	
Personnel costs	12,416
Outsourced personnel	260
Outsourced services	999
Clinical supplies	2,637
Depreciation and amortisation	931
External service providers	10,880
Capital charge	550
Interest expense	5
Infrastructure, non-clinical supplies and other	2,103
Total expenditure	30,781
Surplus/(Deficit)	(200)

Health New Zealand's operating budget aligns to the formal budget included in the Statement of Performance Expectations, summarised below by region and other functions.

Health New Zealand 2025/26 operating budget by region / function	Group 2025/26 Budget $m
Total revenue	30,581
Expenditure budgets	
Northern region	8,803
Midland region	4,838
Central region	5,038
South Island region	5,745
Nationally run initiatives	2,578
Other delivery services	1,432
Enabling functions	2,347
Total expenditure budgets	30,781
Surplus/(Deficit)	(200)

*As per Written Parliamentary Question 45891 (2025), the total amount budgeted by Health New Zealand as a contingency for the 2025/26 financial year is $315 million. This contingency is included in the 'nationally run initiatives' total above.

Regional expenditure plans and regional efficiency targets

The budget is the budget and it does not change. Efficiency targets are about making that budget go further for patients in their respective regions.

To help regions deliver more frontline care within their budgets, Health New Zealand has set efficiency targets to reduce waste in back-office and procurement functions. These targets are not required to meet the 2025/26 deficit of $200 million but are expected to free up an estimated $510 million that can be reinvested directly into patient care and our Government's health targets.

Region	Efficiency targets by region*
Northern	3.7%
Midland	2.0%
Central	4.1%
South Island	4.9%

**These efficiency targets applied by Health New Zealand are for non-staffing costs in regional budgets. There are no efficiency targets for front-line clinical roles.*

How Health New Zealand is reducing waste to boost patient care

Health New Zealand is implementing efficiency targets in back-office procurement functions to free up millions of dollars for frontline care. As the budget remains the budget, these efficiencies mean more resources can be directed to where they matter most – patients and frontline staff. Efficiencies are not being delivered through any reductions to clinical staff.

Examples of efficiencies delivering savings this year alone (2025/26) include:

- Renegotiating annual insurance premiums, saving around $6 million this year.
- Moving to a more efficient model for ostomy consumables, saving $3.3 million this year without impacting patient supply.
- Reducing unused office space and making smarter use of the property Health New Zealand already has, saving around $1.7 million this year.
- Signing a national Zoom contract, saving around $300,000 this year.
- Improved purchasing of medical supplies, for example Cuff First Gloves, which will save around $1 million this year.

Regional expenditure for 2022/23-2024/25 ($m)*

The below table shows how Health New Zealand's regional budgets compare to actual expenditure in previous years.

Region	2022/23 actual ($m)	2023/24 Actual ($m)	2024/25 Actual ($m)	2025/26 Budget as per the SPE ($m)
Northern	7,301	8,526	This is currently being audited. It would not be in the public interest to pre-empt financial auditing.	8,803
Midland	3,942	4,738		4,838
Central	4,153	4,867		5,038
South Island	4,680	5,532		5,745

**The 2025/26 budget numbers in this comparison include both staffing and non-staffing costs. Health New Zealand's applied efficiency targets exclude staffing budgets contained within the regional budgets, which are not subject to efficiency initiatives.*