KPMG

New Zealand Budget 2026

Key facts and figures

$14.6b

Total additional spending over four years

$6.9b

In savings to fund additional spending, including $2b in public sector cuts

$8.2b

In net additional spending over four years

What this means for Aotearoa

4%
Inflation

In 2025/26 then forecast to fall to 2% from 2028

5.5%
Unemployment

In 2025/26 then forecast to fall to 4.5% in 2028

$3.1b
Superannuation

Increase in New Zealand superannuation over the next four years

Budget 2026 focus areas

Health and social services

$5.8b

$5.8b in operating funding for Health, including $300m for targeted initiatives

Education

$2.1b

$500m per year investment in new initiatives plus around $500m in new schools and maintenance

Infrastructure

$6.9b

total investment over 5 years

Capital investment is directed to new roads and maintaining core crown assets, schools and hospitals and defence assets

Law and order

$1.1b

Investment is primarily in frontline services with $500m for Corrections staffing plus additional police and border security

Fuel reponse

$0.6b

Additional funding for fuel costs for emergency services and support staff, plus $600m for fuel reserves and contingency

Defence

$1.2b

Significant investment in Defence force spending to increase staff numbers and new assets