NZCTU
Te Kauae Kaimahi

Workers' analysis of BUDGET 2026

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5 June 2026

This report sets out the New Zealand Council of Trade Unions Te Kauae Kaimahi's (NZCTU) analysis of Budget 2026. It covers the major decisions made in the Budget and how they might affect workers.

There are 32 trade unions affiliated to the NZCTU, representing over 370,000 union members across the country.

Correction
A previous version of this report incorrectly stated that annual net migration to March 2026 was 14,000. This has been updated to the correct figure of 24,200.

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Security for all?

The government has framed Budget 26 as one that will "secure New Zealand's future". The key argument that Minister Willis and Prime Minister Luxon want to make is that "financial discipline" today is required to deliver "economic security" tomorrow. In Budget 26 this financial discipline takes the form of cuts to social housing tenants' incomes, who will be $31 worse off per week from next year. It also takes the form of ongoing cuts to core public services – from social welfare to border control to food safety to our culture and heritage. When accounting for inflation, the cumulative real term cuts to core public agencies' baselines that were announced will total 18% by 2029. This will devastate many services that New Zealanders rely on.

The government's version of financial discipline also sees reduced support for students, with the ending of the final year fees free programme; on top of this, student fees will increase by 6% next year – for the third year in a row. It also sees real term cuts to early childhood education (ECE) subsidies and schools' operational funding. ECE subsidies have gone backwards in real terms since 2020, and schools operational funding has gone backwards in real terms since 2021. And it sees scant relief for families across the country who are struggling with the cost of living.

From the NZCTU's perspective, this is the very opposite of "securing our future". Real economic security means that families have secure jobs, decent incomes, access to quality public services, healthy and affordable housing, and connected and cohesive communities. The government's cuts to social welfare, public services, and education put these goals further out of reach. And the government's failure to provide support for families struggling with out-of-control electricity, food, and transport costs will mean greater poverty, which means more fractured and insecure communities.

Budget 26 also fails to address many of the structural challenges we are facing as a country. Although healthcare expenditure has increased in nominal terms (it does so every year), this was likely not enough to maintain the system at its current, over-stretched state, where unmet care is already high. As a recent report from Kaitiaki Hauora finds, we have accumulated a large funding gap in health, of over $6 billion per year, largely because the system was underfunded during the Key/English governments. A responsible budget to secure New Zealand's future would start to close that gap, which in concrete terms means supporting an expansion of the workforce, modernising our hospitals, and reducing wait-times for care, among other things.

There was no investment made in climate mitigation, and on the adaptation side, the only investment of substance was for future highway resilience projects. Roading resilience is important, but a much more ambitious programme of action is needed in this space. New Zealanders are now experiencing climate-change-driven weather disasters on a yearly basis. A Budget that was really about "securing our future" would put action on climate change at its centre.

The Budget did not bring housing security any closer for the tens of thousands of whānau living in precarious situations. Despite the declining property market in most parts of the country since 2021, New Zealand still has a chronic problem with housing affordability, both for renters and homeowners. We have failed to add sufficiently to our public housing stock and have failed to keep the existing stock in good condition. While Budget 26 did allocate some money to new social housing builds, these are not set to start until 2028/29. And at the same time it has announced this money, the government has continued its rollback of emergency housing support, which will contribute to rising homelessness – now understood to be at a record high – the very opposite of housing security.

There is no plan to address the rising problem of unemployment either. We now have the highest number of people unemployed since the early 1990s – over 160,000 Kiwis. And because the job market is so weak, people are staying unemployed for a long time. The number of unemployed people who have been out of work for more than 6 months has increased almost 150% since the beginning of 2023. In the March 2026 quarter, almost 65,000 New Zealanders had been unemployed for more than 6 months. This can have

devastating financial and psychological outcomes for affected workers and their whānau, and it can be devastating for entire communities. Yet there was no economic development plan in this Budget – only the empty promise that the recovery has once again been "delayed but not derailed".

At the same time that it has neglected to make investments in these critical areas, the government allocated almost $1 billion of new operating money and over $2.3 billion in new capital expenditure to New Zealand's military. Spending big on the military at a time of growing poverty and economic precarity in New Zealand demonstrates this government has its priorities wrong. We do have the resources to meet the address the big challenges we face and make ordinary people's lives better, but this government is choosing not to.

The "financial discipline" that Minister Willis and Prime Minister Luxon promote is intended to reduce the government's debt levels. It is true that debt has gone up in recent years, largely because of the need to support incomes and the health system during the Covid pandemic (both good things to spend money on), and also because of much-needed infrastructure investment. But it is also true that New Zealand's government debt remains at relatively low levels compared to our peer countries. On the International Monetary Fund's figures, the average net-debt-to-GDP ratio across advanced economies was 79.1% in 2025, with New Zealand well below that at 25.8%. Maintaining government debt at sensible levels is important over the long run, but cutting expenditure during an economic downturn is not a good way to achieve this. If the government cuts jobs and spending when the economy is weak, this just further exacerbates the problem and actually makes it harder to reduce debt levels in the first place.

A better approach in the current context would be to rebalance New Zealand's tax system so that the wealthy actually pay their fair share. As we know from the work of IRD, the wealthiest New Zealanders pay much less tax as a proportion of their income than ordinary people do. This is partly because we are an international outlier in not having a capital gains tax. Tax reform should be accompanied by investments that support good, productive jobs. The government has talked a big game on these issues in recent years but has not outlined a coherent plan for achieving them.

This lack of vision, combined with the fixation on a narrow conception of "financial discipline", has contributed to the continual postponement of economic recovery over the past few years. In Budget after Budget, this government has made the wrong decisions.

Budget 26, then, continues Aotearoa New Zealand's drift. There is no economic plan from the government to drag us out of the current funk. But there are plenty of reckless cuts to public services, to jobs, and to poor households' budgets. This will not help get Aotearoa to a more secure place, economic or otherwise. It will not "secure our future".

In the remainder of this report we cover the most important elements of the Budget from a worker's perspective. As Budgets are full of technical jargon, we've provided a glossary of key budget terms at the back of the report.

Please get in touch if you'd like to discuss any aspects of Budget 26 or the NZCTU's analysis.

Sandra Grey
President
New Zealand Council of Trade Unions Te Kauae Kaimahi

Economic and fiscal outlook

The Treasury provides detailed economic and fiscal forecasts for every Budget. Forecasts are always subject to uncertainty, and the Treasury's job has been made particularly difficult this year by the conflict in Iran. But what stood out to economic commentators on Budget Day was the relative optimism of the Treasury's forecasts. Compared to the Reserve Bank and the commercial banks, the Treasury's central forecast is shaped by the assumption that "fuel prices largely return to pre-conflict levels by the end of the year".

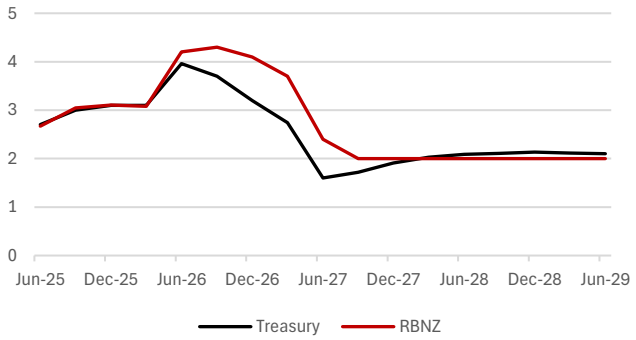
Of course, no one knows how long the conflict in Iran will go on for; and no one knows what the post-conflict oil market will look like either. And so the Treasury's relatively optimistic central forecast needs to be read with this uncertainty in mind. In the event that the conflict drags on for longer, then the economic recovery forecast for 2027 will be delayed and the labour market situation will deteriorate. The Treasury does provide some alternative forecasts that consider a quicker end to the conflict (the "upside scenario" in economist jargon) and a more prolonged conflict (the "downside scenario"), with the latter more likely than the former.

Economic forecasts

The Treasury's central forecast is for annual consumer inflation to rise to 4% in the June 2026 quarter before falling rapidly to reach 1.6% by June 2027. This contrasts with the Reserve Bank's central forecast, which has inflation rising to a peak of 4.3% and staying above 4% until the beginning of 2027. The commercial banks are also forecasting higher and more persistent inflation than the Treasury. On both the Treasury and the Reserve Bank's forecasts, real wages fall through the rest of 2026 and into early 2027 due to the inflationary surge.

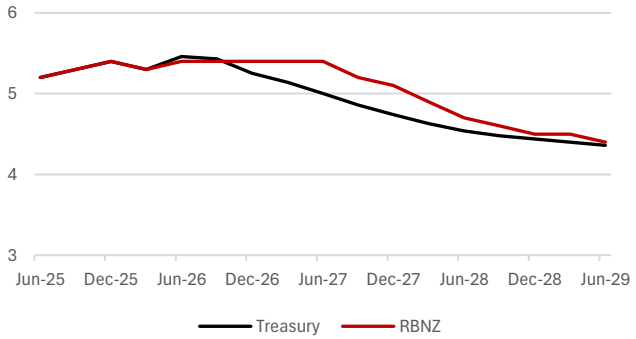
Given the uptick in inflation, the Treasury expects the Reserve Bank will hike the Official Cash Rate, causing interest rates to rise. This is expected to weigh on household spending and business investment, as is the decline in real wages. The labour market is therefore expected to weaken, with unemployment forecast to rise to 5.5% in the June 2026 quarter and to stay above 5% until late-2027. (Again, this contrasts with the more pessimistic labour market outlook from the Reserve Bank and the commercial banks.) Elevated unemployment means high numbers of people on Jobseekers, with this forecast to peak at 227,000 in June 2026 and to stay above 200,000 across the forecast period (the government's target was to reduce Jobseeker numbers to around 140,000 by 2030, so it is missing that target by a large margin).

Figure 1: Consumer inflation forecast (annual % increase)



Source: Treasury, RBNZ

Figure 2: Unemployment rate forecast (%)



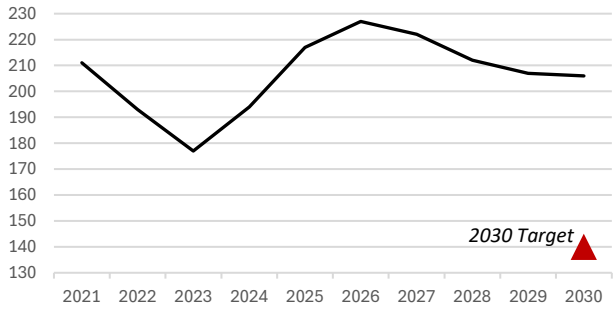
Source: Treasury, RBNZ

Based on the assumption that inflation will be relatively temporary, and therefore that interest rates won't rise too far, the Treasury is forecasting that economic growth will pick up steam from early 2027. Growth is forecast to be a moderate 1.2% in the year to June 2026, followed by 2.3% in June 2027 and a strong 3.2% in June 2028. GDP growth per capita is forecast to be weaker, at 0.6% in the year ending June 2026, then 1.3% in June 2027 and 2% in June 2028.

The recovery forecast by Treasury is driven by a recovery of real wage growth and a strengthening labour market in 2027. This is expected to be further supported by moderate house price growth of 3–4% per annum

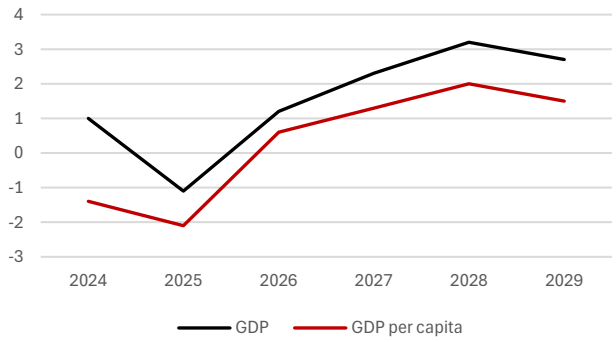
(revised down from an average of 7% per annum in the HYEFU forecasts from December last year). In turn, the house price recovery is contingent on a return to relatively strong net inward migration, which is assumed to lift to around 40,000 per year (it was only 24,200 in the year to March 2026, the latest available data). The economic recovery is also supported in Treasury's model by the expectation that demand for key goods exports will remain relatively strong, and tourism will continue to grow steadily.

Figure 3: People on Jobseeker Support forecast (thousands)



Source: Treasury

Figure 4: Real production GDP forecast (annual % growth)



Source: Treasury

Despite the forecast recovery, the Treasury is projecting that the economy will be running below its potential for most of the forecast period. This reflects the fact that recessions leave lasting damage and it can take a long time to make up the ground lost during a downturn.

Fiscal forecasts

Turning to the fiscal forecasts, an operating surplus on the OBEGALx measure is pencilled in for 2029, but not until 2030 on the OBEGAL measure (recall that the government switched to using the OBEGALx measure, which strips out ACC from the calculations, in 2024; however, the National Party's campaign promises relating to a "return to surplus" were based on the original OBEGAL measure). Net core Crown debt, which is the preferred debt measure of this government, is forecast to peak at 46.1% of GDP in 2027/28 before beginning to fall back. (The better figure for international comparisons is net debt – see Table 1 below.)

As outlined in the BEFU, the forecast surplus and reduced net core Crown debt levels are "supported through constraining the growth in expenditure, which sees core Crown expenses fall from 32.6% of GDP at the start of the forecast period to 30.3% of GDP by the end". This means the fiscal consolidation that is expected over the next four years is "expenditure-led" – achieved by reducing government services and spending. The alternative, if one wanted to fiscally consolidate, would be a "revenue-led" consolidation, achieved by raising tax levels in targeted areas. The sensible starting point for this would be getting a capital gains tax in place. Unlike expenditure-led consolidations, revenue-led consolidations do not reduce key government supports and services and thereby avoid creating poverty and hardship.

The fiscal strategy of this government has been set by the identification of several short and long-term targets, as required under the Public Finance Act. The long-term targets include the objectives of reducing net core Crown debt to below 40% of GDP (the Treasury estimates that a "prudent" level of debt for the New Zealand Government is below 50% of GDP) and reducing core Crown expenses to around 30% of GDP over time.

Although our government debt is very low by international standards, New Zealand is highly exposed to economic shocks (particularly those caused by natural disasters). This means it's sensible for us to keep government debt at somewhat lower levels than many peer countries (though there is disagreement among macroeconomists over what a prudent level of debt for New Zealand is). But the point to keep in mind in the current context is that there is no debt crisis facing New Zealand. While we need to be attentive to the level that government debt is at over the long run, it should

not be the central metric on which a government bases its budgeting decisions. Thus, cutting key public services and reducing support for low-income New Zealanders is not the policy of an economically or fiscally "responsible" government.

Of perhaps greater concern, though, is the government's objective of reducing core Crown expenditure to around 30% of GDP over the long term. There is no economic law that 30% of GDP is an optimal level of government expenditure. A more sensible way to identify an expenditure target would be to determine the need for public services and government investment that actually exists and then proceed accordingly. The 30% target is also particularly problematic in the context of an ageing population, because expenditure on health and superannuation will inevitably continue to rise as a percentage of overall expenditure. This means that, to meet the 30% goal, other parts of government spending will have to be squeezed extra hard.

Table 1 sets out the Treasury's central forecasts for the key metrics used to assess the government's fiscal position.

Table 1: Fiscal indicators as % of GDP

	Actual	Forecast				
	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
Core Crown tax revenue	28.0%	27.6%	28.0%	28.2%	28.6%	28.8%
Core Crown revenue	30.9%	30.4%	30.7%	30.9%	31.2%	31.4%
Core Crown expenses	32.6%	32.6%	32.6%	31.5%	30.7%	30.3%
Net core Crown debt*	41.9%	42.4%	45.6%	46.1%	45.6%	44.4%
Net debt*	20.4%	21.8%	24.3%	24.6%	23.5%	21.7%
OBEGALx	(2.1%)	(2.6%)	(2.4%)	(0.8%)	0.5%	1.1%
OBEGAL	(3.2%)	(3.3%)	(3.0%)	(1.5%)	(0.1%)	0.5%

Source: Treasury

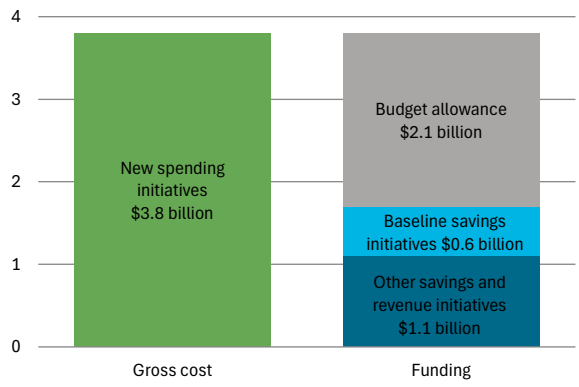
** "Net core Crown debt" is the coalition government's preferred measure. "Net debt" is the better measure to use when comparing New Zealand's public debt position to other countries*

Where has the money come from?

New operating spending initiatives at Budget 26 totalled $3.8 billion on average per annum. This was funded through two main sources. First, the operating allowance (the new operating money put into the system each year), which Minister Willis reduced from the previously announced $2.4 billion to $2.1 billion for 2026/27. Second, various savings and revenue measures, which totalled about $1.7 billion.

On the capital expenditure side (one off spending on infrastructure and equipment), the allowance was increased from $3.5 billion to $5.7 billion. So there was something of an operating/capital swap by the Minister. This helped her achieve the OBEGALx surplus by 2029, which was the centrepiece of her Budget Day announcements. A further $1.3 billion in capital expenditure was reprioritised, taking the total of new capital expenditure initiatives to $7 billion.

Figure 5: How the new spending was funded, $billions, average per annum



Source: Treasury

Of the operational funding announced at Budget, around $600 million came from the cuts to core public service agencies' budgets. The remainder came from reprioritisations across a wide range of government spending, plus some revenue-raising initiatives. Importantly, reprioritised money doesn't necessarily stay in the same Vote. For example, money can be reprioritised from tertiary education to spend elsewhere; for tertiary education, this looks like a cut.

On the revenue side, the Budget included changes to the rules around company loans to shareholders, which is estimated to bring in $146 million over the forecast period. This is a useful measure to close a tax loophole. Changes have also been made to the taxation settings for charities and not-for-profits, which includes capping tax-deductible donations at $100,000 per annum. These changes are expected to bring in $52 million over the forecast period. Another tweak is to the R&D tax incentive, with the cap for claiming on non-administrative software expenditure reduced from $25 million per year to $3 million, expected to net $84.6 million in savings over the forecast period. The government is increasing spending on IRD debt-compliance activities, which is expected to net $120 million in revenue. And it is also introducing a levy on banks and other financial institutions to fund the Reserve Bank's prudential regulation of these entities. This is expected to raise around $70 million per year – $208.5 million over the forecast period – but this money is tagged for the Reserve Bank.

Some of this additional revenue is balanced out by changes to the foreign investment funds tax rules. The government has raised the threshold at which these rules come into effect for people investing overseas, which, along with some other changes, is forecast to cost $72.5 million over the forecast period. There is a question of whether this will encourage further investment in offshore companies and exchange-traded funds, which would take much-needed capital out of the country. This will need to be monitored.

On the cuts side, the largest chunk came from the reckless cuts to core public service baseline funding. This is expected to save around $2.4 billion over the forecast period. The government has set an arbitrary "head count" target of 55,000 FTEs for the core public service by 2029. The current number of FTEs is just under 64,000, so this means around 9,000 fewer jobs by 2029. There is absolutely zero analysis or logic behind this number – it simply assumes that the number of public servants as a proportion of the overall population that we had under the previous National-led governments of Key/English was about right.

To achieve this arbitrary target, the government has outlined three actions, none of which it has taken any

direct responsibility for – instead palming this off onto agencies themselves.

First, cumulative cuts to agency baseline funding over the next three years. 23 agencies are targeted for cuts (plus two that get partial cuts). Baselines are cut 2% in 2026/27, saving $424 million, and then 5% in 2027/28 and a further 5% in 2028/29, saving an additional $1.96 billion. These cuts should be set in the context of previous Budgets from this government. They come off the back of the 6.5–7.5% cuts to public agency baselines in 2024 (a real term cut of around 9.5%), and targeted cuts at some agencies in Budget 25. If we tally these together, and assume this government stays in power, by 2029 some agencies will have had their baseline funding cut by over 27% in real terms since 2024.

Table 2: Public sector baseline funding cuts

Budget	24*	25	26	27	28	Cumulative total
Nominal	7%	-	2.0%	5.0%	5.0%	16.7%
Real	9.5%	2.6%	5.7%	6.3%	6.7%	27.4%

Source: NZ Government; Treasury; NZCTU calculations
* The basline cuts in Budget 24 varied between 6.5–7.5% so we have calculated them here as 7%

The agencies that are included in the baseline reductions, and those that are excluded, can be found on pages 66–67 of the Summary of Initiatives. In brief, the "protected" agencies are those that serve functions of law and order, defence and intelligence, education (excluding tertiary education), health, and Oranga Tamariki. Everything else is targeted for cuts. The government notes that the agencies protected from the baseline cuts will still "be part of the reduction in full-time equivalents". What this will look like is unclear but is presumably related to the other two mechanisms for "finding savings".

The second mechanism the government has announced is that there will be future mergers of public agencies. Agencies have been asked to come up with merger proposals which will be evaluated by Ministers – so we don't yet know what agencies might be targeted for mergers. Mergers can make sense in some contexts, but they can also be very wasteful enterprises that cost lots in consultant spending and leave you with an agency that has responsibility for vastly different areas.

The third mechanism is the most speculative: increased use of AI technology. The government has not provided any analysis or detail on what increased AI usage in the public sector will look like, or whether it is a feasible – or indeed desirable – way of saving money. In our view, the government is just regurgitating Silicon Valley hype here, hoping that AI will provide a massive productivity boost in the future. This is fantasy. We are yet to see compelling evidence of productivity gains from AI usage internationally or in New Zealand. More broadly, AI technologies, where they are useful, should be used to augment, rather than replace, human workers. And workforces who are at risk of displacement in the future should be supported to transition into good work elsewhere. Unfortunately, a just transition for affected workers is not a priority for this government.

These huge cuts will be deeply harmful to the essential public services that New Zealanders rely on, spanning from welfare, food safety, border control, tax, environmental management, statistics, population services, and culture and heritage. These services are already under unsustainable pressure from the government's previous rounds of cuts. These are basic services of a modern society and Aotearoa will be poorer over the long-term as a result of this government's decisions. These are not the actions of a responsible government.

In addition, by cutting these services in the 2026/27 year and booking savings based on proposed future cuts of 5% in 2027/28 and 2028/29, the Minister of Finance has set a trap for an incoming Labour-led government, should that be the outcome of the election in November. The new government would be faced with the task of coming up with an additional $600 million per year to restore the public services that are set for cuts to their 2025/26 level (to say nothing of restoring them to their pre-National-government level).

The remainder of the savings in Budget 26 come from other reprioritisation initiatives across different Votes. Some of this is reprioritisation within the same Vote;

however, many votes see net funding cuts. The most significant cuts in nominal dollar terms are as follows:

- $390.7 million is saved by increasing the minimum Income-Related Rent contribution for social housing tenants from 25% to 30%. This means that some of the poorest households in the country will have to pay more of their incomes towards rent, squeezing the rest of their budget.
- In another retrograde move, the government has saved $195.6 million by reducing the maximum rate that recipients of the Temporary Additional Support (TAS) payment can receive from 30% to 25% of the relevant main benefit. This move will directly increase poverty and hardship.
- $368 million in savings is found from lower Kāinga Ora spending. This is noted in the Summary of Initiatives as due to "reduced maintenance and depreciation, following a decrease in construction costs associated with housing renewals".
- $1.04 billion is saved through the cancelation of the Final-Year Fees Free policy. Importantly, only $156 million of this money is reprioritised to other parts of the tertiary system, meaning that students are net worse off from this decision.

The government's values are well-illustrated by these cuts. They punch down on some of the poorest households in Aotearoa and will intensify economic *in*security for whānau across the country. The idea that these cuts must be made to restore "financial discipline" is spurious. New Zealand's fiscal position can be improved by targeted measures to rebalance the tax system. And the growing need for public services across the country indicates that government expenditure needs to increase as a percentage of GDP over the long run, not decrease.

Budget analysis by broad area

Social development

Over its term so far, this government has focused on reducing welfare spending by taking a more punitive approach to the provision and monitoring of main benefits. Much of this is done outside of the Budget process (for example, the development of the "traffic-light" system for monitoring benefit recipients). However, there were some particular notable decisions taken in Budget 24 and 25. In Budget 24 these included the huge reduction in support for emergency housing and the discontinuation of the wage supplement for disabled workers. In Budget 25 they included the removal of Jobseeker Support for many 18- and 19-year olds, a tightening of eligibility for the Best Start Payment, and moving mandatory reapplication for Jobseekers from 52 weeks to 26 weeks. Added together, these and other changes have created a much harsher environment for benefit recipients. The government's approach has been particularly draconian given the very weak economy and labour market, which means there simply aren't enough jobs available.

Budget 26 continues this approach. The biggest changes were preannounced and related to a switch in accommodation support from social housing tenants to those receiving the Accommodation Supplement. Budget 26 increased the minimum Income-Related Rent contribution for social housing tenants from 25% to 30%. This means that some of the poorest households in the country will have to pay more of their incomes towards rent, squeezing the rest of their budget. The average weekly increased cost is expected to be around $31 per household. Because all or almost all of these households' incomes tend to go on essentials, this loss of $31 a week is huge. It will eat into the money they have available for things like food, clothing, and utilities. All up, this change is expected to save the government $390.7 million over the forecast period. It will be phased in from 1 April 2027.

Most of this money is funnelled back into rent supports for households receiving the Accommodation Supplement. The maximum rates for the Accommodation Supplement will increase between $10–30 per week, beginning 1 April 2027. This is expected to cost $374.4 million over the forecast period. These are households who are renting in the private market and are also very hard up. These households certainly deserve more support, but this doesn't need to come at the expense of other households who are also in a precarious financial position. A further, and major, problem here is that private landlords are well-positioned to simply raise rents to scoop this increased support payment out of renters' pockets. This means that the switch is actually supporting an upwards redistribution of wealth, from those in social housing to private landlords.

The other really retrograde welfare decision the government made in Budget 26 was to reduce Temporary Additional Support (TAS) payments. TAS payments are made to people in desperate situations who don't have the money to meet essential payments like food, rent, or childcare. Budget 26 reduces the maximum rates that will be paid from 30% of the relevant main benefit to 25%. This is expected to save $195.6 million over the forecast period. It will directly increase poverty, food insecurity, and potentially homelessness.

A further $54.6 million in savings is booked from higher-than expected savings related to using automated decision-making at MSD. We are uneasy about the scaling up of automated decision-making at MSD, which is used to process hardship assistance payments, as we have seen this go massively awry, such as in the robodebt scandal in Australia. Other savings come from continuing the roll-back of emergency housing support (saving $14.3 million) and increasing the frequency at which MSD checks salary and wage information for income-tested benefits (saving $52.5 million).

On the support side of the equation, the government is expanding the case management support available to people receiving the Sole Parent Support benefit, with the intention of increasing exits into work. This saves a net $97.2 million over the forecast period on the assumption the programme is successful in reducing benefit-recipient numbers. This could produce good

outcomes for some sole parents, but it will depend on whether they are able to find decently paid jobs that actually work for their situation and enable them to also be parents. If they are simply pushed off of benefits and into bad jobs with low pay, this will likely make their lives, and their children's lives, harder.

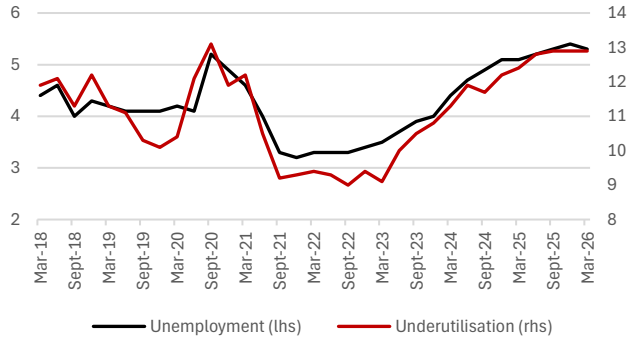
Oranga Tamariki received extra funding to increase its ability to respond to Reports of Concern, which are notifications to the agency that a child is at risk of harm or needs care. A total of $90.5 million is provided over the forecast period to support this. A further $83.6 million in spending across education, health, and Oranga Tamariki was announced to increase the wider child protection system. There was also new spending to support additional staffed care placements for children with high/complex needs, with $93.5 million allocated to this over the forecast period. And $38 million is put into continuing to fund the Food Secure Communities and KickStart Breakfast programmes.

Such investments are welcome, but they do not address systemic pressures that are likely driving increased child vulnerability. Many of this government's decisions have had the effect of increasing child poverty and precarity – with material hardship rising for children over the past year. This will be putting more children at risk and in need of care. A responsible government would look to address the root causes of child vulnerability, in addition to improving acute support services.

Overall, then, Budget 26 was a continuation of the trend under this government: life is generally made harder for those receiving benefits, and this is justified by the government through moralistic appeals to the work ethic and the supposed division between the "deserving poor" (those in work) and the "undeserving poor" (those out of, or unable to, work).

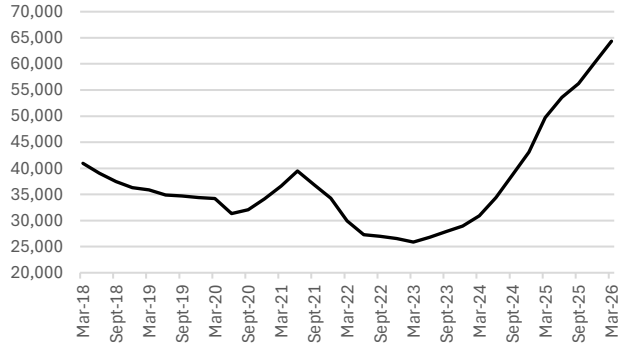
This approach is all-the-crueller given the economic context in which it is occurring. The economy and job market are very weak and will likely stay so for at least the rest of this year. In this context, more people are unemployed, and are staying unemployed for longer, than anytime since the early 1990s. This is a case of growing *in*security for many people, who are provided no reason for optimism in Budget 26 that the future will be any more secure for them.

Figure 6: Unemployment and underutilisation rates (%)



Source: Stats NZ

Figure 7: Persons unemployed for 6+ months



Source: Stats NZ

It is not by accident that this punitive approach to welfare has gone hand-in-hand with large investments in prisons by this government (see the law and order and defence section). Particularly grotesque in this context has been the development of the "move on" law, which empowers police to shift homeless people off city streets with the threat of imprisonment – a case of literally criminalising poverty.

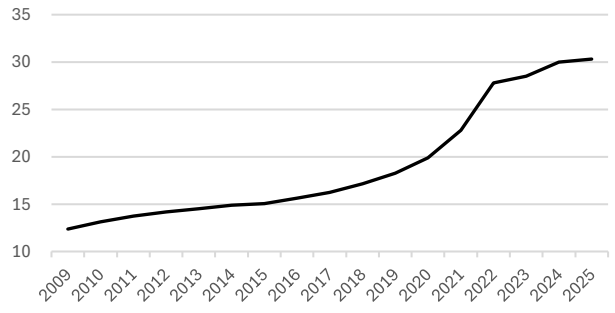
It's also worth recalling that some of the leaders of this government have not been shy of availing themselves of state support. In 2024, Prime Minister Luxon was claiming a $52,000 per annum accommodation supplement – a top up on his already healthy salary of $471,000 – to pay for an apartment he owns mortgage-free in Wellington. More recently, the Minister of Social Development herself, Louise Upston, was revealed to be claiming the same supplement – a top up of her Ministerial salary of $320,600 – to support her

accommodation in Wellington, despite also owning an apartment, apparently mortgage-free, in the city.

Health

Health is the second-largest area of government expenditure at every Budget (behind welfare and social security), with most of the funding going towards hospital and specialist services and primary, community, and public health services. At every Budget, the government – no matter what political flavour – announces a record level of spending on health. In many cases, this simply reflects an adjustment to deal with the cost-pressures of inflation, population growth, and growing health needs (such as those associated with an ageing population). This automatically requires health spending to increase to prevent health services declining in real terms.

Figure 8: Nominal health expenditure, 2000–25 ($billions)



Source: Stats NZ. The big increase in 2020-22 is largely due to the Covid response.

As a report released from Kaitiaki Hauora just before the Budget shows, approximately $1.4 billion of additional operating money was needed in Budget 26 just to maintain current service provision in the health system – which still leaves many New Zealanders missing out on care. At first glance, Budget 26 appears to provide just enough to do this, with $1.37 billion of new spending announced to meet cost pressures each year, and a total of $1.45 billion in new operational spending on average each year. Of this, about $800 million is for hospital and specialist services; $500 million is for primary, community, public, and population health services; $56 million is for Pharmac; and $37 million is for Hauora Māori.

However, as analysis forthcoming from ASMS, NZNO, and PSA finds, this actual new money is lower when we account for the removal of some old initiatives and time-limited funding in Vote Health. These savings total around $436 million, bringing the real total of new money in Vote Health down to about $1.1 billion, well below the $1.4 billion that Kaitiaki Hauora estimate is needed just to stand still. Further analysis of this issue will be provided in a forthcoming report from ASMS, NZNO, and PSA.

In terms of targeted initiatives, some increased spending was announced to support longer post-natal stays in hospital (of up to 3 days), which costs $34.4 million over the forecast period. However, post-Budget it was clarified that this will only be phased in as capacity allows. Ambulance services also got a funding increase of $35 million over the forecast period, with this going towards new ambulance hubs in Auckland as well as staff training and some other initiatives. And a further $33.1 million was put into expanding bowel screening eligibility, with the age for free screening set to drop from 58 to 56 years beginning in September 2026.

On the capital expenditure side, $681.8 million has been appropriated in Budget 26 for health initiatives. The notable investments here are:

- $174.3 million for the construction of a new inpatient building at Dunedin Hospital.
- $80.9 million for the establishment costs of the new Waikato Medical School.
- An undisclosed tagged contingency to purchase land in South Auckland for a new hospital.
- An undisclosed tagged contingency for the cost of some improvements to the Mason Clinic in Auckland.
- An undisclosed tagged contingency for hospital redevelopments in Tauranga, Palmerston North, and Hawke's Bay.
- An undisclosed tagged contingency for a new 158-bed ward at Whangārei Hospital.

This capital investment is necessary but is once again underweight, and there is no commitment to increase

the health workforce to safely staff new health infrastructure. Governments, no matter what political flavour, will need to step up this investment and maintain it year after year if we are to bring our hospital system back up to scratch.

All in all, then, this Budget continues to eat away at the capacity of our healthcare system. Some of the targeted programmes are welcome, as is the capital investment. But it isn't enough. The historic funding deficit remains unaddressed, and the new money announced in Budget 26 doesn't look to be enough to meet cost pressures. This means that the health system will continue to become more stressed, which will incentivise more of our skilled healthcare staff to look elsewhere for better pay and conditions in Australia. Does this "secure our future"? It would appear not.

Education

Overall, $1.5 billion of new operating funding has been allocated to the compulsory education and early childhood education (ECE) sectors. This means an average of $372.8 million in new operational funding each year over the forecast period.

As with health, a significant chunk of this is cost-pressure funding. This includes the following:

- A 1.5% cost adjustment for ECE subsidy rates – costing $164.8 million over the forecast period.
- Schools' operational grants were increased by 2% – costing $160.4 million over the forecast period.
- $157.2 million was appropriated to meet Kiwisaver cost increases for teachers – due to the government's decision to increase the default rate to 3.5% last year.
- $25 million for school property maintenance cost pressures.
- $14 million for ongoing Holidays Act remediation work to calculate and pay the outstanding amounts for the period 2012–25.
- $10 million to cover cost pressures in learning support for English for Speakers of Other Languages programmes.
- An undisclosed amount is held as a tagged contingency to deal with cost pressures arising from the fuel-price squeeze.

As with health, this is an increase in funding in nominal terms. But the real question is whether the cost-pressure funding is actually sufficient to keep up with rising costs. On this measure, the education Budget fails in two key areas: ECE subsidies and schools' operational grants.

According to analysis from NZEI, ECE subsidies have gone backwards in real terms since 2020. Budget 26 is no exception, with the 1.5% increase for subsidies well below the forecast annual inflation rate of 4% for the year ending June 2026. That means a real terms cut of 2.5%. This is partially offset by the decision to move the starting date for the updated subsidies from January 2027 (when it would normally kick in) to July this year. However, a better approach would have been to ensure that the subsidy at least matches inflation. And catch-up funding needs to be prioritised to make up for the continual real term cuts since 2020.

According to analysis from the PPTA, funding for schools' operational grants has gone backwards in real terms since 2021, with Budget 26 continuing this pattern. PPTA claims that the cumulative real terms decrease is 13% since 2021. Schools' operational grants cover the day-to-day funding of schools for most things beyond teacher salaries – around 55% of the grant goes on learning resources; 15% on administration, which includes the salaries of support and operational staff; and 30% on school property-related expenses. Ongoing real term cuts will be putting immense pressure on schools, and this will have negative impacts for both students and teachers in terms of learning outcomes and quality of employment. The future is not looking very secure from the perspective of our primary and secondary schools.

Other notable initiatives in the compulsory education sector are the continuation of the school lunches programme, which receives another $212.4 million over the forecast period, to continue funding the programme until the end of the 2027 calendar year. The government notes that "funding is time-limited while delivery

improvements are explored". Over their three Budgets, this government has continued to fund this programme, but at reduced rates. Consensus is needed on a way forward here, and it should be to make the programme permanent, with sufficient funding to provide good, healthy lunches to all students who need them – children need food security if they are going to learn successfully.

$131.3 million has been allocated to provide support for maths, pāngarau, writing, and literacy, and professional development for teachers. And $53.6 million in opex and $7.5 million in capex has been allocated to support resources for secondary curriculum changes, along with $20 million for professional development for secondary teachers on the new curriculum and national qualifications system.

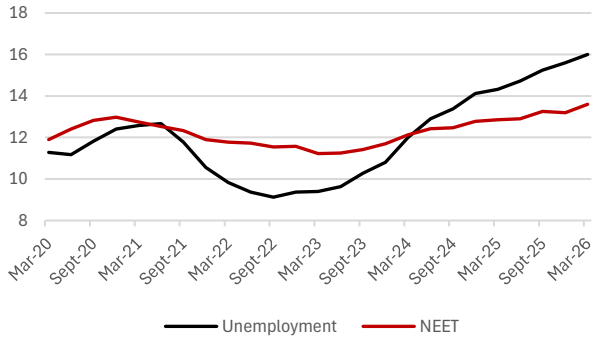
Finally, capital investment totalling $501 million was announced, with this focused on the school property portfolio. $310 million is for new builds and land acquisition and $160 million is for upgrades to existing stock.

Tertiary education

In tertiary education, the big story is the scrapping of the Final-Year Fees Free programme. The Ardern Labour government had started this programme, with the first year, rather than the final year, made fees free in 2018. The original plan was to progressively extend this to provide three years of free fees. However, this was derailed by New Zealand First, which was in coalition with Labour at the time. The National-led government then switched the programme from first year fees free to final year in 2025. It has now ended the initiative completely. This results in savings of over $1 billion during the forecast period. Only a small fraction of these savings has been reprioritised within the tertiary education sector. $87 million is channelled into extending the Youth Guarantee programme, which provides fees-free study at foundational level education (which helps students who do not meet undergraduate requirements to bridge the gap). And $69 million is held in a tagged contingency, with the intention of increasing the number of places in Trade Academies by 10,000 in 2030.

Beyond this, the notable announcements were an additional $284 million over the forecast period for the Tertiary Education Commission to cope with rising student numbers. Student enrolments tend to go up when unemployment is high, as young people find it difficult to find jobs. Whether this increase is sufficient will require further scrutiny.

Figure 9: Youth unemployment and NEET rates 2020–26 (%)



Source: Stats NZ

The government has also allowed tuition and training fees to rise by up to 6% in 2027 (the third year in a row). For students, this adds about $500 per year to the cost of an average bachelor's degree, further adding to the debt burden that students' have to carry around after their studies. This costs the Crown $36 million over the forecast period (due to higher student loan payments). These students will not be feeling that their own future is particularly secure.

Labour market

The Budget provides some funding to increase the compliance and investigations capacity of Immigration NZ and the Labour Inspectorate. Aotearoa has well-documented labour rights problems in areas such as the RSE and AEWV temporary migration schemes, so this added resource is valuable. $18 million in opex has been allocated over the forecast period to fund three new teams, a total of 22 FTEs, ranging across immigration investigations, compliance, and the Labour Inspectorate. This is useful but will need to be followed up with further expansion next year and the year after.

Māori Development

Vote Māori Development has $48 million allocated over the forecast period to continue previously time-limited funding for the Māori media sector. On the other side of the ledger, Te Puni Kōkiri is within scope of the public agency baseline cuts and is set to lose $23.6 million in funding over the forecast period. So the Vote overall only receives $24.4 million in net new funding. Te Tari Whakatau also gets its funding cut by $3.2 million over the forecast period (covered in Vote Justice).

These cuts should be set in the context of the large net cuts to Vote Māori Development in Budgets 24 and 25. In 2024, Vote Māori Development saw nothing but cuts, with a total of $96.7 million taken out of it, the lion's share coming from cuts to Te Puni Kōkiri. In 2025, some additional funding was allocated to support Māori Wardens and the Māori Women's Welfare League Ngā Wātene Māori me Te Rōpū Wāhine Māori Toko I Te Ora, but this was outweighed by large cuts to the Māori Development Fund and Māori Housing. The overall net cut for 2025 was $87.9 million.

In addition, many of the punitive changes to the social welfare system brought in by this government, at this Budget and others, will have a disproportionately negative impact on Māori. Economic security for Māori is clearly not a priority for this government.

Pacific Peoples

The same goes for Vote Pacific Peoples. For the third year running, this Vote is cut overall. $2.8 million is cut from the Ministry for Pacific Peoples baseline funding, and no new funding is allocated. In 2024 $25.6 million was cut from the Ministry, and no new funding was announced. And in 2025 $36.8 million was cut from the Vote by closing or reducing several economic development and employment programmes and reducing funding to the Dawn Raids reconciliation programme.

Housing

The main housing announcement was the allocation of $400 million ($100 million per year) to incentivise local councils to support housing growth through more liberal consenting. Councils will receive increasingly high payments under this scheme as they consent more houses. It will be interesting to track the efficacy of this initiative, which could be useful in supporting more rapid housing supply.

By contrast, investment in public housing was lacklustre in Budget 26. $69 million was allocated for the development of between 1,800–2,250 social housing units, which will be delivered through social housing providers. However, this is not set to begin until the 2028/29 fiscal year, with most of the money allocated for the 2029/30 year. This money also needs to be set against the large cuts to social housing tenants' incomes that the government has made in Budget 26 (discussed above). And it needs to be set against large reductions to Kāinga Ora expenditure, with $368 million reprioritised due to "reduced maintenance and depreciation, following a decrease in construction costs associated with housing renewals".

Thousands of families remain on the social housing waitlist, and much of the existing stock is in poor condition. To provide these people with real housing security, the government needs to step up its public housing programme significantly.

Transport

As expected, Budget 26 allocated significant new capital expenditure towards roading projects. The single biggest chunk of capex announced was $1.77 billion for further development of the Cambridge to Piarere Road of National Significance (the Waikato expressway). This represents 25% of the total capital expenditure in the Budget. Another $400 million in capex has been set aside for future investments in highway resilience. This has been promoted by government as necessary to improve New Zealand's resilience to extreme weather (aka climate change). Together, this new road spending

totals $2.17 billion, which is 80% of the total new capex allocated to transport in the Budget.

There were significant investments made in rail as well, though far less than went into roading. $598 million in capex and $477 million in opex was allocated to the Rail Network Investment Programme 2027–30 (a three-yearly, statutorily required investment programme), which will go towards the freight network. A further $106.9 million in capex was allocated to the Wellington and Auckland metropolitan rail networks. Most of this investment will go towards maintenance, renewals, and ongoing operational costs. At the same time, $170 million in capex from the previous allocation to the Rail Network Investment Programme (2024–27) was returned as an underspend. So on a net basis the total new capital spending for rail was only $535.1 million.

Roads are of course necessary, but for years New Zealand has excessively prioritised roadbuilding over other forms of transport. To build a more sustainable, resilient, and affordable transport system, future governments need to pivot towards prioritising rail, coastal shipping, bus, and bicycle transport infrastructure, rather than roads that are built largely for private vehicles and trucking. Beyond the modest and necessary upkeep investments made in rail, Budget 26 did not deliver this much-needed investment.

Energy

As expected, there were a number of initiatives focused on energy supply and usage in Budget 26. These can be broken down into short-term emergency measures and long-term initiatives.

On the short-term side of the equation, the government has appropriated $150 million over the forecast period to put into additional fuel supply. Some of this will be going to towards the additional diesel storage at Marsden Point and some will be going toward future initiatives. A total of $373 million has been allocated to provide cost-pressure support to selected households that receive the In-Work Tax Credit. Households that receive the credit have been eligible for an extra $50 per week from 1 April 2026 (meaning some of this $373 million has already been spent). This top-up will end on whichever is earliest of 31 March 2027 or once the price of 91 petrol has fallen below $3 per litre for four weeks in a row. Although an extra $50 per week is great for families that receive the In-Work Tax Credit, many other households in serious need of financial support are missing out. Main benefit and superannuitants in particular are left out in the cold. By tagging their support to the IWTC, the government has again shown its preference for supporting only those who are in work – this fits their rhetorical strategy of trying to drive a wedge between the "deserving poor" and the supposedly "undeserving poor".

As also announced prior to the Budget, some relief has been provided for home and community support workers through increased mileage rates, costing $24.2 million over the forecast period. This is a 30% increase to their mileage rates until 1 April 2027 or until 91 petrol drops below $3 per litre for four weeks in a row. Some undisclosed tagged contingencies have also been set aside to provide further fuel-cost support to health, education, and public transport if needed in the future (it is unclear what the criteria for this is). And some temporary funding uplifts have been provided to Police ($4 million), Corrections ($2.6 million), and FENZ ($3.5 million) to help cope with higher fuel prices over the next fiscal year. Finally, a further $450 million has been set aside in a tagged contingency to provide funding for future support needed to manage supply or price pressures.

On the more long-term side of the equation, the big initiative announced was the establishment of a Gas Transition Loan Guarantee scheme. This will see the government guarantee 80% of a supported loan in return for banks providing lower interest rates to the firms who take out the loans. According to the government, this scheme is expected to make $1.2 billion available in financing. To access this scheme, businesses must reduce gas usage by at least 15% while maintaining or increasing production levels. The government has allocated $48 million to this to cover losses associated with the scheme. It has also allocated $5.9 million for

the Energy Efficiency and Conservation Authority to support the administering of the scheme.

Another proactive initiative is $20 million in opex to support schools to install solar panels and batteries on school property. This is a good idea and should be significantly beefed up.

The government has also made some big cuts in the energy security space, taking funding from the Government Investment in Decarbonising Industry Fund (now closed) and the Warmer Kiwi Homes programme (which supported things like heat pump and insulation installation). These savings net the government $77.4 million over the forecast period.

On the capital side, $198.5 million is allocated for the Crown's part in Genesis Energy's capital raise (the Crown owns 51% of Genesis). We are puzzled by the need for this capital raise, given that Genesis is extremely profitable and has a healthy cash flow.

All in all, the energy package is lacking in scale and ambition. The support for families receiving the IWTC, for care and support worker mileage rates, and for targeted agencies dealing with fuel-cost pressures is obviously welcome. But large numbers of households in real need of financial relief are left out in the cold. This will act as a further drag on the economy, as these households are forced to spend what little disposable income they have on extra fuel costs, rather than on other goods and services.

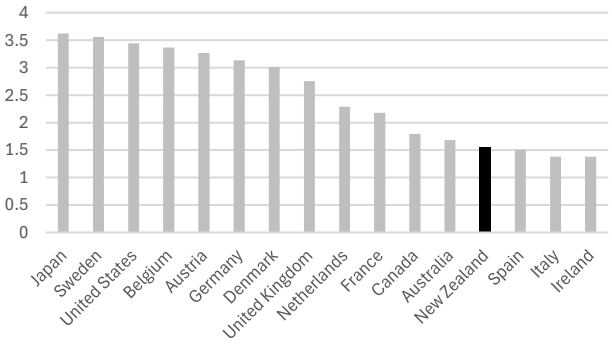
Equally concerning is the lack of a real long-term plan to improve our energy security. The Iran war has been a reminder of how exposed New Zealand is to international supply disruptions and price volatility, particularly around fuel. Improving our energy security isn't easy, and will take years of sustained action, but the time to start is surely a budget that is advertised as "securing our future". From the NZCTU's perspective, it would make sense to significantly lift our investment in renewables, so as to build up our generation capacity; to expand and modernise our public transport fleet – electrifying where possible; to accelerate the installation of solar panels in residential and commercial buildings; and to accelerate the uptake of electric vehicles in the private fleet.

Economic development

This Budget provided little to support economic development. The main centrepiece, from the government's perspective at least, was probably the resource management reforms. A total of $294 million in opex was allocated to various ministries (mostly the new Ministry of Cities, Environment, Regions and Transport) to implement the new planning systems that are being established by the Planning Bill and the Natural Environment Bill, which are replacing the Resource Management Act. The government argues that the new resource management system will support economic development by making consenting and planning easier. This may be the case, but it's worth recalling that the previous Labour government had already passed a system to replace the RMA, which was repealed when the National-led government took office. There is a cost to this chopping and changing.

In other areas, an additional $185.3 million was committed to the domestic component of the Screen Production Rebate. This provides rebates of 40% on certain goods and services purchased within New Zealand for domestic productions. This continues the status quo in that area.

Figure 10: Gross expenditure on R&D as % of GDP



Source: OECD. 2024 or latest available

Changes were made to the R&D tax incentive to reduce the amount that companies can claim for internal non-administrative software expenditure. This saves the government $87.3 million over the forecast period (this

is offset marginally by some increased expenditure associated with some other changes to the tax incentive). Investment in R&D is widely understood to be fundamental to unlocking productivity gains, and therefore economic growth. New Zealand spends far less on R&D than peer countries and so we need to be structurally lifting our investment in this area. Unfortunately, Budget 26 takes us backwards on this.

This do-little approach to economic development is hard to square with the government's stated theme for this Budget of "securing our future", particularly at a time when we are drifting economically and are increasingly vulnerable to global shocks.

Climate change and the environment

Once again, the government has made no investment in addressing climate change or supporting environmental sustainability. Budgets 24 and 25 saw large cuts in these areas. Budget 26 continues this pattern. Both the Department of Conservation and the Ministry for the Environment (which is to be folded into MCERT) have been targeted in the baseline cuts, as has the Climate Change Commission. All up, Vote Conservation sees net cuts of $27.9 million, and Vote Environment $13.2 million.

This lack of resource is all the more astonishing given that climate-change-related extreme weather is now a yearly reality for New Zealand, with multiple flooding events across the country already this year. In this context, the only money allocated to climate adaptation was the $400 million that has been tagged for State Highway resilience, and $9.7 million that has been allocated to make improvements in our emergency management systems.

A budget to secure our future would recognise that the impacts of climate change are now with us and will only get worse in the coming years. Future security for New Zealand, economic and physical, will require proactive investments in both greening our infrastructure – across transport, water, energy, and housing – and making sure it can withstand extreme weather events. It will also mean, in some areas, the government supporting managed retreat, an endeavour this government has, unfortunately, retreated from. And it will mean pulling our weight internationally to contribute to the global effort to meet the Paris Agreement targets – another endeavour that this government has retreated from.

Law and order and defence

Budget 26 went big on law and order and defence spending. On the law and order side, $477 million is allocated to hire additional Corrections staff and pay for other operational costs associated with a growing prison population. A further $22.8 million is allocated to address remuneration increases for Corrections staff, following collective bargaining, which is welcome. $30.3 million is allocated to support Legal Aid to meet cost pressures. And $100 million in capex was announced for the construction of a new courthouse in Rotorua.

Vote Police gets a total of $306 million in new opex and $85.6 million in new capex. This covers an undisclosed amount for investment in biometric identification capabilities; $8.3 million for community safety initiatives; $49.5 million for operational funding of the force; and an undisclosed amount for property upgrades.

The defence side is where the really big spending is. A total of $982 million in new opex and $2.35 billion in capex was poured into Vote Defence Force. Much of the capex is commercially sensitive so is not disclosed, but $1.65 billion of it is going towards the purchase of new helicopters, Boeing 757s, and upgrades to the data and analytics capabilities of the Defence Force. A further $142.6 million in capex is for maintenance and repair to navy ships. On the intelligence side, a total of $155.6 million in opex is allocated to the GCSB and NZSIS.

Spending big on the military at a time of growing poverty and economic precarity in New Zealand demonstrates this government has its priorities wrong. Real security for this country will be delivered by ensuring people have secure incomes and housing, access to the public services they need, and socially cohesive communities. Unfortunately, many of the government's decisions in Budget 26 put these further out of reach.

Glossary of terms

Allowances: The amount of new funding available at each Budget. The two main allowances are the operating allowance (which was $2.1 billion for Budget 2026) and the capital allowance (which was $5.7 billion for Budget 2026).

Budget Economic and Fiscal Update (BEFU): A Treasury document that is released on Budget Day. It contains the Treasury's analysis of the economy and the government's fiscal position, and its economic and fiscal forecasts for the next four years.

Capital expenditure (capex): Expenditure to acquire or develop assets such as buildings and roads, but also intangible assets such as software upgrades.

Cost pressures: Each year, government provides additional funding to certain public services to account for inflation, rising population, wage adjustments, and other factors that may increase costs. Although this is technically "new" expenditure, it is not improving the level or quantity of services available. It is the extra investment needed each year just to "stand still".

Core Crown: This is a reporting segment of government that consists of the Crown, departments, Offices of Parliament, the NZ Superannuation Fund, and the Reserve Bank. When analysing government expenditure and revenue, the Treasury and the commentariat tend to focus on "core Crown expenditure" and "core Crown revenue".

Forecast period: The four-year period covered by each Budget. Budget 2026 covers the following fiscal years: 2026/27, 2027/28, 2028/29, 2029/30. Unless stated otherwise, all dollar figures discussed in this report refer to the amount the government has allocated or cut over this four-year period.

Half-year Economic and Fiscal Update (HYEFU): A Treasury document that is released in December. It contains the Treasury's analysis of the economy and the government's fiscal position, and its economic and fiscal forecasts for the next four years.

Net core Crown debt: This is the measure used by government when calculating targets for New Zealand's public debt. It is gross sovereign-issued debt less core Crown financial assets, but excluding the advances and assets held by the NZ Superannuation Fund.

OBEGAL: The operating balance before gains and losses. This is total Crown revenue less total Crown expenses, stripping out short-term market fluctuations. If OBEGAL is in surplus, this indicates that Crown revenue exceeds operating expenses. If OBEGAL is in deficit, this indicates that Crown operating expenses exceed revenue. When government talks about "getting back to surplus", it is referring to the OBEGAL or OBEGALx.

OBEGALx: This is the same as OBEGAL, but it excludes the revenue and expenses of ACC. The coalition government has switched to using OBEGALx as its key measure of the operating balance for its fiscal strategy. Its campaign promises, however, were based on the original OBEGAL measure.

Operating allowance: The amount of new funding available to government each year. Except for welfare, most areas of government expenditure do not automatically adjust to account for inflation and cost pressures. All new spending must therefore be covered by the operating allowances, extra borrowing, or cuts to other lines of expenditure.

Operating expenditure (opex): The day-to-day government spending that doesn't include capital expenditure. Operating expenditure covers things like the cost of salaries and utilities. Most government expenditure is opex.

Pre-election Economic and Fiscal Update (PREFU): A Treasury document that is released prior to an election. It contains the Treasury's analysis of the economy and the government's fiscal position, and its economic and fiscal forecasts for the next four years.

Votes: Parliament considers Budget appropriations by "Votes", which group together similar areas of expenditure and revenue – for example, "Vote Environment" and "Vote Health".