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Statement to Parliament

Rt Hon Christopher Luxon
Prime Minister

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Introduction

We start the parliamentary year in grief and express our deepest condolences to all of those who have lost loved ones in the landslides at Mount Maunganui and Welcome Bay, and in the flooded Mahurangi River.

New Zealand stands alongside them, united in grief.

The severe weather events over the past week have devastated parts of New Zealand, from Northland, Thames-Coromandel, Bay of Plenty to Tairawhiti. Our thoughts are also with those who have lost their homes, their farms, their livelihoods and all their possessions in floods and landslides.

The Government acknowledges and thanks everyone who is involved in the recovery operation, including our incredible FENZ, Police DVI, and contractor teams who have been working tirelessly on what is a very confronting and challenging scene.

To those on the front line, our first responders and the brave local heroes who put themselves in harm's way to try to help others – our emergency services, Iwi, Marae, medical staff, community leaders, and volunteers – thank you for your professionalism, your care, and your strength.

There is much work to be done over the coming days and weeks, with the immediate focus being on supporting those families and individuals who have been displaced. The Government is committed to working with councils and communities on the recovery and rebuild.

Over two years ago, the Government was elected with an ambitious agenda to get New Zealand back on track. We committed to making the tough decisions to repair and rebuild the economy, to tackle stubborn high crime rates and give our children a better start by fundamentally improving our education system. Now, there are positive signs of economic recovery, demonstrably good progress in fighting crime, and educational achievement is improving. There is much more to be done to fix the basics and build the future, but this year New Zealanders can look forward with positivity, as our economic recovery starts to take shape.

There is no doubt that the past five years has been tough for our economy, which has tested New Zealanders' resilience. Since our election, the Government has brought prudent discipline to government spending and has pursued commonsense policies to reduce regulation, remove obstacles for business and get New Zealand growing again.

Fiscal discipline has helped lower inflation, and lower interest rates have given households with a mortgage a choice between greater debt reduction, or more cash to ease the cost of living. The benefits of lower interest rates are now being seen across the economy. The latest GDP data shows growth in Q3 last year was 1.1 per cent, and consumer and business confidence have rallied.

Uncertainty over international trade policies, and anxiety caused by the ongoing war in Europe continue to create a sombre backdrop to world affairs. The Government has responded to New Zealand's long-term challenges with initiatives to boost growth, exports, tourism, investment and domestic savings. The Government continues to invest in the essential services and infrastructure that New Zealanders depend on now, and on which the country can build a more prosperous future.

We have kicked off key projects including the Waikato Medical School and roads, such as the Hawkes Bay Expressway, Otaki to North of Levin, Brougham Street in Christchurch and, around the country, there are many projects under way, including classrooms and hospitals. Our new planning system to replace the onerous Resource Management Act has been introduced to Parliament and widely welcomed. The RMA's replacement is projected to save $13.3 billion over the next 30 years from reduced administrative and compliance costs, and new fast-track consenting changes have already seen seven projects approved. This year, the Government will build on this momentum.

Since the Government was formed, New Zealand has been a safer country with 38,000 fewer victims of violent crime, youth offending down 16 per cent and ram raids down 85 per cent. More Police are
visible on the beat, gang patches are banned in public, the justice system is delivering more timely resolutions, and more people are being sentenced to prison.

We have delivered transformational progress in schools, with better attendance and academic achievement. Stable progress has been made on Health outcomes with 16,000 more elective surgeries, 33 new cancer treatments, 2,000 extra nurses and 500 extra doctors delivered.

Across the country, we delivered faster building consents and have made more building products available from overseas. The trade balance is back in surplus after four years of trade deficits, and our focus on supporting tourism has helped boost visitor numbers and with visitor spending.

The economic recovery is welcome, but the Government's aim is not to observe it, but to shape it, to guarantee a more prosperous future for all New Zealanders. We are delivering on our plan to fix the basics and build the future. That motivation will continue to drive the legislative programme in Parliament this year.

Economic Growth

New Zealand faces longstanding issues of low productivity growth, low capital intensity in businesses and low levels of competition in many sectors. There are challenges in attracting and retaining skills and talent, a low uptake of innovation, a challenging housing sector and a growing tail of under-educated New Zealanders leaving school without basic skills. The Government is working hard to address these complex challenges.

Last year the Government released a document titled "Going for Growth" to respond to some of the most pressing structural challenges. "Going for Growth" identified more than 80 separate initiatives that have been completed or are underway, focused around five key areas.

Developing Talent – education, employment, immigration

In 2026, our priority is to build a stronger pipeline from early learning through to work, so more New Zealanders are equipped to take up the jobs our economy needs.

The Government will continue stripping red tape out of early childhood education and rolling out Teaching the Basics Brilliantly. At the same time, the next steps in the Attendance Action Plan will set clear expectations for parents, schools and the Ministry of Education, so more children are in the classroom, more regularly.

A new Tertiary Education Strategy, 10 new Polytechnics and eight Industry Skills Boards and decisions on NCEA will then provide a clearer long-term direction for skills, with decisions made closer to the regions and industries that depend on them.

The Government will also focus our welfare system on work. A targeted review of youth support programmes, tighter Jobseeker eligibility for 18–19-year-olds, community job coaches for up to 10,000 young people, and bonus payments for staying off the benefit will all work together to reduce persistent disadvantage and lift employment. The Employment Investment Strategy 2025–2028 will ensure MSD funding is going into programmes that move people into sustainable jobs. At the same time, immigration settings – including two new seasonal work visa pathways and changes already in train – will continue to ensure we attract the right migrants with the skills our economy cannot fill locally.

Competitive Business Settings

The Government will continue to focus on making it easier to start and grow a business, and harder for entrenched interests to hold our economy back. In 2026, we will introduce amendments to the Commerce Act and implement the Government's response to the Commerce Commission's Governance and Effectiveness Review, alongside continuing work to improve competition in banking, electricity and the grocery sector. A major review of the telecommunications sector, updated product labelling rules, and strengthened trans-Tasman and international regulatory alignment will all help reduce complexity and compliance costs, while a joint anti-scam response will give consumers and businesses greater confidence to transact online.

At the same time, we will keep modernising the rules that sit behind the economy. In 2026 we will progress reforms to the Holidays Act, Employment Relations Act, health and safety law and financial services regulation, reduce red tape and give businesses certainty. We will move ahead with the Regulatory Standards Bill and improved Government Procurement Rules so that regulation is better-tested and government spending supports competition and New Zealand firms.

A continued attention on tax settings that back growth, improving capital markets, modernising business law and better patent processes will encourage investment, while changes to the Crown Pastoral Land Act, Māori Trustee Act and Māori land use settings, along with better access to capital, will support more productive use of Māori land and stronger Māori economic development.

Promoting Global Trade & Investment

New Zealand's growth depends on selling more to the world and attracting more capital to our shores, and that remains a central focus in 2026. The Government will continue an active programme of trade missions and the resolution of non-tariff barriers, negotiations on new agreements, and the expansion and full implementation of existing FTAs. We will also back key export sectors and investment enablers. In 2026 we will keep implementing the Tourism Growth Roadmap and step up efforts to attract international students, boosting both export earnings and New Zealand's international connectivity.

Improvements to the Department of Conservation concessions system will provide greater certainty for investment in tourism and mining. Continued implementation of the Minerals Strategy and protections for biodiscovery will accelerate the development of high-growth industries producing natural pharmaceuticals and other bio-based products. Across this work, our goal is clear: to double the value of New Zealand's exports in 10 years and secure the investment needed to lift incomes in New Zealand.

Innovation, Technology & Science

In 2026, we will continue to reshape our science, innovation and technology system so it drives higher productivity and better jobs. Legislation to formalise and embed the new Science, Innovation and Technology system, including a national intellectual property policy for government-funded research, will lock in clearer priorities and put researchers in the driver's seat of commercialisation. We will progress legislation integrating Earth Sciences New Zealand and MetService, improving weather forecasting and resilience for households, farmers and businesses.

We will also keep backing the technologies that can transform our economy. We will remove unnecessary red tape for the space and aviation sectors and work closely with businesses to lift their investment in R&D and capital intensity, accelerating the uptake of automation, AI, data analytics and better technology. Ensuring healthy early-stage and venture capital markets will be a priority so that more New Zealand startups can scale up from here, rather than offshore.

Infrastructure for Growth

Finally, in 2026 we will move decisively from planning to delivery on the infrastructure the country needs to grow. The Government will complete and publish the 30-year National Infrastructure Plan and use it to guide investment, while passing the remaining Resource Management and consenting reforms, and implementing changes to the Public Works Act to streamline land acquisition for major projects. We will continue to free up land for urban development, enable more overseas building products, and embed building system reforms – including granny flats, remote inspections, and regular Building Code updates – to make it easier and cheaper to build homes and business premises.

We will also strengthen the backbone systems that support a modern economy. In 2026, we will keep rolling out Local Water Done Well, more standardised wastewater consenting and the Water Services Delivery Plans that will lift investment and performance. Legislation to improve the Infrastructure Funding and Financing Act and replace development contributions with a development levy will make it easier to fund growth-enabling infrastructure.

New geothermal and offshore renewable energy settings will work to transition to a more productive, lower-emissions economy. Alongside Regional Deals, the Regional Infrastructure Fund and a pipeline of projects – schools, hospitals, roads and more – breaking ground across the country, this programme will unlock regional potential and support long-term, sustainable growth.

Budget 2026

Building on the two previous Budgets, Budget 2026 will deliver a careful balance of the Government's priorities - making the investments to fix the basics while driving long-term reforms to safeguard the economic recovery.

Health, education, defence, and law and order will be the key pillars. The Government is committed to keeping tight control of discretionary spending, meaning savings and reprioritisation will be a prominent feature of the Budget, as they were last year and in 2024.

Budget 2024 contained savings and revenue raising initiatives of $5.9 billion a year. Budget 2025 added another $5.3 billion of savings a year. These total savings of over $11 billion each year mean the Government has been able to invest in front-line public services and get the books into better shape. That approach will continue this year.

Ongoing fiscal discipline means that Treasury is forecasting core Crown expenses to steadily reduce to 30.5 per cent of GDP by the end of the forecast period. The OBEGALx deficit is expected to narrow, then return to surplus. And core Crown net debt is forecast to peak below 50 per cent of GDP before starting to fall.

Foreign Policy

For the past two years, the Government has led a highly active, reinvigorated foreign policy platform. We've had to, for two main reasons: In 2023, the Government inherited a foreign policy that was incoherent and had been allowed to seriously drift, so our foreign policy reset prioritised New Zealand's vigorous diplomatic re-engagement with the world.

That reset has seen the Minister of Foreign Affairs and his team travel to 51 different countries over the first two years of Government, with just on 80 country visits and over 500 foreign policy engagements which saw the Minister six-and-a-half months offshore during this term so far.

The Minister of Foreign Affairs has visited every Pacific Island Forum member state, India twice, and all bar one of the ASEAN countries, driving our South and South-East Asia uplift. As a result, we have upgraded bilateral relationships into Comprehensive Strategic relationships with several Southeast Asian economies, including Singapore, Vietnam and with ASEAN itself, creating new opportunities for our export dependent nation.

The second reason for the foreign policy reset is confronting the most challenging geostrategic situation in 80 years. From the Government's fulsome support for Ukraine in defending itself against Russia's invasion, to pushing hard for necessary United Nations reform, the Government is restoring New Zealand's standing as a constructive supporter of the rules-based order.

Defence

This year, the Government will continue to work at pace to deliver the Defence Capability Plan. We will progress the final business cases for the maritime helicopter fleet and other priority projects while continuing to build a strong, resilient defence industry to deliver economic growth and grow our export markets.

New Zealand can expect to see progress on work to develop advanced technologies for military use with the NZDF and for export, as well as investment decisions for the next tranche of projects within our capability plan. The Government will be agile and responsive to keep pace with changes to modern warfare and the deteriorating strategic environment.

Trade and Investment

Trade is one of New Zealand's great economic success stories. One in four New Zealand jobs depends on trade and in Government we have worked tirelessly to open doors and deepen relationships to improve access for Kiwi exports. We have built a comprehensive network of high-quality free trade and other agreements with countries and economic blocs. Since coming to Government, New Zealand's annual export value has increased by $15.3 billion to reach $111.6 billion in the year ending September 2025. This growth represents an annual average growth rate of 8.8 per cent.

In the past two years, we have concluded an historic Free Trade Agreement negotiation with India, concluded, signed and entered into force the NZ–UAE Comprehensive Economic Partnership Agreement, finished negotiations with the Gulf Cooperation Council, and completed 17 trade missions, unlocking more than $2 billion in potential export value.

The Government is also clearing the path for exporters by reducing trade barriers affecting approximately $600 million worth of exports so that businesses can compete, grow, and create jobs. In addition to our growing annual export value, trade negotiations and missions, removing these barriers to trade moves us closer to our goal of doubling the value of exports in 10 years.

The Government is serious about attracting more overseas investment to New Zealand, and we are putting policies and structures in place to achieve this. The establishment of InvestNZ last year marked a step-change in how we attract and facilitate foreign investment to this country. Within its first six months, InvestNZ brought in over $500 million of new investment and curated a pipeline of 124 projects, worth over $8.3 billion.

Building and Construction

Over the past two years of Government, we have implemented, or have in train, substantial reforms, to make construction easier and more affordable. For example, New Zealanders no longer require resource consent or a building permit to build a granny flat (up to 70 square metres) in their own backyard. That policy is indicative of our philosophical approach which is to stop making it so hard for New Zealanders to get things done.

Building anything in New Zealand has been too difficult and too expensive for too long. It is around 50 per cent more expensive to build a standalone house in New Zealand than Australia. That's not good enough, and the Government has acted swiftly to lower the cost of building because that means more construction jobs, more economic growth and more families getting into their first home.

In 2026, plumbers and drainlayers will be able to sign-off their own work without the need for a council inspection. This removes the need for around four building inspections per home. The scheme is expected to be up and running by the middle of this year and will lead to a tangible reduction in the cost of building. The Government will also pass legislation to refocus the earthquake prone building system which will reinvigorate communities across New Zealand and save around $8.2 billion while still ensuring that the most high-risk buildings are remediated.

Finally, legislation amending the Building Act will introduce proportionate liability to speed up consenting while also requiring home warranties to protect consumers. The Bill makes several other key productivity boosting changes, including allowing trusted building companies to sign off homes without a building consent or inspections, allowing council building consent authorities to consolidate their functions, and fast track building consents for homes with solar panels or high levels of energy efficiency.

Resource Management Act

The Government has progressed the single largest economic reform in a generation – the repeal and replacement of the Resource Management Act. New Zealand's new planning system will make it easier to build the homes and infrastructure our country needs.

Officials estimate that up to 46 per cent of consent and permit applications required under the RMA could be removed under the new system. Legislation replacing the RMA passed its first reading in December 2025 and is expected to become law mid-2026. The success of the new planning system relies on effective implementation in both central and local government. Throughout 2026 the raft of standards and national direction that underpins the new planning system will be implemented.

We have also progressed local government reform and confirmed the new Ministry of Cities, Environment, Regions, and Transport (CERT) in parallel. CERT will support the Government's ambitious agenda across planning, infrastructure, housing, transport, urban development, and the environment.

The Government is committed to ensuring the structure of local government best aligns with the new planning system we are building. Therefore, the Government is proposing changes to our existing system of local government. These proposed reforms would deliver the most significant changes to local government since 1989. Following consultation, a final proposal will be confirmed later in 2026, with legislation to follow.

Fast-Track

The Government's fast-track legislation has been a resounding success. Approved projects will deliver billions in additional economic growth, and thousands of new jobs, with some already in construction.

Late last year, Parliament passed legislation to further streamline the Fast-track process, making it more efficient in delivering important projects that will grow the economy.

Housing

The Government is committed to solving our decades-long housing crisis, and we are making good progress. Our Going for Housing Growth policy will fix the fundamentals by focusing on competitive urban land markets, infrastructure, and incentives for growth. In 2025, house prices remained flat, and interest rates fell, which helped many New Zealanders into their first homes. The share of house purchases going to first-home buyers last year was near record levels at around 28 per cent. Rents have also been more affordable, particularly in our main cities.

Last year, the Government progressed two key improvements to infrastructure funding:

- Introduced the Infrastructure Funding and Financing Amendment Bill to make it easier for developers, councils, and other infrastructure providers to use the Act to deliver projects free from local authority funding and financing constraints.
- Released an exposure draft of the Local Government (Infrastructure Funding) Amendment Bill, to replace Development Contributions with a new Development Levies

system. The new system will give councils greater flexibility to recover the costs of growth to match our new flexible planning system.

The Government also agreed, in principle, to the Commerce Commission becoming the regulator for Development Levies.

Fixing the fundamentals of housing and land markets will make housing more affordable overall. However, there will always be some New Zealanders who require support no matter how affordable the general market is.

Since November 2023, the Government has delivered over 7,000 net new social homes. Through Budgets 2024 and 2025 we built on this by funding more than 2,050 additional social homes for delivery from July 2025 to 2027. The Government also set up a new Housing Investment System has multiple components, most importantly the Flexible Fund and the Investment Plan. The new contestable Flexible Fund for social and affordable housing will replace the current patchwork of programmes and funds. Initially, Community Housing Providers, Māori providers, and others will be able to access the fund. In future years, Kāinga Ora will also be eligible for additional social homes through the Fund.

The Investment Plan sets out how investment decisions will be made so that every dollar goes as far as possible and delivers the right types of homes, in the right places, for the right people. Part of improving social housing is getting Kianga Ora's books back in order. Across Budgets 2024 and 2025 Kainga Ora banked significant savings of $360 million in capital, and over $1.3 billion operating. This is a direct outcome of the Government-directed Turnaround Plan designed by the refreshed Kāinga Ora Board.

In 2025, the Government also made significant progress in levelling the playing field between Kāinga Ora and Community Housing Providers – primarily by lowering borrowing costs for CHPs. This was done through the CHP Bank Loan Guarantee Scheme, and $150m in Crown lending facilities to the Community Housing Funding Authority. For many CHPs, this means headline interest rate reductions of up to 1 per cent, saving CHPs around $75,000 over the 20 to 25-year average term of existing contracts.

Last year, the Government released a Homeless Package which included 300 additional Housing First places, and $10 million additional funding for support services for people sleeping rough. In 2026, our priorities are to sync housing into the new planning system, put in place incentives for housing growth, clarify the Government's role in urban development, progress Development Levies legislation, and build on our progress with the Housing Investment System.

Transport

The Roads of National Significance (RONS) programme is one the Government's most ambitious projects. Our 17 next-generation RONS will deliver safe and resilient strategic road corridors that will offer the economic growth and productivity outcomes New Zealand needs.

We are determined to build a credible, genuine pipeline of transport infrastructure projects that will help transform New Zealand's economy. We are making good progress – work is now underway to progress all 17 of the RONS, with three in construction. Procurement is well advanced on stage 1 of the Northland Expressway, and we expect construction to begin in 2026.

This year, the Government will develop a plan showing the sequence of the RONS, along with other critical transport projects, with a credible funding pathway and revenue options. We know that all of these projects can't be delivered all at once, so we want to be upfront with New Zealanders about when they can expect these to be built.

Infrastructure

Between 1 July and 31 December 2025, the Government started construction on around $7 billion worth of infrastructure projects including the Melling Intersection, Otaki to North Levin, Hawke's Bay Expressway, Middlemore Hospital recladding, and Defence's Burnham Regional Supply Facility.

This focus on getting work started has been paired with ongoing improvements to infrastructure system settings. The Government has:

- established National Infrastructure Funding and Financing Limited (NIFF),
- hosted a successful NZ Infrastructure Investment Summit, attracting private capital from all over the world,
- launched a Market-Led Proposal process, which has attracted ~50 proposals,
- published the first Health Long-Term Investment Plan,
- driven the average cost of a classroom down from $1.2 million to around $620k,
- undertaken an all-of-Government work programme on asset management.

The Infrastructure Commission also published detailed asset management guidance in December 2025. This year, the Government will formally respond to the National Infrastructure Plan – which includes 16 recommendations and work towards improving central government asset management performance.

Tourism

Tourism is New Zealand's second-highest export earner. The Government set an ambitious goal of doubling the value of exports by 2034, as well as doubling the value of tourism to our economy. The past 12 months have seen international visitors spending more and arriving in greater numbers, driving growth in New Zealand's tourism sector and economy. Last year, we launched the Tourism Growth Roadmap to drive our plan to return to 100 per cent of pre-COVID international visitor arrivals and double the value of tourism exports. The Government also invested in major events to drive economic activity and confidence across New Zealand.

The opening of the New Zealand International Convention Centre helps bring more visitors and events to New Zealand, boosting tourism and our economy. The world-class venue is estimated to bring in 33,000 international conference visitors who would not otherwise come to New Zealand, contributing $90 million of new economic spending annually.

The Government's Major Events & Tourism package and our investigation into boosting Eden Park's status as a major events venue will allow New Zealand to compete with Australia to host big events. It will give international visitors even more reasons to come and explore New Zealand, while also encouraging Kiwis to get out and about. In the short to medium term, this package positions New Zealand further as the go-to events and tourism destination for visitors.

Education

The Government is relentlessly ambitious for excellence, and the creation of opportunities and experiences that set our young people up for success in future work, training and employment. We have embarked on a comprehensive reform of the education system driven by six key priority areas; a clearer curriculum, better numeracy and literacy, developing the workforce of the future, stronger learning support, a data-driven and evidence-led approach to decision-making, and better information and reporting on children's progress.

Curriculum and Workforce

The Government introduced new curriculum for Mathematics & Statistics and English to primary and intermediate schools ensuring that our New Zealand curriculum is internationally comparable and gives our kids every chance to develop the knowledge and skills they need to reach their full potential. To support the curriculum roll-out we have trained over 20,000 teachers in structured literacy approaches and over 20,000 in structured maths and invested in classroom resources through our maths action plan, delivering over a million maths books into kiwi classrooms.

Last year the Government rolled out maths and literacy intervention teachers in primary and intermediate schools to support students who need extra help and funded tens of thousands of Year 7-8 students to receive maths tutoring. Our 2025 trial demonstrated outstanding results with students making almost two years progress across the 12-week intensive trial. In 2026, we will deliver the remainder of the curriculum, across all subjects, in draft form all the way to Year 13, including a range of new subjects like Civics, Politics and Philosophy, Mechanical Engineering and Further Mathematics.

Assessment

The Government made achievement the paramount objective of school boards and introduced new system settings to ensure we are adequately monitoring student progression. In 2026, students in Year 3-8 will be assessed twice-yearly in reading, writing and maths using nationally consistent forms of assessment.

This year, Phonics Checks will be required. This measure has already demonstrated substantial improvements in achievement after 20 weeks at school with student attainment increasing from 36 per cent to 58 per cent meeting the expected level in early reading. And, most importantly, the Government will be taking decisions on the future of our national secondary qualification with Cabinet considering proposals to replace NCEA because we understand that a world-leading education and an internationally comparable qualification is an essential ingredient of our country's success and prosperity.

Property and Infrastructure

As we have driven better value-for-money across the public service, the Government has focused on more repeatable designs, the end of open-plan classrooms and the establishment of the New Zealand School Property Agency. These efficiencies have helped deliver more classrooms and more schools in rapidly growing areas.

2026 will be focussed on embedding transformational changes into our education system. Those changes will ensure that every child is getting the foundational learning they need, regardless of their situation or background, so that every child in this country can reach their potential. It will ensure that every child is getting the right checks along the way so that they're leaving school with skills and qualifications that equip them for the life they choose.

Through a refreshed curriculum and assessment system, investing in learning support, developing the workforce, and teaching the basics brilliantly, the Government is ensuring children are equipped for success and opportunity.

Attendance

Data shows rising attendance under this Government. In Term 2 2025, 58.4 per cent of students attended school regularly, compared to 39.6 per cent in Term 2 of 2022. This trend will continue as the attendance action plan is rolled out.

At the end of last year, the Education and Training Amendment Bill (No 2.) passed its third reading. Schools are legally required to have an attendance management plan in place by the end of term 1 this year. Budget 2025 included $140 million of additional funding package to improve attendance over the next four years.

School Lunches

From Term 1 2026, all contributing primary schools (years 0 – 6) will have transitioned to the same cost-efficient model as other schools in the programme. In 2026 the programme will save the taxpayer an expected $145 million with $4 million of those savings providing food for up to 10,000 two-to-five-year-olds who attend low socioeconomic, community-based early learning services.

Vocational Education

With the foundations laid last year, vocational education and training will gain momentum in 2026. The system is now stronger, more responsive, and geared for growth, with regional polytechnic councils fully empowered, ten polytechnics re-established, and four more polytechnics under consideration. Active Industry Skills Boards are operating with industry, and employers are back at the heart of work-based training.

The focus for the Government this year is turning outward - toward opportunity, innovation, and the skills New Zealand needs to thrive. Apprentices and students will train in practical, purposeful ways, whether on campus, online, or on the job, all connected to real work. Vocational education is at the centre of the nation's ambition, supporting economic growth through confident graduates ready to step into real employment opportunities. This is how we prepare our regions to grow, our industries to compete, and our people to get ahead.

Health

The Government has delivered year-on-year improvements across all health targets. Frontline teams have made steady progress ensuring New Zealanders can access timely, quality healthcare when they need it.

This year, the Healthy Futures Bill will be passed, which will embed national health targets into law for the first time. These targets are driving accountability and action across the health system, ensuring more timely access to emergency departments, faster cancer treatment, shorter wait times for surgeries and specialist appointments, and improved child immunisation rates.

The rollout of our Primary Care Tactical Action Plan strengthens primary care to enable more timely access for patients to be able to get an appointment and from 1 February 2026, New Zealanders will benefit from our 12-month prescriptions policy.

The Elective Surgery Boost programme will continue to be delivered, with thousands more surgeries such as knee replacements, cataract removals and hip replacements completed, and funding provided to expand capacity across public and private providers.

The Government is investing in our doctors and nurses. More than 100 additional medical training places have been created since we came into office, with 25 additional medical students starting in 2026. Construction is also now underway on the new Waikato Medical School, helping to grow our regional health workforce over the long term.

We are delivering the health infrastructure kiwis need, from new linear accelerator (LINAC) machines to treat cancer patients, new theatres at Manukau Health Park, and rebuilds at Nelson and Dunedin Hospitals. These investments mean better care, closer to home, right across New Zealand.

Mental Health

The Government's mental health targets are delivering faster access to support, with over 80 per cent of people seen within one week for primary mental health support and three weeks for specialist support. This year we will continue to grow access by funding more grassroots services through the mental health community sector innovation fund.

The mental health workforce has grown by more than 11 per cent since the Government came to office. In 2026, we will continue to grow the frontline, with our new psychology assistant role starting in universities this year (2026) and entering the workforce next year.

We've funded 40 new frontline roles in our crisis assessment teams to deliver a better crisis response. This year we will launch four new mental health co-response teams across the country to pair up with Police to respond to 111 calls.

Law and Order

This year the Government will keep building on the gains achieved by its successful "tough on crime" approach which has included banning gang patches in public, giving Police more powers to deal with gangs, and having more Police on the beat.

Over the last two years, significant progress has been made. The most recent New Zealand Crime and Victims Survey showed there were 38,000 fewer victims of crime per year since coming into Government. Police data shows we have seen a 79 per cent increase in police foot patrols, and aggravated robberies down 7 per cent.

Late last year Auror released a report which shows we have seen a significant decrease in violent retail crime. This includes a 12 per cent fall in weapon use, a 6 per cent drop in violent events, and 5 per cent decrease in threats against retailers. When it comes to ram-raids, since they peaked in 2022, we have seen a substantial drop at around 85 per cent. There is still much work to be done, and we will continue to build on this progress. This will see a continued focus on managing the increasing prison population.

We are replacing and building new infrastructure, with construction occurring at Waikeria, Christchurch Men's, and Hawke's Bay Prisons. We're ensuring staffing levels remain proportional to the prison population, with a net increase of approximately 1,000 Corrections Officers since coming into Government. And we are reducing reoffending through effective rehabilitation, with the Corrections Amendment bill, that gives prisoners on remand access to the rehabilitation services that they need.

A new Arms Act will be fairer, fit-for-purpose and deliver improved public safety. It will target criminals and gangs while respecting licence holders to safely use and possess firearms. The Government's reforms to Anti-Money Laundering regulations will ensure the system is risk-based and proportionate, while cutting costs and paperwork for honest businesses. Once implemented, these reforms will deliver the most significant regulatory relief since the AML regime was introduced in 2013. The Government will also make targeted reform to alcohol legislation to remove unnecessary red tape while continuing to minimise alcohol-related harm.

Social Development and Employment

We have high aspirations for young New Zealanders. The Government has an ambitious target to reduce the number of people on the Jobseeker benefit by 50,000 by 2030. We know that cost-of-living will continue to be a challenge for many families, and that's why we are working hard to grow the economy and boost job opportunities.

Last year, the Government introduced several initiatives to support young Kiwis, such as a phone-based employment case management service, and 4,000 places for young people to get community job coaching. We also announced that 18- and 19-year-olds who don't study or work and can't support themselves financially, should be supported by their parents or guardians.

Our Traffic Light System brings tougher consequences for those who repeatedly do not meet their benefit obligations. It also helps clients better understand their obligations and what they need to do to stay on track and seize every opportunity to get work or training. We know our policies are working because 98.4 per cent are at green under the Traffic Light System, which means they are meeting their work obligations.

Budget 2025 invested in retaining 490 front line staff to help deliver vital employment services and changed Working for Families to better target help to low and middle-income families with children. It also included $15 million in support for community-based food banks for a further year, meaning help for people who continue to need it.

We're firmly focused on providing practical hands-on support and matching job seekers with prospective employers and have increased the number of people in case management from 60,000 to 70,000.

The Community Job Coaching programme is part of the Welfare that Works manifesto and provides a structured, relationship-led pathway that helps job seekers build confidence, develop skills, and secure long-term employment. The Government's approach is working, and we are delivering material improvements to the lives of New Zealand children and families.

Social Investment

In 2026 the Government will take tangible steps forward with our Social Investment agenda. Social Investment is about getting better results for vulnerable New Zealanders from the billions the Government invests each year in social services. For too long many social services have had a one-size-fits-all approach to helping people – with no way of knowing how effective they have been. Social Investment will measure success by how lives are changed for the better. We are being clear about the outcomes we're purchasing, who we're targeting, and the data and evidence we will use to determine what is and isn't working.

In 2026 our first Social Investment Fund initiatives will begin to make a real impact on the lives of those they're targeting. We will announce more investments too. We'll continue to improve the way Government contracts with the sector, making it simpler and more focused on outcomes. We'll lay the foundations for local communities to play a far greater role in commissioning services.

Women

New Zealand's gender pay gap has decreased from 8.2 per cent to 5.2 per cent in the past year, the lowest since records began in 1998. But there is more work to be done. Since taking office, The Government has launched the first Government backed Gender Pay Gap calculator toolkit, supporting businesses to calculate pay gaps, understand them, and most importantly take action.

In 2026, the Government will continue the work to improve economic outcomes for women through lifting incomes, supporting pathways into education and the labour market, and changes to paid parental leave.

Commerce and Consumer Affairs

In 2026, the Government will continue to lift competition across the economy. A thriving, productive New Zealand depends on markets that are fair, open, and genuinely competitive. We will progress the most significant competition reforms in more than two decades with the Commerce (Promoting Competition and Other Matters) Amendment Bill.

These changes will prevent market dominance by stealth - behaviour that limits choice and keeps prices high - and will open the door for responsible business collaborations that deliver better outcomes for consumers. And we will strengthen the Commerce Commission's governance settings, so it can continue to act as an effective and trusted competition regulator.

We will implement open banking, bringing sharper competition to the banking sector and giving New Zealanders access to more innovative services that save time and money. And as we progress open electricity, we will give customers greater control over their own data - helping them get better value and more personalised energy solutions.

Parliament will reform financial services laws so that New Zealanders have better access to credit and stronger dispute resolution options. Updates to the Fair Trading Act will introduce tougher penalties for businesses that mislead consumers, and a new ban on excessive surcharges will bring greater transparency to pricing.

The Government will step up the fight against scams through the Anti-Scam Alliance. Scammers are costing New Zealanders around $265 million every year. By working side-by-side with banks, telcos, digital platforms and community organisations, we will combine industry expertise with regulatory and enforcement tools to meaningfully turn the tide.

Māori Development

Māori and Government working together leads to better outcomes for everyone. Last year there were positive gains for Māori development including Iwi and Māori fast-track projects, export development, Māori-led conservation, and harnessing geothermal energy that will help solve New Zealand's energy supply challenges together with clean energy solutions. In 2026, we will continue to work with Māori and iwi to deliver more growth and improve outcomes for Māori.

Māori business continues to grow across many critical sectors – including our two largest exports, agriculture and tourism. Growing Māori exports means supporting Māori business and land, as well as showing Māori culture and customs to the world.

The Government will continue to support Māori to harness the value of whenua Māori through supporting infrastructure development that creates jobs and helps regions to thrive.

The Government will continue to help grow and revitalise te reo Māori.

Regulation

This Government will be known for deregulation. Resource management changes, revised earthquake laws, building product laws, simpler consenting of new medicines and overseas investment are just some examples of cutting red tape so it's easier for New Zealanders to get on with what they want to do.

The Ministry of Regulation has cut red tape from Early Childhood Education and the Hemp industry. Peer reviewed analysis shows it adds value of between $223 million and $337 million, from an investment of about $20 million.

In 2026 the Regulatory Standards Act will formalise and consolidate the Government's approach to regulation around a set of principle.

Energy

In 2026, the Government will continue its focus on strengthening security of supply and improving competition in the energy market. This will include taking action to ensure a resilient and reliable fuel supply, which will drive greater investment in renewable and backup generation, while reducing one of the key drivers of price increases affecting households and businesses.

New Zealand must invest and adapt to be able to guarantee energy supply during extended dry year or wind droughts. Last year, the Government released an Energy Package to deliver much needed structural changes and a plan to build a resilient and competitive energy market. The Package includes carefully balanced policy mechanisms focused on securing energy supply and building better markets to improve affordability. A key deliverable from the plan includes procuring a Liquefied Natural Gas import facility.

The Government is committed to getting kiwis a fair deal on electricity pricing. We have strengthened the Electricity Authority, which oversees the electricity market, and we will continue the electricity competition taskforce's work to deliver a fairer, more competitive market. These measures will support a more reliable, affordable, and resilient energy system - essential for a more productive and innovative economy.

Local Government

In 2025, the Government's plan to refocus councils on core services, such as roading, core infrastructure, water, and rubbish, took a major step forward with the introduction of the Local Government (System Improvements) Amendment Bill to Parliament.

The Government also laid out its expectations for City and Regional Deals (CRDs) as long-term partnerships that will increase economic growth, create jobs, and boost productivity for New Zealanders. The Government signed Memoranda of Understanding (MOUs) to negotiate deals with Auckland, Otago/Central Lakes and Western Bay of Plenty. These deals will simplify how we plan our cities and regions, to make it easier to build the future New Zealanders deserve. The Government wants local government to serve their communities effectively, not tangle ratepayers in duplication, disagreements, and decisions that defy common sense.

Auckland

Auckland is New Zealand's only global city, and our largest, most diverse, and most economically significant region. Auckland generates 38 per cent of GDP and is critical to New Zealand's economic success. 2026 will see the opening of the New Zealand International Convention Centre, with over 100 events already booked, injecting $90 million into the local economy. Combined with support for major events and new investment in stadiums and venues, Auckland is regaining its vibrancy and global competitiveness.

The City Rail Link will open in the second half of this year, transforming public transport and enabling new housing around key stations. We have begun removing dangerous rail level crossings to reduce congestion and improve safety.

Progress continues on key strategic projects including the Eastern Busway, Mill Road, and planning for the Northwestern Rapid Transit corridor. Through the Government's water infrastructure reform, Watercare has been separated from Auckland Council, enabling greater borrowing and investment to unlock housing and clean up harbours.

The Government is restoring confidence in Auckland's city centre, to ensure that people who live, work and visit the city centre feel safe and welcome. A new city centre police station, funding for 200+ additional Housing First placements, and a City Centre Safety Action Plan — a joined-up effort across police, social services, and council to make central Auckland cleaner, safer, and more welcoming – are all being delivered.

The Government will also deliver a long-term City and Regional Deal with Auckland, a framework to align central and local government over the next decade with joined-up planning, investment, and delivery pipeline for New Zealand's most important city.

Workplace Relations and Safety

Last year the Government amended the Employment Relations Act to improve labour market flexibility and help businesses to grow, innovate, and employ with confidence and certainty. The Bill marked a key milestone in the Government's efforts to help New Zealand businesses employ or contract with confidence and create more and better opportunities for workers.

In 2026 the Government will pass legislation to replace the Holidays Act with a simpler, more workable alternative. All workers, businesses, and their families will benefit from leave payments being simpler and more predictable, with greater transparency and certainty.

Agriculture and Forestry

The Government is backing farmers and growers as we work toward New Zealand's aspirational goal of doubling the value of New Zealand's exports in 10 years. Agriculture and forestry exports continue to perform strongly despite global headwinds. Over the past two years, the Government has minimised the administrative burden on farmers caused by red tape and regulatory blocks, including irrigation, winter grazing, flood protection and stock exclusion rules to boost on-farm productivity levels.

In 2026, along with planning reform, the Government will focus on improving access and adoption of new technologies, world-class innovations and continuing to drive more permissive regulatory conditions that encourage growth. We will facilitate water storage solutions to build resilience and the opportunity for farm diversification, continue work on dismantling trade barriers, and support greater access to investment capital.

The Government is continuing to build the confidence of the forestry sector by restoring national consistency to regulation. We are addressing consenting delays for wood processing facilities to provide greater certainty, unlock investment, and accelerate growth, and are consulting on lowering costs for forest owners in the Emissions Trading Scheme Registry.

Rural Communities

In 2025, the Government strengthened rural wellbeing with $11 million for mental health, responded to four major weather events, began embedding rural proofing across government, and advanced digital connectivity and rural data access.

This year the Government will support rural communities by focusing on improved access to essential services and infrastructure, local networks and catchment groups, lifting wool exports, building rural resilience, improving emergency readiness, boosting connectivity, and expanding access to rural healthcare.

Biosecurity

New Zealand's relative freedom from pests and diseases is a central part of our competitive advantage on the world stage. It underpins our world leading food and fibre export industry, and our unique natural environment.

The long overdue update of the Biosecurity Act will make our biosecurity system stronger and more flexible. In the last year, the Government has invested tens of millions of dollars in responses to incursions of avian influenza, caulerpa, fruit fly and yellow-legged hornets.

Environment

The Government supports practical environmental stewardship and evidence-based, workable solutions that protect New Zealand's natural assets while supporting economic resilience and innovation. In 2025, the Government gave the green light to expand the industry-led product stewardship scheme for farm plastics and agrichemicals nationwide.

Reducing the queues for product approvals is a priority. The Government is cutting red tape to speed up assessment processes for agricultural and horticultural products regulated under the Hazardous Substances and New Organisms Act and the Agricultural Compounds and Veterinary Medicines Act.

In addition, the EPA reallocated resources to boost its capacity, adding 13 new staff dedicated to hazardous substances applications. These measures have reduced the queue by 21 per cent, delivering the fastest rate of assessments since 2015–16. The EPA aims to reduce the queue of applications by more than 30 per cent by June 2026.

In 2026, progress on the Agricultural and Horticultural Products Regulatory Review Omnibus Bill will reduce red tape and speed up the process to give farmers and growers access to the safe, innovative products they need to remain competitive and power New Zealand's economic growth; and reform of the Waste Minimisation Act and Litter Act will reduce regulatory burdens and set clearer compliance requirements.

Climate Change

The Government took significant steps towards our transition to a low emissions economy by accelerating the deployment of renewable energy and reducing barriers to investment. Last year, there were weeks where our electricity was 98 per cent renewable. The Government has accelerated renewable energy, commissioning more new generation in the past 18 months than in the previous 15 years, to boost capacity for 2050.

The Government also agreed to legislate a climate adaptation framework to address long-term strategic factors, including clear roles and investment in risk reduction. More work will continue towards this Framework approach through 2026. Providing risk information through the Framework will complement and support the new planning and environmental management system. Together, these efforts will build a more coordinated and enduring approach to adaptation across the country.

Conservation

New Zealand is world famous for its diverse landscapes and unique nature, a source of pride for Kiwis. Our conservation land covers one-third of our country and is home to many outstanding features and local businesses. It is the host to guided walks and ski fields, blockbuster films, documentaries, grazing sheep and cattle, hunting, and concerts. We are modernising laws to further enable value and economic growth, while still ensuring our environment remains protected. This work is critical to ensure sustainable funding for the protection and restoration of our conservation estate.

The Government is making changes to enable access to conservation land, which provides a win for operators, visitors, and the environment, because increased revenue through conservation tourism means increased funding for conservation. Balance is key here – that's why we are introducing charges for foreign visitors to access high volume sites.

Public Service Improvements

The Government is working hard to deliver a public service that is streamlined, digital-first, and focused on better outcomes for all New Zealanders. Digitisation, adoption of new technologies and structural consolidation will also help the Government achieve its fiscal objectives by generating savings over the coming years.

This work is supported by the Public Service Amendment Bill, which will be passed this year and give effect to a coalition commitment to amend the Public Service Act to clarify the role of the public service, drive performance, and ensure accountability.

Space

In 2026, the Government will continue to take bold steps toward our ambitious goal: doubling the size of New Zealand's space sector by 2030. We will strengthen the foundations of the industry by ensuring our space regulatory framework remains world-class, robust, and ready for the future.

The Government will announce the recipients of Kiwi Space Activator funding, supporting businesses and universities to turn breakthrough ideas into real missions, taking innovation from the lab to orbit and driving growth across the sector. This follows changes announced last year allowing for rapid iteration and testing of advanced aviation vehicles and technologies. These changes will make it easier for companies to experiment with their capabilities in specially designated airspaces, which will act as a sandbox for our innovators.

Science, Innovation and Technology

Unlocking the potential of New Zealand's Science, Innovation and Technology sectors has the potential to create significant opportunities to create high-value jobs and improve the lives of New Zealanders. Last year, the Government made positive progress on reforming the science sector, establishing a new advisory council, forming four public research organisations, and introducing a new IP policy to better incentivise innovation in universities and public research organisations. The Government is working hard to simplify research funding for both the broader science sector and in universities, so scientists can spend more time in the lab and less time on paperwork.

This year, we will deliver a long-term investment plan for science and technology, based on the advice of the Prime Minister's Science Council, form Research Funding New Zealand to give effect to that investment plan and progress legislation establishing public research organisations. Together with work to implement the new Tertiary Education Strategy, these initiatives will create a more cohesive, future-focused science system for New Zealanders.

Hunting and Fishing

The Government has listened to the hundreds of thousands of New Zealanders who hunt and fish. Work will progress on the Game Animal Council (Herds of Special Interest) Bill, which will give clarity to Parliament's original intent to allow the Minister to designate herds of special interest in National Parks.

Last year, consultation opened for wapiti deer in parts of Fiordland National Park and for sika deer in the Kaimanawa and Kaweka Forest Parks. The Minister will have the ability to designate these two herds as herds of special interest this year, making them the first to be established since the Game Animal Council was enacted 13 years ago.

We will advance the modernising of Fish and Game New Zealand to refocus the organisation on its core job of managing our sport fishing and game bird resources and implement a more professional approach to national decision making.

Access to public conservation land for reactional hunters and anglers continues to be a top priority of the Government. The Government launched the Access Charter in 2024 and continues to uphold the value of public access.

Conclusion

2026 will see no let-up in the pace of work for the Government. We have the energy and determination to tackle the problems that others have put in the too-hard basket for too long. There is a lot more to do, and the members of the Government will work every day to deliver practical, real world, pragmatic solutions so New Zealanders across the country can get ahead.

The Government will continue to be disciplined in its spending, making only sensible and affordable choices. New Zealand has come through a difficult economic period and is now growing again with encouraging signs of a widespread recovery. Staying the course, maintaining positive momentum, while fixing the basics and building the future is more critical than ever.

That is the Government’s commitment in 2026.