



Hon Dr Shane Reti Minister of Health

30 May 2024

Budget prioritises frontline health services and workers

Health will get a significant funding boost of \$16.68 billion across three Budgets as part of our plan to invest in frontline services such as emergency departments, primary care, medicines and public health to ensure New Zealanders can get the healthcare they deserve, Health Minister Dr Shane Reti says.

“Our Government has set ambitious targets for the health sector. We are committed to improving the frontline health services that New Zealanders rely on, with shorter wait times for assessment and treatment.

“We want the health sector to plan for the future with confidence, knowing our Government will always prioritise increased investment for the services it delivers.

“That’s why we are confirming today not just health funding increases from this Budget, but pre-commitments for additional funding from our next two Budgets as well.

New health investments in Budget 2024 over four years include (operating and capital):

- \$3.44 billion for hospital and specialist services through Health New Zealand
- \$2.12 billion for primary, community and public health through Health New Zealand
- \$1.77 billion for Pharmac to fix the shortfall left by Labour and ensure Kiwis can access the medicines they need
- \$31.2 million to gradually extend free breast screening to an additional 60,000 women each year
- \$31 million for increased security at emergency departments, to ensure safety for patients and staff
- \$22 million to train 25 more doctors each year
- \$24 million for free mental health counselling services through Gumboot Friday
- \$9.7 million to establish a National Mental Health and Addiction Community Sector Innovation Fund

“The Government’s investment will support Health New Zealand to deliver services across the primary and hospital healthcare system, including GPs, mental and community health services, aged care, elective surgery and other specialist services.

The new investment is in addition to the \$11.6 billion of infrastructure investment already underway in the health sector. Budget 2024 provides \$103.1 million to support health infrastructure.

“Frontline healthcare workers are the beating heart of the healthcare system. So I’m pleased to announce that in 2024 Health New Zealand has already overseen a surge in the number of frontline healthcare workers employed, with the nursing workforce growing by more than 1,000 full time equivalent roles (FTE) so far this year, and senior medical officer numbers growing by more than 80 FTE in the first quarter of 2024 alone.

“Our Government is ensuring there is funding in place to support the retention of these essential frontline healthcare workers.

“To help ensure resources are targeted to those who are most in need, the \$5 prescription co-payment will be reinstated for people 14 years and over. The resulting savings will help fund ongoing provision of essential medicines.

“The \$1.77 billion increase to Pharmac’s budget was far larger than anticipated prior to the election, due to funding cliffs left by the previous Government. We have prioritised this essential investment and anticipate that future Budgets will help widen medicine access, including to cancer treatments.”

“Prescriptions will continue to be free for people with community services cards, people under 14 years of age, and people aged 65 and over.

“The Budget also retains funding in contingency in anticipation of pay equity settlements being reached between employees and non-Government healthcare providers. Our Government is prepared to make fair and reasonable contributions to supporting non-Government healthcare providers to deliver ongoing services, but we will not be committing to specific funding amounts in advance of settlements being reached. The value of these contingencies remains commercially sensitive.

“We want a health system that works - giving New Zealanders the right care, when they need it. This means we’re focusing on workforce, delivery of our clear targets for improved care, building the right infrastructure and ongoing financial sustainability,” Dr Reti says.

Media contact: Charlotte Gendall +64 21 500 947