

The Green Party **Fiscal plan 2026**

Aotearoa New Zealand has more than enough resources, creativity, and skills to build an economy that works for all of us.

What we have been lacking is the political courage to drive the economy to deliver real outcomes for everyone: healthy nature, good jobs with higher wages, resilient infrastructure, and more affordable bills.

Building an economy that works for all of us is not possible if our sights are set purely on narrow fiscal targets alone. New Zealanders need leaders who can manage the real economy—not just abstracted numbers on a page. Returning to surplus can enable the government to deliver economic and social outcomes for New Zealanders, but if pursued as an end in and of itself can leave us with a number of crises.

Successive governments have largely focused on fiscal costs and targets, instead of real economic development, societal benefits and evidence-based investment. Narrow fiscal targets have constrained government investment and have undermined our long-term fiscal resilience in the process.

Underinvestment in infrastructure, public services, employment, health, and climate resilience will only cost New Zealand more in the long-term—adding to reputational risks that threaten the

very fiscal sustainability most political leaders purport to protect.

Cutting public spending only deepens economic downturns and inequality, pushes up unemployment and reduces output. The current fiscal track is made possible only through underinvestment in core public services, which New Zealanders feel every day.

To be truly credible, a fiscal plan should address the structural economic challenges that threaten New Zealand's long-term resilience: like our dependence on imported energy sources, our high levels of private debt, our low productivity and reliance on extractive industries, and the deterioration of our social and physical infrastructure.

Our fully costed fiscal plan shows that productive government investment can positively impact job growth, economic development, and the diversification of our economy.

A Green fiscal approach

The Green Party's fiscal plan recognises that public investment is essential for increasing our economic development, productivity, and resilience. This investment improves, rather than undermines, our long-term fiscal sustainability.

The Green Party will ensure that public investment decisions are guided by social and economic outcomes and

consideration of the real economic constraints of delivering these, not by narrow fiscal targets divorced from their economic implications.

The risks and costs of chronic underinvestment can be as significant as the risks of excessive debt.

The Green Party would

- Commit to future operating allowances of \$4.5b to \$4.7b a year for the forecast period.
- Deliver capital commitments per the Green Party policy announcements, and fund other capital spending from within the forecast capital allowances.
- Pursue a revenue strategy that structurally increases the tax base and rebalances taxation towards capital over work and consumption.
- Return the books to surplus in 2029/2030.

The economic impacts are

- After four years our election policy investments would increase productive economic activity and add an additional 1% to GDP¹.
- The investments in public transport, clean energy, food security, resilience, science, innovation, and public services will lower the cost of living and support 64,000 new jobs, on top of the 220,000 modelled by Treasury, based on standard growth projections.
- The transport investments will decrease exposure to fossil-fuel driven inflation, by providing options for transport mode-shifts.

¹This has not been included in the modelling below, which take the PREFU assumptions as baseline.

Expanding productive capacity

There is enormous untapped potential across Aotearoa New Zealand. There are solar panels to install, doctors and nurses to train, infrastructure to strengthen and build. None of this is possible without investment. Public investment is one of the most effective tools for economic development—a dollar invested strategically can generate far more in economic benefit over time, through fiscal multipliers. By the end of the forecast period Crown expenditure will be 40.0% of GDP, and revenue will be 40.1% of GDP.

Unlocking shared resources through a responsible revenue strategy

The Green Party will raise \$28.75 billion through our tax plan that focuses on the super-rich and big corporations. Unlocking these shared resources will reduce tax on the vast majority of salaried and waged workers, fund the critical social services we all rely on, and shape the economy in the direction of productive investment.

Operating balances

The primary balance remains healthy because higher spending is matched by higher revenue from fair taxation.

This approach delays the return to Budget surplus by one year because a Green Government would prioritise a larger operating allowance for the forecast period, primarily to deliver a significant uplift to health funding.

International climate commitments

New Zealand has committed to economy-wide emissions reduction targets through its first and second Nationally Determined Contributions (NDC1 and NDC2) under the Paris Agreement. For NDC1 (2021–2030), Treasury estimates offshore mitigation costs of \$4.4 billion to \$5.0 billion. This estimate was published after Treasury committed, at the Finance and Expenditure Committee in December 2025, to update its analysis of these costs in response to the Green Party's request to do so. The Green Party will always prioritise sensible domestic action. Once the estimate is revised to reflect domestic reductions, the remaining costs will be funded from unallocated operating allowances.

Government investment (debt)

Our country has comparatively low public debt in the context of many jurisdictions we compare ourselves to, while private debt is now at 160% of GDP. After nearly 40 years, the pursuit of a 'prudent' public debt levels have seen our public infrastructure and environment degraded, productivity stagnate, and resilience wane.

With the Green Party's revenue strategy in place, there is less need to use debt to fund current expenditure. Debt can instead be used to rapidly scale up capital expenditure in the transport sector.

Health funding uplift: addressing the structural deficit in health

The Green Party will lift overall health funding to a level that can credibly meet the needs and expectations of New Zealanders. This uplift of \$3 billion each year for four years will mean real increases in funding above the rate of population and demand growth, and provide the sustained investment needed for workforce, capacity, access and safe care, and work to deliver equity in health outcomes for Māori as envisioned in the Health Services and Outcomes Kaupapa Inquiry.

Stabilise hospitals and emergency care.

Emergency departments are under sustained pressure, child cancer treatments are being delayed because of nursing shortages, and people are dying while waiting to be seen. The Green Party's investment will work to restore timely patient flow through emergency departments and wards, facilitate timely discharge, expand urgent and inpatient capacity, and reduce unsafe delays.

Strengthen primary, preventative and community care.

Investment will shift the system beyond a state of managed decline, with stronger prevention and health promotion services and primary care (including dental), mental health, hauora Māori services, and new models of care that support people, whānau and communities earlier and closer to home.

Deliver a long-term health workforce plan.

This funding will develop, recruit and retain the full health workforce, from specialists, nurses, allied health and support workers, to the ICT, administrative and operational staff who keep services running. The plan will set out a pathway to deliver safe staffing, stronger training pipelines, better retention, and a workforce able to meet future need.

A Green Government will work with the health sector and users of health services to develop meaningful health indicators and targets, to deliver better and more equitable health outcomes and hold everyone, including government, responsible for their role in this.

Prepared using PREFU forecasts

This plan has been prepared using the same economic and fiscal forecasts as the 2026 Pre-election Economic and Fiscal Update (PREFU). Infometrics has independently analysed the plan's first-order fiscal effects. New Zealand does not have a Parliamentary Budget Office (PBO) to assess political parties' policies on the same basis, including their wider economic effects. The Green Party remains committed to establishing one, so that all parties' election policies can be independently costed in future.

INITIATIVES (\$M)	2027/28	2028/29	2029/30	2030/31
Operating Allowance				
Total operating allowances (cumulative)	4,700.0	9,200.0	13,700.0	18,200.0
<i>Including Health Cost Pressures</i>	3,000.0	6,000.0	9,000.0	12,000.0
Δ with PREFU operating allowances	2,300.0	4,400.0	6,500.0	8,600.0

New commitments				
Affordable Food	758.9	875.1	882.7	897.1
Power	423.9	461.7	540.3	670.1
Te Waonui a Tāne	1,220.0	1,220.0		
Transport	262.0	299.0	338.0	381.0
Jobs	1,226.0	1,875.9	2,210.1	2,423.8
Pay Equity	1,072.0	1,104.2	1,137.3	1,171.4
Te Reo Māori	50.0	50.0	50.0	50.0
IRD funding	100.0	102.1	104.2	106.3
Restoration of public sector baselines	498.9	891.8	891.8	891.8
Total new spending commitments	5,611.7	6,879.7	6,154.5	6,591.5

Total new OPEX including increased operating allowances	7,911.7	11,279.7	12,654.5	15,191.5
Change to debt-financing costs	50.0	233.0	549.0	959.0

Revenue				
Super-Rich Tax	3,762.3	3,883.1	4,007.9	4,136.6
Capital Acquisitions Tax	953.0	1,000.7	1,050.7	1,103.2
Big Corporations Tax	1,369.8	1,436.3	1,501.7	1,570.0
Major Banks Levy	373.1	388.1	403.7	420.0
Big Tech Tax Enforcement	203.7	213.6	223.3	233.5
Reverse Bright-Line Test	45.0	45.0	45.0	45.0
Reverse interest deductibility	875.5	922.0	970.0	1,002.5
Income tax changes	(1,696.5)	(1,775.3)	(1,861.3)	(1,951.5)
Replace Investment Boost...	2,105.0	1,965.0	1,857.0	1,772.0
... with Innovation Boost	(1,125.0)	(1,014.5)	(910.0)	(800.0)
Total new revenue	6,865.8	7,064.0	7,287.9	7,531.3

CAPITAL (\$M)	2027/28	2028/29	2029/30	2030/31
Existing capital allowances	3,500.0	5,000.0	5,000.0	5,000.0
Additional capital commitments	3,852.5	1,082.5	1,520.5	1,897.0
<i>Transport expenditure reprioritised from NLTF</i>	<i>252.5</i>	<i>275.7</i>	<i>322.2</i>	<i>380.3</i>
Total capital expenditure	7,352.5	6,082.5	6,520.5	6,897.0

FISCAL IMPACTS (\$B)	2027/28	2028/29	2029/30	2030/31
Total Crown revenue (excluding Gains)				
PREFU 2026	195.2	205.6	216.7	226.1
Green Party	202.1	212.7	224.0	233.7
Total Crown expenses (excluding Losses)				
PREFU 2026	197.7	203.2	210.0	216.7
Green Party	205.7	214.7	223.2	232.8
Total Crown operating balance before gains and losses (OBEGAL)				
PREFU 2026	(2.9)	2.1	6.3	8.9
Green Party	(4.0)	(2.4)	0.4	0.3
Total Crown operating balance before gains and losses, excluding ACC (OBEGALx)				
PREFU 2026	(0.8)	4.0	8.1	11.7
Green Party	(1.9)	(0.4)	2.1	3.1
Gross debt (core Crown)				
PREFU 2026	259.4	269.8	273.2	269.0
Green Party	261.9	278.4	289.4	295.7
Net core Crown debt excluding NZS Fund and advances				
PREFU 2026	223.0	230.5	232.8	229.8
Green Party	225.4	239.2	249.0	256.4
Total Crown net worth				
PREFU 2026	200.1	209.1	222.4	239.2
Green Party	199.0	203.6	210.9	219.1

FISCAL IMPACTS (% GDP)	2027/28	2028/29	2029/30	2030/31
Total Crown revenue (excluding Gains)				
PREFU 2026	38.5%	38.6%	38.9%	38.8%
Green Party	39.8%	40.0%	40.2%	40.1%
Total Crown expenses (excluding Losses)				
PREFU 2026	39.0%	38.2%	37.7%	37.2%
Green Party	40.5%	40.3%	40.0%	40.0%
Total Crown operating balance before gains and losses (OBEGAL)				
PREFU 2026	-0.6%	0.4%	1.1%	1.5%
Green Party	-0.8%	-0.4%	0.1%	0.0%
Total Crown operating balance before gains and losses, excluding ACC (OBEGALx)				
PREFU 2026	-0.2%	0.8%	1.4%	2.0%
Green Party	-0.4%	-0.1%	0.4%	0.5%
Gross debt (core Crown)				
PREFU 2026	51.1%	50.7%	49.0%	46.2%
Green Party	51.6%	52.3%	51.9%	50.8%
Net core Crown debt excluding NZS Fund and advances				
PREFU 2026	43.9%	43.3%	41.8%	39.5%
Green Party	44.4%	44.9%	44.7%	44.0%
Total Crown net worth				
PREFU 2026	39.4%	39.3%	39.9%	41.1%
Green Party	39.2%	38.2%	37.8%	37.6%



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