



THE GROWTH BUDGET

Investing in Infrastructure

**BUDGET
2025**

Hon Simeon Brown
Minister of Health
22 May 2025

Billion-dollar investment in hospitals

Nelson and other communities will benefit from a billion-dollar upgrade and expansion of hospitals across the country, Health Minister Simeon Brown says.

“Budget 2025 funds a major redevelopment of Nelson Hospital. This will deliver a new inpatient building with more beds to meet population growth. The hospital’s two main buildings will be refurbished, and essential services will be upgraded.

The Budget package also provides funding for:

- Construction of a new emergency department at Wellington Regional Hospital
- The National Remediation Programme and small-scale infrastructure projects
- Increasing interim inpatient bed capacity across New Zealand
- Critical Auckland hospital infrastructure
- Palmerston North Hospital remediation

“Nelson’s new 128-bed inpatient building – 41 more beds than current capacity – is expected to be built by 2029, two years earlier than planned. The hospital’s two main buildings will be refurbished and seismically strengthened, and a new Energy Centre will house critical infrastructure.

“The \$73 million design and enabling works for the new hospital are already well underway, and the \$11 million emergency department expansion is expected to be completed by early 2026,” Mr Brown says.

“Wellington Regional Hospital’s emergency department has long been inadequate to meet demand. The infrastructure boost will support construction of a new emergency department and specialist treatment spaces, refurbishment of the Old Children’s Hospital, expansion of the Intensive Care Unit, and fit-out of refurbished floors in the Clinical Services Block.

“Providing more hospital beds quickly is also a priority. New funding will deliver at least three modular, transportable 32-bed inpatient units that can be moved where needed to support ongoing care while major infrastructure projects are underway.

“Budget 2025 also funds small-scale support for urgent infrastructure issues at hospitals nationwide.

“Fixing critical systems such as electrical, heating and hot water at Auckland City Hospital and Greenlane Critical Centre is a key priority. Patients care is being delayed due to outdated infrastructure which is failing.

“Patients and staff in Palmerston North will also benefit from major electrical, heating, and fire protection improvements.”

Mr Brown says the Government is determined to reverse decades of under-investment in the health system.

“We are making the long-overdue investments needed to modernise our hospitals and strengthen our health system.

“Modern reliable infrastructure will help deliver more for patients, reduce waiting lists, and ensure Kiwis can get the timely and quality healthcare they expect and deserve.

“Today’s announcement is in addition to the \$6.39 billion of infrastructure investment already underway and will support Health New Zealand to deliver the modern reliable health infrastructure Kiwis rely upon. It’s about delivering for New Zealanders now, and creating a system that will serve future generations,” Mr Brown says.