

Visionwest Budget Summary Report 2026

Prepared by Visionwest Waka Whakakitenga for the social service and community sector

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1. Executive Summary

Visionwest Waka Whakakitenga is one of Aotearoa New Zealand's largest community, health and social service organisations. We work across housing, disability support, home and community health services, food security, mental health, financial mentoring and social support. We carry both the evidence and the lived experience of the whānau we walk alongside. We share this analysis because the sector is stronger when we think and advocate together, and because the whānau voice deserves to be at the centre of how we understand what this Budget means.

Visionwest acknowledges that Budget 2026 arrives in a constrained fiscal environment. There are small gains in some areas; however, these sit alongside policy changes that are likely to increase pressure on households already under strain. **Tumu Whakarae (CEO) Lisa Woolley** states:



“We acknowledge the further investment from Government into new social and affordable housing supply through the new Flexi fund, however, the impact of increasing the Income Related Rents by 5% will significantly deepen the financial strain for whānau already facing hardship. This 5% can be the difference between coping and falling behind and is something we are deeply concerned about.”

Budget 2026 also reflects a shift away from targeted support for Māori towards a troubling, universal and homogenised approach.

Visionwest Tumū Whakarae DCE Fred Astle says:

“We are concerned by a continuing tendency to flatten support into generalised approaches that do not respond well to the distinct realities facing whānau Māori. The evidence has been clear for years: a one-size-fits-all approach does not deliver the uplift that is needed.”



Overall, Budget 2026 presents an underwhelming picture for those in greatest hardship: steady investment in some frontline supports, but reduced help and increased costs in areas that matter most for households.

Not good for whānau

- Income Related Rent contribution rises from 25% to 30% from 1 April 2027, increasing average weekly rent for around 84,000 social housing households by about \$31
- Temporary Additional Support maximum rate drops from 30% to 25%, removing \$195.6 million from a support many whānau rely on to cover costs a benefit alone cannot meet
- Homelessness Action Plan reduces by \$2.490 million
- Youth Transitional Housing falls by \$1.300 million, continuing a multi-year pattern of reduction
- No dedicated funding for women's housing anywhere in the Budget
- Family and Sexual Violence support reduces by \$4.077 million
- Māori Development total appropriations reduce by \$34.2 million in a single year
- Preventative Programmes through Oranga Tamariki, the funding stream closest to community-based social support providers, falls by \$33 million
- Final-year Fees Free closes at the end of 2026

- Jobseeker Support eligibility tightens for 18-19 year-olds from 2 November 2026, with around 4,300 rangatahi potentially losing access
- Donation tax credit capped at \$100,000 per individual per year, with implications for major gifts fundraising

Silver linings

- Food Secure Communities confirmed as ongoing funding at \$8 million per annum, with \$15 million available in 2026/27
- Flexible Fund receives \$69.2 million over four years, supporting up to 2,250 additional social homes from 2028/29
- Pacific employment and training programmes more than double, increasing by \$5.531 million as Tupu Aotearoa transfers to MSD
- GP capitation reweighting from 1 July 2026 directs more funding toward high-deprivation communities with complex health needs
- Emergency Housing Transitional Housing increases by \$9.051 million (transferred from Motel funding)
- Support services for people who experienced abuse in state care increases by \$1.760 million
- Older People participation and support services increase by \$1.294 million
- KickStart Breakfast Programmes receive \$1.5 million per annum through the Improving Children's Participation in Education appropriation
- Healthy School Lunches extended through 2027 with \$212 million confirmed
- \$88 million Dame Karen Poutasi response package for child safety training for the not-for-profit sector
- Accommodation Supplement maximum rates increase by between \$10 and \$30 a week for private renters

Holding steady

- Health Funding is just meeting the minimum threshold to maintain existing status quo
- Housing First holds at \$48.300 million
- Sustaining Tenancies holds at \$11.247 million with 2,290 contracted places confirmed

- Rapid Rehousing lifts slightly by \$47,000
- Whānau Ora commissioning outcomes appropriation holds at \$179.3 million
- He Poutama Rangatahi increases marginally by \$49,000¹.

What follows is a more detailed summary of Budget 2026 across the areas of health, housing and social support. Not every announcement will affect service delivery directly, but together they describe the environment in which whānau are living and in which many providers operate. Sections cover housing, rangatahi and tamariki, health, Māori and Whānau Ora, social services and food security, employment and cost of living, charities tax settings and organisational impacts. All dollar amounts are drawn directly from the relevant Budget 2026 Vote tables. Where figures involve year-on-year comparisons, these reflect the movement between the final budgeted FY2025/26 year and the FY2026/27 budget appropriation lines². Readers should note that the interpretation of these figures is our own.

2. Housing Announcement Summary

The most significant housing announcement is the multi-year reform of the social housing system confirmed on 21 May 2026. The minimum Income Related Rent contribution will rise from 25 percent to 30 percent of income from 1 April 2027, affecting around 84,000 social housing whānau by an average of about \$31 a week³. Thirty percent is not a comfortable landing point. It is the threshold at which housing is internationally recognised as unaffordable⁴. Moving the social housing rent contribution to exactly that line places social housing tenants at the stress threshold from day one, with no buffer remaining for the essential costs that sit on top of rent in every household budget. The Government confirms that this increase will generate savings of \$387.5 million over the forecast period with those savings used to increase Accommodation Supplement rates for private renters by between \$10 and \$30 a week⁵.

¹ [Budget 2026 - 28 May 2026](#)

² [Budget 2026 - 28 May 2026](#)

³ [Increasing the minimum housing cost contribution factsheet Budget 2026 - Ministry of Social Development](#)



Stats NZ data for the year ended June 2024 shows that nearly half (45.9 percent) of renting whānau across New Zealand are already spending at or above the international unaffordability threshold⁶. The disparity for Māori and Pacific whānau is sharper still. Around two-thirds of renting whānau with at least one person of Māori ethnicity already spend 30 percent or more of their income on rent, at 64.1 percent. For renting households with Pacific peoples, that figure rises to 69.9 percent. The Government's move to offset some of this burden by increasing Accommodation Supplement maximum rates is a real and welcome relief for whānau renting in the private market. For social housing whānau who will face higher rent, the risk is that already tight budgets become even more stretched.

On Budget Day the Government confirmed a further \$69.2 million into the Flexible Fund over four years, expected to support between 1,800 and 2,250 additional social homes and other housing solutions from 2028/29 onwards. This builds on the existing pipeline and gives community housing providers more medium-term visibility, which is helpful for planning.

Within the Housing and Urban Development Budget, several programmes are directly relevant for the Community Housing

⁴ [Affordable housing | OECD](#)

⁵ [Increasing the minimum housing cost contribution factsheet Budget 2026 - Ministry of Social Development](#)

⁶ [Housing-in-aotearoa-new-zealand-2025.pdf](#)

Sector. Housing First holds at \$48.300 million, unchanged from the prior year budget. Sustaining Tenancies also holds at \$11.247 million with 2,290 contracted places confirmed for 2026/27, though there is no growth in places despite rising demand. Rapid Rehousing lifts slightly to \$10.727 million, up from \$10.680 million. The Homelessness Action Plan reduces by \$2.490 million, from \$14.050 million to \$11.560 million, a cut to the funding that supports outreach and response for people experiencing or at risk of homelessness.

The Transitional Housing Budget continues to support housing places and associated services for households with nowhere else to stay. Between 2025/26 and 2026/27 the total appropriation rises by \$7.158 million to reach \$362.185 million, though the shape of the funding shifts. Transitional Housing Services increases by \$9.088 million while the Provision of Transitional Housing Places reduces by \$1.930 million. The performance framework moves away from the earlier minimum places measure to a new availability measure, with a cap of 6,100 places and an expectation that all newly contracted places receive associated services.

Within the components, Emergency Housing Transitional Housing rises by \$9.051 million, which includes the previous Motel funding reflecting the Government's shift away from motel-based emergency housing. General Transitional Housing holds broadly steady, reducing by just \$361,000. Youth Transitional Housing falls by \$1.300 million to \$11.290, continuing an ongoing pattern of annual reductions tied to the return of rangatahi-focused transitional housing funding. There is no dedicated line for women's housing anywhere in the Budget.

The Social Development Budget adds another part of the picture. MSD housing support assistance increases over the period, which is likely to include more short-term help with immediate housing pressures such as arrears and urgent costs, but much of this sits in recoverable assistance that increases whānau debt and needs to be paid back. At the same time, provision to better prepare people to access and sustain private rentals, which is the

support for programmes that helps people obtain and keep private rental housing, falls from \$1.613 million to \$883,000. This suggests a shift toward helping after a tenancy is already under pressure, and less investment in the practical early support that can keep people housed in the first place.

3. Rangatahi and Tamariki Announcement Summary

The Government confirmed additional funding for its education programme, targeting reading, writing and maths for Years 0-10 and \$559 million for school property and roll growth, of which \$21 million was specifically identified for Kaupapa Māori Education roll growth. In a separate announcement, \$212 million was committed to extend the Healthy School Lunches programme through to 2027. For many tamariki and whānau, the school lunches extension will be meaningful and immediate.

Budget 2026 includes significant investment for tamariki in care. The Dame Karen Poutasi response package allocates \$88 million across community providers for child safety training. A further \$90.5 million responds to the increase in Reports of Concern made to Oranga Tamariki, and \$93.5 million supports specialist care placements for children with high and complex needs. Children's Commissioner Dr Claire Achmad welcomed the Oranga Tamariki investment but expressed deep disappointment that the Budget "misses the opportunity to make ending child poverty an enduring project of national significance."⁷

However, NZCCSS described these investments as "the ambulance at the bottom of the cliff," noting that recent research shows income support in a child's early years can reduce rates of maltreatment, and that "increasing incomes and reducing hardship can have very real long-term impacts on the wellbeing and broader productivity of New Zealand." The child poverty rate as measured by material hardship has risen to 14.3%, and projections show no meaningful improvement by 2030. Targets for two out of

⁷ [Budget 2026: The great Spinoff hot-take roundtable | The Spinoff](#)

three child poverty measures appear unlikely to be achieved by the legislated 2026/27 deadline.

The Oranga Tamariki Prevention and Early Support category rises overall from \$465.6 million to \$480.4 million in 2026/27, but the shape of that increase matters. Personnel costs lift by \$33.8 million and Other Costs by \$14.1 million, pointing to more resourcing held within Oranga Tamariki itself. Over the same period the Preventative Programmes line, the funding stream most directly available to external community providers, falls from \$298.5 million to \$265.4 million. For organisations delivering youth and family support services, that reduction may increase funding pressures.

Visionwest works alongside rangatahi and their whānau in West Auckland every day. What we see is that early support, offered by trusted local providers who know the community, is what helps young people stay connected, stay safe and find their way forward. Reducing the community-based funding that makes that possible, at a time when need is rising, moves in the wrong direction. We remain committed to partnering with Government and Oranga Tamariki to ensure that local knowledge and local relationships are part of any new commissioning approach.

Oranga Tamariki is also implementing a new commissioning and investment plan, with some services being decommissioned and funding potentially transferring to the Social Investment Agency. For providers operating on Oranga Tamariki contracts, this signals likely contract reviews before December 2026.

Final-year Fees Free will close at the end of 2026. The Government describes this as saving just over \$1 billion across the forecast period, with part of those savings redirected into vocational education initiatives including Trades Academy expansion and 1,000 more Youth Guarantee places.

The Youth benefit eligibility is tightening. The Jobseeker Support parental assistance test for 18–19-year-olds takes effect 2 November 2026. Around 4,300 teenagers may lose benefit eligibility.

⁸ [Read our report — Kaitiaki Hauora | Together for Public Health](#)



4. Health Announcement Summary

Budget 2026 carries a headline of \$34.2 billion for health in 2026/27. It is worth being clear about what that means. The \$5.83 billion four-year figure is the final year of a multi-year health funding commitment. Kaitiaki Hauora estimated that around \$1.405 billion was needed just to maintain existing services against inflation and demographic demand. The \$1.37 billion uplift falls just short. Most of this money maintains the current system rather than meaningfully expanding it⁸.

The genuinely new health investments confirmed on Budget Day include \$34 million for three-day postnatal stays, \$54 million additional for Pharmac, \$35 million to boost road ambulance services, \$33 million to extend the National Bowel Screening Programme to people aged 56, and \$682 million in health capital including a new Whangārei Hospital tower block. These are real gains. Breast Cancer Foundation CEO Ah-Leen Rayner noted however that the Pharmac funding "does little more than maintain the status quo. Keeping the lights on is not a long-term solution"⁹.

Workforce and Capacity gaps remain

The most significant gap named by health sector voices is the absence of any sustained new funding to staff additional hospital beds or grow

⁹ [Budget 2026: The great Spinoff hot-take roundtable | The Spinoff](#)

the nursing and allied health workforce. Auckland district nurses took industrial action in April 2026 over dangerous understaffing and vacancies that have not been filled. The \$25 million Winter Preparedness Plan announced in March 2026, covering 378 additional FTEs and 71 temporary beds, is temporary. NZNO described Budget 2026 as "robbing Pita to pay Paul"¹⁰, a description that reflects what Kaitiaki and E tū have documented: new spending in some health areas is cross funded by reprioritisation from others. E tū noted that a \$400 million health underspend drawn from community and residential support services was banked as a fiscal saving rather than redirected back into care¹¹.

GP Capitation: a meaningful structural shift

The GP capitation reweighting, taking effect 1 July 2026, is the most meaningful structural health change. The current formula has been in place since 2002 and uses only age and sex to determine per-patient funding. The new formula adds multimorbidity, rurality and socioeconomic deprivation, drawn from analysis of over two million patient records. For West Auckland practices serving high-deprivation communities with complex health needs, this could shift meaningful additional resource toward those clinics¹².

Mental health: steady budget, system still under pressure

There are some real gains for mental wellbeing in this Budget. Additional forensic mental health funding and the new three-day postnatal stay provision will make a difference for some whānau. Specialist services, however, still lack dedicated ring-fenced funding. The RANZCP noted there is still no clear plan to address the most critical gaps, and some time-limited mental health initiatives are expiring without replacement¹³. The Mental Health Foundation put it plainly: "Good mental health does not begin when someone reaches crisis point. It is shaped by whether children are safe, whether young people feel connected and supported, whether families have enough to get by and

whether communities have access to the services they need"¹⁴.

That is precisely what Budget 2026 leaves largely unaddressed. The welfare changes and cost pressures confirmed in this Budget may well increase the mental health burden in communities, even as the health vote holds steady. What the sector knows, and what whānau tell us directly, is that mental distress and addiction are most often rooted in poverty, housing instability, disconnection from whānau and whenua and intergenerational trauma. These are conditions that a prescription or a waitlist cannot reach alone.

Community providers across the motu are already doing this upstream work. The approaches that help most are relational, grounded in cultural identity and built on trust that takes time to earn. Kaupapa Māori and trauma-informed practice that address root causes are not simply cultural preferences; for many whānau they are the most effective pathway to healing and wellbeing available. Visionwest and many sector partners remain committed to advocating for investment that meets people upstream, alongside the specialist clinical services that those in acute distress so clearly need.

Disability Support Services

Budget 2026 does not introduce any new disability initiatives. Instead, it carries a small baseline saving for the Ministry for Disabled People, while Disability Assistance through the main welfare system continues to grow through automatic cost and demand adjustments rather than a specific new programme.

5. Māori and Whānau Ora

Budget 2026 contains only one major new Māori-targeted funding package: a \$48 million investment over four years in te reo Māori and Māori broadcasting, focused on digital sustainability, new te reo content, talent development and capability. The Māori Development Minister Tama Potaka announced a further \$10 million in reprioritised funding over

¹⁰ [New Zealand Nurses Organisation - NZNO | Wellington | Facebook](#)

¹¹ [\\$400m health underspend must go back into care - E tū](#)

¹² [Capitation reweighting | Ministry of Health NZ](#)

¹³ [Budget steady but mental health remains under pressure, say NZ psychiatrists | RANZCP](#)

¹⁴ [Budget press release 2026 | Mental Health Foundation](#)

five years for Te Māori Tū, supporting trade relationships through Māori arts and culture. These are genuine investments in Māori identity and culture. They do not address the health, housing and wellbeing disparities that Māori communities face.

Te Ao Māori News reported that Māori economist Matt Roskrige, said Budget 2026 "continues a wider pattern where Māori-specific initiatives and targeted equity funding are being scaled back or absorbed into universal programmes, despite persistent disparities across health, housing, education and income." The Government maintains broader investments will benefit all New Zealanders including Māori. Many Māori organisations and advocates note the critical question is not how much is spent overall, but whether spending meaningfully addresses inequities Māori communities continue to face¹⁵.

Budget Māori Development: the numbers

The full picture from Budget Māori Development shows a Budget in managed decline. Total appropriations fall from \$518.8 million in 2025/26 to \$484.6 million in 2026/27, a reduction of \$34.2 million in a single year. Key movements include:

- **Te Puni Kōkiri departmental baseline.** Reduced by \$4.588 million per annum from 2026/27, on top of \$8.834 million in departmental cost efficiencies already locked in from Budget 2024. The department that advises Government on Māori wellbeing and manages community investment programmes has now absorbed more than \$13 million in annual baseline reductions.
- **Whānau Ora Commissioning.** The commissioning approach administration appropriation falls by \$664,000 to \$8.656 million. The Commissioning Whānau Ora Outcomes appropriation holds at \$179.3 million, maintaining continuity for the four commissioning providers. This is the largest single item in the Budget and its stability matters.
- **Māori Broadcasting.** Falls from \$66.3 million to \$50.3 million, primarily because

\$21 million in time-limited media sustainability funding from Budget 2024 expires. The new \$48 million te reo package partly offsets this but does not fully replace it. Whakaata Māori falls from \$42.3 million to \$38.3 million.

- **Māori Housing.** Holds at \$34.5 million. This sits alongside the Flexible Fund housing pipeline. However, the Budget Māori Development appropriations table shows that housing funding has been reduced by \$21.6 million per annum from previous years as a result of the "Reducing the Scale and Scope of Activity" and "Reducing the Scale of New Housing Supply Programmes" savings decisions.
- **Māori Crown Relations (Te Arawhiti).** Reduced by \$648,000 from 2026/27 through departmental baseline reductions.
- **Hauora Māori.** Kaitiaki reported that funding for hauora Māori fell by \$11.5 million overall in Budget 2026, with cuts to tamariki immunisation (\$47.2 million) only partially offset by new spending elsewhere. There are no major new Māori-specific health initiatives despite Māori continuing to experience significantly worse health outcomes than non-Māori¹⁶.

The structural pattern

The picture across Budget Māori Development is consistent. Previous government investments, many of which were time-limited, are expiring and not being replaced at the same scale. The total Budget trend shows output expenses falling. Much of this is the expiry of COVID-19 Māori community response funding. But the direction of travel in the current budget cycle is a continued reduction in Māori-targeted investment rather than restoration.

For everyone working within Māori communities, this pattern has direct implications. The reduction in Te Puni Kōkiri departmental capacity, the lower Māori Development Fund allocation and the net reduction in hauora Māori funding all reduce the resource available to support community-based Māori-led responses.

¹⁵ [Tahua 2026: Pours billions into health and infrastructure but little new targeted funding for Māori – Te Ao Māori News](#)

¹⁶ [BUDGET26: Robbing Pita to pay Paul — Budget leaves nurses, Māori in 'money-go-round' – Kaitiaki Nursing New Zealand](#)

At the same time, the stability of Whānau Ora commissioning, Māori Housing and language revitalisation appropriations means established programmes continue.

6. Social Services, Food Security and Social Investment

The single most important food security outcome from Budget 2026 is that community food network funding continues. Budget 2026 confirms \$15 million for 2026/27 through a new appropriation category, "Developing Provider Capability and Capacity" within Vote Social Development. This includes \$7 million carried forward from the Community Responses to Adverse or Emergency Events appropriation, which closes at the end of 2025/26 as the emergency food response phase comes to an end. From 2027/28, the ongoing rate settles at \$8 million per annum. This funding supports the Food Secure Communities programme, including the New Zealand Food Network and the network of regional and community food providers who distribute food, build sector capability and provide the infrastructure that community food support depends on.

The MSD evaluation of the Food Secure Communities programme, completed by Allen + Clarke in February 2026, provides the strongest available evidence base for why this matters. Key findings from that evaluation include:

- Food volumes through FSC-funded providers grew from 7.4 million to 10.4 million kilograms between 2023/24 and 2024/25, with 94% of providers reporting increased ability to provide food to their community.
- FSC funding provides between 41% and 50% of the funding providers need to deliver their services, making it critical baseline operational funding covering staff, rent, electricity and warehouse costs that are difficult to fund from other sources.
- Over 80% of providers surveyed stated they would experience significant service



reductions or closure without FSC funding.

- 76% of providers reported recipients shared that food support decreased stress and improved mental or physical health. Kore Hiakai's independent research found 93% of whānau indicated positive impact on emotional wellbeing.
- 85% of providers reported food support helped recipients stay engaged in training or employment.
- The programme has strengthened emergency response capacity, with regional hubs and local providers now recognised as partners in civil defence preparedness planning.
- The three-tiered infrastructure means capacity loss at any level creates system-wide bottlenecks. The ongoing funding protects against that risk.

The evaluation also found that food support is a gateway. Providers described using food as a point of entry to wraparound support addressing underlying drivers of food insecurity¹⁷.

"In a country with everything we need to ensure everyone thrives, it is astonishing that one in four households still run out of food. If government withdraws its support, the consequences will be immediate and severe." Tric Malcolm, Pou Ārahi, Kore Hiakai Zero Hunger Collective¹⁸.

¹⁷ [Evaluation of the Food Secure Communities Programme - Ministry of Social Development](#)

¹⁸ [Kore Hiakai Zero Hunger Collective](#)

He Poutama Rangatahi

MSD's Youth employment support programme, He Poutama Rangatahi receives a small but meaningful increase, moving from \$33.368 million to \$33.417 million, a lift of \$49,000. That number is modest. What it says is that the programme is protected and marginally grown at a time when other discretionary lines have been cut.

Pacific Employment and Training Programmes

The appropriation covering employment and training programmes for Pacific peoples more than doubles, moving from \$4.691 million to \$10.222 million, an increase of \$5.531 million, or roughly 118%. This is a genuinely significant lift. Context that helps explain the scale of the increase: the Tupu Aotearoa programme, previously administered by the Ministry for Pacific Peoples, transfers to MSD on 1 July 2026 and is being consolidated into this appropriation alongside the existing Alo Vaka programme. Some of the growth therefore reflects a transfer of an existing programme rather than entirely new money. The net investment for Pacific communities is still higher and the direction is clearly positive.

Abuse in Care Support increases

Funding for support services for people who experienced abuse in state care rises from \$14.150 million to \$15.910 million in 2026/27, an increase of \$1.760 million. This is a meaningful lift in an area where need has been growing as more survivors come forward. Importantly, this appropriation funds independent community and specialist providers rather than government agencies directly. For survivors, that distinction matters. Accessing support through a trusted community provider, rather than through the same system that caused harm, can make a real difference to whether people engage with support at all.

Older People: Participation and Support Services for Seniors

This line increases from \$13,039,000 to \$14,333,000, a lift of \$1,294,000. The appropriation funds services that address isolation, abuse and neglect of older people and support participation in communities. It is not a large increase, but the direction is right.

Family and Sexual Violence, a reduction worth noting

Supporting Victims and Perpetrators of Family and Sexual Violence falls from \$190,609,000 to \$186,532,000 which is a reduction of \$4,077,000. This is a material cut to a service area where demand almost certainly has not reduced.

Financial Capability, Community Support and Advice, A small reduction

The Community Support and Advice line, which funds services that build financial capability, develop community and provider capability and provide targeted advice and support for vulnerable individuals and families, moves from \$52,455,000 to \$51,561,000, a small reduction of \$894,000. Financial mentoring and budgeting services sit within this funding stream. The reduction is not dramatic but comes at a time when demand for financial capability support has been rising steadily.

Temporary Additional Support (TAS), a cut with serious reach

The TAS maximum rate drops from 30% to 25% of the relevant main benefit rate, and formula-assessed child support liability is removed as an allowable cost. This saves the Government \$195.6 million over the forecast period. TAS is the discretionary weekly top-up that covers ongoing costs (like high rent, medical costs, or childcare) that a benefit does not meet. Reducing eligibility will push more whānau towards hardship services and food support.

The Social Investment Fund

Budget 2026 lifts total Social Investment Fund appropriations from \$47.1 million to \$59.2 million, with \$30.6 million now dedicated to initiatives that meet social investment grade standards. Round One has already selected seven programmes, with \$50 million committed over four years to reach more than 1,600 children from birth to eighteen, including children of parents in prison, children who have experienced the care system and tamariki stood down from school before the age of twelve. Round Two has now closed for Registrations of Interest, with another \$50 million anticipated and a fourth priority cohort added: mothers who experience harm from substance use, and their children, from pregnancy up to age five.

The Fund's ambition to invest in outcomes-based, evidence-grounded contracts aligns well with the work Visionwest and many sector partners are already doing. The Contract Consolidation pathway could hold real promise for organisations currently managing multiple government contracts across housing, food security and social support. The Social Investment Fund's preference for multi-year, outcomes-focused contracts points in the right direction and could offer a more sustainable funding environment for community providers who are ready to demonstrate their impact.

7. Employment Pathways and Cost of Living

Employment Supports for Sole Parents, investment with a social cost

Budget 2026 provides additional case management capacity for 25,000 sole parents, with \$34.605 million in 2026/27 and \$97.220 million over the forecast period. The stated intent is to support more sole parents into work and reduce long-term benefit reliance. However, the policy is expected to produce a net savings from 2028/29 onwards as benefit exits exceed programme costs. This means whānau will face increased pressure to enter employment without necessarily having resolved the structural barriers (transport, childcare cost, housing stability) that make sustainable work possible.

Each week, Visionwest is reminded that whānau are resourceful and determined to find a better future for themselves and their children. Many are already seeking or engaging in work programmes, managing households, caring for tamariki and navigating complex systems. The most effective employment support meets people where they are, builds on their existing strengths and removes the practical barriers such as childcare, transport, housing stability. Barriers that stand between effort and permanent progress.

¹⁹ [\\$50 a week for lower-income working families | Beehive.govt.nz](#)

²⁰ [Changes to benefit and payment rates from 1 April 2026 - Work and Income](#)

²¹ [Prudent approach to fuel crisis | Beehive.govt.nz](#)

Cost of Living

The cost of living is where Budget 2026 will be felt most directly by the whānau social support providers serve week to week. The picture is mixed. On the positive side: a \$50 weekly boost to the In-Work Tax Credit took effect in April 2026 for around 143,000 working families with children, with eligibility extended to a further 14,000 families¹⁹. Annual benefit rates increased from 1 April 2026 by 3.11%, consistent with CPI movements²⁰. The Government has also set aside \$450 million as a time-limited contingency for additional fuel measures if needed, alongside the \$373 million In-Work Tax Credit boost and \$150 million for strategic fuel reserves already confirmed as part of the Budget's fuel response package²¹. Te Pai Ora SSPA has suggested it would be worth exploring whether any of that contingency could support community providers and whānau directly²².

Child Poverty Action Group has modelled the budgets of typical low-income households from 2018 to 2026 and noted that the Budget's modelled improvements in child poverty rely almost entirely on the temporary In-Work Tax Credit boost. When that boost ends on 31 March 2027 or when fuel drops below \$3 per litre, the modelled improvement disappears. That is not a structural fix²³.

8. Charities and Community Sector: Tax Setting Changes

Budget 2026 confirms a new tax package for the charitable and community sector. On the positive side, the effective tax-free threshold for taxable not-for-profits rises to \$10,000 of net income, which will ease compliance for smaller community providers that earn modest trading income alongside their charitable work. The changes also allow in-year donation tax credit refunds in some circumstances and give donors the option of transferring their donation tax credit directly to a charity, which could improve cashflow and make it easier for donors to pass the value of their credit straight to the providers

²² [Budget 2026: The great Spinoff hot-take roundtable | The Spinoff](#)

²³ [Budget 2026 doesn't move the dial on child poverty rates — Child Poverty Action Group](#)

they support. Community providers can also choose to treat honoraria as salary or wages, which may simplify the way payments to board members, kaumātua and community leaders are handled for tax purposes.

Alongside these helpful shifts sit three measures that are more restrictive. The most significant is the introduction of a donation limit of \$100,000 per year for individuals claiming a donation tax credit, which caps the credit at \$33,333. Above that level there is no tax credit at all. This directly affects high-value donors and has clear implications for large capital campaigns, endowment fundraising and major gifts strategies across the sector. Sector commentary has noted that research from think-tanks and advisers, including work by Bloomsbury Associates, has encouraged government to move in the opposite direction by increasing the donation credit rate to 50 percent and allowing donors to carry forward donation tax credits across tax years to unlock more private wealth for community good²⁴; Budget 2026 does not take up that direction. Budget 2026 explicitly frames its cap as being about making the donation tax credit scheme "financially sustainable"²⁵, which sits in direct tension with the sector's argument that a higher credit rate and carry-forward rules would unlock more private wealth for community good.

9. Organisational Impacts

Public Service Restructure

Finance Minister Willis confirmed the Government is targeting a reduction in the public service to no more than 55,000 full-time equivalents by July 2029, around 8,700 fewer than were employed in December 2025. The \$2.4 billion in savings generated over four years is the primary fiscal justification. Reductions are intended to come through natural attrition, digital transformation and the elimination of duplication. A new Ministry of Cities, Environment, Regions and Transport (MCERT) is being established, merging Housing and Urban Development (HUD), Transport, Environment

and local government functions, with full operations from 1 July 2026.

For many providers, the most relevant restructure questions are how contracting authority and relationship management will change. Within the new MCERT structure, community housing providers will be wondering how relationships currently managed through HUD will be transferred. Community health providers will be wondering how the new Health New Zealand regional delegations model affects home and community health services and community mental health contracting.

Fuel cost pressures

The \$450 million contingency fund signals the Government is watching fuel cost impacts carefully. Community sector fuel costs, particularly for home and community health service vehicles, food delivery and mobile outreach, remain unaddressed in the main Budget. Te Pai Ora SSPA has noted that community services received no relief from rising fuel costs despite other sectors receiving support²⁶.

Community sector contracts

Te Pai Ora SSPA's Budget Day assessment noted that cost pressures in the social service sector remain unaddressed. For many community providers whose contracts do not include indexation, this means continued pressure on service delivery margins²⁷. Stable, multi-year funding enables organisations like Visionwest to do their best work. When providers can plan their work over successive years, they can invest in relationships, build capability and develop the kind of deep community trust that makes a real difference for whānau, and meets contract outcomes more consistently. The Government's new Social Investment Fund's preference for longer-term, outcomes-focused contracts points in the right direction and gives an example for other Ministries to follow. Extending longer-term commissioning approaches would benefit communities, whānau and Government alike.

²⁴ [Bloomsbury-Associates-The-Future-of-Charitable-Giving-in-NZ.pdf](#)

²⁵ [Improving tax rules for charities | Beehive.govt.nz](#)

²⁶ [Media release: Budget provides no relief for struggling whānau · SSPA](#)

²⁷ [Media release: Budget provides no relief for struggling whānau · SSPA](#)



10. Conclusion

Budget 2026 offers limited genuine gains and holds steady on some critical social service supports. Yet, in many areas it falls short of responding to the severity of need being felt by communities across the motu. Behind each of the appropriations in health and community sectors are households making hard decisions. A parent stretching a food budget further than it should go. A young person without a safe place to sleep. Whānau holding on to their tenancy by the narrowest of margins. Visionwest sees the rising pressures on the faces of people we know by name.

The evidence across our sector tells a consistent story. The Salvation Army's *State of the Nation 2026* confirms child poverty gains have reversed, hardship is deepening, housing instability is rising and the whānau most affected are tamariki, women, Māori, Pacific peoples and rangatahi²⁸, rough sleepers in Auckland doubled in a year and 90,000 young people sit outside work, education or training²⁹. NZCCSS confirms material hardship is back to pre-Child Poverty Reduction Act levels at 14.3%³⁰. Kore Hiakai's *Impact of Community Food Support* report (which includes whānau voices from Visionwest), found that 93% of whānau

experienced improved emotional wellbeing through food support and 45% were connected to housing, health or financial services through that first food relationship³¹. The Allen + Clarke evaluation of the Food Secure Communities programme found that food support acts as a gateway, connecting whānau to wraparound services that address the underlying drivers of food insecurity³².

Visionwest's own GoodMeasure Homes report adds a further dimension: every person supported through our Housing First Chronic programme generates \$29,629 of social value, through reduced emergency service use, improved health outcomes and stronger community connection³³. This evidence did not originate in government data systems or policy papers. It came from whānau whose lives changed because the right support was there at the right time. It belongs to them and it makes the strongest case for why this work must continue.

The community sector moves into the coming year with a clear mandate to keep partnering, keep evidencing impact and keep working alongside Government on solutions grounded in lived experience. Whānau know what works. Our role is to listen; to amplify that knowledge and to bring it into the places where decisions are made. Every whānau deserves what they need to thrive. That is not an aspiration. It is the work we all do.

²⁸ [State of the Nation 2026 - SPPU](#)

²⁹ [msd-food-secure-communities-evaluation-a-c-final-report-4-february-2026.pdf](#)

³⁰ [Issues-Brief-Child-Poverty-Final.pdf](#)

³¹ Kore Hiakai Zero Hunger Collective, *The Impact of Community Food Support*, November 2025

³² [msd-food-secure-communities-evaluation-a-c-final-report-4-february-2026.pdf](#)

³³ [Housing Impact Report | Visionwest Annual Report 2025](#)