



**BUDGET  
2024**

# Budget at a Glance

**Hon Nicola Willis  
Minister of Finance**

**30 May 2024**

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before 2:00 pm on Thursday 30 May 2024

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

# BUDGET 2024 DELIVERS:

**1** A fiscally responsible Budget that delivers on our commitments

**2** Tax relief that gives average income households up to \$102 per fortnight plus FamilyBoost childcare payments of up to \$150 per fortnight

**3** Targeted investments in public services, including healthcare, education and law and order

**4** Savings across government to responsibly fund tax relief and boost frontline services

**5** Infrastructure investments for growth

**6** Fiscal discipline to get back to surplus and lower debt

Budget 2024 is fiscally responsible, delivers long overdue tax relief for 83 per cent of New Zealanders, and invests in frontline public services to get better results.

# BUDGET 2024 PACKAGE

Budget 2024 includes new spending, savings and the reprioritisation of resources to frontline services, all within an operating allowance of \$3.2 billion per annum – the lowest operating allowance since Budget 2018. Tax relief is fully funded, and spending is targeted, effective and affordable.

<b>Budget 2024 package</b>	<b>Operating annual average cost/ (saving) \$billion</b>
Tax relief	3.68
Savings and revenue to fund tax relief	(3.71)
Health	2.01
Education (including tertiary)	1.01
Law and order	0.46
Social sector and disability services	0.37
Transport	0.22
Defence and foreign affairs	0.11
Other new spending	1.21
Savings and revenue to fund core services	(2.15)
<b>Total Budget 2024</b>	<b>3.20</b>

Note the components of this table do not sum to this total due to rounding.

# TAX RELIEF

Tax relief in Budget 2024 will let hard-working New Zealanders keep more of what they earn. Households with children will benefit by \$78 per fortnight on average. Overall, around 1.9 million households will benefit by \$60 per fortnight on average. The tax changes apply from 31 July 2024, apart from FamilyBoost which applies from 1 July 2024.

- Increasing personal income tax thresholds reduces income tax for people earning more than \$14,000 per annum. This reduction in personal income tax is the first since 2010.

Current brackets \$	New brackets \$	Rate
0 – 14,000	0 – 15,600	10.5%
14,001 – 48,000	15,601 – 53,500	17.5%
48,001 – 70,000	53,501 – 78,100	30%
70,001 – 180,000	78,101 – 180,000	33%
180,001+	No change	39%

- Extending the income limit for the independent earner tax credit to \$70,000 per annum means an additional 420,000 additional people (not receiving Working for Families, main benefits or Superannuation) are eligible for up to \$20 per fortnight.
- Increasing the in-work tax credit means an estimated 160,000 low-to-middle-income working families will get up to \$50 extra per fortnight.
- The new FamilyBoost payment will help an estimated 100,000 families with the costs of early childhood education, by up to \$150 per fortnight.

For information on how the tax package will benefit you, visit the tax calculator at [budget.govt.nz/taxcalculator](https://budget.govt.nz/taxcalculator)

# TAX RELIEF IS FULLY FUNDED

Tax relief in Budget 2024 puts \$3.7 billion a year back into the pockets of New Zealanders. Tax relief is fully funded from savings and revenue initiatives, so the Government is not borrowing to fund this tax relief and it won't add to inflation.

<b>Budget 2024 tax package</b>	<b>Annual average cost/(saving) \$billion</b>
<b>Tax relief</b>	
Personal income tax thresholds and independent earner tax credit	2.57
In-work tax credit increase	0.15
FamilyBoost payment for early childhood education costs	0.18
Restoring interest deductibility for residential rental property	0.73
Brightline test adjustment	0.05
<b>Total</b>	<b>3.68</b>
<b>Savings and revenue to fund tax relief</b>	
Baseline savings not reprioritised to frontline agencies	(1.22)
Closing Labour programmes*	(0.78)
Climate dividend*	(0.60)
Commercial buildings depreciation	(0.58)
Taxing online casino operators	(0.05)
Revenue from immigration levies	(0.13)
Fees Free – replacing first-year with final-year fees free	(0.22)
Investment in tax compliance activities	(0.15)
<b>Total</b>	<b>(3.71)</b>

\* Through both mini-Budget and Budget 2024.

Note the savings and revenue components do not sum to this total due to rounding.

# HEALTH AND EDUCATION

Increased funding for frontline health services such as emergency departments, primary care, medicines and public health will help ensure New Zealanders can get health care when they need it. Budget 2024 invests \$8.15 billion extra operating and capital funding in health services, including \$665.1 million of reprioritisation, other savings and revenue.



**\$3.44 billion** for hospital and specialty services and **\$2.12 billion** for primary care and public health.



**\$31.2 million** to gradually extend free breast screening to 70- to 74-year-olds.



**\$1.77 billion** for Pharmac to ensure continued access to medicines New Zealanders rely on.



**\$24 million** for Gumboot Friday to deliver mental health services to young Kiwis.

Every child should have the opportunity to gain the skills and qualifications they need to fulfil their potential. The Government is investing \$2.93 billion extra operating and capital funding in schools and early childhood education, including \$440.8 million of reprioritisation.



**\$1.48 billion** to build new schools and classrooms and to maintain and upgrade existing ones.



**\$516.4 million** to support schools and early childhood education providers, plus **\$153.3 million** to establish charter schools.



**\$477.6 million** to continue the Healthy School Lunches programme for two years.



**\$67 million** to support schools to use the structured literacy approach when teaching reading.

# LAW AND ORDER

The Government is committed to cracking down on crime and keeping communities safe so people can go about their lives in peace. The Government is investing \$2.9 billion extra operating and capital funding in restoring law and order, including \$497 million of reprioritisation, other savings and revenue.



**\$1.94 billion** for more frontline Corrections officers, more support for offenders to turn away from crime and more prison capacity, including an expansion of Waikeria prison.



**\$424.9 million** to support frontline policing, including boosting pay and purchasing police vehicles.



**\$68.7 million** to address youth offending, including a military-style academy pilot.



**\$226.1 million** for an extra 500 police officers and additional operational support staff.

Other investment in public services includes:



**\$570.7 million** for Defence Force pay and projects, including upgrading vehicles, helicopters and infrastructure (and incorporating \$99.2 million of reprioritisation).



**\$1.1 billion** to ensure disabled people can access the essential services, equipment or support they need.



**\$140 million** for an extra 1,500 social housing places, delivered by community housing providers.



**\$48.7 million** to support the Te Matatini national festival and bring kapa haka to life in the regions.

# INFRASTRUCTURE FOR GROWTH

Budget 2024 lays the foundations for a better performing infrastructure system, with investments to ensure New Zealanders spend less time waiting in traffic, climate resilience is improved, and children learn in modern schools and classrooms.



**\$4.1 billion** of Crown funding for the National Land Transport Fund – a **\$1 billion** increase to the amount previously signalled – to accelerate priority projects including the Roads of National Significance.



**More than \$1 billion** for the rebuild and recovery of communities affected by Cyclone Gabrielle and the 2023 Auckland Anniversary floods, including **\$939.3 million** to repair roads.



**\$1.2 billion** for the new Regional Infrastructure Fund to invest in resilience infrastructure and regional projects that support economic growth.

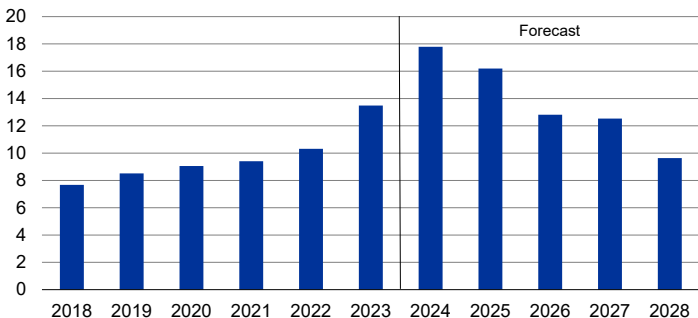


**\$200 million** to support KiwiRail to carry out maintenance and renewals on the national rail network.

New investment is on top of an existing capital pipeline, including programmes in delivery. More than \$68 billion is forecast to be spent on infrastructure over the next five years.

## Net infrastructure investment

**\$billions**



This graph shows the net purchases of physical assets by the Crown, Crown entities and KiwiRail. It does not include the unallocated portion of the Multi-Year Capital Allowance.

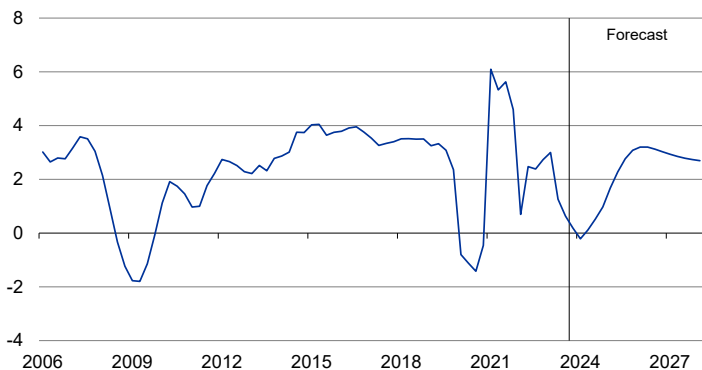


# ECONOMIC OUTLOOK

New Zealand is experiencing an economic downturn as interest rates have been increased to tackle high inflation. This downturn is deeper and more persistent than previously expected. Treasury is forecasting the economy to pick up in 2024. Its forecasts also show inflation returning to the target band of one to three per cent later this year, and interest rates falling.

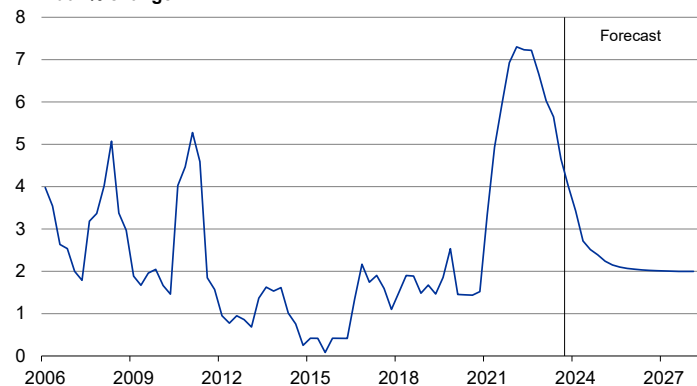
## Economic growth (real GDP)

Annual average % change



## CPI inflation

Annual % change

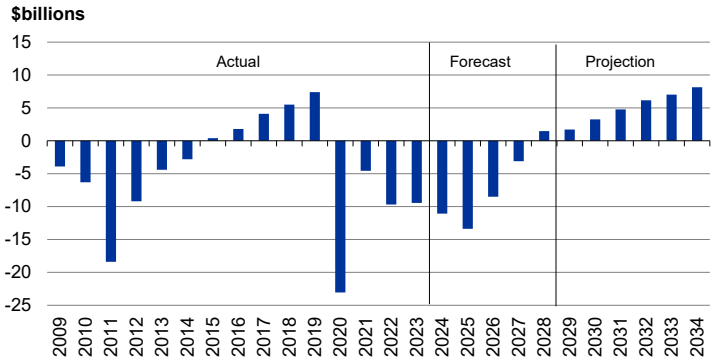


# FISCAL OUTLOOK

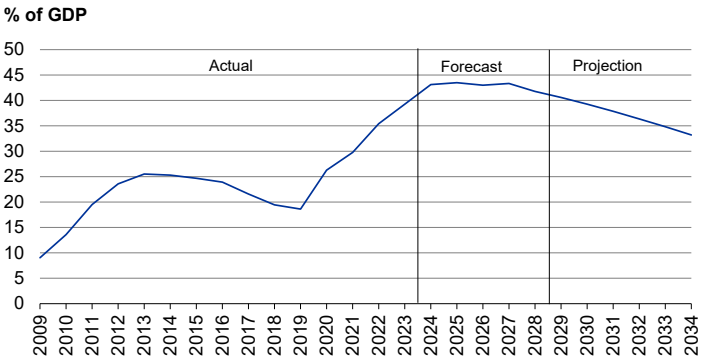
In recent years, government spending has ballooned and debt has risen sharply. The coalition Government is committed to getting the books back in order. Despite worsening economic conditions, the Government is on track to meet its fiscal objectives of:

- returning the operating balance to surplus (before gains and losses) in 2027/28
- bringing much-needed discipline to government spending, including by reducing core Crown expenses towards 30 per cent of GDP
- stopping the increase in net core Crown debt, then reducing it to between 20 per cent and 40 per cent of GDP.

## Total Crown operating balance (before gains and losses)



## Net core Crown debt

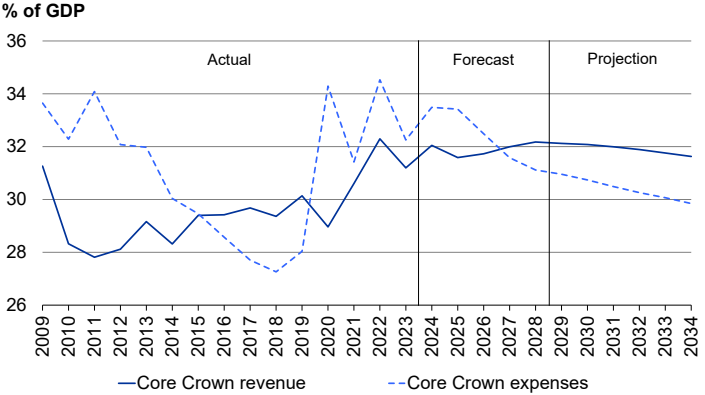


# REVENUE AND EXPENSES

The Government will restore discipline to spending. It has reduced the allowance for new spending in future Budgets and will ensure this spending is targeted, effective and affordable.

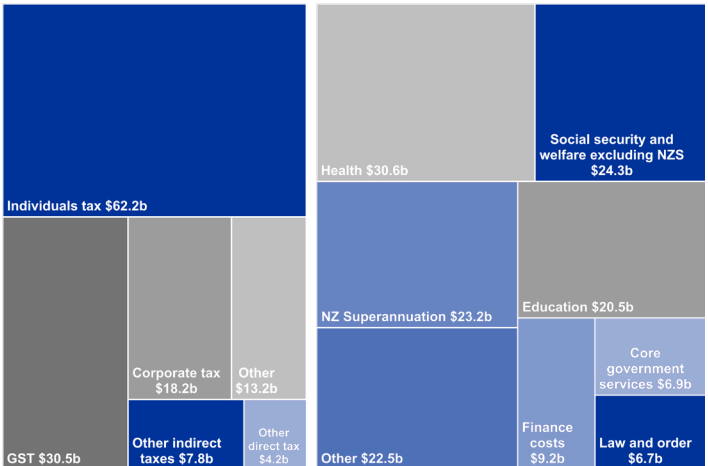
Fiscal discipline is long overdue, as government spending has exceeded revenue in recent years and the difference has been borrowed.

## Core Crown revenue and expenses



**Core Crown Revenue**  
Forecast 2024/25: \$136b

**Core Crown Expenses**  
Forecast 2024/25: \$143.9b



Note that the components of the revenue chart do not sum to the total revenue forecast due to rounding.

Permanent URL:

[treasury.govt.nz/publications/glance/budget-glance-2024](https://treasury.govt.nz/publications/glance/budget-glance-2024)

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**Notes:**

Distributional impacts presented are based on tax year 2027.

Unless otherwise stated, funding in this document refers to operating funding over the forecast period, plus capital funding.



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