



**BUDGET
2024**

Hon David Seymour Associate Minister of Finance

30 May 2024

Budget 24 turns tide on wasteful spending

Associate Finance Minister David Seymour says this Budget makes a good start in reducing low value government spending, and there is more efficiency to be found in future Budget cycles.

“The Coalition Government inherited a dire fiscal situation. Core Crown expenditure increased nearly 70% between 2017 and 2023. Debt blew out from \$60 billion to \$155 billion. But the quality of government services didn’t improve to anywhere near the same extent, and in some cases went backwards,” says Mr Seymour.

“Getting the books back in surplus, and reducing government spending as a proportion of GDP, will require serious discipline over several years.

“We are firmly committed to delivering ongoing savings in the public sector stopping well-intended but low-value policies and programmes.

“On taking office last year, our mini-Budget banked \$7.5 billion of immediate savings and new revenue, and we quickly set up a programme to find \$1.5 billion of ongoing annual savings across government agencies.

“At the Ministry of Business, Innovation and Employment, for example, I led a cost saving process that found \$486 million of savings.

“We are also improving the quality of existing government spending.

“For example, the Government will be delivering a more efficient Healthy School Lunches Programme, saving taxpayers approximately \$107 million a year compared to how Labour funded it, by embracing innovation and commercial expertise.

“There is more work to be done to be done to recover from the excessive spending that Labour committed to. In Budget 2025 ministers will continue to examine existing spending to ensure it is delivering value and bring even greater rigour to proposals for new spending.

“Clearly defining the problems that particular programmes are trying to solve is critical. The National-ACT coalition agreement commits to evaluating government expenditure on the extent to which it is either delivering public goods, social insurance, regulating market failure, or is a political choice.

“The Coalition Government understands that spending money is not success. It is the results that we get from that spending that matters.

“New Zealanders elected a Government that would get government spending under control and deliver more efficient and effective public services. We make no apologies for starting to put things right.”

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