



Rt Hon Jacinda Ardern

Prime Minister

PRESS RELEASE

19 May 2022

Hon Grant Robertson

Minister of Finance

Budget 2022: A secure future in difficult times

- Cost of living payment to cushion impact of inflation for 2.1 million Kiwis
- Record health investment including biggest ever increase to Pharmac's medicines budget
- First allocations from Climate Emergency Response Fund contribute to achieving the goals in the first Emissions Reduction Plan
- Government actions deliver one of the strongest economies in the world with earlier return to surplus than after the GFC, higher economic activity than before COVID-19 and unemployment to drop to 3 percent

Budget 2022 will help build a high wage, low emissions economy that provides greater economic security, while providing support to households affected by cost of living pressures.

“Our economy has come through the COVID-19 shock better than almost anywhere else in the world. But as the pandemic subsides, other challenges both long-term and more immediate, have come to the fore. This Budget responds to those challenges,” Prime Minister Jacinda Ardern said.

“COVID-19, climate change and the war in Ukraine have taught us we need to build a more secure economy that protects New Zealand households from the external shocks we know are coming.

“We are reopening to the world from July 31. Tourists are already arriving and we are shaking off the remaining impacts of COVID-19. The fundamentals and trajectory of our economy are strong but we have an immediate cost of living crisis to get through.

“The Budget eases the impact of global inflation on families. While we know the current storm will pass, it’s important we do what we can to take the hard edges off it now.

“The cost of living package contained in the Budget deals with the here and now by extending reductions to fuel excise duty and road user charges for a further two months, creating a temporary \$27 a week payment for New Zealanders earning up to \$70,000 a year, who are not already receiving the Winter Energy Payment and extending half price public transport fares.

“These initiatives come on top of the significant lifts to main benefits, student allowances, and family tax credits implemented on April 1 and the Winter Energy Payment from May 1.

“These are practical measures as families come through the hardest period post-COVID-19 and as the world responds to the war in Ukraine.

“Our successful economic management focused on people enables us to make these investments. We have record low unemployment, economic activity that is higher than it was before COVID-19, and Government debt that is lower than most countries we compare ourselves to.

“Budget 2022 makes investments that secure our future. We’re making our largest ever investment in the health system and Pharmac because New Zealanders need and deserve first class access to health services and medicines right across the country.

“The landmark Emissions Reduction Plan and first allocations from the Climate Emergency Response Fund will put us on track to meet the goals of our first emissions budget, and ensure New Zealand is on course to build a low emissions economy that provides greater economic security for everyone.

“We’re investing now to make sure we’re ready and secure for what lies ahead. Be it the impact of climate change or growing pressure on health services, now is not the time to take our eye off the ball,” Jacinda Ardern said.

“Wellbeing Budget 2022 – A Secure Future charts the course for economic security and a high wage, low emissions economy as the world emerges from the COVID-19 pandemic,” Grant Robertson said.

“We can do this because our economy has come through COVID-19 better than nearly any other country in the world, as a result of our strong public health and economic management.

“Our successful COVID-19 response provides a launch-pad for growing our economy, creating new high-wage jobs with our response to climate change and improving health outcomes for New Zealanders. All while keeping debt low and a forecast return to surplus with balanced spending decisions.

“Our economy is one of the strongest in the world with triple-A credit ratings, record-low unemployment, lower debt than Australia, the US, UK and Canada and good growth.

“We continue to carefully manage the books. Our careful fiscal management means we return to surplus quicker than National did after the GFC and creates the room to increase infrastructure investment to future-proof the economy.

“Budget 2022 shows the economy is expected to be robust in the near term. It is expected to strengthen from the second half of this year, with annual growth peaking at 4.2 percent in the year to June 2023.

“New Zealand’s economic security depends not only on addressing the near term challenges of the cost of living, supply chain disruptions and skill shortages, but also on a clear and deliberate transition to a high-wage, low-emissions economy.

“One Budget cannot solve all of New Zealand’s challenges in one year, a longer-term approach is smarter, logical and provides more certainty. Which is why we are making long term investments in health, climate and infrastructure

“The last few years have been challenging for everyone, and some of those challenges are still with us. This Budget strikes a careful balance, building on our successful response to COVID-19 in continuing to support New Zealanders through a tough period, but also looking forward to supporting New Zealanders to seize the opportunities of a more secure future,” Grant Robertson said.

Media contacts:

Jacinda Ardern – Andrew Campbell 021 243 8573

Grant Robertson – Chris Bramwell 021 581 149