



THE GROWTH BUDGET

Lifting Economic Growth

**BUDGET
2025**

Rt Hon Christopher Luxon
Prime Minister

22 May 2025

Budget 2025 – Growing the economy to help Kiwis get ahead

Budget 2025 is about growing the economy to create jobs and help Kiwis get ahead, Prime Minister Christopher Luxon says.

“The Government’s economic plan is working. By stopping wasteful spending, inflation is down from 7.3 per cent to 2.5 per cent and mortgage interest rates are falling.

“Treasury’s latest forecasts show economic growth averaging 2.7 per cent per year, 240,000 new jobs created, and wages growing faster than inflation every year. This is on top of the real average wage growing nearly \$1100 since the election, and tax relief in Budget 2024.

“But we cannot take an economic recovery for granted. It requires careful management. That’s why Budget 2025 is firmly focused on growing the economy to help Kiwis get ahead.

“Investment Boost will allow hard working tradies, farmers, and small business owners to immediately deduct 20 per cent of the cost of new machinery, tools and equipment from their taxable income – encouraging investment in assets that increase productivity and help lift wages.

“Other growth initiatives include lifting KiwiSaver balances with higher employer and employee contributions, investment in new infrastructure such as roads, schools and hospitals, growing tourism, attracting foreign investment, and new support for start-up tech businesses.

“Targeted support for Kiwis dealing with the cost of living is another focus, including increasing Working for Families for 142,000 families, rates rebates for up to 66,000 SuperGold Card holders, and extending prescriptions to 12 months, meaning less time and money spent visiting the doctor.

“The Budget also sees significant investment in frontline services, including more support for children with additional learning needs, more maths teachers, \$1 billion for hospital upgrades, increased access to urgent medical care, and more support for Police.

“Just like Kiwi households, we’ve had to make tough choices about what we spend money on. We are confident we have put Kiwis hard-earned taxes where they will have the most impact.

“This Budget is focused on economic growth to help Kiwis get ahead. It is only through a strong economy that we can create jobs, deal with the cost of living and afford the schools, hospitals, and Police Kiwis deserve. This is a responsible Budget that secures New Zealand’s future.”

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