



Rt Hon Jacinda Ardern
Prime Minister

PRESS RELEASE
20 May 2021

Hon Grant Robertson
Minister of Finance

An economic recovery for all New Zealanders

- Projected 221,000 more people to be in employment over the forecast period, with unemployment set to decrease to 4.2 percent.
- Up to 33,000 children to be lifted out of poverty on the after housing costs measure, benefits boosted by between \$32 and \$55 a week.
- \$57.3 billion infrastructure investment over five years, including \$11.6 billion for housing.

Budget 2021 will secure Aotearoa New Zealand's recovery from COVID-19, creating jobs and investing to address the long-term challenges of child poverty, housing and climate change.

"This Budget targets investments that will set Aotearoa New Zealand up to both recover from COVID-19 and be stronger than when we entered the pandemic," Prime Minister Jacinda Ardern said.

"By targeting investments in reducing child poverty, building houses and other critical infrastructure and tackling climate change we are creating jobs and stimulus, while also laying the foundations to recover stronger.

"Our economic plan is working. We have one of the lowest unemployment rates in the OECD, growth has exceeded expectations and debt is lower than forecast. Coupled with our successful management of the virus, we are well placed to seize the opportunities the recovery now presents.

"Previous economic downturns have made inequality worse. We're taking a different approach. By investing in those who need it the most, we are driving the recovery by reducing need, at the same time as providing stimulus for our economy.

"As well as investing in the homes, family and whanau who need it most, we will continue to invest in critical services like health, education and social housing, in order to support the recovery."

“With ongoing global uncertainty we will need to remain cautious. To ensure we can weather the uncertain times ahead we need to keep managing the economy responsibly,” Jacinda Ardern said.

Budget 2021 strikes a careful balance between securing the economic recovery and keeping a lid on the debt we took on during COVID-19 to protect lives and livelihoods, Grant Robertson said.

“This year is also the 30th anniversary of the so-called ‘Mother of All Budgets’ that saw benefits slashed and other social programmes cut. We are repairing some of that damage by boosting main benefits by up to \$55 per week, in line with the recommendations of the Welfare Expert Advisory Group.

“Not only will this give a sense of dignity and hope to those who receive that boost in income, it will also help reduce inequality and provide ongoing stimulus to the economy.

“As we emerge from the impacts of COVID-19 it is critical that we do not make the mistakes of the past where some New Zealanders benefit from the recovery and others are left behind. Ours will be an investment-focused recovery that supports all New Zealanders and ensures our finances remain sustainable.

“While we recover and rebuild, we will also continue making progress on our most challenging long-term issues: housing, climate change, and child wellbeing. To do this, we’ll be making sure new spending is directed toward the greatest need.

“New Zealanders have weathered the storm of COVID-19, today we take the next steps in our recovery together,” Grant Robertson said.

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