

# Budget 2022: Enough Impact?

## What's happening globally?

Global pandemic

**516m+ cases**  
**6m+ deaths**

Economic and social shutdowns easing

Global borders reopening

Russian invasion of Ukraine has global economic impact

## What's happening locally?

Inflation reaches 30-year high of  
**6.9%**

5.6% growth in NZ GDP compared to the previous year

Unemployment remains stable at record low of  
**3.2%**

New Zealand businesses under increasing pressure to find and attract skilled staff

## Government finances

The government is committed to spending

**\$5.9b** on new initiatives

Covid Response and Recovery Fund will retain \$1.2b in contingency

With new measurement in place, Crown debt is around 20% of GDP

Tax revenue currently sits at \$78.6b, \$2.7b above forecast.

## What does the budget say government will do?

**\$11.1b**

to fund the new health system and erase DHB deficits

**\$349m**

for rail network capital assets and additional \$312m operating budget

**\$1b**

cost of living support including a \$350 one-off payment to around 2m NZers

Agriculture:

**\$581m**

from the Central Emergency Response Fund (CERF)

Transport:

**\$4.5b**

National Land Transport Fund (NLTF) plus \$944m from the CERF for decarbonisation initiatives

Better Māori & Pacific outcomes:

**\$1.3b**

## Notes

A Budget with a longer horizon is a positive move, yet risky during a cost-of-living spike and ongoing Covid recovery.

There is significant investment in the health system but little clarity on how it will be used beyond writing off deficits.

Māori health and whānau ora investments represent an important drive towards re-empowering whānau and iwi to lead their own solutions.

The additional \$1.8b for new housing initiatives, following the previously announced \$1.4b for Large Scale Projects in Auckland and last year's Housing Acceleration Fund, is encouraging to see.

Climate change is about capturing opportunities, as well as managing risks. The Budget provides the springboard for the ERP's actions to become reality.