



(The Treasury, 2021)

BUDGET
2022

BUDGET POLICY STATEMENT

15 December 2021

EMBARGO: Contents not for communication in any form
before 1:00pm on Wednesday 15 December 2021

Te Kāwanatanga o Aotearoa
New Zealand Government

The Government has made significant investments targeted at improving New Zealand's human capital. These have included:

- the **Wage Subsidy Schemes**, which have paid out \$18 billion between March 2020 and November 2021 to enable firms and workers to pay and stay connected to their workers during Alert Levels 4 and 3. At their peak, the subsidies supported around 1.76 million workers.
- a \$486 million **initial investment in health and disability reforms** and the establishment of the interim Health New Zealand and Māori Health Authority, and an investment of more than \$2 billion in supporting the **national response to COVID-19 across the health sector and implementing the COVID-19 vaccine rollout**.
- continuing work on **overhauling the welfare system** and addressing other recommendations from the Welfare Expert Advisory Group. The Government has committed to bringing forward the review of the Working for Families tax credits, currently on the medium-term welfare overhaul work programme.
- **lifting weekly benefit rates** by between \$32 and \$55 per adult in total over July 2021 and April 2022, in line with a key recommendation from the Welfare Expert Advisory Group.
- **increasing Working for Families from April 2022**, lifting the Family Tax Credit by \$15 per week per eldest child and \$13 per week for subsequent children; lifting the Best Start payment to \$65 per week; and increasing the Orphan's Benefit, Unsupported Child's Benefit and Foster Care Allowance by \$5 per week.
- an **increase in student loans** and allowances of \$25 a week from April 2022.
- a \$30 million **extension of the Student Hardship Fund** to keep students engaged in study during heightened Alert Levels.
- addressing a long-term imbalance in **funding for vocational education** with an additional \$279.5 million over three years.
- the **Reform of Tomorrow's Schools**, to provide front line support closer to schools.
- **redeveloping the NCEA qualifications**, ensuring that 150,000 students who study NCEA every year have the appropriate skills and knowledge to seek further education or employment, either in New Zealand or overseas.
- establishing the **Apprenticeship Support Programme**, a cross-agency response to help employers retain and bring on new apprentices while dealing with the effects of COVID-19. This includes schemes like the **Mana in Mahi** programme, which supports those most disadvantaged in the labour market into sustainable work, and the **Apprenticeship Boost Initiative**, which has supported over 35,000 apprentices in their first and second year.