



## Chartered Accountants

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National has delivered on its promise to deliver hardworking New Zealanders tax relief.

On 31 July this year, New Zealanders will experience tax relief for the first time in 14 years.

This relief is well overdue and will help hardworking Kiwis who have endured a prolonged cost of living crisis.

The tax package targets relief to low and middle-income households. Families with young children are set to benefit most.

**It gives average income households up to \$102 a fortnight, plus FamilyBoost childcare payments of up to \$150 per fortnight for eligible families.**



Average income household with two kids in ECE - \$252 per fortnight



Working couple each earning \$55,000 a year - \$102 per fortnight



Retired couple on superannuation - \$9 a fortnight, rising to around \$26 a fortnight in 2026



A single adult working full-time on the minimum wage - \$25 a fortnight

## Tax relief

The tax changes apply from 31 July 2024, apart from FamilyBoost which applies from 1 July 2024.

Increasing personal income tax thresholds reduces income tax for people earning more than \$14,000 per annum. This reduction in personal income tax is the first since 2010.

Current Brackets	New Brackets	Rate
0 – 14,000	0 – 15,600	10.5%
14,001 – 48,000	15,601 – 53,500	17.5%
48,001 – 70,000	53,501 – 78,100	30%
70,001 – 180,000	78,101 – 180,000	33%
180,001+	No change	39%

- Extending the income limit for the independent earner tax credit to \$70,000 per annum means an additional 420,000 additional people (not receiving WFF, main benefits or superannuation) are eligible for up to \$20 per fortnight.
- Increasing the in-work tax credit means an estimated 160,000 low-to-middle-income working families will get up to \$50 extra per fortnight.
- The new FamilyBoost payment will help an estimated 100,000 families with the costs of early childhood education, by up to \$150 per fortnight.

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See [budget.govt.nz/taxcalculator](https://budget.govt.nz/taxcalculator) to see how the tax package will benefit you.

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## Health and education

Increased funding for frontline health services such as emergency departments, primary care, medicines and public health will help ensure New Zealanders can get health care when they need it. Budget 2024 invests \$8.15 billion extra operating and capital funding in health services, including \$665.1 million of reprioritization, other savings and revenue.

- \$3.44 billion for hospital and specialty services and \$2.12 billion for primary care and public health.
- \$31.2 million to gradually extend free breast screening to 70 to 74 year olds.
- \$1.77 billion for Pharmac to ensure continued access to medicines New Zealanders rely on.
- \$24 million for Gumboot Friday to deliver mental health services to young kiwis.

The Government is investing \$2.93 billion extra operating and capital funding in schools and early childhood education, including \$440.8 million of reprioritization.

- \$1.48 billion to build new schools and classrooms and to maintain and upgrade existing ones.
- \$516.4 million to support schools and early childhood education providers, plus \$153.3 million to establish charter schools.
- \$477.6 million to continue the healthy school lunches programme for two years.
- \$67 million to support schools to use the structured literacy approach when teaching reading.

## Law and order

The government is investing \$2.9 billion extra operating and capital funding in restoring law and order, including \$497 million of reprioritization, other savings and revenue.

- \$1.94 billion for more frontline corrections officers, more support for offenders to turn away from crime and more prison capacity, including an expansion of Waikeria prison.
- \$424.9 million to support frontline policing, including boosting pay and purchasing police vehicles.
- \$68.7 million to address youth offending, including a military style academy pilot.
- \$226.1 million for an extra 500 police officers and additional operational support staff.

Other investment in public services includes:

- \$570.7 million for Defence Force pay and projects, including upgrading vehicles, helicopters and infrastructure (and including \$99.2 million of reprioritization).
- \$1.1 billion to ensure disabled people can access the essential services, equipment or support they need.

- \$140 million for an extra 1,500 social housing places, delivered by community housing providers.
- \$48.7 million to support the Te Matatini national festival and bring kapa haka to life in the regions.

## **Infrastructure for growth**

Budget 2024 lays the foundations for a better performing infrastructure system, with investments to ensure New Zealanders spend less time waiting in traffic, climate resilience is improved, and children learn in modern schools and classrooms.

- \$4.1 billion of Crown funding for the National Land Transport Fund – a \$1 billion increase to the amount previously signalled – to accelerate priority projects including the roads of National significance.
- More than \$1 billion for the rebuild and recovery of communities affected by cyclone Gabrielle and the 2023 Auckland Anniversary floods, including \$939.3 million to repair roads.
- \$1.2 billion for the new regional infrastructure fund to invest in resilience infrastructure and regional projects that support economic growth.
- \$200 million to support Kiwirail to carry out maintenance and renewals on the national rail network.

**New investment is on top of an existing capital pipeline, including programmes in delivery. More than \$68 billion is forecast to be spent on infrastructure over the next five years.**

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*So much for reigning in the spending. Willis' 2024 Budget spends \$13.8 billion MORE than Robertson's 2023 budget!*

*That is \$2,687 extra spending per household.*

*At best the govt can claim that they plan to increase spending but at a slightly lower rate than what Labour planned to do.*

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*The fact that income tax thresholds are not pegged to inflation is increased tax by stealth.*

*Nicola Willis delivered JUST HALF of what is required to put that right.*

*The \$25 a week offer to the average worker would only take their tax bill back to 2021 levels, locking in the 11 years of stealth tax hikes she was elected to fix.*

*By not attaching the new income tax thresholds to inflation or wage growth, the proportion of income tax workers pay over time stealthily increases.*

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