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(Ardern, J. & Parker, D., 2022)

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31 JULY 2022

Cost of Living support payment to reach over 2 million New Zealanders



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Prime Minister (/portfolio/labour-2020-2023/prime-minister)

Revenue (/portfolio/labour-2020-2023/revenue)

From 1 August an estimated 2.1 million New Zealanders will be eligible to receive the first targeted Cost of Living Payment as part of the Government's plan to help soften the impact of rising global inflationary pressures affecting New Zealanders, Prime Minister Jacinda Ardern says.

The payments will see eligible New Zealanders receive an extra \$116 per month for three months, and sits alongside a suite of measures being introduced as part of Budget 2022's Cost of Living Package.

"The Government is providing significant additional cost of living support as the ongoing war in Ukraine, issues with global supply chains, and COVID continues to drive up global inflation making it tough for New Zealanders right now," Jacinda Ardern said.

"There is no easy fix for the cost of living, as we cannot control global inflation, but we do see it as our job to provide targeted and meaningful support to help take the hard edges off for kiwis feeling the pressure through the worst of it.

"The new Cost of Living Payments will help kiwis through the peak of the global inflation storm, providing an extra \$116 per month for August, September and October, helping with household bills, filling up the car, the weekly grocery shop and heating throughout winter.

"The new payment also sits alongside the Government's Winter Energy Payment, and, together, these payments will support 81% of New Zealanders aged 18 and over with their bills this year.

"Treasury modelling suggests that 1,088,000 households will gain an average of \$590, indicating that over half of the households will receive two payments. Approximately 478,000 households with children and 610,000 households without children are expected to receive the payment.

If you are one of the 2.1 million eligible for the payment, make sure you get your payment quickly by checking Inland Revenue have your most up to date bank details.

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“Even though many commentators are forecasting that inflation will peak in the June quarter, it is likely to stay for some time at levels higher than we have seen in recent years.

“We remain committed to supporting New Zealanders through the global inflation spike in a targeted way to make sure support reaches those who need it most, and because anything too broad could make inflation worse.

“We moved quickly in March to reduce fuel prices, and cut public transport costs - recently extending those cuts out until the 31 Jan next year. More relief came in April with increases to benefits, student allowances, Working for Families and Superannuation. The Winter Energy Payment also kicked in on May 1,” Jacinda Ardern said.

Revenue Minister David Parker says the first Cost of Living Payment will be made tomorrow, 1 August, and it will be paid in three monthly instalments of \$116 each.

“Payments will be made automatically into the bank accounts of those who are eligible for it. If they haven’t already, I encourage people to update their bank account details with Inland Revenue,” Revenue Minister David Parker said.

“IRD has placed significant focus on ensuring as many bank account details as possible have been provided by eligible recipients, including working with community groups and other organisations to raise awareness.

“People can check their eligibility or update their income tax bank accounts online through myIR,” David Parker said.

There are still around 164,000 people the department hasn’t received details for.

Payments can be made retrospectively for eligible people.

People can update bank account details through myIR. Otherwise, they can call Inland Revenue on 0800 473 777. If they’re registered for voice ID, they can do this 24/7 and there is no wait time.

Additional information on the Government’s Cost of Living Payment can be found here. (<https://www.ird.govt.nz/cost-of-living-payment>)

Editor’s Note: Cost of living support to date:

- Fuel excise reduction of 25 cents per litre until January 31
- Equivalent reduction in Road User Charges
- Half price public transport until January 31, and permanently for Community Service Card holders from February 1
- Temporary cost of living payment of ~\$27 per week for people over 18 earning less than \$70,000 who do not receive the Winter Energy Payment.
- Increases to Working for Families, Superannuation, student allowance and main benefits from April 1
- Working with the supermarket sector so Kiwis are getting a fair price at the checkout
- Parental leave payments boosted by up to \$40 a week
- Winter Energy Payment providing more than one million New Zealanders with up to \$80 extra a month to help with power bills through the colder months
- Free school lunches for more than 211,000 children
- Minimum wage increases since 2017 mean fulltime minimum wage workers now earn an extra \$218 a week
- GP visits are cheaper more for than half a million people, including free doctors’ visits for all children under 14
- Best Start payment providing an extra \$65 a week for parents of newborns