



Rt Hon Chris Hipkins

Prime Minister

PRESS RELEASE

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Budget helps ease cost of living pressures

- **Cheaper Childcare:** 20 hours free ECE expanded to include two-year-olds
- **Helping with Health Costs:** \$5 prescription co-payment scrapped
- **Targeting Transport:** Free public transport for under-13s, half priced for under-25s
- **Reducing Power Bills:** 100,000 more insulation and heating retrofits

Budget 2023 contains a package of cost of living measures targeted at easing the pressure on under the pump New Zealand households.

“When I became Prime Minister I said I would focus on the bread and butter issues Kiwi households are facing. Today’s Budget does that by providing cost of living relief across key expenses families’ experience – childcare, healthcare, transport and power bills,” Chris Hipkins said.

“Global inflationary pressures coupled with the domestic challenges of recent weather events mean a balanced and targeted approach is being taken. This means we can support New Zealanders today while building for tomorrow.

“It’s tough for families right now. This Budget builds on the cost of living support we have put in place to date by introducing a number of new targeted measures that will also deliver long-term results.

“This package addresses the immediate cost of living challenge households face without exacerbating inflation pressures, as tax cuts would.

“It’s a carefully calibrated package that deals with the here and now pressures, while also laying the foundation for real long-term benefits. Benefits like better access to ECE, removing barriers to accessing medicines, reducing greenhouse gas emissions and delivering warmer healthier homes.

“We’re providing cheaper childcare to more children by making two-year-olds eligible for the 20 hours free ECE subsidy. This will be a major saving for families and will reduce barriers for working parents to take on more hours if they can.

“We’re helping out with health costs by making most prescriptions free. An estimated three million people will no longer have to worry about the cost of collecting medication.

“Last year more than 29 million items were dispensed that attracted the \$5 co-payment – this will be a helpful saving for millions of Kiwis.

“More than 1.6 million New Zealanders in total will now benefit from free or half priced public transport; with 774,000 additional children and young people now eligible for the Community Connect discount scheme. Free fares for kids under 13 could see savings of \$30 a week for families with two children.

“In addition to the Winter Energy Payment we are helping to reduce power bills by hundreds of dollars a year through the Warmer Kiwi Homes programme. We are nearly doubling the existing retrofit programme that has reduced electricity use by on average 16 percent over the winter months.

“This is a practical Budget that gives Kiwis a helping hand now while also making investments that lay the foundations for the future.

“The Budget also makes important investments in skills, science and infrastructure to grow our economy and help make it more secure and resilient in the future.

“As a Government we have faced ongoing severe and unexpected challenges, from natural disasters and cyclones to global pandemics. Through all of those we have supported New Zealanders while also looking to the future and continuing to tackle the country’s long term challenges.

“This Budget continues that balance - providing support for our people today while laying the foundations for a better tomorrow,” Chris Hipkins said.

Media contact: Andrew Campbell 021 243 8573