

# SECURING NEW ZEALAND'S FUTURE



**BUDGET  
2026**

## Hon Nicola Willis Minister of Finance

28 May 2026

### Prudent approach to fuel crisis

The Budget supports the Government's prudent response to the global fuel crisis, with temporary targeted support and provision for further action if needed.

"Since the outset of the conflict, our approach has been to stay ahead of risks to New Zealand's fuel supply, keep the economy moving, and support those most affected by higher fuel prices with temporary, targeted and timely measures," Nicola Willis says.

The Budget provides:

- Additional funding for Fire and Emergency, Corrections, Police, Customs and Education to maintain frontline operational activities in the face of sustained fuel price increases
- The \$50 a week increase to the In-Work Tax Credit for up to a year to help working families with increased fuel costs
- Funding of \$150 million for additional strategic fuel reserves to firm up New Zealand's fuel resilience
- The temporary increase in mileage rates for support workers and people travelling for specialist treatment
- Support for public transport authorities to help manage fuel costs pressures and maintain services; and
- A \$450 million reserve for additional temporary targeted support if conditions worsen.

"The situation in the Middle East remains uncertain, so it is prudent to be ready should fuel prices rise further and add more pressure to households and businesses.

"The Middle East conflict underscores the need for fiscal discipline. Our ability to withstand global shocks depends on the strength of our financial buffers.

"Budget 2026 provides sensible support to those most affected by rising fuel prices in a way that is affordable for the country, so we can continue rebuilding our buffers and restoring New Zealand's financial security," Nicola Willis says.

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## Notes to editors:

Budget 2026 includes the following initiatives directly related to the Middle East conflict:

- \$373 million for the temporary \$50 per week increase to the In-Work Tax Credit (to last for 12 months from 1 April 2026, or until the price of 91 Octane petrol falls below \$3 for four consecutive weeks).
- \$150 million to establish fuel security arrangements, including the Z Energy deal to increase diesel stocks, to manage risks to fuel supply in New Zealand.
- \$24.2 million for temporary increases in mileage rates for home and community support workers and patients travelling for specialist treatment (to last for 12 months from 1 April 2026, or until the price of 91 Octane petrol falls below \$3 for four consecutive weeks).
- \$450 million one-off operating contingency for possible further temporary, targeted and timely measures in response to the conflict (expiring on 31 March 2027).
- Support for public transport authorities to help manage fuel cost pressures and maintain services.
- Tagged contingencies for Health and Education to allow these sectors to respond to pressures of rising fuel prices.
- Temporary cost pressure uplifts for the 2026/27 financial year to fund specific fuel-price pressures in Police, Corrections, and Fire and Emergency New Zealand.