

The Treasury

Budget 2026 Information Release

September 2026

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- The Budget website from September 2026 to May 2027 only at: <https://budget.govt.nz/information-release/2026>, and on
- The Treasury website from later in 2026 at: <https://www.treasury.govt.nz/publications/budgets/budget-2026-information-release>

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [7] 6(e)(ii) - to prevent serious damage to the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the regulation of banking or credit
- [12] 7(a)(i) - to avoid prejudice to the security or defence of the self-governing State of the Cook Islands
- [13] 7(a)(ii) - to avoid prejudice to the security or defence of the self-governing State of Niue
- [14] 7(a)(iii) - to avoid prejudice to the security or defence of Tokelau
- [15] 7(a)(iv) - to avoid prejudice to the security or defence of the Ross Dependency
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [41] 18(d) - information requested is or will soon be publicly available

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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Hon Penny Simmonds
Minister for the Environment
Parliament Buildings

31 March 2026

Responding to Fuel Cost Pressures at Budget 2026

Dear Penny

As you are well aware, the conflict in the Middle East and resultant disruption to shipping through the Strait of Hormuz has led to significant increases in the price of fuel and resulted in considerable fuel supply-chain constraints. This has put increased cost pressures on some agencies which require fuel to undertake their day-to-day operations.

Managing cost pressures facing your agency

While I recognise the pressures facing some agencies, I remain committed to fiscal responsibility and delivering on our fiscal strategy. As such, I expect that any increased costs for your agency associated with the situation in the Middle East and increased fuel prices are met within baselines. This management could include sensible reductions to your agency's fuel demand, provided this does not compromise core service delivery.

I have directed my officials at the Treasury to work with your agency to facilitate any necessary technical adjustments to enable funding to be reprioritised to meet any non-discretionary fuel costs this year, and am willing to consider in-principle transfers related to programmes affected by the fuel situation in June in the usual way.

Potential cost escalations for investments in delivery

My expectation is that existing project contingencies will cover any costs escalations associated with capital investments in this financial year. Please could you inform the Treasury as soon as possible if you are concerned that fuel costs will have an impact on the cost of any investments in delivery in 2025/26 in excess of existing project contingencies and your ability to manage them through reprioritisation.

Reprioritised funding for investments in resilience

In addition to the above exercise, I encourage you to work with your agency to prioritise investments in resilience. This may include, for example, ensuring that decisions such as vehicle fleet replacement actively consider opportunities to reduce reliance on fuel and transition to alternative energy sources.

I am willing to consider including these initiatives in the Budget 2026 package, provided they can be funded via reprioritisation. If you are unable to complete this work in the tight timeframe set out below, I encourage you to progress this work to enable consideration of these initiatives at a future Budget.

Next Steps

The Treasury will soon issue guidance to agencies on how to implement any technical adjustments necessary for managing cost pressures facing your agency due to higher fuel prices.

In addition, if you have proposals for investments that would improve energy resilience in your portfolio, I ask that you please email my office by 5pm, Tuesday 7 April setting out your intended reprioritisation, and that your agency ensures that these initiatives are submitted into CFISnet by the same date.

The Ministerial Oversight Group on the Economic Response Plan to the Middle East conflict has made decisions on the framework for the National Fuel Plan. I will continue to engage with you as and when the situation changes if further measures are required to support the delivery of critical public services.

Thank you for your support as we adapt Budget 2026 to respond to the current global environment.

Yours sincerely,



Hon Nicola Willis
Minister of Finance

Cc Hon Chris Bishop, Minister Responsible for RMA Reform
Sam Buckle, Acting Secretary and Chief Executive, Ministry for the Environment