

24 April 2026

Dear [REDACTED]

Thank you for your request made under the Official Information Act 1982 (OIA), transferred to me from The Treasury on 16 April 2026. You requested the following:

BEST START

- 1. how many parents have (or are projected to have) had their BEST START payments reduced or stopped since income-testing came in?*
- 2. how much money is the Government saving, or projected to save in our current financial year due to the income testing of those payments? To put it another way, how much is Government spending on Best Start reduced, or projected to be reduced in this financial year?*

FUEL CRISIS SUPPORT PACKAGE

- 3. how many New Zealanders are receiving the fuel crisis support package?*
- 4. what is the current cost of the package?*
- 5. what are the projections for the cost of the package, if it remains in place, for 3 months, and 6 months?*

Item 1: How many parents have (or are projected to have) had their BEST START payments reduced or stopped since income-testing came in?

Income-testing of the Best Start tax credit in the first year of a child's life was announced in Budget 2025 and applies to children born on or after 1 April 2026. As part of the advice prepared for Budget 2025, 61,000 families are estimated to have their Best Start payments reduced or stopped due to the introduction of income-testing.

A breakdown of projected Principal Caregivers who will have reduced or stopped payments includes:

- Approximately 53,000 families lose the Best Start tax credit entirely as these families are estimated to have household income over \$97,000, and
- Approximately 9,000 families continue to receive Best Start, but at a reduced (abated) amount.

The average reduction for Principal Caregivers who will have reduced or stopped payments includes:

- Approximately \$43 per fortnight across all affected families, and
- Approximately \$49 per fortnight for those who lose eligibility entirely.

More information can be found in the Regulatory Impact Statement (RIS) on Inland Revenue's Tax Policy website: taxpolicy.ird.govt.nz/-/media/project/ir/tp/publications/2025/ris-wff.pdf?modified=20251216030430

Item 2: How much money is the Government saving, or projected to save in our current financial year due to the income testing of those payments? To put it another way, how much is Government spending on Best Start reduced, or projected to be reduced in this financial year?

The Government expects to spend \$14 million less in the 2025/26 financial year on the Best Start tax credit, covering the period from 1 April to 30 June 2026. Please note, entitlements are calculated by tax year (1 April to 31 March), and forecasts are calculated over a financial year (1 July-30 June).

From the RIS, the Government is estimated to reduce spending on Best Start by approximately \$211 million over the four-year forecast period. The savings were used to make other changes to Working for Families tax credits that were estimated to cost \$205 million over the same period.

The Vote Revenue Estimates released in Budget 2025 have more specific information, which can be found on the Budget website: budget.govt.nz/budget/pdfs/estimates/v4/est25-v4-reven.pdf. Table 1.1 on page 292 sets out the projected savings for new policy initiatives.

Item 3: How many New Zealanders are receiving the fuel crisis support package?

The in-work tax credit was temporarily increased by \$50 per week from 1 April 2026 to 31 March 2027 or until the price of 91 petrol is below \$3 a litre for 4 consecutive weeks (whichever is earlier).

Inland Revenue estimates that 143,000 families will qualify for the additional \$50 per week of the in-work tax credit if the package remains in place for the whole 12 months of the tax year. An additional 14,000 families may also be eligible to receive a payment (less than \$50 per week) if they apply for and are granted the in-work tax credit.

The number of customers receiving the in-work tax credit increase is expected to soon be publicly available on Inland Revenue's website www.ird.govt.nz by searching for 'temporary increase to the in work tax credit' therefore this part of your request is refused under section 18(d) of the OIA – as the information is, or soon will be publicly available.

Items 4 & 5: What is the current cost of the package? What are the projections for the cost of the package, if it remains in place, for 3 months, and 6 months?

Inland Revenue estimates that the additional spending would be \$373 million if the package remains in place for the whole 12 months of the tax year. Inland Revenue has not made projections for the costs for 3 months or 6 months. However, these projections can be calculated for shorter time periods on the general assumption spending is expected to be evenly spread across the 12-month period.

I have decided to refuse item 5 of your request under section 18(e) of the OIA, as the document alleged to contain the information requested does not exist.

Right of review

If you disagree with my decision on your OIA request, you have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the OIA. You can contact the office of the Ombudsman by email at: info@ombudsman.parliament.nz.

Publishing of OIA response

We intend to publish our response to your request on Inland Revenue's website (ird.govt.nz) as this information may be of interest to other members of the public. This letter, with your personal details removed, may be published in its entirety. Publishing responses increases the availability of information to the public and is consistent with the OIA's purpose of enabling more effective participation in the making and administration of laws and policies and promoting the accountability of officials.

Thank you again for your request.

Yours sincerely



Paul Young
Policy Lead – Families & Individuals