

25 March 2026

The Hon Nicola Willis
Minister of Finance
Parliament Buildings
Private Bag 18041
Wellington 6160

Via email: N.Willis@ministers.govt.nz

Cc: Hon Simeon Brown; Hon Casey Costello; Hon Scott Simpson

Dear Minister,

URGENT: Fuel Cost Crisis Risk Home Care – Immediate Action Required

We write with urgent concern regarding the serious impact of rapidly escalating fuel costs on care and support workers, and consequently on the delivery of essential health and community services to vulnerable New Zealanders.

Since our submission on 18 March 2026, the situation has deteriorated significantly. As you are aware, Home and Community Support Services delivery depends on a mobile workforce providing time-critical care in people's homes. **We enable stabilisation of community care and prevent increases in presentation to hospital and impact on primary care.**

During COVID-19, our workforce was rightly recognised as essential. This recognition must continue and their stabilising function be acknowledged. Home and Community Support Services workers are integral to New Zealand's health system and deserve sustained priority, resourcing, and policy focus, not as a temporary pandemic measure, but as a fundamental component of our health infrastructure.

Without immediate intervention, we anticipate vulnerable people will experience preventable deterioration at home, leading to increased hospital admissions, and potentially avoidable deaths.

The Crisis

In the past seven days, fuel prices have surged dramatically and as you know fuel prices have increased from approximately \$2.60 per litre to \$3.70–\$4.00 per litre across parts of New Zealand which equates to a 42–54% increase in just a few weeks. However:-

- In Between Travel (IBT) reimbursement rates for care workers remain unchanged and there appears to be no government initiatives to address this situation. This is untenable and it is leaving a growing gap between actual fuel costs and what workers are reimbursed.
- Concerningly, the combination of above means that it is very likely that many support worker will be remunerated at effectively less than the minimum wage after this increase in travel costs.

We estimate that 4,000–4,500 care and support workers (approximately 20% of the workforce) will potentially fall into this category.

- Care and support workers in regional areas operate with no viable public transport alternative. Vehicle use is not a choice but an absolute service delivery requirement. These workers are already paid at or near minimum wage and cannot absorb fuel increases.

Immediate Service Disruption Risk

Our provider members have reported serious concerns some of which were shared in the Joint Working Group meeting on 19 March:-

- Support workers are reducing or refusing some visits to rural or remote clients where fuel costs are highest, prioritising urban routes
- Some workers are refusing weekend shifts with increasing numbers calling in sick to manage costs, coping mechanisms that undermine service continuity.
- Some workers are considering leaving the home & community support sector entirely, exacerbating the already critical workforce shortage in aged care and disability support.

Why Providers Cannot Resolve This Alone

As expressed in our previous letter on 18 March, and in the Joint Working Group Meeting with Health NZ on 19 March while providers and resource coordination teams continue to actively manage rostering to minimise travel, it is impossible to prevent these impactful detrimental effects.

As I have raised directly with Minister Willis, our providers are not making large savings from In Between travel and in fact, most face significant cost pressures in travel delivery driven by multiple factors: this includes client choice of support worker, family carers selecting specific kaiamahi across multiple visits per day, adverse weather event, planned sporting and cultural events, and rising care complexity. These pressures are acutely relevant given the current red weather warning and multi-hazard event spanning several days, with serious anticipated impacts across Northland and beyond.

The Risk Management Challenge

Following COVID-19, Health NZ established risk profiles to ensure vulnerable clients continue to be prioritised and receive timely care. However, the current fuel crisis undermines this framework and rural clients, typically more vulnerable and geographically isolated, will be disproportionately affected as support workers avoid high-fuel routes. A risk management process cannot be developed when the workers delivering services are unable to afford to travel, particularly to the most isolated and vulnerable clients. Our kaupapa Māori members operating in disadvantaged regions will face particular vulnerabilities.

Recommended Immediate Action

We urgently request the government:

Implement immediate short-term emergency IBT funding increases to cover the documented gap between current fuel prices and existing reimbursement rates, applicable across all government-funded care and support roles.

Direct all government funders (Health NZ, ACC, Ministry of Social Development) to increase IBT reimbursement rates within the next 7–10 days to prevent major risk to services and longer-term impact of worker withdrawal from the care sector.

When care and support workers cannot afford fuel to visit vulnerable clients the care system is in crisis. This is not a future risk; it is a present crisis unfolding now and will significantly impact GP and Hospital targets.

We understand the government faces competing fiscal pressures. However, the cost of inaction will far exceed the cost of targeted support now. Risks are worker exodus, service collapse, minimum wage issues, and preventable harm to vulnerable New Zealanders.

Please be assured that the sector remains committed to working collaboratively with government and funders to resolve this crisis. We welcome an urgent meeting at ministerial level within the next week to discuss implementation pathways and next steps.

Yours sincerely,

A handwritten signature in blue ink that reads "Lisa Foster". The signature is fluid and cursive, with the first name "Lisa" written in a larger, more prominent script than the last name "Foster".

Lisa Foster BSc (Hons)
Chief Executive Officer
Home and Community Health Association (HCHA)