



PROACTIVE RELEASE COVERSHEET

Minister	Simmonds	Portfolio	Environment
Name of package	Budget 2025 - Waste levy allocation decisions and consolidation environmental funds	Date to be published	19 June (ASAP)

List of documents that have been proactively released

Date	Title	Author
2 April 2025	BRF-6061: Budget 2025 – Waste levy allocation decisions and consolidating environmental funds	Ministry for the Environment
2 April 2025	BRF-6061 Appendix 1 – Waste Levy – Funding Allocation	Ministry for the Environment
2 April 2025	BRF-6061 Appendix 2 – Departmental Adjustments	Ministry for the Environment

Information redacted **YES**

Any information redacted in this document is redacted in accordance with the Ministry for the Environment's policy on proactive release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

Some information has been withheld from *BRF-6061: Budget 2025 – Waste levy allocation decisions and consolidating environmental funds* under Section [9(2)(h)] of the Official Information Act as necessary to maintain legal professional privilege.

Some information has been withheld from *BRF-6061: Budget 2025 – Waste levy allocation decisions and consolidating environmental funds* under Section 9(2)(f)(iv) of the Official Information Act as necessary to maintain confidentiality of advice.

NOTE – An additional decision was made by Cabinet that is not in this paper. \$10 million operating funding was allocated to the Environmental Protection Authority to upgrade its outdated ecotoxicological risk assessment models, as recommended in the Agricultural and Horticultural Products Regulatory Review [ECO-25-MIN-0006]. Subsequently there were some changes to the funding allocation set out in Appendix 1 for MPI's Accelerating New Mitigations initiative, the total amount of levy funding for that initiative over the budget period is \$107.129m.



Briefing: Budget 2025: Waste Levy allocation decisions and consolidating environmental funds

Date submitted: 2 April 2025

Tracking number: BRF-6061

Sub Security level: Budget-Sensitive

MfE priority: Urgent

Actions sought from Ministers		
Name and position	Action sought	Response by
To Hon Penny SIMMONDS Minister for the Environment		
To Hon Nicola WILLIS Minister of Finance	Agree to allocate waste disposal levy funds as set out in this briefing	
To Hon Todd MCCLAY Minister of Agriculture Minister of Forestry	Agree in principle to officials exploring cross-agency investment consolidation opportunities, with a report back by end of August 2025	4 April 2025
To Hon Tama POTAKA Minister of Conservation		
To Hon Chris PENK Minister for Land Information		

Actions for Minister's office staff
Forward this briefing for signature to the offices of: the Minister of Finance; Minister of Agriculture; Minister of Forestry; Minister of Conservation; and Minister for Land Information
Forward this briefing for information to the offices of: the Minister Responsible for RMA Reform; Minister of Climate Change; and Associate Minister for the Environment
Return the signed briefings to the Ministry for the Environment (advice@mfe.govt.nz).

Appendices and attachments
1. Waste Levy - Funding Allocation
2. Departmental adjustments

Key contacts at Ministry for the Environment			
Position	Name	Cell phone	First contact
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Minister's comments

Budget 2025: Waste Levy allocation decisions and consolidating environmental funds

Key messages

1. This paper seeks Joint Ministers' agreement to allocate waste disposal levy (levy) funds through Budget 2025, including to enable significant fiscal savings (by funding some existing initiatives through the levy), and set annual caps for the Waste Minimisation Fund and Contaminated Sites and Vulnerable Landfills Fund.
2. Joint Ministers' decisions are sought because the proposed levy allocation includes initiatives currently funded through existing agency appropriations. As such, relevant agencies and Ministerial portfolios are impacted by proposed decisions. Collective awareness of levy allocation – spanning a range of environmental initiatives – also has value. The paper also proposes further work to explore consolidation of environmental investment across government ahead of Budget 26; this would entail openness across portfolios, therefore requiring Joint Ministers' in-principle support.
3. Decisions are sought by 4 April 2025, in order that necessary financial recommendations can be included in the Budget 2025 Cabinet paper (due for lodgement on 10 April).
4. The overall proposal for waste levy allocation is detailed in Appendix 1, and covers:
 - i **\$244 million to a waste envelope,¹** comprising:
 - a. enduring provisions (including and beyond the four year period): \$30m annual cap for the Waste Minimisation Fund (WMF), \$20m annual cap for the Contaminated Sites and Vulnerable Landfills Fund (CSVLF), a 10% contingency buffer to address appropriation risk;
 - b. an additional \$45m over four years (and into out-years) necessary for MfE to undertake its waste, hazardous substances and levy administration functions;
 - ii **\$70 million per year over four years surplus funds to high value / wider initiatives,** including:
 - a. enabling \$60m/year savings by funding some existing initiatives (currently funded through existing appropriations across agencies); and
 - b. a further \$10m/year for contaminated sites where there is Crown liability (distinct from the contestable CSVLF).
5. Consolidation of environmental investment would begin with MfE consolidating its activity into an environmental investment fund (excluding the WMF, which has a well-known purpose and function). If Joint Ministers support exploring wider consolidation, MfE would work collaboratively with relevant agencies to develop joint advice on options, with a report back by 31 August 2025.

¹ Some of this envelope was already allocated through Budget 2024. Proposed WMF funding comes from a pool of unallocated levy funds that can only be used for these specific purposes and does not draw down on any of the \$565m in revenue expected to be collected for Crown use over the next 4 years.

Recommendations

We recommend joint Ministers:

- a. **note** the urgency associated with making joint Ministers' decisions on this paper (sought by 4 April 2025), to align with the Budget 2025 Cabinet paper package which would implement these decisions

- b. **agree** to set an annual allocation of \$30 million for the Waste Minimisation Fund for new initiatives

Yes | No

- c. **agree** to set an annual allocation of \$20 million for the Contaminated Sites and Vulnerable Landfills Fund for new initiatives

Yes | No

- d. **agree** that a buffer of 10% of forecast central government portion of levy revenue each year be applied to manage forecasting risk

Yes | No

- e. **agree** that, for the budget period, the Crown guarantee funding for the cross-portfolio initiatives to be funded by the waste levy, should the contingency buffer and any unallocated funds within the environmental investment fund be insufficient (noting also that, beyond the budget period, standard funding arrangements would remain in place)

Yes | No

- f. **agree** to allocate an additional \$44.586m levy funds over four years (and into out-years) to cover Ministry for the Environment's waste minimisation administration, and waste and hazardous substance functions

Yes | No

- g. **agree** to allocate the remaining available levy funding, a forecast average of \$70 million each year over the next four years, broadly as follows (noting the exact split may have minor change as final figures are locked in by Treasury; actual amounts each year will also vary given different activity spend profiles across the budget period):

- i. \$60 million each year to fund initiatives currently funded by the government, therefore achieving savings in Crown expenditure (see list in Appendix 1)

Yes | No

- ii. \$10 million each year for management and remediation of contaminated sites, focused on land for which the Crown is liable including historic Acid Mine Drainage at Stockton Mine (as distinct from the \$20 million for the Contaminated Sites and Vulnerable Landfills Fund referred to in recommendation (c))

Yes | No

- h. 9(2)(f)(iv)

[Redacted text block]

- i. **note** the Ministry for the Environment will move to consolidate its existing investment activity (excluding the Waste Minimisation Fund) into a single environmental investment fund to improve coherence and value of investment (further noting that the Minister for the Environment and Minister of Finance will agree key design arrangements for the environmental investment fund, including a prioritisation framework to drive high quality spending, in line with the Government's fiscal strategy)

- j. **agree** that any unused levy funds (through underspends across activities, collection of more revenue than expected, or unused buffer (as per recommendation (d)) can form part of the environmental investment fund (excluding funds collected before 1 July 2024 that are subject to a narrower scope), including for emergency waste management

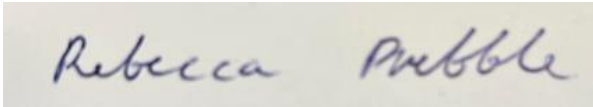
Yes | No

- k. **note** necessary appropriation changes to give effect to the decisions in this paper will be included in the Budget 2025 Cabinet paper

- I. **agree** in principle to pursue wider consolidation of environmental investment across relevant government agencies, with a report back to joint Ministers, convened by the Ministry for the Environment with advice jointly developed by relevant agencies on potential scope, responsibilities, accountability and other implementation arrangements, and pace of consolidation by 31 August 2025 to support Budget 26 decisions

Yes | No

Signatures



Becky Prebble
Chief Advisor
**Climate Change Mitigation and
Resource Efficiency**
2 April 2025

Hon Penny SIMMONDS
Minister for the Environment
Date

To Hon Nicola WILLIS
Minister of Finance
Date

Hon Todd MCCLAY
**Minister of Agriculture
Minister of Forestry**
Date

Hon Tama POTAKA
Minister of Conservation
Date

To Hon Chris PENK
Minister for Land Information
Date

Budget 2025: Waste Levy allocation decisions and consolidating environmental funds

Purpose

1. This paper seeks agreement to:
 - i allocate waste disposal levy funds over the next four years (including some longer term provisions), as part of Budget 2025 decision-making, balancing waste and wider environmental priorities as government pursues fiscal savings and improved value from investment. This includes funding some existing initiatives currently funded through appropriations managed by the Department of Conservation, Ministry for Primary Industries, and MfE, through the levy, to enable significant savings;
 - ii pursue integration of environmental investment, initially through consolidating the MfE's investment landscape and, with joint Ministers' support, exploring wider consolidation across relevant agencies with a report back ahead of Budget 26.
2. Decisions are sought by 4 April 2025, in order for the matters in (i) to be implemented through the Budget 2025 process.

Background

3. Effective 1 July 2024, the Waste Minimisation Act 2008 (WMA) was amended to expand the scope of what the levy can be spent on [CAB-24-MIN-0138 refers],² to include:
 - i activities that reduce environmental harm or increase environmental benefits;
 - ii funding local authorities to manage emergency waste and to repair or replace waste infrastructure damaged by an emergency;
 - iii funding MfE to undertake its functions and duties, and exercise its power, in relation to waste management and minimisation, and hazardous substances.
4. Cabinet directed officials to identify a suitable annual quantum for waste-related investment (including an annual cap on the WMF) and a wider range of environmental activities across government that could be funded by the levy instead of Crown funding, generating fiscal savings.
5. This briefing also follows a letter sent to relevant Ministers by the Minister of Finance and Minister for the Environment on 3 March 2025 seeking agency engagement on

² Cabinet also agreed to amend the levy rates set in the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009, to increase incentives to minimise waste and raise additional revenue to achieve environmental priorities

potential uses of the levy across relevant activities and initiatives. That feedback has been central to formulating parts of this advice.

Analysis and advice

6. Approximately \$565 million in levy revenue is expected to be collected for Crown use over the next four years, based on MfE forecasting. This was partially allocated through Budget 24. We recommend joint Ministers agree to allocate the investment mix set out below through Budget 25.

Waste envelope funding allocation

7. Firstly, we recommend allocating funds to a 'waste envelope':
 - i Continuing the WMF, with an annual allocation of \$30 million for new initiatives (noting individual investment decisions are then made through an established process). This is needed to address the Government's commitments set out in *New Zealand's Second Emissions Reduction Plan (2026-30)*, but is unlikely to provide any additional investment to divert other waste from landfill. This comes from a pool of unallocated levy funds that can only be used for waste minimisation.
 - ii Continuing the CSVLF – with an annual allocation of \$20 million to new contaminated sites and vulnerable landfill initiatives;³
 - iii Apply an appropriate buffer, being 10% of the central government portion of annual levy revenue, to help manage the risk of actual levy revenue being lower than forecast in a given year.⁴ Levy revenue is impacted by many factors including economic conditions, which makes forecasts inherently uncertain. If actual levy revenue is lower than the buffer can manage, we may need to review the buffer level or explore other options in future. We also seek agreement that the Crown guarantee funding for the initiatives in this paper, to ensure they can continue delivery if levy revenue is lower than forecast.
 - iv Departmental adjustments to account for MfE's relevant functions, which have been confirmed since our earlier Budget 24 decisions (outlined below).
8. At the end of each financial year, actual levy payments received may be in line or higher than was forecast. We recommend, in those cases, that any unused buffer is retained within the proposed environmental investment fund (discussed further below), to be prioritised to high value initiatives (including unexpected costs from emergencies like severe weather events). We do not recommend a fixed annual allocation for emergency waste management, given the uncertainty of whether these events happen each year. However, this approach will ensure that, over time, any additional revenue realised is available to help manage this risk (while noting this may not cover all relevant costs related to events).

³ Note, we also recommend propose a further annual allocation of \$10 million over four years from surplus levy funds, (paragraph 12(ii) below), outside of this 'waste envelope' allocation.

⁴ For example, levy revenue has been re-forecasted down by 12% within the last 12 months.

9. We also propose that any other underspends from levy-funded work programmes, and any levy revenue collected above the buffer,⁵ would also be available for reallocation within an environmental investment fund. This is consistent with a shift to better integrated investment – starting with MfE – and being able to manage and allocate investment within a single fund.

Departmental adjustments

10. We seek departmental adjustments for MfE as follows (and detailed in Appendix 2):

- i Environment work programme (waste and hazardous substances) – the previous amendments to the WMA allowed the levy to fund MfE’s Departmental waste and hazardous substance functions. This enabled Budget 24 savings to the Crown by returning a portion of MfE’s baseline funding. The balance reallocated in outyears was in-line with the Crown funding profile at that time, but not adjusted while the Ministry was undergoing its operating model review. MfE and the Minister for the Environment have subsequently agreed priorities for the waste and hazardous substances programme, and MfE has concluded its operational review. Accordingly, we recommend allocating an additional \$15.239 million funding over four years (and into out-years) to allow MfE to continue this work programme at its current level beyond 2026/27, as recently agreed by Cabinet [ECO-24-MIN-0254].
- ii Waste Minimisation Administration (collecting and administering the levy) – from 2025/26 there is a known funding drop (back to 2022/23 levels which were set before the levy was expanded). Those levels do not reflect the increased costs of collecting the levy from more landfills and distributing more money through waste investments. Budget 24 led to an external efficiency and effectiveness review for these functions by KPMG⁶ which noted ‘*the current levels [\$12.7m per annum] of departmental funding should be considered as closer to the minimum cost to deliver these services.*’ Accordingly, we seek agreement to allocate an additional \$29.347 million over four years (and into out-years) which is materially in line with KPMG’s assessment.

11. In generating this proposal, MfE considered whether additional savings could be found. The implications of cost saving scenarios were considered, but there are significant risks to levy collection, effective levy investment (as highlighted by KPMG) and the waste and hazardous substances policy programme agreed by Cabinet.

Allocation of remaining levy funds over the budget period

12. After the above allocations, an average of \$70 million of levy funding is forecast to be available each year over the budget period. Given the high focus in Budget 25 on delivering fiscal savings, we recommend allocating these funds broadly as follows (noting the exact split will have minor change as final figures are locked in by Treasury; actual amounts each year will also vary given different activity spend profiles across the budget period):

⁵ This excludes levy funds that were collected before 1 July 2024, which can only be spent on a narrower set of parameters.

⁶ KPMG, September 2024, *Efficiency and Effectiveness Review of Levy and Funds Administration*.

- i **\$60 million each year to achieve savings in government expenditure** – this would replace existing Crown funding for certain programmes identified by Treasury across MfE, Department of Conservation (DOC), and the Ministry for Primary Industries (MPI).
- ii **A further \$10 million each year for contaminated sites** – this would target direct investment in sites where there is Crown liability, as distinct from the CSVLF that others can apply for (paragraph 7(ii)). Treasury identified this as a key option for available levy funds. The Minister for the Environment has asked the Minister of Land Information to direct his officials to identify priority areas and advise MfE. The Treasury and Land Information New Zealand (LINZ) are currently exploring options to fund the management and remediation of historic acid mine drainage at Stockton Mine from these levy funds, as an initial case.

Consolidating activity and improving value through an environmental investment fund

13. As part of Budget 25 work, the Minister of Finance asked the Minister for the Environment to explore consolidating environmental funds. Officials consider there is significant opportunity to improve the value from environmental investment, supporting the Government's strong focus on performance and fiscal discipline. This is important context for the funding allocation decisions sought in this paper, to move away from a fragmented investment landscape to a more integrated view.
14. There are two broad dimensions to this shift: (i) consolidating MfE's investment activity – something MfE can action now; and (ii) broader consolidation of funds and expenditure across other agencies who also undertake environmental investment – which would take more time.
15. The Parliamentary Commissioner for the Environment has underscored the complexity of the investment landscape; there are a very large number of funds and around \$1 billion of expenditure across government. A consolidated approach could have significant benefits, including:
 - i more flexibility to maximise value for money, connect to government priorities and recognise environmental interdependencies;
 - ii a simpler and fairer 'one stop shop' for stakeholders, ensuring openness to investment proposals and avoiding different settings that add complexity and cost;
 - iii stronger fiscal discipline from having a well-known single fund, reducing risk of unprioritised spend and expenditure growth; and
 - iv stronger investment management from a more concentrated focus and less duplication of effort/resource across agencies.
16. Realising the vision will take time though we can make important progress now. In particular:

- i MfE will consolidate its investment activity (excluding the WMF)⁷ – this consolidated investment fund will have an emphasis on high-quality integrated investment management, including robust prioritisation of investment options to achieve the best possible improvement in environmental outcomes.
- ii With use of the levy for a broader range of activities, we can also expect a stronger portfolio view of those investments across agencies. New Zealanders expect a joined-up view of activity and outcomes.
- iii To push further, we recommend joint work is undertaken across agencies, convened by MfE, how broader investment consolidation could best be pursued (including scope, responsibilities and pace). A report back to joint Ministers by 31 August is proposed, enabling the work to inform Budget 26 decisions.

Te Tiriti analysis

- 17. No Tiriti issues are associated with the proposals in this briefing.
- 18. Management of better integrated environmental investment would have due regard to the interests of Māori and other population groups, both as potential funding applicants and beneficiaries of environmental improvement.

Other considerations

Consultation and engagement

- 19. No consultation has been undertaken in relation to these specific proposals, given Budget sensitivity. MfE worked with the Treasury on the development of these proposals. Input was sought from MPI, DOC, and LINZ regarding potential use of levy funding. A draft version of this briefing was also shared with those agencies for feedback, which MfE considered in revisions to this briefing.

Risks


- 20. The timeframe is very tight to implement decisions sought in this paper, as financial recommendations will be necessary in the Budget 2025 Cabinet paper to achieve them. Joint Ministers decisions are sought by 4 April to align with the Budget 2025 Cabinet paper timeframe. Any further delay risks the ability to deliver the savings and wider priorities set out in this paper through the Budget 2025 package.
- 21. MfE will be contributing to the Government's Phase 3 Resource Management programme via baseline reprioritisation. If there is an insufficient levy contribution to meet the waste departmental minimum viable levels (outlined in paragraph 10) then MfE will not be able to reprioritise as much towards Resource Management reform, reducing

⁷ While that potential to include the WMF exists longer term, at this stage I want the WMF to continue operating without change or distraction, including to respect the interests of the waste sector who we rely on to collect the levy. Beyond the WMF, the final shape/coverage of consolidation is being actively worked through.

the available resource needed to support that significant Government priority programme that is proceeding at pace.

22. This paper proposes substituting levy revenue for existing Crown funding across initiatives in other portfolios, to realise time limited savings across the forecast period. The move to a variable funding source (levy revenue) introduces some risk to initiative delivery, specifically that actual levy revenue collected is significantly below forecast, and insufficient to fund initiatives. To mitigate this risk, we seek agreement to apply a 10% buffer to the expected level of surplus levy revenue available for allocation (i.e. allocating a discounted amount to help manage risk). Should that buffer be exceeded, any other unallocated funds within the environmental investment fund would be prioritised towards maintaining delivery of the initiatives. As a final backstop, which we consider an unlikely scenario, we are seeking agreement for the Crown to guarantee the appropriated funding for these initiatives (i.e. provide funding to match any shortfalls).
23. The programmes identified to be levy-funded will continue to receive funding via Crown, and as such no changes to those appropriations are required to be made by these decisions, with normal flexibility to seek adjustments across financial years also retained. The use of levy funding across the forecast period (as part of generating Crown savings), also has no impact on outyears funding, which will revert to standard funding arrangements unless ministers take decisions to stop or amend funding, or extend use of the levy.

9(2)(h)



⁸ Waste Minimisation Act 2008, section 30(1)(c)(iv).

9(2)(h)

Financial, regulatory and legislative implications

Financial implications

28. As context, as part of the Budget 2025 process the Minister of Finance invited me to submit additional savings options from the levy, which this paper sets out, including setting a cap for the WMF.⁹
29. The decisions proposed in this paper would result in \$242.5 million of savings in Crown funding. Financial implications associated with specific allocation decisions are set out in the body of this paper. Appropriation changes needed to give effect to the allocation decisions sought here will be included in the Budget 2025 Cabinet paper.
30. While we are making funding decisions here for the four-year budget period, we will have opportunity to monitor progress each Budget process, including to identify new savings options and make funding decisions for the out-year that rolls in. The cap and buffer provisions are proposed to endure beyond four years, but we can still review these if needed in future. As in some other contexts, once environmental investment is better integrated, we could consider a multi-year funding approach, relying on an investment strategy and delegations within a well-established system to allocate and manage funding.

Legislative implications

31. 9(2)(f)(iv)

Next steps

32. Joint Ministers decisions on this paper are sought by **4 April 2025**, so that necessary financial recommendations can be drafted in the wider Budget 2025 Cabinet paper package (appropriation changes to give effect to these changes), that is due to be considered at Cabinet on 14 April.
33. The levy funds will be distributed through MfE's existing financial management systems, with savings transferred through procedures with Treasury as appropriate (including appropriate mechanisms where savings identified by other agencies are to be offset through the levy).

⁹ Further, the Minister for the Environment was also asked by the Minister of Finance as part of the Budget 25 process to submit savings options across the funds and grants landscape (in addition to capping the WMF as discussed above). That review found just over \$12 million of savings each year (annual average), well above the 'high' ask of \$7.84 million (across both environment and climate portfolios).

34. MfE is responsible for administering the levy, but some initiatives will be delivered through other departments or Ministries (where they align with their respective capabilities and portfolio expertise). In those cases, the relevant department or Ministry would be accountable for that spending (for example, managing contracts, Select Committee reporting, and keeping their Minister informed). MfE would maintain oversight through its levy administration role, enabled through regular reporting from the relevant delivery agency to MfE. MfE will work with relevant agencies to establish simple and effective administrative and reporting mechanisms.
35. With regards to MfE's consolidation of its environmental investment, implementation will need to be phased with commencement focused first on 'behind the scenes' consolidation and alignment of processes.
36. If there is agreement to explore wider consolidation – to better optimise environmental investment across government – MfE will work with relevant agencies to stand-up a joint work programme that delivers meaningful progress on opportunities and options for a report back to joint Ministers by the end of August 2025.

Appendix 1: Waste Levy - Funding Allocation (\$,000)

	2025/26	2026/27	2027/28	2028/29	TOTAL	Description	Briefing note reference (paragraph/recommendation)
Revenue & territorial local authority disbursements							
Forecast levy revenue	255,721	273,115	301,719	301,217	1,131,772	Forecasted levy revenue collected from landfills	
Disbursements to territorial local authorities (50% of levy revenue)	(127,861)	(136,558)	(150,860)	(150,609)	(565,886)	Levy disbursements to territorial local authorities (50%)	
Net funding available	127,861	136,558	150,860	150,609	565,886	Forecast total available for Crown allocation	
Waste envelope (paragraph 7)							
<i>Note these figures exclude the waste minimisation fund (proposed \$30m/year cap), which will be allocated from previous years' surplus levy funding. The later table '[Pre B24] Memorandum Account Balance (next four years)' includes proposed WMF cap and forecast expenditure</i>							
MFE: Discount (buffer)	(12,786)	(13,656)	(15,086)	(15,061)	(56,589)	Discount (appropriation buffer), as 10% of the central government portion, to also be available for emergency waste if available	Paragraph 7(iii) Rec d
MFE: Environment Work Programme	(15,223)	(13,099)	(13,099)	(13,099)	(54,519)	Total funding needed for waste and hazardous substances programme (partially funded from current appropriation).	Paragraph 10(i), Appendix 2 Rec f
MFE: Waste Minimisation Administration	(13,102)	(13,290)	(13,290)	(13,290)	(52,971)	Total funding needed for waste minimisation administration (partially funded from current appropriation).	Paragraph 10(ii), Appendix 2 Rec f
MFE: Contaminated sites and vulnerable landfills fund (CSVLF)	(20,000)	(20,000)	(20,000)	(20,000)	(80,000)	Continuing this fund for applications over the four year period.	Paragraph 7(ii) Rec c
Total waste envelope	(61,111)	(60,044)	(61,474)	(61,449)	(244,079)		
Existing MfE Environmental Funds (approved through B24)							
MFE: Freshwater Improvement Fund	(38,000)	-	-	-	(38,000)	Current appropriation (B24). This fund supports the management of New Zealand lakes, rivers, streams, groundwater and wetlands. This fund will be in its final year (2025/2026)	N/A
MFE: Kaipara Moana Remediation	(14,400)	(14,500)	(13,900)	-	(42,800)	Current appropriation (B24). This is a \$100 million multi-year Vote Environment appropriation with the purpose of halting degradation and working towards more productive, sustainable and high value use of land within the Kaipara catchment	N/A
Total existing MfE environmental funds	(52,400)	(14,500)	(13,900)	-	(80,800)		

Average \$70 million per year surplus funds to high value / wider initiatives (paragraph 12)							
MFE: Kaipara Moana Remediation - 2028/29 (savings)	-	-	-	(14,100)	(14,100)	See above description for Kaipara Moana Remediation. Including 2028/2029 for this multi-year programme.	Paragraph 12(i) Rec g(i)
MFE: Promotion of Sustainable Land Management (savings)	(800)	(800)	(800)	(800)	(3,200)	This funding supports the New Zealand Landcare Trust to promote sustainable land management practice through a national network of coordinators.	Paragraph 12(i) Rec g(i)
MFE: Toimata (Environmental training Programmes) (savings)	(1,600)	(1,600)	(1,600)	(1,600)	(6,400)	Aims to support an action-based education programme where young people plan, design and implement sustainability projects and become catalysts for change in their families, within the wider New Zealand community.	Paragraph 12(i) Rec g(i)
DOC: Landscape Scale Eradication and Research Investment – Zero Invasive Predator (savings)	(6,600)	(6,800)	(7,300)	(7,200)	(27,900)	DOC and the NEXT foundation have a partnership that combines Crown and philanthropic funding to deliver predator eradication programmes via Zero Invasive Predator (ZIP). This funding supports ZIP to deliver the Predator Free South Westland and Predator Free Rakiura/Stewart Island programmes, including predator management and eradication, species management and research.	Paragraph 12(i) Rec g(i)
DOC: Community Conservation Funds (savings)	(4,909)	(4,909)	(4,909)	(4,909)	(19,636)	A contestable fund that supports community-led conservation projects on public and private land, which protect and restore threatened species and ecosystems.	Paragraph 12(i) Rec g(i)
DOC: Ngā Whenua Rāhui (savings)	(6,914)	(6,914)	(6,914)	(6,914)	(27,656)	A contestable fund that supports the protection of indigenous biodiversity on Māori-owned land. Public conservation land does not contain a full representation of all of New Zealand's indigenous biodiversity, and therefore this fund is an important avenue for protecting private land with high conservation values.	Paragraph 12(i) Rec g(i)
MPI: Hill Country Erosion Programme (savings)	(6,300)	(6,300)	(6,950)	(6,950)	(26,500)	This programme provides funding to support councils and landowners to protect vulnerable erosion-prone soils. Loss of productive land through erosion has a significant impact on the environment.	Paragraph 12(i) Rec g(i)
MPI: Accelerating New Mitigations (ANM)	(12,165)	(26,582)	(36,383)	(41,999)	(117,129)	The programme accelerates development and uptake of high impact agricultural mitigation technologies to reduce greenhouse gas emissions. Waste levy funding is to be targeted toward grants and	Paragraph 12(i) Rec g(i)

						investments in science excluding Agrizero, international and crown-Māori aspects of the programme.	
Multiple agencies: Crown site liability reduction (additional expenditure)	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)	Management and remediation of contaminated sites, focused on land for which the Crown is liable including historic Acid Mine Drainage at Stockton Mine	Paragraph 12(ii) Rec g(ii)
Total new high value / wider initiatives	(49,288)	(63,905)	(74,856)	(94,472)	(282,521)	Average of \$70m per year	Paragraph 12
Net Revenue / (Expenditure)	(34,938)	(1,892)	629	(5,313)	(41,514)	See memorandum account balance tables below - Memorandum Surplus / Deficit trending towards zero over time	

[Post B24] Memorandum Account Balance (next four years)				
Forecasted Opening Balance (2025/26)	35,571			
Total Revenue	255,721	273,115	301,719	301,217
Total Expenditure	(290,659)	(275,007)	(301,090)	(306,530)
Net Revenue / (Expenditure)	(34,938)	(1,892)	629	(5,313)
Memorandum Surplus / Deficit	633	(1,259)	(630)	(5,942)

[Pre B24] Memorandum Account Balance (next four years)					Description	Briefing note reference (paragraph/recommendation)
Forecasted Opening Balance (2025/26)	144,790					
Contestable Waste Minimisation Fund (historic unallocated funds)	(34,308)	(29,099)	(29,745)	(32,545)	Forecast expenditure from proposed \$30 million annual cap for WMF allocation to new projects. Figures here modelled on expenditure. Has no impact on the surplus due to use of unallocated funds from previous financial years. Includes forecast expenditure for existing WMF projects (as at Jan 25) in contract (or in contracting). Includes expenditure from existing portfolio of reducing emissions from waste initiatives	Paragraph 7(i) Rec b
Memorandum Surplus / Deficit	110,482	81,383	51,638	19,093		
Net Memorandum Account Balance	111,115	80,124	51,008	13,151		

Appendix 2: Departmental adjustments (outlined in paragraph 10)

Departmental Output Expenses	\$m				
	2025/26	2026/27	2027/28	2028/29 & Out years	Total
Environment Work Programme (waste and hazardous substances)					
Current appropriation	16.480	7.600	7.600	7.600	39.280
Total funding required	15.223	13.099	13.099	13.099	54.519
Difference (waste levy funding sought)	(1.257)	5.499	5.499	5.499	15.239

Waste Minimisation Administration (collecting and administering waste levy)					
Current appropriation	5.906	5.906	5.906	5.906	23.624
Funding required	13.102	13.290	13.290	13.290	52.971
Difference (waste levy funding sought)	7.196	7.384	7.384	7.384	29.347

Total current appropriation	22.386	13.506	13.506	13.506	62.904
Total funding required	28.325	26.388	26.388	26.388	107.490
Total (net) funding sought	5.939	12.882	12.882	12.882	44.586